

ChartWorks

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Precious Metals: Seven Weeks from the Top

The gold and silver markets made rebound highs one month after the April 28th – 29th tops. The subsequent decline into June 13th now satisfies our time window for an important low 'six to eight weeks' from the high.

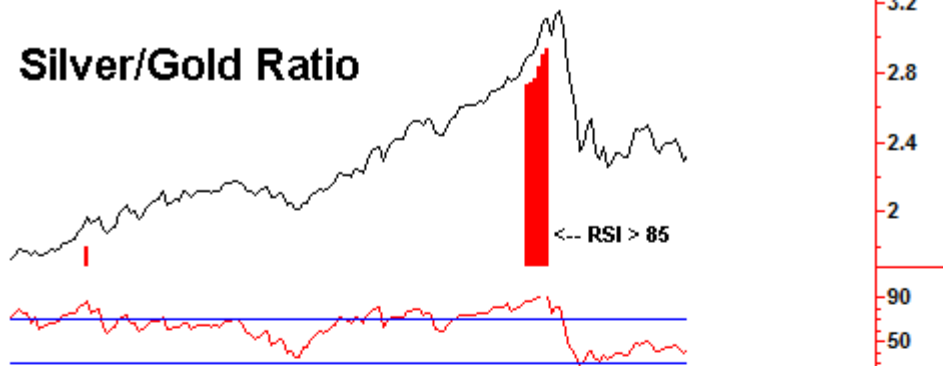
One of the key factors we want to see following extremes in the silver/gold ratio is concurrent lows in the RSI of gold and silver. A move below 50 in gold's RSI(14) coupled with a reading below 40 for silver is generally needed before the next significant rally can get underway. We saw this in the correction during the second half of January and it has occurred again this week.

Gold has produced a daily Springboard alert (oversold within a rising trend) and should be capable of creating an interim low. However, a failure to push through to new highs could still be followed by a test of the lower 50-day Bollinger Band (currently \$1447)

On the upside, silver can be anticipated to recover 50% to 62% of its losses (\$41 to \$43) within two months. Additionally, we can look for resistance at the 7% band above the 89-day average of highs (currently \$40.33 and rising).

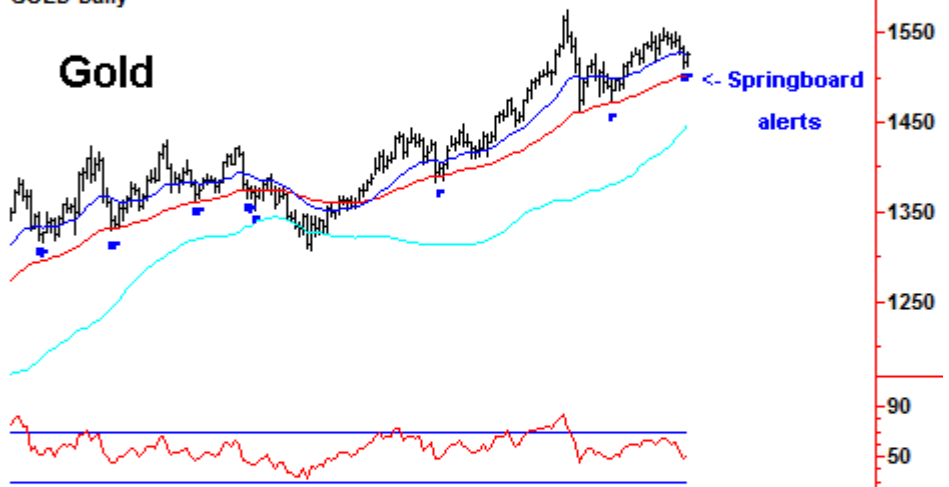
GSR-Daily

Silver/Gold Ratio



GOLD-Daily

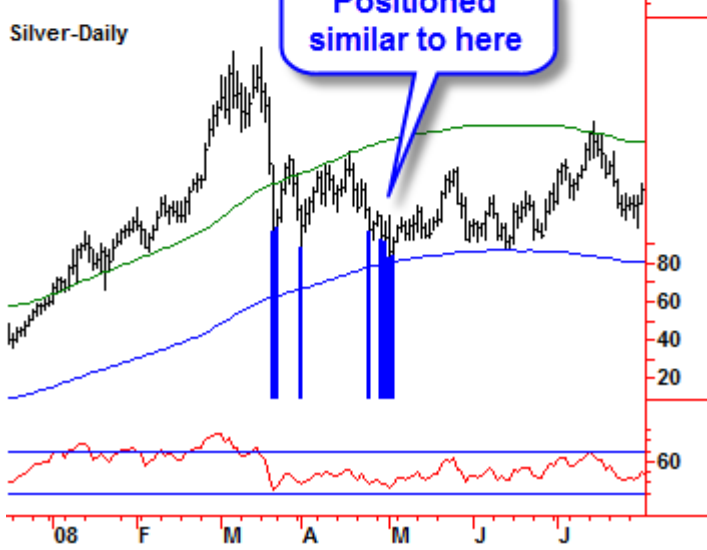
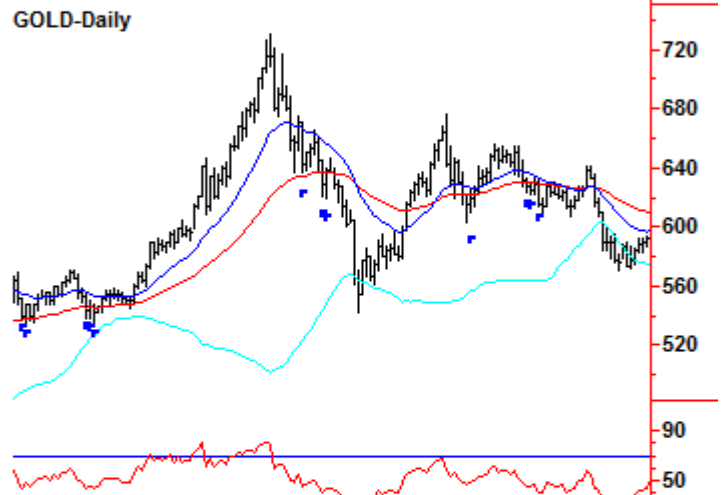
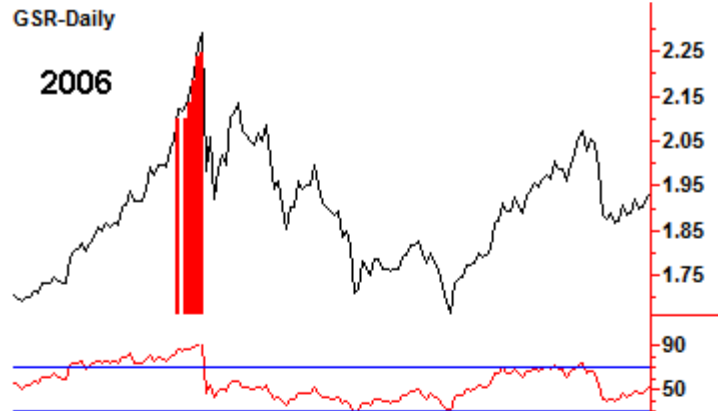
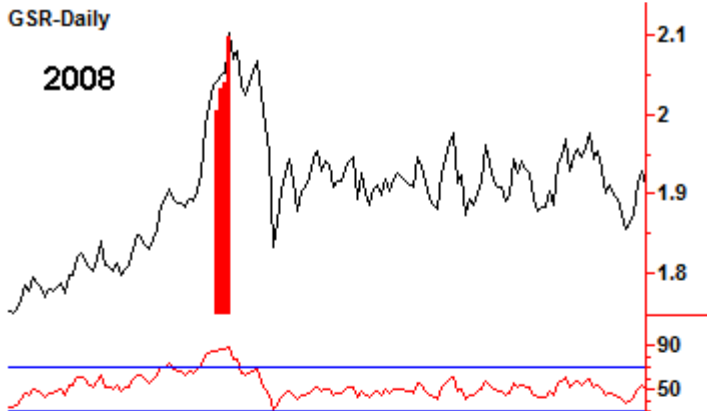
Gold

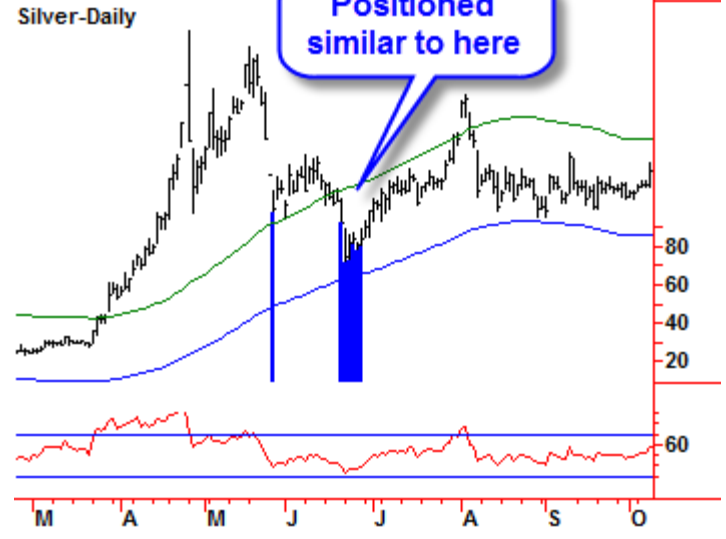
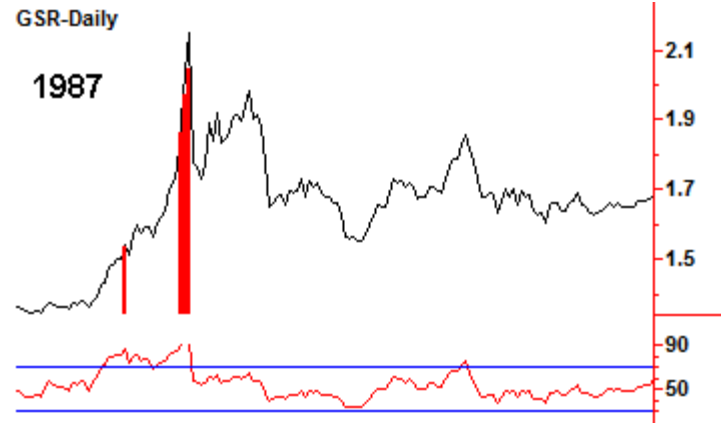
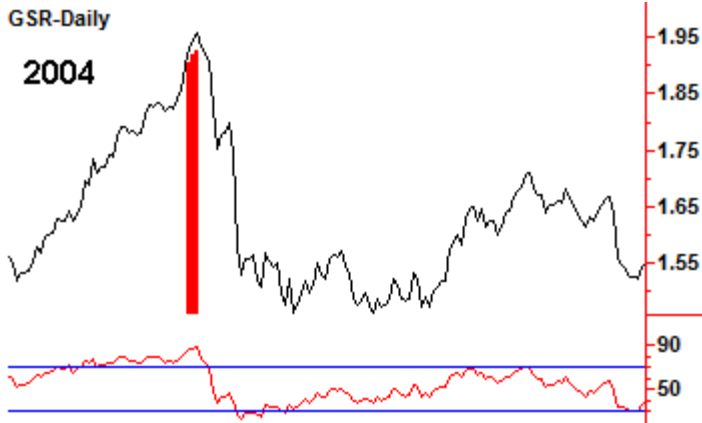


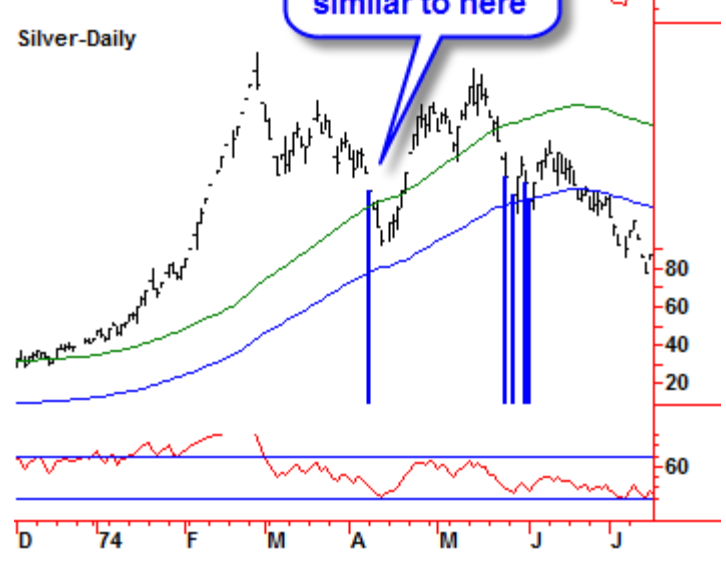
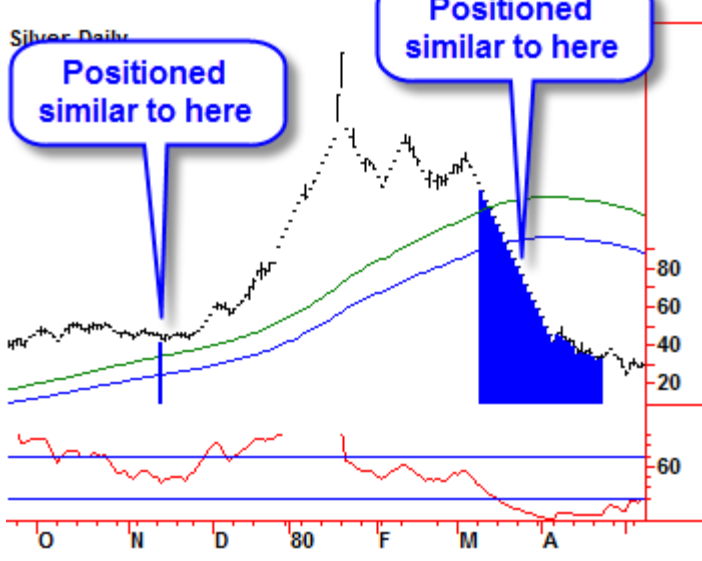
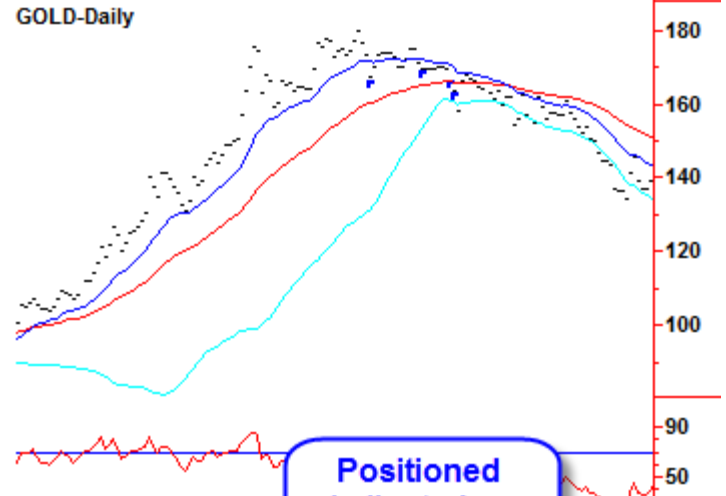
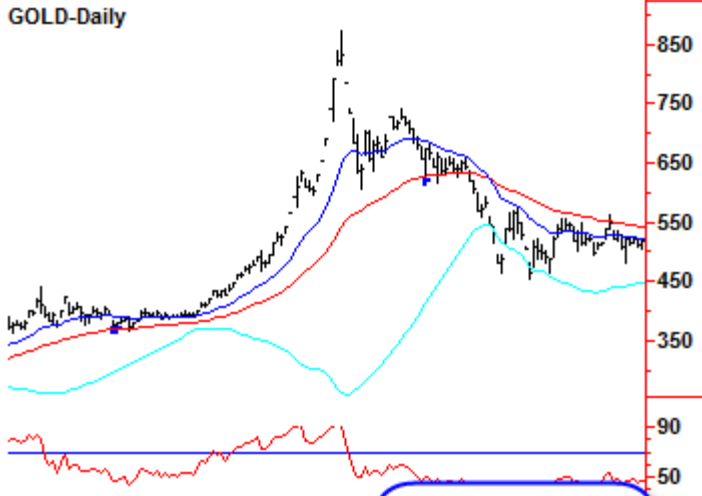
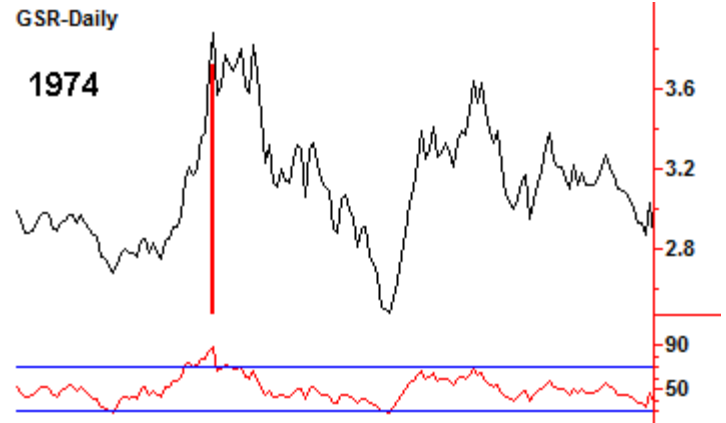
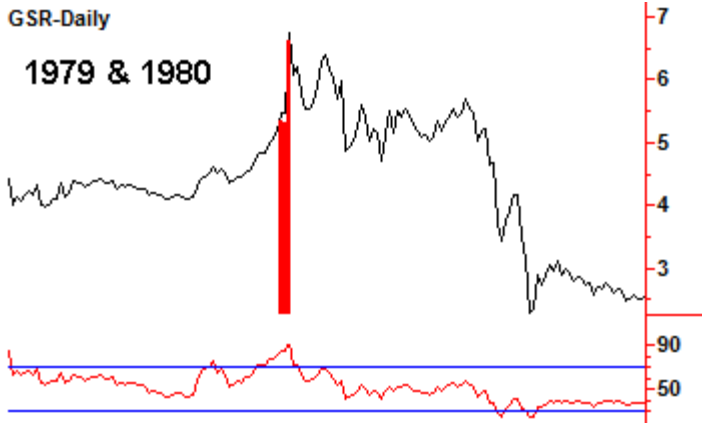
Silver-Daily

Silver









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