



May 5, 2021

## Gold & Silver

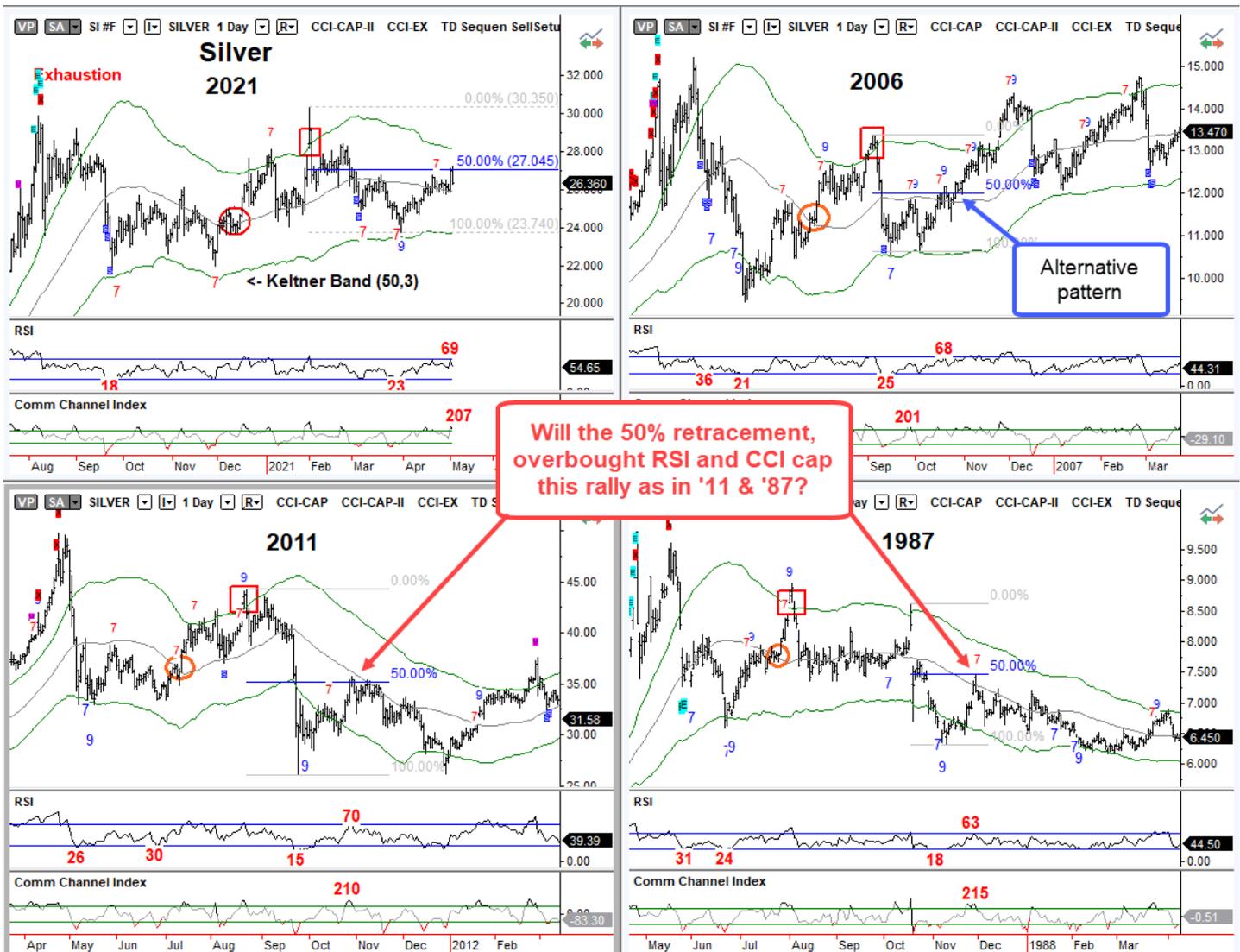
Gold continues to be 'boxed in', having tested support at the April 8<sup>th</sup> low of \$1756 and now the resistance at the April 22<sup>nd</sup> high of \$1798. The miners (GDX, GDXJ, HUI and XAU) had Springboard signals on April 30<sup>th</sup> and are attempting to base.

A close below \$1756 would keep the negative pattern in place, however a close above \$1800 would be a Change in Character from the previous rolling tops.



The optimum long-term buy continues to be on a deep correction around \$1600 with the action since August matching the corrective process in 1978 (around the all-time high of 1975) in the decade long bull market of the 1970's. However, a close in May over the April high (1799.50) would be enough to suggest that the market has completed its base and is prepared for the next leg to the upside into all-time highs.

Silver kissed the 50% retracement from the February high in the last 48 hours, with overbought RSI and CCI readings as seen following the post-bubble highs of 2011, 2006 and 1987. It has pushed through the 50-dma and shows an upside bias as seen in 2006. A follow-through on the upside would point towards a test of the August highs.



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