Archer Financial Services, Inc.

Gold Futures in Major Bear Mode

By Teddy Sloup (Sept 29)

For the bull camp it's hard to envision a near term catalyst which possesses the firepower to propel gold higher in the near term. Complacency with regards to gold's traditional "flight to quality" status is staggering and confusing to many traders, especially considering all of the global geopolitical noise swirling around the markets. The fact that gold has been unable catch a bid in light of the perceived political chaos is one of the most bearish indicators we've ever seen. It is a fool's errand to battle against what the market "tape" appears to be telling us.

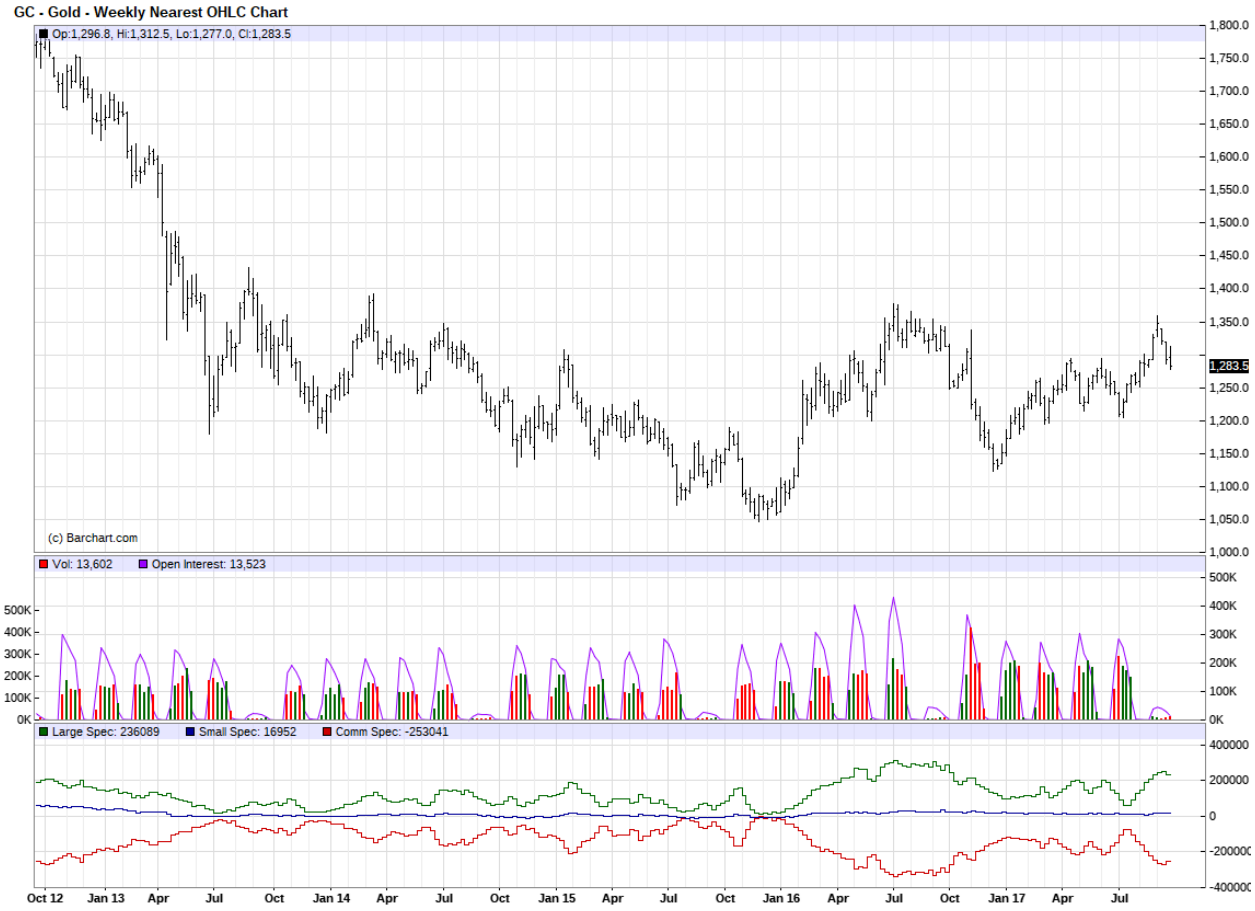

Chart provided by Barchart.com

In addition to gold's heavy "tape," the Commitment of Traders reflects a rather large gap between the Large Specs and Commercials. Traditionally this development has been

overwhelmingly bearish. From a technical standpoint we are looking for a move to $1265, which is the 61.8% Fibonacci retracement level. A close below there and it could get ugly in a hurry.

Chart from Investing.com

As bearish as we are, we have to have a price level in mind where we are wrong. That level is a close above $1318. Only a close above this price negates the bearish momentum and reverses the trend to back north.

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 at teddy.sloup@archerfinancials.com.

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