

(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 September 1



Today's ISM number had the equity perma bulls absolutely giddy with delight and it was off to the races in the broad equity markets. That also sent the Dollar lower as the "risk" trades came surging into the commodity markets once again (She loves me; she loves me not). Combine that with some news out of China overnight and it was "everything's fixed" so lets get rid of our gold day. It should be noted however that the dip in price is still fairly shallow considering the market is up near major overhead resistance.

The ISM news was the catalyst that derailed the gold rally that was continuing to build on yesterday's strong upside move higher.

We also know why gold was able to plow through that overhead resistance yesterday - open interest surged over 14,000 contracts as specs came back in with a vengeance on the long side. Of course the bullion banks were there once again to say "hello". This steady increase in open interest is evidence on the part of the speculative community that they want the yellow metal. Keep in mind that we are still well off the all time peak in total open interest and here we had gold sitting a mere \$16 from its all time high. Silver saw a slight increase in its total OI as well, a bit shy of 1400. Considering the extent of the move it put on yesterday, it is evident that a decent number of weak-handed shorts got pushed out with their place taken by some stronger hands.

The mining shares once again failed to better the 500 level in the HUI reinforcing the technical significance of that level. If they can ever best that level, we will witness a huge short covering rally as the shorts, for now, continue to sell with near impunity whenever the index moves near this level.

