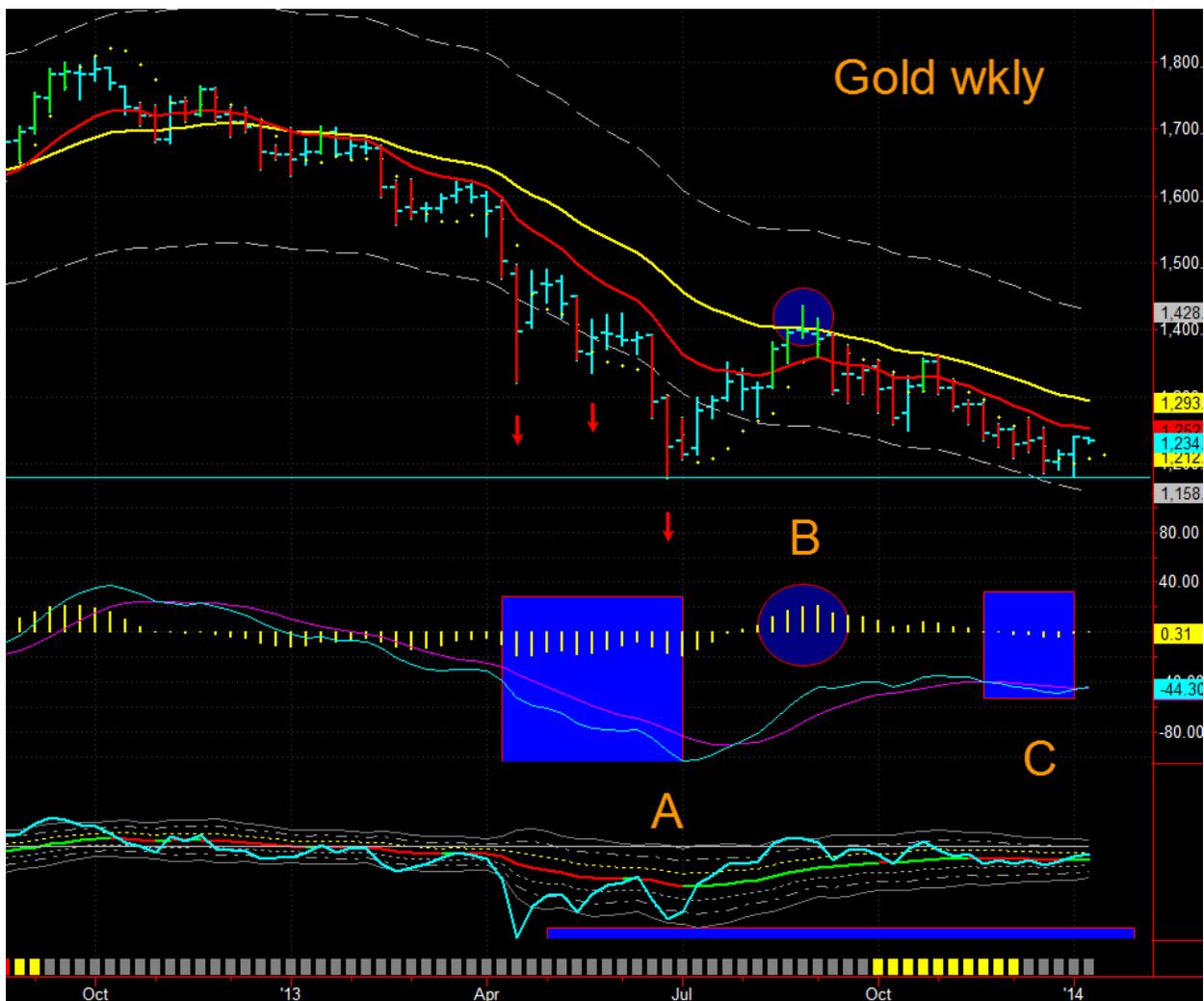


Books & Trades #211 January 6, 2014

On Gold ... Access to Divergence Scans ... Classes in New York and Holland

Dear Trader,

We send out these letters out once a month, which works for sharing general ideas. For precision timing and stock ideas take a Trial of SpikeTrade.com



Click [here](#) to enlarge this chart (only when you're online)

Gold has been in a 2-year bear market, but ever since its bottom in summer it began to develop a bullish divergence. At point A you can see the maximum power of bears. The rally at point B reached slightly above the value zone, a typical target for bear market rallies. When MACD-Histogram crossed above its

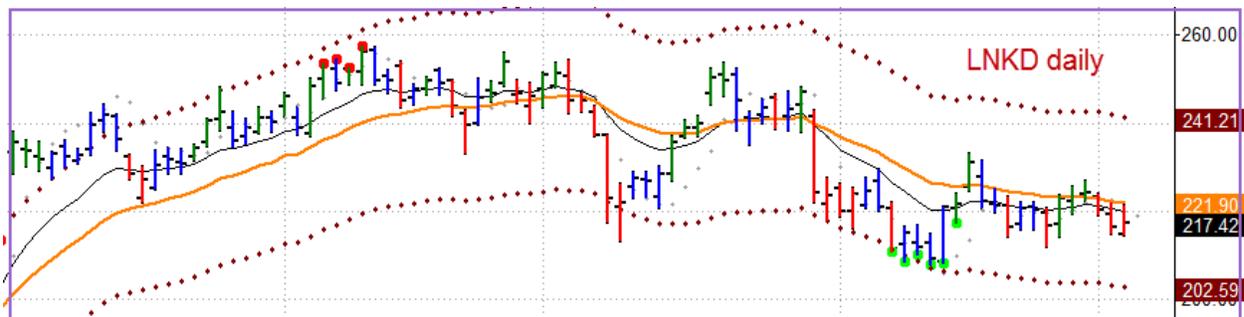
zero line, it “broke the back of the bear.” Finally, in area C, a double bottom was established. Notice very shallow bottoms of all indicators – multiple bullish divergences. This pattern is capable of launching gold into a lasting rally.



Click [here](#) to enlarge this chart (only when you're online)

Gold stocks confirm the patterns of the metal. Take a look at the chart above: there is a list of the top 24 gold stocks by market cap, the weekly chart of the largest stock and a few smaller charts of some of the biggest cap stocks. See how similar their patterns are, reflecting a substantial base gold has built. Take a Trial and see for yourself. (This chart first appeared in Spiketrade.com, where we continue to monitor the gold market).

Divergence Scanning



Click [here](#) to enlarge this chart (only when you're online)

Since true divergences rarely occur, it makes sense to scan many trading vehicles when looking for these important patterns. The trouble with all automatic scanners is that they deliver many false positives and

negatives. Dr. Elder's solution: instead of trying to create an automatic scanner, build a semi-automatic scanner. Use the power of digital processing to identify market conditions in which divergences are likely to occur – and then switch to a visual scan of those charts.

As you probably know, we recently released a revolutionary MACD-Histogram Semiautomatic Divergence Scanner as an add-on to TradeStation software. We realize that most traders do not have TradeStation, but want to see stock lists delivered by this scanner. We now give them free each week to all participants in Dr. Elder's webinars. They receive an email each Sunday, listing all component stocks of the S&P500 that show potential bullish and bearish divergences on their weekly and daily charts.

Please join our monthly webinars (see below), which now deliver even more value.

Traders' Education

Please visit [our website](#) for more information on these events

ONLINE: January 8 & 15 at 6pm ET - Webinar –“Current markets with Dr Elder.” [Enter](#) Dr. Elder's trading room from your own computer and watch him review stocks and futures. Ask him to review your picks if you wish. And now – receive weekly emails with the S&P500 scan results as an extra bonus.

NEW YORK: February 17, 2014, 1 - 5 pm. “5 Key Tools of a Pro Trader” – an intensive class at the Traders' Expo. Join Dr Elder for a sharply focused overview the essential trading tools and techniques. **Exclusive** for Elder.com clients – a **private dinner** with Dr Elder in the evening after the class (**register** for the class with The Traders' Expo, then email us for a dinner invitation).

HOLLAND: March 9, 2014, 10 - 17 –“The Essential Skills of a Pro Trader” – a day-long intensive class in Breukelen (near Amsterdam's Schiphol Airport) – psychology, tactics, risk management, focus on the US and European markets.

NEW YORK: May 9 - 12, 2014 “SpikeTrade Reunion”– no Traders' Camp is planned for 2014, but you're welcome to join this annual event.

*Best wishes for successful trading from all of us at elder.com
Dr. Alexander Elder & staff*