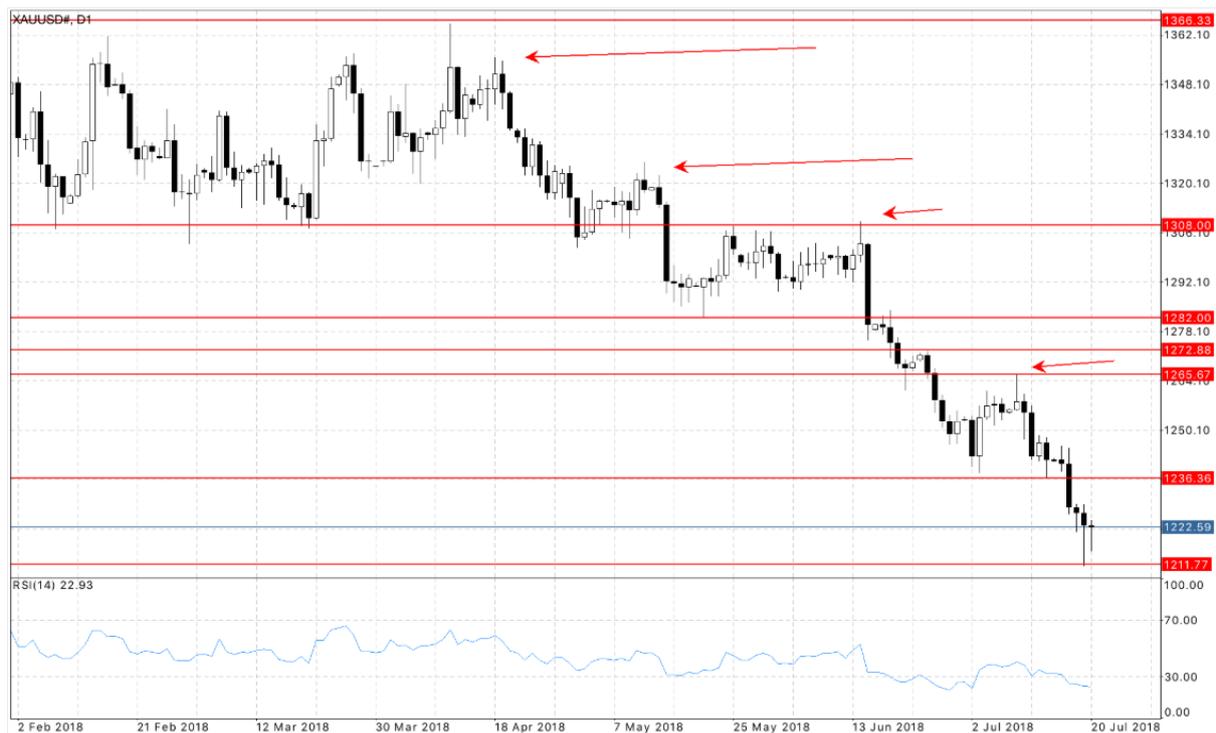


## Gold Weekly Recap

It has been another tough week for Gold with initial damage done on Tuesday when it breached an important support at 1236. Wednesday was a muted session but this in itself was a concern as investors showed no desire to cover short positions. Yesterday, the Bears made another push towards the psychological 1200 area, reaching a low of 1211. Gold recovered to close at 1223, which is it sits in early trading today.

## Gold Daily Chart



## Gold the Week Ahead

Longer-term, the Bear trend is still in place with lower lows and lower highs on each swing of the market. This pattern is basic Dow theory and these lower peaks are arrowed on the daily chart above however, there are some encouraging signs developing. Many traders were expecting a swift test of 1200 once the major 1236 support gave way, but the Bulls began their defence before it reached this level. Another thing to watch for is that yesterday's recovery left a long lower shadow and produced a hammer reversal candle. Gold needs a positive close today for this signal to be confirmed. Should this happen, then the old support at 1236 will sit in the resistance column and will be hard to breach.

## Currencies

USDJPY has been on a prolonged Bull run since early March when it was trading down in the 104.70 area. Although it reached another new high this week, momentum had started to slow and this was shown by some divergence on the Relative Strength Index. Wednesday posted a small spinning top which is one of the less powerful reversal signals, but was enough to spur some selling yesterday. It is currently trading circa 112.40 after seeing a high of 113.17 yesterday. It will need monitoring to determine if this pair is resting or if a correction is underway. The trigger that could provide the answer would be a break of 111.94.

## USDJPY Daily Chart

