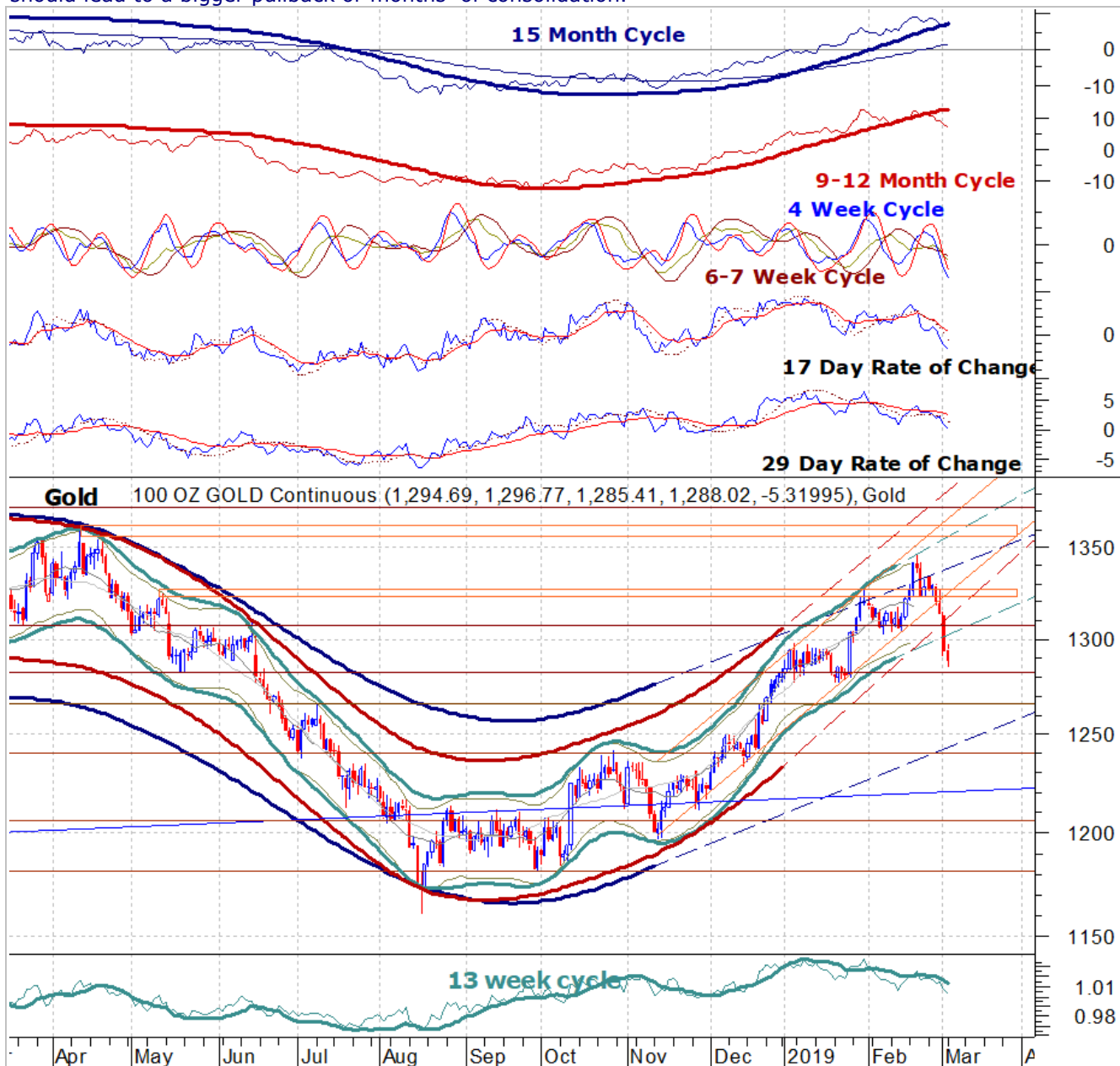




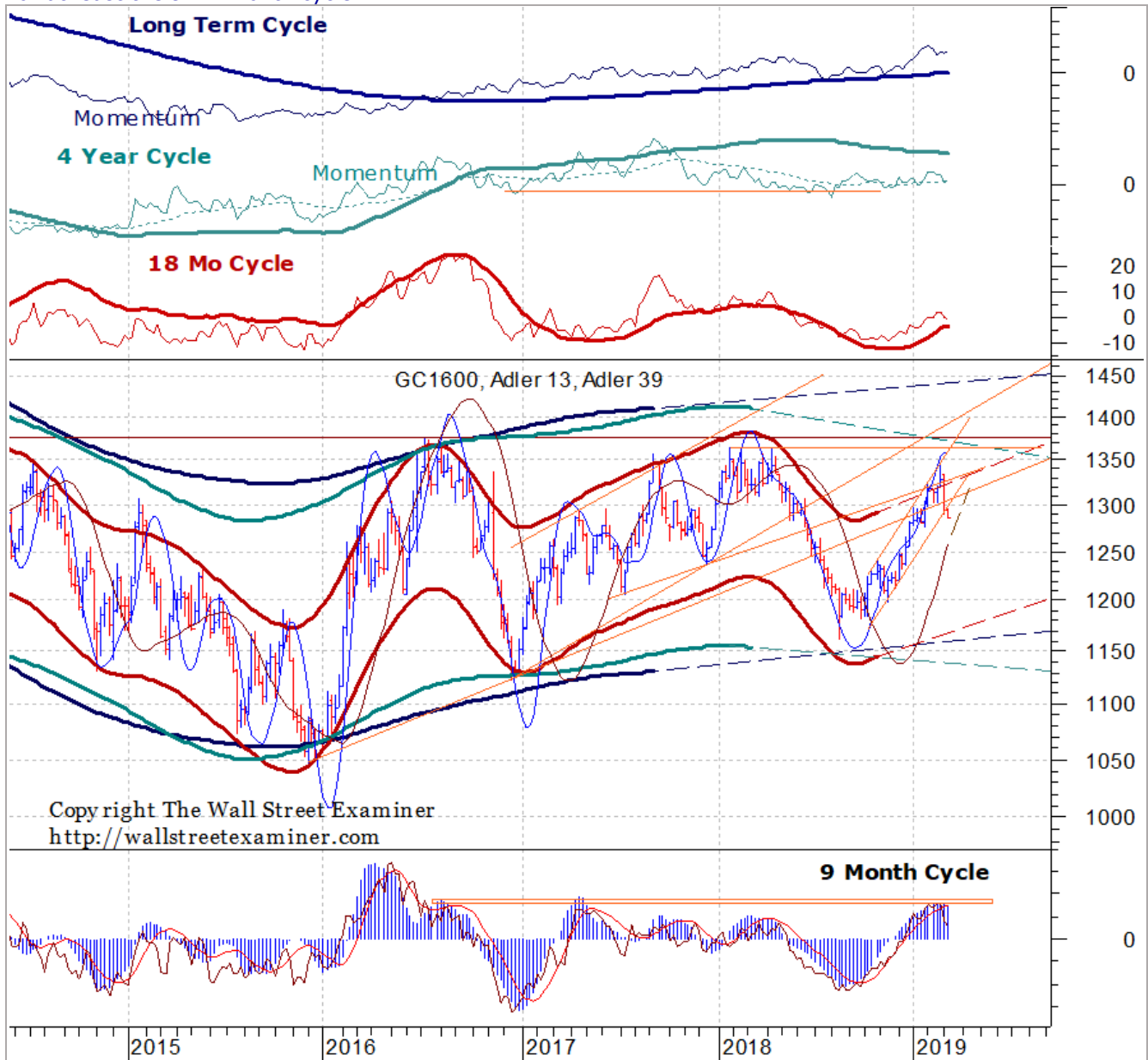
| Cycle | Phase/PTT | Projection |
|------------------------|----------------------|------------|
| 9-12 Month | Top-Down/11-24 Weeks | 1330 Done |
| 13/17 Week | Down/20 | ? |
| 6-7 Week | Down/<=5 | 1,279 |
| 4 Week | Down/7-12 | 1,270 |
| SWD: Sideways Down | SWU: Sideways Up | H: High |
| PTT: Periods till turn | | L: Low |

The Cycle Conditions table includes cycle phase and estimated periods to the next turn (PTT), in days for the shortest cycles, weeks (W) or months (M) for the longer ones. SWU and SWD refer to trading ranges, sideways up phase or sideways down phase. The projections estimate windows of likely turning areas. The chart and discussion are updated daily, and take precedence over the long-term analysis. | Gold has pulled back sharply after a false

breakout. This is a bearish setup that suggests the onset of a 9-12 month cycle down phase. Initial projections are in the 1270s. 2/26/19 Gold broke through resistance at 1325, then pulled back to the point of the breakout. A continuation of the pullback would create a false breakout, which would be bearish. But if gold holds above the 1320 area, the pattern would remain bullish. Short term cycles are due for a few weeks of consolidation at least. The 9-12 month and 15 month cycle indicators remain in bullish patterns but they are extended, and it's getting late in the 9-12 month cycle. A top could come at any time, which should lead to a bigger pullback or months of consolidation.



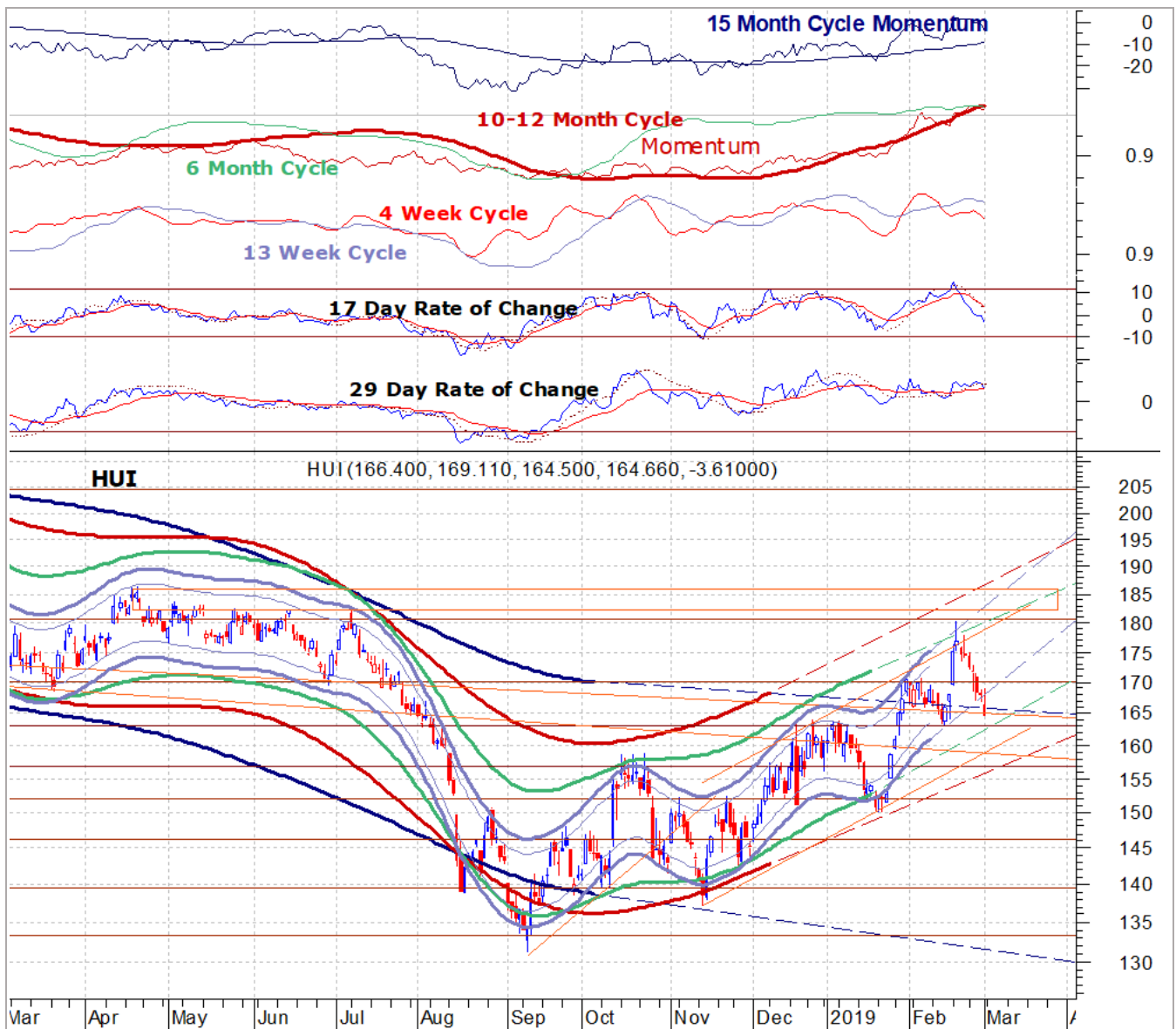
Gold Long Term – Gold’s sharp pullback last week has not yet triggered any long term sell signals. The 1270-80 area now looks like an important inflection point for the 18 month cycle. A weekly close below that would signal a down phase and the market could prove very thin down to 1200. 2/4/19 Gold has recovered to uptrending major trend resistance. If cleared it would tend to confirm a bull market. Conversely, a weekly close below 1300 would suggest that the metal will stay locked in a long term trading range. 12/24/18 Gold is in an 18 month cycle up phase and is in the clear for a run to 1300 for starters. 12/3/18 Gold appears to be entering an 18 month cycle up phase, but it needs to clear 1240 to get anything going to the upside. Then the target would be 1300-20. 9/17/18 Gold has crossed its 18 month cycle moving average after successfully testing 3-4 year and long term cycle channel support. This is a buy signal for at least the 9-12 month cycle.



| Cycle | Phase/PTT | Projection |
|-------------------------------------|-----------|------------|
| 10-12 Month | Top/<=34 | 180 Done |
| 6 Month | SWD/<=10 | ? |
| 13-17 Week | Down/<=16 | 162 |
| 4 -7 Week | Down/<=6 | 159 |
| SWD: Sideways Down SWU: Sideways Up | | H: High |
| PTT: Periods till turn | | |

HUI- HUI has pulled back sharply, late in a 10-12 month cycle up phase. The cycle projection has pulled back to 180, suggesting that the cycle high is in. That implies several months of rangebound trading ahead, at best. At worst, it would mean a new bear leg down. The 155 area

is critical support. If it holds, the longer term outlook would be bullish. But if it does not hold, batten down the hatches.

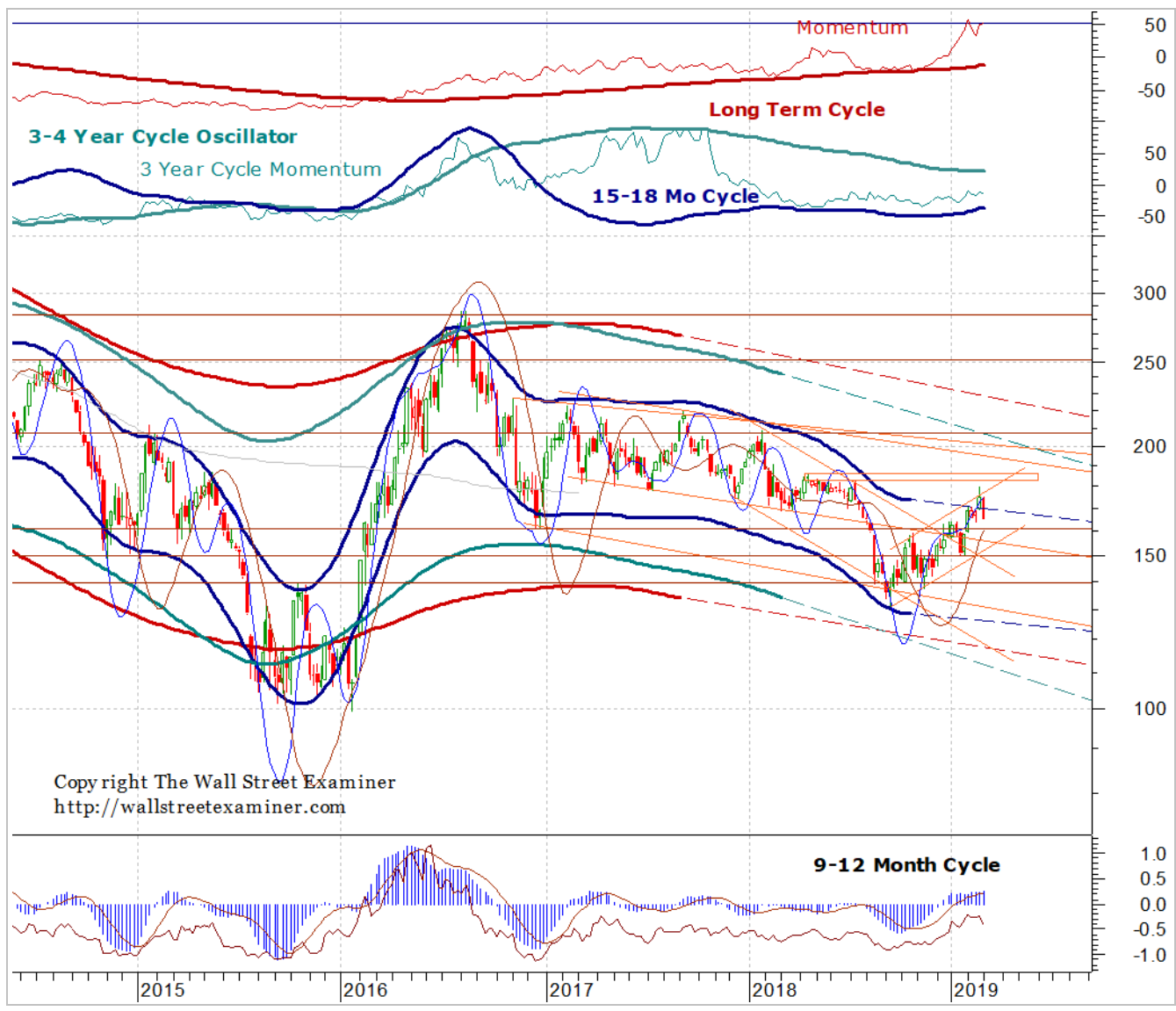


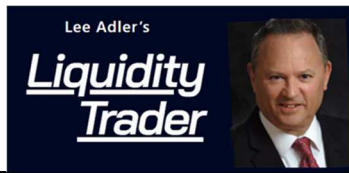
Long Term HUI – 2/4/19 By clearing 164, HUI is signaling a new upleg. But there's resistance at 170 that could knock it back again. The long term indicator is bullish, but 3-4 year cycle indicators are only neutral. If the index remains firm in the weeks ahead, all systems should be go for a move into the 190-95 range.

1/21/19 HUI has fallen back below 156 and has broken its 6 month cycle line to signal a down phase in that cycle. Holding around 150 would be constructive. Dropping below that would suggest a move back to at least the last low around 133, and possibly lower.

1/14/19 HUI is working on clearing resistance around 162. A move higher from here would clear the way for a run to the 190 area. But a weekly close below 156 would suggest a pullback to around 150 where we'd have to watch closely for further weakening or a return to strength.

12/17/18 HUI has stalled at a multiple resistance line convergence. The future hangs in the balance here. A weekly close below 150 would suggest another leg down. A weekly close above 162 would suggest a new bull market.





Gold Stocks - Current cycle signal status on gold stocks as of the close on the most recent full trading day in New York was as follows:

| | | | | Weekly |
|-----------------|-----------------|------------------|------------|---------------|
| 3/1/2019 | Buy Side | Sell Side | Net | Change |
| 6 Month Cycle | 11 | 22 | -11 | -26 |
| 13 Week Cycle | 6 | 27 | -21 | -36 |
| 6-7 Week Cycle | 1 | 32 | -31 | -22 |

All 3 cycles collapsed last week. The sector has gone from a hold-long to a sell. 2/19/19 The 6 month cycle is aging and had reached 90% on the buy side 2 weeks ago. That increased the odds of a consolidation or pullback but as long as the 6 month cycle numbers hang around neutral on any such move, the outlook would remain positive.

Chart Picks

Chart Picks Tracking

| Open Date | Symbol | Open | Last | G/L | Days Held | Action or Target | As of Date |
|---------------|--------|-------|-------|------|-----------|------------------|------------|
| 2/19/2019 Buy | AG | 6.19 | 6.35 | 2.6% | 13 | Stop 6.25 | |
| 2/19/2019 Buy | GDX | 22.71 | 22.77 | 0.3% | 13 | Stopped | 2/26/2019 |

Average 1.4% 13

We were stopped out of GDX last week and AG is on the cusp. There are no new selections as we wait for this drop to play out.

2/19/19 I am maintaining my recommendation on GDX (see below). Another chart I like is AG. It's not a perfect setup, if there even is such a thing. I would buy it on the open today, and have a mental stop loss at 5.79. If the stock moves up immediately, raise your mental stop to 6.18.

2/11/19 GDX did not break our buy stop trigger yet. I will continue this recommendation for now, but will adjust if it pulls back more sharply. It might be a better buy on a sharp pullback, or the entire structure could break. Conversely, if it breaks out it should be good to run. We'll just have to wait and see.

2/4/19 The charts are starting to look promising that this is a longer term upswing. This is not an ideal entry, but we should have a position. I like GDX. However, it is at the top of an intermediate uptrend channel. I would only buy it on a breakout through 22.70.

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