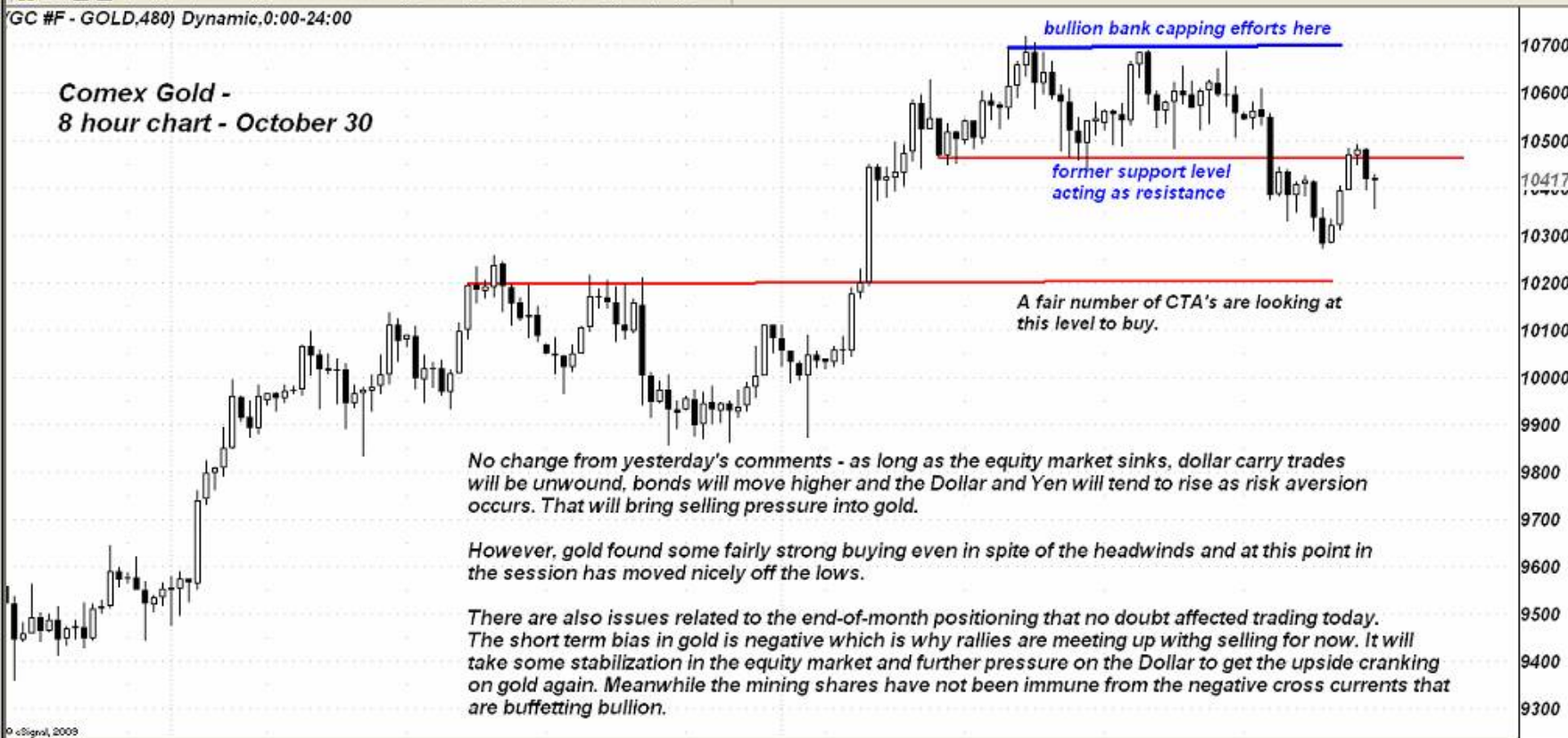


**Comex Gold -
 8 hour chart - October 30**



No change from yesterday's comments - as long as the equity market sinks, dollar carry trades will be unwound, bonds will move higher and the Dollar and Yen will tend to rise as risk aversion occurs. That will bring selling pressure into gold.

However, gold found some fairly strong buying even in spite of the headwinds and at this point in the session has moved nicely off the lows.

There are also issues related to the end-of-month positioning that no doubt affected trading today. The short term bias in gold is negative which is why rallies are meeting up with selling for now. It will take some stabilization in the equity market and further pressure on the Dollar to get the upside cranking on gold again. Meanwhile the mining shares have not been immune from the negative cross currents that are buffeting bullion.

