



Key Trades for this week: 19th September 2008

New Positions

1. Sell Gold

SELL Dec Comex Gold @ 831.50 Stop \$861.

The Technical Trader's View:



Daily Bar chart

The market has rallied and failed at the powerful resistance from the low in May this year.

The top remains in place.

Stops above the horizontal at \$861.

The Macro Trader's view:

The last few days has seen gold bought aggressively as a safe haven trade amid the market chaos, but with talk the US Treasury is formulating a plan to take all the toxic assets out of the Banking system, markets could quickly normalise, especially inter-Bank wholesale lending.

This would allow the Dollar to resume its Bull run and remove Gold's attraction, leading to a resumption of the bear trend that had recently emerged.

In summary we advise going short of Dec 08 Gold.



Mark Sturdy

John Lewis

Seven Days Ahead