



JIM WYCKOFF'S Metals Commentary

Thursday, October 29, 2009



December GOLD

December gold futures closed down \$6.70 at \$1,028.70 yesterday. Prices closed nearer the session low again yesterday and hit another fresh three-week low amid the firmer U.S. dollar again yesterday. This week's price action has produced chart damage as prices are seeing a downside "breakout" from the sideways trading range at higher price levels. Significant chart damage has occurred to begin to suggest that a near-term market top is in place. The gold bulls do still have the slight overall near-term technical advantage. Gold bulls' next upside price objective is to produce a close above solid technical resistance at \$1,050.00. Bears' next downside price objective is closing prices below major psychological support at \$1,000.00. First resistance is seen at yesterday's high of \$1,042.60 and then at \$1,050.00. Support is seen at yesterday's low of \$1,027.10 and then at \$1,025.00. Wyckoff's Market Rating: 6.0.

December SILVER

December silver futures closed down 35.0 cents at \$16.19 an ounce yesterday. Prices again closed near the session low yesterday and hit another fresh three-week low. The key outside markets were fully bearish for silver yesterday, as the U.S. dollar was firmer, crude oil prices were solidly lower and the stock indexes were lower. Price action this week has seen a bearish downside "breakout" from the recent trading range at higher price levels. Serious near-term chart damage has occurred to suggest a near-term market top is in place in silver. Bulls' next upside price objective is closing prices above solid technical resistance at the September high of \$17.69 an ounce. The next downside price objective for the bears is closing prices below solid technical support at \$15.76. First resistance is seen at \$16.50 and then at yesterday's high of \$16.77. Next support is seen at yesterday's low of \$16.155 and then at \$16.00. Wyckoff's Market Rating: 4.5.

December COPPER

December N.Y. copper closed down 595 points at 293.95 cents yesterday. Prices closed nearer the session low yesterday and scored a bearish "outside day" down on the daily bar chart. The key outside markets were fully bearish for copper yesterday, as the U.S. dollar was firmer, crude oil prices were solidly lower and the stock indexes were lower. Copper bulls still have the overall near-term technical advantage. The next downside price objective for the bears is closing prices below solid technical support at 280.00 cents. Bulls' next upside objective is pushing and closing prices above solid technical resistance at 315.00 cents. First resistance is seen at 300.00 cents and then at yesterday's high of 303.40 cents. First support is seen at yesterday's low of 292.20 cents and then at 290.00 cents. Wyckoff's Market Rating: 7.0.