

# ***Gold's Long Term Trend***

**By Robert McHugh, Ph.D.**

**September 22nd, 2019**

There is no stopping the rise in the price of Gold. As long as world Central Bankers continue to increase the quantity of fiat currencies, because Gold's production is limited, a simple supply and demand equation predicts Gold must go higher. Hyperinflation pushes Gold's value higher. Demand for Gold is also increasing as it is a key component of technological electronic products, an increasing product line worldwide. Gold also acts as a safe haven during times of war and political crisis.

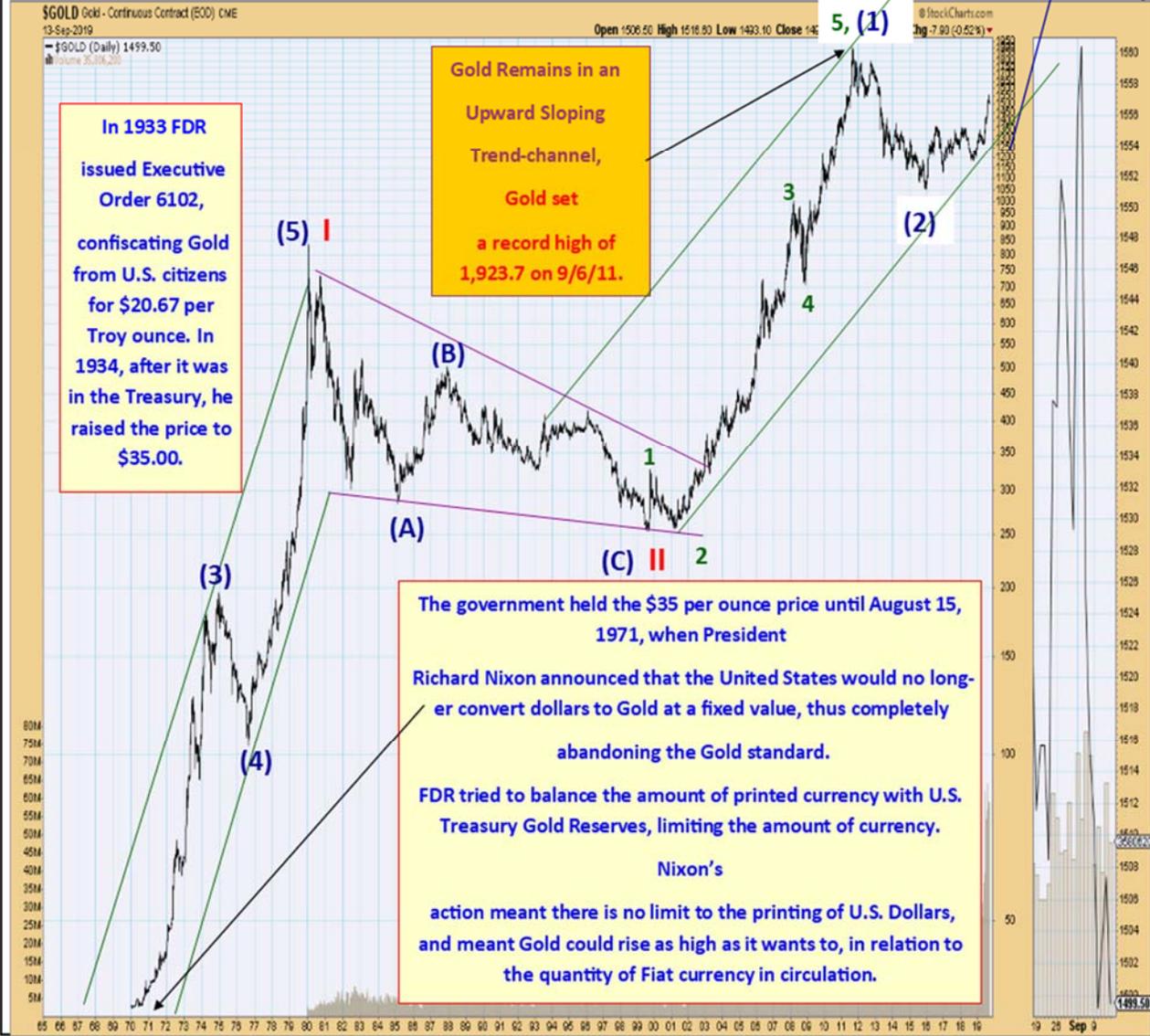
Gold is rising in primary degree wave (3) of Cycle degree wave III, which is a large degree trend. Cycle degree wave II was a Bear market for Gold that lasted from 1980 through 2000. This was a period of time of rising interest rates. Since 2000, interest rates have declined and Gold has rallied. Declining interest rates have been a function of a massive increase in the money supply, which has supported the rise in Gold, real money, requiring more fiat currency per ounce of Gold to account for the hyper monetary inflation.

This Cycle degree wave II formed a technical pattern known as a Pennant, a Pennant for a Flag pattern. Flag's fly at half mast, meaning that once this declining Pennant pattern completed, Gold would break out to the upside, continuing the trend that Gold had moving into the Pennant pattern. Up. That in fact has occurred as wave III up.

The chart below shows Gold's wave mapping and patterns from 1965 through the present.

Gold's wave III has much further to rise, as Gold is only inside subwave primary degree (3) up of what will be a five wave move for III. This means that over the long run, Gold is destined to blow past its all-time high of 1,923.7 that was reached on September 6<sup>th</sup>, 2011.

**The Big Picture Elliott Wave Long-term Count  
For GOLD from 1965 to 2019**



Of course markets never move straight up or down, they move in stairstep fashion, so we can expect corrective declines along the way toward substantially higher prices.

At McHugh's [www.technicalindicatorindex.com](http://www.technicalindicatorindex.com) we track the short-term waves that make up these larger degree trends, and chart them in our forecast newsletters, and have developed several proprietary Buy/Sell indicators that help us identify when the next significant

**move is starting for Mining stocks, and in which direction the move will develop, which are also helpful to forecast moves in Gold and Silver. We publish these indicators in every Daily Newsletter to subscribers.**