

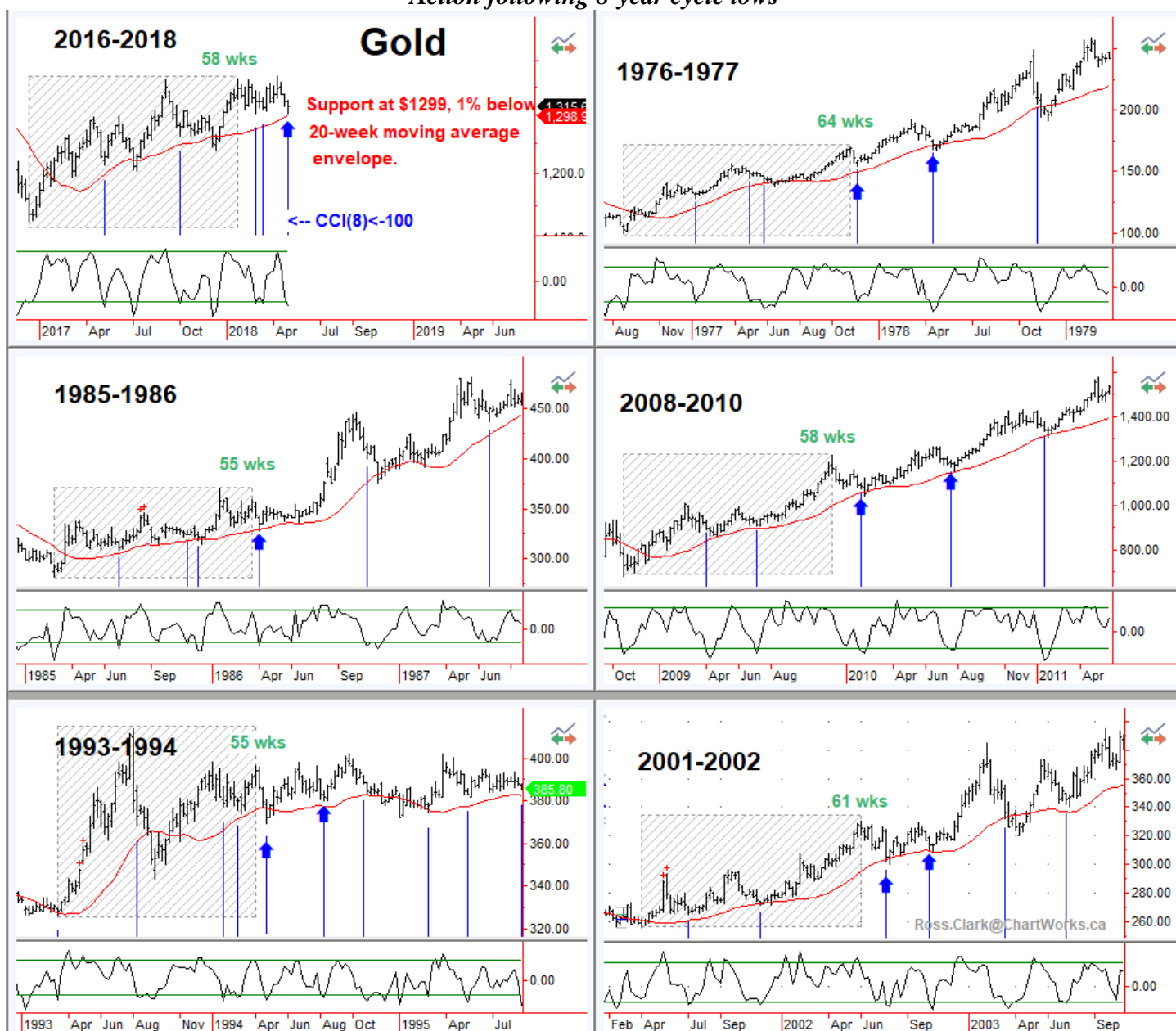


Technical observations of
Ross.Clark@ChartWorks.ca

Gold – Oversold Test of Moving Average Envelope Coupled with Daily Sequential Buy Setup

Gold dropped into important support this week following a test of resistance around \$1360 and sell signals in silver on April 19th.

Action following 8-year cycle lows



The eight-year cycle, which we deem to have bottomed in December 2017, generally sees a high 55 to 64 weeks later (*January 26, 2018*). From there it stages a consolidation with a pullback to test support, 1% below the 20-week (100-day) moving average band as seen this week. The test was coupled with an appropriate oversold CC(8) reading (blue arrows on previous page). This low also saw a daily Sequential Buy Setup (*nine consecutive days of closes below four days earlier*).

The two closes this week below the red support line are a classic means of taking out the weak long positions as gold build its base within the slow, methodical uptrend.



The low in gold has coincided with a rally in the US Dollar Index, which happens to have generated a daily Sequential Sell Setup. We should note that the gold market has held up well on the recent break relative to the action in the Dollar and is now trying to poke its head out of the resistance line when adjusted for the currency. This can also be observed when viewing gold priced in Euros which is testing its high of the year.



GLD priced in Euros

GLD:FXE SPDR Gold Shares/CurrencyShares Euro Trust NYSE

@ StockCharts.com

3-May-2018 10:08 am

Open 1.083 High 1.085 Low 1.080 Last 1.083 Volume 23 Chg +0.006 (+0.53%) ▲

GLD:FXE (Daily) 1.083



Opinions in this report are solely those of the author. The information herein was obtained from various sources; however, we do not guarantee its accuracy or completeness. This research report is prepared for general circulation and is circulated for general information only. It does not have regard to the specific investment objectives, financial situation, and the needs regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.

Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities or options or futures contracts. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk. Moreover, from time to time, members of the Institutional Advisors team may be long or short positions discussed in our publications.