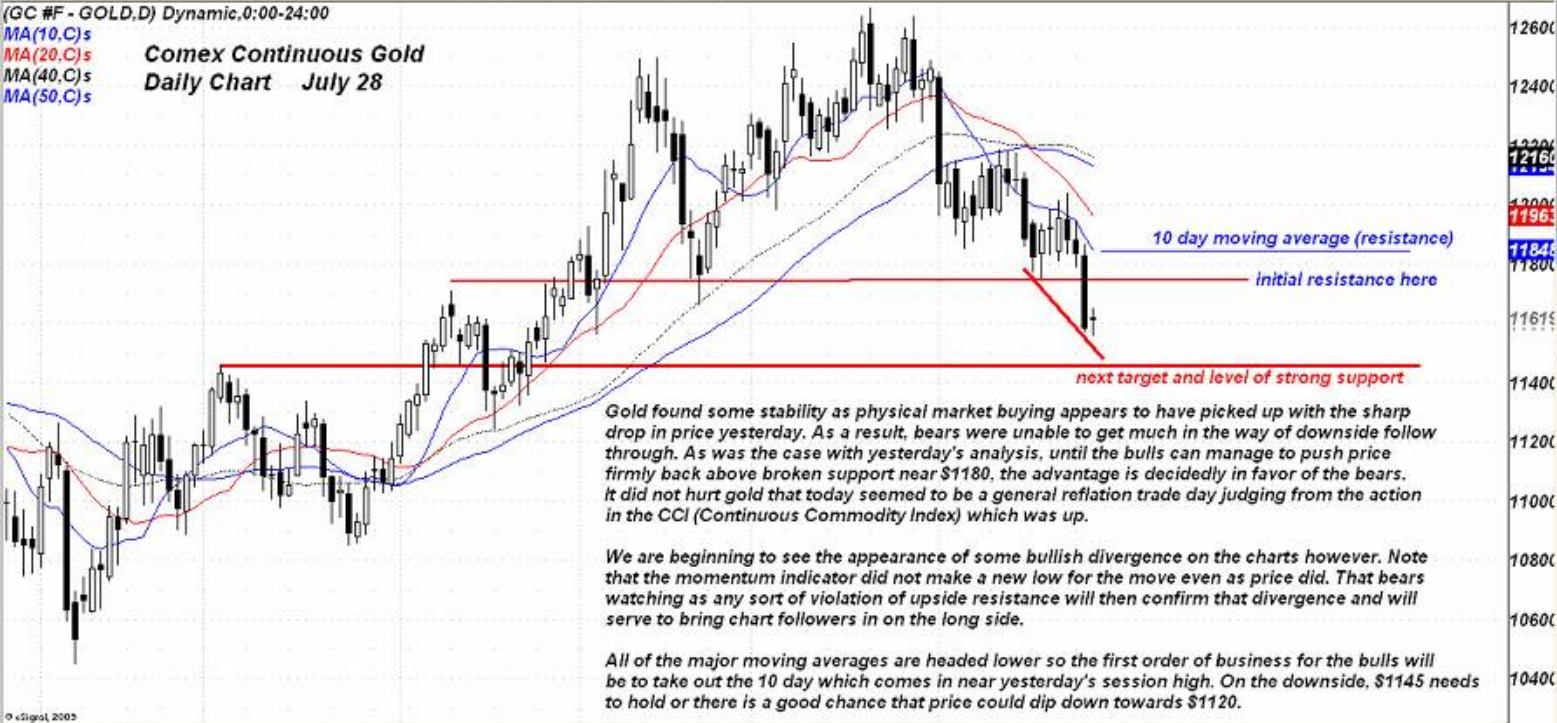


(GC #F - GOLD,D) Dynamic,0:00-24:00

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

Comex Continuous Gold

Daily Chart July 28



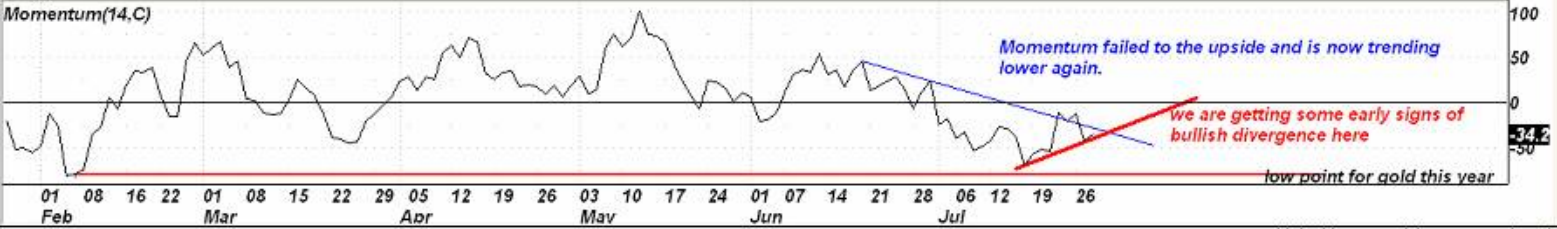
Gold found some stability as physical market buying appears to have picked up with the sharp drop in price yesterday. As a result, bears were unable to get much in the way of downside follow through. As was the case with yesterday's analysis, until the bulls can manage to push price firmly back above broken support near \$1180, the advantage is decidedly in favor of the bears. It did not hurt gold that today seemed to be a general reflation trade day judging from the action in the CCI (Continuous Commodity Index) which was up.

We are beginning to see the appearance of some bullish divergence on the charts however. Note that the momentum indicator did not make a new low for the move even as price did. That bears watching as any sort of violation of upside resistance will then confirm that divergence and will serve to bring chart followers in on the long side.

All of the major moving averages are headed lower so the first order of business for the bulls will be to take out the 10 day which comes in near yesterday's session high. On the downside, \$1145 needs to hold or there is a good chance that price could dip down towards \$1120.

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Momentum(14,C)



Momentum failed to the upside and is now trending lower again.

We are getting some early signs of bullish divergence here

low point for gold this year