Twitter Thread by Gold Ventures



Gold Ventures
@TheLastDegree

Let's look again at the 2005-2008 two parabolic advances in $gold. first, read yesterday's thread if you haven't:

> How high can #gold run during this next intermediate cycle?
>
> my current target stands at $2440 by May
>
> targets are not exit points: the combination of a lot of signals/ratio's are. we adapt along the way
>
> (1) https://t.co/QjuekzVzw1
>
> — Gold Ventures (@TheLastDegree) January 1, 2021

Today i want to look what some major miners did - between the 2 parabolic gold advances: how did they act?

Getting more historic context in the minds, will allow us to navigate calmer the stormy waters ahead, and HOW we want to manage them.

(2)

my basic framework is we will see a parabolic metal top mid 2021, followed by another parabolic metal top early 2023.

Now what did some miners do in a same situation: the 2006-2008 timeframe.

Notice the $GDX was launched exactly a few weeks after the 2006 top ■

(3)

example 1 of 4 is Barrick
gold lines = 2 gold parabolic tops.

Barrick didn't advance much first, and as such had only a 23% retrace before setting a floor.

Not something you would have wanted to trade.

Even with the 50% gold parabola retrace, the metal floor was $150 higher



example 2 of 4 is Hecla

while Hecla corrected 42%, the correction was very fast in time. The new metal floor made it quickly rise back after.

Something we could have hedged with SLV puts for example.

Silver retraced 38% and traded in tandem with $gold



example 3 of 4 is Kinross

Kinross doubled and tripled during the 2 runs, it corrected 32% but also very short in time.

For traders with high tax regimes not something to trade either. A short multiweek hedge could have worked great here as well.



example 4 of 4 is Wheaton

it did a 5x and a 3x, and corrected 42% but very short in time as well, after which it started rising very fast.



i think we can deduct some very important conclusions from all the showed charts.

the initial price correction can be deep, but is fast.

the consolidation after can be very long before the next furious advance.

second, my main conclusion is small junior companies are the best vehicle. just buy & hold.

hedge on parabola's with GLD/SLV/major producer puts.

and most of all: time decay leverage can kill you totally if pourly executed

golden lessons.