



-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 916

PRECIOUS METALS HOLIDAY SPECIAL

Monday I turned bullish on gold as you saw in alert a couple days ago. I provided quick action to take, but I didn't delve into why.

Today, this special issue will be focused exclusively on precious metals, the gold universe, the positions I recommended in the alert and the ones we have open within precious metals.

You will see an update on positions in resources and in conventional stocks today in our trader sheet at the end. The global economic recovery fueling resources and conventional stocks have recently been a hot topic and the center of my focus.

Over the past month we've taken great profits on resources and conventional stocks. You'll remember back when gold peaked, we shifted our strategy to buying resources and conventional stocks and selling precious metals.

The move was timely then, but recent price movement and our own profit taking is hinting it's time to shift again...

But before we get to the precious metals holiday special...

Altius Minerals (ALS.TO & ATUSF.OTC) reached its first target at CA\$14 (just shy of \$11) since our alert. I sold half to protect a 25% gain as recommended in the alert. I'm keeping the rest and will consider buying again on weakness.

"The art of investing is being able to adjust to change"
- Gerald Loeb

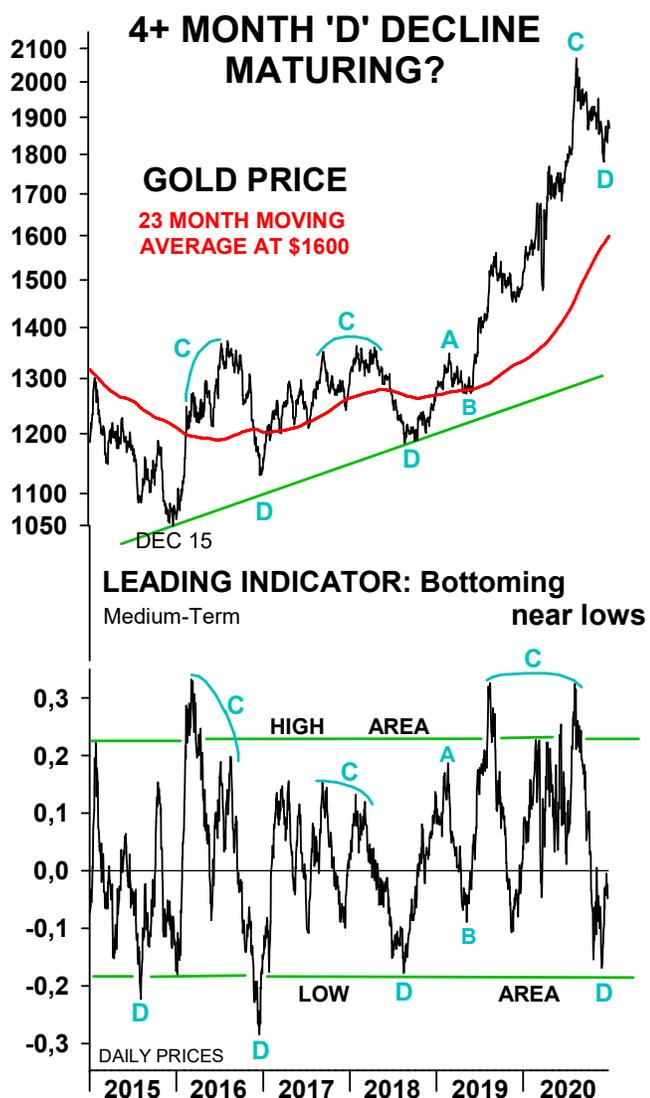
Plus, it's time to unload the rest of our position in SPXL. It's still strong and could rise more. But with the new shift upon us, it becomes one of our most speculative trades and it does have solid gains logged in so far. Sell the rest of your position to protect those profits.

With the sale of SPXL, our exposure to conventional stocks is lowered to about 18% of the total portfolio (down from 30%+ about a month earlier).

Keep the rest of your positions for now. They're holding up well and are solid keepers during weakness. I am buying more Walmart (WMT). The reason is our indicators are showing it's at an extreme low confirming support at the Mar uptrend with an open upside.

NOW, back to the holiday special...

Since the Aug 2020 peak in gold and precious metals, we've been closely watching the downside unfold.



From the peak, gold has declined nearly 10%. The HUI Index (gold miner index) and silver both fell approximately 30% from the highs near 400 on the HUI and \$30 for silver, to the recent lows near 275 and \$22, respectively.

Back then, our indicators had been telling us the gold universe and precious metals were overbought. They allowed us to sell our positions, taking great profits for the year (+42% average year to date).

We kept only a handful of junior mining companies with high quality management and assets. That is, companies we were willing to keep during weakness.

We focused on other parts of the market that were thriving, like stocks and resources where we've done well, especially this quarter.

But the “global economic recovery trade” we’ve been riding could be getting ready to take a breather and a renewed upmove for gold could be in the making...



Before reading further, keep in mind, as I've been saying, gold must break above the Aug downtrend on a 2dc above \$1915 to show signs of renewed strength.

Moreover, any upmove could be limited to the Aug highs (\$2,100ish). Only a rise to new highs will show renewed strength and a new leg up rise within gold's secular bull market...

However, there are telltale signs suggesting that moment is approaching and to start increasing exposure again in the gold universe, knowing full well that some downside during the bottoming phase remains.

Earlier this week, I showed silver's decline reaching an extreme oversold level. It suggested silver was ready for a renewed rise. Silver is now breaking above the Aug downtrend, showing impressive strength. We just bot more per the alert.

The chart above shows silver has key support at \$22 and our indicators suggest downside risk is limited and outweighed by upside potential.

But I like to see all precious metals in an oversold condition, and not just silver...

This week's charts show gold and the HUI. They're both since 2015 with their MT indicators.

The chart above (page 2) of gold also shows its 23 month moving average and the ABCD cycle. The chart of HUI is with its 65wk MA. Both moving averages are key trend identifiers and tend to signal when the trend is bullish or bearish.

Ideally, I would've liked to see gold test or break the 23 month MA during the



current 'D' decline. However, it's not necessary. And gold's decline, together with its indicator suggest the lows are near.

But price action for HUI is stronger. Notice HUI (above, page 3) holding at its 65 wk. MA just as its leading indicator reaches a low extreme area. Price action suggest a low is near.

Platinum, another precious metal, is also oversold. I personally don't like to trade platinum, but I do use it as an indicator to help show sentiment within precious metals.

Moreover, continued U.S. dollar weakness will likely remain supportive of gold.

Notice I'm not suggesting buying gold and silver with both hands right now. But rather start increasing exposure by buying selectively and during weakness. Build up your precious metals portfolio, buy some now and buy more on weakness.

Buying is half the fun!

Per the special alert, I've started picking up some positions at current levels. I'll be looking to add to those positions on weakness as the bottom process continues.

Our junior mines are doing great!



Bonterra Resources (BTR.V & BONXF.OTC) is breaking above the Aug downtrend suggesting more upside is likely. Keep your positions.



Black Rock Gold Corp (BRC.V & BKRRF.OTC) confirmed support at the Mar uptrend near CA\$0.50 and rose with strength. It's now back to re-testing the CA\$1 handle. A break above this level and it's off to the races. Keep your positions.

NEW POSITIONS

Kirkland Lake Gold (KL) is an old favorite that hardly needs an introduction. KL has been a staple in my portfolio for several years now.

KL has declined nearly 45% from the high in August to the low in November. It's flirting with the 5wk MA, while Spinner is rising, showing momentum picking up steam.

I bought some at \$40.75 but I'm waiting for more weakness to buy more, ideally below \$39.

Equinox Gold (EQX) is managed by its chairman Ross Beaty; it's multi-asset mining company operating solely in North America and in Brazil.

EQX recently announced the acquisition of Premier Gold, allowing it access to a top tier, low risk mining jurisdiction in Ontario, Canada.

Mr. Beaty recently said "...Hardrock site will be an excellent, low cost, long life gold mine with significant exploration upside, further enhancing our existing peer leading growth profile without stretching our financial capacity."

I bought some at \$10.20 and I'll be ready to buy more on weakness, ideally below \$9.50.

Silvercorp Metals (SVM) is another of my favorite miners. It's a low cost silver miner with great management and proven success. It operates mines in China.

SVM is showing strong support at \$5.50. I bought some at \$6.40 but I'm ready to buy more on further weakness.

Hecla Mining (HL) is another miner that doesn't need an introduction. We recently cashed in handsome profits, and waiting for a further decline.

To our dismay, it rose to the Aug highs just after we sold. I underestimated HL's bullishness. I bought some at \$5.90 and will buy more on further weakness, below \$5.

I'm still waiting to buy new positions in B2Gold (BTG), NovaGold (NG) and Fortuna Silver (FSM). Buy orders are quickly approaching. But since we picked up some miners yesterday, I'll wait for further weakness to buy more or new ones.

Fortuna Silver (FSM) has strong support at \$6. Buy some near \$6.50.

B2Gold (BTG) is very near our re-entry level. If you bot, you did good. BTG is a great company. If you didn't consider lowering re-entry level to near \$5.

On NovaGold (NG), we already have good exposure with profits built in. Wait for further weakness below \$9 to buy more.





I'll continue looking at different opportunities to increase exposure to precious metals.

My goal, barring any changes, is to push exposure up to about 40%+ of my portfolio over the next month.

Our strategy this week is to pay attention to gold, gold shares and precious metals. We have taken great profits on resource and conventional stocks. Exposure there has been lowered. Concentrate on buying precious metals for now!

Good luck and good buying,

Omar Ayales
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www.goldchartsrus.net
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KEY PRICES			
Name/Symbol	Dec 22,20 Price	Change	Dec 15,20 Price
Gold (GCG21)	1870.30	15.00	1855.30
Silver (SIH21)	25.54	0.89	24.64
HUI (HUI)	294.15	-1.04	295.19
Copper (HGH21)	3.52	-0.02	3.54
Crude Oil (CLG21)	47.02	-0.76	47.78
S&P500	3687.26	-7.36	3694.62
U.S.Dollar (DXH21)	90.55	0.14	90.41
30 Year T-Bond (ZBH20)	173.03	0.13	172.91
10 Year T-Note Yield	0.918	-0.005	0.923
13-week Treasury Bill	0.078	0.008	0.070

TRADER SHEET ON PAGE 8 & 9

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
PRECIOUS METALS PORTFOLIO (27%)						
GOLD (GCG21)	Testing the Aug downtrend near \$1915. A break above this level and it's off to the races. Indicators suggest more upside is now likely. But don't rule out more weakness just yet. Buy more gold on weakness.	B	Bot: 1485 (Mar-18-20). Sold via alert for 35% gain (Aug-11-20). Bot 1900 (Sept-21-20)	1870.30	2dc below \$1685	2100 & 3000
SILVER (SIH21)	Silver broke above the Aug downtrend showing impressive strength. A rise to the Aug highs near \$30 is now likely.	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). Sold half at \$18 for 17% gain (Jun-22); Sold more at \$26 for a 70% gain (Aug-4-20). \$23 (Sept 23-20), \$25.50 (Dec-22-20) (AVG: \$21.50).	25.535	2dc below \$20 (adj)	35 & 50
DUST	Sold for small gain.	S, O	19.4 (Sept 28, 20). Sold at \$20 for small gain.	22.46		
NG	Testing the Mar uptrend and support level near \$10. A break below the uptrend could push NG to the Aug support near \$8. Buy more on weakness, ideally below \$9.	B	8.30 (Jul-15-20), 8.70 (Jul-22-20), 8.99 (Aug-7-20). Sold half at \$12 for 40% gain (Sept 18-2020). (AVG buy in: \$8.65).	10.01	2dc below 8	12
BTR.V BONXF.OTC	Breaking out! BTR broke the Aug downtrend, testing the Nov highs at \$1.40. A break above this level would be bullish. Keep your positions.	H	1.32 (Jul-23-20), 0.90 (Nov-5-20) (AVG: 1.10).	1.25	2dc below 0.8	\$2.20 & \$3
BRC.V BKRRF.OTC	Confirming support above Mar uptrend with breakout rise. To confirm strength, BRC must rise above \$0.90 convincingly. If it does, a renewed rise to the Jul highs would then be likely. Keep your positions.	H	1.10 (Sept, 21- 20), 0.65 (Dec-16-20).	0.88	2dc below 0.40	2 & 4
KL	Buy more on weakness, ideally near \$35.	B	40.75 (Dec-22-20).	41.08	2dc below 35	58 & 75
BTG	Buy on weakness near \$5.	B	-	5.52	2dc below \$4.50	\$7.50 & \$10
EQX	Buy more on weakness below \$10.	B	10.20 (Dec-22-20).	10.10	2dc below \$9	14 & 20
SVM	Wait for weakness to buy more, ideally near \$5.	B	6.40 (Dec-22-20).	6.36	2dc below \$5.50	8 & 10
FSM	Has strong support at \$6. Buy some near \$6.50.	B	-	7.33	2dc below \$5.50	9.5
HL	Bullish above Mar uptrend. Buy more on weakness near Mar uptrend, below \$5.50.	B	5.90 (Dec-22-20).	5.90	2dc below \$4.50	\$10
CURRENCIES (36%)						
U.S. DOLLAR (DXH21)	Broke below support at 90 showing more downside is likely. The low marks a 3 month long decline for the dollar index. More downside is likely. To reverse course, the dollar must break above the Sept downtrend on a 2dc above 94.	H	-	90.55	-	-
FXB	Struggling to surpass the Sept highs. Keep cash position diversified, even if global currencies take a step back to a rising dollar. The goal is to keep diversified and purchase power of our liquid cash.	H	-	129.09	-	-
FXA	Rose to top side of upchannel with strength. Keep your positions. Keep cash pile diversified.	H	-	74.95	-	- 8

TRADER SHEET CONTINUED

INDUSTRIAL METALS AND ENERGY (17%)

BHP	Rose to the top side of the Mar upchannel, showing impressive strength. It's been moving up stronger due to crude oil, but it also has strong support from copper production and rising copper prices. We recently sold half of our positions protecting a handsome profit. Keep the rest for now.	H	54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20). Sold half per alert at \$53.50 protecting 18%+ gain (Sept-8-20). 50 (Nov-5-20).(AVG: 47). Sold half per alert at \$62.50 protecting a 33% gain!	64.63	2dc below \$50	\$64 (reached) & \$72
IVN.TO IVPAF.OTC	Bullish, but showing some resistance at CA\$6.50. Keep in mind, Ivanhoe remains bullish above the Mar uptrend near CA\$5.50. Keep your positions.	H	5.20 (Oct-21-20), 5.70 (Nov-19-20) (AVG: CA\$5.45)	6.33	2dc below \$5.25	\$7 & \$10
EMX	Coiling within bullish ascending triangle. EMX must break above the Jul/Nov highs on a 2dc above \$3.30. Keep your positions for now.	H	\$2.68 (Oct-28-20), \$2.75 (Nov-19-20).	2.88	2dc below \$2.50.	\$3.60 & \$4
ALS.TO ATUSF.OTC	Reached our first profit target. Sold half to protect a 25% gain. Keep the rest and buy on any weakness below \$12.	H	10.50 (Nov-13-20), 11.80 (Dec-2-20). Sold half at \$14 for a 25% gain.	13.64	2dc below \$9.50	\$14 (reached!) & \$20
URC.V	Bought more via alert. Looks good above the Mar uptrend near \$1.10. Keep your positions.	H	\$1.23 (Dec-9-20). \$1.22 (Dec-22-20)	1.25	2dc below \$1.1	\$1.5 & 2

MELT UP RISE PORTFOLIO (20%)

WMT	Continues to slide, approaching Mar uptrend and support near \$140. Indicators are showing WMT is extremely oversold. Buy some more at mkt.	B	130 (Aug-26-20), 136 (Sept-18-20).	144.20	2dc below \$135	\$180, \$300 & \$600
SPXL	Showing signs of resisting at the current high level. SPXL is one of our most speculative positions given its levered nature. Sell the rest to protect handsome profits on the rest of your position and stay out for now.	S	\$53 (Aug-11-20), 54 (Aug-12-20) (AVG: \$53.50). Sold half at \$69 for 30% gain!	68.52	2dc below \$50	\$70, \$85
SHOP	Sold half of my position via alert for a 30%+ profit since Jul. Keep the rest of your positions, SHOP remains bullish. I'll be looking to buy on weakness. I've included a second profit target which coincides with the top side of the Mar upchannel at \$1500.	H	930 (Jul-16-20), 900 (Jul-24-20), 875 (Sept-18-20), (AVG: 900) Sold half at \$1200 for 32% gain	1277.08	2dc below \$850	\$1200 (reached) & 1500 (new)
TBT	Trending down since Nov high, but still holding above the Aug uptrend. Keep your positions for now.	H	\$15.40 (Aug-12-20), \$16.50 (Nov-12-20) (AVG: \$15.95)	16.43	2dc below \$14.50	\$18 & \$26
PYPL	Sold half of my position to protect a 30% gain since Sept! Keep the rest of your position, PYPL is still very bullish. Take advantage of any weakness to buy more.	H	183 (Sept 23-20), 192 (Oct-28-20), 185 (Oct-30-20). Sold half for 33% gain via alert!	243.49	2dc below \$180	\$230 & \$300
MMM	Chugging higher... MMM is looking strong above the Mar uptrend near \$165. It's slowly, but surely rising, reaching higher levels. It's key resistance remains \$180. A break above it shows signs of renewed strength.	H	169.50 (Oct-21-20), 162.50 (Nov-5-20)	174.78	2dc below \$160	\$200 & \$300

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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.

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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