



PRIVATE WEALTH ADVISORY

A Phoenix Capital Research Publication

Dear Subscribers

The markets have been in rally mode this week based on two key items:

- 1) The G-20 meeting last weekend which featured the usual "we'll do whatever it takes" fluff from political leaders
- 2) Various anti-austerity statements by EU leaders this week.

As a result, the "risk on" trade has started anew with most commodities and stocks rallying hard. However, despite this move, the technical picture for our trades remains intact.

The divergence we noted before between Copper and the Materials sector has grown even wider.



Technically we've just hit our stop loss on the UltraShort Materials (SMN)

trade this morning. However, given the technical setup and this historic divergence, I want to give this trade another week. So let's simply move this trade to hold and wait to see what happens.

**Action to Take: Hold the UltraShort Materials ETF (SMN)
DO NOT BUY MORE BUT DO NOT SELL JUST YET EITHER.**

Elsewhere, the Timber ETF (CUT) has just staged a bounce to re-test its broken trendline.



This is a classic technical formation that usually precedes large drops. I expect CUT will roll over shortly and fall to \$19 in due order.

**Action to Take: Hold the Timber ETF (CUT) SHORT.
DO NOT SHORT MORE BUT DO NOT COVER JUST YET EITHER.**

Finally, financials are rally for a final retest of their recent highs.



Here again I expect we'll see a reversal in the next week or so.

**Action to Take: Hold the UltraShort Financials ETF (SKF)
 DO NOT BUY MORE BUT DO NOT SELL JUST YET EITHER.**

In the meantime, I've got some Gold plays worth considering.

The below chart should tell you just about everything you need to know.

Company	Symbol	Market Cap	Cash	Debt	Resources
Asanko Gold	AKG	\$216 million	\$204 million	\$0	3.8 million ounces measured and indicated
Richmont Mines	RIC	\$79 million	\$60 million	\$1 million	1.8 million ounces measured and indicated
Vista Gold	VGZ	132 million	\$88 million	\$0	12.9 million ounces measured and indicated
Exeter Resources	XRA	\$78 million	\$56 million	\$0	11.4 million proven ounces
Midway Gold	MDW	\$121 million	\$76 million	\$0	3.4 million ounces measured and indicated

The market Crash in Gold has brought many companies to valuations just above their CASH levels.

Put another way, at these prices you are almost getting their Gold resources for free.

Now I'm not saying that there isn't more downside risk to these companies today. When market sell-offs hit, they can last longer than you expect.

However, given these valuations, we've got a decent margin of safety. All of these companies are well capitalized. So provided you've got a strong stomach, and can weather some more downside before the bounce hits, these prices look good to me.

With that in mind, we're making a new portfolio, the Beaten Down Stocks Portfolio comprised of these companies we're going to be using 25% trailing stops to allow for continued volatility.

Action to Take: Buy Asanko Gold (AKG) and use a 25% trailing stop.

Action to Take: Buy Richmond Mines (RIC) and use a 25% trailing stop.

Action to Take: Buy Vista Gold (VGZ) and use a 25% trailing stop.

Action to Take: Buy Exeter Resources (XRA) and use a 25% trailing stop.

Action to Take: Buy Midway Gold (MDW) and use a 25% trailing stop.

I'll touch base if anything changes. Otherwise you'll next hear from me in our next issue of Private Wealth Advisory due out May 8 2013.

Until then...

Yours in Profits

Graham Summers
Chief Market Strategist
Phoenix Capital Research

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