

## Where Will Gold Go From Here?

**eResearch Corporation** is pleased to provide an article by Keith Richards of **VALUETREND**.

In this article, Mr. Richards shows that, if gold is going to out-perform, it has to make its move now!

The article is reproduced below, beginning on the next page, or you can go directly to it at the following link: <http://www.valuetrend.ca/will-gold-go/>

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Monday, September 11, 2017

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By: Keith Richards (bio at end)

Below is a chart of gold that I have kept on my screens for a while.

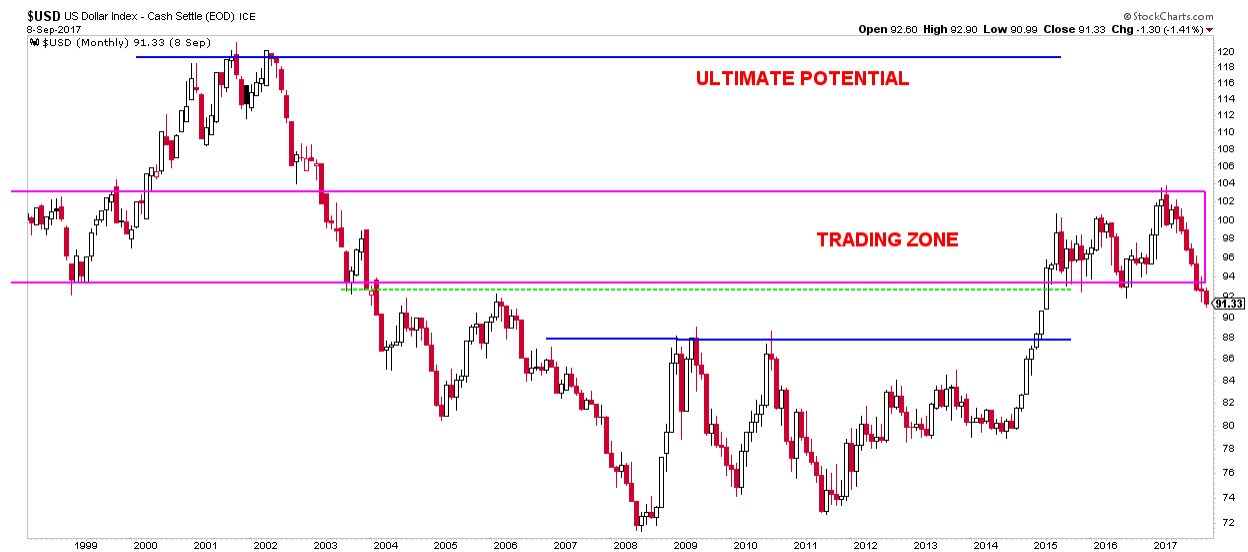


The triangle break-out that I noted to wait for on [this blog](#) occurred in August. It has now hit its first level of resistance that I had noted on that blog via the dashed green line.

As mentioned on that blog, I would feel safer if gold blew through \$1400 before assuming it is in a new bull market. Yes, it has cracked the down-trend and broken out from the triangle. But there is some "noise" ahead of it at around \$1400 – that is, there is a bit of resistance at \$1400-ish from back in 2011 and again in 2013 that may come into play.

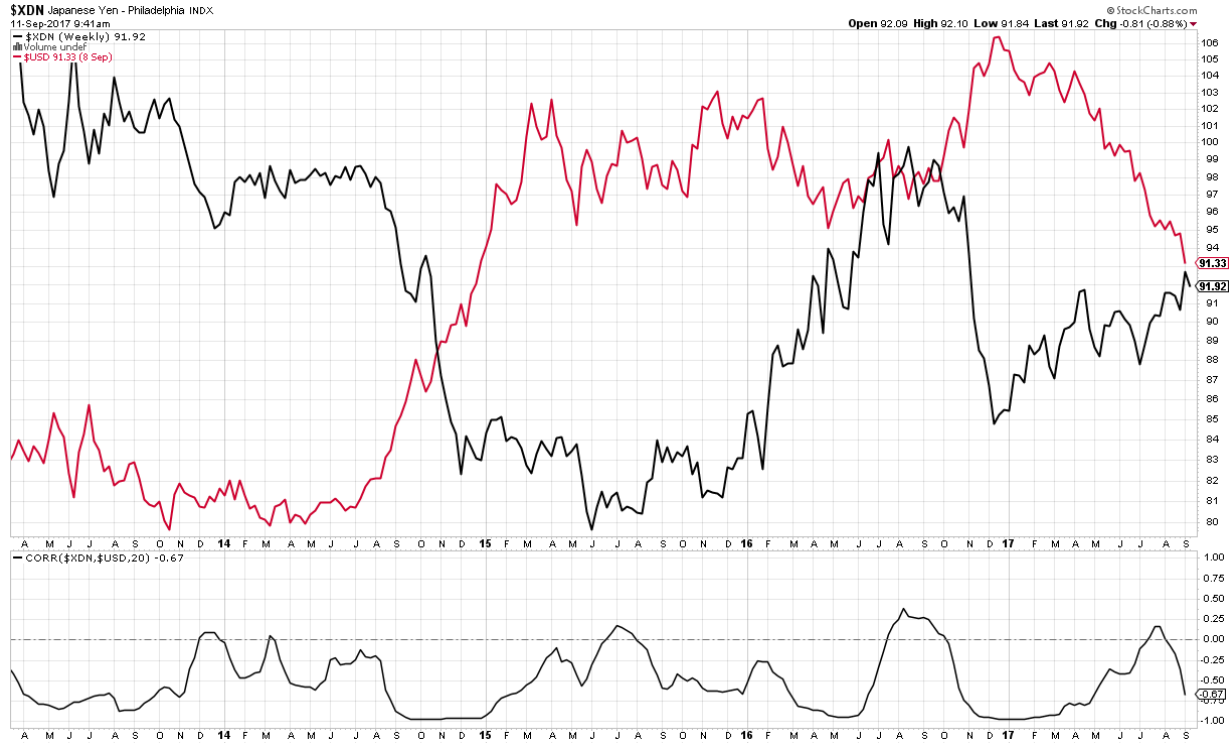
My opinion is that gold may indeed get very close to \$1400. Whether it can go through that level is the big question.

On the positive side for gold is the weakness in the USD. A weak dollar tends to push market participants into gold as a hedge. I noted on [this blog](#) in July that a level of support for the USD was being tested. Interestingly, most technical signs for the dollar were showing a massively oversold situation. Despite this situation, the dollar still fell through support, and has broken down from its longer-term trading range. I have noted that range for many of my past blogs such as [this one](#).



There can also be a negative correlation for the USD against the Japanese Yen. The chart below shows this relationship. At the bottom of the chart is a correlation calculation. When that line goes to -1.0 (i.e. it moves to the bottom of the pane) that means the Yen and USD are going in absolute opposite directions. You can see there is some rhythm to this occurrence.

You can certainly see it on the chart – the red (USD) line and black (Yen) lines often cross in opposite directions. At this time, it looks like we have entered into a period of such negative correlation. And that may just mean more downside for the USD. I make note of this because that could put further upside pressure on gold. So, perhaps there is a decent chance of gold breaking through the \$1400 level that I mention above.



The seasonal period of strength for gold ends around the mid-point of October. Given the above factors in addition to the seasonal, perhaps it is now or never for gold to make its move.

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## ABOUT THE AUTHOR



ValueTrend Founder and Owner, Keith Richards, has been in the securities industry since 1990. ValueTrend manages over \$100 million through a discretionary investment service for high-net-worth clients.

Keith Richards has been in the securities industry since 1990 and is a highly regarded member of the small, exclusive community of Chartered Market Technicians in Canada. Mr. Richard's articles appear regularly in INVESTORS DIGEST, MONEYLETTER, GLOBE AND MAIL, and the TORONTO STAR newspapers.

His appearances on BNN Television have inspired producers to acknowledge him as **“one of [our] most accurate technical analysts.”** Mr. Richard's first book, SMARTBOUNCE: 3 ACTION STEPS TO PORTFOLIO RECOVERY, is available in bookstores and directly through his blog page [www.valuetrend.ca/blog/](http://www.valuetrend.ca/blog/). His second book, SIDEWAYS: USING THE POWER OF TECHNICAL ANALYSIS TO PROFIT IN UNCERTAIN TIMES was released in late 2011. He has been critical of the commission-based, follow-the-pack approach to investing – where brokers succeed regardless of performance.

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