



-GCRU-

Weekly Trading Strategies



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Achieves gains by trading commodities, currencies and stocks

July 31st, 2019

IN ITS 18th YEAR – N° 845

AGNICO EAGLE (AEM) IS A STONE'S THROW AWAY FROM SECOND PROFIT TARGET... I'M PROTECTING 40% BUILT IN PROFITS.

PROCTER & GAMBLE (PG) GAPS UP, ABOVE \$120 ON HUGE EARNINGS BEAT.

CRUDE OIL REGAINS \$58 HANDLE ON INVENTORY DRAW DOWN

THE DOLLAR INDEX ROSE TO NEW HIGHS ... DOES IT THREAT TO DERAIL GOLD'S BULL MKT?

Continued expectations of ongoing monetary easing by central banks around the globe continues to give gold an upward boost. Gold miners have not been laggards...

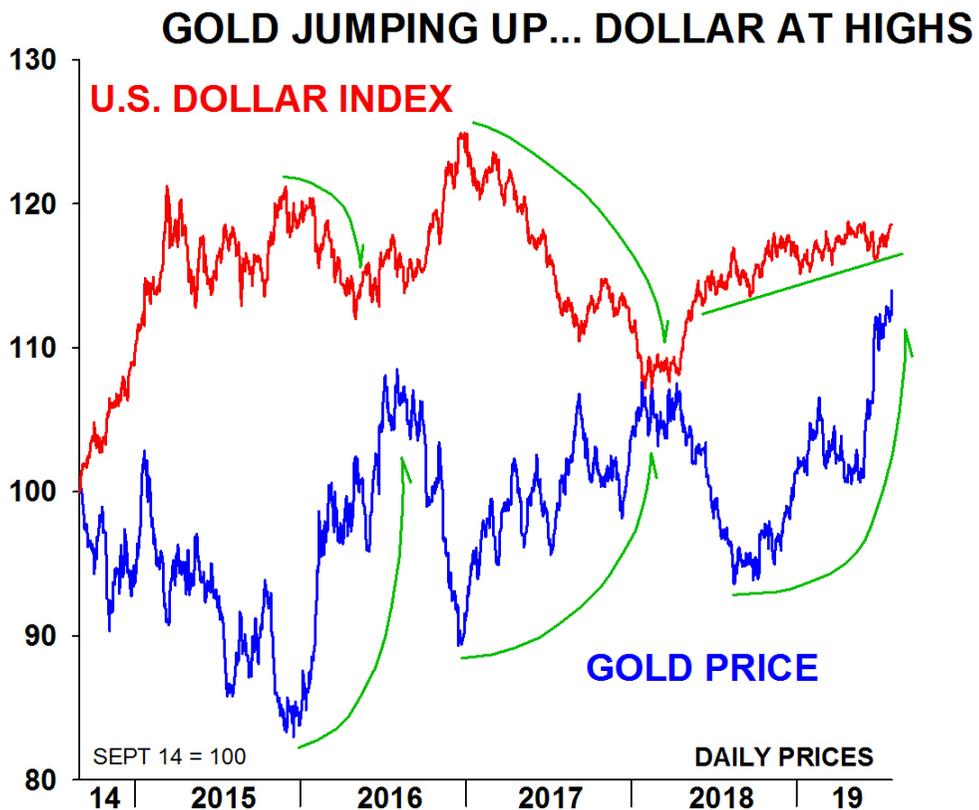
Interestingly, gold and the dollar continue moving together.

It's not that it hasn't happened before... it has. But it usually happens for short periods of time, just before a more intermediate trend is established.

“A page of history is worth a volume of logic.”

– Oliver Wendell Holmes

It usually is a sign of an upcoming shift. And by looking at the chart you can see the robust rise in gold compared to the chugging rise in the dollar seems to be telling us which one is the likely winner.



But for the past year, the dollar and gold have risen together. Just yesterday, they both reached new closing highs confirming strength. And by looking at the chart you can see the robust rise in gold compared to the chugging rise in the dollar seems to be telling us which one will end up being the likely winner.

We shall see...

But the current economic field is favoring U.S. equities and U.S. bonds. For one, the economic growth story in the U.S.

continues to develop and global growth (ex the U.S.) remains tepid.

The U.S. consumer is very strong and as president Trump looks to keep the American consumer buying American products, American business will likely remain robust.

Moreover, U.S. government bonds are way cheaper than their counterparts. And with the ECB already whispering even lower rates and more asset purchases, it looks like U.S. bonds will remain in favor.

Global demand for U.S. equities and bonds will likely continue giving the U.S. dollar an upward boost.

Noteworthy, the lower rate environment gives investors and traders added incentive to buy gold too.

In a world where most currencies are losing their value faster than you could spell: CURRENCY DEBASEMENT, central banks have not been shy about adding gold to their reserves.



The World Gold Council reports central bank demand for 2019 remains robust.

Keep in mind, gold broke above a multi-year resistance level, confirming a cyclical bull rise. The longer term trend is favoring gold.

The recent breakout rise in silver and the miners, are strong indications of a renewed bull mkt developing in the gold universe.

Shorter term, however, gold's 'C' rise seems to be closer to the end, than its beginning. The rise the past year has been exciting and profitable. But a new 'D' decline is somewhere on the horizon, even though it's not evident now.

As mentioned in previous issues, the depth of the 'D' decline will be indicative of gold's strength within the renewed bull mkt cycle. It will also be a good moment to add to our positions.

Gold's 'D' decline could coincide with a 'melt up' rise in U.S. equities and a stronger dollar as lower rates stirs speculative sentiment, and demand for safe havens subside, temporarily.

We've been adding to our cash position as profit targets have reached and we'll continue doing so, in anticipation to the upcoming 'D' decline.

We're holding a reduced position in gold after protecting some profits. We recently purchased silver and have reduced positions in Agnico Eagle Mines (AEM), Kirkland Lake Gold (KL) and Junior Miner ETF (SGDJ). We'll wait for weakness before adding to our positions.

Silver recently broke above key resistance, showing a breakout performance. It has lagged gold, but it's now catching up.

The gold to silver ratio took a dent, in favor of silver and it's off extreme high levels.



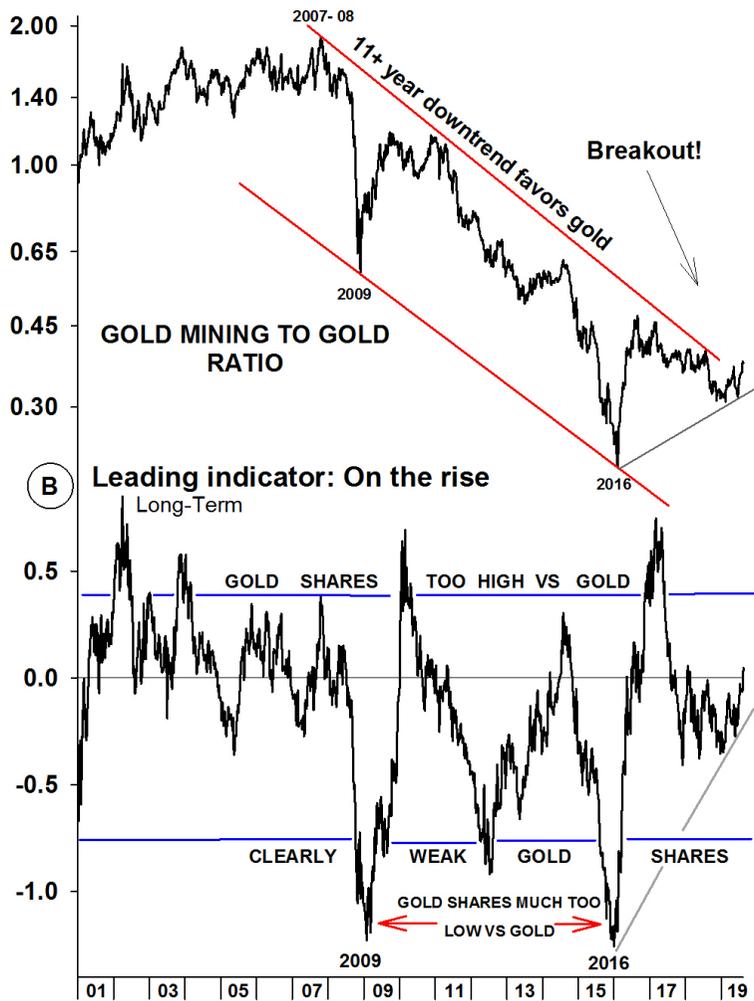
The ratio remains heavily in favor of gold, and far away from the historical average, telling us silver has more catching up to do.

Notice on the chart above silver forming a bullish flag pattern with upside target near \$18-\$18.50, our first profit target. Silver must break above \$16.60 on a 2dc to confirm the bullish pattern. Watch the 5wk MA (redline). Silver is bullish above it and shows weakness below it (currently near \$15.80).

Keep your positions for now, we'll be looking to add to our positions during weakness.

Gold shares have also held up strong. They're starting to outperform gold on a longer term basis. A bullish indication. Notice the leading indicator on the chart below, picking up steam, just as the ratio starts to break in favor of gold shares.

GOLD SHARES: Breaking out vs gold!



Coincidentally, gold shares have been outperforming gold since Nov last year as we showed last week. Yet another bullish indication for the gold universe.

AEM reached a new high for the move this week. It's just below our second profit target at \$55. The rise has been exciting allowing for great profits. Sell the rest of your position at mkt to protect a 40% gain (average 30% gain since Dec, +50% annualized). Keep in mind that after selling AEM, our precious metals portfolio shrinks to 15%, from 18%. Cash reserves should

then increase to +35% of our portfolio. If you're exposure to gold shares is less, you might want to consider not selling to maintain healthy exposure.



AEM is forming a rising wedge pattern with a downside target in the mid \$40s. If support at \$53 is broken on a 2dc, a decline to the wedge target would then be likely.

We'll be looking for weakness to buy again.



KL has held up near the highs. It's holding above an uptrend since May showing impressive strength. It's also forming a bearish rising wedge with downside target in the mid \$30s.

However, we've already reduced our gold shares considerably, particularly when taking into account we're already selling AEM.

We'll continue to keep KL and SGDJ and allow for some lee-way on the downside. We'll buy more during weakness.



SGDJ has posted an impressive rise. It picked up steam when resistance at \$31.50 was surpassed. We recently sold protecting a handsome gain. Keep the rest, together with reduced position in KL for now. We'll wait for weakness to add to our positions.

Global sluggishness, as confirmed by the IMF, can be seen more clearly in the price of copper. It remains lackluster, and gets shot down every time it approaches its 15wk MA (currently near \$2.75).

The chart below shows copper's Spinner breaking below zero, telling us downside pressure is rising ST.

Moreover, copper has strong support at \$2.60.



Keep in mind, easing monetary policies could provide copper a boost ST. Keep your positions for now, we're still looking to unload.

Inventory draw downs pushed crude oil up, regaining the \$58 handle. Geo-political turmoil continues providing steady support as tensions remain, offsetting demand shocks due to a slower growth outlook worldwide.



Noteworthy, crude is showing support at an uptrend since the lows earlier this year. Our support level for crude remains at \$52. Also notice Spinner rising, testing its MT MA and zero line showing poise. If crude breaks above \$61 on a 2dc, it could shoot up to our first profit target. Keep your positions, sell half if first target level is reached.



Kinder Morgan (KMI) re-tested support at the 15wk MA, currently near \$20.40. It held above it showing strength. However, KMI is vulnerable below \$21. It must break above \$21 convincingly to show renewed strength and upside potential.

We continue to hold our position. Although we have profits built in, it's been lagging behind other positions. However, KMI offers great stability with a high dividend yield of about 5% per year. And with upside momentum building for crude oil, KMI could see higher levels ST. Keep your positions for now.

Going back to U.S. equities...

The semiconductor index (SOX), which had been lagging Industrials, finally broke to new highs last week, triggering yet another indication of strength behind U.S. equities.

The Transports are looking perky too, although they have not risen to new highs just yet.

Our overall exposure was reduced a bit after selling half of Aurora Cannabis ([ACB.TO](https://www.acb.to)). As mentioned, it's just not the environment for weed stocks so we prefer to concentrate on the broader upmove in precious metals and companies that are benefiting from the economic growth story in the U.S.



Procter & Gamble (PG) reached a new high today as its announced earnings came in stronger than anticipated. It's approaching our first profit target near \$125. Our position is currently up 14% since we first bought in Apr. Sell half when our first profit target is reached.

Disney (DIS) also rose to new highs this week. It's looking very strong above \$140. The story behind DIS continues to gain traction and strength and other competitors in the growing field of

streaming, such as NETFLIX are struggling as it looks for ways to maintain market share.



Keep your positions in DIS for now. They're up over 10% since we first bot in May.



American Express Company (AXP) remains near the highs. It's very bullish above the Dec uptrend near \$122. As the U.S. consumer remains strong, the biggest credit card company by users should stand to benefit. We'll continue to hold as long as AXP holds above \$121.



Aurora Cannabis (ACB.TO) edged lower this past week. We're holding a very small position to have some exposure to the growing industry.

Our strategy this week is to sell the second half of AEM to protect a 40% profit since Dec. Keep the rest of your gold shares. Our precious metals portfolio remains reduced. We continue to protect profits as gold's 'C' rise matures. Once position in AEM is sold, cash position should be at 35% or more of our portfolio. We'll wait for gold's 'D' decline before buying again.

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| KEY PRICES | | | |
|------------------------|--------------------------------|---------------|--------------------------------|
| Name/Symbol | July 30, 2019 Price | Change | July 23, 2019 Price |
| Gold (GCZ19) | 1441.80 | 7.30 | 1434.50 |
| Silver (SIU19) | 16.56 | 0.08 | 16.48 |
| HUI (HUI) | 210.86 | 1.23 | 209.63 |
| Copper (HGU19) | 2.68 | -0.02 | 2.70 |
| Crude Oil (CLQ19) | 58.05 | 1.28 | 56.77 |
| S&P500 | 3013.18 | 7.71 | 3005.47 |
| U.S.Dollar (DXU19) | 97.81 | 0.39 | 97.42 |
| 30 Year T-Bond (ZBU19) | 154.63 | 0.35 | 154.28 |
| 10 Year T-Note Yield | 2.06 | -0.01 | 2.07 |
| 13-week Treasury bill | 2.04 | 0.01 | 2.03 |

TRADER SHEET ON PGS 15 & 16

SAN FRANCISCO MONEY SHOW – *NEXT MONTH*

I'll be speaking at the 'SAN FRANCISCO MONEY SHOW' in San Francisco on August 15-17, 2019. I'll enjoy meeting you there! Double click [HERE](#) for more information and to sign up!

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 (18%) | | | | | | |
| GOLD (GCZ19) | Bullish rise to new highs... the upmove continued this past week and it could continue. ST. Gold must rise above \$1450 on a 2dc to show a continuation of the rise since May. On the downside, gold continues to form a bearish rising wedge pattern, with downside target at the \$1365 level. A break below \$1415 confirms the pattern and a decline to the target could then follow. Keep in mind a time for gold's 'D' decline is approaching. This decline could see gold fall to possibly test the Aug uptrend near \$1315. We're waiting for weakness before buying again. | 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). | 1441.80 | 2dc below \$1315; | 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). | 11.38 | 2dc below 10.40 | 12.75 |
| Silver | Consolidating the bullish rise. Forming a bullish flag pattern with pole resistance at \$16.60. This tells me a break above \$16.60 on a 2dc shows breakout strength that could push silver to our first target. Keep your positions. | L | Bot: 15.80 (Jul-17, 2019). | 16.56 | 2dc below 14 | 18.50 & 21 |
| PSLV | Keep your positions. | L | Bot: 5.85 (Jul-17, 2019). | 6.18 | 2dc below 5.20 | 7 & 8.50 |
| HUI Index | Gold shares held strong this past week, above key support levels. And although the upside is open, a pull back is likely. Our gold shares reached new closing highs this past week, confirming strength. Agnico Eagle Mines (AEM) is very close to our second profit target at \$55. Sell at or near the target to protect a 40% gain. We'll keep holding on to partial positions in Kirkland Lake (KL) and Junior Mine ETF (SGDJ). Our overall exposure to precious metals would be reduced to 15% from 18%. | -- | N/A | 212.33 | | |
| AEM | Sell the rest of your position at mkt for a 40% gain! AEM has had an explosive rise since Nov. We've been able to capture most of the move, averaging nearly 30% in 7 months! The rising wedge and upcoming 'D' decline is telling me to protect more juicy profits. We'll keep positions in KL, SGDJ, silver and gold. We'll look to buy back AEM on weakness. | 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). | 54.18 | 1d below 52 | 55 (almost reached!) |
| SGDJ | SGDJ pulled back, but held at the May uptrend showing ST support. Spinner unwinding, but still above zero, showing momentum remains uptrending. Keep the second half of your positions for now. Sell the rest if second profit target is reached. | L | 26.65 (Jan-30-19), 28.35 (Apr-10-19), 24.95 (May-8-19). Sold half at 31.60 (Jul-15-19) for a 18%+ gain! | 33.85 | 2dc below 33 (adj) | 40 |
| KL | Continues to hold above the May uptrend, coiling deeper into a rising wedge pattern. If KL rises to new highs, above \$47 on a 2dc, we could see the bearish pattern fade away. But, if KL falls below \$44 on a 2dc, the pattern would be confirmed and a decline to the Nov uptrend would then be likely. Keep your positions. Sell rest of position at profit target. | 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). | 45.67 | 1dc below \$43 | 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 (33%) | | | | | | |
| U.S. DOLLAR (DXU19) | The U.S. dollar index rose further, breaking to new highs for the year. The dollar is approaching the top side of the 2019 upchannel near 98. Its next real resistance is at the 2017 highs, near 102. Weakness in global currencies, particularly the euro, is giving the dollar a boost. Don't forget, however, gold strength is a reality check. Keep cash reserves in U.S. dollars. | | Holding cash reserves mainly in U.S. dollars. | 97.81 | | |
| RESOURCES AND ENERGY (22%) | | | | | | |
| Crude (CLU19) | Crude oil is confirming ST support at \$55 as it jumps up. However, crude must rise above the Apr downtrend on a 2dc above \$61 to show signs of renewed strength. Keep your stops at 2dc below \$52. Keep your positions, we could continue seeing some volatile swings. Sell half if first profit target is reached. | L | 57.90 (May-24-19), 53.75 (May-31-19), 54 (Jun-19-19). | 58.05 | 2dc below 52. | 67 & 75 |
| COPPER (HGU19) | Copper continues to struggle to clearly surpass the Apr downtrend & resistance showing a deeper lag persists. The lag is likely due to a lackluster global economy. However, on the upside, copper is proven it has support above \$2.60. Keep your positions as long as copper holds above this level. | 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). | 2.68 | 2dc below 2.60. | 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), 32.14 (May-1-19). | 29.83 | 2dc below 29.10 | 33.5 & 36.50 |
| KMI | KMI continued to rebound after testing \$20. It's holding above the Dec uptrend. The uptrend, together with the Jun high resistance is forming a bullish ascending pattern. This tells us, a break above \$21.50 on a 2dc could fuel a continued rise to our first profit target. Keep your positions. | L | 20 (Apr-24-19), 19.90 (Apr-29-19), 19.90 (May-23-19). | 20.69 | 2dc below 19.50. | 24 & 28 |
| OTHER STOCKS (27%) | | | | | | |
| AXP | Losing steam... AXP remains near the highs, but it's quietly edging lower. Spinner below its MT MA and zero showing downside pressure increasing. On the upside, AXP remains bullish above the Dec uptrend near \$122. Keep your positions as long as AXP holds at the Dec uptrend. | L | 119.75 (Mar-23-19), 117.50 (Jun-5-19). | 126.47 | 2dc below 121 | 142 & 165. |
| ACB.TO | ACB.TO fell to a new low for the move, approaching the Jan lows. Spinner bearish below zero showing momentum is down. The chart is bearish suggesting a further downside. I recently sold half for a small loss and will continue to hold a reduced position. Looking to buy when chart shows stronger signs of a bottom. | 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). Sold half for 12% loss. | 8.21 | Stop hit. Selling half. Holding reduced position thru weakness. | 14.50 (ACB: 12) |
| PG | PG gapped up on a great quarterly performance (actually "the strongest quarter of organic sales growth in over a decade"). Spinner seemed to have been losing momentum, but it's showing support near zero while breaking above its MT MA showing a clear shift in momentum. PG is in a solid uptrend above \$108. Our first profit target is nearly reached. Be quick to sell half at or near target to protect profits. | L | 103 (Apr-24-19), 106 (May-22-19), 105.50 (Jun-5-19). | 120.41 | 2dc below 108. | 125 (almost reached) & 150 |
| DIS | DIS broke to new highs yet again, confirming strength and showing potential for a continued upside. Spinner is also separating from its MT MA and zero line showing momentum picking up steam. Raise your stops to 2dc below \$140. Keep your positions. | L | 132 (May-10-19), 133.75 (May-22-19), 132 (May-23-19), 135 (Jun-5-19). | 144.93 | 2dc below 140 (adj) | 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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