



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

September 2nd, 2020

IN ITS 19th YEAR - Nº 900

FED FUELS INFLATION EXPECTATIONS

KEEPS A TIGHT LID ON THE DOLLAR

ASSETS ACROSS THE BOARD RISE THE 'WHEEL BEFORE THE CART'

Animal spirits ran wild as the Fed opened the flood-gates to inflation...
ZIRP (zero interest rate policy) is here to stay. The Fed is committed to pushing the inflation needle higher. It's doing so by putting downside pressure on the dollar, and giving a lifeline to global currencies and gold.

It's fueling bubbles in real estate, stocks and commodities...

It debases the purchasing power of the dollar and makes it easier for debtors to finance their dollar denominated debt.

It greases the chains...

"INFLATE OR DIE" - Richard Russell

Currencies, stocks and hard assets should reflect dollar weakness by rising in value.

This is why the dollar's price pattern should help us determine timing of our trades and investments.

The first chart shows the U.S. dollar index for the past 9+ years. Below the dollar you'll see a MT leading indicator which measures momentum.

Among many things, you'll see the correlation between the indicator and the dollar. Notice when the dollar ran hot, the indicator reached a high area. Conversely, when the dollar had been weak, the indicator fell to the lows.

The recent decline in the dollar is now approaching the 9 year long uptrend, just as the leading indicator is bottoming at an extreme low last seen only at the depths of the financial crisis in 2009 (not shown).

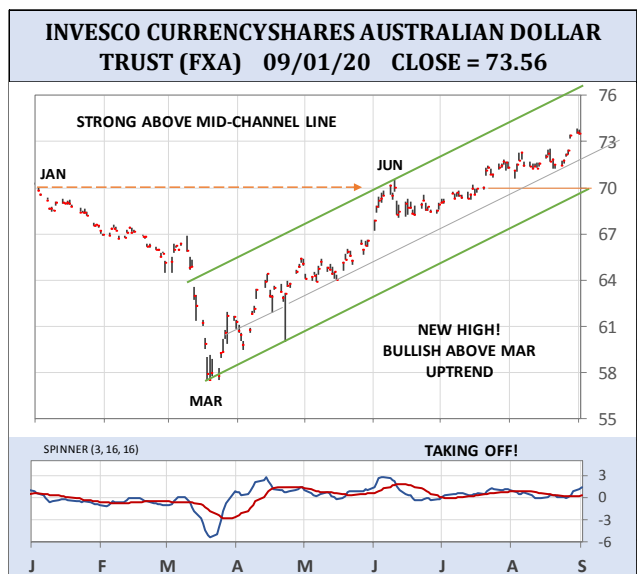
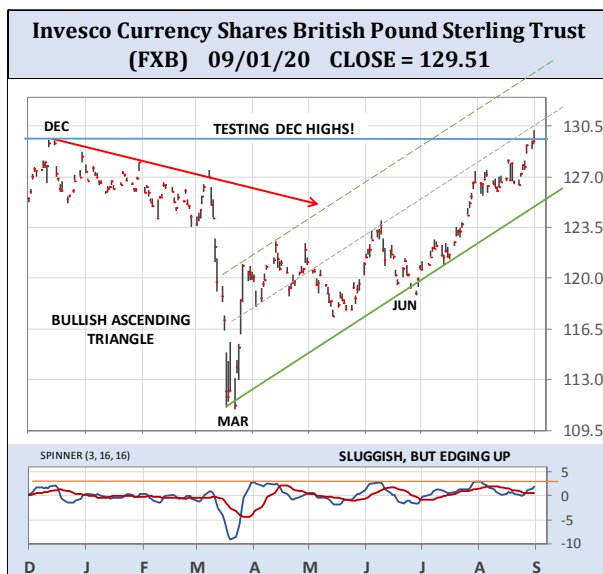
The extreme low in the indicator tells us the downside may be overdone and the dollar could hold ST at the 9 year uptrend near 90.

This could fuel a dollar bounce up to the Mar downtrend near 95. A break above this level would show renewed strength and potential. But if the dollar fails to surpass resistance, it could fall back to test its 9 year long support.

Moreover, a clear break below 90 could push the dollar into a downward spiral to possibly the 2018 lows in the mid 80s, initially.

U.S. DOLLAR: APPROACHING KEY SUPPORT





Global currencies have welcomed dollar weakness. Most have risen against the dollar since the pandemic lead lockdowns.

The Australian dollar (“Aussie”) and British Pound Sterling (“BPS”) have been among the strongest. They both rose to new highs for the move this past week.

BPS broke above the Dec highs and it’s looking very strong above the Mar uptrend. The Aussie has been even more impressive, just this past week it gapped up to new highs.

Indicators continue to show more upside in both the Aussie and BPS is likely. I’m keeping my cash pile diversified, with a bigger position in U.S. dollars, some Aussies and BPS.

U.S. Equities Climbing a Wall of Worry

Stocks, led by tech, continued rising to new highs. Industrials and transportations are on the brink of reaching new highs.

The tech dominant S&P 500 rose to yet another new high for the move.

I recently purchased SPXL, an ETF that triples the action of the S&P 500.

SPXL was trading at a discount to the S&P 500 but it’s quickly catching up. SPXL’s at a new high for the move and positioned to reach the 2020 highs



at \$75. SPXL is very bullish above the Mar uptrend near \$50, and its next key resistance is at the Feb highs near \$75.

SPXL is up 15% in just 2 weeks, and it's poised for further upside.

Spinner is above zero, showing momentum has room to rise further. Keep your positions.

Just last week I bot some Walmart (WMT) at \$130. The

numbers and the narrative behind the giant retailer going tech cannot go unnoticed.

Recent changes in operating structures and alliance with Shopify (SHOP) expose a potential change in core business where warehouse and distribution through an online platform will take center stage.

SHOP will provide the merchants WMT is looking for.

And although WMT only has 45,000 merchants currently (compared to Amazon's 2 million), it's \$600 billion in sales a year (double that of Amazon's) will likely attract a merchant or two.

The need for inventories could disappear, eliminating one of WMT's biggest carrying cost. Moreover, if the deal to buy the social media platform TikToc goes through, the upside could be even bigger.

WMT is not a start up. It's not a weird tech company that no one understands. It has the financial muscle to fund its transition.



Keep your positions. I'll buy more on any weakness.

Another great position is WMT's partner: Shopify (SHOP). SHOP bounced up from its Apr uptrend near \$950, reaching new highs, just below our first profit target at \$1200.

Spinner is on the rise, above its MT MA, breaking above zero. It shows momentum picking up steam.

SHOP is on the path to rise further, possibly beyond our profit target.



It's alliance with Walmart (WMT) will give Amazon a run for their money...

I'm raising my profit target to \$1,500 & 2,000. I have a full position, but I'll consider buying even more near \$1000 or lower.

I'm still holding a full position in Citigroup (C).

It's been moving in a tight range for over 2 months. Support at \$48 and resistance at \$53 are key. A break in either direction will show what's next for C.



Keep your positions for now, as long as C holds above the Mar uptrend at \$48.

I'm also holding TBT, an ETF that trades inversely to LT U.S. government bonds. It's like shorting LT bonds. In other words, TBT rises with long term yields.

The recent spike in yields was encouraging. It shows support at the Mar lows. It also suggest some upside is likely.

Keep in mind, however, TBT must rise above the Jul highs near \$18 to show renewed strength and a continued upside.

Keep your positions for now.

Gold Near \$2000

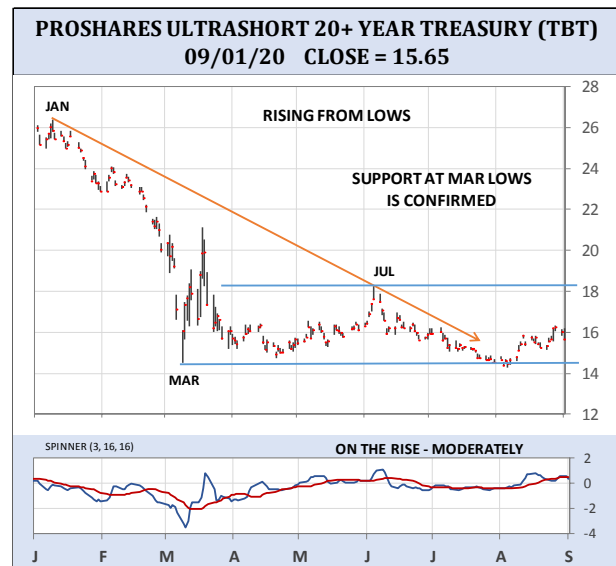
Support for gold at \$1900 is growing.... and so is resistance at \$2000.

Gold recently bounced up from the Mar uptrend at \$1920, and just yesterday it reached \$2000. Spinner is breaking out, showing momentum rising.

But, gold failed to close above \$2000 and ended the day below the previous day close. This is yet again showing signs of weakness...

Gold must rise above \$2000 to show a sign of renewed strength; and a rise above \$2100 to confirm a renewed leg up rise.

However, gold's resistance at \$2000 exposes strong selling pressure.



Gold should've rallied to new highs when the Fed pledged liquidity to infinity.

If gold fails to breach resistance at \$2100 and falls below the Mar uptrend at \$1920, it could show the start of a deeper correction, to possibly as low as \$1685.

Weakness in gold could coincide with a rebound in the U.S. dollar index. Wait for gold weakness to buy again.



Silver has been my most recent precious metal of choice.

I have kept a reduced position given it's still undervalued compared to gold. Spinner is also rising from a low area, breaking above resistance, suggesting momentum could be brewing.

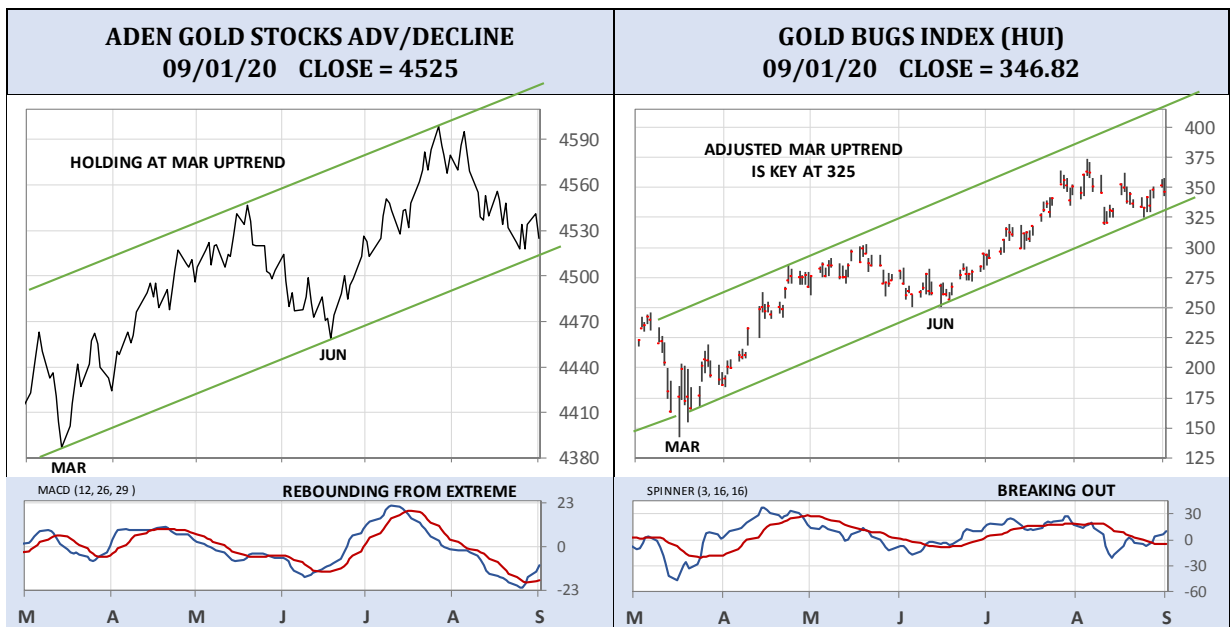
Silver is very bullish above the Jul uptrend near \$27.50, but it has deeper support at the Mar uptrend near \$22.

I'm waiting for a pull back to the lower \$20s to add to my positions.

Gold and silver miners have been on a bullish rise since Mar this year. The HUI Index (gold miner index) rose from 150 to 375, a 150% rise in just 6 months!

The HUI Index has been downtrending since the Aug peak. The chart on the left, our in house A/D line, has a similar pattern. However, the A/D Line does look closer to breaking below the Mar uptrend.

Remember that a break by both HUI and the A/D Line allows for a strong, more defined move.



I'm holding a reduced position in gold and silver miners.

They're holding up great, but this reduced position is what I'd keep during upcoming weakness.

Novagold (NG) has been one of the best.

It took off after breaking above the Apr downtrend showing impressive strength. Spinner is lifting off, showing momentum picking up steam. NG's next resistance is at the Apr highs.

Keep your positions as long as NG holds above the Dec/Aug uptrend near \$8.

Hecla Mining (HL) is another of my favorites. It's at the highs looking very strong. HL has solid support at the Mar uptrend near \$4. It'll show renewed strength on a rise to new highs above \$6.50.

Spinner is jumping up from extreme lows suggesting a bounce up ST is likely.

HL has been great this year. I'll keep reduced positions during weakness, and wait for a decline below \$4.50 to buy more.

Bonterra Resources (BTR.V) is another high quality gold mine in the making. It's close relationship to



Kirkland Lake Gold (KL) makes it a prime candidate for a take over.

In the meantime. BTR.V is bullish above the Mar uptrend near \$1.20. Keep your positions.

Resources Extend Bullish Rise!

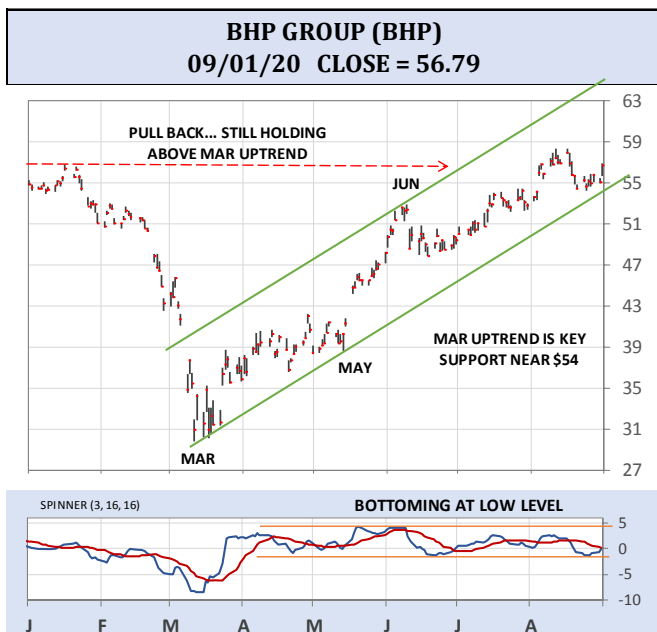


Dr. Copper continues to dazzle as the global economic recovery gains steam.

Demand out of the U.S. remains high, given demand from a strong real estate market.

Copper reached a new high this week and it's looking comfortable above \$3. Keep in mind, copper is bullish above the Mar uptrend at \$2.90. A rise to the top side of the Mar upchannel near \$3.25 is now likely.

The rise above \$3 tells me demand is robust and will very likely be bullish for resource companies.



BHP Billiton (BHP) is one whose benefited from higher prices in copper. The continued rise in copper prices from last quarter should benefit the bottom line of the largest copper producers and sellers in the world.

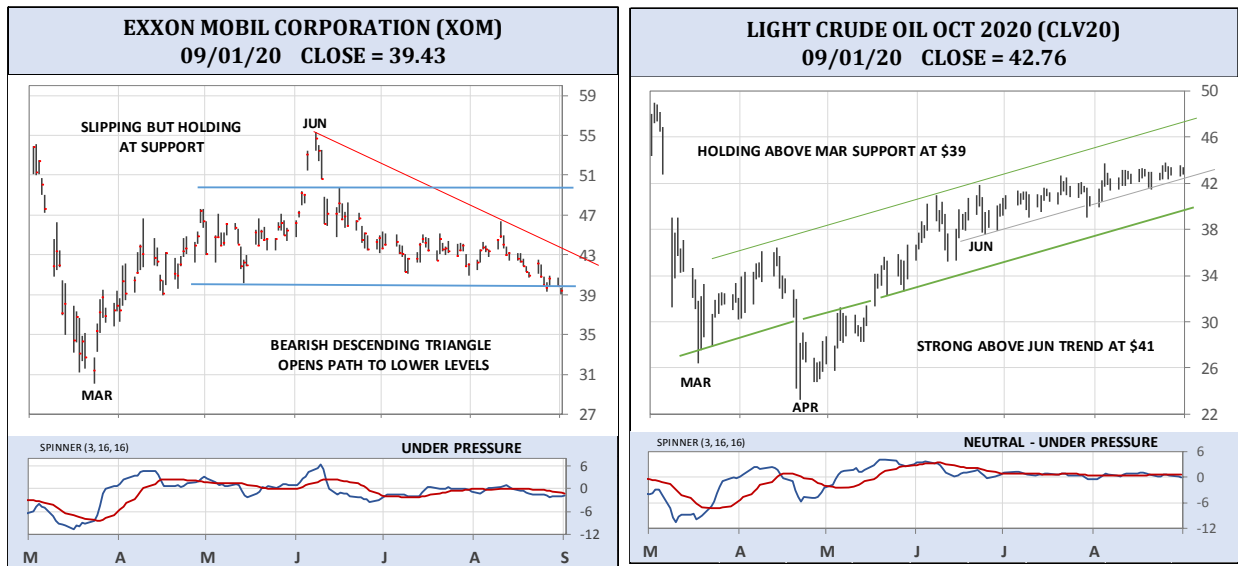
On the chart, BHP pulled back after testing the highs near \$59.

BHP now held above the Mar uptrend at \$54 and has

started to rebound. A break above \$59 will confirm support and opens the door to further upside.

Spinner bottomed at the low area shown in orange. It looks poised to rise to the top side of the orange band. This may be telling us momentum could pick up steam and push BHP through resistance at \$59.

Keep your positions.



Crude oil is also on the rise... OPEC+ production cuts are on target, especially since more recently Iraq pledged deeper cuts.

Crude remain bullish above the Mar uptrend near \$40. Keep your positions, as long as crude holds above this level. A rise to the higher side of the Mar up channel near \$50 is likely.

Exxon Mobil (XOM) edged lower, breaking below support at \$40. I've been waiting for a bounce up to unload. But now, more downside seems likely before a bounce up.

Sell at mkt for a loss.

After the sale of XOM, my resource portfolio will shrink to 12%

Our strategy for this week is to enjoy the ride in our stocks. Raise profit targets. Don't be in a hurry to sell. We're loading up with quality positions, waiting for great opportunities or bargains. Keep a strong cash position.

And remember, if it's Wednesday, it's Gold Charts R Us!

Good luck and good trading,

Omar Ayales
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A division of Aden Research



TRADER SHEET PAGES 12 & 13

KEY PRICES			
Name/Symbol	Sep 01,20 Price	Change	Aug 25,20 Price
Gold (GCZ20)	1978.90	55.80	1923.10
Silver (SIZ20)	28.65	2.22	26.43
HUI (HUI)	346.82	13.34	333.48
Copper (HGZ20)	3.03	0.08	2.95
Crude Oil (CLV20)	42.76	-0.59	43.35
S&P500	3526.65	83.03	3443.62
U.S.Dollar (DXU20)	92.34	-0.68	93.02
30 Year T-Bond (ZBZ20)	176.34	-2.19	178.53
10 Year T-Note Yield	0.672	-0.010	0.682
13-week Treasury Bill	0.100	0.005	0.095

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 (17%)						
GOLD (GCZ20)	Bullish! Gold is holding above the Mar uptrend near \$1920 and it could test the Aug highs. Spinner rebounding after breaking below zero earlier this month. However, downside pressure remains. A break below \$1920 will show weakness that could push gold to a deeper support near \$1800, and possibly \$1685. I'm out for now, waiting for a deeper pull back to buy back.	O	Bot: 1485 (Mar-18-20). Sold via alert for 35% gain (Aug-11-20).	1978.90	-	-
PHYS	Stay out for now.	O	11.75 (Mar-18-19). Sold via alert for 35% gain (Aug-11-20).	15.72	2dc below \$11.20	-
SILVER (SIZ20)	Silver is very bullish above the Jul uptrend near \$27, but it has stronger/deeper support at the Mar uptrend near \$22. Silver's rise has been impressive, but a pull back remains likely. I will buy again on a decline to the \$24 support or possibly to the Mar uptrend in the lower \$20s. Keep your reduced position for now.	L	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).	28.645	2dc below \$21	50
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.	9.82	2dc below \$5.25	-
HUI Index	Gold shares confirm support fueling gold. HUI is holding above the Mar uptrend near 325 and our in-house A/D Line is holding above the same uptrend at 4515. Both indicators below are breaking out. The move suggest gold shares could re-test their recent Aug highs (375). A break above the resistance could push HUI initially to the top side of the Mar upchannel, above 400. On the downside, if gold shares fail to surpass the recent highs, they could show weakness and a decline to the Jun lows would then be likely.	--	-	346.82	-	-
HL	HL is bouncing up, showing signs of ST support at \$5. If it holds and rises above \$7, it'll show renewed strength. A break below \$5, could push HL to the Mar uptrend near \$4. I'm waiting for further weakness below \$5 to buy more.	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 46% gain. New Positions: 2.90 (Jun-24-20) (AVG: \$2.85). Sold half at \$6 for 105% gain (Aug-4-20).	5.97	2dc below \$3.5	8
NG	Breakout! NG broke above the Apr downtrend at \$9.50 showing impressive strength! It's at a new 3 month high and it's poised for more; a rise to the Apr highs near \$13 is now likely. Our profit target is approaching quickly. Keep your positions.	L	8.30 (Jul-15-20), 8.70 (Jul-22-20), 8.99 (Aug-7-20) (AVG: 8.65).	10.58	2dc below 8.	12
BTR.V	BTR is holding on to the Mar uptrend near \$1.20. It must now rise above the Dec downtrend on a 2dc above \$1.60 to show renewed strength that could push BTR to the top side of the Mar upchannel near \$1.80 initially. Keep your position.	L	1.32 (Jul-23-20).	1.27	2dc below \$1	\$2.20 & \$3
CURRENCIES (42%)						
U.S. DOLLAR (DXU20)	The Fed's attack on the U.S. dollar is taking it's toll. It's put a clear ceiling at the Mar downtrend near 94.50. Momentum indicators remain lackluster at best. More downside seems likely. But keep a close eye on 92. The dollar index is holding at this level. If it continues to hold, it could bounce up to re-test the Mar downtrend. Keep cash diversified, including British pound sterling and Australian dollars.		-	92.34	-	-
FXB	Pound sterling continues to be a great hedge against the falling dollar. It rose to a new high for 2020 and it looks very strong above the Mar uptrend (BPS: 1.28 // FXB: 125). If pound sterling continues to hold above the Mar uptrend, and rises to new highs for the move (BPS: 1.35 // FXB: 130), the pound could float to a more traditional exchange rate, above \$1.50 // FXB: 140).		-	129.51	-	-
FXA	The Aussie rose to new highs for the move. It's approaching the top side the Mar upchannel near \$76 (A\$: 0.76), just as momentum indicators are starting to pick up steam. The Aussie remains very strong above the Mar uptrend near \$70 (A\$0.70). It's also a great way to reduce risk against U.S. dollar weakness. Keep some cash in Australian dollars.		-	73.56	-	-

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
RESOURCES AND ENERGY (19%)						
Crude (CLV20)	Crude oil continued to edge higher. It looks comfortable above \$42 and continues to flirt with new highs. A weaker dollar and continued demand for resources could push oil higher; initially to the pre-Covid 19 levels in the higher \$40s. Keep your positions.	L	35 (Jun-15-20), 42 (Aug-12-20) (AVG: \$38.50).	42.76	2dc below \$39	47 & 54
XOM	XOM broke support at \$40 on 2 consecutive days. The decline confirms a bearish descending triangle suggesting more downside is likely. XOM has been dragging our portfolio. Sell at mkt for a loss.	L	61.90 (Feb-6-20), 61 (Feb-12-20), 50 (Mar-5-20), 32 (Mar-18-20) (AVG: \$51)	39.43	2dc below 40	50 & 65
COPPER (HGZ20)	Copper continues to push higher! It broke above ST resistance at \$3 and it's poised to rise further. Copper remains very bullish above the Mar uptrend near \$2.90. Spinner and indicators still show room to rise further, suggesting resources will remain on the rise.	O	-	3.0285	-	-
BHP	BHP is holding above bullish Mar uptrend & support near \$54. A break above resistance at \$60 opens the door to more upside. Keep your positions as long as BHP holds above \$54.	L	54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20) (AVG: 45.40).	56.79	2dc below \$54.	\$64 & \$72
MELT UP RISE PORTFOLIO (22%)						
C	C's trading range between the Mar uptrend and Mar downtrend is narrowing. It's exposing a trade squeeze or symmetrical triangle. A break above \$55 confirms the Mar uptrend and strength. A break below \$48 shows renewed weakness. Keep your positions for now and as long as C holds above \$48.	L	73.75 (Nov-20-19), 40 (Mar-25-20), 50 (May-27-20), 50 (Jul-1-20) (AVG: \$55).	51.20	2dc below \$48.	\$65 & \$85
WMT	WMT dipped below \$130 last Wednesday before taking off. In part due to WMT's interest in TikTok. But, a deeper trend suggests WMT could be making a shift to tech as it looks to increase online presence and technology for corporate optimization. Keep your positions. Buy more on weakness.	L	130 (Aug-26-20).	147.59	2dc below 125 (adj)	200 & 300
SPXL	SPXL broke above \$60; it's catching up to the S&P 500 Index. SPXL is very bullish above the Mar uptrend near \$50. If SPXL holds above this level, it could rise to the top side of the upchannel near \$66 initially. It could then rise to the Feb highs near \$75 soon after. Keep your positions.	L	53 (Aug-11-20), 54 (Aug-12-20) (AVG: 53.50).	61.73	2dc below 45	75
SHOP	SHOP rose to new highs above \$1100! SHOP is also showing support at the up-channel line near \$1000, and deeper, stronger support at \$800. Keep your positions for now. Buy more on weakness.	L	930 (Jul-16-20), 900 (Jul-24-20) (AVG: 915).	1134.32	2dc below \$800 (adj)	1500 & 2000
TBT	Pulling back... TBT confirmed support at the Mar lows. Spinner rolling over, suggesting TBT will continue forming a bottom above the Mar lows. Keep your positions for now.	L	15.40 (Aug-12-20).	15.65	2dc below 14.50	\$18 & \$26

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All charts in *GCRU* are daily prices.

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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	
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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