

# The Status of Gold and Mining Stocks

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Gold and Mining stocks are inside a large degree Bull Market. Gold is destined to blow past its all-time high of 1,923.7 that was reached on September 6<sup>th</sup>, 2011.

Where are Gold and Mining stocks sitting this weekend within this large degree Bull Market? The following chart for the HUI Mining stocks (which also applies to Gold) shows the big picture. They are inside wave 3-up of 1-up of (3) up of III up. Market moves progress in waves 1,3 and 5 and correct in waves 2 and 4.



Now let's get to the short-term view. Where do Gold and Mining stocks sit, within this wave 3-up move? The following charts clarify the picture. Gold is inside wave 4-down, the fourth of five subwaves for 3-up. Once 4-down completes, a powerful wave 5-up move will follow to complete wave 3-up.



Mining stocks are tracking the same path as Gold. The short-term charts for Mining stocks follow.



Daily Full Stochastics  
 On a Sell.



The fact the decline from September is choppy and overlapping, supports that this is a corrective decline inside a larger degree Bull market. If a Bear market was starting, the decline would be impulsive, which is not the case.



When we study the nature of the decline in Mining stocks and Gold since September 2019, we see the decline is choppy and overlapping. This is not a characteristic of an impulsive Bear Market. Rather, it is indicative of a corrective move inside a larger degree rising trend, further supporting the Bullish case that the decline is merely subwave 4-down, with 5-up next. In Precious metals, the fifth wave is typically the most dramatic wave, whereas in stocks, the third wave is typically the most dramatic. This means that the next rally leg of Gold and Miners, wave 5-up, is going to be quite impressive.



We will have confirmation that this corrective wave 4-down move is complete once we get new Buy signals in our HUI Purchasing Power Indicator and our HUI 30 day Stochastic Indicator.

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.**