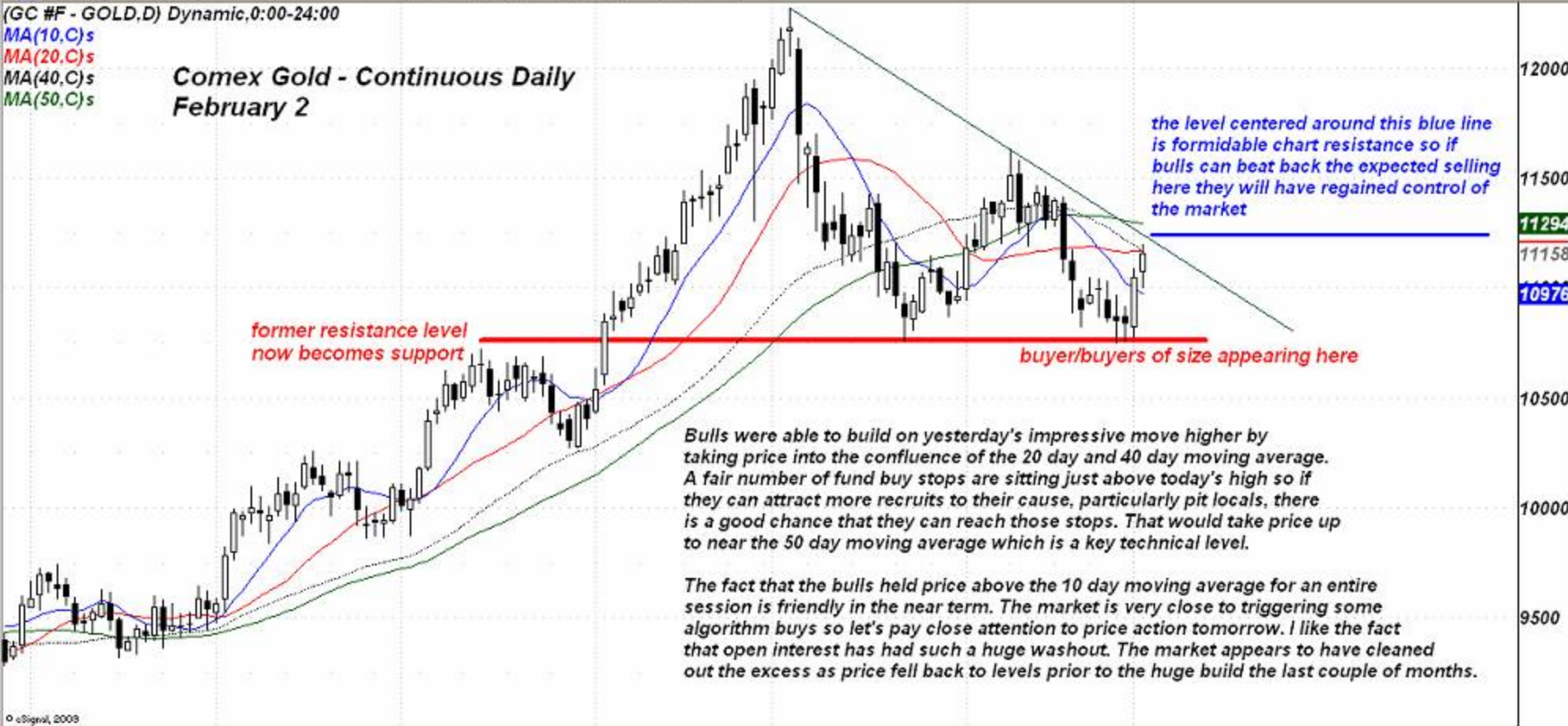


(GC #F - GOLD,D) Dynamic,0:00-24:00

MA(10,C)s
MA(20,C)s
MA(40,C)s
MA(50,C)s

Comex Gold - Continuous Daily February 2



former resistance level now becomes support

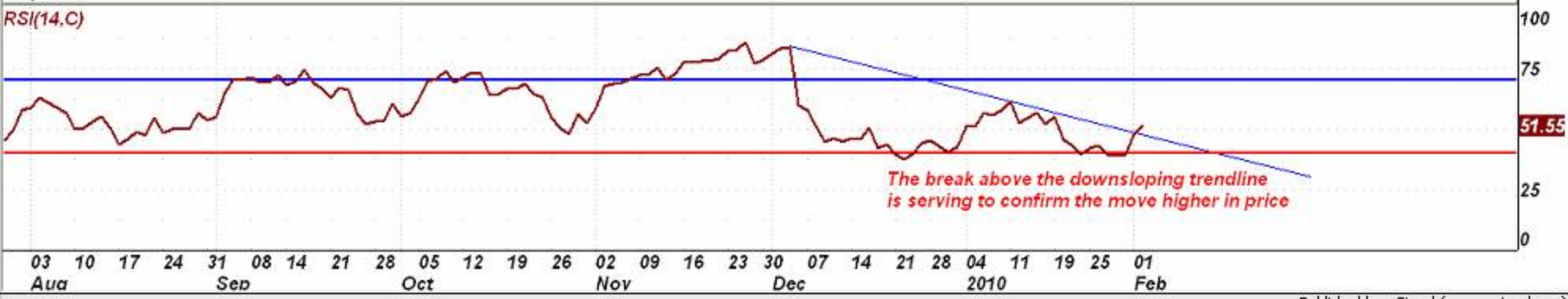
the level centered around this blue line is formidable chart resistance so if bulls can beat back the expected selling here they will have regained control of the market

buyer/buyers of size appearing here

Bulls were able to build on yesterday's impressive move higher by taking price into the confluence of the 20 day and 40 day moving average. A fair number of fund buy stops are sitting just above today's high so if they can attract more recruits to their cause, particularly pit locals, there is a good chance that they can reach those stops. That would take price up to near the 50 day moving average which is a key technical level.

The fact that the bulls held price above the 10 day moving average for an entire session is friendly in the near term. The market is very close to triggering some algorithm buys so let's pay close attention to price action tomorrow. I like the fact that open interest has had such a huge washout. The market appears to have cleaned out the excess as price fell back to levels prior to the huge build the last couple of months.

© eSignal, 2009



The break above the downsloping trendline is serving to confirm the move higher in price