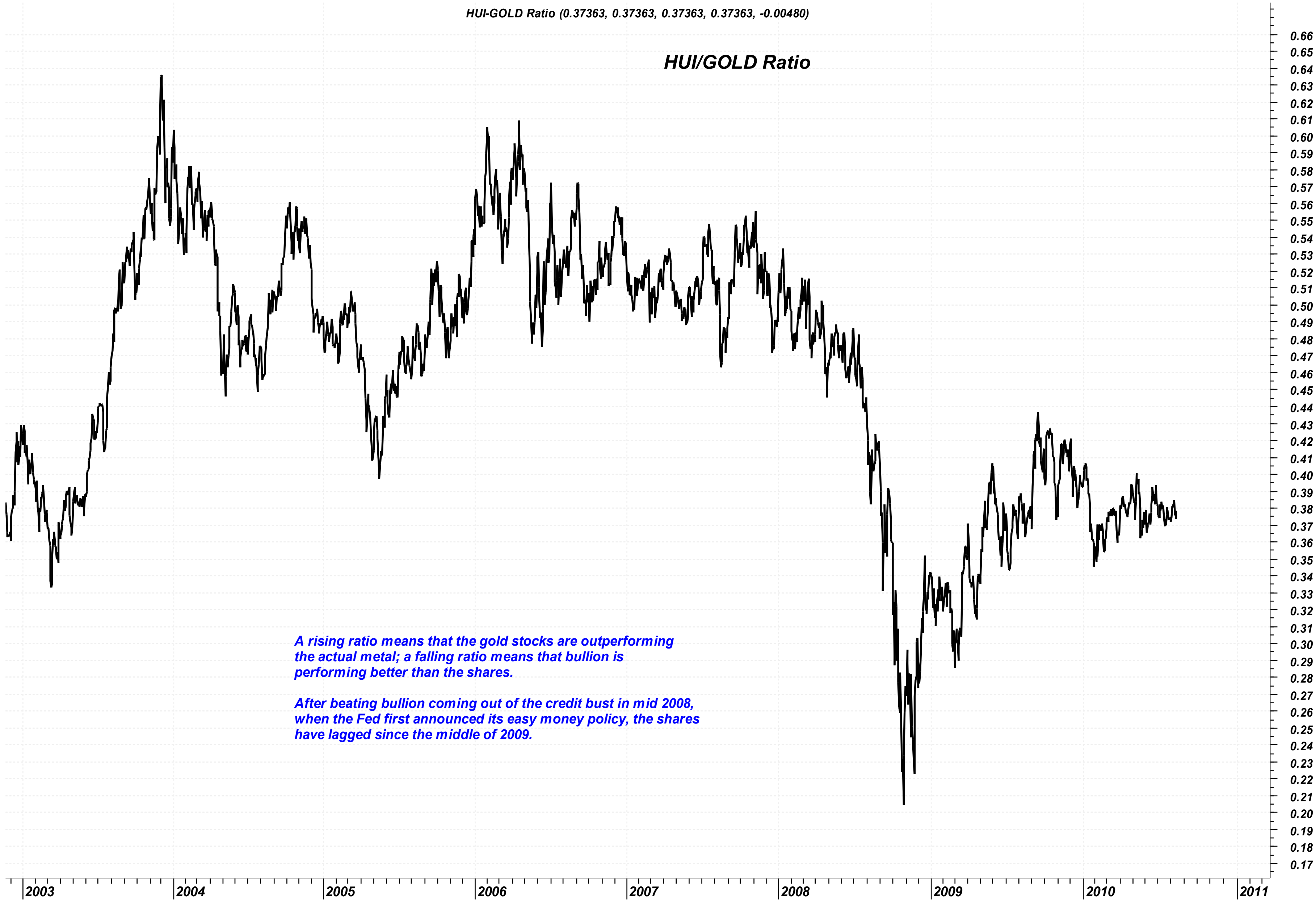
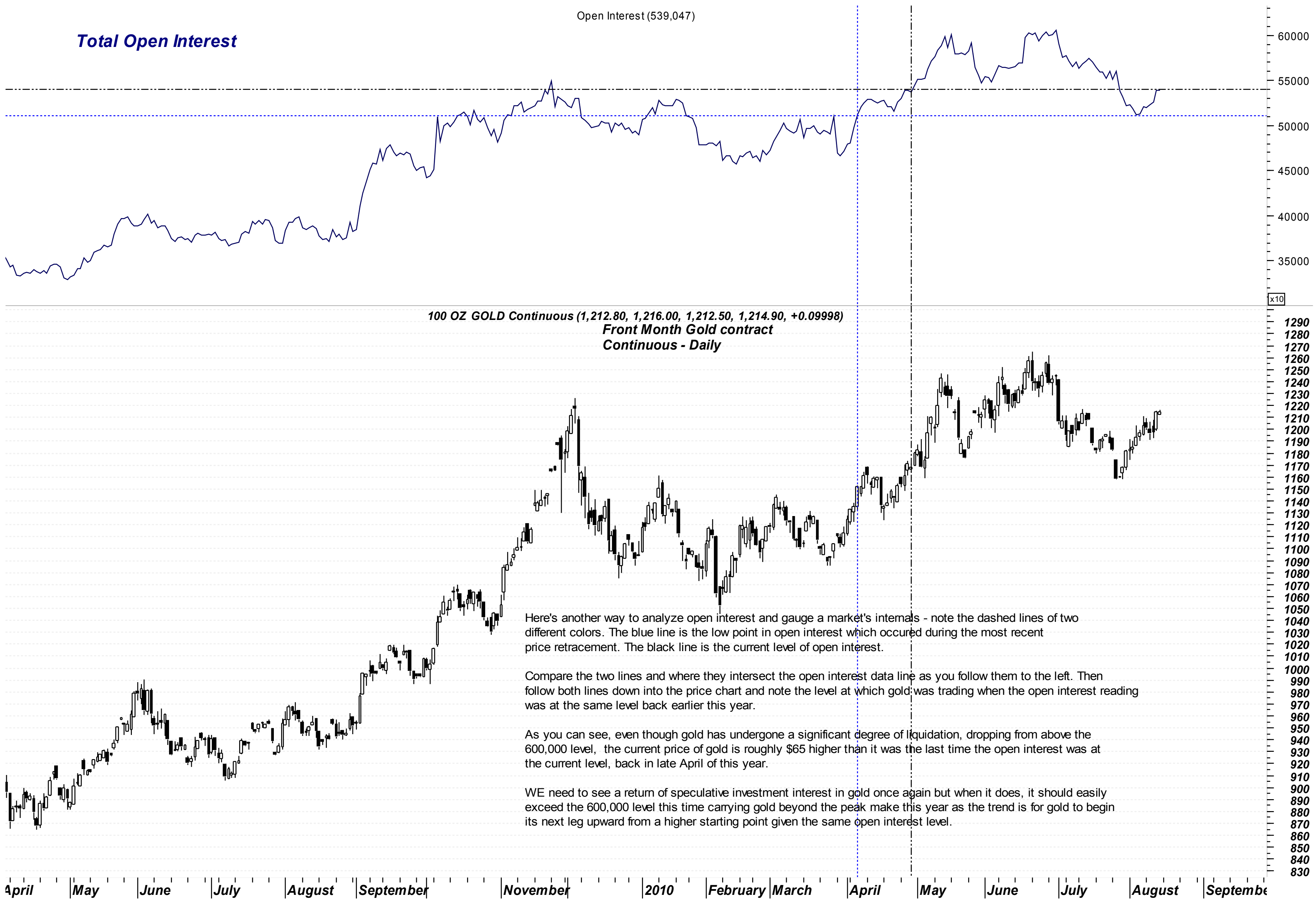

HUI-GOLD Ratio (0.37363, 0.37363, 0.37363, 0.37363, -0.00480)
HUI/GOLD Ratio
0.66
0.65
0.64
0.63
0.62
0.61
0.60
0.59
0.58
0.57
0.56
0.55
0.54
0.53
0.52
0.51
0.50
0.49
0.48
0.47
0.46
0.45
0.44
0.43
0.42
0.41
0.40
0.39
0.38
0.37
0.36
0.35
0.34
0.33
0.32
0.31
0.30
0.29
0.28
0.27
0.26
0.25
0.24
0.23
0.22
0.21
0.20
0.19
0.18
0.17
2003
2004
2005
2006
2007
2008
2009
2010
2011
A rising ratio means that the gold stocks are outperforming
the actual metal; a falling ratio means that bullion is
performing better than the shares.
After beating bullion coming out of the credit bust in mid 2008,
when the Fed first announced its easy money policy, the shares
have lagged since the middle of 2009.


Gold-Bonds (9.28300, 9.28300, 9.11513, 9.20379, -0.08665)
Gold/Bonds Ratio
Comex front month gold/front month long bond
Gold had been outperforming bonds as an asset class until the last month when bonds have embarked on a wildly bullish uptrending move as more and more investment houses play the sure bet thing by borrowing free money and investing it into fixed return bonds, making huge sums of money in the process.
The Fed's reckless gambit has produced a situation in which banks will not lend money because they have a sure fire method of achieving maximum profits with absolutely zero risk.
What a miserable mess our financial lords have created by this idiotic money printing binge.
I am not sure when the short term trend will turn back in favor of gold, but is most assuredly will. The US appears to be on track to imitate the folly of Japan.
As you can see from the chart, the long term trend is firmly in favor of gold as a store of wealth and away from paper debt.
A rising ratio signifies gold is outperforming bonds as a safe haven asset
11.0
10.5
10.0
9.5
9.0
8.5
8.0
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011

Relative Strength Index (58.1702)
85
80
75
70
65
60
55
50
45
40
35
30
25
100 OZ GOLD Continuous (1,205.80, 1,216.00, 1,191.00, 1,214.90, +11.5000)
Comex Gold - Continuous Weekly
Since the decade long bull market in gold began in 2001, the RSI has dipped below
40 only during the huge deleveraging trade that began in earnest during the summer of 2008.
By classic definition, a market that holds the 40 level on the RSI during price retracements and
consistently moves above 70, is a bull market.
1350
1300
1250
1200
1150
1100
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
201



Here's another way to analyze open interest and gauge a market's internals - note the dashed lines of two different colors. The blue line is the low point in open interest which occured during the most recent price retracement. The black line is the current level of open interest.

Compare the two lines and where they intersect the open interest data line as you follow them to the left. Then follow both lines down into the price chart and note the level at which gold was trading when the open interest reading was at the same level back earlier this year.

As you can see, even though gold has undergone a significant degree of liquidation, dropping from above the 600,000 level, the current price of gold is roughly $65 higher than it was the last time the open interest was at the current level, back in late April of this year.

WE need to see a return of speculative investment interest in gold once again but when it does, it should easily exceed the 600,000 level this time carrying gold beyond the peak make this year as the trend is for gold to begin its next leg upward from a higher starting point given the same open interest level.