

August 4, 2016

SOME SAFE HAVEN BUYING

Silver, gold and their shares just don't quit. They continue to reach new highs and they'll remain very strong by staying above \$18.50 for silver, \$1300 for gold and 98 for the XAU index.

Platinum is also very strong, reaching another high this week. It's very strong above \$1090, see chart below. Keep your positions. We won't argue that a downward correction is coming. Instead we'll wait to see if these supports are broken. Until then strength is the word.

Crude dropped, dipping below \$40 and it's now holding. It could rise to \$46 and still be vulnerable. Copper is firm above the June lows, but it's having trouble turning bullish.

The **U.S. dollar** index rose today when the Bank of England lowered their interest rate for the first time since 2009 to a record low. They also announced more stimulus. But even so, the chart below shows that the dollar is still looking sluggish overall, in spite of its rise since May, and especially since the Brexit vote. Note the dollar index is having trouble staying above its 65 week moving average. The longer it stays below 96.35, the more likely the rise is over.

Our currency positions are fine. The Aussie dollar is looking best and FXA is firm above 74.40. The Canadian dollar is bouncing up from last week's lows and FXC is firm above 75. The euro's FXE has support at 107. Keep your positions.

The **bond market** has been in a decline for 4 weeks now, and it still has room to decline further. The 10 year yield is basing above the July lows at 1.35%, but a further rebound rise won't happen until it closes above 1.60%. Whichever way it breaks will tell us the next trend direction. Keep your positions; the major trend is up and bullish.

The **Nasdaq** remains strong while approaching the July 2015 highs. The market overall, however, continues to have a rolling over look. The Industrials would lose its super strength if it closes below 18300. We'll continue to watch from the sidelines.

Warm regards and until next week,
Pamela and Mary Anne