



# -GCRU-

Weekly Trading Service



Omar Ayales  
Editor

Achieves gains by trading commodities, currencies and stocks

AUGUST 23, 2017

IN ITS 16<sup>TH</sup> YEAR- Nº 751

## WELCOME BACK!

The Summer skip week was a good one. A good time to stop and reflect a bit on what's going on around the world. In this industry, it's easy to lose sight of the forest for the trees, particularly when you're deep into the woods!

I spent my skip-week at home, in a small beach community called Playas del Coco located in the northwest province of Costa Rica called Guanacaste. It's very much a tourist destination and it's developing quickly. We have access to all first world conveniences, many times for an additional cost.

One of the reasons I love Costa Rica is that it has no army. It's too small to cause any international turmoil and its pledge towards peace allows for special protection from the international community. It also has a strong commitment towards education and preserving the environment. About a quarter of the national territory is protected as national parks and the percentage of the budget used for education is among the highest in the world, behind only to a handful of countries.

## IS GOLD READY TO FOLLOW COPPER?



*"Do not dwell in the past, do not dream of the future, concentrate the mind on the present moment." -Buddha-*

The area of Guanacaste is one of five so called “blue zones” around the world where many people (more than the average) live to be over 100 years old. This natural phenomenon, together with great medical care, has allowed Costa Rica to have one of the highest life expectancy rates worldwide.

Consider Costa Rica has had a solid democracy for over 100 years and its economy is among the strongest in Latin America. Its democratic process is closely watched during presidential elections as an example to follow. Add that the mix it’s unparalleled natural beauty, kind people and wild biodiversity (which hosts over 5% of the world’s total biodiversity) and you have a great combination that defines paradise.

Another nice perk is our international airport (LIR) which is only 20 minutes away allowing easy and direct access to most major cities in the U.S. and Europe and indirectly to the rest of the world.

For those and other reasons, our little beach community has become one of the best places to invest when looking to buy real estate in emerging economies. I encourage you to come and check it out for yourself. And feel free to contact me if you plan on coming down!

More later... for now, let’s get back to the markets!

The past couple of weeks have been key for gold’s ‘C’ rise, particularly since we’re in the midst of the Summer doldrums when trading tends to lighten up and volatility spikes.

Gold rose sharply after holding on to a ST support level at 1260, as mentioned 2 weeks

ago. At that time, gold was pulling back, getting ready to rise. And rise it did as it surpassed \$1300 intraday. And although gold has not been able to close above \$1300, the action has been bullish and indicative of further upside as long as key support levels on the downside are held.

Although many factors during the past two weeks contributed to gold’s rise, the main backbone drivers have been a rise in inflation as global economic activity picks up as seen in the resource sector and declining real interest rates, as the yields on the 10 and 30 year U.S. bonds continued to decline exposing a path for more downside.

Our **Chart of the Week** on page 1 shows the relationship between copper and gold. As we had shown on our July 26<sup>th</sup> issue, copper has been leading gold’s rise. For one, Dr. copper is telling us demand for resources worldwide, particularly from China and other emerging markets, is tightening. It’s also telling us real inflation continues to rise.

Copper is now flirting with a key resistance level at \$3. If this level is surpassed, renewed strength will push copper higher. Gold is also at the brink of crossing a key resistance level of its own near \$1300 (a double top resistance). And a clear break above this level could send gold initially to \$1380, an approximate 4 year-long resistance level.

The chart also shows both copper and gold holding well above their key support levels. Copper will remain bullish by staying above its 65wk MA near 2.45 and has strong support above the 2016 primary uptrend near 2.25. Gold, on the other hand, shows its recent leg up rise will stay strong if gold holds above its 23 mo MA, currently at 1230.

Moreover, keep in mind, gold continues to have cyclical bull mkt support at the Dec 2015 uptrend near 1200.

**Remember in a strong bull market, all metals tend to rise together.**

Interestingly silver has remained quiet as it waits for further bull market confirmation to move higher. Silver's double thruster as a precious metal with a high industrial use should benefit the most from the strength in both gold and copper. It hasn't yet but if both gold and copper rise above their imminent resistance levels at \$1300 and \$3, respectively, we could see silver shoot up as it catches up to copper and gold.

Although the U.S. dollar has been weak, it has not been a main factor driving gold upward. As we have seen in previous editions, it's been the euro who has benefited the most from dollar weakness. And now, as the dollar looks to rebound from a key support at 92.50, it's likely that the euro will feel the pinch as gold holds stronger. Gold in euros continues to rise and showing this three party relationship.

Gold shares remain range bound between the Aug 2016 downtrend and the Dec 2016 uptrend. The narrowing range is forming a symmetrical triangle that could be very telling once gold shares breakout in either direction. More inside.

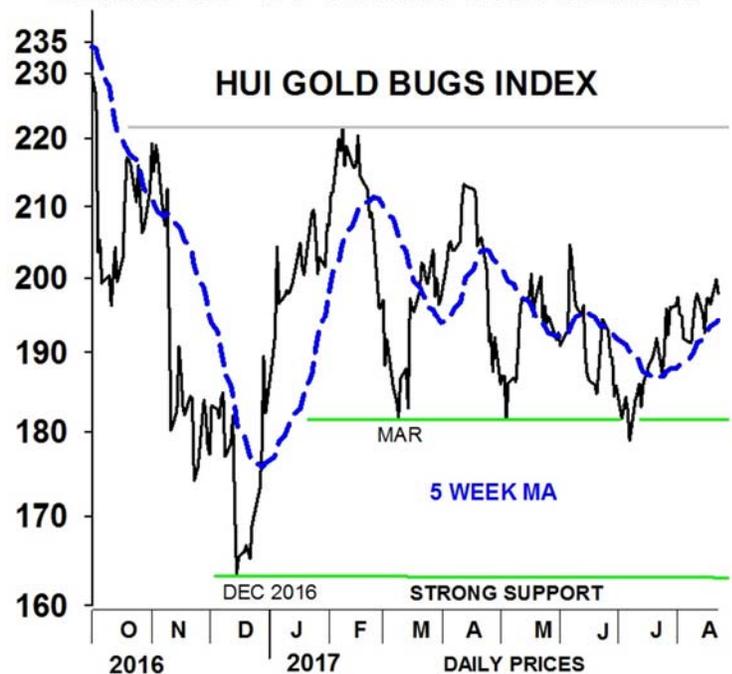
We sold our weakest gold share (MUX) before our Summer break to get some exposure to copper's luster by buying FCX (Freeport McMoran). Today FCX broke above a bull flag pattern telling us it's ripe for more upside. More inside.

Remember HUI has been forming a massive H&S bottom with a neckline at 250. Our next **Chart** shows a closer look at HUI's right shoulder. Notice HUI continues to hold above its key 5wk MA, currently near 194. If HUI continues to hold above this level, we could see HUI's right shoulder continue to rise. A break above 220 could propel HUI to its mega H&S bottom neckline near 250. A key level that if broken would signal renewed strength within gold's cyclical bull market.

And even if HUI fails to rise and falls back to the Mar low near 180, it'll still be forming the right shoulder on the mega H&S bottom pattern. HUI will remain strong by holding above its Mar low support near 180.

I still believe gold shares offers the best deal out there. They're also poised to outperform the broader market, particularly as sentiment slowly turns bearish for stocks. We continue to have full positions in AEM, GDXJ, WPM and BTG.

## BLOW UP OF RIGHT SHOULDER



Crude oil pulled back from its recent highs. It's holding above a bullish uptrend as it forms a bullish H&S bottom. The pattern is telling us crude could rise to the higher 50s if the Jan downtrend near 51 is surpassed. We continue to hold half of our position. If you want some exposure to crude and are not yet in, this could be a good moment to buy.

Our strategy for this week is to keep an eye on gold and copper's resistance levels at \$1300 and \$3, respectively. A break above these levels will move both metals into a stronger phase within their own bull markets which is likely to generate interest in shares and other metals. Always keep an eye on the dollar. Although it's been in gold's back burner recently, a stronger rise above 94.50 could add to gold's downside pressure. A decline below the 15+ mo support near 92.50 could give gold a boost too.

Good luck and good trading,



Omar Ayales  
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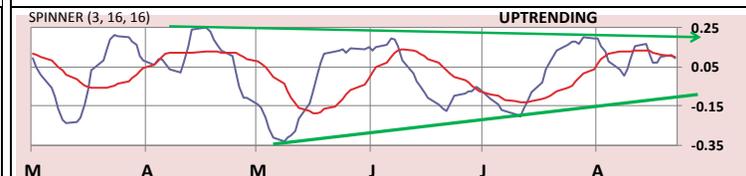
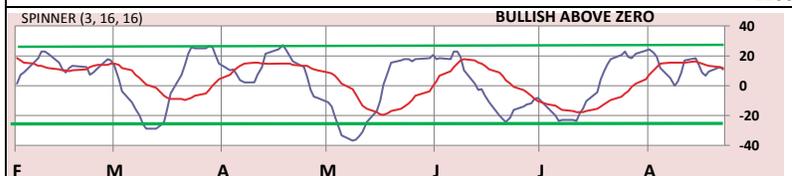
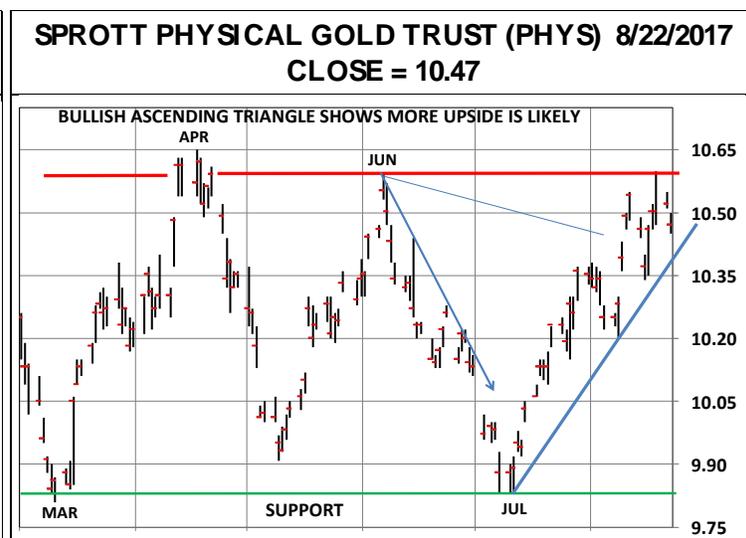
KEY PRICES			
Name/Symbol	August 22, 2017 price	Change	August 15, 2017 price
Gold (GCZ17)	1291.00	11.30	1279.70
Silver (SIU17)	16.98	0.27	16.71
HUI (HUI)	197.88	5.35	192.53
Copper (HGU17)	2.99	0.10	2.88
Crude Oil (CLV7)	47.83	0.13	47.70
S&P500	2452.51	-12.10	2464.61
U.S.Dollar (DXU17)	93.46	-0.30	93.76
30 Year T-Bond (ZBZ17)	155 - 19	1.06	154 - 13
10 Year T-Note Yield	2.22	-0.05	2.27
13-week Treasury bill	1.00	-0.01	1.01

# 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
6	GOLD	Keep your positions.	L	Jan-5-17	1170.00	<b>1291.00</b>	2dc below 1200	1380.00	1450.00
	PHYS	Keep your positions.	L	Jan-5-17	9.63	<b>10.47</b>	2dc below 9.80	11.50	12.00
7	SILVER	Keep your positions.	L	Jan-5-17	17.35	<b>16.98</b>	2dc below 15.75	19.25	20.50
	PSLV	Keep your positions.	L	Jan-5-17	6.35	<b>6.41</b>	2dc below 5.9	7.20	7.90
8	HUI Index	We recommend selling MUX and keeping the rest of your positions.	--			<b>197.88</b>			
9	GDXJ	Keep your positions.	L	Mar-16-17	37.30	<b>33.50</b>	2dc below 30	43.00	50.00
10	AEM	Keep your positions.	L	Mar-16-17	42.50	<b>46.86</b>	2dc below 40	60.00	
11	WPM	Keep your positions. If not yet in, buy below 19. Sell half at first target.	L	Mar-17-17	19.80	<b>18.91</b>	2dc below 18.50	23.00	28.00
12	BTG	Keep your position. Sell half at first profit target.	L	May-25-17	2.45	<b>2.50</b>	2dc below 2.25	3.00	3.30
13	MUX	Stay out.	O			<b>2.33</b>			
14	U.S.Dollar DXU17	Sell your spread if you still have it.	C	May-31-17	\$400	<b>93.46</b>			
15	TNX	Stay out.	O			<b>2.21</b>			
16	COPPER HGU17	Stay out for now.	O			<b>2.99</b>			
17	FCX	Keep your position.	L	Aug-9-17	14.4	<b>15.07</b>			
18	CCJ	Keep your positions.	L	Jul-26-17	10	<b>9.80</b>	2dc below 9.	11.50	12.50
19	Crude-CLV17	Keep your position. Sell the rest at profit target. If you are not in and want some exposure, buy some at mkt.	L	May-4-17	45.90	<b>47.83</b>	2dc below 41.50	50.00	55.00
	DBO	Keep your positions. Sell rest at profit target. If not in and want some exposure, buy some at mkt.	L	May-4-17	8.05	<b>8.18</b>	2dc below 7.25	8.85	9.50
20	DIA	Keep your last half position. Sell at profit target.	L	Apr-11-17	205.00	<b>218.70</b>	2dc below 210	215	240
	IYT	Stay out-	O			<b>165.84</b>			
21	FXE	Buy some at 111 and more on or near 106. Place stops at 2dc below 103.	O			<b>113.58</b>	2dc below 103	125.00	150.00
22	ABBREVIATIONS								

# CHARTS SECTION

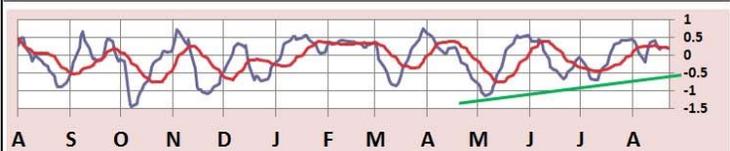


Long	1170 (Jan-5-17), 1220 (Mar-16-17). <b>Sold half at 1287 for an average 8% gain.</b> 1225 (Jul-3-17).
Stop	2dc below 1200 (adj).
Profit Targets	1380 & 1450.
Recom	<b>Keep your positions.</b>

Long:	9.63 (Jan-5-17), 10.12 (Mar-16-17). <b>Sold half at 10.54 for an average gain of 7%.</b> 9.98 (Jul-3-17).
Stops	2dc below 9.80 (adj).
Profit Targets	11.50 & 12
Recom	<b>Keep your positions.</b>

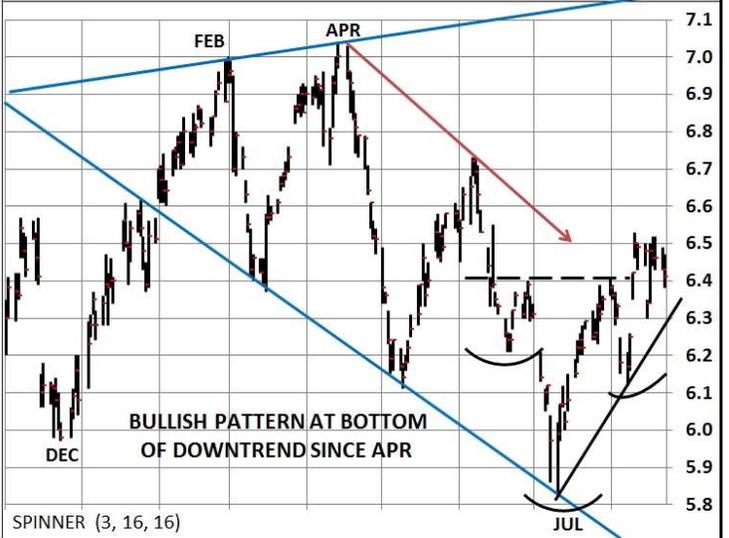
Testing key double top resistance near 1305 as Spinner shows renewed strength by staying above zero. Notice gold is also forming a bullish ascending triangle between the double top resistance and the Jul uptrend while the 'C' rise picks up steam. A clean break above 1305 would confirm strength that could propel gold to its next key resistance and our first profit target at 1380. Also noteworthy is the bullish cross gold is forming with its 5wk MA crossing above its 15wk MA. Gold will now remain very bullish by staying above its Jul uptrend near 1275. Keep in mind however, gold also has bull market support at the 15wk MA near 1263 and the 23 mo MA near 1230. Plus its 2015 cyclical bull market support is near 1200. In other words, don't sweat pull backs. Gold is still holding well above key support levels telling us it remains biased towards the upside. Allow for some leeway. Stay focused on the support levels. Keep your positions as long as gold holds above 1200.

**SILVER SEPTEMBER 2017 (SIU17) 8/22/2017**  
**CLOSE= 16.982**



Long	17.35 (Mar-16-17), 17 (May-1-17), 16.35 (May-4-17), 17 (Jun-12-17), 16.30 (Jun-26-17), 16.15 (Jul-3-17), 15.75 (Jul-13-17).
Stop	2dc below 15.75 (adj).
Profit Targets	19.25 & 20.50
Recom	<b>Keep your positions.</b>

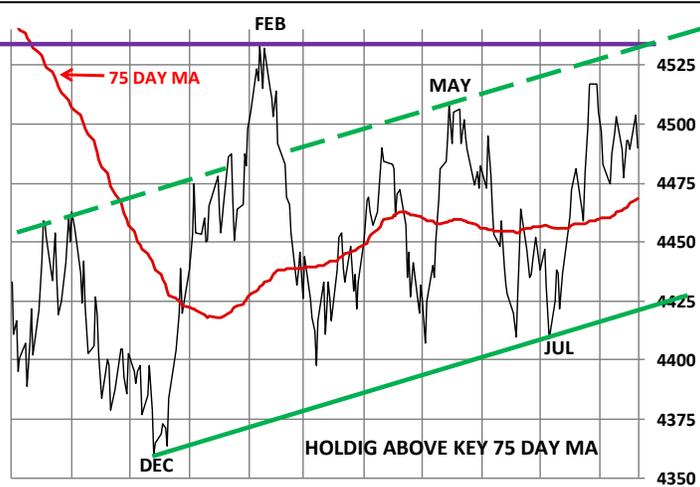
**SPROTT PHYSICAL SILVER TRUST (PSLV) 8/22/2017**  
**CLOSE= 6.41**



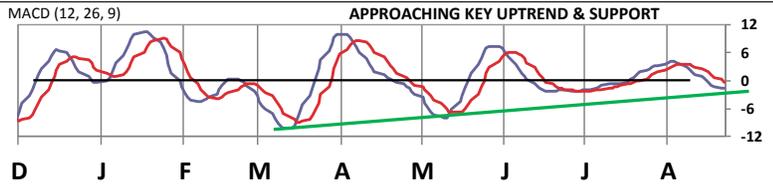
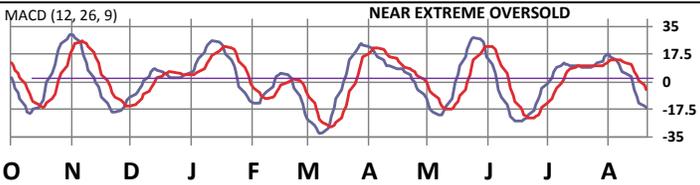
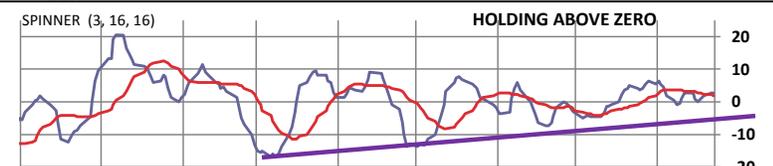
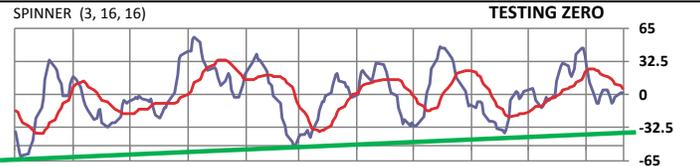
Long	6.60 (Mar-16-17), 6.40 (May-1-17), 6.20 (May-4-17), 6.55 (Jun-11-17), 6.23 (Jun-21-17), 6.15 (Jul-3-17), 6.03 (Jul-13-17).
Stop	2dc below 5.90 (adj).
Profit Targets	7.20 & 7.90
Recom	<b>Keep your positions.</b>

Silver showed ST strength by breaking above 16.75, the Apr downtrend. It's now testing the Aug downtrend near 17.50. A break above this level would be very bullish. Spinner remains on the rise telling us momentum is still on silver's side. Interestingly, silver has not been as strong as other resources such as copper. Silver tends to perform strongly when both copper (resources) and gold rise. Could silver be lagging copper's strength? It seems to be the case. And if both gold and copper pull away from their imminent resistance levels at 1300 and 3, respectively, we could see silver explode to the upside. Notice silver is breaking above a bullish H&S bottom since its decline from the Apr highs. If it can stay above the Jul uptrend near 16.75, we could see it rise to the bullish pattern's target near 19.25, the top side of the right-angled broadening pattern. On the downside, a break below 16.75 would show weakness but will not derail silver's upside potential. To turn bearish, silver must break below 15.75, the Dec lows, on a 2dc. Keep your positions as long as this level holds.

**ADEN GOLD STOCKS ADV/DECLINE 8/22/2017  
CLOSE = 4490**



**HUI GOLD BUGS INDEX (HUI) 8/22/2017 CLOSE= 197.88**



Gold shares struggling to surpass key resistance levels. HUI rose to the Feb downtrend this past week but quickly turned down showing selling pressure at this key juncture and further validating this resistance. However, indicators across the board are bullish for gold shares. Notice both Spinner and MACD for HUI holding above uptrends since Mar showing growing momentum. Also, the chart on the left, the leading A/D Line, continues to uptrend since Dec. The A/D Line is well above its 75 day MA and poised to rise to the top side of the Dec upchannel and the Feb highs. Its own Spinner is well above a longer term uptrend of its own. Remember a key trend to follow for gold shares is the 5wk MA. Coincidentally, the 5wk MA is converging with the Jul uptrend exposing a key ST support and uptrend at 194. If HUI can hold above this level it could then rise above the Feb downtrend & key resistance level. A break above this resistance on a 2dc above 203 could propel HUI to the 220 level, the Feb highs. We lowered our exposure to gold shares by selling MUX. Having said that, we continue having full exposure to the sector as we continue to hold AEM, WPM, BTG and GDXJ.

## MKT VECTORS JR. GOLD MINERS (GDXJ) 8/22/2017 CLOSE= 33.5



### Junior Gold Miners ETF (GDXJ) - NYSEArca

Long at:	<b>37.30 (Mar-16-17), 35.75 (Apr-17-17), 31.90 (Apr-25-17), 29.70 (May-4-17), 30.99 (Jul-10-17).</b>
Stop:	2 dc below 30 (adj).
Profit target:	43 & 50.
Recom:	<b>Keep your positions.</b>

GDXJ continues to edge higher. It remains in a solid uptrend since Dec. GDXJ will remain bullish by staying above this level near 31. However, GDXJ must also break above the Jun highs on a 2dc above 35 to show renewed strength that could push it to the Feb highs, our first profit target. Keep your positions as long as GDXJ holds above the May lows near 30 as a break below this level could be the start of a bearish reversal.

## Agnico Eagle Mines Limited (AEM) 8/22/2017 CLOSE= 46.86



### Agnico Eagle Mines Limited (AEM) -NYSEArca

Long:	42.50 (Mar-16-17). Sold half at 46.05 for an 8% gain. 44.75 (Jun-29-17), 44 (Jul-13-17).
Stop:	2dc below 40.
Profit Target:	60
New Recom:	<b>Keep your positions</b>

AEM continues to chug upward, holding on to its bullish Dec uptrend. Notice AEM continues to form a bullish ascending triangle between the Dec uptrend and the Feb/Jun high resistance. This tells us, if AEM breaks above 51 on a 2dc, we could see bullish wrath unleashed and a clear path for AEM to rise to the Aug highs. On the downside, the bottom side of AEM's sideways band is key support. A break below 40 on a 2dc would be bearish. Keep your positions as long as AEM holds above this lower level.

**Wheaton Precious Metals Corp Co (WPM) 8/22/2017**  
**CLOSE= 18.91**



**Wheaton Precious Metals (WPM)**

Long at:	19.80 (Mar-17-17). <b>Sold half at 21.65 for a 9% gain.</b> 18.90 (May-4-17), 19.50 (Jun-14-17), 19 (Jun-15-17)
Stop:	2dc below 18.50
Profit Target	23 & 28.
New Recom:	<b>Keep your positions. If not yet in, buy below 19. Sell half at first target.</b>

WPM collapsed after failing once again to rise above the Feb downtrend. Interestingly copper bounced up swiftly after falling below its key support at 18.50 on a 1dc reconfirming it has strong support at the Mar low area. Spinner struggling to cross over zero showing resistance and strong downside pressure. WPM remains one of the best silver plays and with both gold and resources brewing, we could see a perfect storm for silver and silver shares. Keep your positions. If not yet in, consider buying below 19.

## B2Gold Corp. (BTG) 8/22/2017 CLOSE= 2.5



### B2Gold Corp. (BTG) -NYSE MKT

Long at:	2.45 (May-25-17).
Stop:	2dc below 2.25.
Profit target:	3 & 3.30
New Recom:	<b>Keep your position. Sell half at first profit target.</b>

BTG remains within a narrowing range between a rising base since Dec near 2.30 and a downtrend since Feb near 2.65. Spinner rising but struggling to surpass the zero line. Remember symmetrical triangles are continuation patterns. Wherever BTG breaks out hints toward its next intermediate move. That is, a break above 2.65 could push BTG to re-test the Jun highs near 3, initially. Conversely, a break below 2.30, the Dec uptrend could push BTG to the May or Dec lows near 2. BTG is among the junior mines that is poised to perform on gold strength. We recommend keeping as long as it holds above the May lows.

## McEwen Mining Inc. (MUX) 8/22/2017 CLOSE= 2.33



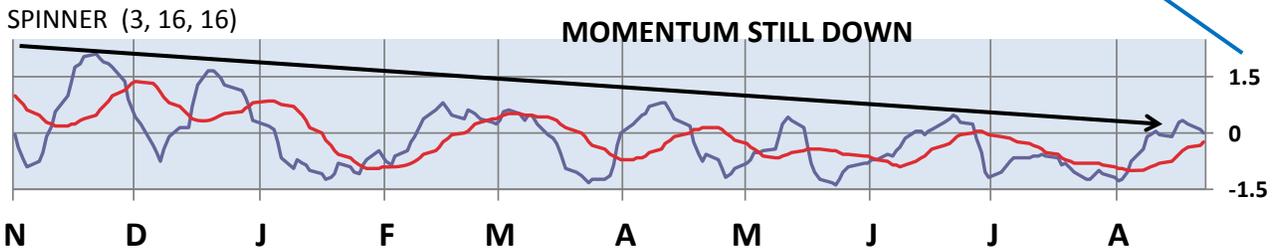
### McEwen Mining Inc. (MUX) - NYSE

Long at: 2.72 (May-25-17), 2.50 (May 31-17), 2.50 (Jun 5 -17), 2.62 (Jun-9-17). **Sold all via stop for an average loss of 12% :(**

New Recom: **Stay out.**

MUX continues to show weakness as it has failed to jump back up above its previous support. MUX's previous support is now new resistance. If MUX fails to break above 2.50 on a 2dc, we could see it decline and re-test the Jun 2015 lows. Stay out for now.

**U.S. DOLLAR INDEX SEPTEMBER 2017 (DXU17) 8/22/2017  
CLOSE= 93.461**

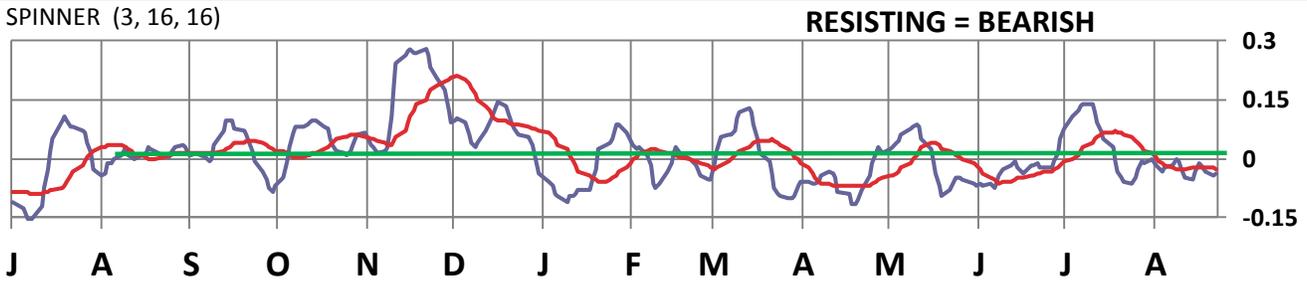
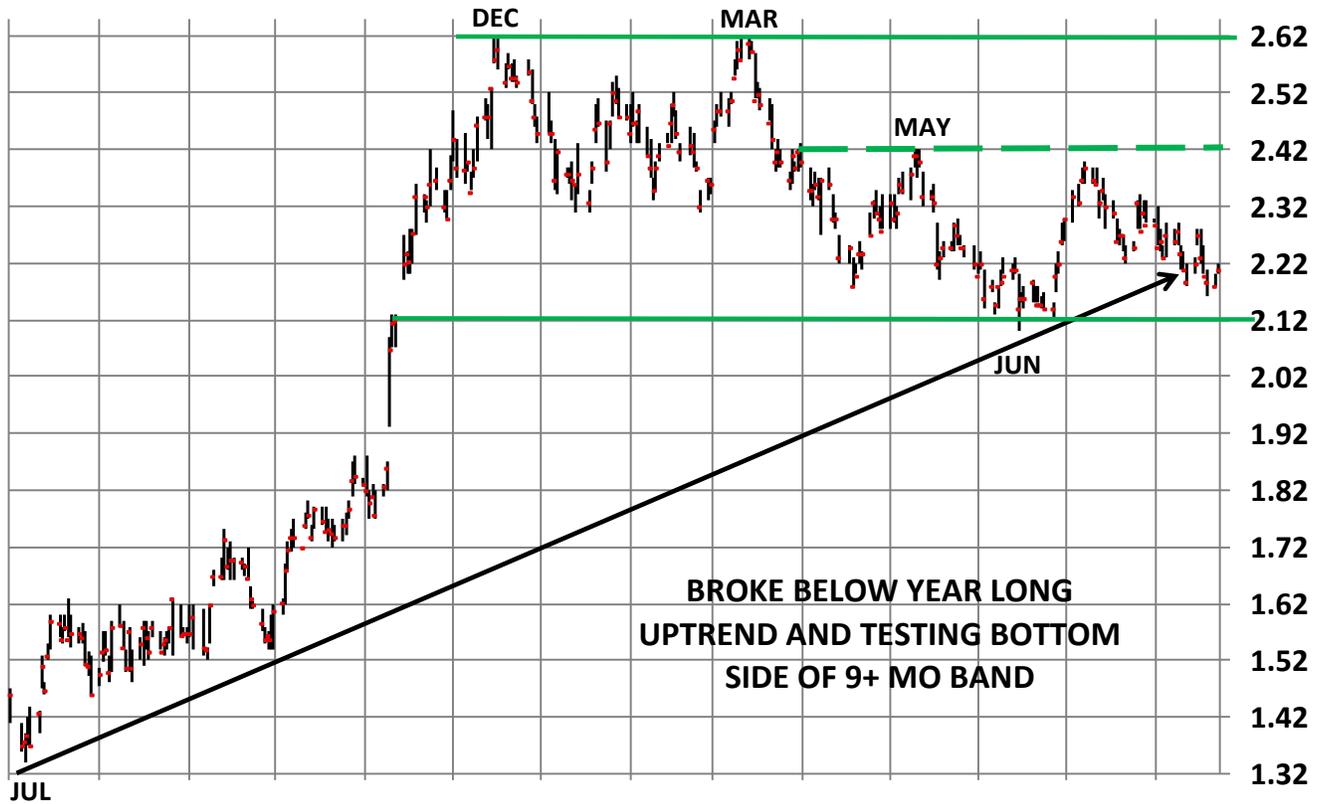


Recom

**Stay out.**

The dollar rally build up came to a halt as the dollar failed to surpass the Apr downtrend showing continued weakness. The dollar is once again testing a multi-year key support level at 92.50. Spinner unable to surpass the zero line and year-long downtrend showing continued weakness and declining momentum ST. Although the dollar's decline is overextended and a rebound rise remains likely, the dollar remains bearish longer term. To see a sign of a possible reversal, the dollar must rise above the Apr downtrend on a 2dc above 94.50. The real test, however, would be to overcome the Jan downtrend near 98 which could signal a trend reversal. A weaker dollar will continue to boost gold and other currencies and asset classes as inflation is seen to pick up steam.

**CBOE Interest Rate 10 Year T No (^TNX) 8/22/2017 CLOSE= 2.21**



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

New Recom: **Stay out**

The 10YY continues to show weakness. This time it broke below a year-long uptrend. It's now holding at a softer support, the Jun lows near 2.12. A break below this level on a 2dc could push the 10YY to its support near 1.90-2%. Spinner unable to cross above zero confirming weakness. The declining 10YY also shows declining inflation expectations which could continue to put downward pressure on real rates and have a positive impact on gold. Stay out for now but keep a close eye on 2.12% as it's a key support level moving forward.

## COPPER SEPTEMBER 2017 (HGU17) 8/22/2017

CLOSE= 2.987



New Recom	<b>Stay out for now.</b>
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Bullish! Copper continued to rise with impressive strength! It's at the door step of a key level: \$3. If copper breaks above this level on a 2dc, it'll be off to the races! Spinner is confirming strength by staying above zero. Keep a close eye on 2.82 as it's the bull market support since Jun. However, copper will remain bullish by staying above the 2016 uptrend near 2.65 and its 65wk MA near 2.45. Demand for copper is rising on speculation that the global economy, particularly China, is starting to pick up steam. Moreover, copper seems to be leading gold too and if both gold and copper continue to rise, silver could finally wake up and catch up. We picked up FCX 2 weeks ago after selling MUX to jump into the copper wagon. We recommend keeping your position for now.

**Freeport-McMoRan Inc. (FCX) 8/22/2017 CLOSE= 15.07**



**Freeport-McMoRan Inc. (FCX) - NYSEArca**

Long at:	14.40 (Aug-9-17)
Stop:	2dc below 13.50
Profit target:	17
New Recom:	<b>Keep your position.</b>

FCX is breaking above a bullish flag today and it now has an upside target near 17. The bullish break comes as copper approaches a key level at 3. If copper breaks above 3, we could see renewed strength in demand that could push the entire sector upward. FCX will continue to show a bullish outlook by staying above Jun uptrend near 13.75. Keep your positions.

## Cameco Corporation (CCJ) 8/22/2017CLOSE= 9.8



### Cameco Corporation (CCJ) - NYSEArca

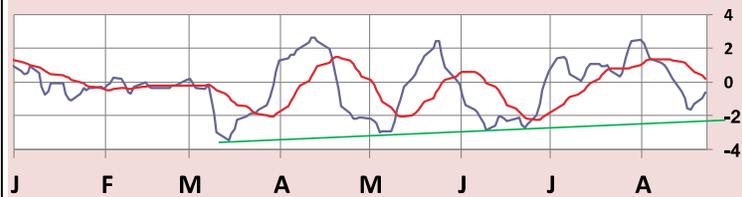
Long at:	10 (Jul-26-17), 9.75 (Aug-10-17).
Stop:	2dc below 9.
Profit target:	11.50 & 12.50.
New Recom:	<b>Keep your positions.</b>

CCJ continues to hold at the Jul uptrend despite having fallen from its recent highs. This tells us the trend remains up and a rise to the Apr highs remains likely. CCJ must first break above the Jul highs, to show renewed strength. Keep your positions for now.

**LIGHT CRUDE OIL OCTOBER 2017 (CLV17) 8/22/2017  
CLOSE= 47.83**

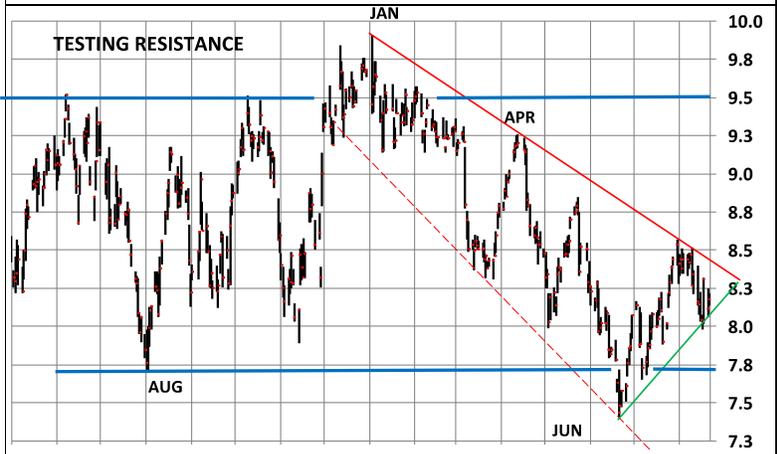


SPINNER (3, 16, 16) ABOVE ZERO LINE

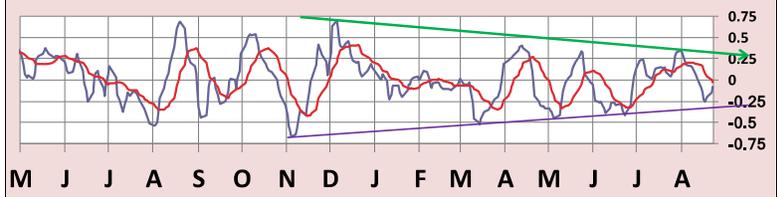


Long;	45.90 (May 4, 2017). Sold half at 51.55 for a 12% gain. 42.75 (Jun-21-17). Sold half at 50 for a 15% gain!
Stops	2dc below 41.50.
Profit Target	55
New Recom:	<b>Keep your position. Sell the rest at profit target. If you are not in and want some exposure, buy some at mkt.</b>

**POWERSHARES DB Oil ETF (DBO) 8/22/2017  
CLOSE= 8.18**



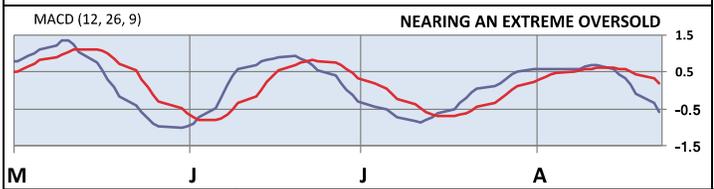
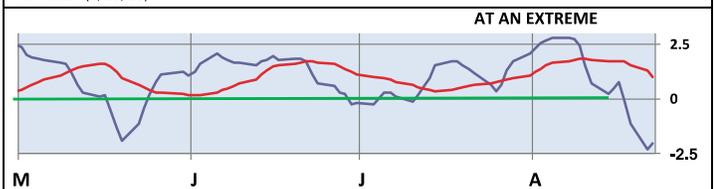
SPINNER (3, 16, 16) BULLISH!



Long	8.05 (May 4, 2017). 7.47 (Jun-21-17). Sold half for a 10% gain!
Stops	2dc below 7.25.
Profit Target	9.5
New Recom:	<b>Keep your positions. Sell rest at profit target. If not in and want some exposure, buy some at mkt.</b>

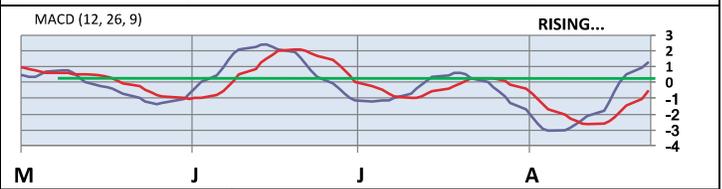
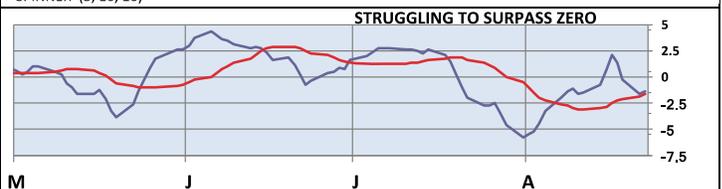
Crude is pulling back after approaching the Jan downtrend and key resistance level. The pull back is holding right at the Jun uptrend as crude forms a bullish H&S bottom with an upside target at 56. Moreover, notice Spinner bottoming above an uptrend since Mar. This tells us crude's poised to rise ST! Crude must break above the Jan downtrend on a 2dc to confirm the bullish pattern that could push crude to the higher 50s. Keep your positions. Buy some if you're not in.

**SPDR DOW JONES INDUSTRIAL (DIA) 8/22/2017**  
CLOSE= 218.7



Entry Level	205 (Apr-11-17). Sold half at 215 for 5% gain.
Stop	2dc below 214 (adj).
Profit Target	240
New Recom:	<b>Keep your last half position. Sell at profit target.</b>

**Shares Transportation Average (^IYT) 8/22/2017**  
CLOSE= 165.84



Entry Level	N/A
Stop	N/A
Profit Target	N/A
New Recom:	<b>Stay out.</b>

DIA broke below the bearish upside wedge we had shown on our last issue 2 weeks ago. The decline broke below the May uptrend, the original target. Spinner declined to an extreme and it's now showing signs of a bottom. Coincidentally, the Industrials (DIA) today had one of the best days of the year, erasing most of the recent losses. More importantly, it broke above the 5wk MA showing it's back on a rising trend as Spinner rises from an extreme oversold level. This tells us we could see DIA rise further ST. The Transports (IYT), on the other hand, continued to decline. They too broke below the May uptrend and seem vulnerable below the Jul downtrend. Spinner for IYT is testing its MT MA with room to fall further. This tells us we could continue seeing the Transports lag the Industrials ST. Although weakness could be short lived, volatility at the highs is indicative of a top and potential turnaround. We recommend raising your stops and pegging it to DIA's 15wk MA, currently at 214.

**CurrencyShares Euro ETF (FXE) 8/22/2017 CLOSE= 113.58**



CurrencyShares Euro ETF (FXE) NYSEArca - Nasdaq Currency in USD

Recom:

**Buy some at 111 and more on or near 106. Place stops at 2dc below 103.**

The euro continues to show signs of weakness after breaking below a bearish rising wedge with downside target near 111. Notice Spinner below zero and MT MA as it continues to unwind with room to decline further. Overall the longer-term trend as identified by the Jan uptrend near 105.50 tells us the euro is poised for more upside. However, ST, some more downside remains likely. We recommend waiting for further weakness to buy.

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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, 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.

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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