

Nikkei, Japan Precision



June 6, 2010

PRECIOUS METALS

I maintain that the rally to over \$1200, from this year's low, is actually countertrend.

The C-wave unorthodox peak (countertrend, despite being a new price high) will be followed by a decline that is caused by equity market losers who need to meet margin calls and pay off the mortgages before doing swan dives out of their Wall Street windows.

One sells only what one owns, and gold is where everyone has been heading.

10-year weekly and 1-year daily charts follow. The 10-year chart illustrates how gold has consistently made new-high CORRECTIVE moves (like this one).

As I have reported more than once before, silver's 10-year chart reflected the correct wave count, unmasking the fact that gold was often making new highs as part of corrective moves.

Simply, this was and is due to superior strength and unrelenting acquisition, as buyers used weak-kneed sellers to keep accumulating (Eastern sovereigns). **The**

10-year weekly chart shows a market that is getting ready to accelerate in parabolic fashion, after this C-wave is complete.



The following includes the 10-year weekly and 1-year silver charts.



See page 13 for commentary.

My commentary for now is simple and includes a forecast, as well as a hint.

While gold's support level has risen by \$100 to the \$1150 area, or so, silver's support has risen to the \$16.50 zone. Remember, the XAU chart resembles/follows silver, rather than gold's.

http://www.gold-eagle.com/editorials_08/klein033110.html
(If necessary, copy and paste into browser.)

ASSET ALLOCATION

My asset allocation model remains unchanged:

50% gold, 50% split between the Swiss Franc, Yen and US Dollar.

Considering the above, has there been any need for ANY other investment service (with respect to the markets covered here)?

Sid Klein

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