

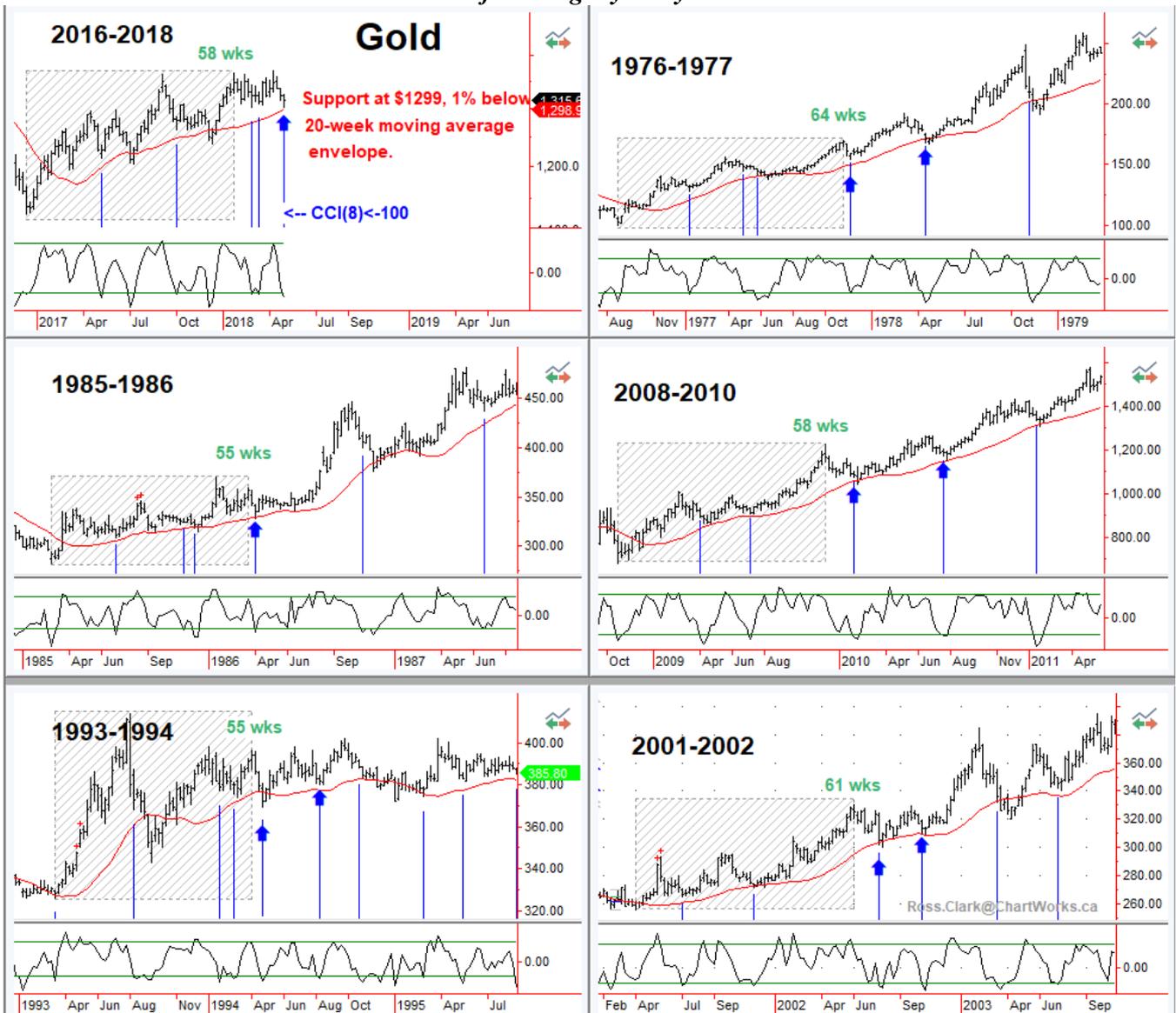


Technical observations of  
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## Gold – Oversold Test of Moving Average Envelope Coupled with Daily Sequential Buy Setup

Gold dropped into important support this week following a test of resistance around \$1360 and sell signals in silver on April 19<sup>th</sup>.

### Action following 8-year cycle lows



The eight-year cycle, which we deem to have bottomed in December 2017, generally sees a high 55 to 64 weeks later (*January 26, 2018*). From there it stages a consolidation with a pullback to test support, 1% below the 20-week (100-day) moving average band as seen this week. The test was coupled with an appropriate oversold CC(8) reading (blue arrows on previous page). This low also saw a daily Sequential Buy Setup (*nine consecutive days of closes below four days earlier*).

The two closes this week below the red support line are a classic means of taking out the weak long positions as gold build its base within the slow, methodical uptrend.



The low in gold has coincided with a rally in the US Dollar Index, which happens to have generated a daily Sequential Sell Setup. We should note that the gold market has held up well on the recent break relative to the action in the Dollar and is now trying to poke its head out of the resistance line when adjusted for the currency. This can also be observed when viewing gold priced in Euros which is testing its high of the year.



## GLD priced in Euros



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