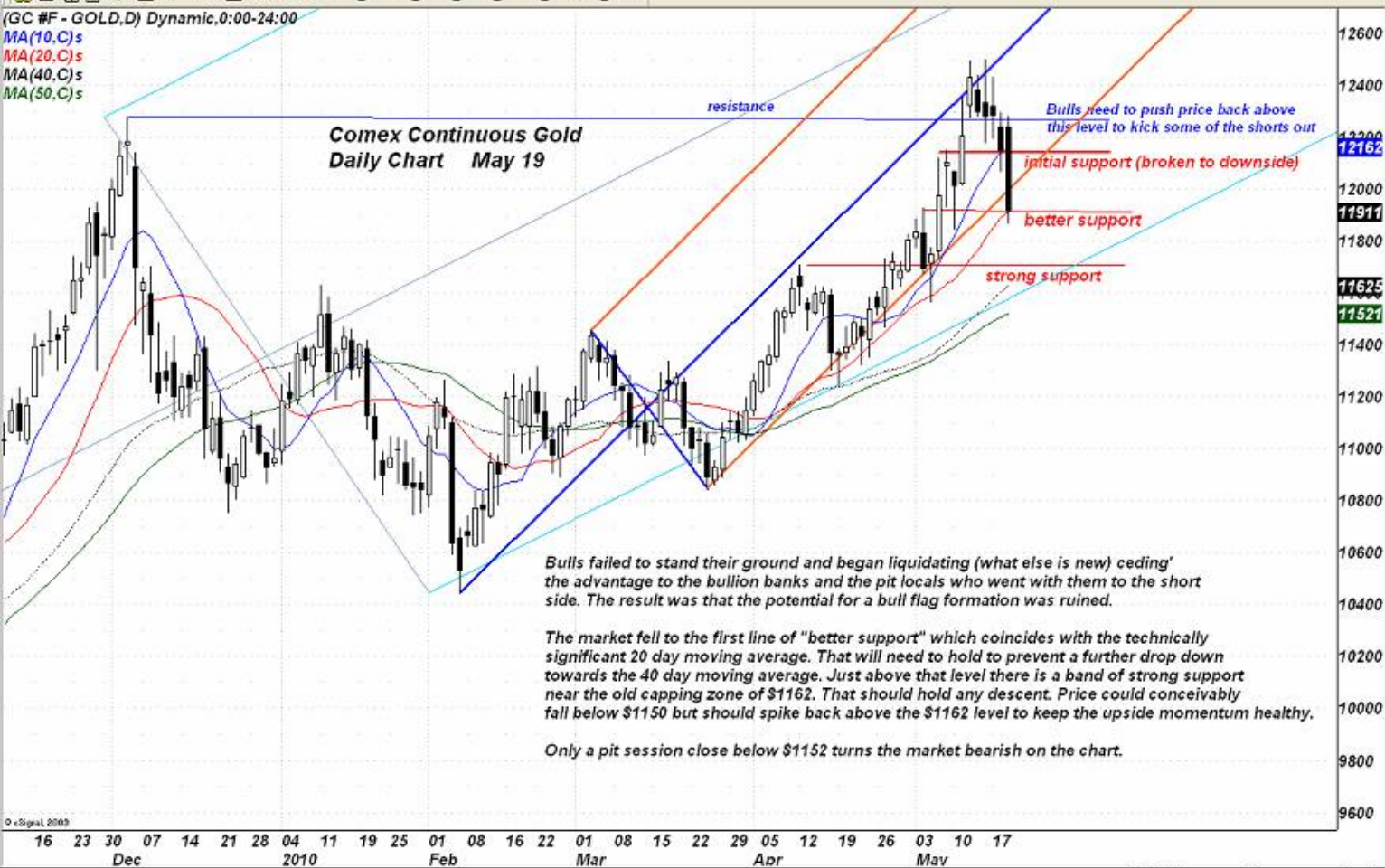


(GC #F - GOLD,D) Dynamic,0:00-24:00

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

Comex Continuous Gold Daily Chart May 19



resistance

Bulls need to push price back above this level to kick some of the shorts out

initial support (broken to downside)

better support

strong support

Bulls failed to stand their ground and began liquidating (what else is new) ceding' the advantage to the bullion banks and the pit locals who went with them to the short side. The result was that the potential for a bull flag formation was ruined.

The market fell to the first line of "better support" which coincides with the technically significant 20 day moving average. That will need to hold to prevent a further drop down towards the 40 day moving average. Just above that level there is a band of strong support near the old capping zone of \$1162. That should hold any descent. Price could conceivably fall below \$1150 but should spike back above the \$1162 level to keep the upside momentum healthy.

Only a pit session close below \$1152 turns the market bearish on the chart.