



-GCRU-

Weekly Trading Strategies



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

July 8th, 2020

IN ITS 19th YEAR - Nº 892

GOLD REALLY BREAKS OUT THIS TIME! GOLD SHARES CONFIRM BUT SILVER REMAINS A LAGGARD COPPER PAVES THE WAY FOR EMERGING MARKETS DOLLAR UNDER PRESSURE QUARTER REVIEW

Propaganda fueling fear and uncertainty is dominating news outlets; it's along-side a chugging economy that by the numbers, shows the recovery is 'V' shaped.

Economic data continues to impress.

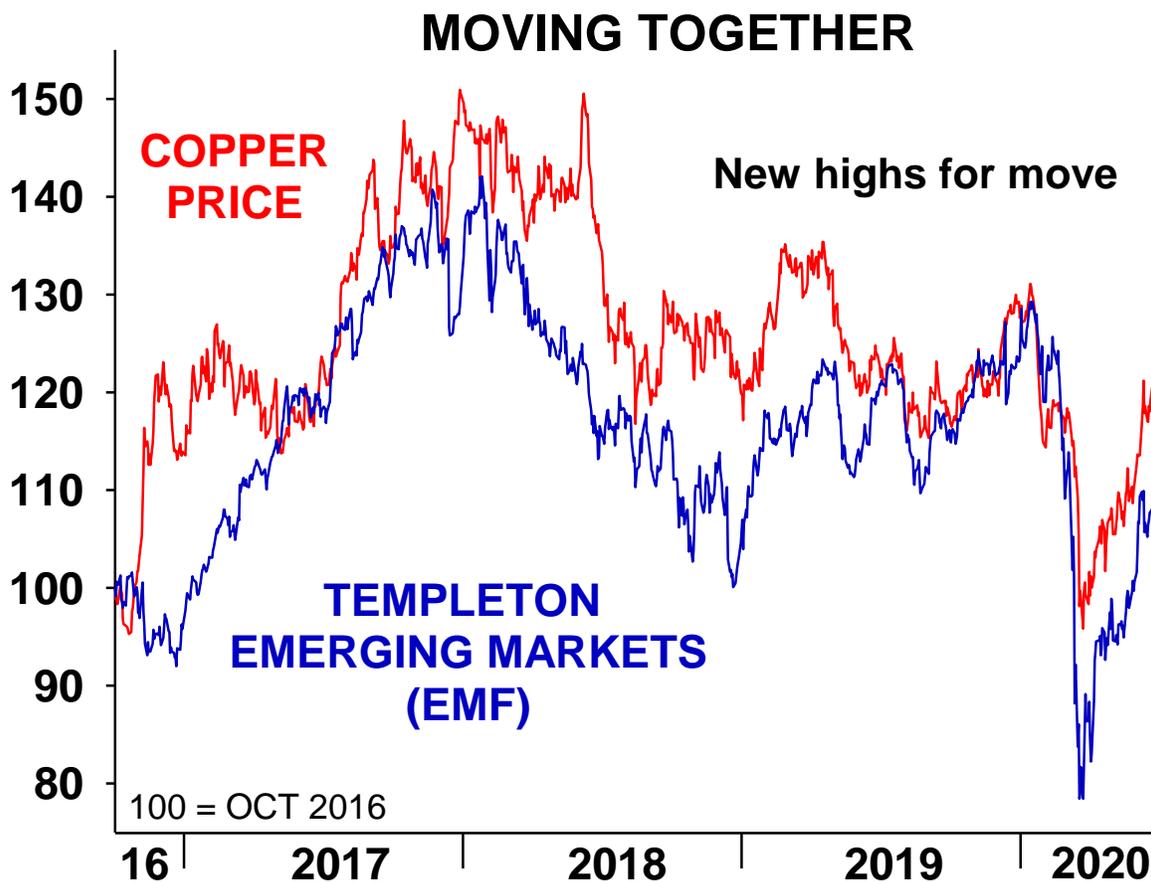
Fundamentals are piling up inside the value jar. 'Better than expected' is a phrase now read regularly as it relates to the economy.

And it's not only in the U.S.

The phenomenon is worldwide.

"The single greatest edge an investor can have is a long term orientation" -Seth Klarman

The most noticeable ones this week are the emerging economies and markets (“EMF”). China being a notable leader.



But technically speaking, Dr. Copper has already been hinting that the resource sector is heating up.

Copper’s rise is steady and stealthy. Just like that, it’s at the door of the 2020 highs (just below \$3). And it hasn’t taken a breather or consolidated.

Just good old fashion strength.

Notice on our chart, Emerging Markets (EMF) together with copper, shows EMF has lagged copper since 2016.

But could EMF catch up?

Momentum seems to be swinging in its favor.

If EMF’s upswing is real, it could push the dollar below critical support at 96.

U.S. Dollar weakness is real. The March downtrend near 97.50 on the dollar index is harsh resistance.

Remember the U.S. dollar index has been rising for nearly 3 years (2017). Its bull mkt support is at 96, as I've mentioned in recent issues...

A break below this level means the dollar could fall deeper.



Notice the dollar's price pattern on this chart is bearish. A bearish descending triangle is forming between the Mar downtrend and the critical support at 96. Spinner is sinking below zero & MTMA too.

A break below this level could push the dollar initially to 90. But if the decline catches momentum, it could stumble well below 90.

I'll continue to hold cash positions in U.S. dollars mainly, with some exposure to British pound sterling.



Don't count the dollar out as long as it holds above 96.

Pound Sterling has held up during dollar weakness. It allows some diversification to our cash position.

The Pound continues to move sideways, consolidating the rise since Mar. It's breaking to a new 3wk high, above it's 5wk moving average (\$121.25; not shown).

It'll have to rise above the June highs at \$124 (BPS\$1.28) to show renewed strength.

Gold Confirms Renewed Up Move

As mentioned last week, the narrative fueling gold changed quickly. It went from being sought as a safe haven, rising together with the U.S. dollar and U.S. gov bonds for over 2 years, to a hedge against growing inflation expectations; it completely decoupled from the dollar and bonds.

Until yesterday, and although gold had broken to new closing highs as reported last week, it was still resisting at the top side of a sideways consolidation band.

Yesterday's breakout rise above \$1800 confirmed strength, suggesting a rise to the all time highs above \$1900 is now likely.

Adding to the bullishness was the rise in gold shares!

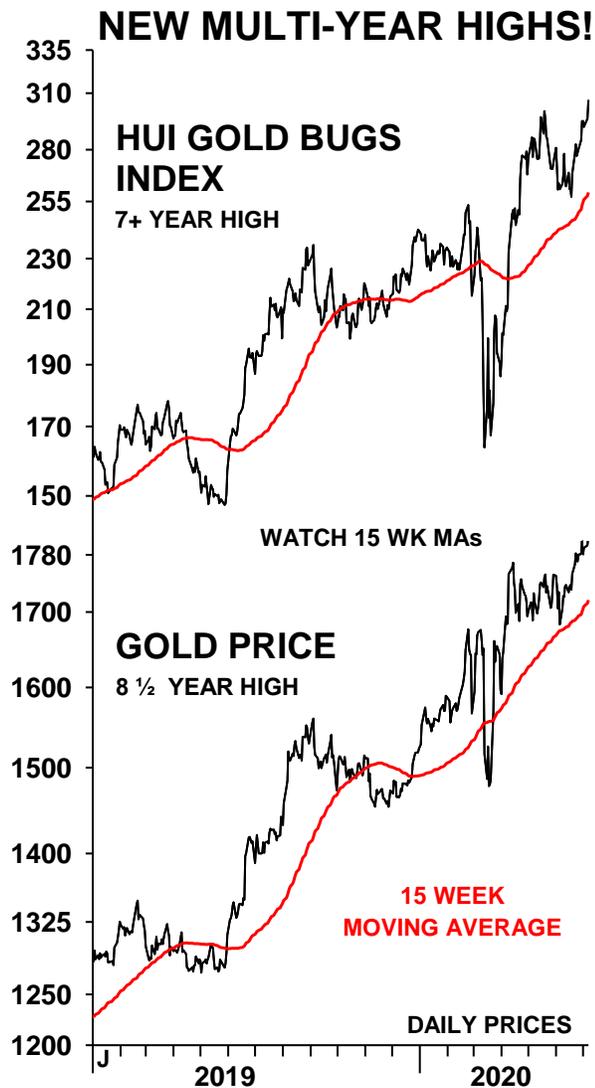
The HUI Index (a gold share index) rose to a new over 7 year high showing impressive strength.

Notice both gold and HUI are well above their 15wk MA (red line). Both are important support levels ST, at \$1725 for gold and 260 in HUI.

Last week I unloaded a small insurance position in DUST near \$26 given the growing strength gold and gold shares were starting to show.

Our positions were among the strongest yesterday.

Kirkland Lake (KL) and B2 Gold (BTG) were the strongest, but Hecla Mining (HL) and Silvercorp Metals (SVM) weren't far behind.



KL confirmed bullish support above the Mar uptrend by breaking out, above the Nov downtrend resistance near \$42 showing impressive strength.

KL's Spinner is above zero with room to rise further suggesting momentum is picking up steam. KL is poised to catch up to the rest of the gold share pack by rising to new highs near \$50, our profit target. →



Keep your positions. I'll be looking to buy some more on any weakness below \$40.

Also very strong and bullish is B2 Gold (BTG). It's held above the Mar uptrend, and it's now breaking above sideways consolidation showing renewed strength.

BTG's breakout rise suggests continued upside is likely. Consider



although BTG is very bullish above the Mar uptrend, it has stronger support at the bottom side of the 3+ mo sideways band near \$5.

Keep your positions; buy more on weakness and keep stops at 2dc below \$5.

HL also had a very telling day. It's been holding above the Mar uptrend, above \$3 since we managed to pick up new positions recently.



The chart shows HL rising to a new 1 month high, confirming support & strength. Look for a break above the Dec highs on a 2dc above \$3.50 to show renewed strength.

Keep your positions, but allow some leeway since we've already taken profits recently. Stops at 2dc below \$2.80.

Silvercorp Metals (SVM) has also had a very bullish run. It's held above the Mar uptrend at \$5 showing impressive strength.



SVM is very close to its Dec high resistance at \$6. Coincidentally, it's our profit target too.

Spinner is above zero & MT MA. It's telling us momentum still favors SVM. Keep your positions. Consider selling half at our profit target to protect a handsome gain.

Fortuna Silver (FSM) is holding near the highs, following such a strong rise. I personally missed out since I was already overweight silver shares.

But those of you who did are enjoying a great run, having banked some profits in the interim.

FSM remains strong above the Mar uptrend at \$4.10, which coincidentally is the previous Jan high resistance.



I'll continue to wait for weakness, this time near \$4.10 before buying.

Agnico Eagle Mines (AEM) is one of my long time favorites; I always keep an eye on it. But AEM hasn't let us buy yet. It's staying pricey.

It also didn't rise as strongly as our positions did.

I'm keeping AEM on my radar and will buy some on weakness near \$56, the Jun lows.

Oddly, silver remains a laggard.

It remains below \$19 ... even with gold rising above \$1800 and copper near new highs for the year.

Silver seems to have everything going for it.

A perfect storm has been forming.

And although it hasn't followed gold and copper, it's positioned for more upside. That is, if it manages to hold above the Mar uptrend at \$18.



Silver's March uptrend is forming a bullish ascending triangle with the \$19 resistance level. This suggests a break above \$19 could catapult silver upward.

Laggard, or just following?

I tend to believe it'll be the later. Silver tends to follow gold. And when it picks up steam, it'll really take off. It's one of those things you can't really chase.

You're either in or out.

I still have a full position. I did sell some recently and cut down from overweight.

I'm keeping the rest; hoping to be a part of a breakout rise.

Demand rising for Resources



Copper isn't the only resource in high demand.

Demand for crude oil is also rising. Crude's break above \$40 pushes it back above a historically strong support level.

If demand for copper is truly indicative of global aggregate demand, demand for crude is poised to pick up.

Our position in crude is doing well. It caught my eye when it broke above the Apr highs in late May, and we bot some on a pull back to the breakout level near \$35.

If crude now holds above \$40, it could then rise to the Feb highs, above \$50. Keep your positions.

If you're not in, buy on weakness below \$40. Keep your positions as long as crude holds above the Apr uptrend near \$36.

I'm also holding in my resource portfolio positions in Exxon Mobil (XOM) and BHP Billiton (BHP).



BHP has been a great proxy for copper. It's held up strong during weakness and looks ready for more upside. Plus, it also delivers attractive dividends too.

XOM hasn't been as impressive. It remains under pressure.

However, XOM's dividend yield, management experience and political influence as well as some others are the main reasons to keep XOM in our portfolio.

I'm keeping both positions for now.

Resources together with crude oil represent about 18% of my portfolio.

U.S. Stocks Holding

The S&P 500 continues to hold above its critical 200 day MA. The Dow Industrials and Transports are resisting below theirs.

It is no secret the upmove has been led by technology. It's a strong component of the S&P 500 which would explain why it has held stronger than other indices with lighter tech exposure.

However, some exposure remains warranted.

The economic data that is coming out from lockdown months is not as bad as many anticipated; and the recovery numbers seems to be showing a faster recovery than anticipated.



Although the rise in stocks from the Mar lows has been on speculation, as many claim, upbeat data might just be confirming the fundamentals.

Earnings from the quarter are likely to be better than anticipated and could give stocks an upward boost.

I have exposure to Citigroup (C), JETS (an ETF of the airline

U.S. GLOBAL JETS ETF (JETS)
07/07/20 CLOSE = 16.3



PROSHARES ULTRASHORT 20+ YEAR TREASURY (TBT)
07/07/20 CLOSE = 15.61



BROADCOM INC. (AVGO)
07/07/20 CLOSE = 313.12



industry), Broadcom (AVGO) and TBT (an ETF that rises with LT gov bond yields).

C is bullish above the Mar uptrend near \$44. Allow for some leeway. Keep your position as long as it holds above \$44.

JETS is breaking below our stop, but holding above support at \$16. The chart shows a bearish descending triangle. This means, a break below \$16 could push JETS to the May lows.

Adjust stops to 1dc below \$16. Keep your positions as long as JETS holds above support.

TBT is also showing weakness by failing to surpass the Feb downtrend.

On the upside, it's firm above the Mar uptrend, and it's forming a base above the lows. Keep your positions for now, and as long as the Mar uptrend at \$15 holds.

Broadcom (AVGO) has been looking strong.

It did fail to surpass \$320 yet again showing exhaustion. If it now breaks below the uptrend on a 2dc below 300. It'll show further weakness.

AVGO is up double digits. Keep your positions for now.

Quarterly Review

The second quarter of the year was one for the books.

The overall average return was 30% compared with nearly zero percent during the first quarter. At this pace, we're on the path to secure a 60% annualized.

Our best trades were within precious metals.

We went into the quarter with a full load of gold shares and silver.

We capitalized mid way on great returns, being at one point, and during a month or more, completely out of gold shares.

We since started buying back and it's now proving to be profitable.

We also did great with Shopify (SHOP), capitalizing on a nearly 100% return. Despite the amazing returns, if we would've kept it (or for those of you who did), it's now up over 200% since.

We're heading into the third quarter with lots of cash. Precious metals are my single biggest exposure. The rest are strong, highly stable companies with aggressive dividend yields, and with a track record to keeping them.

They allow us some conservative exposure to stocks with a plan to fall back if uncertainty and weakness lingers.

Our strategy this week is to enjoy gold's breakout rise. Celebrate the recent quarter, it was a good one.

And remember, if it's Wednesday, it's GCRU!

Good luck and good trading,

Omar Ayales
Chief Strategist/GCRU
www.goldchartsrus.net
A division of Aden Research



TRADER SHEET PAGES 13 & 14

KEY PRICES			
Name/Symbol	Jul 07,20 Price	Change	Jun 30,20 Price
Gold (GCQ20)	1809.90	9.40	1800.50
Silver (SIU20)	18.70	0.06	18.64
HUI (HUI)	306.16	11.34	294.82
Copper (HGU20)	2.80	0.07	2.73
Crude Oil (CLQ20)	40.62	1.35	39.27
S&P500	3145.32	45.03	3100.29
U.S.Dollar (DXU20)	96.84	-0.51	97.35
30 Year T-Bond (ZBU20)	179.00	0.44	178.56
10 Year T-Note Yield	0.65	0.00	0.65
13-week Treasury Bill	0.140	0.005	0.135

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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 (GCQ20)	Gold reached a new closing high today! And it's now super strong above the Apr resistance. Consider the Mar uptrend near \$1750 is an important ST support. A break below this level would show some weakness that could push gold down to re-test support at \$1680. Spinner showing momentum is up. Gold is strong at its 2011 highs, and it could test its record highs. Keep your positions.	L	Bot: 1485 (Mar-18-20).	1809.90	2dc below \$1680	1900
PHYS	Keep your positions. Sell when gold reaches profit target.	L	11.75 (Mar-18-19).	14.47	2dc below \$11.20	Open
SILVER (SIU20)	Silver continues to form a bullish ascending triangle between the 2020 highs and the critical Mar uptrend. A break above \$19 validates the very bullish pattern and a continued rise would be likely. But, if silver fails to surpass resistance and then falls below the Mar uptrend at \$18.50, a continued decline to deeper support at \$17 would be likely. Keep your positions for now. We recently protected profits and are in no hurry to sell more. Keep your positions.	L	Bot: 15.80 (Jul-17-19), 16.50 (Aug-7-19), 16.80 (Nov-8-19), 12 (Mar-18-20) (AVG: \$15.275) New members bot at \$15.20 (May-6-20). Sold half at \$18 for 17% gain (Jun-22).	18.699	2dc below 15.50 (adj).	19 (almost 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 17% gain.	6.54	2dc below \$5.25	-
HUI Index	HUI jumped up to a high last seen in 2013! HUI clearly surpassed 300, and it's super strong by staying above it. Our in house A/D Line is also short of surpassing the recent May highs. Let's see if it follows HUI to a new high. The Mar uptrend at 270 is strong support. The narrative behind gold and gold shares remains strong. We did great by trading gold shares the past quarter. I started building a position again during the lows in May/June, and I'm watching for another great deal to come up or ST weakness to pick up some at cheaper levels. I'm currently holding B2 Gold (BTG), Kirkland Lake Gold (KL), Hecla Mining (HL) and Silvercorp Metals (SVM).	--	-	306.45	-	-
AEM	We weren't able to pick up some during recent weakness but always have my eye open for a good deal. AEM is hugging the Mar uptrend at \$62.50. If AEM breaks below \$60, it could fall to the mid to lower \$50s quickly. Wait for weakness before buying new positions.	O	Sold recently for total average return of 35% (80% annualized).	64.32	-	-
KL	Breaking key ST resistance, reaching its May highs. KL's break above \$40 confirms support at the Mar uptrend near \$38. However, to show super strength KL must rise above the May highs on a 2dc above \$44. Keep your positions for now. If you're not in, buy some below \$40.	L	Sold for average gain: 34%; 80% annualized (May 2020). New Positions: 38.50 (Jun-24-20).	43.87	2dc below 36	50
HL	Re-surgng. HL is bouncing up from the Mar uptrend & support at \$3. Indicators are picking up steam just as HL reaches a key resistance level. Look for a break above \$3.50 to confirm strength and more upside potential. Keep your positions.	L	2.96 (Jan-28-20), 2.65 (Mar-4-20), 1.65 (Mar-18-20) (AVG: \$2.42). Sold half at \$3.50 (May-20-20) for 46% gain. New Positions: 2.90 (Jun-24-20).	3.39	2dc below 2.80 (adj)	6
SVM	New highs! Approaching our profit target... SVM has held strong above the Mar uptrend, while spinner turns bullish. It's quickly approaching the Dec highs, our profit target. Keep your positions as long as SVM holds above the Mar uptrend.	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 7% loss. (AVG: \$4.40).	5.41	2dc below \$4.70.	6+
FSM	Bullish! FSM continues on its bullish upmove. It's very strong above the Mar uptrend at \$4.40. Spinner rolling over, but still in bullish territory. Many are in this trade. I haven't been able to get in at my ideal entry level. However, exposure to silver mines is solid and I'll continue to wait for weakness before securing a position. For those of you holding FSM, good job. Keep your positions.	O	New Subs Bot \$3.25 (May-13-20). Some may have sold part for 30% gain.	4.89	-	-
BTG	Testing & trying to break top side of consolidation band. BTG has held up stronger than most gold shares. The sideways consolidation band since the May highs is bullish. A break above \$5.85 will show renewed strength & more upside potential. Keep your positions.	L	5.25 (June-25-20).	5.84	2dc below 5	8

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 (45%)						
U.S. DOLLAR (DXU20)	Opposite to gold shares, the dollar is forming a bearish 'descending triangle' between the Mar downtrend near 97.50 and support at 96. The space is getting tighter and a trade squeeze is forming. If the dollar breaks above 97.50, the bulls will be in control and it could drive the price up to the Mar highs. Conversely, a break below support at 96 would confirm 'bear' control that could drive the dollar lower on an intermediate basis. The U.S.dollar and gold have decoupled for now and as the safe haven trade continues to unwind. Still, the dollar remains the currency of choice for keeping cash.		-	96.84	-	-
FXB	Pound Sterling continues to bounce back and forth within a narrow trading range. The pound allows for certain stability in our cash position, and tends to hold up during dollar weakness. I have a small portion of cash in pound sterling and will continue to hold on to it for now. Keep your positions.		-	121.48	-	-
RESOURCES AND ENERGY (18%)						
Crude (CLQ20)	Crude seems to be getting comfortable above the \$40 handle. It's plain bullish above the Apr uptrend at \$36. Several indicators are pointing to a continued upmove. Supply shocks on the one hand, and quietly growing demand on the other as seen this week with strength in copper and emerging markets. Keep your positions for now.	L	35 (Jun-15-20)	40.62	2dc below 36 (adj).	54
XOM	XOM remains stuck in the mid \$40s without showing much indication of more upside. It is showing growing support above \$40. Indicators are also starting to pick up steam suggesting momentum could swing back in its favor. XOM must break above \$51 to show signs of renewed strength. Keep your positions.	L	61.90 (Feb-6-20), 61 (Feb-12-20), 50 (Mar-5-20), 32 (Mar-18-20) (AVG: \$51)	43.26	2dc below 40	65 & 75
COPPER (HGU20)	Demand for resources globally is ticking up... Emerging markets could be picking up slack, putting a dent in demand that is seemingly pushing prices higher. Copper is just below the 2020 highs near \$2.90. A break above this level will show renewed strength that could push copper above \$3. Momentum continues to swing in favor of copper. Keep your resource companies.	O	-	2.7970	Out	-
BHP	BHP is confirming ST support above \$48, and previously it was also a strong support for BHP. Price action is bullish and telling. Spinner is breaking out suggesting a continued up-move is likely. If BHP now breaks above \$52, it could rise to the top side of its bullish Mar upchannel near \$56, just above our profit target. Be sure to sell half then to protect a handsome profit.	L	54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20) (AVG: 45.40)	49.92	2dc below 44.	55
MELT UP RISE PORTFOLIO (17%)						
C	Higher lows... it's been noisy. Lots of speculation surrounding the economy during and after Covid-19 is still settling in. It moves markets daily. This is why it's more important than ever to keep a close eye on the trend. It's your friend. C is rising, telling us it could reach the top side of the Mar upchannel in the higher \$60s before even talking about bull markets. Keep your positions.	L	73.75 (Nov-20-19), 40 (Mar-25-20), 50 (May-27-20), 50 (ul-1-20) (AVG: \$55)	50.33	2dc below \$44	\$65 & 85
AVGO	Are the bears giving way? AVGO sellers at the Jan highs near \$320 are getting exhausted. The bullish ascending triangle is narrow exposing an upcoming trade squeeze. A break above \$320 would open the door to a stronger and continued upmove. A break below \$300 could be the beginning of the end of AVGO's spring rally. Keep your positions.	L	282 (May-27-20)	313.12	2dc below 290	360 & 400
TBT	LT gov bond yields continue to bottom out. The subtle rise since the Mar lows in TBT is a witness. And although an upmove has not yet manifested, the lows seems locked in. As mentioned recently, as capital flows out of long term bonds and into riskier assets, inflation expectations could pick up the pace, and so will LT gov bond yields. Keep your positions.	L	16.15 (May-27-20), 16.75 (Jun-10-20), 15.90 (Jul-2-20).	15.61	2dc below 15	20 & 25
JETS	JETS continues to hold above support. The move is just starting and still very vulnerable. JETS must break above the Feb (adj) downtrend on a 2dc above \$20 to show signs of renewed strength. Keep your positions for now.	L	16.50 (Jun-3-20).	16.30	2dc below \$16.50.	30 14

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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	
	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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