

Gold's Cup and Handle Forecast

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Gold completed a lengthy 3-3-5 Flat pattern, a corrective move from 2016, within a large degree rising trend. This Flat is wave 2-down shown in the chart below. Starting last summer, Gold began what will be a huge rally leg, wave 3-up. It completed the first subwave 1-up of 3-up, and over the past few months here in 2019 it is working through subwave 2-down of large degree 3-up.



What is most interesting is that this subwave 2-down is forming the “Handle” portion of a Bullish Cup and Handle pattern. Once this wave 2-down completes, this pattern will be complete, and a powerful wave 3-up of 3-up will begin.



Next is a close-up for this Handle pattern decline.



There is a well-defined declining trend-channel for Gold's wave 2-down move. If Gold chooses to target the bottom boundary of the trend-channel, then Gold could drop toward the 1,225 area. It does not have to reach that level. A breakout above the upper boundary of this declining trend-channel would indicate that the correction is over, and a powerful rally toward 1,600 is underway.

Confirming this forecast is another Bullish pattern evident for Gold, a huge inverse Head & Shoulders bottom. It has a defined upside price target of 1,600. A breakout above the neckline, above 1375 would be very Bullish.



At McHugh's www.technicalindicatorindex.com we have developed several proprietary indicators that help us identify when the next significant move is starting for Mining stocks, and in which direction the move will develop. We publish these indicators in every Daily Newsletter to subscribers.

