



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..

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If there is one thing you should learn from recent events, is we live in a world of GMM. That is a world of *government propaganda, misinformation and manipulation.*

Good [documentary here on youtube, a must view.](#) I was suspicious of this from the get go, with my early February warning, talking about this China Lab as ground zero. I have no doubt this virus was manufactured in the Wuhan government bio lab. The only question that remains. Did the virus escape by accident? Or was it used by the Chinese to cripple the US economy while making it look like an accident or a natural pandemic?, so they can be the #1 super power.

Trump called it the China Virus and was ridiculed about that, but it is probably a very accurate statement. It reminds me of one of my favourite movies, 'A Few Good Men' and the climatic scene in the movie. ['You can't handle the truth'](#)

Gold prices are all over the place and prices depend if you watch spot prices (Kitco) or future prices on Comex. The spreads have been as high as \$54, reflecting a shortage of physical supply. Every gold bug and market follower has talked about the day, **the fraction reserve gold system would crumble and here we are. The one thing for sure, is the price trend is up.**

Confidence has been lost in the Comex and the LBMA to delivery physical gold.

I am adding gold stocks back on the Selection List as the market seems to be ignoring or priced in mine shutdowns from Covid19. While that is the negative factor, rising gold prices are out weighing that. Also important is the falling energy/oil prices. Energy is a major cost at mines so they will benefit from these low energy prices. The HUI also broke out above 240, the level I highlighted last week so the bull market has resumed.

I highlighted some of the stocks as strong buy 'SB' as I see these as laggards. NewGold has struggled with the Rainy River mine, but a higher gold price can fix a lot of problems. This stock might be one of the better gold stocks to leverage a higher gold price.

I would not be jumping in with both feet, but still keep a good cash level. There will be lots of opportunity in this market. The bear rally in general equity markets is giving you a 2nd chance to get out of your mutual funds etc., and go to cash and gold. Silver prices have been lagging gold and another reason I like the **Central Fund, CEF**, because it is half silver. I have a couple more silver ideas below.

Prices Apr 14

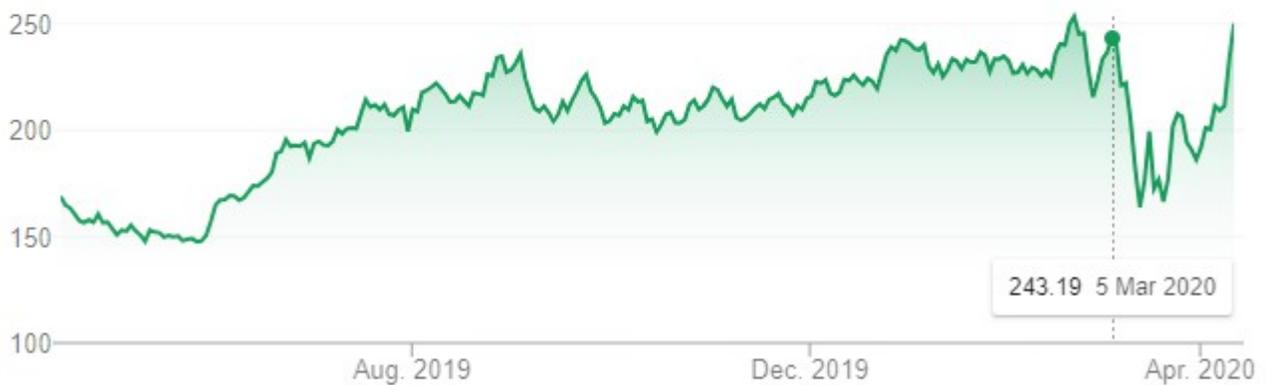
Name	Symbol	Buy Date	Buy Price	Current Price	Stop Loss	Buy Back Adj	Gain %	12/31/19 YTD Price	YTD Gain	Action
Producers										
Kinross	K	Sept 18	8.68	8.68	5.1		0%	8.68	0%	B
B2Gold	BTO	Sept 18	6.36	6.36	4		0%	6.36	0%	B
Alamos	AGI	Sept 18	9.62	9.62	9.62		0%	9.62	0%	B
Alacer	ASR	June 19	6.17	6.17	4.8		0%	6.17	0%	B
Centerra	CG	June 19	9.77	9.77	8.74		0%	9.77	0%	SB
Equinox	EQX	Oct 19	10.45	10.45	7.5		0%	10.45	0%	SB
McEwen	MUX	Dec 19	1.31	1.31	1.3		0%	1.31	0%	B
Oceana	OGC	Dec 19	1.86	1.86	1.86		0%	1.86	0%	SB
NewGold	NGD	Dec 19	1	1	0.95		0%	1	0%	SB
Argonaut	AR	Dec 19	1.34	1.34	1.6		0%	1.34	0%	SB
Sandstorm	SSL	Mar 20	7.21	9.07	5.4		26%	7.21	26%	B
Sprott Fund	CEF	Mar 20	18.1	21.87	none		21%	18.1	21%	B
Pembina	PPL	Mar 20	16.56	27.66	20		67%	16.56	67%	H
Average							38%		38%	

Although we missed the bottom in gold stocks, we have done well with the three we did buy with an average 38% gain in less than a month. I was on a bit of a streak with picks and one will never gets it bang on all the time. Have a look at the next two charts and you can see that we really have not missed much. Still very early days in this gold bull market. Yesterday, the HUI Gold Bugs Index broke above my 240 marker

249.27 +16.53 (7.10%) ↑

Apr. 13, 4:02 p.m. EDT · Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max

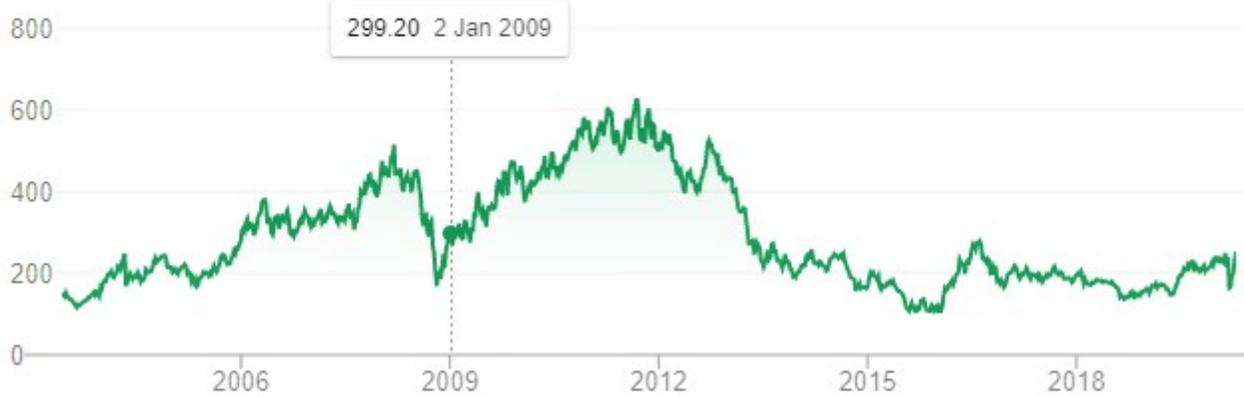


Here is the long term chart, where I did a comparison to 2008. I think that buying today will be much like buying back in January 2009. Lots of upside to go.

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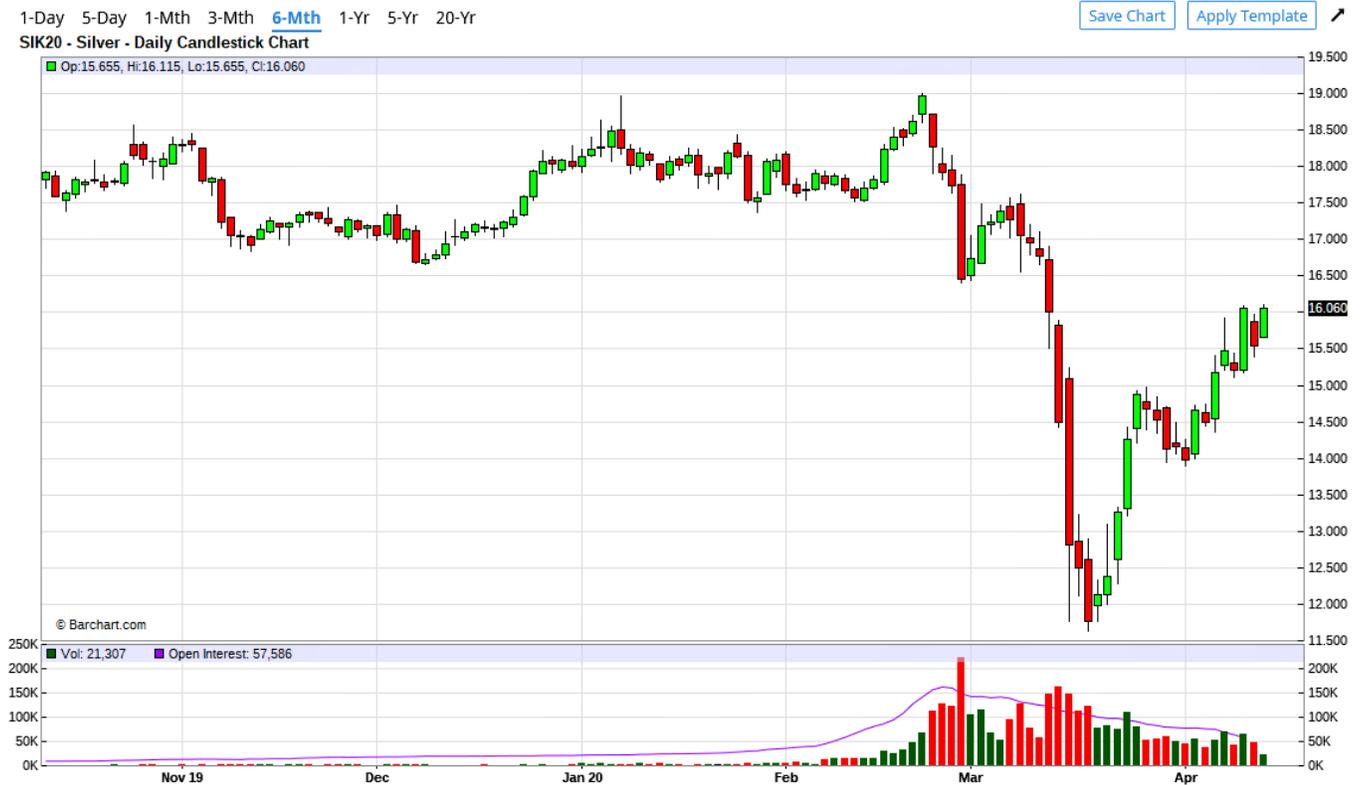


I am now using the June Comex gold chart. It is the most active now. Gold has now reached my next target between \$1700 and \$1800, so I will soon do an update with new projections. Rest assured, they are higher

GCM20 - Gold - Daily Candlestick Chart



Here is the chart on silver and you can see it is lagging gold. Eventually poor man's gold will move up a lot more and likely out perform gold as this bull market continues.



I will be adding silver stocks to the Selection List, starting with these two. Also, miners and juniors, whether base metals or gold, those with a silver lining could do very well, because there are very few pure silver stocks available.

First Majestic Silver TSX:FR NY:AG Recent Price - C\$10.65
52 week range \$5.30 to \$16.50 Shares outstanding – 208 million

I like FR because they will soon have higher grade production at their Santa Elena project and the stock is still a long way off its pre crash high.

FR's total production in the first quarter of 2020 reached 6.2 million silver equivalent ounces consisting of 3.2 million ounces of silver and 32,202 ounces of gold. As previously announced on April 6, 2020, the Company has withdrawn its 2020 production and costs guidance as a result of Mexico's Ministry of Health's Federal Decree to temporarily suspend all mining operations until April 30, 2020.

FIRST QUARTER HIGHLIGHTS

Total production reached 6.2 million equivalent ounces of silver, consisting of 3.2 million ounces of silver and 32,202 ounces of gold, inline with the previous quarter and 9% above guidance prior to suspension Continued strong silver and gold recoveries at Santa Elena of 94% and 96%, respectively, following two consecutive quarters of sustained high recoveries following the installation of the 3,000 tpd high-intensity grinding ("HIG") mill Achieved consolidated average silver recoveries of 89%, the highest in the Company's 17-year history At the Ermitano project near Santa Elena, development activities are now approximately 600 metres away from reaching the first access point of the high-grade Ermitano Splay ore body Broke ground for the construction of the future liquid natural gas ("LNG") power generation facility at Santa Elena.

During the quarter, the Company quickly responded to the threat of COVID-19 by implementing several preventative control measures including social distancing, the cancellation of any non-essential visits to the mines, comprehensive sanitation measures for the workplace and company transportation, and pre-screening for virus symptoms. To date, First Majestic has not experienced any incidents related to COVID-19 at its sites or corporate offices.

"Strong production from our three operating mines reached 6.2 million silver equivalent ounces in the first quarter, or 9% above our previously suspended guidance," said Keith Neumeyer, President and CEO. "Our San Dimas, Santa Elena and La Encantada mines were all operating above guidance prior to Mexico's Federal Decree to suspend all mining activities in response to the COVID-19 pandemic. While we support the actions being taken, we continue to engage in discussions with Federal and State authorities to raise awareness on the importance of silver mining as an essential business."

Primary Ag Producer	~60% of revenue from Silver (40% Au)
One Country: Mexico	World's largest silver producing country
Multi-Asset Producer	Three producing silver mines; 4,600 direct employees
Large Land Package	Over 350,000 hectares of mining claims in nine states
Goal	Become World's largest primary silver producer




CORE ASSETS

Due to COVID-19, all mines have been placed on temporary suspension until April 30, 2020 and 2020 Guidance has been withdrawn

- IN PRODUCTION**
 - 1 San Dimas
 - 2 Santa Elena
 - 3 La Encantada
- TEMP SUSPENDED**
 - 4 San Martin
- PROJECTS**
 - 5 La Parrilla
 - 6 Del Toro
 - 7 La Guitarra
 - 8 La Luz
 - 9 La Joya



There is a bit of resistance around C\$11, but I expect it will soon move up to around \$12.50 and fill the gap from the drop down at the end of February. The 200 day MA is also around this same price area.



The stock trades more volume in the US, and speculators might want to consider Call options

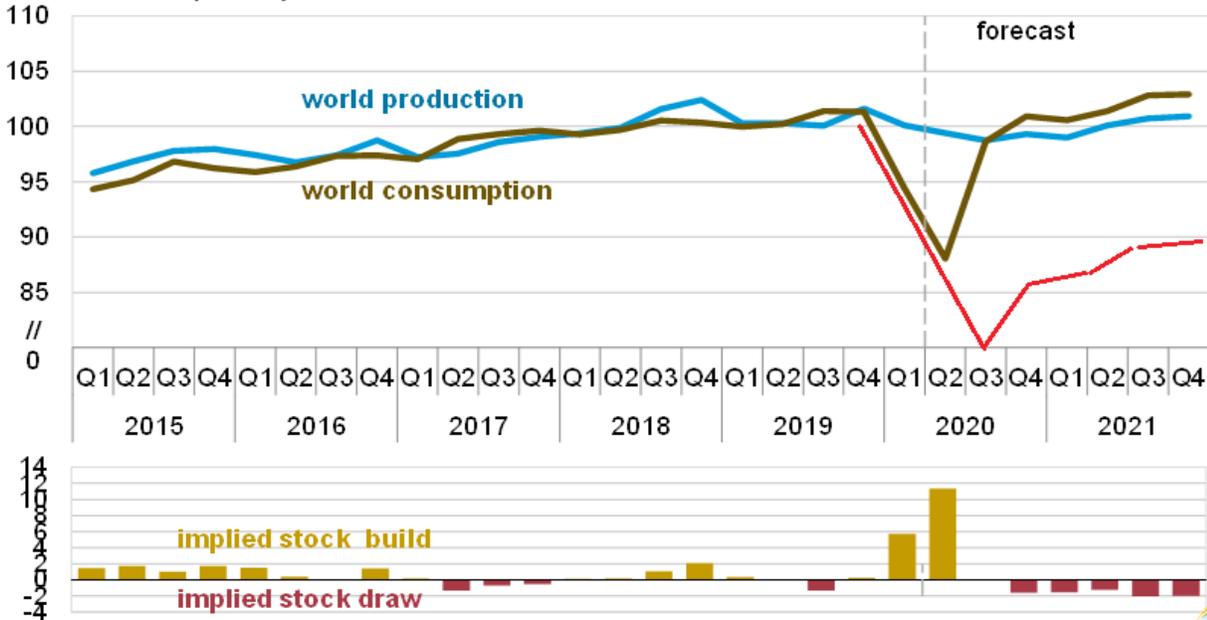
On the US side, I like the January 2021 US\$8 Call around \$1.20

On the Canadian side there is not much open interest with poor pricing and spreads. Perhaps that will change if the stock gains more interest, and will let you know if I notice something worth while down the road.

I found this chart on expected oil demand from the EIA. It is the typical propoganda going around now about a 'V' shaped recovery in markets and the economy, just total nonsense. It is just another part of the manipulation to keep money flowing into stocks and bonds, so the Fed/Governments don't have to buy as much. No matter how much QE, they can't bail out the whole economy and stock market. That said they will do enough to debase paper currencies and cause unbelievable gold prices. **The red line on the chart is my prediction, and I think that is optimistic.**

World liquid fuels production and consumption balance

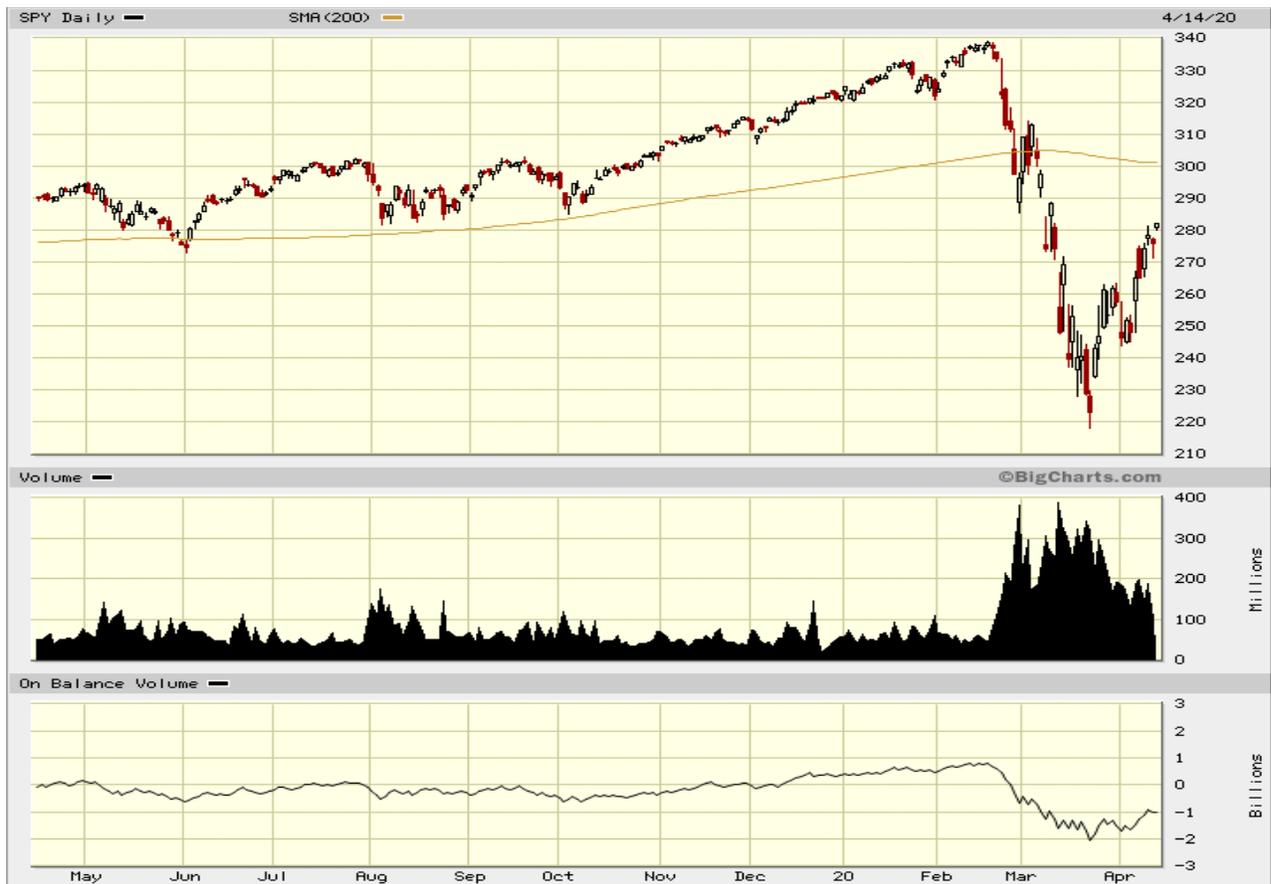
million barrels per day



Source: Short-Term Energy Outlook, April 2020



My last chart here is the Spyder ETF that represents the S&P 500. I am using it to show OBV



On Balance Volume (OBV) compares the number of orders generated by buy tickets vs sell tickets. Note OBV was positive in the New Year until mid March with New Year optimism and Fed money printing that was going into the repo market since September 2019. As I pointed out back then, another sure sign of cracks in the market. You can see OBV go negative, under zero as the market went down. **The important observation is that OBV has barely rebounded in this market rebound. There is a lot of selling into this rally, probably the smart money, guys like Buffet, you should be selling too.**

[Buffet February 24th](#), before the market really dived and just after the first couple down days

"Twenty or 30 years from now, American business — and probably all over the world — will be far better than it is today," Buffett said.

"You'll notice many of the businesses we partially own, American Express, Coca-Cola — those are businesses and you don't buy or sell your business based on today's headlines," he added. *"If it gives you a chance to buy something you like and you can buy it even cheaper than it's your good luck."*

Another Buffet favourite *"Be greedy when others are fearful,"*. However [everyone learned last week](#) that Buffet was still selling. He had to report selling of two airline stocks because Berkshire owned over 10%. I wonder how many others are being sold where reporting is not necessary. **I believe he is still selling because we have not reached the fearful stage yet. I see the current market being in the hope and denial stage. I hope the market recovers, it can't go any lower.**

The economic fall out will be the worst in history and so will this bear market. Sell, Sell, Sell, but keep your gold.

The S&P 500 has hit my first upside target area. I also commented and would not be surprised if the rally goes a bit further, to around 3800 or 38 on the SPY chart above.

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