



OUTLOOK

"Taking Profits in Gold"
2/18/2010

We decided to take profits in Gold based on a most recent development in the US Dollar Index. The US Dollar Index has just entered a Golden Cross with its 50 dma crossing above its 200 dma. This would be a bullish sign for the US Dollar Index which could be a headwind for Gold.



Historically, Gold and the US Dollar have shared an inverse relationship. Gold may still hold up or rally in spite of a US Dollar rally. However, we would be more cautious on Gold now given its rally of 9 consecutive years and resurgence of the US Dollar.

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