

Money Flow Ts™ for Gold and Copper By Parker Binion

Last week, we defined the Money Flow T™ concept which I discovered, and looked at the Money Flow T™ projections for the S&P 500. This week, we'll look at projections for Gold and Copper. But first, let's review an expired Gold Money Flow T™ based on the GLD daily chart to illustrate the concepts:



Here, the uptrend in GLD started on July 28, 2010. The Money Flow Index peaked on September 31. Using an equal time projection, the Money Flow T™ suggested that the energy of the move in GLD would deplete on December 7 which was an accurate forecast. It's important to remember that sometimes, the end of a Money Flow T™ will result in a trend change. Other times, as here, it will result in a period of consolidation that could lead to either a trend resumption or a trend change.

Moving to the current GLD forecast, we will examine a GLD weekly chart. Any time symmetry technique that works on one time frame should work on all time frames. In other words, Money Flow Ts™ are fractal in nature.



Here we use a Money Flow Index peak in early November as the center post with the same starting date in late July. The Money Flow T™ is projected to end in mid-February.

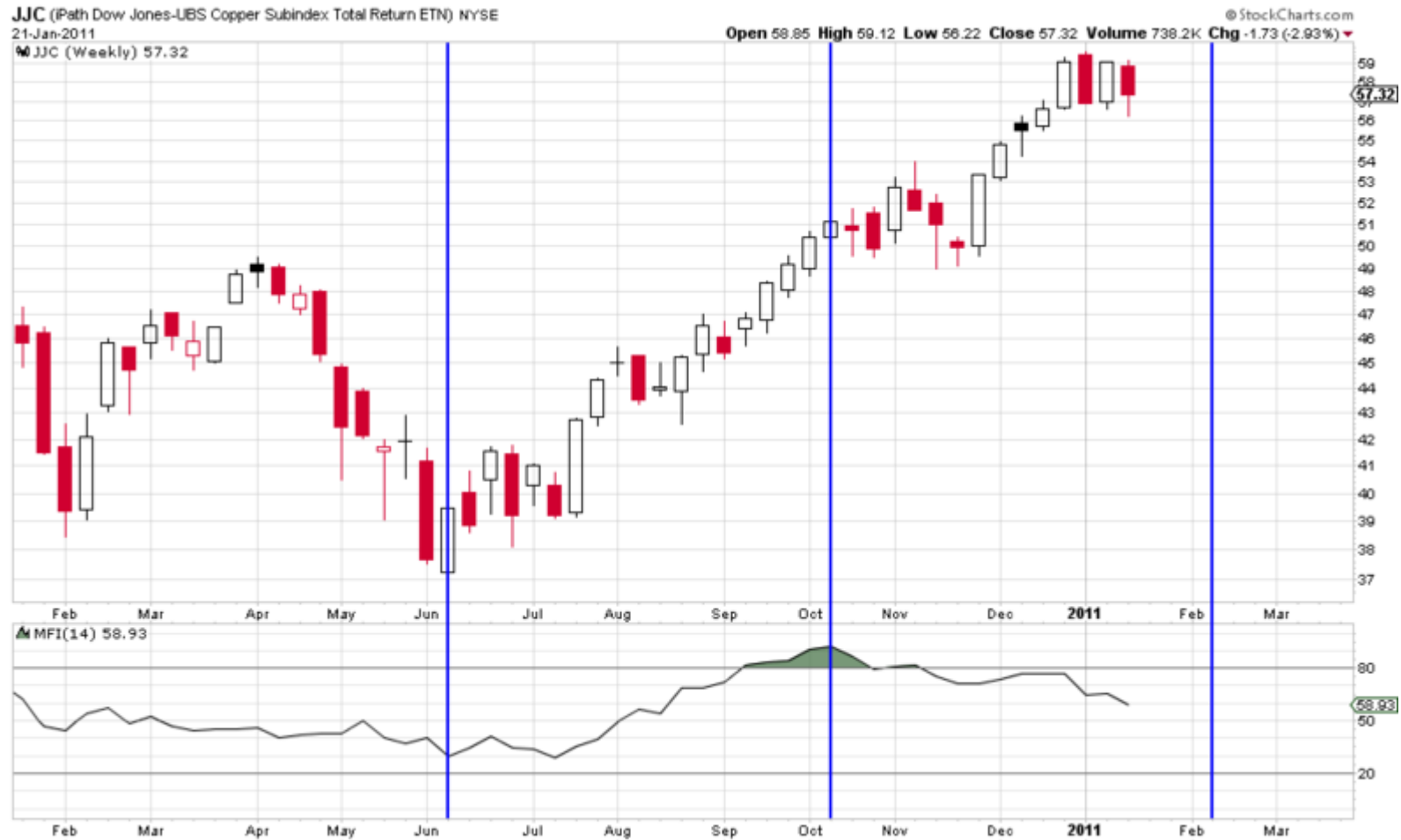
When forecasting Gold, I always like to check the forecast against the Dollar, since Gold often trades inversely to the Dollar. UUP is the ETF that tracks the dollar. Here, the UUP daily chart confirms a mid-February bottom in the Dollar:



You'll notice that the Dollar Money Flow T^{TM} is inverted. It uses a low in the Money Flow Index as a center post to project the end of the energy of a down move.

Finally, let's move to Copper. Copper is not only important as a hedge against inflation, but its demand reflects strong economic activity. There's an old saying that "market tops are built on a roof of Copper."

In order to construct Money Flow Ts on Copper, I use the ETF called JJC which seeks investment results that correspond to Copper futures. Here is the JJC weekly Money Flow T^{TM} :



As you can see, from the start of the move to the Money Flow Index peak projects an energy depletion in the second week of February.

That's it for this week. Next week, we'll take a look at Bonds. The analysis will focus on high yield bonds vs high quality US Treasuries. As always, please use caution in your investments and manage your risk wisely.