



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

July 22nd, 2020

IN ITS 19th YEAR - Nº 894

SILVER WAKES UP! REACHES 6+ YEAR HIGH! THE DOLLAR BREAKS BELOW KEY SUPPORT GOLD IS VERY BULLISH, AND SO ARE GOLD SHARES! OIL CONFIRMS SUPPORT AT \$40; STILL CATCHING UP TO COPPER!

The U.S. dollar index continued showing weakness breaking below key support at 96. The dollar's breakdown suggests the 3 year-long uptrend could be over, and a new intermediate (down) trend could emerge.

The implications of a trend reversal in the U.S. dollar are big.

This could end up being the single most relevant macro-economic occurrence of 2020.

Time will tell, and the dollar index must stay below resistance at 97.50 for the bears to keep control.

"There's no fever like gold fever!" -gold bug adage

If they do, the dollar could trend down for the next year (or 3). And it could be also a very bullish scenario for other assets across the board... currencies, emerging markets, resources, precious metals, equities... you name it.

A weaker dollar could propel all of these assets higher... some more than others...

As shown last week, copper and the dollar move opposite to each other. And copper's upmove and breakout to new highs for 2020 was a strong sign the dollar could sink below support.

Remember, a weaker dollar is inflationary.

And it's poised to push gold up too. This is especially so since demand mechanics for gold changed at the height of uncertainty over Covid-19.

As the need for safe havens started to erode, the dollar and bonds pulled back; gold held and rose to new highs.

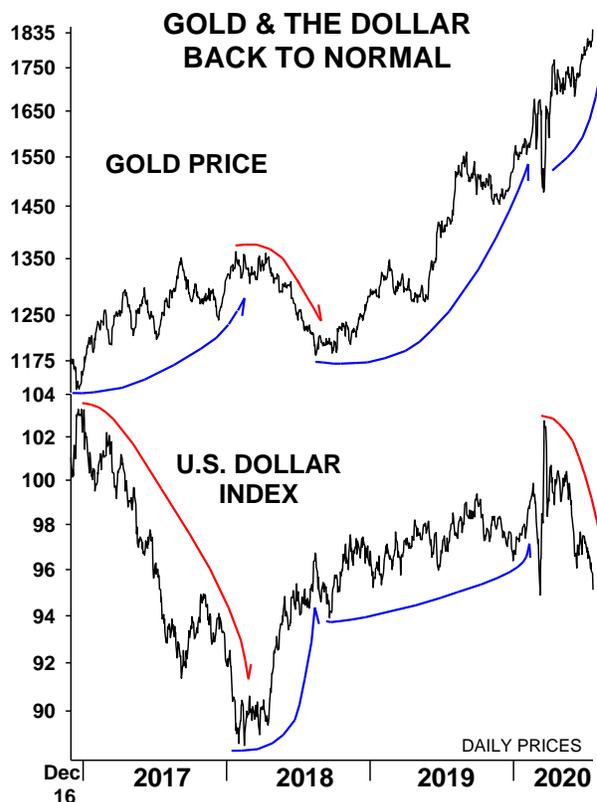
You'll notice the first chart compares gold with the U.S. dollar since 2017. The date is relevant as it captures the dollar's entire up move until today.

The move through Aug 2018 was normal in that gold and the dollar moved opposite. During that time frame, the dollar rose and gold fell.

In Aug 2018 and for the ensuing 1 ½ years, gold and the dollar moved together, mainly on safe haven demand (see the blue lines together).

Both decoupled in March 2020. The dollar's break below 96 is a strong confirmation that gold and the dollar have once again parted ways... and likely for the intermediate term.

Gold and silver miners followed gold up and are once again among the strongest assets available.



Silver's jaw-dropping rise.



Silver is approaching the 2014 highs near \$22.

Silver struggled to break resistance at \$19 initially. It was lagging gold prior to the rise since March. But silver has outperformed gold over the past month.

And after breaking out above \$19, silver surged past \$21, reaching a high last seen in 2014, near \$22.

Silver is up against another key resistance level.

On the chart above, you'll see silver is surpassing the top side of a sideways band, while the long-term indicator breaks with a wide open upside!

Silver is poised to unwind completely from the Covid led collapse to \$12.

We have a full position in silver (below ST chart of silver).

I recently took some profits, lowered exposure from overweight, to a full position near silver's past key resistance level.

I'll keep my position in silver and consider selling when our next profit target at \$25 is reached. I'm not in a rush.

Silver miners have also been very exciting and probably the most of all!





Silvercorp Metals (SVM) broke above \$6 and took off! It's nearing our (new) profit target. SVM remains very bullish above the Mar uptrend near \$5.50.

We recently took profits and are holding a reduced position. I'll be looking to close out the rest of my position at the new profit target at \$8.50.



Hecla Mining (HL) has been even more impressive. I recently took profits and re-bot some. We're holding a strong position.

HL is bullish above the Mar uptrend near \$3.20 and has ST support near \$4.20. Keep your positions as long as HL holds above the Mar uptrend; sell half at or near profit target (\$6).



Fortuna Silver Mines (FSM) is also among the strongest. It too is rising with strength, gaining the \$6 handle. FSM is very strong above the Mar uptrend near \$4.80.

For those of you who have FSM in their portfolio, hold it as long as FSM stays above \$4.80. I'm still waiting for a decline below \$5 to buy.

Gold Shares: Also Surging

They haven't been as strong as silver, but clearly one of the best asset classes today.



I missed the boat on Bonterra Resources (BTR.VN) below \$1.20.

It never fell that far. The good thing is, a steady floor is exposed at \$1.20. The rise is confirming BTR could leap-rise to the top side of the Mar up channel near \$1.90.

Buy some at mkt, and more on weakness. Place stops at 2dc below \$1.20.

I was able to pick up some NovaGold (NG) near support at \$8. Today's action confirms support level and opens the door for more upside. NG could rise initially to the Apr downtrend near \$10.50.

A break above this level could push NG to its Apr highs near \$13, our profit target. Buy a bit more; keep as long as NG holds above \$7.90.

And as shown last week, the senior miners have been the strongest.

Kirkland Lake Gold (KL) once again pushed higher, testing resistance at \$50.

It's very close to our profit target. A break above this level would show renewed strength and possibly a renewed leg up rise. KL's Spinner is just basing above zero showing lots of upside potential. Spinner suggest KL could break above resistance.



I won't be so quick to sell KL if it reaches our target. It's showing strength and momentum rising. I'll consider buying more on weakness, ideally near the Mar uptrend near \$40.

BTG also rose to new highs. It gained momentum after breaking above the May highs a couple of weeks ago.

Spinner is rising too, confirming BTG has room to rise further.

The chart tells me, BTG is very bullish above the Mar uptrend near \$6. And a continued rise is likely if BTG holds above this level. I'm keeping my stop a bit lower at \$5.75.



I'll consider selling my position at the profit target near \$8.

AEM is also rising with strength. It hasn't given me an opportunity to buy at lower levels.

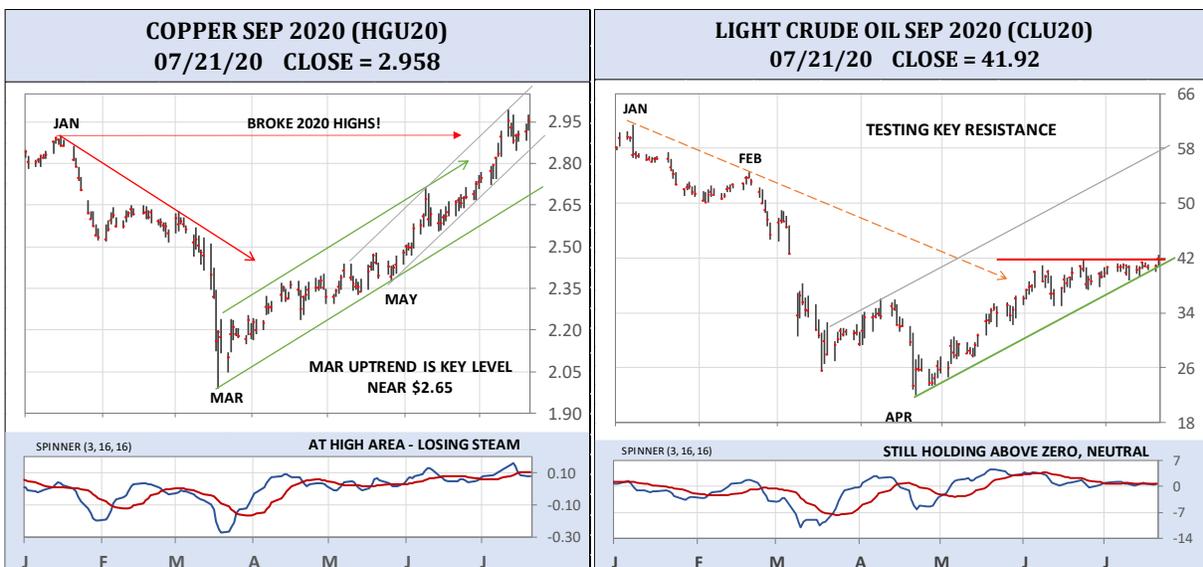


It's now testing the May highs just below \$70. A break above this level means AEM could rise to \$80. I'll wait for a pull back below \$65 to buy some, and more weakness below \$60 to buy more. AEM is a great company and if you own it, hold it.

Resources Holding Strong

Resources continue to push higher. It's one of the reasons propelling silver to new 6 year highs.

Copper keeps rising to new highs, a clear indication momentum is still rising, and more upside is likely. Emerging market are following; interest rates could be next.



Crude oil is also showing strength.

It's lagging copper. But price action suggest crude is very comfortable above \$40, a historically relevant support level. If it holds above \$40, crude could rise to our profit target at \$54.

Keep your positions as long as crude oil holds above \$39. Adjust stops.

Our biggest positions within resources are BHP Billiton (BHP) and Exxon Mobil (XOM).

BHP is following copper up. With the rebound since Mar, BHP is forming a bullish Cup & Handle with upside target in the lower \$70s.



This past week, with the break above \$53, BHP confirmed the bullish pattern and it now must break above the Jan peak at \$56 to confirm strength that could propel BHP to the target at \$72.

Keep your positions as long as BHP holds above the Mar uptrend near \$48.

XOM has been declining since peaking above resistance at \$50 back in Jun. However, XOM failed to hold on to

the gains falling back to its support at \$40 and holding. But, to confirm growing momentum, XOM must rise above resistance at \$51 on a 2dc.

Keep your positions for now. Sell some above \$50 to reduce exposure but keep the rest.

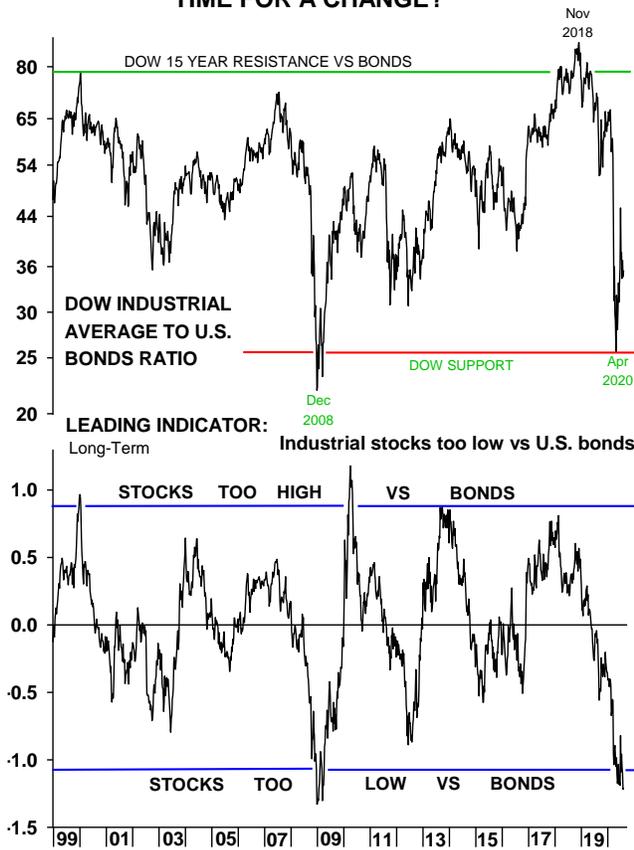
U.S. Stock Market Keeps Rising

Dollar weakness will be well received by U.S. and global equities. But trading stocks in this environment is tricky since many are over-extended and lofty.

But interestingly, this next chart shows once again, in a different form, how risk will become favored over safety for the foreseeable future. This tends to validate movements and relationships seen in copper and the dollar among others.



RISK GROSSLY OUTFAVORED BY SAFETY... TIME FOR A CHANGE?



Here's yet another interesting chart...

A ratio between DJ Industrial Average to LT U.S. gov bonds with its leading indicator measuring momentum. It's a powerful chart.

Notice the relationships over the years has resulted in a wide, but sideways pattern. The ratio is showing that the Industrials have been weaker than bonds since 2019. But the ratio has now fallen to the lows last seen during the financial crisis in 2009.

The leading indicator below the ratio measures momentum. It's at an extreme low seen only twice in 20 years! Both the chart and the indicator suggest bonds are expensive relative to stocks; and stocks are cheap relative to bonds.



This further suggests that stocks are likely to outperform bonds in the intermediate term.

I sold Broadcom (AVGO) last week for 12% profit in just under 2 months.

AVGO is a great company and worth keeping longer term. It's strong in tech with a great dividend yield, which is not very common. However, AVGO's inability to surpass \$320 could not go unnoticed.

Weakness could be brewing, and any sign of weakness within tech could push AVGO lower.

I did buy some Shopify (SHOP) back at the lower \$900s. We'd done well with SHOP last quarter and have been waiting to buy back.

The recent decline pushed SHOP to its Apr uptrend. It's holding at the uptrend showing strength.

SHOP has been a huge winner during Covid-19 and it'll likely have a bigger role in the Covid-19 aftermath given the increased online sales and business presence that will likely be required.

I'm keeping a lower stop, near \$750. I'll be ready to buy more on weakness.

Keep your positions.



Citigroup (C) is also showing strength by holding above \$50. It recently had a violent upsurge but it has been consolidating since.

If C manages to keep holding on to support at \$50, it could easily rise higher, to possibly the top side of the Mar up channel near the mid \$60s.

The past week has shown how banks are quick to diversify. Many banks are showing their ability to turn profit even in zero interest environments.

I can't really say Robinhood account holders can get all of the credit for the rally post Covid.

Bank revenues during the quarter from their trading desks are mind boggling. Coincidence?



Keep your positions as long as C stays above the Mar uptrend near \$44.

As stated above, the only one that hasn't joined the post Covid-19 rally are long term interest rates.

LT gov bonds have been showing lower highs since the Covid-19 uncertainty peak in March.

They're not as weak as the dollar, but certainly not as strong as gold.



The shift from safety to risk continues putting pressure.

However, a floor in interest rates seems to have been formed, at least for now.

This means, LT bond yields are poised to bounce up (even if they still remain bearish longer term). Notice TBT holding above \$15 support. Keep your positions for now.

Our strategy this week is to hold on tight to your trading desks! There's lots of long-term shifts happening as this report goes to press. A shift that will change the trading and investment dynamics over the next couple of years. Remain observant. It's important to be patient

during these times too. Let the charts lead. Buy quality assets like the ones we recommend on weakness but keep a healthy cash position too.

Don't forget cash is king during times of uncertainty, and uncertainty still remains.

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 12 & 13

| KEY PRICES | | | |
|------------------------|----------------------------|---------------|----------------------------|
| Name/Symbol | Jul 21,20 Price | Change | Jul 14,20 Price |
| Gold (GCQ20) | 1843.90 | 30.50 | 1813.40 |
| Silver (SIU20) | 21.56 | 2.03 | 19.53 |
| HUI (HUI) | 331.57 | 19.16 | 312.41 |
| Copper (HGU20) | 2.96 | 0.03 | 2.93 |
| Crude Oil (CLU20) | 41.92 | 1.37 | 40.55 |
| S&P500 | 3257.30 | 59.78 | 3197.52 |
| U.S.Dollar (DXU20) | 95.06 | -1.15 | 96.21 |
| 30 Year T-Bond (ZBU20) | 180.28 | 0.00 | 180.28 |
| 10 Year T-Note Yield | 0.607 | -0.008 | 0.615 |
| 13-week Treasury Bill | 0.110 | -0.023 | 0.133 |

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 (22%) | | | | | | |
| GOLD (GCQ20) | Bullish. Gold is breaking above bearish downside wedge pattern showing renewed strength. The \$1800 level is quickly becoming ST support. However, keep in mind, gold's deeper support is at \$1680. Keep your positions as long as gold holds above this level. I'll be ready to buy more on any weakness, ideally below \$1700. | L | Bot: \$485 (Mar-18-20). | 1843.90 | 2dc below \$1680 | 1900 |
| PHYS | Keep your positions. | L | 11.75 (Mar-18-19). | 14.72 | 2dc below \$11.20 | Open |
| SILVER (SIU20) | Silver struggled to surpass \$19, but as soon as it did, it went parabolic! It broke \$20, then \$21.... It's now testing \$22, and trying to find resistance! A break above this level would open the door for a stronger imp move. Keep your positions. | L | Bot: \$5.80 (Jul-17-19), \$6.50 (Aug-7-19), \$16.80 (Nov-8-19), \$2 (Mar-18-20) (AVG: \$15.275) New members Bot at \$15.20 (May-6-20). Sold half at \$18 for a 7% gain (Jun-22). | 21.557 | 2dc below 17 (adj). | 19 (reached) & 25 |
| 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 a 7% gain. | 7.73 | 2dc below \$5.25 | - |
| HUI Index | Gold miners are soaring! The catalyst being the rise above the May highs. HUI will remain on the bullish upward path by holding above the Mar uptrend near 300. It's previous resistance level is now turning into support. New highs in the S&P 500 Stock/D Line is also strong confirmation. Bullish action in gold and silver miners, coupled with strong performance in gold and silver suggest the overall strength powering the gold universe is strong. Confirmed dollar weakness is yet another indication. Keep your positions. Don't be shy to protect profits built when targets are reached. Also be ready to buy on dips. | -- | - | 331.57 | - | - |
| AEM | Testing the May highs! If the HUI index is any indication, AEM could clearly break above the May highs. Continue to have a buy order for AEM below \$60. | O | Sold recently for total average return of 35% (May 2020) (80% annualized). | 68.89 | - | - |
| KL | Bullish rise to the Nov highs! KL is near our first profit target at \$50. A break above this level would expose a renewed leg up rise that would take KL to \$60 or higher. KL is very strong above the Mar uptrend near \$40. Adjust stops. Take profits at profit target. Buy some more below \$44. | L | Sold for average gain: 34%; 80% annualized (May 2020). New Positions: \$8.50 (Jun-24-20). | 48.13 | 2dc below 40 (adj) | 50 (almost reached) |
| HL | Blast off! HL broke above the top side of the Mar up channel, quickly approaching our profit target at \$6. Spinner is bullish, but reaching a high area. If holding a full position and will make partial profits at the next target (\$6). On the downside, the Mar uptrend is key support. Keep your positions for now. Don't be shy to sell some at profit target. Buy more on a decline to the Mar uptrend. | 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 a 6% gain. New Positions: \$2.90 (Jun-24-20) (AVG: \$2.85) | 4.98 | 2dc below \$3.10 (adj) | 6 |
| SVM | Bullish! SVM is going parabolic! It broke above resistance at \$6, pumping up to nearly \$8. Spinner is near an extreme level showing strength, but also selling as the upside could be overdone for now. Keep in mind SVM remains very bullish above the Mar uptrend near \$6. Sell positions at new profit target for early 100% profit on last portion of position. Buy a gain on a pull back to the Mar uptrend below \$6. | L | 5.49 (Jan-6-20), \$4.92 (Feb-4-20), \$3.40 (Mar-4-20), \$3.45 (Apr-7-20) Sold half at \$4.10 for a 7% loss. (AVG: \$4.40). Sold half at \$6 for a 35% gain! | 7.38 | 2dc below \$5.50 (adj) | 8.50 (new) |
| FSM | Another bullish silver miner is rising to new highs. It shot above the top side of the Mar up channel showing impressive strength. Spinner breaking out, picking up steam, suggesting more upside for FSM is likely. Keep your positions. I'm still waiting for a decline near \$5 to buy. | O | New Subs Bot \$3.25 (May-13-20). Some may have sold partial positions for 30% gain. | 6.37 | 2dc below \$4.80. | - |
| NG | Picked up some on weakness. NG is bouncing up from key support level at \$8. It has some downside pressure below the Apr downtrend near \$10.50. But a rise above this resistance would be very bullish. Buy a bit more at nkt. | L | 8.30 (Jul-15-20). | 8.81 | 2dc below 7.90. | 13 |
| BTG | BTG continued its bullish rise, reaching yet another new high for the move. BTG is very strong and looking stronger by the day. Keep your positions as long as BTG holds above the Mar uptrend near \$5.75. Sell at profit target. | L | 5.25 (June-25-20). | 6.57 | 2dc below 5.75 (adj). | 8 |
| BTR.V | Failed to pick up below \$1.20. If you got some, you did well. I'm buying some on a nkt and more on weakness later on. BTR is a great prospect and would rise with strength as junior mines continue to catch up to senior mines. | O | - | 1.35 | 2dc below \$1 | \$2.20 & 3 |

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 (43%) | | | | | | |
| U.S. DOLLAR (DXU20) | The U.S. dollar index broke below key support at 96. This level is support for the dollar's 2017 bull mkt upmove. A break below it suggest a trend reversal. This means the dollar will remain under pressure by staying below the Mar downtrend near 97. Dollar weakness is indicative of rising inflation expectations. If the dollar stays below 97 now, it'll give other assets and currencies an upward boost. Keep cash position in dollars and some British pounds. Other alternatives with upside potential are the Aussie and the Lunnie (Australian and Canadian dollars). | | - | 95.06 | - | - |
| FXB | Pound sterling is breaking above key resistance at 123.50 suggesting the renewed upmove since Mar could be gaining steam. As long as FXB stays above the Mar uptrend near 120, FXB is poised to rise initially to the Dec highs near 130 (PBS: \$1.30+). Keep cash position diversified with some pound sterling. | | - | 123.28 | - | - |
| RESOURCES AND ENERGY (18%) | | | | | | |
| Crude (CLU20) | Crude is holding strong above \$40; it's also holding above the Apr uptrend. Crude oil continues to resist below \$42. A break above this level could push crude oil into a stronger phase of the rise since Apr, to possibly our profit target at \$54. Keep your positions for now and as long as crude holds above \$39. | L | 35 (Jun-15-20) | 41.92 | 2dc below 39 (adj). | 54 |
| XOM | Rebounding! XOM held above support at \$40 and it's now at a 1 month high. Momentum is pushing in favor of XOM. A break above the Jan downtrend on a 2dc above \$51 would be very bullish, opening the door for a continued rise to the Sept downtrend near \$65. Keep your positions. | L | 61.90 (Feb-6-20), 61 (Feb-12-20), 50 (Mar-5-20), 32 (Mar-18-20) (AVG: \$51) | 44.65 | 2dc below 40 | 65 & 75 |
| COPPER (HGU20) | Copper continues to show strength. It broke above the Jan highs and into a new 2 year high, testing its next resistance at \$3. Supply disruption out of Chile plus growing global demand and a weak dollar are giving copper (and resources) an upward boost. | O | - | 2.9580 | Out | - |
| BHP | BHP is breaking above a typical cup and handle (C&H) formation. The break above \$53 is very telling. This tells us, BHP could now rise to the C&H target at \$72, our second profit target. Keep your positions for now. Sell half at first profit target and keep the rest. | L | 54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20) (AVG: 45.40) | 53.32 | 2dc below 48 | 60 & 72 |
| MELT UP RISE PORTFOLIO (17%) | | | | | | |
| C | For the past month or so, C has been moving in a sideways band. On one hand, it's showing support at \$50 and has confirmed deeper support at \$44 (Mar uptrend). On the other hand, it's struggling to surpass resistance at \$53. Watch for a break above \$53 to show renewed strength that could push C to the Jan downtrend initially. A break below \$50 shows weakness and could push C to the Mar uptrend at deeper support near \$44. Keep your positions for now. | L | 73.75 (Nov-20-19), 40 (Mar-25-20), 50 (May-27-20), 50 (Jul-1-20) (AVG: \$55) | 51.73 | 2dc below \$44 | \$65 & 85 |
| AVGO | AVGO is a great company but price resistance at \$320 is just too strong. The longer AVGO resists, the more weakness is exposed. A break below 300 could push AVGO to lower support. We did good by bringing in a 12% gain in under 2 months. Stay out for now. If you didn't sell, sell at mkt. | O | 282 (May-27-20). Sold at 316 for 12% gain (Jul-15-20) | 314.34 | 0.00 | 0 |
| TBT | TBT is under pressure. Although LT yields remain poised to bounce up as recently shown, they still haven't taken off. TBT is, however, confirming support above the Mar lows. If TBT now breaks above \$16 and stays above, it could open the door for a rise to the top side of the Mar upchannel near \$19. Keep your positions. | L | 16.15 (May-27-20), 16.75 (Jun-10-20), 15.90 (Jul-2-20). | 15.20 | 2dc below 15 | 20 & 25 |
| SHOP | SHOP pulled back to the Apr uptrend, but quickly bounced up showing support at the 900 level. I bot some at the lower 900s per last week's recommendation. Keep your positions, buy more on weakness. | L | 930 (Jul-16-20). | 952.83 | 2dc below 750 | 1200 |

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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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