

"To empower market participants with the knowledge to make value added decisions when trading in these dynamic times & markets"



Gold Review

31st August 2006

Gold – Ready set Go!

A quick Note!

Gold has been testing the lows over the last 24 hrs and with the US13.00 bounce last night we can confirm that we have a low risk trading opportunity. In this brief report we look at the reasons why we think Gold is about to take off. On a daily close above 625 we will target 635 then 650 by months end. As to whether it will continue is dependent on the demand for Gold during the Indian wedding season and a continuation of geopolitical concerns.

Essentially, we are looking at a situation that involves both Technical and Fundamental evidence. So why do we think Gold will start trending higher from here?

1. Demand for Gold for the Indian wedding season, which is in September.
2. Geopolitical concerns in Iran over the implementations of UN Sanctions and the effects it will have on Oil and thus a re emergence of inflationary pressures
3. Geopolitical concerns over Nigerian Oil workers going on strike and the effect this will have on Oil and thus a re emergence of inflationary pressures
4. Weak USD breaking out
5. A technical picture that looks extremely positive.



We are tipping for the metal to trade towards US635 and possibly to US650 by the middle of the month. We are wrong if Gold trades below 605.

Overall, the technical and fundamental picture just looks good. If you do not like trading the metal then we can suggest you have a look at Lihir and Oxiana. With stops at 2.82 for LIHIR and 2.74 for Oxiana.

Please do not hesitate to call concerning any of the above. I can be reached on direct call 1300 660 734.

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