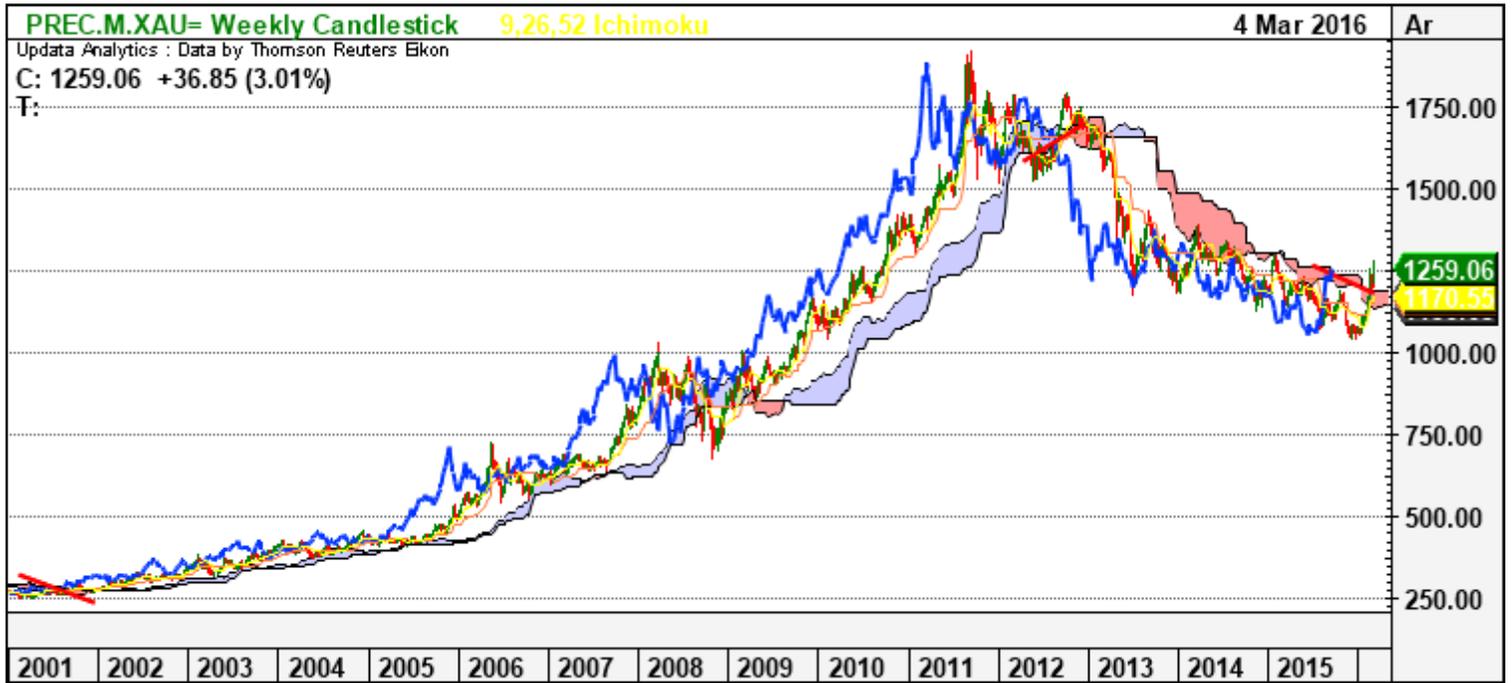
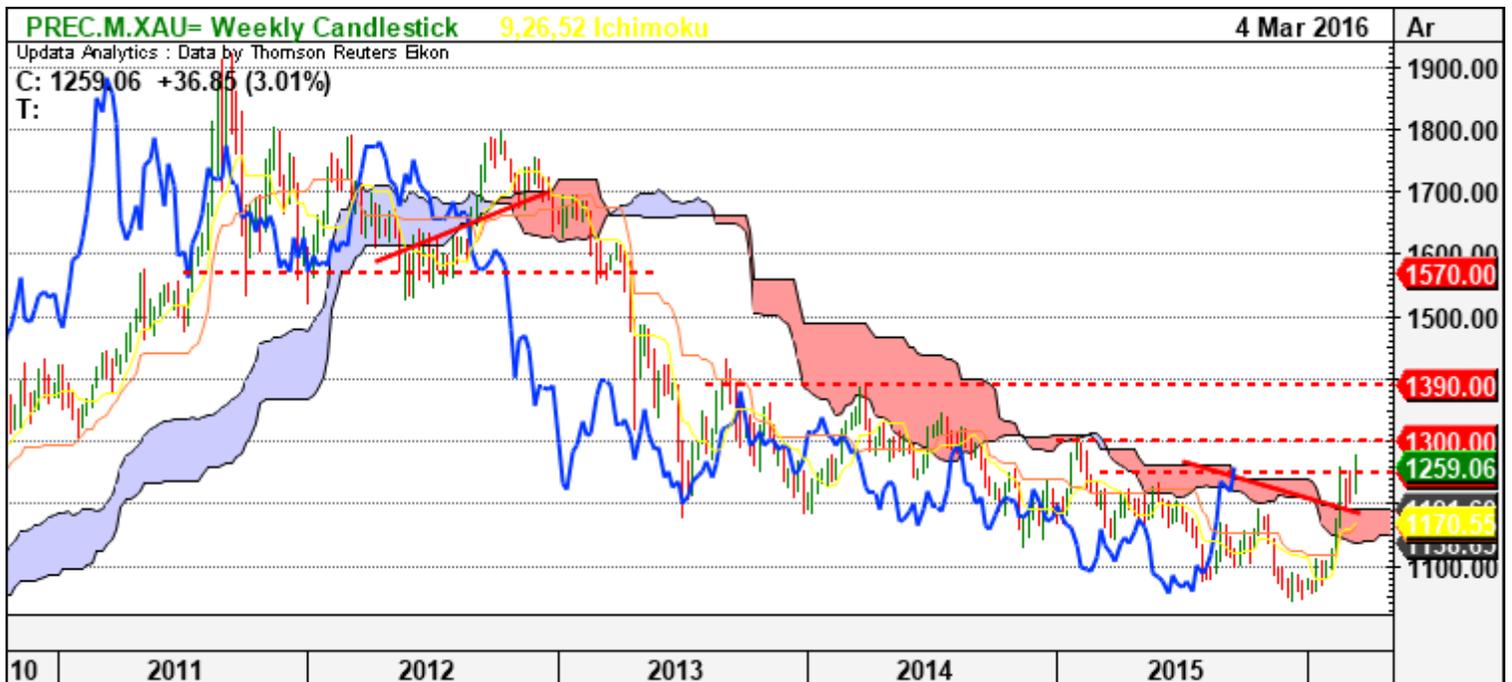


Potential long term trend change on Gold



We have been waiting for gold to close above \$1,250 for a while and it did that for the last two trading days last week. This also took the lagging line (blue) above the weekly cloud for the first time in four years.

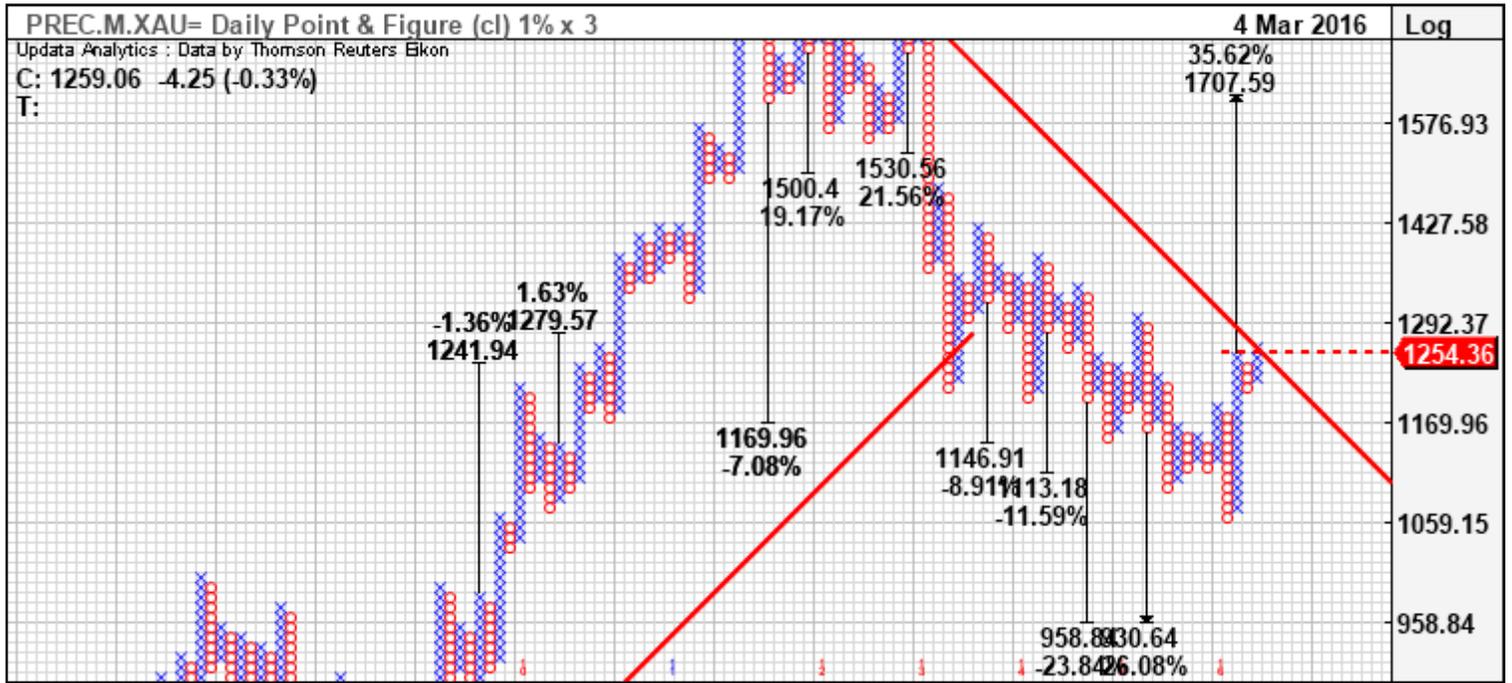
Gold prices crossed above the weekly cloud back in 2001 at around \$300 and then the lagging line spent the next 11 years above the cloud while the price rose six fold to the 2011 high.



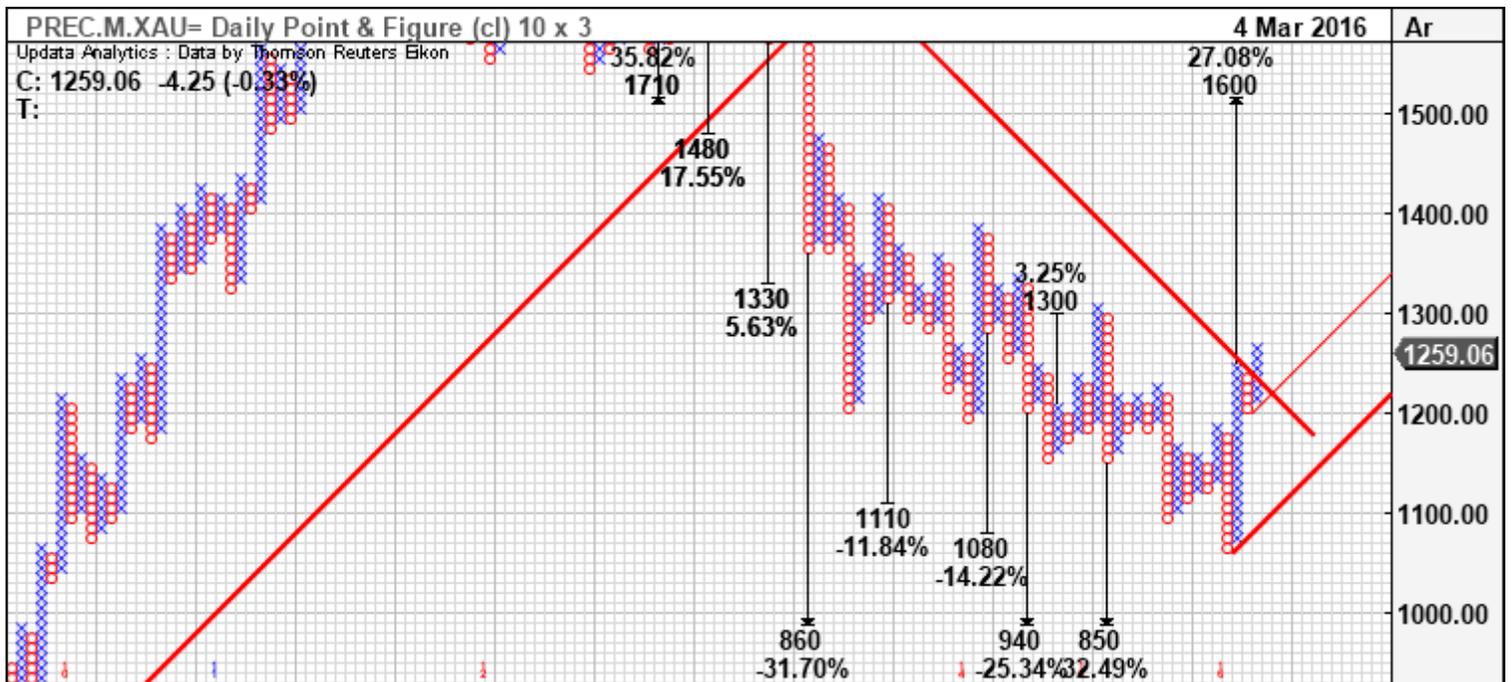
Above we see the weekly chart zoomed in with last week's closing price taking the lagging line just above the cloud. Normally we would want to see three bars above to be sure of a trend change, so we need to see gold hold \$1,250 to be sure of a trend change.

Want to understand the clouds? Watch my [Cloud Charts Training Video](#) on the Updata web site

The price targets



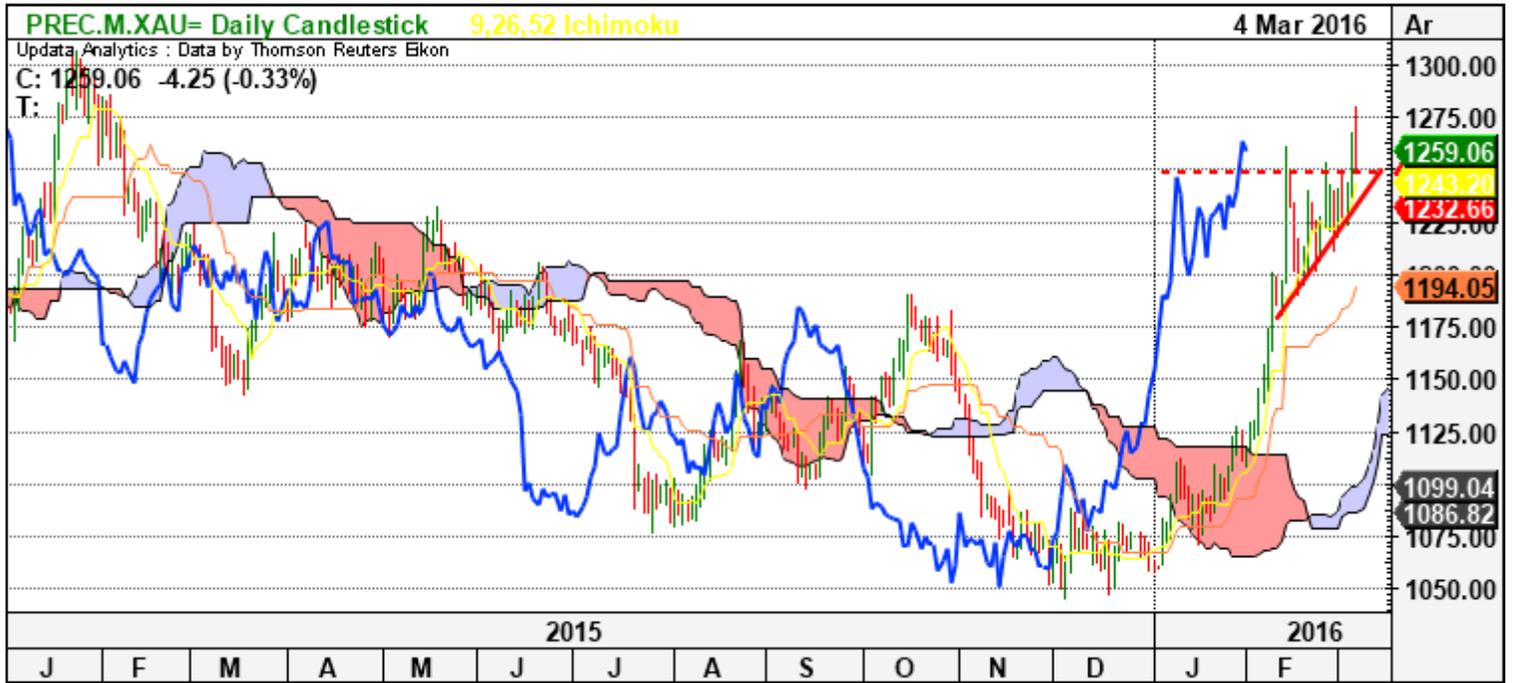
The 1% Log scale point and figure chart (only possible in Uputa) shows an upside target to \$1,707 (35% upside) which was activated last week. We are right on the 45 degree resistance line here, so another one percent move in the price would breach this and give us a new uptrend line.



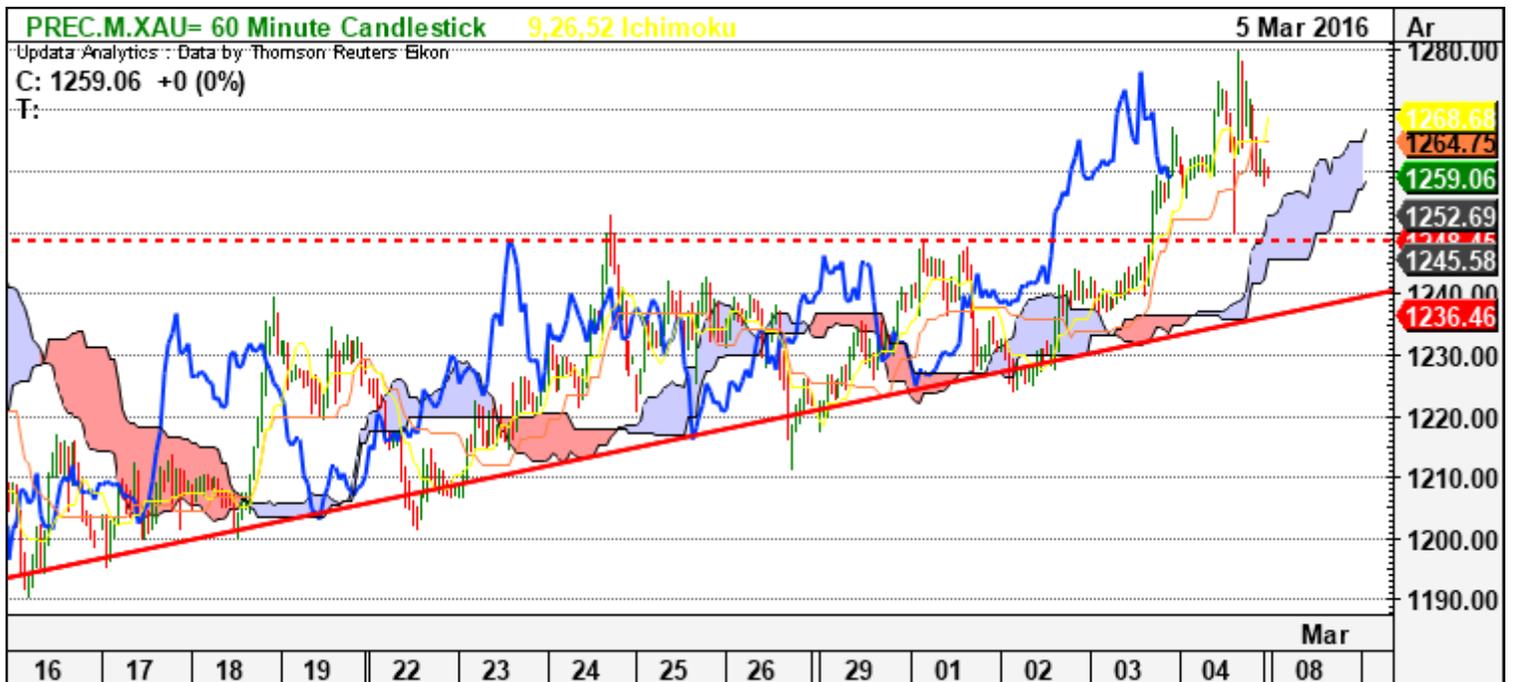
The slightly more sensitive 10x3 chart shows the trend is already broken with an activated upside target to \$1,600.

From these targets we would say gold has a 30% upside potential in the medium term. How quickly this could occur will depend on factor such as US dollar strength and whether we see any more turmoil in global financial markets after a rocky start to 2016.

Gold - Medium term



The pattern on the daily chart is significant. An ascending triangle that built over February which is now clearly broken. This is a classic continuation pattern with a pretty high reliability. The rule of thumb is that the move out of such a pattern will be roughly equivalent to the move into the pattern. Gold ran up a couple of hundred dollars into the pattern, it could run a couple of hundred more.



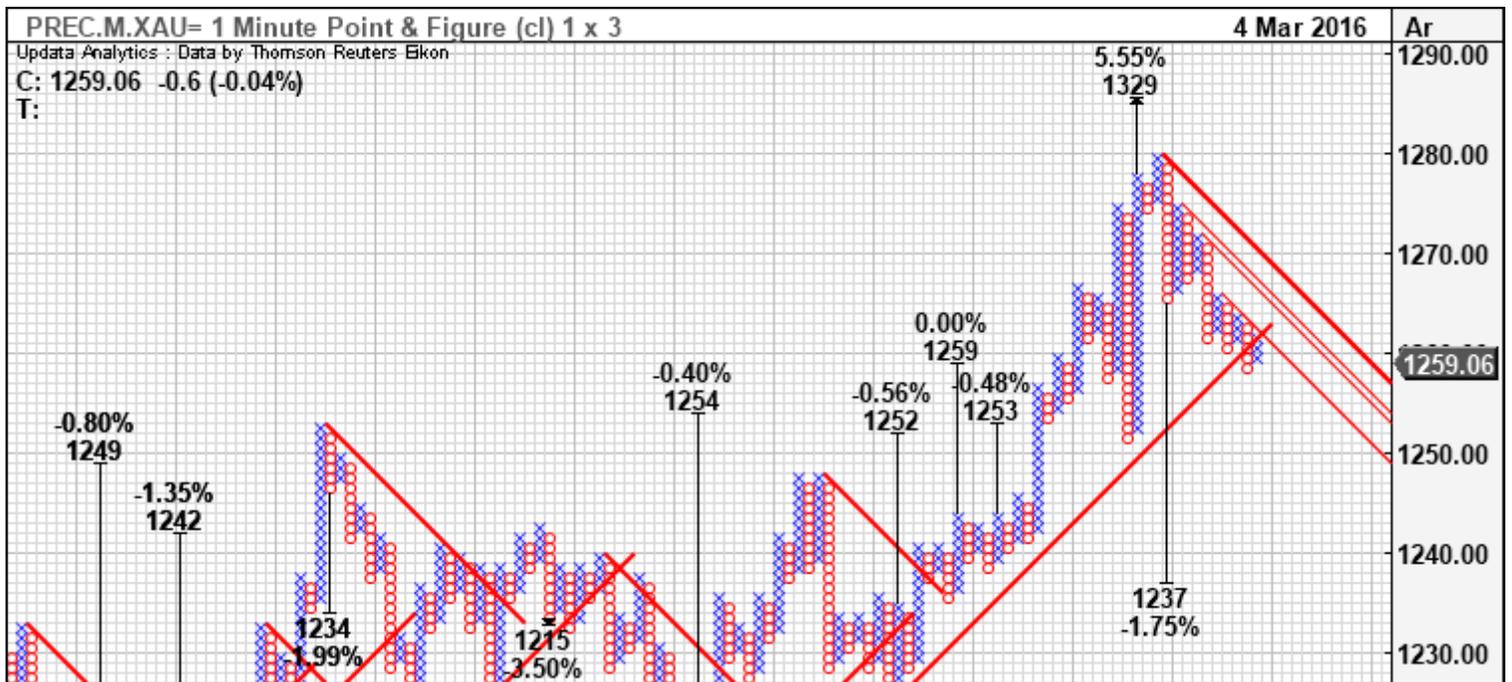
The short term 60 minute chart highlights the need to hold the \$1,250 price level with the \$1,240 level being a critical level in this uptrend as well. Prices have stayed predominantly above the cloud in the last two weeks, but the risks of a pullback in the price increase when we are below the cloud here.

Short term and Very short term



The targets on the 60 minute chart are encouraging for more upside with prices projected into the high \$1,300s, a move of between 8 and 10%. Short term normally means days, so gold prices could run very quickly.

The one minute chart below is very short term and this is essential for short term traders or for timing entries and exits. Here we have conflicting targets and a very short downtrend. We may pull back to \$1,237 but another up move would probably take us through \$1,300 and then prices could start to run.



This report was produced using the Report Writer in Udata Analytics. It can be re-run and the charts updated at any time. A range of platforms can be used to run Udata including - Bloomberg, Thomson Reuters Eikon, DTN, Factset, FutureSource, Trayport and many more.

Please note nothing in this report constitutes a trading recommendation and the picture can change.

For a free trial of Udata visit www.updataTA.com or email ta@updataTA.com