

Super Force Signals
A Leading Market Timing Service
We Take Every Trade Ourselves!
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Weekly Market Update Excerpt
Jan 14, 2011

Gold and Precious Metals Markets

UUP-nyse Chart. (US Dollar Proxy)



US Dollar Analysis:

- The Dollar rally has stalled and started a slight pull back on soft volume. That soft volume is a short term positive for the dollar. My Target for UUP is the \$24.00 area. I would expect that as price

moves into that \$24 area, *Gold will continue to correct in price and may even accelerate its rate of decline.*

- Still this overall rally in the dollar has been met with substantial distribution and that is problematic for the dollar in the long term. It is important to separate the short term bullish action from the intermediate and longer term very bearish action.
- I use currency signals to tweak my Gold analysis to achieve timely accumulation of the only real currency, which is GOLD.
- My proprietary Surge Index System is designed to take advantage of price weakness. So even if you are interested in buying the dollar, now is definitely not the time to buy. **Now is the time to take profit as it rallies.**
- The longer term issues with the Dollar are rooted in debt and incompetent government. As it pertains to the economy, the administration believes spending equals growth. Follow that with the current Chairman of the Fed who believes money from a Helicopter will get the job done, ***and you have a combination of policies so dangerous that they are potentially fatal for the nation.***
- Those looking at history to calculate the moves of the US dollar and Gold should be careful. The dollar is rallying as I predicted. But the accumulated debt, unfunded liabilities, and interest, has created an America with a 200 trillion dollar long term debt weight on the back of a 14 trillion dollar economy!

- The Gold Standard must be reintroduced. There is no other solution to this amount of debt. The Federal Reserve System has never been audited. How dishonest is that? The Gold Standard is a system of forced honesty. The Gold Standard versus the Federal Reserve Standard. Unaudited currency devaluation (robbery) is the Federal Reserve Standard. Consider the price of the dollar compared to Gold just over the last few years. Then consider the dollar since the inception of the Fed. A 95% dollar devaluation is a 95% robbery.
- The levels of debt and money printing are at such dangerous levels that the next leg down in the dollar, once last year's lows are broken, and I'm sure they will be, *could bring major panic selling of the dollar*. That would devastate the national economy. Our economy could actually be demolished.

SGOL 6 Mth Chart (Gold Bullion Proxy).



- I have a mild buy signal for gold in play; further weakness will produce higher intensity buys.
- The SuperForce position on all precious metals is to grow an ever larger core position. My current core position recommendation is 60%. In other words, 60% of the metals sector positions you buy must not be sold. Hold them!

- Technical evidence continues to point to lower gold prices coming over the next several weeks. The rally this week was on soft volume. Be prepared to begin buying as prices rollover.
- It is important to differentiate between the short term and the long term. Maintain a large core position for the long term and do not hedge it. ***Use some of the profits from your short term trading to build that long term core position in size.***
- Gold Market Summary: Long term trends are in place. Accumulate short term weakness. My Super Force targets are an excellent place to purchase and you should buy all the way down to my targets, as well as in greater size at the targets. There is a tug of war between the technical need for Gold to correct and the extremely bullish fundamentals. Fundamentals could see gold shoot dramatically higher when none of us expect it to happen, and your buying strategy must take this possibility into account.

SGOL 14 Mth Chart.



- Analysis: The market had a short term countertrend up move. My SF60 Trading Service booked profits on five winners this week.
- The real gift is the correction we are having in Gold and related sectors. It is normal to see low volume counter up moves in a market that is in correction, and that looks like what is happening here.
- A look at MACD coupled with volume trends indicates my target of 1260 is likely. RSI sits in the 50 area. After the enormous run in this sector, it looks likely the RSI decline will end below 40 and possibly 30. This all spells lower intermediate term prices.

GDXJ Chart



Gold Juniors Analysis:

- I issued our first re buy signal on Jan 4th at 37.52. This signal is a *Surge Index 25 Buy Signal*. During intermediate term price weakness multiple Super Force buy signals are issued.
- GDXJ is one of my favorites within the Gold sector. My calculations lead me to predict *a full tenfold return in the coming years*.

- My **SFS Gold Stock Ratio** projects a \$75.00 one year price target for GDXJ. How does GDXJ get to \$75.00 or even possibly \$250.00? One dollar at a time. At current prices, the sector is best termed a “gift buy” for you, even though we may go a bit lower.

GDX 6 Month Chart



- GDX has a more powerful buy signal than anything else in the metals sector, currently. I currently have more money in Senior Gold Stocks than any other holding, except bullion itself. GDX right here is a superb long term acquisition, absolutely superb!

- On a shorter term note, a look at the volume action this week shows the up move in price was accompanied with sagging volume. Last week, you saw down price and higher volume. ***This indicates the correction will likely continue in the coming weeks.***
- Note my 2011 target for GDX is \$72! The untold story on the entire Gold Sector is the undervalued Gold Senior Stocks. GDX is an ETF. You can have great confidence buying GDX now in this Gold and Precious Metals Correction.

GDX. Massive Breakout On 3 Year Chart

Friday 14-Jan-2011 2:09 pm
 Open: 56.88 Ask: 55.00 P/E: -122.20 ▼ -3.08%
 High: 58.24 Ask Size: 800 EPS: -0.45 Chg: -1.75
 Low: 54.61 Bid: 54.98 Last: 100 shrs Last: 54.99
 Prev Close: 56.74 Bid Size: 5210 VWAP: 55.01 Volume: 46,797,144



SUPER FORCE BREAKOUT TARGET: \$72.00 !

Price just entered my \$54-57 buy range. Start Buying Now!

SIVR 5 month Chart (Silver Bullion Proxy):



- Silver has played the leadership role in the precious metals rally from summer to its peak. Silver tends to lead at the end of intermediate trend bull moves. Silver paints a picture of conflict. It needs a correction, yet it also demonstrates a clear look to higher prices later in 2011.
- **Short term:** Anemic Volume; no lasting rallies are likely to occur.
- **Longer Term:** Silver’s bullish fundamentals will win over any bearish technicals over time. Prices are poised to go dramatically higher by

year end. Use weakness with my Super Force Signals, to place your buys!

ARB TRADER UPDATE. The portfolio is ready! We are uploading the new arb trader website now, so you can profit from the double and triple leveraged ETF tracking inefficiencies, using my dependable Surge System to place capital. Subscribers will get a sneak peak on the week-end!

The SuperForce Proprietary SURGE index SIGNALS:

25 Surge Index Buy or 25 Surge Index Sell: Solid Power.

50 Surge Index Buy or 50 Surge Index Sell: Stronger Power.

75 Surge Index Buy or 75 Surge Index Sell: Maximum Power.

100 Surge Index Buy or 100 Surge Index Sell: "Over The Top" Power.

Stay alert for our surge signals, sent by email to subscribers, for both the daily charts on Super Force Signals at www.superforcesignals.com and for the 60 minute charts at www.superforce60.com

About Super Force Signals:

Our Surge Index Signals are created thru our proprietary blend of the highest quality technical analysis and many years of successful business building. We are two business owners with excellent synergy. We understand risk and reward. Our subscribers are generally successful business owners, people like yourself with speculative funds, looking for serious management of your risk and reward in the market.

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