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Technical observations of
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Gold's Summer Rally Progresses Through its Countdown Phase

The current up leg in the gold rally from the May 22nd low is now into its thirtieth trading day. In each of the seven years that gold managed to make a new high close in July the rally lasted 18 to 40 days with the most common being 32-34 days (*pointing to next week*). Daily or weekly Sequential 13's or Combo's were seen around the highs.

A Sequential 9 Sell Setup was generated early in June. The current Sequential and Combo countdowns are at 7 of a potential 13. Therefore, the earliest a completed count could occur is July 11th. Once a countdown is complete it would appropriate to place trailing stops below the previous day's low.

All the July rallies were followed by a correction back to or below the 50-day exponential moving average.

- If this remains a very strong gold trend (i.e. 1978 & '79) we can look forward to a nine-day correction back to the 50-day exponential moving average and 20-day Bollinger Band.
- If this is to result in a consolidation within a methodical uptrend (i.e. 1971 & '72) the correction should be back to the 100-day simple moving average with RSI(14) readings below 40.
- The 1993, 2011 and 2016 examples saw initial tests that held at the 100-day moving average for a few weeks and then staged a harder break.



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