

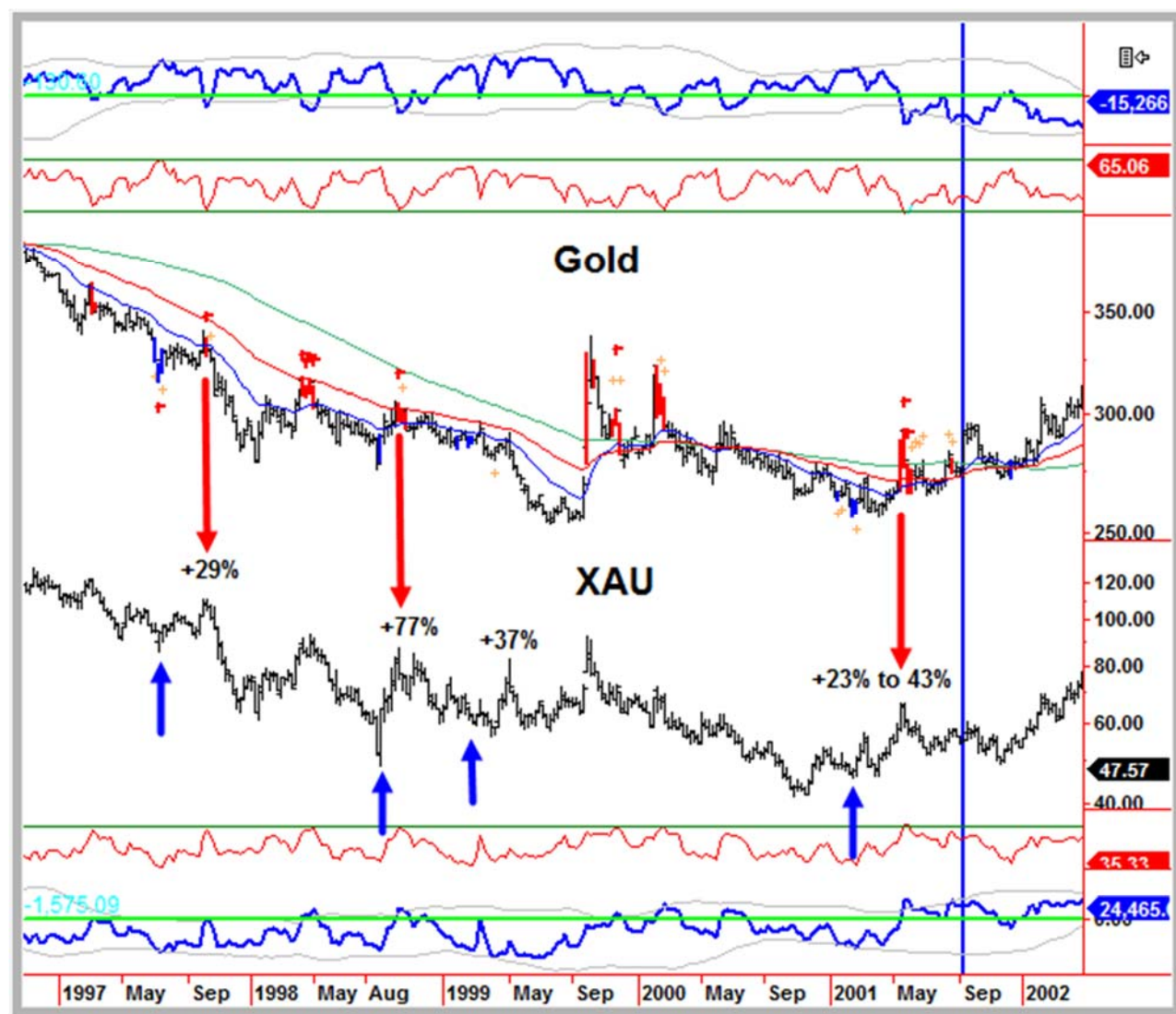
Technical observations of
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This week saw the net speculative long positions for gold drop another 3814 contracts to 24,465 while the net short commercial positions dropped by 6318 to 15,266. This marginal move in the COT data points kept them outside the Bollinger Band (50) and the 63/37 boundaries in the RSI(14) for the second week. **Established downtrends such as now (*defined as price below the 50-week moving average*) see interim lows in gold once the RSI achieves the current levels for two to three weeks.**



The earlier stages of downtrends see extremes in the RSI last for six weeks or more (June '96 & May '13). This is indicative of the broad change that is developing. However, as the downtrend becomes established it takes fewer weeks of overbought/oversold readings to produce relief rallies. **The 20 and 50-week exponential moving averages become targeted upside resistance** (currently and \$1168 and \$1205)

The miners typically do well for 6 to 13 weeks (**blue arrow**) until the RSI of the COT data moves to the opposite extremes (**red arrow**) or gold rallies to the 50-week moving average.



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