

INSIIDE Track

“Gold/Silver Index (XAU) in 2019 - 2020”

July/August 2019 Cycles

03-29-19 - GOLD & SILVER continue to reinforce 1 - 2 year cyclic lows (in Aug. - Nov. '18) and the onset of major advances that could stretch into **late-2020/early-2021**. The first phase of those advances was expected to last into **June/July 2019**, with a preceding (penultimate) peak in **late-Feb./early-March**.

Gold & Silver surged into **Feb. 19 - 22**, fulfilling a myriad of weekly & monthly cycles while attacking decisive (extreme) resistance levels and upside targets. They fulfilled most or all of what was expected from this initial 3 - 6 month uptrend.

That was projected to usher in a much sharper correction that could see Gold drop to **1270.0/GC** with Silver very likely to drop below **15.000/SIH**.

(Based on Silver's weekly trend pattern - which was unable to turn positive during the rally into **Feb. 20** - it could even attack its Nov. '18 low with support and wave targets at **14.150 - 14.350/SIK**.)

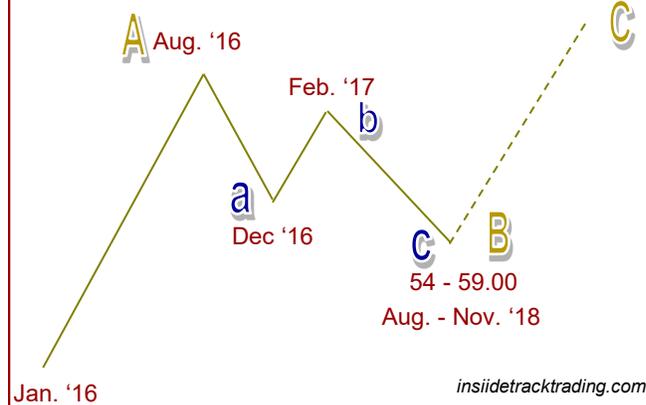
Gold's action is reinforcing expectations for a subsequent rally - from **mid-April** into **June/July '19** - the next phase of a 17 - 18 month high-high cycle that has timed five successive highs, including the July '16 & Jan, '18 peaks (**July '19** is ideal time).

The action leading into Feb. 20 triggered a new sell signal for 3 - 6 month & 6 - 12 month traders to exit more longs and look for a sharp correction...

3 - 6 month & 6 - 12 month traders & investors can be looking to re-enter long positions in the coming weeks. Most recently, these traders could have been in long Gold positions from ~1200.0 down to 1186/GC, since late-Sept., and exited them w/avg. overall gains of about \$11,500/contract (in futures).

Look to re-enter long positions (futures, cash, ETFs, etc.) when the June futures are trading at 1274.5 down to 1256.5. Risk/exit on a weekly close below 1240.0/GCM.

XAU Wave Structure: Potential 'A-B-C' Rally



3 - 6 month & 6 - 12 month traders & investors could have exited long positions in Silver w/avg. overall gains of about \$6,300/contract (in futures).

Look to re-enter long positions (futures, cash, ETFs, etc.) when the May futures are trading at 14.350 down to 14.050. Risk/exit on a weekly close below 13.650/SIK.

The **XAU** has consolidated since peaking at critical resistance levels and during pivotal cycles surrounding **Feb. 20** - also completing the third consecutive advance (since Sept. '18) of 11 - 12.00 points.

It quickly dropped to its initial support and minimum downside target - at **72.22 - 72.85** - and bounced.

Similar to Gold, the XAU is expected to see a new advance - from mid-April into **3Q 2019**.

The greatest synergy of cycles comes into play in **July/Aug. '19**. That would perpetuate a 17 - 18 month high (Aug. '13) - high (Jan. '15) - high (July/Aug. '16) - high (Jan. '18) - (high) AND a ~9-month high (July/Aug. '16) - high (Apr. '17 - secondary) - high (Jan. '18) - high (Oct. '18 - secondary) - high *Cycle Progression*.

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It would also fulfill a ~36-month high (Aug. '13) - high (July/Aug. '16) - (high) *Cycle Progression* and complete a 3.5-year advance (1/2 of a 7-year cycle) from the Jan. 2016 bottom.

It could also perpetuate an 18 - 20 week high - high cycle that has timed six consecutive intermediate highs since April '17.

On a 1 - 2 year basis, ~**110.0/XAU** remains as the primary (initial) upside price target. (On a 2 - 3 year basis, ~**140.0** is a similar target.)

Depending on where the XAU reaches by/in **3Q '19** - and whether it is above or below **90.00** at that time - the timing for a test of ~**110.0** should become more clear.

The monthly trend will also play a crucial role in determining the outlook for **3Q '19 - 1Q '20**.

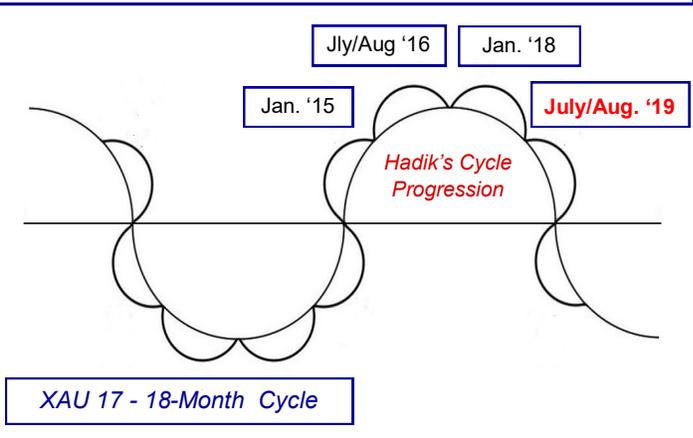
That trend needs to turn up to confirm that a multi-year low is intact (it cannot do that until May 31 at the earliest and the trigger point is not yet determined). Most likely, the XAU will peak in **3Q '19** and then enter a 3 - 6 month corrective phase that includes a 25 - 50% pullback of its 3Q '18 - 3Q '19 advance.

Palladium continues to lead the other metals. In Aug. & Sept. '18, *INSIIDE Tracks, Weekly Re-Lays* and the 9/18/18 *The Bridge - Metals & Miners: What's Ahead?* [see excerpt on page 8] explained how Palladium had completed a major 'a-b-c' correction (a '2' wave that retraced 50% of the two-year '1' wave advance from Jan. '16 into Jan. 18) and was ready to lead the other metals higher into **2020**.

Palladium was entering a type of '3' wave advance - on one and possibly two magnitudes of impulse waves - the rally that is usually the most dynamic.

Multi-year cycles corroborated the likelihood for a 1 - 2 year (or longer) bottom, fulfilling the latest phase of a ~2.5 year/~31-month high (Feb. '11) low (June

Gold/Silver Index (XAU) Reinforcing Sept. '18 Multi-Year Cycle Low. Surge into **July/Aug. '19** & to ~**90.0 - 100.0/XAU** Likely.



'13) - low (Jan. '16) - low (**July/Aug. '18**) *Cycle Progression* that next comes into play in **1Q 2021**.

Considering the wave and cycle structure of that expected bottom, Palladium is likely to invert its ~31-month cycle and ultimately extend its rally into a 1 - 2 year peak in **1Q 2021**. (That dovetails with what was also discussed for the XAU in that same Sept. '18 *The Bridge*.)

A multi-year peak in **1Q '21** would also perpetuate a 10-year high (Jan/Feb. '01) - high (Feb. '11) - high (**Jan./Feb. 2021**) *Cycle Progression*.

A couple possibilities can be gleaned from the turning points of the past couple years. One is that Palladium could reinforce this scenario with an intervening low in/around **Oct. 2019**. That would be the midpoint of the ~2.5 year cycle and create a corroborating ~1.25-year/~15-month low-low-(high) *Cycle Progression* targeted for **Jan. 2021**.

The second is that an intervening peak could be seen in/around **July/Aug. '19** - dividing in half the 3-year period/cycle between the Jan. 2018 peak and a

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potential **Jan./Feb. '21** peak. That would also perpetuate a ~1.5-year/~17 - 18-month high-high-(high) *Cycle Progression* that would next recur in **1Q '21**.

That scenario (for a multi-month and possibly multi-quarter peak in **July/Aug. '19**) corresponds with ongoing analysis in other key metals.

Mid-2019 (July '19) is also the ~3.5-year midpoint of the ~7-year low (late-2001) - low (late-2008) - low (early-2016) - (low; **late-2022/early-2023**) *Cycle Progression* that helped pinpoint the Jan. 2016 bottom.

In the interim, Palladium surged into the latest phase of a 29 - 31 week high-high-high-high-high-low-high *Cycle Sequence* - perpetuating a ~7-month cycle that dates back to Oct. 2015 - as well as an over-arching ~14-month/59 - 61 week high-high-high-(high) *Cycle Progression*, both of which project a multi-month peak in the middle half of **March '19**.

It fulfilled that while spiking above **1550.0/PAM** - the minimum wave objective (3 = 1) - where some initial profit-taking is common. That does not, however, signal that the '3' wave is complete. From this point forward, the Jan. '19 peak of **1133.0/PAM** should be viewed as powerful support.

The preceding analysis is taken directly from the April 2019 *INSIIDE Track* and is reprinted - along with the following excerpt - to provide newer readers the overall context for the **2019/2020** outlook for mining shares and the Gold/Silver Index (XAU).

As described in the following synopsis - from Sept. 18, 2018 - the XAU was expected to bottom by mid-Sept. '18 and then undergo a major ~2-year advance into **late-2020**, potentially stretching into **2021**. Two key landmarks were forecast for 2019, one of which has recently been fulfilled...

-- Initial surge into **late-Feb./early-March '19**, at which point a 2 - 4 month peak would take hold (ideally above **76.88/XAU**).

-- Second surge into **July/August '19**, at which point another multi-month peak is likely (ideally above **93.39** and potentially around **100.00/XAU**).

If both of those were/are fulfilled, it would powerfully reinforce the overall outlook for a ~2-year advance into **late-2020/early-2021** (to at least **140.00/XAU**).

The following is the corresponding analysis published in Sept. '18...

9-18-18 - *"The Gold/Silver Index (XAU) is one component that often tops early (2010) and bottoms late (2016). So, it is not surprising that it has spiked to new lows in early-Sept. 2018.*

*That has also allowed it to come within ~1.5 points of its multi-year, **54 - 59.00/XAU** downside price target - the ideal range for a bottom.*

As described in late-2016 & early-2017, and repeatedly since then, the monthly trend was the prevailing factor that continually projected a drop below the Dec. 16 bottom as part of an overall correction. So, this index has remained in a much weaker structure.

That is in contrast to Gold, which is still expected to bottom above the level of its Dec. 2016 bottom. Once again, it is price action - and crucial technical filters - that hone the cyclic outlook.

In the case of the XAU, the rally into Aug. 2016 was perceived to be the 'A' wave of a larger-magnitude 'A-B-C' corrective advance (that could last into 2020).

The subsequent decline - into Dec. '16 - had to be the 'a' wave of a smaller-degree 'a-b-c' decline (that would ultimately comprise the 'B' wave pullback) since the monthly trend projected a subsequent drop to new lows (below the Dec. '16 low).

*IF this is the correct wave interpretation (multiple indicators will need to corroborate that), then the Gold/Silver Index could enter a new advance in **4Q 2018** (the onset of the 'C' wave rally) - one that is capable of lasting into **late-2020/early-2021** and being related to the*

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initial 'A' wave advance of Jan. - Aug. 2016 (rally = rally?)...

A low in **early-Sept. 2018** would also fulfill an overarching ~180-degree high (Sept. '16) - low (Mar. '17) - high (Sept. '17) - low (Mar. '18) - low (**Sept. '18**) Cycle Sequence AND a larger-degree ~360-degree high (Sept. '16) - high (Sept. '17) - low (**Sept. '18**) Cycle Progression.

With the higher-magnitude 30 - 34 month Cycle Progression averaging 32 months, a **Sept. 2018** low would arrive 32 months from the Jan. 2016 bottom. So, there is a strong argument that the XAU could be producing an intermediate bottom in **early-Sept.**

The XAU is poised to turn its daily trend up, validating that potential. Considering that the XAU has fulfilled about 95% of the downside that has been expected of it, a bottom could form at any time. The action in the other metals could help filter that.

Long-term cycles could produce the next multi-year

peak in **late-2020/early-2021**. The greatest synergy of cycles occurs in **4Q 2020**. That includes a recurring ~5-year cycle that dates back to early-1996 and late-2000. It would also fulfill a ~10-year low (4Q '00) - high (4Q '10) - high (**4Q '20**) Cycle Progression.”

The XAU is corroborating the longer-term and intermediate outlooks and is expected to see another surge surrounding **mid-2019** and likely peaking in **July/Aug. 2019**. If it has exceeded its 3Q '17/1Q '18 peaks by then, and turned its monthly trend up in the process, a new bull market would be confirmed.

The **Weekly Re-Lay** will continue to update the near-term and intermediate trends, strategies and outlooks, including what to expect from the coming days. The longer-term & higher magnitude analysis will be elaborated in future issues of *INSIIDE Track*.



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