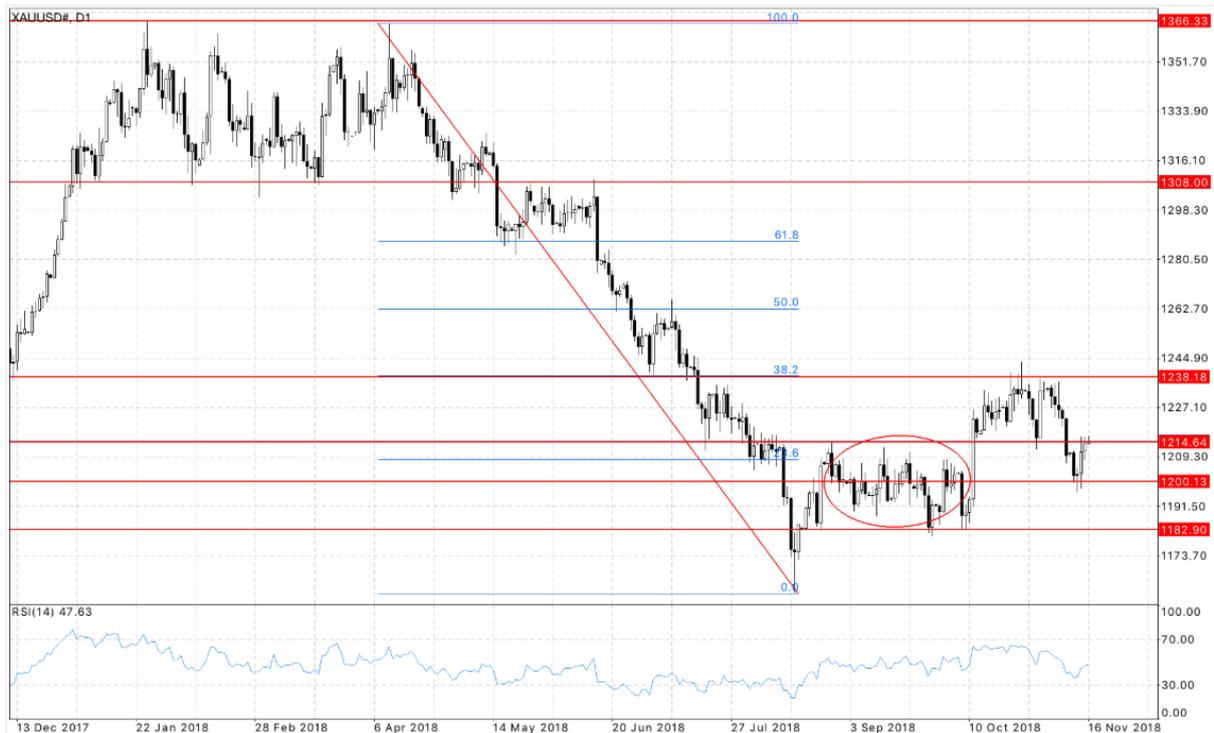


Gold Weekly Recap

Last week Gold began drifting with four small range-down days which caused a panic on Friday, closing below the 1214 support, consequently meaning Gold started this week defensively and the psychological 1200 level was soon tested. Tuesday and Wednesday saw Gold post lows at 1196 and 1197, but the Bulls were bargain hunting and soon started a recovery. It has been a modest bounce but a calming influence. Early trading today sees Gold circa the 1214 area, which remains relevant.

Gold Daily Chart



Gold the Week Ahead

There are two important levels in play currently. To the downside, there is support circa the 1200 area. These round numbers always have a psychological effect in markets and particularly in Gold. Even if they do not act directly as support or resistance, they are usually a pivot or work area, as seen back in September. To the upside, 1238 is the major obstacle for the Bulls. Gold has moved through here marginally on a couple of occasions but has each time failed to hold onto gains. This is the 38.2 Fibonacci Retracement of the big move down that began last April. Technically, anything up to this area is deemed a healthy bounce and no more. A solid close through this point is what is needed before further gains can be expected.

Currencies

There is high volatility in GBP with Brexit causing ever increasing problems for the UK's Prime Minister. With multiple Government resignations and withdrawal of support, there is likely to be even greater swings. Technically, GBPUSD is not behaving well, which is understandable under the circumstances but wider levels require monitoring over the coming weeks. To the downside, the major level comes in at 1.2661. This is provided some protection by two ascending lows at 1.2693 from 30th October and yesterday's 1.2723. To the upside, there is 1.3071, 1.3174 and several other levels before the major Fib level at 1.3319.

GBPUSD Daily Chart

