



Third Party Research

July 17, 2017

Notes From The Rabbit Hole

eResearch Corporation is pleased to provide an article, courtesy of NFTRH.com, and written by Gary Tanashian, with a bio on the Author provided at the end of the article.

The article, starting on the next page, is entitled: **“Precious Metals Update”**

Biiwii.com was created in mid-2000 solely as a way to help get the message out about deeply-rooted problems about too much debt and leverage within the financial system. The concerns were confirmed and the message proved justified 3 to 4 years later as the system began to purge these distortions, resulting in a climactic washout extending from October, 2008 to March, 2009.

Along the way, a geek-like interest in technical analysis, a long-time interest in human psychology, and various unique macro market ratio indicators were added to the mix, with the result being a financial market newsletter (and dynamic interim updates), Notes From The Rabbit Hole (NFTRH) that combines these attributes to provide a service that is engaged and successful in all market environments by employing risk management first, and opportunity for speculation second.

But It Is What It Is: You can access Biiwii at its website: **www.biiwii.com**.

Notes From The Rabbit Hole: You can access NFTRH at its website: **www.NFTRH.com**

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Notes From The Rabbit Hole

Precious Metals Update

By **Gary Tanashian** (bio at the end of the article)

July 16, 2017

The gold sector bounced last week as Janet Yellen hinted dovish and CPI came in flat, furthering the dovish Yellen case. These are short-term noise events and should not be factored into ongoing analysis of the gold sector, which remains technically bearish (with several bullish individual exceptions). Below, in this NFTRH excerpt, you will see clear technical parameters that lay ahead for the HUI index to go bullish.

We have been prepared for each bounce, each downturn and, ultimately, will be prepared for a real bottom by doing reliable and consistent analysis... every week. Free of emotion and agenda.

I do not closely follow the sector because I like looking at train-wrecks. I follow it because real buying opportunities take a lot of time and patience, but are ultimately very rewarding. A combination of technicals, sentiment, and macro fundamentals will come together to indicate when the time is right.

Precious Metals

This [article posted at nfrh.com](#) illustrates why the PMs are probably not yet ready for prime time. But, we have also noted positives in play as well.

These are the positive divergence and leadership by quality miners and royalty companies, the yield curve currently turned up, the Commitments of Traders (CoT) data trending toward bullish, and sentiment. Of note, however, overly bearish sentiment was reversed with last week's bounce and CoT trends are not complete.

It is probably best to continue calling the sector per its technical situation, which is 'on a bounce' instead of on a real bull phase. The trends are down.

As for the daily technicals, HUI bounced from the logical point, turned down and then bounced again on the dovish Yellen, benign CPI stuff. That is noise.

BW: See the HUI chart on the next page. It shows lower highs and lower lows.



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Here is a screenshot of the parameters laid out in Wednesday's market update that included the chart above. HUI popped above, and then closed below Thing 1 on Friday, with all the other things remaining stern technical obstacles.

1. The declining EMA 20 (~~189.96~~, correction: 186.96)
2. The declining SMA 50 (190.92)
3. The declining SMA 200 (197.17)
4. The June high
5. The April high
6. And finally, the February high

For perspective, on the following page is the monthly chart once again. Huey is below the Bollinger mid-point but, so far, positive by a whopping 0.11% in July! StochRSI is moving toward the oversold level we are looking for.

An ideal situation would be a halt to the current bounce at the daily SMA 50 or SMA 200 (as noted above), a drop in-month to at least test the December low and clean out sentiment again, with a stellar contrarian setup in the CoT. Too much to ask?

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The daily sector view remains bearish, technically.



Likewise, the weekly sector view remains bearish, technically. See the next page.



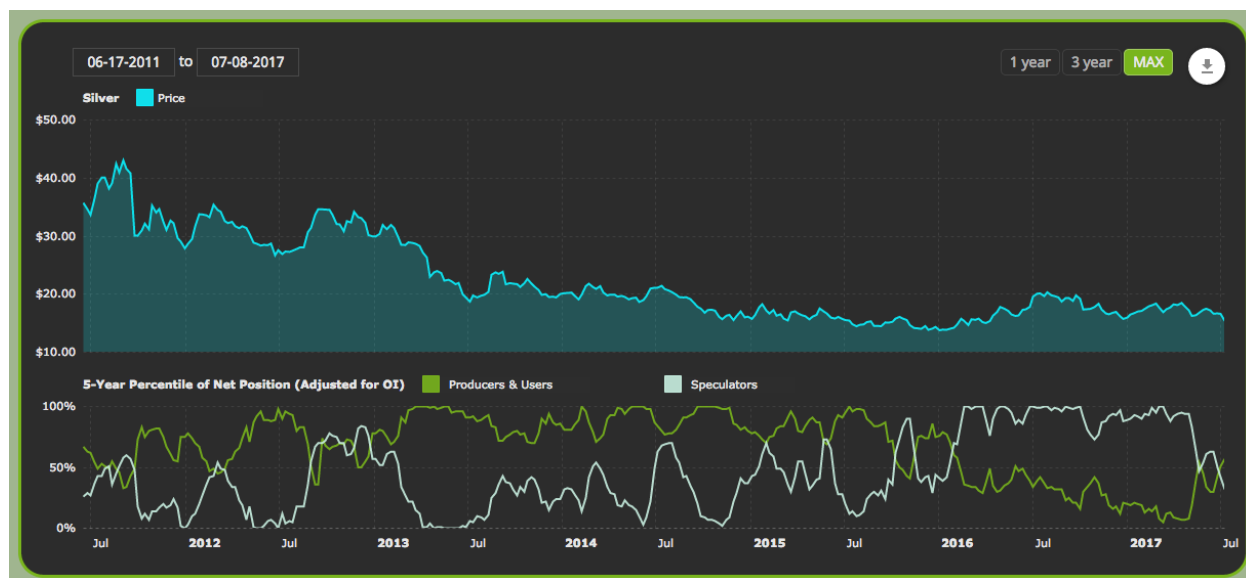
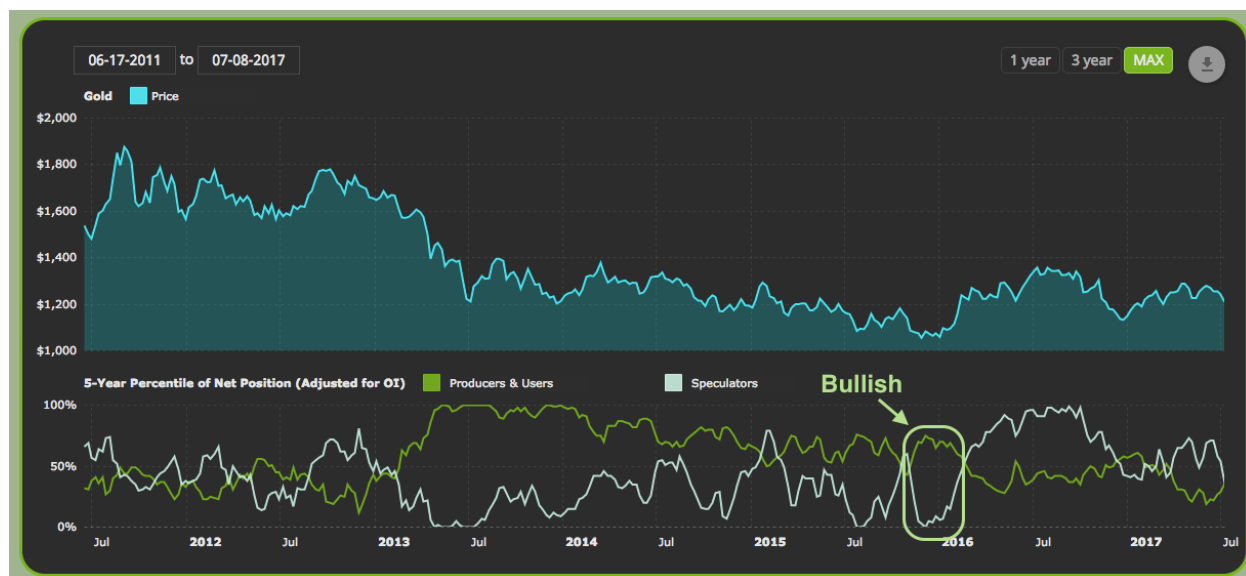
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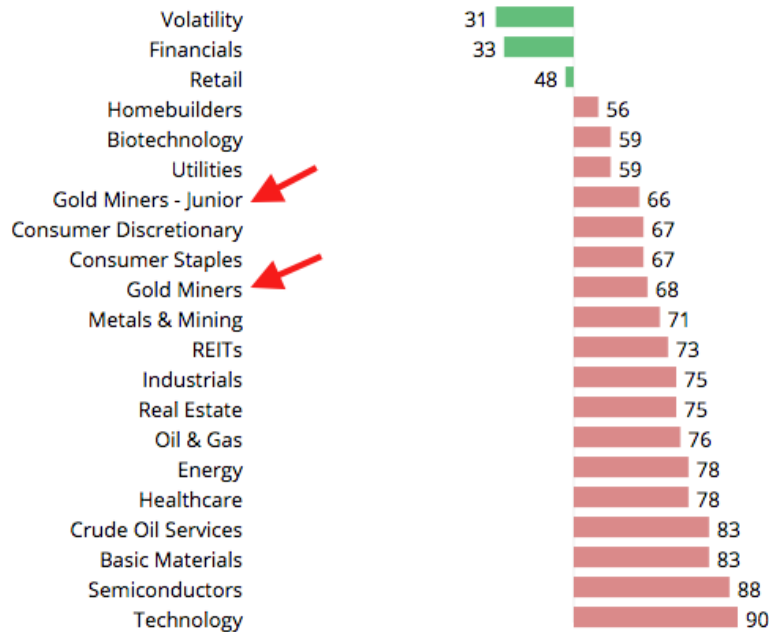
A look at gold and silver CoT (on trends toward bullish, but with further to go) and sentiment (all it took was one little bounce to put the bugs over bullish again).





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Sectors Ranked by Lowest-Highest Optimism Index



The segment then moved on to daily stock charts of individual miners, explorers and royalty companies; some of which are and have been surprisingly bullish against the bearish sector.

Stocks routinely followed include Sabina Gold & Silver, Osisko Gold Royalties, Kirkland Lake Gold, Pretium Resources, Kinross, Agnico Eagle, IAMGold, Klondex, Wesdome, Silvercorp, Gold Standard Ventures, and many more.

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See NOTES on the next page.



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Biiwii: But it is what it is

NFTRH: Notes From The Rabbit Hole

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Biiwii.com is proud to be included in the **50 Blogs Every Serious Trader Should Read** from [TraderHQ.com](#).

See **ABOUT THE AUTHOR** on the following page.



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ABOUT THE AUTHOR



Gary Tanashian is a financial market analyst, writer, and editor. He provides “Accurate financial market analysis and commentary focused on unbiased reality as opposed to preconceived assumptions.”

As a long-time participant in financial media (published at leading outlets like SeekingAlpha, Investing.com, and many more), Gary has learned how to communicate with people about often-complex material. He knows that it requires hard work, but he believes that there is no other way in order to provide the highest quality service to the public.

Gary is the owner of Biiwii.com (launched in 2004) and, later, NFTRH.com (launched in 2014).

Biiwii is a financial website that got it RIGHT in the run up to 2008, unlike many in the financial services industry.

He is the owner and publisher of the weekly premium financial market report Notes From The Rabbit Hole, which was launched in September, 2008.

Notes From The Rabbit Hole is a premium newsletter service (including detailed in-week updates) for people who care more about financial market realities than having their preconceived notions reinforced. <http://nftrh.com/nftrh-premium/>

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