



GOLD Swing Trade Week of Sept 26, 2016

1. Futures prices (GCZ16) - LAST WEEK and PRIOR WEEK

Open	High	Low	Closing
1313.20	1347.80	1310.90	1341.70
PRIOR WEEK			
1332.00	1335.90	1309.20	1310.20

2. PIVOTS (based on Globex high-low)

	Weekly	Monthly	Yearly
R3	1407.27	1465.57	1485.73
R2	1370.37	1398.27	1299.13
R1	1356.03	1355.03	1179.67
PPT	1333.47	1330.97	1112.53
S1	1319.13	1287.73	993.07
S2	1296.57	1263.67	923.93
S3	1259.67	1196.37	739.33

3. WEEKLY SWING TRADING NUMBERS

	Weekly
2nd Sell level	1373.50-1375.50
1st Sell level	1362.50-1359.50
Key #	1333.20-1335.50
1st Buy level	1316.50-1314.00
2nd Buy level	1305.20-1106.50

The key # is a control point for up or down moves. When price moves from one side of that line to the other and stays in the new range it often indicates a change in trend and the beginning of a stop run. Look for the price to move toward new support and resistance levels, often at/near our buy or sell range.

How to trade the weekly swing trade focus numbers:

Enter at or close to the focus numbers. The stops are activated by a close above (below) the stop. In that case place an order to exit the position at or near your entry as soon as the overnight session opens. Maintain the order in the day session if it is not hit overnight, and use a supplemental stop set for your maximum allowable daily loss. If you enter the trade and the market moves in your favor, take profits at 3, 5, 10, 15 or 20 point intervals. If the price does not approach the entry levels, stand aside.

4. OUTLOOK FOR GOLD

Daily chart



Last week

Gold surged sharply last week after the Fed Open Market Committee minutes were released on Thursday, and the Fed Chair's press conference. The Fed kept interest rate unchanged, as expected, but that was enough to prompt an up move in GOLD.

This week

Wall Street's jawboning about a rate hike at the Fed meeting was excessive, and the openly hawkish dissent by three presidents is increasing the noise level. With the US presidential election coming in November the Fed is unlikely to take any action until the December meeting but the uncertainty (and potentially the volatility) is increased.

\$1330-33 will be this week's key zone. A break below it could trigger a stop run and push the price back down to test last week's low area.

Holding above that key zone could have two outcomes: a continuation high move to push the price up to \$1357-62.50 or higher – if GOLD can manage to break through the \$1352 level; or a sideways move within the \$1348 to \$1330 price range if GOLD fails to break through \$1350.

Based on the daily chart, since July the GOLD futures have been holding price above the three-month support line, and under the long-term trend line. A short-term consolidation pattern has been formed. GOLD is likely to continue this consolidation pattern this week.

Therefore we still should expect \$1360-65 long-term downtrend line area will stall GOLD from advancing and \$1315-10 (the three-month support) support will continue to prevent GOLD from falling.

The daily PMO indicator has a early ultra-short-term buy signal, but the weekly PMO is not so encouraging for the intermediate term.

For traders, buy on pullbacks and sell on rallies for day trading with protective stops in place.