

**BOB HOYE**

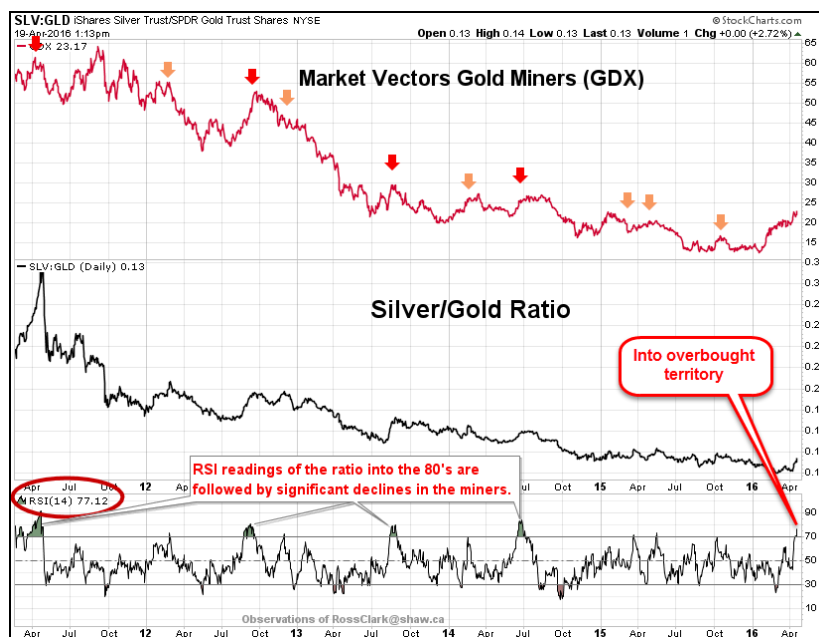
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## Precious Metals: Getting Overbought!

Not only is the Precious Metals Sector becoming more precious, it is now doing it with momentum. The RSI on the Silver/Gold ratio is now at a warning level. Again.

### Silver/Gold Momentum



In any rally for precious metals, silver will outperform gold, and speculation is becoming impetuous enough to end the move. We have found the most reliable measure is the Daily RSI on the silver/gold ratio. When it gets to 78 (reached today) it indicates that speculation is becoming intense. As we have concluded five times since the peak in 2011—it is getting dangerous.

Moreover, it has accomplished an impressive swing in momentum from very oversold at an RSI of 25 to today's level.

Gold stocks (HUI) have clocked a larger swing in momentum up to technical resistance at the 210 level.

Representing the silver side, Pan American (PAAS) has registered Upside Exhaustions, which relates to momentum. The Weekly RSI is up to 80, which is higher than reached in 2011. Also, it is generating a Sequential Sell, which is pattern.

The market is poised for first significant correction in a cyclical bull market for the sector.

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We have been advising taking some money off the table.