

[Gold Analysis](#) - Gold markets initially rallied during the course of the session on Monday, but found the area above the \$1300 level be far too resistive. We ended up turning back around and forming a shooting star, and that of course is a very negative sign. However, when I do find interesting is that we managed to pierce the \$1300 level even after being overextended. Because of this, I feel that this market will continue to go higher given enough time but a pullback is probably needed in order to build up enough momentum to break out. That being the case, we see a couple of possible opportunities in this marketplace, such as a break above the top of the shooting star showing signs of a continuation of the bullish pressure, and a smashing through of the resistance. A pullback at this area could also find plenty of support below, especially near the \$1270 level, which was an area of significant resistance previously. A supportive candle in that area would just simply show that there is a continuation of bullish pressure, and that the market could continue to find buyers. This of course is driven mainly because of the value of the US dollar falling recently. There seems to be quite a bit of distrust when it comes to the central banks around the world, and as a result a lot of traders are starting to look at precious metals as a place to store money, as people simply do not trust the actions of not only central banks, but the stability of the economies that the currencies represent. Nonetheless, there is absolutely nothing on this chart that even remotely suggests that we can be selling gold at this point, and breaking above the \$1300 level shows that the upward momentum is

still not only in the market, but seems to be building up. At this point in time, I don't even have a scenario in which I'm ready to start selling gold. That being said, I'm just looking for a reason to go long.



Source: **Fxempire**