



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

July 10th, 2019

IN ITS 18th YEAR – N° 842

GOLD CONSOLIDATES NEAR \$1400

THE DOLLAR REBOUND GETS STRONGER, BUT APPROACHING RESISTANCE JUST AS THE FED IS EXPECTED TO CUT RATES

CRUDE OIL CATCHES A BID, BACK TO TESTING RESISTANCE...

Fears over a peaking economy in the U.S. subsided after a strong jobs report came out last week. Noteworthy, wage inflation in the U.S. is at the highest level relative to core inflation in over a decade!

But despite the good news, gold held steady at the \$1400 level. Safe haven demand, it seems, continues being the driver.

Moreover, gold is feeding off the current environment of lower interest rates as it becomes an even more attractive safe haven relative to lower yielding government bonds.

Notice our first chart below. It's gold in euros at a new high! This is a confirmation of strength for the entire gold universe.

“Wealth is the product of man’s capacity to think.” -Ayn Rand



Keep in mind, however, not all rallies go straight to the moon. There are periods of strength and weakness, but ultimately what matters is that the lows are higher than the previous time, not lower.

Although gold's breakout rise just happened recently, the uptrend started to develop during Dec 2015- Jan 2016 cyclical lows. Since then we've seen a series of higher lows, and higher highs, exposing a bullish pattern.

We recently took profits in gold and we're holding a reduced position. The ABCD cycle is telling us the 'D' decline could be starting and some downtime is likely. The extent of the 'D' decline will be a good gauge as to the strength of gold's longer term up-move.

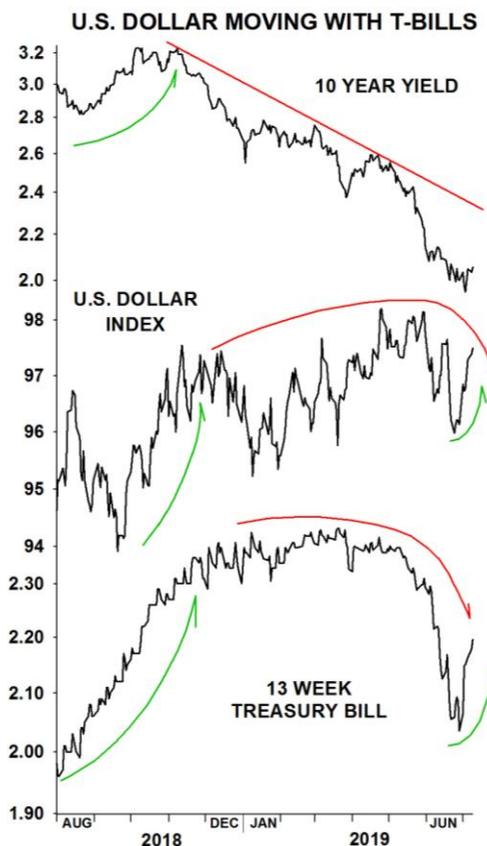
The Fed seems to have cornered itself into having to cut rates in an environment where the economy remains resilient. Headwinds from lackluster global growth seems to be the only real

reason for cutting rates, but it's not technically part of the Fed's official mandate.

The added stimulus will likely be well received by financial markets.

Our next chart shows interest rates and the U.S. dollar index (DXY). Notice they tend to move together. The recent upswing in the dollar was matched by 13wk T-Bills and, to a lesser degree, the U.S. 10 year yield.

If the Fed announces a rate cut, like 100% of economists in a recent poll done by Bloomberg expect, it'll put downside pressure on a faltering U.S.Dollar.



Interestingly, global currencies are starting to show signs of life. The Yen has been rising on safe haven demand, but Canadian dollar, Singapore dollar and others are starting to follow suit, showing upside potential.

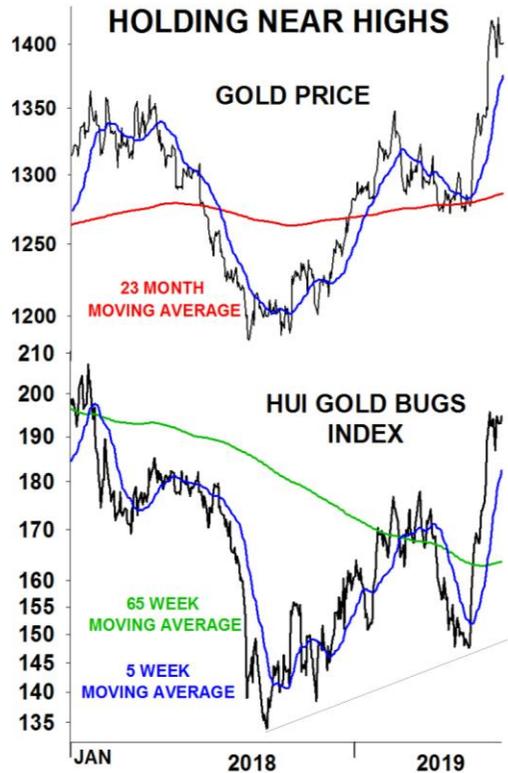
Both situations, meaning growing strength in global currencies and a weakening DXY outlook, are symbiotic.

The recent rebound in DXY, although seemingly strong, hasn't broken key resistance levels that would confirm strength. DXY must break above 97.50 to show signs of renewed strength.

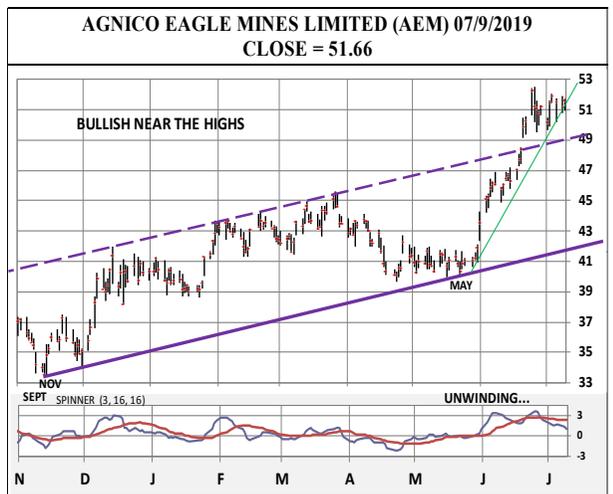
Our in house Spinner, although not shown today, it's showing strength, but with limited upside confirming strong resistance near 97.50.

My sidelined cash from recent profit taking remains mainly in U.S. dollars. We'll look to build cash reserves ST.

Gold shares have also benefited from bullish price action in gold. The shift in momentum since gold's massive breakout above \$1365 was the catalyst.



Gold shares, particularly the seniors, remain very strong near the highs. We're still holding half of our position in Agnico Eagle Mines (AEM) and half of our original position in Kirkland Lake Gold (KL).



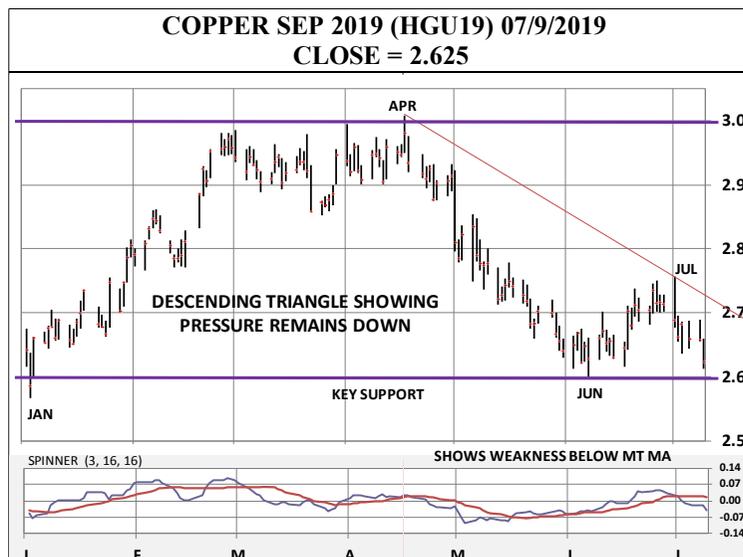
Remember we recently took profits and are letting the rest ride. We'll take advantage of weakness during an upcoming 'D' decline to add to our positions.

We're still holding a full position in junior mine ETF by Sprott (SGDJ). It hasn't reached our first profit target yet, but looks solid above \$30.



We're ready to sell half of our position if our first target is reached.

Resources remain lackluster, particularly copper. It's back to testing the bottom side of a year long sideways band near \$2.60. Spinner broke clearly below the zero line showing momentum plummeting.



The \$2.60 is key support for copper. If this level is broken, renewed weakness could continue pushing copper lower. We continue to wait for a rebound rise to unload our position.



We reduced exposure to resources by selling Caterpillar (CAT) last Wednesday at \$136 for a 6%+ profit on our position (Avg +12% since Nov). We're completely out, and it was just in time, as CAT fell to a new 10wk low thereafter.

CAT's Spinner is declining, approaching the zero line. Momentum continues to wane. Stay out for now.

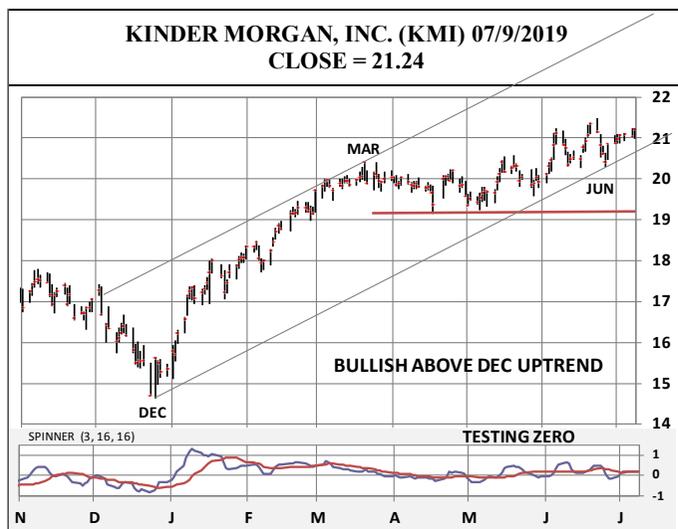
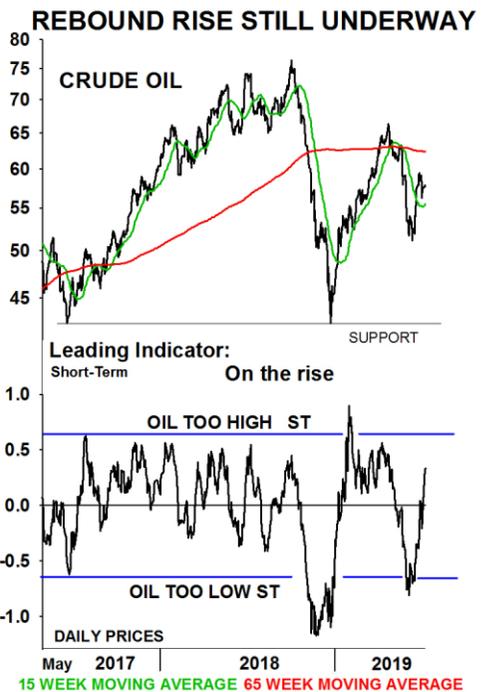
Our stronger exposure within resources is in energy. We have a full position in crude and it's now bouncing up after holding above the 5wk MA near \$55. Crude seems to have found support at that level and a renewed attempt to test resistance at \$60 is seemingly in the making.

Crude's leading indicator continues to rise showing strength and upside potential. The chart is telling us more upside is likely. Crude could break above \$60 in the coming weeks. You can expect the weaker dollar will be supportive of higher crude too.

We also have exposure to energy thru Kinder Morgan (KMI). It recently broke back above \$21 and it's re-testing the Jun highs. KMI's key level remains at \$21.50. A break above it shows renewed strength and a continued rise.

Although KMI has been a slow mover, it's also a safe bet as it tends to hold up better than other energy shares in a weak environment. Keep your positions for now.

The U.S. stock market remains near the highs. At this point, it already priced in a cut in the Fed Funds Rate and unless Powell doesn't deliver within expectations, stocks are poised to rise further.



As stated earlier the U.S. economy remains strong, especially relative to its global peers.

The early Christmas gift by the Fed will likely give stocks an upward boost as conditions loosen at a moment when the economy is still running hot. The ‘goldilocks’ scenario seems poised to continue...

However, slack in certain sectors and performance in others remains concerning. On one hand, the Transports continue to lag. They fell back below the 15wk MA and look vulnerable. On the other, Utilities (defensive stocks) remain strong. The Semiconductor Index (SOX), which for many leads the U.S. stock market, remains under pressure.

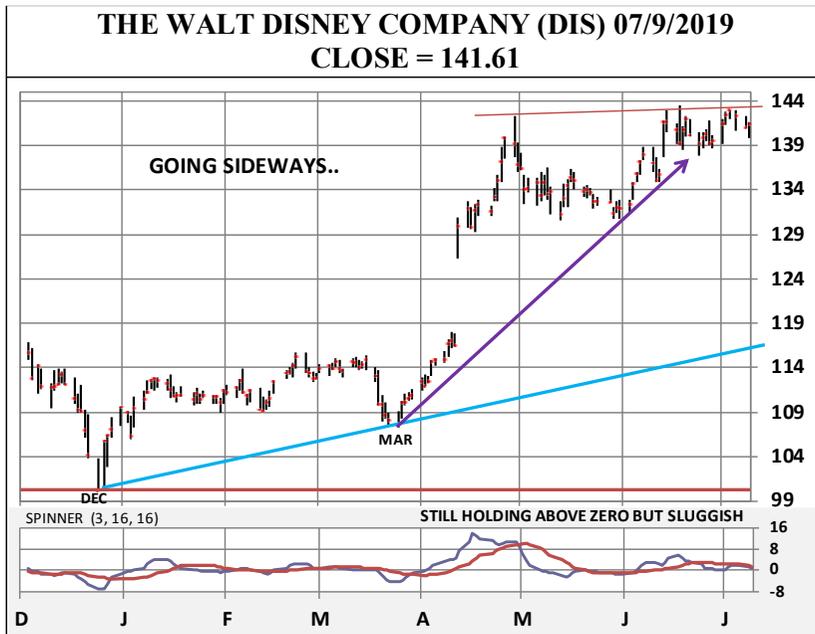
Our individual stock picks are holding up well. They all reached new highs since our last issue and are looking good.

Most of them could start getting upward boosts as main stream shifts toward value stocks.

Procter & Gamble (PG) gave back some of its gains today, likely on profit taking ahead of the rate cut decision. And even though the up move seems slow, higher lows are a constant. If we start seeing money moving towards value stocks, PG could pick up the pace.



Notice PG's Spinner remains above zero in bullish territory. Keep PG as long as it holds above the Oct uptrend near \$105.



Disney (DIS) also reached a new closing high, just shy of \$143. It's also a great value play with lots of upside potential. For now, I'd like to see DIS break above \$144 to reconfirm strength. Keep an eye on Spinner too. It's holding at the zero line suggesting momentum remains up. Keep your positions for now.



American Express Company (AXP) is also holding up strong. It rose to a new closing high today and looks poised for more upside.

AXP is very bullish above \$119, where the Dec uptrend and AXP's 15wk MA are converging. Keep your positions for now, especially as long as AXP holds above \$119.



Aurora Cannabis (ACB.TO) continues to lose momentum. The current environment is just not right for this trade. However, we continue to have minimum exposure to this growing industry.

Keep your positions as long as ACB.TO holds above \$9.

Our strategy this week is to stay and hold firm, be patient, enjoy the ride. Gold is due for a deeper technical pull back/decline and we're holding reduced positions after taking profits. Don't sweat it. Keep your gold shares too. We're still looking to unload copper, but could wait a bit longer since we just unloaded CAT. We have solid exposure to crude oil too and energy shares.

Good luck and good trading,



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KEY PRICES			
Name/Symbol	July 9, 2019 Price	Change	July 2, 2019 Price
Gold (GCQ19)	1400.50	-7.50	1408.00
Silver (SIN19)	15.15	-0.09	15.24
HUI (HUI)	194.65	0.98	193.67
Copper (HGU19)	2.63	-0.04	2.66
Crude Oil (CLQ19)	57.83	1.58	56.25
S&P500	2979.63	6.62	2973.01
U.S.Dollar (DXU19)	97.10	0.82	96.27
30 Year T-Bond (ZBU19)	155.09	-1.00	156.09
10 Year T-Note Yield	2.05	0.07	1.98
13-week Treasury bill	2.20	0.05	2.15

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 (GCQ19)	Near the highs... gold is consolidating its bullish rise to a new multiyear-trend reversing-high. It's showing ST support at the \$1400 level. Keep in mind, however, gold's 'D' decline could be in the making and suggesting we could see a decline to the \$1300 level, or even lower before a further rise occurs. We continue to patiently hold half of our position. We've already taken good profits this year and are not overweight.	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). Sold half at \$1420 for 14% gain (Jun-24-19).	1400.50	2dc below \$1360	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). Sold half at 11.30 for 14% gain (Jun-24-19).	11.30	2dc below 10.10.	10.85, 12.75
HUI Index	Bullish! Gold shares are holding at the highs as they consolidate the bullish rise since the May lows. The senior mines continue to outperform the juniors, suggesting the best part of the bull market in gold and gold shares is yet to come. We continue to hold reduced positions in Kirkland Lake Gold (KL) and Agnico Eagle Mines (AEM) after recently taking profits. We also are holding a full position in junior mine ETF (SGDJ).	-	N/A	193.67		
AEM	AEM continues to consolidate its bullish rise. It's coiling into a bullish pennant with upside target over \$60. Look for a rise above \$53 to signal renewed strength. Keep the second half of your position as long as AEM holds above \$49.	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).	51.66	2d below 49 .	60 (adj).
SGDJ	SGDJ is holding above previous resistance near \$30. Its rise hasn't been as impressive as others like AEM or KL. But keep your positions, because it hasn't risen as much as the others, it has catching up to do. Hold on to your full position for now.	L	26.65 (Jan-30-19), 28.35 (Apr-10-19). 24.95 (May-8-19).	30.46	2dc below 24	31.5 & 40
KL	KL held near the highs, pulling back just enough to form a bullish flag pattern with upside target above \$50. Wait for a break above \$44 to show renewed strength that could signal further upside potential. On the downside, the Nov uptrend at \$35 is good support. Keep your positions.	L	32.90 (Mar-21-19), 32 (Apr-10-19), 31.70 (May-1-19). 32.50 (May-8-19). Sold half above \$40 for a 26% gain (Jun-24-19).	41.53	2dc below \$34.	50
CURRENCIES						
U.S. DOLLAR (DXU19)	The U.S. dollar index extended its rebound rise from the Jun lows. It's now testing the May downtrend and clear resistance near 97.50. Coincidentally, indicators are showing the dollar is over-extended. If the dollar fails to rise above 97.50, it'll show weakness and could fall back to the Jan uptrend near 96. Keep sidelined cash in dollars. It remains the strongest and most liquid currency out there.		Holding cash reserves mainly in U.S. dollars.	97.10		

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 (CLQ19)	Re-testing the Apr downtrend... crude oil bounced up and it's re-testing the Apr downtrend near \$60. A break above \$60 would be bullish and could push crude oil to \$67 initially. On the downside, \$52 is key support level. Keep your positions as long as crude holds above \$52.	L	57.90 (May-24-19), 53.75 (May-31-19), 54 (Jun-19-19).	57.83	2dc below 52	67 & 75
COPPER (HGU19)	Lackluster... Copper is testing the year + long support at \$2.60. An adjusted Apr downtrend is exposing a bearish descending triangle, telling us pressure remains down. We'd hoped for a stronger bounce up to unload our position. We were able to reduce overall exposure by selling CAT. Keep your positions for now and as long as copper holds above \$2.60.	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).	2.63	2dc below 2.60	3.10 & 3.30
JJCTF (JJC)	Keep your positions. Wait 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).	29.68	2dc below 28.50	33.5 & 36.50
CAT	Sold at \$136 for a 6% gain. Our objective was to reduce exposure to resource sector. We managed to do so unscathed, for now. We'll continue to have exposure to resources through energy mainly.	O	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). Sold the rest at \$136 (Jul-3-19) for 6% gain. +12% avg since Nov 2018.	134.29	0.00	0
KMI	KMI is looking good above \$21. It's up again today and it's holding better than most energy shares. KMI is a great value company that allows safe exposure into the energy space. Keep your position as long as it holds above \$19.	L	20 (Apr-24-19), 19.90 (Apr-29-19), 19.90 (May-23-19).	21.24	2dc below 19.50.	24 & 30 (adj).
OTHER STOCKS						
AXP	AXP rose to new closing highs today, showing impressive strength. AXP will remain bullish with upside potential if it holds above the Dec uptrend near \$119. Otherwise, a break below this level on a 2dc could shift momentum. Keep your position. AXP is yet another great company, catering to the economic growth story in the U.S.	L	119.75 (Mar-23-19), 117.50 (Jun-5-19).	125.90	2dc below 119 (adj).	142 & 165.
ACB.TO	Continues to edge lower. The environment is just not right for cannabis right now. However, we continue to hold our position to have some exposure to the growing industry. Consider, however, ACB.TO has to break above CA\$11 on a 2dc to show renewed signs of strength. Keep your positions as long as ACB.TO holds above CA\$9 (ACB: \$7).	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).	9.61	2dc below 9 (ACB: 2dc below 7).	14.50 (ACB: 12)
PG	Continues to shine and as main stream analysts turn defensive, in search of value stocks, PG could receive boost in demand. PG is very strong above the Oct uptrend near \$105. Keep your positions as long as PG holds above this level.	L	103 (Apr-24-19), 106 (May-22-19), 105.50 (Jun-5-19).	112.91	2dc below 105.	124 & 130
DIS	Another great value stock with a good story that allows for speculation. DIS has it all. It reached new closing highs this week. It's breaking the steep Mar uptrend as it consolidates. DIS remains very strong above the Dec uptrend near \$117. Keep your positions but keep tight stops at \$130.	L	132 (May-10-19), 133.75 (May-22-19), 132 (May-23-19), 135 (Jun-5-19).	141.61	2dc below 130.	160 & 200

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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, 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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