



Answering Your Questions

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THE GOLD MARKET

The markets followed through after Friday's closing but gold failed to close **ABOVE** 1900 last week and bounced off the projected resistance for this week 1910-1960 for this week topping at 1917. The sharp decline suggests a temporary high is coming as of this week, just four days early although the price target was achieved. The closing support remains at 1730 and a daily close beneath that area would warn of a nearby correction and we have a temporary high. A mere closing **BELOW** 1780 today will keep gold **BEARISH** for now. This is the correction that seems to be due for this period, but we need a weekly closing **BELOW** 1617 to confirm that. A further weekly closing **BELOW** 1583 would warn of a serious correction to flush-out a lot of people before any uptrend could resume.



Volatility will rise in November and should remain fairly high for the first quarter next year. A month-end closing **BELOW** 1630 would signal a serious correction is likely back to retest 1350.

This is the ideal **QUARTER** for the high being 43 such quarters from the 1999 low (5 x 8.6). At the very least, we should get one quarter correction with a max up to three taking us into the second quarter next year. That outcome would be indicated by a year-end closing **BELOW** 1427.

The bull market I not over long-term. The market will reveal its intent based upon the closings laid out. We did **NOT** get through the **NORMAL** projected resistance at 1910-1960, so that is good news in that we avoided a **PHASE TRANSITION** up to 2500 that would have warned we are in **VERY** serious trouble until the **ECM** turns in 2015.75

A detailed update will follow shortly.