

-GCRU-

Weekly Trading Service



GCRU #705

●●● September 8, 2016 (in its 15th year)



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KEY PRICES

Name/Symbol	Sept 7, 2016 price	Change	August 31, 2016 price	Name/Symbol	Sept 7, 2016 price	Change	August 31, 2016 price
Gold (GCZ16)	1349.20	37.80	1311.40	S&P500	2186.15	15.20	2170.95
Silver (SIZ16)	19.85	1.141	18.71	U.S.Dollar (DXU16)	94.951	-1.061	96.012
HUI (HUI)	248.20	26.52	221.68	30 Year T-Bond (ZBZ16)	170 -23	0.11	170 - 12
Copper (HGZ16)	2.10	0.0200	2.08	10 Year T-Note Yield	1.541	-0.0290	1.570
Crude Oil (CLV16)	45.50	0.80	44.70	13-week Treasury bill	0.330	0.0100	0.320

"Business (and market) opportunities are like buses, there's always another one coming"

— Richard Branson—

IT'S ALL ABOUT INTEREST RATES

Gold, silver, their shares and platinum jumped up from last week's lows in an about face with interest rates.

The dollar index fell when weaker economic signs surfaced almost daily. From weak manufacturing, to slow growth in US jobs and services. It was the weakest growth in US services in six years, and it all weakened the case for an imminent US rate hike.

The dollar is moving with interest rates and if the Fed keeps rates unchanged this month we could see it weaken further. This changed the Fed's outlook they had during their Jackson Hole meeting.

You can see the vulnerable dollar index below. It's staying below its 65-week MA which reinforces the bigger rolling over picture in the dollar. At the same time, gold and silver bounced up from their 15-week MAs, see the **chart below for silver**.

The gold price is our **Chart of the Week** because in spite of its strength, it has hurdles to overcome before we can say this year's rise is still ongoing.

Note how it's been resisting below the March 2014 highs since reaching a high on Aug 2. Plus, the leading indicator ST is still declining from the highs, and with room to decline more. This is saying further weakness is likely before we see the highs surpassed.

The 15-week MA continues to be key ST & MT.

If gold closes clearly below this MA at \$1310 and stays there, we could see a steeper decline develop to possibly the \$1200 level.

Likewise for silver. A clear decline below \$18.80 would do it for silver. And it could then possibly decline to as low as the \$16 level.

Gold shares may be telling the story. Note the HUI clearly fell below its MA, and this week's bounce up is now resisting near this MA, at 251. This means HUI is still looking at the downside ST. And that the correction isn't over yet.

Considering we've had a super rise this year, it seems inevitable that a normal decline will take place. But it doesn't have to! And this is precisely why we have our strategy clearly defined... to take advantage of all scenarios.

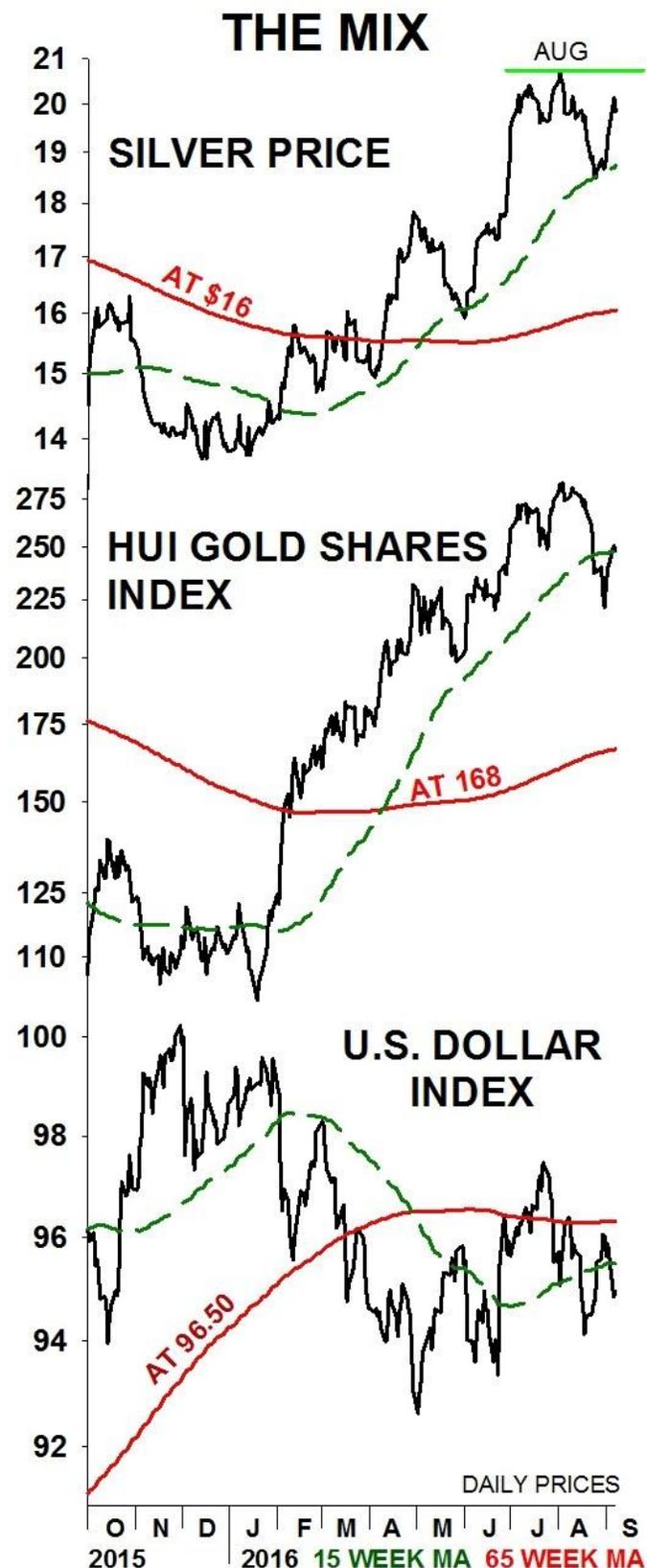
Our Strategy

First, we decided not to trade the downside for this very reason. A bull market turnaround has taken place this year, and under this umbrella, it could do anything ST-MT really.

It could have a mild decline, like we just had this past month. This is why we have open orders to buy at higher levels and some at lower levels, in case a steeper decline develops.

Take gold for example, it's gained almost 31% since its lows last December, making this rise the best intermediate rise since the

one leading up to the 2011 peak. It's no real surprise to hear that gold buying in 2Q16 was higher than the record buying in 2009!



This is why we took some profits near the highs, and bought some near \$1306 this past week. And it's why we still have open orders to buy more on a further decline. It's all part of the strategy. Buy on dips...small ones and big ones.

The same happened this week with SLW, PPLT, AEM, and silver. We mentioned upfront last week to buy all of the above at market, which was last Thursday.

But clearly the open orders on PPLT platinum and SLW (Silver Wheaton) were triggered last Thursday. We did the same here, like gold, when we bought some on August 24, and now with these new positions.

In fact, like we've said in the past, if you see that one of our open orders is getting close to being hit, **use your intuition** and buy with the flow. This is important.

Crude has been in a neutral area, and XLE has yet to get closer to our open order to buy. We'll be patient.

Likewise with the bond market. It's been quiet, and the 10-year yield is feeling the pressure on interest rates. UBT is holding up quietly as well. We'll also be patient with this position.

The stock market is benefitting from the new reality that interest rates will remain at low levels. With the Transportations breaking up while Nasdaq hit a record high today, we want to exit SDS the best way possible.

Our strategy for this week is to keep a close eye on the dollar index, the 10 year yield,

crude and copper. They've all formed symmetrical triangles between key support and resistance levels, as you'll see in the chart section below. Uncertainty is likely to increase as hawkish statements from the Fed differs from recent soft economic data. This uncertainty could continue being supportive of higher gold prices. Remember to take partial profits when targets are reached and continue to buy on weakness that holds at key support levels.

Good luck and good trading,



Omar Ayales
Chief Trading Strategist
GCRU

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MARKET LEADERS



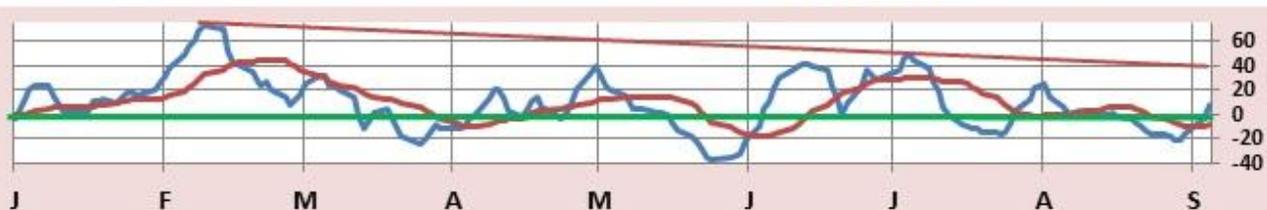
GOLD DECEMBER 2016 (GCZ16) 9/07/2016 CLOSE = 1349.2

BOUNCING UP FROM KEY JAN UPTREND AND SUPPORT... JUL DOWNTREND IS KEY ST



JAN
SPINNER (3, 16, 16)

ON THE RISE!



Long	1260 (Mar-4 & 7 - 16) (GLD: 121), 1208 (May-31-16) (GLD: 115.50). Sold half at 1335 (GLD: 126.85) for an average 8% gain. 1306 (Sept-1-16).
Stop	2dc below 1200 (GLD: 115.50)
Profit Targets	1400 & 1500 (GLD: 133 & 143).
New Long Recom	Keep positions. Wait for a decline that holds at the Jan uptrend near 1310 to buy again.

Gold proved once again it has solid support above the Jan uptrend and 15wk MA between the 1300-1310 levels. Gold bounced up with impressive strength after approaching 1300 and it's now testing its key ST resistance at 1360, the Jul downtrend. Keep in mind, however, although a break above 1360 would be bullish ST, gold's next intermediate resistance remains at its 3 year high at 1380. This means, gold must break above 1380 on a 2dc to show renewed strength that could push gold to the top side of the Jan upchannel near 1420 or higher. Spinner is turning bullish as it crosses above the zero line. This tells us momentum is rising and potential for more upside is getting stronger. We recommend keeping your positions for now. Remember to continue adding to your position on declines to key support levels, like you did this past week.

SILVER DECEMBER 2016 (SIZ16) 9/07/2016 CLOSE= 19.848



Call Spread:	Dec 2016 bull call spread 24.50/27 at \$500 (Aug-12-16).
Long at:	20.15 (Jul-12-16) (SLV: 19.10), 19.75 (Aug-8-16) (SLV: 18.90), 18.50 Aug-29-16) (SLV: 17.60), 18.70 (Sept-1-16) (SLV: 17.75).
Stop	2dc below 18 (SLV: 2dc below 17.05).
Profit Target	25 & 28 (SLV: 24 & 27)
New Recom:	Keep your positions. If not in, wait to buy on a decline to 18.70. All buy on a decline to the Jan uptrend near 17.25.

Silver jumped up sharply this past week after testing its 15wk MA. It rose to the Jul downtrend near 20.50 showing impressive strength. Spinner burst up from oversold levels, breaking above the zero line and showing room for more upside. Silver must now break above the Jul downtrend on a 2dc above 20.50 to show renewed signs of strength that could continue fueling silver's bull market from the start of the year. On the downside, if silver fails to break above this next resistance, it could decline to the May uptrend and 15wk MA near 18.80. A break below this level would show ST weakness and a further decline to 17.25, the Jan uptrend, would then be likely. Keep in mind any decline below 18 would pose a great buying opportunity. You added to your position last week and you're well positioned to gain from the upside. Buy more or new positions if not yet in during weakness.

U.S. DOLLAR INDEX SEPTEMBER 2016 (DXU16) 9/07/2016
CLOSE= 94.951



The U.S. dollar index fell hard after failing to break above a key resistance near 96.50 where the Dec downtrend and the dollar's 65 wk MA are converging. Although lackluster strength and lack of follow through show signs of weakness, the dollar remains on solid footing above its May uptrend currently at 94.50. The dollar is at a key crossroad between these levels and a break in either direction will be forth-telling of the dollar's next intermediate trend. Spinner remains on an upward path showing growing momentum. But the dollar's strong resistance level at 96.50 is exposing a solid ceiling. Keep a close eye on both of these levels. The gap between them is narrowing. Remember, a stronger dollar will trigger deflationary forces and put downside pressure on currencies and commodities alike. Conversely, a weaker dollar will be supportive of stronger currencies and commodities.

LIGHT CRUDE OIL OCTOBER 2016 (CLV16) 9/07/2016

CLOSE= 45.5



Put Spread	Nov 2016 33/30 Bear Put Spread at \$600 (Mar-30-16) & at \$275 (Aug-12-16).
Recom:	Keep put spread for now. Buy crude long on a 2dc break above 50 (DBO: 9.25), or on a decline to Jan uptrend near 42.

Crude's trading range continues to narrow between two key trend lines. On the one hand, crude production output remains at a high and demand lackluster amid a sluggish global economic recovery, adding to the already existing supply glut. On the other, speculation of some type of agreement within OPEC and/or between OPEC and Russia to freeze or limit production continues to grow. From a technical perspective, the bearish H&S top pattern is nearly complete. A break below the NL support on a 2dc below 41 would likely send crude to the lower 30s. On the other, a longer term H&S bottom with a NL resistance at 50 and upside target near 70 continues to form. We'll wait patiently and see where crude breaks first before placing a trade. Stay out for now.

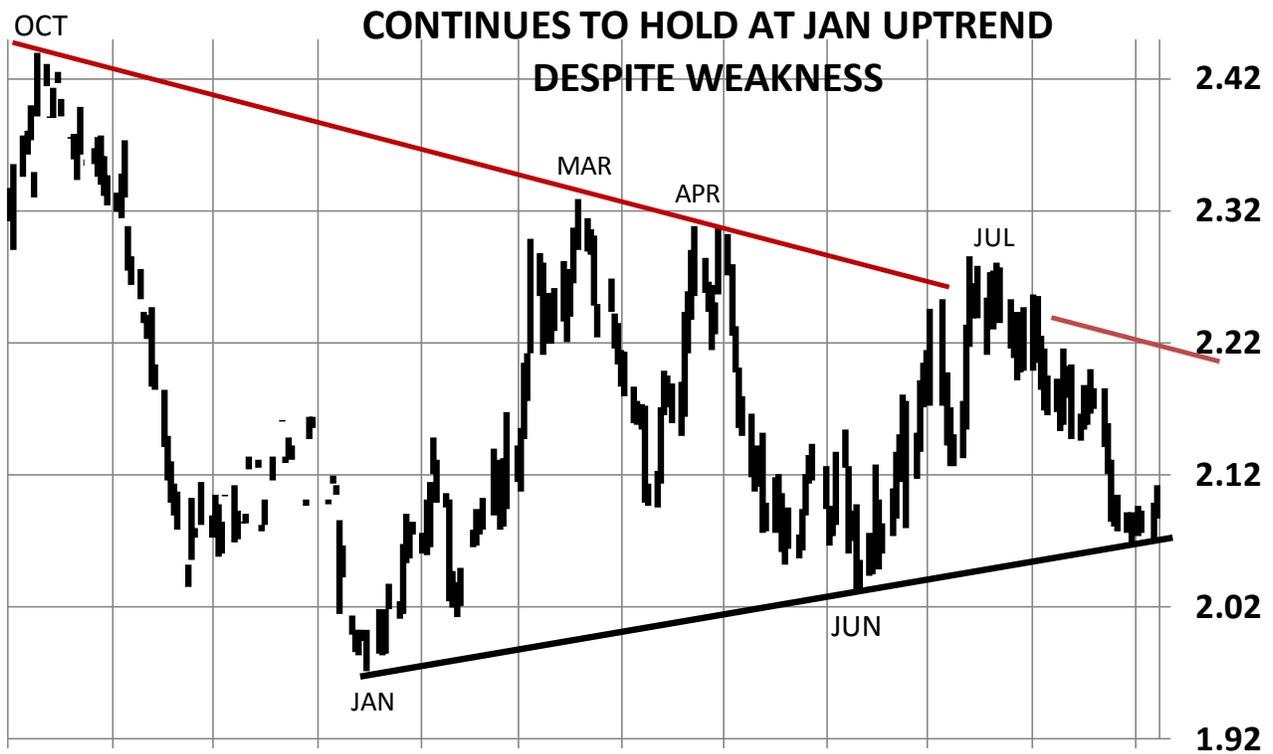
CBOE Interest Rate 10 Year T No (^TNX) 9/07/2016 CLOSE= 1.541



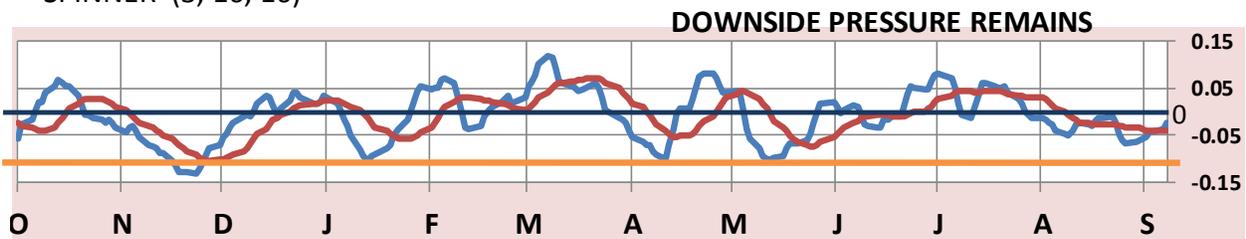
CBOE Interest Rate 10 Year T No (^TNX) - Chicago options

A string of poor U.S. economic indicators this week weighed in more heavily than hawkish statements from Fed officials following the recent event at Jackson Hole. A weak jobs report and an ISM (PMI) reading below 50, which signaled contraction in the manufacturing sector, exposed the fragility of the U.S. economic recovery. The 10 year yield broke below an uptrend since Jul showing weakness and room for more downside. Spinner is neutral to bearish by turning to the downside, showing weakness as upside momentum wanes. This tells us the 10 year yield has room to decline further, to possibly the Jul lows near 1.35, IF the 1.50 level is violated on a 2dc. The weakening 10 year yield will be supportive of higher gold prices and could also drag the U.S. dollar down with it. On the upside, the 10 year yield must break above the 1.62 resistance level on a 2dc to see signs of strength.

COPPER DECEMBER 2016 (HGZ16) 9/07/2016 CLOSE= 2.0975

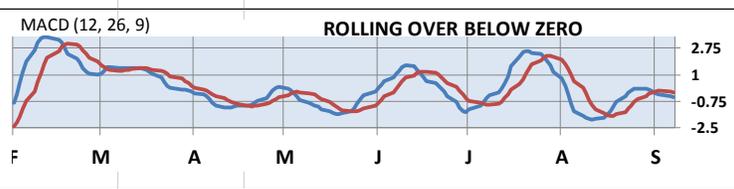
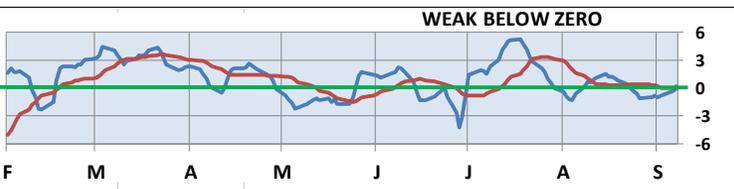


SPINNER (3, 16, 16)

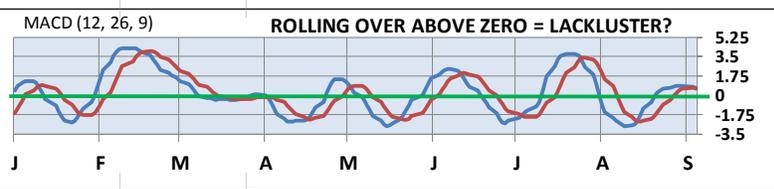
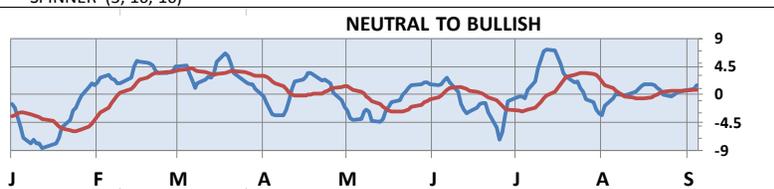


Copper is coiling... Yet again, copper's uptrend and support near 2.07 is proving to be a strong one. Just like its resistance at the Oct downtrend below 2.22. These narrowing levels are forming a key symmetrical triangle. Remember, a symmetrical triangle is a continuation pattern. A break in either direction will likely point towards copper's next intermediate move. Keep in mind, a rise above 2.22 on a 2dc would be indicative of a stronger economic recovery that could propel copper to the Oct highs near 2.45. However, a break below 2.07 on a 2dc would show deflationary forces strengthening and a decline to the Jan lows, initially, would then be likely. Interestingly, lower copper prices are likely to reduce production, which could give silver a boost as silver is mined as a byproduct of copper.

**SPDR DOW JONES INDUSTRIAL (DIA) 9/07/2016
CLOSE= 185.32**



**Shares Transportation Average (^IYT) 9/07/2016
CLOSE= 145.05**



New Recom

Stay out.

The Transport Average had a big day today, rising to highs last seen during Apr. The Transports is now testing the double top resistance level as it holds above a bullish Jun uptrend. Although a break above the double top resistance would not trigger a bullish Dow Theory confirmation, signs of renewed strength and the possibility of a trend reversal would increase. Notice Spinner and MACD for the Transports turning bullish with room to rise further. This tells us rising momentum could push Transports above a key resistance and open the door for higher highs. The Industrials, on the other hand, remain near the highs. Although they've declined and continue to show signs of a top, they remain bullish above the Feb uptrend near 18000 (DIA: 179). On a speculative move, some of you bought new positions in SDS (inverse ETF to the S&P 500). We will continue to hold as long as the Transports resist at the Apr high.

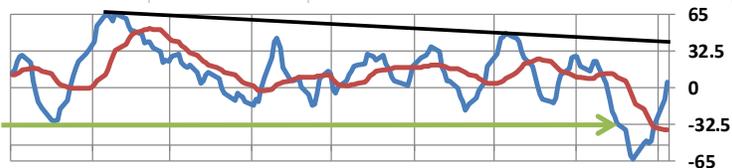
ADEN GOLD STOCKS ADV/DECLINE 9/07/2016
CLOSE = 4543



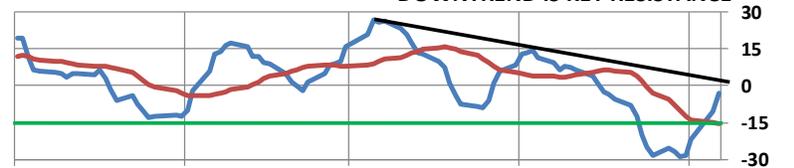
HUI GOLD BUGS INDEX (HUI) 9/07/2016 CLOSE= 248.2



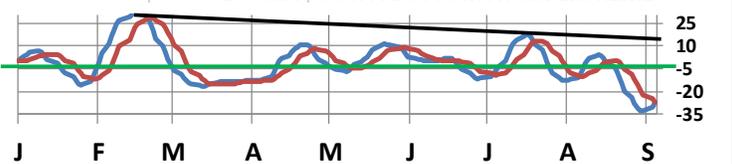
SPINNER (3, 16, 16) REBOUNING FROM EXTREME LOW



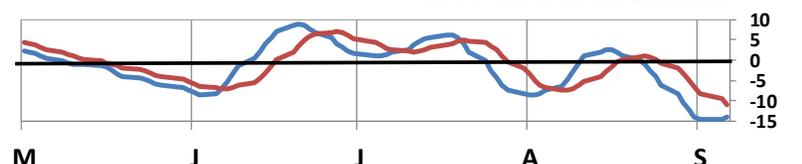
SPINNER (3, 16, 16) REBOUNING FROM AN EXTREME... DOWNTREND IS KEY RESISTANCE



MACD (12, 26, 9) LOOKING FOR A BOTTOM AT AN EXTREME



MACD (12, 26, 9) BOTTOMING AT AN EXTREME



Gold shares followed gold on its bullish bounce up this past week. HUI rebounded from its ST support near 217 and it's now testing its 15 wk MA near 251. A break above this level on a 2dc would confirm gold share strength and a rise to the recent Aug highs near 285 would then be likely. However, certain key indicators remain under pressure telling us the upside may be limited. On the one hand, Spinner for HUI is not out of the woods just yet as it remains below the zero line and a downtrend of its own. On the other hand, the A/D Line continues to resist below its own 15wk MA near 4550 exposing downside pressure. And although the A/D Line's Spinner did cross above zero, it remains below a yearlong downtrend showing momentum waning. Our strategy will remain to take advantage of weakness when possible and buy on the dips and declines as gold's cyclical bull market develops. Some may have picked up some AEM near the lows this past week. We continue to hold on to our positions for now.

STOCKS

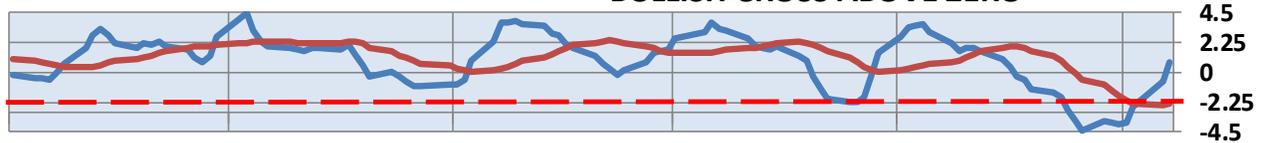


Agnico Eagle Mines Limited (AEM) 9/07/2016 CLOSE= 56.12



SPINNER (3, 16, 16)

BULLISH CROSS ABOVE ZERO



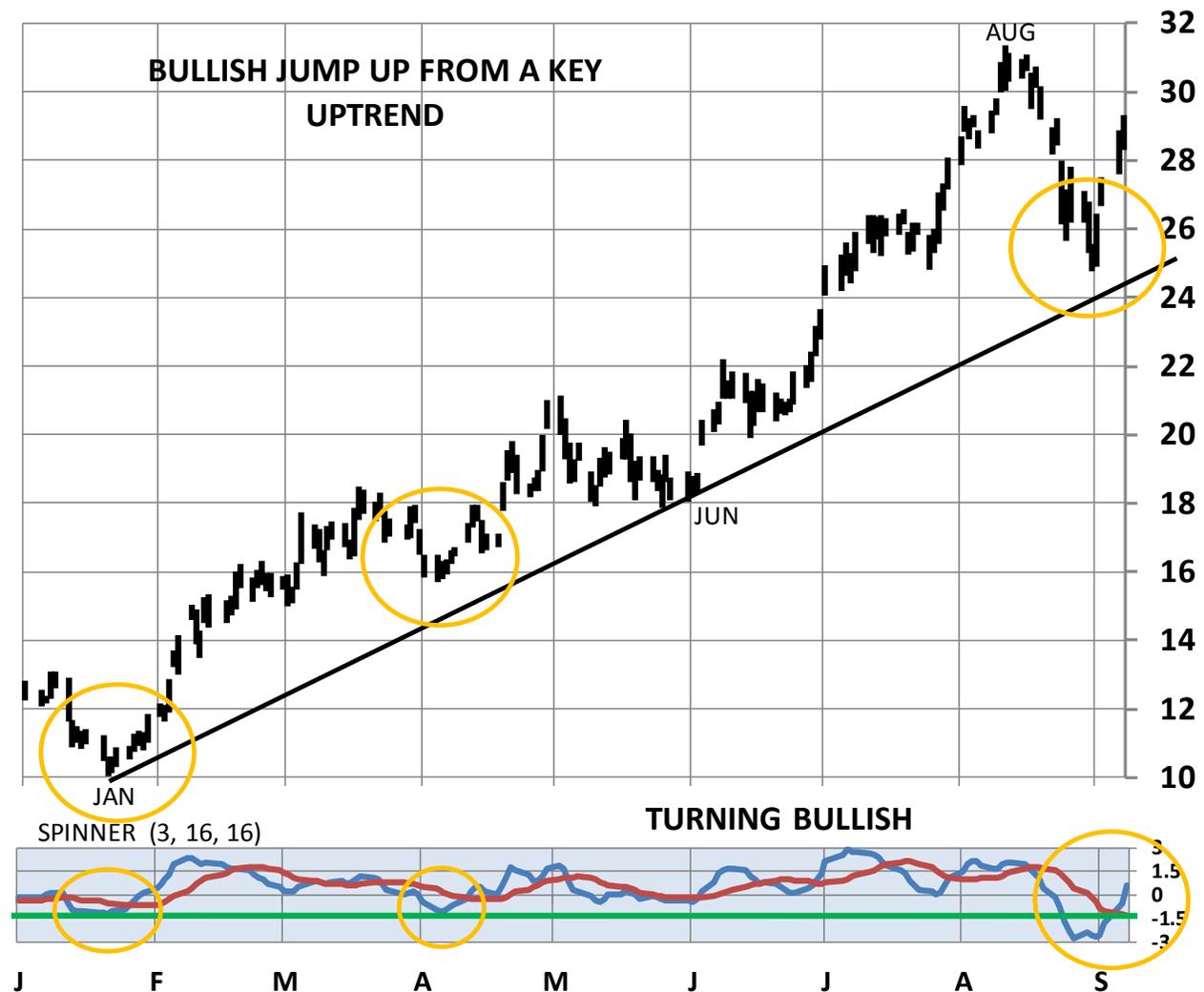
A M J J A S

Agnico Eagle Mines Limited (AEM) - Nyse

Long at:	52 (Jun-27-16), 52 (Jun-28-16) Sold half at 59.50 for a 14.5% gain! 52 (Aug-24-16), 51 (Sept-1-16).
Stop:	2dc below 50 (adj).
Profit Target	58 (adj), 60 & 70
New Recom:	Keep your position. Sell half near 58.

AEM rebounded with strength from a key ST support at 50 surpassing its 15wk MA (52.50) as Spinner rose from an extreme oversold level. Spinner is now breaking above zero showing growing momentum with good ST upside potential. This tells us AEM could now rise to the Aug downtrend near 58 or to the top side of the 2+ mo band near 60, initially. Keep in mind, a break above 60 on a 2dc would show renewed strength that would fuel a rise to 70 or higher. On the downside, if AEM fails to rise above its Aug resistance, it could then decline to test its support level at 50. A break below 50 would trigger a trend reversal that could see AEM decline to the May lows near 44, or lower.

Silver Wheaton Corp. (SLW) 9/07/2016 CLOSE= 29.25



Silver Wheaton Corp. (SLW)

Long at:	27 (Aug-24-16), 25.25 (Sept-1-16).
Stop:	2dc below 23
Profit Target	31 & 40
New Recom:	Keep your new positions.

SLW declined to the Jan uptrend allowing us to pick up some more at great levels! It's since surged to the upside and it's near the Aug highs, our first profit target. Spinner rose feverishly from extreme oversold levels and it's turning bullish as it crosses above zero. This tells us SLW's upside potential ST is good. On the downside, the Jan uptrend near 24.50 is key. A break below this level on a 2dc could turn SLW bearish ST. We recommend keeping your positions as long as SLW holds above the Jan uptrend and selling half at our first profit target.

ETFS Physical Platinum (PPLT) 9/07/2016 CLOSE= 104.63



ETFS Physical Platinum (PPLT)

Long at:	104 (Aug-24-16), 100.50 (Sept-1-16).
Stop:	2dc below 99 (adj).
Profit Target:	115 (adj) & 135
New Recom:	Keep your new position. Sell half at first profit target.

PPLT held at its bullish Jan uptrend showing impressive intermediate strength. Spinner rose from an extreme oversold level and it's now testing the zero line. This tells us momentum is on the upswing and if Spinner crosses above zero, we could see PPLT rise to the top side of the Jan upchannel near 116. On the downside, a break below the Jan uptrend on a 2dc below 99 would mean a steeper decline is underway. Keep your positions as long as PPLT holds above 99.

PROSHARES ULTRA 20+Year Treasury (UBT) 9/07/2016 CLOSE= 99.5

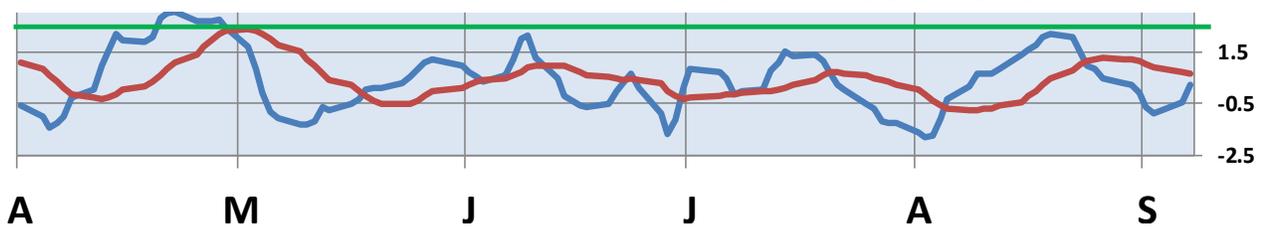


ProShares Ultra 20+ Year Treasury (UBT) -NYSEArca

New Recom: Buy some on a decline to 96.50 and more near 93.50. Place stops at 2dc below 90. Profit targets at 106 & 120.

We continue to wait patiently as UBT moves within a narrow trading range. Spinner flat nears the zero line, slightly turning downward. However, there is no clear indication as to UBT's next move. On the one hand, hawkish comments from the Fed failed to push bonds lower. On the other, weak economic data fueling speculation that interest rates will remain lower failed to spur strength. We recommend staying on the sidelines for now.

Energy Select Sector SPDR ETF (XLE) 9/07/2016 CLOSE= 70.52



Energy Select Sector SPDR ETF (XLE)

New Recom: **Waiting for weakness to buy; ideally near 65.**

Testing key resistance levels... XLE resumed its rise while Spinner bottoms below the zero line. A renewed rise is now likely, but keep in mind XLE's strength and upside potential will depend on crude's strength. Crude must break above 50 to show real upside potential. If crude fails to break above 50, XLE's upside will be limited which, would not allow potential for profit. We recommend staying on the sidelines for now and keeping a close eye on crude's key levels at 50 on the upside and 41 on the downside.

PROSHARES ULTRASHORT S&P500 (SDS) 9/07/2016 CLOSE= 16.23



ProShares UltraShort S&P500 (SDS)-NYSEArca

Long at:	18.90 (May-4-16), 18.55 (May-11-16), 18.85 (May-18-16), 18 (Jun-2-16), 18.30 (Jun-15), 16.45 (Sept-1-16).
Recom:	Sell at best price possible for a loss :(

SDS continues to edge downward as the stock market remains near the highs. Moreover, if the Transportation Average breaks above the Mar/Apr double top resistance, we could see a spring upward in stocks. Although a Transportation rise above its double top resistance would not trigger a bullish Dow Theory confirmation, higher lows would be possible ST. Sell at the best price possible.

OPEN POSITIONS

Symbol	Trade Update &/or Current Position	Status (L=Long, S=Short, O= Out P= Put C= Call)	Initial Entry Date	Initial Entry Price	Traders re-bot/ -sold at	Last Closing Price	Stops	Target #1	Target #2
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SHARES

AEM	Keep your position. Sell half near 58.	L	June-27-16	52.00	52, 51	56.12	2dc below 50	58.00	60.00
XLE	Waiting for weakness to buy; ideally near 65.	O				70.52			
SLW	Keep your new position.	L	Aug-27-16	27.00	25.25	29.25	2dc below 23	31.00	40.00
SDS	Sell at best price possible for a loss :(L	May-4-16	18.90	18.55, 18.85, 18, 18.30, 16.45	16.23			
UBT	Buy some on a decline to 96.50 and more near 93.50. Place stops at 2dc below 90. Profit targets at 106 & 120.	O				99.50			
PPLT	Keep your new position. Sell half at first profit target.	L	Aug-24-16	104.00	100.50	104.63	2dc below 99	115.00	135.00

MARKET LEADERS

Gold - GCZ16	Keep positions. Wait for a decline that holds at the Jan uptrend near 1310 to buy again.	L	Mar-4 & 7-16	1260.00	1208, 1306	1349.20	2dc below 1280	1400.00	1500.00
Crude-CLV16	Keep put spread for now. Buy crude long on a 2dc break above 50 (DBO: 9.25), or on a decline to Jan uptrend near 42.	P				45.50			
Silver SIZ16	Keep your positions. If not in, wait to buy on a decline to 18.70. All buy on a decline to the Jan uptrend near 17.25.	L	Jul-12-16	20.15	19.75, 18.50, 18.70	19.85	2dc below 18	25.00	28.00
US Dollar DXU16	Stay out.	O				94.95			
COPPER HGU16	Stay out.	O				2.10			

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Note: U should NOT feel our recommended prices are set in concrete. If mkts suddenly feel hot or cold to U, or dramatic news occurs, U can buy or sell, or stop at slightly higher or slightly lower prices. It also hinges on your experience level. Some people can use our prices as guides & know when they can take bigger risks.

Spinner: Spinner is an in-house momentum indicator (not always shown on charts). Momentum indicators use the rate of change in price to determine predominant energy flows. Spinner trading signals are generated when the faster timing line crosses above or below the slower confirming line. Upside crosses in the lower range of positive territory offer the most reliable signals for longs; downside crosses in the top range of negative territory for shorts. Avoid trading against the timing line, ie, buying/selling if the timing line is in corrective mode (against direction of trade) unless the confirming line is positioning for a new 'confirming cycle'. It's important to always be aware of location, direction & cycling phase of the confirming line. Spinner signals are more effective in trending mkt's than in trading ranges where indicators such as Stochastic & Williams %R should be used.

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
LOC	line on close
LT	long term
MT	medium term
NL	neckline
PF	portfolio
PO	price objective
Recom	recommended
RH&S	reverse head & shoulder
RS	relative strength
ST	short term
Sym/tri	symmetrical triangle
Tgt	target
Unch	unchanged
Vol	volume
Wk	week
Ystdy	yesterday
C	close

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