

November 12, 2021

Gold and the US Dollar

Gold and the US Dollar tend to move inversely. However, there have been twenty-five instances since 1970 such as now that they have rallied together. Most topped with an RSI(14) reading around 70 after 12 to 20 trading days and saw corrections/declines to the 50-day ema. Premature overbought readings (2017 & 2009) saw higher highs at the seventeenth and twentieth days

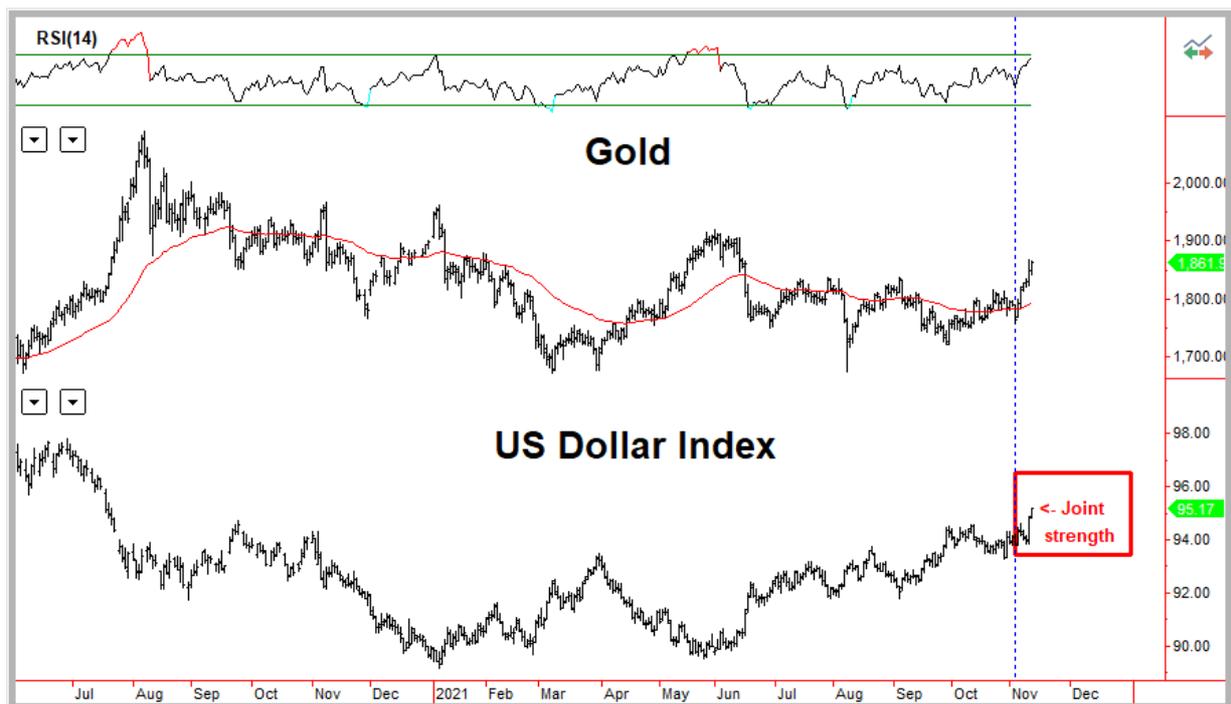
Gold's action following joint rallies:

Only four instances saw gold continue immediately higher once the correlation ended (1974, 1979, 2003 & 2005).

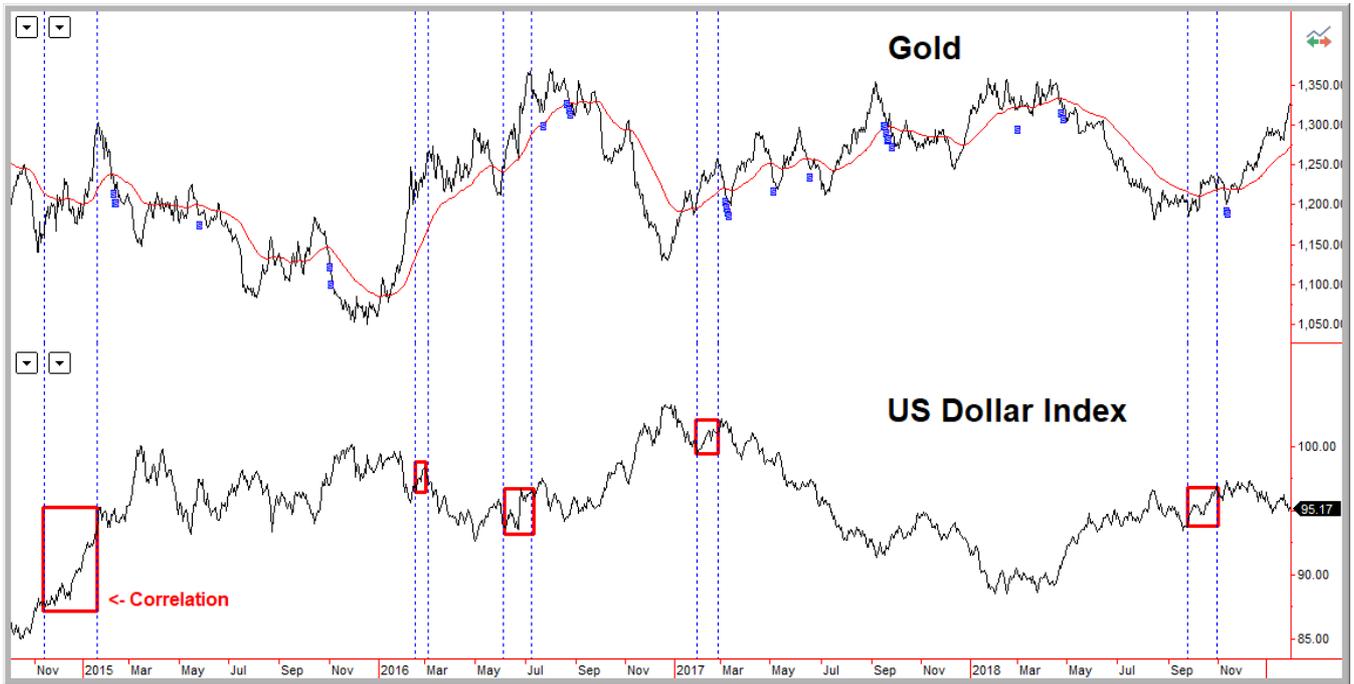
Nine rolled over into bear markets.

All the others tested the rising 50-day ema and then continued higher.

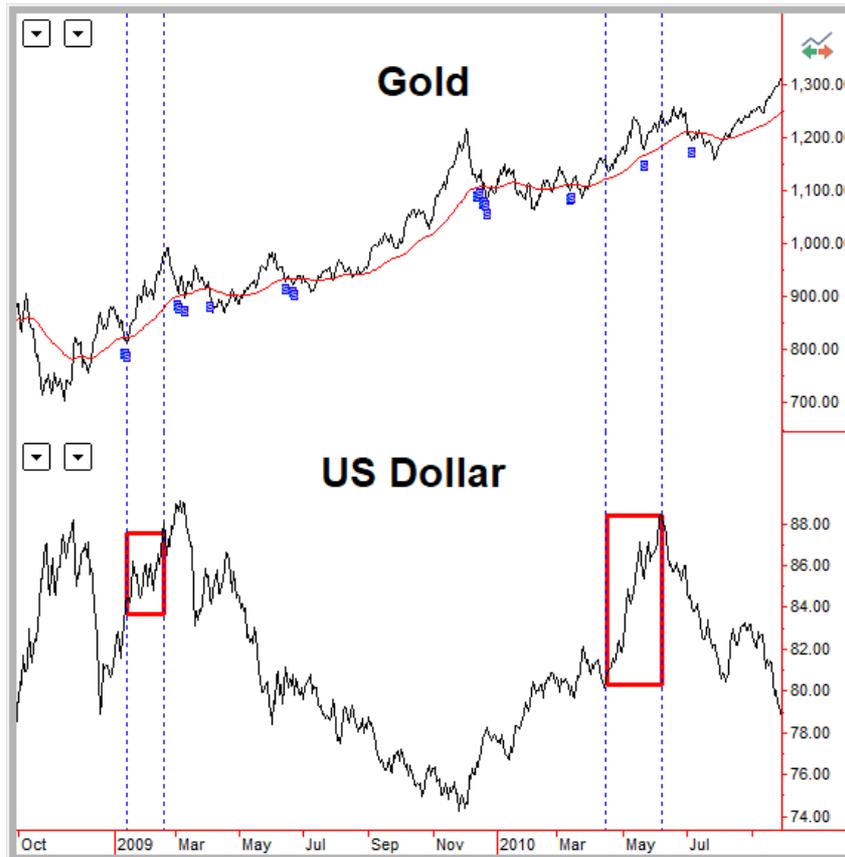
The current run is seven days, so we could feasibly see another one to two weeks before an interim top is in place.



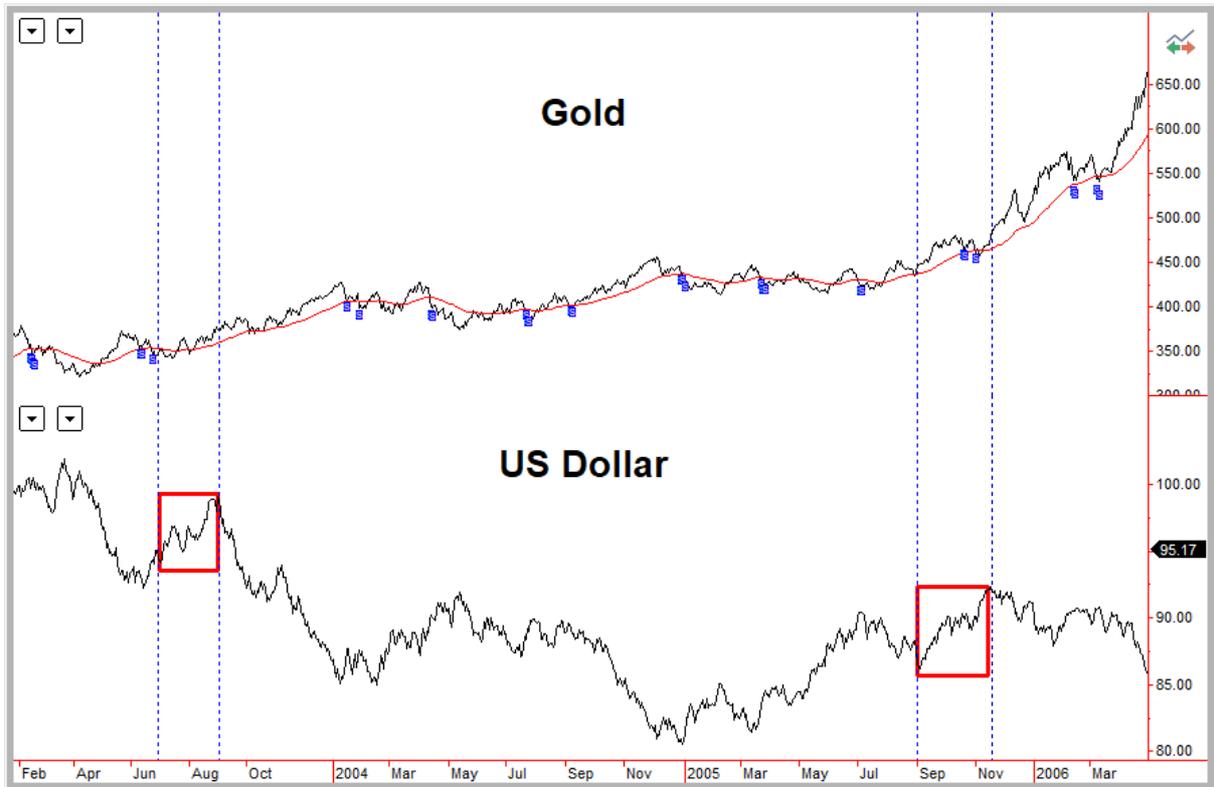
2015-2018



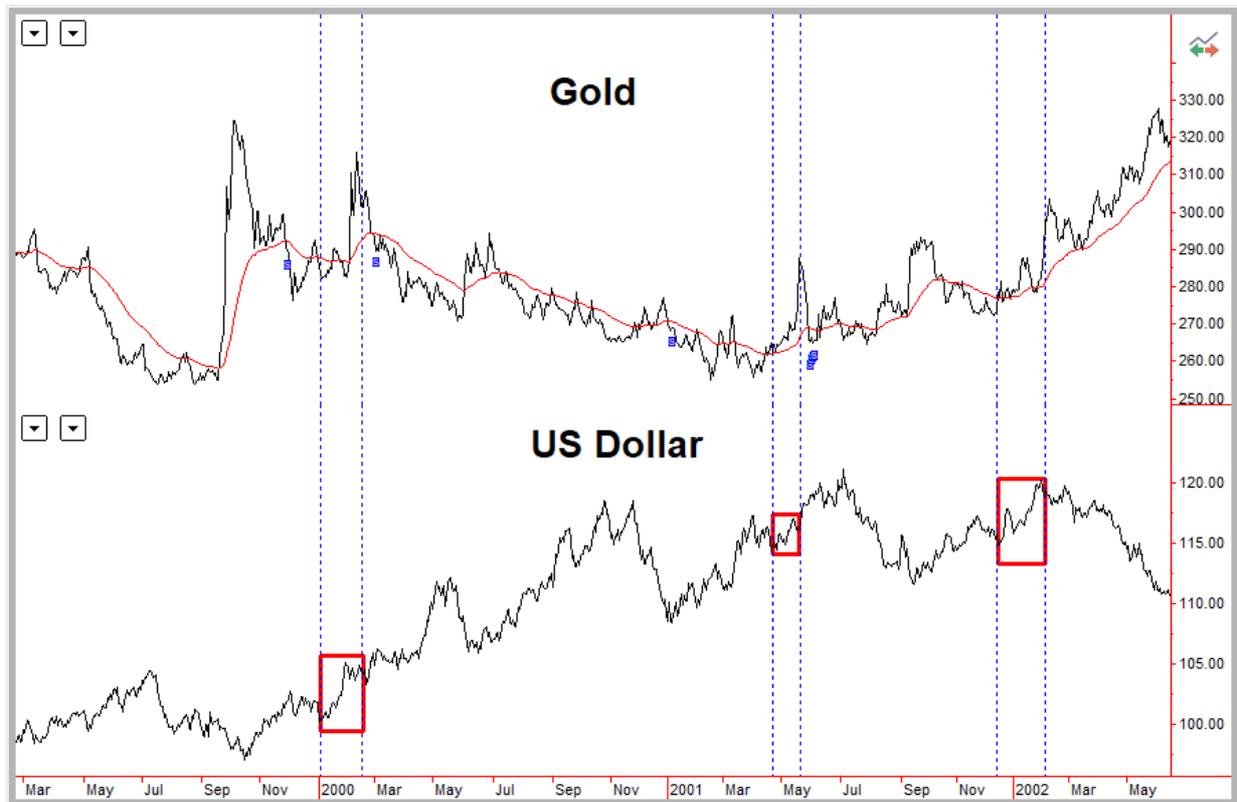
2009-2010



2003-2006



1999-2002



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