



-GCRU-

Weekly Trading Service



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

May 1st, 2019

IN ITS 18th YEAR – N° 833

**THE DOLLAR RALLIES TO NEW HIGHS FOR
THE MOVE!**

**GOLD HOLDING STRONG ABOVE BULLISH
AUG UPTREND...**

**THE MINERS ARE WEAKER THAN GOLD,
ARE THEY AT AN EXTREME OVERSOLD?**

STILL SHOPPING FOR STOCKS...

OIL PULLING BACK, IS IT COPPER'S TIME TO SHINE?

Stronger than anticipated GDP growth out of the U.S. gave stocks and the U.S. dollar an upward boost.

And it was justified...

Consider in a quarter where the U.S. government was partially shut down, a time when commercial and industrial activity tends to decline due to harsh winter conditions and consumption tends to taper after the holiday season full of spending, economic growth still came in at 3.2%. That's a nudge above 2018's yearly average, and well above last year's

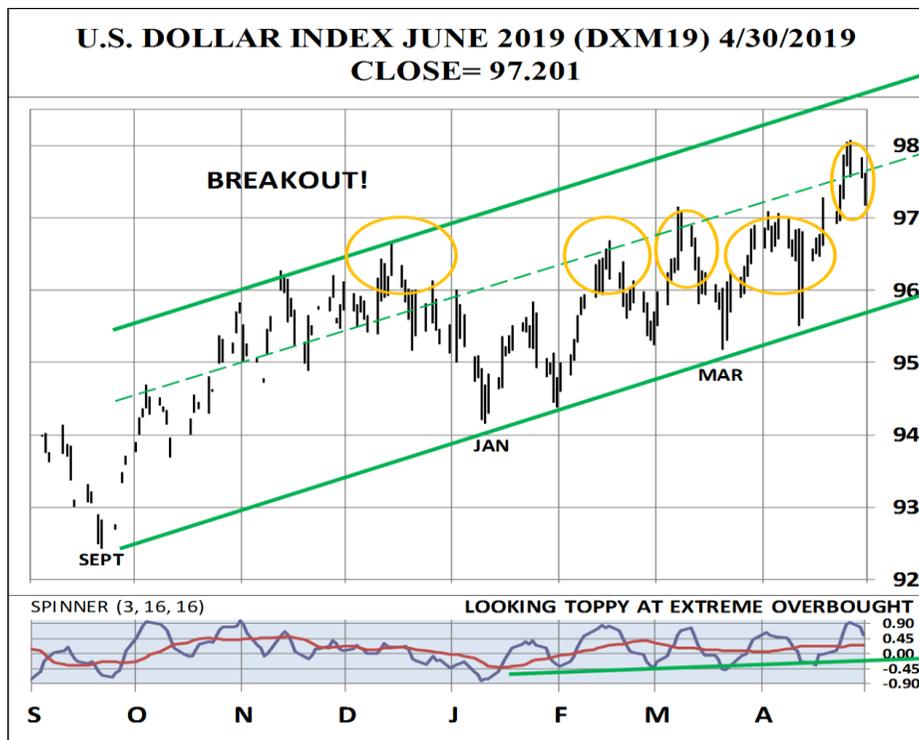
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"The intelligent investor is a realist who sells to optimists and buys from pessimists." -Benjamin Graham

first quarter (2.2%). It's one of the strongest quarters in over 5 years.

Keep in mind one of the stories igniting the bear market last year in Oct was the perceived notion that earnings growth was slowing, given a slew of global conditions.

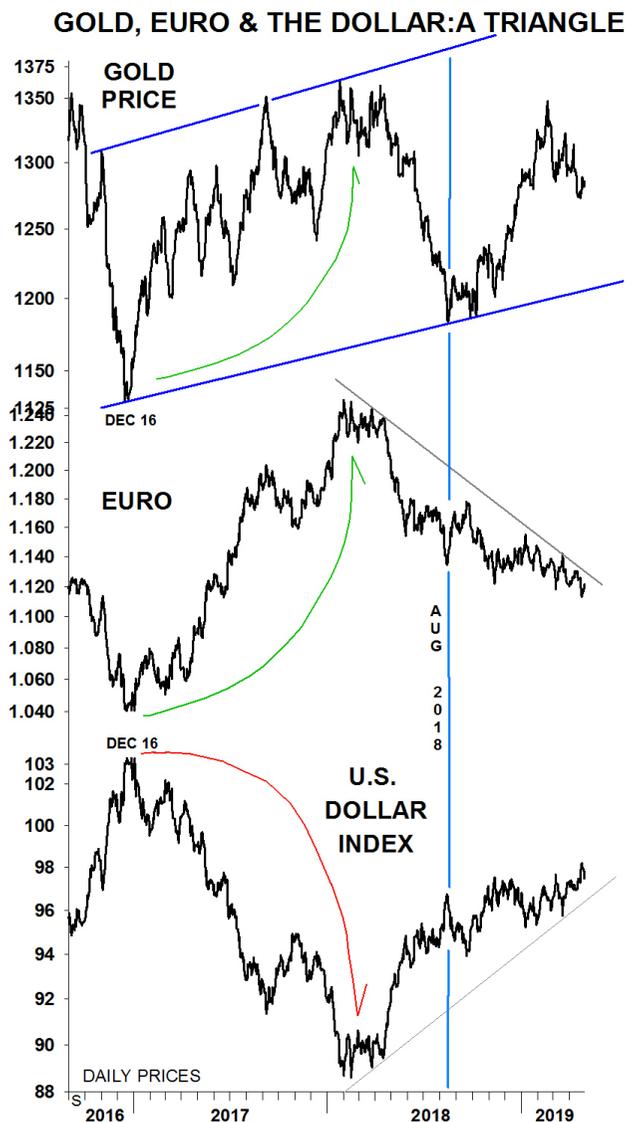
But today, the growth story that fueled stocks to last year highs is back. It's supportive of higher stocks and a higher dollar.



Notice on the chart above how DXY broke clearly above resistance and a bullish ascending triangle showing technical strength. Although it's pulling back now, it remains bullish above 96. If the dollar holds above this level, it could rise to its next resistance near 102.

Spinner is showing DXY near an extreme level suggesting upside is limited ST. But although the dollar's upside could seem limited ST, the dynamics are in place for it to continue rising to the 102 level.

Interestingly, gold has held above a key support level of its own. Precious and industrial metals are also holding up. DXY strength is not putting the kind of downside pressure we're used to seeing.



One of the many likely reasons is DXY's strength is relative to world currencies. Europe struggles to recover and doubts of its worth and existence continue to weigh in. Plus emerging market growth remains lackluster at best with no end to weakness in clear sight.

Our next chart shows how gold, the US dollar and the euro have a relationship and when it changes it tells us a lot about the gold price, and the currency market in

general. Note on the chart how gold and the euro tend to move together, and opposite to the dollar. That is, up until last August.

Gold then began a sustained rise while the euro fell and the dollar rose. In other words, gold and the dollar have essentially been rising together. Now the question is, which one has the real strength? To think gold has been stronger than the euro (as well as versus most currencies), and it's holding firm in dollar terms, this is saying gold is the strongest currency. And when this happens, it's a very bullish environment for a sustained bull market.

Meanwhile, gold's 'B' decline continues to develop. Remember 'B' declines tend to be moderate during the ABCD cycle. 'B' declines also precede 'C' rises, which are the strongest and most aggressive rises within the cycle.



Gold remains very strong above \$1265. If this level holds, as I believe it will, it'll prove to be a strong springboard to a

renewed 'C' rise that could push gold past its multi-year resistance at \$1365.

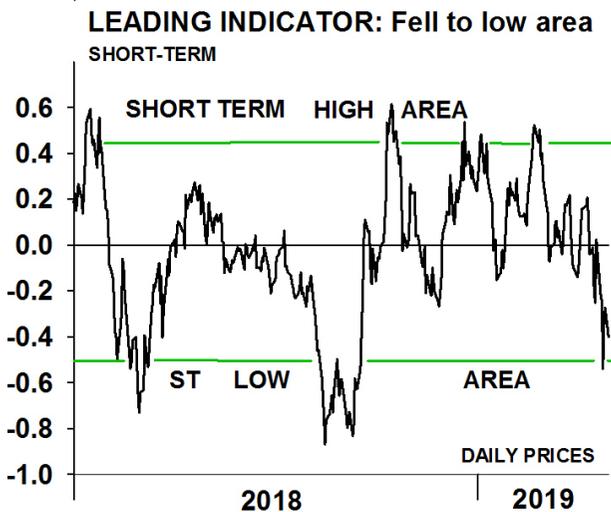
Conversely, a break below \$1265 would show a stronger 'B' decline developing that could push gold to deeper support near \$1200.

We're holding a reduced position in gold. We'll wait for clearer signs of a bottom or signs the 'B' decline is over before adding to our positions.



Silver is also very weak. We're out, but still monitor it closely. Silver failed to surpass ST resistance at \$15 and remains vulnerable below it.

Gold shares are also looking vulnerable as they can't sustain upside momentum.



However, leading indicators could be telling us gold shares are extremely oversold and the downside is limited ST.

Notice HUI continues to hold above an uptrend since Sept. This tells us the forces fueling the turn-around that began back in Aug for the gold universe remain relevant.



Our in house A/D Line is at an extreme low. Spinner and MACDs are also showing gold shares at extreme oversold levels.

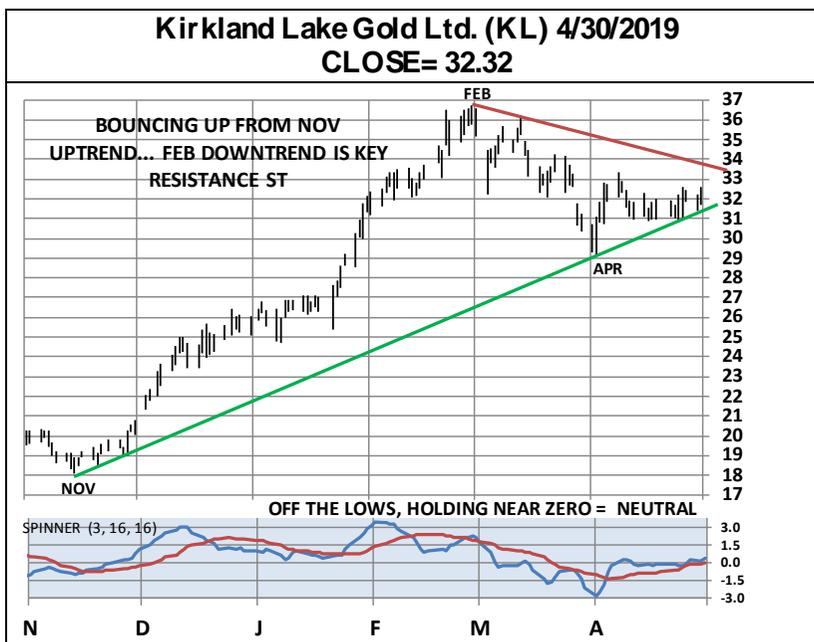
Although weakness remains, it seems as if the end is near.

Our positions are holding up well. Agnico Eagle Mines (AEM) and Kirkland Lake (KL) are the best.

AEM is still trading above our entry level with lots of upside potential. We added to our position recently and are holding a full position. Keep your positions.



KL refuses to decline and continues to trend upward. We've been waiting for a decline below \$30 to buy more. We haven't had the opportunity. We'll continue to wait. However, if you're not yet in and are looking for exposure, consider buying at mkt, ideally below \$32 and more on further weakness.



Junior mines are taking a beating. They're weaker than senior mines, which is not a good indication for the entire gold universe. SGDJ fell to new lows for the move. However, it has support at \$24 and I will keep my position as long as this level holds. Don't buy new positions. If you're looking exposure to junior mines, wait for clearer signs of a bottom.

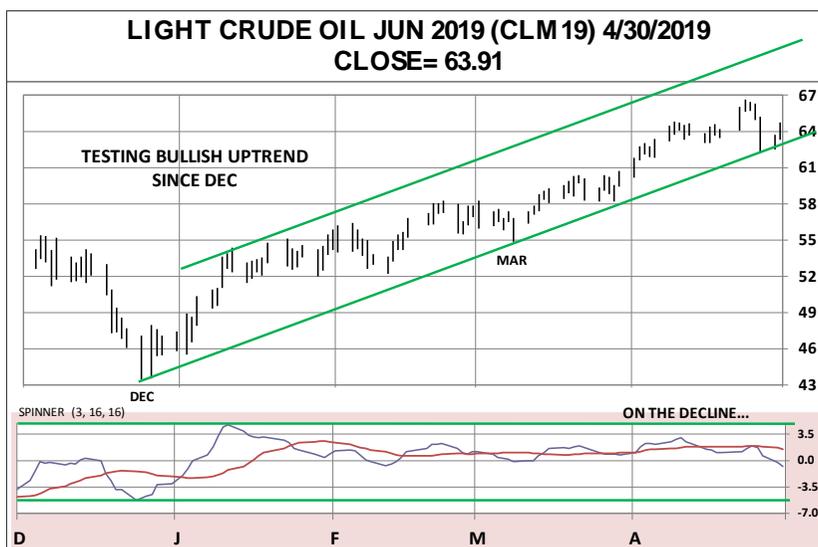


SSR Mining (SSRM) is also looking vulnerable, especially below \$12. SSRM is moving like a silver mine. It always has been closely associated with silver and likely getting dragged



down with it. On the upside, it's showing support above \$11 and if SSRM holds above this level, it'll show subtle signs of growing strength. Keep your positions, but don't buy news ones just yet.

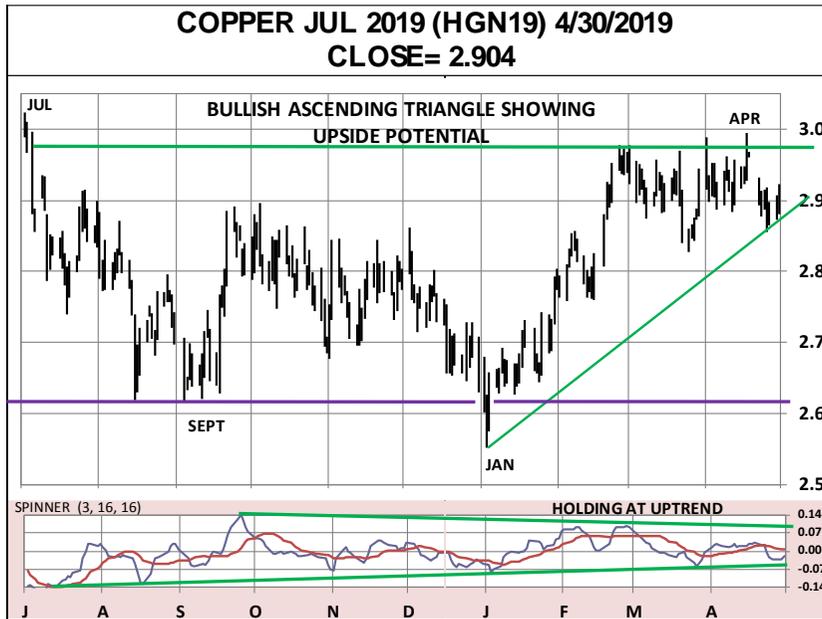
Crude oil is finally backing from its bullish ascent. Price action suggests, some downtime is likely. Leading indicators have been falling from high areas suggesting momentum waning.



Keep in mind, however, WTI remains very strong above the Dec uptrend near \$63. I will continue to wait for weakness to play out before buying. I'm waiting for a decline below \$58 to buy.

Copper looks positioned to catch up to crude. Interestingly, both crude oil and copper had been rebounding together from the lows last year. However copper got stuck while crude oil continued to rise.

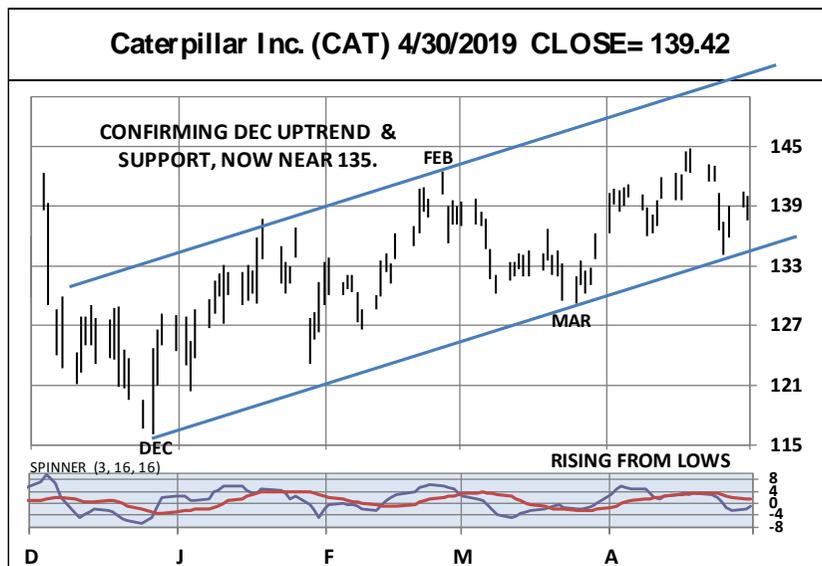
Copper has confirmed rising support near \$2.85. If it holds, and rises above \$2.95 on a 2dc, it'll show strength and could then rise to the 2018 highs above \$3.30.



We continue to hold a full position in copper, waiting for a breakout to capitalize. Keep your positions for now.

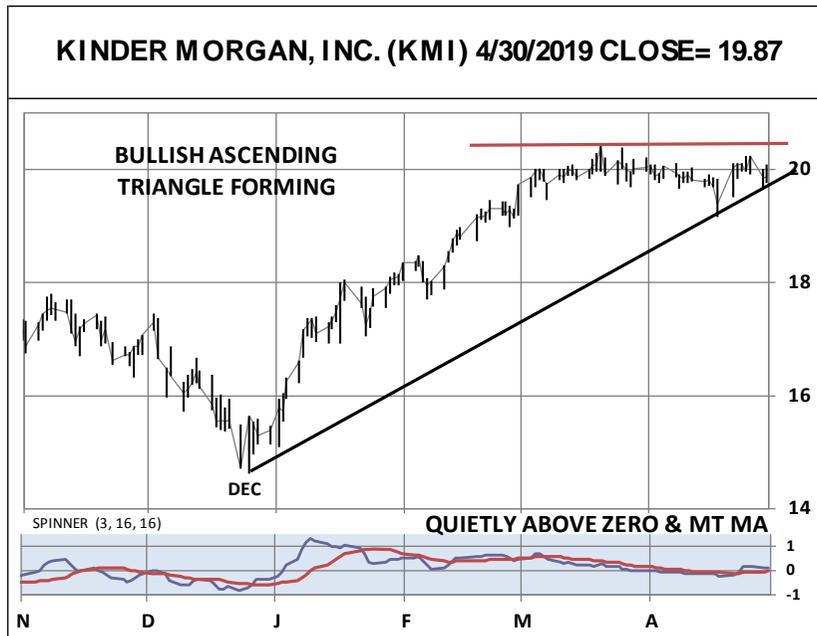
Our resource shares are doing good.

Caterpillar (CAT) fell from the highs, but remains above the Dec uptrend near \$135. Spinner turning around after



piercing below zero, suggesting momentum could pick up steam. If CAT holds on to the Dec uptrend it could soon rise to the top side of the channel near our profit target at \$150.

Keep your reduced positions for now and sell the rest at our profit target. If CAT falls back below \$135 buy new positions.



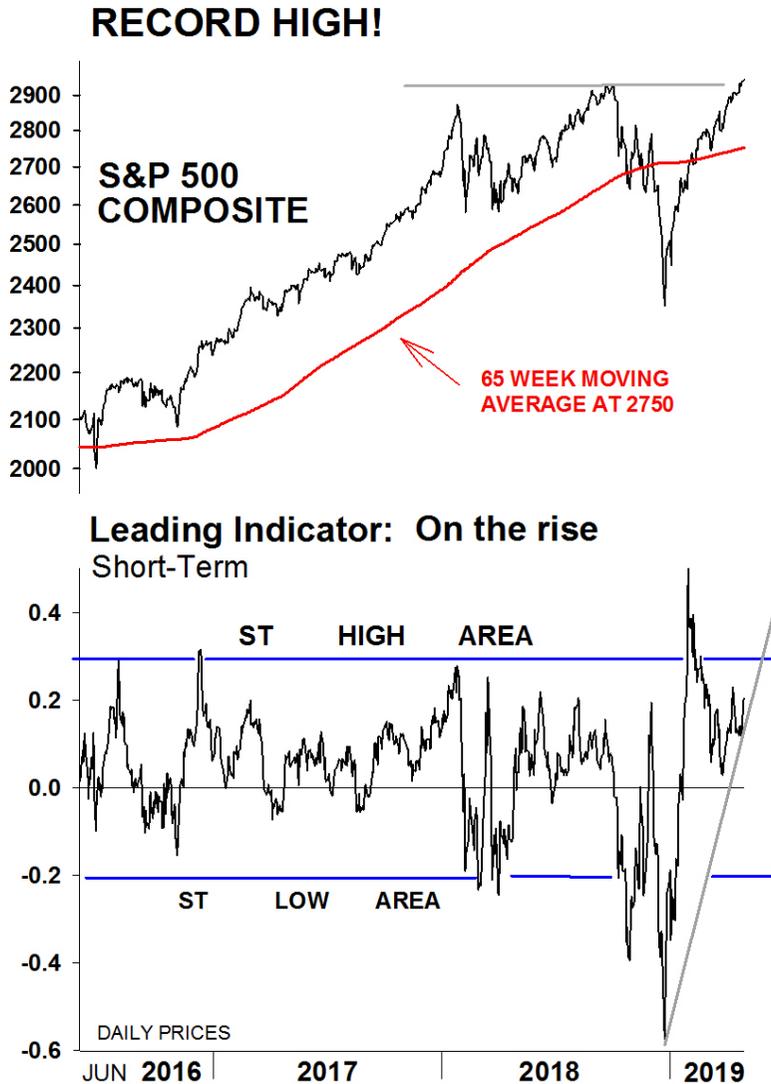
Last week we added Kinder Morgan (KMI) to our stable of recommendations. I bot some at \$20 and more again just below it.

KMI is forming a bullish ascending triangle between the Mar high resistance and the Dec uptrend. This means if KMI rises above \$20.50, it'll be off to the races and a continued rise to the mid \$20s would be likely.

Keep your positions for now. If you're not in consider buying at mkt, ideally below \$20.

Stocks remain strong.

As mentioned, a stronger than expected economy is fueling to speculation that continued growth is not only possible, but now likely.



The S&P 500 rose to new highs and it's looking bullish. Notice the leading indicator on the S&P 500's still has room to rise further.

And as stocks turned bullish, we've been buying new positions.



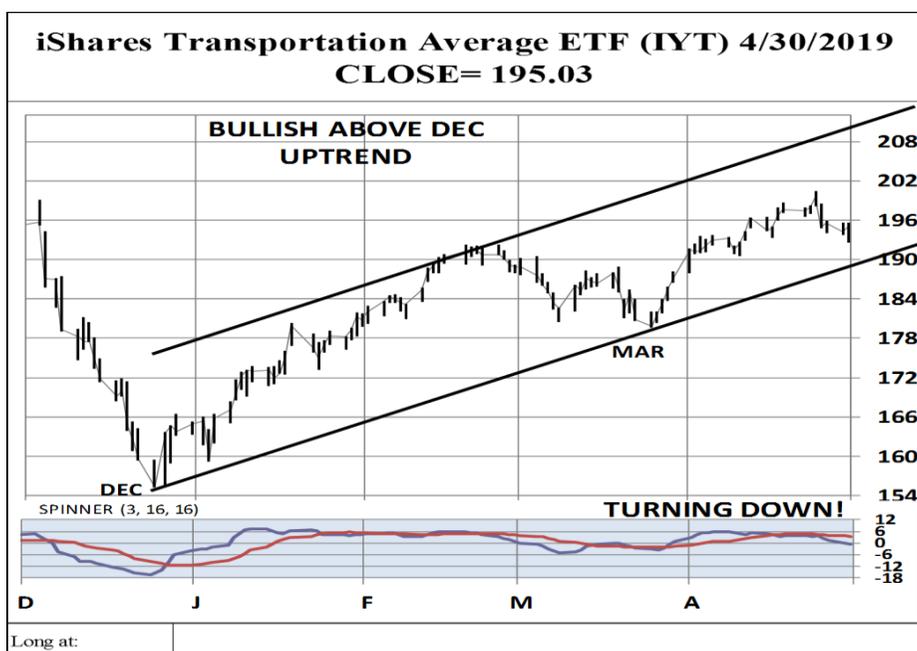
This past week we bought Procter & Gamble (PG) at \$103. PG remains on a bullish uptrend since Oct with growing support near \$100. PG is a great value company. I recommend keeping your position and buying on any weakness near \$100.



Disney (DIS) is finally starting to pull back. It reached new highs this week, but some buying pressure is putting a lid. Spinner remains extreme overbought suggesting DIS remains frothy. I recommend waiting for a deeper pull back to buy, ideally below \$130.



Aurora Cannabis (ACB.TO) has also held up strong. We're holding a reduced position after recently taking profits. We're waiting for a decline below CA\$12 to pick up some more.



We're adding the Transportation Average to our list of recommendations. It's an old favorite. Last year we profited handsomely trading the ETF: IYT.

Notice IYT above a bullish uptrend since Dec. It's showing support at 190. The H&S bottom showed in recent issues tells us IYT could now rise to the pattern's target near \$230.

I'm looking to buy some IYT near \$193 or better. Place stops at 2dc below 190. Profit targets at 210 & 230.

Our strategy this week is to pick up more stocks. Also keep a close eye on gold's support near \$1265 and developing downside pressure on DXY. Keep your gold shares. Allow for some weakness. They're technically ripe for renewed upside.

Good luck and good trading,



Omar Ayales
Chief Trading Strategist/GCRU
www.goldchartsrus.net
A division of Aden Research

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 30, 2019 Price	Change	Apr 23, 2019 Price
Gold (GCM19)	1285.70	12.50	1273.20
Silver (SIN19)	14.98	0.12	14.87
HUI (HUI)	156.74	0.33	156.41
Copper (HGN19)	2.904	-0.003	2.907
Crude Oil (CLM19)	63.91	-2.39	66.30
S&P500	2945.83	12.15	2933.68
U.S.Dollar (DXM19)	97.20	-0.12	97.32
30 Year T-Bond (ZBM19)	147.47	0.97	146.50
10 Year T-Note Yield	2.51	-0.06	2.57
13-week Treasury bill	2.37	-0.02	2.39

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 continues to bounce up after testing support near the Aug uptrend at \$1265. Spinner rising from a low area, breaking above its MT MA, gaining steam as it approaches the zero level. This is telling us gold remains resilient with a moderate 'B' decline as long as it holds at the \$1265 uptrend & support. On the upside, the Feb downtrend is key resistance to overcome. Keep your positions.	L		1285.70	2dc below \$1247	1365, 1536
PHYS	Sold half. Holding reduced positions. Waiting to buy again.	L		10.48	2dc below 10	10.85, 12.75
HUI Index	Gold shares are showing more weakness than gold. They seem vulnerable as a group. Also, the senior mines are outperforming the junior mines, a sign spelling weakness in the realm of gold. On a more optimistic note, HUI is holding above the Sept uptrend near 153 as the A/D Line and Spinners reach extreme levels suggesting the downside is limited and a rebound is now likely. Despite recent weakness, our positions are holding up well. They're down, but two out of four remain above our entry levels. The other two are nearly break-even. Our best have been AEM and KL. We recently added to our positions at the recent lows. The other two, SSRM and SGDJ, have been weaker. Keep your positions for now. We took profits last quarter and have been increasing our positions during recent weakness.	--	N/A	157.88		
AEM	The rebound rise continues. AEM stalled the rise at \$42.50 for now. However, notice Spinner rising feverishly, testing the zero line, showing momentum growing. As long as AEM holds above \$40, it could rise to test ST resistance at \$42.50. A break above this level could catapult AEM to the recent highs near \$46. Keep your positions.	L	38.60 (Dec-11-18), 38.95 (Jan-4-19), 40 (Apr 23-19).	41.41	2d below 39	46 52
SGDJ	Under pressure. Junior mines are lagging seniors showing 'B' decline weakness. SGDJ's 5wk MA just crossed below the 15wk MA suggesting weakness could extend further. Keep in mind, SGDJ is still holding above the Jan 2019 lows at \$24. On the upside, SGDJ is holding at an (adj) Nov uptrend as, Spinner breaks above its MT MA and gears up to test the zero line. If SGDJ holds above the (adj) uptrend and rises above \$27, it could push SGDJ to test the Mar highs, initially. Keep your positions.	L	26.65 (Jan-30-19), 28.35 (Apr-10-19).	25.61	2dc below 24	31.5
SSRM	Failed to break above resistance at \$12.50 on recent bounce up from support level. SRRM is back to testing ST support near \$11. Spinner rising, but still shows weakness below the zero line. Keep your positions for now. The downside seems limited.	L	12.25 (Jan-4-19), 12.90 (Mar-21-19), 12.50 (Apr-10-19).	11.54	2dc below 11	14.70, 15.25 & 20
KL	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).	32.32	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
CURRENCIES						
U.S. DOLLAR (DXM19)	Breakout! DXY broke clearly above the resistance showing strength. It's now pulling back. Don't overthink it, the dollar is still very strong above key support the Sept uptrend near 96. Continue to hold your cash reserves in U.S. dollars. The dollar is king and its royalty status is poised to stay in the foreseeable future.		Holding cash reserves mainly in U.S. dollars.	97.20		
RESOURCES AND ENERGY						
Crude CLM19	Under pressure. Crude fell to its 5wk MA after reaching new highs since our last issue. It's holding at the Dec uptrend but Spinner showing momentum quickly shifting to the downside ST. This suggests more weakness is likely. Crude oil has its next key support at the 15wk MA near \$58. Buy some below \$60.	O		63.91		
COPPER HGN19	A tug of war... Copper has once again confirmed support at \$2.85. This time, however, the recent Mar lows also coincided with copper's 15wk MA. Spinner is bouncing up from an uptrend since Jan showing upside potential. Keep in mind, however, to see a clear trend reversal, copper must break above \$3 on a 2dc. Keep your positions. If you're looking for exposure, buy some at mkt.	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).	2.90	2dc below 2.78	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	Holding above the Dec uptrend. CAT is bullish above this level near \$135. Spinner bouncing up, retesting zero and MT MA showing promise ST. If CAT holds at this uptrend, it'll be poised to rise to the top side of it near our profit target. Keep your positions. Buy more again near \$135.	L	Bot: 115 (Oct-24-18), 125 (Nov-28-18). Sold half via alert for an average gain of 18% (Feb-25-19).	139.42	2dc below 130	150
KMI	Bot some last week at \$20 and more just below. KMI continues to hold steady above ST support at \$19.50, the bottom side of a 2 month long sideways band. Coincidentally, KMI's 15wk MA is creeping up, approaching \$19.50, confirming this level is becoming relevant support. Spinner above zero with lots of room to rise further. Look for a break above \$20.50, the top side of the band, to show renewed strength.	L	20 (Apr-24-19), 19.90 (Apr-29-19)	20.08	2dc below 19.	24 & 28
OTHER STOCKS						
ACB.TO	ACB.TO attempted to break above CA\$12.50, a month long resistance level. Spinner above zero but essentially neutral not providing a clear indication. We're holding a reduced position and looking to buy more below CA\$12 or better.	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)!	12.17	2dc below 10.50 (ACB: 2dc below 7.50)	14.50 (ACB: 12)
PG	Bot at mkt last week near \$103. Would buy more at lower levels. Hold on to positions or now. If you're not in, buy at mkt. PG is bouncing up from its 5wk MA as Spinner breaks above zero. All bullish signs forecasting more upside. On the downside, look for \$100 for support. It's converging with PG's 15wk MA. Keep your positions. Buy more on weakness.	L	103 (Apr-24-19)	106.48	2dc below 90	124 & 130
IYT	The Transportation Average is pulling back after clearly breaking above a H&S bottom. The bullish pattern's target is near \$230, an 18%+ gain on the average! Notice Spinner bottoming at zero. Another good indication. IYT seems like a great play. It has good upside with limited risk. Buy at mkt. Place stops at 2dc below 190 (Dec uptrend).	O		195.03	2dc below 190	210 & 230
DIS	DIS rose to new highs on a mini blow off. It's now pulling back. Spinner broke to new lows telling us a continued pull back is likely. DIS could pull back to its 5wk MA near \$125. I love DIS and have been waiting for the right time to buy. I'll continue to wait for weakness to develop further before buying. Buy below \$130.	O		136.97	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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