



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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The market was long over due for a correction and as I have been commenting, risks are too high to be heavily invested in equity markets. The Coronavirus was just the trigger. Preliminary data has also shown the scale at which the outbreak is affecting China's economy. On the first day of the Lunar New Year, there was a 41.6% decline Y/Y in civil air travel, 41.5% reduction in rail travel and 25% drop in road transport. Shanghai Disneyland also locked their doors, Starbucks (NASDAQ:SBUX) said it would shut all its outlets in Hubei province. On the chart below, I show the three support levels on the S&P. The first two are mild support levels and major support around 3,000.



Valens TSXV: VLNS
Entry Price \$3.05

Recent Price \$3.41
Opinion – sell

There is no telling how deep this correction will go, but the stock has fallen through support around \$3.45 so probably lower prices ahead. If the stock bounces back up over \$3.50 today, things might hold together but a close below \$3.45 is negative. The stock is also falling below the 200 MA.



Glacier Lake **TSXV:GLI**
Entry Price \$1.40

Recent Price \$0.23
Opinion - sell above \$0.20

I mentioned in my year end summary that Glacier was wound back so tight that it would probably rebound in the New Year from the 10 cent level at that time. What I think is a dumb move is a \$2 million financing at 5 cents per share. That is 40 million shares with a 5 cent cost. They are just diluting this stock all over again. It does not trade much, but I would sell on moves over 20 cents.

Junior Mining on the mend

There has been a big shift in the junior resource market. Financings are coming in on quality projects and are sold out and over subscribed in a matter of a day, sometimes in hours. I could not get any of the recent Canadian Palladium financing. There was a good interview with Eric Sprott on Friday, he talks about the palladium market around the 6 minute mark and around the 14 minute market, Canadian Palladium is mentioned.

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I did manage to get into a new junior gold financing, Rokmaster Resources TSXV:RKR, recent price \$0.12. However, that one sold out the same day as well, so did not send an alert.

They picked up an advanced project, Revel Ridge in B.C. Canada that can easily go to 2 million 43-101 ounces this year. The stock is cheap here and the project is high grade. Check their presentation here https://www.rokmaster.com/site/assets/files/3504/rkr_revel_ridge_presentation_-_jan_2_2020_vwm_final_jm3.pdf

There has been a promising rally of over 10% in the TSX Venture index. We have to get up to about 650 to declare a new bull market. I believe it will happen.



With gold, I mentioned that a market correction would probably spark the next gold rally so no surprise here. It looks like gold wants to break out. A close at \$1595 or certainly the psychological \$1600 price would confirm the break out.



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