PRIVATE WEALTH ADVISORY

INVESTMENT RESEARCH THAT CONVERTS

Weekly Market Update 4-16-20

Weekly Market Update 4-16-20

The multi-trillion-dollar question ever since this crisis hit, is whether the Fed's massive $4+ trillion interventions would be enough to mitigate the economic collapse triggered by the shutdown in the U.S.

As a quick reminder the Fed is now intervening directly in:

1) The Treasury markets (U.S. sovereign debt).
2) The municipal bond markets (debt issued by states and cities).
3) The corporate bond markets (debt issued by corporations).
4) The commercial paper markets (short-term corporate debt market).
5) The asset backed security market (everything from student loans to Certificates of Deposit and more).

The only thing left for the Fed to do is announce that it is going to begin buying stocks directly (though it is already doing this in the sense that it is buying corporate bond ETFs that trade on the stock market).

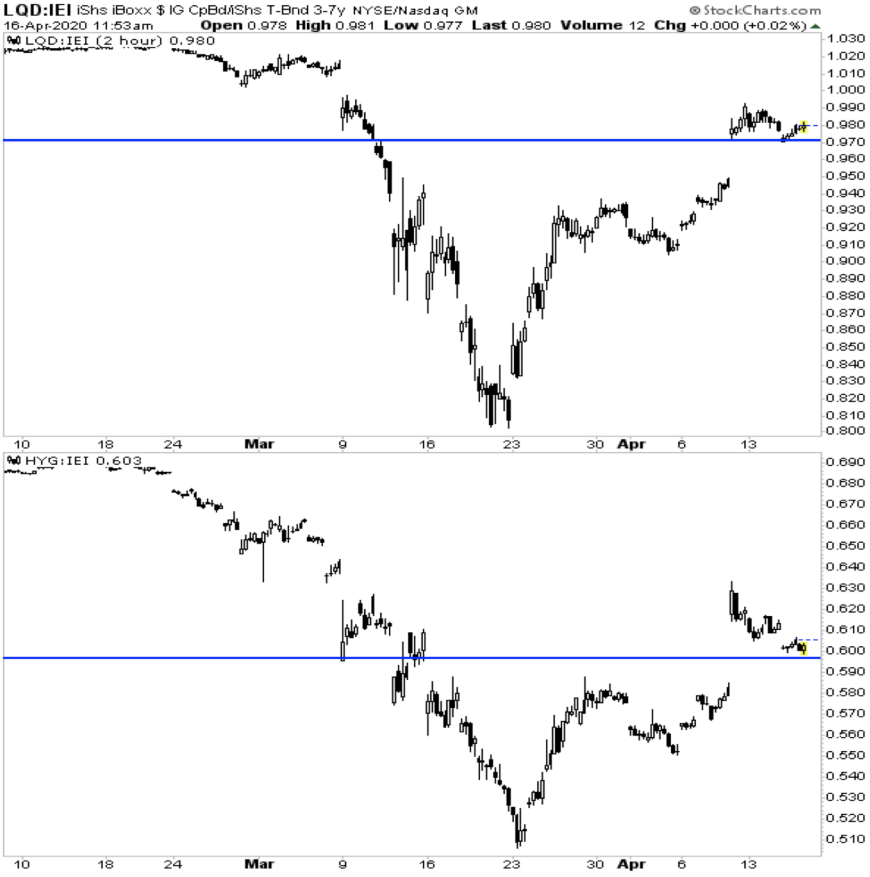
Based on this incredible intervention, the Fed managed to induce a kind of "sugar high" in the markets. That sugar high is now wearing off and risk is in the process of consolidating/ correcting.

The issue is whether things hold together here and then move higher… or if the markets are going to once again plunge, forcing the Fed to intervene even more. As I write this on Thursday, it's really a toss up.

Let's look at some charts.

Breadth has rolled over and is testing former resistance. If this holds, it's a sign that former resistance is now support. That would be VERY bullish.

Similarly, credit has been weakening. However, as I write this, it too is holding support.



It's the same story for the ratio between stocks and long-term Treasuries: a test to see if former resistance is now support. Holding this level would be VERY bullish for stocks.

In terms of bullish items, Semiconductors have held their gains and are attempting to break to new highs for the bounce.

Amazon (AMZN) has hit new all-time highs.

Both Apple (AAPL) and Microsoft (MSFT) look as though they'll be doing the same shortly.

Apple (AAPL)

Microsoft (MSFT)

On the negative side of things, the $VIX is in a VERY bullish formation. A breakout to the upside would likely mean stocks breaking down again.

Treasury bonds have hit new all-time highs.

And the equal weighted S&P 500, which typically leads the market capitalization weighted S&P 500 has just broken support.

My point with all of the above is that in the short-term, the markets are in no-man's land. You can easily make credible bullish and credible bearish arguments for where the market will head next.

In the longer-term, the only clear item at this time is that any and all issues that arise will be dealt with via money printing. The precious metals markets are discounting massive currency devaluation.

Gold, priced in every major currency, is breaking out to the upside in a big way.

Now, during major bull markets, typically silver will outperform gold.

The below chart shows the ratio of silver to gold. When silver outperforms gold, the chart rises. When gold outperforms silver, the chart falls. As you can see, silver outperformed gold during the precious metals bull market from 2003-2008, as well as the one from 2009-2011.

You'll also note that during the recent bear market in precious metals from 2011-today, silver has dramatically underperformed gold. Also, note that this chart shows a nasty breakdown in this ratio from what should have been a falling bullish wedge formation (red lines).

However, this is now bottoming. **And in my experience, NOTHING is more bullish than a *failed* bearish breakdown.**

With that in mind, I believe we are about to enter the time period in which silver outperforms gold. This would add additional support to my view that we are now in a MAJOR bull market for precious metals.

We already have broad exposure to this sector through a number of ETFs and stocks. All of them remain buys at current levels.

This concludes this week's market update. I don't see anything worth doing for us until the markets clear up. But right now they're as clear as mud.

On a final note, our new trading system ***The Perfect Trade*** is now officially live.

The strategy employed by ***The Perfect Trade*** has beaten the market every year in the last decade by double digits and it is not uncommon for it to return 100% or even 200% in a single year.

I mention this because we have reopened our special LIFETIME subscription bundle to all of our products… **as well as any future products we launch… for $5,000.**

An annual subscription to ***The Perfect Trade*** is priced at $1,999 per year. ***Private Wealth Advisory*** is currently $400 per year… and our other trading service ***The Crisis Trader*** is $999 per year.

That's roughly $3,400 for just one year's subscription to all of our products.

But you can get a LIFETIME subscription to all of them… as well as every product we ever launch, for $5,000.

Put another way, you can get a lifetime subscription to everything we publish for less than the cost of two year's worth of subscriptions ($5,000 vs. $6,800).

Finally, for ***Private Wealth Advisory*** subscribers or ***The Crisis Trader*** subscribers (or people who subscribe to both products) this offer CANCELs out your previous subscriptions.

What I mean by this is that if you take advantage of this lifetime bundle offer, we'll REFUND you your current subscription fees.

Again, this offer CANCELS out your existing subscriptions. And after you lock in this deal, you won't be charged again, EVER.

To take advantage of this special LIFETIME bundle offer… use the link below:

https://phoenixcapitalmarketing.com/bundle.html

Best Regards,

Graham Summers
Chief Market Strategist
Phoenix Capital Research

OPEN POSITIONS: STOCKS

Position	Symbol	Buy Date	Buy Price	Current Price	Total Return*
Microsoft	MSFT	4/8/20	$165.09	$175.57	6%
Apple	AAPL	4/8/20	$264.96	$284.36	7%
Alcoa	AA	4/8/20	$7.38	$6.89	-7%
US Steel	X	4/8/20	$6.86	$6.44	-6%
JP Morgan	JPM	4/9/20	$103.67	$87.64	-15%
Goldman Sachs	GS	4/9/20	$185.02	$175.94	-5%
Steel Dynamics	STLD	4/9/20	$24.44	$21.94	-10%
Enterprise Partners	EPD	4/9/20	$16.78	$15.36	-8%
Coca Cola	KO	4/9/20	$49.46	$47.15	-5%

OPEN POSITIONS: PRECIOUS METALS

Position	Symbol	Buy Date	Buy Price	Current Price	Total Return*
Gold	GLD	8/23/19	$148.28	$161.20	9%
Silver	SLV	8/23/19	$14.87	$14.36	-3%
Silver Miners	SIL	8/23/19	$27.74	$28.69	3%
Silver Mining Juniors	SILJ	8/23/19	$9.13	$8.51	-7%
Gold Miners ETF	GDX	12/12/19	$26.57	$30.44	15%
Gold Mining Juniors ETF	GDXJ	12/12/19	$35.70	$37.54	5%
K92 Mining	KNT.V	2/20/20	$3.61	$3.84	6%
American Gold & Silver Corp	USA.TO	2/20/20	$3.19	$2.85	-11%
First Majestic Silver	AG	2/20/20	$8.44	$7.28	-14%
Nemont Mining	NEM	3/26/20	$47.13	$58.88	25%
Barrick Gold	GOLD	3/26/20	$19.31	$24.65	28%

Prices as of 4/16/20 at the 2.30 PM EST.