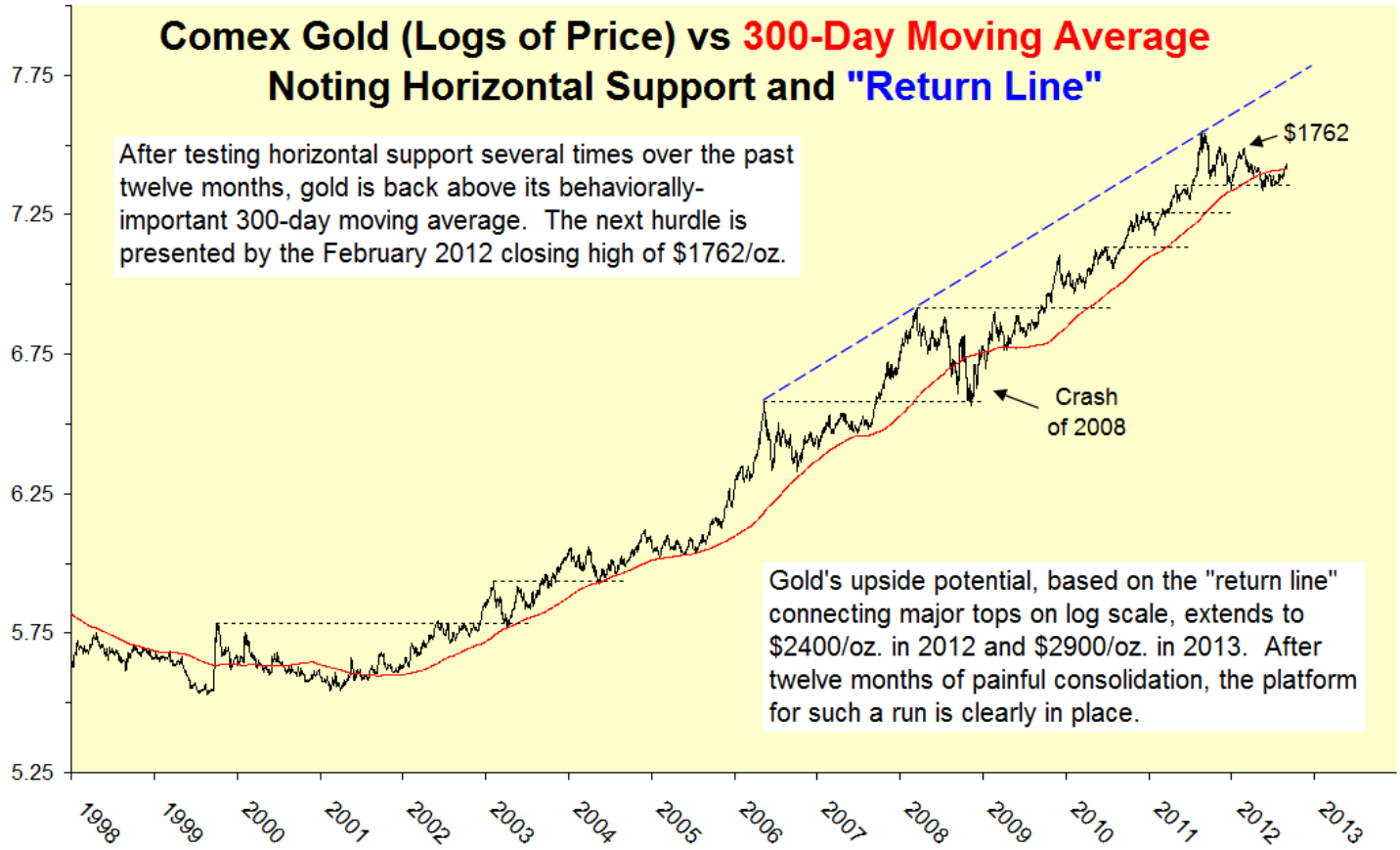
Comex Gold (Logs of Price) vs 300-Day Moving Average
Noting Horizontal Support and "Return Line"
After testing horizontal support several times over the past twelve months, gold is back above its behaviorally-important 300-day moving average. The next hurdle is presented by the February 2012 closing high of $1762/oz.
$1762
Crash of 2008
Gold's upside potential, based on the "return line" connecting major tops on log scale, extends to $2400/oz. in 2012 and $2900/oz. in 2013. After twelve months of painful consolidation, the platform for such a run is clearly in place.
7.75
7.25
6.75
6.25
5.75
5.25
1998
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2007
2008
2009
2010
2011
2012
2013