

-GCRU-

Gold Charts R Us ...now... Good Charts R Us

The game of GOOD FED, BAD FED

The Fed kept rates unchanged and lowered their outlook for growth. However, they also included the possibility of two rate hikes this year.

The markets reacted strongly.

The dollar slipped below its NL support today before closing at it. It looks ready to confirm an H&S top formation as shown on our Chart of the week yesterday. Our put spreads are sitting on a 100% profit at this moment. However, we'll continue to hold because lower lows are still likely.

Dollar weakness fueled asset classes across the board.

The stock market is up sharply with NASDAQ and Russell 2000 reaching record highs.

The Dow and Transportations are also up, but still far from confirming a bull market.

Overall, we think it's most prudent to sell your SDS for now which is close to break-even.

Gold jumped above \$1200 which is a milestone considering the upcoming seasonally low Summer time. Gold had the largest single-session point and percentage gain in about 5 weeks. This is a good renewed start to a C rise.

Gold shares are breaking above a bullish downside wedge pattern with an upside target at 175. With gold and the stock market now rising, gold shares should do well in this rebound.

We sold DUST at mkt yesterday at 16.60 for a 17% gain and added to our AEM position at 30.50 near the lows. We're also holding a full position in gold and silver, as well as a longer term bullish call spread in both of these precious metals.

Crude is holding near its recent highs, but still resisting below 62. Today, crude is confirming weakness as it failed to rally above its resistance level on dollar weakness. Crude and the US dollar have been moving in opposite directions recently and today's action is bearish, despite a rise above 60. This tells us downside pressure remains strong. We'll keep our bearish put spread and our position in SCO.

TLT failed to approach the 120 level showing weakness. Sell at market.

Markets are starting to move fast. Crossroads are here.

Good luck and good trading,

Omar Ayales
Chief Trading Strategist