



-GCRU-

Weekly Trading Service



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

June 12th, 2019

IN ITS 18th YEAR – N° 838

A SHIFT TO A WEAKER DOLLAR SEEMS TO BE DEVELOPING

**GOLD IS LOOKING STRONG...
GOLD SHARES STRONGER!**

6 NEW HIGHS ... Gold, AEM, KL, KMI, AXP & PG

**WE TOOK SOME PROFITS ON AEM.
STILL HAVE HEALTHY EXPOSURE TO THE
GOLD UNIVERSE.**

**ARE RESOURCES AND ENERGY
NEAR A BOTTOM?**

U.S. equities rose further this week. The major indices and Averages are back near the highs, threatening to confirm a renewed bull mkt rise.

The upmove from the May lows has been bold and defined. Strong fundamentals in the U.S., relative to the world, continue to fuel strength into stocks, particularly those that cater to the American economic growth story.

“The more certain something is, the less likely it is to be profitable.” - **Jim Rogers**

could change in our near future. U.S. bond yields are poised to decline somewhere closer to a global median.

Australia could be leading. Its central bank recently cut rates for the first time in over three years!

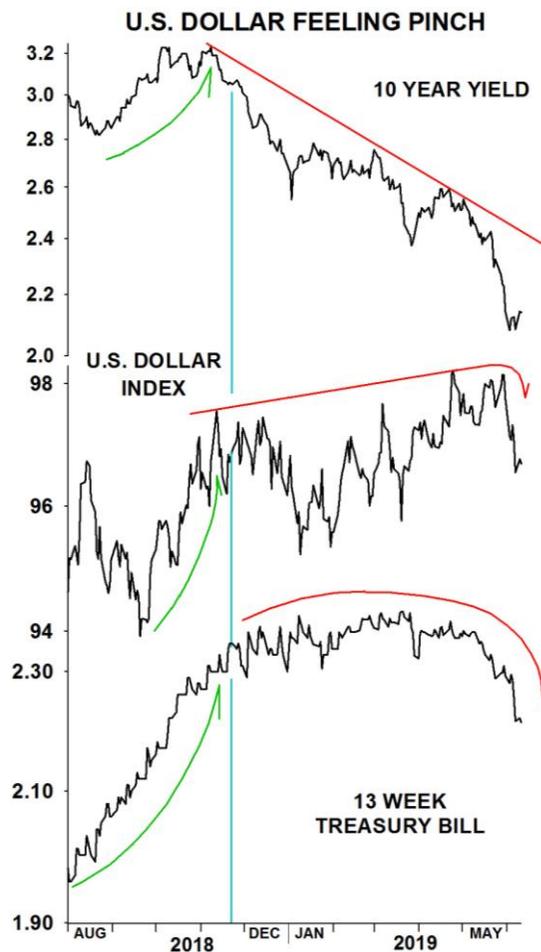
No wonder Wall Street is already pricing in a rate cut as early as July.

The strong U.S. dollar since Aug has been somewhat of a surprise given it tends to move together with bond yields, which have been falling.

Our first chart shows the relationship between the U.S. dollar and short term and longer term rates.

The U.S. dollar tends to move together with rates. And although interest rates and the dollar have seemingly moved opposite directions since their peaks during the second half of 2018, the dollar has been forming more of a top pattern with a recent drop.

The stronger gold price, the recent rise in bonds and a U.S. president advocating for a cheaper dollar are telltale signs of increasing downside pressure on the dollar.



The key level that I'm looking at ST is 96. A clear break below 96 could exacerbate weakness and fuel a decline to the lower 90s.

We've had U.S bonds on our sight for a few weeks already. We're still waiting for a pull back to buy. We're watching UBT, a 3x levered ETF to TLT (20 year U.S. government bond). It's trading in the higher 80s, down from the recent highs. We're waiting for a deeper pull back to the lower 80s before buying.

Gold is looking good...



It rose with strength since our last issue, flirting with its multi-year resistance near \$1365. ST, however, it's bound to consolidate the rise. If gold holds above \$1300, it'll remain bullish with upside potential.

But not only does the recent jump up in gold show strength. Gold has been outperforming the U.S. dollar and the Chinese yuan since 2016. Gold has also reached new highs when priced in most other currencies.

Our next chart shows gold, the yuan and the U.S. dollar (DXY) indexed to 100 since the lows in 2016. Notice gold has

clearly outperformed both currencies during that time frame... and the relationship seems poised to continue.



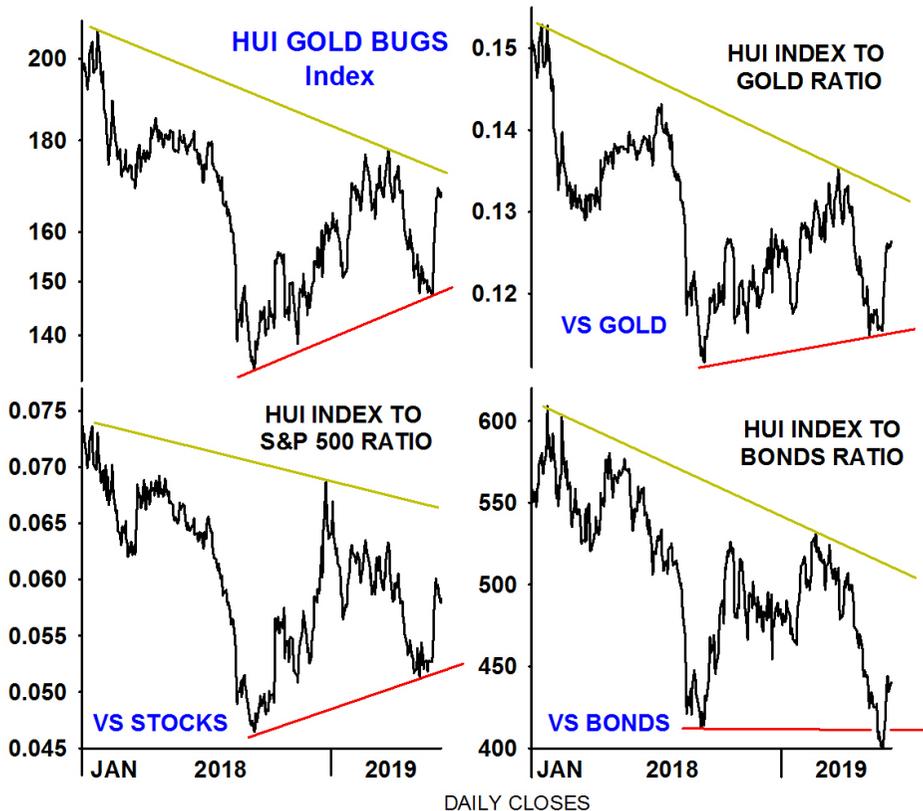
A sign of strength in the gold universe is strength in gold shares.

The past week, gold shares have been on a tear since bottoming in May near 150, a key support since the rise began in Sept 2018.

Gold shares are back on the path outperforming most other markets.

Our next chart shows gold shares compared to stocks, bonds and gold. HUI has been outperforming stocks and gold since Aug and more recently bonds too.

GOLD SHARES COMPARED



The ratios are reaching key levels suggesting some resistance in gold shares may soon be likely. However, if the ratios break above the 2019 downtrends, it'll show signs of renewed strength for the gold universe.

Keep an eye on HUI's resistance near 177. If HUI breaks clearly above this level, it'll show renewed strength with even more upside potential.

Anticipating some consolidation or weakness given the extend of the recent move, I sold half of my position in Agnico Eagle Mines (AEM) protecting an 18% profit. My original target in Kirkland Lake (KL) was reached at \$39, but I raised it to \$41 last issue to let our positions ride further since we had

recommended selling half of AEM. We don't want to lower our positions too much, as I feel a stronger up move is near.



KL is now pulling back, but still remains at levels that seemed unattainable just a few months ago. Keep your positions and enjoy the ride.



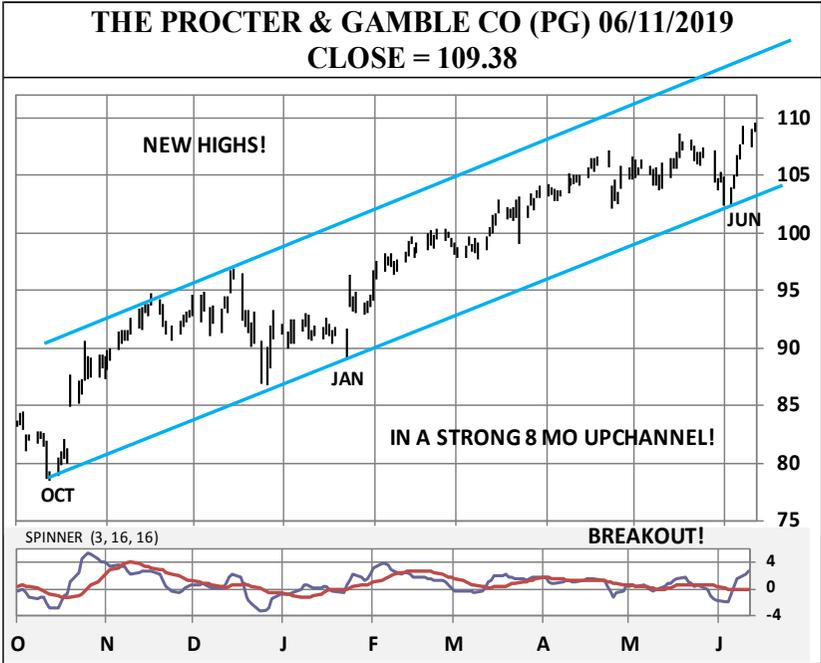
Our junior mine ETF, SGDJ, also bounced up nicely from the lows. However, it hasn't performed as well as intermediate or senior mines. A sign of caution. Keep in mind, stronger junior mines relative to senior mines has been a bullish sign for gold in the past. The opposite has been true when junior mines lag.



Look for a stronger move in junior mines as an indication of strength within the gold universe. Keep SGDJ as long as it holds above \$24.

We've also been doing great with our stocks. Last week we let go of our weaker position (IYT) and increased exposure to our stronger positions. We bot more Procter & Gamble (PG), American Express Company (AXP) and Disney (DIS) right during this week's rise.

PG has been on a tear. It confirmed support at its 15 wk MA (shown last week). We picked up some more during weakness and PG took off right after reaching new highs for the move (yesterday!). Spinner is showing strength too as it reaches a high of its own.



Keep your positions and raise stops to 2dc below \$100.



AXP is also performing beautifully. We added to our positions last week just before it shot up. Spinner is showing momentum picking up steam. AXP rose to new highs yet again yesterday and it's now showing room for more upside.



Disney (DIS) continues to consolidate its bullish rise. It didn't rise to new highs like PG and AXP did, but remains very bullish above its 5wk MA at \$134. Keep in mind, DIS also has strong support at \$130 and \$125. We're raising our stops. Keep your positions.



We picked up some [ACB.TO](#) below CA\$10. [ACB.TO](#) continues to show deeper support near CA\$9.50. Spinner is rising from an extreme and could be leading the way out from recent lows. Keep your positions.

On the resource and energy front, both copper and Caterpillar (CAT) have been showing signs of a ST bottom. Copper is coiling within a downside wedge pattern at a key support level. The pattern suggest a rebound rise in copper is likely, to possibly \$2.85 or higher.



And although the current upmove in CAT has been a nice one to unload, I'll wait for the rebound to develop further before selling. Consider CAT just broke above resistance at \$127, just as copper is breaking out from a bullish pattern. The stage is set to see more upside in resources before further downside.

This is not to say the trend is too bullish. Just that the rebound could extend a bit further allowing us to unload at a better price level. Look to sell near CAT's next resistance near \$132.



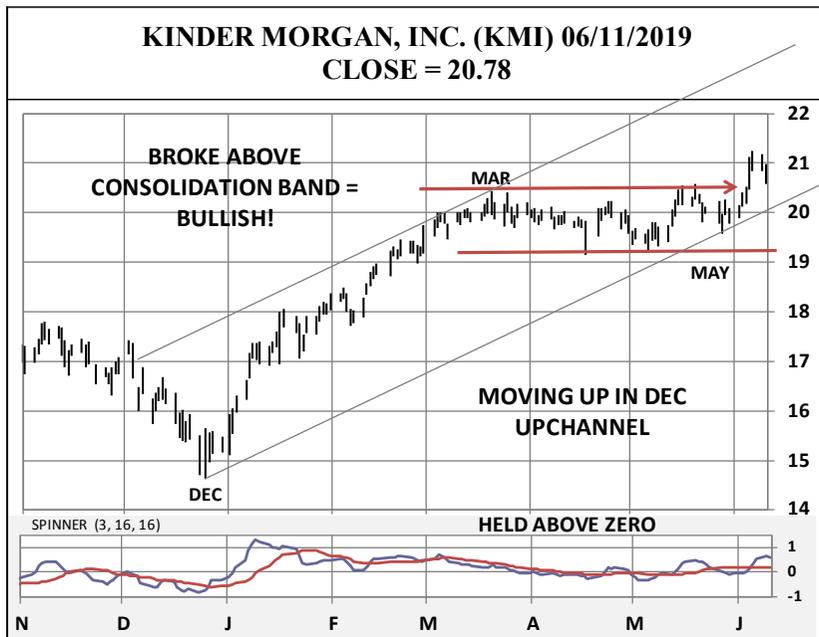
Another sign showing resources could be ready for a bounce up is crude oil.



Crude continues to hold above \$52 showing support gaining relevance, just as crude's Spinner is rising from an extreme level showing a limited downside with room to develop an upside.

We've been buying crude on weakness and have an average buy-in price of about \$54. I'm open to buying more, but will wait for further weakness.

Our lone energy share, Kinder Morgan (KMI) is doing great. It broke to new highs this past week, above the top side of a consolidation band near \$20.50. We're holding a full position and will keep for a while longer. KMI is a great value company and one that we won't be getting rid of easily. Keep your positions.



Our strategy for this week is to enjoy the ride. Our portfolio is filled up with great assets. Keep an eye on HUI's resistance near 177. A break above this level would be bullish for the entire gold universe. Also keep an eye on the dollar's 96 support level. If it breaks below, we could see the start of a trend reversal in the dollar that could become inflationary.

KEY PRICES			
Name/Symbol	June 11, 2019 Price	Change	June 4, 2019 Price
Gold (GCQ19)	1331.20	2.50	1328.70
Silver (SIN19)	14.74	-0.03	14.77
HUI (HUI)	168.23	1.16	167.07
Copper (HGN19)	2.672	0.002	2.669
Crude Oil (CLN19)	53.27	-0.21	53.48
S&P500	2885.72	82.45	2803.27
U.S.Dollar (DXM19)	96.65	-0.34	96.99
30 Year T-Bond (ZBU19)	153.59	-0.09	153.69
10 Year T-Note Yield	2.14	0.02	2.12
13-week Treasury bill	2.21	-0.08	2.29

Good luck and good trading,



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

SAN FRANCISCO MONEY SHOW

I will be speaking at the 'SAN FRANCISCO MONEY SHOW' in San Francisco on the 15-17 of August 2019. Let me know if you can make it. Would enjoy meeting you.

Double click [HERE](#) for more information.

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	Bullish! Gold confirmed breakout strength, rising to a new high for the move. Spinner jumped feverishly to a new 52+ wk high. However, gold continues to show strong resistance near its multi-year high at \$1365. Keep your positions, but wait for a clear break above \$1365 before seeing solid renewed strength.	L	Bot: 1170 (Jan-5-17), 1220 (Mar-16-17), Sold half at 1287 for 8% gain. Bot: 1225 (Jul-3-17), Sold half at 1345 for 11% gain. Bot 1289 (May-16-18), 1265 (Jun-21-18), 1258 (Jul-5-18), 1205 (Aug-30-18). Sold half at 1290 for 5% gain. 1282 (May-8-19).	1331.20	2dc below \$1247	1420, 1536
PHYS	Keep your positions.	L	Bot: 9.63 (Jan-5-17), 10.12 (Mar-16-17). Sold half at 10.54 for 7% gain. Bot: 9.98 (Jul-3-17). Sold half at 10.95 for 10% gain. Bot: 10.58 (May-1-18), 10.15 (Jun-28-18), 10.20 (Jul-5-18), 9.65 (Aug 30, 18). Sold half for 5% gain. 10.20 (May-8-19).	10.48	2dc below 10	10.85, 12.75
HUI Index	Gold shares have been top performers the past month. HUI along held at key support and bounced up with strength, breaking above a downside wedge, and reaching its target. Spinner is at a 52+ wk high showing momentum remains to the upside. Having said that, expect gold shares to consolidate their bullish up-sprint. I sold half of Agnico Eagle Mines (AEM) position this past week protecting nearly a 20% profit since Sept. However, keep the rest, the intermediate trend is to the upside for now.	--	N/A	168.82		
AEM	AEM broke above the Mar downtrend showing impressive strength. It broke above the Mar highs reaching a new high for 2019. AEM surpassed our first profit target and we sold half for a juicy profit. Spinner is very bullish but also over-extended. Expect some consolidation before more upside for now.	L	38.60 (Dec-11-18), 38.95 (Jan-4-19), 40 (Apr 23-19). Sold half at \$46.25 for 18% gain (Jun-5-19).	46.09	2d below 40 (adj).	46 (reached!) & 60..
SGDJ	SGDJ also extended its jump up after breaking the Mar downtrend. However, the junior mines are not looking as strong as the seniors. Spinner bullish but at a recent high area suggesting a pull back or consolidatoin is now likely. Keep your positions.	L	26.65 (Jan-30-19), 28.35 (Apr-10-19). 24.95 (May-8-19).	26.39	2dc below 24	31.5 & 40
KL	KL reached new highs this past week. A new intraday high last Wednesday and a new closing high soon after. Spinner bullish but over-extended telling us a pull back is possible. However, keep your positions. Upside potential is open. You already took some profits selling AEM. Keep the rest and ride the bull.	L	32.90 (Mar-21-19), 32 (Apr-10-19), 31.70 (May-1-19). 32.50 (May-8-19).	37.82	2dc below \$30 (adj).	41 & 50
CURRENCIES						
U.S. DOLLAR (DXM19)	The dollar fell further, approaching the Sept uptrend and support level near 96.50. For now, DXY is holding above the uptrend as Spinner sinks to an extreme low. This tells us continued weakness ST is likely. However, it also means DXY may be reaching a key support. If DXY holds above the Sept uptrend, it could resume its rise to the top side of the upchannel.	O	Holding cash reserves mainly in U.S. dollars.	96.65		

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
RESOURCES AND ENERGY						
Crude CLM19	Crude is holding steady at a support level near \$52 just as Spinner bounces up from an extreme low. Consider the last time Spinner rose from similar depths, crude oil had a bullish rise over 30% in just a few months. Remember we profited from that rise and we're ready to ride the next upswing. Keep your positions for now.	L	57.90 (May-24-19), 53.75 (May-31-19)	53.27	2dc below 50 (adj)	67 & 75
COPPER HGN19	Lackluster global growth continues to keep a lid on copper. However, copper held at a key support level and it's starting to bounce up, breaking above a downside wedge pattern with upside target near \$2.80. Spinner ticking up since early May, leading the bottoming action. Momentum is picking up steam. Still waiting to unload. Keep your positions for now.	L	Bot: 2.97 (Sept 20-17). Sold half at 3.20 for a 7.5% gain! Bot: 2.95 (Dec-6-17). Sold half at 3.26 for a 10% gain! Bot: 3.06 (Feb-9-18), 2.95 (Mar-26-18). Sold half at 3.30 for 10% gain! (Jun-7-18). Bot: 2.99 (Jun-27-18), 2.75 (Aug-1-18), 2.65 (Jan-10-19), 2.85 (May-1-19).	2.67	Holding during weakness.	3.10 & 3.30
JJCTF (JJC)	Keep your positions. Wait for a rebound to unload.	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), 32.14 (May-1-19).	32.33	Holding during weakness.	33.5 & 36.50
CAT	CAT is bouncing up with the rising tide in stocks. It broke above the Apr downtrend showing upside potential. Spinner on the rise too, showing momentum on the rise. Remember we're looking to unload CAT on a bounce up. This could be what we've been waiting for. However, copper seems to be in the midst of an upswing and CAT just broke resistance. Lets wait a bit more before unloading. If you're looking to free up some cash, sell CAT at mkt. It'll be breakeven on the second half of the	L	Bot: 115 (Oct-24-18), 125 (Nov-28-18). Sold half via alert for an average gain of 18% (Feb-25-19). Bot 134.70 (May-2-19).	127.28	Waiting for stronger rebound to unload.	150
KMI	KMI broke above a 3 mo sideways consolidation band showing bullish strength and momentum. KMI is pulling back, but remains well above the Dec uptrend near \$20 and deeper support near \$19. Spinner broke above zero showing potential for more upside. Keep your positions.	L	20 (Apr-24-19), 19.90 (Apr-29-19), 19.90 (May-23-19).	20.78	2dc below 19.50 (adj).	24 & 28
OTHER STOCKS						
AXP	AXP rose to new highs showing impressive strength. It's near the top side of the Dec upchannel near \$130. Spinner on the rise too. It broke above zero and MT MA showing momentum continues to build. Keep your positions for now. We added to our position last Wed.	L	119.75 (Mar-23-19), 117.50 (Jun-5-19).	123.23	2dc below 112 (adj).	142 (adj) & 165.
ACB.TO	Holding at Jan uptrend. ACB.TO dipped below CA\$10 allowing us to pick up some at the recent low. Spinner rising from an extreme but still showing strong resistance. ACB.TO must rise above the Mar downtrend on a 2dc above CA\$12 before showing signs of renewed strength. Keep your positions.	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)! Bot 11.75 (May-2-19). Sold half for 4% loss. 9.97 (Jun-6-19).	10.32	2dc below 9 (ACB: 2dc below 7).	14.50 (ACB: 12)
PG	PG rose to new highs after testing the Oct uptrend showing impressive strength. Spinner on the rise, showing momentum on PG's side with room to rise further. Keep your positions and enjoy the ride! We bot more last week.	L	103 (Apr-24-19), 106 (May-22-19), 105.50 (Jun-5-19).	109.38	2dc below 90	124 & 130
DIS	DIS failed to surpass the recent highs, showing resistance near \$140. However, DIS remains very bullish above \$130. Spinner broke above zero showing a pick up in momentum. Keep your positions for now.	L	133.75 (May-22-19), 132 (May-23-19), 135 (Jun-5-19).	135.08	2dc below 110	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	
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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