

ChartWorks

PUBLISHED BY INSTITUTIONAL ADVISORS

April 24, 2010

Technical observations of RossClark@shaw.ca

Precious Metals

Complacency was Welcome, but is Likely Nearing an End

Speculation in gold and silver remains at muted levels with the Commitment of Traders data only showing small increases in positions this week. Sentiment lingers in the mid 60's. We see these conditions as constructive. The best moves start quietly when a large number of investors are on the sidelines and culminate once the media frenzy carries the story to the front pages. Platinum continues strong and our target is now calculated to be \$1955.

In gold, this week saw two tests of \$1130 and a strong close on Friday. It is now twenty-one trading days since the March bottom and an optimum point for the price to build upside momentum. Time counts continue to point toward late May – early June for a spike high.

Mid March lows generally result in 9 to 11 week rallies



No extremes in COT numbers. Lots of room for new participants



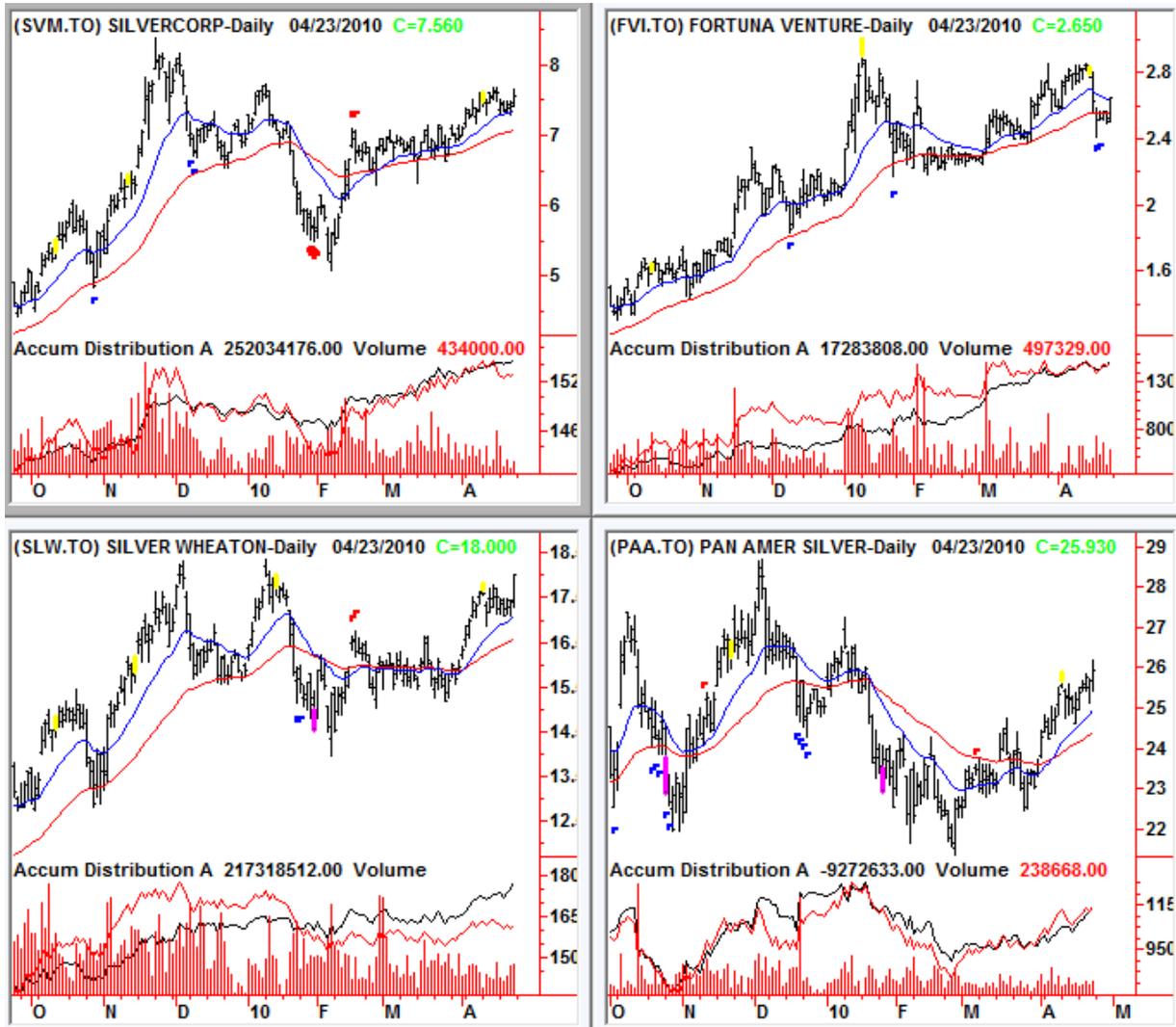
Public opinion charts from www.sentimenTrader.com

Both the U.S. and Canadian junior mining ETFs (GDXJ & ZJG) closed at new highs for the year



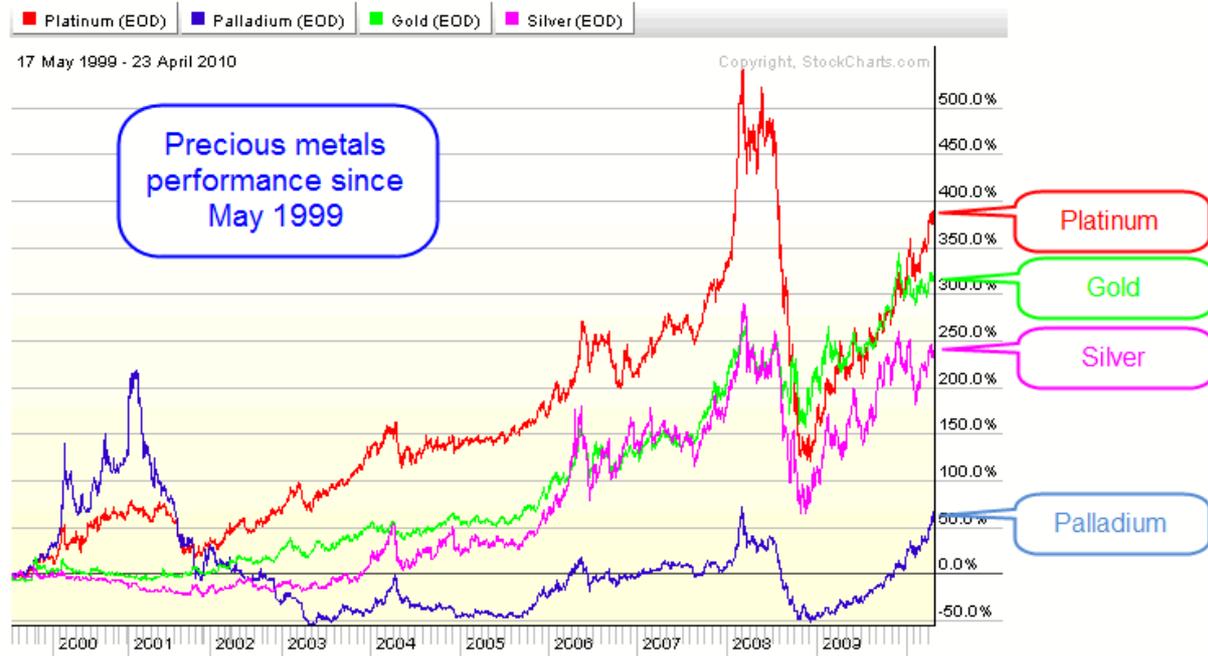
Silver

For traders, stops on silver stocks should be raised to the lows of the past two weeks.



Platinum

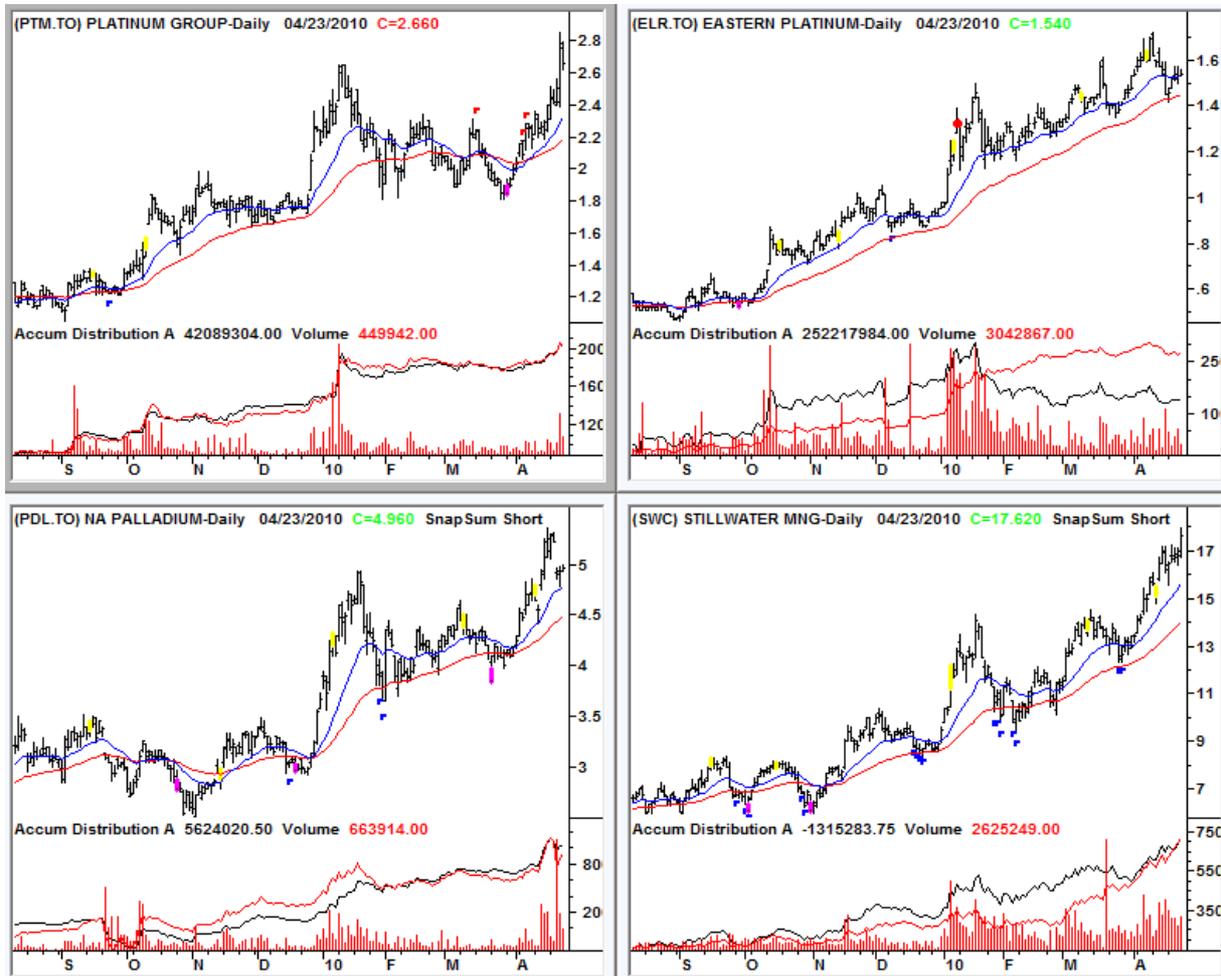
Platinum and palladium have been the star performers in the precious metals rally since the December 2008 bottom, however palladium is still well off the highs of 2001.



The January through March consolidation and subsequent breakout during April in platinum can be used to provide a measured upside target. In the context of the years with mid-March lows for gold we see that this upside leg in platinum's action should advance a **Fibonacci 1.618% of the height of the \$1645 to \$1452 consolidation**. The target is calculated to be **\$1955**.



The On-Balance-Volume and money flow indicators continue to be strong in PTM.TO, PDL.TO and SWC. This week's lows should hold, however we would look for the 50-day moving averages (red) to provide support if there are any surprise selloffs.



The opinions in this report are solely those of the author. The information herein was obtained from various sources; however we do not guarantee its accuracy or completeness. This research report is prepared for general circulation and is circulated for general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.

Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities or options or futures contracts. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk. Moreover, from time to time, members of the Institutional Advisors team may be long or short positions discussed in our publications.

BOB HOYE, INSTITUTIONAL ADVISORS
 EMAIL bohoye@institutionaladvisors.com
 WEBSITE www.institutionaladvisors.com