



February 20, 2022

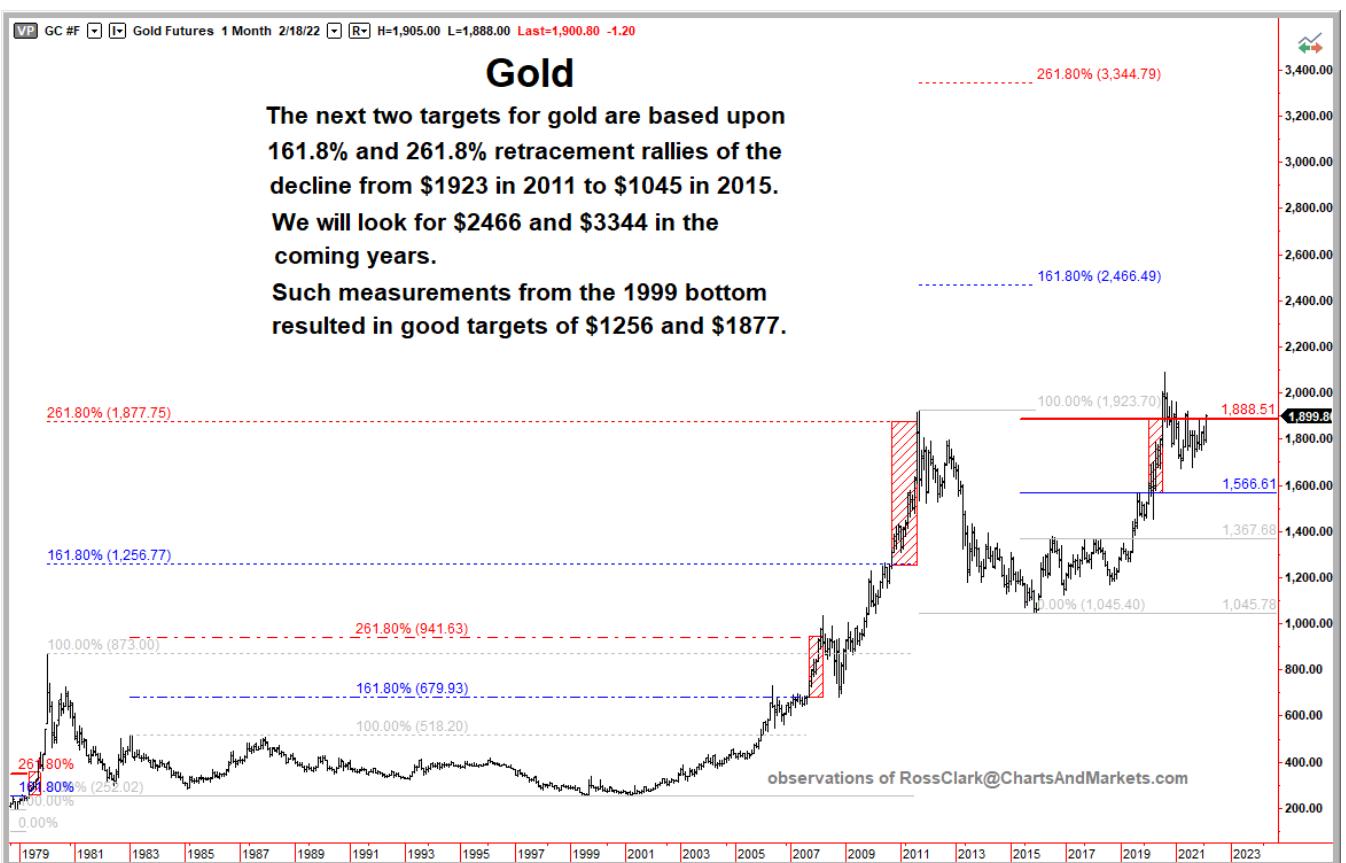
Gold – Reaching for a High

It has been a nice seasonal rally, but gold and silver are about to enter the time frame for negative performance. Mid-February through mid-March has produced seasonal highs 90% of the years. Corrections typically give back 50% of the rally from the December low. In recent years, the gold tops have coincided with Sequential 13 or Combo 13 countdowns. The Combo countdown is currently at 9 out of 13 and could complete by the end of next week. Be mindful that the bulk of the upside action can occur going into turning points so be on the watch for a change in upside momentum before selling.



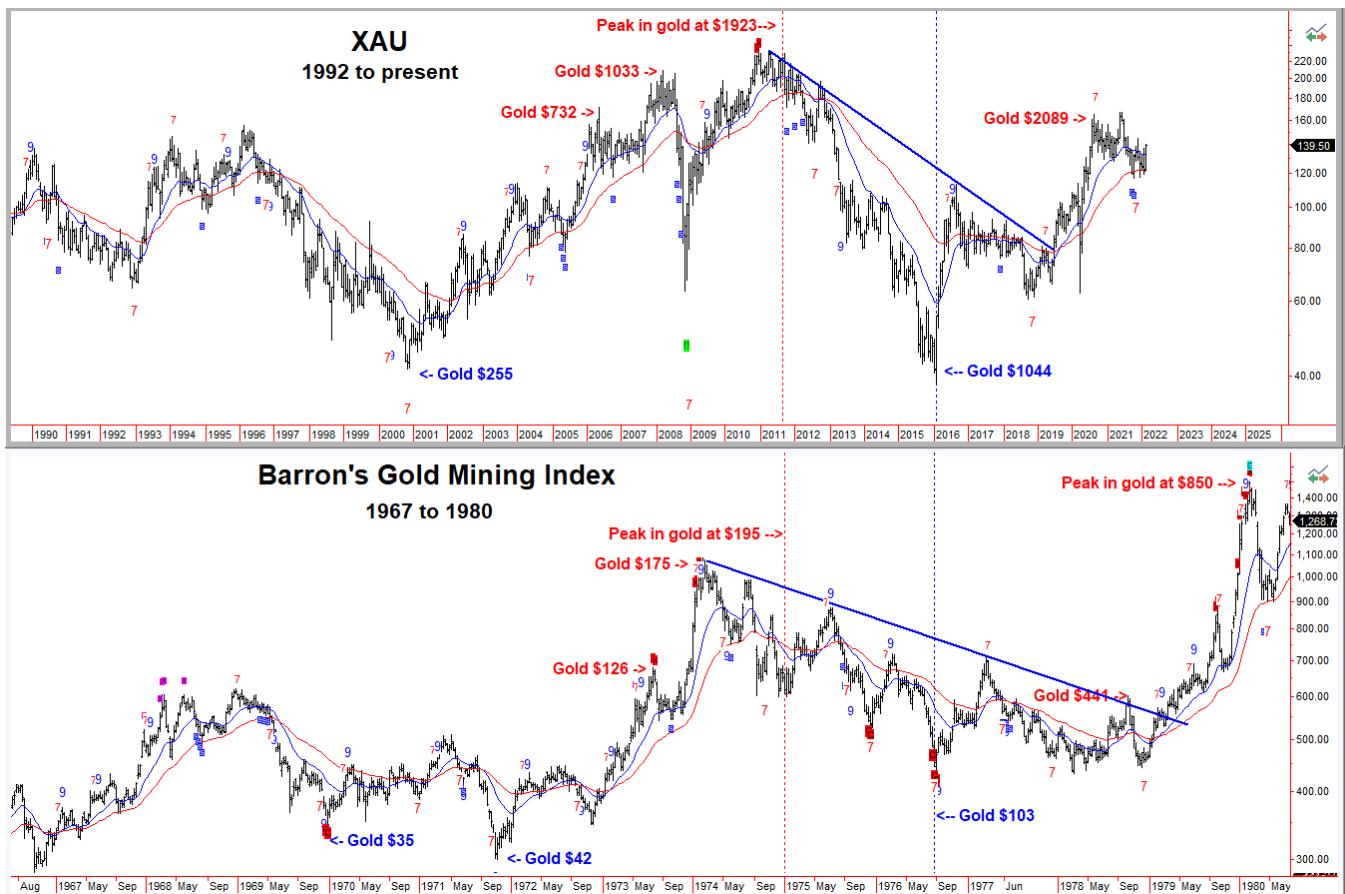
The big Cup and Handle pattern as experienced since the 2011 high of \$1923, continues to mimic the consolidation under \$200 in the 1970's. Both had price declines of 45% to 50% into the low and spent considerable time attempting to clear the overhead resistance. It will take a definitive close above \$2,000 to trigger the next move higher. Upper fibonacci targets remain \$2,466 and \$3,344.





Relative peaks and troughs in the miners can be quite independent from those of bullion. The 2016 low in gold was more than \$740 above the 2000 low of \$255, however the XAU and Newmount were below the 2000 bottoms.

The 2016 low did manage to produce a bullish divergence in the RSI(12) of the XAU/Gold ratio and triggered a six-month advance of over 100% in the miners. As of now there is no bullish or bearish divergence.





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