

ChartWorks

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Technical observations of RossClark@shaw.ca

Gold – Another Sign of Excess

Gold is once again benefiting as a ‘flight to quality’ investment with PIIGS concerns expanding to PHIIGS. Keeping my work centered on the technical issues, gold is into the exponential phase for Europeans and retesting resistance in U.S. and Canadian funds. Today’s close generated weekly Sequential Sell Setups in all three currencies. As can be seen in the following charts, this does not mean that the rally must terminate here, however once a downside reversal through immediate support occurs it could result in a deep correction. For now, any violation of this week’s low would be considered an outright sell signal for traders with an eye toward prices testing the 20 or 50 week exponential moving averages this summer. Ideally, **traders can look a purchases when the weekly RSI(9) moves back below 45.**

(GC2000) GOLD-Weekly 06/04/2010 C=1215.000 SnapSum Buy TD Sequen SellSetup 1228.000 1212.450



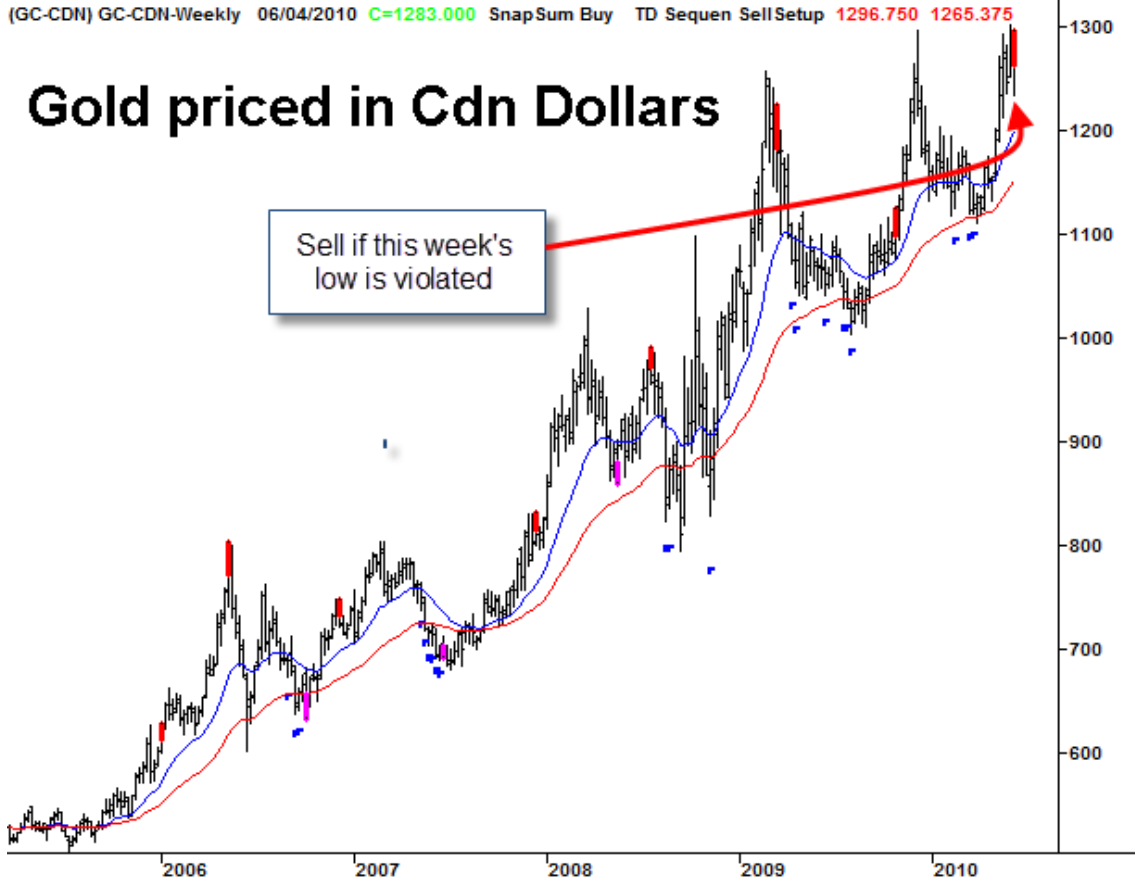
(GC-XEU) Gold-XEU-Weekly 06/04/2010 C=1012.000 SnapSum Buy TD Sequen SellSetup 1012.000 1000.100

Gold priced in Euros



(GC-CDN) GC-CDN-Weekly 06/04/2010 C=1283.000 SnapSum Buy TD Sequen SellSetup 1296.750 1265.375

Gold priced in Cdn Dollars



Historical Perspective

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Gold

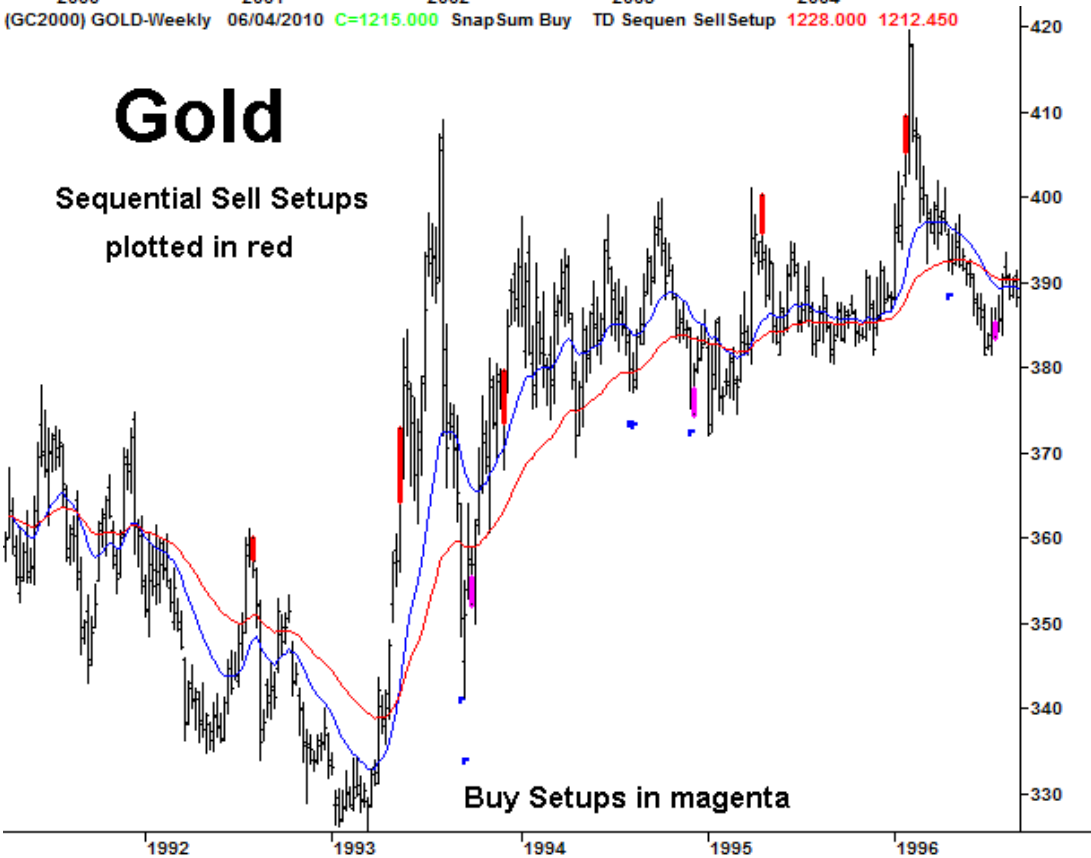
Weekly Sequential Sell Setups
plotted in red



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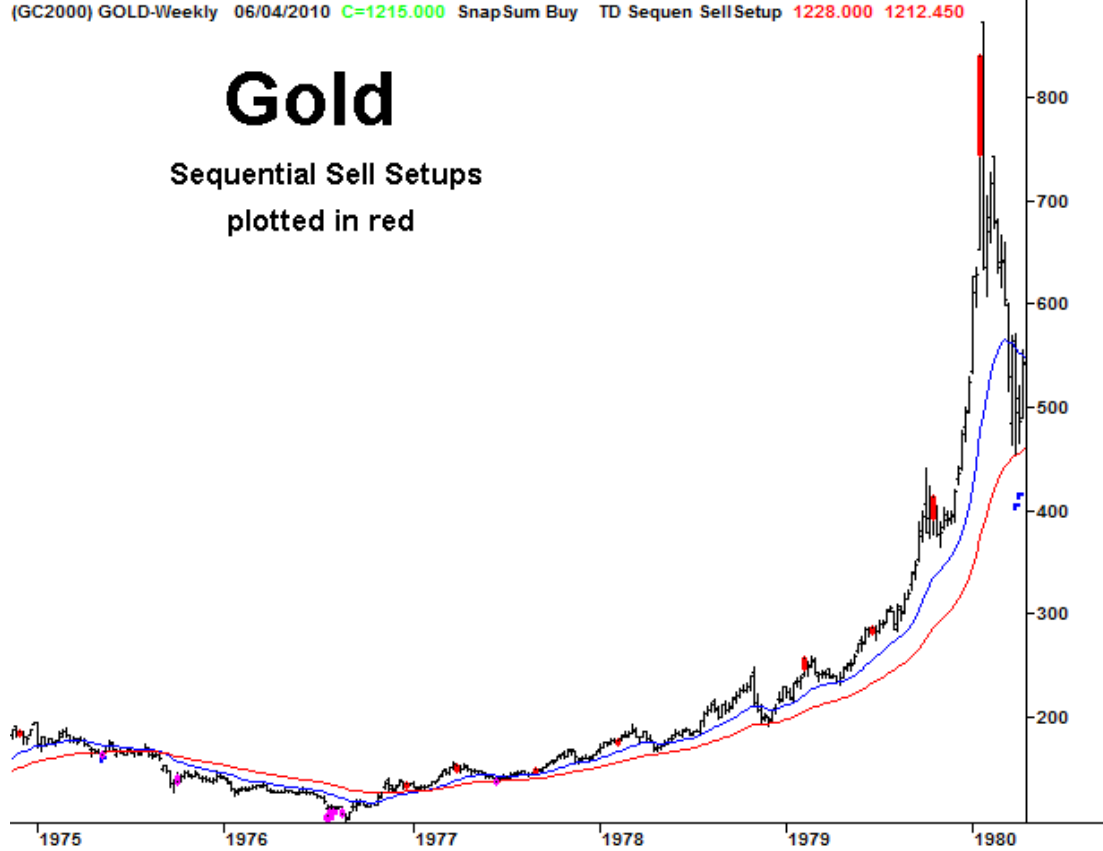
Gold

Sequential Sell Setups
plotted in red



Buy Setups in magenta

(GC2000) GOLD-Weekly 06/04/2010 C=1215.000 SnapSum Buy TD Sequen SellSetup 1228.000 1212.450



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