

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 Bugs Would Love This To Be A Double Top!

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.

Thursday, November 15, 2018

Gold Bugs Would Love This To Be A Double Top!

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

Gold, Silver, and the precious metals industry have a pretty simple relationship with the U.S. Dollar: they perform better when the Dollar is weakening... and they tend to struggle when the Dollar is strengthening.

One of our favorite ratios to monitor for Gold Bugs is the U.S. Dollar/Gold ratio. It tells us when the Dollar is weakening or heading lower (which is good for gold) or when it is strengthening or heading higher (bad for gold).

Looking at the Dollar/Gold chart below, we can see that the ratio climbed higher from late 2011 to early 2016. This wreaked havoc on Gold prices. Since peaking in early 2016, the ratio has formed a broad declining channel (pink shaded area). Each swing lower has provided a tailwind for Gold prices, while each counter-swing higher has been a headwind.

U.S. Dollar Gold Ratio Chart – Double Top?



<CTRL-CLICK> ON CHART TO ENLARGE

In early 2018, the ratio tested the bottom of the channel before reversing higher and strengthening throughout much of this year. This move back toward the top of the channel has kept Gold prices subdued this year.

There's hope for Gold bugs!

The U.S. Dollar/Gold ratio may be forming a “lower double top” just below falling channel resistance at (1). And each of the prior highs has coincided with momentum peaks (top box of the chart). As you can see, momentum looks to have peaked once again... and may be rolling over.

The Takeaway: Gold bugs would love to see a double top bearish reversal at point (1) on the U.S. Dollar/Gold ratio. This has NOT been confirmed just yet, but the ingredients are there.

Stay tuned!

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