



Gold Still Stuck

By Teddy Sloup (Nov 16)

December gold futures saw yet another massive rejection this morning of the \$1290 level. The deck has been stacked in favor of the gold bulls all week, with the U.S. Dollar getting crushed and an uptick in outside market volatility, yet it has been completely unable to muster any kind of sustainable bullish momentum. As much as we would like to favor the bull side, it is problematic when the market is constantly reminding us that so much more needs to go right for the bulls than the bears.

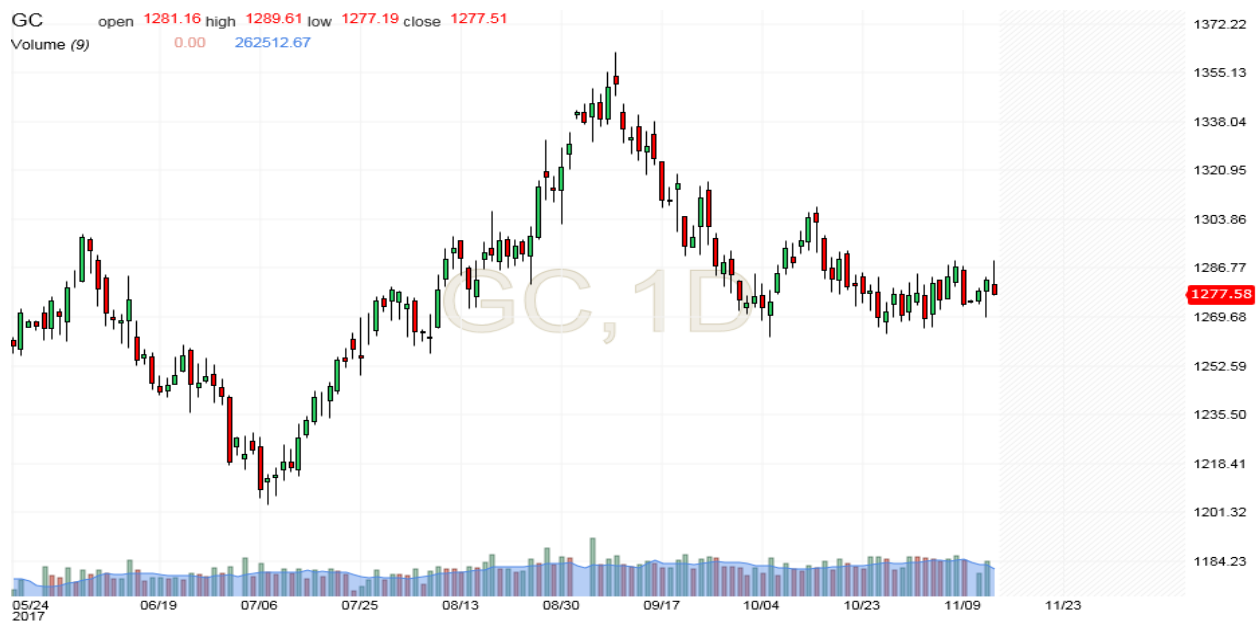


Chart from Investing.com

As \$1290 remains the upside line in the sand level, \$1265 is clearly that line in the sand level on the downside. We are not ready to completely throw in the towel on gold decoupling from the outside markets and volatility; so with volatility and fear near extreme lows, traders can look to the December options (expire November 27th) for a straddle, or strangle in hopes of a breakout or breakdown from the recent range. The risk/reward ratio is certainly in the option buyer's favor here. Until the market shakes free one way or another, gold remains a brutally range bound trade.

Questions or comments on this article, please contact Teddy at 312.242.7986 or via email at teddy.sloup@archerfinancials.com.

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