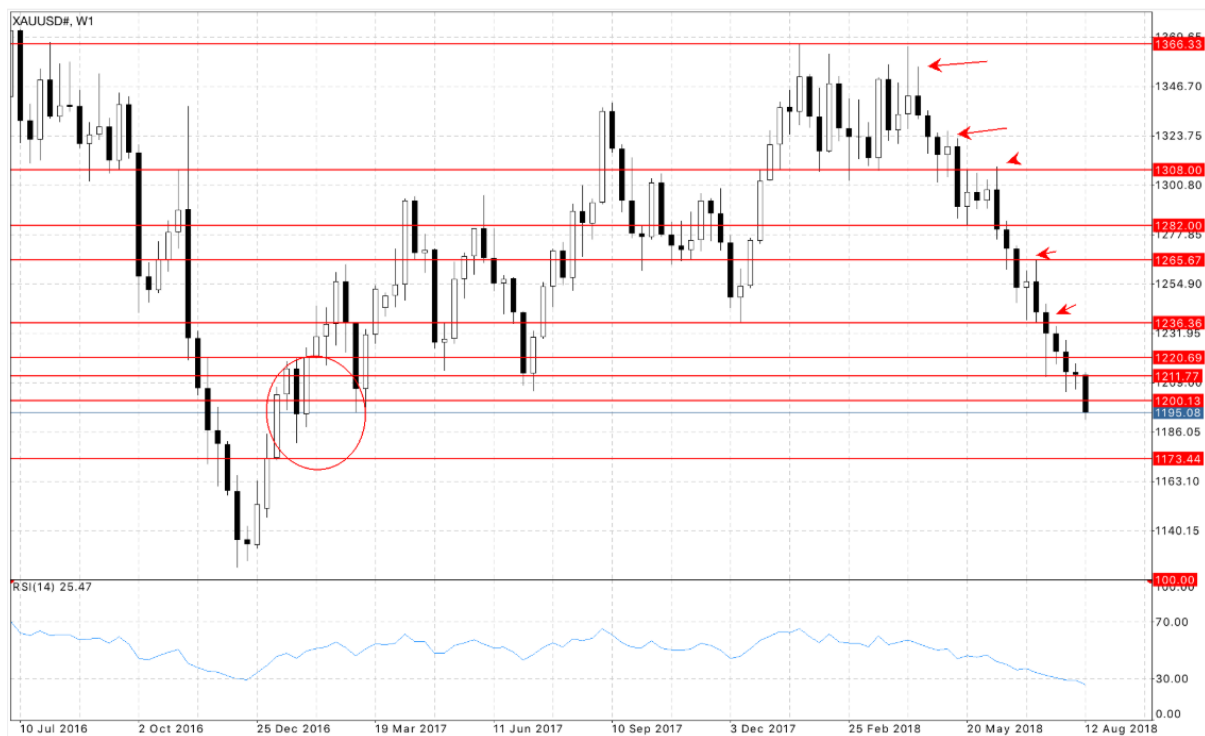


Gold

Gold opened this week's trading just above the 1211 pivot which is where it closed on Friday. That day's report suggested the Bulls needed more work to take Gold away from the danger area. Their failure led to heavy selling from the Bears, attacking and breaking through the psychological 1200 support. There was the expected stop activity, but overall it was not as aggressive as expected however, things remain negative. Unless 1200 can be retaken soon, there is the risk of another down leg. There is a heavy work area between 1180 and 1188 (circled on chart) from February last year, that should provide some support but the bigger level is down at 1173. The weekly chart below shows the relentless nature of the selling and a bounce may be due however, there are no reversal signals currently.

Gold Weekly Chart



Currencies

GBP saw an escalation of the selling last week after breaking below the 1.2957 support. So far this week, the Bulls are trying to recoup some losses but still needs work. There is a Marabuzo line on last week's Bear candle which comes in at 1.2884. This is the mid-point between the open and the close and will now form strong resistance. Any recovery to this point would be seen as a bounce and not a trend reversal. The first support is last week's low at 1.2722 but the major support is way down at 1.2576-88.

GBPUSD Weekly Chart

