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*Gold (& mkts) Charts R Us*  
subscribers via e-mail

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**\*DO NOT FORWARD\***

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# *-Gold (& mkts) Charts R Us-*

••• Welcome to *GCRU* #412 on Sept 1, 2010 (in its 9<sup>th</sup> year). By Jove, another great week in gold bullion which has continued to rise stubbornly towards its June peak ☺. Technically, a 2-day close over \$1262.40 is needed to raise a new green flag in gold. But, being major resistance, bullion is likely to pause &/or shrink back below that level even if relatively near-term higher highs are to follow. So just how low could a bullion dip go? It's far from uncertain, but as discussed over recent weeks, there's the potential for a bullish 4-month reverse H&S in bullion. The left shoulder & head have now been completed (although there's still room to rise a bit higher towards the \$1262.40 neckline level). A right shoulder would require a dip towards the \$1200.00-1182.00 under-market support, & then a re-rise to \$1262.40. That suggests that bullion & the gold shares would lose some of their recent gains, but it would also provide us with a heaven sent opportunity to put in pre-emptive buy orders, in winning (ie, top R/S) stocks, as they pullback to supports. While the bulls are salivating over the prospect of an upside breakout, the bears are encouraged by the belief that gold could rollover here to complete the right shoulder of a bearish 4-month H&S top cum triple top (each camp reads its own tea leaves!). Two 4-month patterns oppose each other! This warns the usual culprits may try to exploit any short selling/profit taking triggered by a technical break below the July uptrend line (now \$1229.50), hoping to operate their habitual & illegal long squeeze at the expense of the weaker hands &/or the unprepared, before covering their shorts with a fat profit, & then reversing to long, knowing that bullion will immediately pop upside like an air bubble released under water. ••• In spite of gold's blistering bull mkt run up from its 2001 lows it still has the potential to multiply its price many times over. According to the *World Gold Council*, global asset allocation into gold is still *extremely small*, ie, less than 1%! ••• If gold bullion is to takeout the prior record high in a forceful manner it will need some help from the currencies. Fundamentals hint the US\$ is headed off cliff-edge, but we need stay flexible as the \$ chart hints that may not happen immediately. The weekly US\$ has dipped & bounced on logical right shoulder support of a bullish 21-month reverse H&S, which is underpinned by a possible 5-week R/H&S in the daily chart. If we see a conclusive upside breakout from the daily R/H&S (via a 2-dc over 83.90) it would signal a stronger \$ for some days/weeks to come, which would coincide with a technical dip in bullion towards the \$1200.00-1182.00 level as outlined above. So, unless this \$ bullish potential is voided by a clear break below 82.40 (confirmed below 80.00), a US\$ rally *towards* the 88.00 R/H&S neckline

level isn't out of the question. Chart odds probably favor it. ●●● Rumors are circulating that *Citibank* may be heading towards liquidity trouble in September and October. ●●● Copper is trading back near its all-time highs on supply concerns. Two decades of low prices means little money was invested in discovering or developing new deposits, & ore grade is falling as existing mines continue to age. The copper futures chart shows the risk of a 10-month H&S top, but a 2-dc over 3.43 could spur a vigorous upside move. If U are looking to diversify your portfolio, two copper stocks with promising charts are: Continental Minerals (TSX: KMK-T – copper/gold); buy after 2-dc over 2.32; stop: 1-dc below 1.85; for 2.98 initial upside target, and Equinox Minerals (TSX: EQN-T – copper); buy after 2-dc (consecutive) over 4.75; stop: 1-dc below 3.90; sell ½ at 5.70. ●●● Yields on 10-year Swiss bonds fell to 1.02% last week as investors flocked into the safe-haven asset that is currently outperforming gold! ●●● On the currency front: we covered our A-\$ hedge/short sale on the break above its Aug downtrend line, and are now looking to go long on strength after a new higher low above 87.50; stop: 1-dc below 86.70. And/or buy big after a break above 91.00 (basis Dec futures). ●● We are still short/hedged the Cad-\$ for 93.10 initial downside target, with a break above its Aug downtrend line (now 96.00) providing a comparable signal to cover/exit our hedge at mkt. ●●● *ZeroHedge* says this Monday “the IMF announced it had extended the duration of its existing Flexible Credit Line (FCL) to two years, *concurrently removing the borrowing cap on this facility, which previously stood at 1000% of a member's IMF quota, in essence making the FCL a limitless credit facility, to be used to rescue whomever, at the sole discretion of the IMF's overlords.*” *ZeroHedge* remind us that back in April, a similarly drastic move by the IMF (the inception of its \$500 billion New Arrangement to Borrow credit facility) preceded the financial meltdown of Greece. We can therefore assume the IMF is preparing for another imminent “collapse,” which implies other less savory changes are probably lurking in the wings. IE, drastic financial & social changes, such as currency controls, tighter visa controls, punitive trade restrictions, confiscation, tax increases, & widespread cuts in social services/protection, etc. There is also the risk that govt will fabricate an “external threat” to facilitate their implementation. ●●● Silver has bullishly popped to a new 10-week high & transformed its prior H&S top threat into the handle of a 9-month cup&handle, with a 19.40-19.74 neckline zone, & a 24.15 theoretical upside target. The fact that silver has perked-up is a very positive omen, as it often leads gold. ●●● No jobs = no recovery. Forget the “official” US unemployment rate of 9.5%. As the *Wall Street Journal* points out, “just 61% of the adult population, age 20 or over, has any kind of job right now (in the 1950s, that figure was 85%).” ●●● Chart walk: Two new

members wrote in to say they missed buying into our new top *Relative Strength* gold share picks (ie, European Goldfields, Guyana Goldfields, & Timmins Gold) because they were “apprehensive” about buying stocks breaking into new high ground. On the contrary, these are our favorite chart set-ups as there is no sign of strength more certain than a stock breaking above heavy resistance. Why? Because a stock that bursts above major technical resistance (eg, neckline resistance of a R/H&S, sym/triangle, cup&handle, etc) on *rising volume* & in a dynamic manner (especially gap-up breakouts) highlights the type of *aggressive & determined* buying power required to fuel substantial upside moves. And, with no overhead supply to hinder their progress, these trades offer low risk entry points as protective stoplosses can be placed just below the prior resistance, which acts as new support for price. In addition, after the breakout, initial setbacks are usually short-lived as those who have missed the boat scramble to go long, which means stoplosses can be raised quickly to breakeven & U are then playing with the house’s money after that ☺. •••• *Bullish Consensus* have gold at 74% (up 3% from last week). The US\$ at 59% (down 3%). BC says gold’s signals are “neutral/bullish short-term. The intermediate trend is cautiously bullish/neutral,” which warns again that overhead resistance may prove to be an obstacle. •••• Analysis of the Dow’s (DJIA) average performance for each calendar month since 1950 shows the worst calendar month for stock market performance is September. A break below the S&P500 (1009.70) July closing low would sound a technical alarm that should be used to tighten stops &/or pre-emptively hedge the gold shares, because where the stk mkt goes *initially*, the gold shares will follow (baby again thrown out with the bath water) before separating themselves from the general mkt & quickly rebounding. •••• We have removed Lihir Gold from *GCRU* this week following its merger with Newcrest Mining. Lihir’s ADR’s will be withdrawn from the Nasdaq, & in addition the ordinary shares listed on the ASX and the POMSox are suspended. •••• We’ve tweaked our *Schultz Gold Index (SGI)* today, as it was struggling under the weight of several weaker components, which reflects the never-ending changes of Relative Strength within the sector. *SGI*, which is designed as a trading tool, is regularly remodeled to reflect the action of *top* relative strength gold shares, and hopefully provide us with directional hints ahead of the pack. •••• **Bottom Line**: banking profits below major resistance is a clever move because it safeguards winnings & limits downside risk. If bullion breaks directly to a new high, we can re-buy *on* the breakout. If it dips, we can spec buy on the setback &/or more aggressively after a dip that clearly holds the \$1200.00 level (to help avoid any nasty surprises). If the dip turns into something bigger (with a sharp upturn in bullish gold sentiment some contrarian thinking is

in order), we will have banked profits at or near to a top. What could be smarter than that? ●●● Gold is *reaching* (today's password) for a new high, & its strength tells us that people are preparing for a crisis. Nobody knows for sure what lies around the corner, but they know that during uncertain times, gold is a good thing to have in your pocket. ●●● Gold is up \$5.50 in early European trading this AM, & holding Tuesday's impressive gain. The US\$ is down 76 cents. ●●● Warm winds are blowing over gold bullion, but just because the Comex snakes *appear* to be under pressure doesn't mean they're totally out of the game. A cautiously bullish goodbye from ***Uncle Harry***, & co-pilot Paul. ●●● If it's Wednesday, it's *Gold (& Mkts) Charts R Us*.

## IN THIS ISSUE

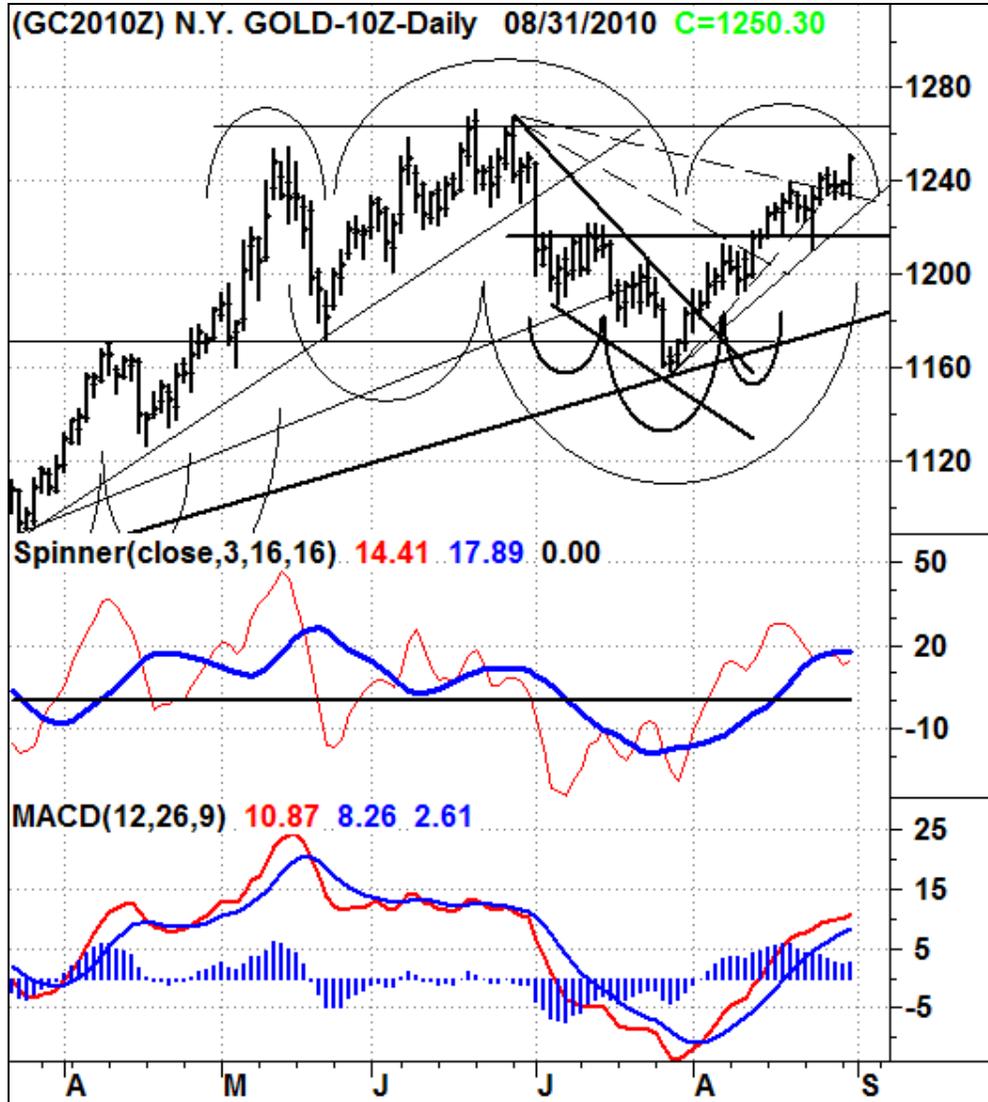
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Crude oil (NYMEX)  
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US\$-Index

## ••Our Abbreviations:

19 1dc = 1-day close (the share price  
must close above or below the  
16 indicated price level, before our  
10 recommendation is activated).  
23 2dc = 2-day close (consecutive).  
11 Bot = bought.  
CAD\$ = Canadian dollar.  
11 H&S= Head & Shoulder.  
12 L/O/C= Line On Close.  
7 L/T = Long Term.  
8 M/T = Medium Term.  
12 N/L = neckline.  
P/F = Portfolio.  
13 P/O = Price Objective.  
13 Recom = Recommended.  
14 R/H&S = Reverse Head &  
17 Shoulder.  
9 R/S = Relative Strength.  
S/T = Shortterm.  
9 Sym/tri = symmetrical triangle.  
14 Tgt = Target.  
17 Unch = unchanged.  
15 Vol = Volume.  
18 Wk = week.  
18 Ystdy = yesterday.  
15  
18

# GOLD

## Comex gold Dec futures – daily – 5 month view



Note bullish base vs bearish top.

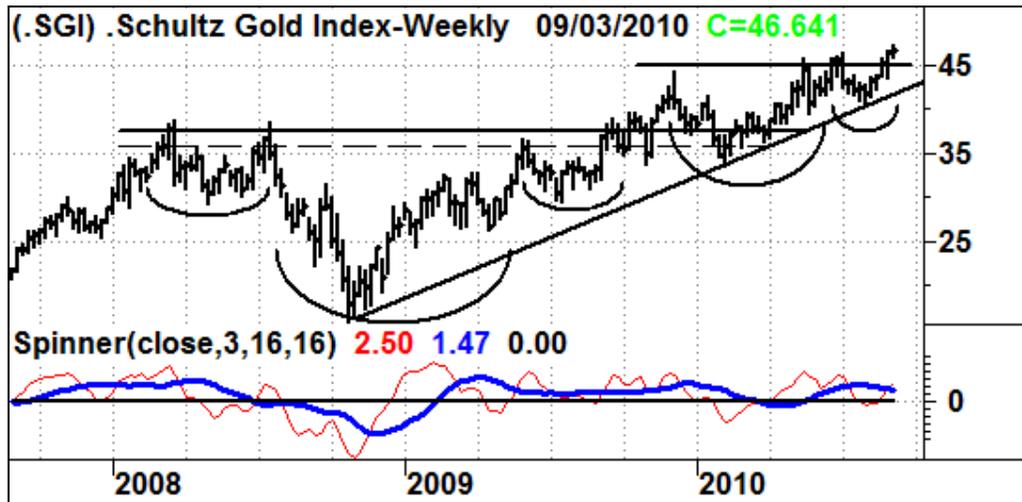
## Comex gold Dec 2010 futures – 480 min – 8 wk view



### Comex gold Dec 2010 futures Cx - 480-min tick chart (all sessions):

<b>Open trades:</b>	<b>Long at:</b>  <b>Stop:</b> <b>Profit targets:</b>	Some spec bought at 1195.90 (Aug-04-10). Gamblers/active traders re-bot Dec at 1232.10. S/T: 1227.80-stop. M/T: 1-dc below 1227.80. 1284.20 &/or 1318.80 &/or 1352.30. Some took profit at 1243.80 ☺.
<b>New Recom:</b>	-If out, <u>wait</u> to buy strength after a dip that clearly holds 1200.00-1182.00 under-market support. And/or buy Dec after 2-dc (or a high volume rise/close) over 1262.40; stop: exit, or sell ½ at 1227.80, ½ after 1-dc below 1227.80; take partial profits at 1318.80 & 1352.30. -Gamblers/hedgers sell short Dec after 1-dc below July uptrend line support (now 1229.50); stop: 1262.40-stop; cover ½ between 1200.00 & 1182.00.	
<b>Comment:</b>	Unrelenting rise towards \$1262.40 pivotal (closing) resistance of June 18 peak. Threat of May-Aug triple top <u>vs</u> uncertain reverse H&S, with a right shoulder still to come. Spinner in refreshed bull mode. June-Aug reverse H&S base; 1284.20 upside target.	

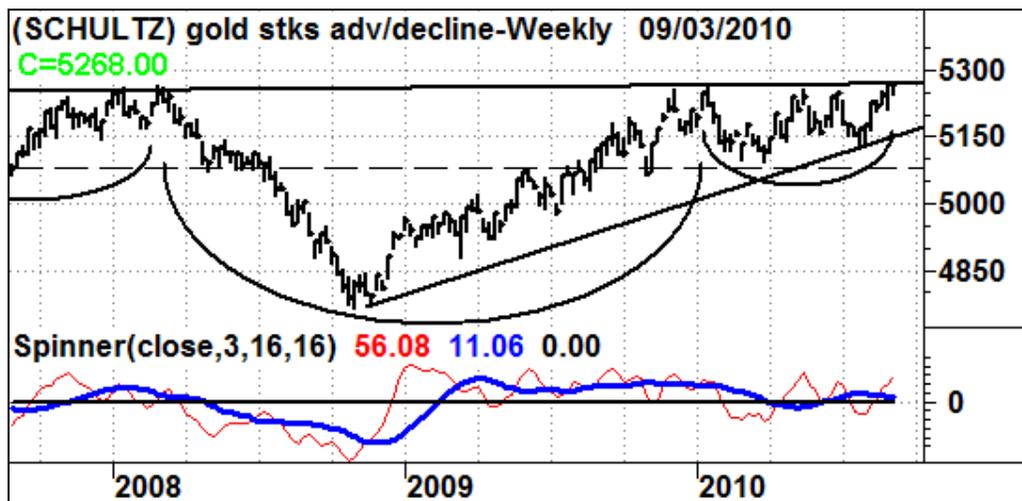
**Schultz Gold Share Index (SGI) – weekly (revised Sept 1)**



**Schultz Gold Index (SGI) – weekly chart (revised Sept 1):**

<b>Comment:</b>	NOTE: SGI components were revised on Sept 1. Mar 2008-Sept 2009 reverse H&S; 58.70 measured target. Spinner in crosscurrent bull mode. 9-month cup&handle & budding upside breakout; 57.20 target. Positive momentum accelerating.
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**Schultz Gold Stocks Advance/Decline Line -- weekly**



**Schultz Gold Stocks Advance/Decline Line (SGS A/D) weekly chart:**

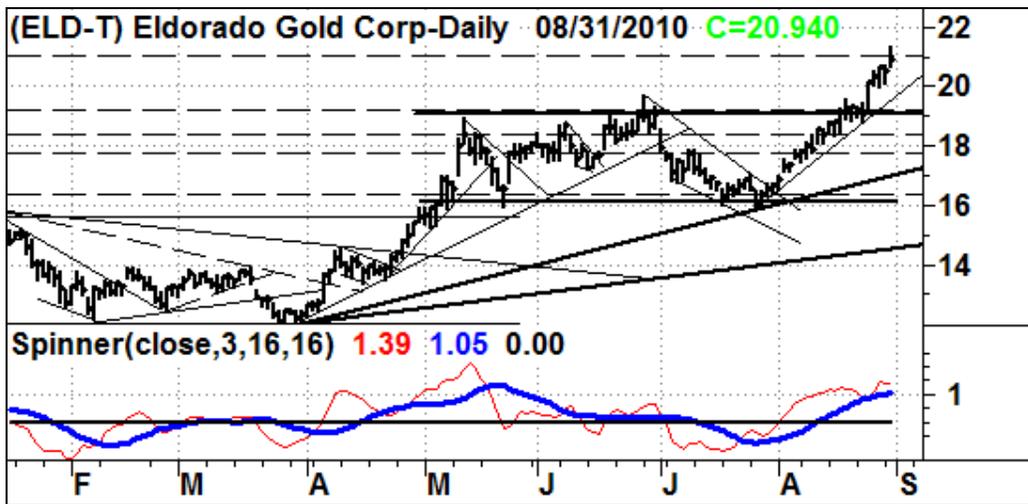
<b>Comment:</b>	Rise to complete would-be 2007-Sept 2010 reverse H&S base; 5710 <i>theoretical</i> upside target. Spinner in strengthening positive cross. Pumped & primed for a major & <u>sector wide</u> breakout! This chart is updated <u>daily</u> on our website. On the GCRU home page click: <i>View Schultz Gold Stocks A/D Line.</i>
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## GOLD SHARES



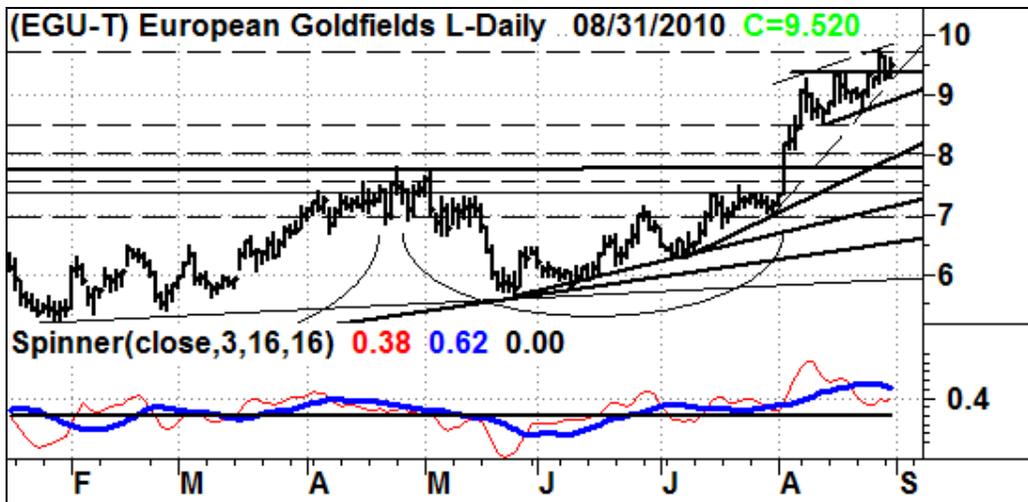
**Detour Gold** (TSX: DGC-T); gold: CAD\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 29.29 (Aug-13-10). Traders re-bought at 31.00.
	<b>Stop:</b>	S/T: 23.60-stop. M/T: 1-dc below 23.60.
	<b>Profit targets:</b>	30.50 (if buy low) &/or 32.80 &/or 34.90.
<b>New Recom:</b>	If out, spec buy if dips to 28.50 & 27.15 & 25.90; stop: 1-dc below 23.60. And/or nibble buy after 2-dc over 32.75.	
<b>Comment:</b>	7-day bull wedge & upside breakout on rising volume. Negative hook in Spinner (thick) confirming line; hints negative winds brewing. Apply <i>trailing</i> profit stops below the Aug uptrend line (now 30.20) to <u>lock-in</u> any shortterm gains.	



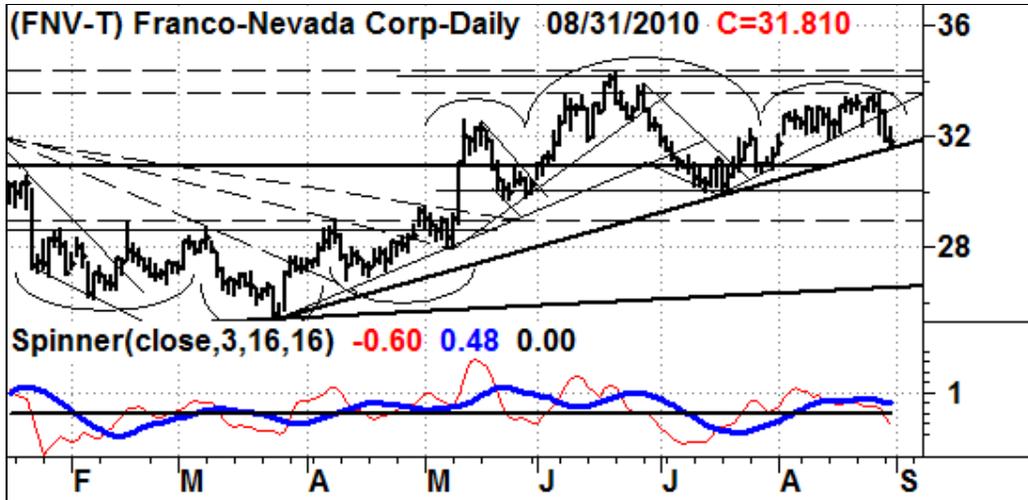
**Eldorado Gold** (TSX: ELD-T; NYSE: EGO; ASX: EAU); gold: CAD\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 13.31 (Feb-12-10). Traders re-bought at 20.36.
	<b>Stop:</b>	S/T: 16.30-stop. M/T: 1-dc below 16.30.
	<b>Profit targets:</b>	21.95 &/or 23.60. Some took profits at 20.30 ☺.
<b>New Recom:</b>	If out, spec buy if dips to 19.10 & 18.35 & 17.75; stop: 1-dc below 16.30. And/or buy bit after 2-dc over 21.10.	
<b>Comment:</b>	Surge rise above top resistance of 3½-month trading range; 21.95 target (basis L/O/C). Spec buy on dips & more aggressively <u>after</u> a setback that clearly holds Mar uptrend line support (now 17.00).	



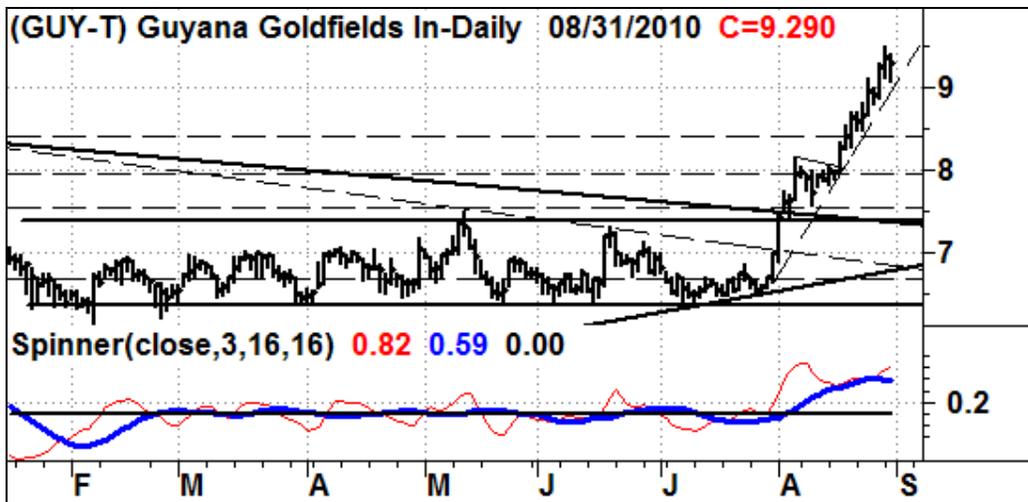
**European Goldfields** (TSX: EGU-T; LSE: EGU); gold: CAD\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 9.36 (Aug-18-10). Traders re-bought at 9.65.
	<b>Stop:</b>	S/T: 6.90-stop. M/T: 1-dc below 6.90.
	<b>Profit targets:</b>	10.25 (if buy low) &/or 11.25 &/or 12.25.
<b>New Recom:</b>	If out, spec buy if dips to 8.50 & 8.00 & 7.50; stop: 1-dc below 6.90. And/or buy bit after 2-dc over 9.70.	
<b>Comment:</b>	14-day ascending triangle vs negative up flag. Nov 2009-July 2010 cup&handle; 10.25 target. Spinner fading. S/T overstretched.	



**Franco-Nevada** (Toronto: FNV-T); gold/platinum/oil/gas: CAD\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 30.99 (Sept-16-09).
	<b>Stop:</b>	S/T: 28.90-stop. M/T: 1-dc below 28.90.
	<b>Profit targets:</b>	35.60 &/or 38.50 &/or 41.20.
<b>New Recom:</b>	If out, wait to buy strength after a dip that clearly holds 31.50; stop: 1-dc below 28.90. And/or buy after 2-dc over 33.50.	
<b>Comment:</b>	3½-month H&S top risk vs possible ascending triangle. Spinner in downside cross & vulnerable to continued weakness in price. Mar 2009-May 2010 ascending triangle; 38.50 theoretical upside target.	



**Guyana Goldfields** (Toronto: GUY-T); gold: CAD\$:

<b>Open trades:</b>	<b>Long:</b>	Initial entry price: 8.27 (Aug-18-10).
	<b>Stop:</b>	S/T: 6.60-stop. M/T: 1-dc below 6.60.
	<b>Profit targets:</b>	At mkt &/or 10.10 &/or 10.80.
<b>New Recom:</b>	If long, take partial profits at mkt. If out, buy if dips to 8.38 & 7.95 & 7.55; stop: 1-dc below 6.60.	
<b>Comment:</b>	Breakout & rocket rise above Jan-July consolidation range. Volume supporting price. Spinner (thick) confirming line rolling over to neutral/negative. Needs to consolidate Aug rally-leg.	



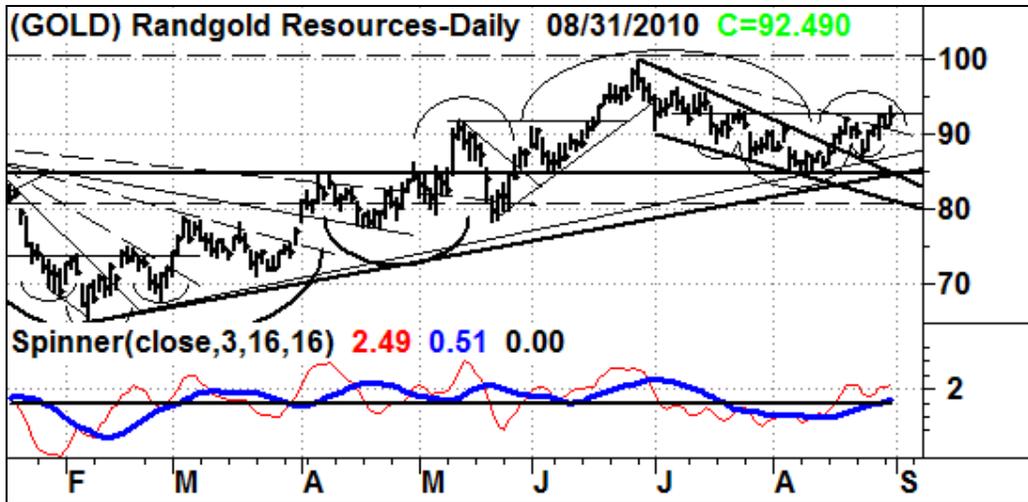
**Iamgold Corp (NYSE: IAG; Canada: IMG-T); gold: US\$:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 14.90 (Feb-17-10). Traders re-bought bit at 17.77.
	<b>Stop:</b>	S/T: 14.80-stop. M/T: 1-dc below 14.80.
	<b>Profit targets:</b>	20.95 &/or 22.65. Some took profit at 19.30 ☺.
<b>New Recom:</b>	If out, spec buy if dips to 17.40 & 16.70 & 16.00; stop: 1-dc below 14.80. And/or buy after 2-dc over 19.10, & again over 20.00.	
<b>Comment:</b>	Rose to complete possible 3½-month reverse H&S. Spinner easing. Mega bullish Dec 2009 sym/triangle (see weekly chart). May struggle to defeat &/or shrink back below shortterm resistance.	



**Osisko Mining (Canada: OSK-T); gold: CAD\$:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 5.90 (May-13-09).
	<b>Stop:</b>	S/T: 11.40-stop. M/T: 1-dc below 11.40.
	<b>Profit targets:</b>	14.65 (if re-buy low) &/or 15.70 &/or 16.90.
<b>New Recom:</b>	If out, spec buy if dips to 13.35 & 12.75 & 12.20; stop: 1-dc below 11.40. And/or buy bit after 2-dc over 14.25.	
<b>Comment:</b>	Uncertain H&S top risk vs 7-day bull flag & budding upside breakout on rising volume. Spinner (thick) confirming line in aggressive downturn; advises shortterm caution.	



**Randgold Resources (Nasdaq: GOLD; London: RRS); gold: US\$:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 74.42 (Feb-17-10).
	<b>Stop:</b>	S/T: 80.60-stop. M/T: 1-dc below 80.60.
	<b>Profit targets:</b>	100.40 &/or 105.60 &/or 110.60 &/or 115.60.
<b>New Recom:</b>	If out, buy after 2-dc over 92.50; stop: 1-dc below 80.60.	
<b>Comment:</b>	May-Sept H&S top vs 6-week reverse H&S; 100.40 upside target. Spinner warming to bullish & placed to confirm sustained strength in price. June peak bull wedge; 99.67 target. Back on the boil.	



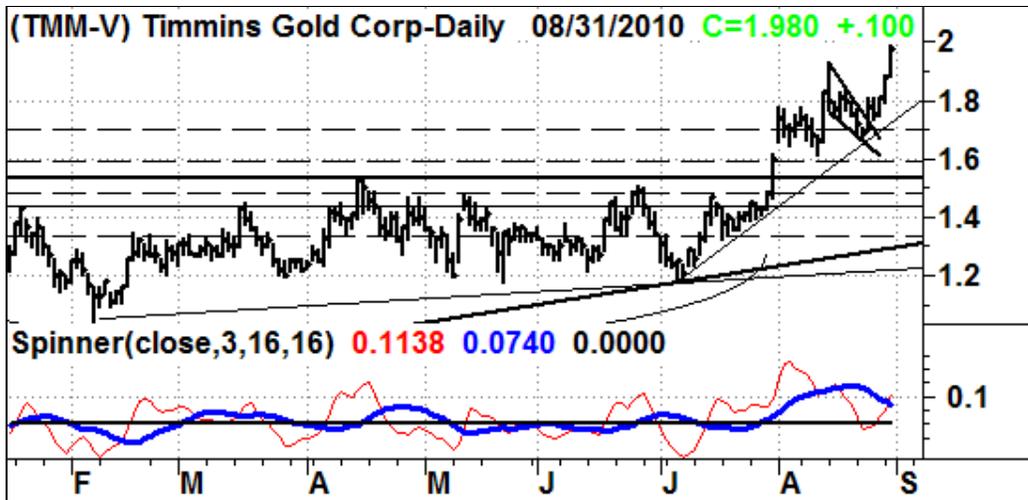
**Semafo Inc (Toronto: SMF-T) gold: CAD\$:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 5.00 (Mar-03-10).
	<b>Stop:</b>	S/T: 6.80-stop. M/T: 1-dc below 6.80.
	<b>Profit targets:</b>	9.80 &/or 10.80 &/or 11.80.
<b>New Recom:</b>	If out, buy if dips to 8.20 & 7.80 & 7.45; stop: 1-dc below 6.80. And/or buy after 2-dc over 8.90.	
<b>Comment:</b>	July upwedge & unconvincing breakdown. Spinner in persistent downturn. Bullish mix of June peak sym/triangle cum cup&handle.	



**Silver Wheaton** (NYSE: SLW; Toronto: SLW-T); silver/gold: US\$:

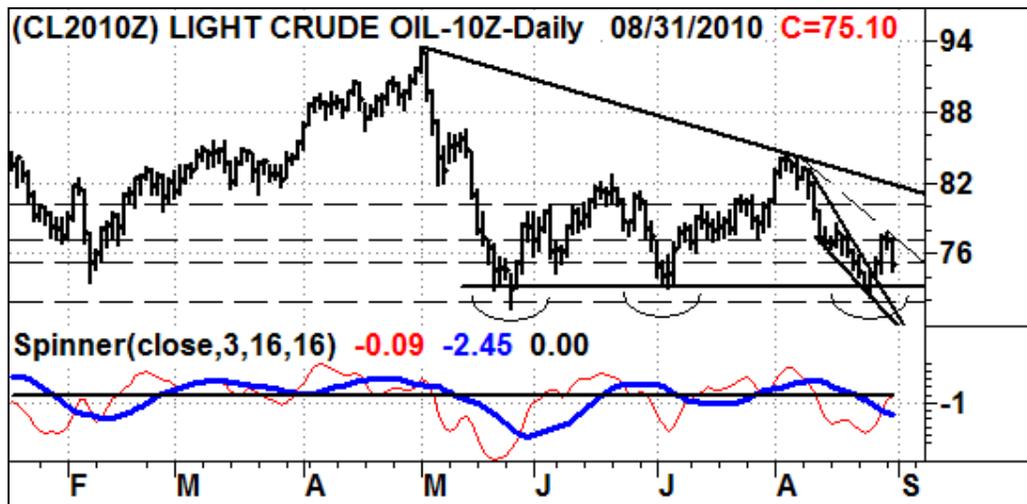
<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 15.84 (Feb-17-10). Traders re-bought at 22.80.
	<b>Stop:</b>	S/T: 17.30-stop. M/T: 1-dc below 17.30.
	<b>Profit targets:</b>	25.20 &/or 26.90. Some took profit at 23.50 ☺
<b>New Recom:</b>	If out, spec buy if dips to 22.30 & 20.50 & 19.70; stop: 1-dc below 17.30. And/or buy bit after 2-dc over 23.10.	
<b>Comment:</b>	Bullish break above May-Aug consolidation range on rising volume; 25.20 upside target (basis L/O/C). Spinner probing shorterm overbought extremes. Aug 31 negative 1-day downside reversal.	



**Timmins Gold Corp** (TSXV: TMM-V) gold: CAD\$:

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price 1.80 (Aug-16-10). Traders re-bought at 1.88.
	<b>Stop:</b>	S/T: 1.33-stop. M/T: 1-dc below 1.33.
	<b>Profit targets:</b>	1.80 (if buy low) &/or 2.10 &/or 2.40 &/or 2.75.
<b>New Recom:</b>	If out, spec buy if dips to 1.70 & 1.58 & 1.48; stop: 1-dc below 1.33.	
<b>Comment:</b>	Aug bull wedge & upside breakout. Volume plus. Mar 2008-July 2010 cup&handle base; 2.75 theoretical upside target. Unleashed!	

# FUTURES



## Crude Oil NY Dec 2010 futures – daily chart:

<b>Open trades:</b>	<b>Long at:</b>	Exited Oct shorts via 73.50 profit stop ☺. Gamblers then bought Oct at 75.17 (Aug-27-10).
	<b>Stop:</b>	70.80-stop (basis Oct).
	<b>Profit targets:</b>	Sell ½ at 79.20, & tight trail stop rest.
<b>New Recom:</b>	If out, Vegas gamblers/active traders only buy <u>Dec</u> bit after 1-dc above 2 <sup>nd</sup> fan line from Aug peak (now 77.00); stop: 73.40-stop (use mini cx to offset wider stops); sell ½ at 80.10 &/or trail stop strength. <u>Or</u> , gamblers sell short <u>Dec</u> after 1-dc below 71.80; stop: 75.10-stop; cover ½ at 66.30.	
<b>Comment:</b>	Unconfirmed 3-month triple bottom & rebound on rising volume. Slim bull wedge from Aug high. Spinner in positive cross but (thick) confirming line has yet to make an obvious upturn. Requires more time to convince/confirm.	



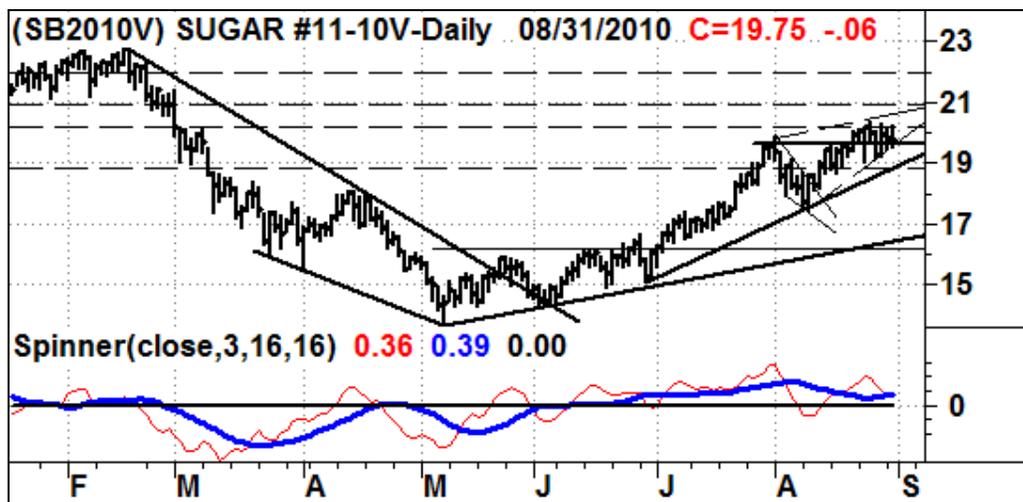
**Silver Dec 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 18.41 (Aug-02-10). Traders re-bought Dec at 19.07 or 19.02.
	<b>Stop:</b>	Basis Sept: 17.50-stop. Basis Dec: 17.65-stop.
	<b>Profit targets:</b>	Basis Sept: at mkt &/or 20.40. Basis Dec: 19.76 &/or 21.10 &/or 21.90.
<b>New Recom:</b>	If out, wait to buy after a dip that holds 18.65. And/or buy after 2-dc (or decisive rise/close) over 19.75; stop: 18.65-stop; sell bits at 21.10 &/or 21.90. Short Dec after 1-dc below 17.65; stop: 18.65-stop; cover ½ at 15.80. Take profit in Sept ex at mkt &/or 20.40.	
<b>Comment:</b>	Prior H&S top threat voided via bullish pop to new 10-week high.	



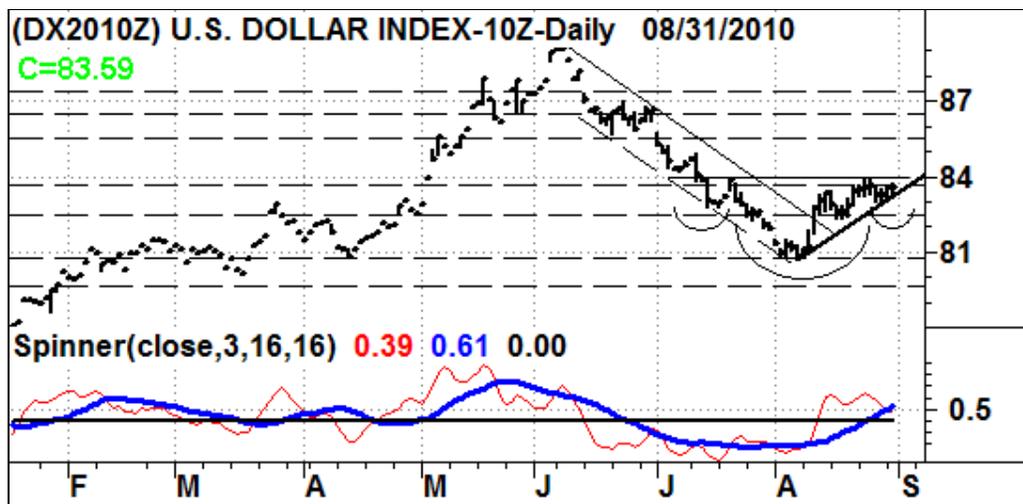
**S&P500 Index Dec 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Short at:</b>	Initial entry price: 1119.30 (Aug-08-10).
	<b>Stop:</b>	S/T: 1072.50-stop (basis Sept).
	<b>Profit targets:</b>	1016.00 &/or 988.50. Took profit at 1041.50 ☺.
<b>New Recom:</b>	If out, gamblers sell short Dec at 1027.40-stop; stop: 1063.50-stop; cover bits at 985.60 &/or 963.60. Or, spec buy Dec bit after 2-dc over 1063.50; stop: 1027.40-stop; sell ½ at 1116.60.	
<b>Comment:</b>	May hold/rise here to complete 3½-month reverse H&S base.	



**Sugar Oct 2010 futures – daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price 17.12 (Jul-14-10). Gamblers re-bought Oct at 20.16; traders at 19.40.
	<b>Stop:</b>	S/T: 18.80-stop. M/T: 1-dc below 18.80.
	<b>Profit targets:</b>	20.90 &/or 21.90.
<b>New Recom:</b>	If out, spec buy Oct after 1-dc over 20.15; stop: 18.80-stop.	
<b>Comment:</b>	Struggling to hold break above Aug peak resistance. Spinner easing from crosscurrent mode to bullish. Shortterm upwedge look. June uptrend line (now 18.80) separates bull & bear camps.	



**US\$ Index Dec 2010 futures-daily chart:**

<b>Open trades:</b>	<b>Long at:</b>	Initial entry price: 83.04 (08.13.10).
	<b>Stop:</b>	S/T: 82.40-stop. M/T: 1-dc below 82.40.
	<b>Profit targets:</b>	84.80 &/or 86.20 &/or 87.50 (basis Sept).
<b>New Recom:</b>	If out, buy <u>Dec</u> after 1-dc (must be decisive) over 83.90; sell bits at 85.50 &/or 86.50 &/or 87.40. Sell, or sell short <u>Dec</u> after 1-dc below 82.40; stop: 1-dc over 83.90; cover 1/2 at 80.75 &/or 79.60.	
<b>Comment:</b>	Expanding possible right shoulder of 7-week reverse H&S base; 87.40 upside target. Spinner mixed to bullish. <u>Don't</u> push it.	

Sept-01-10

## OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
<b>Gold shares</b>											
Agnico Eagle Mines	AEM	Traders re-bought at 65.10. If out, spec buy if dips to 61.70 & 60.00 & 58.30; stop: 1-dc below 53.20. And/or buy after 2-dc over 65.30.	L	Apr-16-10	58.90	65.10	64.97	53.20-stop 1-dc U/53.20	Hit at 66.30 ☺	68.90	72.50
Detour Gold	DGC-T	If out, spec buy if dips to 28.50 & 27.15 & 25.90; stop: 1-dc below 23.60. And/or nibble buy after 2-dc over 32.75.	L	Aug-13-10	29.29	31.00	31.85	23.60-stop 1-dc U/23.60	30.50 (if buy low)	32.80	34.90
Eldorado Gold	ELD-T	If out, spec buy if dips to 19.10 & 18.35 & 17.75; stop: 1-dc below 16.30. And/or buy bit after 2-dc over 21.10.	L	Feb-12-10	13.31	20.36	20.94	16.30-stop 1-dc U/16.30	Hit at 20.30 ☺	21.95	23.60
European Goldfields	EGU-T	If out, spec buy if dips to 8.50 & 8.00 & 7.50; stop: 1-dc below 6.90. And/or buy bit after 2-dc over 9.70.	L	Aug-18-10	9.36s	9.65	9.52	6.90-stop 1-dc U/6.90	10.25 (if buy low)	11.25	12.25
Franco Nevada	FNV-T	If out, wait to buy strength after a dip that clearly holds 31.50; stop: 1-dc below 28.90. And/or buy after 2-dc over 33.50.	L	Sep-16-09	30.99		31.81	28.90-stop 1-dc U/28.90	35.60	38.50	41.20
Guyana Goldfields	GUY-T	If long, take partial profits at mkt. If out, buy if dips to 8.38 & 7.95 & 7.55; stop: 1-dc below 6.60.	L	Aug-18-10	8.27		9.29	6.60-stop 1-dc U/6.60	<u>At mkt</u>	10.10	10.80

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## OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
<b>Gold Shares</b>											
Iamgold Corp	IAG	If out, spec buy if dips to 17.40 & 16.70 & 16.00; stop: 1-dc below 14.80. And/or buy after 2-dc over 19.10, & again over 20.00.	L	Feb-17-10	14.90	17.77	18.74	14.80-stop 1-dc U/14.80	Hit at 19.30 ☺	20.95	22.65
Osisko Mining	OSK-T	If out, spec buy if dips to 13.35 & 12.75 & 12.20; stop: 1-dc below 11.40. And/or buy bit after 2-dc over 14.25.	L	May-13-09	5.90		14.19	11.40-stop 1-dc U/11.40	14.65 (if re-buy low)	15.70	16.90
Randgold Res.	GOLD	If out, buy after 2-dc over 92.50; stop: 1-dc below 80.60.	L	Feb-17-10	74.42		92.49	80.60-stop 1-dc U/80.60	100.40	105.60	110.60
Semafo Inc	SMF-T	If out, buy if dips to 8.20 & 7.80 & 7.45; stop: 1-dc below 6.80. And/or buy after 2-dc over 8.90.	L	Mar-03-10	5.00		8.74	6.80-stop 1-dc U/6.80	9.80	10.80	11.80
Silver Wheaton	SLW	If out, spec buy if dips to 22.30 & 20.50 & 19.70; stop: 1-dc below 17.30. And/or buy bit after 2-dc over 23.10.	L	Feb-17-10	15.84	22.80	22.56	17.30-stop 1-dc U/17.30	Hit at 23.50 ☺	25.20	26.90
Timmins Gold	TMM-V	If out, spec buy if dips to 1.70 & 1.58 & 1.48; stop: 1-dc below 1.33.	L	Aug-16-10	1.80	1.88	1.98	1.33-stop 1-dc U/1.33	1.80 (if buy low)	2.10	2.40

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## OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/-sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
<b>Futures</b>											
Crude oil	CL Z0	If out, Vegas gamblers/active traders only buy Dec bit after 1-dc above 2nd fan line from Aug peak (now 77.00); stop: 73.40-stop (use mini cx to offset wider stops); sell ½ at 80.10 &/or trail stop strength. Or, gamblers sell short Dec after 1-dc below 71.80; stop: 75.10-stop; cover ½ at 66.30.	L	Aug-27-10	75.17		75.10	70.80-stop (Basis Oct)	Sell 1/2 at 79.20	Tight trail stop rest	
Gold	GC Z0	See page 8.	L	Aug-04-10	1195.50	1232.10	1250.30	1227.80-stop 1-dc U/1227.80	Hit at 1243.80 ☺	1284.20	1318.80
Silver	SI Z0	If out, wait to buy strength after a dip that clearly holds 18.65. And/or buy after 2-dc (or decisive rise/close) over 19.75; stop: 18.65-stop; sell bits at 21.10 &/or 21.90. Sell short Dec after 1-dc below 17.65; stop: 18.65-stop; cover ½ at 15.80. Take profit in Sept cx <u>at mkt</u> &/or 20.40	L	Aug-02-10	18.41	19.07 or 19.02	19.43	17.50-stop (Basis Sept) 17.65-stop (Basis Dec)	At mkt (Basis Sept) 19.76 (Dec)	20.40 (Basis Sept) 21.10 (Dec)	21.90 (Basis Dec)
SP500	SP Z0	If out, gamblers sell short Dec at 1027.40-stop; stop: 1063.50-stop; cover bits at 985.60 &/or 963.60. Or, spec buy Dec bit after 2-dc over 1063.50; stop: 1027.40-stop; sell ½ at 1116.60.	S	Aug-08-10	1119.30		1043.30	1072.50-stop (Basis Sept)	Hit at 10.41.50 ☺	1016.00 (Basis Sept)	988.50 (Basis Sept)

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## OPEN POSITIONS & NEW RECOMMENDATIONS RECAP

Sectors	Symbol	Trade recommendation	Long Short	Initial Entry Date	Initial Entry Price	Traders re-bot/- sold at	Last Closing Price	Trailing Stoploss	Target #1	Target #2	Target #3
<b>Futures</b>											
Sugar	SB V0	If out, spec buy Oct after 1-dc over 20.15; stop: 18.80-stop.	L	July-14-10	17.12	20.16 19.40	19.75	18.80-stop 1-dc U/18.80	20.90	21.90	
US\$-Index	DX Z0	If out, buy Dec after 1-dc (must be decisive) over 83.90; sell bits at 85.50 &/or 86.50 &/or 87.40. Sell, or sell short Dec after 1-dc below 82.40; stop: 1-dc over 83.90; cover ½ at 80.75 &/or 79.60.	L	Aug-13-10	83.04		83.59	82.40-stop 1-dc U/82.40	84.80 (Basis Sept)	86.20 (Basis Sept)	87.50 (Basis Sept)

•••• **“US preparing laws to seize American retirement accounts.”**

Ultimately, nationalizing healthcare is designed to create a major new govt *revenue stream* by replacing private health insurance with a nationalized, mandatory, govt program and their goal is identical with your retirement plan, according to *The European Union Times*. “Bills have just been introduced in both the House and Senate to create the new Auto IRA accounts which will at first be voluntary but later will become mandatory like Social Security and I expect the early 3% employee after tax contribution levels to eventually rise to 10 to 15% of compensation rising even more than Social Security has increased over the years. **The Auto IRA is the first step to grab and control your retirement assets and replace our private system with a forced, govt controlled Social Security type program.** In addition they will force much of your retirement funds into buying junk treasury bonds along with the Federal Reserve when the dollar/national debt crisis hits as billions of retirement funds become the buyer of last resort, when the rest of the world are dumping dollars and treasury securities. Americans with substantial private retirement benefits will also likely be ‘means tested’ out of their promised Social Security benefits and discover their private retirement benefits will be subject to confiscatory levels of taxes and penalties which will even target previously taxed Roth IRA accounts.” End quote. The Argentina govt seized control of the country’s private pension funds to help pay its debts. Given the arrogance of today’s financial elite, isn’t stealing pension funds just the logical next step? Protect & take control of your future while U still can. •••• **Inflation adjusted Dow at 1999 levels.** “And what about the Dow that’s rebounded from its 2009 low of 6,830 and currently trades around 10,000? Touted as a recovery bellwether, in reality, the Dow was trading at 10,000 in 1999,” comments Gerald Celente’s *Trends Research Institute*. “Moreover, when adjusted for inflation, Dow 10,000 of 2010 is really the equivalent of only Dow 8,200 in 1999. But Wall Street and the media do an excellent job of concealing such facts from the public. In their perpetually sunny financial skies, it is always, always, always a ‘buying opportunity.’ As the *Trends Research Institute* have been saying all along: insiders aside, investing in the stock market is a loser’s game. **Just to get back to its 1999 level in real, inflation-adjusted terms, the Dow would have to hit 13,460.**” End quote. Inflation is a deliberate act of policy, systematically manufactured by govt for its own benefit (to wipe out debts & increase taxation) at the expense of ordinary people who are dependent on the integrity of the monetary system for their savings & pensions. •••• **Citi says “QE2 would be the end-game for the US\$.”** Tyler Durden of *ZeroHedge* comments: “These are not the hyperbolic ramblings of various fringe blogs who have been claiming this

for over a year; these are the non-hyperbolic ruminations of Steven Englander, until recently head FX strategist at *Barclays*, and recently at *Citi*: ‘A second round of QE will likely put sharp downward pressure on the US\$, *to some degree versus the euro and other G10 currencies*, with potential for a broader US\$ sell-off. **Foreign investors are likely to view the renewed direct intervention as indicating that the Fed’s balance sheet expansion and implicit monetization of fiscal expenditures are first line approaches to dealing with disappointing recovery prospects, rather than the exceptional measures they were meant to be initially. This could have severe implications for foreign perceptions of the quality of the US assets that they are accumulating in private and official portfolios, and may lead them to draw the conclusion that US\$ weakness is less a by-product than a desired outcome of these measures.** It is difficult to gauge the set of policies that US policymakers will pursue to reduce the risk that the US slumps into a significant slowdown. In the current environment of extremely disappointing growth and apparent lack of response to traditional monetary stimulus, policies that are less than orthodox are likely to be seriously considered. Most of these unorthodox policies are likely to weigh on the US\$.’ **Guess what that means for gold?**” End quote. The end game as a result of reckless govt spending, incalculable mountains of overvalued derivative debt, & unbridled quantitative easing, will be a systemic Western world sovereign debt crisis. In an unexpected twist for many, the final collapse & open public panic could start in the UK & US, not in Europe as the media’s puppet masters would have us believe. •••• **“Congressman Ron Paul calls for an audit of US gold reserves.”** Congressman Ron Paul has launched a new frontline battle to introduce a bill next year that will allow for an audit of America’s gold reserves. “If we ever get around to deciding we should use gold in relationship to our currency we ought to know how much is there,” Paul said. The new gold audit follows Paul’s attempt to audit the Federal Reserve, which he says should be shut down. “I don’t think the Federal Reserve should exist – it would be best for congress to exert their responsibilities and that is find out what they are doing. **It is an ominous amount of power they have to create money out of thin air, and being the reserve currency of the world, and be able to finance runaway spending whether it is for welfare or warfare; it seems so strange that we have been so complacent not to even look at the books.**” We wish Ron Paul luck & urge our US readers to support him, but as the system crumbles, and the very existence of the Fed is under threat, he will face fierce & rabid opposition. •••• **“Spain uses social security fund to prop up its bond market.”** “The state pension fund – the €64 billion Fondo de Reserva, known as the ‘*hucha de las pensiones*’ – is buying Spanish sovereign debt at a vertiginous pace, reports the UK *Telegraph*: “The financial daily *Cinco Dias* says the share of the

Fondo's total portfolio invested in Spanish govt bonds rose from below 50% in 2007 to 76% in 2009. The Social Security minister Octavio Granado said it will rise to 90% by the end of this year. It is clear from an analysis of the data that the Fondo is not just investing fresh revenues in Spanish bonds, but also rotating out of Dutch, French, and German bonds into Spanish debt.

**The Spanish govt is also funneling 90% of its sickness fund into state bonds. Evidently, Spanish savers are underpinning Madrid's Treasury auctions, whether they like or not.** It is they who are mopping up the debt along with the European Central Bank as foreign creditors stay away." End quote.

The same *desperate* shell games used to prop up the banks are now supporting govts. The longer the can is kicked down the road without addressing the underlying causes of the financial crisis, the larger the mess becomes.

•••• **10 practical steps to insulate yourself (at least somewhat) from the next stage of the economic collapse.** *TheEconomicCollapseBlog*

offers some practical ideas to help protect you, your family, & friends. "1 -

**Get Out Of Debt:** The key to insulating yourself from an economic meltdown is to become as independent as possible, and as long as you are in debt, you simply are not independent. **2 - Find New Sources Of Income:**

There are thousands of different ways to make extra money. What you don't want to do is to have or get all of your eggs in/from one basket. **3 - Reduce Your Expenses:**

In the future times are going to be tougher, so learn to start living with less today. **4 - Learn To Grow Your Own Food:** If you learn to grow your own food (even if it's just a small garden) you will be partly

insulating yourself against rising food prices. **5 - Make Sure You Have A Reliable Water Supply:** As we move into the unknown, it will be

imperative for you and your family to have a reliable source of water. **6 - Buy Land:**

To grow food & insulate yourself from rising housing costs that will occur when the US dollar does totally go into the tank. **7 - Get Off The Grid:**

Essentially what that means is operate independently of the utility companies (ie, solar panels, wind power, generator, etc). **8 - Store Non-Perishable Supplies:**

Stock up on the things that you are going to need before they double or triple in price in the future. **9 - Develop Stronger Relationships:**

develop better relationships with family and friends right now so that you will be able to depend on them when times get hard. **10 - Get Educated And Stay Flexible:**

When things are rapidly changing it is imperative to get better educated and to stay informed so that you will know what to do." End quote. The above measures are common sense & relatively cheap to implement. Even without the threat of hyperinflation, they would reduce overheads, provide greater independence against climatic & social disturbances, and offer a safer & healthier lifestyle. A gun and ammo could be added to the list, as well as a small electric car. Even a gold cart. We are not promoting panic, but preparedness. (See this Sunday's *HSL* for the

entire Ron Paul interview (powerful) & other financial & physical

“survival” ideas). •••• **“Predatory hedge funds were set loose on the euro in a behind the scenes power grab.”** Most of us had some sense that the transatlantic connection had something to do with economies based on “financial services,” pens Cailean Bochanan at *InTheseNewTimes.com*. “But it is the events of the past months which have clarified more than anything what the Atlantic alliance is really about. **Britain and the US, or, rather, the City and Wall Street have combined in a bid to undermine the euro and derail the European project. We have been engaging in a currency war whose scarcely veiled goal has been to boost the US\$ and the UK Pound by knocking out the leading rival to reserve currency status.** In the process the US\$ and the UK Pound have been confirmed as joint pillars of the atlanticist system, the twin pillars of anglo-saxon financial hegemony. Logically, the pound should simply be merged into the dollar, but that is hardly realistic from a political point of view. The pound continues to exist as the weak link in the system: the junior partner. So whereas the US can continue to call the bluff of the markets, expanding credit like there’s no tomorrow, knowing that, for China and others, divesting from the dollar is the Samson option, there is no logical reason for the pound to stay afloat given the unrivalled levels of indebtedness of Britain at personal, corporate, local and national government level. **However, for the sake of the alliance the UK Pound must be saved since its decline would lead to irresistible pressure to join the Euro and one of the twin pillars of the empire would be gone. Anglo-America understood as well that this was about politics, about war and that they disposed, as usual, of the weapons of mass destruction: the rating agencies, the hedge funds and the media.** Why, then, did it fail, as it now seems clear it has? The West has been slow to pick up on multipolarity and they had failed to see that the success of the European project was a key element in the new multipolar framework. **Were China and Russia really going to stand by as Europe and the euro were knocked out of the equation? How then could they break out of the dollar straightjacket?** Was it in their interest to return to a cold war against a consolidated, unified West led from Washington and London? Russian diplomacy, in particular, is aimed at drawing Europe out of the Atlanticist sphere of influence whereas a fragmented Europe would be one under US/UK tutelage. Russia has made concessions elsewhere in order that romance should finally blossom between Angela Merkel and President Medvedev. And with what chivalry have they deferred to Europe in allowing a European peace-keeping force in Kirgызstan, their own back yard! So, in the end, **the anti-euro campaign was more like a bit of guerrilla warfare which brought some temporary gains for the dollar and the pound. Now it’s back to reality with Britain [and America] back in the eye of the storm.**” End quote. The power struggle of private banking interests has been a war raging throughout history – and always at the expense of the public.

America's economic elite engineered a financial coup that backfired and now threatens to destabilize not only the US\$, but the very foundation of the global monetary system. May God help us all.

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“When the Government fears the People, that is Liberty. When the People fear the Government, that is Tyranny.” - Thomas Jefferson

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