Leibovit VR
GOLD LETTER
Best Investment Opportunities in the Metals Markets

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This Week's Letter

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Weekly Indicator

	Close	YTD%
S&P 500	$1,597.59	12.02%
Gold (Spot)	$1,467.50	-12.28%
Silver (spot)	$23.84	-21.35%
Platinum (spot)	$1,494.00	-2.80%
Palladium (spot)	$692.00	-1.28%
Copper (Apr Future)	$3.11	-14.93%
US Dollar Index	$82.20	3.01%
PHLX Gold/Silver Sector (XAU)	$107.15	-35.30%
AMEX Gold Bugs Index (HUI)	$277.06	-37.63%
Crude Oil (May Fut)	$3.11	-96.62%

BASE-BUILDING CONTINUES

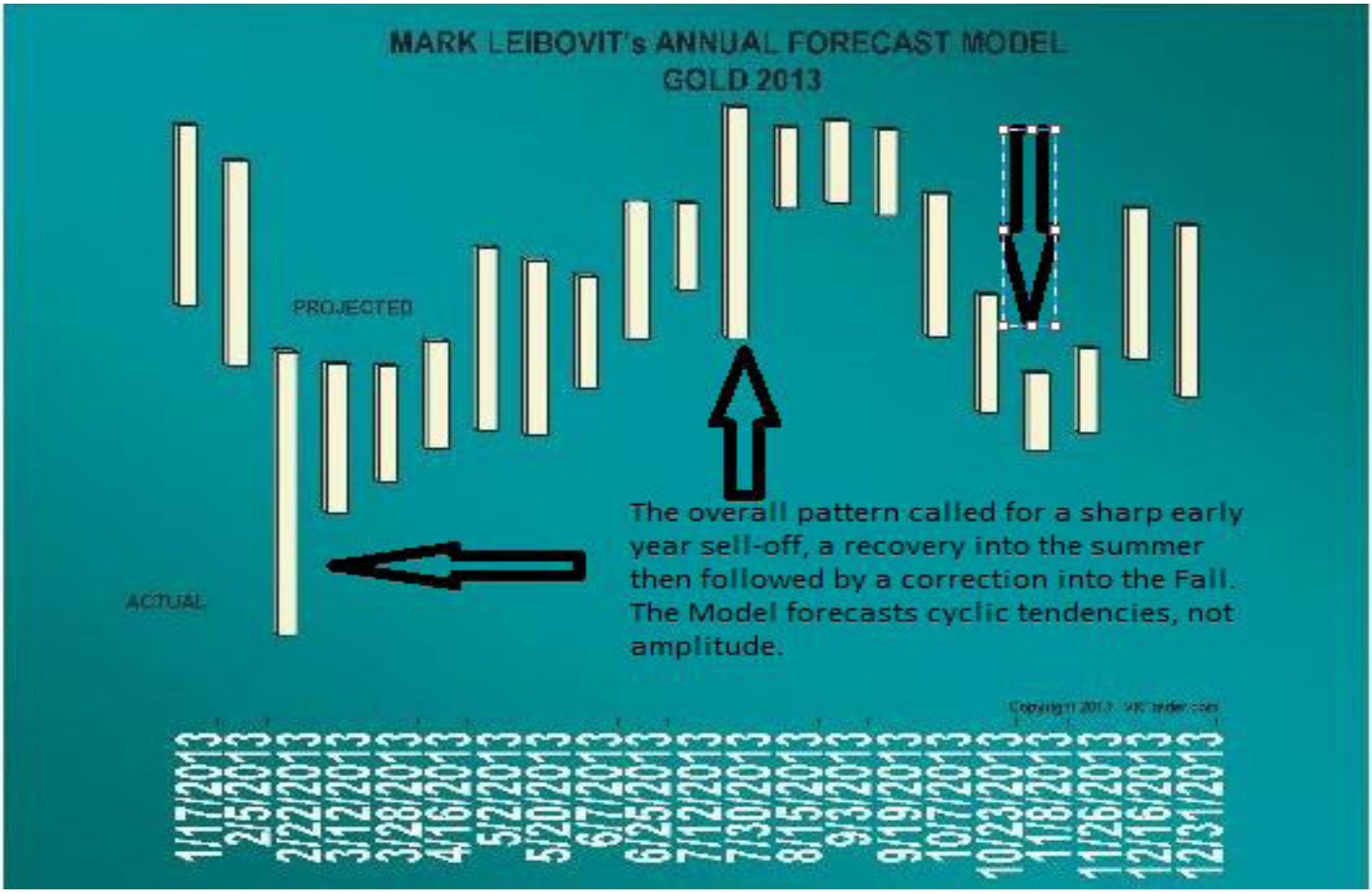
Gold futures settled higher on Thursday to recoup much of their losses from the previous session, as news of fresh stimulus from the European Central Bank in the form of rate cuts helped lift prices for the precious metal. Trading as low as 1334.90 in the spot market on April 15, we have seen what may be little more than a 'dead-cat' bounce back to 1484.10 on April 26. The old low at the 1520 level is very important because it represents resistance. If we do trade and stay above 1520 for a period of time, we would be building a stronger case that the worst is behind us.

The important thing to realize that if gold and silver were to see another leg down, we would fully expect buying physical metals to get more difficult and expensive, not better. At this point, there is no evidence that supply is easing up. Even – or perhaps especially – at lower spot "paper gold" prices, it could become very difficult to get your hands on bullion. And you'll pay even higher premiums on items with the tightest supply. We don't care to predict how long delivery times could get. For example, I have read that a $500 premium was paid for a gold coin in Tokyo. Yes, the 'powers that be' (and we know who they are) may come back to the party and attempt any paper 'Smackdown', but will you be able to buy at those prices? The answer is that you may not be able to buy at all. If gold futures are trading at 1000, but it costs you $1500 to buy a coin, see my point? Don't be fooled by what happened in the futures market. If you wish you'd bought tech stocks in 1990 or real estate in 2000, we are now in that period. When do I expect gold to bottom? If we follow the 2008 pattern (see the GLD 'Adaptive Channels' chart on page 3), we looking well into the summer, probably in July. Could we already have bottomed? Yes, that's also possible, now that sentiment and the financial community are so blatantly negative. But, my leanings are that we need more time and even lower lows!

Long-term investors can begin accumulating more physical gold here with the understanding downside risk could be toward or under 1100 if we equal the 1975 45% correction seen at that time. Another theoretical downside target would be 1000 points off the top or 922. Keep these in mind as you accumulate gold. But, the emphasis has to be on the PHYSICAL GOLD. Yes, there will be money to be made in the gold-miners, but except for the fact they appear to be terrific buys at the current fire sale prices, there is not clear confirmation that a major low has formed. Yet!

The April 'Smackdown' was, in my view (and others) 'intentional' price destruction to discourage buyers as the risk of a default at the COMEX and even perhaps for GLD as well. I suppose too many investors or perhaps Sovereigns like Germany were demanding physical delivery and with the inability to deliver, the 'powers that be' had to drive 'paper' prices lower to discourage those wishing to take delivery – in the hope they could also replenish their dwindling stockpile of needed physical. There were plenty of rumors that the COMEX was on the verge of default. In other words, they were at the point they could not deliver the metal to those who exercixed their right to receive it. The guys are pretty smart. They know investors like to buy as prices are moving higher and invesors tend to panic and sell into downdrafts. An old manipulation practice is simply to knock the market lower ready to buy under the market back your position plus as others panic.. You see, folks, this where the futures market (a phony paper market) makes it easy for the 'big boys' play. Simply hit the bids and trigger stops and off the cliff she goes! I suppose the intent of the skullduggery was to induce selling in the physical market, but in my opinion except for some emotional damage inflicted, the scheme backfired. The sleeping dragon arose and huge worldwide demand strengthened the growing physical market - a market which will ultimately be the death knell for the COMEX/CME. In the meantime, I am reading that good old Ben Bernanke stands ready to bail out the COMEX should default occur, but in the form of newly requisite 'cash settlement' - not the gold itself!

Below, is my cyclical forecast for gold for 2013, the Annual Forecast Model. The intent of the Model is provide potential 'change of direction' points and, hopefully, a sense of general direction in the process. The Model called for an early 2013 sell-off - forecasted for February. Instead, the sell-off unfolded in April. Regardless, the pattern then called for a



recovery phase into summer which was then followed by a renewed sell-off into the Fall. None of the forecast had anything to do with specific price - just direction. The decline could have been minimal (which it wasn't) and the rally could be minimal, even though it appears to be significant in the forecast. The AFM is one the tools in my arsenal, a quiver holding my arrows so to speak.

Since the GLD (SPDR Gold Trust) 'Adaptive Channels' chart incorporating a 150 day moving average was THE DEFINITIVE FORECASTING TOOL for the recent decline, I will keep updating it here in my newsletter as the weeks and months unfold. The comparison back to the 2008 bottom, though not statistically relevant, still bears merit. Markets don't top out on a dime and more than often don't bottom that way either. As I've stated herein, it usually takes both time and price. Now that we've touched the lower channel, a bounce back up to the 'blue' 150 moving average which is currently in the 1500s may be the next trajectory. Afterwards, I wold expect prices to fall, back to test or possibly modestly break the lower channel in an ongoing 'base-building' formation. Again, this take time. This chart has been a powerful demonstration of the importance of technical analysis. Nervousness (and perhaps some greed) concerning deteriorating 'real world' events coupled with supposed 'common sense' regarding the importance of holding and investing in gold incorrectly misguided us as compared to what the chart was telling us. We were told that central bankers in the world were accumulating gold (which may or may not be true) as one of the many reasons to be buying gold. You may recall in the not too distant past (ten years ago) we were informed that central bankers were dumping their gold - a reason that perhaps we should be doing the same. As it turned out, true or untrue, these news storied turned out to be contrary indicators. Back to the chart, I would ideally like to see the formation of an inverse 'head and shoulders' pattern like the one formed back in 2008 and early 2009 show below. I refer you the following link from Wikipedia defining both a regular and inverse 'head and shoulders' pattern for the uninitiated: http://en.wikipedia.org/wiki/Head_and_shoulders_%28chart_patter%29

SPDR GOLD TRUST - GLD

Gold News Raw

From Casey Research:

Here's a summary of what 'wholesalers' told us occurred during the week of April 15-19 (the 15th was gold's 9.3% selloff)…

Bullion Banks. As a group, there were roughly four times as many buy orders as normal. Generally speaking, the buy/sell ratio was nine to one. Inflows (buying vs. selling) were net positive across the board.

Bullion Traders: There were twice as many trades placed as usual – and the buy/sell ratio was a whopping 95:1. One anonymous dealer told us it had 995 buy orders that week and just five sell orders. Reports like this were consistent among the group. What's interesting is that all traders reported higher volume. That the increased buying occurred on large volume instead of small volume means the buying was not a fluke. It also confirms the bull market isn't over.

Precious Metals Refiners: These entities deal in large trades only. None would reveal the quantity of their orders, but two stated they had no sell orders. A third told us they had one sell order out of 100 transactions.

What we learned from these big players is that no one was a net seller. There was across-the-board purchasing, and on significantly increased volumes. We heard more than once that "We've never seen anything like this." And that includes the 2008-2009 period.

Editor's comment: Is this 'good news' in a downtrend? I ask because if it is, it's bearish for gold.

ABN Amro, the Dutch state-owned banking giant, recently revised its global macro and gold outlook, forecasting a $1,300 gold price by the end of this year. Moreover, the bank forecasts $1,000 gold by December 2014, and $800 gold in 2015. Why? "The authorities -- especially in Europe -- have acted to reduce systemic risks and inflation is going down rather than up. Other assets will become increasingly more attractive as the growth outlook improves."

From www.gata.org:

Mexican financial journalist Guillermo Barba reports that demand for his country's silver Libertad coins has exploded, according to information provided to him by the Bank of Mexico. For April through the 23rd of the month, Barba writes, the central bank had sold 174,055 Libertad coins, more than were sold in the first three months of this year altogether -- 169,928 coins total in those three months, 46,693 in January, 80,929 in February, and 42,306 in March. Last year, Barba adds, demand for the silver Libertad was down by 60 percent.

From www.gata.org:

Gold mining entrepreneur and gold advocate Jim Sinclair tonight tells King World News that the expropriation of bank depositors in Cyprus will prove as significant as the collapse of Lehman Brothers in 2008. "Get out of the system now or you will pay the penalty," Sinclair says. " Depositors everywhere will have their money stolen at some point."

People have to understand that going forward large deposits by 'non-insiders' are no longer going to be permitted. The goal of this pre-arranged wealth destruction is to equalize the 'new rich' and the 'upper middle-class.' Those not on the inside, with the right families and the right companies, are not going to be tolerated in the 'New Paradigm' of currency and metal that we are now moving into.

So the only means of being able to protect yourself will be to understand the answer to the question, 'What is the final end game for the most powerful families that are in fact running countries and markets?'....

"Take into consideration that the recent and violent drop in the gold price, especially if followed by an equally violent recovery, was primarily for the transfer of physical gold from financial and other entities to the families that are running the Western governments and financial world.

Gold News Raw (continued)

From www.allprogold.com:

The media and Wall Street brokerage firms have been anti-gold while the price of gold has risen almost 500% since 2001. I'm not sure there has ever been a financial asset that has gone up for twelve straight years with such little publicity. Many analysts believe the explosive growth stage for gold is yet to come. While most investors here in the states are still shunning gold after its recent slide to under $1,500 per ounce, savers and investors in Japan, China, India and Australia are buying record amounts of physical gold. Foreigners are distrustful of unbacked fiat currencies and are well aware of currency devaluation. So I assume the average saver and investor in the US is confident that Congress and the Obama administration will be able to get the economy back to full employment, balance the annual budget and pay down the national debt and unfunded liabilities. I believe, as do many analysts, this is impossible under the current political environment and that the media and politicians are playing down this debt crisis.

I understand that most Americans will continue to shun gold in the $1,500- $1,700 price range. People are generally motivated by fear and greed instead of economic logic when it comes to purchasing gold. I am asking individuals to do their due diligence and get educated on this subject today and be pro-active. Many respected analysts believe the price rise in gold will be explosive due to physical shortages of the metal and inflation. Gold's rise will be inversely proportional to the fall in the value of the US dollar making it difficult to predict a future price. Future economic trends are developing due to past and present economic policies. The current Keynesian policy of adding debt and credit with a fiat currency has failed, yet Americans have not felt all the consequences in 2013. The black clouds have formed over Europe and will quickly cross the Atlantic. All the politicians money printing and bailouts will cause severe economic shock to savers and investors all over the world.

The best financial protection for the saver and investor is to acquire physical gold and silver today. One can purchase gold and silver at undervalued prices in today's market or wait and try to acquire the physical coins and bars in a panic phase after gold reaches $3,000/oz or more according to respected analysts. Either way, we will be pleased to accommodate your needs.

Mark McHugh
Across the Street:

Jamie Dimon Has Issues (or Meet The Idiot Selling Gold). Somebody should explain to the blathering numbskulls at CNBS that when just one firm accounts for 99.3% of the physical gold sales at the COMEX in the last three months it's not what most of us on this side of the rainbow would consider "broad-based" selling. Of course discovering this kind of relevant information requires an internet connection, 2nd grade math and reading skills, and the desire to do a teeny-weeny bit of reporting. Sadly they've wandered so far down the rabbit hole that the concept of "physical demand" (i.e. people actually wanting to take possession of the stuff) is puzzling to them because the vast majority of the world's so-called "gold-trading" takes place in the realm of make believe (which is their natural habitat). It's all fun and games until somebody loses their metal and "somebody" has lost one hell of a lot of metal in the last 90 days.

J P Morgan has fumbled ownership of 1,966,000 Troy ounces of gold since February 1. That's 74% more gold than the US mint delivered through the US mint's American Eagle program in all of 2012. I mention this because there's little doubt in my mind that the US government is one of JPM's gold "customers." So (if I am correct) the same US government who just let the Morgue dump its gold on the COMEX floor will once again be suspending gold sales to peasants.

100 years ago John Pierpont Morgan famously testified to Congress, "Money is gold, and nothing else." (Note: That is the exact quote, the full testimony can be found here). One has to wonder what the big guy would think of his legacy's disregard for sound money, $70 Trillion derivatives book, and "House of Cards" "Fortress" balance sheet.

Gold News Raw (continued)

JPMorgan's Eligible Gold Plummets 65% In 24 Hours To All Time Low.

Tyler Durden's www.zerohedge.com:

We are confident that in the aftermath of our article from last night "Just What Is Going On With The Gold In JPMorgan's Vault?" in which we showed the absolute devastation of "eligible" (aka commercial) gold warehoused in JPM's vault just over the Manhattan bedrock at 1 Chase Manhattan Place (and also in the entire Comex vault network in the past month), we were not the only ones checking every five minutes for the Comex gold depository update for April 25. Moments ago we finally got it, and it's a doozy. Because in just the past 24 hours, from April 24 to April 25, according to the Comex, JPM's eligible gold plunged from 402.4K ounces to just 141.6K ounces, a drop of 65% in 24 hours,and the lowest amount of eligible gold held at the vault on record, since its reopening in October 2010! The absolute collapse in JPM's eligible gold inventory, means total Comex eligible gold has fallen to just 5.8 million ounces, half of what it was in early 2011, and back to levels last seen in March 2009.

What happened to the commercial gold vaulted with JPM, and what was the reason for the historic drawdown? Gold, unlike fiat, is not created out of thin air, nor can it be shred or deleted. Where did the gold leaving the JPM warehouse end up (especially since registered JPM and total Comex gold has been relatively flat over the same period)?Did any of this gold make its way across the street, and end up at the vault of the building located at 33 Liberty street? What happens if and/or when the JPM vault is empty of commercial gold, and JPM receives a delivery notice?

GoldMoney research director Alasdair Macleod concludes that the recent gold price smash was likely engineered by Western central banks and that it may cost them not only control of the gold market but control of all markets. Macleod writes: "We can only speculate about day-to-day interventions by Western central banks in gold markets. In this regard it seems that the slide in prices on the 12th and 15th April was triggered by a very large seller of paper gold; if this market story and the amount mentioned are correct, it can be only central bank intervention, acting to deliberately drive prices lower. "Given the market position, with money managers in the futures markets already short and highly vulnerable to a bear squeeze, the story seems credible. The objective would be to persuade holders of physical exchange-traded funds and allocated gold accounts to sell and supply the market, on the assumption that they would behave as investors convinced the bull market is over."

Bron Suchecki of the Perth Mint writes tonight that the key measure of stress in the paper gold market is the coverage ratio, the percentage of open interest that is backed by real metal on deposit; that the current coverage ratio on the New York Commodities Exchange, 19 percent, is within the normal range; and that "while most of the shorts don't have the metal, most of the longs don't have the cash."

Suchecki adds: "We know this because of all the talk about margin calls causing people to have to sell. Think about that: If they couldn't meet the margin calls, then it means they didn't have the money to stand for delivery."

New York Times:

Iceland Ousts Government That Steered It Out of Crisis

Voters in Iceland have ousted the center-left government that restored the country to solvency after the 2008 financial crisis, paving the way for the return to power of the center-right parties that many people blamed for causing the crisis.

Election officials announced Sunday afternoon that with all the votes counted from Saturday's election, the two largest center-right parties — the Independence Party and the Progressive Party — had won at least 38 of the 63 seats in Parliament, enough to form a coalition government with a comfortable majority. Together, they won just over half the votes cast.

The two parties capitalized on unhappiness with crippling

Gold News Raw (continued)

levels of personal debt that have left many homeowners owing more on their mortgages than they originally borrowed. The parties promised to forgive or renegotiate such loans and to put an end to four years of austerity by lowering taxes, ending capital controls and stimulating foreign investment.

Irishtimes.com:

Rating agency Moody's believes Italy may still eventually need to seek a bailout despite forming a new government and avoiding immediate crisis. "We cannot yet rule out Italy will end up asking for help to the European Central Bank and the European Stability Mechanism," Dietmar Hornung, senior credit officer at Moody's, was cited as saying in Monday's told La Repubblica. Prime minister Enrico Letta's new Italian government was sworn in on Sunday and the premier will seek the backing of parliament in a confidence vote at 3pm today. Mr Hornung said Moody's will monitor the ability of the newly formed government to overhaul the economy.

From coinupdate.com:

Bill Seeks Steel Cents, Nickels, Dimes, and Quarters for U.S. Coinage.

On April 25, 2013, Rep. Steve Stivers of Ohio introduced a bill in the House of Representatives which seeks to immediately alter the metallic composition of the one-cent, five cent, ten-cent, and twenty-five cent coins. The legislation would require all four coins to be minted in American steel, with the cent coated in copper to preserve the current appearance.

The cent currently has a composition of 97.5% zinc and 2.5% copper and cost the United States Mint 2.0 cents to produce and distribute during the most recent fiscal year. The smallest denomination accounted for 64.2% of all circulating coin shipments in FY2012, with more than 5.8 billion units shipped to Federal Reserve Banks. The five-cent coin or "nickel" currently has a composition of 75% copper and 25% nickel and cost the U.S. Mint 10.09 cents to produce and distribute in the latest fiscal year.

Although the text of the bill is not yet available, a press release from Rep. Stivers notes that the majority of the copper, nickel, and zinc used to produce the cent, nickel, dime, and quarter is imported from Canada. The bill would specifically require the coins be made of American steel going forward. The appearance of the coins would not change, just the materials used to make them.

Jim Rickards: All That Glitters...

James Rickards is a 35-year veteran of Wall Street and the capital markets. An avowed proponent of holding gold and a critic of the Federal Reserve, he's the author of Currency Wars: The Making of the Next Global Crisis and a senior managing director of Tangent Capital in New York City. WealthManagement.com recently spoke to Rickards to get his take on the recent volatility in the price of gold.

He says: "gold has a place in every investor's portfolio. The price measured in dollars is volatile because the dollar itself is volatile in a world without a firm monetary anchor. I recommend an allocation to gold of 10% of investible assets for the conservative investor and 20% for the aggressive investor. The gold should be owned in physical form such as coins or bars. It should be stored outside the banking system. Investors should not use leverage to purchase gold because the price is volatile enough in dollar terms. Investors should avoid ETF's such as GLD and Comex futures and stick to physical gold."

Portfolio Update

Our overall strategy is holding the balance of the Core and Aggressive portfolios as long-term positions in a market we know has significant upside potential in the years to come. That said, we occasionally add a 'trade' or a hedge to the downside. I have written herein for many, many months that the reality short to near term is that gold and silver are going to be pushed lower by the 'powers that be'.

The Core and Aggressive Portfolio are long-term investments. Especially with regard to the ETFs that represent the physical metals, my view is that holding positions is mandatory and a question of financial survival in coming years. Many of you know that I've been bullish on gold and silver for nearly ten years. Like in 2008 when we experienced a 34% correction. That would equate to gold a1268, but instead (at least, so far) we just experienced a 30.48% correction that took gold down to 1338. As always, my recommendation is to hold physical metals first. As time moves forward, I suspect the availability of physical gold and silver will become more and more difficult. The reality short to near term is that gold and silver are going to be pushed lower by the 'powers that be'.

Core Portfolio

Position	Ticker	Entry Date	Entry Price	Current Price	Return Points	Return Percent	Recommendation	Target	Stop Loss
Central Fund of Canada	CEF	3/28/2008	$13.60	$16.85	$5.58	23.90%	Hold	33-35	NONE
Tocqueville Gold Fund	TGLDX	8/18/2011	$84.41	42 17/20	-$41.56	-49.24%	Hold	120.00	NONE
ETFS Gold Trust	SGOL	8/25/2011	$172.34	144 20/29	-$27.65	-16.04%	Hold	300.00	NONE
ETFS Silver Trust	SIVR	8/25/2011	$39.77	$23.55	-$16.22	-40.78%	Hold	100.00	NONE
ETFS Physical Palladium	PALL	8/18/2011	$75.67	$67.98	-$7.69	-10.16%	Hold	1,100.00	NONE
ETFS Physical Platinum	PPLT	8/18/2011	$182.11	$147.03	-$35.08	-19.26%	Hold	2,444.00	NONE
Market Vectors Gold Miners	GDX	8/18/2011	$61.04	$29.63	-$31.41	-51.46%	Hold	75.00	NONE
Market Vectors Junior Gold	GDXJ	8/18/2011	$35.59	$12.39	-$23.20	-65.19%	Hold	55.00	NONE
Central Gold Trust	GTU	8/25/2011	$66.65	$53.56	-$13.09	-19.64%	Hold	2200-2300	NONE
iPath DJ AIG Copper	JJC	9/19/2011	$49.40	$38.42	-$10.98	-22.23%	Hold	61.70	NONE
Newmont Mining	NEM	9/19/2011	$66.50	$32.66	-$33.84	-50.89%	Hold	80+	NONE
Power Shares DB Gold	DGL	10/17/2011	$58.92	$49.87	-$9.05	-15.36%	Hold	3000 Gold	NONE
Freeport McMoRan C&G	FCX	11/1/2011	$37.50	$30.34	-$7.16	-19.09%	Hold	54.00	NONE
Randgold Resources ADR	GOLD	4/16/2012	$88.20	$79.24	-$8.96	-10.16%	Hold	100-102	NONE
Smith & Wesson Holding	SWHC	4/23/2012	$7.97	$8.69	$0.72	9.03%	Hold	12.00	NONE
Sturm, Ruger & Co	RGR	4/23/2012	$53.01	$50.18	-$2.83	-5.34%	Hold	65-75	NONE
Royal Canadian Mint	MNT.TO	4/23/2012	$18.50	$15.88	-$2.62	-14.16%	Hold	3000 Gold	NONE
Agnico Eagle Mines	AEM	4/30/2012	$38.60	$32.05	-$6.55	-16.97%	Hold	46.54	NONE
Randgold Resources Ltd	GOLD	4/30/2012	$89.37	$79.24	-$10.13	-11.33%	Hold	100.00	NONE
United States Natural Gas	UNG	6/29/2012	$18.68	$21.91	$3.23	17.29%	Hold	24.00	NONE
Cameco Corp	CCJ	6/29/2012	$22.25	$19.34	-$2.91	-13.08%	Hold	18.00	NONE
Ultra Petroleum	UPL	6/29/2012	$23.25	$21.24	-$2.01	-8.65%	Hold	26.00	NONE
Gabelli Global Gold	GGN	9/14/2012	$14.63	$11.40	-$3.23	-22.08%	Hold	21.00	12.70
Franco-Nevada Corp	FNV	9/28/2012	54 - 54.25	$42.96	$0.00	0.00%	Buy	66.00	43.00

Aggressive Portfolio

1.66	Ticker	Entry Date	Entry Price	Current Price	Return Points	Return Percent	Recommendation	Target	Stop Loss
North American Palladium	PAL	8/18/2011	$1.43	$1.35	-$0.08	-5.59%	Hold	10.00	NONE
Hecla Mining	HL	8/18/2011	$4.09	$3.28	-$0.81	-19.80%	Hold	13.00	NONE
Denison Mines	DNN	8/18/2011	$1.23	$1.16	-$0.07	-5.69%	Hold	6.00	NONE
Northern Dynasty Minerals	NAK	8/18/2011	$2.79	$2.50	-$0.29	-10.39%	Hold	20.00	NONE
Tirex Resources	TIRXF	8/18/2011	$0.59	$0.36	-$0.23	-39.49%	Hold	4.00	NONE
First Majestic Silver	AG	8/18/2011	$16.19	$12.05	-$4.14	-25.57%	Hold	25.00	NONE
Endeavour Siver	EXK	8/18/2011	$5.63	$5.01	-$0.62	-11.01%	Hold	15.00	NONE
North American Palladium	PAL	10/24/2011	$1.43	$1.35	-$0.08	-5.59%	Hold	4.00	NONE
Stillwater Mining	SWC	10/24/2011	$12.59	$12.05	-$0.54	-4.29%	Hold	15-16	NONE
Taseko Mines Ltd.	TGB	10/31/2011	$2.78	$2.29	-$0.49	-17.63%	Hold	5.00	NONE
Rare Element Resources Ltd.	REE	1/9/2012	$2.40	$1.84	-$0.56	-23.33%	Hold	5.00	NONE
Sprott Physical Silver Tr	PSLV	1/23/2012	$11.55	$9.39	-$2.16	-18.70%	Hold	23.00	NONE
USEC Inc.	USU	6/29/2012	$0.49	$0.34	-$0.15	-30.61%	Hold	1.65	NONE
Primero Mining Co	PPP	9/28/2012	$5.41	$5.83	$0.42	31.49%	Hold	7.50-8	NONE

Closed Positions

AGGRESSIVE PORTFOLIO CLOSED POSITIONS

Position	Ticker	Entry Date	Entry Price	Sell Price	Exit Date	Return Points	Return Percent
North American Palladium	PAL	9/25/2009	$2.68	$3.63	08/04/11	$0.95	35.45%
Hecla Mining	HL	4/24/2009	$2.23	$7.42	08/04/11	$5.19	232.74%
Denison Mines	DNN	4/24/2009	$1.48	$1.72	08/04/11	$0.24	16.22%
Taseko Mines	TGB	6/19/2009	$1.77	$3.96	08/04/11	$2.19	123.73%
Northern Dynasty Minerals	NAK	6/19/2009	$7.56	$9.28	08/04/11	$1.72	22.75%
Tirex Resources	TIRXF	5/11/2011	$0.80	$0.89	08/04/11	$0.09	11.25%
First Majestic Silver	AG	5/14/2010	$4.50	$21.24	08/04/11	$16.74	372.00%
Endeavour Siver	EXK	2/20/2009	$1.59	$9.12	08/04/11	$7.53	473.58%
Silver Qwest Resources	SQIFF	5/14/2010	$0.49	$1.00	08/04/11	$0.51	104.08%
Cameco Corporation	CCJ	4/14/2011	$27.80	$24.24	08/04/11	-$3.56	-12.81%
Rare Element Resources	REE	5/30/2011	$11.49	$9.45	08/04/11	-$2.04	-17.75%
PowerShrs Gold Double Short	DZZ	9/22/2011	$4.70	$5.31	09/26/11	$0.61	12.98%
ProShrs Ultra Short Silver	ZSL	9/22/2011	$14.07	$21.92	09/26/11	$7.85	55.79%
PowerShrs Gold Double Short	DZZ	10/17/2011	$4.87	$5.10	10/24/11	$0.23	4.72%
ProShrs Ultra Short Silver	ZSL	10/17/2011	$16.30	$14.12	10/24/11	-$2.18	-13.37%
PowerShrs Gold Double Short	DZZ	11/16/2011	$4.37	$4.78	11/23/11	$0.41	9.38%
ProShrs Ultra Short Silver	ZSL	11/16/2011	$11.51	$13.10	11/23/11	$1.59	13.81%
PowerShrs Gold Double Short	DZZ	11/28/2011	$4.65	$4.45	12/02/11	-$0.20	-4.30%
ProShrs Ultra Short Silver	ZSL	11/28/2011	$12.78	$11.76	12/02/11	-$1.02	-7.98%
Imperial Metals Corp	III.TO	2/27/2012	$16.23	$12.00	05/15/12	-$4.23	-26.06%
Intl Tower Hill Mines	THM	2/27/2012	$5.33	$3.50	05/09/12	-$1.83	-34.33%
PowerShrs Gold Short ETN	DGZ	12/12/2011	$12.39	$12.40	03/15/13	$0.01	0.08%

CORE PORTFOLIO CLOSED POSITIONS

Position	Ticker	Entry Date	Entry Price	Sell Price	Exit Date	Return Points	Return Percent
Tocqueville Gold Fund	TGLDX	3/28/2008	$50.72	$88.58	08/04/11	$37.86	74.65%
ETFS Physical Palladium	PALL	1/8/2010	$43.69	$73.86	08/04/11	$30.17	69.05%
ETFS Physical Platium	PPLT	1/8/2010	$158.07	$170.50	08/04/11	$12.43	7.86%
Barclays Copper Total Ret.	JJC	1/8/2010	$46.94	$55.19	08/04/11	$8.25	17.58%
Market Vectors Gold Miners	GDX	1/8/2010	$47.44	$55.90	08/04/11	$8.46	17.83%
Market Vectors Junior Gold	GDXJ	1/8/2010	$28.21	$34.56	08/04/11	$6.35	22.51%
Ishare Silver Trust	SLV	3/7/2008	$20.04	$42.11	08/22/11	$22.07	110.13%
SPDR Gold Trust	GLD	3/7/2008	$96.09	$181.95	08/22/11	$85.86	89.35%
ETFS Gold Trust	SGOL	9/11/2009	$101.15	$186.71	08/23/11	$85.56	84.59%
ETFS Silver Trust	SIVR	9/11/2009	$16.99	$42.99	08/23/11	$26.00	153.03%

CEF - CENTRAL FUND OF CANADA

CEF – Central Fund of Canada – 16.71 YTD: -20.5% 200 day ma 21.06 50 day ma 18.68

For the gold and silver sector, investors and traders threw out the baby with the bath water on this cycle down. At some point, those that pick up shares of this sector are going to be rewarded, especially those with a long term investment horizon on par with Warren Buffet. The cyclical bull market in commodities, based upon historical patterns should last into the 2017-2020 time frame. Given that, 2000 and 3000 dollar gold bullion is within the range of expected prices. What brings about higher prices will be known in the fullness of time, whether it is a war, inflation, or maybe the U.S. moving back to the gold standard! The Central Fund of Canada, symbol CEF sold off hard in April but has started to recover. As can occur at some bottoms, the volume flows switch from positive to negative as the bulls and bears are fighting to take control. The high volume sell off in April could be climactic volume where the low of that acts as solid support. The deciding factor for whether the final lows are in place is how CEF acts on any retest of those lows. The last time CEF was at these prices was the summer of 2010. Gold bullion was around 1200 per ounce. Backing and filling might be in order after this type of sell off. Next long term support is at 14.50. Resistance is at 18.68 and 20. When the stochastics approach oversold territory on any retest of the lows, this could be the opportunity to add to your positions given confirmation with positive volume flows. Stay tuned.

AG - FIRST MAJESTIC SILVER

AG – First Majestic Silver Corp – 12.03 YTD: -40.4% 200 day ma 18.91 50 day ma 14.92

The talk everywhere is whether the decline in prices for gold and silver bullion along with the miners is over or if there are even lower prices ahead. Talk of 1200, 1100 and even 1000 is on the street for gold and 19.00 and 14.00 for silver. Positive volume flows have begun to show up in the sector and AG is one of those stocks. We have the classic hallmark of a bottom in the chart of AG. In April, volume was at climactic levels near the bottom. Volume then slowed indicating a lack of sellers and then volume flows turned positive. Since then, AG is consolidating in a more bullish pattern as the sthochastic indicator at the bottom half of the chart have backed off of overbought levels into neutral territory. Also positive during this consolidation is the fact that volume remains light. Any turn higher on heavier volume would be a further confirmation of higher prices.

It is not that often that you can buy shares in a company with hard assets at prices that have declined more than 50 percent. Normally a 50 percent total retracement of price is very solid support and that is where AG is now. Resistance is at 13.19, 14.92 and 18.91. Support is at 10.91. We will know in the fullness of time whether the final bottom is behind us or comes later in the year. In the meantime, I'll take the clues from the volume flows.

UPL - ULTRA PETROLEUM

UPL – Ultra Petroleum – 21.55 YTD: +18.9% 200 day ma 20.52 50 day ma 19.56

Ultra Petroleum, symbol UPL is in the oil and natural gas industry, but is classified in the natural gas industry. The stock has followed the fortunes of the natural gas commodity prices also. The fortunes of the natural gas industry are looking richer as commercial vehicles are being converted to engines powered by natural gas. Also on the table is the fact that the US might start exporting more natural gas to other countries.

The high volume sell off in February marked the bottom for UPL. The stock has been consolidating above the green 200 day moving average. Given the volume is relatively low during the consolidation, this is a sign that there is more upside potential in the stock as long as volume flows remain positive. Getting above the recent highs of the last couple of months would be an indication that UPL will make an attempt to challenge resistance levels. Resistance is at 24.26 and 26.85. Support is at 20.52 and 19.56, which is a good risk to reward. Any pullbacks are opportunities for additional accumulation. Short term, the stock might be slightly overextended based upon the stochastic indicator seen at the bottom half of the chart.

RESOURCE AND COMMODITIES WATCHLIST

CORN - TEUCRIUM CORN

CORN – Teucrium Corn – 41.10 YTD: -7.2% 200 day ma 46.05 50 day ma 41.60

Last year CORN continued to decline until it cleared the blue 50 day moving average on higher volume. Once that occurred, CORN continued higher into a cyclical summer peak. CORN appears to be doing the same thing in 2013. Volume flows turned positive in April and has moved higher. On Monday, CORN gapped up on very high volume.

There is resistance at 41.60, 44.20 and 46.05. Support is at 39.64 and 38.91. When the volume flows turned positive this past week, it was a unified effort on all agriculture related stocks, such as POT, MON, and DBA. Short term, the stochastics are overbought, but with the turn being the entire group, CORN should be accumulated for higher prices into the summer cyclical high again. The volume is already coming into the fund and once it clears the 50 day moving average, CORN should move solidly higher into the summer. Stay tuned.

FXC - Currency Shares Canadian Dollar

FXC – Currency Shares Canadian Dollar – 98.61 YTD: -1.5% 200 day ma 99.49 50 day ma 97.36

FXC has been stronger than the US Dollar and should remain so in the future based upon the economic foundation of Canada (which is natural resource based) and the strength of the Canadian financial system. The lows for the Canadian Dollar in 2013 held near the lows of June 2012. At the bottom in April, the low came during a day with negative volume flows but there was no follow through and the bulls took charge with volume flows turning positive a few days later. The stochastic indicator at the bottom half of the chart are overbought short term as it approaches the green 200 day moving average, which might setup a pullback or consolidation in FXC.

Resistance is at 99.49 and 99.88. Support is at 97.36. FXC on occasion follows the direction in commodity prices as a result of Canada being rich in oil and gold. Any decline in crude oil or gold prices would be an opportunity to accumulate FXC for higher prices ahead. Of all the major currencies, the Canadian Dollar has been the strongest. Longer term, it is only a matter of time before FXC goes above the 200 day moving average. If you can manage to acquire the physical currency versus this ETF, you would be in an even safer position, using the Canadian Dollar as a hedge against the U.S. Dollar.

Mark Leibovit is Chief Market Strategist and Publisher for the Leibovit VR Gold Letter and the author of 'The Trader's Book of Volume' which was published in 2011 by McGraw-Hill. You may have recognized Mark as one of the ten "Elves" on Louis Rukeyser's Wall Street Week television program where he served as a weekly consultant for 7 years and also as a regular Market Monitor guest for the past 30 years on PBS' The Nightly Business Report. He is a popular speaker at investment conferences both in the U.S. and Canada and is often seen on PBS, BNN and FOX Business News. TIMER DIGEST Magazine has named him the #1 Gold Timer for the twelve-month period from 8/26/10 to 8/26/11 and the #2 for 2011 He was also named the #1 Intermediate Market Timer for the 10-year period ending in 2007. Mr. Leibovit was a member of the Chicago Board Options Exchange where he became a market maker in several stocks including Newmont Mining. Through the late 1980s he was Technical Research Director for Rodman & Renshaw and subsequently began publishing several financial newsletters. He holds a CIMA and AIF designation and is a member of the Market Technicians Association (MTA) and the CFA Institute.

A Guide to Our Metal Commentary

Our charts are based on data compiled at the market close prior to publication. If you have questions on our current stops or targets, please don't hesitate to drop us an email at mark.vrtrader@gmail.com. If overall market action necessitates a bulletin, we will send it out as necessary, but I would encourage you to subscribe to the VRtrader Platinum service which often sends out multiple bulletins each day. Please go to www.vrtrader.com for more information. Charts herein incorporate the common 50 and 200 day moving averages. If you would like access the Leibovit Volume Reversal signals daily, subscribe to my 'Add-on' Leibovit VR Tool Kit from Metastock (a stock market charting service). For your free one-month trial: http://vrplug-in.com/.

Please note that daily and weekly charts can show different technical patterns. Sometimes the formation of Positive Leibovit Volume Reversals occurs in the weekly charts and not in the daily charts. Just look for the red 'VRs' which represent sellers and the blue 'VRs' which represent buyers. The blue line in our metal charts represents the 200 day moving average and the green line represents the 50 day moving average. Keep in mind moving averages are only points of reference, but their existence becomes a self-fulfilling (almost like magnets) among traders.

THE LEIBOVIT VR GOLD LETTER

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