

- GCRU -

Weekly Trading Service



●●● GCRU #657

●●● September 30, 2015 (in its 14th year)

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KEY PRICES							
Name/Symbol	September 29, 2015 price	Change	September 22, 2015 price	Name/Symbol	September 29, 2015 price	Change	September 22, 2015 price
Gold (GCZ15)	1126.80	2.00	1124.80	S&P500	1884.09	-58.65	1942.74
Silver (SIZ15)	14.57	-0.183	14.76	U.S.Dollar (DXZ15)	95.993	-0.453	96.446
HUI (HUI)	105.22	-0.97	106.19	30 Year T-Bond (ZBZ15)	157 - 29	2.02	155 - 24
Copper (HGZ15)	2.2515	-0.0460	2.2975	10 Year T-Note Yield	2.0540	-0.0710	2.1250
Oil (CLZ15)	45.64	-1.28	46.92	13-week Treasury bill	0.003	0.000	0.003

"The further back you look, the further forward you can see"

- Winston Churchill -

BONDS ARE BEST

Things aren't looking good. The stock market is falling, the world economy is weak and the Fed isn't ready to raise interest rates yet, but in spite of this, consumers are the most confident since 2007.

Bonds are telling the story.

Our **Chart Of The Week** shows bonds jumped up to a one + month high yesterday. Investors have been focused on the expectation of an interest rate hike by the Fed against persisting fears of a global economic slowdown.

Rising bonds and declining yields are telling us the global slowdown, led by China, carries the most weight. And our bond positions are doing great. Keep them because they're poised to rise further.

The Fed still continues to dominate the markets. By not raising rates, for instance, they told the world that China's slowdown is an important reason why. The focus, once again, is.... will rates rise by year end, or not?

Janet Yellen said she still sees a rate hike this year but the Fed wants more time to make sure the economy has shifted. She believes the timing is right for a rate hike this year to combat inflation in the coming years, and to not pay attention to the FOMC statements.

Other Fed heads agree. The San Francisco President Williams says rates will most likely start rising later in 2015 as he warned

the housing sector may be seeing the first signs of overheating.

We'll soon see, but we believe it'll be hard to raise rates this year and perhaps even next year due to it being a high risk political year. Another round of QE would be more feasible.

The stock market's bear is growling. China's slowdown has been hurting commodities, which in turn continues to keep pressure on the stock market. Investors haven't been this bearish on stocks in 15 years.

Our **Chart Of The Week** shows the Industrials declining once again, and closing in on the August lows. These lows are key in this new bear market, and Russell 2000 and Amex are leading. Both closed below their August lows on Monday, and reaching an almost 1 year low.

NASDAQ is close. After being the strongest sector, NASDAQ is now fast becoming the weakest, with biotech tanking. Keep an eye on the August lows; a clear close below 4500 would confirm a tight bear grip.

We're adding a new position this week. We're now shorting NASDAQ by buying some QID at market today. We'll also buy more QID on weakness, as you'll see in this edition.

We've been waiting for a good opportunity to short, and it now feels right to start buying some.

Global rout in commodities weighed on the precious metals. Plus the anticipation of rates rising this year has also been keeping a cap on gold since Friday.

This put a strain on gold's A rise. Gold was starting to take off and rise above its 75 day MA this month, as you can see on the chart of the week, but it lost that luster.

The A rise is not over yet, and we'll continue to watch it closely. If gold can now stay above \$1105, the A rise will continue. And a close above \$1150 would be a bullish breakout for the A rise. Keep your gold and silver positions.

Gold shares are basing and have been since August. While they've been taking their time to turn around, it seems to be getting closer. Gold shares are still forming a bullish downside wedge while our indicators point to an oversold and undervalued market.

The **Chart to the Right** shows the situation best. Gold shares are basing at a super low area on a bigger picture basis. And it's clearly bearish below its 65 week MA. In fact, the old solid support is now at the same level as the 65 week MA. This means once this 173 level is surpassed, a new bull market will begin.

The closer daily view shows us that HUI is having trouble rising and staying above its 25 day MA. This is the first step towards a renewed rise. This means if HUI continues to hold above the 105 support level, and rises above the 25 day MA at 110, an intermediate rise would be underway and it could rise to the 65 week MA.

With the MACD indicators turning bullish (as you'll see) this may be closer than you think! Keep your RGLD and GDXJ positions. If you don't have your positions yet, buy at market today and on any weakness.

We may be near the end of the commodity rout, but it's not over yet. Copper is testing the lows while crude continues to consolidate. We'll keep our eye on any breakouts. Keep your bullish crude spread and our Exxon position.

The U.S. Dollar is still topping below its March downtrend. This alone bodes well for the metals, currencies and commodities.



A word about Options

In the recent weeks, many of you asked us about our option strategy. We want to make

sure you understand this strategy because it enhances the bottom line, while reducing risk.

First of all, as many of you know, an option is a contract that gives you the right, but not the obligation, to buy or sell a particular asset at a specific strike price on or before a specified date.

There are two types of options, call options and put options.

A call option is used when looking to gain from the rise of a commodity or stock. A put option, by contrast, is used when looking to gain from the decline in a commodity or stock price.

We usually recommend option spreads. This trading strategy involves simultaneous buying and selling a call (or a put) at a different strike price or expiration date. Our recommendations usually include a price spread while keeping the same expiration date.

We mainly recommend price spreads. That is the difference between the price of the call (or put) that is purchased and the call (or put) that is sold. The value of your trade is determined by subtracting the value of the call (or put) that is sold from the call (or put) that was purchased.

With our strategy, the closer the price point of the commodity or stock we're trading to the price spread, the more valuable your

trade becomes. Conversely, the farther away the price is from the spread, the less it's worth.

Just like any option, time is also a key element that affects value. The closer the trade gets to expiration, the less it'll be worth.

In trading option spreads you limit risk to the amount being traded. Although upside potential is also capped, we tend to pick trades that offer potential gains of 10 times the amount invested or more.

We also use option trades for different purposes. We could be looking to gain from price movement or as an insurance in case the price of the commodity or stock that we're trading goes against us. This way, we can reduce risk of loss on any given trade.

Our strategy for this week is to keep your positions, and add to them as our recommendations inside this edition suggest. Take profits when our targets are reached. And buy new positions as we suggest in the stock market. We feel our strategy and positions are setting up for good action.

Good luck and good trading,



Omar Ayales
Chief Trading Strategist
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MARKET LEADERS

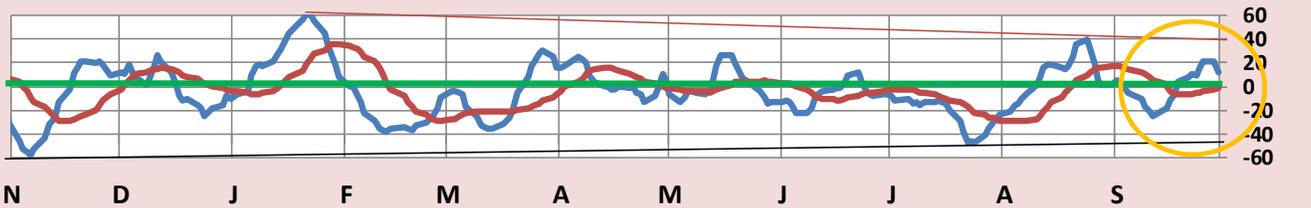


GOLD DECEMBER 2015 (GCZ15) 9/29/2015 CLOSE = 1126.8



SPINNER (3, 16, 16)

BULLISH ABOVE ZERO & MT MA



Call Spread	Bought Dec 2015 1600/1700 COMEX gold call spreads for approx \$1,300 (Nov-20-13); Dec 2015 1500/1600 gold call spreads for approx. \$875 (Jan-08-14); Dec 2015 1240/1305 for approx \$250 (Aug-12-15).
New Recom	Keep your call spread positions.

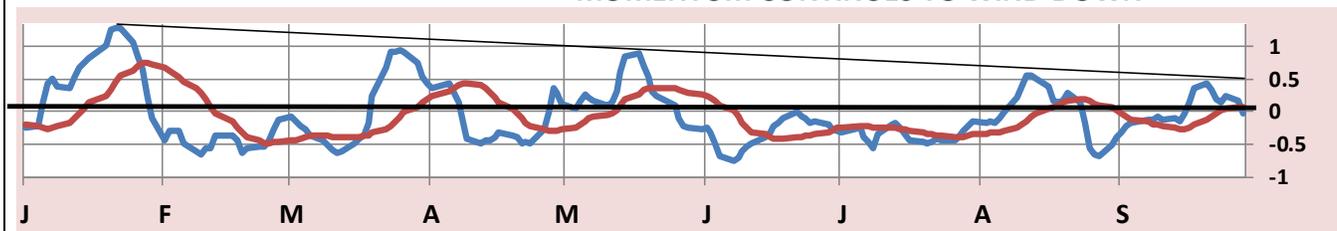
Gold pierced above its Jan downtrend & resistance, showing some strength. However, it failed to maintain upside momentum and continues to resist below 1150. Overall weakness in commodities and US dollar strength continues to put downside pressure on gold. However, notice the Jul uptrend just above 1100. If gold stays above this uptrend support level, it'll likely re-test the Jan downtrend at 1150. A break above 1150 on a 2dc would be bullish and it could push gold to test the May highs near 1225, initially. Spinner in bullish territory but resisting at a downtrend which represents declining momentum. Caution is warranted. But keep your position as long as gold holds above 1100.

SILVER DECEMBER 2015 (SIZ15) 9/29/2015 CLOSE= 14.573



SPINNER (3, 16, 16)

MOMENTUM CONTINUES TO WIND DOWN



LT Call Spread

Bought Dec 2015 26/27 COMEX silver call spreads for approx. \$1,010 (Nov-20-13) & Dec 2015 (23/24 COMEX silver call spreads for approx. \$725 (Dec-24-13).

New Recom:

Keep your bull call spreads.

Silver faked a bullish wedge breakout last week. It declined quickly after failing to break above its resistance at the 15.40 level (previous support). Spinner failed to move higher showing momentum continues sluggish. On the upside, silver's bullish downside wedge is still valid and silver could still rise and test the Jan downtrend near 17 on a 2dc break above 15.40. Moreover, the Aug uptrend & support at 14.50 tells us silver will continue to show upside potential as long as it holds.

U.S. DOLLAR INDEX DECEMBER 2015 (DXZ15) 9/29/2015
CLOSE= 95.993



PowerShares DB US Dollar Bearish ETF (UDN) 9/29/2015
CLOSE= 22.06



Put Spread	US Dollar Index Dec 2015 93/91 bear put spreads at US\$350.00.
Profit Target	Sell on a decline to 93, or lower.
New Recomm	Keep your positions. Sell on a break below 94.

Long	21.82 (Jul-29-15).
Profit Target	23.50 & 28. Stops at 2dc below 21.50.
Recom:	Keep your position. Sell half near first profit target.

The dollar remains stronger than the rest of the currencies, including gold. However, tell-tale signs are showing weakness as the US Dollar failed to break above the Mar downtrend once again and momentum continues to erode as Spinner fails to break above a downtrend since Mar. The dollar has ST support at the Aug uptrend. If it can hold at this level, it could re-test the Mar downtrend. A break above 98 on a 2dc would show strength that could push it to the Mar highs near 102. However, a break below the Aug uptrend on a 2dc below 95 would confirm weakness and a decline to test the dollar's intermediate support near 94 would then be likely. Keep your bear put and sell on a break below 94.

UDN is jumping up from its Aug uptrend showing signs of strength and ST support. Spinner slipped below zero, but holding. Keep your position for now.

COPPER DECEMBER 2015 (HGZ15) 9/29/2015 CLOSE= 2.2515



Dr. Copper continues to show considerable slack in the global economy. It's now re-testing the Aug lows while Spinner declines to an extreme and what seems like a bottomless oversold level. Weakness in copper signals an increase in deflationary forces. This tells us monetary policy in the US as well as the rest of the world will remain highly accommodative. The rout in commodities may be near an end, but it's not over yet.

LIGHT CRUDE OIL DECEMBER 2015 (CLZ15) 9/29/2015

CLOSE= 45.64

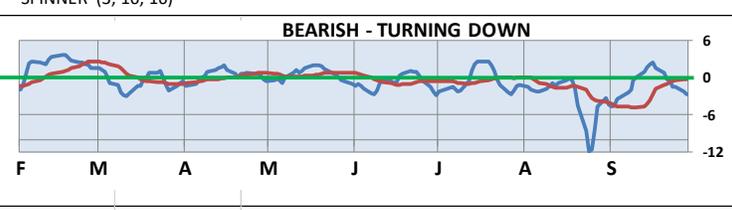


Bull Call Spread	Dec 2015 56/60 Bull Call Spreads at \$425 (Aug-5-15); at \$325 (Aug-12-15).
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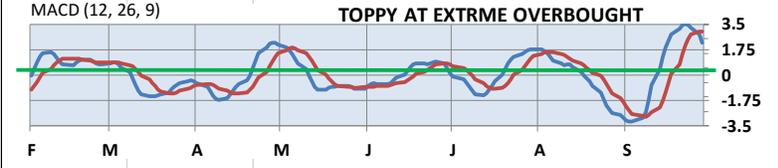
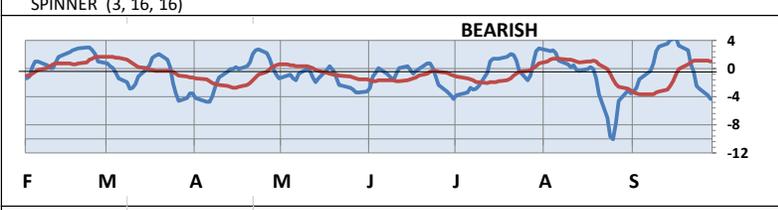
Recom:	Keep your positions. Sell on a breakout above 52.
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Crude is coiling into a symmetrical triangle. The trading range continues to tighten. Spinner starting to show signs of turning around. A crude break above 48 on a 2dc will show strength that could push it to test the May downtrend near 58. However, if it fails to break above its resistance, it could then decline below its ST support at 44. Keep in mind, oil inventories in the US rose this week. The news will likely put downside pressure on oil. If oil holds above 44, it'll show impressive strength. If it breaks below 44 and holds at the Aug lows, then we'll be looking to increase our exposure.

SPDR DOW JONES INDUSTRIAL (DIA) 9/29/2015
CLOSE= 160.23



Shares Transportation Average (^IYT) 9/29/2015
CLOSE= 138.32

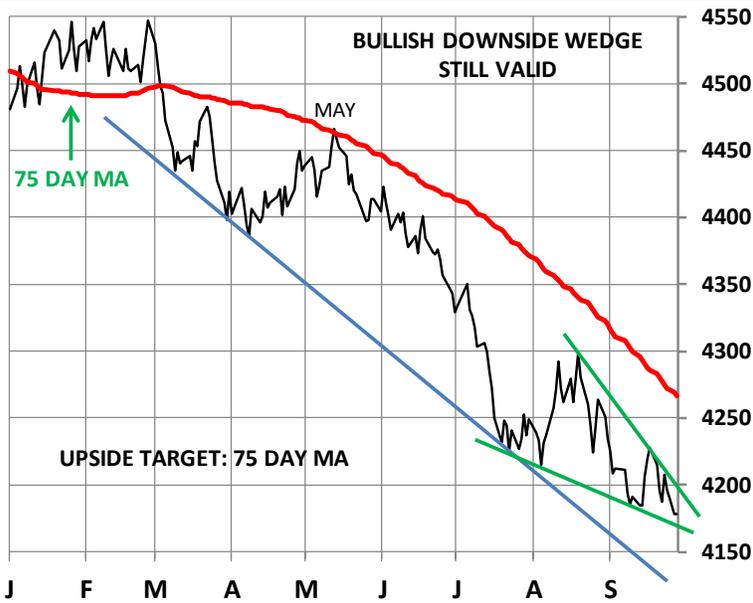


New Recom

Stay out.

The stock market continued to decline confirming its bear market. Spinner has crossed below the zero line and into bearish territory while MACDs are topping at an extreme overbought level. This tells us market sentiment remains bearish and momentum on the decline. Keep an eye on 16,000 (DJI; DIA:159) and 7,500 (DJT; IYT: 134). If both averages break below these levels, a renewed leg in the bear market will emerge. We're recommending an inverse ETF in NASDAQ to take advantage of stock market weakness.

ADEN GOLD STOCKS ADV/DEC LINE 9/29/2015
CLOSE = 4178



HUI GOLD BUGS INDEX (HUI) 9/29/2015
CLOSE= 105.22



SPINNER (3, 16, 16)

WEAK BELOW ZERO



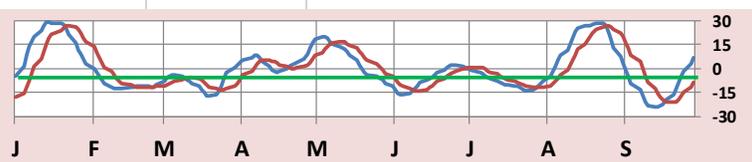
SPINNER (3, 16, 16)

SHOWING WEAKNESS ST



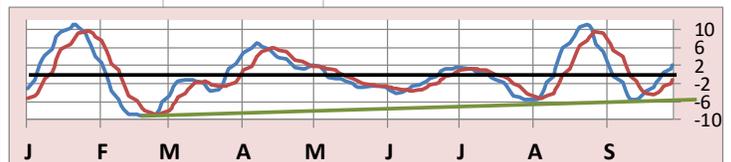
MACD (12, 26, 9)

BROKE OUT ABOVE ZERO = BULLISH



MACD (12, 26, 9)

BROKE ABOVE ZERO = BULLISH



HUI continued to bounce above the 105 level showing it has solid ST support. HUI continues to form a bullish downside wedge with upside target at 155. The A/D Line also continues to form a bullish downside wedge of its own. Both HUI and the A/D Line must break above 110 and 4200, respectively, to see a clear bullish sign with upside potential for gold shares. Spinners for both HUI and the A/D Line are sluggish and showing ST weakness. However, MACDs are showing rising momentum with limited downside MT. This tells us, upside potential remains high and gold shares are near the lows. We'll remain with limited exposure to gold shares by keeping our positions in GDXJ and RGLD.

STOCKS



Shares Barclays 20+ Year Treas Bond (TLT) 9/29/2015 CLOSE= 123.97



iShares Trust - iShares 20+ Year Treasury Bond ETF (TLT) - NYSEArca

Long at:	115.65 (Jul-1-15), 120.85 (Sept-3-15), 119.8 (Sept-9-15).
Stop:	2dc below 119 (adj).
Profit Target	128 (new), 132 (adj) & 136.50 (adj).
New Recom:	Keep your positions. Sell half at first profit target.

Rising with strength! TLT continued to move higher, jumping up from its Jun uptrend. TLT is now re-testing a downtrend & resistance level at 124. A break above it on a 2dc would be bullish and a rise to the top side of the upchannel near 128 would then be likely. On the downside, the Jun uptrend near 119 is key. Be quick to sell if TLT breaks below it on a 2dc.



Junior Gold Miners ETF (GDXJ) - NYSEArca

Long at: 21.25 (Aug-12-15), 19.25 (Sept-9-15), 19.75 (Sept-16-15).

Stop: 2dc below 18.50.

Profit target: 24, 27 and 30.

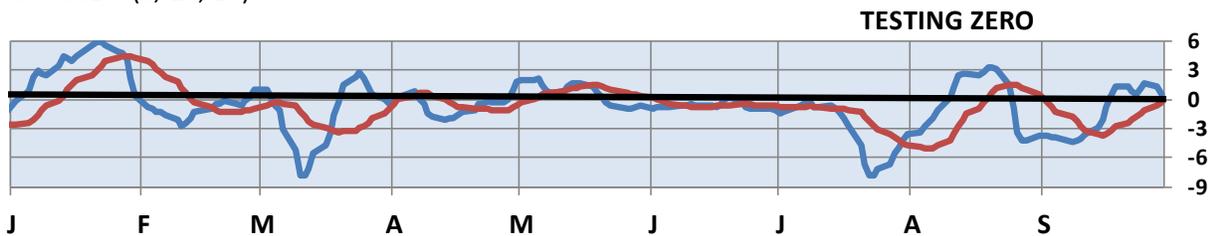
New Recom: **Keep your position. If not in, consider buying at mkt.**

GDXJ continues to fluctuate between its Jan downtrend and the Jul uptrend, thereby forming a symmetrical triangle. Remember, a symmetrical triangle is a continuation pattern. Which-ever direction the stock breaks, it'll likely lead the way for the next intermediate move. A break below 18.50 (Jul uptrend) on a 2dc will confirm weakness and it could then decline to its lower trend near 17. However, if it holds and rises above the Jan downtrend on a 2dc above 22.50, it'll show strength that could fuel a rise to its next resistance level near 26. Caution is warranted as Spinner's downtrend is signaling a decline in momentum. Continue to keep your positions as long as the Jul uptrend at 18.50 holds.

ROYAL GOLD (RGLD) 9/29/2015 CLOSE= 46.39



SPINNER (3, 16, 16)

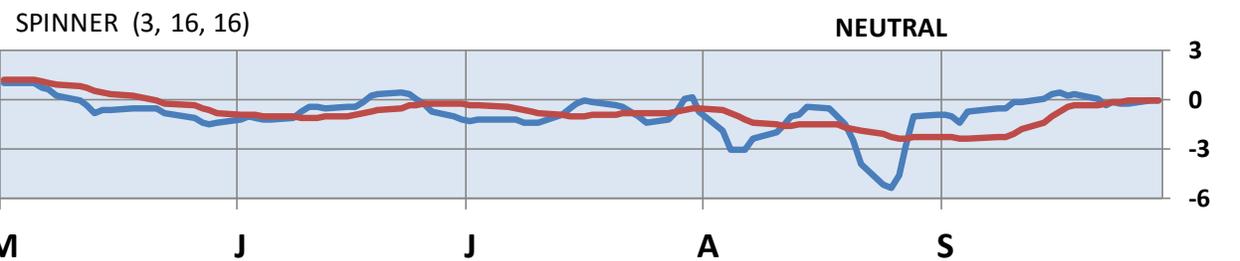
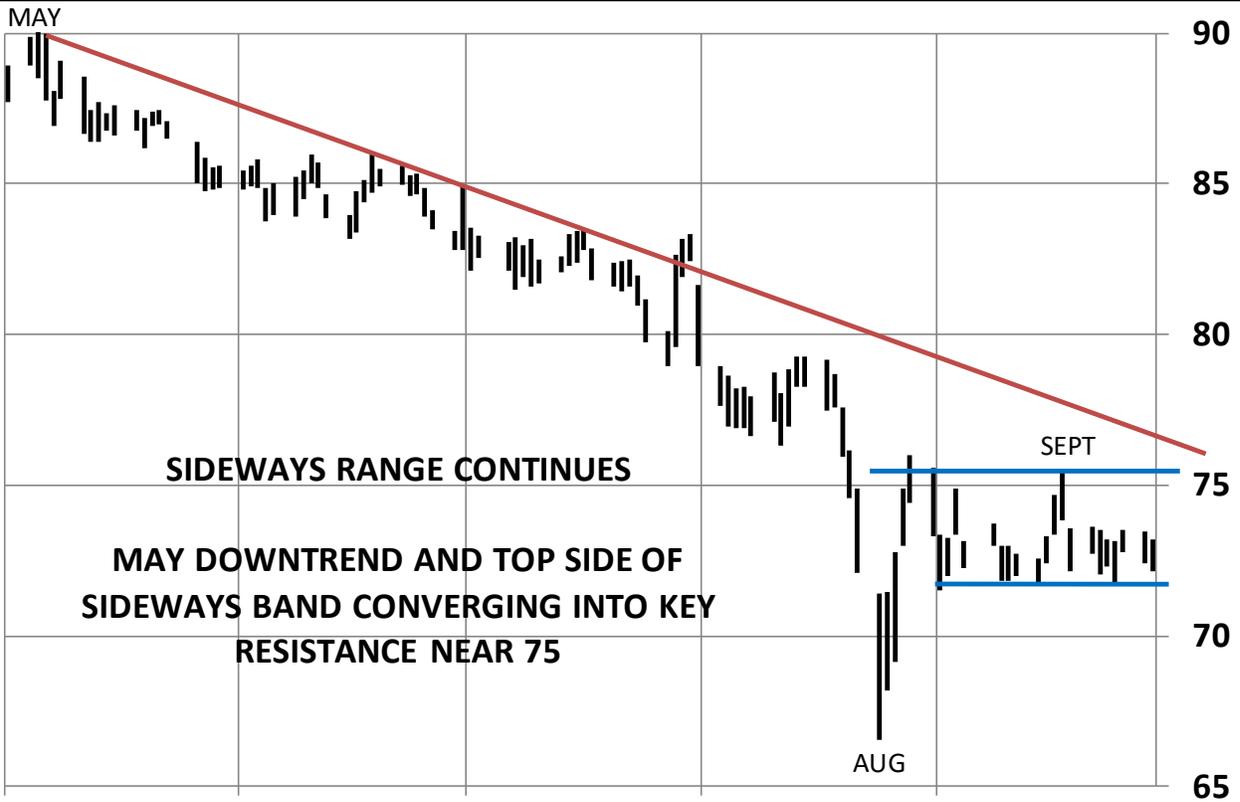


Royal Gold, Inc (NASDAQ: RGLD) Also traded in TSX:RGL

Long:	46.50 (Aug-26-15), 45.75 (Sept-4-15)
Stop:	2dc below 42 (adj).
Profit targets:	52, 55 & 60.
New Recom:	Keep your positions. If not in, consider buying at mkt near 46.

RGLD is forming a bullish flag with upside target at the Jan downtrend near 55. RGLD must break above 48 on a 2dc for pattern to materialize and push RGLD to our first profit target or higher. RGLD's ST support is at 46. If RGLD stays above this level on a closing basis, it'll be poised to cross above its bullish flag. However, a break below 46 on a 2dc would increase downside pressure and a decline to the Sept lows near 42 would then be likely. 42 is RGLD's key intermediate support. A break below it would be bearish. Hold on to your positions as long as the intermediate support at 42 holds.

EXXON MOBIL CORPORATION (XOM) 9/29/2015 CLOSE= 72.97



Exxon Mobil Corporation (XOM) -NYSE

Long at: 72.50 (Sept-9-15), 72.65 (Sept-22-15).

Stop: 2dc below 66.

Profit Target: 80, 85 & 90.

New Recom: **Keep your positions.**

XOM continues to hug the bottom side of a sideways consolidation band between 72 and 75. Moreover, the May downtrend and the top side of the sideways consolidation band are converging into a key intermediate resistance level at 75. XOM will continue to show upside potential by staying above the lower side of the band near 72, but must break above 75 on a 2dc to show renewed strength. If XOM fails to break above its key resistance, it'll be vulnerable and could test the Aug lows. Keep your positions as long as the intermediate support level near 66 holds.

ProShares UltraShort QQQ (QID) 9/29/2015 CLOSE= 38.75 US\$



ProShares UltraShort QQQ (QID) -NYSEArca

New Recom: **Buy at mkt. Buy more on a decline at/or below the 36 level. Stop: 2dc below 34. Profit targets at 42 (2015 high) and 52 (52 wk high).**

QID is a 2x inverse ETF for the NASDAQ. This means that QID will perform exactly opposite to NASDAQ, and at a 2 to 1 proportion. This is a great way to short the tech sector of the market. NASDAQ is yet to catch up to the rest of the falling mkt and, therefore has more downside potential (upside potential for QID). Notice QID turning bullish this past week as Spinner broke clearly above the zero line and its MT MA. QID's first resistance and likely upside target ST is at the 2015 highs near 42. A break above this level would be bullish and could then fuel a rise to the 52 wk highs near 52. We recommend buying some at mkt and buying more on declines that hold at 34 and at 31.

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

TLT	Keep your position. Sell half at first profit target.	L	Jul-1-15	115.65	120.85, 119.80	123.97	2dc below 119	128.00	132.00
QID	Buy at mkt. Buy more on a decline at/or below the 36 level.	O				38.75	2dc below 34	42.00	52.00
RGLD	Keep your position. If not in, consider buying at mkt.	L	Aug-26-15	46.50	45.75	46.39	2dc below 42	52.00	55.00
GDXJ	Keep your position. <u>If not in</u> , consider buying at mkt.	L	Aug-12-15	21.25	19.25	19.28	2dc below 18.50	24.00	27.00
UDN	Keep your position. Sell half near first profit target.	L	Jul-29-15	21.82		22.06	2dc below 21.50	23.50	28.00
XOM	Keep your position.	L	Sept-9-15	72.50		72.97	2dc below 66	80.00	85.00

MARKET LEADERS

Gold - GCZ15	Keep your call spread positions.	C				1126.80			
Crude- CLZ15	Keep your positions. Sell on a breakout above 52.	C				45.64			
Silver SIZ15	Keep your bull call spreads.	C				14.57			
US Dollar DXZ15	Keep your positions. Sell on a break below 94.	P				95.99		93.00	
COPPER HGZ15	Stay out.	O				2.25			

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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 Stochastics & Williams %R should be used.

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ABBREVIATIONS	
	1-day close (the share price must close above or below the indicated price level, before our recommendation is activated)
1dc	
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