



-GCRU-

Weekly Trading Service



Omar Ayales
Editor

Achieves gains by trading commodities, currencies and stocks

5/11/2017

IN ITS 16TH YEAR- N° 738

LOOKING OVER THE VALLEY

Well, the market got what it wanted when Macron crushed LePen in the French elections on Sunday. Concerns of rising nationalism and a potential breakup of the euro have been put to ease. Interestingly, the euro didn't strengthen following the news; instead it declined as the dollar rose from a key bull market support of its own.

The Fed's commitment to raise rates later on this year overpowered the news, and the 10 year yield rose past a ST resistance.

The dollar's key bull market support at the May uptrend proved to be a strong one when tested. And while there's a key resistance level, both the dollar and the U.S. 10-year yield must overcome, they're on an upward path. The move has put downside pressure on most assets, particularly commodities and precious metals.

Gold's 'B' decline continued to develop.

As we noted in our SPECIAL ALERT on Friday, gold broke below its 'A' rise support at the Dec uptrend near \$1240. As expected, the miners for the most part consolidated their earlier declines. HUI is holding above the 180 level and it's started to bounce up.



"The smart investor must know the difference between what is temporarily undervalued and what is permanently undervalued" - John Templeton -

It's too early to signal a bottom, but some of our ST indicators are already showing limited downside. Be cautious, however, because we're approaching a seasonally low time for gold.

Our chart of the week shows the downside. Gold has strong support at its 23 mo MA near \$1210 and the \$1200 level, but don't be surprised if we see gold fall further to possibly the \$1170 level, the bull market uptrend on the chart.

Gold would still be in a bull market even if this level is tested.

Gold shares are now actually holding up nicely. Note the HUI index holding at the March lows, and again even if the Dec lows are tested it wouldn't change the big picture.

The main issue to keep your eyes on, are the fundamentals and uncertainties keeping gold's cyclical (and secular) bull market alive. They're still there.

Silver also continued to decline. It was depressed by the weakness in the resource sector, and declined further than gold and many of the miners. It's testing the Dec lows now, see **Chart**.

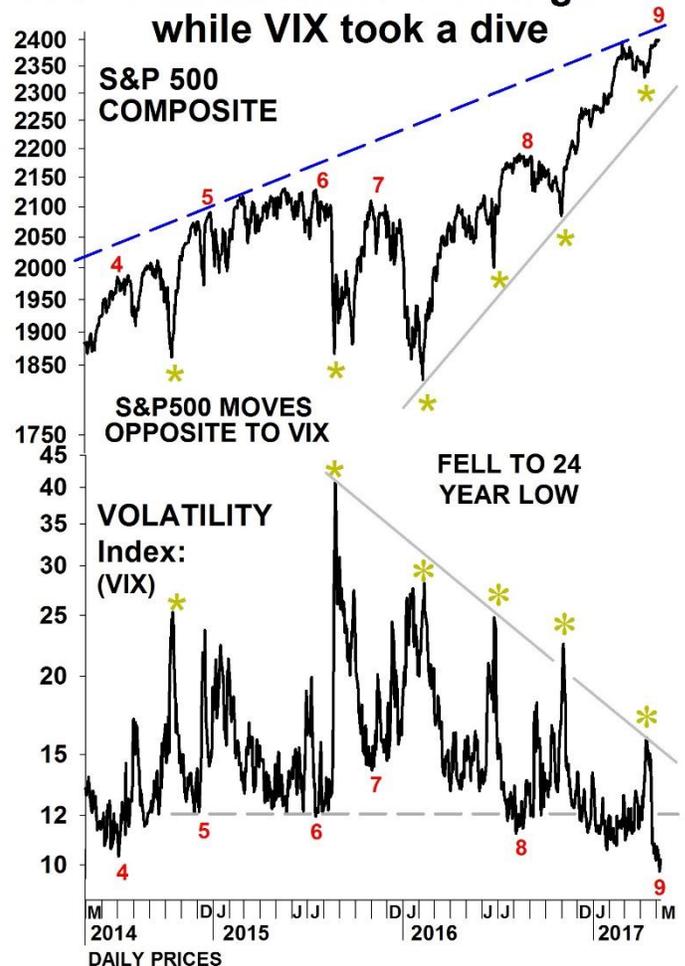
Some weakness in China and with investors feeling unsure about Trump's infrastructure plans, it's been weighing on the industrial metals. However, silver remains one of the best value plays out there as it holds on to a key support level.

This is why we recommend keeping your silver even though it breached below ST support levels. We also picked up a bit more

silver as mentioned in our SPECIAL ALERT on Friday.

We've been trying to take advantage of weakness. Selectively, of course. We bought a bit more GDXJ, SLW and silver at the lows. We'll be buying more and will continue to add more gold shares in the weeks ahead. The important thing is that we have time for cherry picking.

STOCK MARKET: Record Highs while VIX took a dive



The stock market continues to hold near the all-time highs with some indexes like Nasdaq and S&P500 reaching new record highs showing impressive strength. The Industrials and the Transports remain bullish with upside potential. And although valuations remain near unprecedented levels for a bull

market, investors and traders alike seem to be very comfortable. Solid earnings from most popular sectors and a lack of better or safer alternatives in the stock market continue to boost investor confidence.

One of the sectors that is not doing so great is the automobile industry. Rising rates seem to be hitting them the most as auto loans dry up. Most major car manufacturers posted declines in sales that were lower than estimated (it's one of the black swans we've mentioned here in past issues).

The Volatility Index declined to a 24 year low. That means fear is practically nonexistent. Market complacency could continue driving stocks higher. But as you can see on the chart, low volatility (the VIX index) tends to coincide with stock market tops. Is it suggesting a possible "sell in May and go away" scenario? We'll keep our eyes peeled.

Interestingly, crude started to rise after declining to the lower \$40s on an intraday basis. Crude's waterfall decline allowed us to pick up some at the lows, shown in our SPECIAL ALERT.

And yesterday's news that crude stock piles declined, gave crude an unexpected boost. OPEC members are leaving the door open for continuing production cuts into 2018, which would allow for a profitable rebound rise in crude.

Our strategy for this week is to be patient. We're accumulating during weakness and cherry picking our positions. We're preparing for a bigger up move in gold. Allow for weakness. Keep a close eye on

gold's \$1200-\$1210 support level and the dollar's 100.50 resistance and 98 support.

Good luck and good trading,



Omar Ayales
Chief **Trading** Strategist
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www.goldchartsrus.net

A division of Aden Research Group

| KEY PRICES | | | |
|------------------------|--------------------|--------|-------------------|
| Name/Symbol | May 10, 2017 price | Change | May 2, 2017 price |
| Gold (GCM17) | 1218.90 | -38.10 | 1257.00 |
| Silver (SIN17) | 16.21 | -0.62 | 16.83 |
| HUI (HUI) | 189.86 | 2.94 | 186.92 |
| Copper (HGN17) | 2.49 | -0.14 | 2.64 |
| Crude Oil (CLN7) | 47.33 | -0.33 | 47.66 |
| S&P500 | 2399.63 | 8.46 | 2391.17 |
| U.S.Dollar (DXM17) | 99.56 | 0.73 | 98.83 |
| 30 Year T-Bond (ZBM17) | 150 - 17 | -2.07 | 152 - 24 |
| 10 Year T-Note Yield | 2.41 | 0.11 | 2.30 |
| 13-week Treasury bill | 0.88 | 0.04 | 0.84 |

JOIN ME AT A CONFERENCE

Please join me and the editor of our sister letter, Pamela Aden, in Las Vegas next week at the Money Show at Caesars Palace.

Click [HERE](#) to see more.

Also, I'll be speaking at the Metal's Writers Conference 2017 in Vancouver, Canada at the Vancouver Convention Centre East on May 28 -29.

Click [HERE](#) to see more.

TABLE OF CONTENTS & OPEN POSITIONS

CHART SECTION SUMMARY

| PAGE N° | Symbol | Trade Update &/or Current Position | Status L=Long S= Short O= Out P= Put C= Call | Initial Entry Date | Position Entry Price | Last Closing Price | Stops | Target #1 | Target #2 |
|---------|-----------------------|---|---|--------------------|-----------------------|--------------------|-----------------|-----------|-----------|
| 5 | GOLD | Keep second half positoin. Buy again near 1215. | L | Jan-5-17 | 1170, 1220 | 1218.90 | 2dc below 1200 | 1300.00 | 1450.00 |
| | PHYS | Keep second half position. Buy again near 9.90. | L | Jan-5-17 | 9.63, 10.12 | 9.93 | 2dc below 9.80 | 11.50 | 12.00 |
| 6 | SILVER | Don't sell. If not in, buy near 16. | L | Jan-5-17 | 17.35 | 16.21 | 2dc below 16 | 19.25 | 20.50 |
| | PSLV | Don't sell. If not in, buy near 6.10 | L | Jan-5-17 | 6.35 | 6.18 | 2dc below 6 | 7.20 | 7.90 |
| 7 | PLATINUM | Stay out. | O | Mar-16-17 | 91.90 | 87.18 | | | |
| 8 | HUI Index A.D LINE | We'll be looking to buy more in the coming weeks as gold shares continue to bottom. | | | | 189.86 | | | |
| 9 | GDXJ | Keep your position. | L | Mar-16-17 | 37.3, 35.75, 31.90 | 30.94 | 2dc below 28 | 38.00 | 50.00 |
| 10 | AEM | Keep your positions. Buy again below 43 | L | Mar-16-17 | 42.50 | 46.77 | 2dc below 40 | 50.00 | 60.00 |
| 11 | SLW | Buy again below 19. | L | Mar-17-17 | 19.80 | 19.54 | 2dc below 18.50 | 22.25 | 23.75 |
| 12 | US Dollar DXM17 | Stay out for now. | O | | | 99.56 | | | |
| 13 | TNX | Stay out. | O | | | 2.41 | | | |
| 14 | COPPER HGN17 | Stay out for now. | O | | | 2.49 | | | |
| 15 | Crude- CLM17 | Keep your new position. Sell half at first profit target. | L | May-4-17 | 45.90 | 47.33 | 2dc below 41.50 | 52.00 | 55.00 |
| | DBO | Keep your position. Sell half at first profit target. | L | May-4-17 | 8.05 | 8.34 | 2dc below 7.25 | 9.00 | 9.50 |
| 16 | DIA | Keep your positions. Sell half at first profit target. | L | Apr-11-17 | 205.00 | 209.48 | 2dc below 200 | 225 | 240 |
| | IYT | Keep your positions. Sell half at first profit target. | L | Jan-12-17 | 162.90 | 163.45 | 2dc below 160 | 176.00 | 200.00 |

CHART SECTION

GOLD JUNE 2017 (GCM17) 5/10/2017
CLOSE = 1218.9

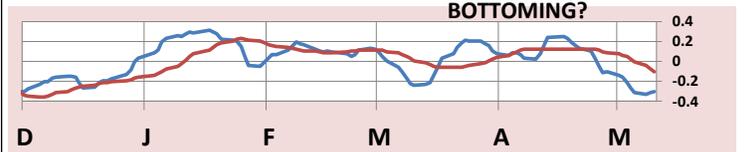
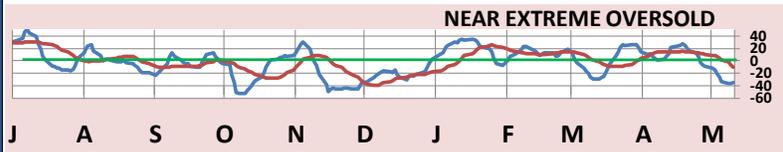


SPINNER (3, 16, 16)

Sprott Physical Gold Trust (PHYS) 5/10/2017
CLOSE = 9.93



SPINNER (3, 16, 16)

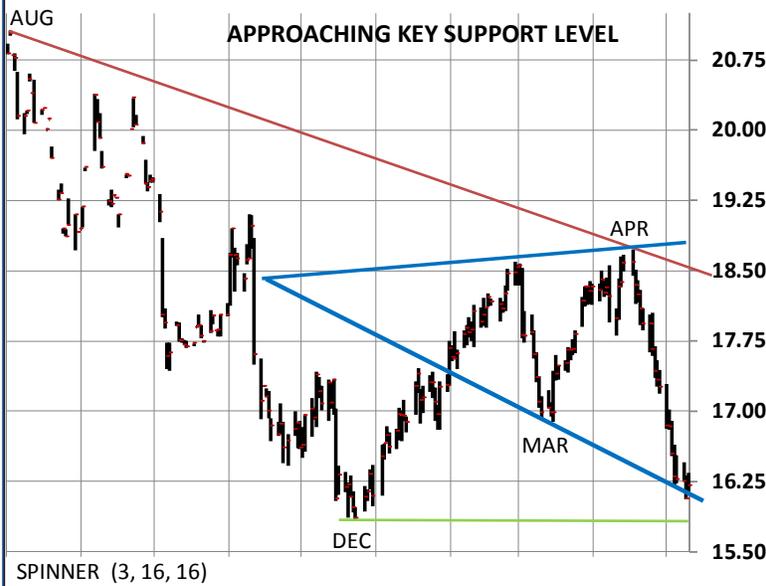


| | |
|----------------|---|
| Long | 1170 (Jan-5-17), 1220 (Mar-16-17). Sold half at 1287 for an average 8% gain. |
| Stop | 2dc below 1200. |
| Profit Targets | 1380 & 1450. |
| Recom | Keep second half position. Buy some below 1215. |

| | |
|----------------|--|
| Long: | 9.63 (Jan-5-17), 10.12 (Mar-16-17). Sold half at 10.54 for an average gain of 7%. |
| Stops | 2dc below 9.80 (adj). |
| Profit Targets | 11.50 & 12 |
| Recom | Keep second half position. Buy below 9.90. |

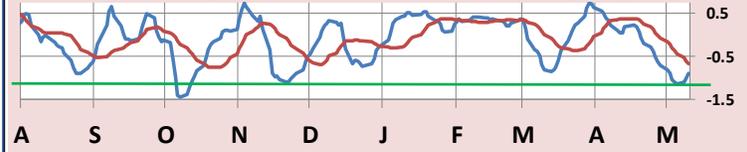
Gold continued to decline breaking below its 'A' rise support level at the Dec uptrend. The 'B' decline continues to develop... Gold is now approaching a key support level at 1210, the 23 mo MA, as Spinner looks for a bottom at an extreme oversold level. This tells us the downside is limited ST to possibly the 1200-1210 level or the 1175 level in a worst case scenario. Spinner is also suggesting a rebound rise is now likely. Keep in mind, however, gold remains under pressure as long as it stays below the Jul downtrend currently near 1290. A break above this level would confirm the end of the 'B' decline and a renewed rise would be in play. We recommend keeping the second half of your original position for now and buying a bit more on a dip below 1215. Also buy more on a decline that holds above the 1175 level.

**SILVER JULY 2017 (SIN17) 5/10/2017
CLOSE= 16.207**

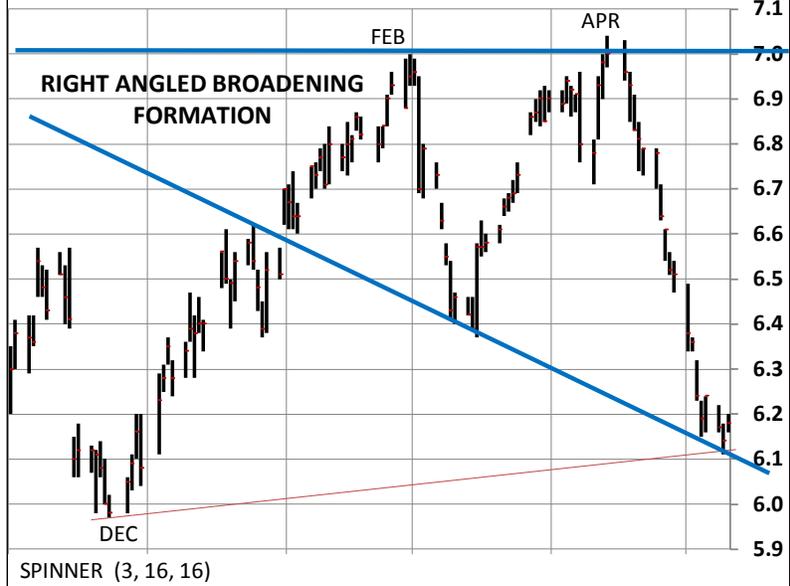


SPINNER (3, 16, 16)

BOTTOMING AT EXTREME = LIMITED DOWNSIDE ST

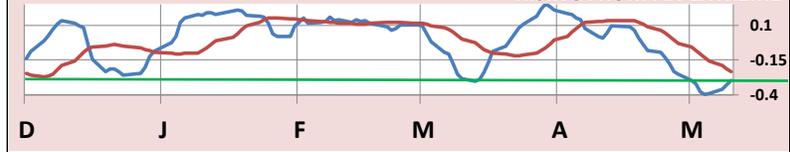


**Sprott Physical Silver Trust (PSLV) 5/10/2017
CLOSE= 6.18**



SPINNER (3, 16, 16)

RISING FROM AN EXTREME



Long 17.35 (Mar-16-17), 17 (May-1-17), 16.35 (May-4-17).

Stop 2dc below 16 (adj).

Profit Targets 19.25 & 20.50

New Recom **Don't sell. If not in, buy near 16.**

Long 6.60 (Mar-16-17), 6.40 (May-1-17), 6.20 (May-4-17).

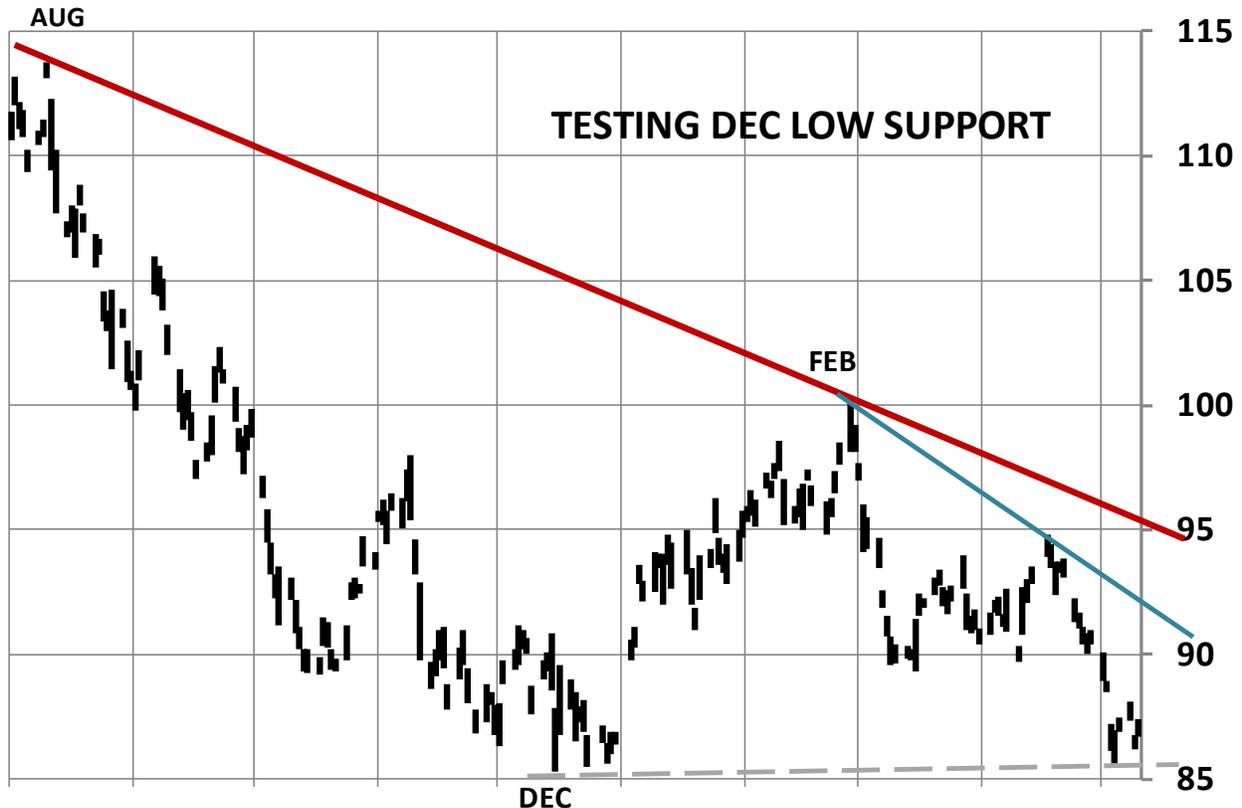
Stop 2dc below 6 (adj).

Profit Targets 7.20 & 7.90

New Recom **Don't sell. If not in, buy near 6.10.**

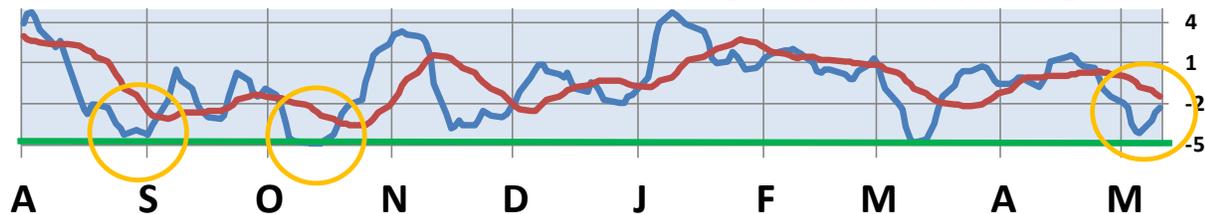
Silver continued its dramatic decline from the Apr highs. It found support above the Dec lows near 16. Spinner is confirming support by rising from an extreme oversold level thereby telling us downside is limited ST and a rebound rise is now likely. Interestingly, silver has been forming a right angled broadening formation which may prove to be a bullish pattern if silver holds above the Dec lows. If silver rebounds from the lows, it could then rise to the double top resistance level at 18.75. Keep in mind, silver's double top pattern will be a strong resistance level to overcome. If silver breaks above 18.75 on a 2dc, it'll have an open space to rise to its next real resistance at the Aug high near 21. On the downside, if silver fails to hold on to its right angle and breaks below the Dec low support, it'll show renewed weakness and a continued decline would ensue. Keep your positions and buy at these low levels if not yet in.

ETFs Physical Platinum (PPLT) 5/10/2017 CLOSE= 87.18



SPINNER (3, 16, 16)

BOUNCING UP FROM LOWS



ETFs Physical Platinum (PPLT) - NYSEArca

Long at: 91.90 (Mar-16-17). Sold at 87 via stop for 5% loss :(

New Recom: **Stay out.**

PPLT fell further as it approaches its Dec lows near 85. Spinner is rising from an extreme low level. PPLT must rise above the Feb downtrend on a 2dc above 92.50 to show a first sign of strength. The Aug downtrend near 95 remains the stronger resistance level. Unless PPLT surpasses those levels, it'll remain sluggish with downside risk and limited upside potential.

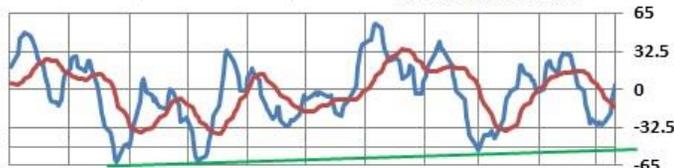
ADEN GOLD STOCKS ADV/DECLINE 5/10/2017
CLOSE = 4455

HUI GOLD BUGS INDEX (HUI) 5/10/2017 CLOSE= 189.86



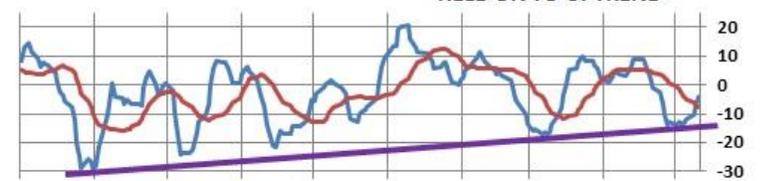
SPINNER (3, 16, 16)

TURNING BULLISH!



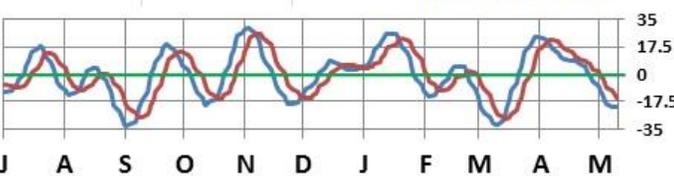
SPINNER (3, 16, 16)

HELD ON TO UPTREND



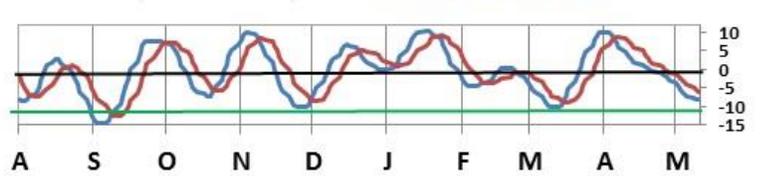
MACD (12, 26, 9)

NEAR AN EXTREME



MACD (12, 26, 9)

APPROACHING EXTREME



The decline in gold shares seems to be reaching a bottom near the Mar lows, at least momentarily. During the past week, the times HUI has reached the Mar lows, it has rebounded strongly. Notice HUI's Spinner showing momentum continues to trend upward. Moreover, Spinner is breaking above its MT MA confirming strength. The A/D Line also held above the Mar low and has started to rise. Its own Spinner is breaking above its MT MA and zero line showing momentum remains to the upside. The strong Aug downtrend near 4480 is a key level. If the A/D Line resists below it on its current upswing, it'll tell us the current rise was a mere rebound. If it breaks above it, it'll show renewed strength and a potential renewed leg up for gold shares. Keep in mind; however, gold and gold shares could still have further downside before rising. We recommend being cautious and not loading up too heavily on gold shares at this moment. Take your time and cherry pick at the lowest levels. We picked up some GDXJ and SLW this past week at great levels. We'll be looking to buy more in the coming weeks as gold shares continue to bottom.

MKT VECTORS JR. GOLD MINERS (GDXJ) 5/10/2017 CLOSE= 30.94



| Junior Gold Miners ETF (GDXJ) - NYSEArca | |
|--|--|
| Long at: | 37.30 (Mar-16-17), 35.75 (Apr-17-17), 31.90 (Apr-25-17), 29.70 (May-4-17). |
| Stop: | 2 dc below 28. |
| Profit target: | 38 & 50 (adj). |
| New Recom: | Keep your positions. |

GDXJ reached a low last Thurs, allowing us to pick up some below 30. Coincidentally, GDXJ reached the mid-channel line where it has found some support. Today, GDXJ rose with strength, breaking above the Apr downtrend and downside wedge pattern showing strength with upside potential. If GDXJ can hold above the mid channel line, it'll likely rise to the Aug downtrend near 38. However, if GDXJ breaks below the mid-channel line near 28, a decline to the bottom side of the Aug downchannel would be likely. Keep your positions.

Agnico Eagle Mines Limited (AEM) 5/10/2017 CLOSE= 46.77



Agnico Eagle Mines Limited (AEM) -NYSEArca

| | |
|----------------|---|
| Long: | 42.50 (Mar-16-17). Sold half at 46.05 for an 8% gain. |
| Stop: | 2dc below 40. |
| Profit Target: | 50 & 60. |
| New Recom: | Keep your positions. Buy again below 43. |

AEM is holding near the Aug downtrend. It's flirting with its key resistance. Spinner is looking good above zero and MT MA with room to rise further. Momentum is clearly on the upside. AEM must clearly break above the Aug downtrend on a 2dc above 47.50 to show signs of renewed strength. A break above that resistance could push AEM to the Aug highs near 60. If AEM fails, however, it'll show weakness and could pull back to the Mar and possibly the Dec uptrend near 42. If it does, we recommend buying at those lower levels.

Silver Wheaton Corp. (SLW) 5/10/2017 CLOSE= 19.54



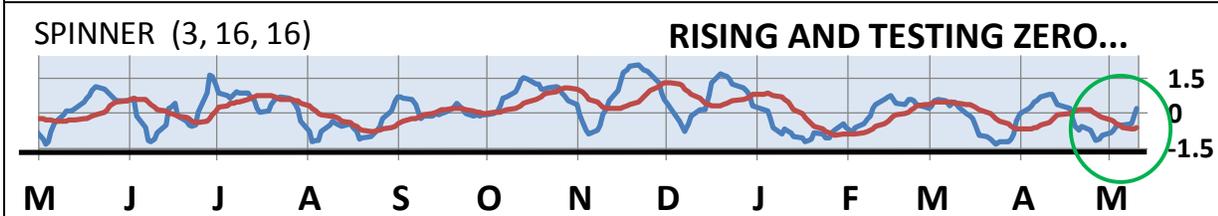
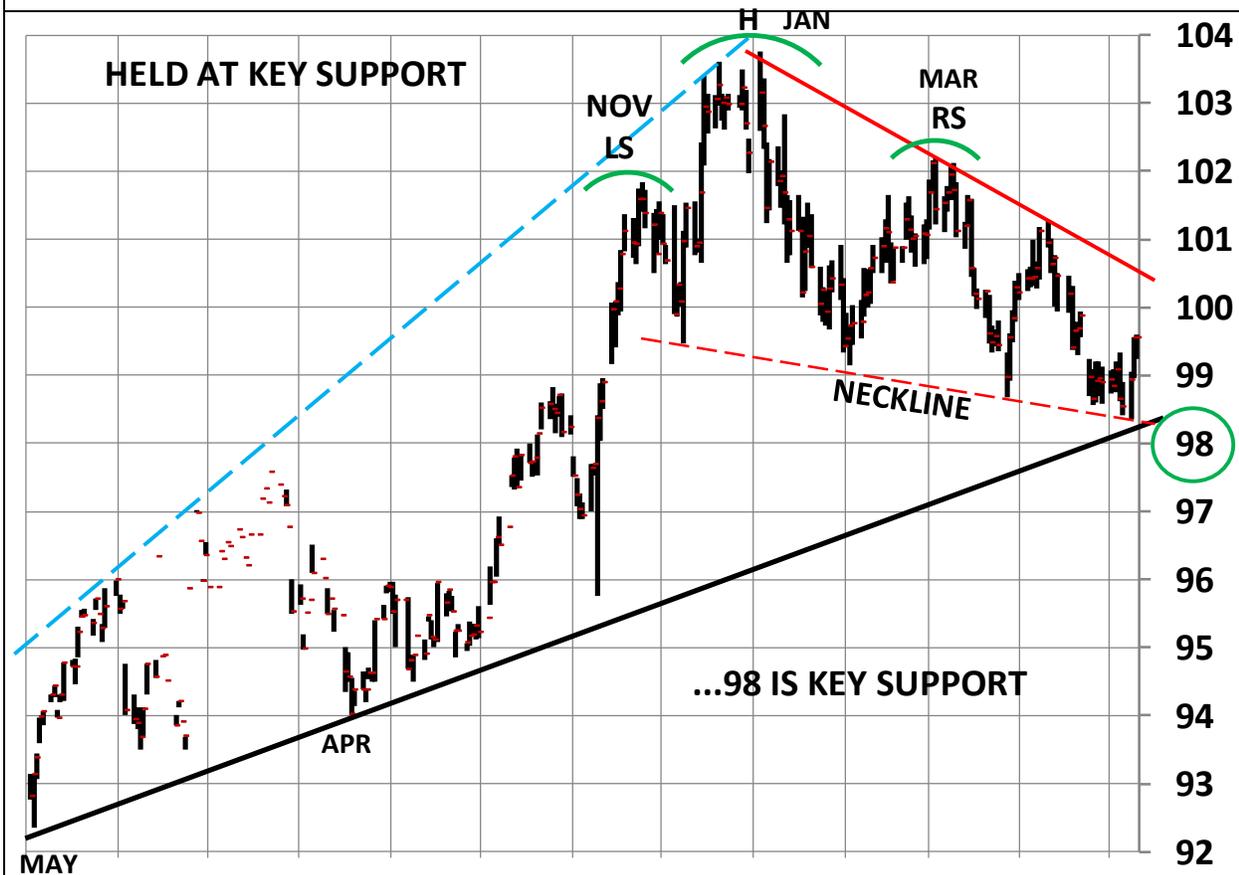
Silver Wheaton Corp. (SLW)

| | |
|---------------|---|
| Long at: | 19.80 (Mar-17-17). Sold half at 21.65 for a 9% gain. 18.90 (May-4-17). |
| Stop: | 2dc below 18.50 |
| Profit Target | 22.25 (adj), 23.75 & 28. |
| New Recom: | Buy again below 19. |

SLW is showing strength by holding above both the Mar low and the mid-channel line. It's breaking above the Apr downtrend showing ST strength. If SLW holds above the mid-channel line, it could rise to test the Feb downtrend near 22.25. We picked up some more SLW below 19 this week and are positioned for more upside. Keep your positions and remain patient. Take advantage of any weakness to buy more.

U.S. DOLLAR INDEX JUNE 2017 (DXM17) 5/10/2017

CLOSE= 99.559



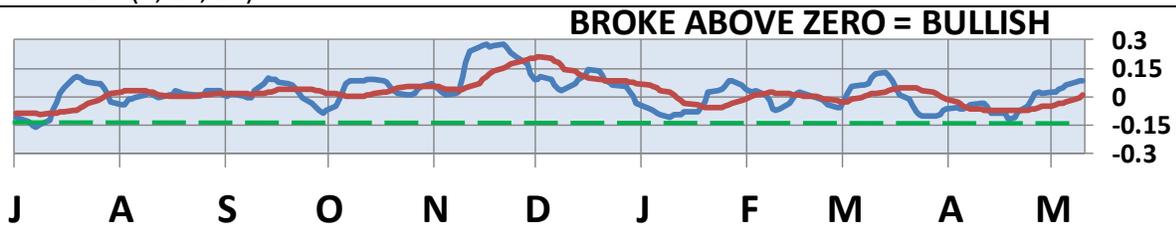
Recom

Stay out for now.

The U.S. dollar index rebounded after testing the May uptrend confirming strong bull market support at the 98 level. Spinner is rising, breaking above its MT MA and testing the zero line. This tells us momentum may be shifting to the upside. Keep in mind, however, the dollar must rise above the Jan downtrend on a 2dc above 100.50 to show renewed strength. A break above this level could push the dollar to the Jan highs. Conversely, if the dollar fails to rise above its resistance, it'll continue to show signs of exhaustion and it could fall back to test its 98 support level. In the meantime, the dollar's H&S top remains in play. A dollar break below 98 would confirm the pattern and a decline to the May lows near 92 would then be likely. Keep a close eye on the dollar's ST resistance level at 100.50 as it could be key for the gold price.

CBOE Interest Rate 10 Year T No (^TNX) 5/10/2017

CLOSE= 2.41



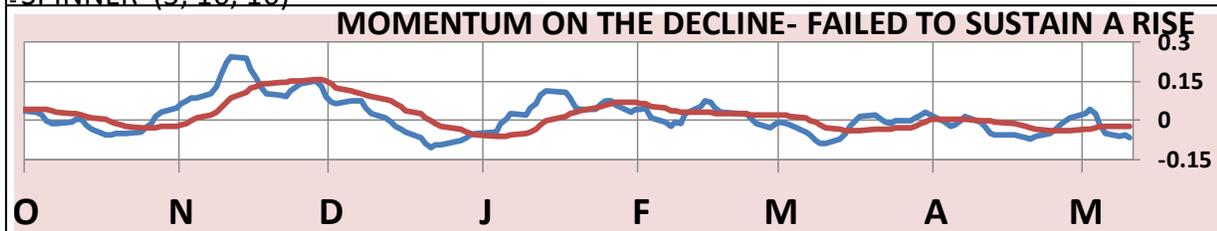
CBOE Interest Rate 10 Year T No (^TNX) - Chicago

New Recom: **Stay out**

The 10YY broke above its ST resistance at the 2.32% level showing strength. It's now testing its next resistance at 2.40%. A clear break above this level would propel the 10YY to its double top resistance near 2.62%. Keep in mind, the double top resistance is strong. And if 10YY breaks above this level, we could see a continued rise to the 3% level. If the 10YY fails to rise above its resistance levels, we could see it resume its decline to the Jul uptrend near 2.06.

COPPER JULY 2017 (HGN17) 5/10/2017

CLOSE= 2.4945

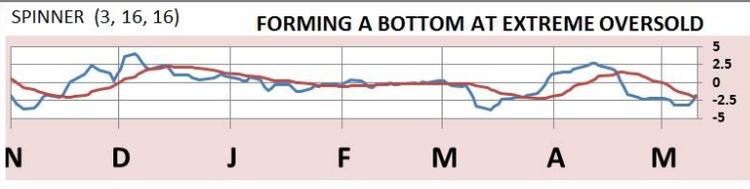


New Recom

Stay out for now.

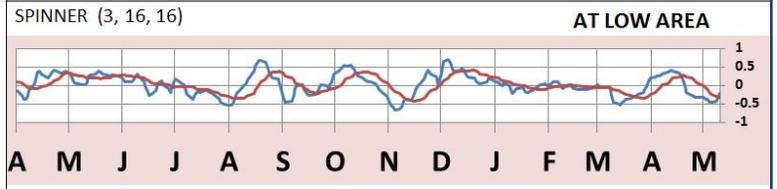
Copper broke below its Oct uptrend after failing to maintain upside momentum when it pierced above the Feb downtrend last week. It's now testing the bottom side of a 6 mo long sideways consolidation band. A break below this level would show increasing downside pressure and a decline to 2.40 would be likely. Its longer term support and uptrend is near 2.25. Keep in mind the 2.25 level is copper's deeper bull market support. A break below this level would be devastating and a trend reversal would emerge. Spinner is lackluster below zero.

LIGHT CRUDE OIL JUNE 2017 (CLM17) 5/10/2017
CLOSE= 47.33



| | |
|----------------|--|
| Long; | 45.90 (May 4, 2017) |
| Stops | 2dc below 41.50. |
| Profit Targets | 52 & 55 |
| New Recom: | Keep your new position. Sell half at first profit target. |

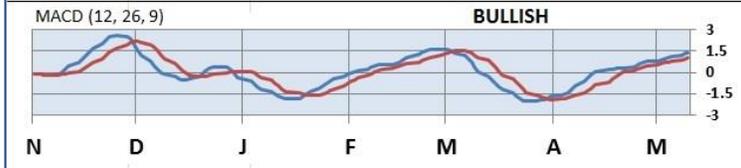
POWERSHARES DB Oil ETF (DBO) 5/10/2017
CLOSE= 8.34



| | |
|----------------|---|
| Long | 8.05 (May 4, 2017). |
| Stops | 2dc below 7.25. |
| Profit Targets | 9 & 9.50 |
| New Recom: | Keep your positions. Sell half at first profit target. |

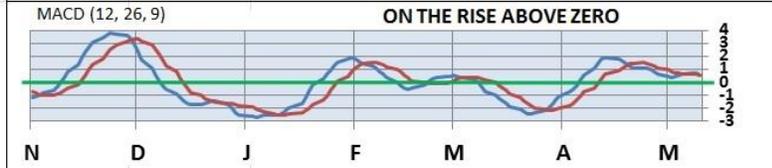
Crude found support just above 45 after a breathtaking decline from the Apr highs. The 45 support level is where the bottom side of the Jan downchannel and the Nov lows converge. Coincidentally, crude's dramatic decline helped form a downside wedge pattern with an upside target at the Jan downtrend, currently near 53. Notice today crude broke above the wedge with strength confirming the bullish pattern. Spinner is now rising from an extreme oversold level telling us the downside is limited ST and it's poised to rise. Although crude is now positioned to rebound to the 53 level, downside pressure remains strong as long as crude resists at the Jan downtrend. Be quick to protect profits when profit targets are reached.

SPDR DOW JONES INDUSTRIAL (DIA) 5/10/2017
CLOSE= 209.48



| | |
|---------------|---|
| Entry Level | 205 (Apr-11-17). |
| Stop | 2dc below 200 |
| Profit Target | 225 & 240 |
| New Recom: | Keep your positions. Sell half at first profit target. |

Shares Transportation Average (^IYT) 5/10/2017
CLOSE= 163.45



| | |
|---------------|---|
| Entry Level | 162.90 (Jan-12-17). |
| Stop | 2dc below 160 |
| Profit Target | 176 & 200 |
| New Recom: | Keep your positions. Sell half at first profit target. |

The stock market continues to hold near the all-time highs. The NASDAQ reached yet again another new high. It's the 13th time of the 88 trading days of the year. The Industrials (DIA) is testing the pole of a bullish flag as shown last week. A clear break above 210 (DJI: 21,000) on a 2dc would show strength that could push the Industrials to new highs near our first profit target. The lagging Transports (IYT) on the other hand, continues to resist below the Mar downtrend at 166. IYT must break above 166 on a 2dc to show strength that could push it to the Mar highs. Keep in mind, IYT continues to hold above the Nov uptrend near 162.50. A bullish support level. Spinners for both Averages are bullish and so are the MACDs. We recommend keeping your positions for now.

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All charts in *GCRU* are daily prices. Subscribers can obtain free online chart updates for all gold shares in *GCRU* via: www.bigcharts.com. To view Canadian stks please use CA as prefix (ie, to view Agnico Eagle (Toronto) you must use CA:AEM).

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, ie, 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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E-mail: gcru@goldchartsrus.net

| 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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