



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

Apr 15th, 2020

IN ITS 19th YEAR – Nº 880

GOLD BREAKS ABOVE \$1700 RE-CONFIRMS SECULAR BULL MKT SILVER & GOLD SHARES LOOKING GOOD TOO!

PROFIT TARGETS ARE STARTING TO TRIGGER

VIX TELLS US A REBOUND RISE IN THE STOCK MARKET IS POISED TO CONTINUE

Gold pushed through resistance at \$1700 like a hot knife thru butter! Gold shares and silver are following and are seemingly poised for an extended rise.

Gold reached yet another 7+ year high and looks hungry for more upside.

It's exciting and it shouldn't come to as a surprise given the growing list of factors globally that continue being supportive of gold.

The system's inefficiencies and weaknesses are being exposed by the virus lockdown and more uncertainty continues to build.

The global response guaranteeing unlimited liquidity, although necessary and humane, will come at a grave cost later on.

"The only currency still used as a store of value after 5000 years is gold" – **Martin Truax**

And gold is the ultimate hedge against that reality...

The chart of the week is about gold.

The chart goes back nearly 10 years. You'll notice the peak in 2011 and 2012, the ensuing bear market thru Dec of 2015, and followed by the start of a renewed secular bull market thereafter.

The chart shows gold's intermediate ABCD cycle. As many of you know, the ABCD cycle tends to identify market trends and momentum.

The price action and strength suggests we're in a strong 'C' rise. Gold's breakout above \$1700 tells me a rise to the old highs is now likely.

The indicator below is telling us that gold is very strong. It's bullish but it also suggests the gold trade is reaching an extreme.

This means that gold could still rise further, but be aware as it approaches the 2011-2012 highs. Resistance there is strong.

If gold fails to overcome the resistance at its all time high, it could show weakness and initiate a decline. The \$1450 level is becoming increasingly a key support level and could be the target.

Coincidentally, gold's 23 mo MA (red line), a key trend identifier and support level during deeper pull backs or declines, is approaching \$1400. We'll wait till then to add to our core gold positions.

Keep your position.





Silver has also risen with strength.

It regained the \$16 handle, breaking above a bullish flag pattern, with an upside target near \$19. A rise to the target now seems likely.

Although silver has been rising with gold more recently, it too is getting some support from a subtle rise in resources.

Spinner is bullish. And if it stays above zero, it'll show momentum could pick up steam and fuel silver's upward rise.

Sell half of your position above \$18.50 profit target.

Precious metals and miners take up about 50% of my total portfolio, most of which was added during the recent decline from the Feb highs.

In just this short time the precious metals portfolio is up 12% and has potential to rise even further.



Much of that has been thanks to the miners. Most of our positions are looking great, with awesome profits built in. Others are looking ready to rise.

The chart above is a powerful one.

It shows our in house A/D Line on the left and the HUI Index to the right with its leading indicator (Spinner).

Notice the A/D Line is breaking to new highs after a 5 month consolidation since Dec. The move confirms a bullish upmove that has been developing since the Nov 2019 lows.

Both charts breaking out suggests more upside is likely for gold shares overall.

Our positions have been doing great. Gold shares have been better than silver shares, but the latter seem positioned for a renewed rise.

Agnico Eagle Mines (AEM) broke clearly above the Jan downtrend and continued moving up. It's approaching the top side of the Mar upchannel while Spinner shows growing momentum.

AEM has a clear path to the Jan highs near \$62.50, our first profit target area. A break above the Jan high & resistance would show super strength and a continued rise to \$80 would then be likely.

I'm selling half of my positions at the first resistance level near \$62.50.

Kirkland Lake Gold (KL) is also in a bullish upmove. It's testing the Nov downtrend but showing signs of resistance. KL remains very bullish above the Mar uptrend near \$36.



If KL holds above this uptrend, it could surpass resistance at the \$40 level. Spinner is bullish, near a ST high level.

On the contrary, a break below the Mar uptrend on a 2dc below \$36 could expose weakness and a decline to the lower \$30s would then be likely.

Sell half at our first profit target.



Novagold is also very bullish. It jumped up, breaking above the Feb high confirming the recent upmove.

It's up nearly 50% since we bought. It broke above our first profit target. Spinner has risen to an extreme which is equivalent to the extreme decline in early March. I'm selling half of my position to protect a solid 45% gain in just over a month.



Keep the rest. We'll be buying more on weakness later on.

Sabina also has woken up. It too shot up from the CA\$1.20 level and it's now testing the Aug downtrend near \$1.70. Sabina surpassed the resistance intraday today, but it continues to show selling pressure.

A clear break above the Aug downtrend would confirm strength developing from the recent upmove, and open the door for a continued rise to possibly the Aug highs near \$2.35.

Spinner is bullish and on the rise. It's reaching a high area, but it has the strength to rise a bit further ST.

Keep your positions, sell on a breakout above the downtrend near CA\$2.

Silver shares are struggling a bit more. They've also risen from the Mar lows but they're finding it harder to surpass resistance levels.



Could they just be following, or leading?

Silvercorp Metals (SVM) rose with impressive strength to the Dec downtrend near \$4.80. However it failed to surpass resistance and ended the day lower than the previous day's high.

Keep in mind, however, SVM is a great company with upside potential within the industry. Notice Spinner is forming a bottom above zero. It's confirming growing momentum with room for more upside.

A break above the Dec downtrend is likely. Keep your positions.



Hecla Mining (HL) is showing a similar price pattern. It's also bouncing up from the Mar lows with strength but it's struggling to surpass a key resistance level at \$2.50.

HL indicator looks stronger than SVM's and still has room to unwind the recent decline. The indicator suggests not only that momentum is up, but that HL could break above the \$2.50 resistance if it holds above \$2.

Keep your positions.

A contributing factor in the continued upswing in gold shares can be the weakening U.S. dollar index. Considering the amount of greenback that has been made available to fight Covid-19, the weakness is understandable.

Although gold and the U.S. dollar index have been rising together for nearly 2 years, they could start parting ways given the speculation that the massive amount of stimulus will erode the dollar's purchasing power.

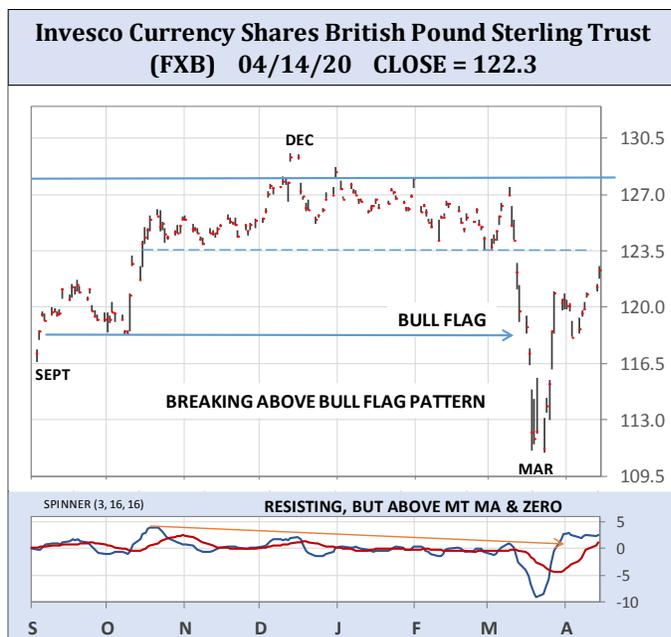


This next chart is very flattering of the U.S. dollar index. It's an uptrend since 2017.

The dollar did break below 99 yesterday showing weakness; but remember the support level we should be looking at is 96.

This tells me the dollar could still fall and test 96 and remain bullish. If the dollar breaks below 96 and stays there, it will show signs of a change in trend.

The decline to 96, however, could be significant and could be supportive of gold. This means, the weakening dollar could be supportive of higher gold, silver, gold shares, stocks and most asset classes.



Nonetheless, I will continue keeping my sidelined cash in U.S. dollars mainly.

I also keep some cash in pound sterling.

Ever since the conversations grabbed control of the Parliament, the pound has developed a floor.

Moreover, PM Johnson is out of danger after having caught Covid-19 and he's back on track. We

could see some downside pressure lifted.

The recent rise from the extreme low is breaking out from a bullish flag pattern. Price action suggests a rise to the pattern's target near \$130 is now likely.

Keep some of your cash position in pound sterling.

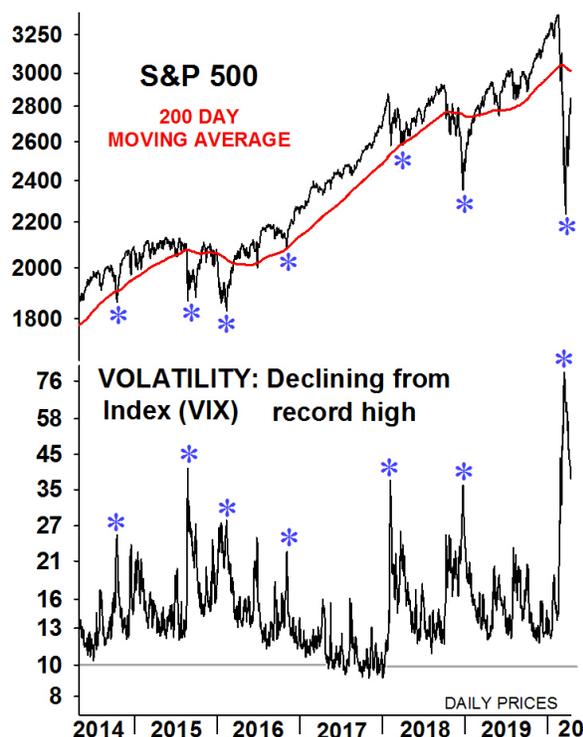
Could stocks also rise with a weaker dollar?

The next chart shows the S&P 500 together with the Volatility Index. (VIX). Coincidentally it shows volatility remains high. Notice the peaks in volatility tend to be short lived and coincide with bottoms in the S&P 500.

The chart is telling us more upside in stocks is likely.

Our best stock position is Shopify (SHOP).

STOCKS MOVE OPPOSITE TO VOLATILITY



Remember Shopify is an online retailer that's geared toward small and medium businesses. It provides an efficient online platform that facilitates peer to peer business.

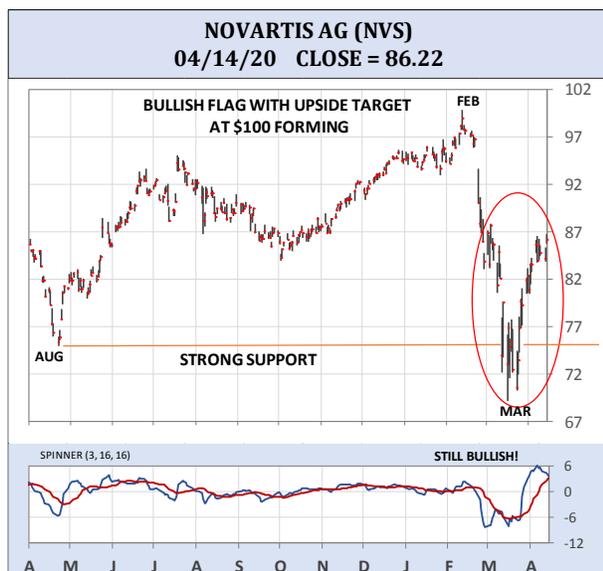
We had bought at the Mar lows, just as it showed some support at the May uptrend. Our positions are up an average 50%. SHOP has room for more upside.

Keep your positions for now. Sell half at our profit target near the Feb highs near \$600.

We're also holding Novartis (NVS). A giant healthcare company in a world that's demanding lots of healthcare. Together with other healthcare companies, NVS could continue to thrive.

NVS is forming a bullish flag pattern with pole resistance at \$87. A break above this level on a 2dc shows strength that could fuel a rise to the Feb highs near \$100.

Keep your positions.



ATT (T) has also been on the rise. It reached a new high yesterday and it's closely approaching our average buy in level near \$34. Spinner is bullish above zero with lots of room to rise further.

If T holds above the Mar uptrend near \$29, a rise to the Jan downtrend near \$37 initially would be likely.

Remember T also has a great dividend yield and will likely continue to grow during the new post-virus-contact-averse era.

Keep your positions.

Citigroup (C) continues to rise with strength. It's building a solid base above the Mar uptrend near \$43. If it can hold C could then rise to the Jan downtrend near \$75.

Spinner is showing growing momentum. Keep your positions.

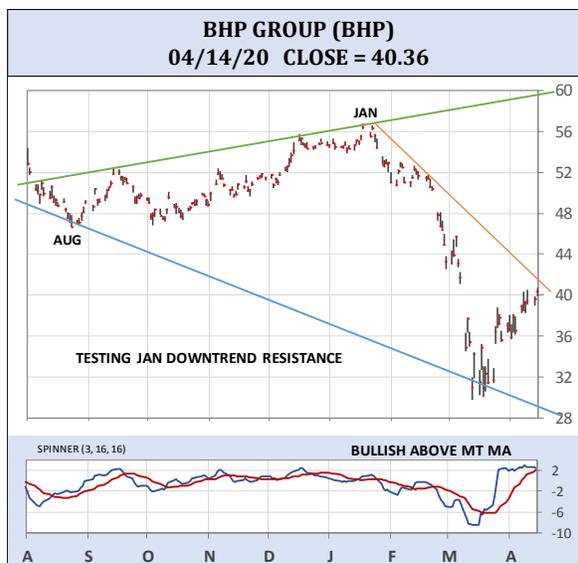
Our stock market portfolio is also up, by 5%. The recent upswing in stocks plus the rock star performance in SHOP has allowed us to keep our stock portfolio in the green.

Resources remain vulnerable and our worst performer. However, and as bad as it has been, it's allowed us to have exposure to such a key (bombed out) sector in the economy.

Our losses in this portfolio have been small despite the recent collapse. Our resource portfolio which only consists of Exxon Mobil (XOM) and BHP Billiton (BHP) is down single digits. But both have great dividend yields locked in that would practically offset any yearly single digit decline.

Crude oil once again started to gain ground when the largest production cut ever was announced. It then quickly fell, failing to keep momentum.





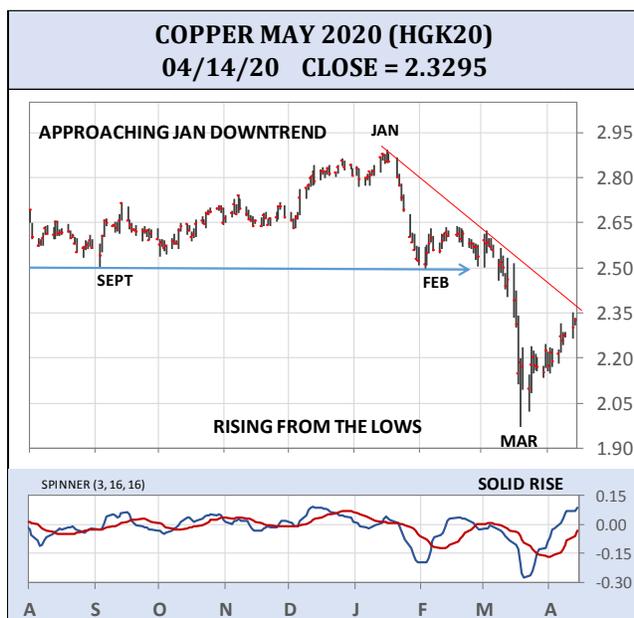
It's tempting to buy crude at \$20, but the selling pressure is just too heavy. We continue to have exposure thru Exxon Mobil (XOM) which continues to crawl out of the depths of the recent lows.

XOM broke above the mid-channel line of the Jan downchannel. It's holding above it while Spinner is bullish above zero and has room to rise further. XOM will remain on a solid upward path towards the Jan downtrend near \$55 as long as it stays above \$40.

Not all resources are in shambles.

Copper is also coming out from an extreme. It started to rise and has kept uptrending. It hasn't really given back any of the gains from the Mar lows near \$2.

Copper is approaching the Jan downtrend near \$2.37. A break above this level would be bullish and a continued rise to the Jan highs near \$2.80 would be likely.



Spinner is at a high area, but just recently it broke above zero showing momentum is still developing.

I've been staying away from copper itself, but I'm long thru BHP Billiton (BHP).

BHP is a solid multinational company that has been recuperating strongly. Just yesterday it regained the \$40 handle and it's looking ready for more upside.

Keep your positions.

Our strategy for this week is to enjoy your portfolio. It's doing great. Take some profits off the table on NG. The 50% gain in just a month is worthwhile. Pay attention to fast approaching profit targets. We want to make sure to protect profits.

Good luck and good trading,

Chief Trading Strategist/GCRU
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TRADER SHEET PAGES 13 & 14

KEY PRICES			
Name/Symbol	Apr 14,20 Price	Change	Apr 07,20 Price
Gold (GCM20)	1768.90	85.20	1683.70
Silver (SIK20)	16.13	0.65	15.48
HUI (HUI)	251.11	41.93	209.18
Copper (HGK20)	2.33	0.06	2.27
Crude Oil (CLK20)	20.11	-3.52	23.63
S&P500	2846.06	186.65	2659.41
U.S.Dollar (DXM20)	98.89	-1.03	99.91
30 Year T-Bond (ZBM20)	177.69	-1.53	179.22
10 Year T-Note Yield	0.75	0.02	0.74
13-week Treasury Bill	0.165	0.037	0.128

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 (45%)						
GOLD (GCM20)	Bullish! Gold broke above \$1700 and it's quickly approaching its all time highs. Gold's next resistance at \$1800 is getting close. A break above this level could push gold to new highs, above \$1920. Spinner is bullish and at a high. But also has room to unwind further from its decline. Keep your positions. Most of our exposure to precious metals is in gold shares and silver and some in gold.	L	Bot: 1485 (Mar-18-20).	1768.90	2dc below 1300.	1900
PHYS	Keep your positions. Sell when gold reaches profit target.	L	11.75 (Mar-18-19).	13.85	Holding	Open
SILVER (SIK20)	Bullish. Silver broke out of a bullish pattern suggesting a continued rise to its ST resistance at \$19 is now likely. Spinner also broke out and it's looking bullish. We have a full position. Keep it for now. Sell half at our first profit target.	L	Bot: 15.80 (Jul-17-19), 16.50 (Aug-7-19), 16.80 (Nov-8-19), 12 (Mar-18-20) (AVG: \$15.275)	16.130	Holding.	18.50 & 25
PSLV	Keep your positions. Sell when silver reaches first profit target.	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).	5.79	Holding	Open
HUI Index	HUI is breaking above the Feb peak and nearly into a 4 year high! Gold shares are exploding and are confirming more upside potential. Indicators are also very bullish. Our in house A/D line finally broke above the sideways consolidation band it had been forming since Dec. The joint breakout action from HUI and the A/D line is very bullish and powerful. We have full positions in gold shares. Keep your positions and enjoy the ride!	--	N/A	251.11	N/A	N/A
AEM	AEM has been among the strongest gold shares out there. It's up handsomely from the Mar lows and it's in pace to test the Jan highs near \$65 (our first profit target). AEM will remain very bullish above the Mar uptrend near \$46. Keep your positions. Sell half at our first profit target.	L	58.75 (Jan-9-20), 49.50 (Feb-19-20), 36.50 (Mar-18-20), 39.65 (Apr-1-20) (AVG: \$46)	52.84	Holding.	62 (adj) & 80
KL	KL is breaking above the Nov downtrend showing impressive strength. Spinner bullish with room to rise further suggesting momentum continues to build. The path is paved for KL to rise to the Nov highs near \$50. Sell half at profit target.	L	37.50 (Feb-19-20), 34.50 (Mar-4-20), 26 (Mar-12-20), 29 (Apr-1-20) (AVG: \$31.75).	37.20	Holding.	49
HL	HL is testing resistance at \$2.50. Spinner on the rise, above zero and MT MA with room to rise further suggesting momentum is up. An HL break above \$2.50 confirms the recent bottom and exposes upside potential to possibly the Jan highs near \$3.50 initially. I didn't add more HL to my position last week, but if you did, you did well. Keep your positions.	L	2.96 (Jan-28 -20), 2.65 (Mar-4-20), 1.65 (Mar-18-20) (AVG: \$2.42).	2.36	2dc below 1.30	3.50 & 6
SVM	Testing the Dec downtrend and bull flag pole near \$4.60. Spinner bottoming above zero and starting to rise. This suggests momentum could start heating up once again and a break above the Dec downtrend is likely. If broken, SVM could then push towards the Dec highs near \$6. I added a bit more last week and now have a complete position.	L	5.49 (Jan-6-20), 4.92 (Feb-4-20), 3.40 (Mar-4-20), 3.45 (Apr-7-20) (AVG: \$4.40).	3.92	2dc below 2.25	6 & 9
SBB.TO	Sabina picked up the pace as it rose to the Aug downtrend near \$1.70. It's testing resistance just as Spinner looks poised to resume its rise. This suggests Sabina could break above resistance ST and rise to the Feb highs initially. On the downside, Sabina has support at CA\$1.20 and deeper support at CA\$1. Keep your positions. Sell all at profit target.	L	1.55 (Mar-4-20)	1.66	Holding	2
NG	Breakout! NG blew off the Feb highs and rose to a new high for the move. It's strong with more upside potential. NG is one of my favorites because of its management and assets as I've said before. NG will remain very bullish above the Mar uptrend at \$9.50. Sell half at market to protect 45% profit built. Keep the rest of your positions and sell at second profit target.	L	8.50 (Mar-4-20), 7.65 (Mar-18-20) (AVG: \$8).	11.65	2dc below 6.50	10.50 (surpassed!) & 13

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 (21%)						
U.S. DOLLAR (DXM20)	Downside pressure is mounting. The U.S. dollar Index is coiling below the steep Mar downtrend. Spinner is below zero and under pressure. The chart suggests the dollar could fall to its key support at 96. A break below this level would push the dollar into a bear market. For now, keeping cash in U.S. dollars allows for vast liquidity.		-	98.89	-	-
FXB	Pound Sterling continues to rebound. It broke above a bullish flag pattern and to new highs for the move. The pattern suggests more upside is likely (pattern's target: \$130). We continue to hold some British pounds as part of our cash position.		-	122.3	-	-
RESOURCES AND ENERGY (16%)						
Crude (CLK20)	Crude oil is pulling back after breaking out from a bullish downside wedge pattern. It's now forming a wider downside wedge. If crude oil holds above the recent lows near \$20, a rise to the top side of the Jan downchannel near \$40 would still be likely. Keep in mind, crude oil dropped after a historic production cut was announced, telling us the price war is not yet over.	O	Out	20.11	0.00	0
XOM	Continues to bounce up from the extreme lows in Mar. It broke above the mid channel line on the Jan downchannel this week. The upmove suggests a continued rise to the Jan downtrend near \$55 initially would be likely. Keep your positions.	L	61.90 (Feb-6-20), 61 (Feb-12-20), 50 (Mar-5-20), 32 (Mar-18-20) (AVG: \$51)	42.43	2dc below 30.	69 & 75
COPPER	Re-testing the Jan downtrend at \$2.35. Spinner rising, breaking above zero, suggesting momentum is on the rise. If copper breaks above the Jan downtrend, an extended rebound rise to possibly the Mar highs near \$2.65 would be likely. Copper has been vulnerable given the global shutdown. Stay out for now. Keep exposure to resources thru blue chip companies.	O	-	2.3295	Out	-
BHP	Bouncing up from the lows... BHP is now testing the Jan downtrend and resistance near \$42. A break above this level on a 2dc would confirm strength, and likely be followed by a rise to the Jan highs at \$56. Spinner at a high area ST, but still with room to rise further. Keep your positions for now.	L	54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20) (AVG: 45.40)	40.36	2dc below 30.	56
MELT UP RISE PORTFOLIO (18%)						
C	C continues to consolidate a rising trend from the Mar lows, above \$42. Spinner above zero and its MT MA with room to rise further. Wait for a break above \$50 for strength to exacerbate. Keep your positions.	L	73.75 (Nov-20-19), 40 (Mar-25-20) (AVG: \$57).	45.42	Holding.	85 & 100
T	ATT continues to rebound from the Mar lows, together with most stocks. ATT is flirting with ST resistance at \$31. If T breaks this level on a 2dc, it could then rise to the Jan downtrend near \$37 or the 2020 highs near \$40. Keep your positions for now.	L	38.75 (Jan-22-20), 37.50 (Feb-4-20), 28 (Apr-1-20). (AVG: \$34.75).	31.13	Holding.	50
NVS	NVS is forming a bullish flag pattern with pole resistance at \$87. A break above this level would confirm the bullish pattern and a rise to its target near \$100 would be likely. On the downside \$80 is key ST support. NVS is strong above this level. Keep your positions for now.	L	94.75 (Jan-23-20), 80.75 (Apr-1-20) (AVG: 87.75).	86.22	Holding.	100 (adj).
SHOP	SHOP continued to bounce up above the May uptrend. It's now breaking above its recent Mar highs near \$480. Spinner uptrending, above its MT MA and zero line showing room to rise further. This break above this level confirms renewed strength and a rise to our profit target at \$600 is likely.	L	350 (Mar-16-20), 315 (Mar-18-20). (AVG: \$332).	496.06	Holding	600

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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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