

Whoa Boy; Reigning in the Galloping Gold Price

I have previously said that the signal for the end of a bull market - in anything - is often a blowout movement upwards that has everyone saying "can you believe it?" Have we just seen that in the gold market last week? Before we answer that, we need to remind you that we have not been in a normal commodity price cycle with gold. It is all about a structural change in the bullion market and normal rules do not apply.

A week ago the bullion price was at US\$4,980/oz, poised to punch through US\$5,000/oz. It did so in style, rising to circa US\$5,600 in a matter of days, a rise of 10% almost overnight. By the end of the week it had given back all of the gains, falling by more than 10% at one point on Friday. Stop loss orders would have been going off like a gatling gun, especially from ETFs. That looked like a blowout but it needs to be put into context.

Last week our gold equities acted in disbelief with many of them falling just when the gold price was surging. While that was counterintuitive, it was reality. It was almost as if the communal thinking was saying "whoa boy, this is going too far. This is unsustainable". In this instance the equity market movements were anticipating, or leading the gold price down.

So, is it game over? Personally, I think it is great to have a pause and let the dust settle for a bit. There is nothing to complain about in terms of implied profitability for gold producers with the price of US\$3,000-US\$4,000/oz, prices much lower than today's spot price. However, I am not saying the price will fall back to these lower levels.

What has changed in the big picture in a week? Nothing really. With Trump in office the chaos will continue. We have just seen over-zealous speculators get carried away and the enthusiasm has been reigned in, appropriately, for the time being. Next week? Who knows. Movements like this are sent to test our resolve and there will be selling by

some, but there but has been no fundamental shift in the thematic. Silver also took a pounding, falling 26% in last nights trading. We need to take this in our stride.

Uranium running, and rare earth reacting lower

While all the focus has been on precious metals recently, do not forget uranium. Look at how those stocks have surged. That is all about energy, not the gold price. Everything in the uranium sector, from companies to the commodity, have been powering higher in their own specialist world.

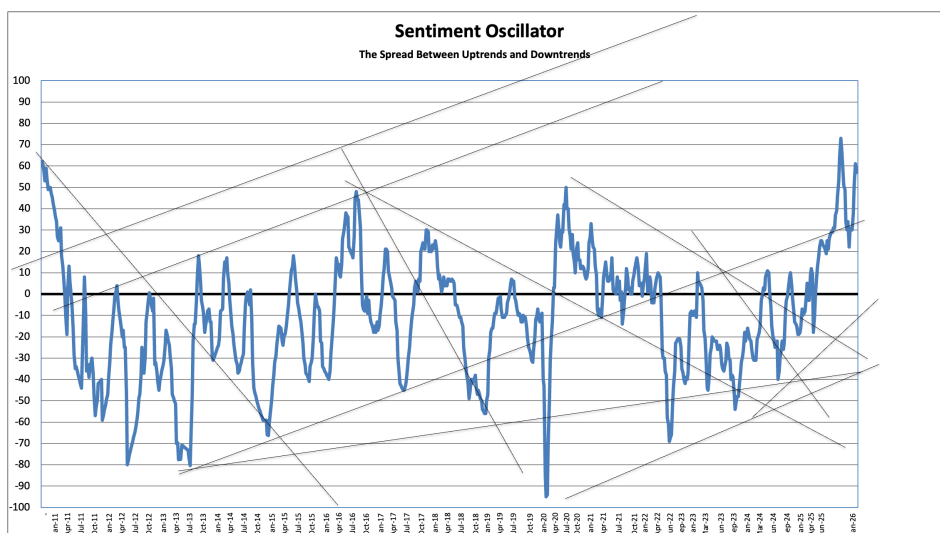
In contrast, the heat has come out of the rare earth sector as we try and figure out what the US is actually saying on this front. Greenland is out of the cross hairs for the time being and there seems to be some back tracking on pricing of the rare earths in any government supported future. It is a moving feast.

But sentiment peaked and will now turn down

Over the last week or two we have been cautioning that the market was at, or approaching, a short term peak at which time you should pull money out of the market. There were similarities with a short term peak in October/November that was followed by a weaker market for a few months. Well, we have now started the pullback phase. The falls in the precious metals prices virtually guarantee this will happen and we will see a moderation of the short term euphoria.

INDABA and 121 Coming Up

I'm heading off to Capetown next week so I may not have time to do Weeklies. I certainly won't be updating charts for a couple of weeks as I don't travel with my chart book, but if there are any interesting stories I will try and cover them.



Sentiment Oscillator: Sentiment softened a touch last week and the Oscillator is still forming a double top. It is hard to see sentiment improving next week, what with the gold and silver moves on Friday night. Those movements almost guarantee that the market will go into a correction phase for at least a few weeks, or at least while thinks about what it wants to do next. There were 68% (71%) of shares under coverage in uptrend, and 11% (10%) in downtrend.

Detailed Chart Comments

NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.

Indices	Code		Trend Comment	
All Ordinaries	XAO		rising again	
Metals and Mining	XMM		steep rise then a retracement	
Energy	XEJ		testing downtrend	
Stocks	Code		Trend Comment (updated comments in bold)	Main Interest
Agua Resources	AGR		sideways	phosphate, gold
Alkane Resources	ALK		rising again	gold
Alicanto Minerals	AQI		new high	base metals, silver, gold
Alligator Energy	AGE		surge higher	uranium
Almonty Industries	AI		surge to new high	tungsten
Alpha HPA	A4N		rise then a pullback	HPA
American Rare Earths	ARR		improving	rare earths
American Tungsten & Antimony	AT4		pullback	antimon
Anax Metals	ANX		new high	copper
Andean Silver	ASL		new high	silver
Arafura Resources	ARU		testing uptrend	rare earths
Ardea Resources	ARL		rising again	nickel
Ark Mines	AHK		down	rare earths
Astral Resources	AAR		new high	gold
Aureka	AKA		spiked higher	gold exploration
Auric Mining	AWJ		rising	gold
Aurora Energy Metals	1AE		new high	uranium
Aurelia Metals	AMI		improving	copper + base metals
Aurum Resources	AUE		improving	gold
Australian Gold and Copper	AGC		rising	base metals, silver, gold
Australian Rare Earths	AR3		back to support line	rare earths
Australian Strategic Materials	ASM		spike on takeover	rare earths
BHP	BHP		new high	diversified, iron ore
Ballard Mining	BM1		rising	gold
Ballymore Resources	BMR		rising	gold exploration
Barton Gold	BGD		rising again	gold exploration
Beach Energy	BPT		at resistance line	oil and gas
Beetaloo Energy	BTL		breached uptrend	gas
Bellevue Gold	BGL		higher	gold
Besra Gold	BEZ		rising again	gold
Black Cat Syndicate	BC8		new high	gold
















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Boab Metals	BML		at highs	silver/lead
Brazilian Rare Earths	BRE		breaching downtrend	rare earths
Brightstar Resources	BTR		consolidating	gold
Caravel Minerals	CVV		rising	copper
Carnaby Resources	CNB		rising	copper
Castile Resources	CST		rising	gold/copper/cobalt
Catalyst Metals	CYL		rallying	gold
Cazaly Resources	CAZ		breached uptrend	rare earths
Centaurus Metals	CTM		new high	nickel/cobalt/HPA
Challenger Gold	CEL		improving	gold
Cobalt Blue	COB		down	cobalt
CuFe	CUF		breached downtrend	bismuth
Cyprium Metals	CYM		higher	copper
Emmerson Resources	ERM		new high	gold
EQ Resources	EQR		strongly higher	tungsten
Estrella Resources	ESR		breached downtrend	manganese
Evolution Mining	EVN		new high	gold
Felix Gold	FXG		testing downtrend	gold exploration, antimony
Finder Energy	FDR		correcting lower	oil/gas
First Graphene	FGR		rallying	graphene
Flagship Minerals	FLG		new high	gold
Genesis Minerals	GMD		surge to new high	gold
Globe Metals and Mining	GBE		spiked higher	niobium
Gold 50	G50		testing uptrend	gold exploration + gallium
Golden Horse	GHM		testing uptrend	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech	GT3		sideways	kaolin
Hamelin Gold	HMG		down	gold exploration
Hawk Resources	HWK		heavy pullback	scandium
Heavy Minerals	HVY		testing uptrend	garnet
Hillgrove Resources	HGO		new high	copper
Iltani Resources	ILT		heavy pullback	antimony
Iluka Resources	ILU		rising again	mineral sands
Investigator Resources	IVR		sideways at highs	silver
Jupiter Mines	JSM		improving	manganese
Kairos Minerals	KAI		rising	gold
Kaiser Reef	KAU		improving	gold
Kalamazoo Resources	KRZ		rising	gold
Kalina Power	KPO		breached uptrend	carbon sequestration
Koba Resources	KOB		breached downtrend	uranium
Larvotto Resources	LRV		return to highs	gold, antimony
Litchfield Resources	LMS		heavy slump	copper exploration
Lindian Resources	LIN		rising	rare earths + bauxite
Lode Resources	LDR		rising again	antimony, silver

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Lotus Resources	LOT		longer term downtrend	uranium
Lynas Corp.	LYC		breached downtrend	rare earths
Many Peaks	MPK		rising again	gold exploration
Marmota	MEU		spiked on good drilling gold	gold/uranium exploration
Matsa Resources	MAT		rising	gold
Meeka Gold	MEK		at highs	gold
MetalsX	MLX		new high	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Metro Mining	MMI		rising again	bauxite
Midas Minerals	MM1		rising	lithium
Mithril Silver & Gold	MTH		breaching downtrend	silver, gold
Native Mineral Resources	NMR		down	gold
New Murchison	NMG		rising	gold
New World Resources	NWC		rising	copper
Nexgen Energy	NXG		rising again	uranium
Northern Star Res.	NST		rising again	gold
Nova Minerals	NVA		heavy fall	gold exploration
Novo Resources	NVO		new high	gold exploration
Omega Oil	OMA		rising	oil
Pacific Gold	PGO		spiked higher	gold exploration
Pacific Lime & Cement	PLA		rising.gently	renewables, cement
Paladin Energy	PDN		rising again	uranium
Pantoro Gold	PNR		rising again	gold
Patriot Battery Metals	PMT		rising	lithium
Peninsula Energy	PEN		rising again	uranium
Perseus Mining	PRU		new high	gold
QMiners	QML		rallying	copper
Queensland Pacific Metals	QPM		sideways	nickel/cobalt/HPA
Regis Resources	RRL		rising	gold
Revolver Resources	RRR		breached uptrend	copper
Richmond Vanadium	RVT		spiked higher	vanadium
RIO	RIO		new high	diversified, iron ore
Rox Resources	RXL		rising	gold
RTG Mining	RTG		improving	copper
Rumble Resources	RTR		rising	zinc, gold, tungsten exploration
S2 Resources	S2R		down	gold exploration
Santana Minerals	SMI		rising	gold
Santos	STO		slump	oil/gas
Sarytogan Graphite	SGA		sideways	graphite
Scorpion Minerals	SCN		rallying	gold exploration
Siren Gold	SNG		testing uptrend - legal proceedings	gold exploration
Somerset Minerals	SMM		testing downtrend	copper exploration
Southern Palladium	SPD		testing uptrend	PGMs
Stanmore Coal	SMR		improving	coal

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St George Mining	SGQ		breached downtrend	rare earths, niobium
Stellar Resources	SRZ		new high	tin
Sun Silver	SS1		higher	silver
Sunrise Metals	SRL		new high	scandium
Talga Resources	TLG		down	graphite
Tamboran Resources	TBN		rising	gas
Theta Gold	TGM		breaching downtrend	gold
Toro Energy	TOE		spiked higher	uranium
Torque Metals	TOR		rising	gold exploration + lithium
Toubani Resources	TRE		rising, gently	gold
Verity Resources	VRL		testing downtrend	gold
Vertex Minerals	VTX		sideways	gold
Waratah Minerals	WTM		down	gold exploration
Westgold Resources	WGX		new high	gold
West Wits Mining	WWI		rising	gold
Whitehaven Coal	WHC		rising again	coal
White Cliff Minerals	WCN		down	copper exploration
WIN Metals	WIN		down	gold
Yandal Resources	YRL		down	
Totals	68%	97	Uptrend	
	11%	16	Downtrend	
		142		

Guides to Chart Interpretations

- Charts usually go pass from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represent both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, some times for obscure reasons. If a chart consistent gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast moving markets.

Amber Lights in Tables: Just a reminder if when the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

Weightings of Sectors Represented in the Company Charts

Sector	No. of Companies	Weighting	
Gold	38	26.8%	
Gold Exploration	22	15.5%	
Copper	14	9.9%	
Rare Earths	11	7.7%	
Uranium	8	5.6%	

Oil/Gas/Hydrogen	6	4.2%	
Silver	5	3.5%	
Antimony	4	2.8%	
Iron Ore/Manganese	4	2.8%	
Lithium	2	1.4%	
Graphite/graphene	3	2.1%	
HPA/Kaolin	3	2.1%	
Nickel	2	1.4%	
Scandium	2	1.4%	
Tungsten	2	1.4%	
Tin	2	1.4%	
Coal	2	1.4%	
Bismuth	1	0.7%	
Niobium	1	0.7%	
Potash/Phosphate	1	0.7%	
Vanadium	1	0.7%	
Zinc/Lead	1	0.7%	
PGMs	1	0.7%	
Mineral Sands	1	0.7%	
Bauxite	1	0.7%	
Cobalt	1	0.7%	
Other	3	2.1%	
Total	142		

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