

## LE COIN TECHNIQUE

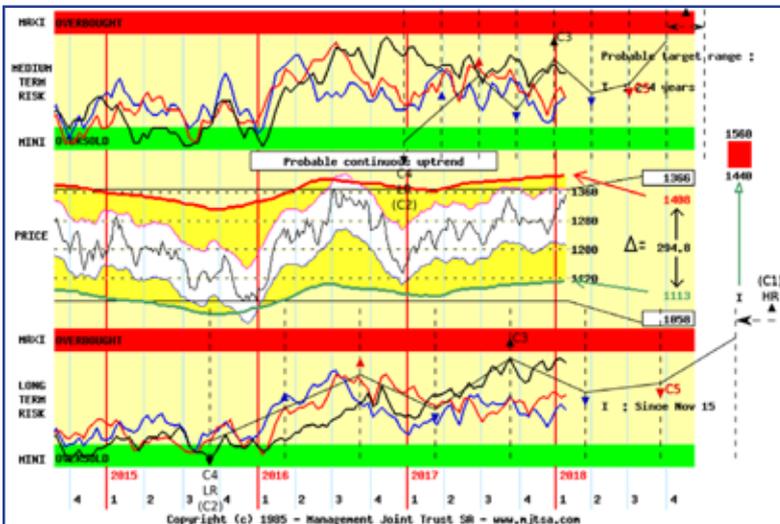
### Gold looks strong towards year-end, yet wait for the Dip, rather than buy the Breakout

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Last month, we outlined that the U.S. Dollar was getting ready to bounce, probably from mid/late January. Although, the sell-off has been compelling, we believe that its oversold condition is extended, and that the bounce could still materialize into February. On the reverse side of the trade, Gold has been rallying since December, and it recently broke to marginal new highs. Although it does look very strong towards year-end, we believe that there may be a better opportunity to enter towards late Q1 (rather than today).

Gold (USD/oz) – Weekly graph or the perspective over the next 2-4 quarters



On this weekly graph, Gold is well positioned over the next 12 months with our I Impulsive targets up pointing towards the 1'440 – 1'560 range towards year-end (right-hand scale).

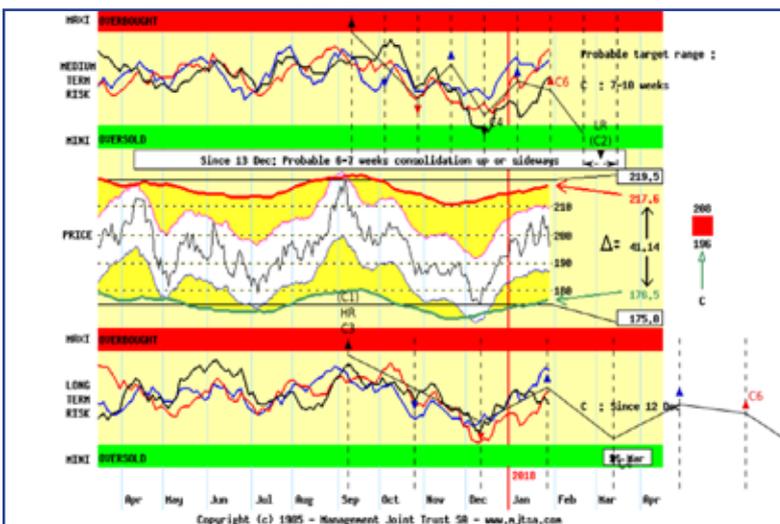
That said, on both our oscillator series (lower and upper rectangles), the sequences we show may imply that Gold probably retraces once more until late Q1, before its gradually starts to move up during Q2, and especially H2 2018.

We would hence call for patience, and would rather buy a Dip end:Q1, than run after the recent breakout.

For more information on our services and methodology, please visit [www.mjtsa.com](http://www.mjtsa.com) or contact us.

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HUI Gold Bug Index – Daily graph or the perspective over the next 2 to 3 months



The HUI Gold Bug Goldmines Index seems to confirm this view. Indeed, the recent rebound since December has failed to make it to new 12 months highs. It also stopped short of the upper end of our C Corrective targets up (right-hand scale), which often serve as strong resistance. The sequences we show on both oscillator series (lower and upper rectangles) would now suggest that Goldmines resume their downtrend over the next few weeks, probably towards late-February/early-March.

We would hence remain prudent over the next couple of months before entering the volatile Goldmines space.

**CONCLUDING REMARKS:** Rising inflation expectations, as well as a very mature equity bull market, offer two reasons why an investment in Gold may prove very successful during 2018.

Yet, over the next few months, a rebound in the Dollar, while long term rates continue to rise, may trigger a temporary set-back. We would hence look to buy a Dip on Gold towards end:Q1.