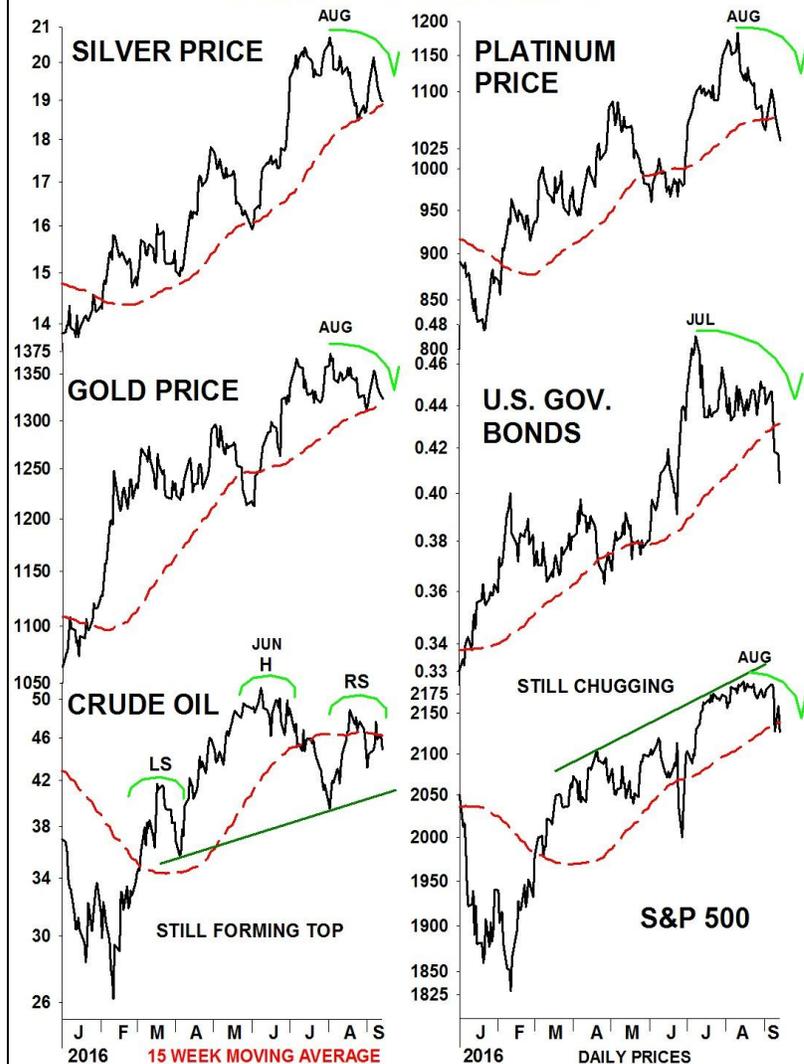


# -GCRU-

Weekly Trading Service



## SUMMERTIME TOPPING IS AUTUMN'S FALL 15 WEEK MA IS STILL KEY ST



GCRU #706

●●● September 14, 2016 (in its 15<sup>th</sup> year)

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“What I object to the current government intervention in so-called 'solving the crisis', they haven't solved anything. They've just postponed it” – Marc Faber –

#### KEY PRICES

Name/Symbol	Sept 13, 2016 price	Change	Sept 7, 2016 price	Name/Symbol	Sept 13, 2016 price	Change	Sept 7, 2016 price
Gold (GCZ16)	1323.70	-25.50	1349.20	S&P500	2127.02	-59.13	2186.15
Silver (SIZ16)	18.98	-0.873	19.85	U.S.Dollar (DXU16)	95.645	0.694	94.951
HUI (HUI)	228.94	-19.26	248.20	30 Year T-Bond (ZBZ16)	165 - 09	-5.14	170 - 23
Copper (HGZ16)	2.10	0.0040	2.10	10 Year T-Note Yield	1.734	0.1930	1.541
Crude Oil (CLV16)	44.90	-0.60	45.50	13-week Treasury bill	0.345	0.0150	0.330

## A MIXED-UP WORLD

**T**he markets are jittery ahead of next week's Fed meeting.

The obsessive "game" is grading on the nerves, but next week we'll know what the Fed will do. And the way things are going, if we had to guess, it would be to leave interest rates unchanged for now.

A rout in global bonds spilled over from Europe last week when the ECB left rates unchanged. U.S. bond prices fell and it snowballed yesterday when the Fed's auction of 30 year bonds had weak demand. The yield spiked up to a 12 week high.

Our patience paid off with UBT. It finally fell to our open order and triggered a buy. Since it fell fast after topping in July, you may not have had a chance to get in yet. We suggest buying at mkt.

**All markets fell yesterday**. Crude Oil fell down when both the IEA and OPEC said they see the oil glut persisting into next year. This caused energy shares to fall, thereby pushing the whole stock market down even further.

After holding our SDS (short stock market ETF) since May, we reluctantly sold it a day too early, last Thursday. It taught us on this one, that we didn't have quite enough patience.

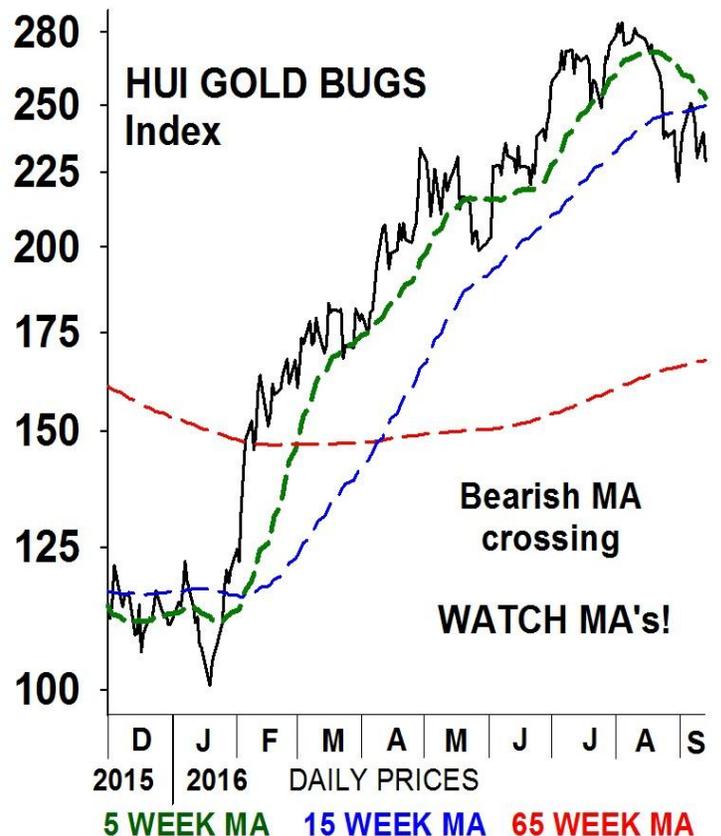
**Symmetrical triangles are everywhere** in gold, silver, oil, copper, the dollar and yields. This is basically an indecision type of market movement. And there is a lot of

uncertainty surrounding debt and the Fed's ability to handle it. Plus, the unusual election is also adding to the uncertainty amid a sluggish global economic recovery. This is why diminishing prospects of a near term rate hike is weighing on the markets.

But our **Chart of the Week** will help us see the markets more clearly. We showed this chart 3 weeks ago, and it's time to put it back because the corrections have clearly started.

Most noticeable is platinum, bonds and gold shares, also see the **chart below**. They are clearly below their 15-week MAs while the stock market, oil, gold and silver are close.

### GOLD SHARES: A DOWNSIDE LOOK



In fact, note the HUI index is having a ST bear market crossing. The 5-week MA is crossing its 15 week MA for the first time since January. This is strong ST resistance at 251-252. The major trend is the rising 65-week MA at 170.

These markets are poised to decline further once all are below the 15-week MA. Gold and silver will begin by closing below \$1320 and \$19 for silver. They both have been holding up the best, so these levels are key ST to watch.

If gold closes below \$1320 it should then fall below the Dec uptrend at \$1310 for a steeper correction to occur. Gold has solid support at \$1200, where the 23-month MA and the 65wk MA are converging.

Silver also has room to decline before reaching a rock solid support. Silver has tremendous upside and we recommend keeping it and buying on dips and declines near key support areas.

The sharp decline in the stock market created the perfect storm for a bigger decline in gold shares. If S&P500 and crude stay below yesterday's low, both will be following gold shares and bonds.

SLW is looking as impressive as it did last week despite its decline. And as long as SLW stays above its key 2016 uptrend, it should rise to higher levels and provide great opportunity to profit handsomely.

AEM, our only gold share, looks like it's forming a H&S top. It's holding above its key neckline support at 50, shown in the chart section below. We're keeping a close

eye on 50 in case of a break below it. If it does, it could be the start of a steep correction.

The dollar index continues telling a story. It's holding above a key uptrend and support level, and it's breaking above its own 15wk MA. This dollar strength was likely due to the 10-year yield's jump above a ST resistance at 1.62%.

But, the dollar remains more vulnerable than it seems. It's approaching a key resistance level since Dec. Moreover, the 10-year yield's upside may be near the end as it reaches a resistance level of its own near 1.74%.

As long as the dollar remains strong, we'll see downward pressure on most asset classes. But if the 10-year yield starts to decline, we could see the dollar follow.

PPLT has also declined, testing a major uptrend of its own. However, our in-house indicators are showing that platinum is at an extremely oversold level with limited downside. This tells us, we'll likely see it hold above its 65wk MA near 96. We've lowered our stop loss to this level to allow for some volatility. We also recommend buying more if not yet in.

Our strategy this week is to continue keeping eyes on key levels, particularly 96.50 on the dollar index, 1.74% on the 10 year yield, \$1300 on gold and \$18.70 on silver. Continue to buy on dips and declines at key support levels as we continue to secure full positions.

Good luck and good trading,



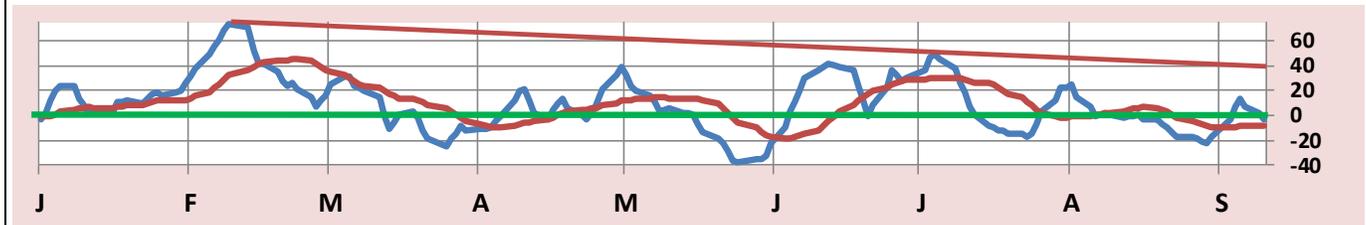
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Chief **Trading** Strategist  
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Next week we're having our traditional Fall skip week. But, as always, if the markets warrant a comment or two before our next edition scheduled for September 28, we'll reach out. And much will probably depend on the Fed's rate decision next week.

# MARKET LEADERS



**GOLD DECEMBER 2016 (GCZ16) 9/13/2016 CLOSE = 1323.7**



Long	1260 (Mar-4 & 7 - 16) (GLD: 121), 1208 (May-31-16) (GLD: 115.50). <b>Sold half at 1335 (GLD: 126.85) for an average 8% gain.</b> 1306 (Sept-1-16).
Stop	2dc below 1200 (GLD: 115.50)
Profit Targets	1400 & 1500 (GLD: 133 & 143).
New Long Recom	<b>Keep positions. Buy again near 1300 and more below 1250.</b>

Gold declined after failing to break above the Jul downtrend showing a sign of further weakness and that a clear ST resistance is at 1360. Spinner is also showing lackluster strength after failing to follow through on its breakout above the zero line last week. Keep in mind, gold remains technically very bullish above the Jan uptrend near 1300. This means, gold will remain with an upward bias by staying above 1300. However, if gold breaks below 1300 on a 2dc we'll most likely see a steeper correction develop. The 1200 level remains gold's rock solid support. Due to uncertainty surrounding the markets amid an election year and sluggish global economic recovery, it's unlikely that interest rates will rise much further. This in turn will continue to be supportive of gold as well as other currencies and commodities. Our strategy remains intact. Hold on to your positions during weakness and buy more at key support levels.

**SILVER DECEMBER 2016 (SIZ16) 9/13/2016 CLOSE= 18.975**



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:	<b>Keep your positions. Buy again on a decline to 17.50.</b>

Silver failed to rise above the Jul downtrend and resistance level this past week. Spinner also resisted, but it has bullish life above zero. Impressively, silver held at the May uptrend near 18.75. If silver continues to hold at this level, we could see it resume its rise and re-test the Jul downtrend near 20. A break above this level on a 2dc would show renewed strength and a clearer path to the upside. On the downside, if silver breaks below the May uptrend on a 2dc below 18.70, weakness could take it to the Jan uptrend near 17.25. Keep in mind, the Jan uptrend and support is bullish and strong. We recommend buying silver on a decline to that level. As with gold, accommodative monetary policy by way of zero interest rate policy will remain supportive of precious metals. Moreover, deflationary forces could put a lid on the resource metals, which in turn would cap supply in silver and could then add to silver's allure. Keep your positions and buy more on weakness.

# U.S. DOLLAR INDEX SEPTEMBER 2016 (DXU16) 9/13/2016

CLOSE= 95.645



The dollar got a boost this week when the 10 year yield exploded to the upside. The dollar rebounded from its key uptrend and support since May breaking above its 15wk MA showing impressive strength. As long as the dollar holds on to the May uptrend (94.50), it'll remain on a solid path to higher levels. Keep in mind, however, the dollar continues to form a symmetrical triangle because it has yet to break above its 2016 downtrend, currently at 96.50. Adding to the strong resistance level is the 65 wk MA which is now converging with the Dec downtrend at 96.50. This means, the dollar must break above 96.50 on a 2dc to show renewed strength that could push it to the Jan highs above 100. If the dollar fails to break above 96.50, it'll keep showing weakness and a continued 2016 decline would likely ensue. On a bigger picture basis, the dollar continues to form a massive top by staying below 101. Keep an eye on 96.50.

# LIGHT CRUDE OIL OCTOBER 2016 (CLV16) 9/13/2016 CLOSE= 44.9



Put Spread	Nov 2016 33/30 Bear Put Spread at \$600 (Mar-30-16) & at \$275 (Aug-12-16).
Recom:	<b>Keep put spread for now.</b>

Crude continues to narrow its trading gap between the Jun downtrend at 48 and the Aug uptrend near 44.50. A break in either direction will allow speculating on crude's next ST move. Keep in mind, however, crude's levels for an intermediate move remain at 51, on the upside, and 40 on the downside. The 51 level represents a year-long bullish H&S bottom neckline & resistance level. If crude breaks out from this level, it could propel crude to 70. On the other hand, the 40 level represents the neckline and support of a bearish H&S top that has been forming since Mar. A break below 40 on a 2dc could push crude to the lower 30s. Uncertainty may keep crude within the 40 to 50 range. Turning to Spinner, it's clearly resisting below zero. A bearish move showing more weakness ST is likely. We recommend staying out until crude breaks clearly above 50 or below 40.

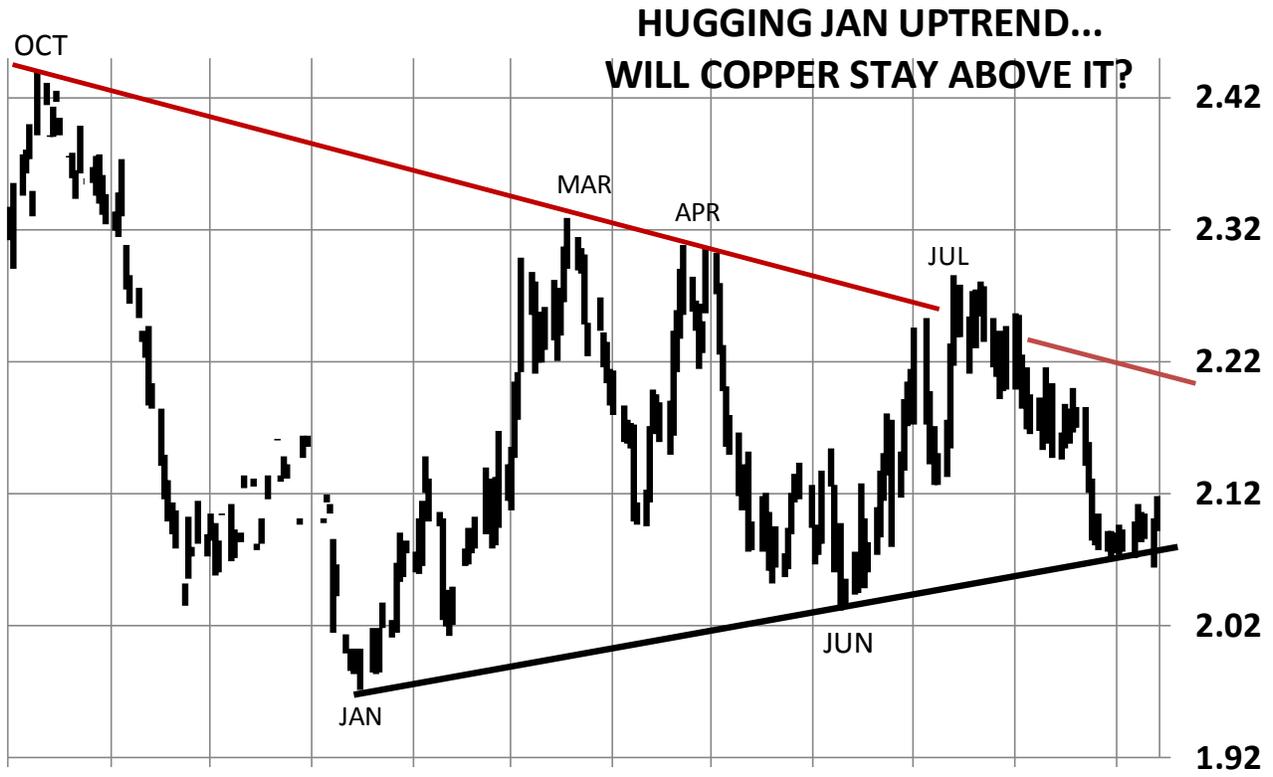
**CBOE Interest Rate 10 Year T No (^TNX) 9/13/2016 CLOSE= 1.734**



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

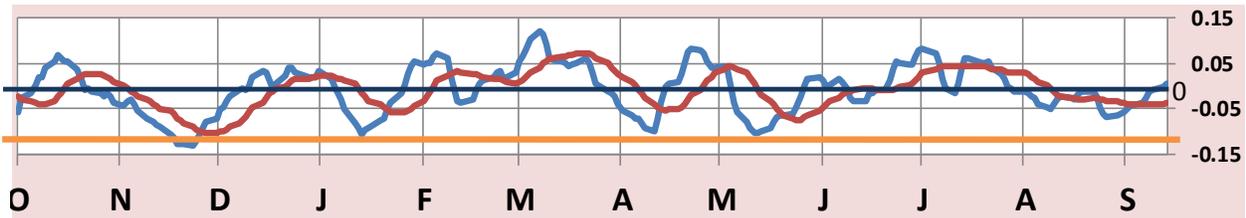
Bear trap! The 10 year yield spiked up after breaking below the Jul uptrend last week. It cut resistance like a hot knife through butter confirming the bullish ascending triangle pattern. The boost pushed the 10 year yield to a major resistance level near 1.74. The 10 year yield must now break above 1.74 on a 2dc to show renewed strength. On the downside, the Mar downtrend and resistance is a strong one. Notice Spinner validating the resistance level as it reaches an extreme overbought level signaling limited upside. If the 10 year yield fails to break above its next resistance, it could then resume its decline, pulling the U.S. dollar index down with it. Keep an eye on 1.74% and its 1.56% support.

**COPPER DECEMBER 2016 (HGZ16) 9/13/2016 CLOSE= 2.1015**



SPINNER (3, 16, 16)

RISING -TESTING ZERO

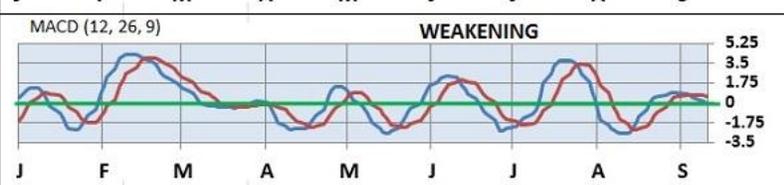
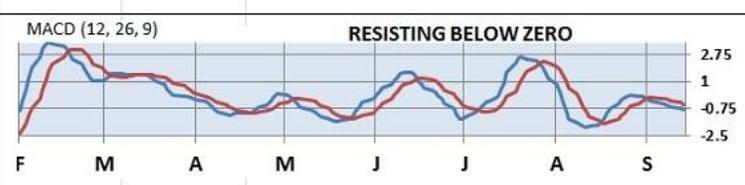
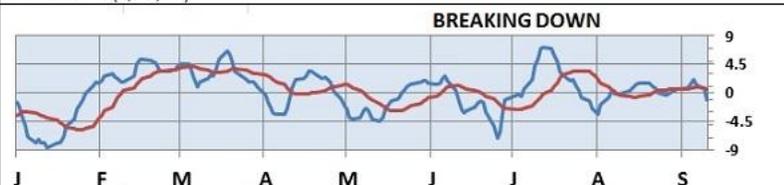
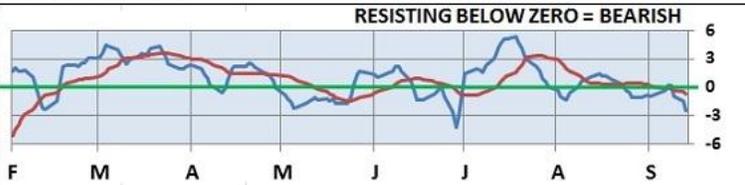


Copper rebounded once again after reaching the Jan uptrend confirming a very strong support level. However, for copper to show renewed strength, it must break above the Oct downtrend on a 2dc above 2.22. Otherwise, it'll remain sluggish within a narrowing trading range. A break below the bottom side of the narrowing trading range would reaffirm copper's bear market. Spinner rising from oversold but is lackluster below zero. Keep in mind, sluggish copper is indicative of increasing deflationary pressures which could spoil the Fed's party for a rate increase later on this year. It could bounce to 2.22 and still remain inside a triangle.

**SPDR DOW JONES INDUSTRIAL (DIA) 9/13/2016**  
CLOSE= 180.82



**Shares Transportation Average (^IYT) 9/13/2016**  
CLOSE= 140.05



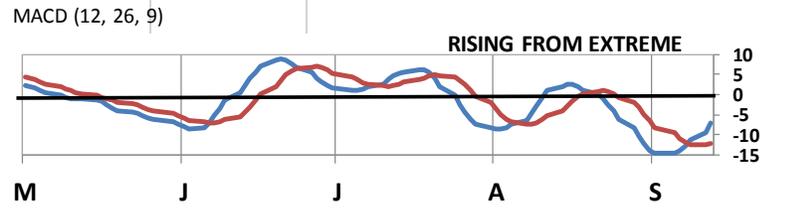
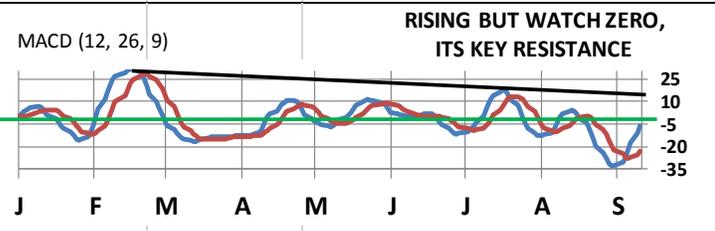
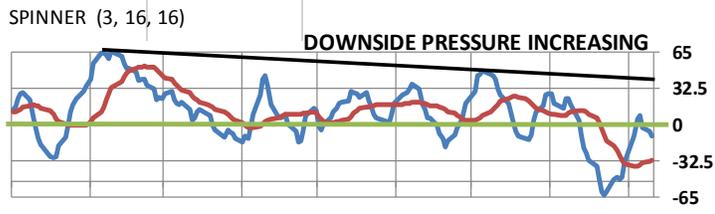
New Recom      **Stay out.**

The Transportation Average continued to show weakness as it failed to rise above its double top resistance. Its Spinner failed to follow through on its break above zero showing lackluster strength turning into weakness. The Industrials followed the Transports on their decline, approaching the Feb uptrend near 18000 (DIA: 179). A break below this level would show signs of weakness and a continuation of the stock market's bear market would then be likely. Spinner for the Industrials is resisting below the zero line and on a downward path. All signs of weakness showing potential for more downside. Keep in mind, however as long as interest rates remain suppressed the downside in stocks is likely to be short lived.

**ADEN GOLD STOCKS ADV/DECLINE 9/13/2016**  
CLOSE = 4502



**HUI GOLD BUGS INDEX (HUI) 9/13/2016 CLOSE= 228.94**



The awaited correction in gold shares continues to unravel... Downside pressure is on the rise. This past week HUI failed to break above its 15wk MA (252) after rebounding from a ST support level near 217. The steep Aug downtrend combined with the 217 ST support level is now forming a descending triangle, a bearish continuation pattern that if broken to the downside could push HUI to its next major support near 200. Spinner remains bearish as it failed to break above a downtrend of its own confirming a weakening tendency. The A/D Line, on the left, is also showing weakness below its 15wk MA. Its own Spinner is also resisting at zero and looks positioned for more downside. Overall indicators are pointing towards continued weakness. On the upside, the 15wk MA is a key level for both HUI (252) and the A/D Line (4550). A break above these levels would put gold shares back on bull tracks. We recommend taking advantage of weakness to add to your positions.

# STOCKS



## Agnico Eagle Mines Limited (AEM) 9/13/2016 CLOSE= 51.29



### Agnico Eagle Mines Limited (AEM) - Nyse

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

Weakness in gold shares is putting downside pressure on AEM. It's now testing its 50 level neckline support as Spinner declines below the zero line. This tells us weakness is gaining momentum. Notice AEM has formed a bearish H&S top with a downside target at 40. AEM must break below 50 on a 2dc to confirm the bearish pattern. However, if the neckline support is not broken to the downside, we could see AEM resume its bullish rise during 2016. Keep your positions as long as AEM stays above 50.

**PROSHARES ULTRA 20+Year Treasury (UBT) 9/13/2016 CLOSE= 92.15**



**ProShares Ultra 20+ Year Treasury (UBT) -NYSEArca**

Long at:	96.50 (Sept-8-16), 93.50 (Sept-9-16).
Stop	2dc below 89 (adj).
Profit Target	106 & 120
<b>New Recom:</b>	<b>If not in, buy some at mkt.</b>

UBT declined to the Jan uptrend after breaking below a symmetrical triangle while Spinner reached an extreme oversold level. This tells us UBT's downside may be limited to the Jan uptrend at 92. If this uptrend now holds, we could see UBT rise to its ST July downtrend at 100. A break above this level would confirm strength and a rise to the top side of the channel would likely then follow. On the downside, a clear break below the Jan uptrend on a 2dc below 89 would trigger a trend reversal and a steeper correction would likely develop.

**ETFS Physical Platinum (PPLT) 9/13/2016 CLOSE= 99.46**



**ETFS Physical Platinum (PPLT)**

Long at:	104 (Aug-24-16), 100.50 (Sept-1-16).
Stop:	2dc below 95 (adj).
Profit Target:	115 & 135
New Recom:	<b>Keep your position. Buy more at 96.</b>

PPLT is slipping below the Jan uptrend while Spinner bottoms. This tells us pressure is down. Keep an eye on 99. A 2dc break below this level could push PPLT to test its major support at 95. PPLT could hold at 99 because it's clearly oversold ST. We could then see a rise to the top side of the Jan upchannel near 115, our first profit target. Sell if the 95 level is broken on a 2dc.

## Silver Wheaton Corp. (SLW) 9/13/2016 CLOSE= 26.7



### Silver Wheaton Corp. (SLW)

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

SLW is one of our strongest shares. It continues to hold well above its Jan uptrend showing impressive strength. If SLW can hold above the Jan uptrend at 24.50, we could see it continue on its bullish upward path. A break below 24.50, however, could trigger a trend reversal and a decline to lower 20s would then be likely. Keep your position as long as SLW holds above the Jan uptrend.

**Energy Select Sector SPDR ETF (XLE) 9/13/2016 CLOSE= 68.38**



**Energy Select Sector SPDR ETF (XLE)**

XLE declined after reaching the top side of the Apr upchannel. Overall weakness in crude is adding pressure on XLE. Notice Spinner declining below zero and its MT MA showing weakness with room to decline further. This tells us, XLE is likely to weaken further ST. Keep in mind, XLE's next bullish support is at the Apr uptrend near 66. We have removed our buy order for now and will keep a close eye on XLE and crude's weakness before buying again.

**PROSHARES ULTRASHORT S&P500 (SDS) 9/13/2016 CLOSE= 17.07**



**ProShares UltraShort S&P500 (SDS)-NYSEArca**

Long at:	<b>Sold all for an approximate loss of 10% :( If you sold on Friday or Monday your loss would've been much less.</b>
Recom:	<b>Stay out.</b>

SDS rose as stocks declined this past week. It broke above its ST resistance at 16.50 while Spinner rose above its MT MA and zero line showing a shift in momentum. If SDS can now stay above its previous resistance at 16.65, it could continue rising to possibly the Jul highs near 18. Overall, not much upside potential to profit from ST. We recommend staying on the sidelines for now. We sold a day too soon. You may have sold at a better price.

# 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	51.29	2dc below 50	58.00	60.00
XLE	Stay out.	O				68.38			
SLW	Keep your new positions.	L	Aug-27-16	27.00	25.25	26.70	2dc below 24	31.00	40.00
SDS	Stay out	L	May-4-16	18.90	18.55, 18.85, 18, 18.30, 16.45	17.07			
UBT	If not in, buy some at mkt.	L	Sept-8-16	96.50	93.50	92.15	2dc below 89	106.00	120.00
PPLT	Keep your new position for now. Buy more at 96	L	Aug-24-16	104.00	100.50	99.46	2dc below 95	115.00	135.00

## MARKET LEADERS

Gold - GCZ16	Keep positions. Buy again near 1300 and more below 1250.	L	Mar-4 & 7-16	1260.00	1208, 1306	1323.70	2dc below 1280	1400.00	1500.00
Crude- CLV16	Keep put spread for now.	P				44.90			
Silver SIZ16	Keep your positions. Buy again on a decline to 17.50.	L	Jul-12-16	20.15	19.75, 18.50, 18.70	18.98	2dc below 18	25.00	28.00
US Dollar DXU16	Stay out.	O				95.65			
COPPER HGU16	Stay out.	O				2.10			

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**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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