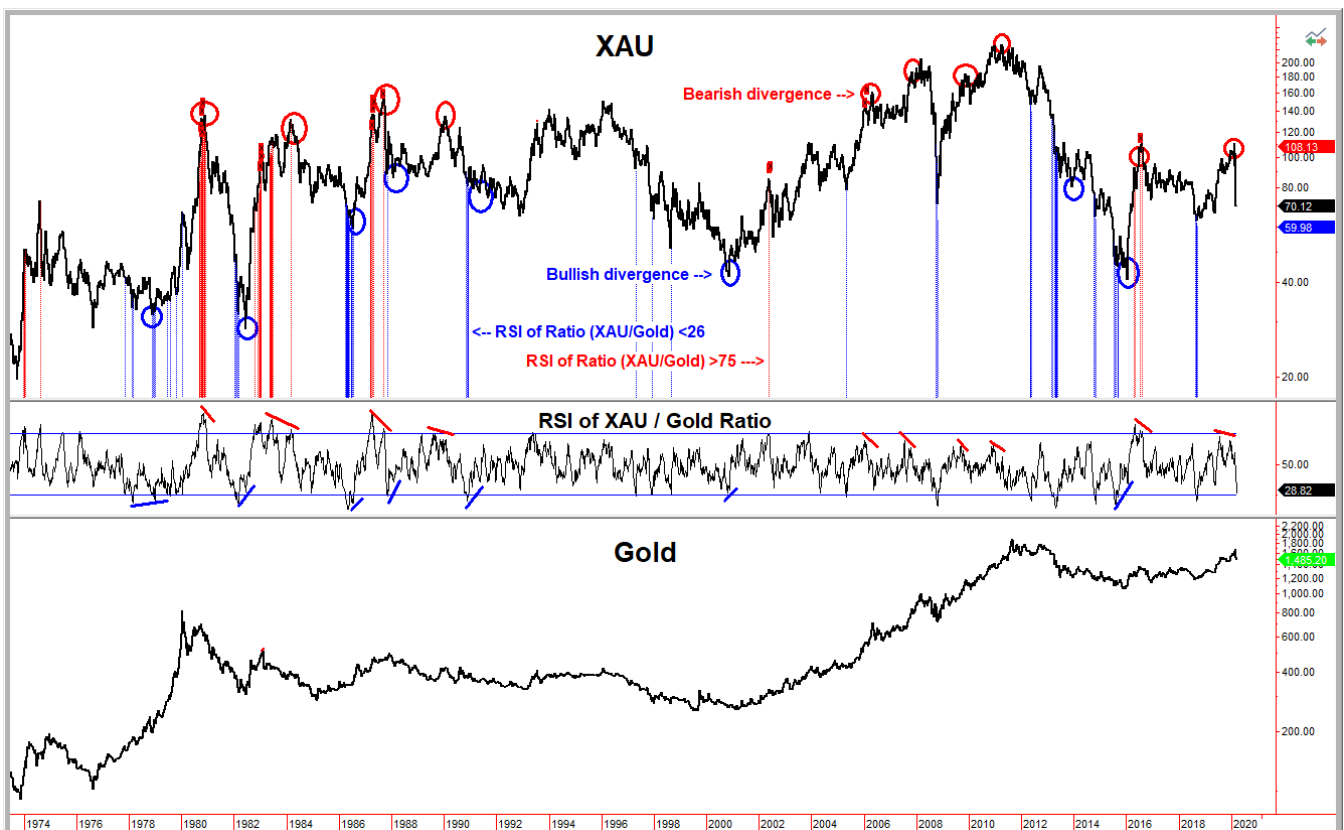




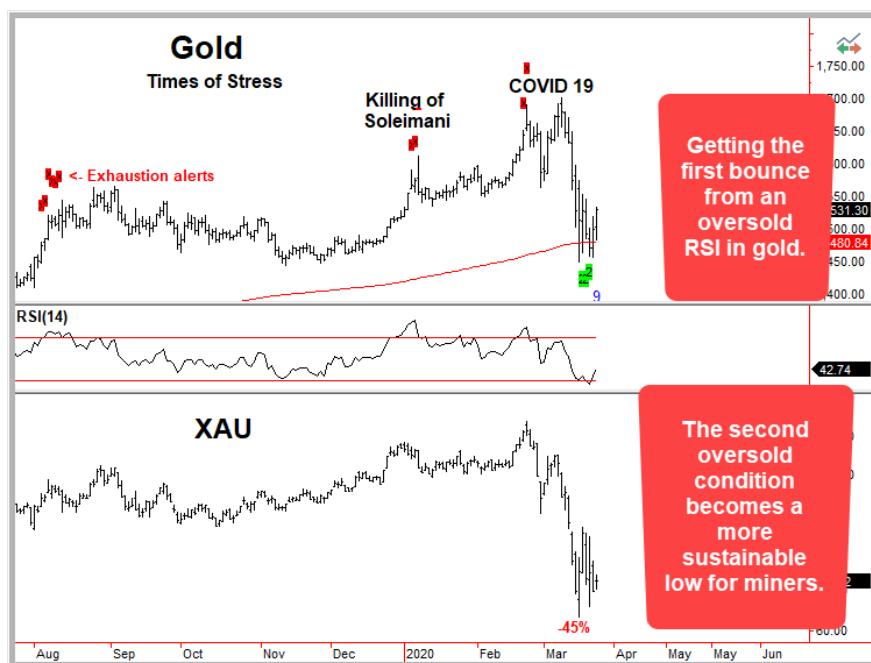
## Gold and Miners

The gold miners have always been more volatile than bullion, outpacing in bull markets and dropping harder in bear markets. The tail end of bull moves will frequently see the miners underperform and this is readily apparent in the RSI of the ratio of miners versus gold. The most recent occurrence was in February.

The current drop in the ratio has generated a weekly RSI at 29, getting close to a good oversold condition. Such occurrences have been capable of generating interim lows in the miners. If this develops into a bullish divergence in the coming months, with the miners (XAU, HUI, GDX) bouncing and then putting a lower low while the RSI puts in a high low, we could be looking at a more sustained advance.



As reported on March 16<sup>th</sup>, gold was oversold and ready for an initial bounce.  
 Look for resistance starting at \$1547 (38% retracement)  
 and more importantly around \$1577 (50%).



Opinions in this report are solely those of the author. The information herein was obtained from various sources; however, we do not guarantee its accuracy or completeness. This research report is prepared for general circulation and is circulated for general information only. It does not have regard to the specific investment objectives, financial situation, and the needs regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.

Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities or options or futures contracts. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk. Moreover, from time to time, members of the Charts and Markets team may be long or short positions discussed in our publications.

Research reports are provided for the use of paying subscribers of the Chart and Markets service and not for public distribution. An abuse of the single-user subscription will result in the revoking of the service. Multi-user subscriptions are available upon request.