



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

Nov 27th, 2019

IN ITS 18th YEAR – Nº 861

ARE SAFE HAVENS DEAD? THE DECLINE IS ABOUT TO GET UGLY

RISK ON IS THE NEW NORMAL STOCKS SURGE TO NEW HIGHS!

THE DOLLAR REVERSES COURSE, DECOUPLES FROM GOLD & BONDS

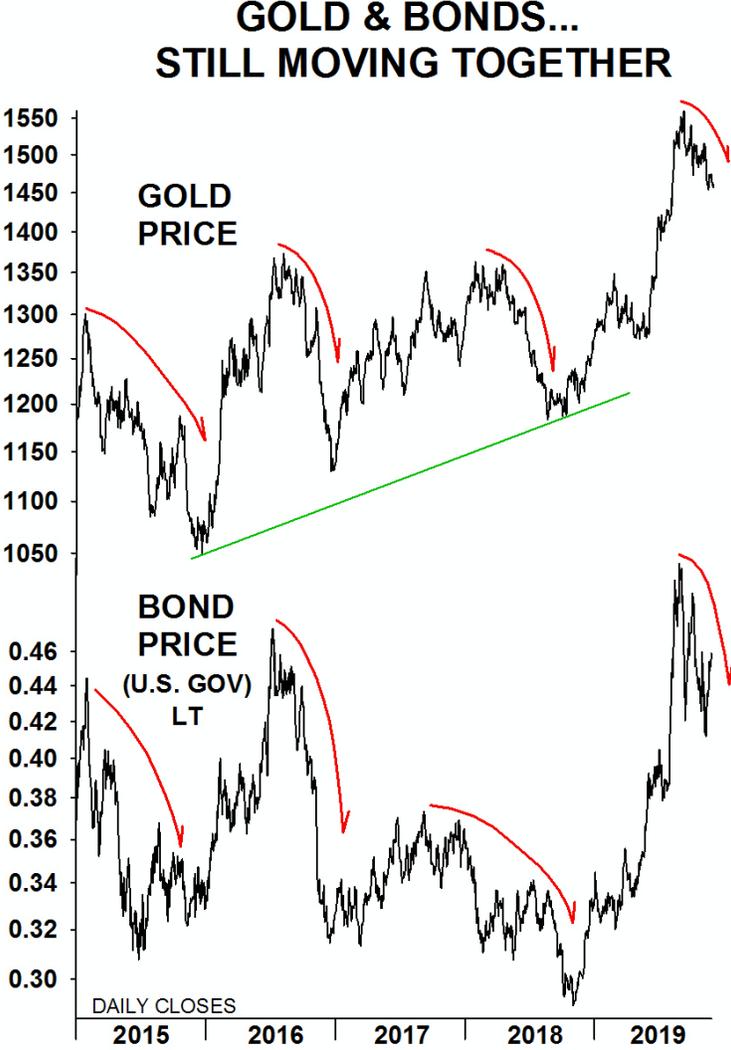
Renewed optimism stemming from noise of a trade truce in the works has speculation pushing stocks to new highs daily. Recession fears are yesterday's news.

The safe haven trade that brought us wonderful gains in 2019 has peaked. Since the Sept highs, both gold and long term U.S. government bonds have been sliding. Lower highs have been consistent.

The Fed induced Risk On sentiment is pushing stocks higher as money continues to flow out of safe havens and into risk assets. As shown last week, utilities are also downtrending along with the bond market.

"To double your money in a year, you have to bet on what people don't know that's true." -Mark Skousen

Our first chart shows how gold and U.S. government bonds tend to move together. When uncertainty and fear seep into the markets both tend to rise. They shared a magnificent rise, and have shared a decline.



Interestingly, the U.S. dollar index rose on safe haven demand, together with gold and U.S. bonds for over a year. But the recent pull back in gold and bonds is not dragging the U.S. dollar index down. It's actually rising, showing strength with renewed upside potential.

The strong dollar reflects a strong U.S. economy, at least in relation to global counterparts today as global growth has remained stagnant. The Mexican Peso and Brazilian Real, for example, are very weak currencies with both reaching record lows.

We continue to hold healthy cash reserves in U.S. dollars, waiting for trends to develop. Keep healthy cash reserves to take advantage of extreme movements that will allow awesome returns...

We must remain patient...

Gold's 'D' decline continues to develop... Weakness is starting to become more evident. More and more reports, newscasts and pundits are forecasting lower gold prices... They're right... but just remember where you heard it first!



Continued weakness is likely, but how much is always the question. One of the indicators I follow the closest suggests we could be entering into the weakest days or weeks of gold's 'D' decline.

There is something about timing that has me concerned. That is, technically gold could fall another \$100 even though we're entering into a seasonally strong period for gold ahead of the holidays.



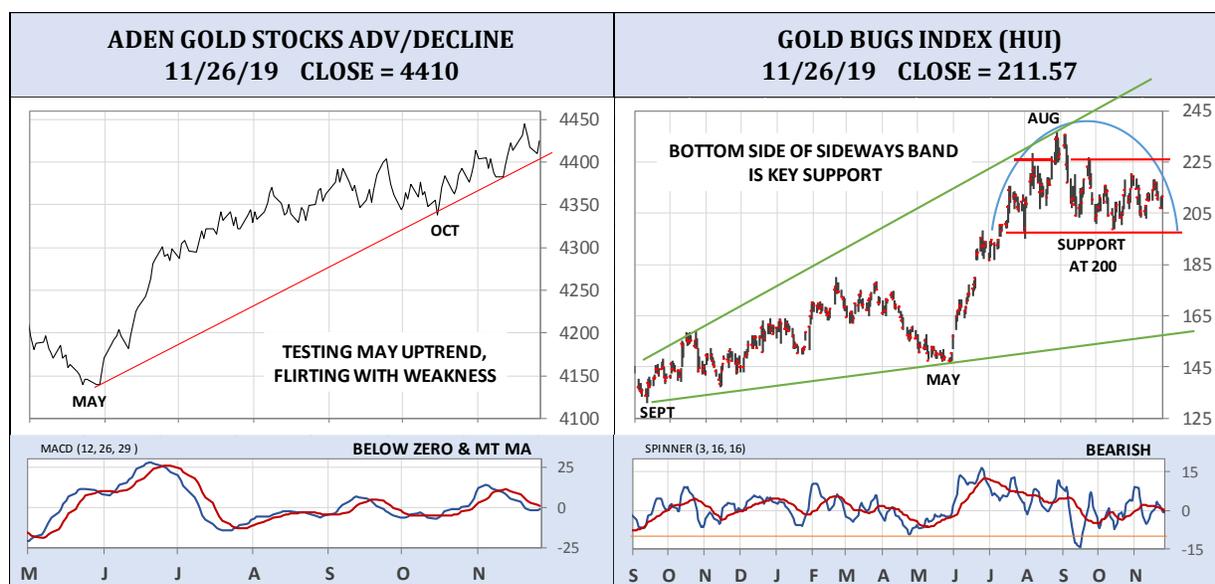
There seems to be a squeeze developing.

The way I see it, there is one of two things that'll likely happen. Either gold holds above \$1420 in this decline showing super strength because it'd be the shallowest 'D' decline since the secular bottom in gold occurred in Dec 2015. Or we could see somewhat of a flash crash. That is, gold could tank around \$100 in a

short period of time (days or a couple of weeks). This would be within a normal D decline, and still be a bull market correction.

The gold miners index (HUI) has also exposed the lackluster performance that is typical for a 'D' decline in gold. It's been forming a big top between 200 and 225. A resistance below 225 is proving to be heavy. HUI could test support at 200 during the upcoming days or weeks.

A break below support at 200 on a 2dc could fast shift momentum pushing HUI lower, to our ideal re-entry level at 165, the Sept 2018 uptrend and support.



Our in house gold share A/D Line has been holding up above the May uptrend showing resilience. However, the rise is starting to fade and the May uptrend is being tested. A break below the uptrend could exacerbate weakness.

One of my favorite gold shares, Kirkland Lake Gold (KL) fell nearly 20% during the past 2 days when it was announced that KL would be taking over Detour Gold (DTG). The merger could end up being very positive for KL even though the knee jerk reaction is to decline.

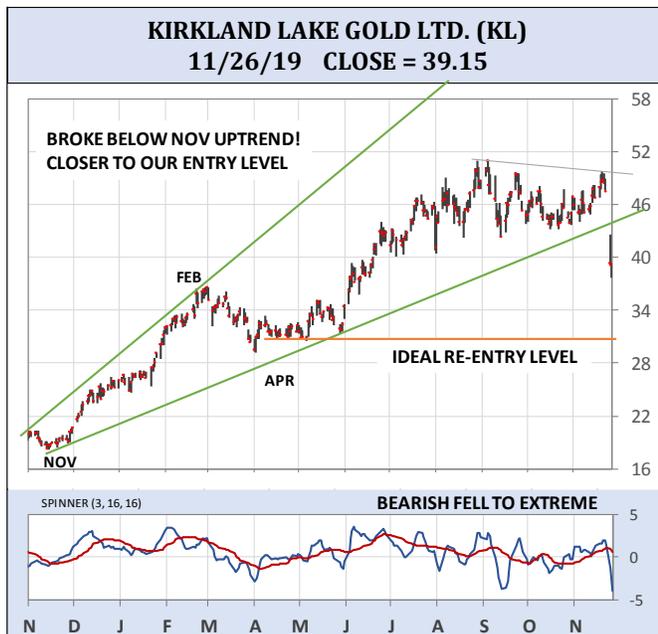
The decline pushed KL below the Nov uptrend with the downside open. KL is slowly reaching our re-entry level in the mid to lower \$30s.

Others like Agnico Eagle Mines (AEM) are also showing weakness as they're struggling to overcome ST resistance levels.

We're seeing lots of opportunities developing in the sector. The pressure is still on, and we're putting together a portfolio of precious metals that will allow you to reap the benefits from gold's next upward cycle.

Continued weakness in gold and gold shares could coincide with continued optimism that a trade truce will soon be made between the U.S. and China. Meanwhile uncertainty surrounding impeachment proceedings within the U.S. could subside as the U.S. presidential election approaches, and the thought seeps in that a Republican led Senate will not go against president Trump.

For those and other reasons, mainly technical, we've been out of gold shares and have kept a position in DUST since gold peaked. You'll remember DUST is an inverse ETF to HUI. This means, it rises when gold shares fall.



DUST has been forming an ascending triangle since it bottomed in Sept. It's testing resistance at \$9. A break above this level could push DUST into a stronger phase. The \$9 resistance level in DUST is equivalent to the 200 support level in the HUI index.

Keep a close eye on these levels as they're poised to be tested in the days and weeks ahead.

Moreover, the holiday season in the U.S. is about to begin with high consumer confidence and a resilient labor market which tells me it could be good for U.S. business and stocks. This could be one of the strongest holiday season's yet.

New home sales over the past two months have been the highest in 12+ years according to a Bloomberg article.

The bullish stock market and seemingly growing economy in the U.S. is what president Trump has going for him and as we head into the election year, you can expect that support behind business activity and a bullish stock market in different ways will continue and likely increase.

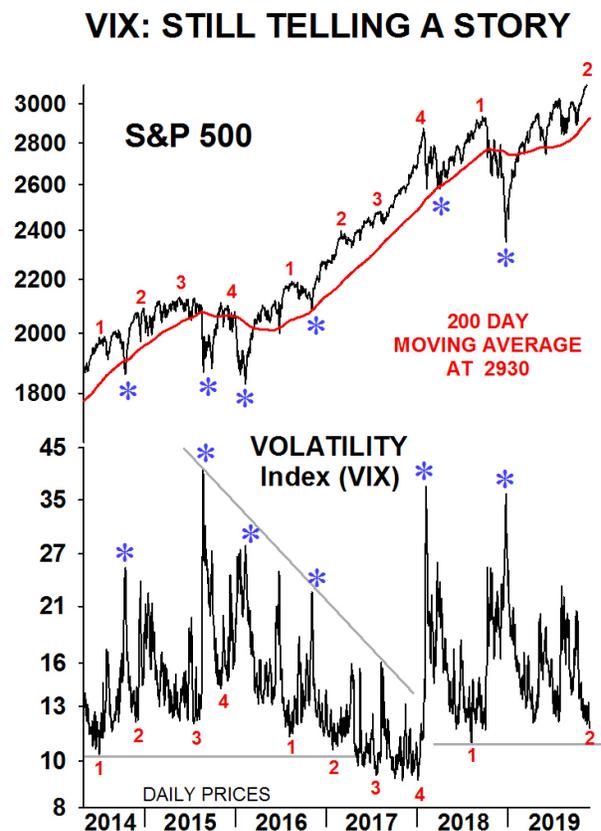
It's a game of musical chairs...

The S&P 500 has broken clearly to new highs showing impressive strength. It's well above its 200 day MA, currently near 2930. If you look at the past several years, whenever the S&P 500 has separated this much from its 200 day MA, a reversion to the mean has been consistently normal.

We've been waiting for some weakness to pick up some stocks in several sectors that are poised to thrive in the new year.

We have made certain adjustments to our current portfolio to continue having exposure to stocks.

The volatility index (VIX) is at its year long lows. It's showing VIX can fall down further which would be bullish for stocks. But if VIX reverses its course, we could see a decline in S&P 500 develop.



We have exposure in U.S. equities with Procter & Gamble (PG), and just this week we swapped Citigroup (C) for our losing position in Aurora Cannabis (ACB.TO).

PG has been a great stock to own. It's shown limited downside risk with continued upside potential. In today's world, PG's packaged products are daily staples in many homes within the U.S, mainly, but also across the world.

With retail sales growing online, PG is set to thrive from increased exposure to online platforms.

PG has support at the Oct uptrend. Notice it has been bouncing on it during the past month or so. Yesterday's clean jump up confirms support and suggests more upside is now likely.

Citigroup (C) is yet another great asset. We just picked up some last week on weakness. C has shown business dexterity in an environment of low rates where income from core business has been weak.



C is poised to rise further. Keep your positions and be ready to buy more on a pull back to the \$70.

I also like JP Morgan Chase (JPM). However, it hasn't pulled back as much as I had hoped. We already have exposure thru C and will buy JPM at lower levels.

Aurora Cannabis (ACB.TO) did bounce up to near the previous support but failed to

surpass the level showing resistance. The action is bearish. We had a reduced position in ACB.TO. And although we've logged in losses the past 6 months, we're in the green for the past year. However, as I've mentioned again, this is not an environment for cannabis.

We're also holding Guangshen Railway (GSH), a train owner and operator servicing the growing economic zone of Shenzhen. GSH also operates the only trainline between Shenzhen and Hong Kong.

GSH held at the Aug low and support level near \$15.40 and has started to bounce up, regaining the \$16 handle. A break above \$16.50 shows signs of a trend reversal. Keep your positions.



We've contended that the lower ST rate environment within the new normal, is poised to give emerging markets an upward boost as we showed last week. An uptick in the global economic activity could start putting pressure on supply chains driving prices higher.

As capital continues to flow into risk assets, longer term rates are poised to continue rising.



We've shown the yield (on a U.S. 10 year Treasury) holding at decade long support level and starting to rise in a rebound from an extreme low. It's very much like a rubber band.

A couple of months ago we started buying TBT, an ETF that follows long term rates on U.S. government bonds. It's been uptrending since we bot but has yet to clear resistance that would show a more explosive upside.

TBT is still a good buy at current levels. It has room to rise further. It's been developing support above the Aug uptrend near \$24.50. Buy at mkt if you're not yet in.

The quiet, but steady rise in copper has also been very telling of the bubbling global economic activity. Copper remains on a solid uptrend since the 2016 lows while its indicator rises briskly, and with room to rise further. This suggests copper's upside is open.

Although trading copper has been like watching paint dry, it's been in a major uptrend during the past few years. Moreover the recent declines and consolidations are just part of the bigger bullish picture.

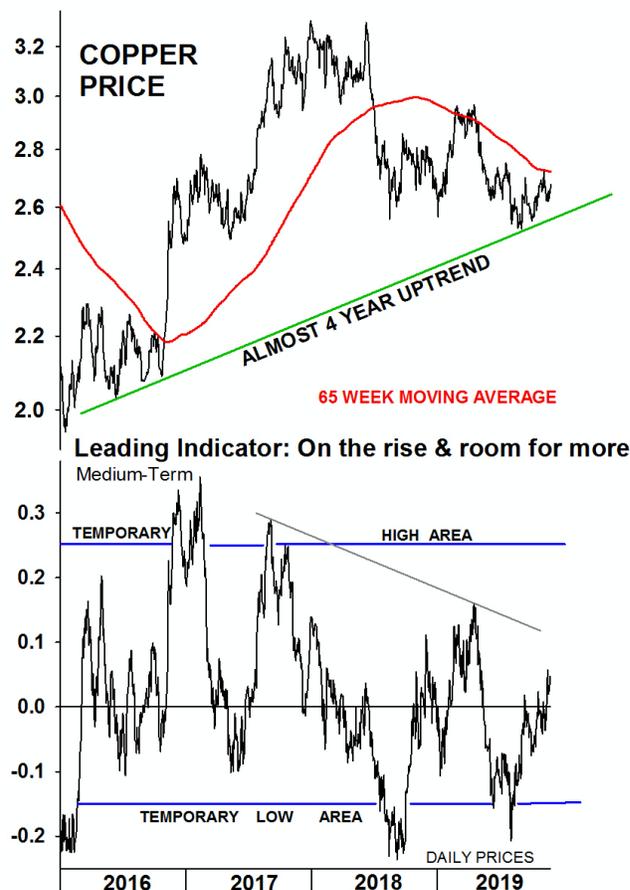
Consider that as risk on sentiment continues to drive business, it'll add upward pressure on copper.

It could now rise to the \$3 level, the top side of a sideways band that has captured copper's price movement the past year.

Silver has maintained its luster due to its double condition as a precious and an industrial metal. So even though silver tends to follow gold and has declined together with gold from recent highs, it's fallen less and it's showing resilience due to the rising demand for resources as we step into 2020.

We picked up some silver below \$17. I'll be looking to buy more on any decline below \$16.

HOLDING ABOVE ALMOST 4 YEAR UPTREND



Silver shares are also looking very good. I have my eye on a couple of them and are monitoring closely. I'll start showing them soon, as we get closer to a bottom in precious metals and gold especially.

For what seems to be the developing up-move in resource is crude oil. We've secured positions in crude too by averaging in at about \$55, above crude's rock solid support at \$52.



Crude is starting to break resistance. If crude now rises above \$60 on a 2dc, it's off to the races. We'll be looking to take some profits near \$62 if given the chance.

We've also played resources through Denbury Resources (DNR). DNR has been forming a massive bottom above \$1. The support is seemingly strong and we've kept our positions as long as this support level holds.



It's discouraging that DNR has not risen with crude during the recent rise. This suggests a slack in the energy market remains despite the move up.

However, keep your positions for now. Crude oil tends to move up with the stock market, and it could allow for a run up for great profit build up potential.

Our strategy this week is to tweek our portfolios. Be patient. Lighten up your portfolios. Make sure you have cash available or highly liquid instruments you can cash in to take advantage of opportunities that are developing but are also starting to pop up.

Good luck and good trading,



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KEY PRICES			
Name/Symbol	Nov 26, 2019 Price	Change	Nov 19, 2019 Price
Gold (GCZ19)	1460.30	-14.00	1474.30
Silver (SIZ19)	17.05	-0.07	17.12
HUI (HUI)	211.57	-3.76	215.33
Copper (HGZ19)	2.68	0.02	2.66
Crude Oil (CLZ19)	58.41	3.16	55.25
S&P500	3140.52	20.34	3120.18
U.S.Dollar (DXZ19)	98.17	0.43	97.74
30 Year T-Bond (ZBZ19)	160.59	1.25	159.34
10 Year T-Note Yield	1.74	-0.05	1.79
13-week Treasury Bill	1.57	0.04	1.53

SPECIAL SCHEDULE FOR THE DECEMBER HOLIDAYS

December 4 and 11 will be our normal Wednesday editions.
December 19 is then our last edition for the year.
(It's on Thursday, a day later).

TRADER SHEET

Symbol	Trade Update &/or Current Position	Status L=Long S=Short O=Out P=Put C=Call	Long or Short	Last Closing Price	Stops	Targets
PRECIOUS METALS PORTFOLIO (22%)						
GOLD (GCZ19)	The 'D' decline saga continues... It's the third straight month of lower highs and lower lows with no end in sight... ST support is \$1440. A break below this level could push gold to the bottom side of the Sept downchannel near 1400 or lower. My ideal entry level continues being the Nov uptrend near \$1345 but I'll start buying below \$1400 with stronger commitment at lower levels.	L	Bot: 1170 (Jan-5-17), 1220 (Mar-16-17). Sold half at 1287 for an average 8% gain. Bot: 1225 (Jul-3-17). Sold half at 1345 for an average 11% gain. Bot: 1289 (May-16-18), 1265 (Jun-21-18), 1258 (Jul-5-18), 1205 (Aug 30, 18). Sold half at 1290 for 5% gain. 1282 (May-8-19). Sold half at \$1420 for a 14% gain (Jun-24-19).	1460.30	Sell on a 2dc below \$1365	Open
PHYS	Keep your positions. Wait for weakness to buy more.	L	Bot: 9.63 (Jan-5-17), 10.12 (Mar-16-17). Sold half at 10.54 for an average gain of 7%. Bot: 9.98 (Jul-3-17). Sold half at 10.95 for an average 10% gain. Bot: 10.58 (May-1-18), 10.15 (Jun-28-18), 10.20 (Jul-5-18), 9.65 (Aug 30, 18). Sold half at 10.39 for 5% gain. 10.20 (May-8-19). Sold half at \$11.30 for a 14% gain (Jun-24-19).	11.75	10.85	Open
SILVER (SIZ19)	Silver is still holding above ST support at \$16.50. Momentum continues to fade as silver fails to surpass the Sept downtrend at \$17.50. We bot some at current levels and are waiting for more weakness below \$16 to buy more.	L	Bot: 15.80 (Jul-17-19), 16.50 (Aug-7-19), 16.80 (Nov-8-19).	17.045	2dc below 15	Open
PSLV	Keep your positions. Wait for weakness to buy more.		Bot: 5.50 (Jul-17-2019), 6.25 (Aug-7-19).	6.28	2dc below 5.25	Open
HUI Index	Gold shares failed to rally above the top side of a 5 mo sideways consolidation band showing exhaustion. The bottom side of the band at 200 is key support. A break below this level could see a swift decline to possibly the Sept uptrend near 165. Spinner is showing weakness. On the upside, HUI must break above 225 to show renewed strength. We remain on the sidelines with a short position in DUST.	--	N/A	211.57	N/A	N/A
DUST	Rising, and trying to break resistance... DUST held at the Sept uptrend and rose to its key resistance near \$9. A break above \$9 will show great strength that could propel DUST to the Jun highs, above our profit target. Keep your positions for now. If you're looking to buy, take advantage of any opportunity below \$8. DUST looks ready to take off.	L	7.40 (Aug-14-19), 7.20 (Aug-21-19), 7.45 (Sept-11-19), 6.90 (Sept-26-19).	7.73	Keep	12
KL	KL dropped over 15% in a single day as it was announced KL would be acquiring Detour Gold (DTG). The decline pushed KL below the Nov uptrend near \$45 like a hot knife through butter. Spinner suggesting more weakness. Buy below \$36 and lower. Opportunity coming!	O	Out	39.15	-	-
AEM	AEM failed to surpass the Aug downtrend showing weakness. Spinner suggests more downside is likely. Wait for a decline to the Nov uptrend near \$50 to buy.	O	Out	58.18	-	-
BONDS (7%)						
TBT	Back and fill... TBT approaching the Aug uptrend showing signs of support. This suggests, if TBT holds at the Aug uptrend near \$25, a rise to the top side of this uptrend, above \$27 would be likely. Keep your positions as long as TBT holds above the Aug uptrend.	L	25.40 (Sept-11-19), 24.60 (Sept-26-19), 24 (Oct-2-19).	24.85	2dc below 24.50 (adj).	30+

TRADER SHEET CONTINUED

Symbol	Trade Update &/or Current Position	Status L=Long S=Short O=Out P=Put C=Call	Long or Short	Last Closing Price	Stops	Targets
CURRENCIES (42%)						
U.S. DOLLAR (DXZ19)	The U.S. dollar index is showing signs of renewed strength as it retests a key ST resistance at 98.50. Indicators are starting to bounce up suggesting a pick up in momentum. A break above 98.50 could push the dollar to the top side of the Jun upchannel near 100. Gold and the dollar formally decoupled from a year + long joint rise. This is another indication that downside pressure in gold remains and could continue to develop.		Holding cash in highly liquid, low interest bearing instruments in U.S. Dollars.	98.17		
RESOURCES AND ENERGY (12%)						
Crude (CLF20)	Crude oil rose to a new closing high this past week, topping \$58 for the first time in a couple of months showing subtle signs of renewed strength. Crude's uptrend since Oct is starting to gain momentum and will remain intact as long as crude holds above the Oct uptrend near \$55. For now, crude's next key resistance is \$60. A clear break above this level could push crude into a stronger phase of its upmove. Keep your positions.	L	57.90 (May-24-19), 53.75 (May-31-19), 54 (Jun-19-19).	58.41	2dc below 52	62
DNR	DNR continues to hold above key support at \$1. DNR is not rising together with crude oil which is concerning. We'll continue to keep it as long as it holds above \$1, but we may be swapping it for another energy company.	L	1.40 (Sept-11-19), 1.23 (Sept-13-19), 1.10 (Oct-7-19), 1.07 (Oct-23-19).	1.02	2dc below 1	1.70 (new) & 2.50
OTHER STOCKS (17%)						
ACB.TO	ACB.TO jumped up the day we sold helping if just a little bit to reduce the losses sustained. Thankfully our position was a small one with year long performance still in the green. Weed stocks will come back with strength in the future, but for now much uncertainty, shifts and changes are at play that could define the longer term. Best to wait on the sidelines for now.	O	Bot: 9.90 (Nov-8-18), 9.40 (Nov-9-18)) (ACB: 7.60 (Nov-8-18), 7.15 (Nov-9-18)). Sold half for 25% gain (Mar-13-19). 11.75 (May-2-19). Sold half for a 4% loss. Bot: 9.97 (Jun-6-19). Sold half for 12% loss. 8.25 (Sept-11-19), 4.75 (Oct-30-19). Sold reduced position at \$4 for loss.	3.21	Hold during weakness	8.5 & 13.
PG	PG is holding above the Oct uptrend showing strength. Spinner bullish but consolidating. PG must stay above \$115 support during weakness, and rise above \$125 to show renewed strength in an extended leg up rise. Keep your positions.	L	103 (Apr-24-19), 106 (May-22-19), 105.50 (Jun-5-19). Sold half at \$124.50 for 20% profit! 119 (Nov-4-19).	122.26	2dc below 115.	150
GSH	GSH is bouncing up from the Aug low & support level showing signs of strength. A break above the Apr downtrend on a 2dc above \$17 would suggest a trend reversal that could push GSH to the Apr highs near 20. Keep your positions. If you're not in, buy below \$16.	L	15.90 (23-10-19).	16.08	2dc below 15.40.	19 & 25.
C	We bot the dip! C has started to uptrend this week, testing its recent high earlier this month. A break above \$77 will keep upside momentum going. On the downside, the \$70 support level is key. A break below it could push C to deeper support in the lower \$60s. Keep your positions as long as C holds above \$70.	L	73.75 (Nov-20-19).	75.46	2dc below 70.	85 & 100.

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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, i.e., 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 mkts than in trading ranges where indicators such as Stochastic & Williams %R should be used.

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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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