

The Wall Street Examiner

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Professional Edition

Precious Metals - Tuesday, July 14, 2009 Gold- NY Spot 8:50 AM 925.27

Cycle	Phase/PTT	Projection
9-12 Month	Down/5-8 weeks	805
13-17 Week	Bottom/<=24	892
6-7 Week	SWU/<=4	?
4 Week	Bottom/<=4	907 Done
SWD: Sideways Down	SWU: Sideways Up	H: High
PTT: Periods till turn		L: Low

The Cycle Conditions table includes cycle phase and estimated periods to the next turn (PTT), in days for the shortest cycles, weeks (W) or months (M) for the longer ones. SWU and SWD refer to trading ranges, sideways up phase or sideways down phase. The projections estimate windows of likely turning areas. The chart and discussion are updated daily, and take precedence over the long-term analysis.

The 13 week cycle projection has pulled back up to 900, suggesting that a low may be forming which could lead to a rebound to 950, or more if the 10-12 month cycle subsequently joins. (Text in this font is repeated from previous reports.) The 15 month cycle indicator looks topy. A 9-12 month cycle low is due between August and October. If the price of gold is in the middle to high end of the range during that window, an upside breakout could follow. However, if the 15 month and 10-12 month cycle indicators both weaken on the sell side, then a deeper correction would be likely.



Gold Long Term 7/13/09

The long term cycle indicator has broken its uptrend line, which is a sell signal. The prior negative divergence versus last year suggests topping action and if this break extends from here it would be a strong sell signal for the longer term. The 3-4 year cycle indicator is also on a sell signal. 15-18 month cycle indicators have dropped back to the signal line and would go to the sell side on any further near term weakness. The fact that the 9 month cycle down phase has been sideways is usually a bullish sign, but if the indicator accelerates to the downside from here, the correction could turn ugly in a hurry. An uptrend line dating from January has been pierced and the uptrend line extended from the October-November 2008 lows is being threatened. This is a perfect setup for a 9 month cycle low. If the trend is broken first it would be bearish for the longer term. If the trendlines hold but the subsequent up phase is weak, that too would be bearish. A strong rally from the area of the trendlines would be needed to turn the longer term outlook more bullish.



Gold Stocks - Current cycle signal status on gold stocks as of closing prices on the date noted was as follows:

7/13/2009	Buy Side	Sell Side	Net	Change
6 Month Cycle	3	39	-36	0
13 Week Cycle	3	39	-36	2
6-7 Week Cycle	23	19	4	6

A trend is confirmed as long as the change from the prior day is in the direction of the trend. When the change from the prior day begins to go in the opposite direction trend change may be under way.

6-7 week cycle indications edged back to the buy side Monday after going to the sell side on Friday. The readings are still more or less neutral for that cycle while 13 week and 6 month cycle indications remain at levels indicating peak downside momentum.

6 month cycle indications reached 90% on the sell side for the first time in this correction on Monday 7/6. This condition can lead a cycle low by several weeks in this cycle. 6-7 week cycle numbers reached maximum upside momentum on Wednesday July 1 and the numbers began weakening almost immediately signaling a downturn in that cycle. 13 week cycle numbers have been at this level for several weeks and are due for an upturn at any time. The combination of overbought short term indications reached last Wednesday and weak intermediate indications typically resolves strongly to the downside. So far that has played true to form. Now it's a question of waiting for the 13 week cycle numbers to turn up. That should at least result in the formation of a trading range.

Looking at the individual stock charts, with HUI making a possible 13 week and 4 month cycles, I looked for individual stocks with promising buy side setups. Many stocks in the sector have dropped to near the next support level. In most cases, 10-12 month cycle indicators have rolled over or are in the process of doing so. This does not bode well for the next several months. The best case scenario would be for an upturn in 13 week cycles leading to continuation of the sideways trading ranges.

Some stocks have trends that are a little stronger. They should do better even if the up phase for the group as a whole is only sideways. I looked for stocks that were still in longer term uptrends and had significant room to move to the upside before hitting resistance. I could not find many that fit the bill, but there were 3 that came close and I have posted their charts in the chart pick section at the end of the report. For tracking purposes I will treat them as if bought at today's opening price. Then I'll keep my fingers crossed that these picks will lead the way.

Continued on next page

HUI – The 13 week and 4 month cycle projections rose to 302, suggesting that a bottom is forming in these key cycles. 13 week, 4 month and 10-12 month cycle indicators remain on the sell side, however. While key support lines have been reached, it could take a few days before the indicators confirm a turn. A low is due in the 10-12 cycle in September give or take a month. The 15 month cycle indicator bounced back to the signal line but still appears to be forming a top. The 10-12 month cycle indicator bounced back to the signal line but still appears to be forming a top. The 10-12 month cycle down phase could remain sideways by holding above the April low of 275. That could lead to an upleg to new highs thereafter with the chances of that being greater if they are above 325 in late summer.



Screens

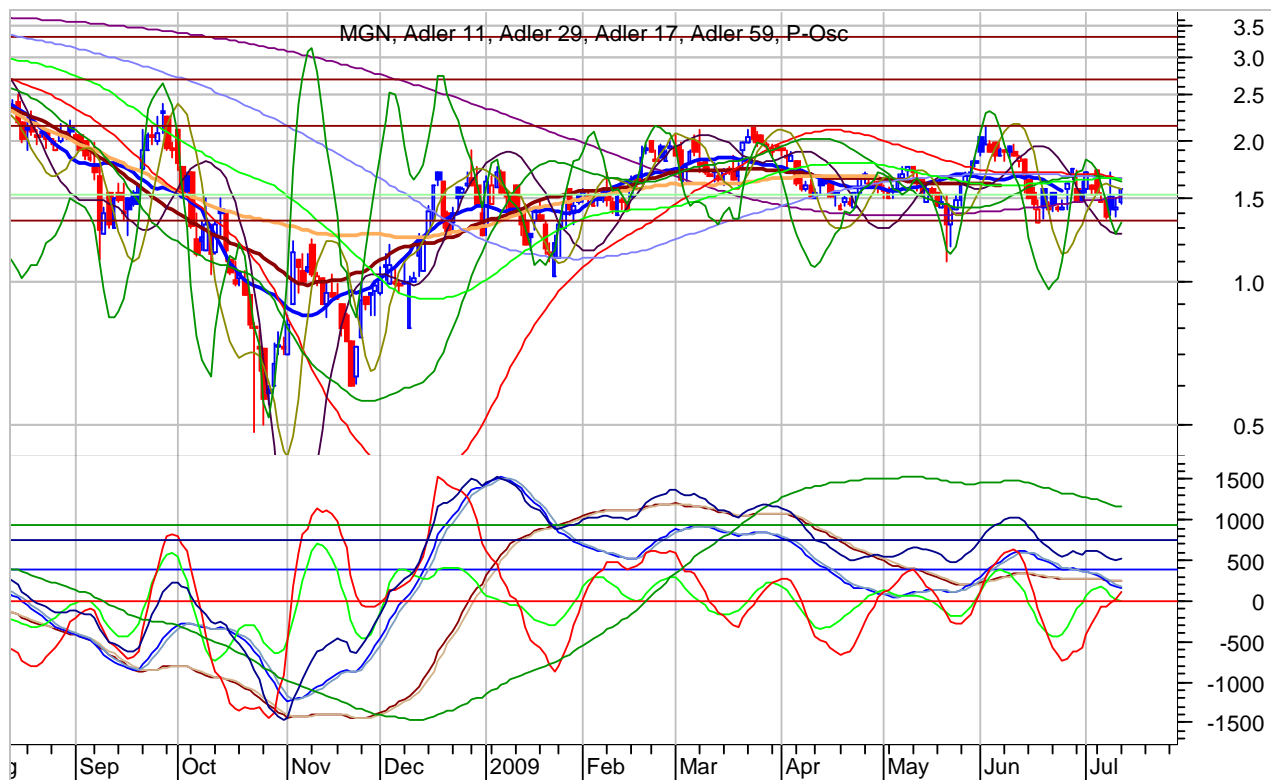
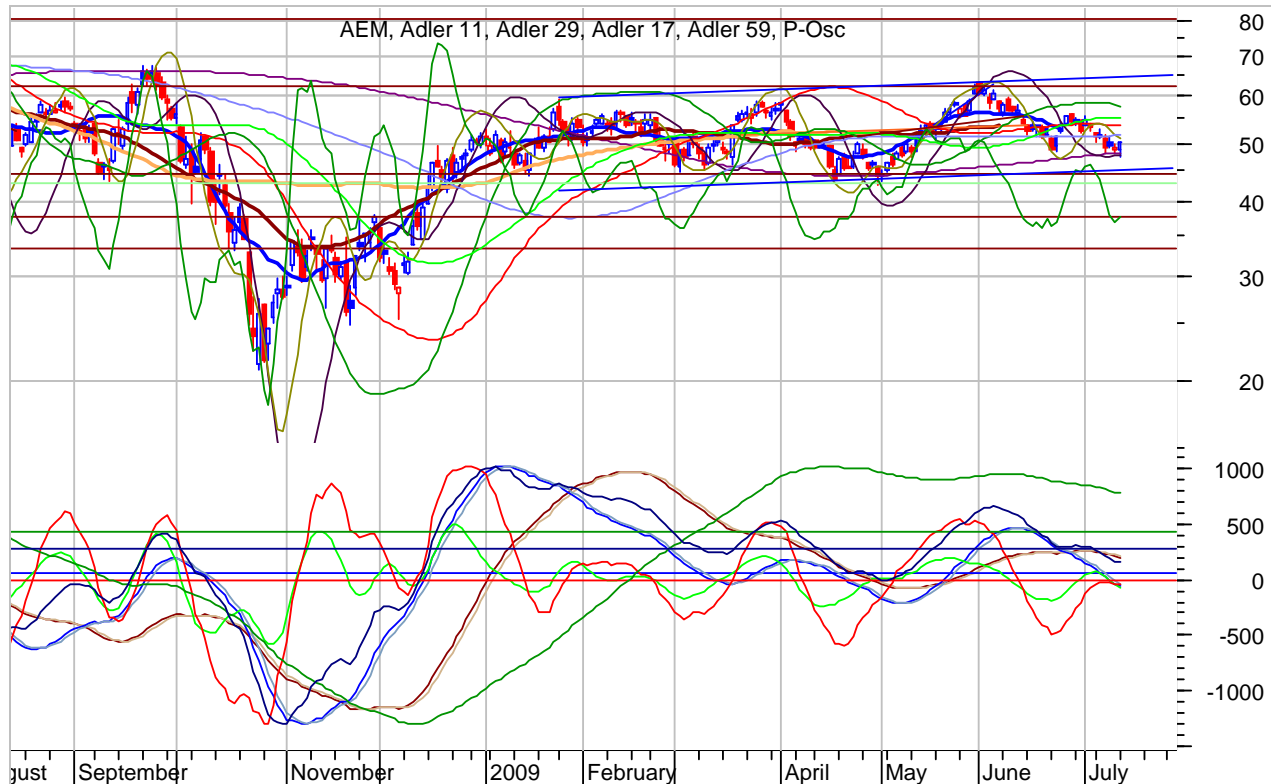
Security Name	7/14/2009 New Signals						Ticker
	Buy10Wk	Sell10Wk	Buy 6 Mo	Sell 6 Mo	BothBuy	BothSell	
Totals	1	0	1	16	0	0	0
Agnico-Eagle Mines Ltd.	0	0	0	1	0	0	AEM
Barrick Gold Corp.	0	0	0	1	0	0	ABX
Cardero Resources Corp. (USA)	1	0	0	1	0	0	CDY
CENTRAL FUND CDA	0	0	0	1	0	0	CEF
Eldorado Gold Corporation	0	0	0	1	0	0	EGO
Entree Gold Inc.	0	0	1	0	0	0	EGI
Gold Fields Limited (ADR)	0	0	0	1	0	0	GFI
Goldcorp Inc.	0	0	0	1	0	0	GG
Golden Star Resources Ltd	0	0	0	1	0	0	GSS
Harmony Gold Mining Co.	0	0	0	1	0	0	HMY
Kinross Gold Corporation	0	0	0	1	0	0	KGC
Mines Management, Inc.	0	0	0	1	0	0	MGN
Northgate Exploration Ltd	0	0	0	1	0	0	NXG
NovaGold Resources Inc. (USA)	0	0	0	1	0	0	NG
Royal Gold Inc.	0	0	0	1	0	0	RGLD
Rubicon Minerals Corp. (USA)	0	0	0	1	0	0	RBY
STREETTRACKS GLD ORDINARY	0	0	0	1	0	0	GLD

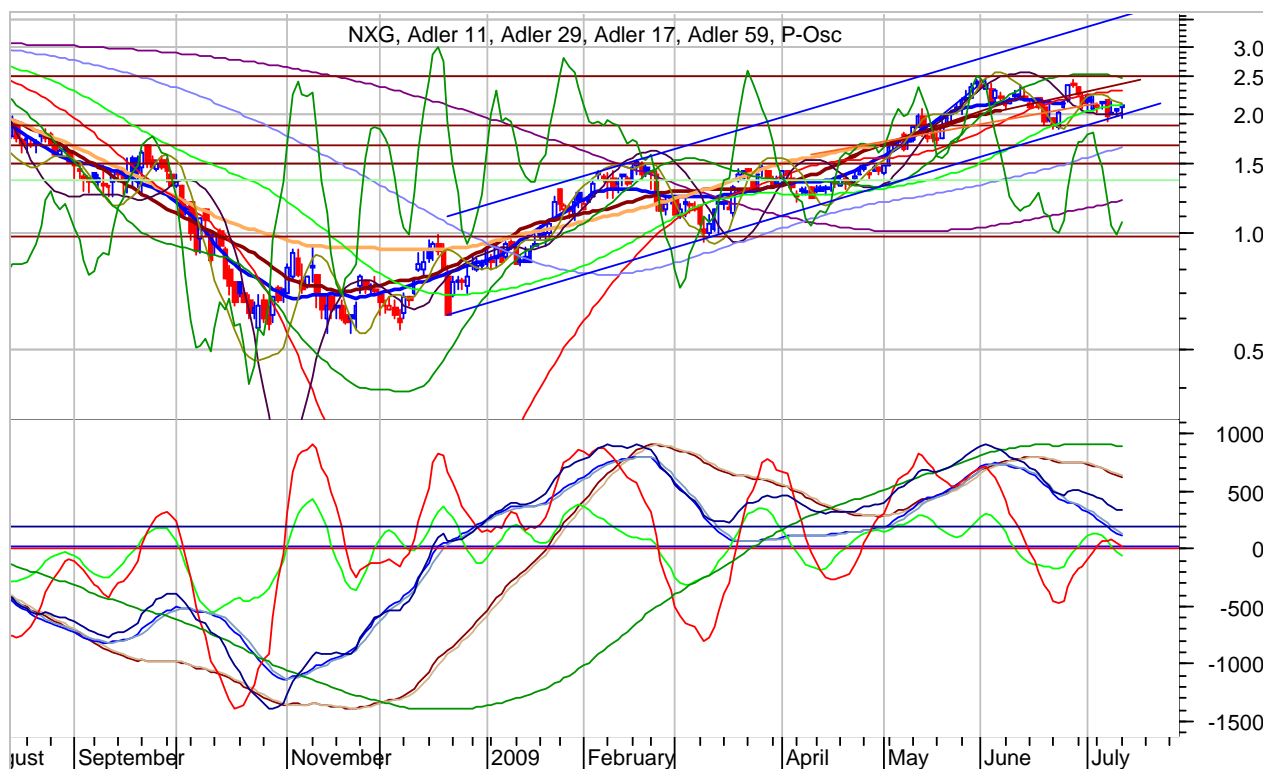
Results are for current day only. For previous days see that day's Precious Metals report.

The stocks were screened for recent buy signals. A "1" in the column indicates a signal. A "0" indicates no signal. The stocks were screened for 10-13 week and 6-month cycle buy and sell signals. The last two columns indicate those stocks with recent signals on both cycle indicators. Whipsaws may result in simultaneous buy and sell signals. These should be considered no signal. These are raw data screens, and are not filtered for whipsaws or trading range signals. Some of the stocks are penny stocks and carry a high degree of risk. These tables and any chart picks are not buy and sell recommendations, but are suggestions for stocks to take a look at on the charts, for informational purposes only. The preset indicators on the [Wall Street Examiner stock charts](#) replicate some of the indicators used. You should do all necessary due diligence before buying or selling stocks. See Terms of Use at <http://wallstreetexaminer.com>

No open selections.

Chart Picks (Longs)





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