



# -GCRU-

*Weekly Trading Service*



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

April 24<sup>th</sup>, 2019

IN ITS 18<sup>th</sup> YEAR – N° 832

**THE BULL IN U.S. EQUITIES PICKS UP STEAM  
TIDE COULD BE TURNING BACK TO BULLISH... BUT  
HAVE ALL THE NEGATIVES BEEN DISCOUNTED?  
THE DOLLAR FLIRTS WITH NEW HIGHS, PUTS  
DOWNSIDE PRESSURE ON GOLD.  
GOLD FELL TO NEW LOWS FOR MOVE, GOLD  
SHARES TOO... WHAT NOW?**

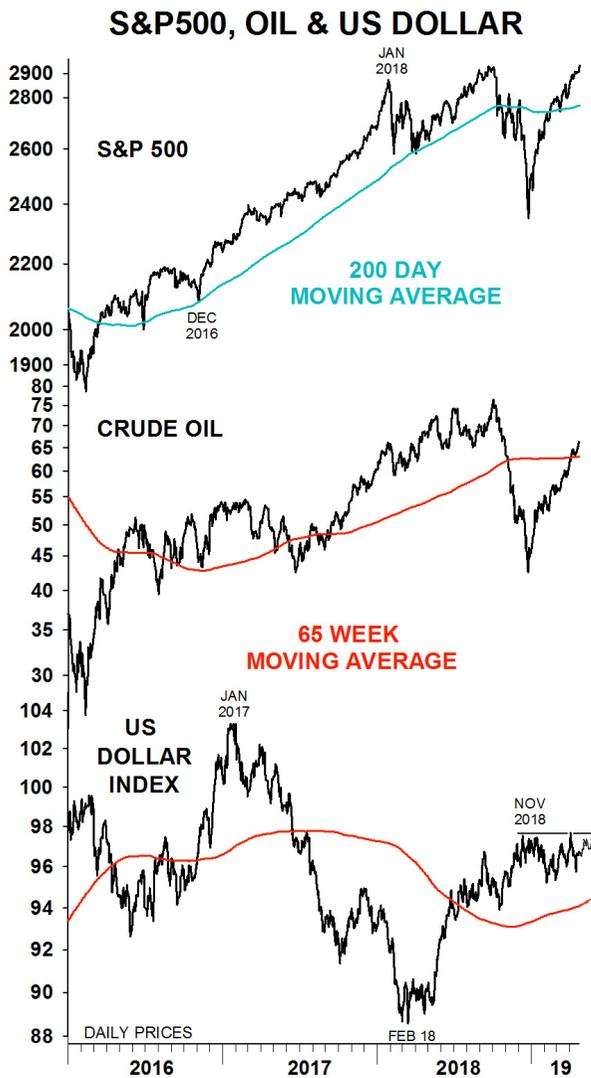
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**U**ncertainties surrounding the Trump presidency are waning. And with them the policies from opposing views, globally and domestically. Growth driven policies are sitting well with businesses and consumers alike.

The Industrials jumped above the 26,000 handle with a strong confirmation from the Transports. In the meantime, NASDAQ reclaimed 8000 for the first time in 6 months. The main averages and indices are suggesting recent weakness was likely transitory and more highs are now underway.

“If a business does well, the stock eventually follows”.

**-Warren Buffett**



Interestingly, the U.S. dollar index (DXY) remains strong. It's seemingly breaking above key resistance at the 96-97 level.

But although dollar strength is undeniable, it's negative correlation to crude oil and stocks cannot go unnoticed.

The S&P500 hit a new record high while crude hit a 6 month high. They continue moving in lockstep and as long as that move continues, as the chart shows, it's saying that crude may also continue to rise.

The point is, they move together. And the

Dollar has some influence. Note on the chart the best part of S&P500's bull market leg up was in 2017 during the Dec 16 to Jan 18 rise when the dollar fell steadily.

Both stocks and oil continued rising in 2018 while the dollar recouped part of its fall, but the stock rise was less robust and it preceded both their sharp sell off while the dollar started moving sideways.

The past 6 months, however, are telling us something has got to give. Both stocks and crude oil have been rising from the ashes as the dollar remains lofty. If strength in stocks and crude oil persists, we could see the dollar step back a bit.

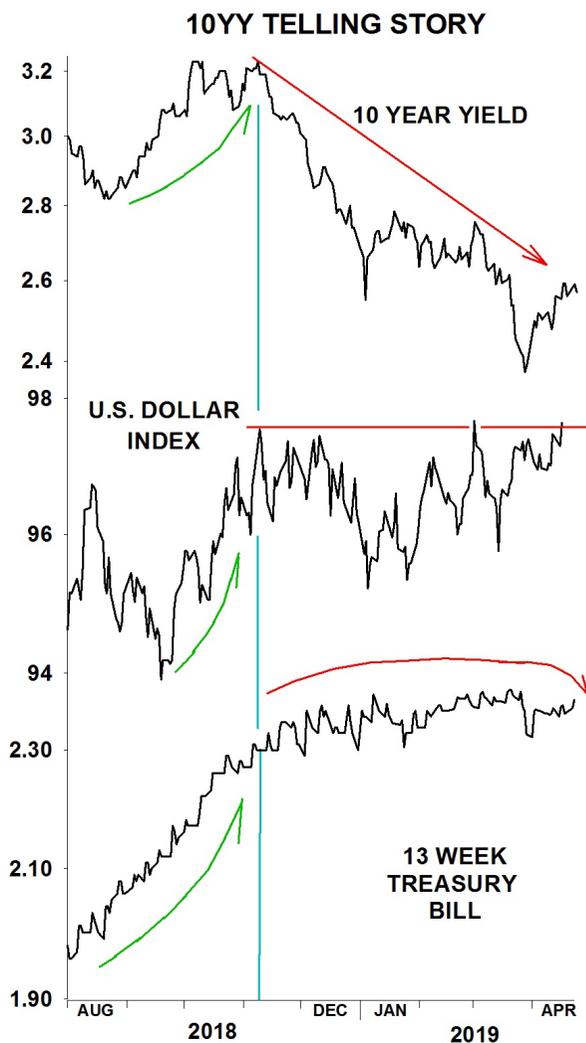
Another interesting correlation that shouldn't go unnoticed is the dollar index and interest rates.

Our next chart shows the dollar index amid the yield on U.S. 10 year T-Note and the 13 week T-Bill. Notice rising rates tend to favor the U.S. dollar index, while lower rates tend to put downside pressure.

Notice the charts above and below the U.S. dollar index. Notice how toppe yields expose downside pressure as the dollar approaches a key resistance. This tells us the dollar could still struggle to surpass its key resistance.

The stronger dollar and a robust U.S. economy suggests undervalued resources companies are poised to perform well.

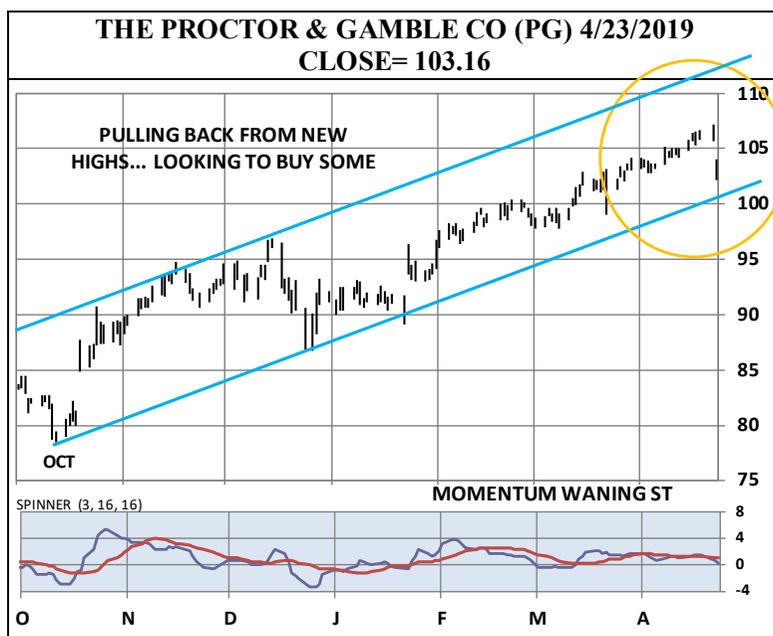
We have our eye on Disney (DIS) and Procter & Gamble (PG). We're looking to add to our position in Aurora Cannabis (ACB.TO).



We're also adding Kinder Morgan (KMI) to the list as our only resource share, Caterpillar (CAT), approaches our second profit target.



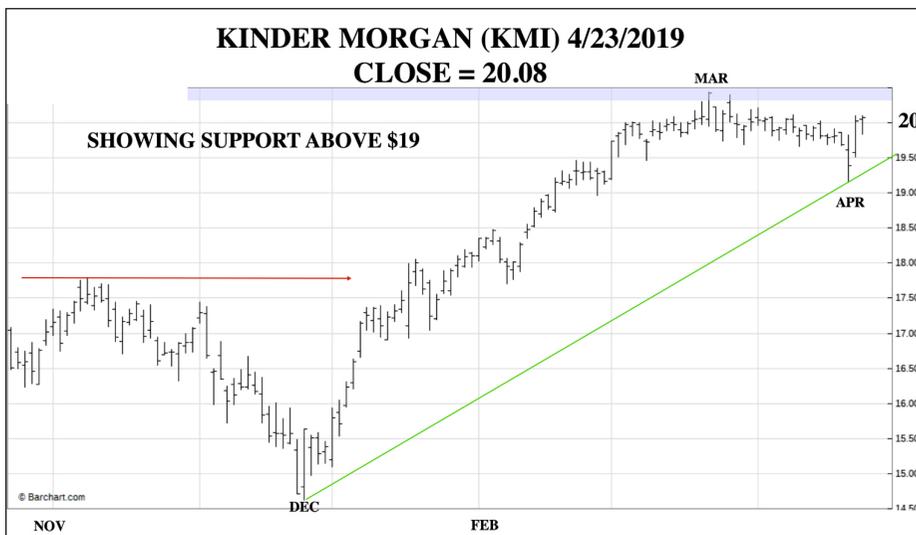
DIS remains near the highs. It's looking very strong above \$110. We don't want to miss the boat on DIS. As shown last week, it's a great value. However, our Spinner is telling us DIS is ST overbought and a pull back remains likely. We'll wait for Spinner to unwind a bit before buying. I'm ready to buy some below \$130 and more lower given the chance.



PG fell today nearly 3%. Coincidentally, right after the earnings were released. Although earnings beat estimates, the stock got sold, in a very “buy the rumor, sell the news” type of action. I’m taking the opportunity and buying some at mkt. I’ll be looking to buy more on any decline below \$100.



Aurora Cannabis is showing key support above a bullish uptrend since Jan. It’s holding strong above CA\$11.50 with potential to retest the highs near CA\$14.50. We’re holding half of our original position. If you’re looking for exposure to this trade, buy some below CA\$12 and more below CA\$11, if given the chance.



I've been following KMI for a while already. It's a great energy company. A leader in its industry. A company with great assets and business activity. A company that trades under 1.50 times book value. With the U.S. growth story gaining steam, resource companies with strong operations in the U.S. are poised to benefit. Buy some at mkt, ideally near \$19.50



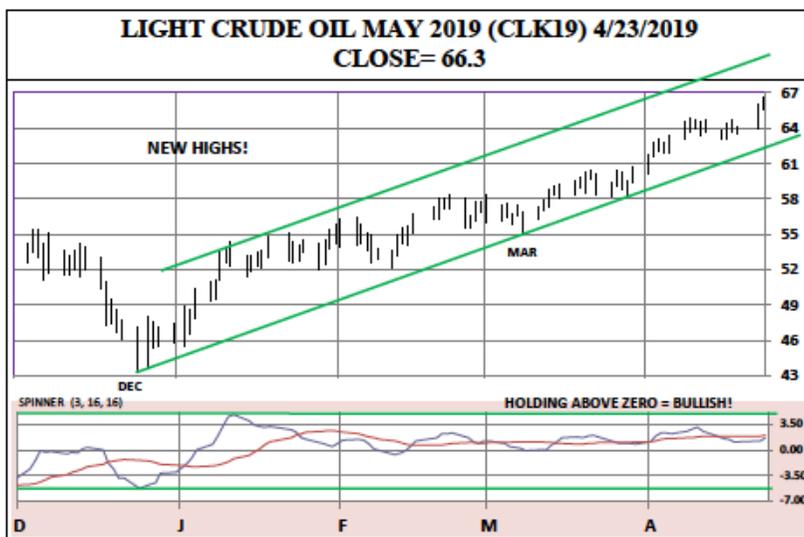
CAT has broken above key resistance at \$142. It's showing renewed strength and a rise to the top of its upchannel near 150 is now likely. We've done great with CAT. We sold the first half of our position for 18% gain and recommend selling the rest at our second profit target for a 25% gain.

Interestingly, copper is not looking so great.

It failed to surpass key resistance level at \$3 and fell, breaking below the recent bullish uptrend suggesting the long term bottoming process continues. Price action suggests downside pressure is likely to remain ST. Continue holding on to your positions as we could see global demand pick up the pace.



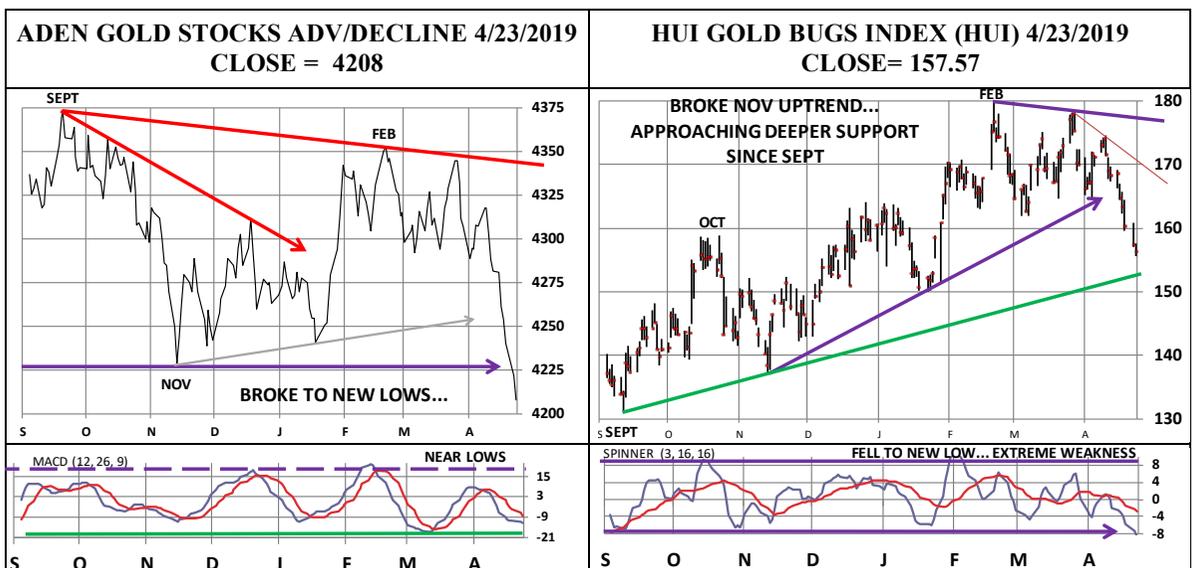
Crude oil reached new highs as renewed concerns over supply disruptions out of Iran are giving it an upward boost. Just today, it took over the \$66 handle, reaching a new high for the move. Crude is looking very strong above \$59 and could attempt to test the 2018 highs in the mid to higher \$70s. However, stay out for now. Potential for higher gains lie in the shares.



Gold continued to fall. It fell to new lows for the move. Slack in demand for safe haven assets continues to put downside pressure. Gold's 'B' decline is not yet over.



However, gold is reaching an extreme oversold level as it reaches a key uptrend near \$1265. If gold holds at this level, it could then rise to test the multi-year resistance near \$1365. But, on the contrary, if weakness persists and gold breaks clearly below \$1265, it could fall back to the Aug lows, below \$1200.



Price action in gold shares is also indicative of extreme weakness. While HUI broke below the Nov uptrend, it's now holding above the Sept uptrend where the entire gold universe has support.

Notice Spinner and our in house A/D Line. They're also at an extreme telling us the downside is overextended and likely limited.

We've been trading gold shares since Aug last year and have done well. We're holding solid positions. Some with profits built, others with small losses. But they all have great potential and look ready to rebound.



Agnico Eagle Mines (AEM) fell further. However, it's held above our adjusted stop at \$40. AEM is testing this support. Per our last issue, I bought more AEM below \$40. If you're looking for a gold shares, this might be the one. Buy some at mkt. If you're looking to add, then buy below \$40.



Kirkland Lake Gold (KL) is another one of my favorites. It has held above the Nov uptrend showing impressive strength. The chart above shows downside pressure increasing and a symmetrical triangle coiling. The coil means a breakout in either direction is now imminent. Keep your positions. Buy on weakness below \$30 if not in.



Our junior mine ETF (SGDJ) is also getting hit. It broke below ST support at \$26 and it's reached a new low yesterday for the move. Spinner is also showing SGDJ is extreme oversold level with limited downside. Keep your positions.



SSR Mining (SSRM) is looking the weakest of our pack. It also broke below key support at \$12 and continues to slide. However, notice Spinner hugging the bottom side of the band suggesting extreme weakness could be at the end of the line. Keep your positions, we'll look to buy more when clearer signs of a bottom emerge.

Our strategy this week is to be on the lookout for U.S. equities. Look to increase exposure. Buy good value companies. Keep healthy cash reserves too, ideally in U.S. dollars. Hold your gold shares. They're showing weakness now, but nearing an extreme fast. Gold shares are still holding above key support levels.

Good luck and good trading,



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### UPCOMING CONFERENCE

Come join me in Las Vegas at the Money Show on  
May 13-15, 2019. Click [here](#) to sign up. It's free!  
I look forward to seeing you there

KEY PRICES			
Name/Symbol	Apr 23, 2019 Price	Change	Apr 16, 2019 Price
Gold (GCM19)	1273.20	-4.00	1277.20
Silver (SIK19)	14.79	-0.12	14.91
HUI (HUI)	156.41	-8.40	164.81
Copper (HGK19)	2.89	-0.04	2.93
Crude Oil (CLK19)	66.30	2.25	64.05
S&P500	2933.68	26.62	2907.06
U.S.Dollar (DXM19)	97.32	0.67	96.65
30 Year T-Bond (ZBM19)	146.50	0.16	146.34
10 Year T-Note Yield	2.57	-0.02	2.59
13-week Treasury bill	2.39	0.01	2.38

# 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
<b>PRECIOUS METALS PORTFOLIO</b>						
<b>GOLD</b>	Gold fell to new lows for the move as 'B' decline weakness remains. It's starting to test key support at \$1265. A break below \$1265 on a 2dc that stays below \$1255 could change gold's dynamic suggesting a continued downside that could push gold to possibly the Aug lows near \$1200. On the upside, Spinner is telling us the downside is overextended ST and gold could actually hold at the key Aug uptrend at \$1265. Keep your positions for now.	L	Bot: 1170 (Jan-5-17), 1220 (Mar-16-17). <b>Sold half at 1287 for 8% gain.</b> Bot: 1225 (Jul-3-17), <b>Sold half at 1345 for 11% gain.</b> Bot 1289 (May-16-18), 1265 (Jun-21-18), 1258 (Jul-5-18), 1205 (Aug-30-18). <b>Sold half at 1290 for 5% gain.</b>	<b>1273.20</b>	2dc below \$1247	1365, 1536
<b>PHYS</b>	Sold half. Holding reduced positions. Waiting to buy again.	L	Bot: 9.63 (Jan-5-17), 10.12 (Mar-16-17). <b>Sold half at 10.54 for 7% gain.</b> Bot: 9.98 (Jul-3-17). <b>Sold half at 10.95 for 10% gain.</b> Bot: 10.58 (May-1-18), 10.15 (Jun-28-18), 10.20 (Jul-5-18), 9.65 (Aug 30, 18). <b>Sold half for 5% gain.</b>	<b>10.48</b>	2dc below 10	10.85, 12.75
<b>HUI Index</b>	Gold shares are also testing a key uptrend. Notice HUI on the chart nearing the Sept uptrend near 152.50 as Spinner breaks to extreme lows. Action suggests HUI's Sept uptrend and support could hold as weakness reaches an extreme. Also confirming extreme weakness is our in house A/D Line. It broke to new lows since Nov. The A/D Line's price action is very bearish, but it's also telling us weakness could be at an extreme. We're holding a full position in gold shares. Keep it, ride through some weakness. Don't add to your positions yet until clearer signs of a bottom emerge.	--	N/A	<b>157.57</b>		
<b>AEM</b>	Bot some more today below \$40. AEM seems to be at an extreme low. Notice Spinner at lows last seen in Sept, before the multi month rise began. This means AEM could find a bottom near current levels. AEM is a great gold share and picking up some below \$40 is great value. Keep your positions.	L	38.60 (Dec-11-18), 38.95 (Jan-4-19), 40 (Apr 23-19).	<b>40.13</b>	2d below 39	46 52
<b>SGDJ</b>	Fell to new lows with the rest of gold shares. It's looking vulnerable below \$26 but has support at the Jan lows near \$24. Spinner showing continued weakness is likely. Keep your positions for now. Allow for some weakness.	L	26.65 (Jan-30-19), 28.35 (Apr-10-19).	<b>25.14</b>	2dc below 24	31.5
<b>SSRM</b>	SSR Mining (SSRM) fell to new lows. It's been vulnerable since breaking below the Sept uptrend. However, it's forming a downside wedge with upside target near the Feb downtrend. Moreover, notice Spinner has been bottoming near an extreme for nearly two months. This tells us SSRM could be reaching a bottom and begin a rebound rise. Keep your positions.	L	12.25 (Jan-4-19), 12.90 (Mar-21-19), 12.50 (Apr-10-19).	<b>11.57</b>	2dc below 11	14.70, 15.25 & 20
<b>KL</b>	Kirkland Lake Gold (KL) is holding up better than most. It's now forming a symmetrical triangle between the Feb downtrend and the Nov uptrend. A break in either direction will be very telling. Keep your positions. Buy below \$30.	L	32.90 (Mar-21-19), 32 (Apr-10-19).	<b>31.10</b>	2dc below 29	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
<b>CURRENCIES</b>						
<b>U.S. DOLLAR (DXM19)</b>	DXY continues to show strength. It broke to new intraday highs, surpassing the resistance bubble between 96 and 97. Most indicators are pointing towards stronger dollar price action ST (weaker gold, strong stock market, robust U.S. economy among others). On the downside, the dollar resisted on a closing basis and lower interest rates tend to put a cap on the DXY. This could suggest a top for the dollar. Regardless, I'll still keep my cash reserves in U.S. dollars mainly.		Holding cash reserves mainly in U.S. dollars.	<b>97.32</b>		
<b>RESOURCES AND ENERGY</b>						
<b>Crude CLK19</b>	Rose to new highs! It regained the \$66 handle while Spinner bottomed above zero line showing signs of renewed strength. The ST looks very promising for crude. Could we see the Oct highs re-tested? Buy some energy companies. They've been lagging crude oil and thus have catching up to do. Energy shares are also likely to benefit from a rising U.S. stock market. Stay out for now.	O		<b>66.30</b>		
<b>COPPER HGK19</b>	Dr. Copper failed to surpass resistance near \$3 and broke below the Jan uptrend instead. This suggests more weakness ST is likely. Spinner resisted near zero and it has room to fall further showing momentum continues to wane. Global demand seems to remain lackluster. Keep your positions for now.	L	Bot: 2.97 (Sept 20-17). <b>Sold half at 3.20 for a 7.5% gain!</b> Bot: 2.95 (Dec-6-17). <b>Sold half at 3.26 for a 10% gain!</b> Bot: 3.06 (Feb-9-18), 2.95 (Mar-26-18). <b>Sold half at 3.30 for 10% gain! (Jun-7-18).</b> Bot: 2.99 (Jun-27-18), 2.75 (Aug-1-18), 2.65 (Jan-10-19).	<b>2.89</b>	2dc below 2.78	3.10 & 3.30
<b>JJCTF (JJC)</b>	Keep your positions.	L	Bot: 33.60 (Sept 20-17). <b>Sold half at 37 for a 9.5% gain!</b> Bot: 33.50 (Dec-6-17). <b>Sold half at 37.30 for a 11% gain!</b> Bot: 34.50 (Feb-9-18). <b>Sold half at 37.25 for 9% gain (Jun-7-18).</b> 33.40 (Jun-27-18), 30.40 (Aug-18), 28.75 (Jan-10-19).	<b>32.33</b>	2dc below 28.20	33.5 & 36.50
<b>CAT</b>	Another great resource company that continues to uptrend. It's poised to benefit from continued growth in the U.S. This week, CAT rose to new highs, approaching the top side of the Dec up channel and our second profit target. CAT is very bullish above \$133. Keep your positions, the upside is open. However, sell the second half of your position at \$150 to protect a 25% profit on the second half of your position.	L	Bot: 115 (Oct-24-18), 125 (Nov-28-18). <b>Sold half via alert for an average gain of 18% (Feb-25-19).</b>	<b>142.03</b>	2dc below 130 (adj).	150
<b>KMI</b>	Kinder Morgan (KMI) is a leading distributor of natural gas, oil and derivatives in the U.S. and it's poised to benefit from a robust U.S. economy. It's also poised to benefit from a tougher stance on Iran and supply disruptions globally. Buy at mkt, ideally below \$20.	O		<b>20.08</b>	2dc below 19.	24 & 28
<b>OTHER STOCKS</b>						
<b>ACB.TO</b>	ACB is another great growth story. It has allowed us to profit handsomely the past year. It recent ended a downtrend since mid Mar as it held above the Jan uptrend near CA\$11.50 (ACB: \$8.75). Buy new positions below CA\$11.90 (ACB: \$8.92).	L	Bot: 9.90 (Nov-8-18), 9.40 (Nov-9-18) (ACB: 7.60 Nov-8-18, 7.15 (Nov-9-18)). <b>Sold half for 25% gain (Mar-13-19)!</b>	<b>12.17</b>	2dc below 10.50 (ACB: 2dc below 7.50)	14.50 (ACB: 12)
<b>PG</b>	PG is pulling back from the highs. It's breaking below a steeper uptrend since Jan suggesting a decline to the Oct uptrend near 100 is likely. PG is a great company, with great value and upside potential. Take advantage of the pull back to buy some and more on any decline below \$100.	O		<b>103.16</b>	2dc below 85	125 & 150
<b>DIS</b>	Holding strong! DIS continues to look very strong well above \$110. It rose to new highs this week and it's exceptionally strong above \$129. However, Spinner is at an extreme high suggesting DIS is over-extended. Let's wait for Spinner to show weakness before buying again. If you bought DIS to hold for the longer term move, you did good. Buy some below \$130. Buy more near \$120.	O		<b>133.36</b>	2dc below 100	160 & 200

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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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