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Know when to hold-em!
Know when to fold-em!
Know where to set stops!
Know when to run!
Never count your portfolio
Until the sells are done..

This update gives me some great pleasure as it is the best news in the precious metals market in about 5 years. Yesterday on the Comex, Gold jumped \$40. I have been somewhat surprised because this occurred during the Chinese holidays, the New Year celebration and times like this were often used for down side interventions. The shorts on Comex had to be in panic yesterday.



It looks like Gold is breaking out as we are seeing a higher high on the Comex, but I would like to see a bit more strength before declaring Gold in a new Bull market but that might not be far off. There is considerable resistance in the \$1200 area so a pull back and consolidation would be natural here.

[The Gold ETFs have seen their biggest surge in demand in 5 years.](#) This highlights a change in investor sentiment, with a rise of more than 8 percent and the biggest five-week surge since March 2011.

There is still lots of doubters and [Goldman Sachs is still dancing to the last song](#) and claims Gold will falter because the Fed will raise rates 3 more times this year.

But there is no doubt with the Gold stocks - **they have started a new Bull Market**

On the Gold Bugs Index (HUI) chart, there has been a couple things I have been watching for. I talked earlier about a break above the down trend line. Second, I wanted to see a close above 140 to make a solid higher high above the October rally high. We have that now!



From the January low of 101 to the current high at 156, **we have a rally of 54%, the strongest rally in the HUI in 5 years.** There is considerable resistance on the HUI chart at 150, that was past support up to about 180 so I am expecting some retreat and consolidation in the near term. The RSI at 80 also points to a short term over bought condition and so does Stochastics.

Yesterday we also seen a candle stick known as a paper umbrella and they often come at tops in the market even if it is a short term top.

I am happy some of our Gold stocks have out performed. Kinross is up 75% from it's low and NewGold up 62% from it's low.

On January 6th, I suggested a number of Gold stock Call Options and these are way up so following is

what I suggest at this point. I am just holding the long term options for January 2017, but taking part profits in the near term ones as suggested below

New Gold NGD

Cdn \$4.00 April Call at \$0.22 **Current \$0.47 take part profits sell half**

Jan. 2017 US\$3.50 Call for about \$0.35 **Current \$0.65 HOLD**

Kinross K KGC

January 2017 US\$2.50 Call at US\$0.32 **Current \$0.74 HOLD**

Cdn side January 2017 \$4.00 Call at C\$0.22 **Current \$0.70 HOLD**

Goldcorp G , GG

US January \$10 Call at US\$3.00 **Current \$5.60 HOLD**

Or January 2017 \$14 Call at US\$1.80 **Current \$3.35 HOLD**

Canadian side January 2017 C\$17 Call for about \$C3.00 **Current \$5.65 HOLD**

April \$15 Call for about \$2.70. **Current \$5.85 take part profits sell half**

Zonte Metals **TSXV:ZON** **OTC:EREPF** **Recent Price \$0.08**
Entry Price \$0.15 **Opinion – buy**

ZON had coverage in [a major Columbia newspaper](#) Here is the English translation using Google translate

Mining dispute with the Ministry of Mines of Antioquia

Since last year, a group of multinational companies are in discussion with the Secretary of Mines of Antioquia for a mining rights in the region of Gramalote, which studies contains about 2.535 million ounces of gold. Canadian Zonte Metals and B2Gold and AngloGold Ashanti South Africa are angry because they were denied diplomas and consider their request was not processed in accordance with the rules of the Colombian mining code. Multinationals among its legal counsel to a former secretary of mines Antioquia and his plan is raising its application before a special court in the event that they be denied again.

By the sounds of this it looks like Zonte's actions have brought AngloGold to a standstill on this project. Perhaps because they broke Environmental laws by drilling on ground without valid claims?

This looks real good for Zonte and this public exposure can only put pressure on the Antioquia mining department. While they claim 2.5 million ounces it is a lot more because a lot of drilling has been done since the last 43-101.

<http://www.zontemetals.com>

It is looking like 2016 will be a very good year for us and I think before long ZON will be part of it

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