

By Hawk Namiki

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

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

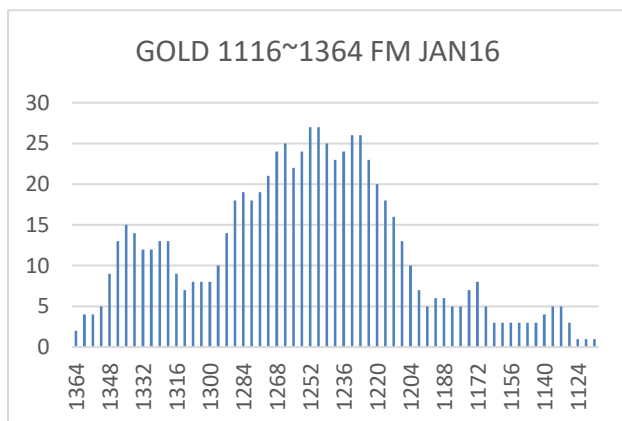
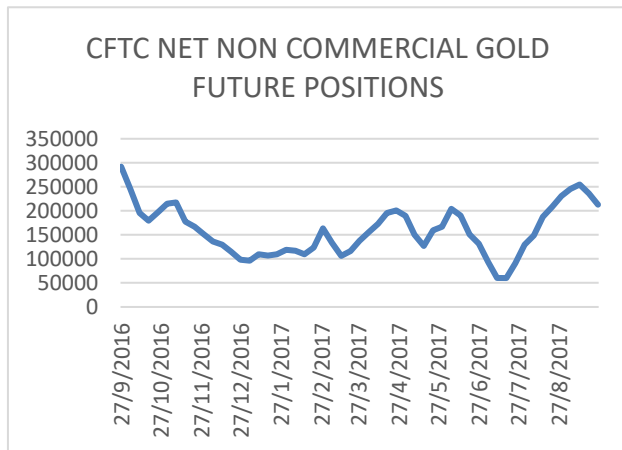
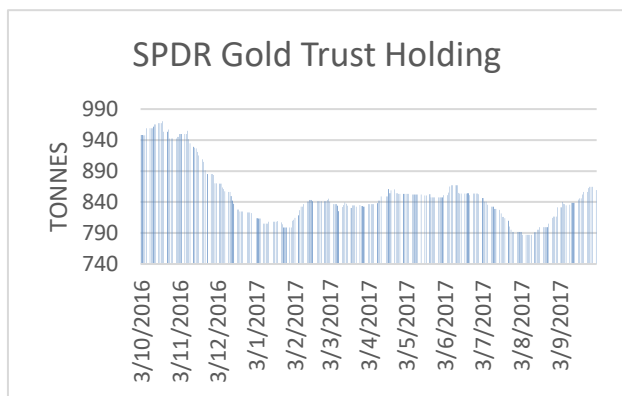
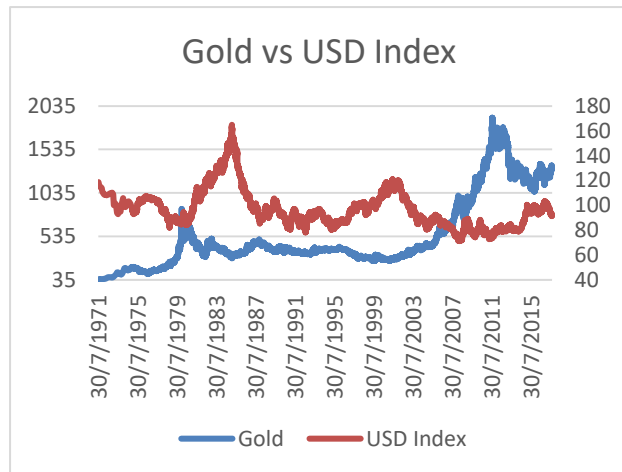
What's next?

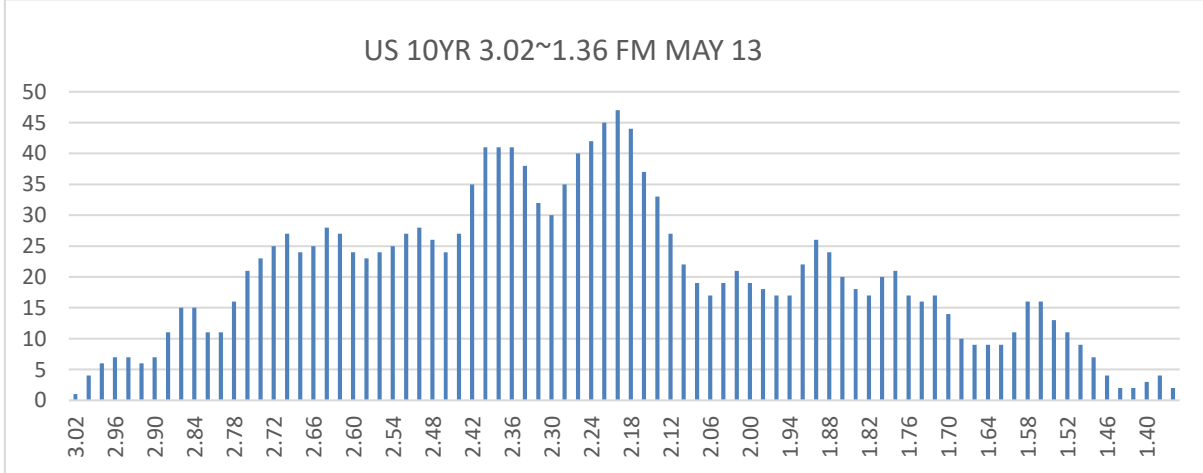
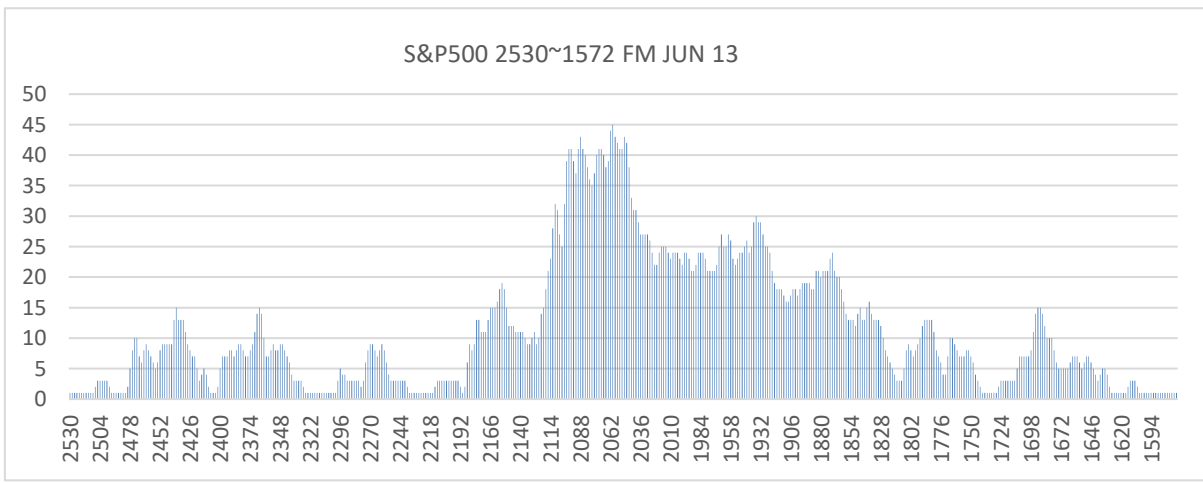
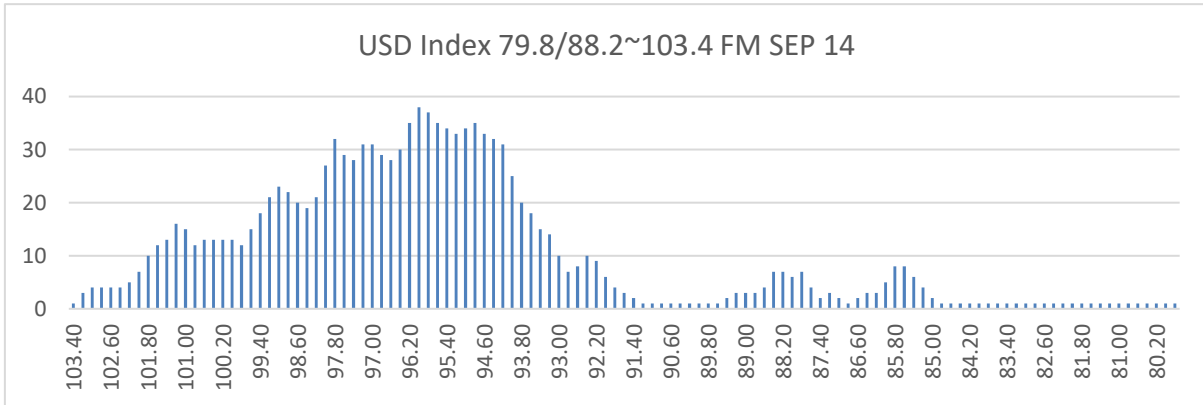
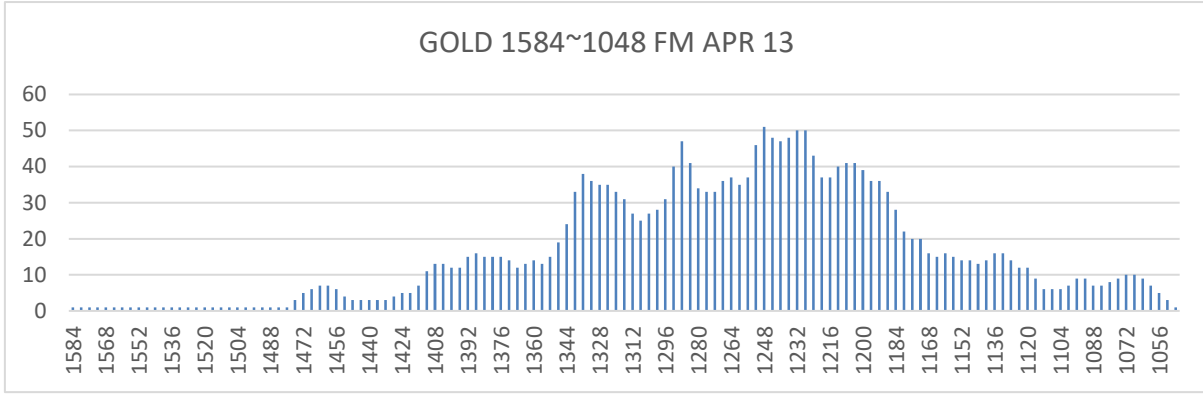
It is back to the same game again to see how far this correction of the main trend takes us to, or rather this is not the correction and everything in the world is ok now.

Key levels to watch to follow the current trend will be 1250 and 1310. For those who are bullish on gold need to see the gold price remains in the range between 1250 and 1310. On the other hand, bears need to see the gold price pushed down below 1250 and remain below 1250.

Gold price may decline even further to test 200 days moving average at 1250, but for the choice, it may be batter to remain in the bull camp.

One last thing to add, looking at all the charts and guessing how positions are set with all market participants, it does not look like markets are not ready to make a big move yet with current market levels, except S&P market which has been making a big move and getting close to the extrema side. It might be better 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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