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-Gold (& mkts) Charts R Us-

•••• Welcome to *GCRU* #414 on Sept 15, 2010 (in its 9th year). Pow! Another champagne & chocolates breakout in gold ☺. Intriguingly, per our "ambush" warning of last week, the Sept 7 *Commitment Of Traders* report, & the September *Bank Participation Report* (which lists US and foreign banks active in the commodity futures and options markets) confirms US bullion banks did up the ante in their short sale holdings at crucial chart resistance, & mainly in silver, which (at that time) was threatening to break upside. Respected precious metals analyst Ted Butler (*ButlerResearch*) noted in his Sept 10 report that JP Morgan had *no other choice* but to put its head back into the lion's mouth after closing out a bunch of silver shorts positions. "On August 24th, the price of silver was around $18 the ounce. Over the next couple of days it jumped sharply to $19, and then continued to move up from there. The funds were buying aggressively and the Commercials (as a group) sold to them. Without JP Morgan's additional 5,000 or 6,000 or more short contracts, the Commercials stood a good chance of being over run to the upside. I'm sure JP Morgan was afraid of this and helped out their collusive Commercial brother crooks. I'm also sure that without JP Morgan's short-sale pile-on, the price of silver would have exploded upward." End quote. JP Morgan won a small battle but as Tuesday's breakout action shows, the gold war still rages. In spite of a massive short sale pile on, surging gold & silver prices pushed the cabal back into a trap of its own making, igniting an explosive short squeeze. But, be careful not to let the giddy feeling of "easy" profits override logical chart discipline. It's no secret that the big US bullion banks work together & with the implicit backing of the US Fed, who doesn't want its (bank bailout) rescue plans upset by a soaring paper gold price, and who still has the means to "massage" the paper gold price via the trillions of fiat dollars at its disposal. So, the gold price manipulation game could continue a little while longer, albeit via a series of more frequent & strategic upside price retreats of the type we witnessed yesterday. Having said that, gold's triumphant end game looms, as the risk of a Comex, or London Bullion Market Association "game over" event is fast approaching with physical delivery requests soaking up more and more of the available supplies. Only the total exhaustion of available bullion supplies will render paper gold market intervention useless, & set the yellow metal back on the unfettered path of a non-fractional, & free supply/demand equilibrium price. •••• In the first 19 months of the Obama administration, the federal debt held by the public increased by $2.5260 trillion, which is more than the *cumulative total* of the national debt held by the public that was

amassed by all US presidents from George Washington through Ronald Reagan, according to *CNSNews*. In time, investors will recognize Bernanke's Quantitative Easing policy for what it is: the monetization of US debt & a deep devaluation of the US$. When that happens, interest rates will rise, and bond auctions will begin to fail. •••• Some members wrote in for confirmation concerning last week's comments on inflation & global stock markets, which appeared to conflict with our recent recommendation to buy Proshares UltraShort Financials (SKF), & Proshares UltraShort S&P500 (SDS). We opened both trades to hedge our long stock exposure, & are still holding the positions with stoplosses at 18.20 & 30.10 respectively. However, the stk mkt is *starting* to tell a different & potentially positive story from several weeks ago. If the S&P500 breaks above 1122.00 neckline resistance of a 3½-month bullish reverse H&S (which would equate to a negative breakdown from mirror image H&S tops in SKF & SDS), it would tell us the risk of a stk mkt crash has been postponed, or voided. We are thus waiting for the mkt to trip us out of both edge positions before continuing to reallocate more funds out of bonds & back into stks. •••• *Reuters* reports China's gold output for July was 2.6% below June's record production of 31.897 tonnes, but was still 17.8% above July 2009 and the *third highest monthly total ever*. China has raised gold production every year since 2004, producing a total of 313.980 tonnes last year, an average of 26.16 tonnes per month. •••• We bought Dec crude oil at 78.26. If the US$ breaks below 80.80 on the US$-Index it would likely cement a major bottom under crude oil & give us the opportunity to build a long-term investment holding. That doesn't mean buy&pray. It means we'll trade the weekly charts to hopefully lock-in the profits of a primary rally leg. Consequently, and in baby steps fashion, we will increase our crude oil exposure after 1-dc over 80.50. •••• Banks were the biggest beneficiaries of bailouts funds, but toxic derivative assets continue to poison their balance sheets. Securities firms around the world will cut as many as 80,000 jobs in the next 18 months as revenue growth begins to slow, according to New York-based *Meredith Whitney Group*. •••• A graph from Nick Laird of *Sharelynx.com* (the largest collection of precious metal charts & related info on the internet) shows it would currently require 174 days of world silver production to cover the positions held by the '8 or less' biggest US silver short sellers. The world will probably be scrapping the bottom of the barrel for silver soon. •••• Traders looking to diversify out of the US$ & into food stocks should consider buying Nestle in Switzerland (SIX Swiss: NESN). Buy bit at 54.70-stop. Buy again after 2-dc over 54.70; stop: 1-dc under 48.90. Or, for those in US not yet willing or able to trade internationally, buy Andersons Inc in the US (Nasdaq: ANDE - agriculture) at mkt & if dips to 37.20; stop: 1-dc

below 33.40. If not already done so, we again urge U make the effort to trade directly in Europe (& Canada), which offers the considerable advantage of being able to trade when US mkts are closed (for bank holidays), & in non-US$ stks, & more importantly buy/sell/hedge unexpected mkt moves prior to the NY open. •••• *Bullish Consensus* rank gold at 74% (down 1% from last week). The US$ at 50% (down 6%). BC say gold signals are "cautiously bullish short-term. The intermediate trend is cautiously bullish/neutral." IE, gold may dip & consolidate its breakout. •••• China and Russia will start trading in each other's currencies within a matter of weeks to reduce their dependence on the US$, and provide a replacement incase of the $'s downfall. •••• Huge distortions are building throughout the global financial world. A general distrust of paper assets & an under performing stk mkt have pushed the Chinese into real estate. There are now enough vacant properties in China to house over half of America, according to *FinanceAsia*. "Recent statistics show that there are about 64 million apartments and houses that have remained empty during the past six months. On the assumption that each flat serves as a home to a typical Chinese family of three (parents and one child), the vacant properties could accommodate 200 million people, which account for more than 15% of the country's 1.3 billion population." The inevitable overheating in Chinese real estate will lead to a redirection of capital flows, of which gold could be a major beneficiary. •••• We bought the A-$ at 89.74, & again at 91.40 as recommended 2-weeks ago (basis Dec futures). The A-$ has now broken above major resistance of its Nov 2009 & Apr 2010 peaks, which theoretically puts it on track to achieve parity with the US$. • We covered our Cad-$ shorts with a small loss, & are now looking to go long after a dip that holds 95.80; stop: 1-dc below 94.80. And/or buy after 2-dc over 98.10. • The British Pound is a gambler buy at mkt & if dips to 1.5500; stop: 1-dc below 1.5278; sell ½ at 1.5920, & trail stop rest. • The Yen is crashing after govt intervention. Stand aside for now. • The Swfrs has burst above US$ parity & top boundary resistance of a massive bullish sym/triangle from its Mar 2003 high. Buy at mkt & if dips to 99.10; stop: 1-dc below 97.60; sell ½ at 108.80. ••••Bottom line: Tuesday was a happy day in the gold market, with events coming together with the same strength & energy that has ignited all major rally legs since the 2001 gold bull market began. The ongoing rumblings of sovereign debt fears, bond bubble concerns, combined with a crumbling US$ & the receding risk of a stk mkt crash, finally (per today's password *volbubbling*) erupted into a high volume surge that propelled gold, silver, & the major gold indexes (SGI, HUI, XAU) to new record/multi-month highs ☺. *Volbubbling* also means gold is a volcano bubbling towards eruption. As usual, our strategy on major breakouts is to buy aggressively, & loosen the stops on part of

our holdings to hopefully let profits run. Remember that breakout action should also be used to bank profits, because all mkts rise & then retrace all or part of the rise, providing endless opportunities for active traders to re-leverage their capital. At the same time, place some orders *in the market* to re-buy potential bargains on pullbacks & on breakouts above newly formed resistances, to make sure you aren't left out, &/or left chasing a run-away upside market. •••• Gold is down $1.70 in European trading this AM. The US$ is up 53 cents. Logical snapback action after Tuesday's big moves. •••• Gold is fast returning to its historical monetary role. A seismic volcano change is underway. Go with the flow regards, from ***Uncle Harry***, & co-pilot Paul.

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

IN THIS ISSUE

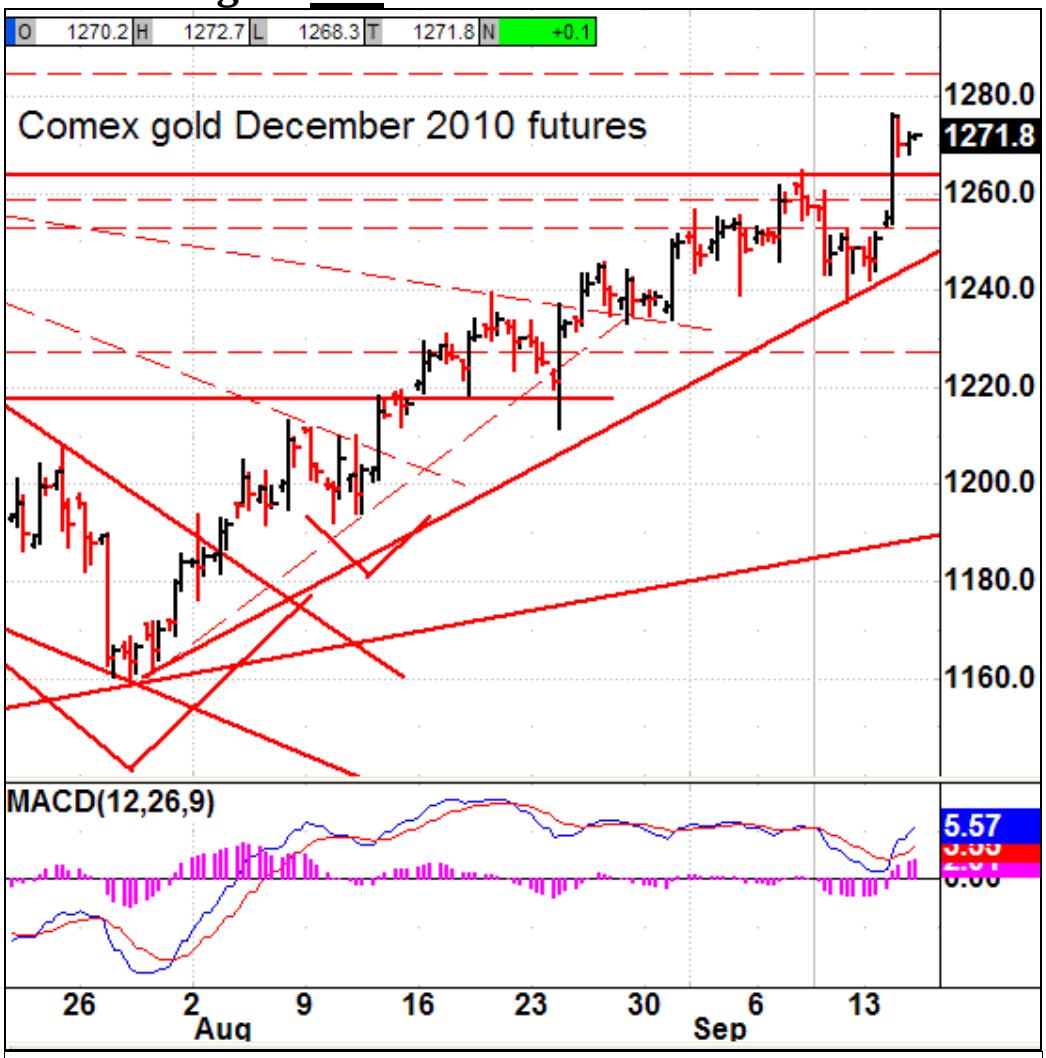
••Our Abbreviations:

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

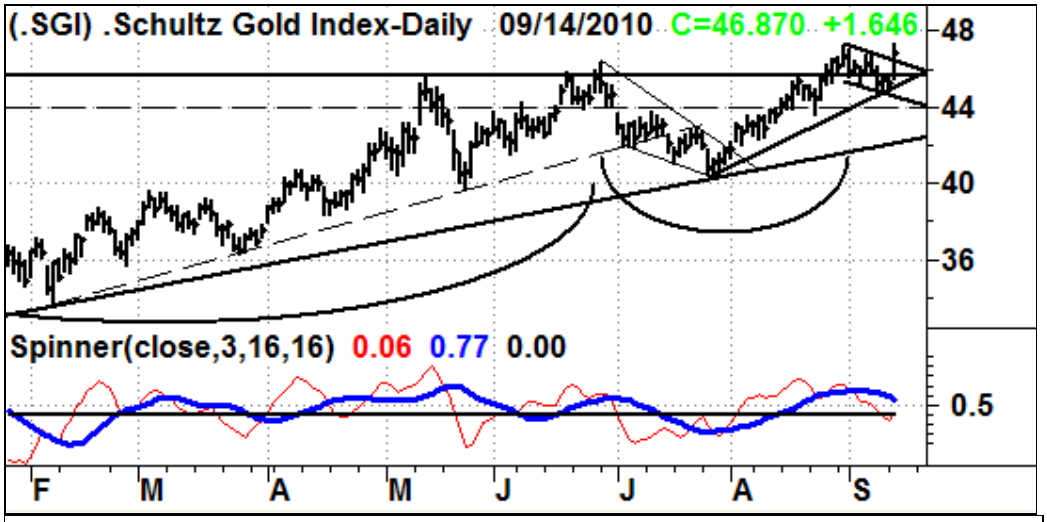
Comex gold Dec 2010 futures – 480 min – 8 wk view



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

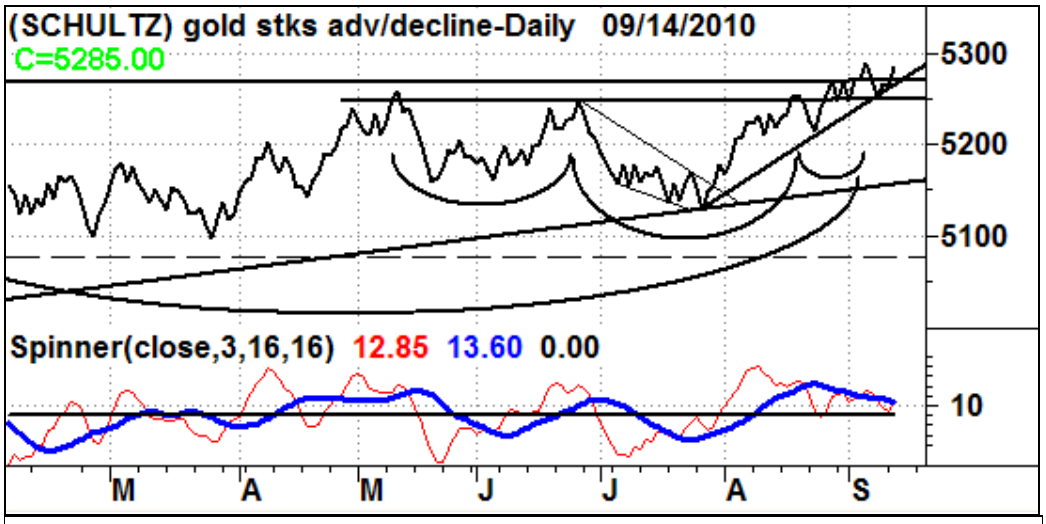
Open trades:	**Long at:** **Stop:** **Profit targets:**	Some spec bought at 1195.90 (Aug-04-10). Traders re-bought at 1271.70 (or better). S/T: 1227.80-stop. M/T: 1-dc below 1227.80. 1284.20 &/or 1318.80 &/or 1352.30.
New Recom:	-If out, buy Dec at mkt & if dips to 1262.40 & 1259.10 & 1252.80; stop: exit, or sell ½ at 1227.80, ½ after 1-dc below 1227.80; sell bits at 1284.20 (if bot/buy low) &/or 1318.80 &/or 1352.30. -Gamblers/hedgers sell short Dec after 1-dc below 1227.80; stop: 1257.80-stop; cover ½ at 1195.40.	
Comment:	Glorious break above $1262.40 neckline resistance of May-Sept reverse H&S; $1,400 theoretical upside target. Spinner in positive hook but (thick) confirming line has yet to make an upturn. June-Aug reverse H&S base; 1284.20 nearby target. Volume lifting price. The anti-gold cabal is getting a taste of its own medicine!	

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



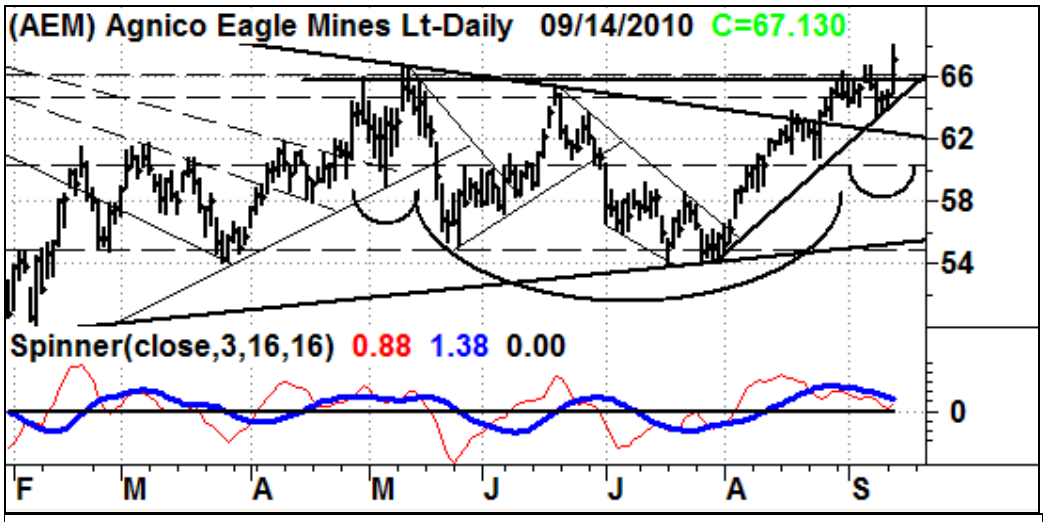
Schultz Gold Index (*SGI*) – **daily** chart (revised Sept 1):	
Comment:	High volume break to new closing high & above 10-day bull flag. Spinner hooking to bullish. 9-month cup&handle; 57.20 upside target. Nearby 44.00-45.50 under-market support projected to hold any shorterm corrective action. A golden sunrise looms.

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



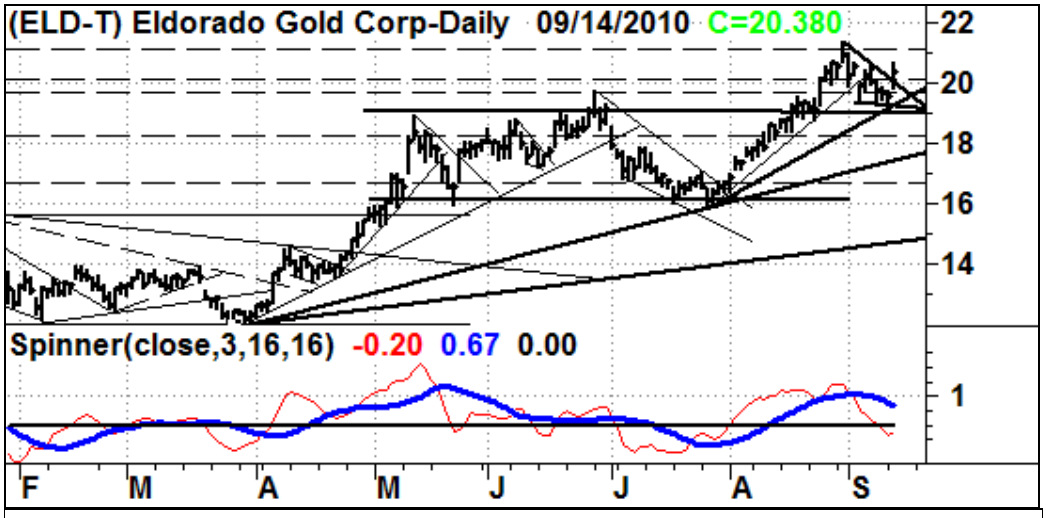
Schultz Gold Stocks <u>Advance/Decline</u> Line *(SGS A/D)* **daily** chart:	
Comment:	Fleeting dip & strength above neckline support of massive Apr 2007-Sept 2010 reverse H&S base; 5710 upside target. Spinner slackening above zero line. May-Aug reverse H&S base; 53.80 estimated target (basis L/O/C). Ready & raring to go. 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

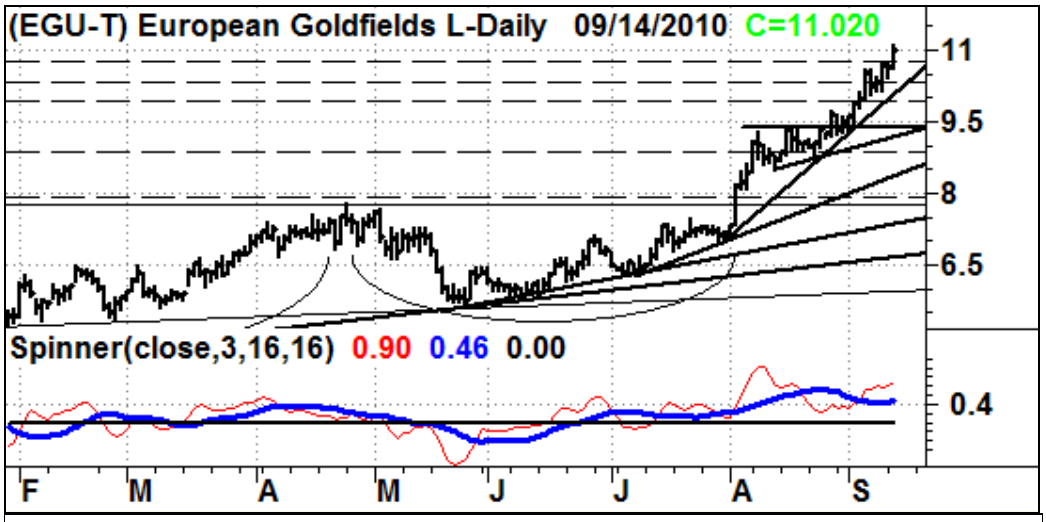


Agnico Eagle (NYSE: AEM; Canada: AEM-T); gold: US$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 58.90 (Apr-16-10). S/T: 1-dc below 60.20. M/T: 1-dc below 54.80. 68.90 &/or 72.50 &/or 76.40.
New Recom:	If out, buy at mkt & more aggressively if dips to 66.10 & 64.50; stop: 1-dc below 60.20.	
Comment:	Jump to new 9½-month high on bullish volume. Oct 2009 sym/triangle; 87.85 upside target. Spinner in tentative positive hook. Irregular May-Sept reverse (double) H&S; 76.40 target. Encouraging to see bellwether Agnico Eagle breaking free from the unrewarding shackles of consolidation.	

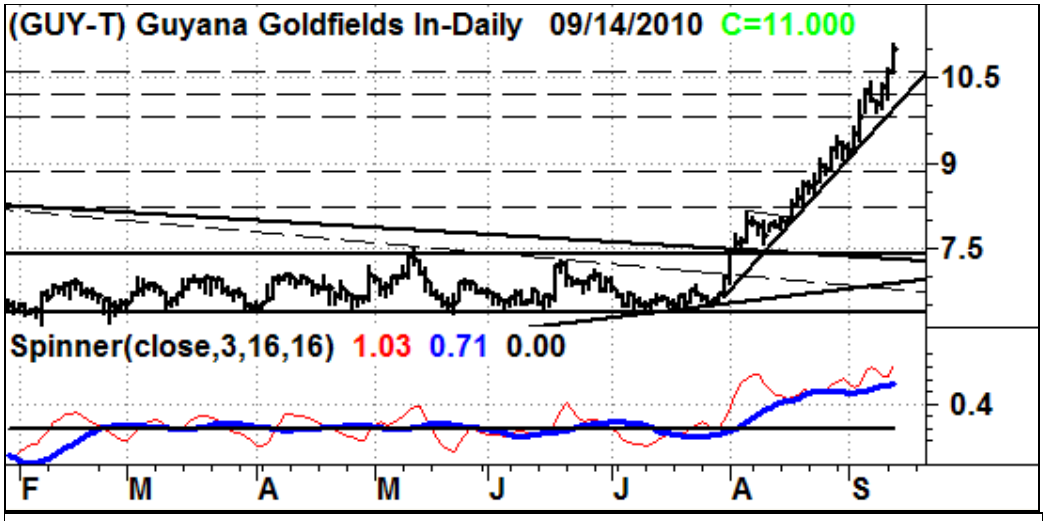
Detour Gold (TSX: DGC-T); gold: CAD$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 29.29 (Aug-13-10). Traders re-bought at 29.90 & 28.50. S/T: 1-dc below 27.20. M/T: 1-dc below 24.40. 32.80 &/or 34.90 &/or 36.90.
New Recom:	If out, buy at mkt & if dips to 30.80 & 30.10 & 29.20; stop: 1-dc below 27.20. Buy again after 2-dc over 32.80.	
Comment:	Powerful thrust above Aug downtrend line. Spinner rising from recent oversold extremes. Tuesday's massive 10.31% intraday gain confirms Detour Gold's ranking as an established R/S leader.	



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: 1-dc below 18.20. M/T: 1-dc below 16.70. 21.95 &/or 23.60 &/or 24.90.
New Recom:	Buy at mkt & if dips to 20.10 & 19.60; stop: 1-dc below 18.20. Buy more after 2-dc over 21.00.	
Comment:	9-day bull wedge & upside breakout. Spinner in new positive hook. May-Aug consolidation range; 21.95 nearby target. Shifting gears.	

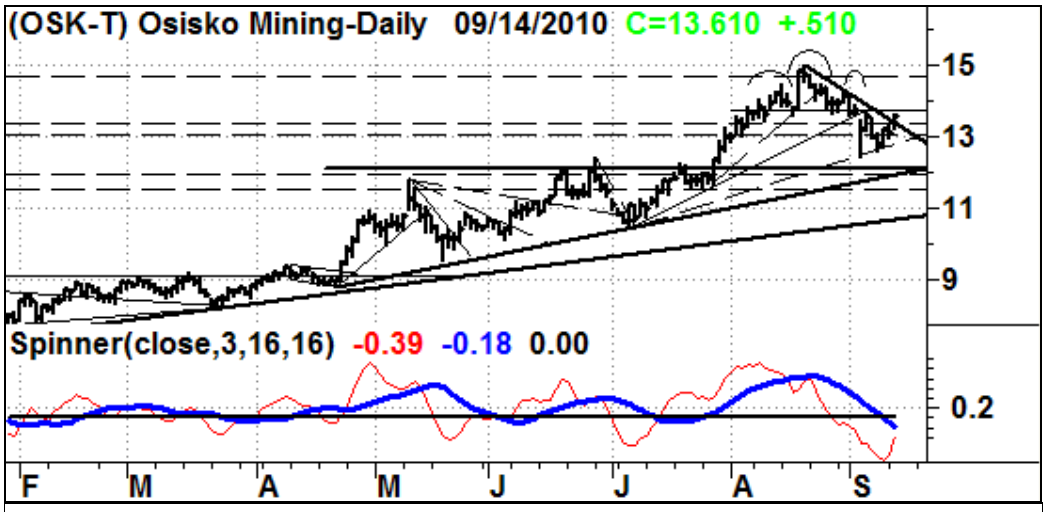


European Goldfields (TSX: EGU-T; LSE: EGU); gold: CAD$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 9.36 (Aug-18-10). Traders re-bought at 10.48. S/T: 1-dc below 8.80. M/T: 1-dc below 7.80. 11.25 &/or 12.25 &/or 13.20.
New Recom:	If out, spec buy if dips to 10.70 & 10.30 & 9.90; stop: 1-dc below 8.80.	
Comment:	Reinforced break above mini ascending triangle on positive volume. Spinner rounding out to bullish. Xlnt R/S but running ahead of itself. Mini price correction possible.	

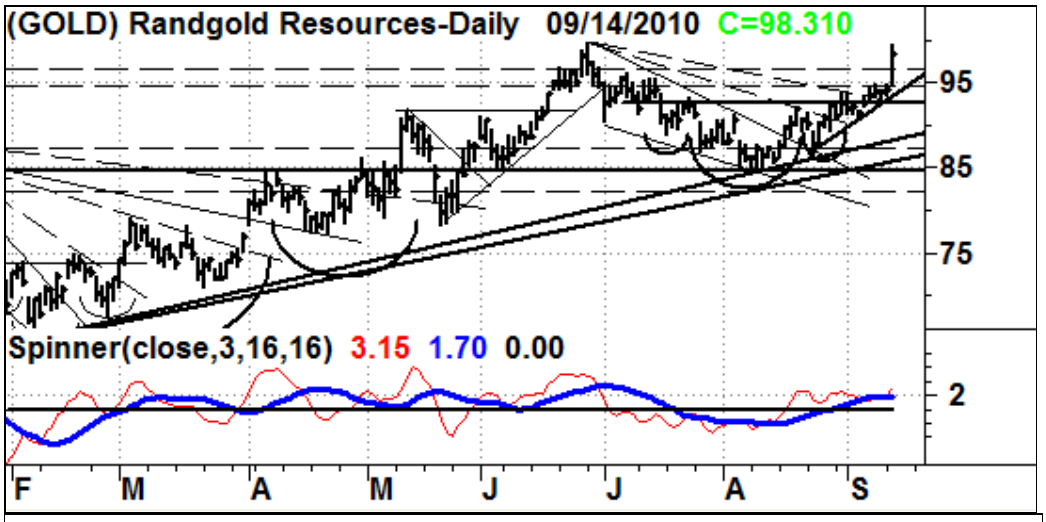


Guyana Goldfields (Toronto: GUY-T); gold: CAD$:		
Open trades:	**Long:** **Stop:** **Profit targets:**	Initial entry price: 8.27 (Aug-18-10). S/T: 1-dc below 8.80. M/T: 1-dc below 8.20. 11.80 &/or 12.90. Some took profit at 10.80 ☺.
New Recom:	If out, buy if dips to 10.60 & 10.20 & 9.80; stop: 1-dc below 8.80.	
Comment:	Remorseless advance carried by wave of rising volume. Spinner rising in top zone of overbought window. Bullish, but a correction *will* come. If you never bank a profit then it's all for naught!	

Iamgold Corp (NYSE: IAG; Canada: IMG-T); gold: US$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 14.90 (Feb-17-10). Traders re-bought bit at 18.05 & 17.50 & 17.05. S/T: 15.40-stop. M/T: 1-dc below 15.40. 20.95 &/or 22.65 &/or 24.35.
New Recom:	If out, gamblers only buy bit at mkt. Others buy after 2-dc over 19.10; stop: 1-dc below 15.40.	
Comment:	Sharp slide to build possible right shoulder of extended May-Sept reverse H&S. Spinner verging on negative cycle below zero line. Market giving shorterm thumbs down to new CEO appointment.	

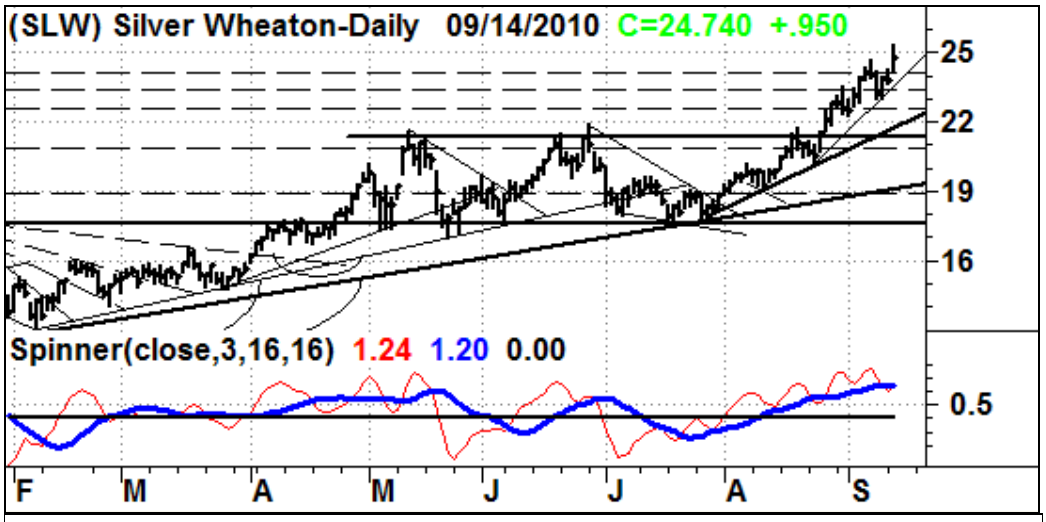


Osisko Mining (Canada: OSK-T); gold: CAD$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 5.90 (May-13-09). Traders re-bought at 13.45 & 13.10. S/T: 1-dc below 11.90. M/T: 1-dc below 11.50. 14.65 (if re-bot low) &/or 15.70 &/or 16.90.
New Recom:	Buy at mkt & if dips to 13.35 & 13.0515; stop: 1-dc below 11.90.	
Comment:	Budding break above Aug downtrend line. Spinner slackening and has yet to confirm major bull cue. Corrective action providing a good opportunity to buy &/or average down.	



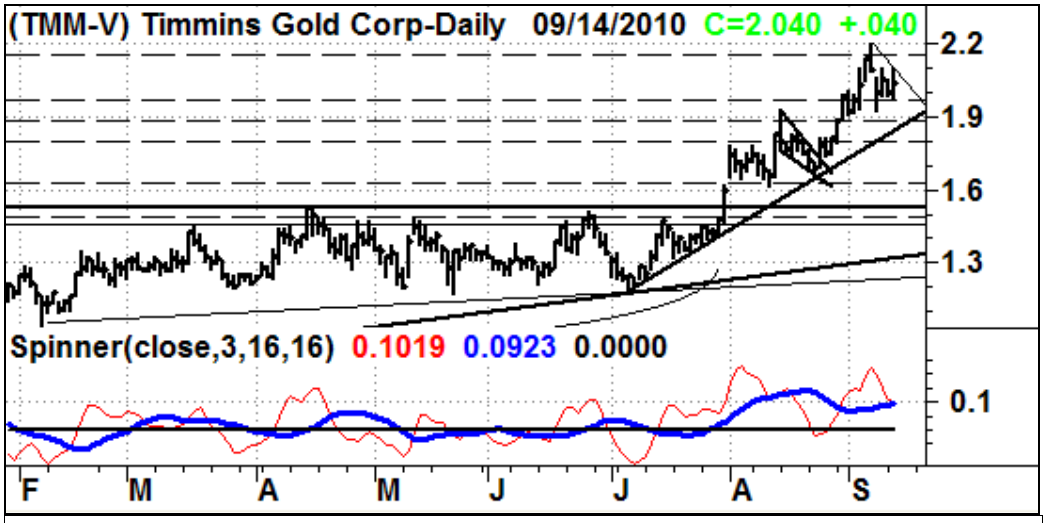
Randgold Resources (Nasdaq: GOLD; London: RRS); gold: US$:		
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 74.42 (Feb-17-10). Traders re-bought at 93.39. S/T: 1-dc below 87.20. M/T: 1-dc below 80.60. 100.40 &/or 105.60 &/or 110.60 &/or 115.60.
New Recom:	If out, buy at mkt & on scale down basis (ie, larger amounts if price falls) if dips to 96.50 & 94.50 & 92.40; stop: 1-dc below 87.20.	
Comment:	Positive momentum accelerating above July-Sept reverse H&S; 100.40 nearby target. Spinner in strengthening positive cross. Sustained rise possible/probable. Still a favored buy.	

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 9.60 & 9.00. S/T: 1-dc below 7.90. M/T: 1-dc below 7.40. 10.60 &/or 11.40 &/or 11.80. Took P/P at 9.80 ☺
New Recom:	Buy at mkt & if dips to 9.40 & 9.10 & 8.80; stop: 1-dc below 7.90.	
Comment:	Reinforced break above Jun-Sept bullish cup&handle; 11.40 target. Spinner in growing positive cross. Low risk/reward buy.	



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

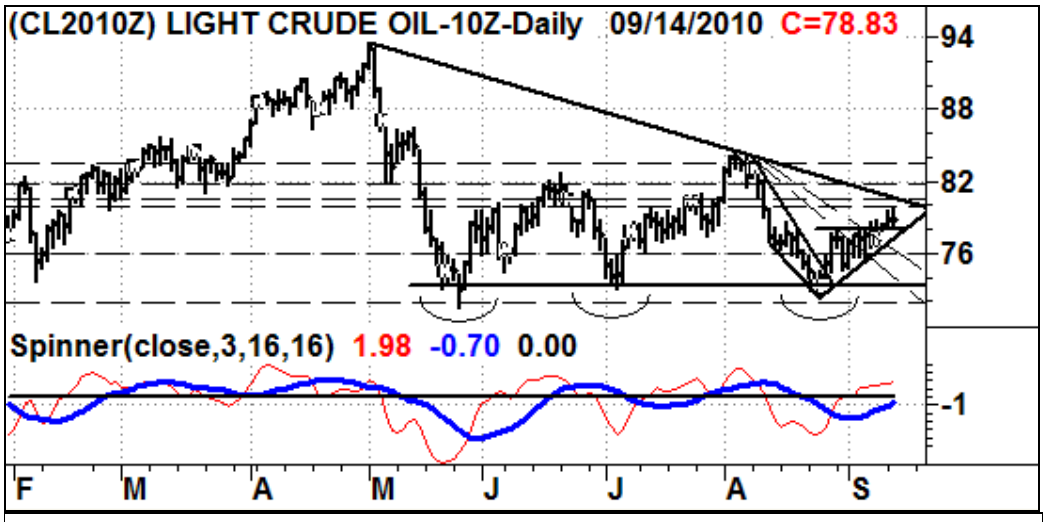
Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 15.84 (Feb-17-10). S/T: 1-dc below 20.80. M/T: 1-dc below 18.90. 27.20 &/or 29.20. Some took profit at 25.20 ☺.
New Recom:	If out, buy at mkt & if dips to 24.10 & 23.30 & 22.50; stop: 1-dc below 20.80.	
Comment:	Hit 25.20 target of May-Aug consolidation range. Spinner faltering at recent overbought extremes. A correction could come down to the 22.50 level where aggressive buying is expected.	



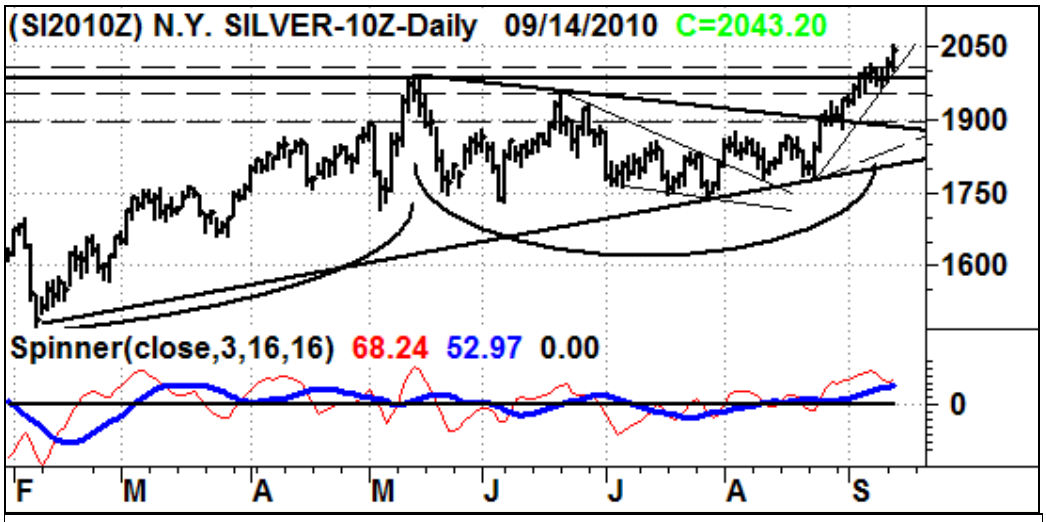
Timmins Gold Corp (TSXV: TMM-V) gold: CAD$:

Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price 1.80 (Aug-16-10). Gamblers re-bought bit at 2.15. S/T: 1-dc below 1.62. M/T: 1-dc below 1.48. 2.35 &/or 2.55 &/or 2.75.
New Recom:	If out, spec buy at mkt & if dips to 1.96 & 1.88 & 1.80; stop: 1-dc below 1.62. And/or buy after 2-dc over 2.15.	
Comment:	Mini corrective dip towards July uptrend line support (now 1.88). Spinner easing from crosscurrent mode to neutral. Mar 2008-July 2010 cup&handle; 2.75 upside target. Resilient.	

FUTURES

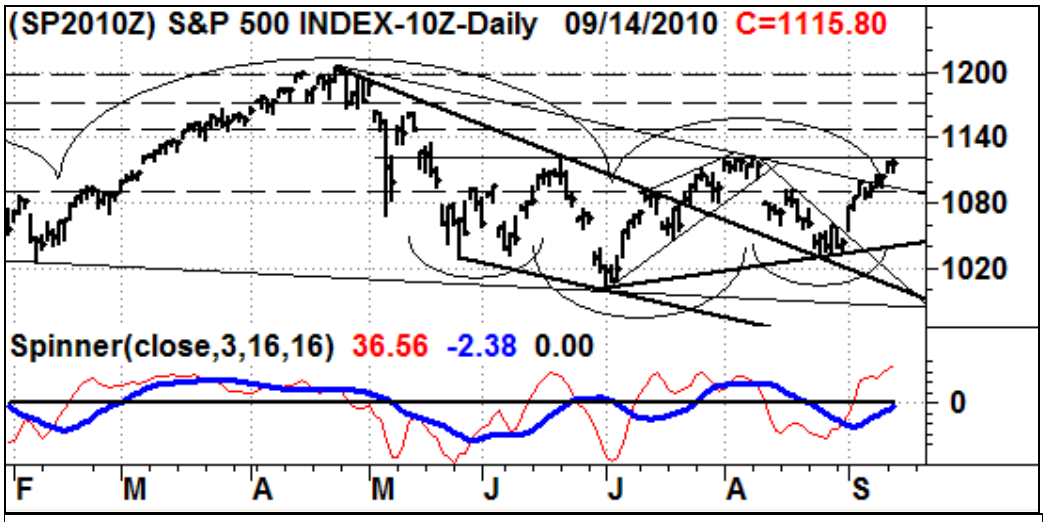


Crude Oil NY Dec 2010 futures – daily chart:		
Open trades:	**Long at:**	Initial entry price: 75.17 (Aug-27-10). Traders re-bought Dec at 78.26.
	Stop:	73.80-stop (basis Oct). 75.80-stop (basis Dec).
	Profit targets:	Sell at 79.20 &/or trail stop strength (basis Oct). At mkt &/or 81.80 &/or 83.40 (basis Dec).
New Recom:	If out, spec buy Dec at mkt & if dips to 77.60; stop: 75.80-stop; sell bits at 81.80 & 83.40. Buy more after 1-dc over 80.50. Or, gamblers sell short Dec after 1-dc below 75.80; stop: 78.10-stop; cover ½ at 71.80 &/or trail stop weakness.	
Comment:	Held upside breakout from 12-day bullish ascending triangle. Spinner in positive cross & up trending. A close above 80.50 on volume "should" see positive momentum accelerate. NOTE: exit Oct futures on or before Sept 20.	



Silver Dec 2010 futures – daily chart:

Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price: 19.07 (Aug-30-10). Traders re-bought at 20.15 or 20.43. S/T: 18.90-stop. M/T: 1-dc below 18.90. 21.10 (if re-buy low) &/or 21.90 &/or 22.55.
New Recom:	If out, gamblers buy Dec at mkt & if dips to 20.05 & 19.55; stop: exit, or sell ½ at 18.90-stop, ½ after 1-dc below 18.90; sell bits at 21.10 (if re-buy low) &/or 21.90 &/or 22.55.	
Comment:	Surge break to new multi-month highs on bullish volume. Spinner in refreshed bull mode. Dec-Sept cup & handle; 24.70 target.	

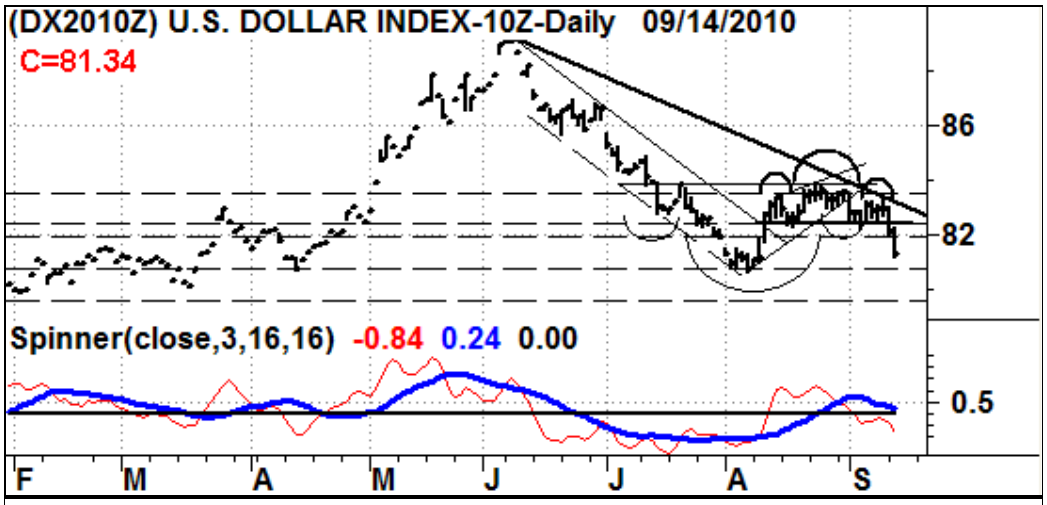


S&P500 Index Dec 2010 futures – daily chart:

Open trades:	**Long at:** **Stop:** **Profit targets:**	Initial entry price (Sep-02-10): 1084.60 (Dec cx) 1090.50-stop. 1146.50 &/or 1178.50 &/or 1196.80. Some took ½ profit at 1116.60 ☺.
New Recom:	Exited gambler shorts with loss ☹. If out, buy Dec after 2-dc over 1122.00; stop: 1090.50-stop; sell bits at 1178.50 &/or 1196.80.	
Comment:	Rose to complete 4-month reverse H&S base. A retracement is possible before 1122.00 cloud cover comes under serious pressure.	

Sugar <u>March</u> 2011 futures – <u>daily</u> chart:

Open trades:	**Long at:** **Stop:** **Profit targets:**	17.12 (Jul-14-10). Traders re-bot Mar at 22.55. S/T: 19.90-stop. M/T: 1-dc below 19.80 (<u>Mar</u> cx) 24.15 (if re-buy low) &/or 25.20 (<u>Mar</u> cx) Some took profit at 21.90 ☺ (Oct cx).
New Recom:	Take full profit <u>at mkt</u> (basis Oct cx). Gamblers buy <u>Mar</u> bit if dips to 22.30 & 21.70 & 21.00; stop: exit, or sell ½ at 19.90-stop, ½ after 1-dc below 19.90 (reduce exposure to offset wider stops); sell bits at 24.15 (if re-buy low) &/or 25.20.	
Comment:	Parabolic push above major resistance of Jan 2010 peak. Spinner rising in overbought zone. The dip outlook appears minor.	



US$ Index <u>Dec</u> 2010 futures-<u>daily</u> chart:

Open trades:	**Short at:** **Stop:** **Profit targets:**	Exited Dec longs with small loss ☹. Traders then sold short at Dec at 82.19. 1-dc over 83.50. 80.75 &/or 79.60.
New Recom:	If out, sell short <u>Dec</u> <u>at mkt</u> & if rallies to 81.90 & 82.60; stop: 1-dc over 83.50; cover ½ at 80.75 (if re-sell high) &/or 79.60. Or, buy <u>Dec</u> bit after 1-dc over 83.50; stop: 1-dc below 81.90.	
Comment:	1-month H&S top & bearish breakdown on rising volume; 80.75 initial downside target. Spinner weak. New nail in dollar coffin?	

Sept-15-10

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											
Agnico Eagle Mines	AEM	If out, buy at mkt & more aggressively if dips to 66.10 & 64.50; stop: 1-dc below 60.20.	L	Apr-16-10	58.90		67.13	1-dc U/ 60.20 1-dc U/54.80	68.90	72.50	76.40
Detour Gold	DGC-T	If out, buy at mkt & if dips to 30.80 & 30.10 & 29.20; stop: 1-dc below 27.20. Buy again after 2-dc over 32.80.	L	Aug-13-10	29.29	29.90 28.50	31.79	1-dc U/27.20 1-dc U/24.40	32.80	34.90	36.90
Eldorado Gold	ELD-T	Buy at mkt & if dips to 20.10 & 19.60; stop: 1-dc below 18.20. Buy more after 2-dc over 21.00.	L	Feb-12-10	13.31		20.38	1-dc U/18.20 1-dc U/16.70	21.95	23.60	24.90
European Goldfields	EGU-T	If out, spec buy if dips to 10.70 & 10.30 & 9.90; stop: 1-dc below 8.80.	L	Aug-18-10	9.36	10.48	11.02	1-dc U/8.80 1-dc U/7.80	11.25	12.25	13.20
Franco Nevada	FNV-T	If out, wait to buy Spinner confirmed strength above 31.00; stop: 1-dc below 28.90. And/or buy after 2-dc over 33.40.	L	Sep-16-09	30.99		31.83	28.90-stop 1-dc U/28.90	35.60	38.50	41.20
Guyana Goldfields	GUY-T	If out, buy if dips to 10.60 & 10.20 & 9.80; stop: 1-dc below 8.80.	L	Aug-18-10	8.27		11.00	1-dc U/8.80 1-dc U/8.20	Hit at 10.80 ☺	11.80	12.90
Iamgold Corp	IAG	If out, gamblers buy bit at mkt. Others buy after 2-dc over 19.10; stop: 1-dc below 15.40.	L	Feb-17-10	14.90	18.05 17.50 17.05	17.83	15.40-stop 1-dc U/15.40	20.95	22.65	24.35
Osisko Mining	OSK-T	Buy at mkt & if dips to 13.35 & 13.0515; stop: 1-dc below 11.90.	L	May-13-09	5.90	13.45 13.10	13.61	1-dc U/11.90 1-dc U/11.50	14.65 (if re-buy low)	15.70	16.90

Sept-15-10

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											
Randgold Res.	GOLD	If out, buy at mkt & on scale down basis (ie, larger amounts if price falls) if dips to 96.50 & 94.50 & 92.40; stop: 1-dc below 87.20.	L	Feb-17-10	74.42	93.39	98.31	1-dc U/87.20 1-dc U/80.60	100.40	105.60	110.60
Semafo Inc	SMF-T	Buy at mkt & if dips to 9.40 & 9.10 & 8.80; stop: 1-dc below 7.90.	L	Mar-03-10	5.00	9.60 9.00	9.65	1-dc U/7.90 1-dc U/7.40	Hit at 9.80 ☺	10.60	11.40
Silver Wheaton	SLW	If out, buy at mkt & if dips to 24.10 & 23.30 & 22.50; stop: 1-dc below 20.80.	L	Feb-17-10	15.84		24.74	1-dc U/20.80 1-dc U/18.90	Hit at 25.20 ☺	27.20	29.20
Timmins Gold	TMM-V	If out, spec buy at mkt & if dips to 1.96 & 1.88 & 1.80; stop: 1-dc below 1.62. And/or buy after 2-dc over 2.15.	L	Aug-16-10	1.80	2.15	2.04	1-dc U/1.62 1-dc U/1.48	2.35	2.55	2.75
Futures											
Crude oil	CL Z0	If out, spec buy Dec at mkt & if dips to 77.60; stop: 75.80-stop; sell bits at 81.80 & 83.40. Buy more after 1-dc over 80.50. Or, gamblers sell short Dec after 1-dc below 75.80; stop: 78.10-stop; cover ½ at 71.80 &/or trail stop weakness.	L	Aug-27-10	75.17	78.26	78.83	73.80-stop (basis Oct) 75.80-stop (basis Dec)	79.20 (basis Oct) At mkt (basis Dec)	81.80 (basis Dec)	83.40 (basis Dec)
Gold	GC Z0	See page 8.	L	Aug-04-10	1195.50	1271.70	1271.70	1227.80-stop 1-dc U/1227.80	1284.20	1318.80	1352.30

Sept-15-10

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											
Silver	SI Z0	If out, gamblers buy Dec at mkt & if dips to 20.05 & 19.55; stop: exit, or sell ½ at 18.90-stop, ½ after 1-dc below 18.90; sell bits at 21.10 (if re-buy low) &/or 21.90 &/or 22.55.	L	Aug-30-10	19.07 (basis Dec)	20.15 20.43	20.43	18.90-stop 1-dc U/11.90 (basis Dec)	21.10 (basis Dec)	21.90 (basis Dec)	22.50 (basis Dec)
SP500	SP Z0	Exited gambler shorts with loss ☹. If out, buy Dec after 2-dc over 1122.00; stop: 1090.50-stop; sell bits at 1178.50 &/or 1196.80.	L	Sep-02-10	1084.60		1115.80	1090.50-stop (Basis Dec)	Hit at 1116.60 ☺	1146.50	1178.50
Sugar	SB H1	Take full profits at mkt basis Oct cx. Gamblers buy Mar bit if dips to 22.30 & 21.70 & 21.00; stop: exit, or sell ½ at 19.90-stop, ½ after 1-dc below 19.90 (reduce exposure to offset wider stops); sell bits at 24.15 (if re-buy low) &/or 25.20.	L	July-14-10	17.12	22.55	23.41	19.90-stop 1-dc U/19.90 (basis Mar)	Hit at 21.90 ☺ (basis Oct)	24.15 (if re-buy low basis Mar)	25.20 (basis Mar)
US$-Index	DX Z0	If out, sell short Dec at mkt & if rallies to 81.90 & 82.60; stop: 1-dc over 83.50; cover ½ at 80.75 (if re-sell high) &/or 79.60. Or, buy Dec bit after 1-dc over 83.50; stop: 1-dc below 81.90.	S	Sept-13-10	82.19		81.34	1-dc O/83.50 (basis Dec)	80.75 (if re-sell high)	79.60 (basis Dec)	

•••• "**Basel III: another power grab**." In Basel, Switzerland, global banking capital regulations, known as the Basel III rules, are in the process of being finalized. The rules are nothing but a stunning move to **force banks to make 'investments' in govt and elite favored organizations**, according to Robert Wenzal at *EconomicPolicyJournal*. "*CNBC's* John Carney has the news: *Policy makers who hoped to eventually remove the costly govt subsidies and guarantees for Fannie and Freddie will run into a stumbling block, if the Basel III rules are implemented. That's because Basel III includes a liquidity requirement for banks that will encourage them to buy the [toxic] debt of the Fannie and Freddie as well as the mortgage-backed securities they back...Right from the start, the way the Basel Committee defined 'high-quality liquid assets' was problematic. It included cash and central bank reserves, relatively non-controversial highly liquid assets. But it also included sovereign debt [verging on collapse], a move that would inevitably encourage banks to hold more sovereign debt than they otherwise would. This is problematic for two reasons—it created an implicit subsidy for spend-thrift govts and it created the danger of over-exposing banks to sovereign defaults. Banks will load up on Govt-Sponsored Enterprise obligations, especially in an era where Central Bank reserves and Treasury bond yields are being depressed by policy-makers seeking to keep sputtering economies afloat.* ***This artificial demand will scramble market signals about the risk taken on by Fannie and Freddie—all but ensuring that Fannie and Freddie will once again unwittingly take on more risk than they can handle. In short, the very same toxic situation created by the once implicit government subsidy of Fannie and Freddie is being baked right into Basel III. Perhaps even more troubling, this will create a vicious cycle that will make reform of Fannie and Freddie next to impossible. Once banks have loaded up on Fannie and Freddie obligations, there will be no way for the US govt to remove government guarantees without triggering a liquidity crisis in banks around the world.*** Bottom line: Basel III which is about to be approved by the Group of 20, in November, will be trumpeted by govts and mainstream media as a major step toward global protection of the banking system from the type of financial crisis we just experienced, is nothing of the kind. It is nothing but a huge power grab directing money to govts and the elite. Further, since it drives banks to buy extremely risky debt, it will result in making the global banking system more unstable, and set the stage for a huge global inflation, when govts will be forced to bail out these bad investments by printing more money." End quote. Thanks to govt-allied media and an indifferent public, the financial elite continues its long history of lies, thievery & deceit to enhance its control of the global monetary system. The founding fathers must be rolling over in their graves

☹. •••• "**Silver – the Call to Arms**." The Achilles Heel of the Cartel in the gold and silver markets (ie, the US govt, Federal Reserve and their bullion banking agents) is almost certainly physical silver bullion, according to Paul Mylchreest, editor of the *Thunder Road Report*. "Just like gold, silver is money (as well as being a vital industrial metal) - which scares the Cartel to death and is behind its attempts to suppress the price going back more than a decade. Gold and silver not only compete with fiat currency but also against govt bonds – the market for which is developing into one of the biggest bubbles in the history of finance." Expounding the bullish fundamentals for silver PM notes: -- "unlike gold, silver is no longer held as part of central bank reserves to any significant extent. -- 76% of newly mined silver is consumed in non-investment applications (industrial, photography, etc) thus further depleting above ground bullion stocks. --**US banks are short 21.8% of all of the outstanding contracts on the COMEX exchange in New York.** These 26,855 contracts amount to 134.3 million oz of silver or 4,176 tonnes. This is equivalent to 19% of all the silver mined in 2009 and 15% of total silver production if we include the recycling of scrap. Let's think about that a different way. **If one or two banks were long the entire annual oil output of Saudi Arabia and Norway combined, it would be equivalent to 15% of the world's 2009 oil production. Can you imagine the outcry from the public and politicians about market rigging, greedy speculators pushing up the price of gasoline, etc? In terms of wheat, it would be the same as a position in 100 million tonnes, equal to the entire aggregate production of agricultural giants the US and France**. Because silver is such a small market, if 'big money' started to accumulate physical silver in an aggressive way, the Cartel could get into serious trouble [think delivery default]. And this seems to be what's happening today." PM's conclusion: "With silver trading around $20/oz, a price that *everybody* can afford, **buying some physical silver is an opportunity to send a powerful message to the corrupt interventionists in the Cartel**." End quote. In line with our battle cry of many years, taking delivery of physical bullion is the 'silver' bullet that will eventually defeat the tyranny of the gold cartel. Every bar, ounce, coin & wafer of physical (gold &) silver removed from the system will help dry up the channel on which the fraudulent paper gold market thrives. •••• "**Deflation never had a chance**." What the deflationists fail to acknowledge is that in a purely fiat monetary system deflation is a choice not an inevitability, says Toby Conner at the *SilverBearCafe*. "To put it in simple terms, **if a govt is willing to sacrifice its currency there is absolutely no way deflation can take hold in a modern monetary system**. It doesn't matter how large the debt contraction is, 10 trillion, 100 or 1000 trillion, any govt with a purely fiat currency can, with the stroke of a computer key, print enough money to wipe out the debt. Granted they will destroy the currency by doing so, but at some point we are going to be faced

with the choice of print or deflate. I have little doubt Bernanke will choose to throw the dollar on the sacrificial alter." Where inflationary forces show up is determined by who gets first use of the money, continues TC. "So far that has been the banking system. Through the myriad bailout programs the Fed has created money out of thin air and forced it into the insolvent financial system. That has resulted in selective inflationary forces being unleashed. If instead of forcing the liquidity into the financial system, it had instead been mailed to the average consumer, we would now be seeing real estate prices rising rapidly again, food prices and gasoline would be going through the roof. Wages would be rising out of control. Where inflation shows up is a direct result of who gets first use of the freshly minted dollars. I can assure you we don't have an impending deflation problem; we have a rapidly approaching inflation problem and currency crisis. **The first warning is going to come when the dollar breaks back below 80.00 on the US$-index. As soon as that happens we can close the door on the dollar**." End quote. Deflation brings dire economic woes but doesn't destroy a currency. It's hyperinflation that destroys a currency when, due to a total loss of faith, it is no longer sought after or accepted as a means of exchange. If Bernanke holds true to his word to avoid deflation at all cost, then it's a *gamble* that risks destroying the US dollar in the process. •••• "**Gold war – a golden renaissance**." We are at War. It may not feel like it, but we are. This is no ordinary war. It is not a military war but it is just as damaging because it has brought about a loss of freedom, poverty and an imbalance in wealth, says Ben Davis CEO of *Hinde Capital*. "The War I refer to is a Gold War. There has been a long running battle between govts and gold. Gold as the 'currency of first resort' is in a state of permanent competition with fiat or paper money, created by govts. Gold is the vital barometer of the health of a nation's underlying currency. **The suppression of the gold price by govt allows them to mask the mismanagement of their paper currency**. This past century the US govt has arguably been the leading culprit of suppression. They have consistently abused their currency status, by printing more and more IOUs. For countries to fund what they need by taxation alone is not possible without civil unrest. The printing of IOUs has helped to fund not only a coercive welfare system, but has aided the continual funding of armed conflicts around the world. The US is not the only culprit. The world has been on a fiat currency system these past 40 years and throughout that time the war on gold has raged, resulting in the unrivalled accumulation of debt this century. **If one accounts for all the unfunded liabilities of social security, medical care and public pensions, the total debt of the US and UK runs at 800% and over 1000% respectively and the rest of the leading G10 countries exceeds 500%. We have surpassed the point at which this is sustainable. Our debt service bill exceeds that which revenue or output can ever hope to attain**. We have hit the Keynesian

debt-end. So the question is; will the current fiat currency system prevail or will free market money triumph, ie, will gold re-assert itself to its rightful place as Int'l monetary numeraire? We at *Hinde* contend that we are at inflection point, much as we were in the late 1960s and early 70s. ….If the US wanted to eradicate all its unfunded liabilities, a revaluation of gold to $36,000 would not be totally unrealistic. But for now, they chose not to pursue [allow] this course of action. But pressure is growing on the establishment shorts of the modern day gold pool. As other market participants have pointed out **when the 1968 London Gold Pool failed, gold saw an appreciation of the gold price from $35 to $850 per ounce. A similar percentage today would carry gold to almost $30,000 per ounce. Again $36,000 a troy ounce gold price does not seem so obtuse a suggestion. Both these prices are not forecasts but an indication that when free market forces have been consistently frustrated by market manipulation and allowed the accumulation of unrivalled debt, the market will typically rise <u>rapidly</u>**." End quote. A physical gold or silver Comex <u>delivery</u> default would expose the grotesque distortion of free market forces, and create an <u>instant</u> global gold shortage as panicked investors scrambled to take delivery. The gold price would become a rocket, & silver would fly even faster. •••• "***The backlash begins against the world land grab***." The neo-colonial rush for global farmland has gone exponential since the food scare of 2007-2008, reports Ambrose Evans-Pritchard in the UK *Telegraph*. "Last week's report by **the World Bank suggests that purchases in developing countries rose to 45m hectares in 2009, a <u>ten-fold</u> jump from levels of the last decade**. Two thirds have been in Africa, where institutions offer weak defense. As is by now well-known, sovereign wealth funds from the Mid-East, as well as state-entities from China, the Pacific Rim, and even India are trying to lock up chunks of the world's future food supply. Hedge funds that struck rich 'shorting' US sub-prime have rotated into the next great play of our era: 'long' soil. '**Productive agricultural land with water on site, will be very valuable in the future**,' said Michael Burry, star of 'The Big Short.' Needless to say, this has set off a fierce backlash. Brazil has passed a decree limiting acreage held by foreign-owned companies, the latest evidence that our half-century era of globalisation may be drawing to a close. Argentina is drawing up its own law. More than 7% of national territory is owned by foreigners. 'There are many foreigners who don't buy to produce, but rather to position themselves in places with water, mineral resources and hydrocarbons,' said Pablo Orsolini, a sponsor of the legislation. The World Bank said we must lift production 70% by 2050 to meet a triad of converging demands: extra mouths; rising use of animal feed from grains as Asia moves up the affluence ladder to meat-based diets; and the biofuel drive. This will not be easy. The great leap forward in crop yields is fading. 'Irrigation has

contributed to past growth in crop yields, but water scarcity in many regions is now a major constraint,' the Bank said. **The Green Revolution is** '**exhausted**'." End quote. For sovereign wealth funds, states & hedge funds this could prove to be a risky investment. With 1 billion going to bed hungry every night, in the end politicians & the people will take what they can't get by illegitimate means.

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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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