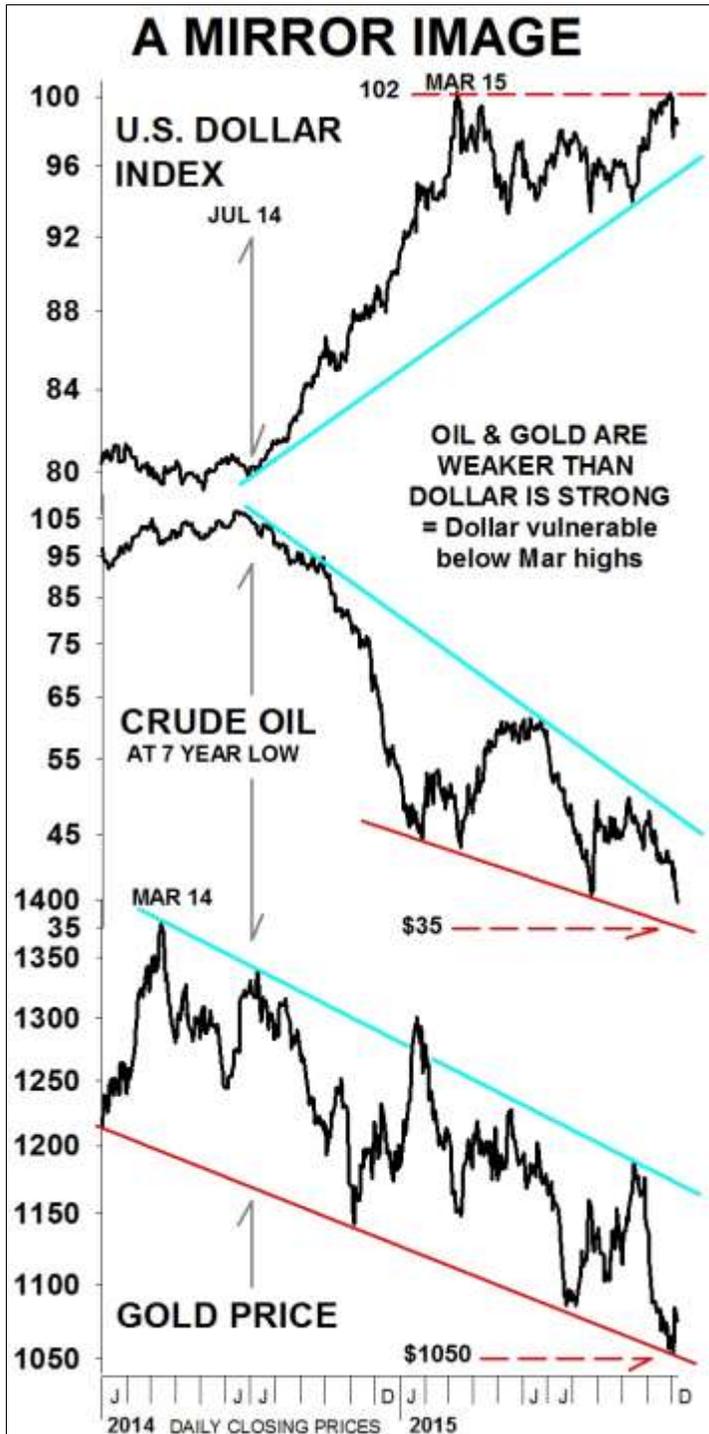


# - GCRU -

Weekly Trading Service



●●● GCRU #667

●●● December 09, 2015 (in its 14<sup>th</sup> year)

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KEY PRICES			
Name/Symbol	December 08, 2015 price	Change	December 01, 2015 price
Gold (GCZG16)	1075.30	11.80	1063.50
Silver (SIH16)	14.116	0.033	14.083
HUI (HUI)	113.89	-0.56	114.45
Copper (HGH16)	2.0540	-0.0175	2.0715
Oil (CLF16)	37.51	-4.34	41.85
S&P500	2063.59	-39.04	2102.63
U.S.Dollar (DXZ15)	98.47	-1.372	99.84
30 Year T-Bond (ZBH16)	154 - 27	-1.00	155 - 27
10 Year T-Note Yield	2.2380	0.0830	2.1550
13-week Treasury bill	0.268	0.065	0.203

*“It requires a great deal of boldness and a great deal of caution to make a great fortune, and when you have it, it requires ten times as much skill to keep it” –*

*Ralph Waldo Emerson -*

## THE PATH TO NORMALIZING THE WORLD

**T**his week was all about the oil price. Crude sunk deeper below \$40 after OPEC vowed to leave production levels unchanged. In other words, the oil glut continues.

This together with a report that Chinese exports declined for the fifth straight month, caused commodities, stocks led by transportation stocks, energy shares, and oil exporting currencies to fall.

Fear of a sluggish economic recovery renewed concerns that the path of rising interest rates will be tamed. Even though an initial rate hike has essentially been priced into the market come December 16, the path that follows this first hike is still uncertain.

ECB's Mario Draghi's comments made clear that all major central banks will have an influence in the Dollar. He continued their stimulus plan but at a lesser than expected pace. And even though he also said it could be increased if warranted, the euro jumped up, and thereby causing the U.S. Dollar to fall from its key high area.

Gold jumped up from fresh new lows, rising an approximate \$25 on Friday. Gold shares and silver also jumped up from a several month base. They both held above the lows which was a good sign for all.

HUI also broke above its key 5wk MA showing strength and turning the ST trend up. Our positions benefited and they too rose. NUGT was most impressive as it almost reached our first profit target.

Our GDXJ position is doing fine, and considering we took a quick profit a week ago on DUST (shorting HUI), we're now ahead on our NUGT.

Although weakness in crude put downside pressure on all markets, gold, silver and gold shares are holding above key ST support levels. Gold is holding comfortably above \$1045, its recent intraday low, while silver jumped up from its support at \$14, a stronger support level. We picked up some silver last Wednesday at a good price.

The **Chart Below** shows both HUI and silver holding at a key 4 and 3 month support level near 104 and \$14, respectively, despite new lows in gold and the resource sector. This bodes well for the gold universe as it may be hinting that gold and the entire gold universe are near the lows with upside potential ST.

Previously, we had secured a bear put spread on gold as an insurance in case gold fell further it wouldn't affect the performance in our long gold share positions. We'll keep this put spread as long as gold remains below \$1100.

The **Chart of the Week** on the front page shows the US Dollar, crude and gold since Jan 2014. Notice the mirror image in the dollar and crude. They've been clearly moving opposite to one another. Jul 2014 proved to be a pivotal moment for both as the dollar initiated its bullish rise while crude embarked on its bearish decline.

Looking closely at the chart, it's clear that dollar strength hasn't been as strong as crude and gold have been weak. **That is, both gold and crude have declined to lower lows consistently since Mar 2015 while the dollar has not risen to new highs.**



The Dollar index is now resisting at the March highs. But the real test for the

dollar will be if it can hold above its support at the bottom side of an almost 9 month sideways band near 94 during weakness. If it breaks below this level, a shift in these trends will most likely begin. Oil and gold will then be trading places with the dollar.

Last Wednesday, we secured a position in PALL, the best of the resources due to continued strength in the auto industry. PALL jumped together with most metals on Friday after reaching extreme oversold levels. Although it was also affected by the decline in crude, PALL's chart in the chart section below continues to show it's poised to rise further.

Our strategy for this week is to keep our positions. They're doing good! Be quick to sell if profit targets are reached. However, keep tight stop losses as downside pressure is strong and our positions are not yet out of woods and in the clear.

Good luck and good trading,

Omar Ayales  
**GCRU**  
**Chief Trading Strategist**  
 A division of Aden Research

[www.goldchartsrus.net](http://www.goldchartsrus.net)

# MARKET LEADERS

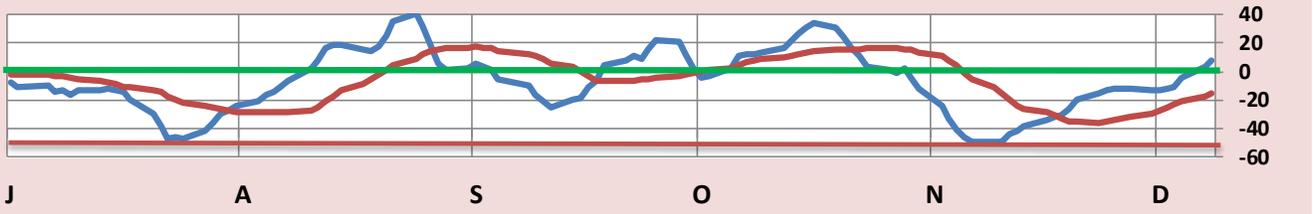


**GOLD FEBRUARY 2016 (GCG16) 12/08/2015 CLOSE = 1075.3**



SPINNER (3, 16, 16)

PIERCING ABOVE ZERO



Put Spread	Feb 2016 Gold 1000/950 @ \$400 (Nov-25-15).
Profit Targets	1200, 1300 & 1400.
New Recom	<b>Keep your put spread as insurance against a sudden decline in gold. Sell it if gold closes above 1100 for 1 dc.</b>

Gold followed up its key reversal day and broke above a bullish downside wedge with upside target at 1150. Notice Spinner piercing above the zero line as it turns bullish for the first time since Oct. This tells us momentum has started to shift to the upside and more upside ST is likely. If gold now holds above 1045 and breaks above 1100, we could see it rise to the wedge target at 1150. On the downside, if gold fails to break above 1100, and breaks below 1045, it could decline to 1000 intially. Continue to keep your bear put spread as insurance against lower prices in gold, but sell if gold closes above 1100 on a 1 dc.

**SILVER MARCH 2016 (SIH16) 12/08/2015 CLOSE= 14.116**



Long at:	14.05 (Dec-2-15) (SLV: 13.45)
Stop	2dc below 14 (SLV: 13.40)
Long Profit Target	15.50 & 17.50 (SLV: 15 & 16.80)
New Recom:	<b>Keep your positions.</b>

Silver spiked up from its 3+ month support level, hinting the lows are near the 14 level. Notice Spinner strengthening as it breaks above zero for the first time in over a month. The bullish chart is telling us momentum is starting to shift to the upside and higher lows are likely. Silver is now poised to rise to its next key resistance level at the May downtrend near 15.50 (our first profit target). A break above this level would be very bullish and a rise to the May highs near 17.50 would then be likely. On the downside, the Aug low & support at 14 is key. We recommend keeping your new position as long as silver holds above this level. Conversely, sell on a clear silver break below 14 on a 2dc.

**U.S. DOLLAR INDEX MARCH 2016 (DXH16) 12/08/2015 CLOSE= 98.583**



New Recom	Stay out.
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The US dollar index broke below the Oct uptrend and plunged after failing to break above the top side of the 9+ mo sideways band. Notice the weakening Spinner as it continues to decline, approaching an oversold level. This tells us the dollar could remain weak and decline a bit further ST. On the upside, keep in mind the dollar will remain strong as long as it holds above the Aug uptrend near 95. And it has even stronger support at the bottom side of the band near 94. The dollar remains the strongest currency in relative terms, and will remain strong as long as it holds above these support levels (94 and 95).

**COPPER MARCH 2016 (HGH16) 12/08/2015 CLOSE= 2.054**



Deflationary pressures continue to keep copper in check. Copper has failed to move higher, above ST resistance levels. This tells us the resource sector and the global economy remain lackluster. The bearish chart above shows copper hugging the bottom side of the Sept downchannel as Spinner attempts to break above zero. Copper must break above the mid channel line, initially, to see signs of a rebound. However, keep in mind copper's next real resistance remains the Sept downtrend near 2.35. Copper will remain bearish even if it rises to this level.

**LIGHT CRUDE OIL JANUARY 2015 (CLF16) 12/08/2015  
CLOSE= 37.51**



Recom:

**Stay out for now.**

Crude broke below a key support level at 40 after OPEC announced it will keep production levels unchanged, vowing to ramp up production if needed to squeeze shale oil producers and maintain market share. Weakness in crude is affecting all markets, from commodities to stocks to oil exporting currencies. Moreover, the lack of demand due to a sluggish global economy is adding to the pressure. Notice Spinner on the chart above as it breaks below its MT MA with room to decline further. This tells us more downside is likely. Stay out for now.

**SPDR DOW JONES INDUSTRIAL (DIA) 12/08/2015**  
CLOSE= 175.77

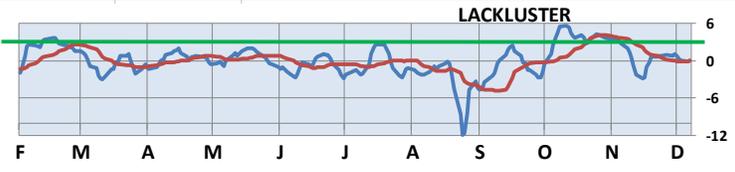


SPINNER (3, 16, 16)

**Shares Transportation Average (^IYT) 12/08/2015**  
CLOSE= 137.89



SPINNER (3, 16, 16)

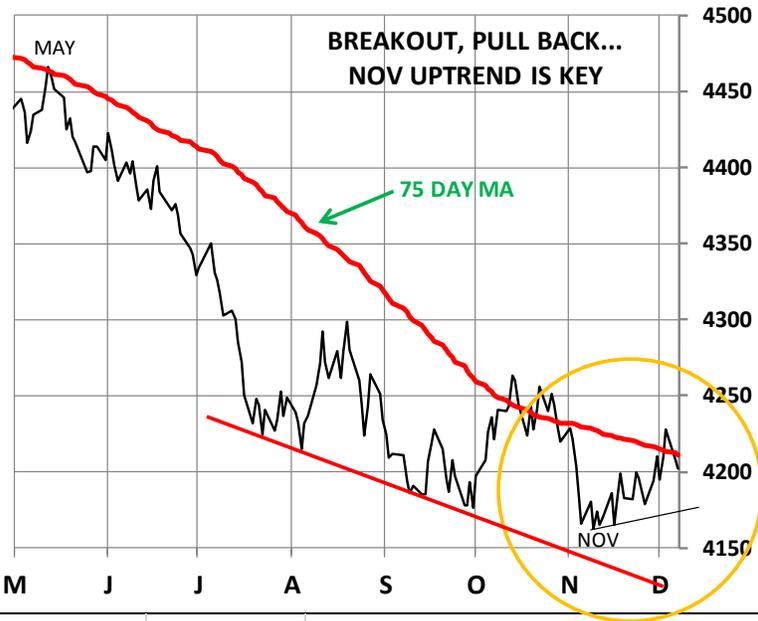


New Recom

**Stay out.**

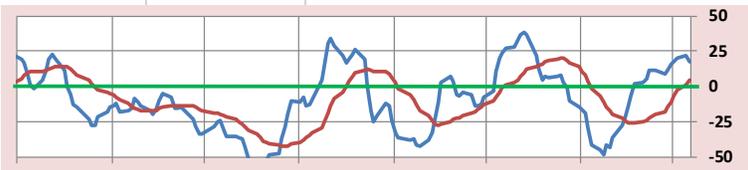
The averages failed to rise above their previous highs showing weakness. The Transports, which have been leading the stock market throughout 2015, broke below the bottom side of a sideways band in spite of crude prices declining to a 7 year low. Spinner and MACD are noticeably bearish with room to decline further. The chart to the left is the Industrials also showing weakness as they failed to break above the May downtrend and resistance level. Even though the Industrials have not declined as much as the Transports, they could follow. If the Industrials break below 17,245 (DIA: 172), stock market weakness would be confirmed and a decline below 17,000 (DIA: 169.50), would then be likely. Overall, downside pressure has essentially been the constant during 2015. Stay out for now.

**ADEN GOLD STOCKS ADV/DEC LINE 12/08/2015**  
CLOSE = 4202



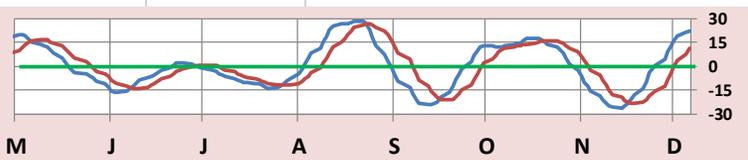
SPINNER (3, 16, 16)

**MOMENTUM TO THE UPSIDE**



MACD (12, 26, 9)

**BULLISH**



**HUI GOLD BUGS INDEX (HUI) 12/08/2015**  
CLOSE= 113.89



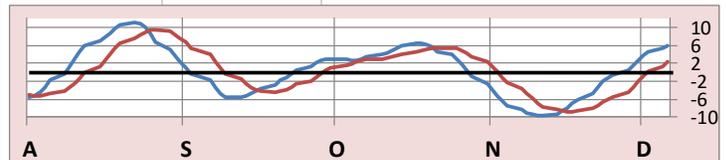
SPINNER (3, 16, 16)

**BULLISH**



MACD (12, 26, 9)

**BULLISH**



Gold shares continued to rise last week, bursting to the upside after gold surged an approximate \$25. HUI broke clearly above its 5wk MA showing strength as momentum shifts to the upside. It's important to note that the breakout was on higher than average volume which adds to the bullishness. On the other hand, the A/D Line broke above its 75 day MA, a key trend of its own. Indicators for both HUI and the A/D Line have turned bullish and are showing potential for more upside. Even though HUI and the A/D Line are pulling back since the high of last Friday, they continue to hold above key ST uptrends and support levels near 111. Moreover, HUI is bullish ST as long as it holds above its 25 day MA, also at 111. Conversely, if both HUI and the A/D Line fall below these uptrend & support levels, they'll resume their bearish trend down. Keep in mind, HUI's major support remains near 104. A break below this level could push gold and gold shares to a renewed leg down in the bear market. We're currently holding positions in NUGT and GDXJ. We recommend holding as long as these key uptrend & ST support levels hold.

# STOCKS



**MKT VECTORS JR. GOLD MINERS (GDXJ) 12/08/2015 CLOSE= 19.31**



**Junior Gold Miners ETF (GDXJ) - NYSEArca**

Long at: 19 (Nov-6-15), 18.95 (Nov-11-15).

Stop: 2dc below 18.35.

Profit target: 21.50 & 23.

New Recom: **Keep your positions. Sell half at first profit target.**

GDXJ rose to a 1 mo high on Friday as it approached its first resistance below the Oct downtrend. Spinner broke above zero showing strength and potential for more upside. GDXJ is now positioned to rise to the May downtrend as long as it holds above the Nov uptrend near 19, and rises above the Oct downtrend on a 2dc above 20.50. On the downside, a break below 19, would show weakness. However, 18.35 (Jul low) remains the key support level. We recommend keeping your positions as long as GDXJ holds above this support.

# DIREXION GOLD MINERS BULL 3X ETF (NUGT) 12/08/2015

CLOSE= 26.94

**LOOKS GOOD ABOVE  
NOV UPTREND (26)**

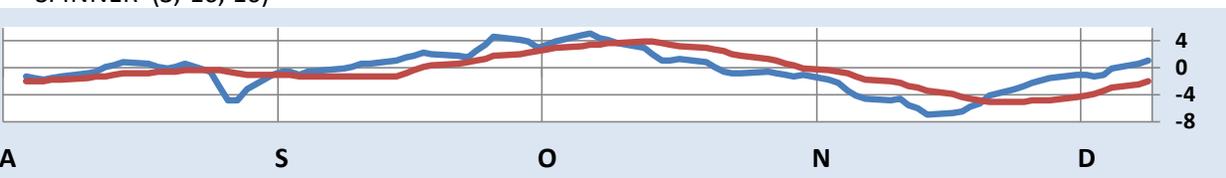


## Direxion Daily Gold Miners Bull 3X ETF (NUGT) -NYSEArca

<b>Long at:</b>	25 (Nov 25-15), 24.25 (Nov 27-15)
<b>Stop:</b>	1dc below 26 (adj).
<b>Profit Target</b>	32 (adj) & 50 (adj).
<b>Recom:</b>	<b>Keep your positions. Sell half at first profit target.</b>

NUGT continued its bullish rise almost reaching our first profit target!. Spinner confirmed strength as it broke above zero and continues to rise steadily. NUGT will remain ST bullish as long as it holds above the Nov uptrend at 26 and breaks above resistance at the Oct downtrend near 37. On the downside, if NUGT fails to rise above 37 and breaks below its Nov uptrend, it'll show weakness and could then decline to its major support near 24 or lower. Keep your positions, adjust your stops and lower profit targets to NUGT's ST resistance near 32. Sell half at our first (adj) profit target.

# ETFS Physical Palladium (PALL) 12/08/2015 CLOSE= 52.81



## ETFS Physical Palladium (PALL) - NYSEArca

Long at:	51 (Dec-2-15).
Stop:	2dc below 51
Profit Target	57.50 & 69
New Recom:	<b>Keep your position. Sell at first profit target.</b>

PALL jumped up from support near 51 showing strength. Spinner is confirming strength as it's piercing above the zero line showing solid potential for upside. PALL's next real resistance is at the Oct downtrend near 60. A break above this level would show renewed strength which could fuel a rise to the Oct highs. Downside pressure remains strong for all resource metals, which is why we recommend taking profits below the resistance level.

# 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
<b>SHARES</b>									
NUGT	Keep your positions. Sell half at first profit target.	L	Nov-25-15	25.00	24.25	26.94	1dc below 26	32.00	50.00
GDXJ	Keep your positions. Sell half at first profit target.	L	Nov-6-15	19.00	18.95	19.31	2dc below 18.35	21.50	23.00
PALL	Keep your position. Sell at first profit target.	L	Dec-2-15	51.00		52.81	2dc below 51	57.50	69.00
<b>MARKET LEADERS</b>									
Gold - GCG16	Keep your put spread as insurance against a sudden decline in gold. Sell it if gold closes above 1100 for 1 dc.	P	Nov-25-15	400.00		1075.30		1200.00	1300.00
Crude- CLF16	Stay out for now.	O				37.51			
Silver SIH16	Keep your positions.	L	Dec-2-15	14.05		14.12	2dc below 14	15.50	17.50
US Dollar DXH16	Stay out.	O				98.58			
COPPER HGH16	Stay out.	O				2.05			

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E-mail: [gcru@adenforecast.com](mailto:gcru@adenforecast.com)

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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