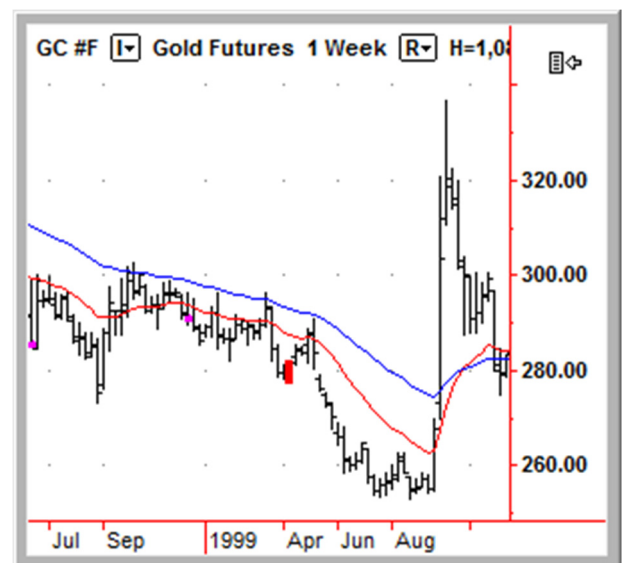
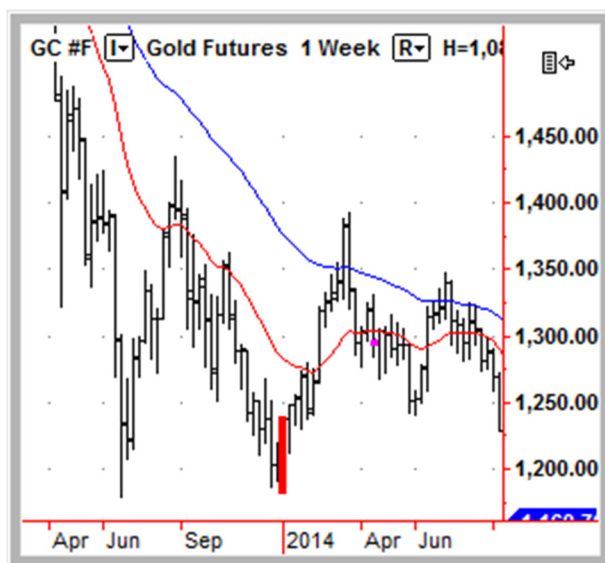
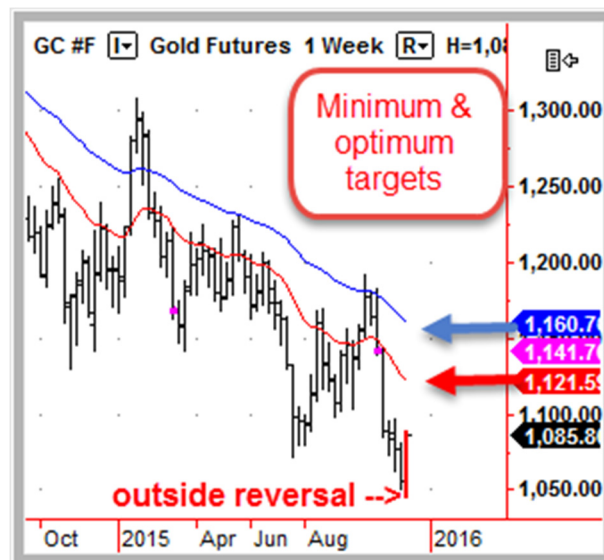


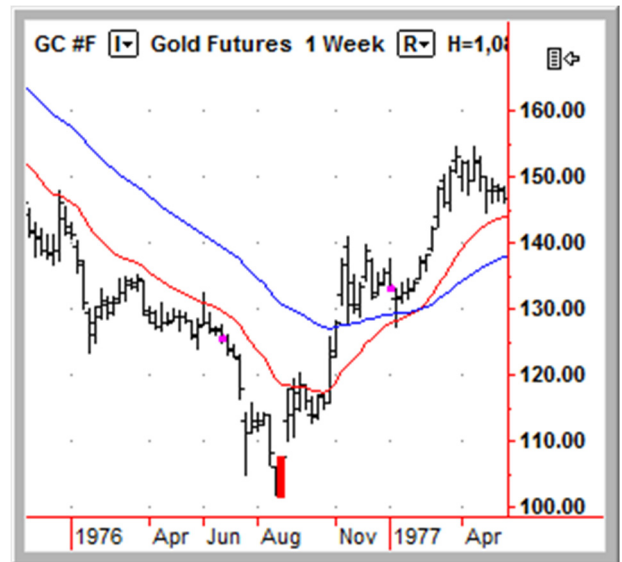
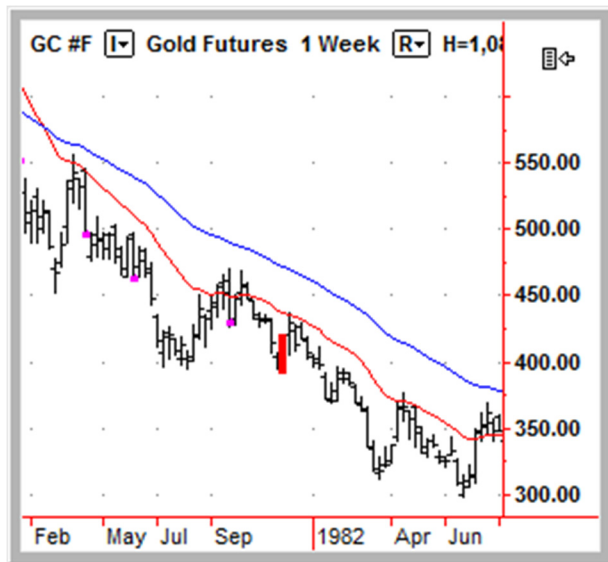
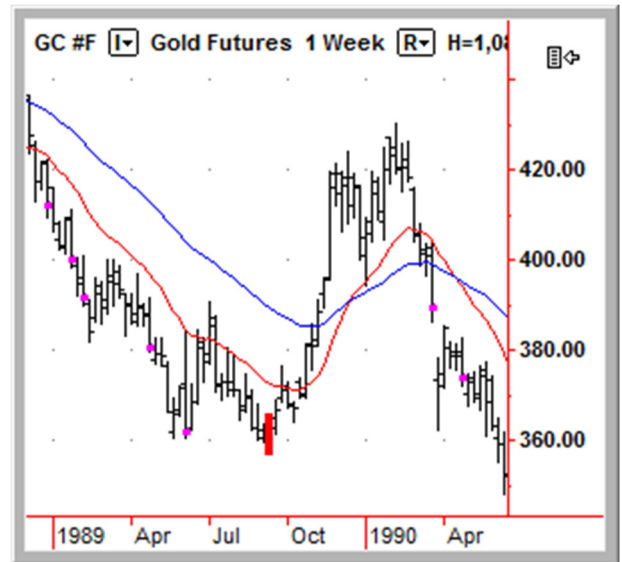
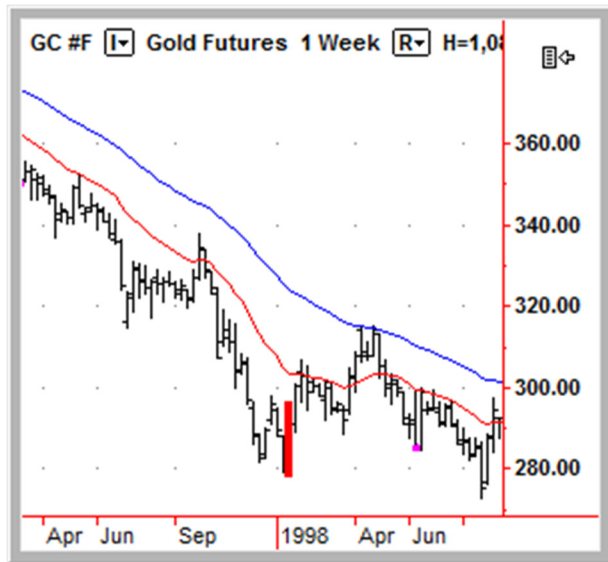
December 6, 2015

Technical observations of
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Convergences Score Well for Precious Metals and Miners

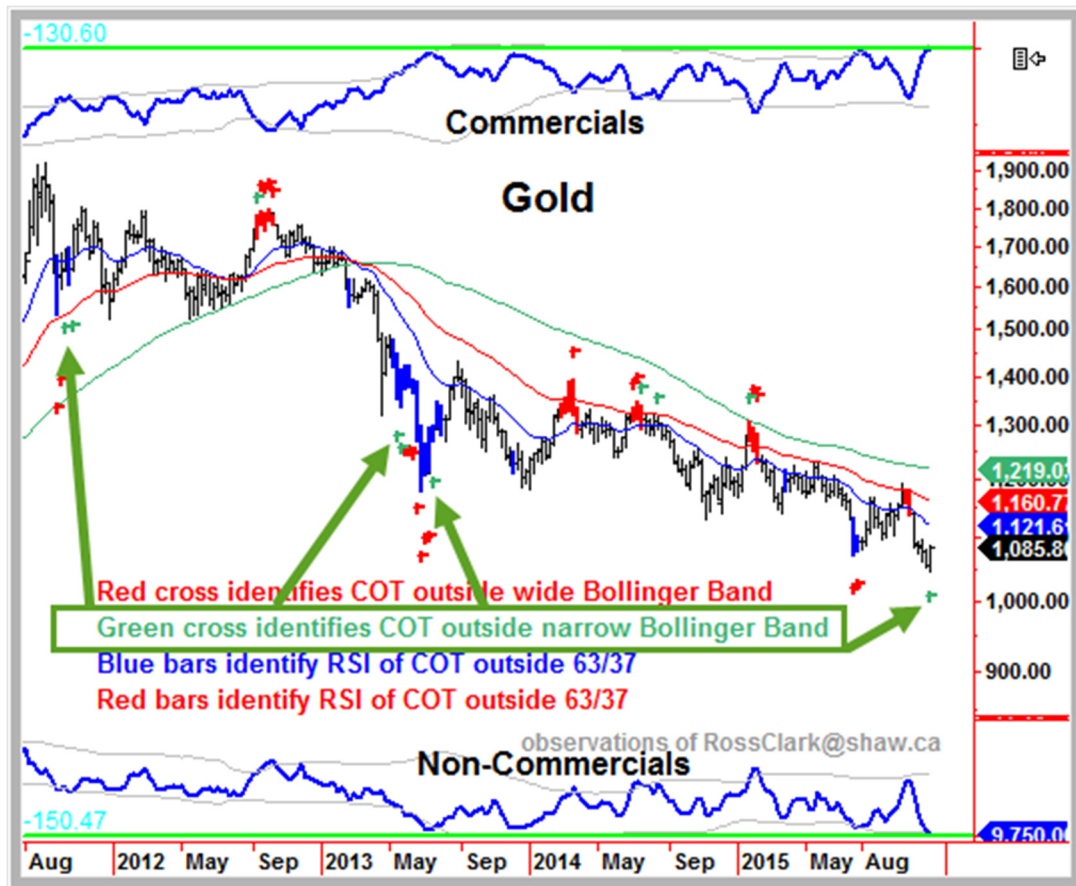
The COT, bullish divergence in miners versus bullion, cycles in gold and silver plus the TD Sequential Sell Setup in the Dollar Index we reported last weekend all came together to produce the best moves for bullion and miners in months. The week saw gold generate an outside reversal to the upside, having made a multi-year low and then closing above the high of the previous week. This is only the seventh time since 1975 that gold has made an outside reversal from a 20-week low. Five continued up to the 50-week ema. One stopped at the 20-week ema. **Targets become a minimum of \$1110 to an optimum \$1150 with 15% possibility of \$1280.**



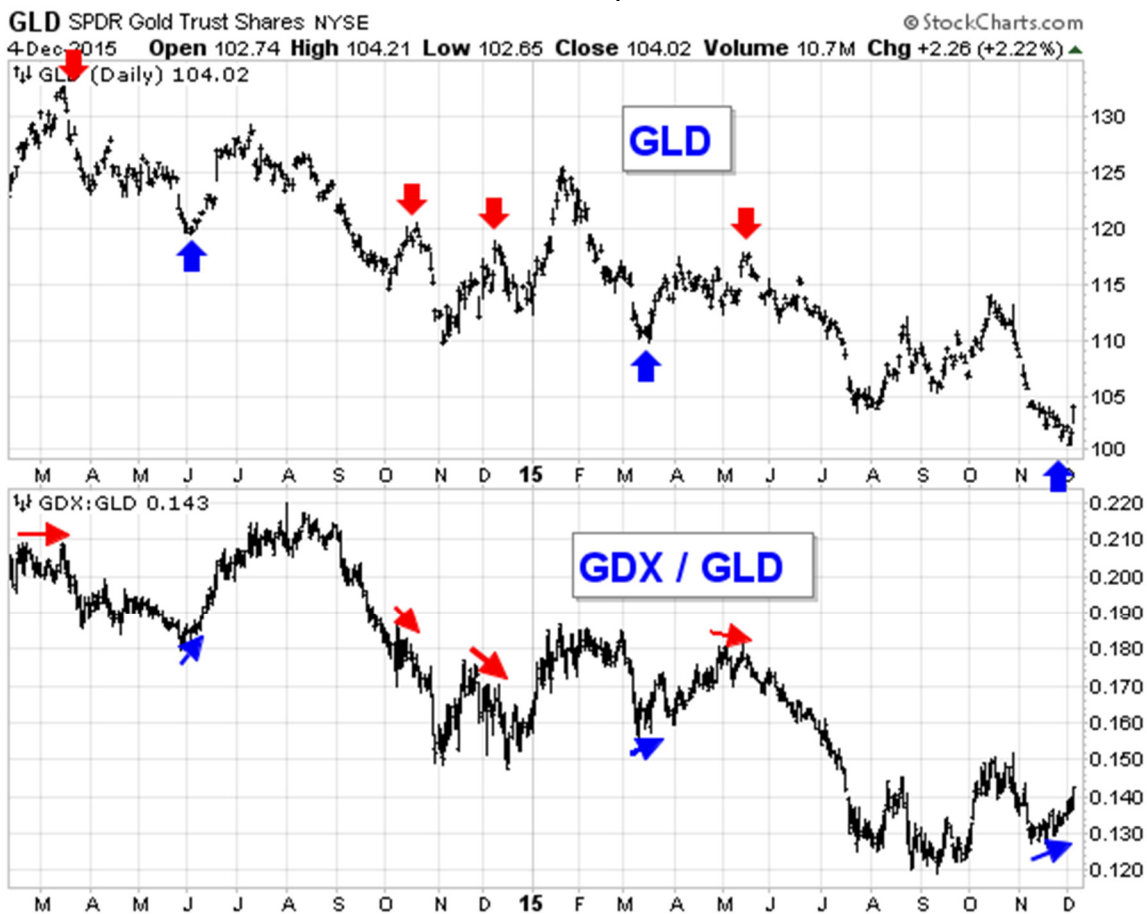


The current convergence of the 16-week gold and 18-week silver cycles also supports the chances of an interim low having been put in place. The next convergence will be the last week of March / first week of April.

The COT numbers moved to levels not seen since 2002. Commercials now hold only 2911 net-shorts (down from 165 thousand five weeks ago) and speculators hold 9750 net-longs. This puts both of them outside the narrow Bollinger Bands for the nineteenth time since 1986. It implies that we should see a rally of four to ten weeks.



Miners continue to outperform bullion.



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