



# -GCRU-

## Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

November 5<sup>th</sup>, 2020

IN ITS 19<sup>th</sup> YEAR - Nº 909

# U.S. POLITICAL GRIDLOCK CREATES GOLDDILOCKS SCENARIO

## THE DOLLAR + SHOWS WEAKNESS

## GOLD SUPPORT AT \$1865 GETTING STRONGER

**P**ositive economic data continued to come in by the truck loads...

Purchasers Manufacturer's Index (PMI) is showing expansion globally. Yet another sign the economic recovery continues to gain steam...

Most markets have been on the fence to see what happens with the U.S. election. Volatile swings were ongoing as momentum shifted from one candidate to the other with the last of the votes being tallied.

As this goes to press, both presidential candidates still have a viable path to the presidency, but lead seems to be leaning towards Biden.

Interestingly, the set up bodes well for business...

"The difference between a rich investor and a poor investor is the quality -- timeliness -- of his information" - **Bernard Baruch**

Under the hood, you'll notice the Republicans have kept the senate majority and increased their congressional minority. It also seems most states elected republican governors.

A classic gridlock...

The gridlock assures that most of pro business policies put in place will remain, particularly taxation despite the policies that Biden ran on.

Favorable conditions for business are likely to remain for the foreseeable future...

Moreover, it's very likely that among the first items on the agenda are economic stimulus packages and an infrastructure bill, both of which have bi-partisan support.

The added stimulus is bound to keep putting downside pressure on the U.S. dollar. It's also likely to keep a solid support for asset classes across the board.

One of the major themes this year, coincidentally, has been U.S. dollar weakness.

Remember the dollar peaked during the covid led lockdowns in March and has been downtrending since then.

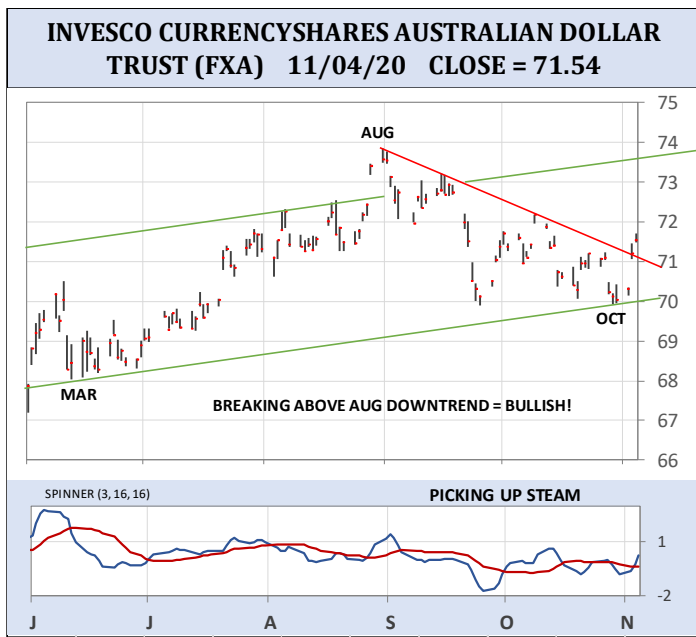
Now, the dollar is forming a descending triangle, a bearish continuation pattern, that suggests weakness. A dollar break below 92 would reaffirm weakness and more downside risk.

Thus far, 92 has been a rigid support...

Most of our cash after taking hefty profits earlier this year have been in U.S. dollars.

A weaker dollar also means stronger gold and global currencies... particularly those whose economies are resource based.





It's one of the reasons we've held cash in Australian dollars ("Aussies") and British Pound Sterling (BPS). Both move opposite to the dollar, offsetting each other, overall helping to keep the purchasing power of our cash position.

Remember holding cash is key during times of uncertainty so that we can take advantage of opportunities when they arise.

### Pressure still on the precious metals



Gold, as a precious metal, a currency and a hedge against fear and inflation is also likely to rise on dollar weakness and continued global stimulus.

Short term, however, gold could fall a bit as uncertainty eases globally, and central banks continue debasing their currencies in an attempt to spur inflation.

Remember gold is in a 'D' decline, which means downside pressure remains. Notice it is also forming a bearish continuation

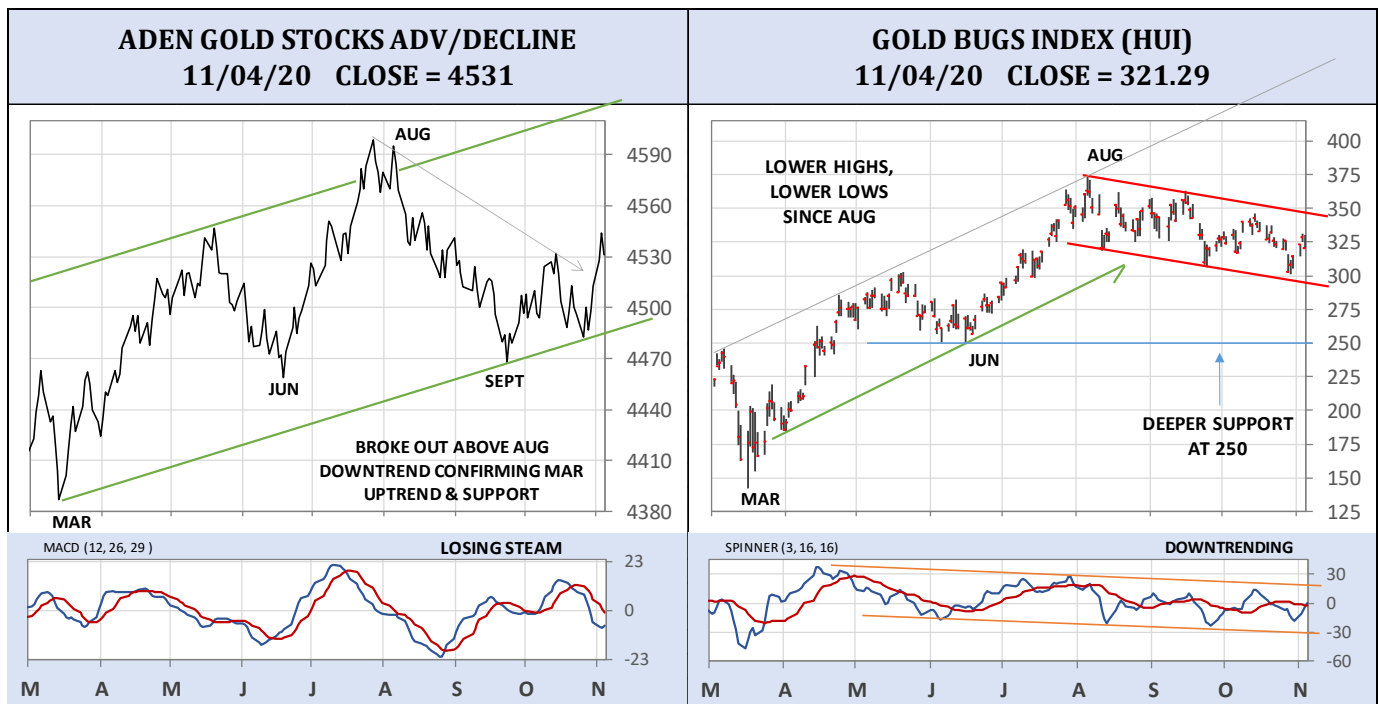
pattern near the top. The key support level is \$1865.

A break below this level could open the door to increased downside risk; a decline to possibly gold's deeper support at \$1685 would be likely.

But if gold holds and rises above the Aug downtrend on a 2dc above \$1940, it'll show signs of renewed strength, and that the D decline may then be over.

Keep your small positions. If you bought this past week below \$1900 you did well. I'm still waiting for further weakness to add to my positions.

One of the reasons I'm concerned about downside risk within the gold universe is that gold miners have not really pulled back much.



For the most part, and although they have declined nearly 15% from the highs, gold miners are holding steady with leading indicators showing continued downside pressure remains probable.

Notice my next chart. It's the HUI Index side by side with our in house Gold Miner A/D Line. It tends to be a leading indicator.

You'll notice the A/D line fell to the Jun lows (which would be the equivalent to 250 on the HUI Index) and bounced up. It's showing support for gold miners is possibly near the June lows.

We have reduced exposure to the gold universe. It's a net 16% after discounting DUST (our 2x inverse ETF we use to hedge some of the downside in gold miners).



The miners I'm holding are ones with narratives and stories I believe in. They all have great assets and worldclass management. Most are exposed only to North American jurisdictions. NovaGold (NG) has been among our recent best. We recently took profits and have kept a reduced position with solid exposure.

NG has held firmly above the Mar uptrend near \$9.

I'm still waiting for further weakness, below \$10, to buy more. On the upside, NG has a double top at \$12. A break above this strong

resistance level would be very bullish. Keep your positions.

Another one of our best has been Hecla Mining (HL). HL has held firmly above \$4.50, the Mar uptrend and key support level.

I'm holding reduced exposure after taking great profits this year. Some may have bought below \$5. I'm still waiting for further weakness to play out before buying more. If you're not in and are looking to start building exposure, buy some at mkt.

I'm keeping an eye on the Aug downtrend near \$5.25. HL remains under pressure below this level.

We also have 2 junior miners. Both are small positions recently purchased to keep some exposure within the gold universe due to its resilience.





Black Rock Gold Corp (BRC.TO) is a junior producer with great management and properties. It recently performed some drills in the West Tonopah project and obtained great results. Andrew Pollard, President and CEO commented: "Management had high expectations going into the drilling, though as initial assay results continue to roll in, it's clear we may have underestimated the project's potential..."

BRC has been declining from the highs with the rest of the gold universe. I have a small position and will be buying more, ideally near the Mar uptrend below \$0.70.

Keep your small positions and take advantage of weakness to buy more.

Bonterra Resources (BTR) is another company with great assets in Quebec, Canada, specifically in the Abitibi Greenstone Belt.

It has a very close relationship with another of long-time favorites, Kirkland Lake Gold (KL). It also has a close relationship with Sprott Global Resources assuring quality management and funding.

BTR recently had discovered a new high grade vein at its Panache project with great drill results.

Although BTR has take over potential, it also has stand-alone value. It recently broke below support at \$1. But keep small positions, ride thru weakness. Buy some at mkt.



Silver has also held up with strength, for the most part above the Mar uptrend at \$24.

This week, however, silver pierced below it showing weakness. It's breaking the Mar uptrend and momentum is waning. Price action suggests silver could fall back to test support at \$19.

I have a full position with an average buy in at \$19. I want more exposure, but will wait for weakness below \$20 before adding to the pile.

Silver has always been an interesting trade.

It moves with resources and with precious metals. It moves strictly with gold at times performing the same functions. Also known as the 'poor man's gold'.

The current environment could be setting up a perfect springboard for silver. Keep your positions.



### Resources Positioning

Keep in mind, any infrastructure bill will add to global demand for resources which could continue fueling prices higher.



Copper has been rising with strength since the Covid-19 led lockdowns in Mar earlier this year. And although it hasn't stopped rising for over 6 months, it remains cheaper compared to precious metals. Gold in particular, as I had shown earlier.

This suggests copper (and resources) are poised to rise further as the economic recovery develops.

We've had for most of this year, BHP Billiton (BHP), an Australian resource company. It's one of the largest producers

of copper, base metals and distributors of oil. BHP has operations worldwide and it has a healthy dividend policy.



Notice BHP fell below \$50 showing weakness this past week. However, it's holding at the Mar uptrend near \$47, our stop. Keep it after recently protecting profits and as long as BHP holds above its support.

I've also added two new resource companies, EMX Royalties (EMX) and Ivanhoe Mines (IVN.TO).

IVN is developing one of the largest copper mines in the world. It's showing impressive advancement Kamoakakula project. It's currently on board to start production next year.

On the chart, IVN.TO is jumping up from the Mar uptrend near \$5 showing impressive strength. It's at a new high since the Oct lows and ready to rise to the top side of the Mar upchannel near \$6.5, my first profit target.

Notice its Spinner is holding onto support and getting ready to resume its rise. Hold on ... more upside is now likely.





Buy more on any decline below \$5.25.

EXM Royalties is another great company, operating under a different business model, but with great assets allowing exposure to resources without operational liability.

Notice EMX is holding at the Mar uptrend. It's showing signs of strength. But it must first break above the Jul downtrend above \$3. Spinner under pressure but starting to pick up steam.

Keep your positions for now.

### U.S. Equities To Gain on Gridlock

U.S. equities are poised to benefit most from the current political gridlock in the U.S.

Any dip should be used to buy.

We currently have exposure to Citigroup (C), Walmart (WMT), PayPal (PYPL), S&P 500 (SPXL), Shopify (SHOP) and TBT, an asset that trades opposite to long term U.S. government bonds.

PayPal (PYPL), the online payment processor, fell below \$180 last week, allowing a great buying opportunity. I bought twice this past week and now have a full+ position.



PYPL recently posted great quarterly numbers, beating expectations but was punished on outlook. However, with PYPL now accepting and holding crypto currencies, it can only scale bigger.

On the chart, notice PYPL's price action yesterday. It's confirming support at the bottom side of the sideways band. A bounce to the top side near \$220 is now likely.

Spinner is at an extreme. Both times it reached the extreme low over the past year, it preceded an upmove of no less than 20%.

If you don't have a full position or you're underweight, buy at mkt, ideally below \$190.



We're also holding SPXL, an ETF that triples the action on the S&P 500. Notice it's been moving sideways too. It's bouncing up from the bottom side of the band as Spinner reaches a low level.

Both price action and Spinner suggest the downside is limited ST and a bounce up is likely. For the bounce up to show signs of renewed strength, it must break the recent highs on a 2dc above \$62.

Keep your positions. If you're not in or under-exposed, consider buying at mkt.



Also, I'm overweight Shopify (SHOP). SHOP offers great online solutions to small business owners trying to sell their goods and services. SHOP is a platform with incredible growth potential, particularly due to its alliance with Walmart and now Tik Tok (a social media platform gaining popularity).

On the chart, SHOP is also moving within a sideways band at the highs. Moreover, notice Spinner below is bottoming at an extreme low. It's pattern is essentially the same as PYPL's and of the SPXL.

If SHOP breaks above the recent highs at \$1100, it's off to the races. If you're looking for exposure, buy at mkt, ideally during weakness.

Walmart (WMT) has been one of my favorites recently. It's the largest retailer in the world and nearly doubles Amazon's gross sales every year, even though revenue is similar.

Recent changes and alliances are showing WMT is taking the path to becoming more like Amazon... to carry less inventory cost and focus on the distribution chain it has created and developed over decades. It's a yearly membership fee offering unlimited same day deliveries has been a hit.

WMT doesn't need to sell more than what it does already.... But by becoming 'Amazon efficient', it can increase profitability by 100%. It's currently valued 6x cheaper than Amazon.

WMT can become one of the biggest growth stories ever. It's looking really good above the Mar uptrend near \$135. Spinner is also at an extreme low, and starting to pick up steam.

Keep your positions for now. Buy if you're not in or if you're underexposed.

We're also holding a bit of TBT, an ETF that moves opposite to long term U.S. gov bonds.

This means, TBT moves with long term yields. If interest rates rise, TBT rises.

TBT has been rising from a strong support level above \$14.50. It reached \$17 earlier last week before it collapsed. Resistance at \$18 is strong.

Keep your small position.

I also recently started buying 3M to have some exposure to industrials.

It fell from the highs exposing resistance, but holding above support at



\$160. Spinner rising from a low area suggesting MMM could develop some more upside ST. Keep your positions, but a bit more at lower \$160s.

I also have a full+ position in Citigroup (C). But despite great revenue growth from trading desks and other services, it gets sold. It's been forming a bearish descending triangle since Mar with support at \$40. This suggests a break below \$40 increases downside risk.

But, if C holds, it could attempt to break above the Mar downtrend near \$48. I'm looking to sell on a stronger bounce up, above \$46.

Our strategy for this week is to take advantage of good deals in stocks and resource companies. Wait on gold, silver and gold shares. They continue to show weakness.... lower lows seem likely. Current exposure and cash positions is adequate.

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



KEY PRICES			
Name/Symbol	Nov 04,20 Price	Change	Oct 27,20 Price
Gold (GCZ20)	1896.20	-15.70	1911.90
Silver (SIZ20)	23.89	-0.68	24.57
HUI (HUI)	321.50	-4.55	326.05
Copper (HGZ20)	3.11	0.02	3.09
Crude Oil (CLZ20)	39.15	-0.42	39.57
S&P500	3443.44	52.76	3390.68
U.S.Dollar (DXZ20)	93.41	0.48	92.93
30 Year T-Bond (ZBZ20)	174.44	0.34	174.09
10 Year T-Note Yield	0.768	-0.010	0.778
13-week Treasury Bill	0.083	-0.007	0.090

TRADER SHEET PAGES 13 & 14

Please join me this week at the Money Show event on Friday the 6<sup>th</sup> titled:

**“Forget the Analyst, What Are The Charts Saying?”.**

Press [here](#) to register free!

## TRADER SHEET

Symbol	Trade Update &/or Current Position	Status B=Buy S=Sell O=Out H=Hold	Long or Short	Last Closing Price	Stops	Targets
<b>PRECIOUS METALS PORTFOLIO (18%)</b>						
<b>GOLD (GCZ20)</b>	Holding small position. Some may have bought below \$1900. I'm still waiting for weakness to play out to buy more. On the downside, keep an eye on recent confirmed support at \$1865. A break below that level on a 2dc could push gold to its intermediate support near \$1685. On the upside, keep an eye on the Aug downtrend near \$1940.	H	Bot: 1485 (Mar-18-20). Sold via alert for 35% gain (Aug-11-20). Bot 1900 (Sept-21-20)	<b>1910.40</b>	2dc below \$1685	2100 & 3000
<b>PHYS</b>	Keep your positions.	H	11.75 (Mar-18-19). Sold via alert for 35% gain (Aug-11-20). 15.20 (Sept-21-20)	<b>15.20</b>	2dc below \$11.20	-
<b>SILVER (SIZ20)</b>	Holding full position. Showing signs of weakness, unable to break above Aug downtrend and resistance (\$25). A clear break below \$22 opens the door to test deeper support at \$19. I'm looking to buy more below \$19.	H	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).	<b>24.334</b>	2dc below \$19	28 & 50
<b>PSLV</b>	Keep your positions.	H	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.	<b>8.43</b>	2dc below \$5.25	-
<b>HUI Index</b>	HUI is showing support at 300, but remains under pressure. It must breakout above 350 to be out and in the clear. As long as it stays below, gold miners will likely remain sluggish. HUI's deeper support is at the Jun lows near 250. I'm holding positions in Hecla, NovaGold, Black Rock Gold and Bonterra Resources. I have DUST too to counter weakness. Keep y our positions. Waiting for weakness to buy more.	H	-	<b>329.07</b>	-	-
<b>DUST</b>	Holding small position to hedge the downside risk within the gold universe.	H	19.4 (Sept 28, 20).	<b>18.95</b>	2dc below 16.20	35
<b>HL</b>	Holding reduced positions after taking profits earlier. Showing support at Mar uptrend near \$4.75. If you bought some during weakness, good. Wait for more weakness to buy even more.	H	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).	<b>5.09</b>	2dc below \$4	8
<b>NG</b>	Holding reduced positions after taking profits. Showing support above the Mar uptrend near \$10 and key resistance at \$12. Keep your positions, buy some more below \$10.	H	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).	<b>10.95</b>	2dc below 8.	12
<b>BTR.V</b>	Broke below support showing weakness. Holding near Mar lows. BTR is part of our small exposure to gold shares and are holding due to its take over potential. It's a great company with great assets. Buy a bit at mkt.	B	1.32 (Jul-23-20).	<b>0.88</b>	2dc below \$1 (hold thru weakness).	\$2.20 & \$3
<b>BRC.V</b>	Downtrending. Has deeper support at Mar uptrend near \$0.50. On the upside, must break above Jul downtrend on 2dc above \$1.10 to show renewed strength.	H	1.10 (Sept, 21- 20)	<b>0.82</b>	2dc below 0.40	2 & 4
<b>CURRENCIES (46%)</b>						
<b>U.S. DOLLAR (DXZ20)</b>	Dollar weakness has been one of the main themes for 2020. And it continues to move to its tune by staying below 94, the Mar downtrend. A dollar break below support on a 2dc below 92 opens the door for further downside. Keep cash mainly in dollars, but diversified in other currencies to reduce single currency risk.	H	-	<b>93.56</b>	-	-
<b>FXB</b>	Keep cash reserves liquid and diversified. BPS is looking good above the Mar uptrend.	H	-	<b>125.97</b>	-	-
<b>FXA</b>	Keep cash reserves liquid and diversified. More upside is likely as long as the Aussie holds above support.	H	-	<b>71.22</b>	-	-

## TRADER SHEET CONTINUED

Symbol	Trade Update &/or Current Position	Status B=Buy S=Sell O=Out H=Hold	Long or Short	Last Closing Price	Stops	Targets
<b>RESOURCES AND ENERGY (8%)</b>						
<b>COPPER (HGZ20)</b>	Copper is holding above strong support at Mar uptrend near \$2.95. We've been picking up resource companies to ride the resource company wave as the economic recovery unfolds.	O	-	<b>3.0925</b>	-	-
<b>BHP</b>	Keep your positions. Showing strong support at \$47, our stop. If you're looking to have some exposure to BHP buy below \$50.	B	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).	<b>49.55</b>	2dc below \$47	\$64 & \$72
<b>IVN.TO</b>	Buy more near \$5, above the Mar uptrend.	B	5.20 (Oct-21-20).	<b>5.47</b>	2dc below \$4.50	6.50 & 10
<b>EMX</b>	Bought some last week. Looking good above Mar uptrend. Buy some if you didn't yet. Keep an eye on \$3. A break above this level and its off to the races!	B	2.68 (Oct-28-20).	<b>2.78</b>	2dc below \$2.50.	3.6 & 4
<b>MELT UP RISE PORTFOLIO (28%)</b>						
<b>C</b>	Bouncing up, confirming support at \$40. C remains under pressure below the Mar downtrend near \$48. Waiting for a bounce to the resistance level to unload.	S	73.75 (Nov-20-19), 40 (Mar-25-20), 50 (May-27-20), 50 (Jul-1-20) (AVG: \$55).	<b>43.53</b>	-	-
<b>WMT</b>	Holding full position. If not in, buy on weakness, below \$140. WMT's bounce up confirms support at the \$135 level. A rise to the top side of the Mar upchannel near \$180 is now likely.	B	130 (Aug-26-20), 136 (Sept-18-20).	<b>142.78</b>	2dc below 130 (adj).	180 (new), 300 & 600
<b>SPXL</b>	Holding full position. SPXL confirmed support at \$46, showing a clear sideways band. SPXL's next target is \$62, a break above this level shows renewed strength. If looking to buy, buy on weakness.	B	\$53 (Aug-11-20), 54 (Aug-12-20) (AVG: \$53.50).	<b>52.39</b>	2dc below \$49	\$70, \$85
<b>SHOP</b>	Overweight. Indicators suggesting SHOP is extremely oversold, confirming support above \$800. If you're looking to get into this trade, buy at mkt.	B	930 (Jul-16-20), 900 (Jul-24-20), 875 (Sept-18-20), (AVG: 900)	<b>941.72</b>	2dc below \$800.	1300 & 1800
<b>TBT</b>	Looking good above Aug uptrend, but got sold on concerns over the outcome of the U.S. election. Keep your positions for now. As the election uncertainty unravels, long term rates could resume its upward path.	H	15.40 (Aug-12-20).	<b>16.69</b>	2dc below 14.50	\$18 & \$26
<b>PYPL</b>	Bought more last week. PYPL is showing support at the Sept lows as Spinner reaches an extreme low suggesting the downside may be over done. Keep your positions; a break above Sept highs on 2dc above 230 would be very bullish.	B	183 (Sept 23-20), 192 (Oct-28-20), 185 (Oct-30-20).	<b>179.81</b>	2dc below 160	230 & 300
<b>MMM</b>	Showing support at Mar uptrend near \$160. Indicators suggesting more upside is likely. Buy a bit more at lower 160s, especially if you're not in yet.	B	169.50 (Oct-21-20).	<b>165.51</b>	2dc below 150	200 & 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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