

Market is back to the old range again?

3 October 2017

By Hawk Namiki

Rising geopolitical tension between USA and North Korea pushed gold prices to this year's high and marked as high as 1357 on 8 September 2017. However, the price at that level was quickly rejected, and profit taking pushed prices down even further. This weak price action was confirmed with CFTC net long peaked on 12 September 2017. Besides, the outcome of the FOMC on 20 September 2017 was rather hawkish and that pushed prices even lower to test 100 days moving average at 1272.

As hinted by the price actions from the high, it is probably not the time yet to see a further squeeze to move gold prices higher. All the bulls on Trump policies and supporters of FED tapering have been revived with the FOMC outcome, and one more chance was given for those who have been bullish on Trump policies and the FED rate hike. It may be that those who have been bullish on gold may need some time to adjust their positions.

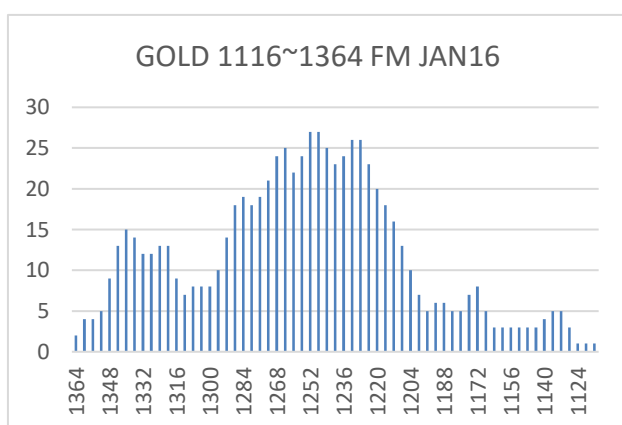
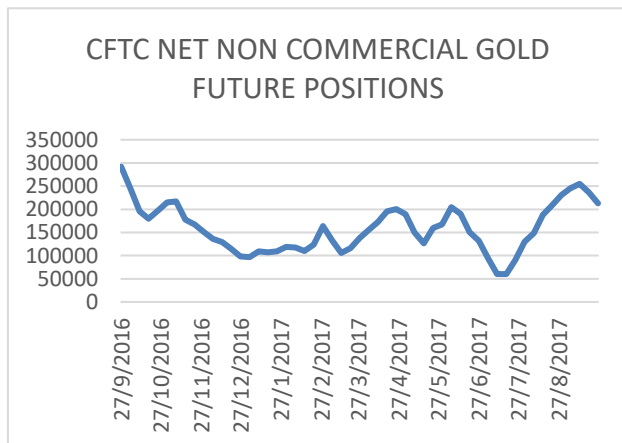
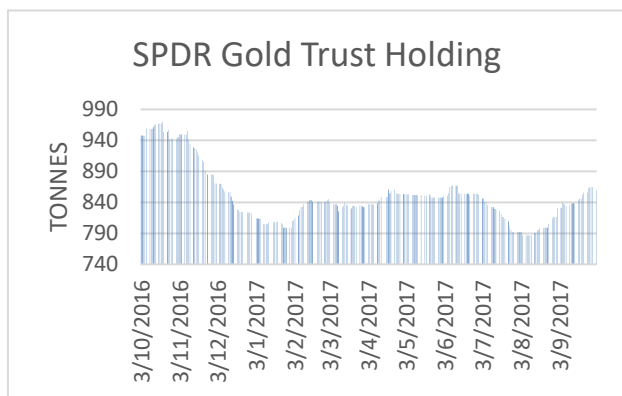
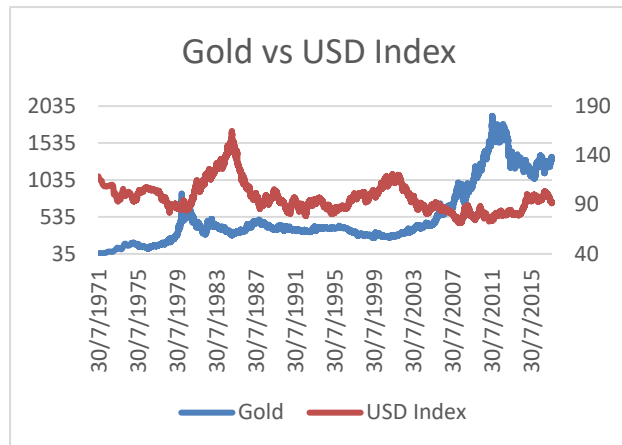
What's next?

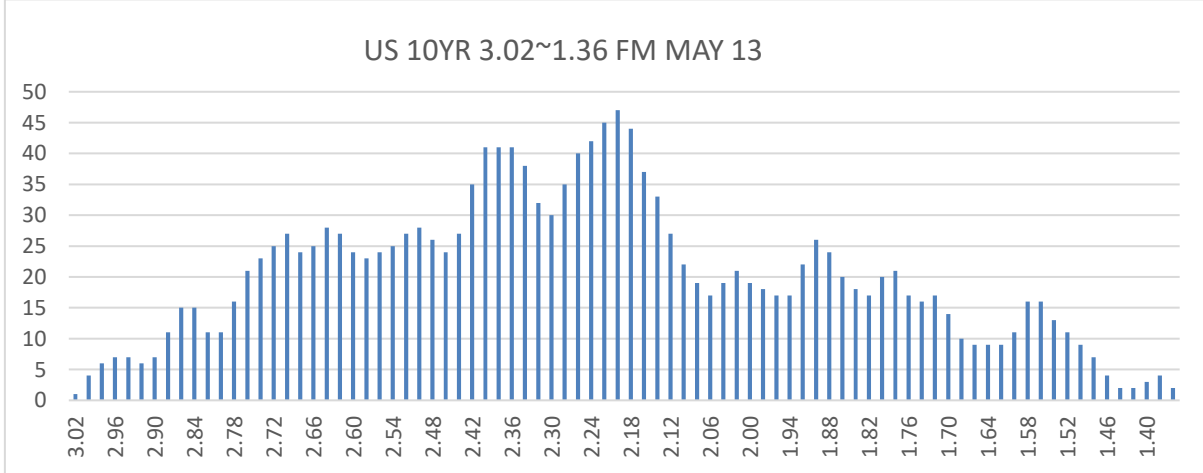
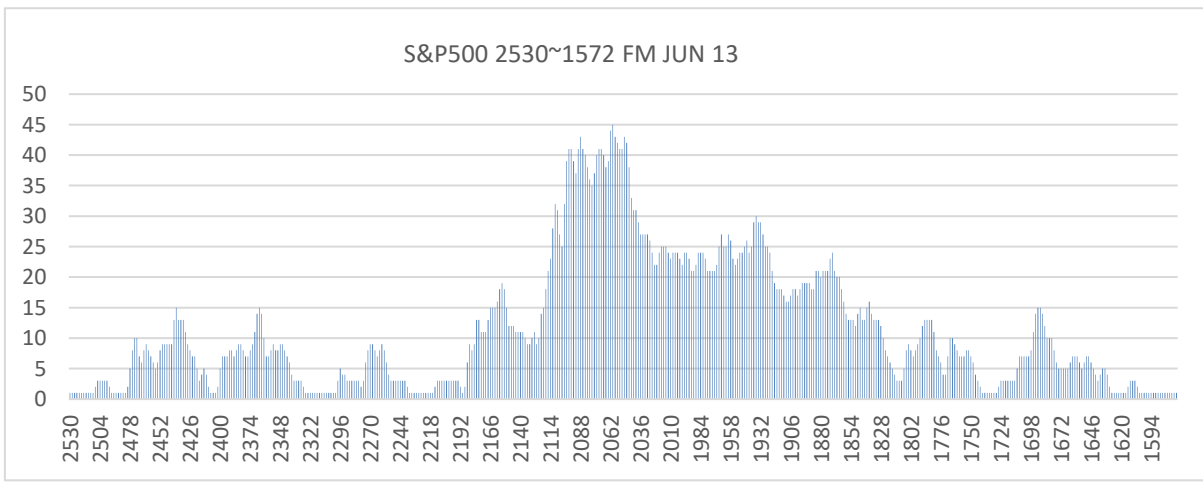
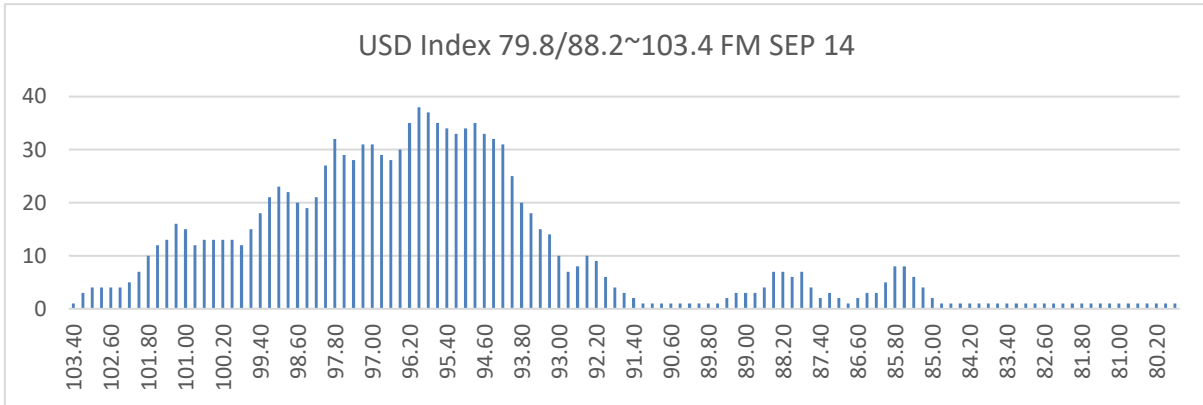
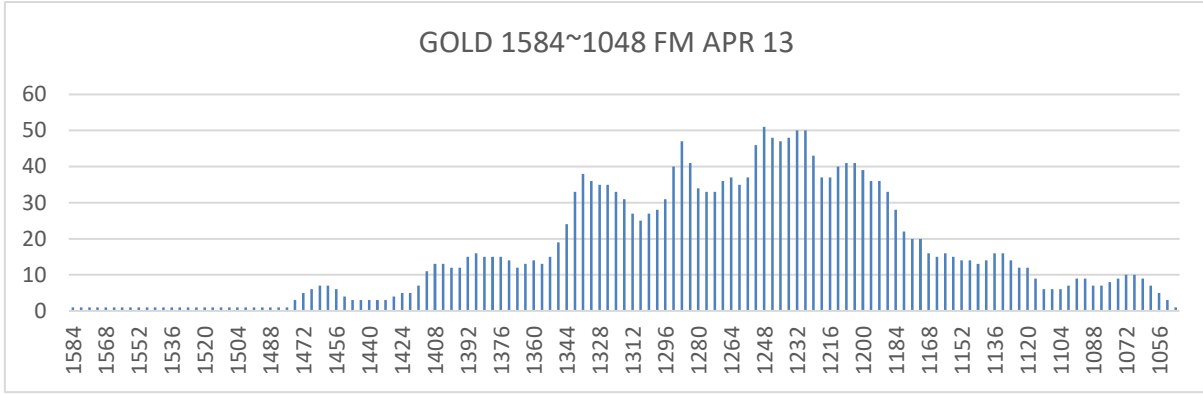
It is back to the same game again to see how far this correction of the main trend takes us to, or could it be that this is not a correction and that everything in the world is ok now?

Key levels to watch to follow the current trend will be 1250 and 1310. For those who are bullish on gold, they would want to see the gold prices remain within the range between 1250 and 1310. On the other hand, the bears want to see the gold prices pushed down below 1250 and remain below 1250.

Gold prices may decline even further to test 200 days moving average at 1250, but at this time, it may be better to remain in the bull camp due to so many factors combined.

Looking at all the charts and guessing how positions are set with all market participants, it does not look like markets are ready to make a big move yet with current market levels, except the S&P market which has been making a big move and getting close to the other extreme. It might be good to have very close eyes on the price action of S&P to protect this year's profit.





Source of numbers and statistics from Bloomberg



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