

TECHNICAL CHARTING OPINION

eResearch Corporation is pleased to feature a technical opinion by Chris Kimble of Kimble Charting Solutions.



Mr. Kimble states, on his website www.kimblechartingsolutions.com, that his goal for his investment research is to:

... help people to enlarge portfolios regardless of market direction by looking for patterns at extreme points of "exhaustion" with a high probability of reversing, called TBNM: tops, bottoms, no middles. The intent is to simplify the decision-making process.

Mr. Kimble has been in financial services for over 30 years.

His research is intended to simplify investment decisions and increase confidence with charts that are clear as to the pattern at hand and action to take. His strategy is to look for chart patterns at extreme exhaustion points that have a high probability of reversing. These extremes reflect excess fear and greed of global investors and, therefore, they can be capitalized upon.

By providing research showing markets at extremes of long term resistance or support, and including bullish/bearish sentiment readings when available, Mr. Kimble attempts to help investors simplify their decision-making, reduce risk, increase confidence, and improve results.

Today's article begins on the following page, and is entitled:

Gold/Dollar Ratio: A Near-Term Peak?

You can access his website and subscribe to his service at the following link:

www.kimblechartingsolutions.com

Note: All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by eResearch Corporation, are strictly those of the Author and do not necessarily reflect those of eResearch Corporation.

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Gold/Dollar Ratio: A Near-Term Peak?

(To enlarge the chart below, place cursor on chart, and <Ctrl-Click>)

Two of 2017's major investing themes thus far are the return of **Gold** (NYSEARCA:GLD) and the prolonged weakness in the **U.S. Dollar** (CURRENCY:USD).

Year-to-date, Gold is up 15.72% while the U.S. Dollar is down 9.57%. This follows a multi-year decline in Gold and a multi-year rise in the Dollar.

The question now is whether or not we will see a meaningful trend change in this relationship. To help answer that question, let us take a look at the Gold / U.S. Dollar ratio chart. When the trend is rising, gold tends to outperform... and when the trend is in a decline, gold is typically under pressure.

In the chart below, the trend is clearly rising (which has been a positive for Gold). However, you will also notice two factors that appear to be headwinds for gold going forward: (1) The rising trend is at a confluence of price resistance points. As well, it is testing the top of its 3-year trading range. (2) At the same time that the Gold/Dollar ratio is hitting price resistance, it is also seeing momentum hit levels last seen near the 2011 highs.

Gold / U.S. Dollar Ratio "Weekly" Bar Chart <Ctrl-Click> ON CHART TO ENLARGE



The takeaway: A “lasting” break-out above this level may require a momentum reset (i.e. a breather for gold first). As with other charts showing the U.S. Dollar being oversold, this may be in the cards.

Gold investors & traders will no doubt want to want to keep an eye on this ratio.

***e*Research Corporation**

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