



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

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IN ITS 19th YEAR - Nº 906

GOLD RESISTS AT KEY LEVEL

THE DOLLAR SHOWS SIGNS OF SUPPORT

STOCKS RISE FURTHER!

Volatility continues to feed off speculation. They're both running wild and noise around financial media is getting louder...

The U.S. election is not helping. Uncertainty and emotions are running hot... One can feel the tension...

But decisions should be data driven to avoid making mistakes.

Fortunately, we don't have to choose who we believe... we rely on charts that measure price action... At the end of the trading day it's the essence of any transaction...

Think about it...

Price determines value, not necessarily as it relates to the cost of production, but what someone is willing to pay for something he wants or needs...

It's the rawest form of human instincts.

"A page of history is worth a volume of logic."
-Oliver Wendell Holmes

The U.S. dollar index has been key to determine developing price trends in most, if not all asset classes.

Since the dollar peaked during the pandemic led collapse in March, it's been declining steadily, breaking below key support levels.

The first support at 96 was critical. One broken back in July.

Since, the dollar found support at the 90-92 level, but it continues to show weakness as it forms a bearish descending triangle below the Mar downtrend (95).



A descending triangle is a continuation pattern formed between the Aug low support and the Mar downtrend. A break below support will confirm weakness and a continued decline would be likely.

As shown last week, the dollar is holding above a deeper support at a 10 year uptrend near 90. A break below this level would expose further weakness.



Spinner seems to have lost momentum and is back to falling, suggesting continued weakness is likely, at least ST.

But if the dollar holds above support, it could bounce back to retest the Mar downtrend at 95. A break above this level could signal a trend reversal and a renewed uptrend for the dollar.

A stronger dollar would put downside pressure on most asset

classes... conversely, a weaker dollar could propel assets higher.

Cash currently represents 50% of my trading portfolio. It's mainly in U.S. dollars, in low interest highly liquid instruments to take advantage of developing opportunities.

I've also diversified some of my cash position into British Pound Sterling (BPS) and Australian dollars (Aussies).

You'll notice both BPS and the Aussie have been moving in opposite direction to the U.S. dollar. Both bottomed in Mar and have been rising since. Both of their Spinners are bullish above zero, suggesting momentum could be shifting their way...

The Aussie and BPS will remain on the rise by holding above the Mar uptrend. A break below would push them lower.

Keep your cash pile diversified to counter single currency risk, while maintaining liquidity.



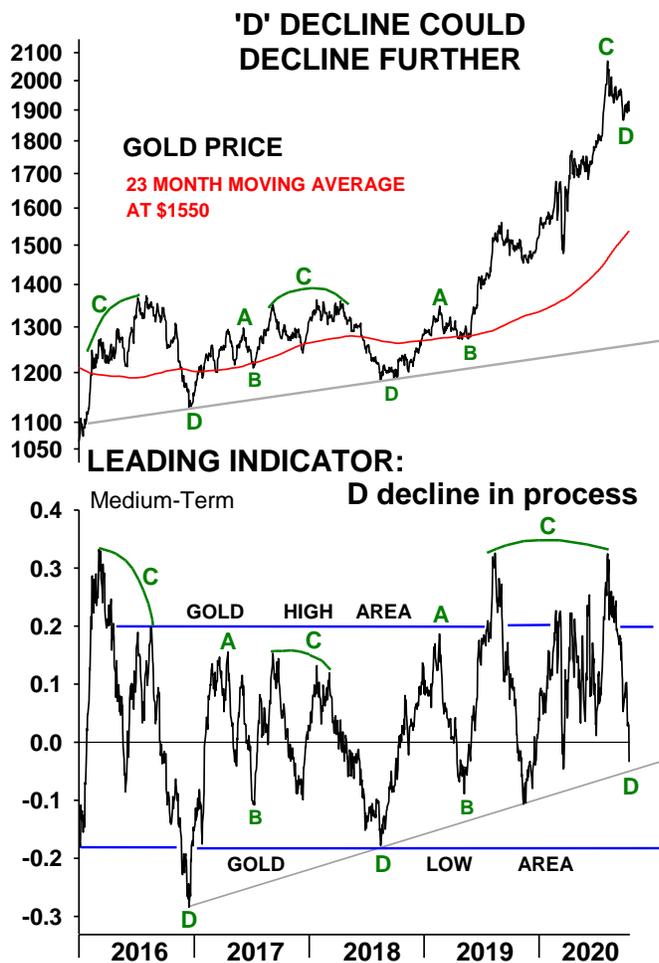
VOLATILITY IN PRECIOUS METALS

Gold caught everyone's interest again when it broke back above \$1900. And just yesterday, it fell below it once again ...

GCRU readers would know gold remains in a downtrend as long as it stays below the Aug downtrend near \$1950. This means, any meaningful rise in gold must break the Aug downtrend at \$1950 and rise above the Aug highs near \$2100.

As gold continues to resist it becomes evident the downside has not yet fully developed and more weakness is likely.

My next chart is one of our regulars. It helps us determine timing on our trades in gold and within its universe.



It not only measures the ABCD cycle; it also measures momentum.

For those who don't know, gold moves in an ABCD cycle. The cycle starts with an 'A' rise, which tends to be mild, followed by an equally mild 'B' decline, followed by a strong 'C' rise, ending with a strong 'D' decline, before this cycle pattern starts all over again. Each cycle is indicative of strength within a primary trend.

Notice on the chart the rise since the May 2019 lows through the recent Aug peak was an extended 'C' rise. It's not a very common, but it's very similar to the bullish rise in gold from 2007-2009.

The indicator is showing the 'D' decline is well underway. It started when gold peaked in Aug and has been developing since. The indicator threatens the decline could go further. Notice since 2016, 'D' declines reached the extreme low areas. And although the decline thus far has been significant, it could still continue to develop.

I'll wait for the indicator to reach the low area before committing to more gold. I'm currently holding a small position as I recently started buying gold again after taking profits during the recent peak.

Gold miners have held up well too...

The HUI Index (a gold miner index) has been falling since Aug in lockstep with gold. The recent uptick, although impressive, hasn't really broken above meaningful resistance.



Notice the HUI Index continues to resist at the Aug downtrend near 355. While a break above is very bullish, if HUI continues to resist, it could reverse course and break below 300. A break below 300 could be the catalyst for a continued downside, to possibly the Jun lows near 250.

Next to the HUI is our in-house Gold Miner Advance / Decline Line. When moving together with HUI, it tends to provide a very strong indication of general sentiment.

There is a divergence between both, which could be a sign of weakness. I



continue to have limited exposure to gold miners through reduced positions in Hecla Mining (HL) and NovaGold (NG) after recently taking handsome profits. I also have smaller positions in Black Rock Gold Corp (BRC.T) and Bonterra Resources (BTR.V) that was recently picked up.

I also own some DUST to counter possible downside risk within the gold universe. It's a small position that will rise 2x as much when the HUI Index falls. Keep it as insurance for now.

Hecla Mining (HL) is testing the Aug downtrend at \$5.50. It bounced up from the Mar uptrend support showing signs of strength. Spinner broke above zero and it's on the rise suggesting momentum favors HL.

If HL can now stay above \$5.50, it's off to the races! However, downside pressure remains which means HL could decline and re-test the Mar uptrend near \$4.50 before resuming its rise.

We recently took handsome profits and are holding reduced positions. I'll be looking to buy more near \$4.50.



Novagold (NG) is another of my favorites. It's been holding up among the best. However, it's failed to surpass the Apr highs near \$12-13, forming a double top resistance.

Notice Spinner under pressure, suggesting NG's resistance is strong. I'm waiting for a decline below \$10 to buy more. Keep your positions as long as the NG holds above the Mar uptrend. Remember to keep during weakness too.



The other two positions are junior gold producers with high quality world class assets. Both make prime takeover targets and are developing strong fundamentals.

Bonterra Resources (BTR.V) is holding above the Apr uptrend above CA\$1. It's struggling and looks weak below the Aug downtrend at \$1.20. Spinner is under pressure, showing weakness.

Hold on to BTR.V as long as it holds above support at CA\$1.



Black Rock Gold Corp (BRC.T) is another junior miner we recently added.

I recently bought some above CA\$1 just before sinking below CA\$1. However, like with BTR.V, we have a small stake willing to ride through weakness.

BRC is showing support at \$0.80. If it stays above this level and rises above \$1, it could open up for more upside.



Noteworthy, downside pressure remains strong within the entire gold universe. It's normal to a degree. We already have some exposure and will be looking to add more on weakness or a confirmed breakout in gold.

Silver has also been volatile. But it's confirmed support above the Mar uptrend near \$24. Spinner just broke above zero, suggesting momentum is picking up steam.

Although weakness in the gold universe is keeping a lid on silver, developing strength in resources is being supportive. A ratio between gold and silver continues to suggest silver could remain stronger in the intermediate future.

We recently bought silver and are holding a full position with average buy in below \$20. Keep your positions for now but consider buying even more below \$20.

Resources are holding up strong...

Crude oil has been backing and filling, testing support and resistance, almost within the same day.



Crude oil's resistance below the Mar downtrend at \$42 shows weakness. And if crude oil falls below \$38 clearly, on a 2dc, a continued decline to the lower \$30s would be likely.

Conversely, if crude oil holds at \$38 support and rises above the Mar downtrend on a 2dc above \$42.50, it would extend the rise since Apr. Stay out for now, but watch resistance at \$42.50 for a clear indication.

Copper is holding up stronger than most. It's managed to hold on to the Mar uptrend near \$2.95 despite it stalling at the highs.

The Sept highs near \$3.10 are key. Copper must break above it to show renewed strength. Otherwise, downside pressure will continue weighing in, pushing copper lower, to possibly the mid \$2s.



Stay out for now, but consider keeping (or buying) BHP Billiton (BHP) as a play on copper.

BHP is the world's largest natural resource company. It has solid and stable operations everywhere. It even pays a handsome dividend yield.

BHP has been our proxy for copper. It's risen in part due to the rising copper prices. However, as the

economic recovery narrative continues to gain steam, resources companies will remain in vogue.

I recently sold some, protecting profits, lowering exposure from overweight to just a full position. Keep your positions and if looking to buy, pick up some on weakness.

THE STOCK MARKET SOARS

Also holding at the recent highs are U.S. Equities or the stock market. The tech heavy NASDAQ led the way up as it rose to new highs.

More interestingly, and for the longest time, we've been waiting to see what Dow Theory has to say...



We recently analyzed price action on the averages and had mentioned the decline from the pandemic led lockdowns didn't really spark a bear market in stocks.

At least not according to Dow Theory...

Many technical skeptics criticize Dow Theory referring to it as a barbaric relic that may be out of touch in today's world.

Nothing can be farther away from the truth...

As it tends to be, the problem are not the charts, it's the chartists!

Back in Feb this year, the Industrials rose to new highs but the Transportation Average failed to confirm triggering a non-confirmation which tends to be a bearish sign.

Both Averages collapsed shortly thereafter. It was during the pandemic led lockdowns and travel restrictions.

The decline was harsh. But as expected, after finding a low, stocks started to bounce up. Both the Industrials and the Transports rose together.

This rebound rise peaked in Jun, followed by a pullback in both averages.

Per Dow Theory, a bear market confirmation would've been triggered if the pull back after the rebound peak would've pushed the Averages below the Mar lows.

As it happens, the pullback was mild and both Averages pushed higher.

The Transportation Average is now at a new high, for the first time in many years, leading the Industrials higher. If the Dow Industrials now reach a new high, near 30,000, a Dow Theory Bull Market re-confirmation would be triggered.

Moreover, my next chart shows the Transportation Average has room to rise further. It's a bullish indication that stocks remains healthy, particularly if the Industrials follow.

Our individual positions are doing great

Walmart (WMT) broke above a bullish flag pattern with pole resistance at \$145. The target is at the Sept highs near \$150.

A break to new highs would be very bullish and more upside likely, to possibly the top side of the Mar up channel near \$160.

Notice WMT's Spinner with room to rise further. It's telling us momentum will continue favoring WMT. Keep your position.

Shopify (SHOP) was yet another great performer. It's flirting with new highs, testing the \$1,100 handle. If



SHOP holds, it could then rise to the top side of the Mar up channel near our profit target at \$1,300.

Consider selling half to protect profits if target is reached.

Keep your positions as long as SHOP holds on to the Mar uptrend support near \$900. We're currently holding a built in 20%+ profit.

PayPal (PYPL) is yet another great company I recently picked up on. I bought during the Sept lows and have kept it since, holding a handsome 20%+ gain.

PYPL has strong support at the Mar uptrend near \$185. A break to new highs above \$220 would show renewed strength that could push PYPL to the top side of the Mar up channel near \$240.

Spinner on the rise, holding above zero and its MT MA. Keep your positions.

I'm also holding positions in SPXL, an ETF that triples the action on the S&P 500.

Notice it's also rising, reaching a new high for our position since Sept. SPXL is approaching the recent highs just below \$66. A break above this level and more upside would be likely.





Spinner rising, with room to rise further. Keep your positions for now, and as long as SPXL holds above the Mar uptrend near \$50.

I'm also holding a position in TBT, an inverse ETF to TLT, a widely used and traded LT U.S. gov bond ETF. This means, TBT moves up with long term interest rates.

Keep your positions for now.



Last but not least is Citigroup (C). It rose earlier this week to \$47 looking weak.

Noteworthy, however, is C's quarterly earnings were higher than consensus, although they were lower than a year ago due to the Covid-19 pandemic.

Fundamentals are still there and at current levels, C is paying a handsome dividend yielding 4% per year.

Keep your positions. I'm still looking to unload, but will be a bit more patient. Sell above \$48, ideally near \$50.

Our strategy for this week is to keep an eye on the U.S. dollar index. The 92 support level is key. But so is the 95 resistance. A break in either direction could shape the investment trends for years to come. Gold and silver are strong ST, but unless meaningful resistance is broken, more downside is likely. Keep your stocks as they're poised to rise further. Don't sweat the downside. Take advantage of opportunities to buy.

And remember, if it's Wednesday, it's Gold Charts R Us!

Good luck and good trading,

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A division of Aden Research



TRADER SHEET PAGES 14 & 15

KEY PRICES			
Name/Symbol	Oct 13,20 Price	Change	Oct 06,20 Price
Gold (GCZ20)	1894.60	-14.20	1908.80
Silver (SIZ20)	24.13	0.21	23.92
HUI (HUI)	338.06	19.41	318.65
Copper (HGZ20)	3.04	0.08	2.96
Crude Oil (CLX20)	40.20	-0.47	40.67
S&P500	3511.93	150.96	3360.97
U.S.Dollar (DXZ20)	93.54	-0.21	93.74
30 Year T-Bond (ZBZ20)	175.19	0.50	174.69
10 Year T-Note Yield	0.727	-0.015	0.742
13-week Treasury Bill	0.093	0.005	0.088

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 (20%)						
GOLD (GCZ20)	Holding on to small position. Breaking above key resistance showing signs of renewed strength. But it must rise to new a high to confirm renewed strength. Waiting for more weakness to buy, ideally near \$1700.	L	Bot: 1485 (Mar-18-20). Sold via alert for 35% gain (Aug-11-20). Bot 1900 (Sept-21-20)	1894.60	2dc below \$1600	2100 & 3000
PHYS	Keep your positions.	L	11.75 (Mar-18-19). Sold via alert for 35% gain (Aug-11-20). 15.20 (Sept-21-20)	15.02	2dc below \$11.20	-
SILVER (SIZ20)	Holding full position. Silver bouncing up. Watch Aug downtrend at \$28. If silver breaks above, it'll show renewed strength. If it fails, it could fall back to retest support at \$24 (Mar uptrend). Keep your positions.	L	Bot: 15.80 (Jul-17-19), 16.50 (Aug-7-19), 16.80 (Nov-8-19), 12 (Mar-18-20), \$15.20 (May-6-20). (AVG: \$15.275) Sold half at \$18 for 17% gain (Jun-22); Sold more at \$26 for a 70% gain (Aug-4-20). \$23 (Sept 23-20) (AVG: \$19).	24.129	2dc below \$19	28 & 50
PSLV	Keep your positions.	L	Bot: 5.50 (Jul-17-2019), 6.25 (Aug-7-19), 6.19 (Nov-8-19), 4.65 (Mar-18-20) (AVG: 5.65). Sold half for 17% gain.	8.22	2dc below \$5.25	-
HUI Index	Gold shares are rebounding, but they're still not out of the woods and in the clear. HUI Index must surpass the Aug downtrend on a 2dc above 355 to show renewed strength. I continue having reduced exposure and waiting for weakness to develop further before buying/adding to my positions. We're holding a bit of DUST too to counter weakness.	--	-	338.06	-	-
DUST	Holding small position to hedge the downside risk within the gold universe.	L	19.4 (Sept 28, 20).	19.96	2dc below 16.20	35
HL	Holding reduced position after protecting profits. HL is testing resistance at \$5.50 (Aug downtrend). Still waiting for weakness to buy more, ideally near \$4.50.	L	2.96 (Jan-28-20), 2.65 (Mar-4-20), 1.65 (Mar-18-20). Sold half at \$3.50 (May-20-20) for 46% gain. New Positions: 2.90 (Jun-24-20) (AVG: \$2.85). Sold half at \$6 for 105% gain (Aug-4-20).	5.41	2dc below \$4	8
NG	Holding reduced position after protecting some profits. Waiting for weakness below \$10 to buy more.	L	8.30 (Jul-15-20), 8.70 (Jul-22-20), 8.99 (Aug-7-20) (AVG: 8.65). Sold half for 40% gain (Sept 18-2020).	11.02	2dc below 8.	12 (reached)
BTR.V	Keep small position. BTR is showing support above \$1 in an uptrend since Apr. It's also testing the Aug downtrend and resistance near \$1.20. Allow leeway.	L	1.32 (Jul-23-20).	1.13	2dc below \$1	\$2.20 & \$3
BRC.V	Keep small position. Waiting for more weakness to buy more.	L	1.10 (Sept, 21- 20)	0.92	2dc below 0.40	2 & 4

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 (50%)						
U.S. DOLLAR (DXZ20)	Holding most of cash reserves in U.S. dollars. Taking advantage of dollar strength to diversify cash position into some British Pound Sterling and Australian dollar. Dollar resistance below Mar downtrend at 94.50 is key sign of weakness. A break below 92 is a strong sign of more weakness to come.		-	93.54	-	-
FXB	Keep cash reserves liquid and diversified. BPS is looking good above the Mar uptrend.		-	125.17	-	-
FXA	Keep cash reserves liquid and diversified. The Aussie has growing support at 0.70. More upside remains likely as long as the Aussie holds above support.		-	71.37	-	-
RESOURCES AND ENERGY (4%)						
Crude (CLX20)	Under pressure below Mar downtrend near \$42.50. Testing support. Clear break below \$37 could push crude to lower \$30s. Stay out.	O	35 (Jun-15-20), 42 (Aug-12-20) (AVG: \$38.50). Sold all at \$41.20 (Sept-2020) for 8% gain.	40.20	-	-
COPPER (HGZ20)	We're out, with exposure through BHP Group (BHP). Momentum rising in favor of copper. A break above \$3.10 is bullish confirmation of strength. If it fails, a decline to \$2.95 (Mar uptrend) would be likely.	O	-	3.0445	-	-
BHP	Holding full position, down from overweight for a profit. If not in and looking for exposure to resources consider buying some at mkt, ideally below \$52.	L	54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20) (AVG: 45.40). Sold half per alert at \$53.50 protecting 18%+ gain (Sept-8-20).	52.05	2dc below \$47	\$64 & \$72
MELT UP RISE PORTFOLIO (26%)						
C	Overweight & looking to unload. C pulled back after nearly reaching our exit target at \$48. Revenue for the quarter is down 34% (not surprisingly). More interestingly, earnings beat consensus exposing a solid road to recovery. Keep for now.	L	73.75 (Nov-20-19), 40 (Mar-25-20), 50 (May-27-20), 50 (Jul-1-20) (AVG: \$55).	43.68	2dc below \$48.	0
WMT	Holding full position. Keep for now, would buy more on weakness. WMT remains bullish above Mar uptrend near \$135. Keep your positions.	L	130 (Aug-26-20), 136 (Sept-18-20).	146.23	2dc below 115.	300 & 600
SPXL	Holding full position. Bullish above Mar uptrend near \$50; next target is top side of Mar channel near \$70. Keep your positions.	L	53 (Aug-11-20), 54 (Aug-12-20) (AVG: 53.50).	59.86	2dc below 45	75
SHOP	Overweight. Keep as long as it holds above 800. Consider selling half at first profit target to protect a nearly 50% gain in a few months.	L	930 (Jul-16-20), 900 (Jul-24-20), 875 (Sept-18-20), (AVG: 900)	1106.59	2dc below \$800.	1300 & 1800
TBT	Holding small position. Higher highs... TBT continues to edge higher. It must break above the Jul high at \$18 to show renewed strength. Stronger support emerging since Aug at \$15.50. Keep your positions as long as TBT holds above support at \$14.50.	L	15.40 (Aug-12-20).	15.95	2dc below 14.50	\$18 & \$26
PYPL	Holding full position. Would buy more on weakness, ideally below \$200. Keep as long as PYPL holds above \$160.	L	183 (Sept 23-20).	207.74	2dc below 160	230 & 300

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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, 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.

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

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