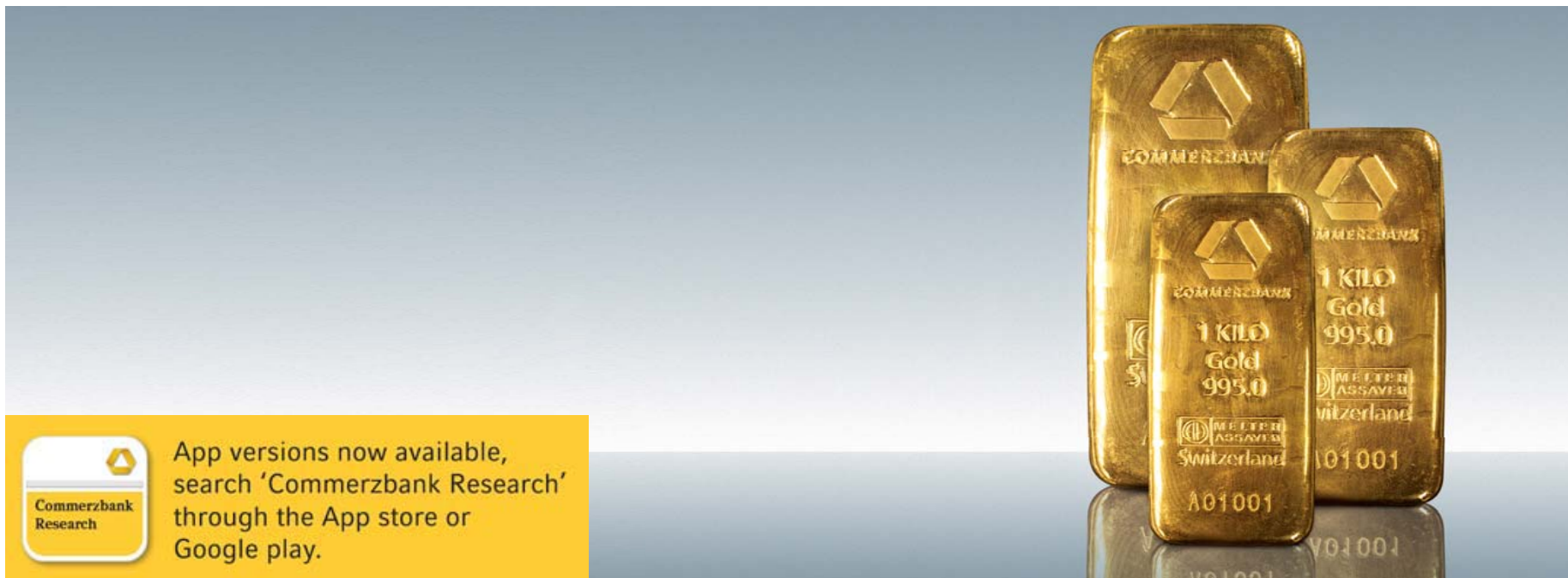


Bullion Weekly Technicals

Tuesday, 22 October 2013

Technical Outlook

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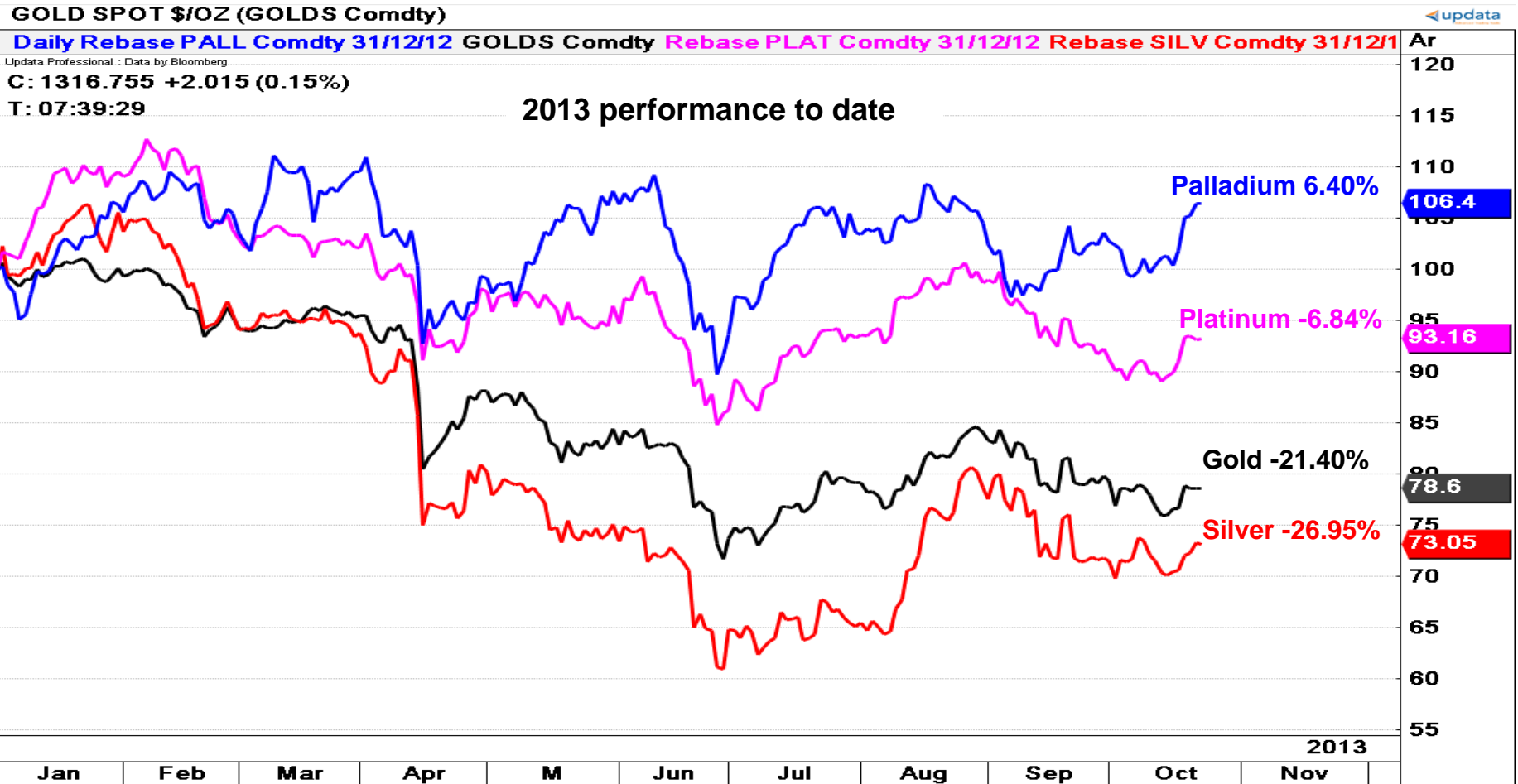
Technical Outlook

Last week's spikes higher have surprised us and once again made us neutralise our forecasts

Market	Short term view (1-3 weeks)
Gold:	The break out of the 1350/1251 trading band will be key for the medium term trend.
Silver:	Positive divergence and bounce off the current October low at 20.49 has neutralised our view.
Gold/Silver Ratio:	Trades back around the 200 day moving average at 59.51, neutralising our view.
Palladium:	Recent spurt higher has made us neutralise our forecast.
Platinum:	We had to neutralise our forecast because of last week's strong rally.

Gold, Silver, Palladium and Platinum

Precious metals have risen sharply in the past week but most are losing upside momentum



Gold - Daily Chart

The break out of the 1350/1251 trading band will be key for the medium term trend

- › Gold continues to confound us with it having sharply risen a couple of days after we had reinstated our bearish outlook.
- › We are technically clearly at a key juncture for the development of the next medium term trend which is why we have once again neutralised our forecast.
- › As long as the 1330.17/1349.31 resistance area (July, late September and early October highs and 55 day moving average) caps on a daily chart closing basis, we will continue to favour the downside.
- › A fall through the current October low at 1251.58 will reinstate our bearish view and lead to the 78.6% Fibonacci retracement of the June-to-August advance at 1234.40 and the next lower June and July lows at 1208.08/1180.04 being targeted. The long term downside target remains to be seen in the 1162.45/1154.72 support zone. A daily close above 1349.31 will be bullish, though, and put the 200 day moving average at 1434.71 back on the map.

Gold Daily Chart

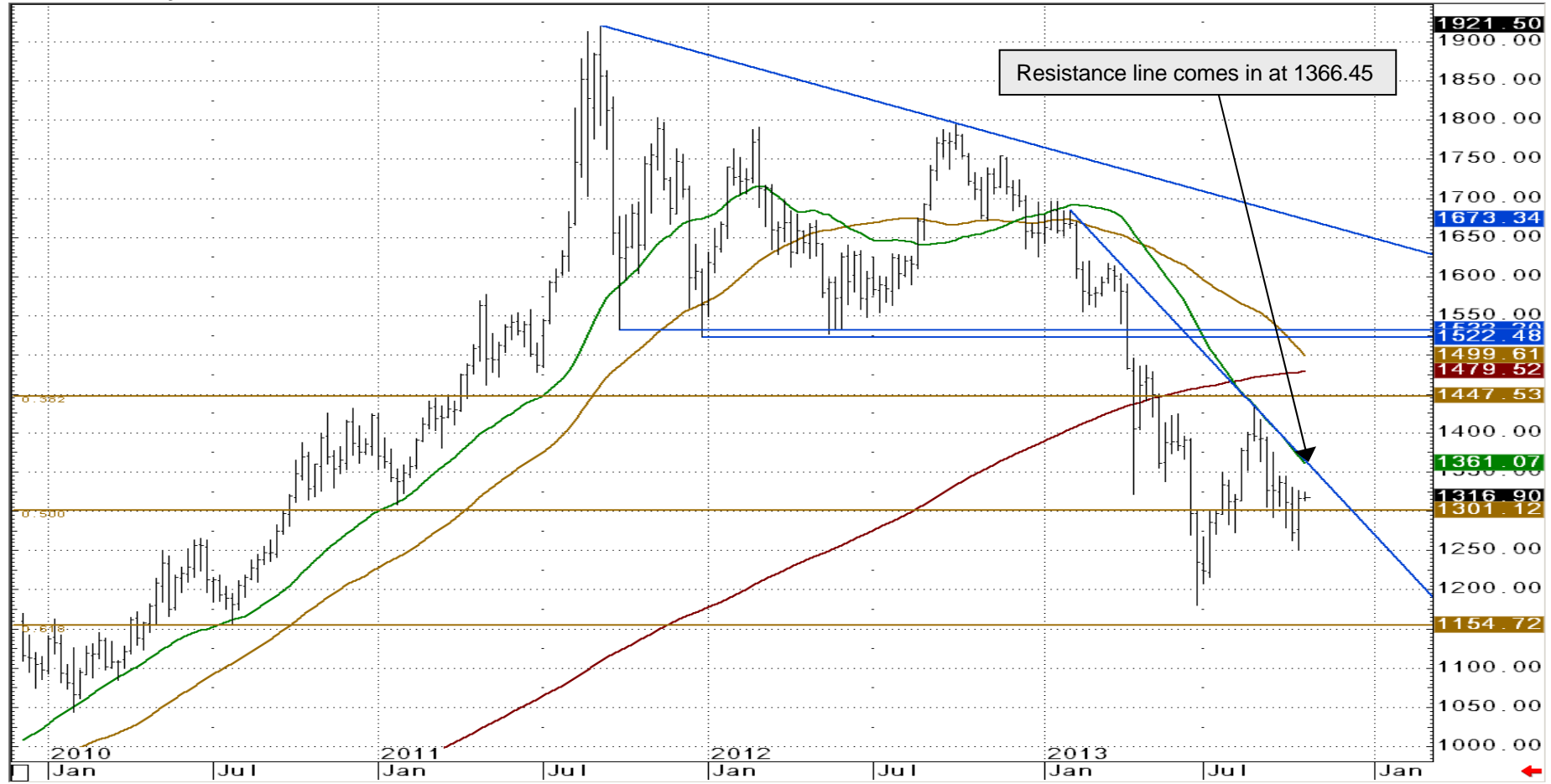


Support	Resistance	1-Week View	1-Month View
1295.4/1291.6	130.17/1349.3	➔	➔
1278.6/1272.6	1366.4/1375.4		

Gold - Weekly Chart

Bounces off the 1250 support zone

Gold Weekly Chart



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Tue Oct 22 2013 08:12:17

Silver - Daily Chart

Positive divergence and bounce off the current October low at 20.49 has neutralised our view

- > Silver’s sharp bounce off last week’s 20.49 low has taken the precious metal back towards the current October high at 22.53 which is why we have neutralised our forecast.
- > Having said that, as long as no daily chart close above the 2012-13 resistance line at 23.33 and the 23.45 September 19 high is being made, our preference will be to the downside.
- > Only a fall through the 20.49 level would reinstate the psychological 20.00 region as our downside target zone, though. Further down the August low at 19.13 and the June trough at 18.19 would also be targeted in this scenario.
- > Should a daily close above 23.45 be made, however, our forecast would turn bullish with the 200 day moving average at 24.36, the August peak at 25.15 and then the major 25.66/26.36 resistance area being back on the map.
- > Break points to watch are thus 20.49 and 23.45.

Silver Daily Chart

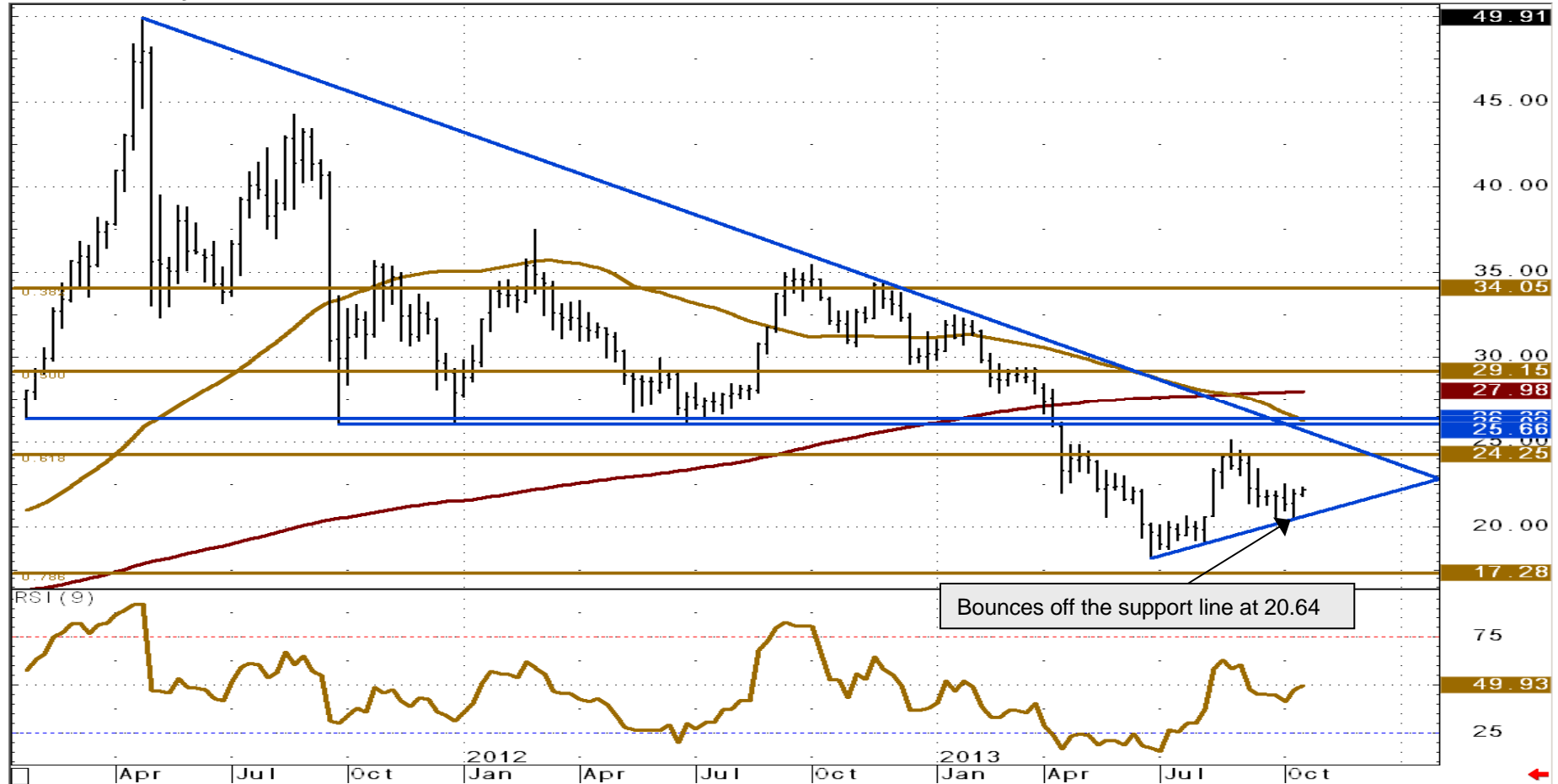


Support	Resistance	1-Week View	1-Month View
21.37/19&20.60	22.53&23.33	➔	➔
20.49&20.00	23.45&24.36		

Silver - Weekly Chart

Bounces off the support line at 20.64

Silver Weekly Chart



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Gold/Silver Ratio - Daily Chart

Trades back around the 200 day moving average at 59.51, neutralising our view

- › Last week's gold/silver ratio's rise failed along the 55 day moving average at 59.94 with it now trading back below the 200 day moving average at 59.51 close to the current October low at 59.05 and the 2012-13 uptrend line at 58.80. Because of the recent decline we have neutralised our forecast once more.
- › Key levels for the medium term trend are last week's high at 60.30 and the uptrend line at 58.80.
- › The break out of this range will most likely determine the direction of the trend into year end.
- › A rise above 60.30 will put the 61.33 September high and also the 61.73 April high as well as the 62.68 late June low back on the cards whereas a fall through 58.80 will open the way for the September low at 57.50 to be reached.
- › We do not have a strong conviction with regards to the direction of the breakout but still favour a bullish bias.

Gold/Silver Ratio Daily Chart



Support	Resistance	1-Week View	1-Month View
59.05/58.80	59.94/60.30	➔	➔
58.28&57.50	61.33&61.73		

Palladium - Daily Chart

Recent spurt higher has made us neutralise our forecast

- › Palladium's sharp rally over the past few days has put short shrift to our bearish forecast which we have neutralised.
- › We have not changed our view to being bullish either because the precious metal is approaching a key resistance zone which has capped it all of this year.
- › We do allow for the 2013 resistance line at 760.92 as well as the June and August peaks at 768.50 and 772.11 to be revisited but believe that while the next higher 783.75/786.50 major resistance area caps, the risk of another down leg being made remains in place. This resistance area is made up of the March and April highs and the 2011-13 resistance line.
- › Only a fall through the 702.99 October 15 low will reinstate our bearish forecast and only a daily close above the 786.50 March peak would change our view to a bullish one. In the meantime we retain a positive to neutral outlook.

Palladium Daily Chart

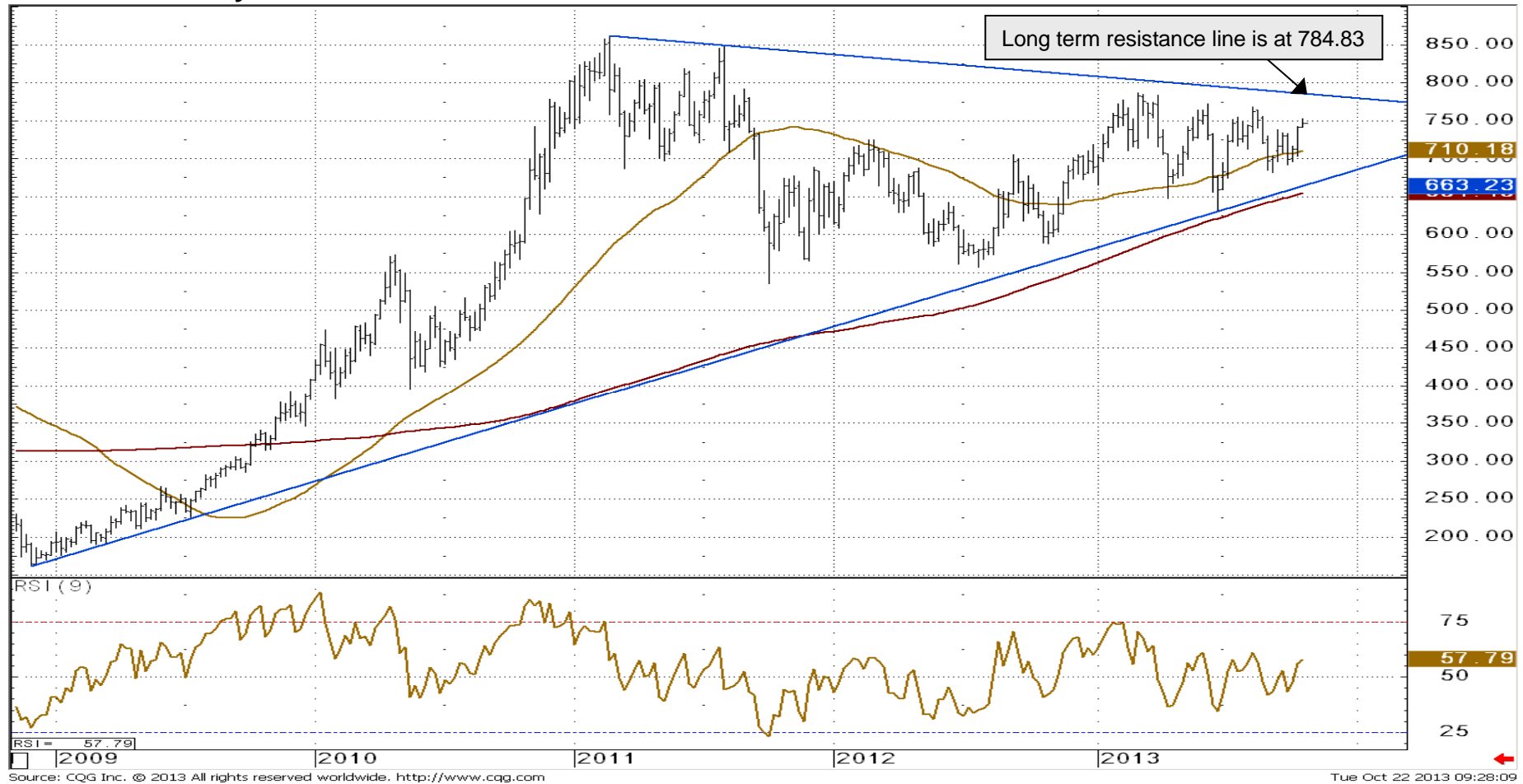


Support	Resistance	1-Week View	1-Month View
738.00/734.51	760.92/772.11	➔	➔
727.46/723.39	783.75/786.50		

Palladium - Weekly Chart

Bounces off the 55 day moving average at 710.18 and trades back in the 750 region

Palladium Weekly Chart



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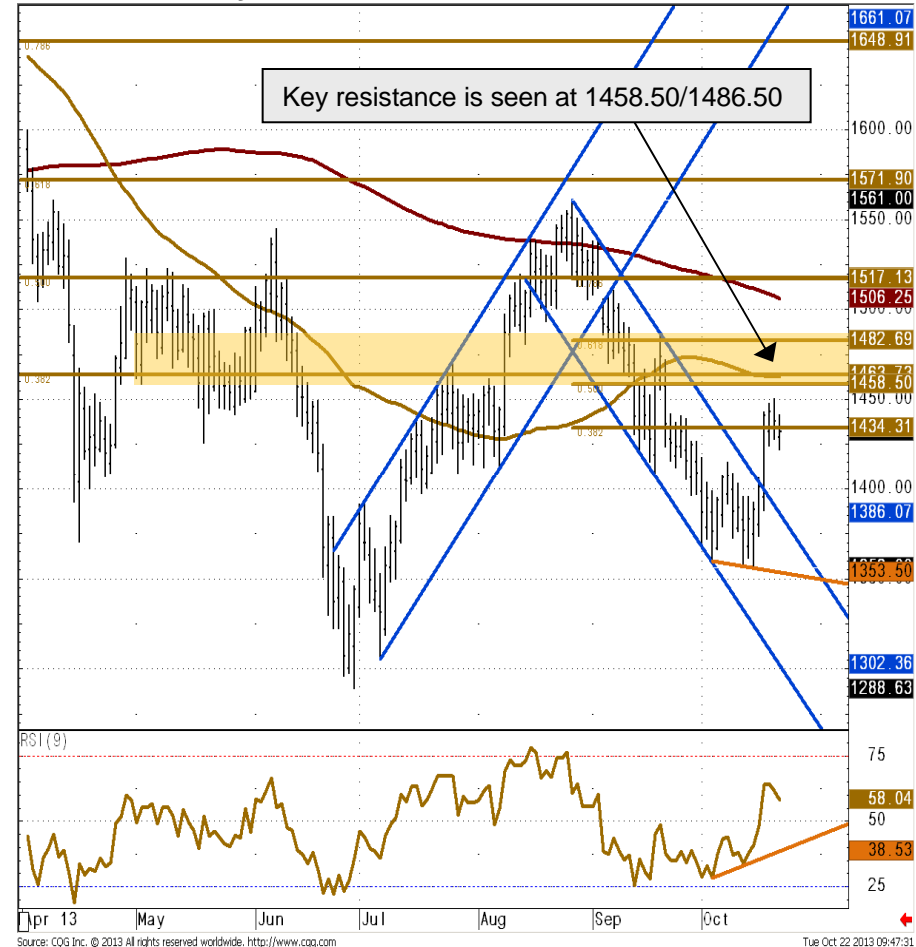
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Platinum - Daily Chart

We had to neutralise our forecast because of last week's strong rally

- › Last week platinum made a marginally lower three month low at 1356.00 while positive divergence with the daily RSI could be seen. This has led to the precious metal hitting the 1450.00 mark early this week.
- › Because of the swift short term trend reversal seen last week we have decided to neutralise our forecast while at the same time still favouring the downside in the weeks to come as long as the 1458.50/1486.50 resistance area caps on a daily closing basis. This resistance zone contains the early May low, 38.2%/50% retracement cluster, July peak, 61.8% Fibonacci retracement and mid-September high.
- › While it caps a drop back to the current October low at 1356.00 could still be seen. Failure there will reinstate our bearish forecast with the 2008-13 support line at 1327.54 and the June trough at 1288.63 then being targeted.
- › A daily close above 1486.50 would make us bullish with the 1545.20/1561.00 June/August highs being eyed, though.

Platinum Daily Chart

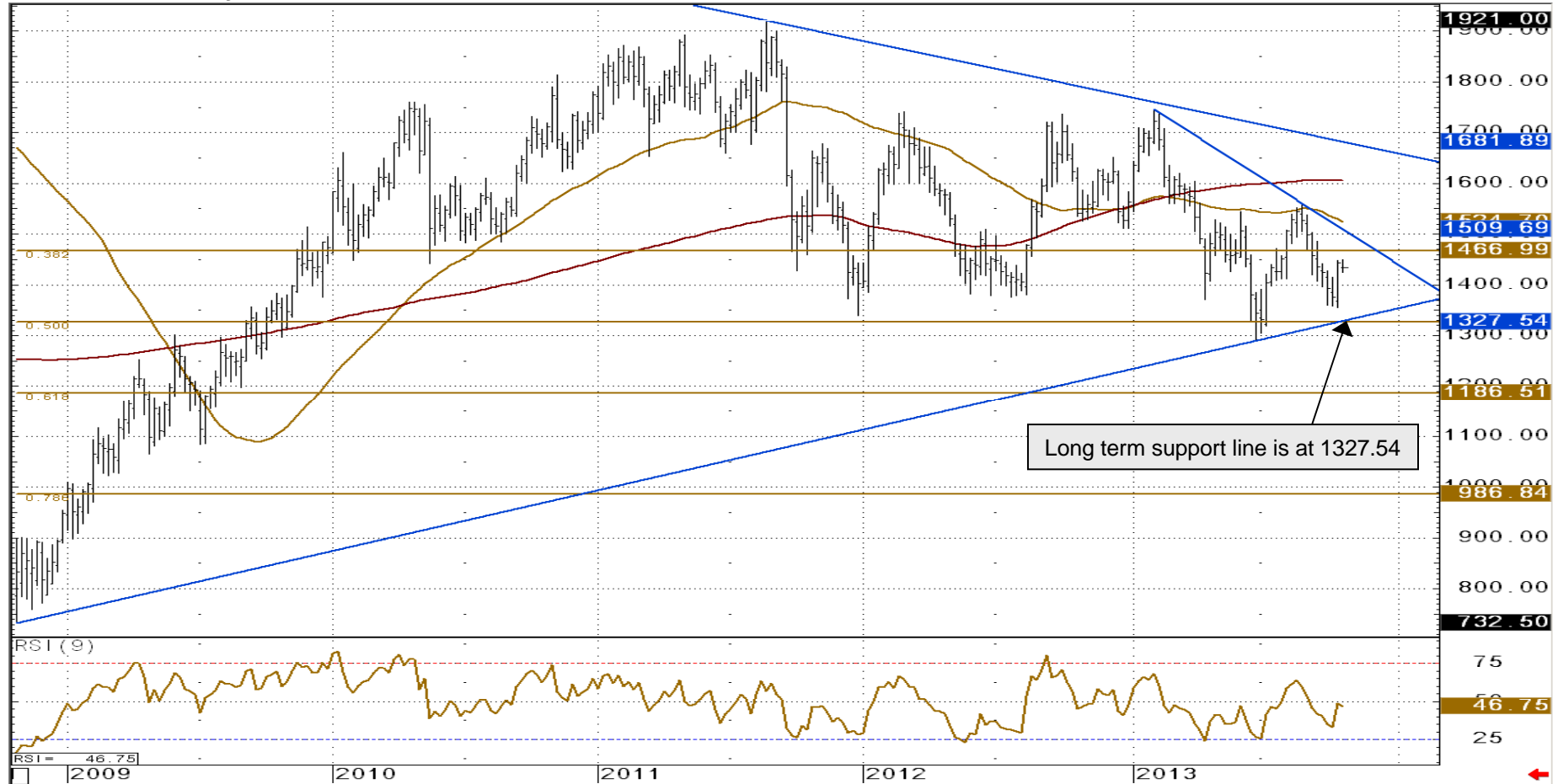


Support	Resistance	1-Week View	1-Month View
1415.0/1397.5	1458.5/1486.5	➔	➔
1360.0/1356.0	1506.2&1545.2		

Platinum - Weekly Chart

Bounced off support situated above the long term support line at 1327.54

Platinum Weekly Chart



Long term support line is at 1327.54

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Daily Market Technicals
FX Outlook

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Weekly Outlook and Technical Highlights

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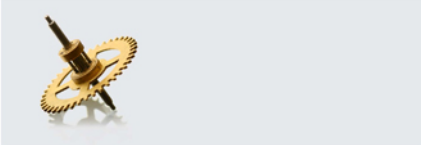


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