



Third Party Research

December 4, 2017

Metals

eResearch Corporation is pleased to provide an article by Keith Richards of **VALUETREND**.

In this article, Mr. Richards advises Investors to hold off before investing in the metals sector.

The article is reproduced below, beginning on the next page, or you can go directly to it at the following link: <http://www.valuetrend.ca/metals/>

You can also visit the **VALUETREND** website at the link below:
<http://www.valuetrend.ca/>

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Bob Weir, CFA: Director of Research

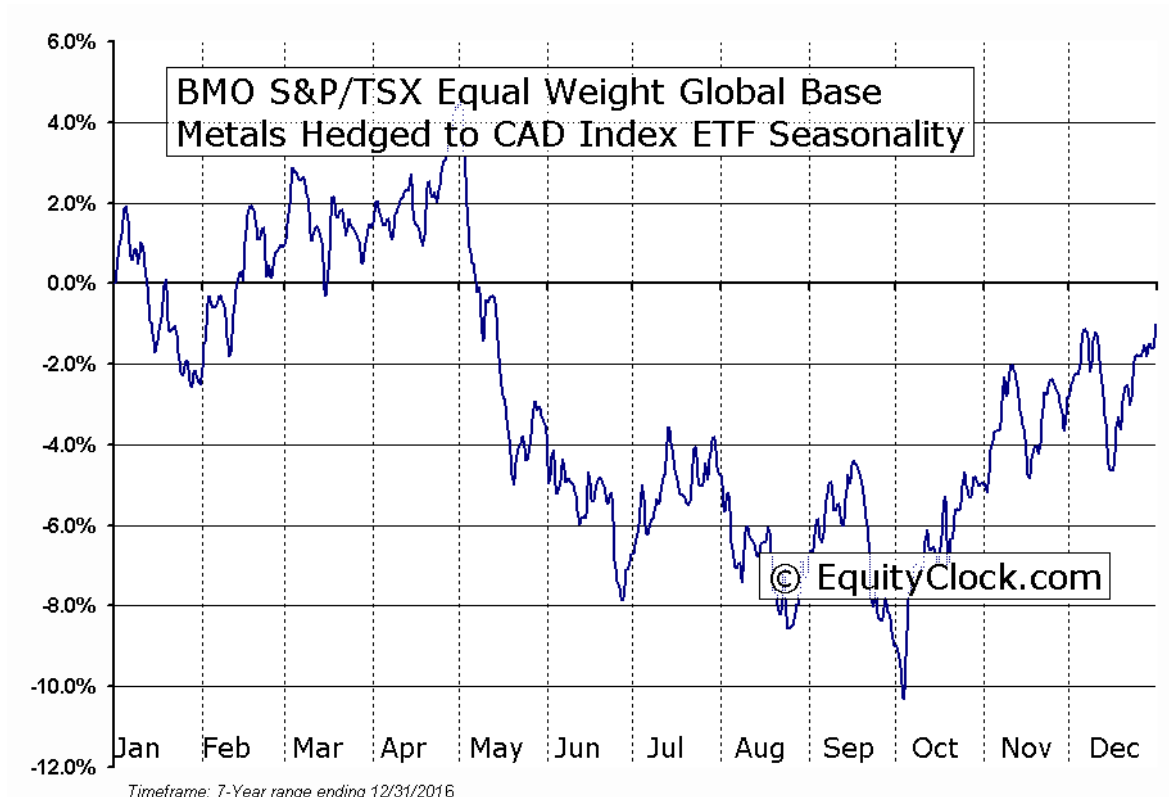
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Monday, December 8, 2017

Take Advantage of Sector Rotation and Possible Tax Policy Changes

By: Keith Richards (bio at end)

- In terms of seasonality, the [equity clock chart](#) below shows us that base metals – illustrated by the BMO equal weight global metals ETF (ZMT) – tend to be positive into the year-end, take a break in January, then carry on for a final kick into the spring.



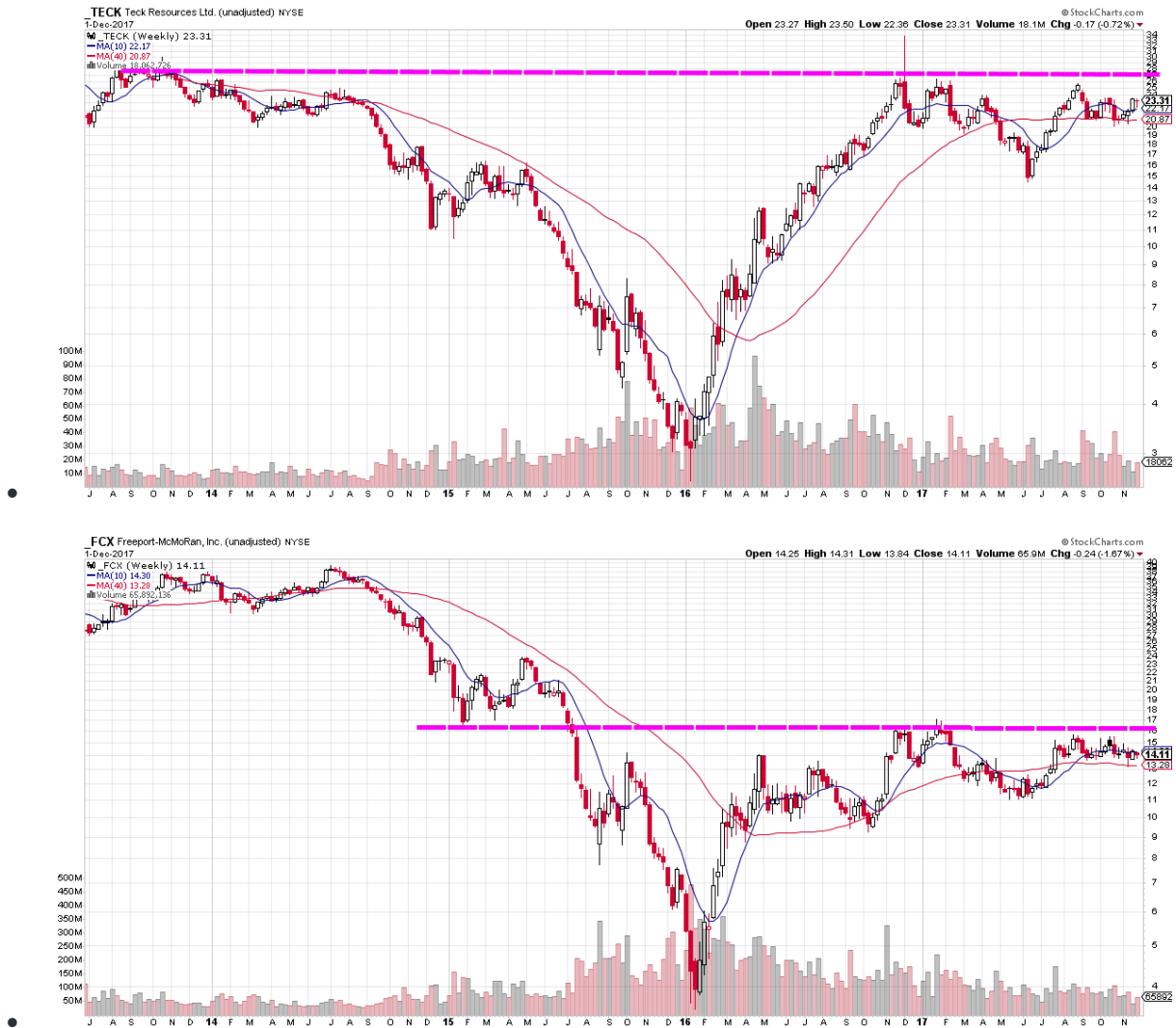
- Despite the seasonally positive tendencies at this time of the year, I suggest that anyone wanting to play the sector hold off at this time.
- The chart of ZMT, on the following page, shows us a fairly significant level of overhead resistance at this point.



- So, too, does the non-equal weight index ETF for the sector by iShares – shown below.



- I would wait for a break-out through the wall of resistance on these charts – or for a number of the major the individual stocks in the sector such as TECK and FCX (see next page). I have marked their resistance points on the charts. Such a break-out on the sector charts, and the individual components within the sector would be technically bullish.



- Link to Keith's **BNN MarketCall show** on Friday can be accessed [here](#).

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See **About The Author** on the following page.

ABOUT THE AUTHOR



ValueTrend Founder and Owner, Keith Richards, has been in the securities industry since 1990. ValueTrend manages over \$100 million through a discretionary investment service for high-net-worth clients.

Keith Richards has been in the securities industry since 1990 and is a highly regarded member of the small, exclusive community of Chartered Market Technicians in Canada. Mr. Richard's articles appear regularly in INVESTORS DIGEST, MONEYLETTER, GLOBE AND MAIL, and the TORONTO STAR newspapers.

His appearances on BNN Television have inspired producers to acknowledge him as **“one of [our] most accurate technical analysts.”** Mr. Richard's first book, SMARTBOUNCE: 3 ACTION STEPS TO PORTFOLIO RECOVERY, is available in bookstores and directly through his blog page www.valuetrend.ca/blog/. His second book, SIDEWAYS: USING THE POWER OF TECHNICAL ANALYSIS TO PROFIT IN UNCERTAIN TIMES was released in late 2011. He has been critical of the commission-based, follow-the-pack approach to investing – where brokers succeed regardless of performance.

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