



-GCRU-

Weekly Trading Strategies



Omar Ayales

Achieves gains by trading commodities, currencies and stocks

Aug 14th, 2019

IN ITS 18th YEAR – N° 847

GOLD SURPASSED SECOND PROFIT TARGET AT \$1536, BUT I'M NOT SELLING!

SELL SGDJ (JUNIOR MINER ETF) FOR HANDSOME PROFIT; BUY DUST FOR SOME DOWNSIDE INSURANCE

CRUDE OIL CONFIRMING STRONG SUPPORT ABOVE \$52; MOVING WITH U.S. STOCKS

STRONG ECONOMIC FUNDAMENTALS CONTINUES FAVORING U.S. EQUITIES

BONDS HIT IT OUT OF THE PARK... NOW WHAT?

Gold and U.S. bonds lambasted! They both reached new highs this past week as investors favored safe havens over risk assets... the rise coincided with a dip in U.S equities...

At a macro level, the real cost of sovereign debt that has financed excesses and inefficiencies over time will continue to weigh down on global productivity.

“Imagination is more important than knowledge. Knowledge is limited. Imagination encircles the world.” - **Albert Einstein**

This reality favors gold as the ultimate store of value. There's a reason why the shiny yellow metal has had its place in history.

Gold reached new highs since 2013, flirting with \$1536. Back then (2013), \$1536 was a key support for about 2 years when gold was declining from the highs. And when gold broke below \$1536, a bear market was confirmed pushing gold lower for the following 2 to 3 years.

Gold then bottomed in December of 2015 and started to rise, just as the Fed shifted monetary policy, raising rates for the first time. Whispers of inflation expectations could be heard...

That bear market, the one that started when \$1536 support was broken, ended this past month when gold broke above \$1365.

And since, it has risen sharply above \$1400 first, then \$1500... and it's now back to testing that level: \$1536...



The bull mkt in gold is here to stay and it has potential for more upside in the years to come. We'll continue true to our strategy of increasing and decreasing positions during that bull mkt to take most advantage of price fluctuation, knowing that its undertone is predominately bullish.

Coincidentally, our indicators have been showing the 'C' rise reaching maturity with a seemingly unavoidable 'D' decline developing somewhere.

Also, consider gold's rise from last August lows to the recent high was 30%. The miners more than doubled that. Pretty darn good for any asset class.

This past quarter, we've been a net sellers, protecting great profits built during the recent upswing. Just recently we sold the rest of our position in Agnico Eagle Mines (AEM) for nearly 40% gain since Jan 2019.



I'm content with gold and silver, but have been a bit more worried about the miners. Just as they sell at a premium when gold is rising, they sell at a deep discount when momentum is falling.

The one exception being silver. We bot silver recently as the gold to silver ratio reached an extreme. Silver also was breaking out when compared to copper and itself was breaking out from a long term downtrend showing growing signs of a shift in momentum.



We bot a bit more last week. Silver has been lagging. But it's starting to pick up the pace and could start to get exciting soon. We've been slowly rotating out of gold shares and into silver as the miners seem a little frothy and silver's upside seems open as it remains cheap relative to gold within a historical context.

Short to medium term, I'm looking to insure my precious metals portfolio from an upcoming 'D' decline in gold. But I don't want to short gold or silver. Too tricky. I prefer selling the miners short. I'm looking to have exposure to softness by selling gold shares short thru the ETF: DUST.

Direxion Daily Gold Miners Index Bear 3X Shares (DUST)
08/13/2019 CLOSE = 7.5



DUST moves opposite to the gold miner ETF GDX, levered 3x. It's highly speculative and should only be traded if you're actively trading your account. This is not a buy and hold. Holding timeframe could be up to 3-6 months, but could also be days or weeks, usually requiring quick action. This trade can be very profitable but it's highly speculative. Buy a small position at mkt.

A pull back in gold and possibly in bonds tells us capital could be flowing out of safe havens into risk assets in the foreseeable future. This means the pull back in gold is being signaled by an upcoming 'D' decline and it's likely to coincide with a melt up rise in stocks.

Consider today most U.S. stock indices broke back above their 15wk MAs. A bullish sign suggesting further upside. Noteworthy, the Transportation Average continues to lag. It was among the few that didn't break above this key trend identifier (15wk MA).

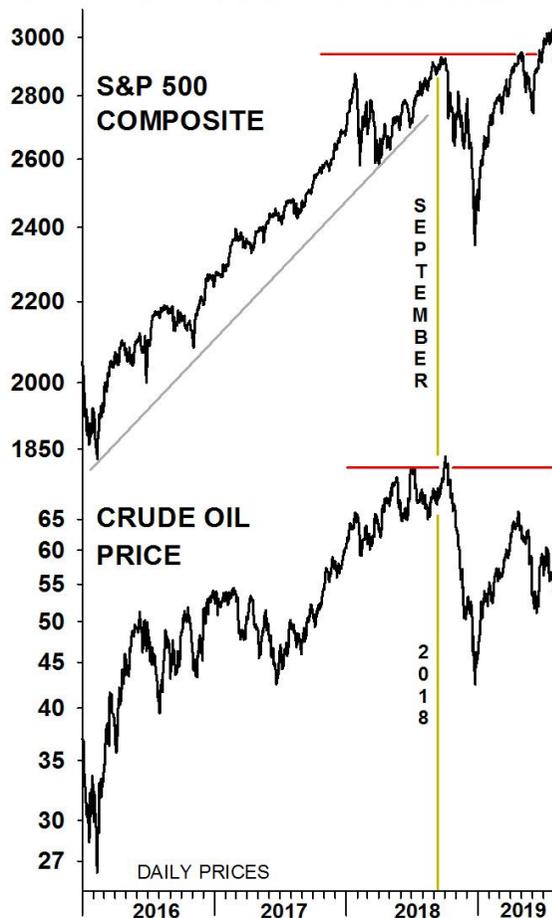
Transportation companies like resource companies, however, have lots of exposure to global economic sluggishness and could continue lagging other U.S. equities with less exposure to global weakness.

But the Industrials, the S&P 500, NASDAQ and most other indices are poised to rise further. The recent jump up in crude oil could be suggesting exactly this.

It shouldn't be a secret that U.S. stocks and crude oil tend to move in the same direction. If business is booming demand for crude oil rises. Therefore, both tend to move in tandem given the size of the U.S. economy and its reliance on oil.

Our next chart shows both the S&P 500 and crude oil since early 2016. Notice they tend to follow one another.

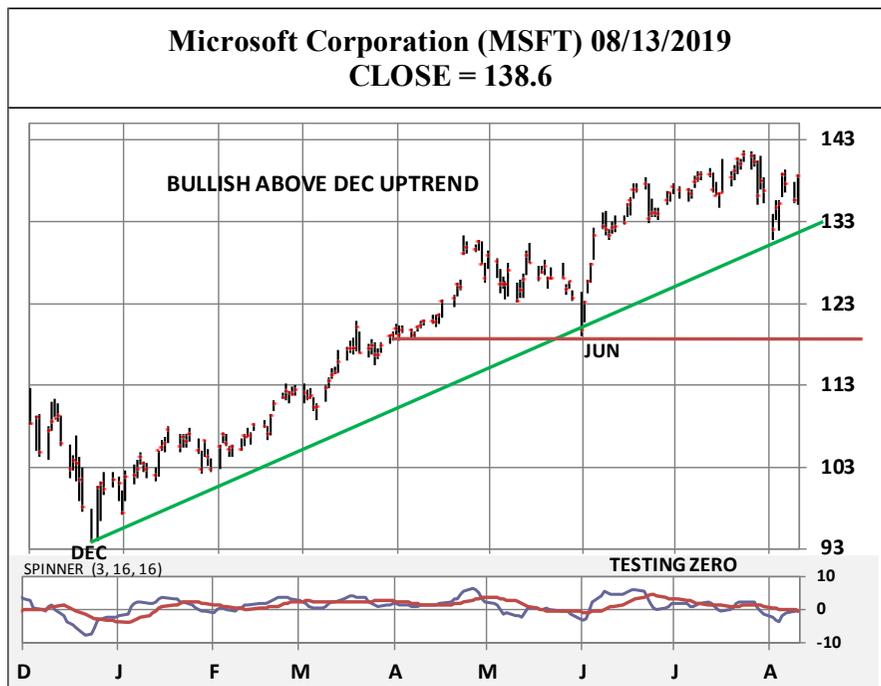
STOCKS & CRUDE OIL: SIMILARITIES



The recent upsurge in stocks and rebound rise in crude suggests this relationship could continue in a melt up rise of U.S. equities.

Crude has confirmed support above \$52 and stocks are showing strength above their 15wk MAs. Both are poised to continue rising if investor sentiment shifts to risk assets in the coming months.

Our individual stocks are holding up well. They're holding above key support levels. They're now showing upside potential. We're adding another stock to take advantage of what I believe will be the final phase of a melt up rise.



MSFT is a great way to have conservative exposure to tech. It's an industry leader and it's at the forefront of cloud technology, catering to the business community. MSFT is a power house, but with structure and stability. I recommend buying some at mkt.

THE PROCTER & GAMBLE CO (PG) 08/13/2019
CLOSE = 117.25



Procter & Gamble (PG) remains resilient. Don't forget its rock solid quarter results. It'll continue catering to U.S. consumer, the bedrock of the U.S. economy. Keep your positions as long as PG holds above \$110.

American Express Company (AXP) 08/13/2019
CLOSE = 126.32



American Express Company (AXP) is another great company with lots of exposure to the strong U.S. consumer and the economic growth story out of the U.S. AXP will remain bullish above the Dec uptrend near \$120.



Disney (DIS) is another outstanding asset. It'll have more value longer term as it continues to work towards positioning its unique content creation power house to reap the benefits from its own online streaming platform that will be coming out Nov this year.

The cannabis industry seems to have found a bottom after the recent decline. Weed stocks been out of favor when compared to value stocks. However, we already have a reduced position in ACB.TO and have solid profits built over the past year. We will continue to hold the second half and unload for a profit down the road. This trade allows us to have exposure to the growing and thriving medicinal cannabis industry.



Wait for ACB.TO to break above CA\$10 to start seeing momentum picking up the pace.



We have a decent position in crude representing most of our exposure to resources and energy. If you're looking for exposure to resources and don't yet have crude oil in your portfolio consider buying some at mkt.



This past week we also unloaded half of our position in Kinder Morgan (KMI) at pretty much break-even. Our overall exposure to resources has shrunk to 10% of total portfolio.

Copper is having a little rebound. Those of you who waited for a bounce up above \$2.60 to unload, didn't wait long. You should be out of copper and resource shares. They will remain volatile as long as trade wars remain trending in headline news.

Copper's trend has clearly shifted to the downside. An indication global sluggishness will continue or maybe even get worse. Remember copper is seen as a proxy for global growth. The breakdown could be telling us to expect a continued global slowdown.



Another strong indication of weak economic performance are global government yields. Many are yielding negative and could likely fall further casting uncertainty over global growth prospects.

And although yields on U.S. government bonds have been free falling, they still remain very attractive when compared to most other government bond or safe haven asset, a sign yields could fall further longer term as U.S. bonds are favored over others.

Interestingly, and as I have mentioned many times, the easy policy stance is not because the economy is showing signs of a slowdown, but because the reduced global growth outlook could affect growth prospects in the U.S.

The situation is poised to extend a goldilocks scenario for U.S. equities as a completely new punch bowl has just been made available.

Shorter term, however, we could see a bounce up in rates as fears subside and investors return to trading risk assets. It will likely coincide with a pick up in inflation.

APPROACHING HISTORICAL LOWS



Our next chart shows the yield on a U.S. 10 year bond. The 10 year yield broke below 2% and it's quickly approaching historical lows. However, notice the MT indicator of the 10 year yield is at an extreme suggesting the downside is overdone.

A decline in bonds, as interest rates rebound, will likely coincide with gold's brewing 'D' decline and a melt up rise in stocks.

This scenario is also bullish for the dollar. Keep in mind, in times of economic distress where everyone is looking for liquidity, the dollar is king. And since Aug it's been rising together with gold, although less impressively.

U.S. DOLLAR INDEX SEP 2019 (DXU19) 08/13/2019

CLOSE = 97.631



The stronger dollar, in spite of rising gold suggests its favored over most other currencies. It's been stronger for some time. The recent decline in the yuan has more to do with the strength of the U.S. dollar than anything else. This is why we continue to hold cash reserves in U.S. dollars.

Our strategy for this week is to adjust your portfolios. Pick up some MSFT. Also remember to Sell SGDJ (and AEM if you haven't already) // Buy DUST if you're an active trader, to take advantage of an upcoming 'D' decline.

Good luck and good trading,

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

SAN FRANCISCO MONEY SHOW – *THIS WEEK*

I look forward to seeing you in San Francisco. My presentation will be on Saturday, August 17th at the Money Show. Double click [HERE](#) to sign up and for more information, It's going to be a great show!

TRADER SHEET ON PGS 17 & 18

KEY PRICES			
Name/Symbol	August 13, 2019 Price	Change	August 6, 2019 Price
Gold (GCZ19)	1514.10	29.90	1484.20
Silver (SIU19)	16.99	0.54	16.45
HUI (HUI)	213.06	-5.57	218.63
Copper (HGU19)	2.63	0.07	2.56
Crude Oil (CLU19)	57.10	3.47	53.63
S&P500	2926.32	44.55	2881.77
U.S.Dollar (DXU19)	97.63	0.21	97.42
30 Year T-Bond (ZBU19)	162.94	1.94	161.00
10 Year T-Note Yield	1.68	-0.06	1.74
13-week Treasury bill	1.96	-0.04	2.00

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 (20%)						
GOLD (GCZ19)	Bullish! Gold rose to new highs. It surpassed our second profit target at \$1536. Some of you may have sold the second half of your position protecting a 22% profit. Our indicators are showing gold is overextended with growing probability of a pull back or correction. I didn't sell and will continue to hold my position. It's likely the next leg will be down, but I've made solid profits the past year and I'm comfortable with current exposure, even during weakness. A break below the May uptrend on a 2dc below \$1450 could be the catalyst that pushes gold to the Aug uptrend (& 23 day MA) near \$1300.	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).	1514.10	2dc below \$1300 (adj);	1536 (reached!)
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).	12.07	2dc below 10.35	12.25 (almost reached).
Silver	Silver rose to a new high for the move. It clearly broke above the Feb high resistance showing impressive strength. It's quickly approaching our first profit target (recently raised from current levels). Silver remains bullish above the May uptrend near \$15.75. I bot some more near \$16.50 last week and ready to buy more below \$16.	L	Bot: 15.80 (Jul-17, 2019), 16.50 (Aug-7-19).	16.99	2dc below 15	18.50 & 21
PSLV	Keep your positions.	L	Bot: 5.85 (Jul-17, 2019), 6.24 (Aug-7-19).	6.31	2dc below 5.25	7 & 8.50
HUI Index	HUI rose to new highs, but it's showing growing signs a top is forming. The A/D Line still has not broken above the Sept high resistance and it's starting to show signs of exhaustion. HUI is poised to pull back or correct some of the bullish rise it has had the past year. We're selling the rest of SGDJ at mkt to protect a 30% gain since Jan (50%+ annualized). We're keeping a reduced position in Kirkland Lake Gold (KL). I will also be buying a small position in DUST to profit from a 'D' decline.	--	N/A	220.82		
AEM	AEM shot up to top side of the May upchannel showing impressive strength. Spinner showing upside momentum may have peaked and a pull back is now likely. Keep a close watch for \$52. A break below this level could push AEM to the Nov uptrend mid \$40s. We recently sold the second half of our position for a 38% profit since Jan. Stay out for now.	O	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). Sold second half at \$54 (Aug-3-19) for a 38% profit!	58.68		
SGDJ	Bullish but looking topy. Sell at mkt to protect a 30% profit on the second half of our position. (25% average, 50% annualized, since Jan 2019). We'll buy again on weakness.	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!	34.79	2dc below 33	40 (almost reached!)
KL	KL rose to new highs for the move, yet again. It got very close to our second profit target. It's now showing signs of exhaustion near the highs suggesting a pull back is likely. Spinner resisting below MT MA telling us downside pressure remains. Keep your reduced position during weakness. We'll buy more later on. Major support near \$36.	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).	45.77	2dc below \$35	50 (almost reached!)
DUST	Look to profit from the 'D' decline in gold by shorting gold shares thru DUST. It's a 3x levered ETF to GDX. So it's highly volatile. Speculators buy a bit at mkt and sell on a rise to the Sept downtrend near our profit target.	O		7.50	2dc below 6.80	13

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 (40%)						
U.S. DOLLAR (DXU19)	The U.S. dollar index is showing signs of support near 97, just as Spinner falls below zero showing weakness. The dollar is very strong above 97 but has deeper support at the Jan uptrend near 96. The dollar will remain strong above these levels. We've recently increased our cash positions, holding U.S. dollars. Including today's action, we should still have a healthy cash position representing about 40% of our portfolio. I'm waiting to buy more on weakness.		Holding cash reserves mainly in U.S. dollars.	97.63		
RESOURCES AND ENERGY (13%)						
Crude (CLU19)	Crude oil jumped up confirming strong support near \$52. Spinner is on the rise, telling us momentum is picking up steam. However, notice crude remains below the Apr downtrend near \$59. Crude must break above this level on a 2dc to show renewed signs of strength. If it fails, it'll show weakness and resume its decline since Apr. Keep your positions. Crude could continue rising with U.S. equities.	L	57.90 (May-24-19), 53.75 (May-31-19), 54 (Jun-19-19).	57.10	2dc below 52.	67 & 75
COPPER (HGU19)	Dead rat bounce? Copper is rebounding from a new low. Spinner rising from an extreme, but still below MT MA and zero. Copper remains bearish below the Apr downtrend at 2.75. Stay out for now, the break below a year long support level and cyclical uptrend suggests the tide may have turned for copper and downside pressure could increase even more.	O		2.63		
KMI	KMI held above support at \$19.50 and bounced back above \$20, allowing us to unload half of our position for virtually break even. KMI is showing signs of renewed strength with crude oil's rise today. We continue to hold half of our original position to have exposure.	L	20 (Apr-24-19), 19.90 (Apr-29-19), 19.90 (May-23-19). Sold half just above \$20 for break even (Aug-8-19).	20.51	2dc below 19.50.	24 & 28
OTHER STOCKS (27%)						
AXP	AXP continues to rise quietly. It's jumping up from its Dec uptrend, near the highs. A break above \$130 could push AXP into a stronger phase of its bull mkt. Keep your positions for now.	L	119.75 (Mar-23-19), 117.50 (Jun-5-19).	126.32	2dc below 121	142 & 165.
ACB.TO	ACB.TO continues to rebound. Higher lows are encouraging. Keep in mind, ACB.TO must break above the Mar downtrend on a 2dc above 10 to show signs of renewed strength. Conversely, ACB.TO is vulnerable below the Mar downtrend but it may be bottoming as Spinner looks better. We have reduced, minimum exposure. 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). Sold half for 12% loss.	8.82	Hold reduced position.	14.50 (ACB: 12)
PG	PG held above the very bullish Oct uptrend at \$110 and continued to rise. It's a stone's throw away from recent new highs. The fundamentals powering PG remains and it's a great asset to own. Keep your positions for now and as long as PG holds above the Oct uptrend.	L	103 (Apr-24-19), 106 (May-22-19), 105.50 (Jun-5-19).	117.25	2dc below 110 (adj).	125 & 150
MSFT	MSFT is an industry leader. Its innovation in cloud technology and how it caters to the business community makes it a great asset to own. Its fundamentals are solid strong. Buy some at mkt. Place stops at 2dc below 120. Buy more on a decline that holds above \$120.	O		138.60	2dc below 120	170 & 200
DIS	DIS is fluctuating within a 4 mo sideways consolidation band, between \$130 and \$146. Spinner sunk below zero and falling showing weakness ST. DIS remains strong above \$130. Keep in mind DIS is positioning itself to become the top content producer and streaming outlet out there. Be patient. Keep a close eye on both levels. If DIS breaks above the consolidation band, it'll be very bullish. But if it fails, and falls below support, we could see a deeper decline. Keep your positions for now.	L	132 (May-10-19), 133.75 (May-22-19), 132 (May-23-19), 135 (Jun-5-19).	137.01	2dc below 132	160 & 200

Quoting *GCRU* is permitted provided *GCRU* name, website address & subscription price are given.

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 (i.e., to view Agni 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, 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.

NOTE: payments for *GCRU* services should be made payable to **MAP CUSTOMER SERVICE**. *Gold (& mkts) Charts R Us* is published weekly. You may sign up for 3-mos at \$300, 6-mos at \$585, 9-mos at \$855 or 12-mos \$1,110. 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

- DISCLAIMER -

Due to the electronic nature of e-mails, there is a risk that the information contained in this message has been modified. Consequently *Gold (& mkts) Charts R Us* can accept no responsibility or liability as to the completeness or accuracy of the information. Whilst efforts are made to safeguard messages and attachments, *Gold (& mkts) Charts R Us* cannot guarantee that messages or attachments are virus free, do not contain malicious code or are compatible with your electronic systems and does not accept liability in respect of viruses, malicious code or any related problems that you may experience. Information in *Gold (& mkts) Charts R Us* is for general information only & is not intended to be relied upon by individual readers in making specific investment decisions. Appropriate independent advice should be obtained before making any such decisions. *Gold (& mkts) Charts R Us* do not guarantee or assure that readers will make money or accept liability for any loss suffered by readers as a result of any such decision. Futures and share trading involve risk and is not for all investors. Past performance is NOT indicative of future results. Trading involves risk and should be pursued with risk capital only!