



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

September 30th, 2020

IN ITS 19th YEAR – Nº 904

KISS (KEEP IT SIMPLE STUPID!)

THE DOLLAR IS RESISTING ASSETS ARE BOUNCING... WE CONTINUE TO POSITION DURING DOLLAR STRENGTH...

The U.S. dollar index holds a key to identify developing trends...

It moves inversely proportionate to global currencies, resources and metals. The past few months have been action packed!

The U.S. dollar index is resisting at the Mar downtrend (95) and it's now backing down. It's losing the 94 handle and it could re-test support at 92 during the next week or so.

Price action is a reminder the bear market triggered in Jul is still alive. But I'm waiting for a break below 92 for a bearish confirmation.

**"There is nothing wrong with the charts, only the chartists."
- Old trader's refrain**

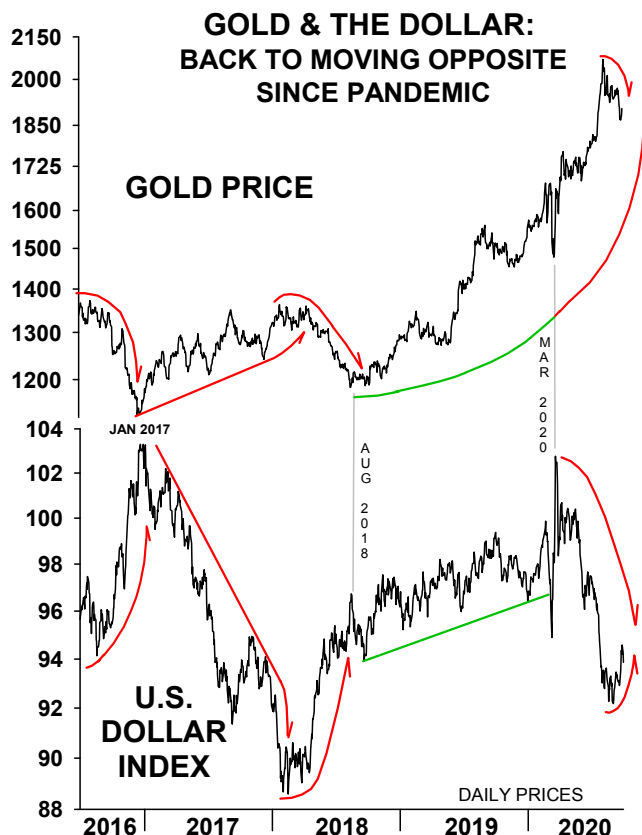
Only then will dollar weakness truly propel metals, currencies and resources to new highs.

U.S. dollar index resistance at 95 is the first sign on the upside.

Keep in mind, the indicators still show an oversold dollar MT, and it could still break above resistance despite recent weakness.

Our first chart shows the relationship between gold and the U.S. dollar.

For the past 50 years, the U.S. dollar and gold have been moving in opposite directions on a major trend basis. The above chart shows this relationship closer up since 2016.



The red lines show the times when gold and the dollar moved opposite. There are exceptions like you can see from the lows in August 2018 through the pandemic highs.

But since the peak of uncertainty from the pandemic in Mar 2020, the dollar and gold reverted back to their normal inverse relationship.

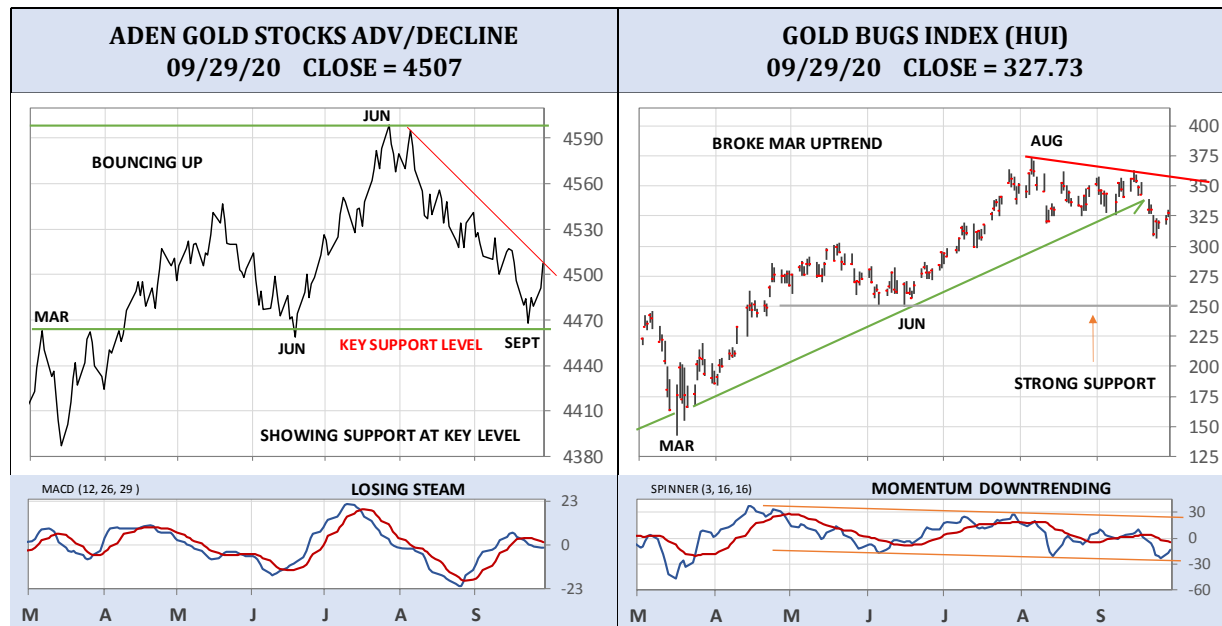
And that's likely to continue despite yesterday's price action.



This week gold broke below a descending triangle at \$1900, exposing weakness. You'll remember a descending triangle is a bearish continuation pattern. Yesterday's pull back to the break-down level (\$1900) is normal price (re)action. Gold will remain under pressure as long as it stays below the Aug downtrend (\$1960).

If gold fails to rise above \$1960, it'll continue showing weakness, suggesting a decline to the Jun lows near key support at \$1685 would be likely.

Keep a small exposure for now and allow for weakness. Be ready to buy more at lower levels, ideally near or below \$1700.



Downside pressure on gold miners remain. Our in-house gold miner A/D line, a leading indicator, fell all the way to the Jun low, a critical support.

HUI broke below the Mar uptrend. It's now positioned to fall to the Jun lows near 250. Hold on to your reduced positions in the miners and get ready to buy on deeper discounts in the weeks or months ahead.

Our open positions are holding up well.

NovaGold (NG) has been among the strongest since Aug. It's back to testing the highs at \$12 and it's on the brink of reaching the top side of the Dec up-channel near \$14.

Notice Spinner holding above the zero line, showing more upside is now likely.

We recently protected a 40% profit and we're holding a reduced





position during weakness. Keep your positions for now and wait for a decline below \$10 to buy again.

Hecla Mining (HL) fell further, almost reaching the Mar uptrend near \$4.50.

Spinner is bottoming at an extreme, suggesting the downside is limited. It's also suggesting the Mar uptrend is good with solid support for now.



Increase exposure. Buy some more below \$4.75.

Bonterra Resources (BTR.V) also fell further, breaking below the Mar uptrend, approaching support at CA\$1. Spinner is also falling, suggesting momentum is waning too.

I continue to hold a small position due to potential takeover value and its association with Kirkland Lake Gold (KL). Keep your positions.



Our newest position Black Rock Gold Corp (BRC.T) is holding at an uptrend since Jun near C\$.90. Spinner is starting to rise from an extreme low, showing momentum could be jump starting.

However, BRC.T remains under pressure as long as Spinner stays below zero. Wait for further weakness to buy more.

Although precious metals remain under pressure overall, silver could hold up better.

Better yet, silver could bounce up to the \$28 level ST.

Silver tested and held at the Mar uptrend and support.

We picked up some at \$23 last week and we're ready to buy more on further weakness below \$20.

The chart suggests silver could bounce up ST to the recent high area. Hold on to your positions for now.

Exposure to precious metals, including gold, silver and the handful of miners is at 20%. Let weakness develop further before committing more.

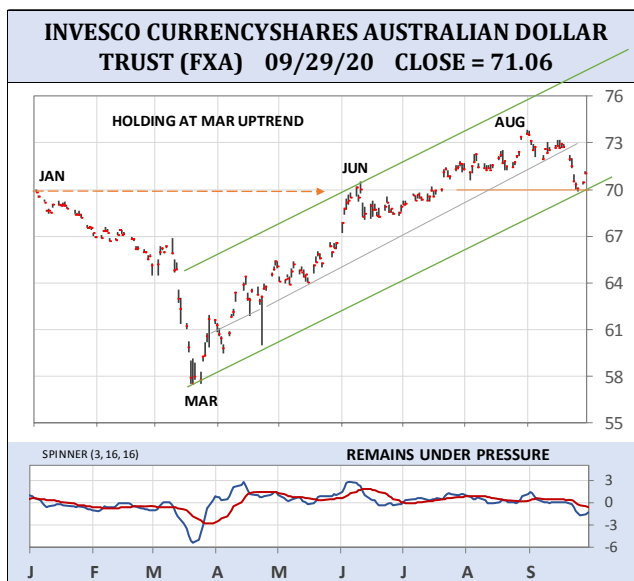
This includes a small position secured in DUST. It's an ETF that moves inversely to the HUI Index by a factor of 2 (In the alert sent out Friday I mentioned it's levered 3xs. Someone brought it to my attention and they're right; it doesn't really affect the strategy however).

DUST is a bit of insurance to offset any downside risk that may remain within the gold universe.

I've been taking advantage of dollar strength to buy other depressed assets and to diversify my cash position. Liquid cash, in different currencies, is still 50% of my total portfolio.

Both the Australian dollar and British Pound Sterling held at a key Mar uptrend and support level, and they're showing signs of a potential bounce up.





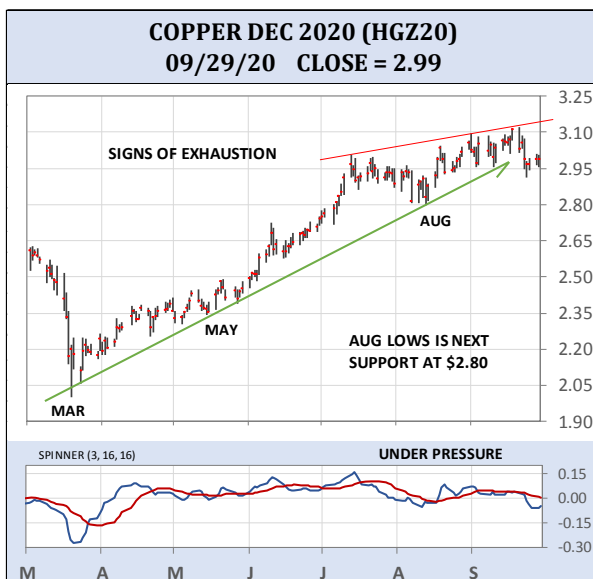
The ebb and flow of the currencies allows our cash position to maintain its purchasing power. Keep your cash position diversified.

Resources Sluggish

Resources remain under pressure. Crude oil fell today (despite dollar weakness) yet it remains above the adjusted Apr uptrend at \$38.

A break below this level would show further technical damage and a continued decline to the lower \$30 would be likely.

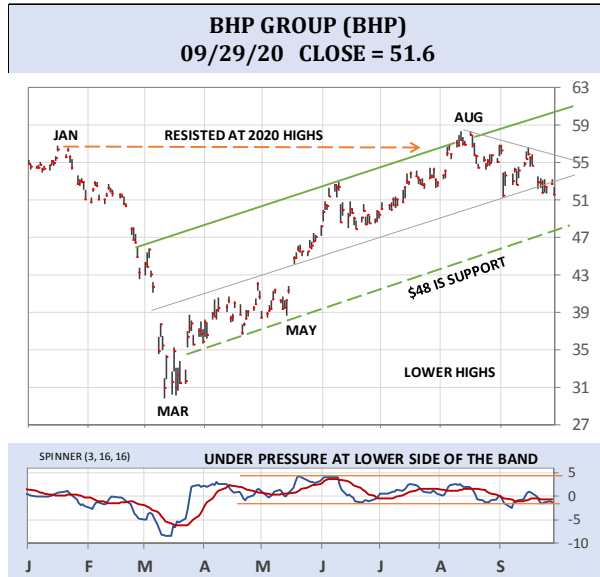
Copper broke below the bullish Mar uptrend and it's positioned for a down move, to possibly the Aug lows near \$2.80.



Spinner is under pressure below zero with increased downside risk.

BHP Group (BHP) continues to show lower highs, and lower lows...

The Mar uptrend is at \$48. Spinner is holding above the zero line showing momentum remains up.



However, any decline in copper is poised to weigh down on BHP particularly since its revenue has remained up given the increase in copper value.

We recently took profits and we're holding a reduced position (overweight to full position). I'm allowing for weakness and I'll be looking to buy more below \$50.

U.S. Equities Near Highs

U.S. Equities remain near the highs amid uncertainty over the U.S. Election. The averages are on the brink of confirming a Dow Theory Bull Market and tech stocks continue to fly high.

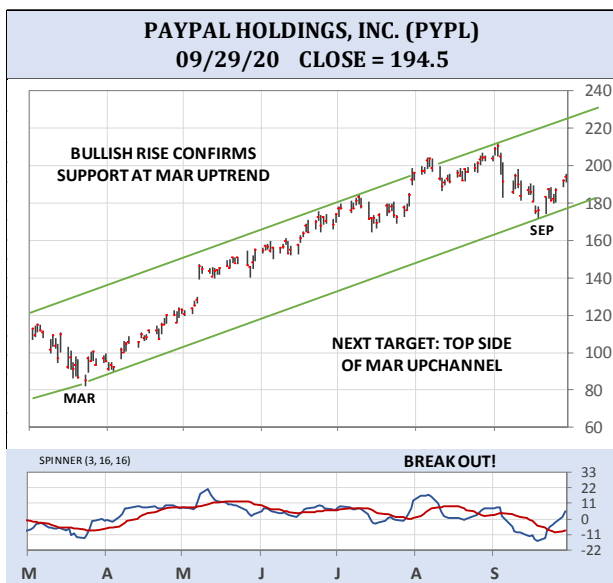
Utilities have been quiet, but they could have their day soon enough.

U.S. Equities are currently my largest exposure at 26% of my portfolio. But this is only because I'm still holding on to Citigroup (C), which I'm looking to sell on a bounce.

C seems to have found support at \$40 and it's bouncing up. I'm waiting for a rise above \$48 to unload. But we could sell sooner if rebounding strength peters out.

Our other positions are doing well.





We recently added PayPal (PYPL) at the low near \$183 before it took off.

Notice Spinner rising from an extreme overbought level. It took off after breaking above the MT MA.

PYPL is confirming support at the Mar uptrend, suggesting a rise to the top side of the channel is likely. Keep your positions.



Shopify (SHOP) is also showing impressive strength. It's holding well above the Mar uptrend showing strength.

Spinner is breaking out above zero, suggesting momentum is picking up steam.

If SHOP holds above the Mar uptrend, it could rise to the top side of the channel near \$1300. Keep your positions. Consider selling some then to protect profits.



We're also holding a full position in Walmart (WMT). The giant retailer is undergoing a massive change that could end up being the biggest growth story of the next few years.

The fundamentals are there and so is price stability. As shown recently, WMT has strong multi-year support near \$115 (not shown) with a growth story that could see it rise six fold.

We've been buying near a low since Mar.

Keep your positions.

We also have exposure to SPXL, an ETF that follows price action in the S&P 500 by a factor of 3.

Last week, it broke below our stop at \$48. A bear trap that we avoided by holding on to our position, as per the alert of last Friday.



SPXL bounced back above \$50, confirming the adjusted Mar uptrend with upside potential to possibly \$66 ST. Notice Spinner was below zero, but it's now showing momentum picking up. Keep your positions.



I'm also short long term U.S. government bonds, betting that long term rates will rise.

TBT has been our vehicle and it continues to hold above the recent lows at \$14.50. Keep your positions as long as TBT holds above the recent lows. Watch for a break above \$18 to show signs of renewed strength.

Quarterly Review

The end of yet another quarter is upon us.

It seems as if the second quarter of calendar 2020 was just over. Living in times of Covid -19 has had challenges of its own, but mostly it's provided opportunities for those who have held strong cash positions.

This past quarter 43% of the positions we closed were in precious metals, averaging gains of 59% in the third quarter alone. Making up that 59% are a couple of trades that gave us triple digit returns (HL and silver most noticeably).

We've been slowly buying back on weakness.

Resources represented 37% of our trades. Great profits in BHP and n crude oil were offset by losses in Exxon (XOM). Total return within resources was a -2.5%. We're still holding a full position in BHP with handsome profits built in.

Although performance was lackluster, it allowed us to unload a big position in XOM.

Other U.S. Equities represented the smaller portion, a 20% of our closed positions. We made good trades with Broadcom (AVGO) but lost some with JETS and TBT, zeroing out.

Although performance in stocks was not the best in terms or turnaround profit, it has been amazing for positioning. It has allowed us to secure positions at great levels. Many of these positions, which have built in profits, are poised to rise further.

A big chunk of our portfolio is in liquid cash. We've moved to diversify it further to counter purchasing power erosion while we wait for great opportunities to buy.

Overall performance from our closed positions is a +24% for the quarter (+72% annualized). This doesn't include income from dividends or from overnight cash instruments. It doesn't include the cost of trades either.

I believe our strategy has been and continues to be in the right place, allowing us to benefit from hikes in prices.

Our strategy this week is to allow weakness in the dollar to play out. Be observant to see if key resistance (95) or support (92) levels are broken. It could influence the overall direction of our investment in the months ahead.

KEY PRICES			
Name/Symbol	Sep 29,20 Price	Change	Sep 22,20 Price
Gold (GCZ20)	1903.20	-4.40	1907.60
Silver (SIZ20)	24.45	-0.08	24.52
HUI (HUI)	327.73	-3.42	331.15
Copper (HGZ20)	2.99	-0.07	3.06
Crude Oil (CLX20)	39.29	-0.51	39.80
S&P500	3335.47	19.90	3315.57
U.S.Dollar (DXZ20)	93.93	-0.09	94.02
30 Year T-Bond (ZBZ20)	177.22	0.53	176.69
10 Year T-Note Yield	0.645	-0.019	0.664
13-week Treasury Bill	0.085	-0.003	0.088

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						
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 (GCZ20)	I'm holding a small position. Some may have bot during last week's weakness. Let's wait for a further decline to \$1700 to buy more.	L	Bot: 1485 (Mar-18-20). Sold via alert for 35% gain (Aug-11-20). Bot 1900 (Sept-21-20)	1903.20	2dc below \$1600	2100 & 3000
PHYS	Stay out for now.	L	11.75 (Mar-18-19). Sold via alert for 35% gain (Aug-11-20). 15.20 (Sept-21-20)	15.12	2dc below \$11.20	-
SILVER (SIZ20)	Picked up some at \$23 and have full position. Would buy more on further weakness that holds above \$19. Silver's next likely target is at Aug downtrend near \$28.	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). \$23 (Sept 23-20) (AVG: \$19).	24.445	2dc below \$19	28 (new) 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.	8.74	2dc below \$5.25	-
HUI Index	Holding reduced positions in mining shares. Will buy more on further weakness. Bot some DUST to counter downside risk.	--	-	327.73	-	-
DUST	Bought a bit to counter downside risk in gold universe.	L	19.4 (Sept 28, 20).	18.79	2dc below 16.20	35
HL	Holding reduced position. Buy some below \$4.75.	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).	5.07	2dc below \$4	8
NG	Holding reduced position after protecting some profits. Waiting for weakness below \$10 to buy more.	L	8.30 (Jul-15-20), 8.70 (Jul-22-20), 8.99 (Aug-7-20) (AVG: 8.65). Sold half for 40% gain (Sept 18-2020).	11.81	2dc below 8.	12 (reached, again!)
BTR.V	Keep your positions during weakness. Allow leeway.	L	1.32 (Jul-23-20).	1.12	2dc below \$1	\$2.20 & \$3
BRC.V	Keep your positions. Wait for further weakness to buy a bit more, ideally below CA\$0.75.	L	1.10 (Sept, 21- 20)	0.92	2dc below 0.40	2 & 4

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 (50%)						
U.S. DOLLAR (DXZ20)	Resisting at Mar downtrend at 95 showing weakness. If dollar Index stays below 95, weakness could develop further, spurring broad asset inflation. If dollar breaks-out above 95, it could suggest tightening deflationary pressures and a decline in most asset classes. Keep the majority of your cash in U.S. dollars. We've been diversifying on dollar strength.		-	93.93	-	-
FXB	Keep cash reserves liquid and diversified. BPS is looking good above the Mar uptrend.		-	124.32	-	-
FXA	Keep cash reserves liquid and diversified. The Aussie is showing support at 0.70. a previous resistance level. More upside is now likely.		-	71.06	-	-
RESOURCES AND ENERGY (4%)						
Crude (CLX20)	Under pressure below Mar downtrend at \$43. Support at \$38 is growing...	O	35 (Jun-15-20), 42 (Aug-12-20) (AVG: \$38.50). Sold all at \$41.20 (Sept-2020) for 8% gain.	39.29	-	-
COPPER (HGZ20)	Broke below Mar uptrend showing weakness. Next key support is Aug lows near \$2.80. This means more weakness in resources is likely ST.	O	-	2.9900	-	-
BHP	Vulnerable. Keep reduced position during weakness. Buy again on further weakness near \$48.	L	54.75 (Jan-15-20), 52.50 (Jan-30-20), 43 (Mar-5-20), 31.50 (Mar-18-20) (AVG: 45.40). Sold half per alert at \$53.50 protecting 18%+ gain (Sept-8-20).	51.60	2dc below \$47	\$64 & \$72
MELT UP RISE PORTFOLIO (26%)						
C	Showing support at May lows near \$40. Waiting for rebound above \$48 to unload.	L	73.75 (Nov-20-19), 40 (Mar-25-20), 50 (May-27-20), 50 (Jul-1-20) (AVG: \$55).	42.42	2dc below \$48.	\$65 & \$85
WMT	Bullish above Mar uptrend near \$130. Keep your positions.	L	130 (Aug-26-20), 136 (Sept-18-20).	137.14	2dc below 115.	300 & 600
SPXL	Holding at support level. Keep your positions for now.	L	53 (Aug-11-20), 54 (Aug-12-20) (AVG: 53.50).	51.46	2dc below 45	75
SHOP	Overweight. Keep as long as it holds above 800. Consider selling half at first profit target... Getting closer.	L	930 (Jul-16-20), 900 (Jul-24-20), 875 (Sept-18-20), (AVG: 900)	1025.70	2dc below \$800.	1300 & 1800
TBT	Holding small position. Keep as long TBT holds above support at \$14.50.	L	15.40 (Aug-12-20).	15.41	2dc below 14.50	\$18 & \$26
PYPL	Bought last week. Would buy more on weakness. Keep as long as PYPL holds above \$160.	L	183 (Sept 23-20).	194.50	2dc below 160	230 & 300

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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	
	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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