

Gold and Silver: Head and Shoulders Above the Market

By [The Mogambo Guru](#)

03/22/11 Tampa, Florida – I admit that I am pretty lazy, and I don't do a lot of technical analysis of markets and/or prices, but I do some charting of some things, and I naturally come across some of what others write about emerging chart patterns, and price-points, and channels, and bands, and stuff I don't understand even more than I don't understand any of this.

I bring this up because the other day I was, being a real peach of a dad, giving the kids some Kindly Fatherly Advice (KFA), which was to turn off the stupid TV and go out and get themselves some stupid jobs so that they could buy some silver to show me that they had some smarts and knew What To Do (WTD) when the damned Federal Reserve was creating so much excess money.

They did not leap to their feet, exclaiming, “Excellent advice, masterful and excellent father, and which will serve us well during the inflation in prices that will follow the inflation in the money supply created by the Federal Reserve which is, as you tell us, an un-Constitutional evil that is destroying us!”

Instead, they ignored me! The little bastards!

This, of course, irritated the hell out of me, and I thought to myself, “This chart of the S&P500 is like my feelings towards these stupid kids! Sometimes it's up and sometimes down, like this peak here in 2000 where I would be happy with them because they were so cute and where, at worst, we politely ignored each other for weeks on end, or until my wife said, “Check on the babies, will you?” and I asked, “Okay! Where are they?”

At the time, I thought this was pretty funny, but which, I realize in hindsight, just opened a whole “can of worms” that resonates in my memory, even to this day, perhaps in the way she still calls me a “lazy worthless bastard,” or how I was the “worst mistake” she ever made and how starving, feral wolves would be better fathers than I am and blah blah blah.

That is when I would slide relentlessly down and down, like the graph of the S&P 500, down to where their idiotic pleadings (“Please love us, daddy!”) and incessant demands for money (“Give us money!”) take me to the depths of despair, only to rise again to...to...to...

The sudden use of the ellipsis at the end of that last sentence is indicative of where I, out of nowhere, noticed what looks like a huge head-and-shoulders formation! Talk about a classic chart!

The left shoulder is in 2000 when the S&P500 hit 1,500 before dropping to 820 in 2003, the “head” formation was after rising again to just over 1,500 in 2007 before falling to 680 in 2009,

and now, after rising again to over 1,300, this would be a head-and-shoulders chart formation with the right shoulder lower than the left, and so, classically, it seems like a perfect, classic time for the market to collapse.

This is about as close to technical analysis as I get because I don't need it because I have the Fabulous Mogambo Portfolio (FMP), and it's loaded up with gold and silver, as it should be when the evil Federal Reserve is creating so much excess money and credit that hyperinflation is a certainty!

And with the FMP positioned to reap a windfall from a dead-bang certainty, what can you say except, "Whee! This investing stuff is easy!"?