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

•••• Welcome to *GCRU* #413 on Sept 8, 2010 (in its 9th year). Bull markets like to climb a *wall of worry* and that's precisely what gold bullion has done from its $1159.00 July low, to test $1250.00-1262.40 closing resistance of its June high – with sovereign debt concerns, & currency debasement fears sustaining ever-higher gold prices. The general gold outlook remains encouraging, but if we are to avoid a setback towards the $1182.00-1200.00 level (logical right shoulder support of a 3½-month reverse H&S), gold must push & close above $1262.40 *with conviction* to trigger a new & explicit bull cue for the next stage. Gold has done most of the heavy lifting over recent weeks, but silver, via its break to a new 26-month high, could provide the "spark" that leads the precious metal markets substantially higher. And there are plenty of buyers waiting on the sidelines. *Bloomberg* reports investors are accumulating enough bullion to fill Switzerland's vaults twice over as gold's most-accurate forecasters say the longest rally in at least nine decades has further to go *no matter* what the economy holds. "Analysts raised their 2011 gold forecasts more than for any other precious metal the past two months, predicting a 10th annual advance. The most widely held option on gold futures traded in New York is for $1,500 an ounce by December 2010, or 18% more than the record $1,266.50 reached on June 21." •••• Traders looking to diversify into commodities should consider buying the *Rogers Sugar Income Fund*, which currently yields 9.29%. The fund trades in Toronto under the ticker RSI.UN, & would become a strong buy after 1-dc over 5.00; stop: 1-dc below 4.40. •••• Gold companyies are earning a lot with projections set to rise much higher. Data gathered by Jay Taylor in his *Gold, Energy & Tech Stocks* newsletter shows the average-per-share earnings (actual & projected) for the larger-cap gold companies rising in a straight line from 80 cents/share in 2008, to an estimated $2.50/share in 2011. As Jay notes, these estimates are "most likely conservative because most analysts with brokerage firms are still believers in the mainstream economy, and don't see the next collapse looming." This is very bullish for gold stks as positive earnings in larger gold companies will feed through to the smaller producer/exploration companies. •••• *WashingtonsBlog* reveals the US Postal Service is now quoting IMF Special Drawing Rights (SDRs) to US$ conversion rates, and that the IMF endorses replacing US$s with SDRs. A creeping acceptance of SDRs as the world's new reserve currency appears to be underway, at least amongst the powers that be! Go see:
http://pe.usps.gov/search/jsp/search/vv_docread.jsp?k2dockey=http%3A

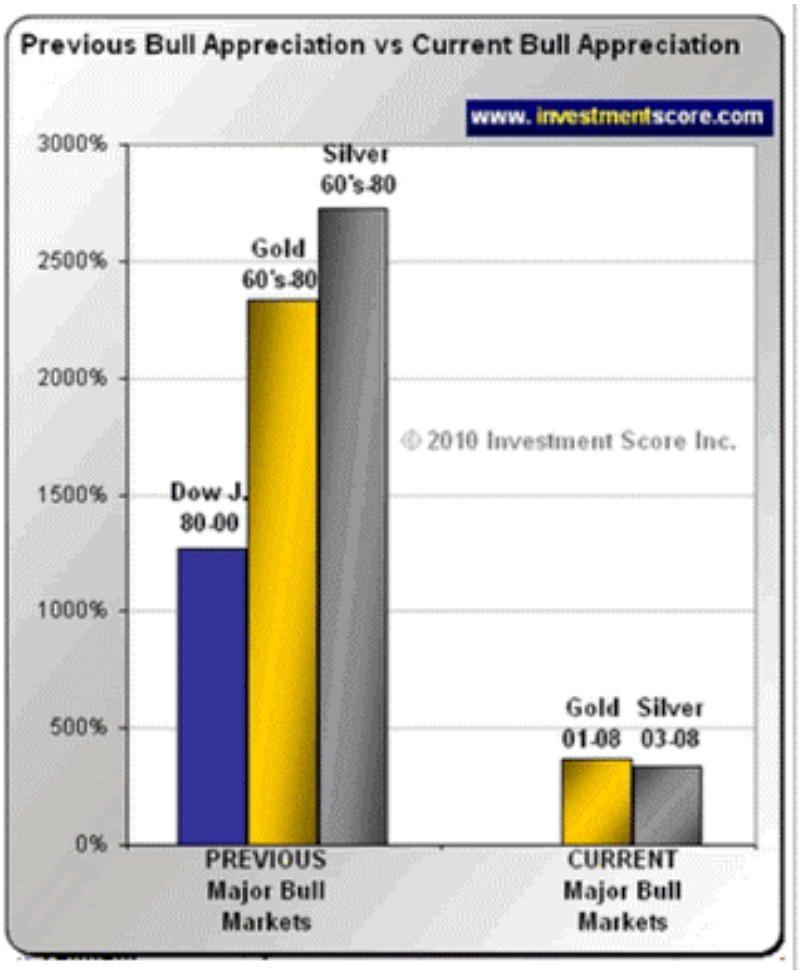
%2F%2Fpe.usps.com%2Ftext%2Fimm%2Fimmc3_007.htm%40PE_IMM_HTML_5&serverSpec=56.0.145.56:9920&QueryParser=Simple&queryrytext=%28sdr%29&dtype=2#hit0. •••• India's gold imports this year will probably reach 600 to 625 tons vs 480 tons in 2009. That is with gold up 13% this year. •••• The plunge in US state tax revenue is currently the *worst on record*, leaving US states facing de facto bankruptcy. Forty-eight states of fifty now face shortfalls, with many amounting to 20% of planned spending. It's inevitable that govt will look for ways to fill the holes, via "temporary" increases in income or property taxes, higher business taxes, a value added tax &/or by dropping exemptions on a host of items that were not previously taxed. And guess who's pocket this will really hurt? •••• The *CRB Commodity Index* is trading at a new 2-year high, another bullish gold omen. •••• Is a head & shoulder bottom forming in stocks? That's the question respected chart analyst John Murphy asks in his *StockCharts Market Message*. The S&P500 currently offers an excellent example of a reverse H&S base, according to JM, with three prominent lows starting in May-June (forming a left shoulder low), in July (forming a lower low & head), & in Aug (a right shoulder low). A rise above the 1122.00 neckline level is now needed to complete & validate the bullish pattern. "By combining that possibility that a H&S shoulder is forming with the likelihood for a four-year cycle bottom during the second half of this year," comments JM, "I don't think it's too soon to *start* reallocating some funds out of bonds (or cash) and back into stocks." We agree. In stocks & commodities, in good relative strength and tangible asset classes only. Why? Because several global stock indexes have already broken above the equivalent of 1122.00 S&P500 R/H&S neckline resistance. And, an even more convincing presage of sustained stock market strength is apparent in the Toronto300 Index, which has risen to void the threat of a 1-year H&S top – a negative chart pattern that has been plaguing most global stk mkts for months. What could explain stock market strength in today's imploding economic environment? The speeding up of inflation of course! •••• *Bullish Consensus* rank gold at 75% (up 1% from last week). The US$ at 56% (down 3%). BC's gold outlook is unchanged from last week, ie: "neutral/bullish short-term. The intermediate trend is cautiously bullish/neutral." •••• The (Sept 5) *FT* reports European govts are looking to double their bond issuance in September compared to August. "Eurozone govts will try to raise €80 billion ($103bn) in September compared with new bond issuance of €43 billion in August. Spain is expected to attempt to borrow €7 billion in September compared with €3.5 billion in August." As Padhraic Garvey, head of rates strategy for developed markets at *ING Financial Markets*, warns: "We are heading into a critical period as the chances rise that a govt may fail to raise the

money it needs." •••• Russia has decided to extend its grain export ban by 12 months, raising fears about a return to the food shortages and riots of 2007-08. •••• More than one-tenth of US banks are on the FDIC 'problem list.' The Federal Deposit Insurance Corp. said last Tuesday that 829 of the nation's roughly 7,800 banks were on its 'problem list' at the end of June, up from 775 at the end of the first three months of the year. Mass insolvency of the banks has *thus far* been hidden & postponed via FASB mark-to-fantasy accounting. Without it, nine-tenths of US banks would probably be on the FDIC's problem list. •••• We are looking to buy oil after a close over 78.10 (basis Dec futures), for a medium term trade/run towards 85.50 & higher. •••• Monetizing even more debt can't solve a problem caused by too much debt, according to billionaire investor Jim Rogers. "The US is printing so much money that I would *not* be short stocks. I have no shorts because I'm afraid they're printing so much money that stocks will soar to 20,000 or 30,000. Of course it will be in worthless money, but it *could* happen." There will always be *some* stks to short. However, most investors would mistake a sharp rise on the nominal value of stocks as a sign of recovery, when in fact it would be signaling soaring/hyper inflation. •••• In a must read essay titled: "Gold Entering a Virtuous Circle," Egon von Greyerz, founder and managing partner of *Matterhorn Asset Management* in Zurich, states: "fundamental and technical factors for gold are now in total harmony and gold is entering a virtuous circle that will drive the price up at its *fastest* pace since this bull market started in 1999." Another key observation from Von Greyerz is that, "gold and gold mining shares were an average of around 25% of world financial assets between 1921 and 1981. Today, gold and mining shares are only **0.9%** of world financial assets. If gold and mining shares were to rise to 25% of financial assets, gold would go to over $31,000." Von Greyerz's full essay is available at: http://goldswitzerland.com/index.php/gold-entering-a-%20virtuous-circle-egonvongreyerz/ •••• Strategy: As implied by today's password -- *ambushrisk* -- if the anti-gold cartel has the means to launch a last-chance surprise selling attack, the logical chart spot to do so is now. They need to act now (if poss) *before* silver, gold, & the gold shares, which are poised to break upside simultaneously, rise to trigger a huge & potentially unstoppable technical buying spree. If a sell-off does occur, a lot of wrong-footed bulls would stampede to the exits in a panic move that would give us a chance to load-up when non-chart savvy traders are scared stiff (ie, at $1200.00-1182.00 logical R/H&S right shoulder support). If no significant sell-off develops, then we must bide our time, *ready & prepared* to jump aboard as gold & the new gold share leaders start breaking out. •••• Gold is up $1.50 in early European trading this AM. The US$ is down 14 cents. •••• Gold's heyday (& our biggest

payday!) looms ☺. •••• Fond regards, from your in-house alchemist ***Uncle Harry***, & associate Paul.

•••• If it's Wednesday, it's *Gold (& Mkts) Charts R Us.*

•••• **Previous precious metals bull market appreciation vs the current bull market appreciation**. In line with a growing number of high gold price predictions, this chart (go to: www.investmentscore.com) shows gold's bull market is still very much in its infancy!



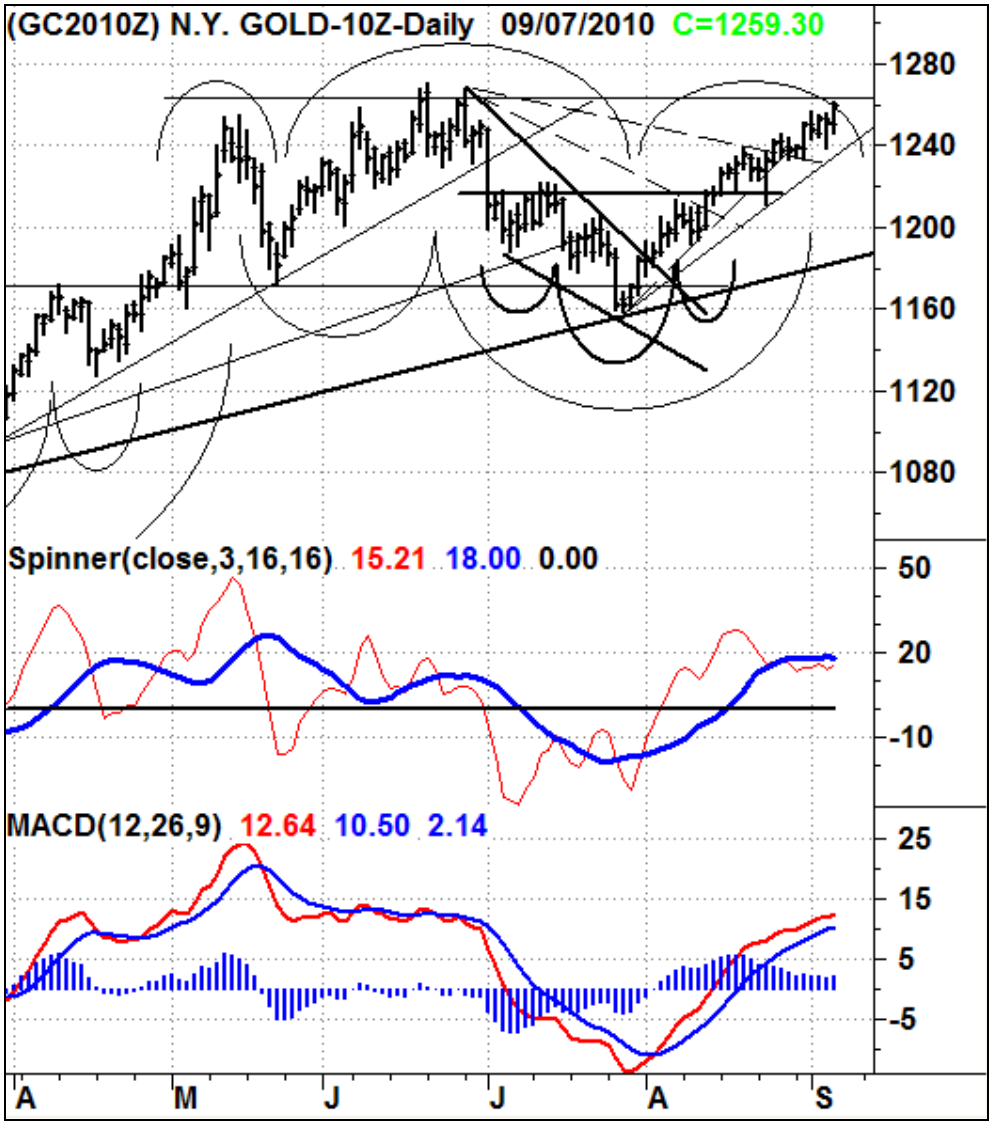
IN THIS ISSUE

••Our Abbreviations:

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

GOLD

Comex gold <u>Dec</u> futures – <u>daily</u> – 5 month view

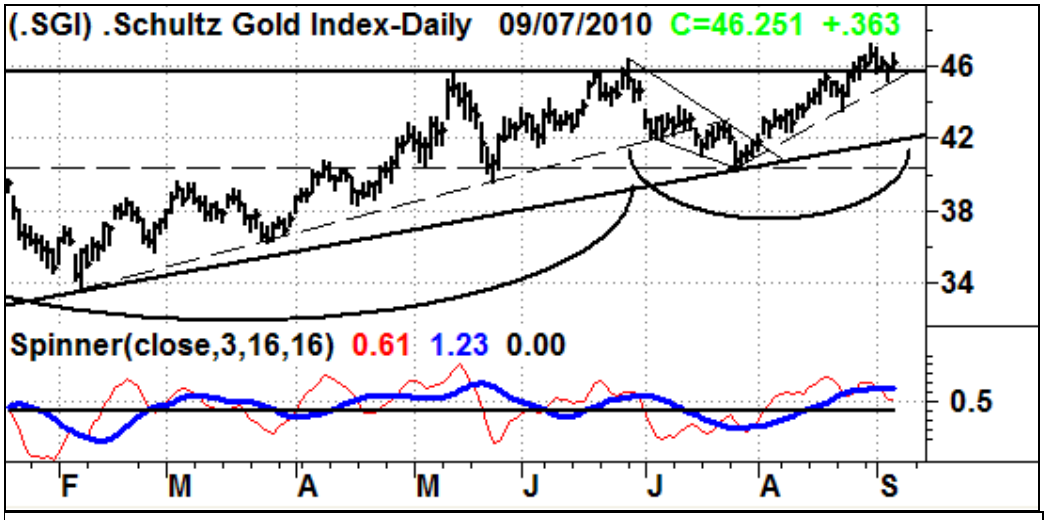


Comex gold Dec 2010 futures – 480 min – 8 wk view

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

Open trades:	**Long at:** **Stop:** **Profit targets:**	Some spec bought at 1195.90 (Aug-04-10). S/T: 1236.10-stop. M/T: 1-dc below 1205.40. 1284.20 &/or 1318.80 &/or 1352.30.
New Recom:	-If out, wait 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 1236.10); stop: 1262.40-stop; cover ½ between 1200.00 & 1182.00.	
Comment:	Courageous rise to test make-or-break $1262.40 pivotal (closing) resistance of June 18 high. Spinner neutral with scope to confirm further strength in price. June-Aug reverse H&S base; 1284.20 upside target. Gold, silver, & the gold shares indexes are testing crucial resistance in unison & verging on a potentially historic upside break! But be vigilant.	

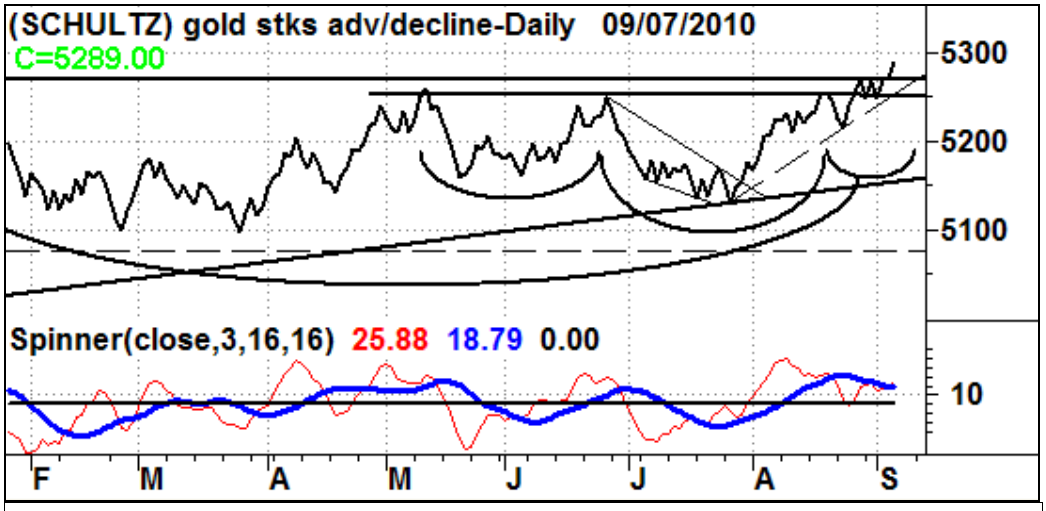
Schultz Gold Share Index (SGI) – <u>daily</u> (revised Sept 1)



Schultz Gold Index (*SGI*) – **<u>daily</u>** chart (revised Sept 1):

Comment:	<u>NOTE</u>*: SGI* components were revised on Sept 1. Break above & setback to test new support of May-June highs. Spinner in negative cross with (thick) confirming line rolling over to neutral; hints additional price "hesitation" possible. Mar 2008-Sept 2009 reverse H&S (58.70 target) underpinned via 9-month cup&handle; 57.20 target. Upside catapult move in the making?

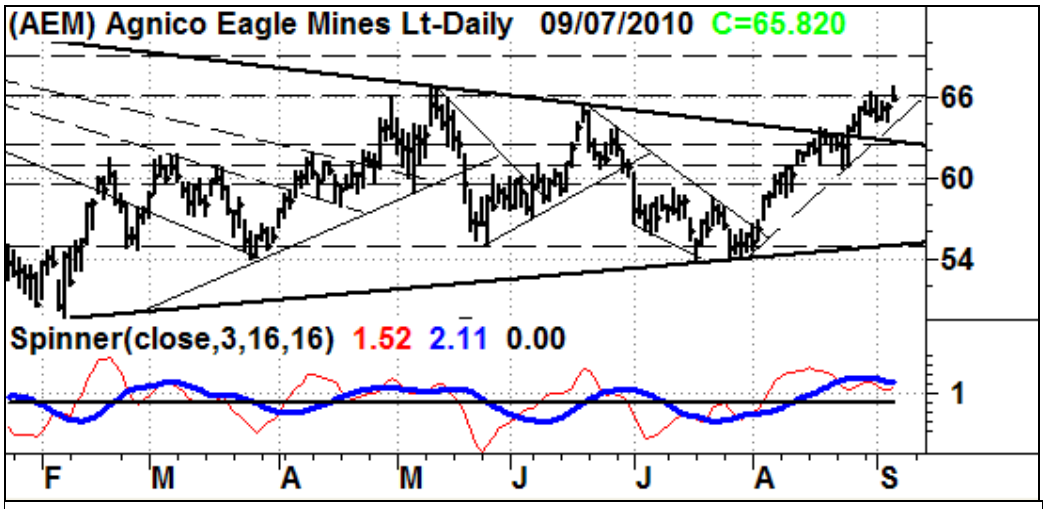
Schultz Gold Stocks Advance/Decline Line -- <u>daily</u>



Schultz Gold Stocks <u>Advance/Decline</u> Line *(SGS A/D)* **<u>daily</u>** chart:

Comment:	Tentative stab above neckline resistance of massive 2007-Sept 2010 reverse H&S base; 5710 upside measured target. *Slight* negative divergence in Spinner. Elements in place for a new <u>primary</u> rally leg. This chart is updated <u>daily</u> on our website. On the *GCRU* home page click: *View Schultz Gold Stocks A/D Line.*

GOLD SHARES



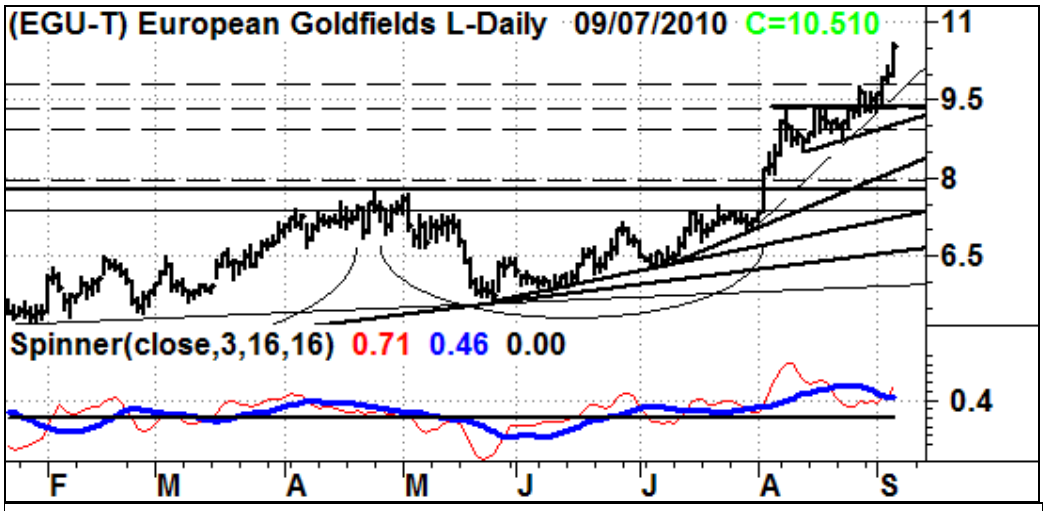
Agnico Eagle (NYSE: AEM; Canada: AEM-T); gold: US$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 58.90 (Apr-16-10). Traders re-bought at 65.82. S/T: 54.80-stop. M/T: 1-dc below 54.80. 68.90 &/or 72.50 &/or 76.40.
New Recom:	If out, spec buy if dips to 62.40 & 60.90 & 59.45; stop: 1-dc below 54.80. And/or buy after 2-dc over 66.10.	
Comment:	Reinforced break above Oct 2009 sym/triangle; 87.85 theoretical upside target. Spinner mixed with scope to confirm continued strength in price. Needs volume to bolster growing bullish outlook.	

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

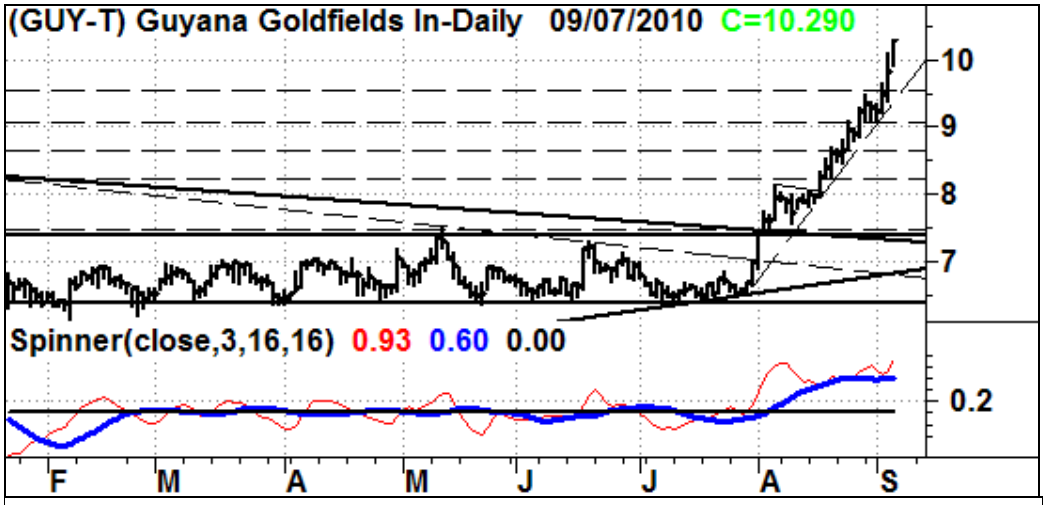
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 29.29 (Aug-13-10). S/T: 24.40-stop. M/T: 1-dc below 24.40. 30.50 (if buy low) &/or 32.80 &/or 34.90.
New Recom:	If out, spec buy if dips to 29.90 & 28.50 & 27.15; stop: 1-dc below 24.40. And/or buy after 2-dc (or high volume rise/close) over 32.00.	
Comment:	Trader friendly staircase uptrend & new 6-day sym/triangle. Down-turn in Spinner (thick) confirming line hints positive momentum easing. Place under-market buy orders to catch any dips.	

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

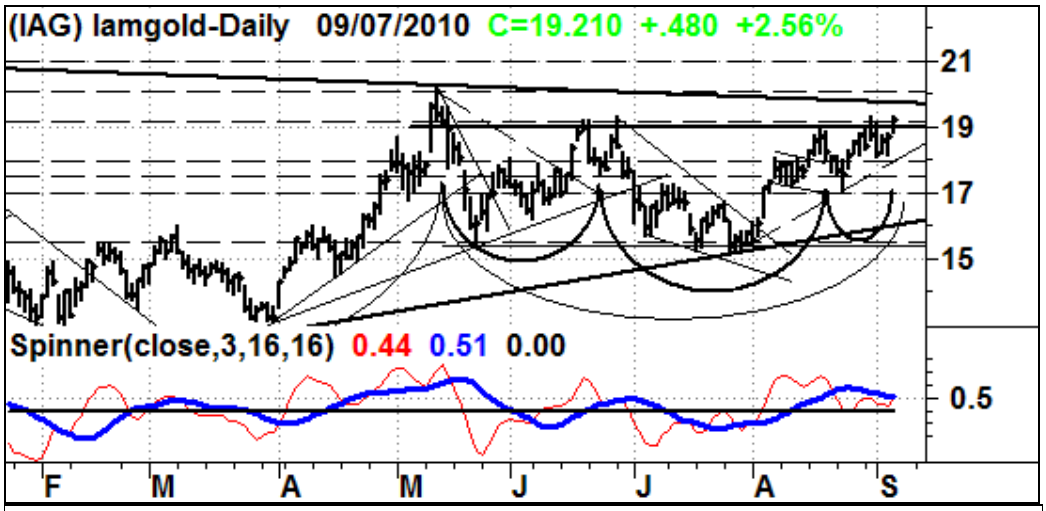
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 13.31 (Feb-12-10). S/T: 16.30-stop. M/T: 1-dc below 16.30. 21.95 &/or 23.60 &/or 24.90.
New Recom:	If out, spec buy if dips to 19.10 & 18.35 & 17.75; stop: 1-dc below 16.30. And/or buy after 2-dc (or dynamic rise/close) over 20.55.	
Comment:	Classic setback to test top support of May-Aug consolidation range; 21.95 upside target (basis L/O/C). Spinner hooking to neutral/-negative in mid zone of overbought territory. Searching for support.	



European Goldfields (TSX: EGU-T; LSE: EGU); gold: CAD$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 9.36 (Aug-18-10). Traders re-bought at 9.97. S/T: 7.80-stop. M/T: 1-dc below 7.80. 11.25 &/or 12.25 &/or 13.20.
New Recom:	If out, gamblers buy bit at mkt &/or all spec buy if dips to 9.75 & 9.30 & 8.90; stop: 1-dc below 7.80.	
Comment:	Hit 10.25 measured target of Nov 2009-July 2010 cup&handle. Spinner crosscurrent. Impressive R/S. Use trailing stops under July uptrend line to tighten the profit noose daily.	

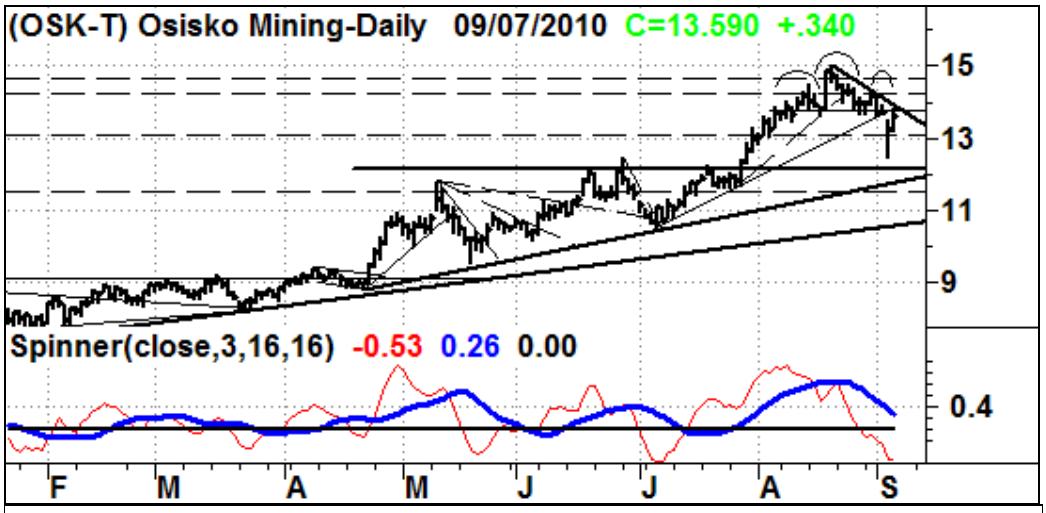


Guyana Goldfields (Toronto: GUY-T); gold: CAD$:		
Open trades:	**Long:** **Stop:** **Profit targets:**	Initial entry price: 8.27 (Aug-18-10). S/T: 7.45-stop. M/T: 1-dc below 7.45. 10.80 &/or 11.80. Some took partial profit at mkt &/or 10.10 ☺.
New Recom:	If out, spec buy if dips to 9.52 & 9.10 & 8.62 & 8.20; stop: 1-dc below 7.45.	
Comment:	Unrelenting rise above Jan-July consolidation range. Volume supporting price. Spinner in positive hook. Shorterm overstretched. Other gold shares breaking out/rising from less overbought levels.	



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

Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 14.90 (Feb-17-10). S/T: 15.40-stop. M/T: 1-dc below 15.40. 20.95 &/or 22.65 &/or 24.35.
New Recom:	If out, spec buy bit if dips to 18.05 & 17.50 & 17.05; stop: 1-dc below 15.40. And/or buy after a 2nd-dc (consecutive) over 19.10, & again over 20.00.	
Comment:	Expanding would-be right shoulder of May-Sept reverse H&S. Spinner fading; hints price may need to consolidate more before it continues its upside move. Don't miss buying an upside breakout.	



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

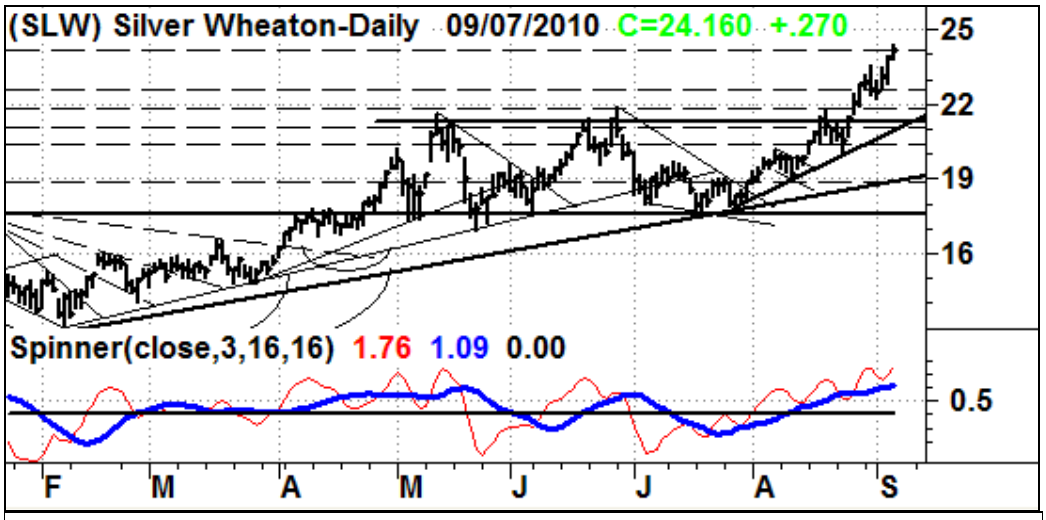
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 5.90 (May-13-09). Traders re-bought at 13.35 & 12.75. S/T: 11.50-stop. M/T: 1-dc below 11.50. 14.65 (if re-bot/buy low) &/or 15.70 &/or 16.90.
New Recom:	If out, spec buy <u>at mkt</u> & if dips to 13.10; stop: 1-dc below 11.50. Buy more after 2-dc over 14.20.	
Comment:	<u>Hit</u> downside target of mini H&S top. Spinner nearing recent oversold extremes. "Should" develop a relatively quick turn-around.	

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

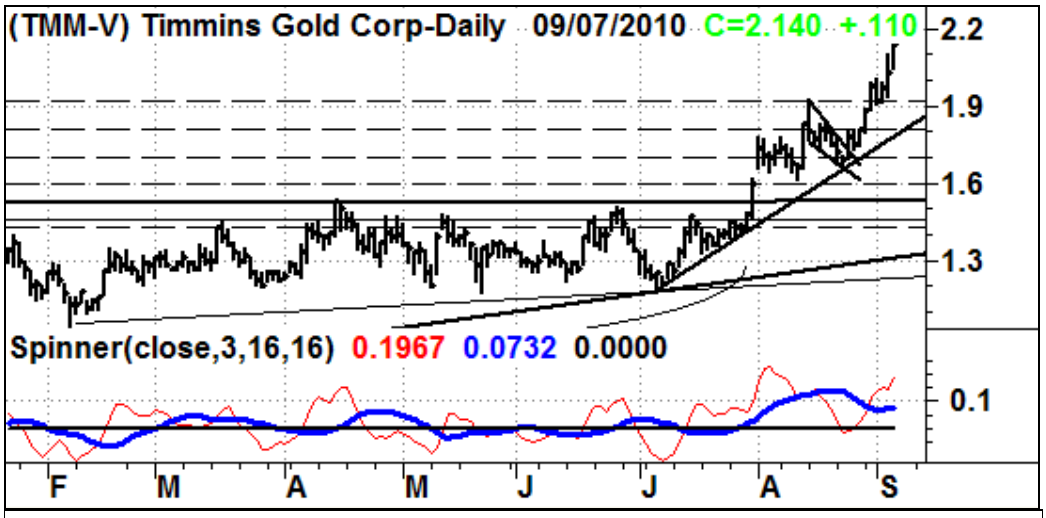
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 74.42 (Feb-17-10). S/T: 80.60-stop. M/T: 1-dc below 80.60. 100.40 &/or 105.60 &/or 110.60 &/or 115.60.
New Recom:	If out, buy after a 2nd-dc (consecutive) over 92.50; stop: 1-dc below 80.60.	
Comment:	June bull wedge (99.67 target) & 7-week reverse H&S gaining credence over 3½-month H&S top. Spinner mixed. 3rd bullish fan line. Low risk/reward buy after decisive break above 92.50.	

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

Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 5.00 (Mar-03-10). Traders re-bought at 9.46. S/T: 7.40-stop. M/T: 1-dc below 7.40. 9.80 &/or 10.60 &/or 11.40 &/or 11.80.
New Recom:	If out, spec buy <u>at mkt</u> & if dips to 9.00 & 8.62 & 8.28; stop: 1-dc below 7.40.	
Comment:	Budding break above 2½-month cup&handle; 11.40 theoretical upside target. Spinner in growing positive hook. Volume plus. Bull train *leaving* station. Buy!	

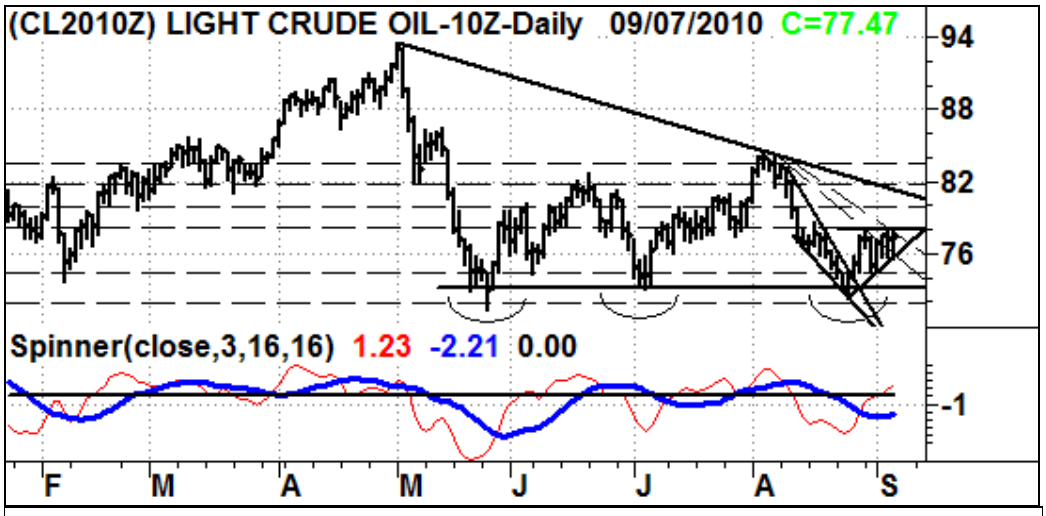


Silver Wheaton (NYSE: SLW; Toronto: SLW-T); silver/gold: US$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 15.84 (Feb-17-10). Traders re-bought at 23.89. S/T: 18.90-stop. M/T: 1-dc below 18.90. 25.20 &/or 27.20 &/or 29.20.
New Recom:	Spec buy if dips to 22.50 & 21.80 & 21.05 & 20.40; stop: 1-dc below 18.90. And/or buy after 2-dc (or determined close) over 24.15.	
Comment:	Surge break above May-Aug consolidation range on limited retracement; 25.20 nearby target (basis L/O/C). Spinner rising in upper zone of overbought window. Trend is up till broken!	

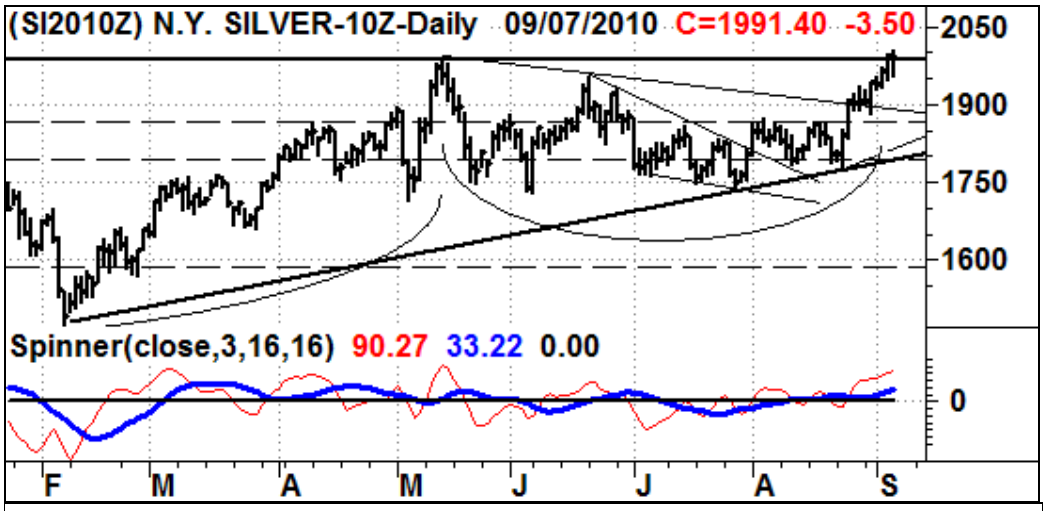


Timmins Gold Corp (TSXV: TMM-V) gold: CAD$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price 1.80 (Aug-16-10). S/T: 1.42-stop. M/T: 1-dc below 1.42. 2.40 &/or 2.75. Some took profit at 2.10 ☺.
New Recom:	If out, gamblers buy bit at mkt &/or all buy if dips to 1.90 & 1.82 & 1.70 & 1.58; stop: 1-dc below 1.42.	
Comment:	Surge rise on volume. Mar 2008-July 2010 cup&handle base; 2.75; upside target Spinner bullish. Has fuel to run directly higher.	

FUTURES

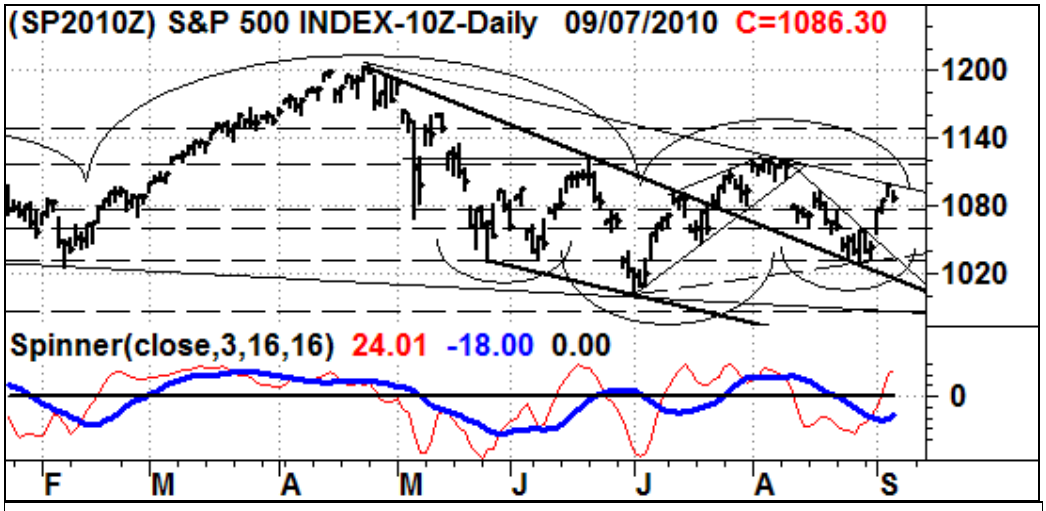


Crude Oil NY Dec 2010 futures – daily chart:		
Open trades:	**Long at:**	Initial entry price: 75.17 (Aug-27-10). Vegas gamblers bought Dec at 77.49.
	Stop:	71.20-stop (basis Oct). 74.10-stop (basis Dec).
	Profit targets:	Sell ½ at 79.20, & trail stop rest (basis Oct). 79.80 &/or 81.80 &/or 83.40 (basis Dec).
New Recom:	If out, buy Dec after 1-dc over 78.10; stop: 74.10-stop; sell ½ at 81.80 &/or trail stop strength. Or, gamblers sell short Dec after 1-dc below 71.80; stop: 74.10-stop; cover ½ at 66.30.	
Comment:	Unconfirmed triple bottom & strengthening rebound cum 9-day ascending triangle. Spinner up trending. 3rd bullish fan line. Needs a dynamic close over 78.10 to reinforce any upside intentions. NOTE: exit Oct futures on or before Sept 20.	



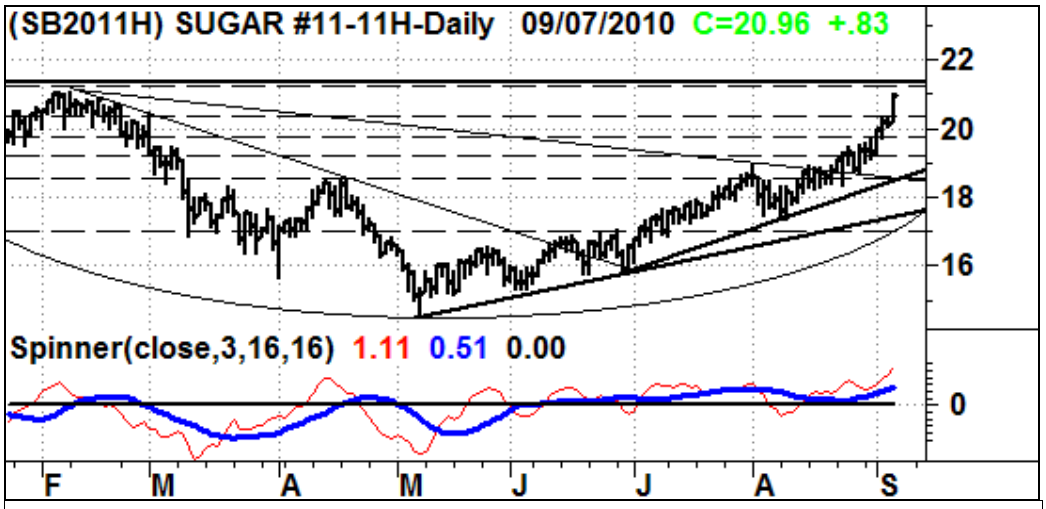
Silver Dec 2010 futures – daily chart:

Open trades:	**Long at:** **Stop:** **Profit targets:**	18.41 (Aug-02-10). Traders re-bot Dec at 19.91. S/T: 18.65-stop. M/T: 17.90-stop (basis Dec). 21.10 &/or 21.90 (basis Dec). Exited Sept longs with profit ☺ &/or rolled over to Dec cx, &/or took profit in Dec at 19.76 ☺.
New Recom:	If out, buy after 2-dc (or decisive rise/close) over 20.00; stop: 18.65-stop; sell bits at 21.10 &/or 21.90. Or, sell short Dec after 1-dc below Feb uptrend line (now 17.90); stop: 18.90-stop.	
Comment:	Bullish break to new 26-month closing high. Prodding neckline resistance of Dec-Sept cup&handle; 24.70 upside target. Will she?	

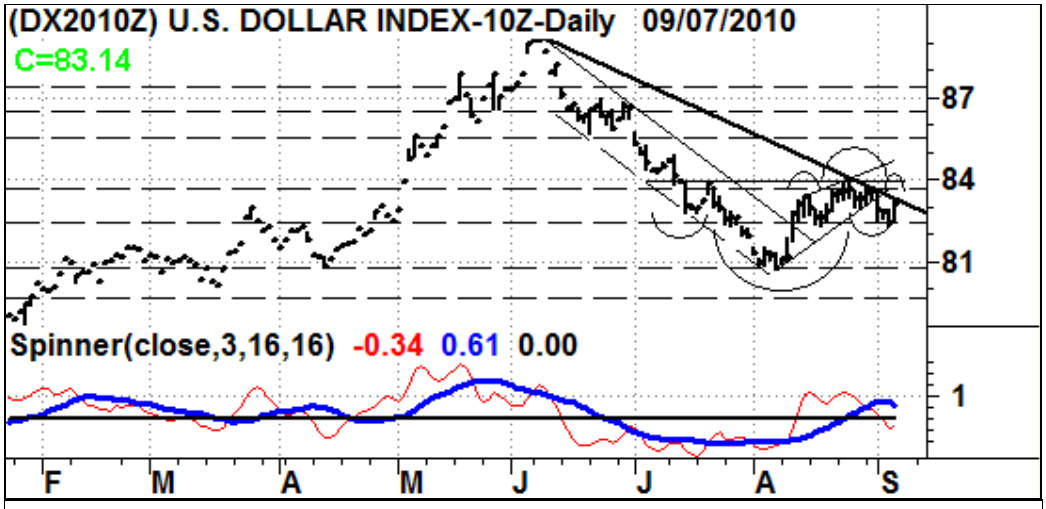


S&P500 Index Dec 2010 futures – daily chart:

Open trades:	**Long at:** **Stop:** **Profit targets:**	Exited Sept shorts via 1072.50 profit stop ☺. Traders then bought Dec at 1084.60 (Sep-02-10). 1030.40-stop (basis Dec). Sell ½ at 1116.60, & trail stop rest (basis Dec).
New Recom:	Spec buy Dec if dips to 1075.60 & 1059.50; stop: 1030.40-stop; sell bit at 1116.60 &/or trail stop strength. Or, gamblers/hedgers only sell short Dec at mkt; stop: 1110.50-stop; cover ½ at 1060.10.	
Comment:	10-month H&S top vs 3½-month reverse H&S. Spinner basing.	



Sugar March 2011 futures – daily chart:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price 17.12 (Jul-14-10). Some re-bought Oct at 20.49. 19.80-stop (exit Oct futures on/before Sept 30). 21.90 (basis Oct). Some took profit at 20.90 ☺.
New Recom:	If out, spec buy Mar if dips to 20.30 & 19.75 & 19.15; stop: 18.45-stop; sell ½ at 21.22 (if by low) &/or trail stop upside. And/or buy after 2-dc over 21.50.	
Comment:	Approaching major resistance of Dec-Feb highs. Spinner rising. May dip to build right shoulder of 13-month reverse H&S.	



US$ Index Dec 2010 futures-daily chart:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 83.04 (08.13.10). S/T: 82.40-stop. M/T: 1-dc below 82.40. 84.80 &/or 86.20 &/or 87.50 (basis Sept).
New Recom:	If out, buy Dec after 1-dc (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.	
Comment:	Jul-Aug reverse H&S vs 3-week bearish upwedge & breakdown cum mini H&S top. Spinner fading. Prudence. Can go either way.	

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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
Gold shares											
Agnico Eagle Mines	AEM	If out, spec buy if dips to 62.40 & 60.90 & 59.45; stop: 1-dc below 54.80. And/or buy after 2-dc over 66.10.	L	Apr-16-10	58.90	65.82	65.82	54.80-stop 1-dc U/54.80	68.90	72.50	76.40
Detour Gold	DGC-T	If out, spec buy if dips to 29.90 & 28.50 & 27.15; stop: 1-dc below 24.40. And/or buy after 2-dc (or high volume rise/close) over 32.00.	L	Aug-13-10	29.29		31.39	24.40-stop 1-dc U/24.40	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 after 2-dc (or dynamic rise/close) over 20.55.	L	Feb-12-10	13.31		20.18	16.30-stop 1-dc U/16.30	21.95	23.60	24.90
European Goldfields	EGU-T	If out, gamblers buy bit at mkt &/or all spec buy if dips to 9.75 & 9.30 & 8.90; stop: 1-dc below 7.80.	L	Aug-18-10	9.36	9.97	10.51	7.80-stop 1-dc U/7.80	11.25	12.25	13.20
Franco Nevada	FNV-T	Disappointing R/S. If out, wait to buy strength after a dip that clearly holds 31.00; stop: 1-dc below 28.90. And/or buy after 2-dc over 33.40.	L	Sep-16-09	30.99		31.52	28.90-stop 1-dc U/28.90	35.60	38.50	41.20
Guyana Goldfields	GUY-T	If out, spec buy if dips to 9.52 & 9.10 & 8.62 & 8.20; stop: 1-dc below 7.45.	L	Aug-18-10	8.27		10.29	7.45-stop 1-dc U/7.45	Hit at 10.10 ☺	10.80	11.80
Iamgold Corp	IAG	If out, spec buy bit if dips to 18.05 & 17.50 & 17.05; stop: 1-dc below 15.40. And/or buy after a 2nd-dc (consecutive) over 19.10, & again over 20.00.	L	Feb-17-10	14.90		19.21	15.40-stop 1-dc U/15.40	20.95	22.65	24.35

Sept-08-10

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
Gold Shares											
Osisko Mining	OSK-T	If out, spec buy at mkt & if dips to 13.10; stop: 1-dc below 11.50. Buy more after 2-dc over 14.20.	L	May-13-09	5.90	13.35 12.75	13.59	11.50-stop 1-dc U/11.50	14.65 (if re-buy/bot low)	15.70	16.90
Randgold Res.	GOLD	If out, buy after a 2nd-dc (consecutive) over 92.50; stop: 1-dc below 80.60.	L	Feb-17-10	74.42		92.56	80.60-stop 1-dc U/80.60	100.40	105.60	110.60
Semafo Inc	SMF-T	If out, spec buy at mkt & if dips to 9.00 & 8.62 & 8.28; stop: 1-dc below 7.40.	L	Mar-03-10	5.00	9.46	9.46	7.40-stop 1-dc U/7.40	9.80	10.60	11.40
Silver Wheaton	SLW	Spec buy if dips to 22.50 & 21.80 & 21.05 & 20.40; stop: 1-dc below 18.90. And/or buy after 2-dc (or determined close) over 24.15.	L	Feb-17-10	15.84	23.89	24.16	18.90-stop 1-dc U/18.90	25.20	27.20	29.20
Timmins Gold	TMM-V	If out, gamblers buy bit at mkt &/or all buy if dips to 1.90 & 1.82 & 1.70 & 1.58; stop: 1-dc below 1.42.	L	Aug-16-10	1.80		2.14	1.42-stop 1-dc U/1.42	Hit at 2.10 ☺	2.40	2.75
Futures											
Crude oil	CL Z0	If out, buy Dec after 1-dc over 78.10; stop: 74.10-stop; sell ½ at 81.80 &/or trail stop strength. Or, gamblers sell short Dec after 1-dc below 71.80; stop: 74.10-stop; cover ½ at 66.30.	L	Aug-27-10	75.17	77.49	77.47	71.20-stop (basis Oct) 74.10-stop (basis Dec)	79.20 (basis Oct) 79.80 (basis Dec)	81.80 (basis Dec)	83.40 (basis Dec)

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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
Futures											
Gold	GC Z0	See page 8.	L	Aug-04-10	1195.50		1259.30	1236.10-stop 1-dc U/1205.40	1284.20	1318.80	1352.30
Silver	SI Z0	If out, buy after 2-dc (or decisive rise/close) over 20.00; stop: 18.65-stop; sell bits at 21.10 &/or 21.90. Or, sell short Dec after 1-dc below Feb uptrend line (now 17.90); stop: 18.90-stop.	L	Aug-02-10	18.41	19.91	19.91	18.65-stop 17.90-stop (basis Dec)	Hit at 19.76 ☺	21.10 (basis Dec)	21.90 (basis Dec)
SP500	SP Z0	Exited Sept shorts via 1072.50 profit stop ☺. Traders then bought Dec at 1084.60 (Sep-02-10). Spec buy Dec if dips to 1075.60 & 1059.50; stop: 1030.40-stop; sell bit at 1116.60 &/or trail stop strength. Or, gamblers/-hedgers only sell short Dec at mkt; stop: 1110.50-stop; cover ½ at 1060.10.	L	Sep-02-10	1084.60		1086.30	1030.40-stop (Basis Dec)	Sell 1/2 at 1116.60 (Basis Dec)	And trail stop rest	
Sugar	SB V0	If out, spec buy Mar if dips to 20.30 & 19.75 & 19.15; stop: 18.45-stop; sell ½ at 21.22 (if by low) &/or trail stop upside. And/or buy after 2-dc over 21.50.	L	July-14-10	17.12	20.49	20.96	19.80-stop (basis Oct)	Hit at 20.90 ☺	21.90 (basis Oct)	

Sept-08-10

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
Futures											
US$-Index	DX Z0	If out, buy Dec after 1-dc (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		83.14	82.40-stop 1-dc U/82.40	84.80 (Basis Sept)	86.20 (Basis Sept)	87.50 (Basis Sept)

•••• "**Credibility inflation**." What sets the stage for hyperinflation is a period of high credibility inflation followed by the loss of credibility, comments *FOFOA.Blogspot.com*. "During our period of high credibility inflation the dollar was invisibly hyper-inflated in a near-monetary sense. This has already happened. We are already there. When I say the dollar has already hyper-inflated in a near-monetary sense, I am talking about the number of dollars people, entities and even foreign nations *think* they have in reserve. Not in a shoebox, but in contractual promises of dollars to be delivered more or less on demand by somebody else. **Claims denominated in dollars. This is how the vast majority of 'dollars' are held; as *promises* to deliver more dollars**. And this is *why* they are held this way. Because of the *more* in 'more dollars.' I think it is fair to say that we have finished our 30-year run of high credibility inflation and we are now in the early stages of credibility deflation. **The real question now is, can the credibility of the financial system *deflate* without causing a credibility waterfall in the currency in which it is denominated**? The difference between today and a few years ago is that credibility inflation was being fed by private credit (debt) expansion. Asset values, like homes, were being sustained and driven higher with the arrival of new marks. But today the Ponzi cycle of credibility inflation has peaked, there are no more new marks, and its decline is being managed centrally with the govt expansion of new base money to conceal the failures one at a time. The point is, **we are already past the tipping point**. So, the question is, is all that dollar debt out there in the world really worth anything anymore? The answer is no, it is not. Only at the margin, where you reside, can it still be cashed in for new goods. But in aggregate, it is worthless, even today. And then the next logical question should be, **what is gold really worth today? If you answered $1,240 per ounce simply because you bought a gold Eagle today for $1,240, then I say you didn't answer the question. The question is, what is gold REALLY worth today? And the answer is it is priceless**. How much physical gold could China realistically get today if it tried to cash in $2 trillion in debt paper for gold? At today's price it could get more than 50,000 tonnes, but only if that's the real value of gold. Only at the margin, where you reside, can physical gold still be had for $1,240 per ounce. **But in aggregate, in the vaults of the world's central banks as the only reserve asset not tied to the medium of exchange, gold is priceless, in the truest sense of the word**." FOFOA's advice is: "to get as much of this priceless reserve asset [physical gold] as you can while it's still going for $1,240 at the margin. It seems like a bargain." End quote. In the same way that water is priceless to a person perishing in the desert, gold will become priceless in a world trying to avoid the crashing value of fiat currencies.

Food, water & medicine are also cheap today, but could become priceless if they suddenly become very scarce and in great demand. Thus the value of *being prepared* for a crisis is also priceless. •••• "**Americans beware; Obama needs your 401K to balance his budget**." The Obama administration is taking the first steps to confiscate retirement dollars, according to Dr. Jerome Corsi who predicts that **the end result will be retirees with 401(k) plans holding near-worthless govt debt "that will be paid off in a devalued currency worth … pennies on the dollar**." From *TheNewAmerican*: "Corsi said he has a letter from the Treasury Department, Bureau of Public Debt, informing US citizens that the federal govt is rolling out a new program called 'Treasury Direct' that will allow citizens 'to purchase, manage, and redeem…savings bonds electronically, as well as an option to purchase such bonds automatically through payroll savings or a personal checking account. This happened to coincide nicely, according to Corsi, with a bill offered by Senator John Kerry (D-Mass.) to create '**Automatic IRAs' that would require all employers and employees to invest in IRAs using that automatic deduction option, whether they want to do so or not**.' And this happened to coincide also with a program being pushed by the Service Employees International Union called 'Retirement USA' which would create a govt-forced retirement program with assets being directed into special Treasury Retirement Bonds, or R-Bonds. 'Retirement USA' is promoting the idea that all workers have a 'right' to a govt retirement account, in addition to Social Security and any private pension plans those workers already have in place. **Underlying all of this is, of course, the statist presumption that govt knows best what's good for the citizens, and when the citizens' behavior fails to meet govt expectations, then mandates and force must be used to do for those citizens what the govt thinks is best**. And the fact that Washington is looking at annual trillion-dollar deficits 'for as far as the eye can see,' makes that $4.5 trillion of private monies just too tempting to ignore." End quote. This isn't news to us, but the risk of a pension grab is growing daily. Your money would no longer be your money. Govt is betting that people will be scared & afraid in a crisis, giving little or no resistance, in the same way the terrorism threat was/is used to trick the masses into accepting radical reductions in privacy & democratic civil rights. Where possible, cash out of your pension funds even if it means paying tax penalties &/or taking a loss. Become your own pension fund manager. •••• "**Bernanke out of bullets, but not bombs**." Many economists fear that in its efforts to spur recovery, the Fed may have already exhausted its array of monetary ammunition and that it has nothing left of significance to fire at the steadily advancing recession, says Michael Pento of *Euro Pacific*. "They believe that since interest rates are already near zero and Fed policies have failed to inspire banks to expand commercial and consumer lending, the tools traditionally

employed by the Fed have been rendered impotent. ….**By keeping prices from falling more than they would have naturally, Fed intervention has created a burden**. Lower prices would have cushioned the effects of the recession for many people. However, because it failed to spark faster GDP growth, most people now agree that the Fed's traditional ordnance, namely purchases of short-duration Treasuries from primary dealers in order to depress the yield curve, has lost effectiveness. **But the Fed is never... ever... ever... out of ammo. In fact, according to Mr. Bernanke himself, the central bank may be about to unleash the heavy artillery**. America's central bank controls the printing press, so it has the ability to create money at will and use it to purchase anything it desires. …For instance, the Fed could buy stocks and real estate directly from the public….American consumers would then be faced with a choice: earn pennies on their savings accounts or take the cash out and jump onboard the soaring stock market. The Fed could also, if it thought necessary, create another bull market in real estate. It could guarantee 'no down payment' loans of any amount to any borrower, with a promise never to foreclose or seek compensation as a result of default. By making home purchases risk-free, such a policy would surely re-energize the housing sector. **By spurring price increases for stocks and real estate, the elusive 'recovery' could be conjured in an instant. The only flaw would be that nothing would actually improve. By telegraphing unlimited monetary debasement, such policies would cause a run on the dollar. Although the 'dreaded risk of deflation' would no longer be discussed, investors would be forced to once again abandon savings and chase runaway prices**. **We must immediately understand that the Fed can shower liquidity directly on the consumer in any amount it wants. Therefore, rather than fearing phantom deflation, investors should prepare their portfolios for the real upcoming battle with intractable inflation**." End quote. Politically, the risk of run-away inflation is preferable to the destructive road of prolonged deflation. As a result, it is Bernanke's reaction to potential deflation that is pushing us towards inflation, with the ultimate **restraint** on his ability to inflate being: hyperinflation. •••• "**China's insatiable appetite for gold**." Gold bugs and naysayers alike take note. When the world's second largest and fastest growing economy liberalizes gold ownership by individuals, who happen to be the planet's most fastidious savers at a 17% rate, you better pay attention, says *MadHedgeFundTrader*. "Among other reforms, the Middle Kingdom is repealing the death penalty for the illegal importation of the yellow metal. The potential demand this will unleash boggles the mind. In 2009, China imported 73 metric tonnes of the barbaric relic worth $2.6 billion to bring its official holdings to 1,054 metric tonnes. That leaves it far behind the US, which at [an officially claimed] 8,133 tonnes is the world's largest gold owner. China's gold holdings amount to only $37 billion, or only 1.5% of its

$2.45 trillion foreign exchange reserves. To get China's gold investment up to American levels on a GDP basis, it needs to buy 25 million ounces worth $31 billion. That amounts to 34% of the 2009 global annual production of $110 billion. **The Chinese aren't going to provide the next spike in gold prices, but they are building a floor higher than anyone expects**. That's why the last sell off took us down only 8% to $1,158 before a rebound." End quote. China understands the Western world's quantitative easing experiment is a desperate "gamble" that will result in fiat currency devaluation & inflation. Shrewdly, the Chinese govt is hedging its liabilities via precious metals & commodity accumulation, and encouraging its population to do likewise. What are our govts doing? Using propaganda to deceive us that recovery is just around the corner, & in depriving us from the truth they are also depriving the people from the chance to prepare for a crisis. •••• "**Is another Flash Crash inevitable by year's end**?" If we don't see a Flash Crash II, pens Christopher Steiner at *Forbes.com,* we'll certainly see events that mimic the quote volume spike of May 6–one of the factors that many people, including Nanex CEO Eric Scott Hunsader, believe played a role in the short-lived collapse. "In fact, adds Hunsader, somebody could be intentionally slowing down some aspects of the market–using excessive quote blasts–to skim profits from clueless competitors. Nanex, which sends its clients compressed real-time quote feeds and market data, has drawn attention lately for some of the underlying quote patterns it uncovered within the chaos of trading on May 6. But it wasn't odd patterns that drove the market to madness; it was pure volume. On May 6, somebody, Hunsader says, opened up a fire hose worth of quotes straight at the NYSE. When the NYSE gets deluged, Hunsader says, their quote feed to the Consolidated Quote System (CQS), which is used as part of the National Best Bid and Offer (NBBO) system, gets delayed … **a delay that could be measured in multiples of seconds—an eternity in the trading world**. At one point on May 6, somebody launched 5,000 quotes at the NYSE for the ticker of Public Storage inside of one second. **None of those quotes led to a trade**—and that traffic by itself took the NYSE to 25% of its stable Consolidated Quote System capacity, according to Hunsader. Introduce a few more salvos like that, and the NYSE's computers groan to keep up and you get wildly swinging trades." The key question, as CS asks, is who was flooding the system with quotes and why? "Hunsader's answer: it's clear that one trader, or perhaps more, discovered that by blasting the NYSE, they could introduce added latency in the CQS feed. Knowing that most players were looking at a delayed NYSE feed, anybody in the know could make easy arbitrage plays between the NYSE and other exchanges. "I think somebody figured this out a year ago and they've been playing with it ever since," he explains. **On April 28, for instance, the share prices of Wal-Mart and Procter dipped 50 cents for less than a second in what**

Hunsader calls a mini Flash Crash. If algorithms had been programmed knowing the dip was coming, as Hunsader expects, profits are fat and easy. And what if this happened across 70 stocks on one day, which Hunsader says happened? Now it's real money—perhaps more than $50 million in profits, virtually risk-free." End quote. High frequency trading is high tech robbery. It uses illegally exploited info & fake orders to generate fat profits at the expense of the public – and market stability. Business elites are making criminal profits in the blink of an eye, & the US Securities and Exchange Commission seem unable to correct the problem ☹.

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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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line. Spinner signals are more effective in trending mkt's than in trading ranges where indicators such as Stochastics & Williams %R should be used.

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