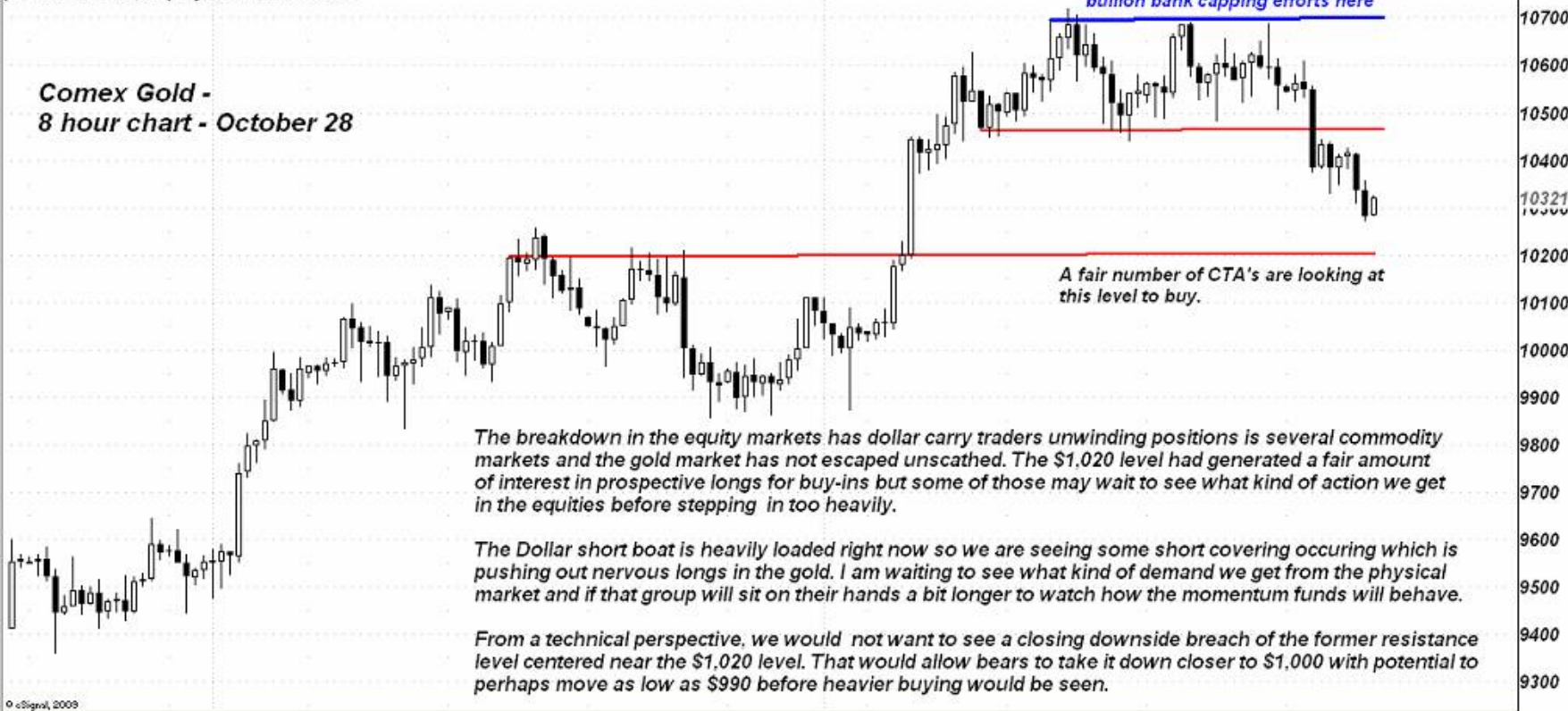


GC #F - GOLD,480) Dynamic,0:00-24:00

**Comex Gold -
8 hour chart - October 28**



The breakdown in the equity markets has dollar carry traders unwinding positions in several commodity markets and the gold market has not escaped unscathed. The \$1,020 level had generated a fair amount of interest in prospective longs for buy-ins but some of those may wait to see what kind of action we get in the equities before stepping in too heavily.

The Dollar short boat is heavily loaded right now so we are seeing some short covering occurring which is pushing out nervous longs in the gold. I am waiting to see what kind of demand we get from the physical market and if that group will sit on their hands a bit longer to watch how the momentum funds will behave.

From a technical perspective, we would not want to see a closing downside breach of the former resistance level centered near the \$1,020 level. That would allow bears to take it down closer to \$1,000 with potential to perhaps move as low as \$990 before heavier buying would be seen.

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THE inability to hold above \$1,050 marred the pattern similarity we had back in September before the breakout

08/23 08/30 09/06 09/13 09/20 09/27 10/04 10/11 10/18 10/25