

Wealth Skills Newsletter published on 26th February 2012

Executive Summary

Global sentiment shows markets positive bias continues to linger with 261% FIB levels as targets. Move stops into profit however.

Balance of evidence suggests USD to move weaker still to possibly test even 1.36 to the EURO which should translate into higher prices in commodities directly such as GOLD, PLATS, SILVER and OIL.

Wealth Skills Monthly Meeting on Skype

Our Wealth Skills meeting will be held on the last Wednesday of the month at 18h00 until roughly 20h00.

The **Skype Conference Presentation will take place on the 1st March** now as we postponed the meeting due to the holidays on markets and members being away etc.... Please ensure that you are online at about 17h25 in order to initiate the downloading of the power point presentation file in time for the start of the presentation at 18h00.

Alternatively, the URL will be emailed to you as well and available for 24 hours to download via emails.

The next meeting is on the 1st March @ 18h00.

Our new **FaceBook Page** is found at the following URL:
<http://www.facebook.com/pages/Wealth-Skills/110356089044837>

Feel free to comment and add your own charts etc...We regularly update members using the Facebook page now as a more social interface than the ad hoc mid-week emails.

30 year Bonds

Recent Commentary:

The chart pulled back quite well from the shooting star to test the 50ema and then bounced back up again from there just like the SP500 and other indices. While it remains above the 89ema it suggests that the equities are continuing to remain above major supports around 1334/1329. The higher lows are also good but now a target of 3.30 should be hit in order to continue the upward trend of the channel on the chart.

(Search for trading books on <http://www.invest-store.com/newsweekco>)

Updated Commentary:

The lower high here is somewhat negative combined with shooting star action to form a double top. This does seem quite negative however the markets have proven to be quite resilient lately. Use the 50ema as support going forward with a break leading down to a target of 2.95. This would put negative pressure on the equity markets.



\$UST30Y

Essentially, if bonds are performing well, then it indicates that other asset classes are higher risk. Therefore the bonds are taken as risk aversion positions. In the chart above, as the chart moves lower there is high market perceived risk in equities.

5-year treasury

Recent Commentary:

Similarly, the 5 year chart shows a small pull-back of the shooting star as well. It bounced as well and actually made a higher high while also testing the 89ema.

The MACD suggests more upside continuation. Use the 10ema as support and stop loss for this momentum.

Updated Commentary:

Once again the 89ema held as resistance with the 50ema and trading pair catching up. The MACD shows momentum is still fairly robust as well. Continue to consider the 50ema as support going forward.



Resistance broken here will be fairly **positive for equities in the short term**. Confirmation of other global market charts would be good!

Dow Jones

Recent commentary...

So the chart experienced some small pull back to 12750 despite that we expected a bit more momentum than that. The US news helped to keep it above the 20ema. It looks as if the 20ema support is going to continue holding ground for now to 12990.

Updated commentary:

Here we can see how the chart continued higher to our next FIB target of 12990@ the 238% FIB level marked weeks ago. The final rally target should be the 261% FIB @ 13115...

A break of the 20ema @ 12830 should see a retracement through to the 50ema @ 12560. So far, sentiment is positive.



Weekly chart:

The weekly chart shows the 12800 level was stubborn and didn't break. The MACD continues to support the momentum and the new support level is now 12800 with 261% level @ 13157.

Update:

There remains the weekly underlying positive bias and momentum with 12750 as major line support. Positive sentiment looks to continue.



S&P500 - \$SPX

Recent Commentary:

The chart moved sideways within a small range and used the 10ema very well to hold the momentum without a pull back. The 1339/1335 level has held here all through the week. The 261% FIB level is 1374 using 1344 as a support level.

Updated Commentary:

The 238% level has also been hit here @ 1359/1360 with the 261% left to go @ 1374. It's a massive bullish upswing extension. Watch the MACD and the bond charts for any triggers of reversal / retracement.



Weekly SP500

Current Commentary:

The old resistance of 1371 is under pressure with the FIB @ 261% being 1374. MACD momentum is strong still. As discussed last week, the momentum remains good.

Recent commentary:

Here we see the old high back in May 2011 showing the next upside target here which is also very close to our 261% FIB level of 1374. There is a lot of good momentum still in the MACD as well as the EMAs.



Shanghai: \$SSEC

Recent Commentary:

After reaching the close to target level @ 61% the index is slow down and moving sideways while hugging the 89ema. The MACD bars show some loss of momentum continues but remains positive for the time being.

The chart is holding the 10ema as support of choice for now and should continue to do so in order to see the chart continue higher. If it broke look to the 50ema as next level. While it also remains above the 50% FIB retracement with 61% as resistance.

Updated Commentary:

The 89ema finally broke providing a massive upswing in commodities. It surpassed the 61% retracement is has the 78% danger zone in its sights @ 2450. Continue to use the 10ema now as momentum trailing stop.



Last week: We see how the 10ema weekly has held as support while the 20ema is now resistance. The trading zone will give way one way or another. So far the overall bias is positive with a continuation to the 61% FIB or even the 50ema weekly.



Current commentary:

Consider the old support of 2450 now being resistance back in August. The weekly momentum remains strong here though so the 50ema is likely target in the upside here @ 2512.

Good for commodities as well! Also consider the USD.

German DAX:

Recent Commentary:

There is a small STOCH positive continuation with a lower low and higher high on the chart. The MACD however has crossed down showing negative divergence. But remember the temperament of the two indicators being that the STOCH is a fast mover and much quicker indicator whereas the MACD is the slower cousin and shows loss of momentum over time.

Consider the gap up on Friday and the new high made. Once again use the 10ema as support. The two FIB levels left to reach are the 238% and 261% levels being 6910 & 7036 respectively.

Updated Commentary:

There is negative divergence here on the DAX compared to the MACD and STOCH below. The major consideration is that the 10ema has remained intact end of day by closing above it. The negative divergence was good so far for about 160 pts of downside before retracing above the 10ema again.

The doji close above the 10ema is significant and should be confirmed. Levels to the upside are 238% which has been hit already and 261% which is 7036. The reputation of the DAX being our robust index is certainly holding ground.

Since the 3ema x up in January it has moved up almost 1000pts!



Dax weekly:

The weekly cup and handle type pattern shows the chart could eventually still continue higher to highs of July around 7200 and or 7400 levels.

The momentum seems strong on the weekly chart with a positive MACD as well and 6400 is far away acting as 10ema major support going forward...

Updated:

The chart continues to move higher with a test and break of the 78% danger zone.

Momentum continues to look strong but keep an eye on that STOCH which has crossed down at overbought levels. The cup and handle pattern shows there is still some major upside if it doesn't fail any time soon. The pattern target is eventually shown to be around 8000pts level.



JSE ALSH Outlook:

Recent Commentary:

The cautionary triggers of last week came into some action in the last week mainly due to the lower RESI. The 20ema comes under fire but not for long.

The MACD continues to show loss of momentum as does the STOCH. After just about reaching the the 200% FIB. While the RESI comes under fire it affects the ALSH as a whole. But the chart is reluctant.

Consider the 20ema still going forward as support while markets look to move higher.

Updated Commentary:

Downward pressure didn't last too long here with the 20ema only coming under fire once. The RESI turned around as commodities improved which is great!

The ALSH did same and now looks to be continuing to move higher again with the 20ema as support end of day. Use 34000 as loose support going forward while it seems the global indices look to head for the 261% FIB targets.



Weekly ALSH comments:

We see the weekly MACD bars losing momentum as they shrink and the STOCH crossed down.

The 10ema weekly marks a good support level @ 33360. The 33000 level of line support also requires consideration in any pull back. The upside shows a level of 238% FIB @ 35228.

Current Commentary:

Slightly range bound over the last 2 weeks as markets consolidate or do a sideways shuffle.

Continue to use the weekly 10ema as support here around 33500 with major support for long term being 33000 line.



JSE RESI

Recent commentary:

Here we see how the comments of last week worked out well where the chart pulled back to the 89ema while the USD went stronger and broke below the 1.32 level vs Euro.

See how the 61% FIB retracement acted as support and reversal level of the current move down. The chart the bounced back from this level @53144 and continued up to challenge the 50ema as resistance again. The MACD bars have begun to shrink which is a positive sign for reversal potential. It would look to mark a place to consider buying again or adding into positions.

The 53144 level should not be broken and the confirmation should come from the opening on Monday with regards to the bars and the candles being open above the 89ema as support marking 53646. Ideally the USD should weaken as well again to continue moving lower and go back below 1.32 vs Euro.

Updated Commentary:

The 61% level was a perfect reversal point. The chart bounced to test the 20ema before heading back towards the 89ema support again. Despite a massive weak rally by the USD: EURO above 1.34 the RESI has been slow in the uptake. Possibly due to the stronger RAND playing a role.

IF the 89ema holds as support going forward the chart makes a higher low which is a confirmation of a positive momentum. The Price Relative is negative however and so caution should be taken at this point.

Consider both the BDI & USD commentary.



3 weeks ago

It's a massive doji candle finish proving that the week was quite volatile and that some indecision and or profit taking came into play.

Momentum is looking good still on the fence of the resistance.

2 weeks:

Two things spring out straight away on this chart: 1) the lopsided looking Evening star testing the 10ema weekly and 2) the negative divergence on the MACD bars.

Is the small Elliot wave cycle complete now and going to run into an A, B & C cycle now? If it does break the 20ema look @ the 89ema as potential reversal point.

Consider the USD in the week ahead as well as the BDI. Following a 4EMA x up there is usually a pull back by nature retracing up to 61% of the original move. At worst case scenario the 78% FIB retracement which also correlates to the 89ema here as well @ 52183. It does appear that there is some pain to be expected in the commodities index in the coming week. It is also correlated to a general drop on equity markets combining their negative sentiment dragging the RESI down.

Last Week:

Consider the Evening Star on the weekly confirmed with the recent weekly candle. It's a lopsided pattern with a hammer type close after testing the 20ema weekly in the short term. support.

Of course, the MACD bars show negative divergence with the chart. It suggests some more pain could follow. Reference to the USD is vital to consider. Watch the 20ema again followed by 52889 at the 50ema. Interestingly, the 3-day chart shows the bounce came right on the 50ema @ 53413 with resistance @ the 3-day 20ema @ 54462.

This is quite encouraging for a reversal to hold firm. Once again however refer to the USD and base commodity prices on the open. The SSEC is also suggesting demand remains around as well the BDI looking to retrace slightly in the very short term. Allows for a good case of a bounce and move higher at least

Update Commentary

The doji close on the week shows the 20ema weekly has held so far. But the 10ema has held as resistance as well.

The medium term negative divergence on the MACD from Nov to now is playing out. Ideally 54200 is broken in the week ahead while using the 53500 level as support. The weaker USD is certainly likely to help matters.



The chart below of Grindrod is also a local indicator of demand on shipping for exports, which indicates movement of resources.

Recent Commentary:

Last Week: The Grindrod chart confirmed the downside move in the RESI recently with the MACD crossing down and a return of the chart to the lower channel line of the upward trend @ around 1460c.

The chart did close above the 89ema which is good for now. Continue to refer to the chart during the week to confirm the support will hold.

Updated Commentary:

The chart has retraced to test the channel low trend line around 1460c. The EMAs also look primed for a convergence. Being at support the bias is expected to be positive. But wait for confirmation of a bullish rally.



Also refer to the Baltic Dry Index and dollar below.

I use the BDI to indicate demand for resources and it usually correlates to the dollar as well albeit indirectly.

Recent commentary: The BDI displayed a reversal with the USD confirmed of getting stronger and going below the 1.32 level.

It sees the break of the 10ema resistance but then a short while later a retracement to test it again around \$717.

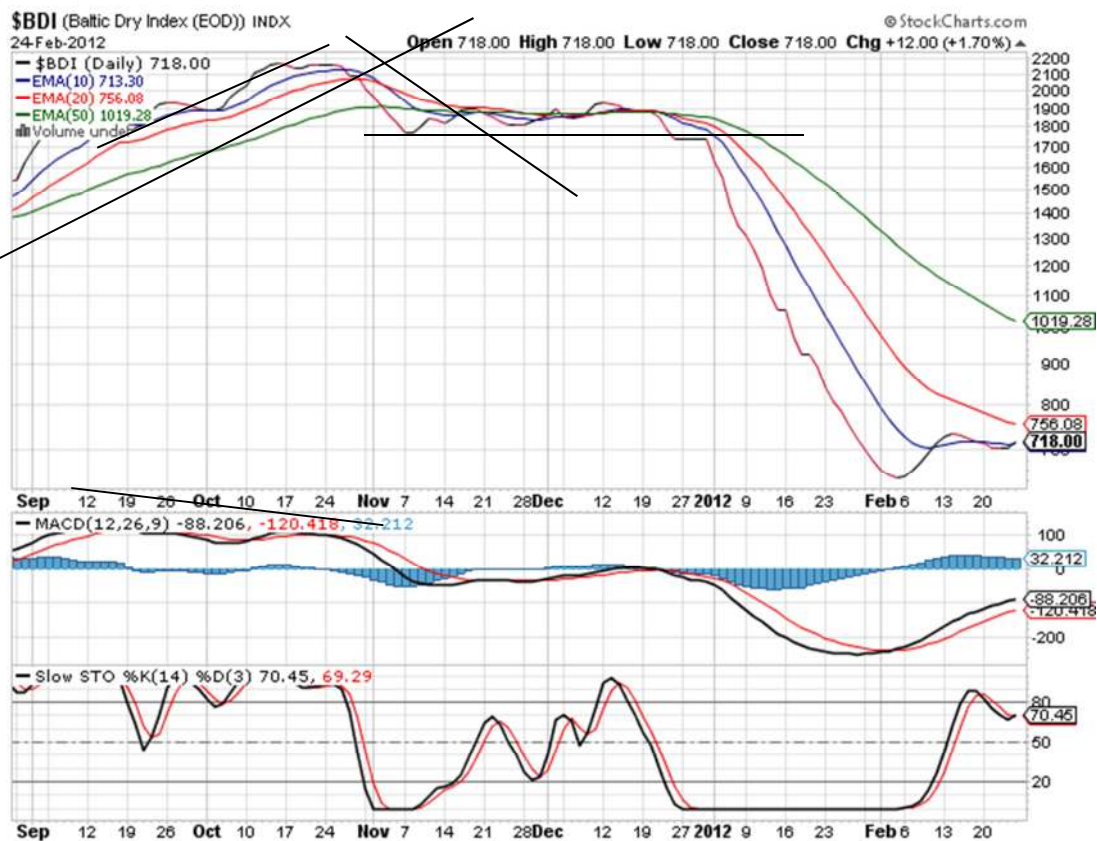
This could indicate some small weakness in the USD again for the short term and therefore a commodity bounce in the same time.

Update:

The small retracement has taken place now with the USD heading to 1.31 to the Euro again before bouncing again and moving higher to 1.34.

The chart has moved higher though after the small retracement. If it continues to move higher consider the USD moving stronger again. The 20ema is the next target @ \$756.

A further retracement of some kind is probable and so the 20ema is likely to go under pressure.



JSE FINDI

Recent Commentary:

The potential double top never played out while the 10ema stood firm as support end of day. While the chart continues to 10ema the 261% FIB level @ 34394. This is likely upside target here in the short term. Use the 10ema as continued support for the momentum going forward.

Updated Commentary:

Once again a good sign for an economic cycle kick off into the growth phase for 3 years or so is the move by banks and industrials. We certainly have seen that take place over the last couple of months.

The ascending triangle was spot on putting 2000 pts on the table to 261% Fib. Use the 10ema as major support for momentum here. Consider making long term investment decisions on the next growth phase in the economic cycle.



Dollar:

Recent Commentary:

The retracement below was signalled by a positive divergence on the MACD bars and the support of the 89ema.

It then retraced to the recent 23% level of the previous retracement level @ 0.77 before going weaker again. It is also a level of resistance using the line along the 0.77 level.

Consider going forward the resistance of the 3EMAs together along with the support again of the 89ema @ 0.7540. We could end up with a EMA convergence down or up to be determined in the week ahead. A negative bias is more apparent.

Updated Commentary:

The negative bias worked out well with the 3EMA convergence down!

The 89ema also broke which was the final trigger to confirm to get in and go short on the USD. This will work its way through to the commodities directly and eventually the RESI as well.

It is an unexpected continuation down at a wave 4 timeline. It could be forming a 1-2-3 of a wave 4 down in which case we could see a retest of the 61% FIB of the major upside wave 3 which is marked on the chart now @ 0.74.

With a move to those levels, commodities are likely to rocket higher dragging the RESI with it. However, if the equity markets take some pain and retrace the RESI is likely to follow them overall. Hence the bias towards trading the commodities directly themselves over the stocks that mine them.

Obviously, there are some stocks we would always watch for opportunities in the RESI sector being KIO, AGL, BIL and EXX.



3 weeks:

The weekly 20ema remains intact so far. It continues to offer a target for the USD chart that correlates with the daily 89ema.

Consider the 10ema weekly @ 0.7628.

2 weeks:

Here we can see the bigger picture of the wave cycle and the retest of the 20ema weekly here is perfect point level. The MACD does appear weak here and looks to cross down but it actually needs to confirm that during the week ahead. A break of the 89ema and close there on the daily could be the signal to look out for.

Always hold 1.32 as the support level though against the EURO. One can still easily see the major negative divergence on the MACD bars which have now also gone red. A failure to find support here should see the chart test the 50ema weekly @ **0.7370 which matter-of-fact happens to be the 61% FIB retracement.** Any failure to find support here would spur commodities upward. BDI says USD stronger though.

Last week:

We can see here how the trading pair is in play now where the chart is between the high of the 10ema and the low of the 20ema. The MACD has crossed down with bars going negative. Continue to hold the 20ema weekly as the last support for the USD before it begins going beyond the 1.32 level and testing 1.35 again.

There is the underlying wave cycle power that suggests a swing into wave 5 now which uses the 20ema as support going forward and would put some serious negative pressure on the commodities and the RESI.

Update:

The weekly chart shows more detail in the potential downside continuation with a break of the 20ema and possible test now of the 50ema @ 0.7382 or even the 89ema as the final support reversal point.

It all revolves around this 61% FIB retracement for now. The Major negative reversal is certainly playing out here with emphasis on higher commodity prices and weaker USD with confirmation from the MACD bars.



Quick glance at the YEN!

Recent commentary:

Check how the USD Yen chart has rallied with support from the EMAs and the MACD. This is quite significant for the USD and likely to help carry the USD Vs Euro higher as well.

It bodes positively for the USD as it continues to move higher and especially against the YEN as well.

Updated commentary:

Peculiar as it is with the USD rallying against the YEN with a 4EMAx up signalling a massive rally 300 pips minimum. It is unusual for the currencies to be so divergent and it would certainly need to be watched more closely over the next few weeks to see what transpires with the different currency charts.

Look to 81.50 as the resistance target high of July last year for the current rally to find some resistance. It could be a move by the government to weaken the currency in order to encourage export to the USA again. Whatever the reason, it is quite an oddity.



RAND:

Recent Commentary:

We can see the rough target of the channel low @ around 7.60/7.50 to the USD hitting our target.

The retracement tests the 89ema for now before a small move lower that has not YET broken the 10ema as support. The MACD has also triggered confirmation of an upside/weakness for the RAND.

Use 7.71 as support with the 7.87 as resistance.

Updated Commentary:

The 7.87 level was the resistance @ the 89ema with a new continuation lower. That level was spot on as resistance for the RAND. Consider a retest of 7.50 now.



OIL:

Recent commentary:

The 10ema has almost caught up with the chart price now as it moves sideways to allow it to do so.

Momentum is slightly off but it shows the likelihood of the oil chart to hold at this sort of level as support. Any retracement though is likely to use \$114 as support on the trend line of resistance recently made.

Updated commentary:

The OIL chart continues to move higher while using our support as momentum rally far away @ \$114. The next FIB level is the 200% mark @ \$125 and with the weaker USD the chart is packed with upside momentum here while rallying in wave 3.

Look @ moving support to the recent sideways shuffle support line @ \$118 to lock in profits if it reverses unexpectedly. It is unlikely however in the very short term while the USD is above 1.34.



PLATINUM:

Recent Commentary:

Platinum has begun moving lower from our resistance level @ \$1670. The Test of the 20ema is significant. It should be continued to be watched for any further negative continuation to a possible target around the 50ema @ \$1570 something.

Consider the on-going weakness in the platinum sector of the JSE RESI.

Updated Commentary:

The 20ema test was significant with the chart bouncing from there to continue higher. The \$1600 level held firm @ the 20ema while it moved higher along with the other commodities in reaction to a weaker USD.

The STOCH provided a continuation pattern making lower lows while the chart made higher lows. Long positions could be taken from the 21st FEB. with the 10ema allowing for support in the profit.

Upside levels are many with the entire range of FIB extension levels as targets still with \$1796 @ 138% and \$1873 @ 161% levels being the usual favourites. The USD would have to move to 1.36 level to push the plat price to those levels.



Recent commentary: The STOCH is overbought while the trending EMAs attempt to create support @ \$1620.

Current update:

The weekly chart confirms the break above the trending pair of EMAs with the trading pairs crossing up as well. Despite an overbought STOCH it has not yet cross down and the MACD continues to grow in momentum. The long term support here is the line level @ \$1670.

Going forward mark the medium term support and stop loss @ the 50em being \$1630.



JSE Platinum

The JSE RESI took big pain over the last week with our convergence of trend lines and the EMAs with a quick drop lower. The 59 level is old support in the range.

Current:

We didn't quite get to the 59 level but the chart did bounce off the low end of the support levels here and retraced quite well to close above all of the EMAs. Not surprising with such a great rally in the underlying price of the plat commodity.

The sector remains under pressure however and it makes more sense looking at trading the commodity directly to avoid any issues relating to strikes, government policy in Zimbabwe and just a general negative bias the sector is experiencing at present.

This is not to say it isn't going to go up potentially. But overall the risk is higher here than in other opportunities.



Watch the dollar!!

GOLD:

Recent Commentary:

5 Weeks:

The double bottom here looks to remain in play with the neck line broken we find the chart battling for break above the resistance @ \$1663/\$1670. Hold the 10ema as support @ \$1645. There remains the reverse head and shoulder pattern with about \$100 reversal potential to around \$1740 as a target. Big hurdle is breaking \$1670! The USD weakening will certainly give the added momentum to the commodities including the GOLD price.

Added confirmation for the upside in GOLD is the SILVER chart has rallied strongly on Friday to test its resistance at the 89ema with a \$1.54 move in a day. This is extremely positive as a confirmation for the GOLD commodity.

4 weeks

The double bottom and reverse head and shoulders are working well and totally triggered the long buy on GOLD. The USD going weaker has pushed the GOLD chart into superdrive!

Once it broke the 89ema and moved higher the trade was a screaming buy! The \$1760 level is likely target here.

3 weeks:

The gold chart is now at the resistance level of the NOV last year! Our target of \$1760 being that level, look for some reason to ease out and lock in profits or at least move stop profits into trailing stops @ the 10ema roughly.

2 weeks:

And then both the resistance target @ \$1760 was hit and the chart pulled back and triggered 10ema trailing stops. The chart tested the 20ema for now before closing slightly higher but below the 10ema. The MACD looks weak and ready to cross down with the MACD bars about to go red. A 38% FIB retracement could see us heading for \$1660 from this level although \$1680 is also an EMA target.

Either way it looks a little negative for GOLD and a stronger USD will push it lower. Hold \$1705/\$1700 as support going forward.

Last week:

Gold look sas if it could be forming a flag or falling wedge. It suggests a continuation pattern. This would require some very negative moves by the USD.

Use the 20ema @ \$1713 as support for the short term. Then \$1660 as the next target if the USD goes stronger again. If the USD goes weaker then look to \$1800 again.

Update Commentary:

After a small retracement to test the 20ema the chart continues to move higher to recent highs around the \$1800 levels. Use the line support @ \$1760 going forward as support as well as the weakening USD to consider levels of exit here.

Worse case scenario is that the 10ema is tested in a small retracement during the week. Watch the USD however as it looks to continue lower while helping the GOLD and commodity prices move higher. The fallign wedge type pattern also allows for an upside continuation of around \$100 from \$1735.

The Shanghai also confirms likelihood of higher moves here.



4 Weeks

Here we see the GOLD sector also catching a wake and looking to move higher to ride the new gold price surge.

There could well be some short term opportunities in the gold sector from Monday considering the upsurge of the gold price and other commodities. Look for quick guerilla trades of around 5% here and then look for any excuse to get out and run like hell!

But as long as the trade uses the 10ema as support you should be good to continue holding but don't get greedy... 10% is fantastic as a return on any profits over a few days. Remember the stronger RAND is also likely to fiddle the GOLD sector boost!

3 weeks:

See how the 50ema acted as resistance while the RAND goes strong.

2 weeks:

We can see that the GOLD sector took some pain during the weak along with the GOLD price and RAND strength. Use the 50ema as resistance and 2800 as support.

If the Rand continues to go weaker quickly in the week ahead the resources sector could see some small upside however the stronger USD will taint this putting pressure on the commodity prices.

Last week:

As mentioned before, I don't like trading the JSE GOLD sector stocks when you can trade the commodity directly. If you want to know how let me know and I can give you some ideas.

The chart here looks to continue lower here with the 2800 level acting as new resistance it would seem unless of course the USD goes weaker yet again.

Updated commentary:

Despite being asked about the GOLD sector a few weeks back and having to make a choice for hot in the sector stock on CNBC Africa, it still remains that we prefer not to trade the sector and only trade the GOLD price directly.

Consider that the GOLD price has moved \$45 during the week and the gold sector has dropped 24 pts with an underlying bearish bias... While the GOLD is a soaring bullish bias.



Watch list:

FEB 26th: The 261% FIB levels look to be the next upside targets in a lingering positive bias. The Bonds however look to be losing momentum once again and so caution should be kept in mind.

USD weakness helps commodity prices to move higher.

FEB 19th: Overall positive bias lingers.

FEB 13th: Markets are once again at loggerheads. They seem to be very reluctant to move lower to break support @ 1329 for now to head to 1320 and 1305 for a full wave cycle retracement. Commodity prices to come under fire in any USD retracement.

Feb 6th: Consider the BDI looking to have the MACD cross up and the bars go positive showing some retracement is likely. The same could be said about the USD in the short term.

Markets again prove volatile with a weekly positive bias!

Jan 29th: The WEAKER USD certainly spurred on our commodity calls last week and BIG profit moves should be in play for you all.

The platinum move however looks to challenge the weekly 50|89 @ \$1622 and may find some noise here. {take profit potential}

GOLD's reverse head and shoulders is powering away from \$1645 as discussed previously and the RESI is likely to ENJOY the surge in base metals.

Jan 23rd: The upsurge in SILVER, GOLD's little brother, it signals a likely positive move in the commodities in general but specifically the GOLD price.

OIL also look to go higher with a potentially weaker USD. The RAND also looks to move stronger as well but are quite happy that the chart reached target at 790c from our CNBC Africa chart discussion in early December.

Palladium has also triggered a recent 3EMA x up which bodes very well for the commodities in general and the base resources companies such as Kumba, Anglo, Billiton & Exxaro.

Our call on CNBC with Exxaro as a buy has also moved fantastically well with 4% despite being late for the entry on Monday with 3% alone for that day.

Our SASOL call has also proved fantastic with almost 10% move there in under 2 months and prospects here continue to look positive with a weaker USD pending.

Our old faithful stalwart of Mr Price continues to outperform the market and rocket away into massive profits...

We also noticed that Standard bank has begin to finally represent a chart worthwhile considering once more which is a great fundamental confirmation of our economy moving into the growth phase now for the next 3 years!

ASPEN makes it to R100 again proving our long term strategy to once again provide major profits and great hit rates.

Jan 16th: Markets are very volatile at this level while positioning break out triggers at resistance levels but with little conviction.

Jan 8th: Markets are at highly volatile convergence of various patterns which could go either positive or negative. General pattern alignment shows reverse head and shoulders with a positive bias to the ascending triangles.

Caution on the JSE RESI with USD strength.

Dec 18th: Markets remains under major negative pressure despite goods new out of the US last week with jobs being better than expected.

Dec 12th: Markets retraced to test 10|20emas before bouncing on news from Central banks coming to the rescue. Talk is big... The market has yet to see the walk...

Dec 4th : Markets rallied strongly on pending talks with easing from the global banks which have yet to even put any agreements or points into place... Take caution.

Favourite Watch List stocks:

KUMBA

Long term hold

Exxaro

Long term investors to remain invested.

Merafe

145c is our long term Stop Loss for investors.

Silver:

The silver price generally leads that of the gold spot price and with it breaking highs every week or so it gives one a very positive outlook on the gold price going forward.

Mr Price: Long term hold

PSG – long term hold

Aspen long term hold

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