

Small end continues to struggle

There continues to be quite a divergence between the performance of the larger stocks and the bulk of the resource companies. The four indices we cover, being the All Ords (XAO), Metals and Mining (XMM), Energy (XEJ) and Information Technology (XIJ) are all looking good but there are many sick juniors.

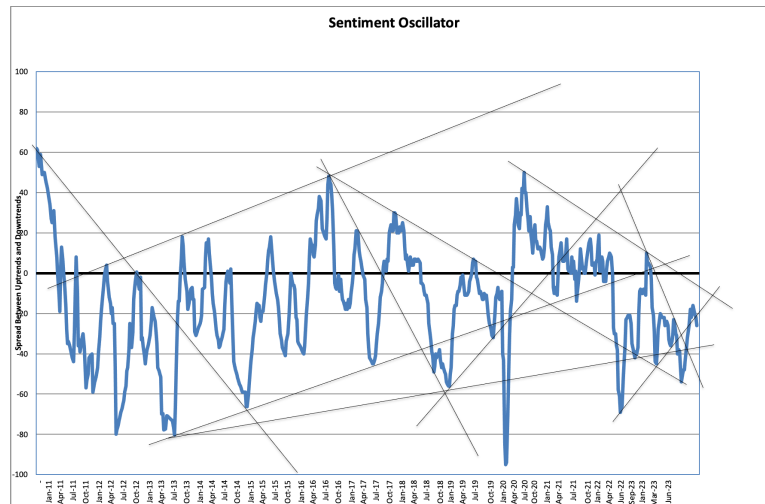
The good performance in December, when we seemed to have turned the corner, has been met with a baseball bat in January. That has come as a surprise to most of us, including me. Eventually we know that the better performance of the larger stocks will trickle down to the smaller end, but when?

Things are looking better for the broad indicators but how long do we have to wait for the speculative end to fire? What will bring the traders back to restore liquidity and momentum? The failure of many zombie stocks might clear the decks, but it will still hurt the confidence of those who have been hoping for a recovery. Another bout of fund raising on any recovery in share prices will divert liquidity into those issues. Finding the next new beaut stocks will be more rewarding than just waiting for a broad recovery.

Uranium stocks took a breather early last week in what was a completely normal reaction to the recent surge, and then they performed strongly at the end of the week. A healthy bull market in any sector involves a process of action and reaction, surge and pull back. Traders will take advantage of the highs to milk profits, and buy back positions on the pullback. It is an iterative path whereby the market moves in waves. The process continues ... until it doesn't.

Meanwhile, gold continues to be an reliable performer.

This edition is truncated due to me travelling in South Africa for the INDABA Conference that commences next week, and maybe I won't get around to doing one for the subsequent week (it is too difficult doing the charts on the road).



Sentiment Oscillator: Sentiment weakened again. There were 27% (29%) of stocks in uptrend and 53% (51%) in downtrend at the close of the week.

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	continuing to a new high	
Metals and Mining	XMM	breaching correction pattern	
Energy	XEJ	continuing higher	
Information Technology	XIJ	strong uptrend	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
5EA Advanced Materials	5EA	another new low	boron
92 Energy	92E	rising	uranium
Adriatic Resources	ADT	new high	zinc, polymetallic
Advance Metals (was Pacific American)	AVM	back to lows	coal, gold exploration
Aguia Resources	AGR	testing new uptrend	phosphate, copper exploration
Alkane Resources	ALK	down	gold
Alicanto Minerals	AQI	back to lows	base metals, silver, gold
Alligator Energy	AGE	rising again	uranium
Almonty Industries	All	rising	tungsten
Alpha HPA	A4N	turning down	HPA
Altech Chemical	ATC	new low	HPA, anodes
Alto Metals	AME	at lows with a placement	gold exploration
American Rare Earths	ARR	sideways	rare earths
Anax Metals	ANX	new low	copper
Anteotech	ADO	breached uptrend	silicon anodes, biotech
Antilles Gold	AAU	new low	gold and copper expl.
Arafura Resources	ARU	new low	rare earths
Ardea Resources	ARL	secondary downtrend	nickel
Arizona Lithium	AZL	down heavily	lithium
Astral Resources	AAR	gentle downtrend	gold
Averina	AEV	gentle uptrend	phosphate
Aurora Energy Metals	1AE	rising	uranium
Aurelia Metals	AMI	sideways	gold + base metals
Australian Rare Earths	AR3	at lows	rare earths
Australian Strategic Materials	ASM	continuing lower	rare earths
Azure Minerals	AZS	another surge higher then pullback	nickel exploration
BHP	BHP	rallying	diversified, iron ore
Barton Gold	BGD	sideways through support line	gold exploration
Beach Energy	BPT	rising gently	oil and gas
Bellevue Gold	BGL	off its highs	gold exploration
Besra Gold	BEZ	breached downtrend	gold
Black Cat Syndicate	BC8	steep rally	gold
BMG Resources	BMG	down	gold exploration
Boab Metals	BML	heavy fall	silver/lead

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Cadoux (was FYI)	CCM		testing steepest downtrend	HPA
Calidus Resources	CAI		new uptrend	gold
Caravel Minerals	CVV		strong rally	copper
Carnaby Resources	CNB		secondary downtrend	copper
Castile Resources	CST		new uptrend	gold/copper/cobalt
Cazaly Resources	CAZ		back to downtrend	rare earths
Celsius Resources	CLA		sideways	copper
Cobalt Blue	COB		down again	cobalt
Cyprium Metals	CYM		forming a base	copper
Ecograf	EGR		turning down at resistance line	graphite
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		fallen to support line	gas
EQ Resources	EQR		breaching downtrend	tungsten
Euro Manganese	EMN		new low	manganese
Evolution Energy	EV1		new low	graphite
Evolution Mining	EVN		crashed lower	gold
First Graphene	FGR		new high	graphene
Fortescue Metals	FMG		off its high	iron ore
Galena Mining	G1A		suspended	lead
Genesis Minerals	GMD		on support line	gold
Genmin	GEN		suspended	iron ore
Gold 50	G50		sideways through downtrend	gold exploration + gallium
Great Boulder Resources	GBR		new low	gold exploration
Group 6 Metals	G6M		down	tungsten
Hamelin Gold	HMG		new low	gold exploration
Hastings Technology Metals	HAS		back to lows	rare earths
Hazer Group	HZR		testing downtrend	hydrogen
Heavy Minerals	HVY		sideways through downtrend	garnet
Hillgrove Resources	HGO		rising gently	copper
Iluka Resources	ILU		heavy fall	mineral sands
ioneer (was Global Geoscience)	INR		new low	lithium
Ionic Rare Earths	IXR		breached downtrend	rare earths
Jervois Mining	JVR		new low	nickel/cobalt
Jindalee Lithium	JLL		trending higher	lithium
Kaiser Reef	KAU		new low	gold
Krakatoa Resources	KTA		new low	rare earths
Kingfisher Mining	KFM		breached downtrend	rare earths
Lepidico	LPD		new low	lithium
Lindian Resources	LIN		new low	rare earths + bauxite
Lion One Metals	LLO		gentle downtrend	gold
Li-S Energy	LIS		new low	Lithium sulphur battery technology
LCL Resources	LCL		new low	gold exploration
Lotus Resources	LOT		rising	uranium
Lucapa Diamond	LOM		sideways	diamonds

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Lunnon Metals	LM8		new low	nickel
Lynas Corp.	LYC		still down	rare earths
Marmota	MEU		surged higher	gold exploration
Mayur Resources	MRL		strongly higher	renewables, cement
Meeka Gold	MEK		down	gold
MetalsX	MLX		down	tin, nickel
Meteoric Resources	MEI		down	rare earths
Metro Mining	MMI		sideways	bauxite
Midas Minerals	MM1		slump	lithium
Nagambie Resources	NAG		down	gold, antimony
Neometals	NMT		new low	lithium
Newfield Resources	NWF		down	diamonds
Nexgen Energy	NXG		rising	uranium
Northern Star Res.	NST		rising	gold
Nova Minerals	NVA		off its highs	gold exploration
Pacific Gold	PGO		new low	gold exploration
Paladin Energy	PDN		new high	uranium
Pantoro	PNR		breached short term uptrend	gold
Patriot Battery Metals	PMT		bounced off new low	lithium
Peak Resources	PEK		new low	rare earths
Peninsula Energy	PEN		breached downtrend	uranium
Perseus Mining	PRU		on support line	gold
Poseidon Nickel	POS		new low	nickel
Provaris Energy	PV1		down	hydrogen
QMines	QML		new low	copper
Queensland Pacific Metals	QPM		new low	nickel/cobalt/HPA
RareX	REE		new low	rare earths, phosphate
Regis Resources	RRL		rising	gold
Reenergy	RLT		breaching downtrend	gas, helium
Richmond Vanadium	RVT		testing downtrend	vanadium
RIO	RIO		off its highs	diversified, iron ore
Rumble Resources	RTR		new low	gold exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		rising again	copper
Santos	STO		weaker	oil/gas
Sarama Resources	SRR		at rock bottom	gold exploration
Sarytogan Graphite	SGA		new low	graphite
Siren Gold	SNG		bounced from lows	gold exploration
South Harz Potash	SHP		new low	potash
Southern Cross Gold	SXG		breached support line, then rallied	gold exploration
Southern Palladium	SPD		falling again	PGMs
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		suspended	mineral sands
Sunstone Metals	STM		meeting resistance line	gold/copper exploration

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Suvo Strategic Minerals	SUV		sideways	kaolin
Talga Resources	TLG		heavy fall	graphite
Tamboran Resources	TBN		down	gas
Technology Metals	TMT		down	vanadium
Theta Gold Mines	TGM		down	gold
Thor Energy	THR		new uptrend	uranium
Tietto Minerals	TIE		surge on takeover approach	gold
Vanadium Resources	VR8		drifting lower	vanadium
Venture Minerals	VMS		sideways at the bottom	tin, tungsten
Vintage Energy	VEN		breached downtrend	gas
Voltaic Strategic Resources	VSR		new low	REO + lithium
West Cobar	WC1		new low	rare earth + lithium
Westgold Resources	WGX		struggling around up-trend line	gold
West Wits Mining	WWI		sideways	gold
Whitehaven Coal	WHC		rising again	coal
Xantippe Resources	XTC		suspended	lithium
Zenith Minerals	ZNC		heavy correction	gold exploration
Totals	27%	37	Uptrend	
	53%	73	Downtrend	
		138	Total	

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 Exploration	18	13.0%
Gold	19	13.8%
Rare Earths	14	10.1%

Lithium	10	7.2%	
Copper	9	6.5%	
Uranium	9	6.5%	
Oil/Gas	8	5.8%	
Nickel	6	4.3%	
Iron Ore/Manganese	5	3.6%	
Graphite/graphene	5	3.6%	
Silver	4	44.4%	
Tungsten	3	2.2%	
Mineral Sands	2	1.4%	
Vanadium	3	33.3%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	3	2.2%	
Bauxite	2	1.4%	
Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	2	1.4%	
Other	9		
Total	138		

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