

## GOLD—POTENTIAL START OF A BULL RUN

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On March 1 Gold rose by 2% breaking above a symmetrical triangle pattern developed during the past three months. This technical pattern could signal the start of a bull run allowing precious metal prices to climb much beyond US\$2182/ounce, the short-term target of the triangle's pattern on a daily chart. Displayed on the monthly chart is the current price of Gold at \$2095/ounce is challenging a key long-term resistance in the \$2080-2090 area made by three tops between 2020 and mid-2023. The fourth attempt made in December 2023 produced a spike at \$2152, where the Gold rise faded and reversed back down toward our daily symmetrical triangle pattern centered around \$2040.

Breaking above that triangle is a fifth attempt, which may be much more successful, because, on one hand, it happens after a quiet period of little speculation, as suggested by a declining ratio of Silver-Gold (**green**

**dotted line**) since December 2023. And, because on the other hand, the price of Gold in Swiss francs (**orange solid line**) on the upper panel, could be making a higher high on a close basis if Gold holds above \$2090 by the end of March. Some Gold Bugs claim the value of Gold has to be analysed in Swiss francs, a classic strong currency.

From a technical market perspective, a small daily price rise may trigger Fibonacci targets of \$2355-2380, which can be seen on the monthly chart as key long-term resistances would be broken. Also, these targets could be viewed as relatively modest compared to the target of \$2560, defined by adding the width of \$470 of a horizontal rectangle between \$1620 and \$2090, to the break-out point of \$2090 per ounce.

Who would not monitor such a golden opportunity?

### Chart: Gold Continuous Contract CME in Monthly Candlesticks

with 20- and 40-month moving averages surrounded by two Bollinger Bands plus the Ichimoku cloud which is in bullish mode.

**Upper panel:** The widening Bollinger Bands are suggesting the recent break up above \$2080 should be carefully monitored as potentially signaling the emergence of a long-term break-out above the \$2080-2090 resistance area, especially given the coincident new high of Gold measured in Swiss francs (**orange solid line**).

Further, the Silver-Gold ratio (**green dotted line**) is flat, indicating there has not yet been much speculation on a Gold rise.

**Lower panel:** The momentum indicator MACD is positive and rising. The momentum Slow Stochastic, which has been pausing in the past three months below the overbought area, would soon cross up if Gold remains above \$2080 by the end of March.

Both momentums are in a position to support higher prices above \$2080.

Source of data:  
Stockcharts.com  
Analysis by BEST



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