



# -GCRU-

## Weekly Trading Strategies



Achieves gains by trading commodities, currencies and stocks

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October 12<sup>th</sup>, 2022

IN ITS 21<sup>st</sup> YEAR – Nº 1009

### \*\*\* SPECIAL WEEK ISSUE \*\*\*

Dear Members:

This week I'll be attending the New Orleans Conference as a guest speaker. I'll be sharing with the audience there some of the macro-economic views that we have analyzed and discussed. It will also be a good moment to see what others are doing and how they're reacting to current market conditions, particularly as it pertains to gold. I will provide a detailed synopsis of the event next week.

I've also received messages from many of you that will be attending the conference in New Orleans. I'll be looking forward to seeing you and talking about the markets. If you haven't reached out, but you are coming, please do so. I'd enjoy chatting with you.

My email: [oayales@adenforecast.com](mailto:oayales@adenforecast.com).

I'll also be sending out the presentation that I've prepared for Friday with approximately 20 macro-economic charts supporting my thesis.

Since I'm out of the office, I will not be able to send out a full issue this week as normal. In this week's issue, I'll cover the macro views that are currently defining markets and will review our positions and trading action for the week. There won't be charts in this issue since you'll be receiving a full slate of awesome charts on Friday.

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“Wealth consists not in having great possessions, but in having few wants” - Epictetus

# THE ROLLER COASTER CONTINUES

## ASSET VALUATIONS TUMBLE; MORE DOWNSIDE IS LIKELY

### MONETARY POLICY TO KEEP PROPPING THE U.S. DOLLAR AS A WAY TO KILL INFLATION INSIDE THE U.S.

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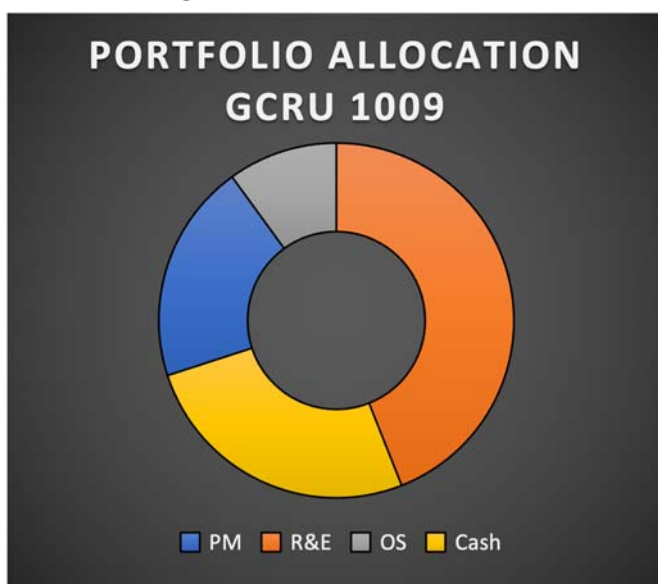
**P**ersistent volatility and inflation continued to fuel market action this past week. The optimism that had seeped into equities and commodities given speculation that inflation could be turning the corner, allowing the Fed to ease on its rate hike cycle, got shut down as economic data continues to be supportive of tighter monetary policy.

As stated in other issues, tighter monetary policy will continue being supportive of the U.S. dollar index. The strength and influence of the U.S. economy, particularly when compared to its peers, continues to drive demand for U.S. dollars worldwide. Demand for the greenback continues to grow at a time when its supply is shrinking.

And the Federal Reserve knows it... Not only that, but it has also incorporated dollar strength into its economic model to try and tame inflation locally, within the U.S. The reason is the stronger dollar could also allow U.S. consumers to buy foreign products cheaper than

American made products. The reduction in cost from buying certain foreign goods and services that are cheaper than their American counterparts could help ease inflationary pressures.

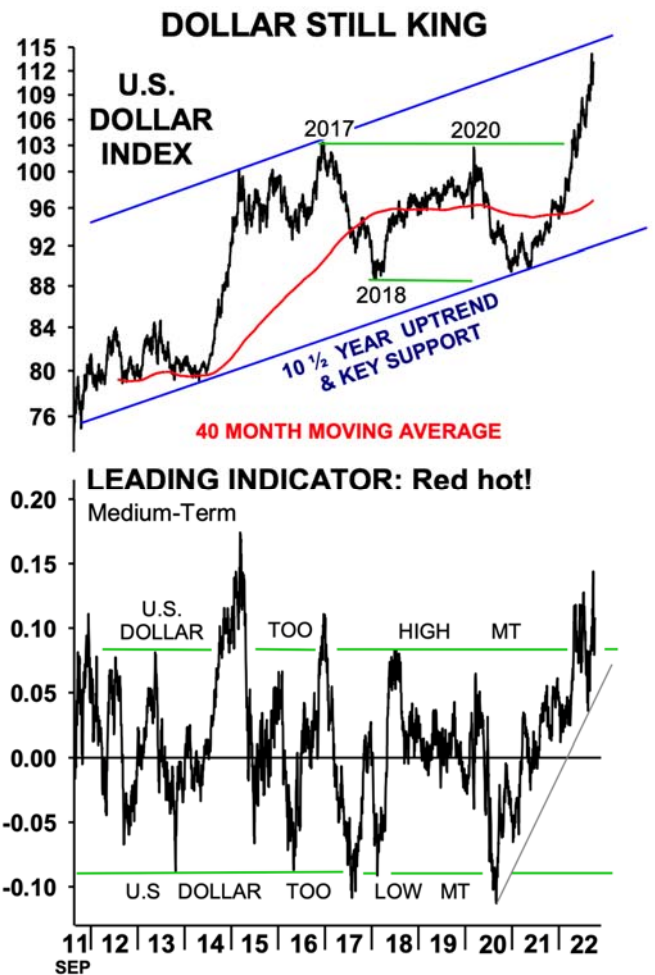
A stronger dollar longer term, however, could be negative for the U.S. economy as foreign buyers of American made goods and services could shift to goods and services offered in other countries, priced in other currencies that remain cheaper than the U.S. dollar.



Plus, the more local Americans get used to buying foreign goods and services cheaper, the harder it'll become to change their consumer trends that could eventually hurt industrial production in the U.S.

As I mentioned recently, consider that 30% of revenues for S&P 500 companies are from foreign consumers alone. A change in consumer trends given the stronger dollar could continue pushing the U.S. stock market to even lower levels.

The U.S. dollar index had pulled back from the recent highs near 115, when optimism about a rebound in equities and commodities was high. However, the dollar has held above its bullish support at 109 (Feb 2022 uptrend) and it has bounced up, showing it could be resuming its bullish rise. A break above 115 now would open the door to higher highs, a stronger dollar for longer.



We also saw the Silver to Gold ratio showing sentiment has been favoring gold for a while, but their relationship is reaching a historical extreme, suggesting silver could start to outperform gold moving forward.

Last week, we bought more resources, particularly in uranium, natural gas and silver (NXE, URG, AR & silver). Resources and particularly energy is currently our largest position representing about 44% of total portfolio.

As shown last week, resources and energy overall seem to have reached a low area, particularly against precious metals and they could be getting ready for a stronger rebound. Exposure to precious metals remains near 20% of total portfolio. Exposure to other stocks has been reduced even more with the sale of Hewlett Packard Enterprises (HPE) and OGE Energy (OGE). We will also unload Broadcom (AVGO) and we'll be buying another full position in SDS, the inverse ETF to the S&P 500 by a factor of 2x. Our short should be approximately 10% of total portfolio and the only asset within 'Other Stocks', together with Lockheed Martin (LMT), a haven in itself. Cash remains in U.S. dollars exclusively and represents 26% of total portfolio.

Below you'll see an updated trader sheet, with commentary on price action for each of our positions and new recommendations.

Good luck and good trading,



Omar Ayales  
Chief Market Strategist  
Gold Charts R Us

<b>KEY PRICES</b>			
<b>Name/Symbol</b>	<b>Oct 11,22 Price</b>	<b>Change</b>	<b>Oct 04,22 Price</b>
Gold (GCZ22)	<b>1686.00</b>	-44.50	<b>1730.50</b>
Silver (SIZ22)	<b>19.49</b>	-1.61	<b>21.10</b>
HUI (HUI)	<b>192.35</b>	-15.94	<b>208.29</b>
Copper (HGZ22)	<b>3.46</b>	-0.03	<b>3.49</b>
Crude Oil (CLX22)	<b>89.35</b>	2.83	<b>86.52</b>
S&P500	<b>3588.84</b>	-202.21	<b>3791.05</b>
U.S.Dollar (DXZ22)	<b>113.13</b>	3.15	<b>109.98</b>
30 Year T-Bond (ZBZ22)	<b>124.66</b>	-4.00	<b>128.66</b>
10 Year T-Note Yield	<b>3.939</b>	0.322	<b>3.617</b>
13-week Treasury Bill	<b>3.340</b>	0.025	<b>3.315</b>

## TRADER SHEET

Symbol	Trade Update &/or Current Position	Status B=Buy S=Sell O=Out H=Hold	Long or Short	Last Closing Price	Stops	Targets
<b>PRECIOUS METALS PORTFOLIO (20%)</b>						
<b>GOLD (GCZ22)</b>	Overweight. Gold failed to surpass key resistance at \$1750, falling back to the support level at \$1675. A clear break below this level once again, could push gold lower, extending the bearish decline. Keep your positions for now.	H	\$1900 (Sept-21-20), \$1880 (Dec-23-20); \$1775 (Feb-17-21), \$1865 (May-25-21). Sold some at \$1900 for small gain. Bot: \$1795 (Jul-8-21) AVG: \$1840.	<b>1686.00</b>	Holding For Now	ST: \$2100 & MT: \$3000
<b>PHYS</b>	Alternative to trading gold in commodity markets.	H	\$15.20 (Sept-21-20), \$15.15 (Dec-23-20), \$14.23 (Feb-17-21), \$14.90 (May-25-21), Sold some at \$15.20 for small gain. Bot \$14.25 (Jul-8-21) AVG: \$14.80.	<b>12.93</b>	2dc below \$11.20	-
<b>SILVER (SIZ22)</b>	Holding a full position position after buying some last week. Silver is showing strong signs of resistance below the Mar downtrend near \$23. It's now falling back below \$20, testing an uptrend since Sept, currently near \$19. A break below this level could add to downside pressure. Remember silver is poised to outperform gold. Keep your positions.	H	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). Sold half at \$18 for 17% gain (Jun-22); Sold more at \$26 for a 70% gain (Aug-4-20). Bot: \$23 (Sept 23-20), \$25.50 (Dec-22-20). Sold some at \$24.25 (Mar-31-21) for average 14% gain. Bot: \$27.50 (May-21-21), \$23.95 (Oct-29-21). Sold half at \$19.20 for 17% loss. 20.25 (Oct-5-22). AVG position: \$21.70.	<b>19.487</b>	Hold for now.	ST: \$30, MT: \$50
<b>PSLV</b>	Alternative to trading silver in commodity markets.	H	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. Sold more at 9.50 for 70% gain (Aug-4-20). 8.20 (Sept-23-20), 8.87 (Dec-22-20). Sols some at \$8.75 (Mar-31-21) for average 14% gain. Bot 9.99 (May-21-21), 8.35 (Oct-29-21). Sold half at 6.40 for 17% loss. 6.95 (Oct-5-22) AVG:\$ 7.50	<b>7.23</b>	2dc below \$5.25	-
<b>AEM</b>	Holding a reduced position. AEM resisted below the top side of a 3+ month sideways band at \$47 It's now pulling back, and it could retest the bottom side of the band near \$38. A clear break below this level would be bearish.	H	\$49 (Feb-9-22). Sold some at \$61.50 (Mar-17-22) for 26% gain! Bot \$52.75 (Jun-1-22); Sold more at \$43 for 15% loss. Sold more at \$40 for loss. AVG: \$50.88	<b>41.49</b>	Hold during weakness.	\$80
<b>HL</b>	Holding reduced position. Testing resistance at the Jun downtrend near \$4.50. A break above \$4.75 could open the door to a continued upmove. But, if HL fails to break above the current resistance level, it could fall back, to possibly re-test the \$4 support. Keep your positions during weakness.	H	\$5.90 (Dec-22-20), \$5.90 (Jan-7-21), \$5.45 (Jan-20-21). Sold half at \$9 for 56% gain (Jun-9-21), \$7 (Jul-8-21), \$5.80 (Oct-29-21), \$4.50 (May-18-22). Sold half at \$4 for 30% loss. AVG: \$5.75.	<b>4.38</b>	Hold during weakness.	ST: \$9.50 & MT: \$12
<b>DUST</b>	Out. Buy some below \$22.	O, B	\$29.25 (Sep-26-22). Sold at \$25.75 for a loss.	<b>24.93</b>	2dc below \$26.	ST: \$50 & MT: \$50
<b>CASH &amp; TREASURIES (26%)</b>						
<b>U.S. DOLLAR (DXZ22)</b>	The dollar index consolidated near the highs this week, and it remains very strong above 109, the Feb uptrend. If it breaks and stays above 115, the super strength will continue and it could possibly test the record highs. Much depends on interest rates and the Fed seems set to raise the Fed funds rate again in December. This would keep the dollar strong.	H	-	<b>113.13</b>	-	-

## TRADER SHEET CONTINUED

Symbol	Trade Update &/or Current Position	Status B=Buy S=Sell O=Out H=Hold	Long or Short	Last Closing Price	Stops	Targets
<b>INDUSTRIAL METALS AND ENERGY (44%)</b>						
<b>IVN.TO IVPAF.O TC</b>	Holding reduced position. Showing resistance below the top side of the Jul upchannel. It's now pulling back, approaching key support at Jul uptrend near \$8. Still waiting for more weakness to buy.	H, B	\$9.90 (Nov-17-21). Sold at \$12.05 (Jan-18-22) for 21% gain. \$10.50 (Mar-16-22), \$9.95 (May-18-22), \$8 (Jun-22-22). Sold half at \$8.50 for loss. AVG: \$9.48.	<b>8.78</b>	2dc below \$8.	\$13 (ATUSF: \$10.50).
<b>ALS.TO &amp; ATUSF.O TC</b>	Overweight. Pulling back after breaking above the Apr downtrend. ALS could retest the Jul uptrend & support just below \$18. Wait for more weakness to buy more positions.	H, B	Bot: \$16.75 (Jun-28-21), \$16 (Aug-18-21), \$16.15 (Oct-18-21). Sold half at \$21 to protect 30% gain. Bot: \$18.25 (May-12-22). Sold some near \$18.10 for small gain. AVG: CA\$16.75.	<b>18.73</b>	Keep through weakness	\$30 (ATUSF: \$28).
<b>NXE</b>	Overweight. Bot a bit more below \$4. NXE is re-testing support at the critical \$3.50 level. A break below would be bearish. NXE must hold above support and rise above the Apr downtrend near \$4.50 to show signs of renewed strength. Keep your positions.	H	Bought: \$3.25 (Mar-10-21), \$3.77 (Apr-14-21). Sold half for 48% gain! Bot: \$3.85 (Jul-21-21), \$4.10 (Aug-25-21). Sold some at \$5.80 for 55% gain! Bot: \$4.90 (Nov-24-21). Sold some at \$5.65 for 33% gain (Mar-31-22). Bot: \$3.90 (May -12-22). \$3.95 (Oct-22) AVG: \$4.	<b>3.63</b>	Sell half on break below \$3.50.	ST: \$7 & MT: \$10.
<b>URC.V &amp; UROY</b>	Overweight. Re-testing support at \$3. Must hold above this level and rise above ST resistance at \$4 to show renewed strength. Keep your positions for now.	H	\$3 (Aug-18-21), \$3.10 (Aug-26-21). Sold half at \$6.30 for 105% gain! Bot: \$5.75 (Oct-15-21), \$5.65 (Oct-29-21). Sold excess at CA\$6.50 for 48% gain! Bot: CA\$4.90 (Dec-3-21), \$3.62 (May-11-22). AVG: CA\$4.40.	<b>3.05</b>	Holding during weakness.	ST: \$7, MT: \$10 (UROY: ST: \$5.70 & MT: \$8).
<b>URG</b>	Overweight. Bot some more last week. Pulling back after bouncing up from key support level. URG will continue to look good as long as it holds above the critical support at \$1. Must rise above \$1.60 to show renewed strength. A break below \$1, conversely, would be extremely bearish. Keep your positions for now.	H	Bot: \$1.90 (Nov-10-21), \$1.45 (Nov-30-21), \$1.30 (Dec-22-21), \$1.15 (May-11-22), \$1.18 (Oct-5-22) AVG: \$1.39.	<b>1.10</b>	Holding during weakness.	ST \$2.10; MT: \$2.60
<b>FCX</b>	Holding a full position. Testing the Apr downtrend showing signs of strength. However, FCX continues to struggle to build upside momentum, as it keeps getting hit when it approaches resistance at \$32.50. Keep your positions for now.	H	Bot: \$39.25 (Jun-1-22), \$34 (Jun-20-22). AVG: \$36.60.	<b>29.19</b>	\$25	ST: \$50; MT: \$80
<b>CTRA</b>	Holding a reduced position. Bounced up from key support at Aug 2021 uptrend, but showing resistance below Jun 2022 downtrend near \$30. Must break above this level to show signs of renewed strength. If not, it, could fall back to re-test support at \$25. Keep your reduced position through weakness.	H	\$26.50 (Jun-22-22), \$26.75 (Jun-30-22). Sold some at \$26.75 for small gain. AVG: \$26.60.	<b>28.81</b>	Keep your positions.	\$37
<b>AR</b>	Overweight after buying more last week. Confirming support above the Jul lows near \$29. Could now rise to its resistance at the Jun downtrend near \$43. Keep your positions.	H	\$30.75 (Jul-13-22), \$35 (Aug-5-22), \$32.50 (Oct-5-22); AVG: \$32.5.	<b>33.65</b>	Hold through some weakness.	ST: \$47; MT: \$60
<b>MELT UP RISE PORTFOLIO (10%)</b>						
<b>SDS</b>	Holding full position. Bouncing up from the Aug uptrend, testing the Jun/Sept highs near \$54 showing impressive strength. A break above this level and it's off to the races. Buy another full position below \$52.50.	B	\$51.50 (Sep-26-22).	<b>54.11</b>	2dc below \$46	-
<b>LMT</b>	Holding full position. Bouncing up from key support level, looking good. Could now rise further. Buy a bit more below \$400.	H	\$415 (Mar-16-22), \$430 (May-12-22). AVG: \$422.50.	<b>410.92</b>	2dc below \$400.	\$600
<b>AVGO</b>	Holding small position. Breaking below support at \$450. Sell at mkt for small loss on a small position.	H	\$505 (Jul-20-22).	<b>430.76</b>	2dc below \$450	6 \$600

## Trading Strategy

GCRU Trading is all about achieving profits by trading stocks, commodities and bonds. We have a diversified approach using companies with great fundamentals offering great value compared to the broader market. Trades are driven mainly by technical analysis but stocks are picked based on their fundamentals, momentum and their overall strength in their sector. All recommended companies are great assets, and even though we trade short and intermediate trends, they are worthwhile keeping longer term if you're building a longer-term portfolio.

I also believe in an approach that allows us to average in and average out. This is important because averaging in near a low, and averaging out near a peak gives us great profit advantages.

My portfolio is designed for you to follow it down to the penny, but you can also use it as a reference or guide. Or you can just use the individual trades I'm constantly coming up with.

The track record I keep takes into account all of the trades executed. It doesn't take into account performance on cash, dividends nor does it contemplate associated fees or expenses.

For trading purposes, I consider a full position to be one that is 4% of my total portfolio. I tend to buy partial positions (consisting of 2% of total portfolio) and at any given moment I could be overweight, meaning owning more than a full position.

On the trader sheets found in the final pages of each issue, you'll see a reference to our positioning, be it overweight, full, reduced or small. I also include next to each portfolio section, the percentage allocated to that particular sub portfolio.

Transparency, communication and discipline are keys to successful trading. If you have any questions or concerns, please feel free to email me at [oayales@adenforecast.com](mailto:oayales@adenforecast.com).

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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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