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# **Special Market Update 8-8-17**

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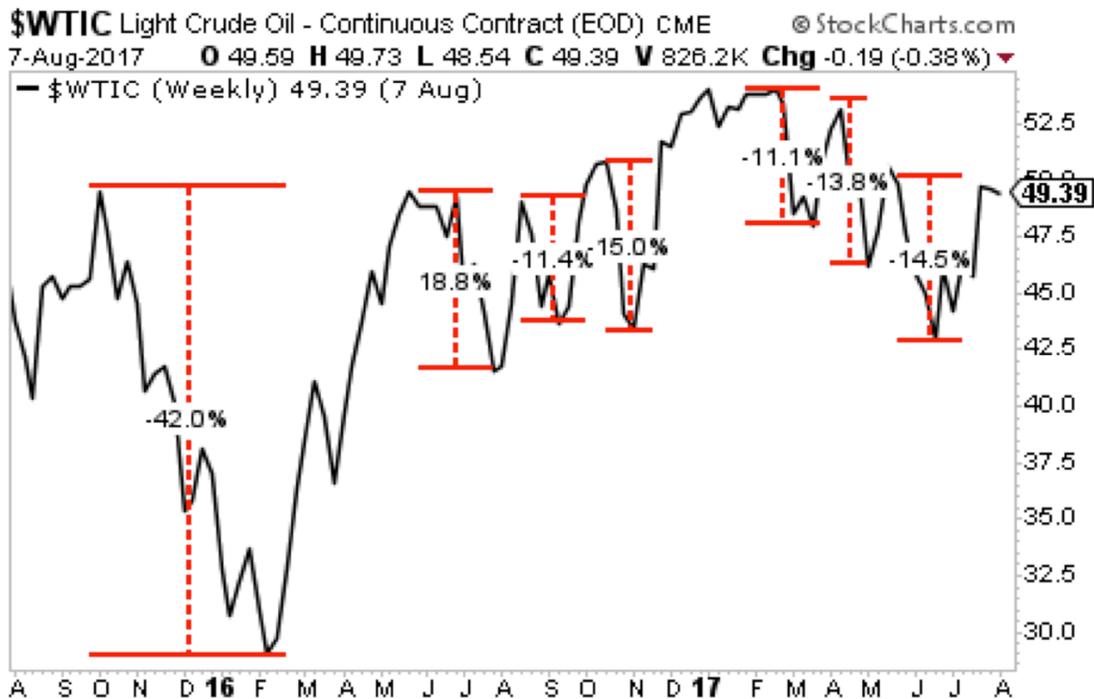
## Special Market Update (8-8-17)

I wanted to post an update on a number of our positions, namely, two of our energy plays, Pioneer Natural Resources (PXD) and Southwestern Energy (SWN), as well as one of our First Majestic Silver (AG).

However, what I'm about to write applies to ALL precious metals and energy plays.

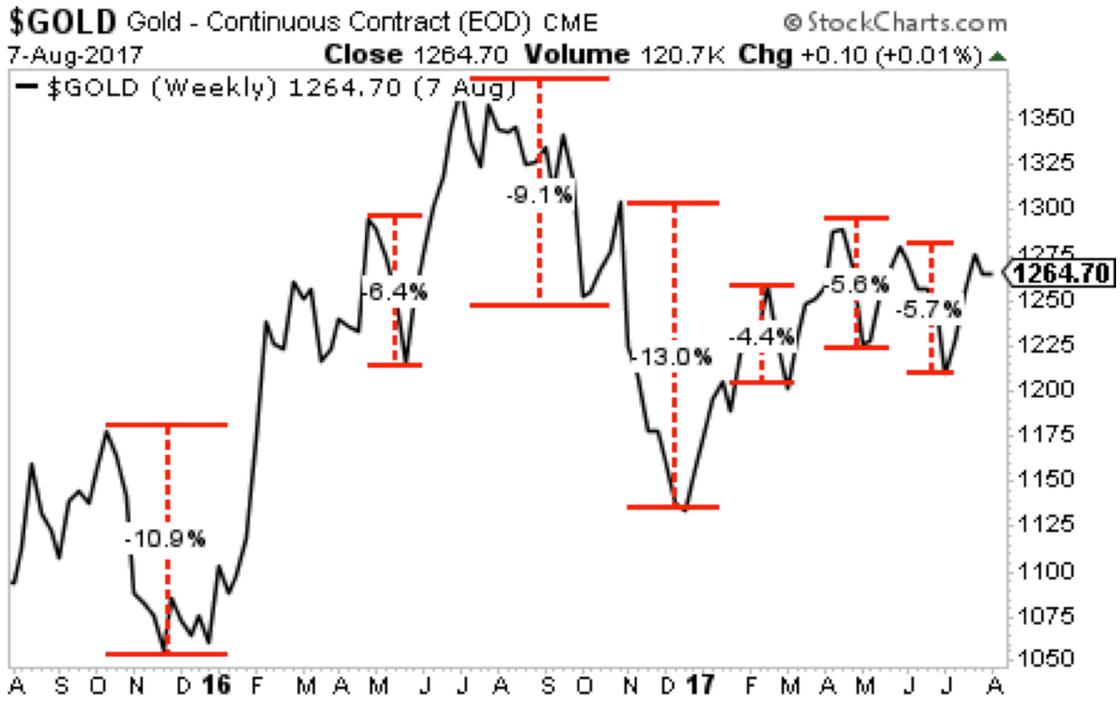
First and foremost, you need to know that Oil and Precious Metals are both *extremely* volatile asset classes.

In the last two years alone, Oil has had **at least** SEVEN corrections of 10% or greater. The largest was a whopping 42%!

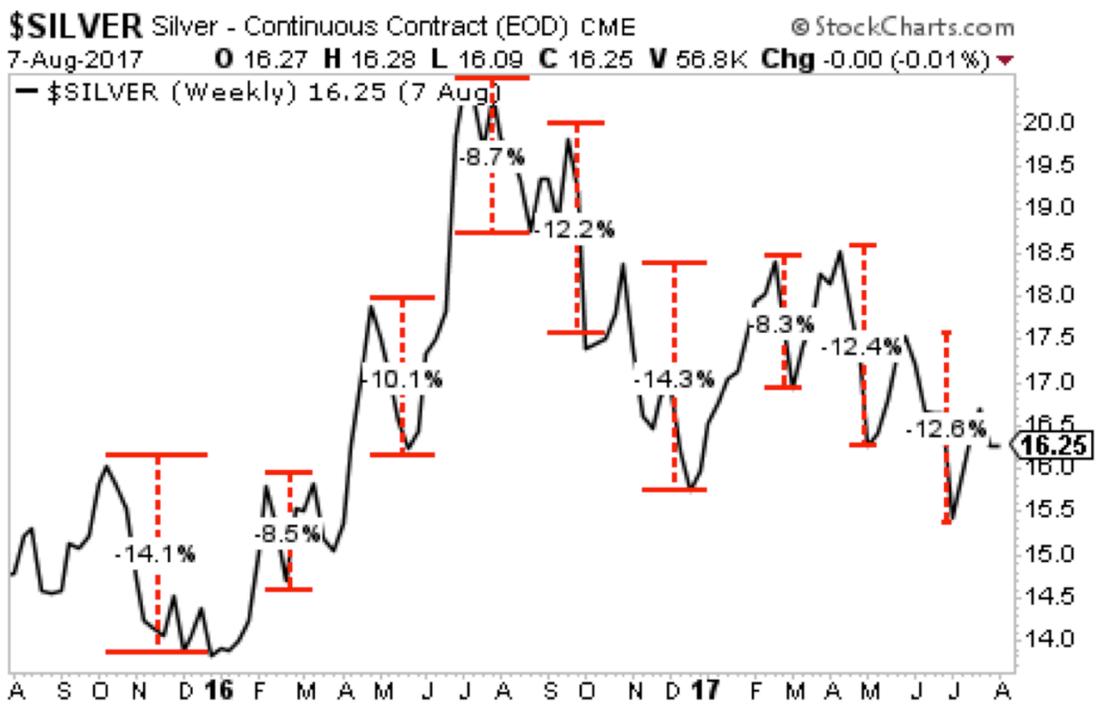


Mind you, those are just the *corrections*; when you include the rallies, PXD has had over 15 price moves of 10% or greater.

In contrast, Gold has had seven corrections of 5% or greater with the largest being 13%. The point here is the same: this is an EXTREMELY volatile asset class that routine moves 5% or more in the span of a week or so.



Silver's even more volatile than Gold, with NINE corrections of 8% or more.





Again, my point is this: Oil and Precious Metals plays are *extremely* volatile. As such, you cannot be invested in them without having a strong stomach.

Having said that, we have three particular plays that have given us a rough ride in the last two weeks.

They are: Pioneer Natural Resources (PXD) and Southwestern Energy (SWN), as well as one of our Silver plays, First Majestic Silver (AG).

We've already assessed what happened for PXD in our last weekly market update. The basic gist is that the market dumped PXD on announcements that the company was focusing more on Natural Gas than Oil production.

This is ridiculous reaction, particularly when you note that the company BEAT both revenue profit expectations in its latest quarter.

PXD's stock price is at major support now within a massive triangle pattern. The next leg up is coming.



It's a similar story with Southwestern Energy (SWN): the company is being slammed due to the fact it works in the shale industry, despite a solid quarter being reported a few days ago.



**AG** First Majestic Silver Corp. NYSE + BATS © StockCharts.com  
 8-Aug-2017 1:09pm **O** 6.25 **H** 6.29 **L** 5.92 **Last** 6.02 **V** 3.7M **Chg** -0.07 (-1.15%) ▼



The good news is that the company has resolved the strikes and is now back on track. AG shares are at critical support within a falling wedge pattern. This is quite bullish.

**AG** First Majestic Silver Corp. NYSE + BATS © StockCharts.com  
 8-Aug-2017 12:58pm **Last** 5.93 **Volume** 10.3M **Chg** -0.31 (-4.97%) ▼





When the next leg up begins, AG is going to \$11. I expect this to happen within the next 6-8 weeks.

Bottomline: I remain confident in all three of these positions (PXD, SWN, and AG). These short-term drops will eventually be resolved. And we'll be handsomely rewarded for our patience when they are.

This concludes this special update. I'll have our usual weekly market update to you tomorrow after the market's close.

Until then...

Best Regards,

A handwritten signature in black ink, appearing to read 'G. Summers', with a long horizontal flourish extending to the right.

Graham Summers  
Chief Market Strategist  
Phoenix Capital Research