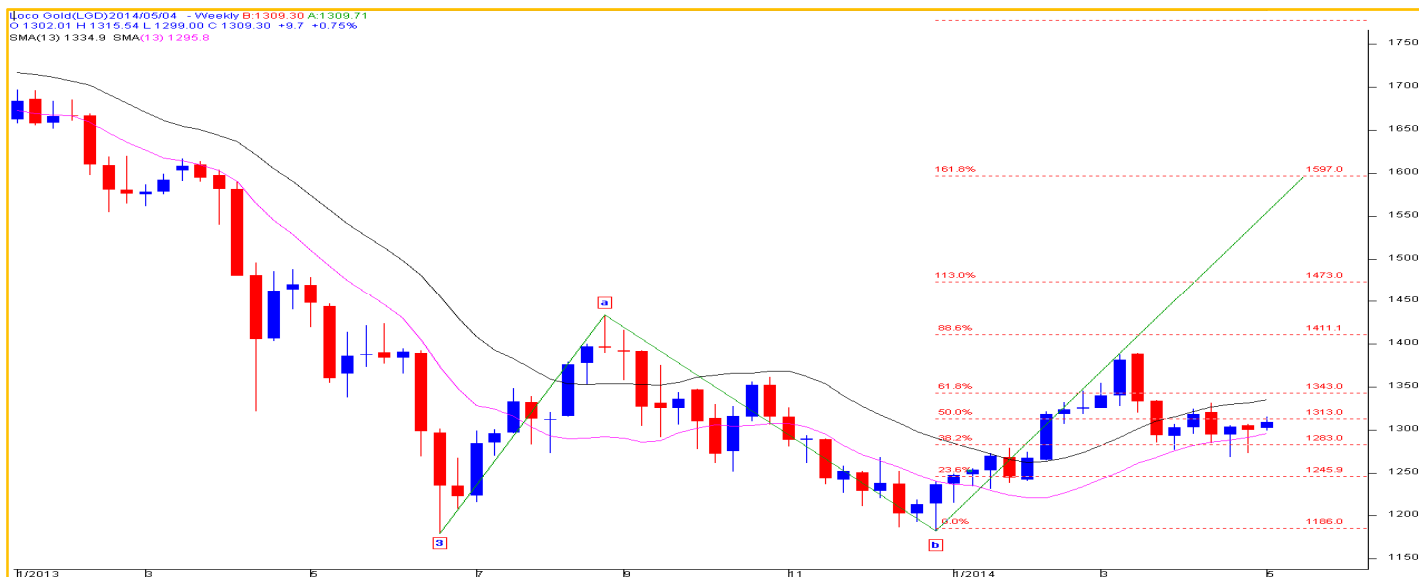


## Gold

The year 2014 has so far been good for International Gold prices at least in statistical terms with present gains at over 8% that went as high as 15% on year to year basis. Before trying to figure out any trading opportunity, let it be made very clear that the primary trend in yellow metal is bearish and technically the current positive run is just a halt after more than two years of fall. But the big question is that-will this halt get extended and shape-up into a relief rally? The answer lies in technical charts and their mathematical & logical reasoning.



From Elliott wave theory's perspective, International Gold is presently in its 4<sup>th</sup> wave on weekly chart. The corrective 4<sup>th</sup> wave must have three legs (a-b-c) structure, opposite to the five leg structure of the main bearish trend. Now if we look at this year's price movement, a double bottom formation can be seen which when combined with mathematical Fibonacci reciprocals indicates a much larger third leg formation of the bearish 4<sup>th</sup> wave. Thus, a very basic technical analysis theory of resistance being tested time to time may come into picture and can trigger a relief rally towards earlier important 'support now turned resistance' zone of \$1500-\$1525 before returning back to its primary trend. Reciprocal Fibonacci price projections are indicating a rally towards \$1440 or Rs.30700 at MCX June contract ONLY IF immediate resistances at \$1333 or Rs.29100 are cleared with huge volumes. Mid-term traders can buy MCX June contract ONLY ABOVE Rs.29100 for targets in the range of Rs.29900-Rs.30700 range. Keep stop below Rs.28650.



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**Arihant is Forbes Asia's '200 Best under a \$Billion' Company  
'Best Emerging Commodities Broker' awarded by UTV Bloomberg**

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