

COT, Exhaustion and TD Combo Alerts in Gold

The last time we reported on the COT readings in gold was near the bottom on August 19, 2018; “Specs in Gold are Now Net Short - Daily Sequential & Combo Buys in GLD”. As of **August 6, 2019** the Commercial and Speculative positions have reached levels not seen since the gold top in 2016.

While absolute levels of Commercial and Speculative positions are important, we are more interested in the excesses seen in the action around important reversals. The COT signals we utilize are reasonably rare, looking for the RSI(14) in both to be at an extreme while they are outside their Bollinger Bands(50,2). These criteria are in place now.



Gold continued to hold its 20-day exponential moving average 'stop' through the July consolidation. It remains a key support (now \$1454 and rising at \$6 per day). Closing through there would set the stage for a correction under \$1400.

Last week saw a \$100 rally, staying overbought and 'Exhausted' for five consecutive days. 😬

As of Friday, it has a completed TD Combo 13 Countdown, last seen around the January high.

The Sequential countdown is at 12. One more strong opening or close will generate a sell signal.

The next correction is likely to be sharp.



The mining ETFs paused at the Sequential 9 Sell Setups in July (*nine consecutive closes above four days earlier*) and have now completed their first countdowns since the rally started in June.

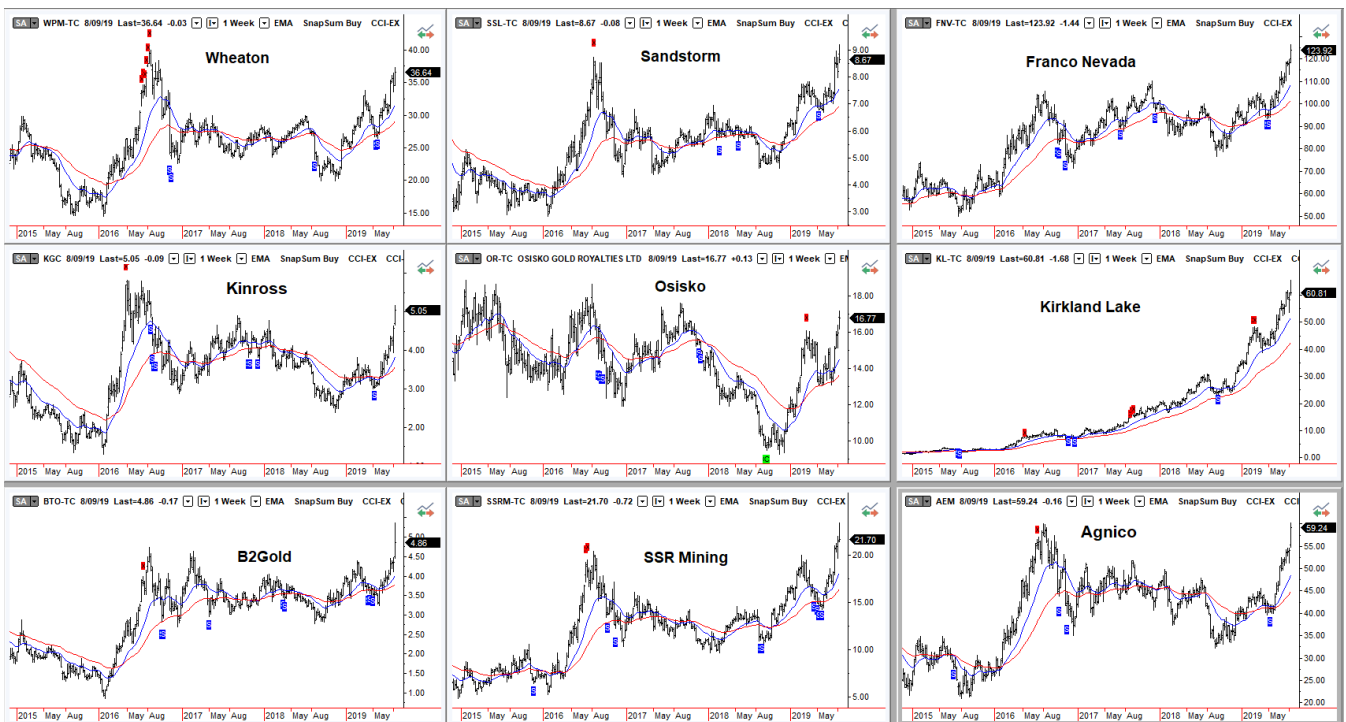
Daily GDX Sequential 13 and Combo



Daily and weekly GDXJ Sequential 13's



Look for support on test of March highs.



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