



-GCRU-

Weekly Trading Service



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

April 3rd, 2019

IN ITS 18th YEAR – Nº 829

BULLISH DOW THEORY CONFIRMATION TRIGGERED... HOW BULLISH ARE YOU?

CRUDE OIL APPROACHING TARGET. GETTING READY TO PROTECT PROFITS

GOLD DOWN, BUT NOT OUT!

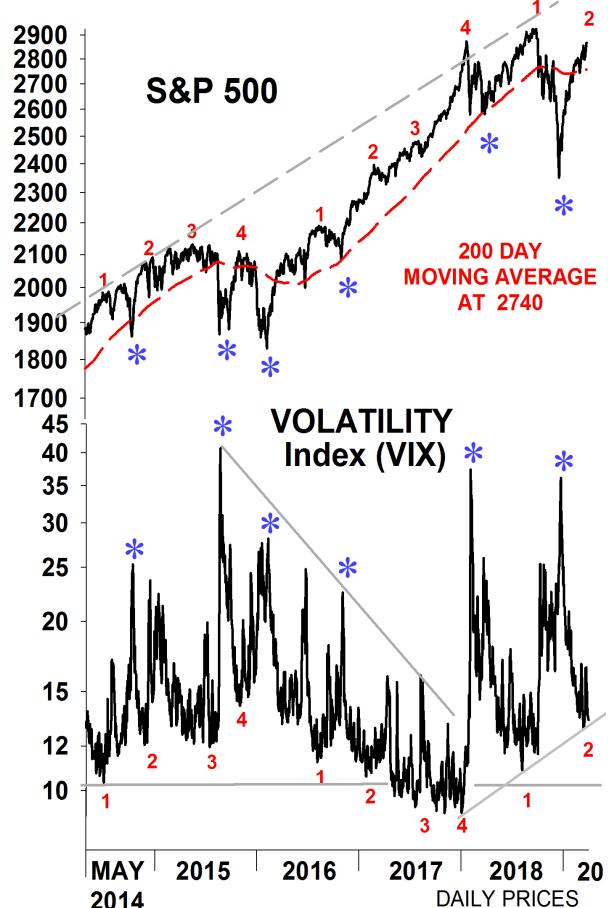
High hopes for a new China Deal pushed stocks higher. The Industrials and the Transports both closed above their Feb highs, officially triggering a Dow Theory Bull Mkt confirmation. But I remain skeptical of its ongoing potential...

First of all, the Dow Theory confirmation was a weak one. And that's because the Transports didn't rise convincingly above the Feb highs. It's showing resistance at that level. If the Transports fail to show renewed strength by rising clearly above this level, they could fall, and take the Industrials down with it, triggering a non confirmation. A bearish indication.

“When reward is at its pinnacle,
risk is near at hand.”

—Jack Bogle

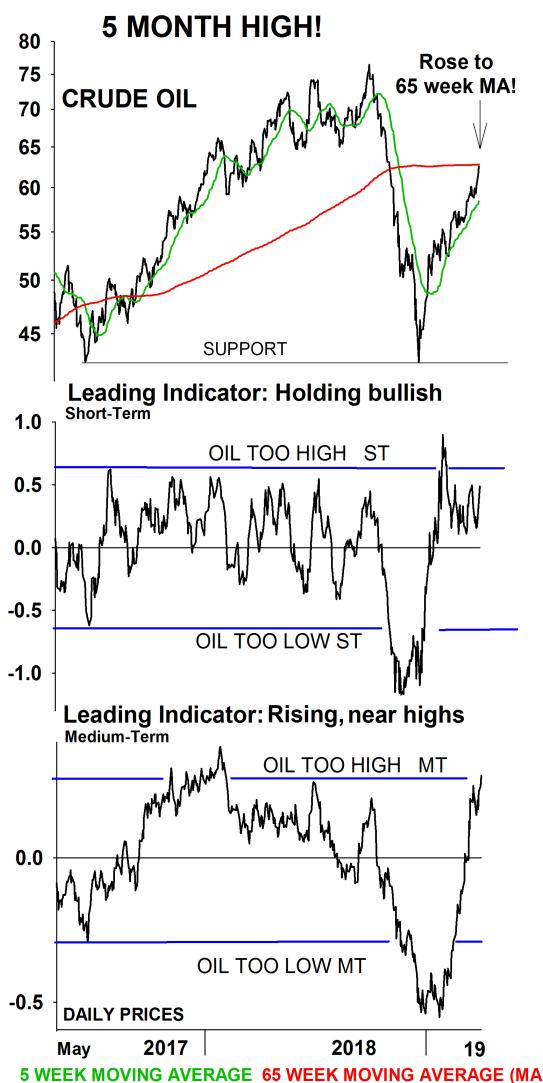
VIX: TELLING A STORY



Moreover, the Volatility Index (VIX), a proxy for stock market weakness is up-trending. This means volatility is low currently but on a steady pace up. This could mean resistance at current levels is strong and a pull back or downtime is now likely.

I continue to believe a slowdown in earnings growth is the main driver of stocks in the foreseeable future. Dow Theory or not, I would like to see both Averages rise to new highs, confirming a renewed bull mkt before buying. Otherwise, the upside potential is just not there for the risk.

Notice the S&P on the chart. The pattern seems more like a top than it does bullish. The S&P 500 would have to rise to new highs to show a significant technical change that triggers a trend reversal.



Moreover, notice at price action in crude oil on the chart below.

The rebound rise from the recent lows near \$40 has been astonishing. And it has moved in tandem with stocks. They both have been moving together as we had showed recently.

But notice crude is now testing its 65wk MA. A key resistance level. Coincidentally, crude is testing the resistance as its indicators approach extreme overbought levels suggesting limited upside ST.

Crude is just a stone's throw away from our second profit target near \$66. And although many are predicting \$70 oil in our near future, that might be a little far fetched, for now.

I recommend selling the rest of your position into strength. Don't go out there and unload it tomorrow.

Be watchful. I recommend unloading above \$63.50 to protect a 17%+ gain on the second half of your position.



A rising U.S. dollar should also be taken into consideration. The recent rebound rise is gaining strength and showing legs. The dollar is at the brink of a new high for the move. Spinner is showing strength.

A stronger dollar will likely put downside pressure on oil.

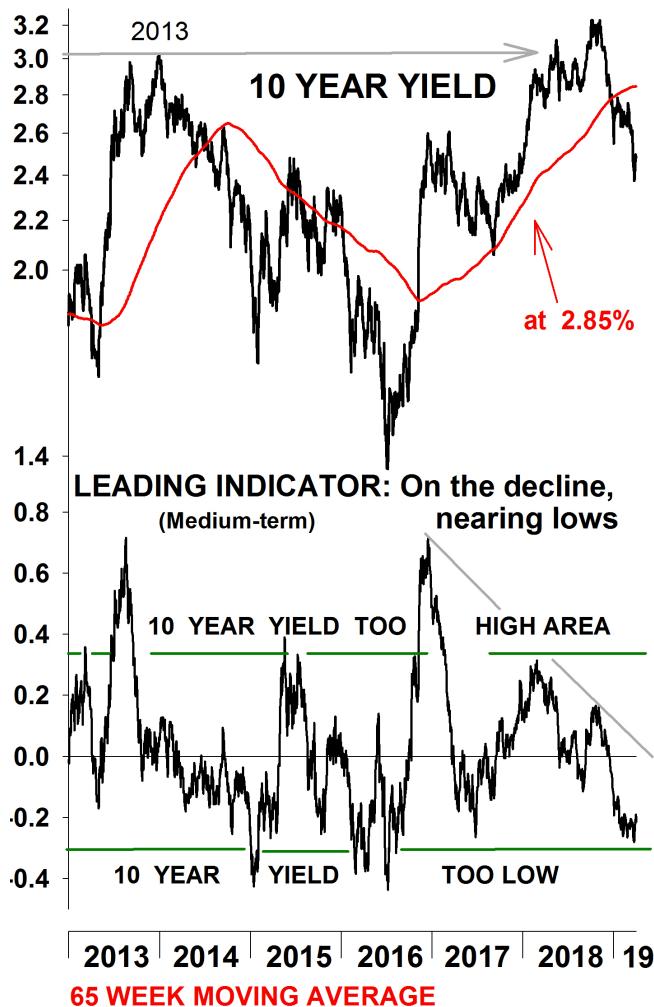
Another telltale sign of upcoming weakness are interest rates. Yes they're down, but not out, and now interest rates could start forming a bottom and start edging higher ST.

Notice the next chart shows the yield on the U.S. 10 year T-note. Remember recently we showed how interest rates were decoupled from crude oil and the stock market as rates recently fell when stocks and oil rebounded.

Notice the 10 year yield's leading indicator. It's near a bottom suggesting the downside is becoming over-extended. This could suggest we could see an intermediate bottom soon and rates move higher temporarily.

Could this mean inflation expectations could start pushing longer rates higher?

HIT 16 MONTH LOW!

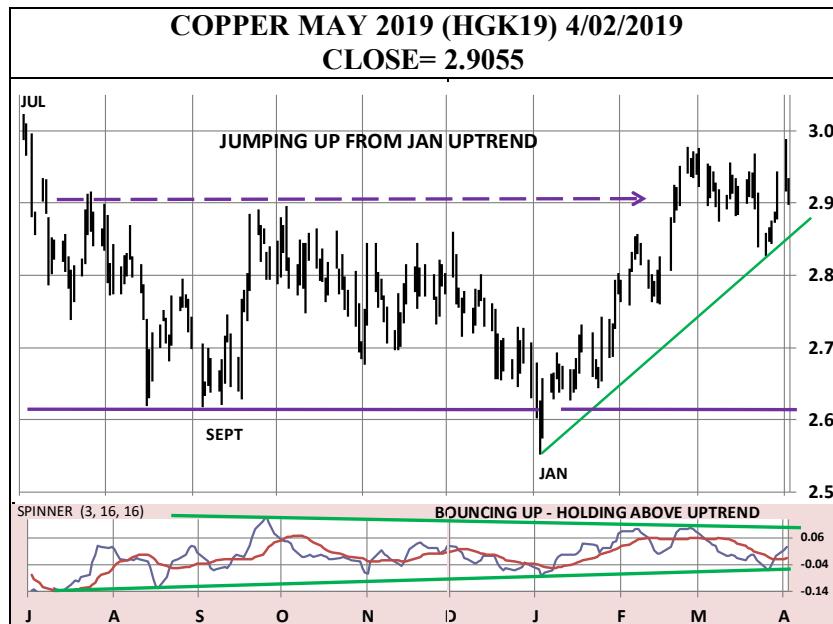


If they do, rising rates could put pressure on stocks and crude alike ST.

The surge in energy did pull resources up with it. Copper jumped up erasing recent losses. The new decline has helped form a new uptrend since Jan showing support near \$2.85.

If copper stays above this level, it could continue edging higher. We continue having a full position and are waiting for a continued rebound rise to our profit targets to start unloading and taking profits.

Notice Copper's Spinner breaking above its MT MA turning on the heat. Spinner is looking ready for more upside.



Keep your positions for now.

Resource companies have been among the best performers. Most major companies from Freeport McMoran to BHP Billiton, to our own Caterpillar (CAT) have been moving up with strength.

CAT is back to the recent highs. It's back above 140 and Spinner is looking ready for more upside. A break above the top side of the Oct up channel would show CAT moving into a stronger phase.



We continue to hold half of our positions since late last year and are ready to sell all at our next profit target.

And although gold and gold shares took a bit of a beating this week, they remain my favorite.

Gold has not only been the strongest relative to world currencies as shown in recent issues, but it's also rising in a environment where the U.S. dollar is also rising. Something not very typical.

In short, gold is holding up strong.

Mind you, gold's 'B' decline continues to develop and more downside is likely ST. Notice gold's Spinner on the chart below. It's breaking below zero just as gold breaks the Nov uptrend suggesting the rise since Nov could be over.



Keep in mind, however, gold's stronger and more relevant support is the Aug uptrend near \$1250. This level is also near our stop coincidentally. Don't be alarmed if the current 'B' decline pushes gold to this support. If it does fall to this level, buy.

Considering the surrounding environment, it's unlikely gold's uptrend since Aug gets derailed. If it does, we'll be looking to sell or reduce our positions even more.

But for now, keep your positions. We'll wait for more weakness before adding to them.

One that keeps me scratching my head is silver... It broke below the Nov uptrend too, but it's looking weaker than gold. Silver is hovering above its support at \$15.



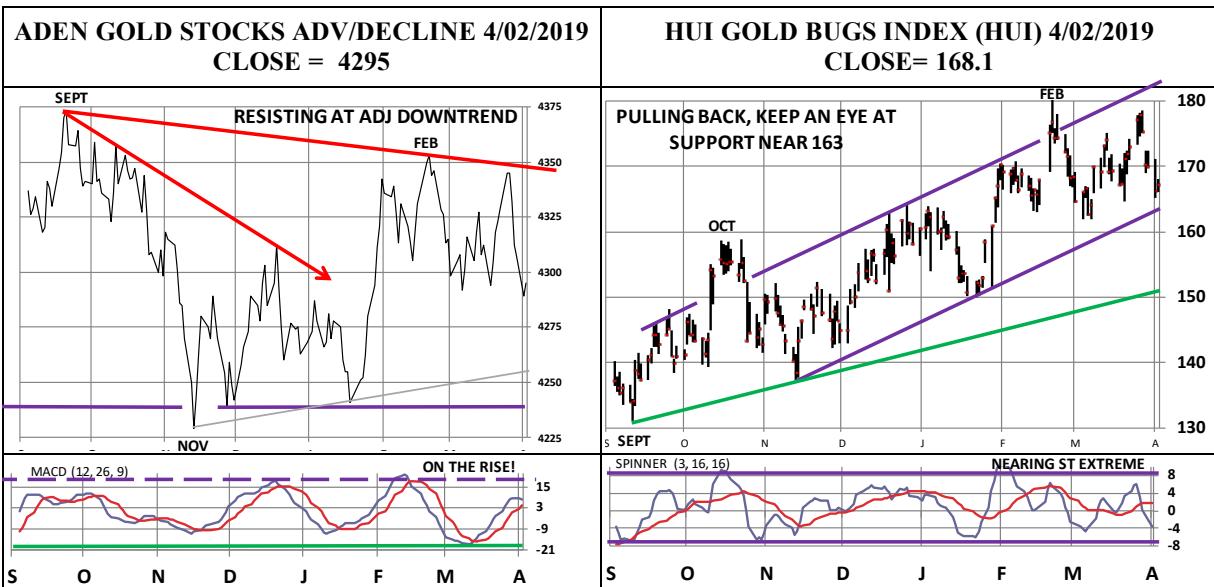
Interestingly, the rise in resources hasn't given silver a boost. It's flirting with our stop. We'll monitor it closely.

Gold shares continue to look good. They've pulled back from the highs and have fallen to new lows for the move. And if gold's 'B' decline picks up the pace, the decline could be extended.

However, they offer the best potential moving forward.

Notice the chart of HUI together with our in-house A/D Line. The A/D Line is clearly showing resistance after the recent upsurge since Nov. But HUI is also showing a solid uptrend since Aug near 160.

If HUI holds above this level, it'll confirm strength and more upside potential would then be likely. We want to have full positions in gold shares to fully capture gold's 'C' rise when it comes.



Our individual positions are holding up strong. We're up in most of them, particularly the ones that we bought earlier.



Agnico Eagle Mines (AEM) is one of our best. It failed to reach our profit target at \$46 by a few cents.

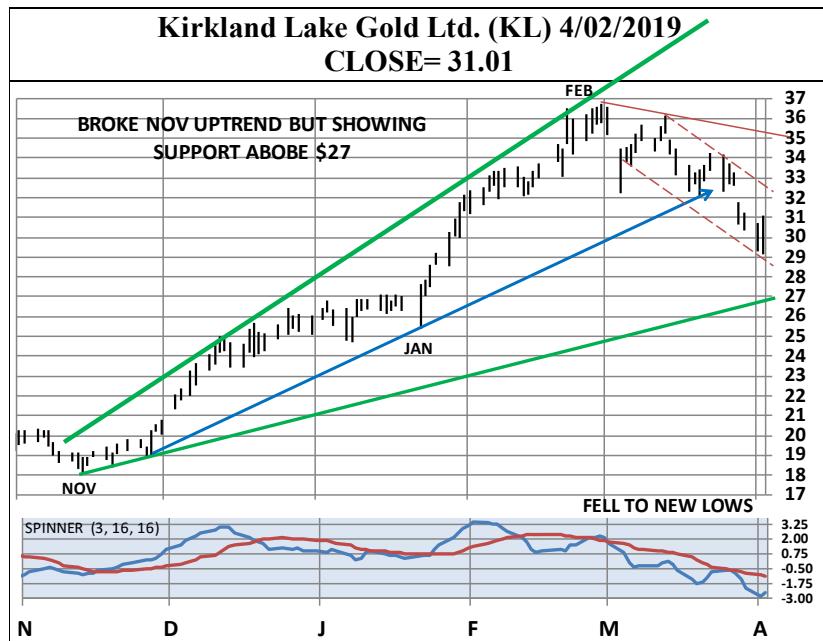
Nevertheless, keep your positions; it's poised to rise further, even if it pulls back first. Some of you may be tempted to take some profits. And that

would be okay. Just be ready to jump back in when a clearer sign of a bottom emerges.



Our Junior Mine ETF, SGDJ, showed weakness and fell after failing to surpass the Jul high resistance near \$30. Spinner is falling sharply, but it's also approaching an extreme oversold level fast.

Keep your positions. If you want exposure to this trade, buy on weakness near \$26.50.



Kirkland Lake (KL) trended lower, breaking below Nov uptrend & support showing extended weakness. KL is showing support near \$30, well above the Nov uptrend near \$27.

However, considering weakness has been extreme when compared with other gold shares, notice Spinner now poised to start a bottom at an extreme.

I want to buy more, but ‘B’ decline weakness cannot go unnoticed. It tells me more downside is still likely and some patience now could be rewarded later. We already have some KL secured in case the lows are in. I recommend buying on weakness on dips below \$30.



Mining (SSRM) has been leading the decline all along. It was among the first to fall from the Feb highs and break below it's 5wk MA.

Noteworthy, it's holding at the Sept uptrend, just below \$12 as Spinner bottoms at an extreme oversold level suggesting limited downside.

Don't buy more just yet. We'll wait for weakness to settle, ideally above the Sept uptrend near \$12.

Our “other stocks” remain among our best positions. DTE Energy (DTE) is just coming off from the recent highs but remains uptrending. It's held up strong and could hold up better than most if we see stock market weakness ST.



From the beginning we knew DTE was a conservative move. If instead of weakness in stocks ST we see continued strength, we'll consider swapping DTE for something else.

Offsetting our conservative trade was Aurora Cannabis (ACB). It has brought in lots of profits over the past year. We continue holding positions with comfortable gains.



The recent pull back seems to have support near CA\$10.50 (ACB: \$8), which until recently was a resistance level.

ACB is poised to continue rising longer term. At this point we're trading only profits, having taken a 25% gain last month. Keep your positions. If you're looking for exposure, wait for further weakness before buying.

Our strategy this week is to remain patient. We have good gold share positions and we're waiting for gold's 'B' decline to develop further before buying more. Be ready to sell the second half of your crude position. Our indicators are showing it's frothy. Protect a 17%+ profit on the second half of your position. Keep DTE, but consider selling or swapping for something else if stocks confirm strength.

Good luck and good trading,



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A division of Aden Research

KEY PRICES			
Name/Symbol	Apr 2, 2019 Price	Change	Mar 26, 2019 Price
Gold (GCM19)	1295.40	-26.00	1321.40
Silver (SIK19)	15.06	-0.37	15.43
HUI (HUI)	167.30	-10.65	177.95
Copper (HGK19)	2.91	0.06	2.85
Crude Oil (CLK19)	62.58	2.64	59.94
S&P500	2867.24	48.78	2818.46
U.S.Dollar (DXM19)	96.92	0.70	96.23
30 Year T-Bond (ZBM19)	148.00	-1.06	149.06
10 Year T-Note Yield	2.48	0.07	2.41
13-week Treasury bill	2.37	-0.04	2.41

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						
GOLD	Gold dropped showing resistance below the Feb highs. It's now testing the bullish Nov uptrend & support near 1290. A clear break below this level could push gold to the Aug uptrend near 1250. Spinner pulling back from over-extended territory suggesting weakness ST. Keep your positions for now. Buy more on weakness near 1250.	L	Bot: 1170 (Jan-5-17), 1220 (Mar-16-17). Sold half at 1287 for 8% gain. Bot: 1225 (Jul-3-17). Sold half at 1345 for 11% gain. Bot 1289 (May-16-18), 1265 (Jun-21-18), 1258 (Jul-5-18), 1205 (Aug-30-18). Sold half at 1290 for 5% gain.	1295.40	2dc below \$1247	1365, 1536
PHYS	Sold half. Holding reduced positions. Waiting to buy again.	L	Bot: 9.63 (Jan-5-17), 10.12 (Mar-16-17). Sold half at 10.54 for 7% gain. Bot: 9.98 (Jul-3-17). Sold half at 10.95 for 10% gain. Bot: 10.58 (May-1-18), 10.15 (Jun-28-18), 10.20 (Jul-5-18), 9.65 (Aug 30, 18). Sold half for 5% gain.	10.48	2dc below 10	10.85, 12.75
SILVER	Silver is holding at the top side of a longer term sideways consolidation band, above key support levels. Silver looks good above \$15 but has stronger support near \$14.25. However, silver could start picking up some momentum from rising resources. Keep your positions as long as silver holds above \$15.	L	Bot: 17.35 (Mar-16-17), 17 (May-1-17), 16.35 (May-4-17), 17 (Jun-12-17), 16.30 (Jun-26-17), 16.15 (Jul-3-17), 15.75 (Jul-13-17). Sold half at 16.65 for a small gain. Bot: 16.40 (Nov-30-17), 15.95 (Dec-6-17), 15.80 (Dec-13-17), 16 (Jun-28-18) 14.60 (Aug 30, 18), 15.35 (Jan-22-19), 15.25 (Mar-15-19).	15.06	2dc below 15	17.5, 21
PSLV	Keep your positions.	L	Bot: 6.60 (Mar-16-17), 6.40 (May-1-17), 6.20 (May-4-17), 6.55 (Jun-11-17), 6.23 (Jun 21-17), 6.15 (Jul-3-17), 6.03 (Jul-13-17). Sold half at 6.27 for a small gain. Bot: 6.23 (Nov-29-17), 5.98 (Dec-6-17), 5.92 (Dec-13-17). 5.90 (Jun-25-18), 5.27 (Aug 30, 18), 5.52 (Jan-22-19), 5.60 (Mar-15-19).	5.62	2dc below 5.47	6.25, 8
HUI Index	Gold shares are resisting at the Feb highs. HUI reached the top side of the Nov upchannel showing strength but it's now pulling back. The A/D Line confirmed the resistance as it failed to clearly surpass the re-adj Sept downtrend. However, HUI remains bullish above the Nov upchannel and its 15wk MA. Our gold shares have declined with recent weakness but remain on an upward path. Keep your positions and be ready to pick some up on weakness.	--	N/A	168.10		
AEM	AEM fell just before reaching our first profit target. It's pulling back, but holding firm as it tests the Nov uptrend near \$43. If AEM holds above this level, it'll likely resume its rise to the top side of the channel near \$48. If it breaks the uptrend, it'll likely fall further. Keep your positions.	L	38.60 (Dec-11-18), 38.95 (Jan-4-19)	43.21	2d below 42	46 (almost reached), 52
SGDJ	Pulling back after resisting at the Jul highs. SGDJ is bullish near the Nov uptrend. Together with the resistance, the Nov uptrend is forming a bullish ascending triangle. A break above 30 is necessary to confirm the bullish pattern. Keep your positions.	L	26.65 (Jan-30-19)	27.00	2dc below 26	31.5
SSRM	SSRM fell to the Spet uptrend support near 12. Spinner resisting below MT MA suggesting weakness still weighing down on SSRM. Keep your positions.	L	12.25 (Jan-4-19)	12.06	2dc below 12	14.70, 15.25 & 20
KL	Buy some more below 30. KL broke below support near 32.50 showing weakness may be taking over. KL is showing signs of support at 30 but its stronger support is near 27. Build up your position on weakness.	L	32.90 (Mar-21-19).	31.01	2dc below 27 (adj)	39 & 50

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						
U.S. DOLLAR (DXM19)	The dollar extended its rebound rise, testing the triple top resistance near 97. Spinner breaking out suggesting momentum could be rising. If the dollar confirms strength by rising to new highs, above 97.25, it could then rise to the top side of the Sept upchannel near 98.50. Keep in mind, the dollar remains bullish above the Sept uptrend near 95.50.		Holding cash reserves mainly in U.S. dollars.	96.92		
RESOURCES AND ENERGY						
Crude CLK19	More new highs! Crude oil continues to rise. It's looking very strong above the Dec uptrend near \$58. If crude can stay above this level, it could rise to the top side of the upchannel and H&S bottom target near \$66. Sell the second half of your position above 63.50 to protect a 17%+ gain.	L	Bot: 60.75 (Nov-8-18), 47.50 (Jan-4-19). Sold half for 7.5% gain (Mar-13-19).	62.58	2dc below 55	66
COPPER HKG19	Dr. Copper is bouncing up. Spinner held at uptrend suggesting momentum continues to uptrend. The upmove in copper also suggests renewed optimism in the global economy. Keep your positions for now.	L	Bot: 2.97 (Sept 20-17). Sold half at 3.20 for a 7.5% gain! Bot: 2.95 (Dec-6-17). Sold half at 3.26 for a 10% gain! Bot: 3.06 (Feb-9-18), 2.95 (Mar-26-18). Sold half at 3.30 for 10% gain! (Jun-7-18). Bot: 2.99 (Jun-27-18), 2.75 (Aug-1-18), 2.65 (Jan-10-19).	2.91	2dc below 2.78 (adj)	3.10 & 3.30
JJCTF (JJC)	Keep your positions.	L	Bot: 33.60 (Sept 20-17). Sold half at 37 for a 9.5% gain! Bot: 33.50 (Dec-6-17). Sold half at 37.30 for a 11% gain! Bot: 34.50 (Feb-9-18). Sold half at 37.25 for 9% gain (Jun-7-18). 33.40 (Jun-27-18), 30.40 (Aug-1-18), 28.75 (Jan-10-19).	32.33	2dc below 28.20	33.5 & 36.50
CAT	CAT rebounded strongly from the recent lows and it's back to testing the Feb highs. A clean break above 142 would signal renewed strength and a rise to our second profit target, is likely. Keep your positions.	L	Bot: 115 (Oct-24-18), 125 (Nov-28-18). Sold half via alert for an average gain of 18% (Feb-25-19).	140.19	2dc below 120	150
OTHER STOCKS						
ACB.TO	Uptrending. ACB.TO is looking good above the Jan uptrend near 11. It also seems to have built a new floor above previous resistance near \$10.50. Spinner pulling back. Keep your positions for now. We'll wait for weakness to develop further before buying more.	L	Bot: 9.90 (Nov-8-18), 9.40 (Nov-9-18) (ACB: 7.60 Nov-8-18, 7.15 (Nov-9-18). Sold half for 25% gain (Mar-13-19)!	12.09	2dc below 10.50 (ACB: 2dc below 7.50)	14.50 (ACB: 12)
DTE	Holding strong. DTE rose to new highs once again and it's strong above 122. It's now pulling back as risk appetite for more speculative stocks rises. Spinner is holding at zero. Keep your positions.	L	117 (Nov-21-18), 108 (Jan-4-19). Sold half via alert for average gain of 9% (Feb-22-19).	123.90	2dc below 121 (adj.)	150

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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 markets than in trading ranges where indicators such as Stochastic & Williams %R should be used.

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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