

Brief Update for Gold, Biotech, REITs and Utilities

The Gold SPDR (GLD), Gold Miners ETF (GDX) and Silver ETF (SLV) remain with bullish continuation patterns and bounced over the last few days.

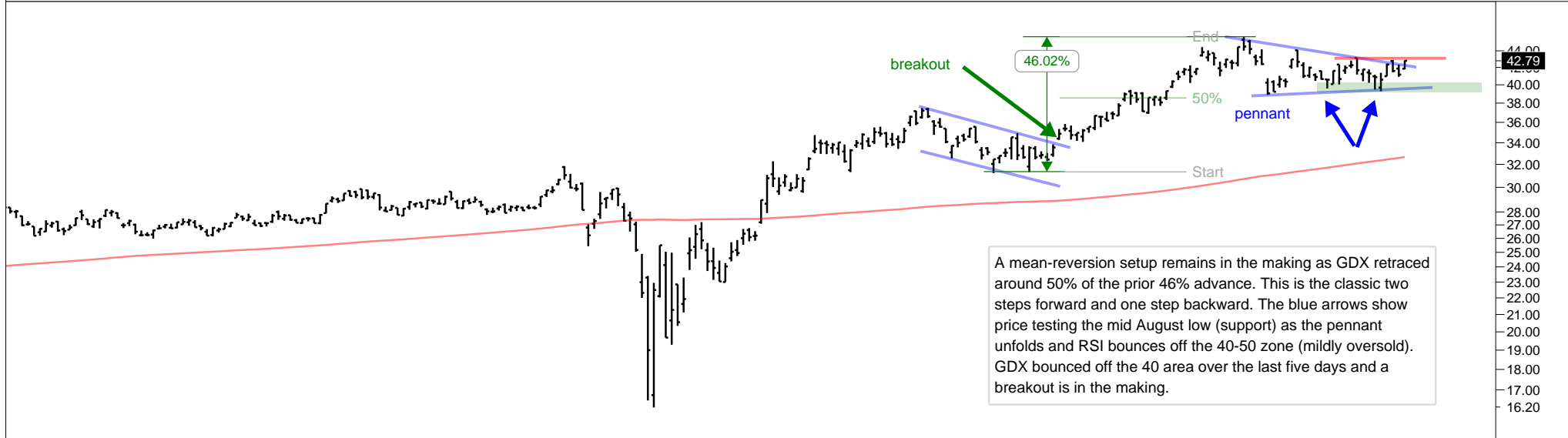
The Healthcare SPDR (XLV) continues to hold above its resistance zone and bounced on Monday with biotechs leading the charge. The Biotech ETF (IBB) and Biotech SPDR (XBI) made big moves and finally broke out of their falling channels to signal an end to the corrections.

Elsewhere, I am also watching the 20+ Yr Treasury Bond ETF (TLT) and the bond proxies, which moved on Monday. TLT was flat, but the Utilities SPDR (XLU) advanced and the Real Estate SPDR (XLRE) was up 2.45%, the most since July 1st. The cup remains half-full for XLRE and IYR because they have Bollinger Band breakouts and are above their 200-day SMAs.

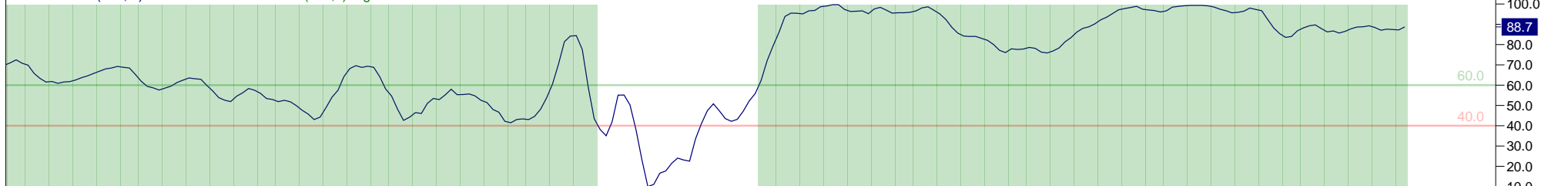
Arthur Hill, CMT

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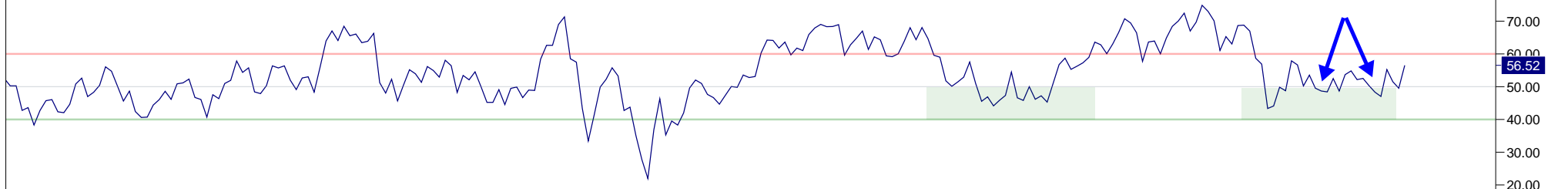
GDX	1
GLD	2
SLV	3
XLV	4
IHI	5
TLT	6
XLU	7
IBB	8
XBI	9
XLRE	10
IYR	11



StochClose (125, 5) & Show View StochClose (125,5) Signals



14 Period RSI

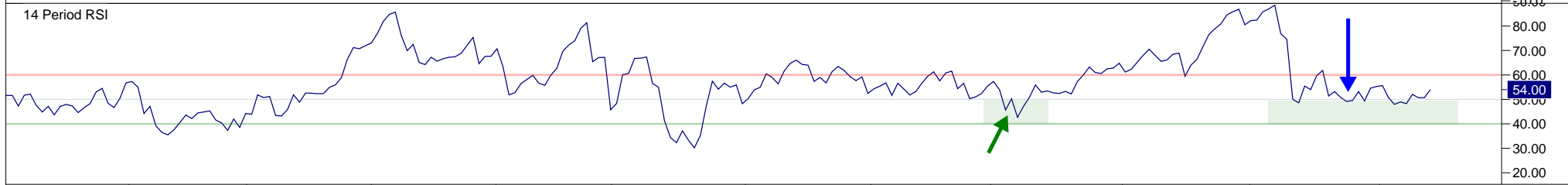
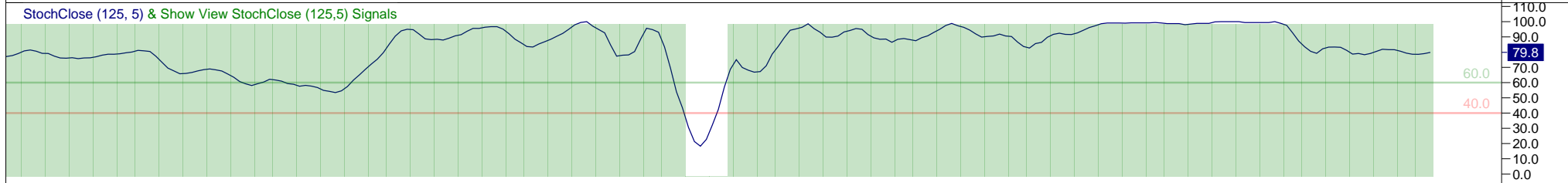


Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2019						2020						

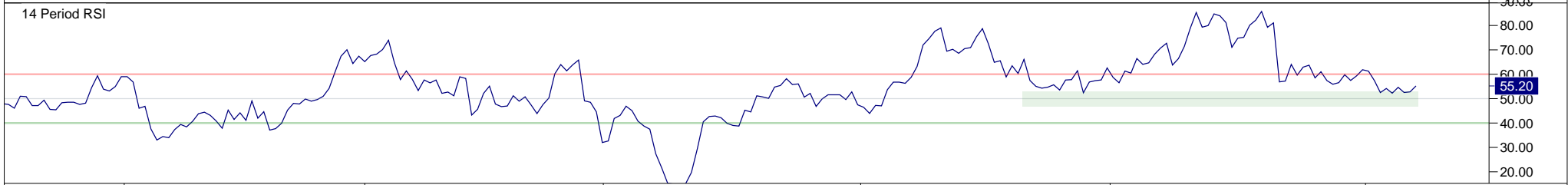
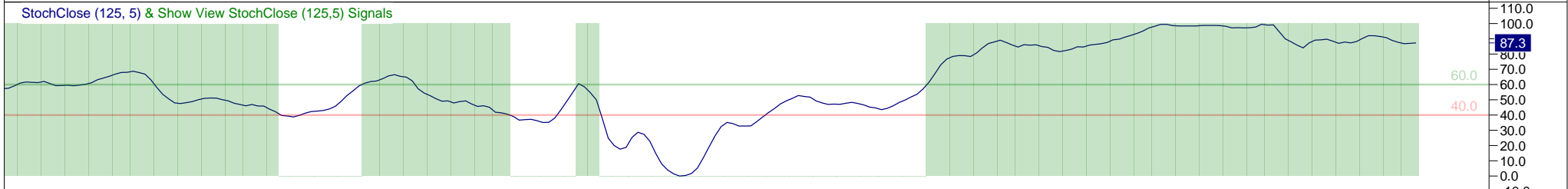
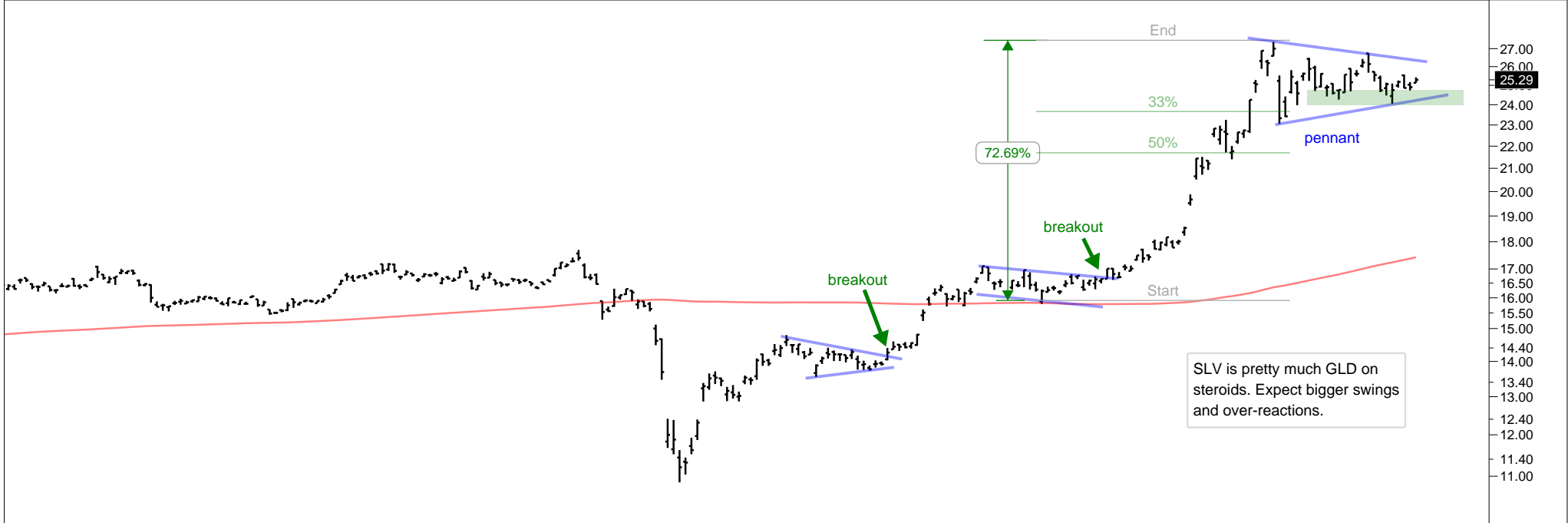
GLD also has a bullish continuation pattern working (small falling wedge) and RSI is bouncing off the 40-50 zone (mildly oversold). Using closing prices, a close above 185 would trigger a breakout.

The only caveat is that GLD and SPY are moving in sync lately and weakness in stocks could weigh on gold. Also note that SPY and the Dollar are negatively correlated right now and weakness in stocks could lift the Dollar.

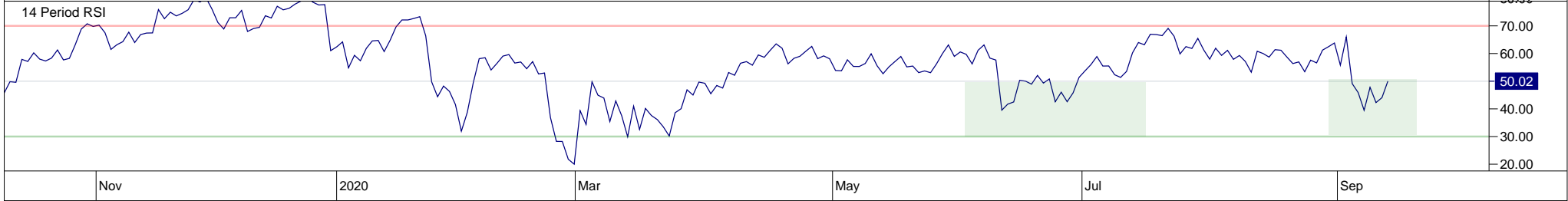
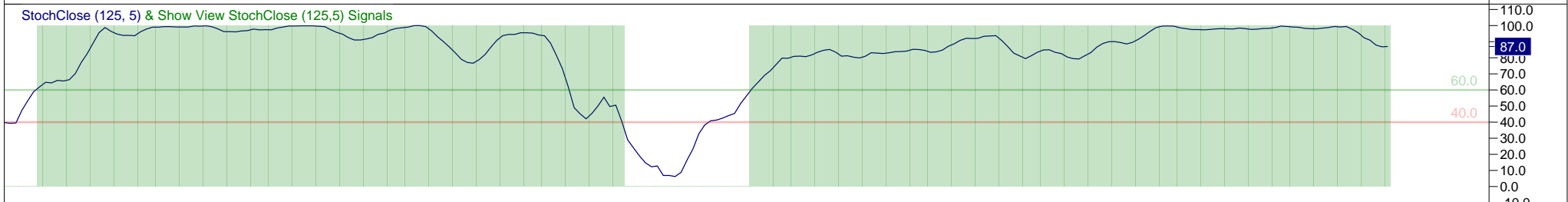
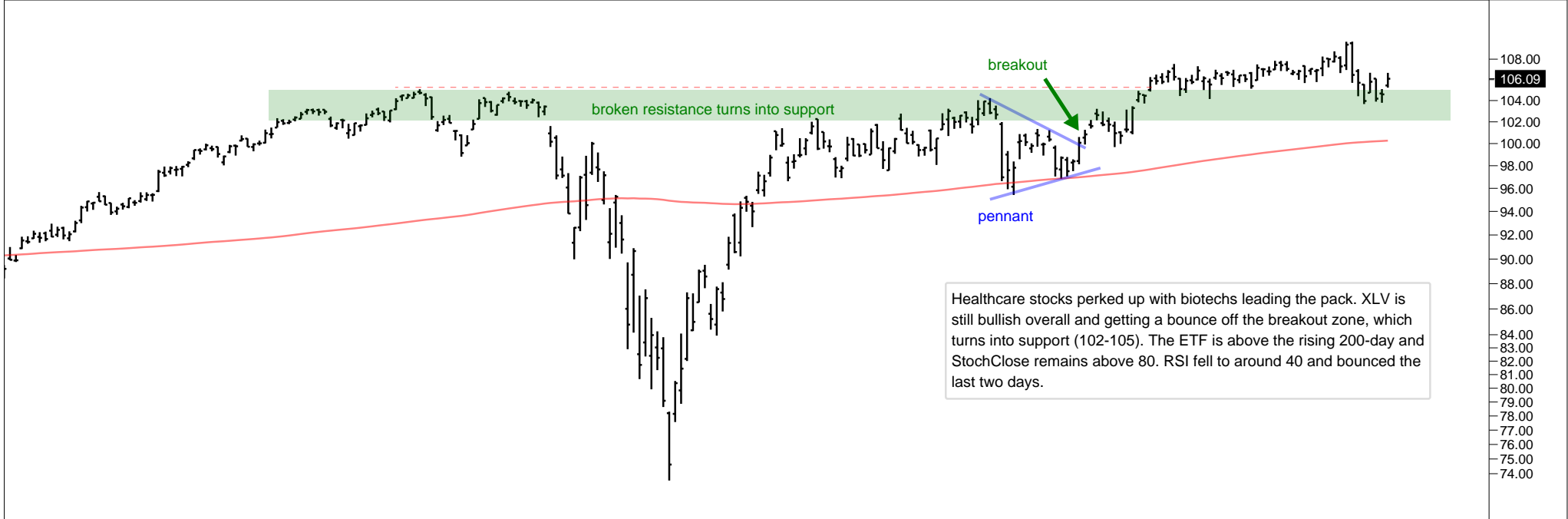
Despite this intermarket shenanigans, I will focus on the chart for the underlying first and foremost. GLD has a bullish continuation pattern working and a breakout would be bullish.



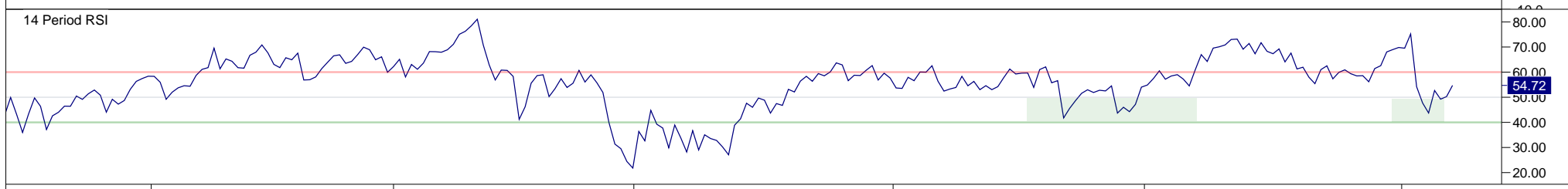
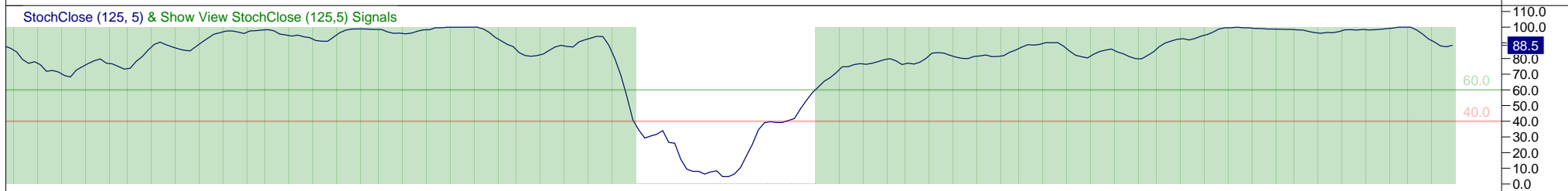
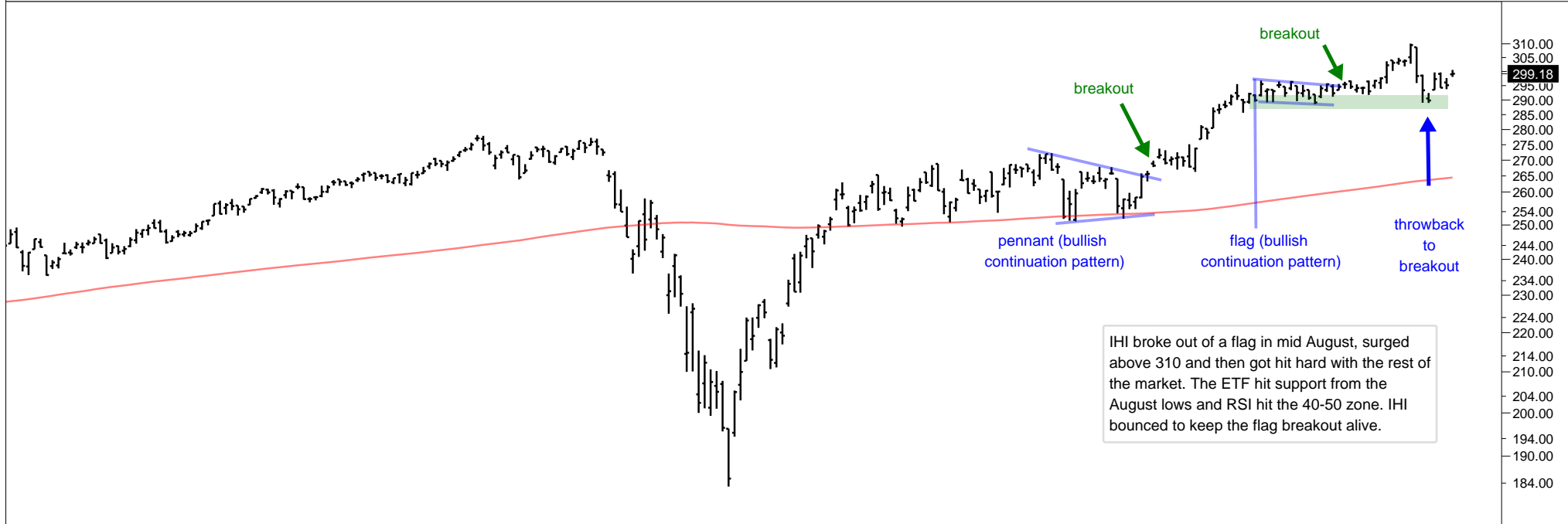
2019	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	2020
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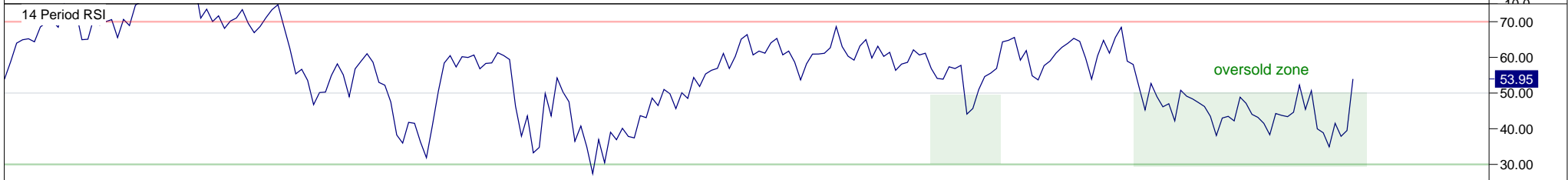
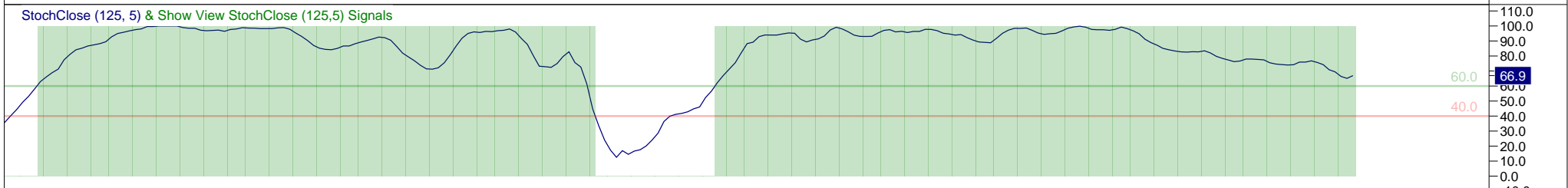
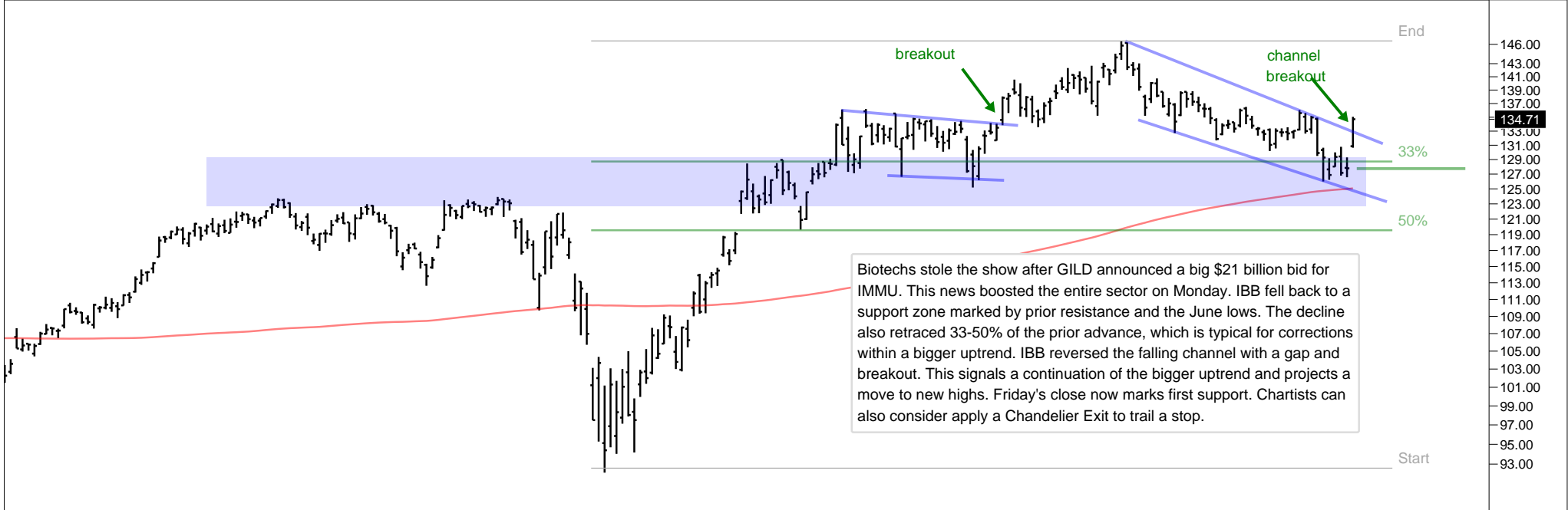
Nov 2020 Mar May Jul Sep



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Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2019									2020			

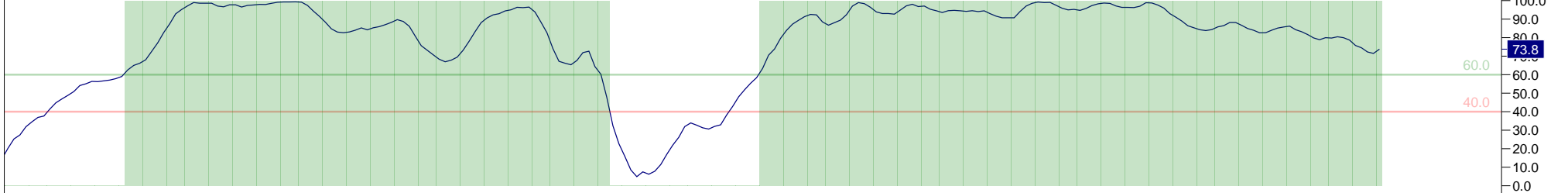
As noted before, corrections are like a piece of string. We never know how far they will extend. In addition, we do not know how long they will last or what shape they will take. We have an idea, but no two corrections are the same.

In general, I look for falling flags, flag flags and pennants for very short corrections (1-4 week). Falling wedges and channels for longer corrections (4-12 weeks). A correction typically retraces 33 to 67% of the prior advance with 50% being the base case.

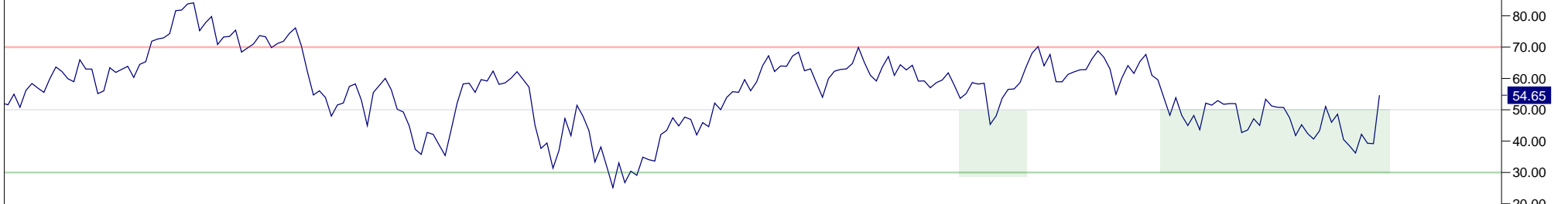
A decline is considered corrective as long as the longer-term evidence remains bullish. IBB and XBI recorded new highs in mid July, both were above their rising 200-day SMAs and StochClose was on an active bullish signal. The corrections extended 38 days or 8 weeks.



StochClose (125, 5) & Show View StochClose (125,5) Signals



14 Period RSI

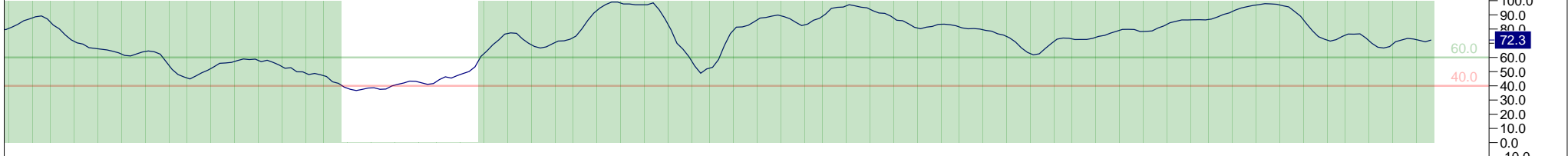


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StochClose (125, 5) & Show View StochClose (125,5) Signals



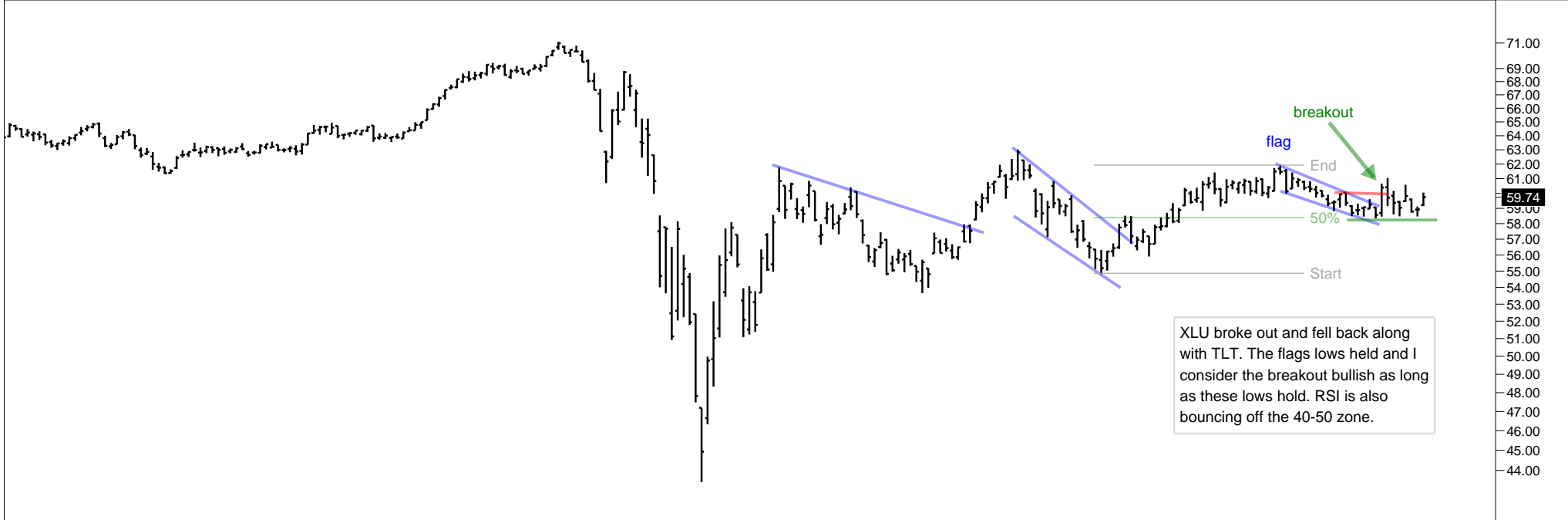
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14 Period RSI

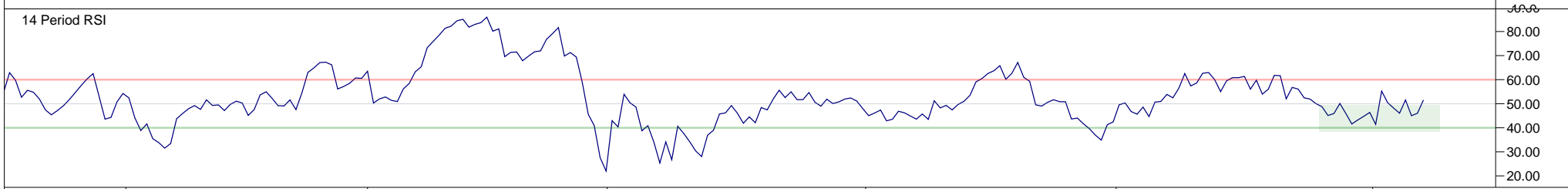
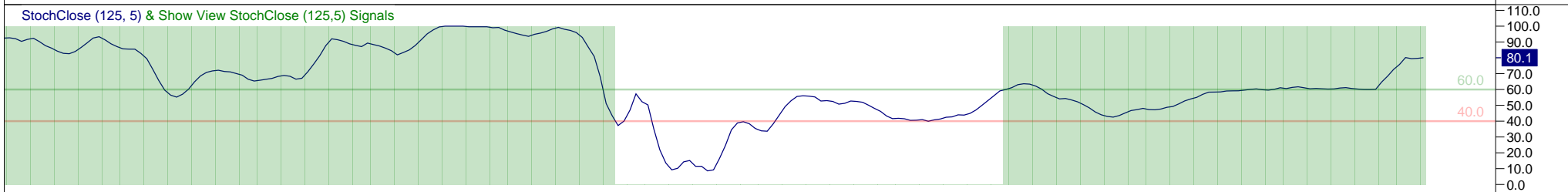


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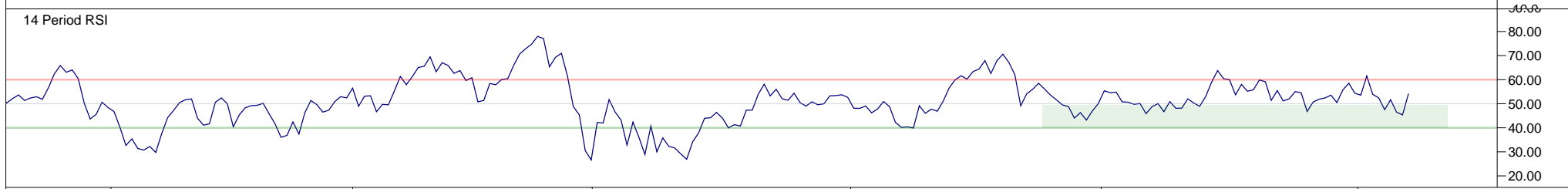
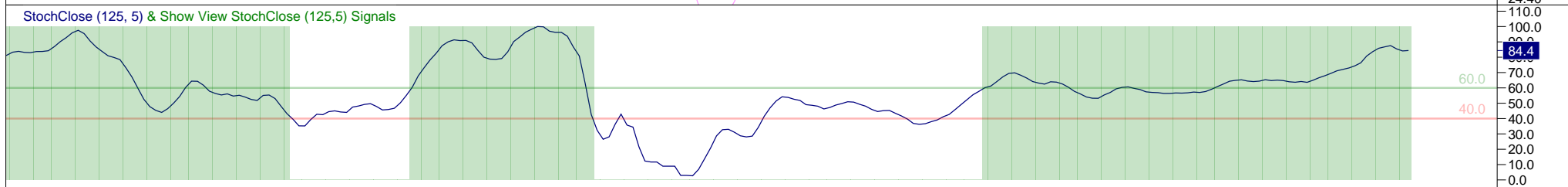
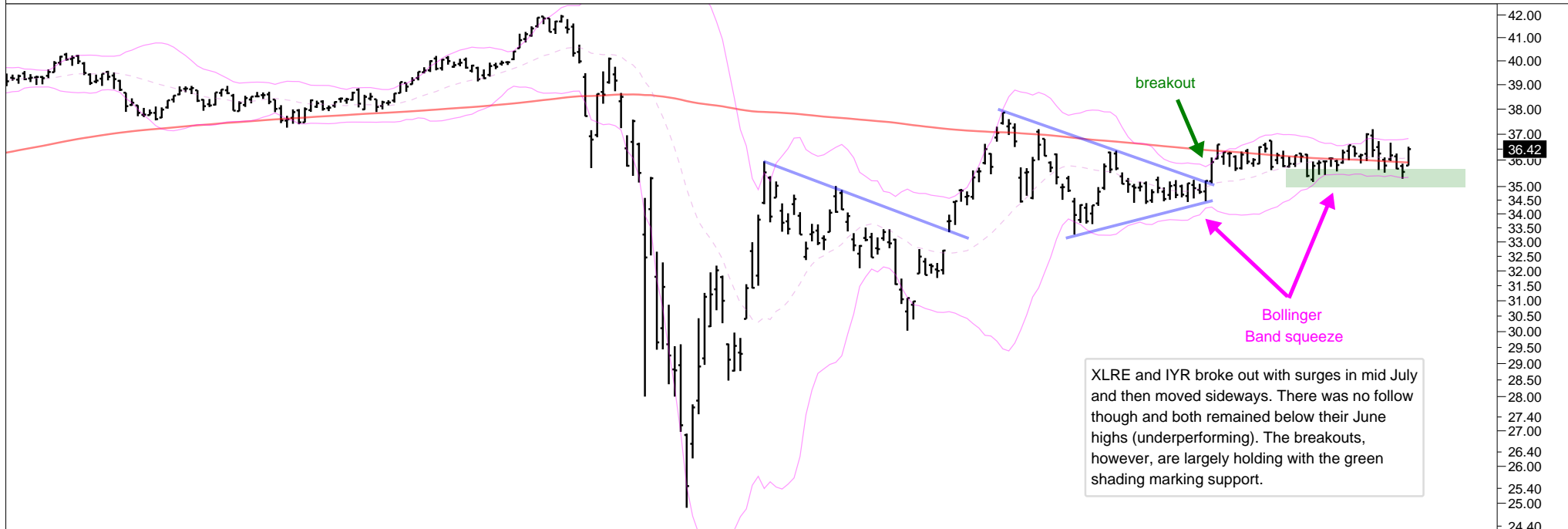
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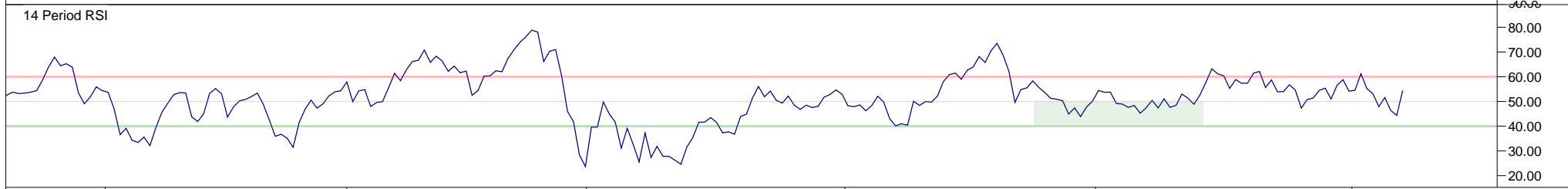
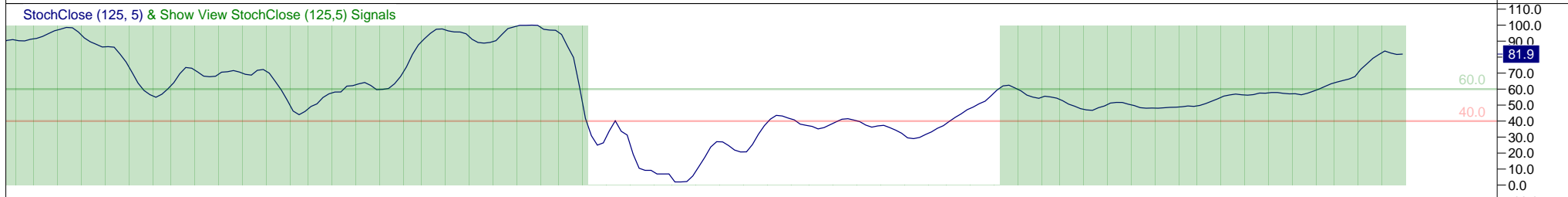
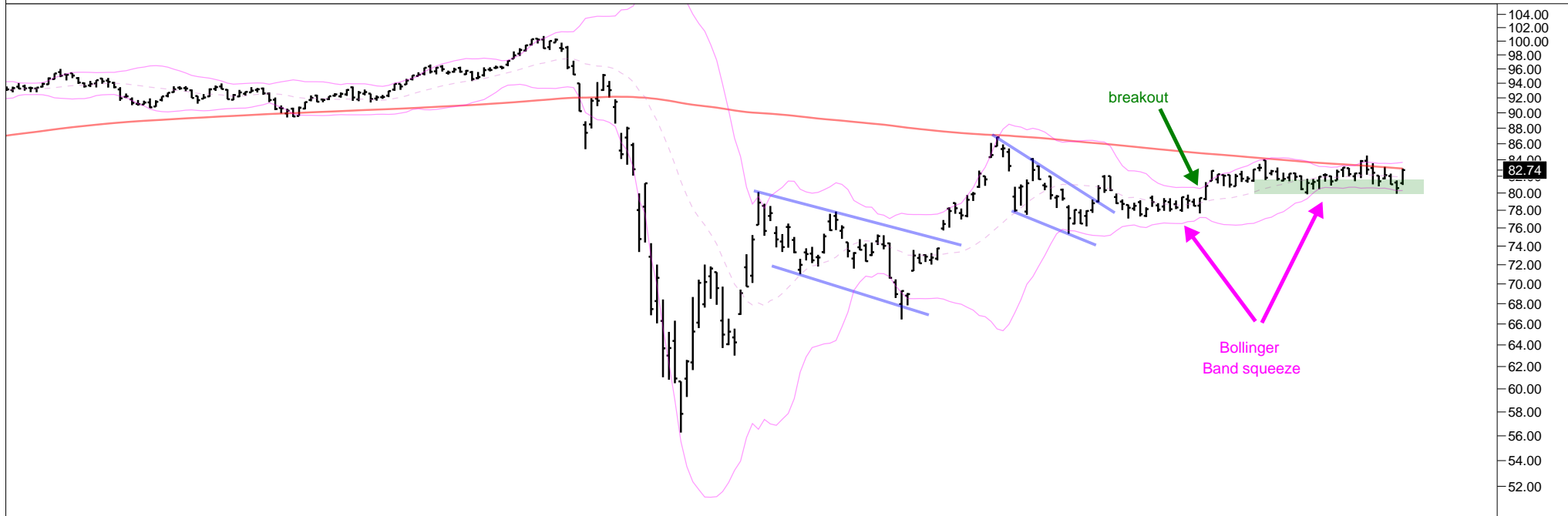
XLU broke out and fell back along with TLT. The flags lows held and I consider the breakout bullish as long as these lows hold. RSI is also bouncing off the 40-50 zone.



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