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Today I am going to look at some longer term perspectives, although I now believe the odds are quite high that a triple bottom in Gold will not hold.

My two main reasons is the Gold stocks have broken down to new lows and we are in thin summer trading, and could see the Gold price taken down this Sunday, the day we typically see downside manipulations.

Shorts are at new record highs, they will want to profit

If so it will be interesting to see the reaction, although the Gold price manipulation is under investigation, why would they care. If they get caught, fines will be levied that their firm - the bank will pay for them and fines will be fractions of their illegitimate profits.

Since enormous money printing began in 2008 we can look back and see the idea of the U.S. Government, the FED that was pushed to Europe, Japan, China and beyond failed. Their plan was that if you create \$\$, increase liquidity, make rates low enough, it's going to go into the financial system, out to the general economy, and it's going mend the general economy and stabilize it. That did not work, even with the fictitious economic data we all know the economy remains weak..

Or to look at it another way, we are 7 years into what was supposed to be an emergency measure that did not fix anything other than made outrageous profits for the banks that gives these banks the appearance of solvency. In reality they are just drug junkies getting high on a binge of cheap money.

The banks have just built up enormous leveraged loans and derivatives.

They prop up the stock market and have created record corporate debt with corporate bonds. Then most especially the larger corporations like Apple, IBM and so forth, then use that money to buy their own shares, which creates another artificial bump in the markets. **That's what has been accomplished in the last 7 years.**

There is just no end what manipulation the authorities will do to keep the shell game alive. Remember in 2007/08 they banned shorting of US Financial stocks. Just recently with the China stock market crashing the China Security Regulatory Commission said that any shareholders, including foreign investors and investment companies, who hold more than 5 percent stakes in any Shanghai or Shenzhen listed companies cannot sell their stocks for the next 6 months! So China is literally rigging its stock markets to keep it alive.

This all ties back in with the suspicious closing down of NYSE trading for nearly 4 hours last Wednesday. If you remember my update early that day I commented that a fall in the S&P 500 below 2040 would be bearish. This is because a breach of support would occur, a lower low and computer programs just pile on the selling at these technical points. With China in turmoil, the S&P was coming down and was at 2045 and suddenly all trading was halted. They said it was a technical glitch but they

did not give much detail about this technical problem at all. Authorities just talked around it and said it is something that should not be allowed to happen again.

It looks very suspicious, it was nearly 2 hours before they came up with their excuse. Why so long?

A crisis was clearly in progress in global markets. Was the suspicious NYSE trading halt an attempt to stop a possible crash in U.S. markets? We'll never know the real reason for the halt and then they had the S&P futures up more than 12 points in overnight trading.

A good lesson from the Greek situation. Greeks could not tap cash in safe deposit boxes under capital controls) was little noticed. These facilities that are used by many precious metals investors and others seeking to safeguard their wealth and valuables – need to come under capital controls to protect against bank runs is a dubious one.

This cash is not in the banking system – its withdrawal would have no negative impact on the system. Its availability to its owner might bring cash into circulation which would benefit the wider community. The only reason to put access to safe deposit boxes under capital controls – measures which were agreed between the government and the banks – is because the banks and governments wish to retain the option of confiscating the contents of those boxes should the crisis deepen.

Although the paper price of Gold and Silver is weak demand remains strong for physical. The U.S.Mint announced last week that they ran out of Silver Eagles. Some more on this at this link <http://kingworldnews.com/physical-gold-and-silver-markets-are-on-fire-as-people-around-the-world-lose-confidence-in-central-planners/>

On Comex, the net long positioning is now the lowest since at least 2006 when gold was worth less than \$600 an ounce. Speculators' short positions – bets that gold could be bought cheaper in the future – jumped to more than 10.8 million ounces (306 tonnes), a new record high for bearish bets placed on the New York gold futures market.

Comex Gold Futures are around \$1145 today – Will a triple bottom hold???



This next chart is the HUI Gold Bugs Index, it is at 135 now and what is important is it has broken major long term support at 150. This support held in 2014 and up to a week ago. It held in 2008 and it was the resistance level 2002/03 where Gold stocks broke out from into their Bull Market.



This is telling us that Gold stocks are telegraphing a further decline in the Gold price. It is more significant because of at least June 30th, the short position in Gold stocks did not increase. So they are not driven down by shorting but probably a lack of buying. To be sure we will have to see the July 15th short reports, but it would be foolish to short here.

Now the good news. I think if Gold does break down it may not go very far as the sentiment is so negative and with short positions at new records, they will have to cover. We have also seen that the last several attempts to take Gold down resulted in very little follow through selling.

Simply put there is just not many left to sell. All the buyers have been long term into physical. Also we can see that with RSI at 20, it is an extreme where we have seen bottoms in the market many times in the past including the bottom of the bear market in 1198, 99 and 2000.

My next update will be out soon on how this unfolds, getting by this Sunday and next will be key. I will also update some of the Gold stocks and juniors like Asher, Lexaria and Levon.

What is absolute crazy, Gold stocks have totally unwound their Bull market and are down to levels where the Gold Bull began in 2002 when Gold was between \$275 and \$350! Simply unprecedented!!!

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