



## Gold Bust Ahead

By Teddy Sloup (June 30)

From our vantage point there is a lot of room for August gold to run to the downside, especially if the market is able to close below \$1240. In addition to the chart looking ominous and that gold was unable to catch any semblance of a bid in the face of extreme U.S. Dollar weakness this week, the near term bullish prospects are grim at best. The major concern to the bear case at the moment, from our perspective, is how shaky the stock markets appear, and in increasingly frequent spurts. I don't necessarily buy into the "flight to quality" narrative, but it doesn't matter what I buy into. History shows that only a fool underestimates the "pied piper" quality narratives such as these can carry in the precious metals markets.



Chart from *Investing.com*

Gold volatility is currently at such low levels that establishing a short position via long August puts is a resourceful way to get exposure to the futures market leverage with minimal risk. The risk/reward ratios present tremendous opportunity in a market which can be explosive by nature. With an apparent double top in the rearview mirror we are looking for a minimum selloff to the old May lows in the \$1215 area. Only a close back above \$1280 changes our bearish tune. Even a close back above \$1260 probably pours cold water on the near term bear case. As always fencing in trade risk before establishing a position is the only meaningful priority.

My many years of trading futures markets does make a difference. Feel free to call or email me if you have any questions at 312.242.7986 and [teddy.sloup@archerfinancials.com](mailto:teddy.sloup@archerfinancials.com).

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