

Rockstar on gold and reducing risk for the weekend

It's Friday, and as we as investors are feeling the wear of winter – let's discuss how to “reduce risk and reduce insanity” with gold, *perhaps?* 

Called Rockstar en route to work with this idea, and standing in line at Starbucks I start with: “Gold? What's happening hotstuff?” Responding positively to his new nickname, he starts with: “If the Euro continues to strengthen today, and gold does not ‘catch a bid’ – then we should expect it to weaken.”

Reuters quotes an analyst from London in an online piece this AM titled **Gold hits 6-week lows, poised for second weekly loss** with a differing opinion, albeit the same conclusion with: “geopolitical tensions have somewhat abated and risk sentiment has improved after good U.S. data, you will barely see any safe-haven buying at this point and there is nothing to hold gold up...”

Rockstar thinks short term that gold will go lower “to \$1260” but then explains that he is watching the US Dollar index. Says he's watching closely, because he says if it breaks 80 (critical mark for his analysis) the market may be confirming that the impact of Obama's economic sanctions against Russia are less than hoped and may be evidence of reduced power. If this occurs, we will see gold rise – break \$1300*.

“We will have to wait and see...‘If’ it (gold) goes to \$1310 on volume and I mean at least two times on volume – than it is going higher.” This said, he believes that if the energy (volume) stays weak, gold may be finished for the next year. He reminds me that with all of the geopolitical challenges lately, many are noticing that gold is not gaining strength,

and references that Goldman's still has a \$900 target on gold.

Hot for window dressing, reducing risk for the weekend – Rockstar likes the biotech and companies that are changing the landscape for their respective sectors. Or at least this was his reply when I asked him about the substantial news for InvestorIntel members this last week like Alkane Resources, Ucore Rare Metals and Focus Graphite.

Just planning my travels to John Tumazos' Very Independent Research, LLC Metals and Mining Conference in NYC on Monday. Very impressed with his line-up as clients Rare Element Resources and Texas Rare Earth Resources will be there. I will be writing from the floor and will let you know what's happening. We have a pile-up of interviews that are in various stages of production so get ready for a substantial line-up of online media videos to watch week next week. Also, we managed to get Tony Mariano to give us his top 4 picks for best rare earth metallurgy on the planet, and so you're going to see another heated debate...

(*The opinions above are just this – opinions. The writer is not a licensed investment advisor and is not providing investment advice.)