

## This gold market is different

The gold price hit a new record high in New York on Friday, reaching US\$2,583/oz. I have never before seen such an extended period of a sensible, strengthening gold market. This hasn't been exciting but it has been consistently improving. On other occasions over the last 45 years gold has had selective spurts when good money has been made by traders, but these have been following by extended periods of weakness as the gold bulls slowly retreated to the sidelines. This time is different.

You can compare this trend in gold to ones in the stock market where investors consistently buy shares in a particular company, but on the back foot, so as not to alert the rest of the market to the accumulation of a position. It is the accumulator that gently drives the market as opposed to speculators who want to pump and dump.

This gold market is being driven by parties that actually want the gold as opposed to just wanting to make trading profits. This is not about manipulating gold for commercial advantage like we see with so many commodities today. There is a bigger picture here and China is positioning itself to increase its financial power. I'm not sure where this leads us, other than to say that gold is becoming increasingly essential to any portfolio. Perhaps it is the one real critical metal. The price not going down anytime soon.

### *How to Make (and Lose) Money in New Age Metals*

Last week I attended the Vertical Events New Age Metals Conference in Sydney and Melbourne, delivering the keynote address with the above title. I thought I would share this with you as a separate pdf instead of sending out the normal weekly as I'm a bit pushed for time. I'm down in the Monaro high country doing an all-weekend Tree Felling course with the Rural Fire Service. Though, as I am sitting at my computer looking out at the heavy snowfall coming down outside, I wonder whether day two will be postponed.

### *The Sentiment Oscillator Explained*

You will see in the paper a reference to the Sentiment Oscillator that appears every week. Some members of the audience who are subscribers to the Weekly said they didn't know how it worked, requesting a more detailed explanation. So, here goes.

I developed the Sentiment Oscillator as an extra, very effective tool to tell me when the market, as opposed to individual stocks, is getting overheated or oversold. It will tell you when you should be pulling money out of the market irrespective of how good you might think your

individual portfolio is. It serves as a reminder that everything falls when the market turns down. They say that no-one rings the bell at the top of the market, but the Sentiment Oscillator can tell us within a matter of weeks when the silent bell will ring. You can see it, even if you can't hear it.

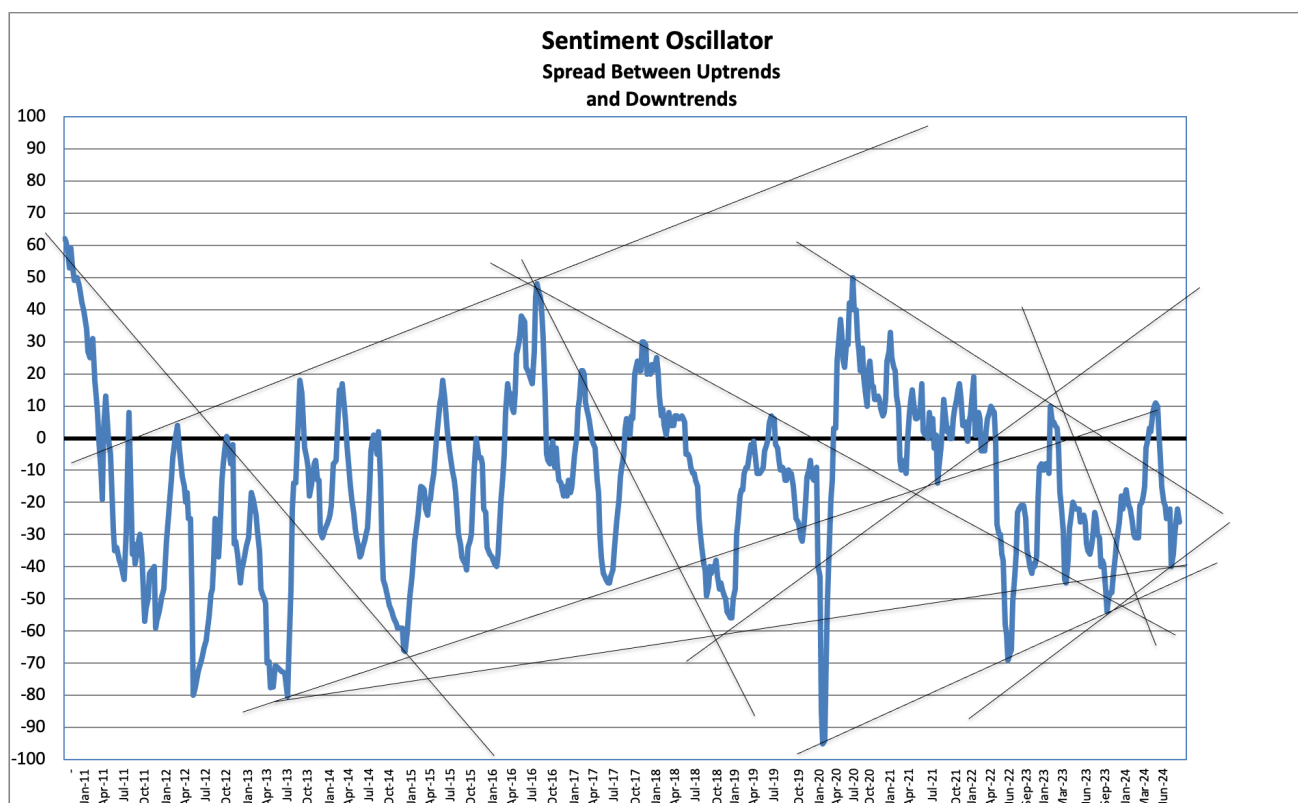
The number that is plotted is the difference between those stocks in uptrend and those in downtrend. It is a calculated, or derived figure. For this week there are 71 stocks in downtrend, and there are 35 in uptrend. So, the number to plot is 26, being the difference between the two.

I obtain the number from a list of about 140 stocks that I chart on a daily basis. It is a subjective list that I select because they are some interest, giving a broad cross-section of resource stocks across a range of commodities. See the table at the bottom of each Weekly for the weighting of the various commodities at any point in time.

I may add and remove one or two stocks each week so as to not cause excessive distortions to the trends. Note that these are not my favourite stocks. They are shares that cover a wide range of preferences and commodities. Sometimes I will even chart a stock to watch how it unfolds, good or bad.

In the process of preparing this each week it is worth noting that when the number of stocks in uptrend get to be 65% or better, it is a strong market. When that figure gets up to 70-75%, that is the equivalent of "ringing the bell". I have never seen such enthusiasm extend for more than three weeks. The market is not capable of holding the thought any longer, and it is followed by the inevitable, often swift downturn. There is a similar inverse signal when the number of stocks in downtrend gets above 75%, but this period of extreme depression can last longer than three weeks as markets usually fall faster from their peaks than they rise from the lows of the cycle.

*Disclosure: Nil required*



**Sentiment Oscillator:** On balance the sentiment deteriorated again last week with the increase in uptrends being outweighed by the increase in downtrends. There were 26% (25%) of stocks in uptrend and 52% (46%) 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	back to highs	
Metals and Mining	XMM	bounced from low	
Energy	XEJ	still under long term downtrend line	
Information Technology	XIJ	new high	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
5EA Advanced Materials	5EA	new low	boron
Advance Metals	AVM	new low	coal, gold exploration
Agua Resources	AGR	new high	phosphate, gold
Alkane Resources	ALK	new low	gold

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Alicanto Minerals	AQI		new low	base metals, silver, gold
Alligator Energy	AGE		new low	uranium
Almonty Industries	All		rising	tungsten
Alpha HPA	A4N		rising again	HPA
Altech Chemical	ATC		back in downtrend	HPA, anodes
Alto Metals	AME		new high	gold
American Rare Earths	ARR		consolidating	rare earths
Anax Metals	ANX		breaching downtrend	copper
Andean Silver	ASL		back to highs	silver
Anteotech	ADO		struggling at lows	silicon anodes, biotech
Arafura Resources	ARU		pullback	rare earths
Ardea Resources	ARL		down	nickel
Arizona Lithium	AZL		strong rally	lithium
Astral Resources	AAR		surge to new high	gold
Averina	AEV		rising	phosphate
Aurora Energy Metals	1AE		slump to new low	uranium
Aurelia Metals	AMI		breaching uptrend	copper + base metals
Australian Gold and Copper	AGC		weaker	base metals, silver, gold
Australian Rare Earths	AR3		new low	rare earths
Australian Strategic Materials	ASM		new uptrend	rare earths
BHP	BHP		new low	diversified, iron ore
Barton Gold	BGD		testing downtrend	gold exploration
Beach Energy	BPT		new low	oil and gas
Bellevue Gold	BGL		breached uptrend	gold
Besra Gold	BEZ		testing downtrend	gold
Black Cat Syndicate	BC8		new high	gold
Boab Metals	BML		sideways at lows	silver/lead
Brazil Critical Minerals	BCM		new low	rare earths
Brazilian Rare Earths	BRE		surge through downtrend	rare earths
Brightstar Resources	BTR		uptrend	gold
Caravel Minerals	CVV		back into downtrend	copper
Carnaby Resources	CNB		down	copper
Castile Resources	CST		testing downtrend	gold/copper/cobalt
Catalyst Metals	CYL		surge to new high	gold
Cazaly Resources	CAZ		breached new downtrend	rare earths
Celsius Resources	CLA		sideways	copper
Cobalt Blue	COB		new low	cobalt
Critica. (was Venture)	CRI		down	tin
Cyprium Metals	CYM		breached uptrend	copper
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		new high	gas
EQ Resources	EQR		breaching downtrend	tungsten
Evolution Energy	EV1		collapse to a new low	graphite
Evolution Mining	EVN		rising	gold

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First Graphene	FGR	down	graphene
Fortescue Metals	FMG	new low	iron ore
Genesis Minerals	GMD	rising	gold
Globe Metals and Mining	GBE	down	niobium
Gold 50	G50	falling	gold exploration + gallium
Great Boulder Resources	GBR	new low	gold exploration
Group 6 Metals	G6M	back to lows	tungsten
Hamelin Gold	HMG	down	gold exploration
Hastings Technology Metals	HAS	back in downtrend	rare earths
Heavy Minerals	HVY	testing brief, sharp uptrend	garnet
Hillgrove Resources	HGO	new low	copper
Iluka Resources	ILU	breached downtrend	mineral sands
ioneer (was Global Geoscience)	INR	breached downtrend	lithium
Ionic Rare Earths	IXR	new low	rare earths
Jervois Mining	JVR	back to lows	nickel/cobalt
Jindalee Lithium	JLL	new low	lithium
Jupiter Mines	JSM	new low	manganese
Kaiser Reef	KAU	improving	gold
Krakatoa Resources	KTA	back to lows	rare earths
Larvotto Resources	LRV	steep rise	gold, antimony
Lindian Resources	LIN	sideways at lows	rare earths + bauxite
Li-S Energy	LIS	sideways	Lithium sulphur battery technology
LCL Resources	LCL	new low	gold/nickel exploration
Lotus Resources	LOT	new low	uranium
Lucapa Diamond	LOM	collapsing due to institution dumping shares	diamonds
Lunnon Metals	LM8	down	nickel
Lynas Corp.	LYC	testing downtrend	rare earths
Marmota	MEU	gently lower	gold/uranium exploration
Mayur Resources	MRL	stronger	renewables, cement
Meeka Gold	MEK	uptrend	gold
MetalsX	MLX	rising	tin, nickel
Meteoric Resources	MEI	new low	rare earths
Metro Mining	MMI	breached uptrend	bauxite
Midas Minerals	MM1	testing downtrend	lithium
Nagambie Resources	NAG	testing steep uptrend	gold, antimony
Neometals	NMT	new low	lithium
Newfield Resources	NWF	rallying	diamonds
Nexgen Energy	NXG	breached uptrend	uranium
Northern Star Res.	NST	rising again	gold
Nova Minerals	NVA	down	gold exploration
Novo Resources	NVO	down	gold exploration
Pacific Gold	PGO	breached downtrend	gold exploration
Paladin Energy	PDN	down heavily on takeover bid	uranium
Pantoro	PNR	rising again	gold

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Patriot Battery Metals	PMT		collapse to a new low	lithium
Peninsula Energy	PEN		new low	uranium
Perseus Mining	PRU		correcting lower	gold
Provaris Energy	PV1		new low	hydrogen
QMiners	QML		rising	copper
Queensland Pacific Metals	QPM		new low	nickel/cobalt/HPA
RareX	REE		new low	phosphate, rare earths
Regis Resources	RRL		down	gold
Reenergy	RLT		surge on production news	gas, helium
Richmond Vanadium	RVT		bounced from lows	vanadium
RIO	RIO		down	diversified, iron ore
RTG Mining	RTG		rising again	copper
Rumble Resources	RTR		testing downtrend	zinc exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		down	copper
Santos	STO		down	oil/gas
Sarytogan Graphite	SGA		new low on project update	graphite
Siren Gold	SNG		testing downtrend	gold exploration
South Harz Potash	SHP		new low	potash
Southern Cross Gold	SXG		surging on antimony	gold exploration
Southern Palladium	SPD		rising again	PGMs
Stanmore Coal	SMR		down	coal
St George Mining	SGQ		down	rare earths, niobium
Stellar Resources	SRZ		breaching downtrend	tin
Summit Resources	SUM		rising again	niobium, rare earths
Sun Silver	SS1		rising	silver
Suvo Strategic Minerals	SUV		sideways through uptrend	kaolin
Talga Resources	TLG		slump	graphite
Tamboran Resources	TBN		down	gas
Theta Gold Mines	TGM		rising again	gold
Thor Energy	THR		sideways at lows	uranium
Torque Metals	TOR		back to lows	gold exploration + lithium
Vanadium Resources	VR8		down	vanadium
Vintage Energy	VEN		new low	gas
Voltaic Strategic Resources	VSR		at lows	REO + lithium
Vertex Minerals	VTX		breached downtrend	gold
Walkabout Resources	WKT		sideways	graphite
Warriedar Resources	WA8		testing uptrend after placement	gold exploration
West Cobar	WC1		spike on antimony news	rare earth + lithium
Westgold Resources	WGX		rising	gold
West Wits Mining	WWI		sideways	gold
Whitehaven Coal	WHC		heavy fall	coal
Totals	26%	35	Uptrend	
	52%	71	Downtrend	

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		136	Total
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### 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	26	19.1%	
Gold Exploration	15	11.0%	
Rare Earths	14	10.3%	
Copper	10	7.4%	
Uranium	7	5.1%	
Lithium	6	4.4%	
Oil/Gas	6	4.4%	
Nickel	5	3.7%	
Graphite/graphene	5	3.7%	
Iron Ore/Manganese	4	2.9%	
Potash/Phosphate	4	2.9%	
Coal	3	2.2%	
Tungsten	3	2.2%	
Tin	3	2.2%	
Silver	4	2.9%	
Diamonds	2	1.5%	
Niobium	2	1.5%	
Vanadium	2	20.0%	
Zinc/Lead	2	1.5%	
Mineral Sands	1	0.7%	
Bauxite	1	0.7%	
Cobalt	1	0.7%	

Other	10		
Total	136		

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