



# -GCRU-

*Weekly Trading Service*



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

April 9<sup>th</sup>, 2019

IN ITS 18<sup>th</sup> YEAR – N° 830

## **CRUDE OIL GIVES ANOTHER PUSH UPWARD TO NEW HIGHS!**

**I SOLD SECOND HALF OF CRUDE AT \$64  
PROTECTING AN 18% GAIN IN UNDER 4 MONTHS  
(TOTAL RETURN SINCE DEC: +13%)**

**GOLD UNIVERSE IS REBOUNDING SHOWING  
STRONGER SIGNS OF RENEWED STRENGTH**

**DOW THEORY BULLISH CONFIRMATION  
TRIGGERED BY SLIM MARGIN... STOCKS REMAINS  
UNDER PRESSURE.**

**EARNING SEASONS IS TIME OF RECKONING**

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**S**upply disruptions continued to push oil up. This time, tensions in Lybia are feeding speculation of an upcoming supply crunch that could drive prices even higher.

Crude oil regained the \$64 handle yesterday and it's looking very strong. The rebound has erased about half of crude's decline last year.

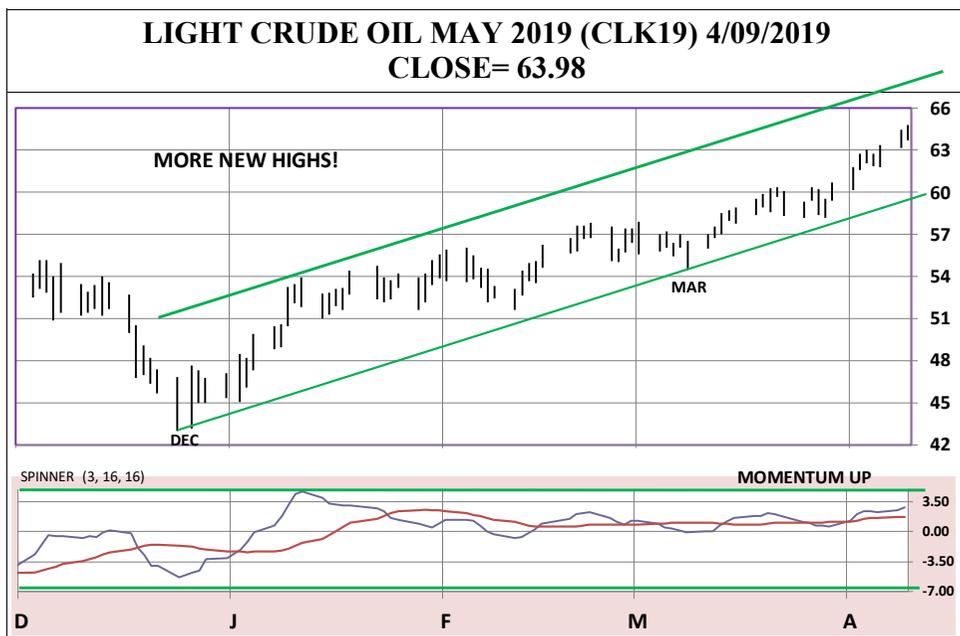
**"The art of investing is being able to adjust to change."**

**– Gerald Loeb**

However, the orchestrated rise since the Dec lows may be coming to an end.

Last week, I showed you the MT indicator for crude reaching overbought levels, suggesting limited upside and a likely pull back. Well, the indicator just shot up higher into the extreme overbought area.

We sold above our adjusted profit target at \$64 protecting a solid 18% gain since Dec on the second half of our position and a combined gain of over 20% in the past 2 quarters.



But although price action always does what it should, timing tends to be the real issue. Our shorter term indicator is telling us oil could still rise further. Spinner is bullish. Notice it above the zero line with room to rise further, showing momentum remains up.

What this all means is we could see crude remain robust near the highs or even rise a bit further ST, but the dynamics could be shifting and we could start seeing a correction that could push crude

back below \$60. We'll wait for weakness to buy again. This next time, we'll also be looking to buy some energy shares.

In meantime, stay out. We've captured most of the upmove and have increased, if by a bit, our cash reserves. We continue to have cash on the sidelines waiting to jump in great value, wherever that may be.

But it's not only crude oil. Strength behind the rise in U.S. equities seems to be petering out. The bullish Dow Theory confirmation triggered recently has not yet seen a clean breakout and the Averages continue to resist at key levels.

Moreover, it is my personal opinion the Averages must rise above the Sept-Oct highs before they're once again out of woods and in the clear.

Price action in U.S. equities, with certain exceptions, continue to show slack. And why wouldn't they?

Dow Theory or not, the very reasons that pushed equities into a bear market back in October remain in play.

Just today, the IMF lowered the global growth outlook to the slowest level since 2009.

Not only that, earnings season is upon us and it's poised to disappoint. It will be a day of reckoning, just before going into the month of May when we famously "sell and go away."

But although it's becoming harder to find investments with high yields or further asset price appreciation, our trades, for the most part, have been profitable.

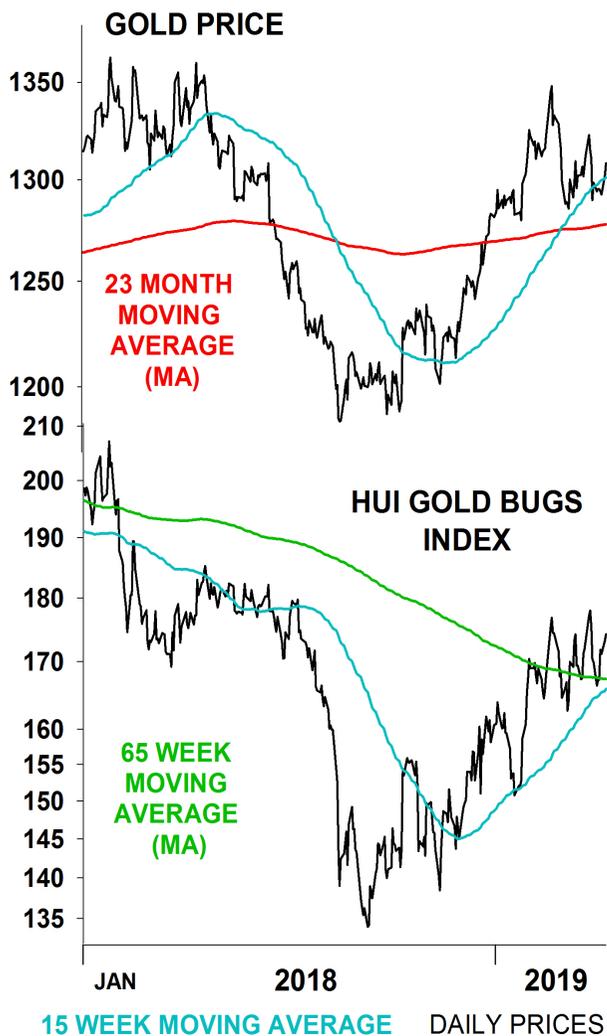
Last month we were on wait and see mode, looking to preserve the handsome gains we realized in 2018. We were able to

secure an average gain of 7.5% across the board in the first quarter alone.

For the second quarter, we'll remain cautious, but the outlook for certain asset classes improves by the day.

One of the those, which has allowed us to profit handsomely since Aug have been precious metals and gold shares.

### 'B' DECLINE STILL UNDERWAY, FIRM ABOVE MAJOR MAs



With stock market turmoil and uncertainty, gold found a bottom in Aug and started to rise. It rose to a multiyear resistance level near \$1365 but failed to overcome it.

Gold had pulled back, threatening to correct. However, and thus far, it's holding at \$1290. It's the second time gold tests \$1290 in the recent months and jumps up from that level.

Moreover, the rebound rise is showing some legs after gold pierced above its 15wk MA. Gold is looking strong. But remember, don't get too excited, gold must still break above

\$1365 to show renewed strength that could push it well above \$1400. If it fails to surpass this level, it'll remain weak.

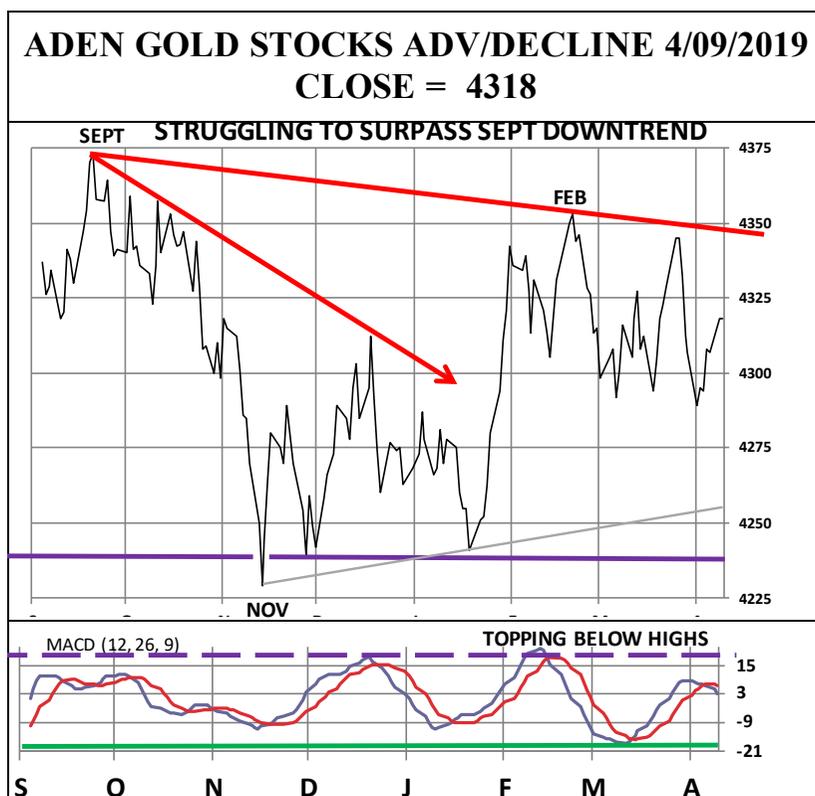
Where's the demand coming from? Not from the west. Gold and gold shares are still very hated in this part of the world.

Interestingly, Bloomberg reported China has been going on a bullion buying spree, adding 11.2 tons of gold in March alone! At this pace, China is poised to overtake Russia as this year's biggest buyer.

We're holding half of our position in gold at the moment and are waiting a breakout rise above key resistance level or a washout decline, to add to our positions. In the meantime, don't be a hero. Gold remains in no-trader's land within a tightening trading range.

Keep your reduced position.

Even better than gold have been gold shares. They too have risen handsomely. Some since Aug, all since Nov. Not only that, the HUI has outperformed most markets since Aug.



Since HUI broke above its 65 week MA (green line on chart), it's showing resilience. It's now holding above this trend

Our A/D Line is not looking so bullish suggesting caution. The A/D Line tends to be a leading (not lagging) indicator. And it's lagging HUI. It has been unable to surpass the Sept downtrend telling us a degree of slack remains within the gold universe.

A sign gold's multi-year resistance is nearing?

Our own gold shares are doing great. They seem to have bottomed during recent weakness and have started to jump up from critical support levels.



Kirkland Lake (KL) didn't allow us to buy below \$30 and has started to edge higher. It's bouncing up from the bottom side of a bullish funnel as Spinner rises from an extreme oversold level, showing upside potential. Plus, earnings season could be a good one for KL and it could give it an upward boost.

If you're looking to buy a gold share, or are underweight KL, buy at mkt. Buy more if it pulls back to re-test the recent lows below \$30.



Agnico Eagle Mines (AEM) is one of our best. We continue to hold positions with handsome profits built. More encouraging was price action earlier this week, as AEM confirmed support at our recently adjusted stop loss near \$42. AEM is very near our first profit target and we should sell half if reached.

I'm hesitant to buy more AEM. It's been one of the best and we've already bought on two different occasions. It's showing clear resistance at our profit target suggesting its upside could be limited compared to others.

Keep your positions, sell half at first profit target at \$46.

Junior mines kickstarted their rise back in Nov. It was part of the group of gold shares that didn't really show much potential

back in Sept-Oct near the lows. It did, however, turn bullish in Nov, at another key low for the gold universe.

SGDJ regained its 5wk MA and it's looking poised for more upside. Keep your position. If you're looking to increase exposure, buy at mkt.



SSR Mining (SSRM) has been leading the pack since it fell after reaching new highs in Feb. At that moment, SSRM dropped the day we were to protect some profits. We held back from selling and decided to ride thru weakness. Soon after, the rest of the gold universe followed suit.

SSRM is showing support at \$12, near our entry level and Spinner is showing signs of renewed strength as it rises from the ashes, like a rising Fenix. Keep your positions for now but depending on price action this week, we might move to swap for something else.

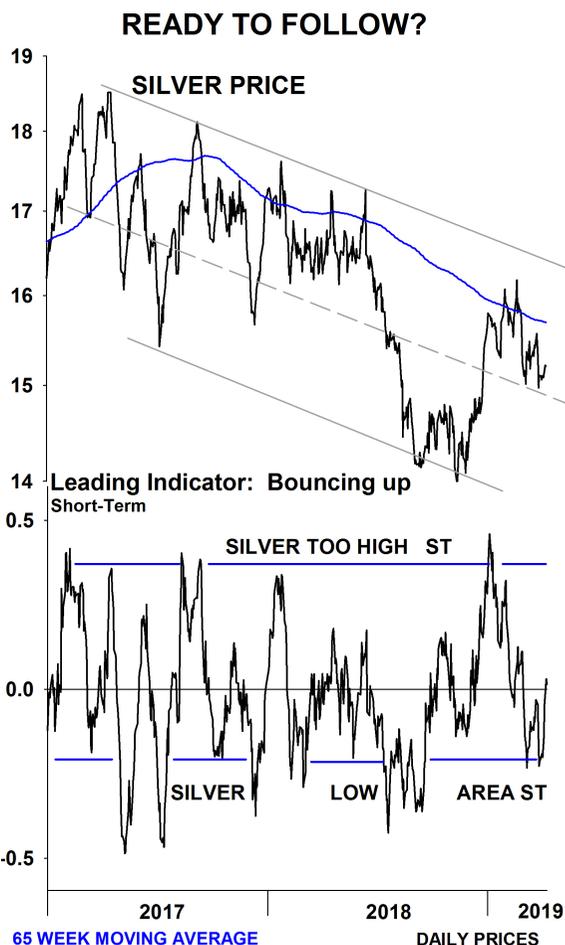
Notice our next chart is of silver since early 2017. It's been on a wild downtrend but recently found a bottom late last year, near Nov. Coincidentally, the month junior gold mines found a bottom too.

The indicator below silver showed silver bottoming this year at \$15, confirming silver's support. It's now rising, breaking above zero with lots of room to move up ST. This tells us silver could rise to its 65 wk MA, right behind gold, or even the 2017 downtrend.

Remember the 2017 downtrend near \$17 is silver's key resistance. A break above this level is necessary to see a major trend reversal.

The dollar continues to struggle to surpass resistance at the Nov highs. Since Nov, every time (Dec, Feb, Mar and Apr) the dollar has tested resistance, it's failed to surpass. The uptrend with the resistance is forming a bearish pattern called rising wedge (see chart). The pattern suggests exhaustion. If the dollar index breaks below the uptrend (2dc below 96), it'll confirm the bearish pattern and could then decline to the lower 90s.

A weakening dollar suggests a decline in demand in dollar denominated assets, likely do to the renewed interest in emerging markets since the Fed put its foot off the rate hike pedal. A weaker dollar is likely to coincide with gold's upcoming 'C' rise.



## RISING WEDGE:

About ready?

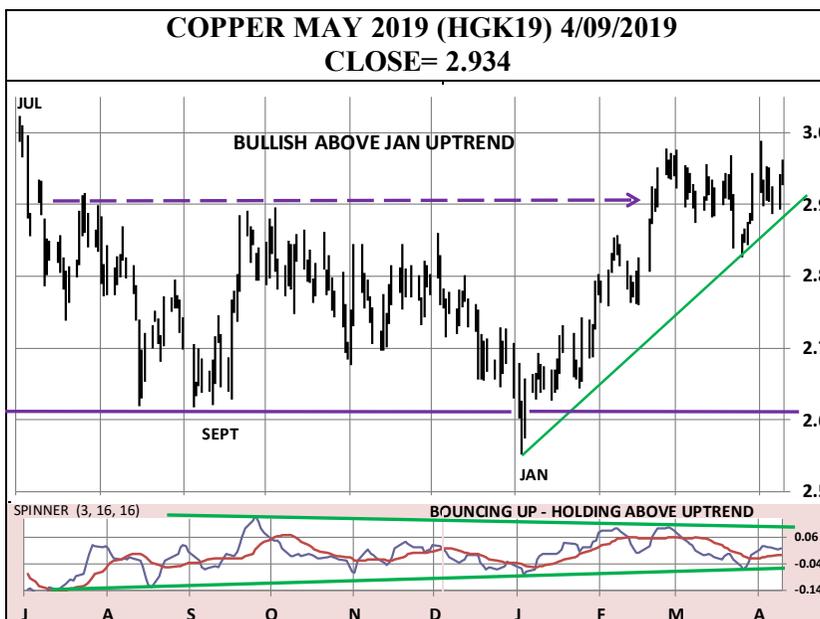


But although the dollar's value is seemingly eroding, it remains the best and safest global currency, barring gold.

In many emerging countries, dollars have safe haven status and are kept as a store of value. This sentiment is not likely to go away soon keeping the dollar's luster for the time being.

Keep your cash reserves mainly in U.S. dollars for now.

Copper is also rising. Growing global demand is being supportive of higher copper. Renewed strength in emerging markets, particularly from China, after the Fed's dovish pivot, could be the catalyst.



For now, copper must rise above \$3 to show signs of renewed strength that could push copper higher, testing resistance at \$3.30.

Keep your positions.

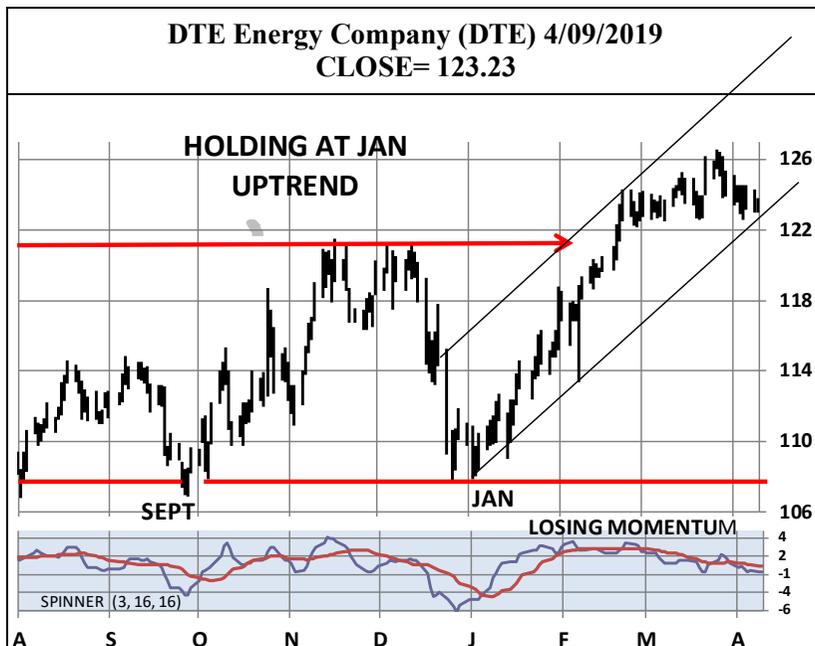


We're still holding on to half of a position in Caterpillar (CAT), waiting for it to break above resistance at \$142 and rise to our second profit target. However, CAT has struggled and has failed to surpass the resistance. This week was no exception. It topped \$140 but failed to build up on growing momentum.

But we have taken profits on half of our position and resources could remain among the strongest stock sectors. Keep your position. If CAT declines further, we will pick up more then. Sell if second target is reached.

DTE Energy (DTE) has been slowly losing momentum. Ever since it reached a new high recently above \$125. Spinner has also been on the decline, showing a loss of momentum. DTE has been a safe haven for us. However, its price pattern looks topy,

exposing a flat H&S top with downside to \$115 if \$122 is broken. That would essentially wipe out our gains.



We recently secured profits on half of our positions but we're now ready for more. Sell DTE on a bounce to \$124, then stay out. We'll wait for more weakness to develop before buying again.

Aurora Cannabis (ACB) is also cooling off after its bullish rise up. We're still holding half of our original position with handsome profits built.



I want to keep trading the cannabis industry. It's been very profitable and has great upside potential. ACB is in a unique position as it has swallowed a big chunk of the medicinal cannabis space in Canada and its presence is growing in the U.S.. Keep the second half of your position. We'll wait for more weakness before buying more.

Our strategy for this week is to buy some gold shares, especially if you're underexposed. But don't go overweight just yet. You should have increased cash reserves with sale of your second half of crude. Keep it on the sidelines for now.

Good luck and good trading,



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[www.goldchartsrus.net](http://www.goldchartsrus.net)  
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<b>KEY PRICES</b>			
<b>Name/Symbol</b>	<b>Apr 9, 2019 Price</b>	<b>Change</b>	<b>Apr 2, 2019 Price</b>
Gold (GCM19)	<b>1308.30</b>	12.90	<b>1295.40</b>
Silver (SIK19)	<b>15.21</b>	0.15	<b>15.06</b>
HUI (HUI)	<b>174.19</b>	6.89	<b>167.30</b>
Copper (HGK19)	<b>2.93</b>	0.02	<b>2.91</b>
Crude Oil (CLK19)	<b>63.90</b>	1.32	<b>62.58</b>
S&P500	<b>2878.20</b>	10.96	<b>2867.24</b>
U.S.Dollar (DXM19)	<b>96.61</b>	-0.31	<b>96.92</b>
30 Year T-Bond (ZBM19)	<b>148.00</b>	0.00	<b>148.00</b>
10 Year T-Note Yield	<b>2.50</b>	0.02	<b>2.48</b>
13-week Treasury bill	<b>2.36</b>	-0.01	<b>2.37</b>

# 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 continues to shows strong support at the \$1290 level. It's jumping up again from this level, breaking above its 5wk MA showing signs of renewed strength. Spinner rising, but still below zero. The rebound is starting to steer interest its way. However, gold must break above ST resistance at the Feb downtrend on a 2dc above \$1315 to see if upside potential has legs.	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>1308.30</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>SILVER</b>	Silver held at \$15 and it's starting to jump up, confirming support. Silver is testing the Feb downtrend. It's showing some struggle to surpass, but an upswinging Spinner is giving hope. Although it hasn't broken above e zero, it could be the start of a renewed rise. To see a clear trend reversal, silver must break above \$15.40.	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).	<b>15.21</b>	2dc below 15	17.5, 21
<b>PSLV</b>	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).	<b>5.62</b>	2dc below 5.47	6.25, 8
<b>HUI Index</b>	Gold shares are loving gold's renewed strength. They tested the Nov uptrend and bounced up from it showing support. HUI's break above its 5wk MA validates the move. We've been waiting for further weakness to add to our positions. However, the gold universe is holding strong and shows good upside potential. More than in most other sectors or trades. If you're underweight gold shares, consider adding some more to your positions at mkt. If you're not underweight hold on.	--	N/A	<b>174.25</b>		
<b>AEM</b>	Agnico Eagle Mines (AEM) is looking good. It confirmed support above \$42 (our stop) and it's showing signs of renewed strength as it looks to test its own 5wk MA. Spinner is resisting a bit below zero showing resistance is real. AEM must break above \$44 to confirm renewed strength that could push AEM to a new high for the move, at our first profit target. If you bought early, sell half when target is reached.	L	38.60 (Dec-11-18), 38.95 (Jan-4-19)	<b>43.69</b>	2d below 42	46 (almost reached), 52
<b>SGDJ</b>	SPROTT JUNIOR MINES (SGDJ) also confirmed support at our recent entry level near \$26.50. It's breaking above its 5wk MA as Spinner is positioning to turn bullish. Junior mines tend to outperform seniors during times of strength in gold. Add to your positions by buying some at mkt.	L	26.65 (Jan-30-19)	<b>28.32</b>	2dc below 26	31.5
<b>SSRM</b>	SSR Mining (SSRM) fell more than most. It led the decline since Feb. However it's now rebounding. It's rebounded less than most and Spinner is just inching up. SSRM may be lagging but it could catch up if gold remains robust and silver picks up steam. SSRM is close to our initial entry. If you're not, consider buying at mkt.	L	12.25 (Jan-4-19)	<b>12.55</b>	2dc below 12	14.70, 15.25 & 20
<b>KL</b>	Kirkland Lake Gold (KL) didn't allow us a chance to buy below \$30. It continues to rebound. Although it's resisting at its 5wk MA, Spinner just broke back above zero showing a change in momentum is in the making. A clear break above \$33 confirms renewed strength. If you're not in or are underweight, buy at mkt. Raise stops to 2dc below \$29.	L	32.90 (Mar-21-19).	<b>32.53</b>	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
<b>CURRENCIES</b>						
<b>U.S. DOLLAR (DXM19)</b>	The dollar is declining after failing to surpass key resistance once again. Spinner on the decline, telling us momentum is taking a downturn. The dollar has bullish support near 95.50 (5wk MA & Sept uptrend). A break below this level could see weakness develop further. The dollar remains king. Keep your sideline cash and reserves mainly in U.S. dollars.		Holding cash reserves mainly in U.S. dollars.	<b>96.61</b>		
<b>RESOURCES AND ENERGY</b>						
<b>Crude CLK19</b>	Crude broke to a new high for the move, taking the \$64 handle on higher than average volume. Spinner is taking off suggesting more upside is likely. However, crude has been in a tight trading range, hugging the top side of its Bollinger Band for the past few months suggesting some downtime is now likely. We sold the second half of our position at \$64 for a 18% gain since Dec. Total return on our position is 13% gain since Dec. We're now out of crude oil, and are waiting for some weakness to buy again.	O	Bot: 60.75 (Nov-8-18), 47.50 (Jan-4-19). <b>Sold half for 7.5% gain (Mar-13-19). Sold second half for 18% gain (Apr-8-19).</b>	<b>63.98</b>		
<b>COPPER HGK19</b>	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). <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>2.93</b>	2dc below 2.85	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>	Caterpillar (CAT) failed to surpass critical resistance near \$142, falling back to the mid \$130s. Stock market weakness is setting the tone and putting downside pressure. CAT remains very strong above \$135 but has strong support at \$130. We continue to hold half a position waiting to see if CAT can rise past its resistance. CAT remains one of my favorite picks given the economic and political landscape in the U.S. and across the world. We'll be looking to buy more on extreme weakness.	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>136.35</b>	2dc below 120	150
<b>OTHER STOCKS</b>						
<b>ACB.TO</b>	Aurora Cannabis (ACB) broke below its 5wk MA for the first time since early Mar. Spinner below zero showing some weakness. ACB could now fall to its 15wk MA near CA\$10, its next support. We're holding half of our original position. If you're tempted to sell, go ahead. Otherwise, ride thru some weakness. We'll be looking to buy more on weakness.	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>11.72</b>	2dc below 10.50 (ACB: 2dc below 7.50)	14.50 (ACB: 12)
<b>DTE</b>	DTE Energy (DTE) continues to edge lower. Momentum is down ST and could be forming a H&S top with downside target near key support at \$118.50, the 15wk MA. We recommend selling the second half of your position above \$124 to protect profits built.	L	117 (Nov-21-18), 108 (Jan-4-19). <b>Sold half via alert for average gain of 9% (Feb-22-19).</b>	<b>123.23</b>	2dc below 121.	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 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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