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Gold stocks update August 07

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Gold stocks are at a very interesting juncture.

The XAU index has stayed above the critical 130 level, and even broke to the upside in July, reaching it highest level in more than a year.

After coming close to 160, the XAU has fallen back to below 150.

What next?

Chinese cycles point to a potential low in Earth months, which is now in August -September.

So we watch this market closely and need to keep our stop-loss at 130. If the XAU holds above that level, then we will probably see the start of a further rally into next year.

But if we fall below 130, then we could easily see a quick and nasty crash towards 100-110 levels.

So we stay long the gold stocks , but with a firm stop at 130.



(save and open in a picture viewer for a full detail image)

Happy trading.

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