

Big Warning in Gold's COT Data

The most recent Commitment of Traders data from the CFTC showed net commercial short positions at the largest level in the thirty-three-year history. Speculators had the second highest long positions. The RSI of the COT numbers are in a bearish divergence as only seen five previous times (7/23/93, 1/18/08, 11/27/09, 7/18/14 & 7/8/16). *This makes gold extremely vulnerable. The cleanout of weak longs should see the price decline by 15% or more (below \$1340).* It will likely take a minimum of six weeks in a choppy manner with possible retracement rallies of 50% from the \$1543 high of September 25th.



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