

Bulls are back?

6 September 2017

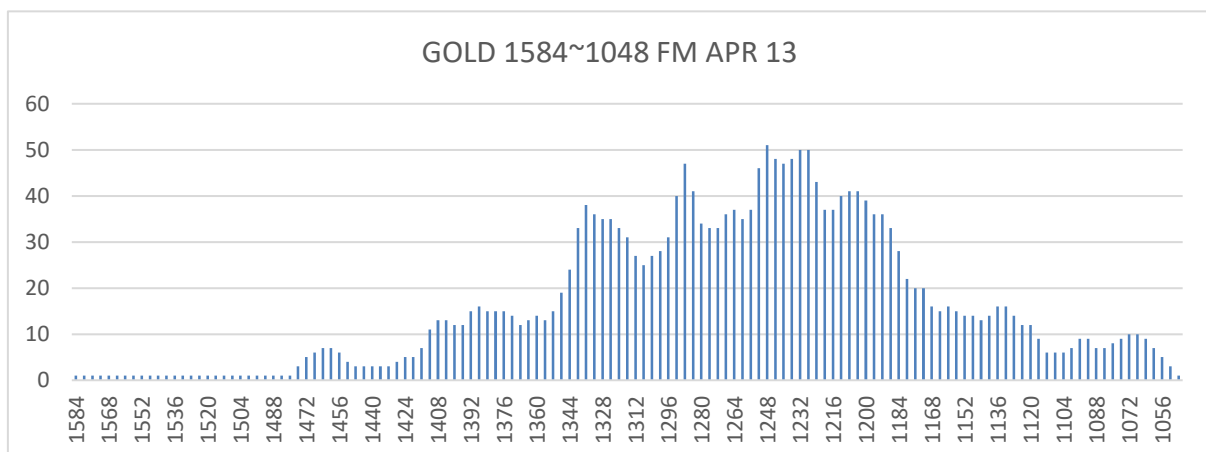
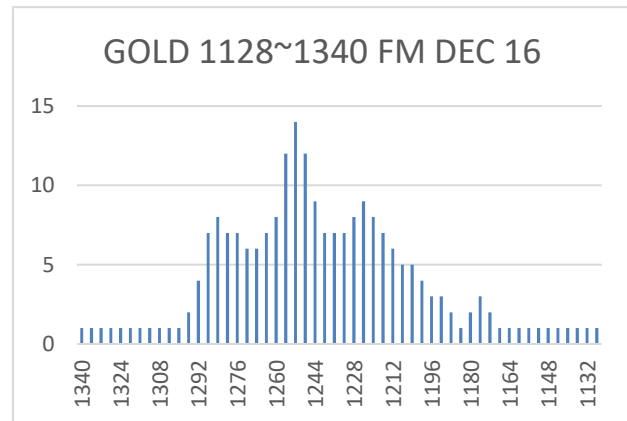
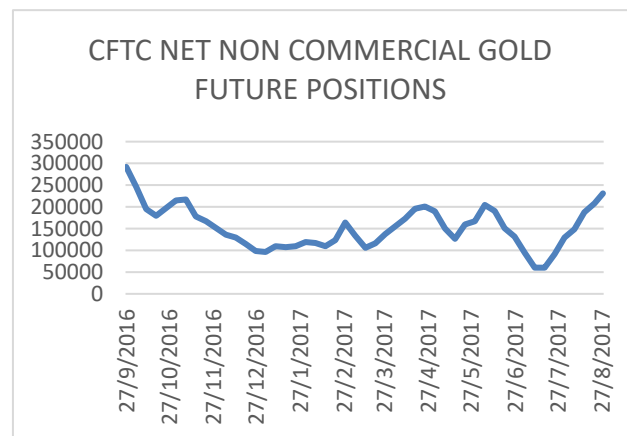
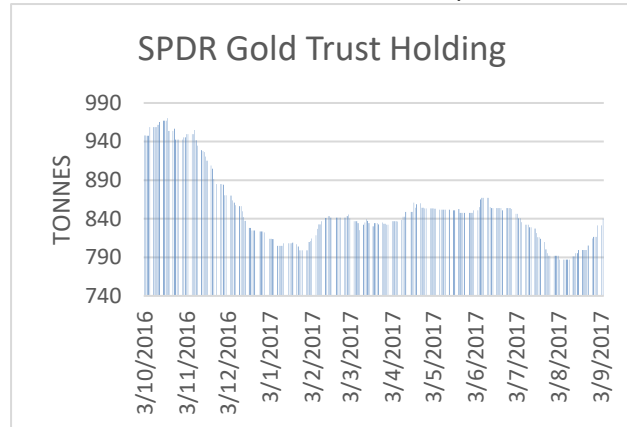
By Hawk Namiki

Gold prices finally broke 1300 levels and remained above that level at New York Close. Weekend news about North Korea motivated another price action to the gold market from the opening in Asia on Monday. Since our last observation, SPDR Gold Trust Holding bottomed and also Net Non-Commercial Gold future positions increased, and supported the upward movement.

Is this the end of the bear trend that started in April 2013?

This bear market has been driven mainly by FED tapering and also Trump's promised policies, and now it looks like the market has discounted current fundamentals and may be waiting for more supportive facts to prove current trends.

It is still too early to say this is the end of the bear market which started in April 2013, but it is very clear that those who have been short below 1300 are beginning to feel the pain. The upward trend which started in late December 2016 is still on its way to the 1375 mark or a bit higher, but it doesn't have enough momentum to push through the 1400 mark for now. Key levels to watch are 1300 and 1375 now and there is a need to see how the market will be developed from here. Accepting the prices above 1300 continues to give pressure to the bears, and it hints at another squeeze to push prices up to 1480 or even as high as 1580. On the other hand, rejection of prices above 1300 will bring the market back to the bear tone. Under the current market-environments it may be better to make friends with the bulls.



Source of numbers and statistics from Bloomberg



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