



# Key Trade Bulletin

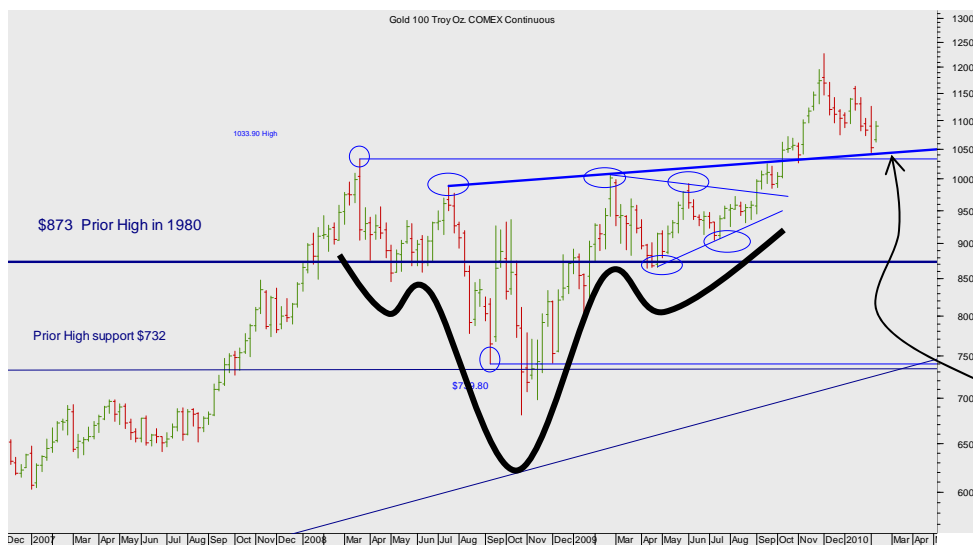
18<sup>th</sup> February 2010

## New Position

### 1. Gold

BUY APRIL 10 Gold at 1118.90. Stop at 1049.

#### The Technical Trader's View:



WEEKLY Bar chart

The market remains in the grip of a large Head and Shoulders pattern.

The pull back to the Neckline has occurred and the Neckline has held.



Daily Bar chart APRIL 10

Has completed a bull falling wedge

The pull- back to the upper diagonal of that wedge has found a coincident support from the 38% Fibonacci.

We think the market still looks good.

Stops some distance away to take account of the volatility

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### *The Macro Trader's view:*

The correction in gold that was recently fuelled by the Greek debt crisis, and the Dollar rally that began over year end, looks over.

Although a long term financial solution for Greece isn't in place, traders are currently prepared to wait and see if Greece can implement its fiscal austerity plan and show real progress on reducing the budget deficit during the 30 day time frame required by the EU/Euro zone authorities.

However Gold looks increasingly supported by a refocusing back to economic growth prospects. Risk aversion has declined, and stocks and commodities are back in favour.

But apart from Greece, many other major developed economies are still running very large, and growing budget deficits, with an attendant accumulation of national debt, and hopes of faster growth are not improving that outlook for countries such as the US, UK, Japan and even the wider Euro zone.

So while the Dollar currently benefits from the improved US growth outlook, investors are still seeking protection from national economic policies that were good for avoiding a deep recession, but are inappropriate once recovery is under way.

We judge Gold will benefit for so long as leading developed economies continue to delay getting their fiscal house in order and advise buying Gold.

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