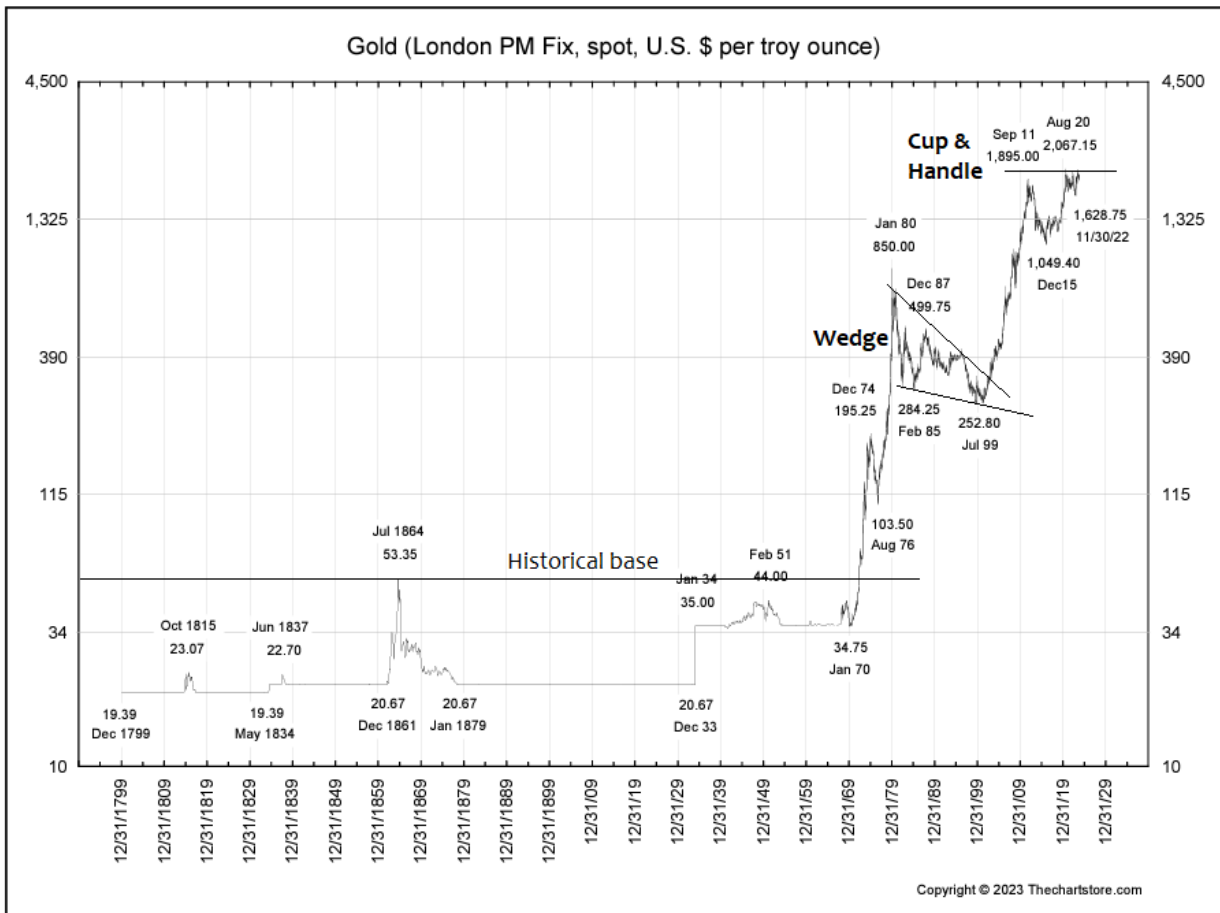


The History of Gold Charts

An Opus to Gold – The Ultimate Charting Market



Revised October 2023



Gold ... It does ring a bell!



Background

I have traded commodity futures for a living since the 1970s when I founded Factor Trading Co., Inc. at the Chicago Board of Trade. Some people are dentists, others drive trucks, some teach high school, others are housewives, some work for government – I trade commodity futures and forex markets. A person needs to make a living somehow!

I entered the commodity business with an international commodity exporter in 1975, the same year that witnessed the end of a correction in the price of Gold from \$191 to \$100 per ounce. At the time, little I did know that Gold would never again trade at \$100.



Little did I also know the degree to which I would fall in love with trading this majestic and magical metal. In 1977 I bought my first Kruggerand for about \$160 – it remains in my bank safe deposit box to this day.

During the first few years in the business, I tried just about every approach to analyze and understand price fluctuations. Since 1979 my approach to trading has been based almost exclusively on classical charting principles (Schabacker, 1932; Edwards and Magee, 1948).

Over the years I have traded markets as far ranging as tapioca, rubber, eggs, zinc, T-Bonds, bacon, Rapeseed, S&Ps, Corn and, of course, Gold. Of all the markets I have traded, none compare to Gold.

After charting and trading Gold for almost 50 years, I have come to three major conclusions.

1. Gold is the purest of all markets to trade. This is probably because there are no real fundamentals in Gold like in other markets. Nearly every ounce of Gold ever mined still exists. Gold is worth what the composite of all market participants think it is worth at any given time.
2. Gold is the truest charting market that exists. When the Gold chart speaks, a trader needs to listen and listen carefully. Chart patterns are extremely reliable in Gold. Of course, Gold provides its fair share of false chart signals. But when a chart fails in Gold there is usually a lesson to be learned. The lesson most often deals with patience, or lack of the same. Failed chart patterns in Gold combine into much longer-duration chart patterns that will eventually work.
3. Gold does not make large moves without first ringing a bell. Mega moves in Gold are announced in advance – only if a trader is alert to the signs.

With these lessons in mind, I present from a classical charting point of view the history of the price of Comex Gold dating back to the mid-1970s.

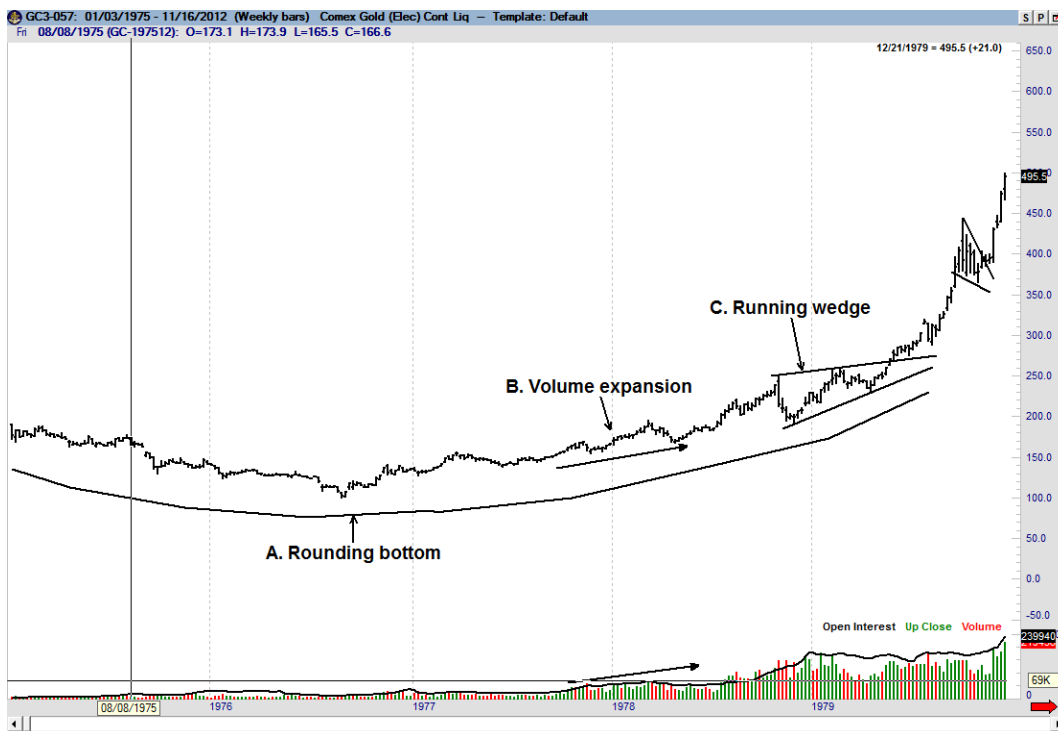
The charts are arranged in sections, each containing the following:

- An insert on a monthly or quarterly chart
- The weekly chart corresponding to the insert on the monthly or quarterly graph
- The daily charts corresponding to the weekly chart

The historical charts of Gold are a thing a precious beauty!



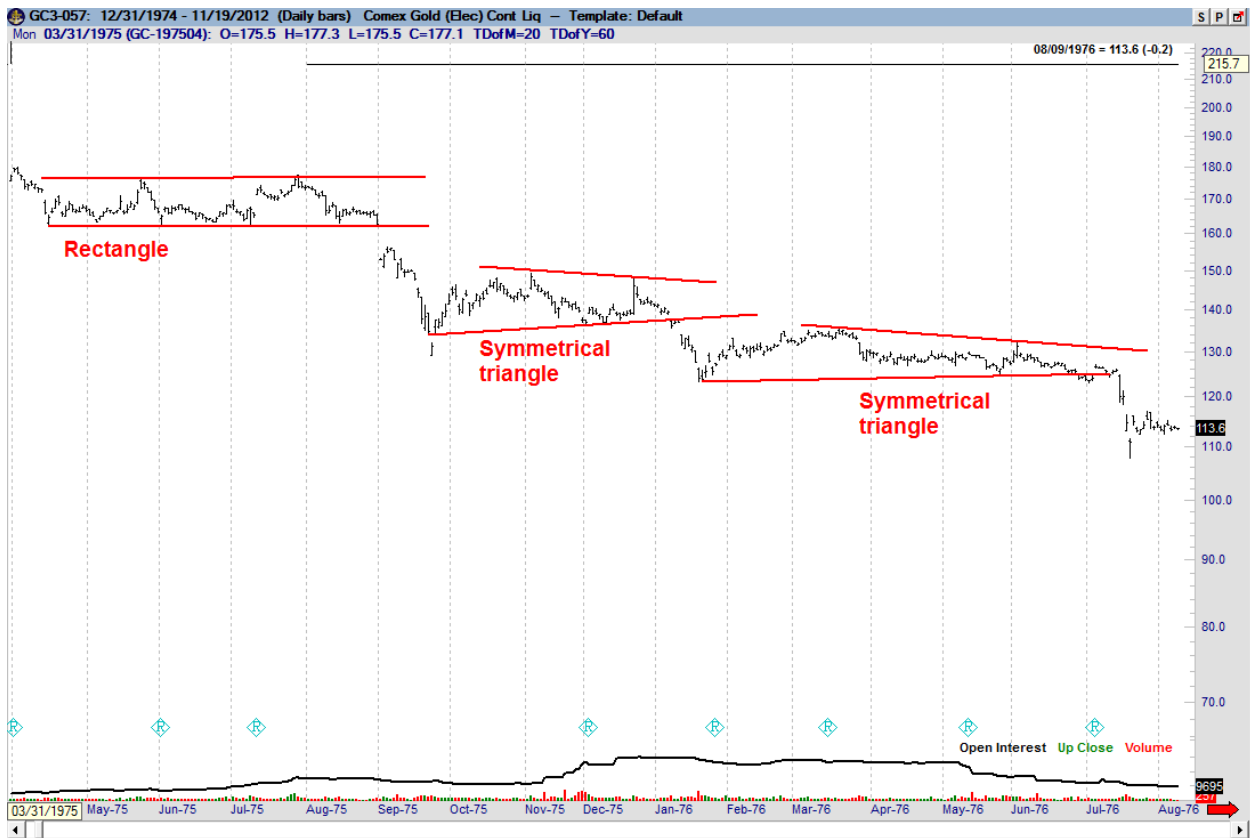
Weekly chart – 1975 through 1979



Major weekly chart construction

- Rounding bottom from 1975 through Jul 1978 (labeled A). This rare chart pattern predicted a grand bull market cycle ahead. Bull move occurred.
- Expanding volume throughout 1978 (labeled B) confirmed that the bull market ahead would be one for the ages
- A running wedge (labeled C) will often “sling-shot” a bull trend into a period of price acceleration. Target reached.

Daily chart – April 1975 through August 1976



Key features

- These patterns occurred in the final declining phase of the rounding bottom during the correction in Gold from \$194 to \$100
 - Rectangle completed in early Sep 1975. Target reached.
 - Symmetrical triangle completed in early Jan 1976. Target reached.
 - Symmetrical triangle completed in mid Jul 1976. Target met.

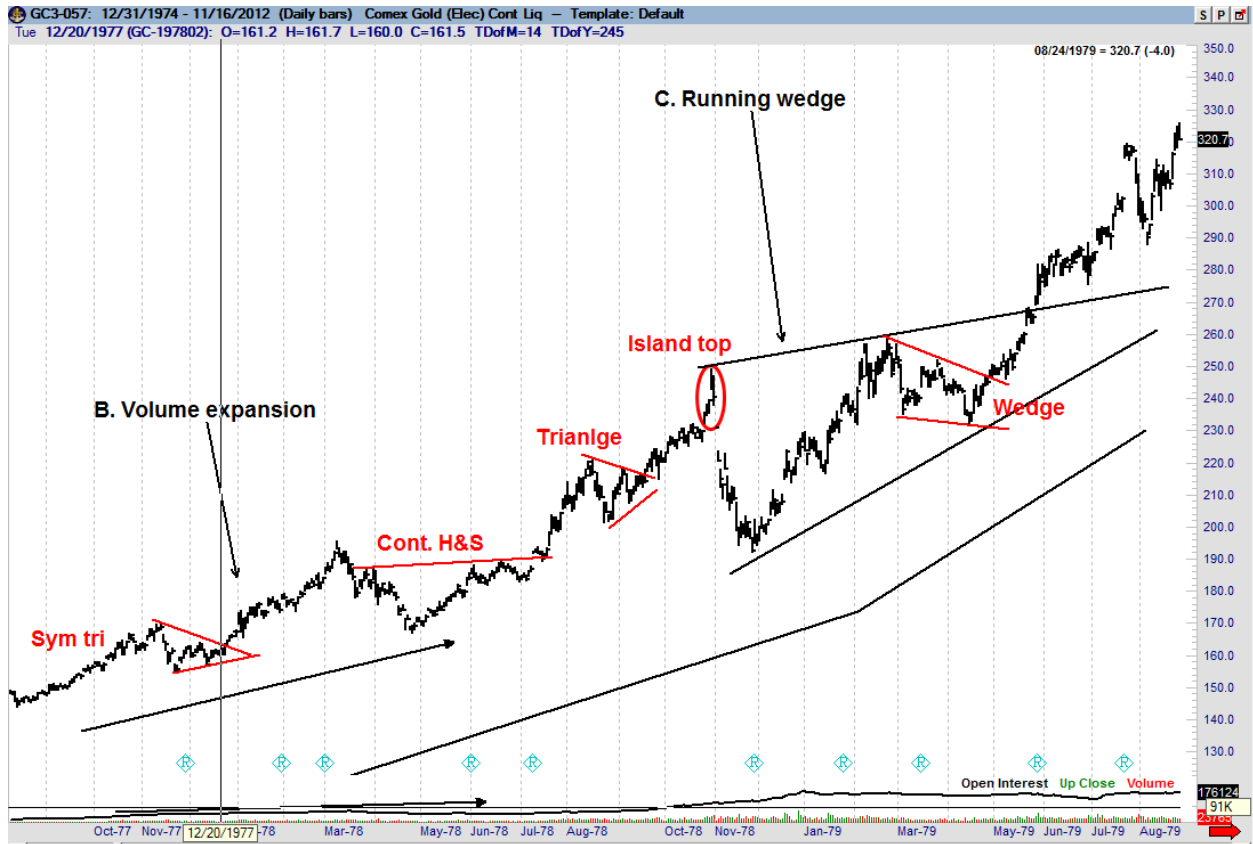
Daily chart – July 1976 through May 1978



Key features

- Head and shoulders bottom completed in late Oct 1976. This was the orthodox low of the rounding bottom on the weekly graph. Target met.
- Symmetrical triangle completed in late Feb 1977. Target met.
- H&S top completed in May 1977. Once the target was met the major bull trend continued. This pattern needed to be understood within the context of the major rounding bottom.
- Symmetrical triangle completed in late Dec 1977. Target far exceeded.

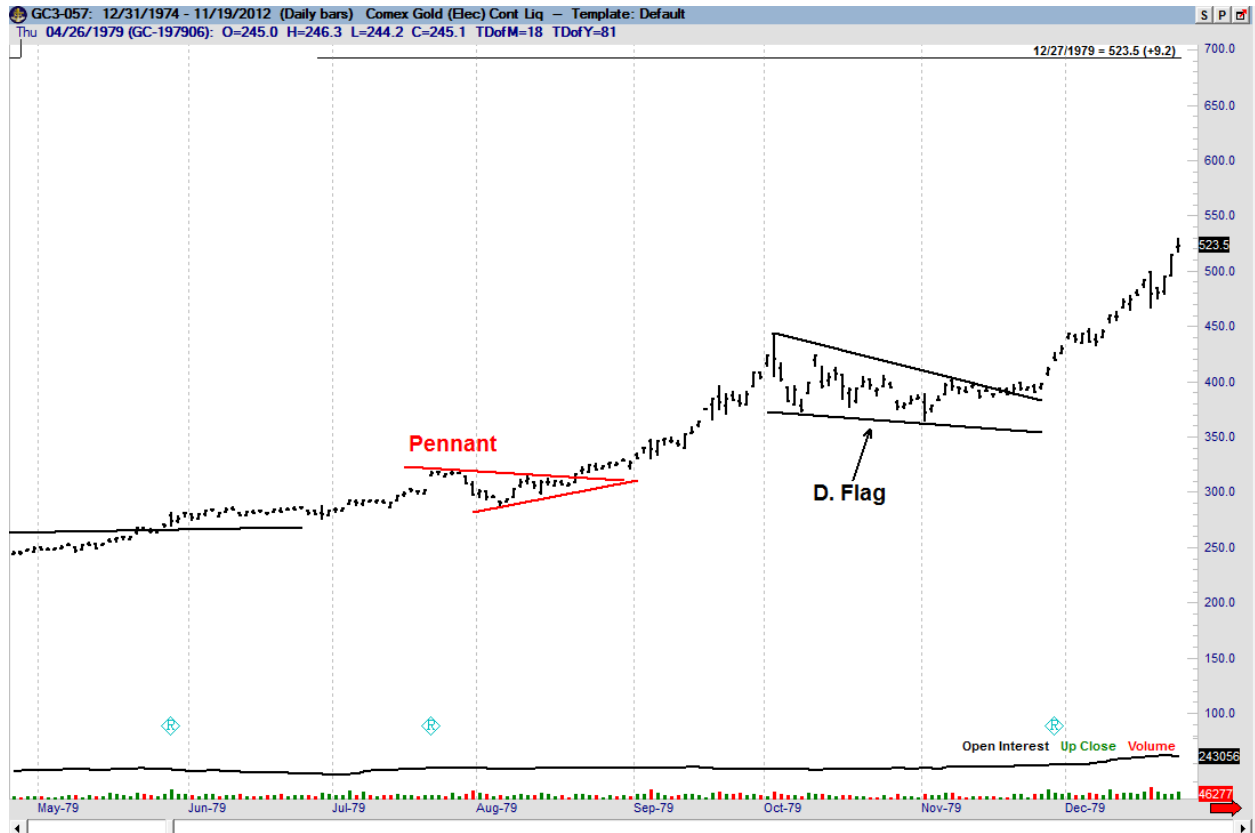
Daily chart – September 1977 through August 1979



Key features

- Continuation H&S completed in mid-Jul 1978. This pattern propelled Gold prices into new all-time record highs. Target met.
- Symmetrical triangle completed in mid-Sep 1978. Target met.
- Island exhaustion top in late Oct 1978 – indicated the market needed a pause. Sharp correction occurred.
- Wedge completed in late Apr 1979. Target met.
- Major running wedge (labeled C) completed in late May 1979. Target met.

Daily chart – May 1979 through December 1979



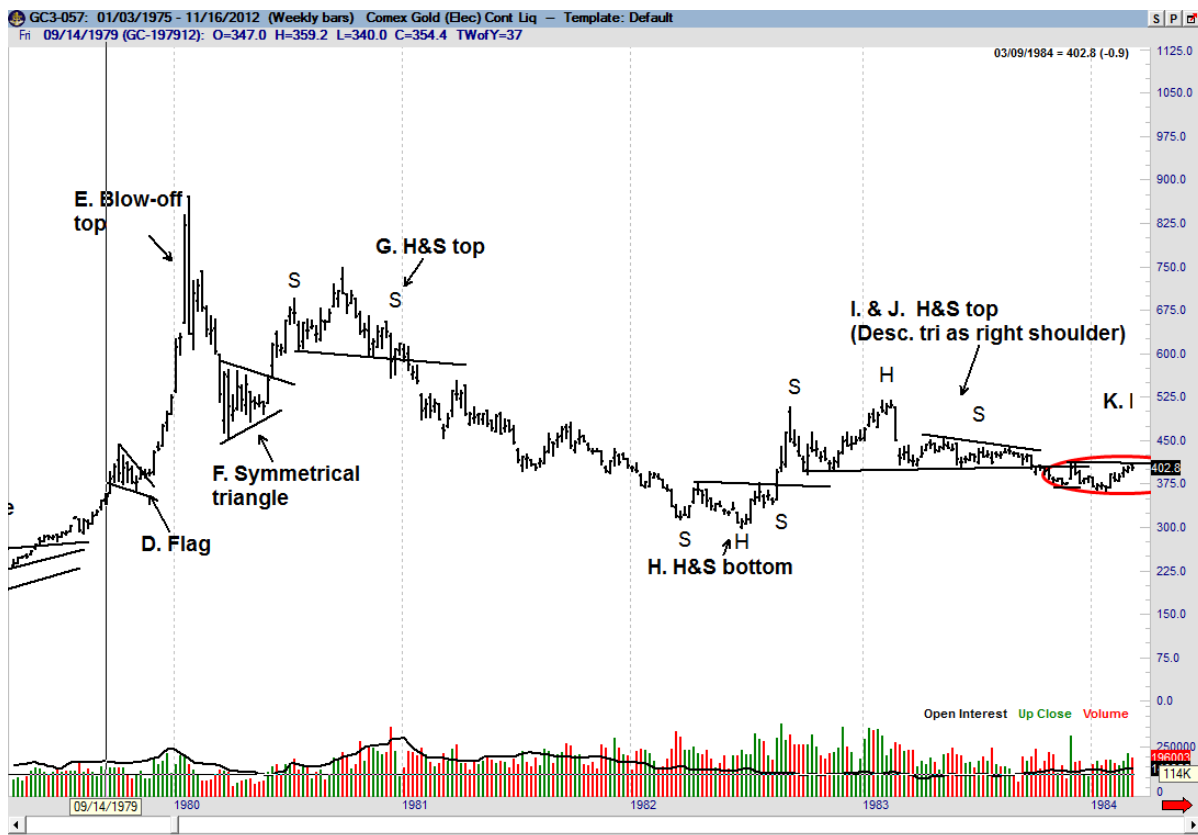
Key features

- Pennant completed in mid Aug 1979. Pennants and flags often mark the mid point of a price thrust. Target far exceeded.
- Major flag completed in late Nov 1979 (labeled D). Target far exceeded.

Just a note. Targets are usually far exceeded from shorter-term continuation patterns within the context of a cyclic trend.



Weekly chart – Late 1979 through early 1984



Major chart construction

- D. Flag (see previous section). Target met.
- E. Blow-off top. This was the top for many years.
- F. Symmetrical triangle bottom. This pattern indicated a bear market correction. Target met.
- G. H&S top. Target met.
- H. H&S bottom. Target met.
- I. H&S top. Target met.
- J. Descending triangle (as right shoulder of H&S top). Target met.

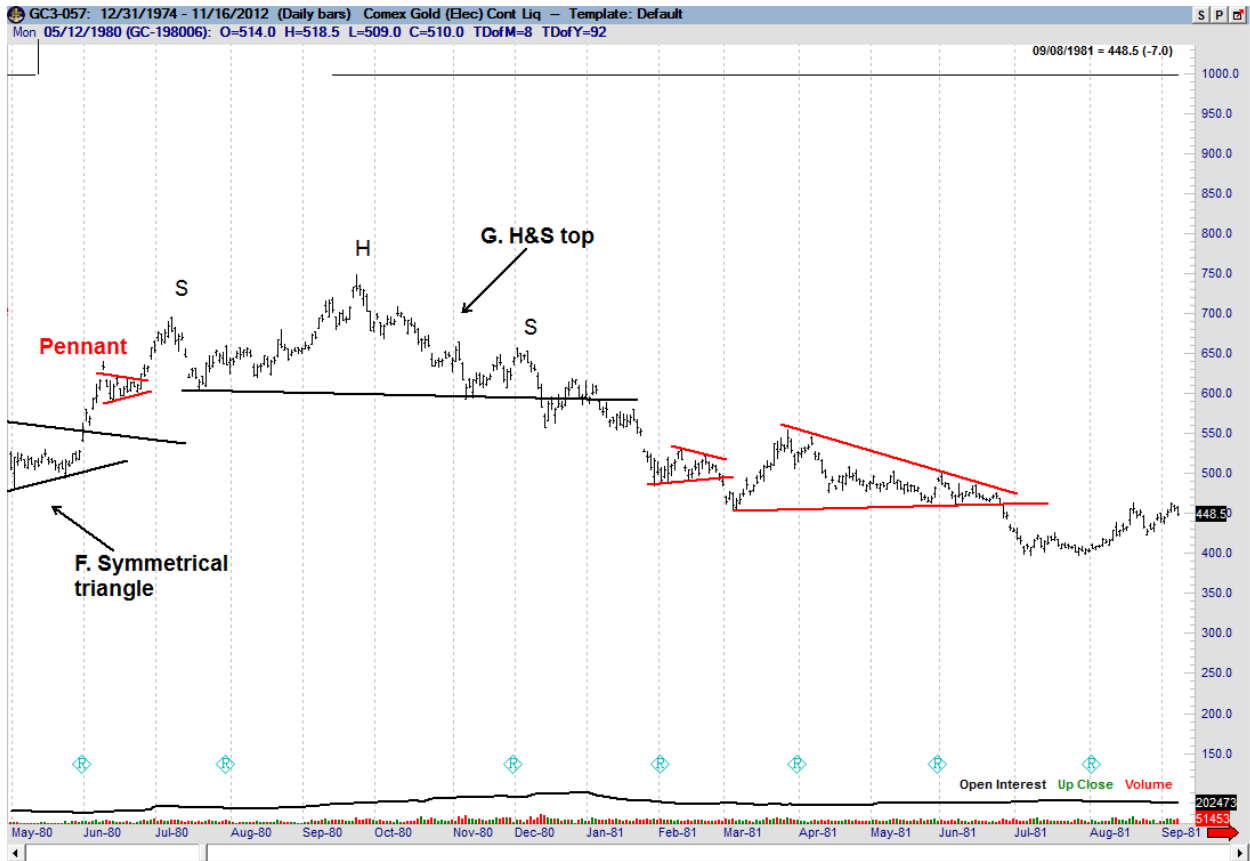
Daily chart – September 1979 through June 1980



Key features

- Flag (labeled D) completed in Nov 1979 – see previous section. Target met
- Half-mast flat completed in Jan 1980 (labeled E). This flag launched the final phase of the 1970s bull market. Led to blow off top. Target met.
- Island top in mid Jan 1980. Led to massive correction.
- Descending triangle completed in early Mar 1980. Target met.
- Symmetrical triangle bottom (labeled F). Target met.
- Pennant completed in late Jun 1980

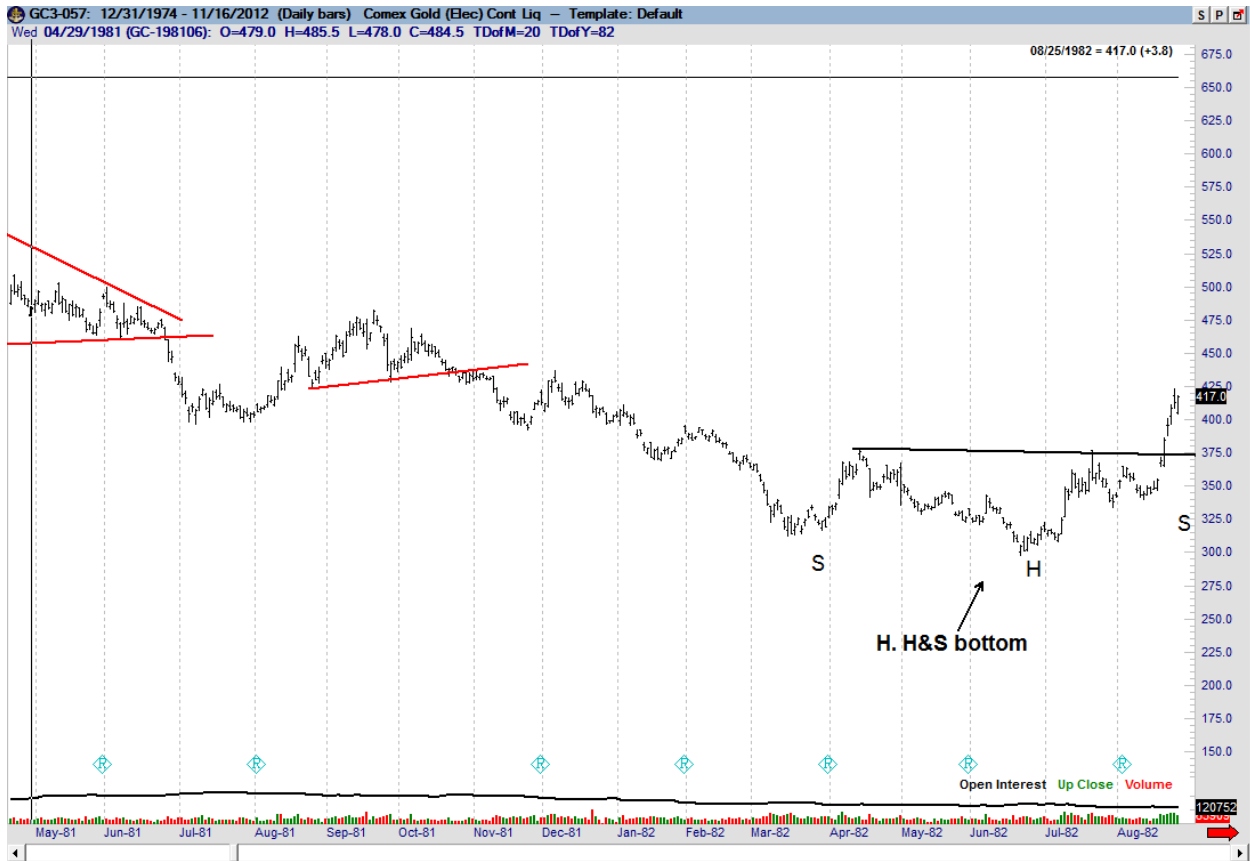
Daily chart – June 1980 through August 1981



Key features

- H&S top (labeled G) completed in Dec 1980. This was the cap to the first big rally during the 1980 to 1999 bear market. Target met.
- Symmetrical triangle completed Jun 25, 1981. Target met.

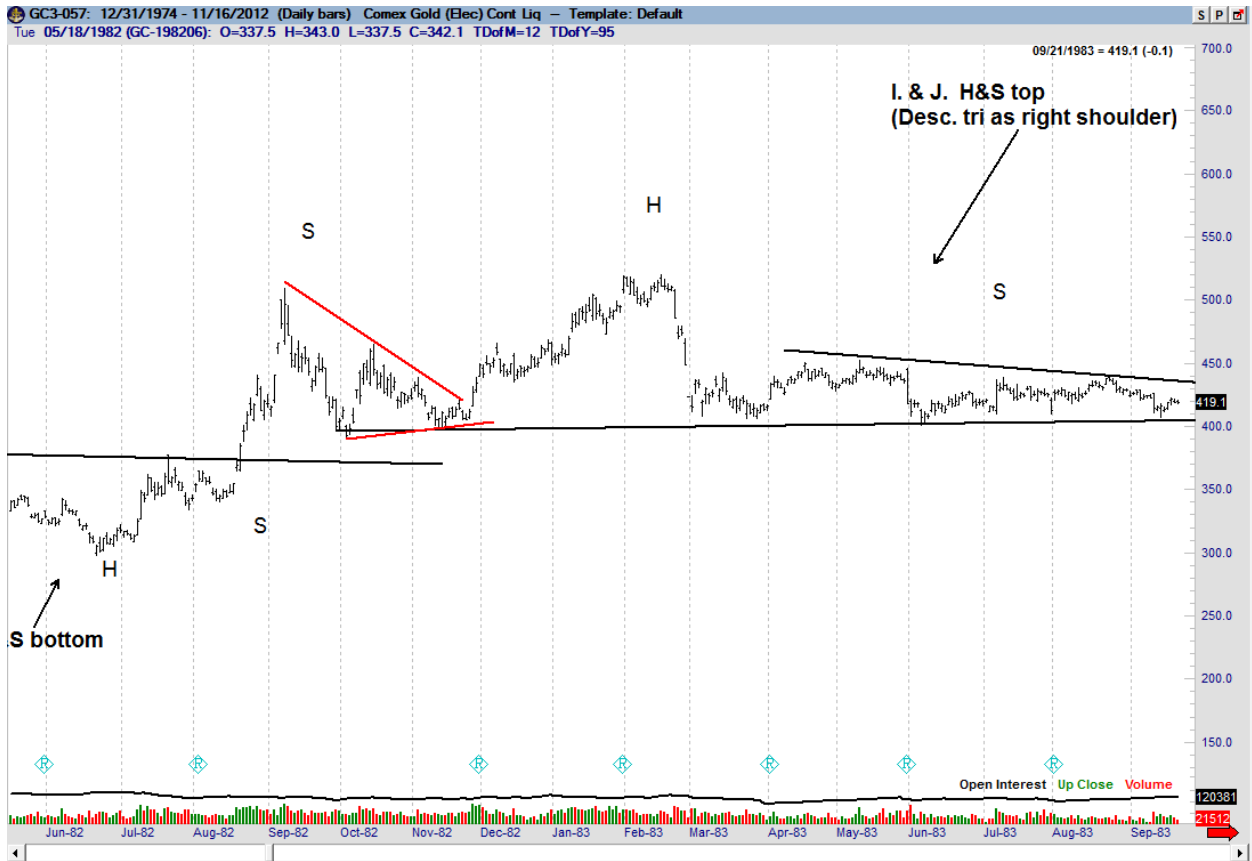
Daily chart – May 1981 through July 1982



Key features

- Continuation H&S top completed early Nov 1981. Target met.
- Major H&S bottom completed in mid Aug 1982 (labeled H). Target met.

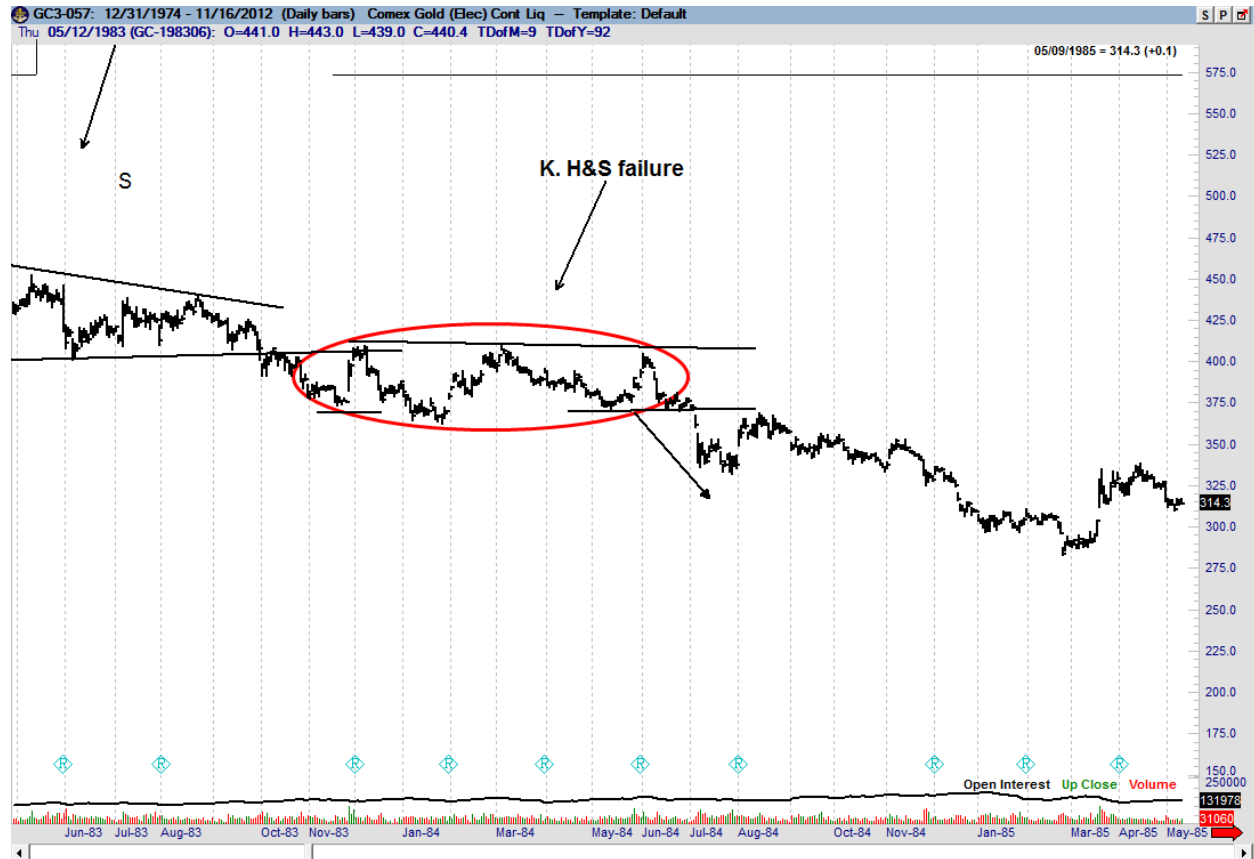
Daily chart – July 1982 through August 1983



Key features

- Completion of major H&S bottom in Aug 1982. Target met.
- Symmetrical triangle completed in late Nov 1982. Target met.
- Major 13- month H&S top (labeled I). Target met.
- Descending triangle (labeled J). Target met.

Daily chart – July 1983 through March 1985

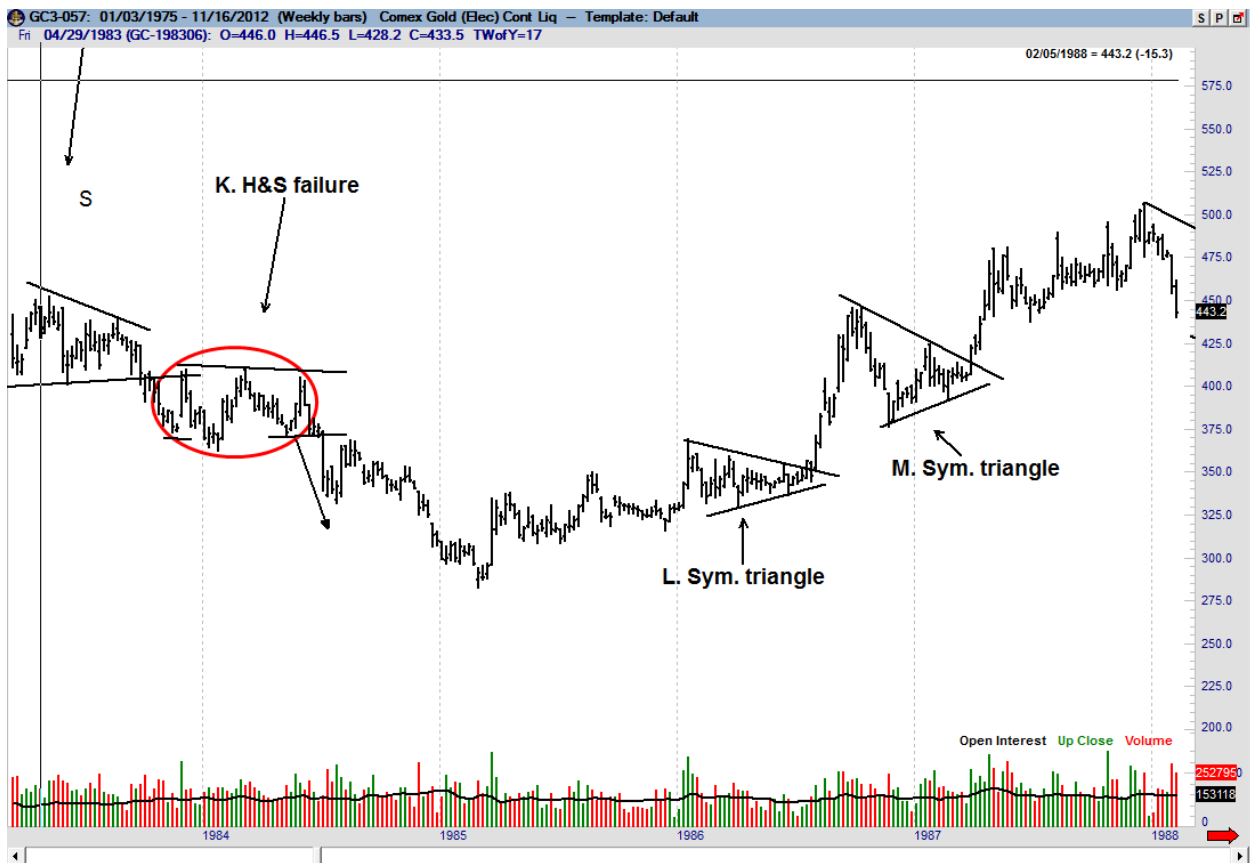


Key features

- Completion of 13-month H&S top and descending triangle in Oct 1983 (labeled I and J). Target met.
- Completion of a H&S bottom failure (labeled K) in early July 1984. (Note: the H&S failure pattern is considered to be a singular chart configuration in classical charting theory.) Target of failure pattern met.



Weekly chart – September 1983 through January 1988



Major chart construction

- K. H&S failure completed in July 1984. Target met.
- L. Symmetrical triangle completed in early August 1986. Target met.
- M. Symmetrical triangle completed in early April 1987. Target met.

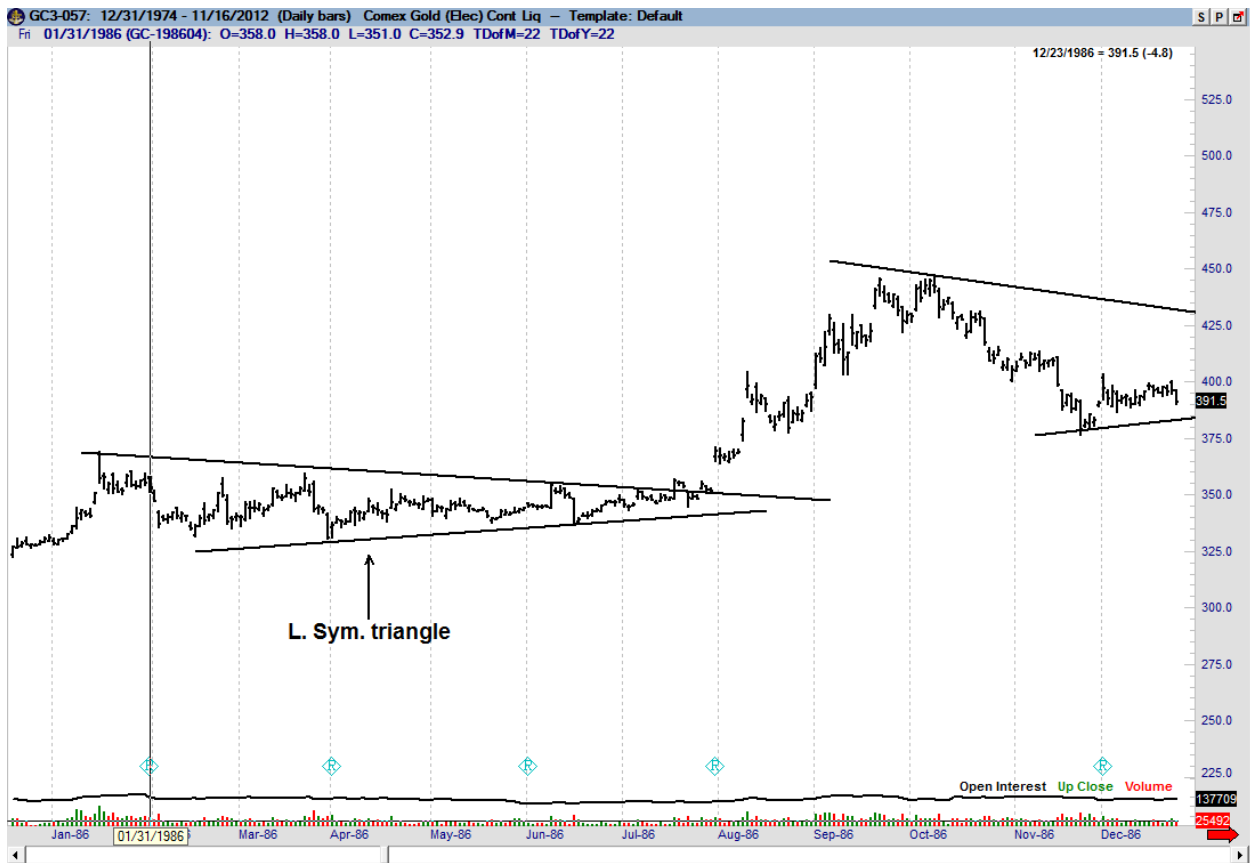
Daily chart – December 1985 through February 1986



Key features

- Area island bottom completed in Mar 1985. Major bottom.
- Sideways price action from Mar 1985 through late Dec 1985 was an indication that the market was in the process of making a much longer chart congestion prior to the next trend. There are times when Gold will frustrate chart traders. But eventually the Gold market will announce its next big move. When the Gold market puts chartists through prolonged agony it is important to remember that the market is just marking time.

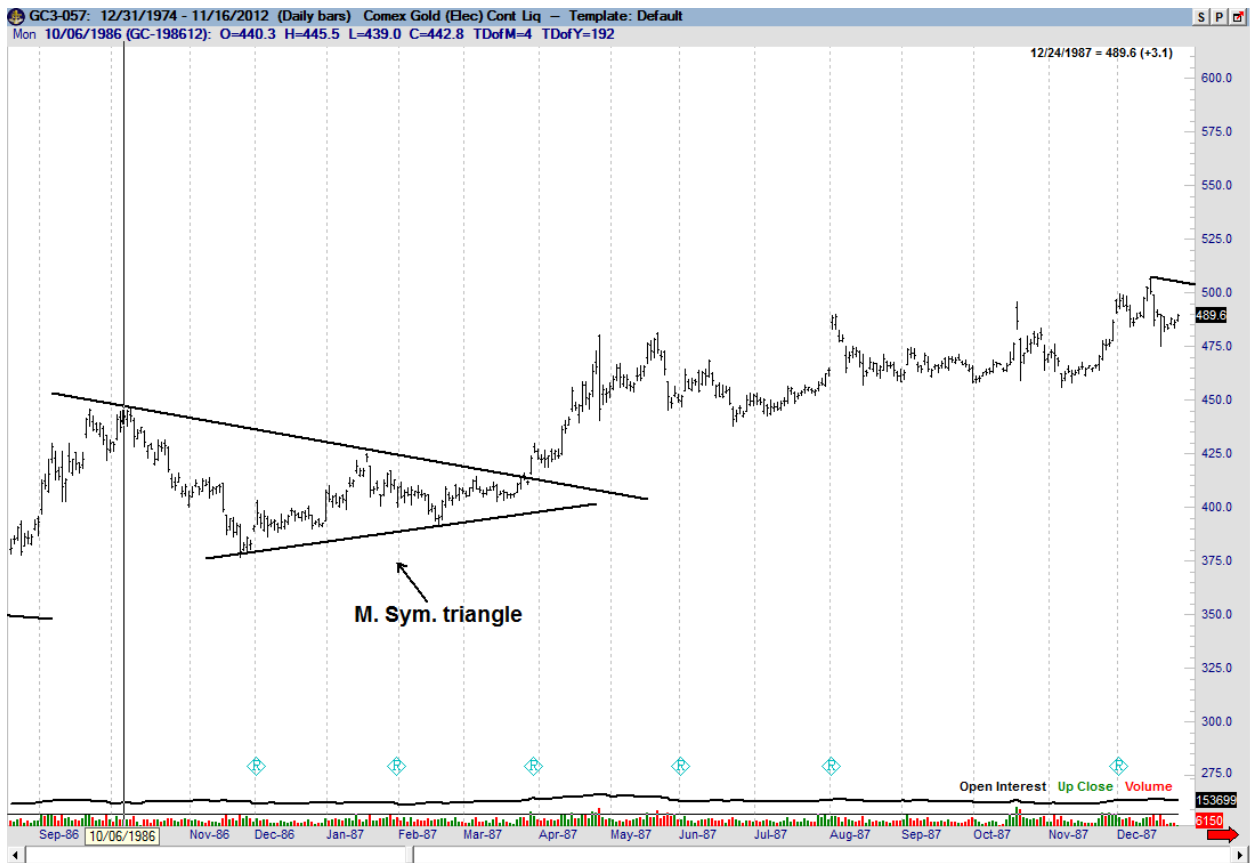
Daily chart – January 1986 through December 1986



Key features

- Major symmetrical triangle (labeled L) completed in late Jul 1986. Led to a 47% increase in price within 8 weeks. Target met.

Daily chart – September 1986 through November 1987

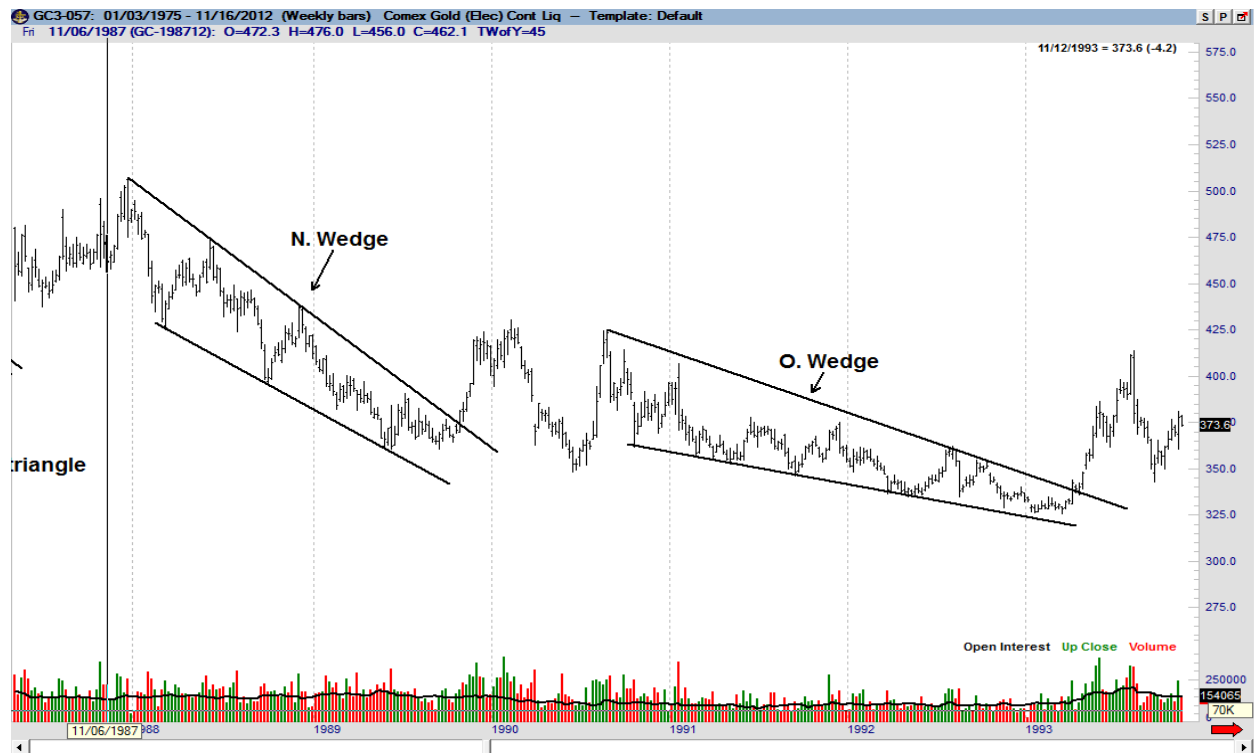


Key features

- Major symmetrical triangle (labeled M) completed in late Mar 1987 led to a quick 15% price advance. Target met.



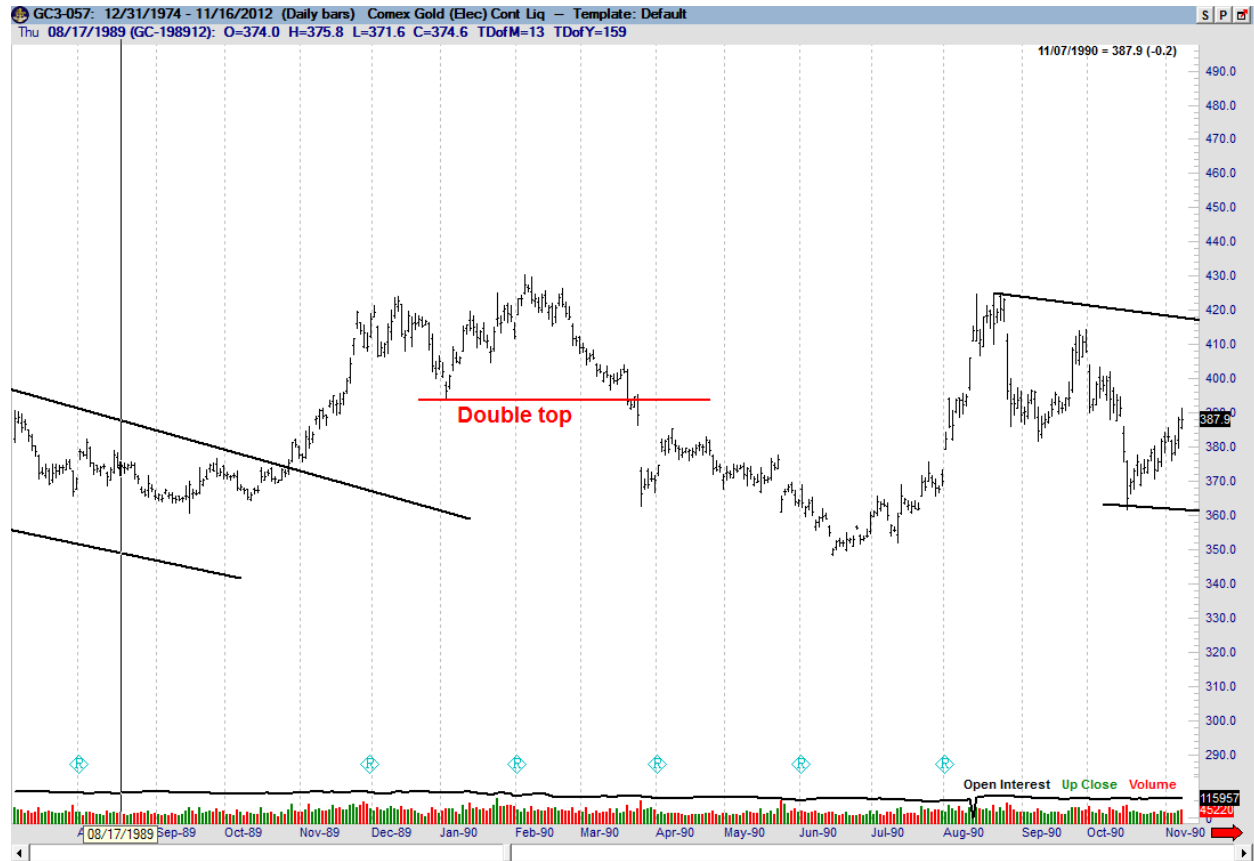
Weekly chart - July 1987 through September 1993



Major chart construction

- N. Major wedge completed in November 1989. Target was not met.
- O. Major wedge completed in April 1993. Target met.

Daily chart – August 1989 through October 1990



Key features

- Completion of major wedge (previously labeled N) in Nov 1989
- Double top completed on Mar 20, 1990. Target met.
- Beginning stages of another major wedge beginning in Aug 1990

Daily chart – July 1990 through May 1992

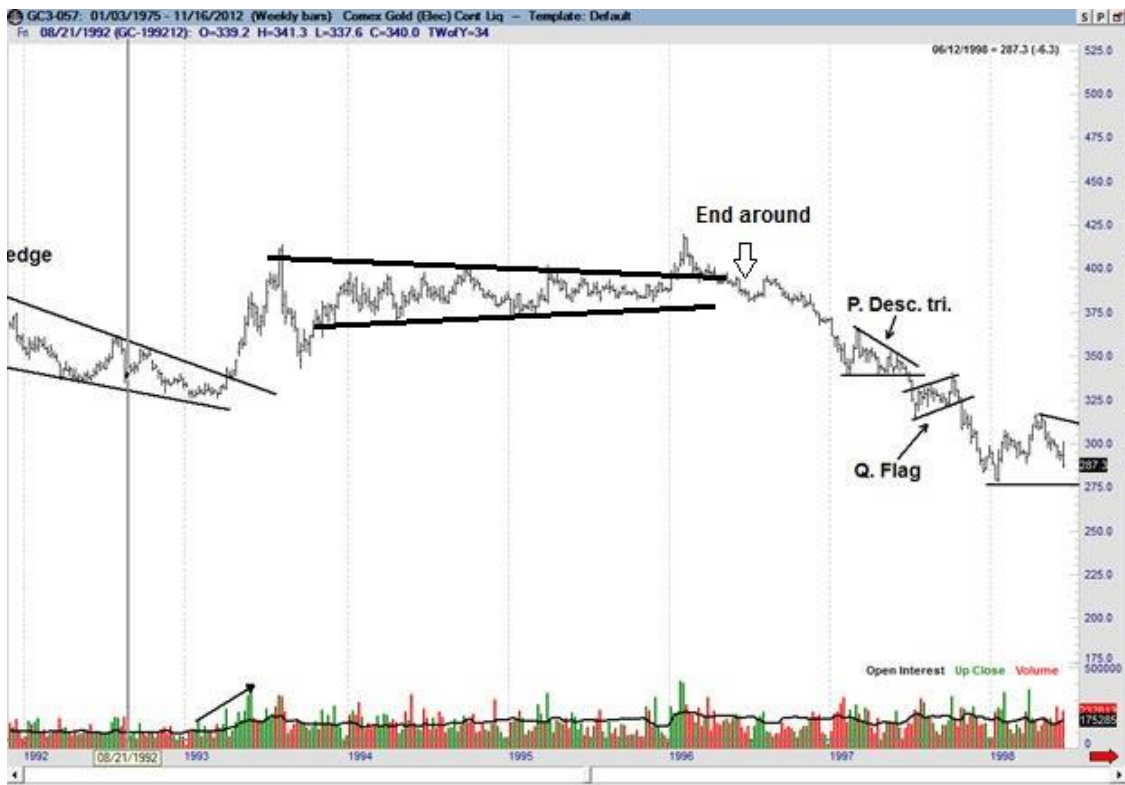


Key features

- Formation of a massive falling wedge pattern (labeled O). A strong rally ensued, but the target was not met.



Weekly chart – 1992 through May 1998



Major chart construction

- P. Descending triangle in 1997. Target met.
- Q. Flag in 1997. Target met.

Note also the “end-around” symmetrical triangle completed in September/October 1996

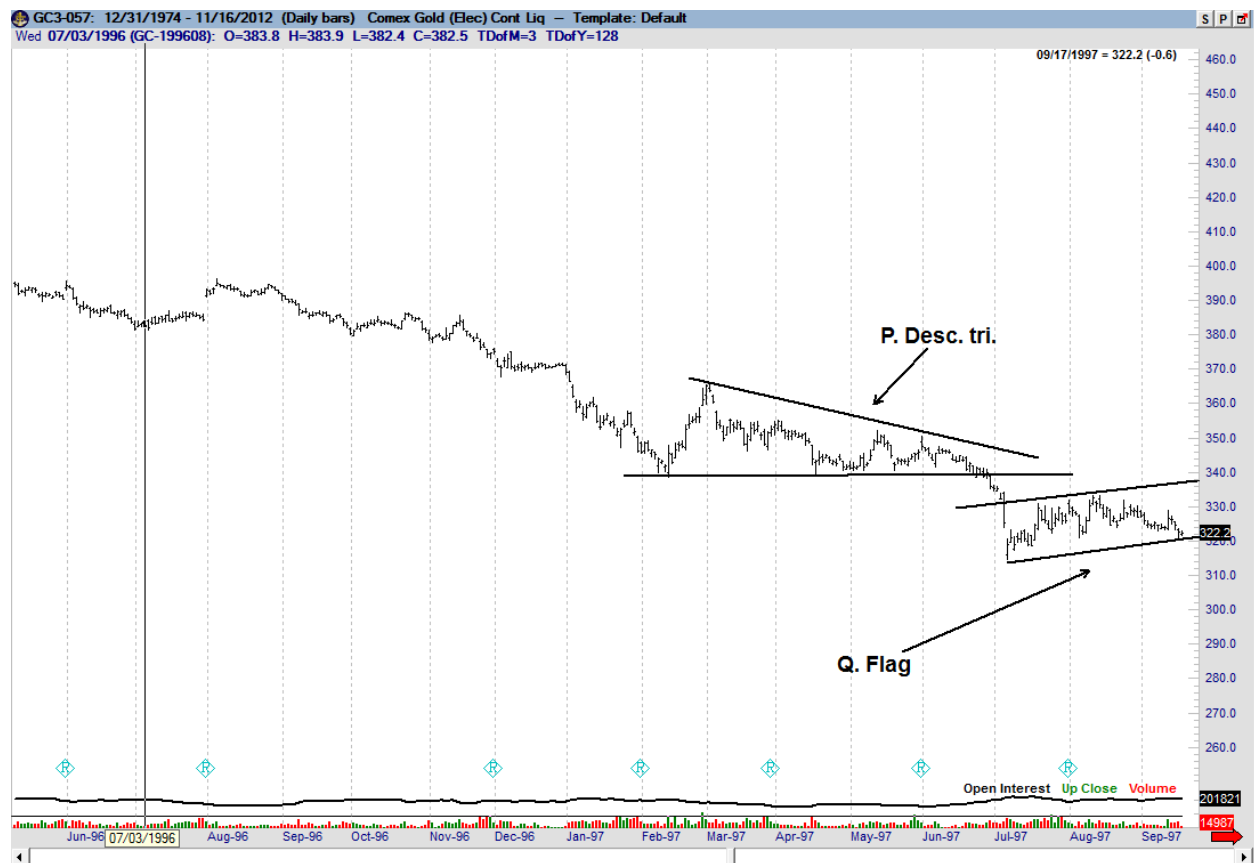
Daily chart – October 1994 – August 1996



Key features

- Symmetrical triangle was completed in Jan 1996, but quickly ran out of gas. This set the stage for an “end-around” sell signal. This was a confusing chart development for traders. But in Gold, the failure of a pattern to produce an expected outcome almost always leads to the opposite outcome. See the opposite outcome on the next chart.

Daily chart – June 1996 through August/September 1997

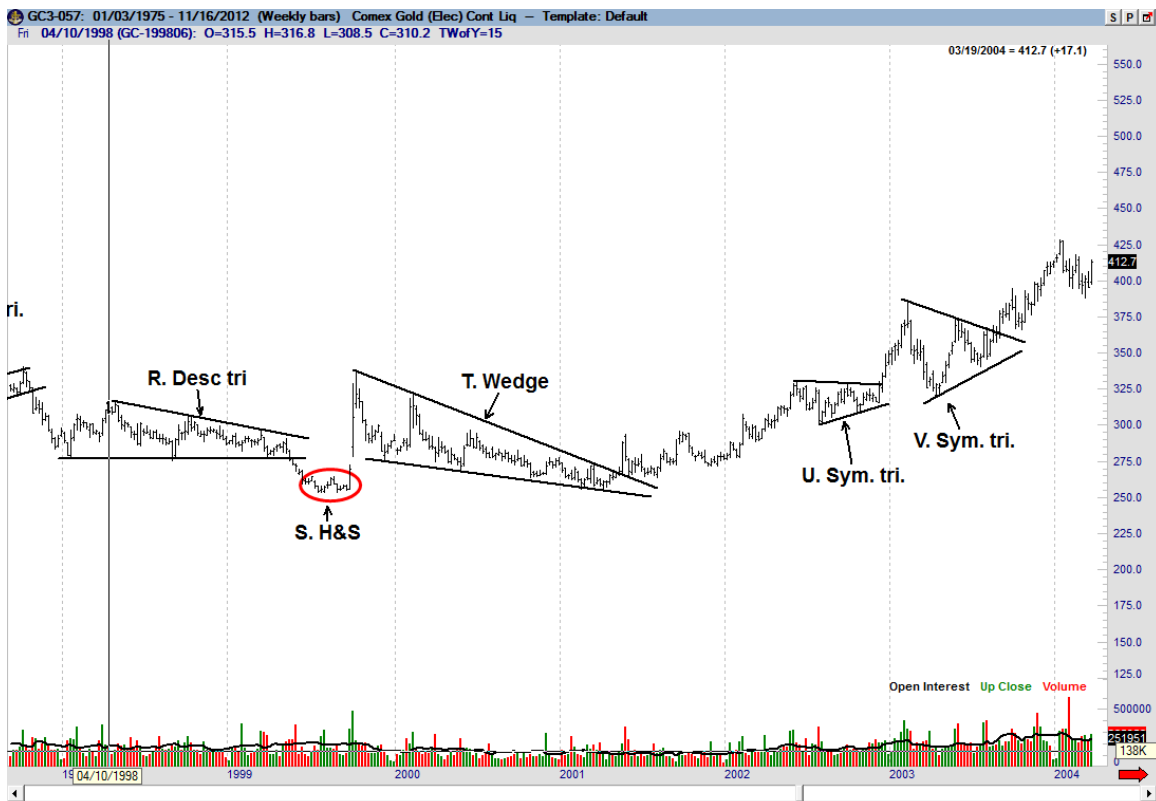


Key features

- Outcome of “end-around” from Jun 1996 through Feb 1997. Target met.
- Major descending triangle completed in late Jun 1997 (labeled P). Target met.
- Major flag (labeled Q)



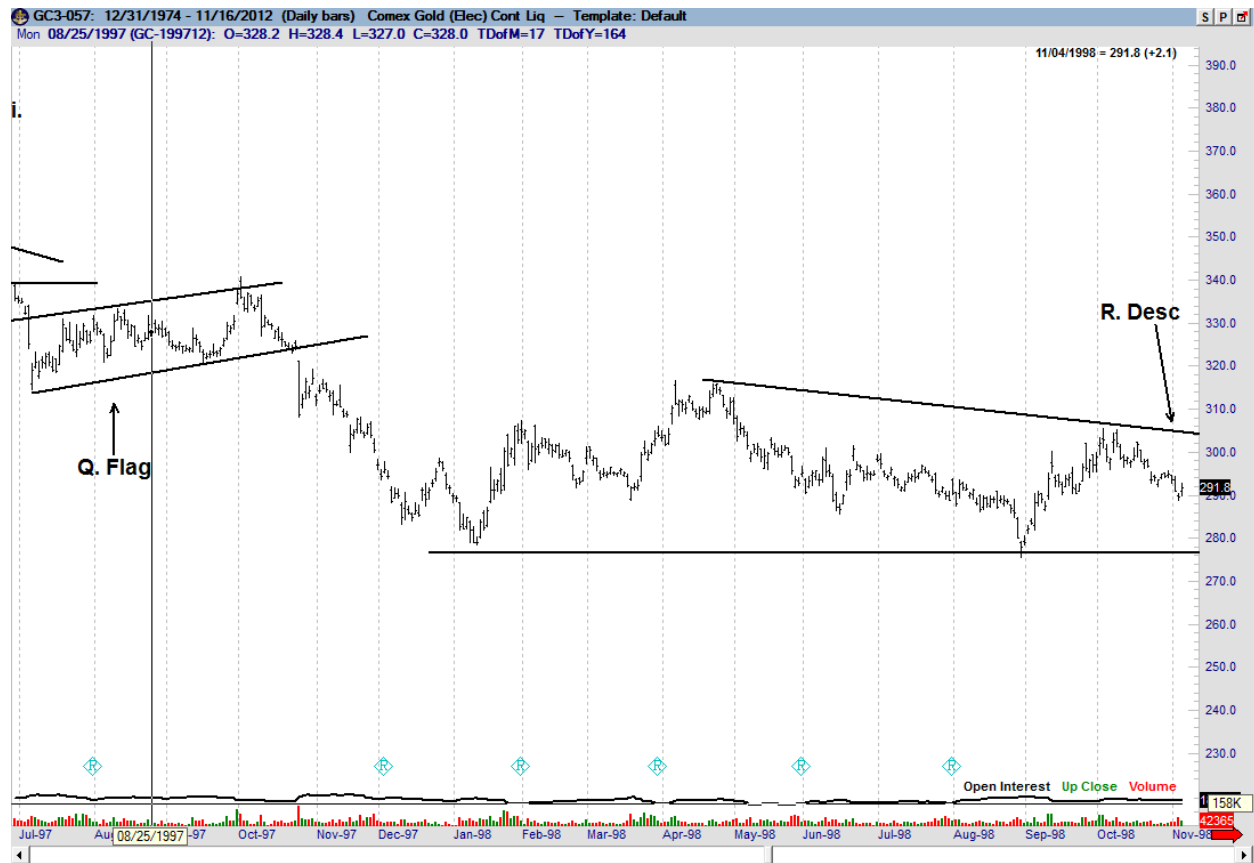
Weekly chart – 1998 through February 2004



Major chart construction

- R. Descending triangle completed in May 1999. Target met.
- S. H&S bottom completed in Sep 1999. Target met.
- T. Falling wedge completed in May 2001. Target met.
- U. Symmetrical triangle completed in Dec 2002 . Target met.
- V. Symmetrical triangle completed in Aug 2003. Target met.

Daily chart – July 1997 through October 1998



Key features

- Completion of major flag (labeled earlier as Q). Target met.
- Formation of major descending triangle (labeled R). Target met.

Daily chart – September 1998 through November 1999



Key features

- Completion of descending triangle (labeled R) in May 1999. This was the final chart formation of the 20-year bear market that began at the Jan 1980 high. Target met.
- A major H&S bottom (labeled S). This pattern began the bull market that continues to this day. Notice the price gaps in late Sep 1999. Such violent price thrusts should always be considered as a sign of things to come.. Target met.

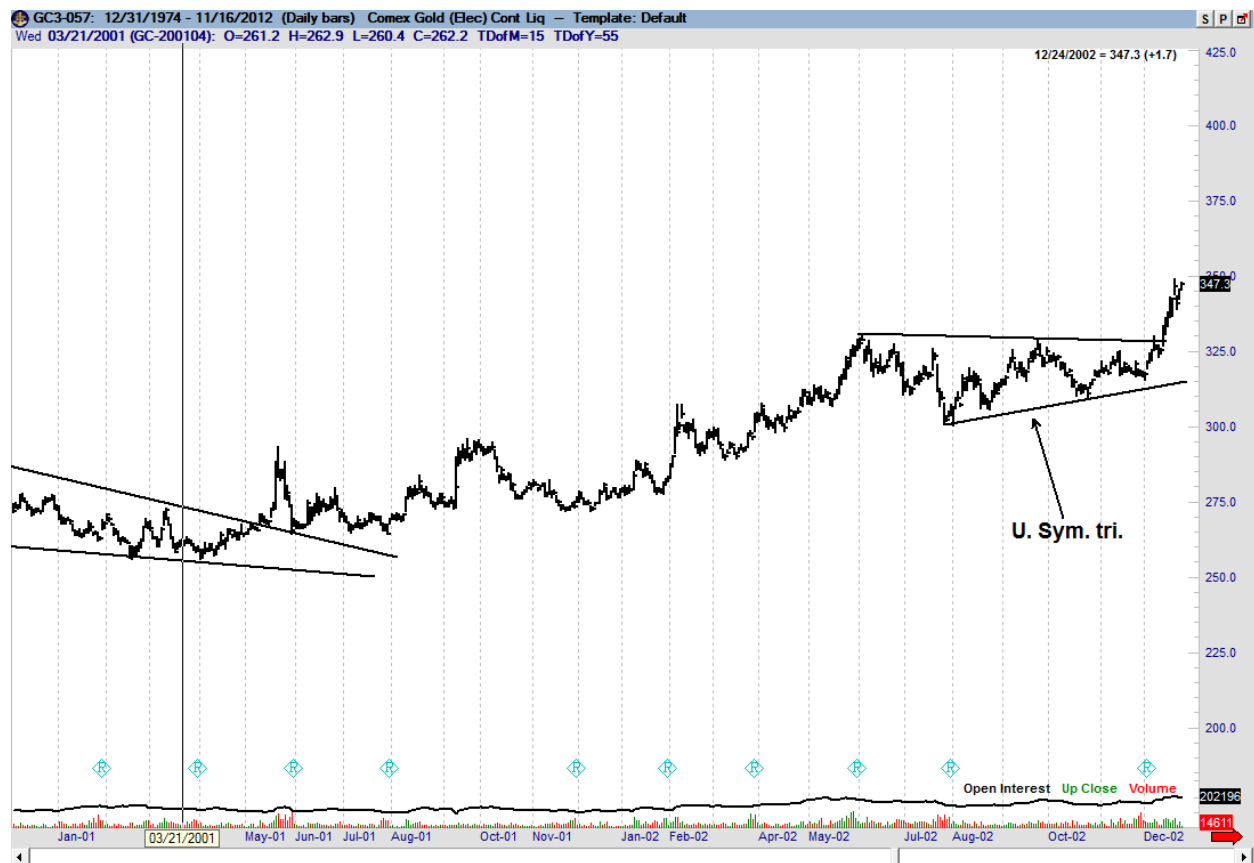
Daily chart – April 1999 through March 2001



Key features

- The H&S bottom (labeled S)
- A prolonged falling wedge (labeled T). As mentioned earlier in this document, prolonged falling wedges almost always produce a price thrust once they are completed. Target met.

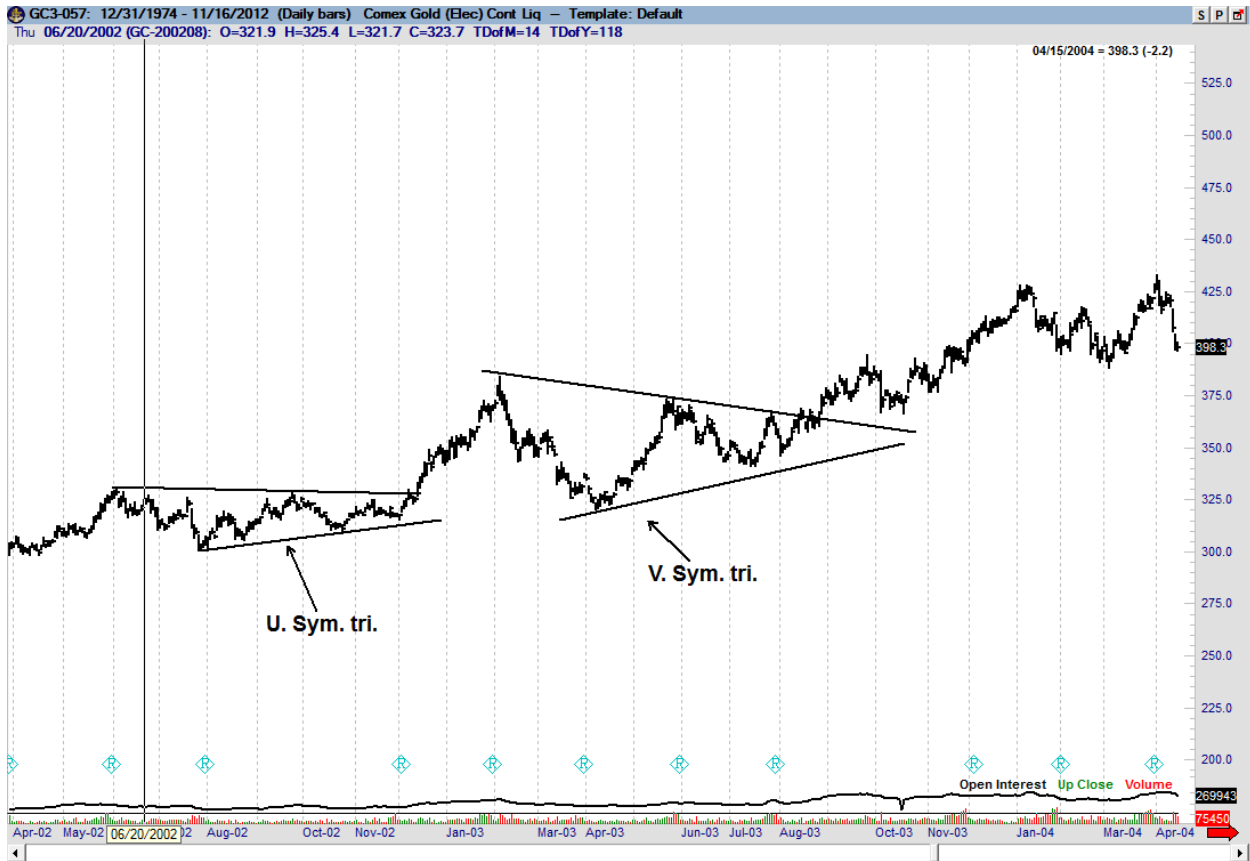
Daily chart – January 2001 through November 2002



Key features

- The major falling wedge (earlier labeled T) was completed in May 2001, but prices almost immediately retested the apex. According to Edwards and Magee, a test of the retest of a falling wedge is quite normal and does not negate the bullish implications of the wedge. Target met.
- From May 2001 through May 2002 the market “stair-stepped” higher. While overlapping waves (not to be confused with the Elliott Wave Theory) are difficult for a chartist to trade, their implications are quite clear – the market is building a base for sharply higher prices.
- A major symmetrical triangle (labeled U) was completed in Dec 2002. Target met.

Daily chart – May 2001 through Mar 2004



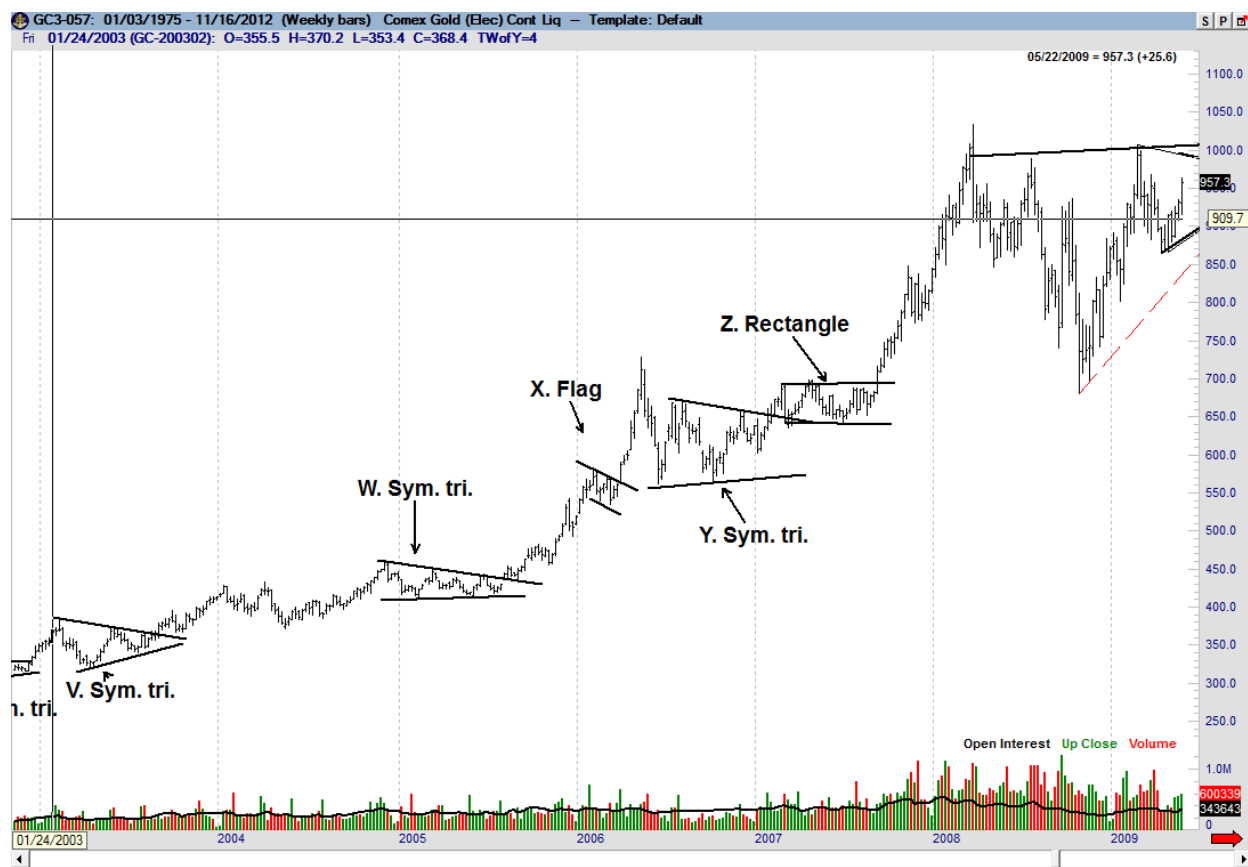
Key features

- Major symmetrical triangle completed in Dec 2002 (labeled U). Target met.
- Major symmetrical triangle completed in Aug 2003 (labeled V). Target met.

Note: The correction from Feb through Apr 2003 was severe and could have easily tested the resolve of a bull. However, profits from the pattern (labeled U) would have been taken in Jan and a chart trader could have remained on the sidelines until the Aug completion of the pattern (labeled V).



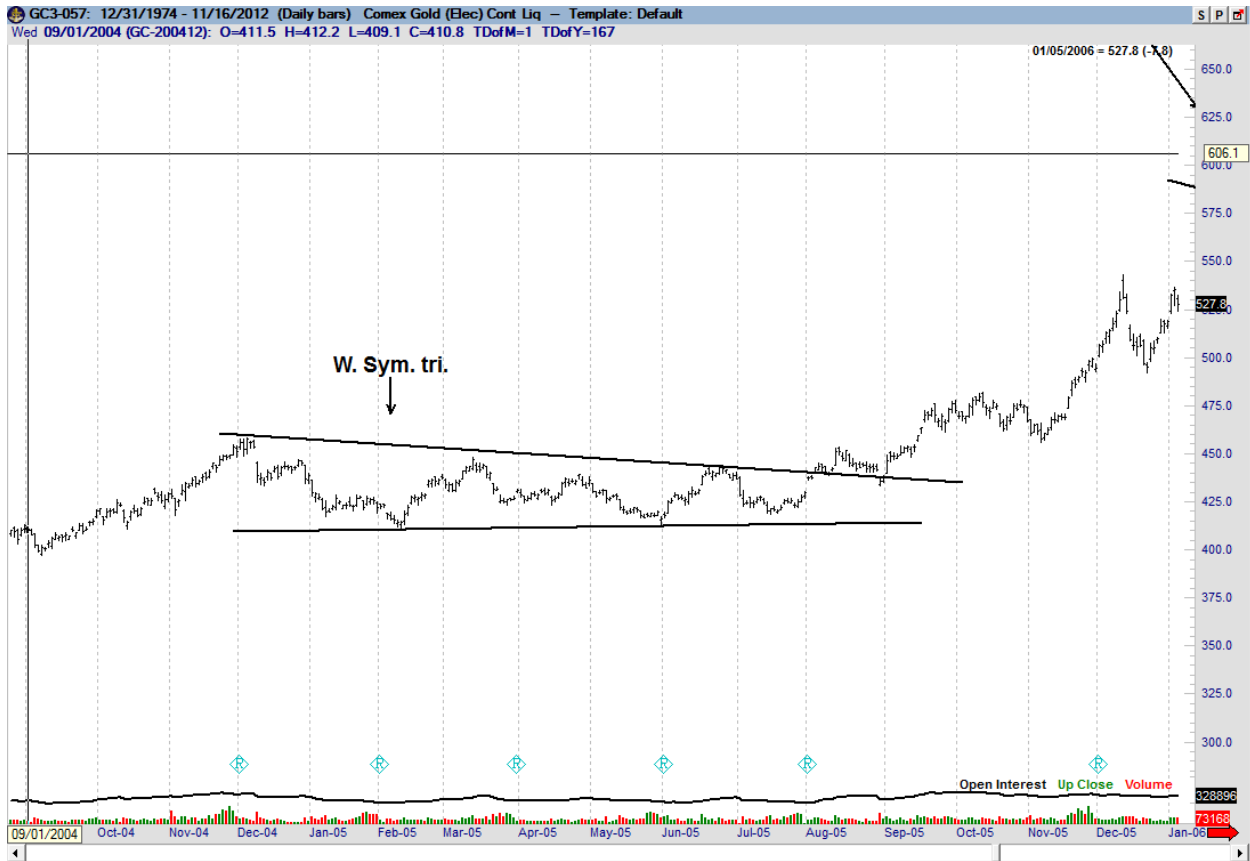
Weekly chart – 2003 through May 2009



Major chart construction

- W. Symmetrical triangle completed in Aug 2005. Target met.
- X. Flag completed in Mar 2006. Target met.
- Y. Symmetrical triangle completed in Feb 2007. Target met.
- Z. Rectangle completed in Sep 2007. Target met.

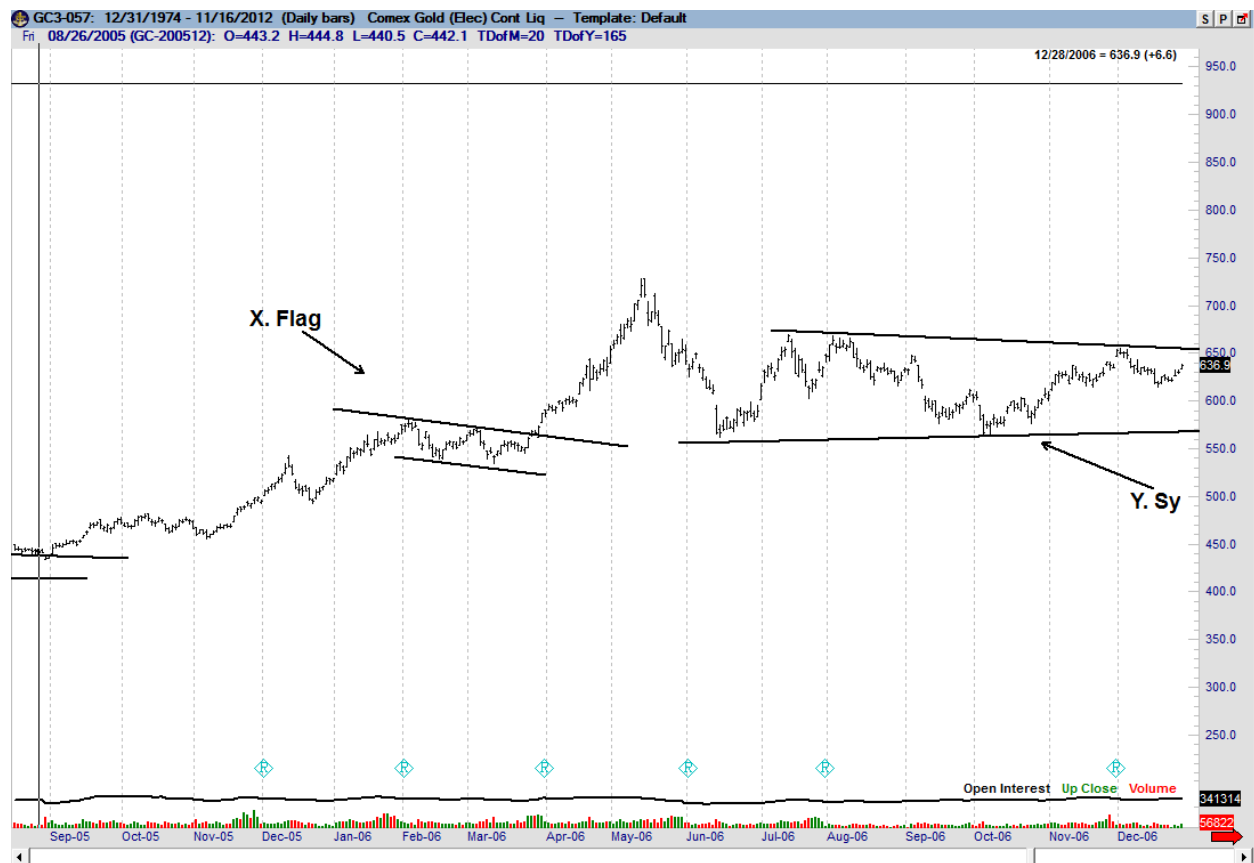
Daily chart – September 2004 through December 2005



Key features

- 8-month symmetrical triangle completed in Aug 2005. This pattern had a tricky retest, but serious damage did not occur to the pattern and the sharp rally the first day of Sep resolved any questions. Target met.

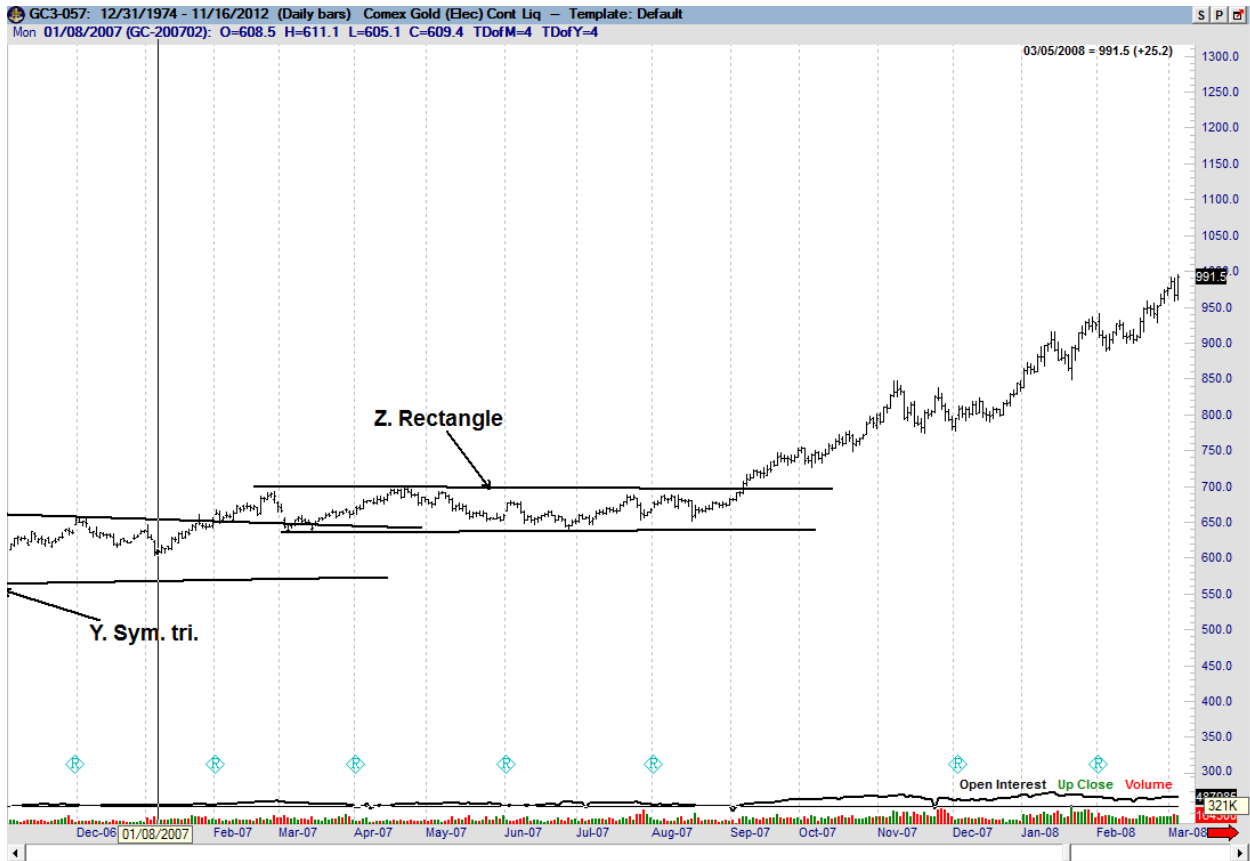
Daily chart – September 2006 through December 2006



Key features

- Major flag (labeled X) completed in late Mar 2006. These flags are often “half-mast” in nature, indicating that the distance traveled into the flag will be repeated out of the flag to the upside. This is an easy “target” measurement for knowledgeable chartists to calculate. Target met.
- The formation of a major symmetrical triangle (labeled Y). Target met.

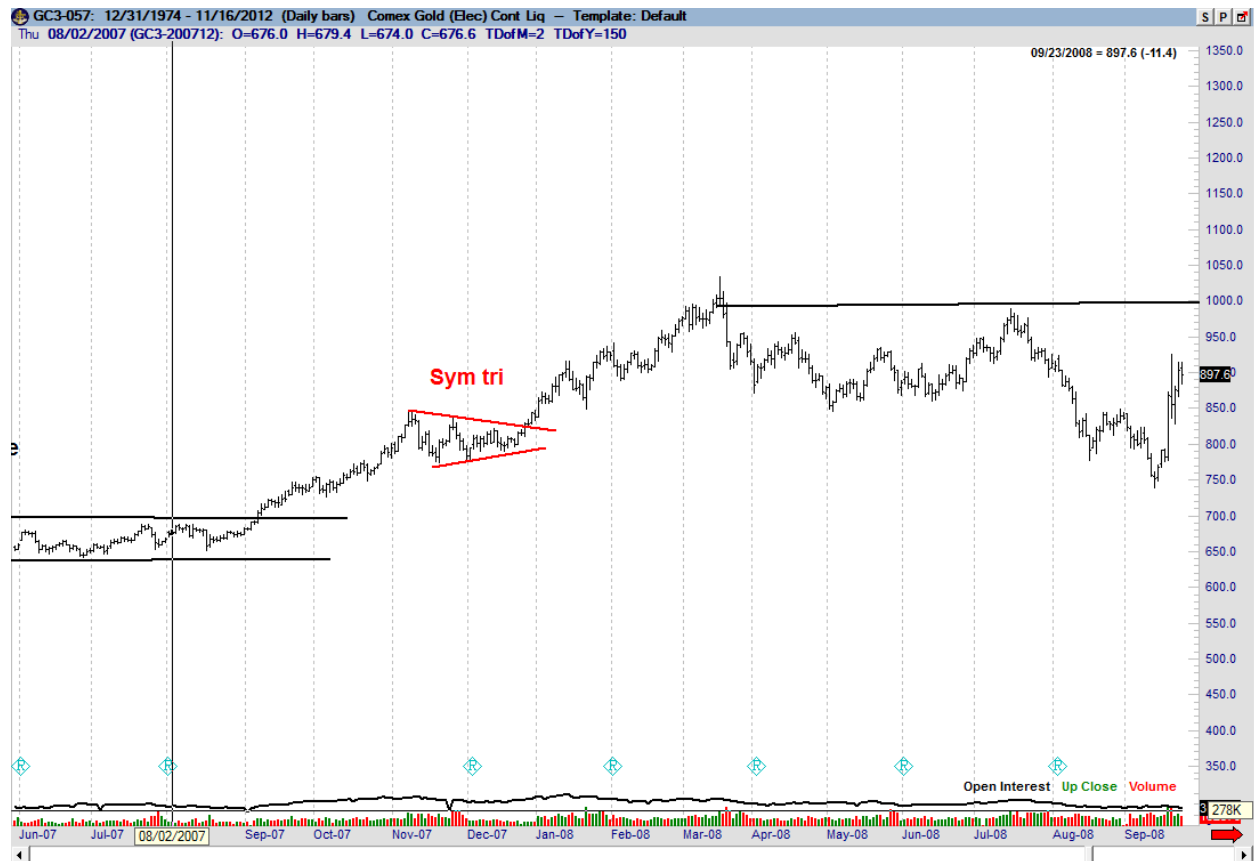
Daily chart – December 2007 through February 2008



Key features

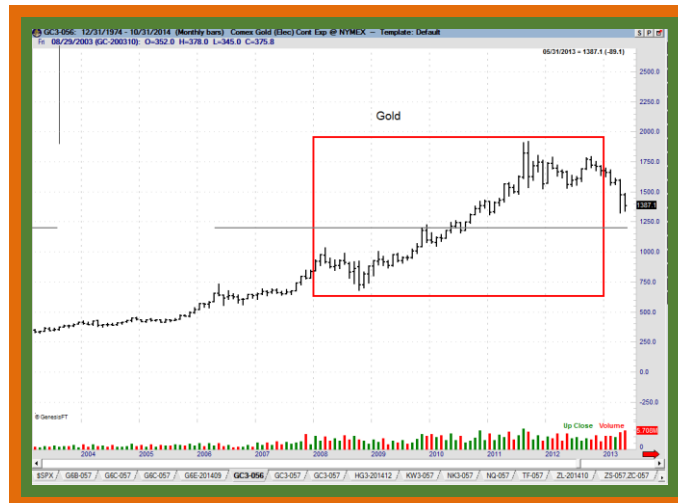
- Completion of the major symmetrical triangle in Feb 2007 (labeled Y). Target met.
- Major rectangle completed in Sep 2007 (labeled Z). Target met.

Daily chart – July 2007 through August 2008

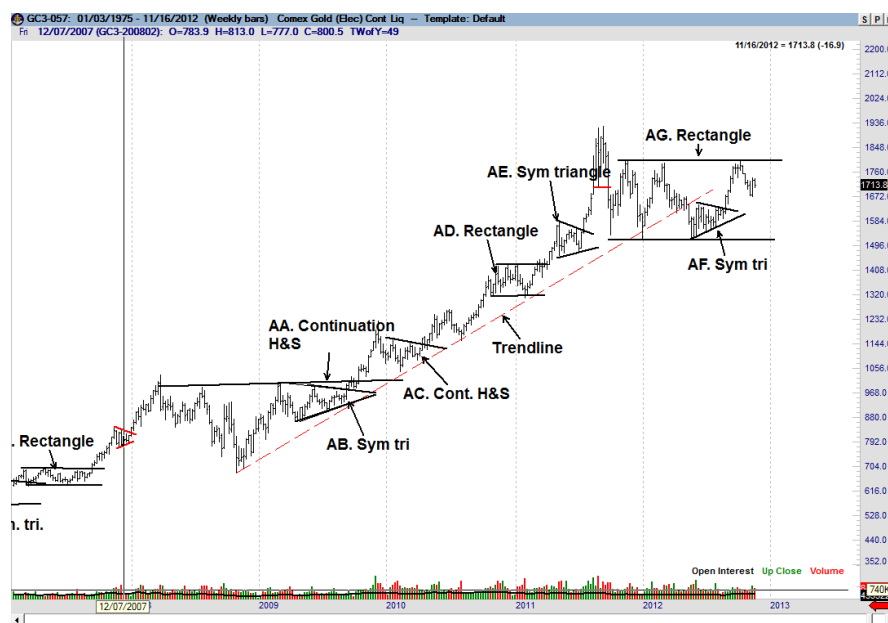


Key features

- Half most symmetrical triangle or pennant completed in late Dec 2007. Target far exceeded.
- Beginning of an extended period of uncertainty in Mar 2008. At this point a pure chartist would have been bewildered by Gold, not knowing whether the bull market was dead or just in for a major pause. One thing would be sure for a skilled chartist – the Gold market would declare its next major price trend. But, patience would be needed!



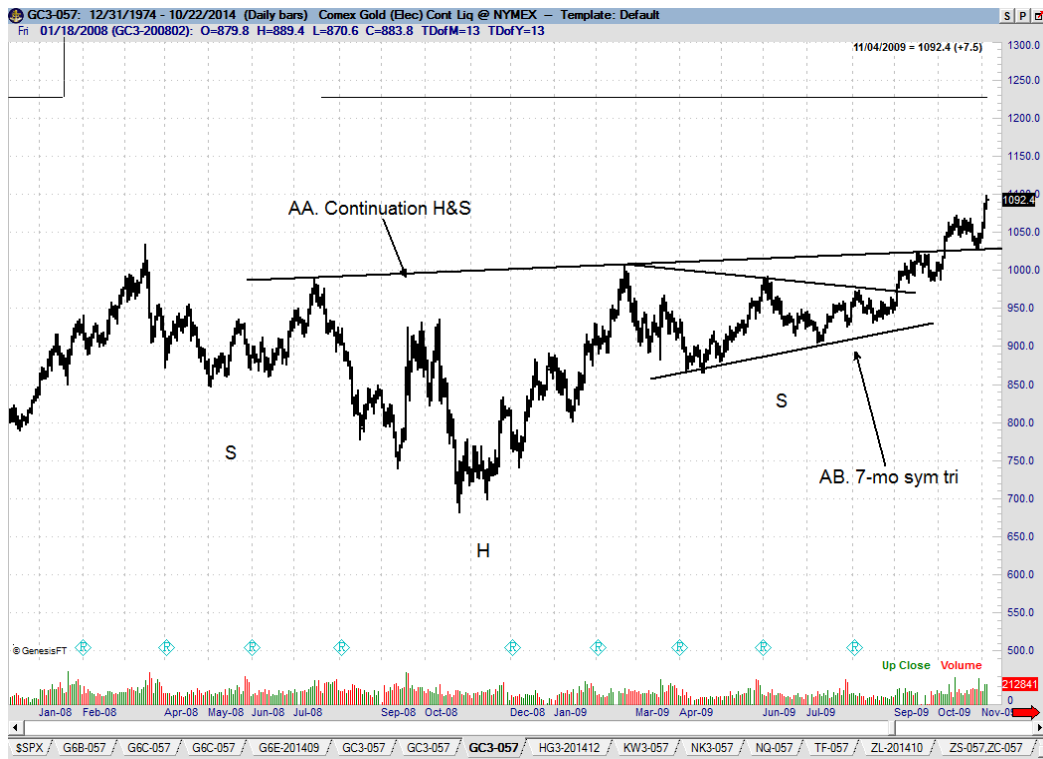
Weekly chart – October 2006 through October 2012



Major chart construction

- AA Continuation H&S pattern completed in Sep 2009. Target was far exceeded.
- AB Symmetrical triangle completed in Sep 2009 serving as the right shoulder of the H&S pattern labeled AA. Often an extended pattern, such as the H&S, will be launched by a smaller pattern. Target exceeded.
- AC Continuation H&S pattern completed in Apr 2009. Target met.
- AD Rectangle completed in Apr 2011. Target met.
- AE Symmetrical triangle completed in Jul 2011. Target met.
- AF Symmetrical triangle completed in Aug 2012. Target met.
- AG Rectangle pattern begins to take shape – could be a continuation or reversal pattern

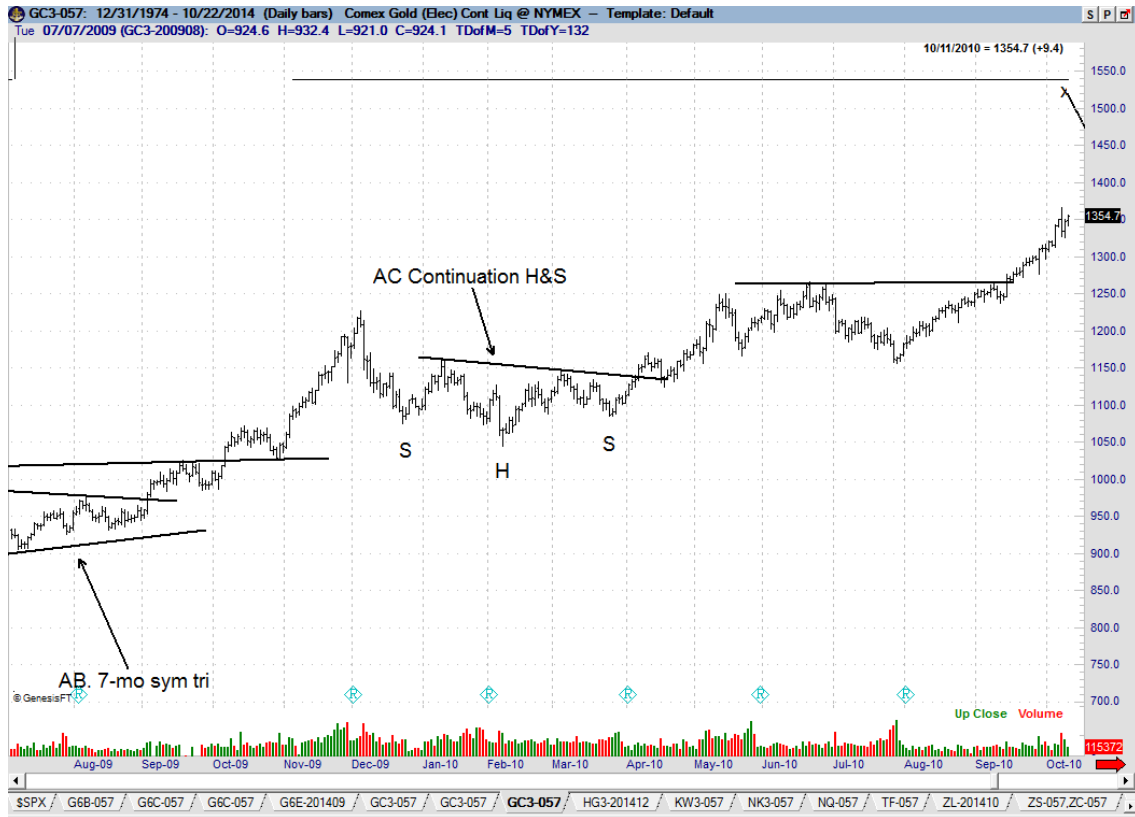
Daily chart -- January 2008 through November 2010



Key features

- Beginning in Mar 2008 the Gold market began to chop up and chop down without any clear and precise chart patterns. This was a sign that Gold was marking time, and that an enormous pattern would be formed, leading to a massive move.
- This sideways choppy trading range began to resemble a continuation H&S pattern sometime in Apr (labeled AA). At this time a chartist would have been put on high alert.
- Continuation H&S completed in Oct 2009 established a target of 1350 (labeled AA). Target far exceeded.
- Note that the completion of a 7-week symmetrical triangle (AB) launched the continuation H&S pattern. Target met.

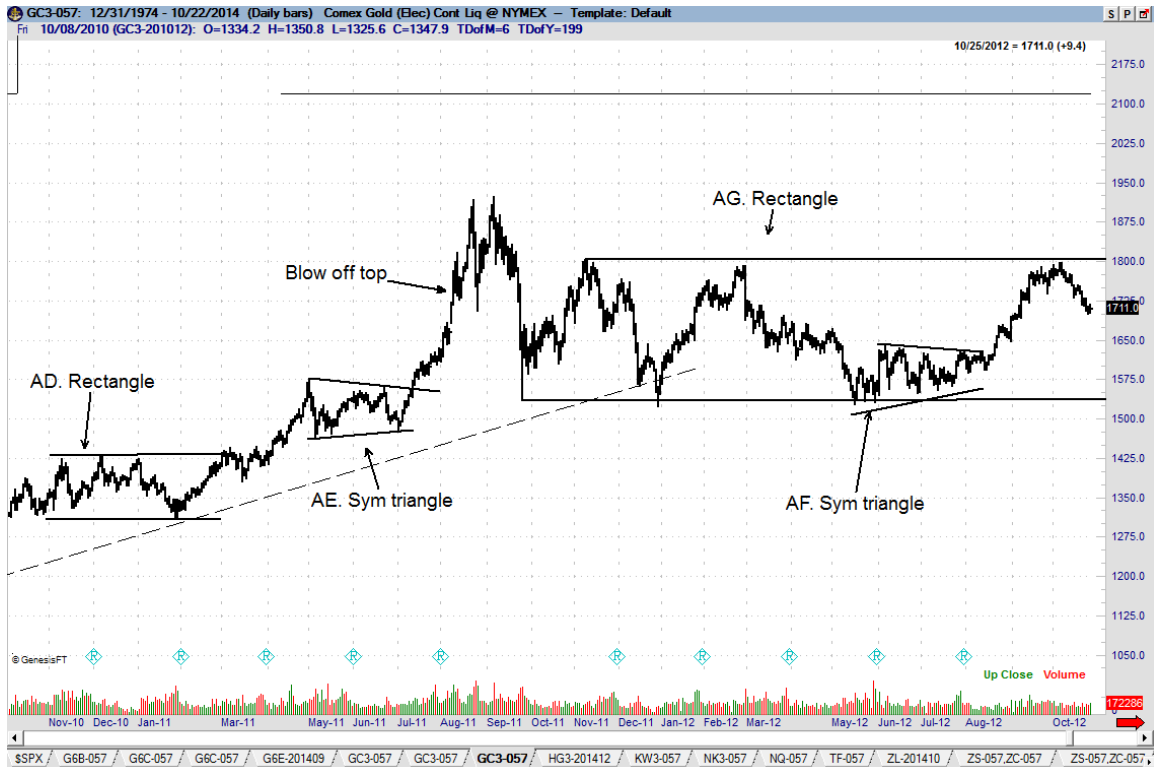
Daily chart – August 2009 through October 2010



Key features

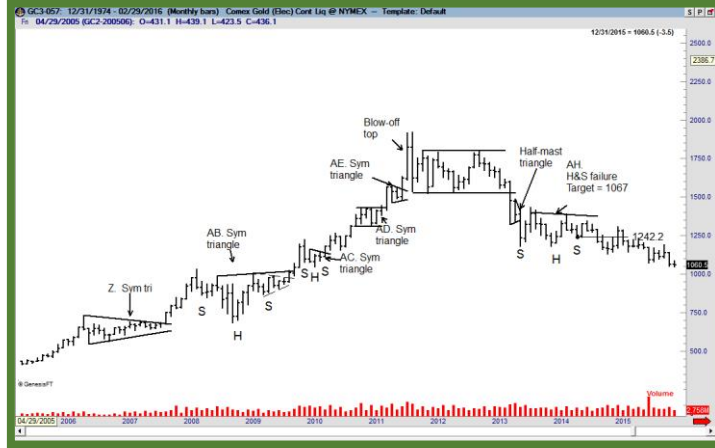
- Continuation H&S pattern (AC) completed in Apr 2010. Target exceeded.

Daily chart – October 2010 through October 2012



Key features

- Advance in Apr 2011 completed a rectangle (AD). Target met.
- Symmetrical triangle (AE) launched the final blow off of the Gold market. Sharp accelerations normally lead to the end of a trend. Target met.
- Following the double top in Aug – Sep 2011 the market went into a broad trading range
- A symmetrical triangle was completed in Aug 2012 (AF). Target met.
- By early 2012 it was clear that the market was forming a massive rectangle pattern



Weekly chart – October 2012 through December 2015

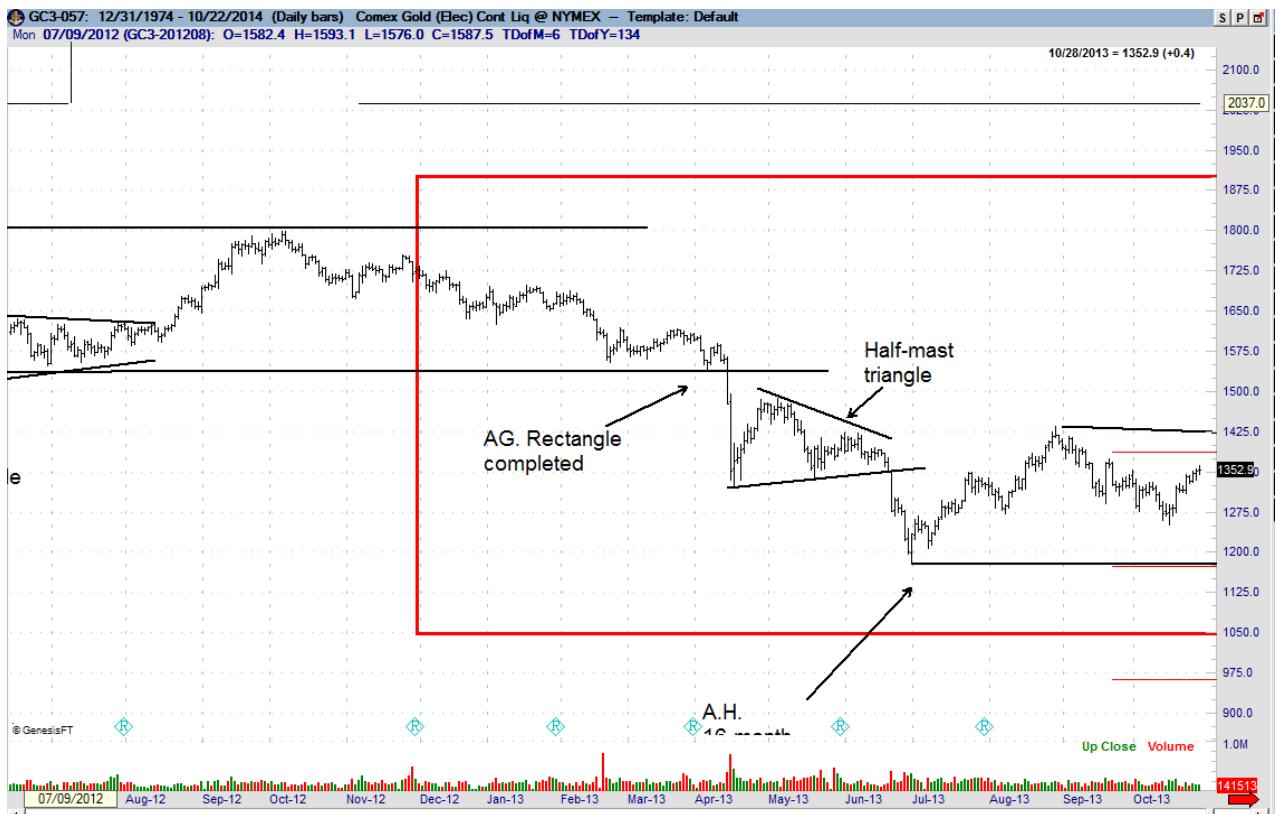


Major chart construction

- Decline in Apr 2013 completed a major rectangle (AG). The target of 1230 was quickly met.
- A “half-mast” symmetrical triangle was completed in Jun 2013. Target met.
- The mid 2013 low led to a rally into the Aug 2013 high. This rally did not constitute a chart bottom.
- The decline from Aug 2013 through the Dec 2013 was a possible retest of the mid 2013 low – but this still did not constitute a bottom.

- The rally to the March 2014 high turned many traders into “born-again” bulls. But, nothing on the charts has constituted a bottom.
- The rally from the May 2014 into the early July high constituted what might have become a H&S bottom, and represented the first time since the Oct 2012 high that the bulls had any hope
- The decline below the May 2014 low in Sep 2014 represented the completion of a bearish H&S failure with a target of 1067 (labeled AH). While the rally in early 2015 challenged this interpretation, the 1067 target was eventually met in Nov 2015.

Daily chart – October 2012 through July 2013



Key features

- The massive rectangle was completed in Apr 2013 (AG). Target met.
- A half-mast triangle formed in Apr through Jun, leading to the decline to the 1230 target from the rectangle. Target met.

Daily chart – May 2013 through December 2014



Key features

- The Gold market traced out a possible H&S bottom from Jun 2013 through the rally into Jul 2014 high
- The market rolled over in Jul 2014. The decline below the May 2014 low at 1242 completed a H&S failure pattern with a target of 1067 (AH).

Daily chart – December 2014 through January 2015



Key features

- The rally in Jan 2015 seriously challenged the H&S failure interpretation but the deep retest quickly sputtered out and the down trend continued
- The decline since Jan 2015 has taken a stair-step profile, but several chart formations did develop during the period
- The decline in Jul 2015 completed a 7-month symmetrical triangle and a 3+ month H&S top pattern. The target of the H&S was met at 1066, but the implication of the symmetrical triangle was not fulfilled.
- The advance in early Oct completed a 10-week symmetrical triangle bottom. This was the first serious daily chart bottom in the bear market from the Oct 2012 high. This bottom failed. Following a few days of advance the market rolled over into an “end-run,” a bearish development.
- In Nov 2015 the 1067 target from the early H&S failure was finally met



Weekly Chart -- June 2013 – August 2020



Major chart construction

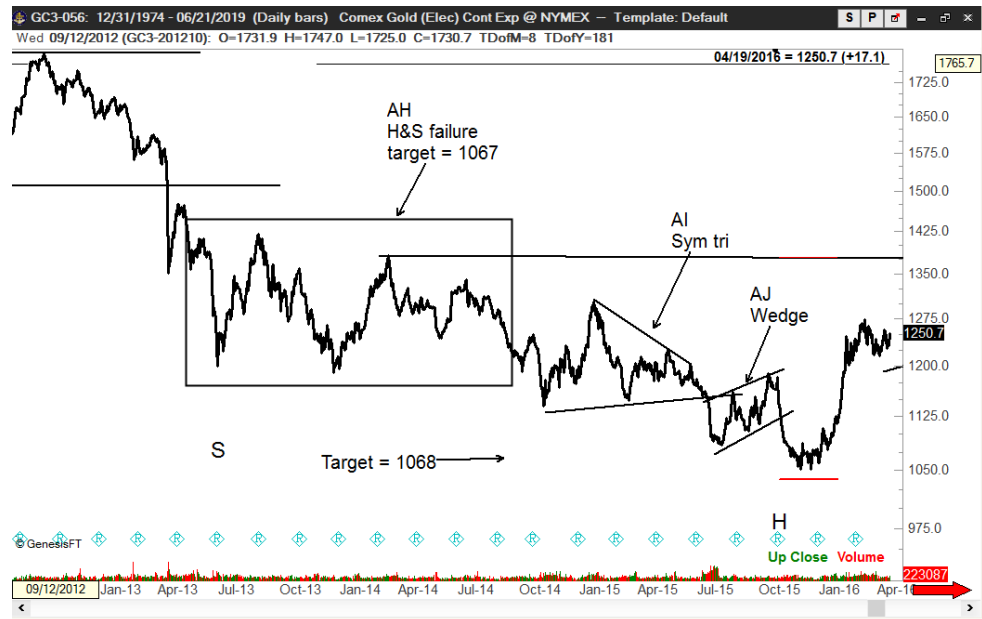
[Note: This period overlaps the previous weekly period of May 2013 through Dec 2015]

- The entire period from May/June 2013 through the August 2019 completed a massive inverted H&S bottom (labeled AN)
- The period noted as AH was a H&S failure with a target of 1068, met in Dec 2015
- The period noted as AI was a symmetrical triangle, confirming the 1068 target
- The period noted AJ was a wedge, re-confirming the 1068 target
- The rally to the Jul 2016 was concluded with a H&S top, noted as AK
- The rally from the Dec 2016 to the May 2018 formed a 3-fan principle, noted as AL
- The Aug – Dec 2018 bottom took the form of a horn or sloping pattern, noted as AM
- The rally on Jun 19 completed a massive 6+ year H&S bottom with a minimum target of 1825, noted as AN. Target was exceeded.

Daily closing price chart – Jun 2013 through Apr 2016

Key features

- AH – H&S failure (the target below 1070 was met)
- AI – symmetrical triangle. Target met.
- AJ – bearish wedge. Target met.



Daily price chart – May 2016 through Jun 2019



Key features

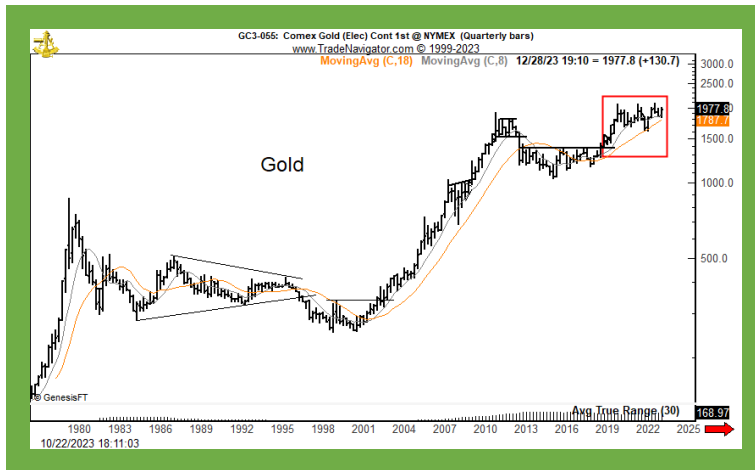
- AK – H&S top. Target met.
- AL – 3-fan principle
- AM – Horn or sloping pattern. Target met.
- AN – Massive H&S bottom. Target was exceeded.

Overall period Jun 2013 through Jun 2019

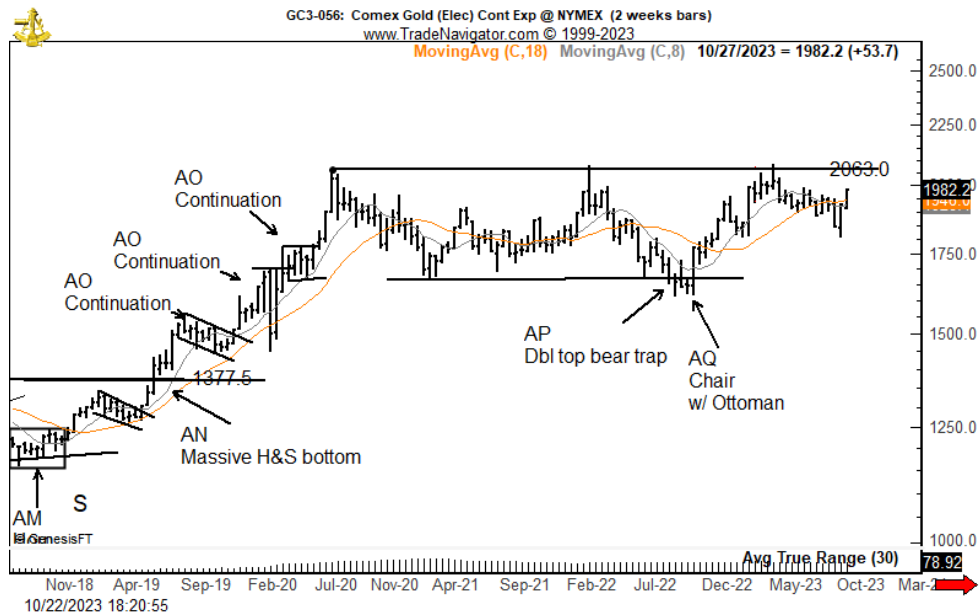


Key features

- The period from Jun 2013 through Jun 2019 formed a massive inverted H&S pattern wherein the right shoulder was an ascending triangle (labeled AN).
- The explosive advance the week ending Jun 21, 2019 will prove to be an historic landmark event in the ongoing evolution of the Gold chart. This inverted H&S bottom had a chart target of 1820 with a retest of the 2011 high at 1920 an obvious magnet. A further P&F target remains at 2637.



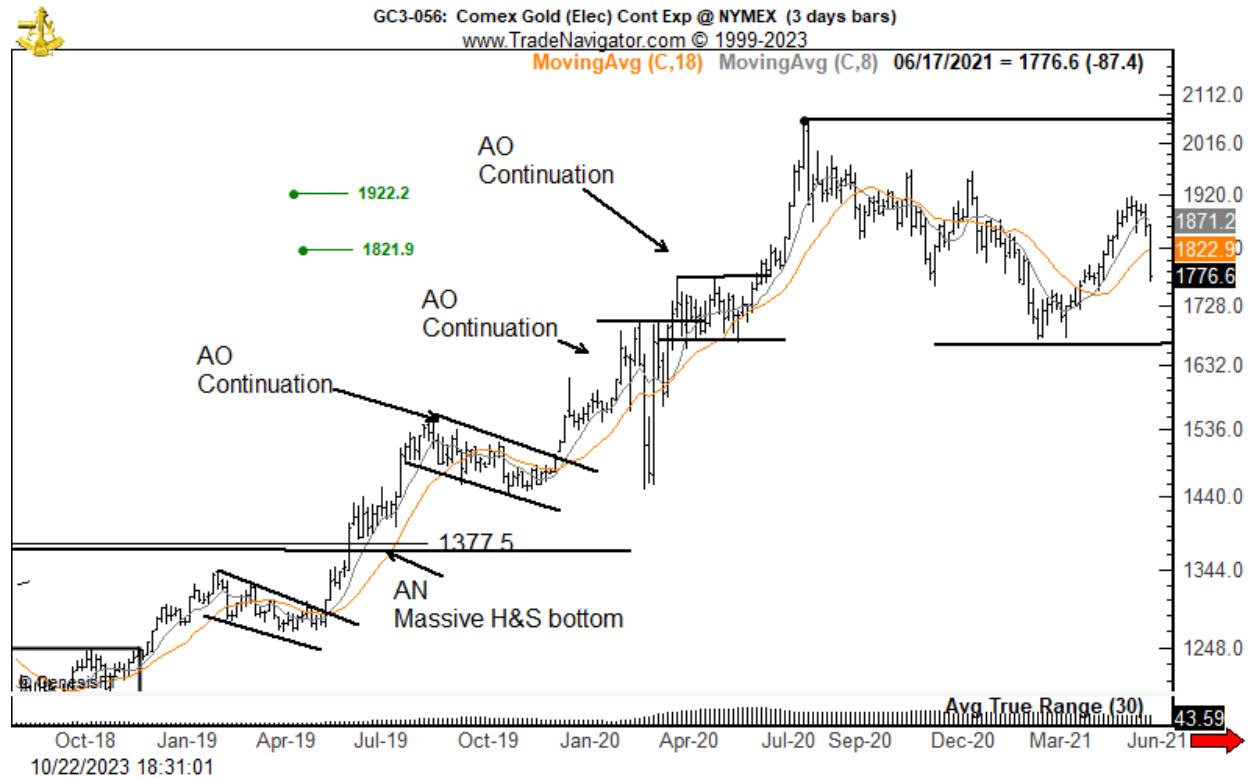
Weekly Chart – June 2019 – October 2023



Major Chart Construction

- The completion of a massive inverted H&S bottom in Jun 2019 (labeled AN) established targets of 1820 and 1920, both met in Jul/Aug 2020
- A series of continuation patterns formed on the way to the targets (AO)
- A possible double top was completed in Sep 2022 (AP)
- This double top produced a bear trap, finalized by a Chair with Ottoman bottom on the daily chart (AO)

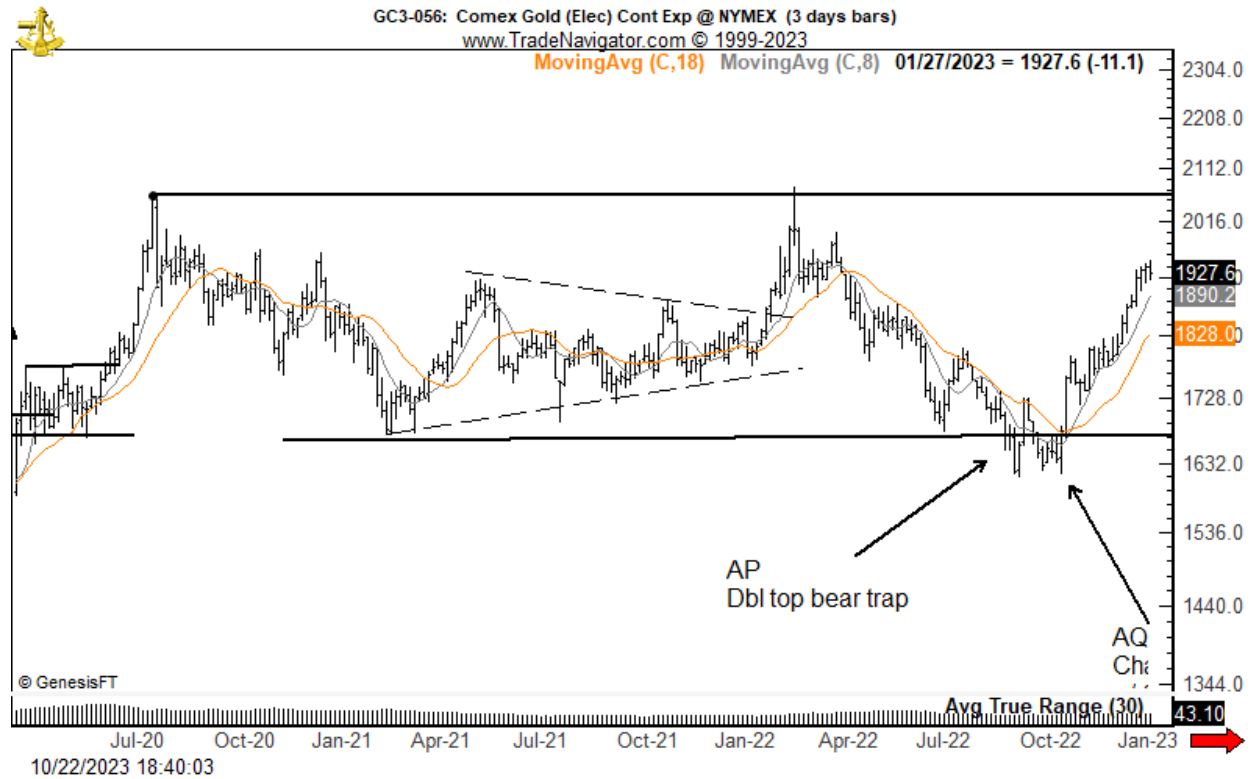
Daily price chart – Mid 2019 through Aug 2020



Key features

- Completion of massive H&S bottom (AN) in Jun 2019
- Continuation channel completed in Dec 2019 (AO)
- Continuation inverted H&S completed in Apr 2020 (AO)
- Continuation rectangle completed in Jun 2020 (AO)
- The targets of 1820 and 1920 from the massive H&S bottom and targets of the continuation patterns were subsequently met

Daily price chart – Aug 2020 through Nov 2022



Key features

- Completion of massive H&S bottom (AN) in Jun 2019
- Continuation channel completed in Dec 2019 (AO)
- Continuation inverted H&S completed in Apr 2020 (AO)
- Continuation rectangle completed in Jun 2020 (AO)
- The targets of 1820 and 1920 from the massive H&S bottom(AN on previous charts) were subsequently met

Daily price chart – Oct 2022 through Nov 2023



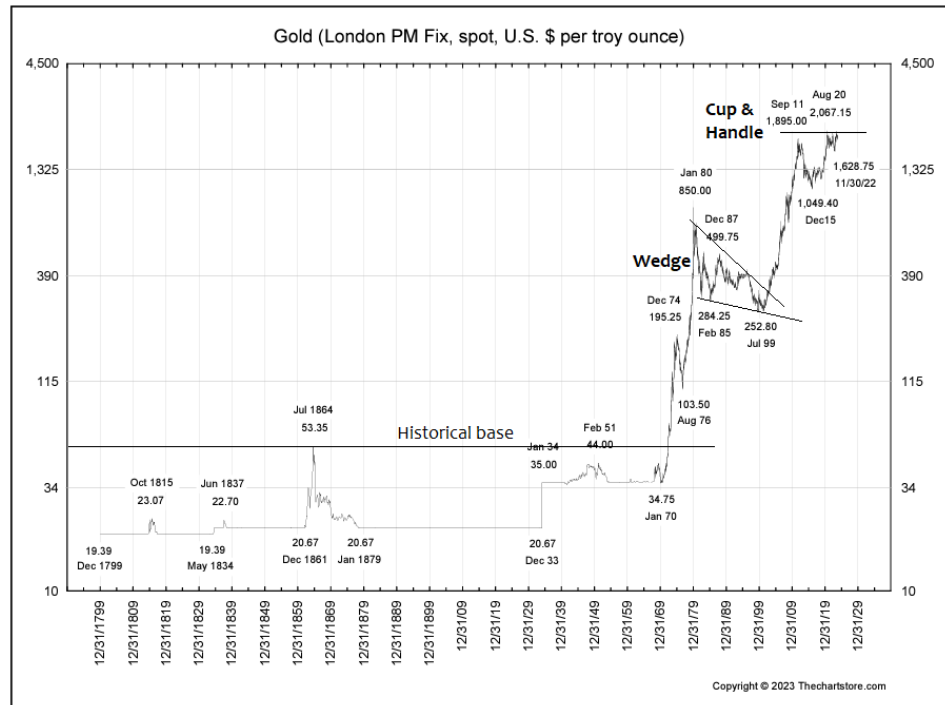
Key features

- False breakout of double top pattern, producing a bear trap, in Sep 2022 (AP)
- A rare Chair with Ottoman sprung the bear trap in early Oct 2022. Price has not been back at that level since. Target was met.

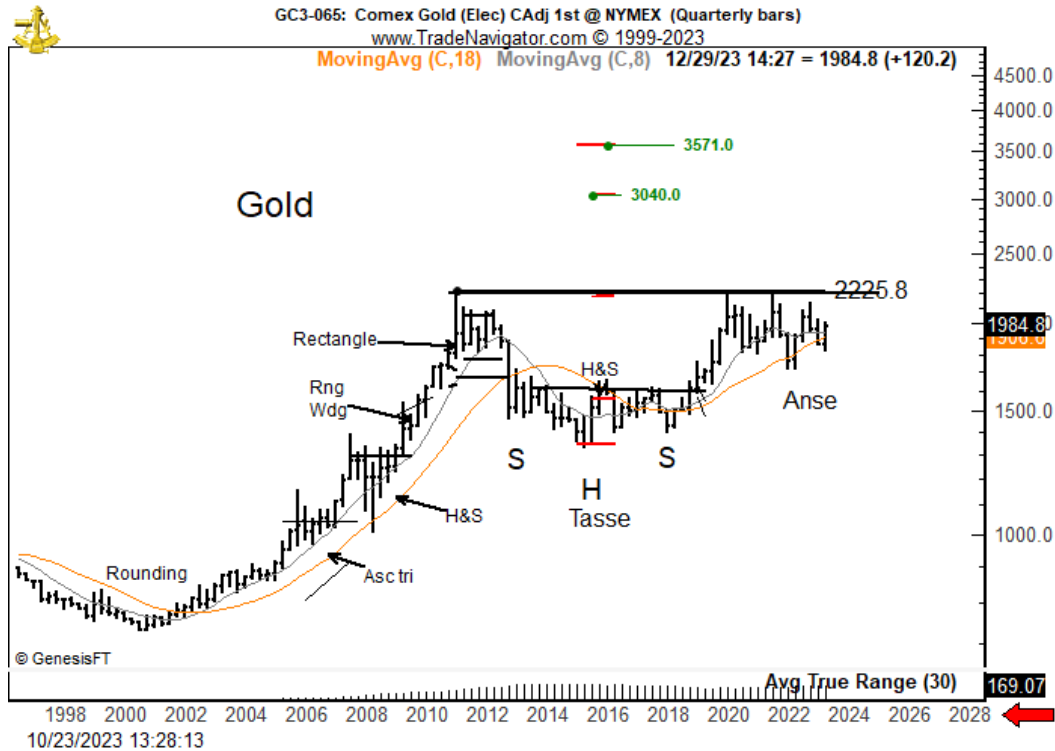
What's next? Does Gold still ring the bell?

Gold is properly viewed within a long-term context. As such, the bull market that began in 1970 has experienced two major interruptions:

- Mar 1980 to Mar 2001
- Sep 2011 to present



The period since Sep 2011 can be viewed as a massive Cup and Handle chart pattern. A decisive close above 2,300 would complete this pattern and establish targets of 3,040 and 3,570.



Peter L. Brandt
Oct 2023

One major caveat

The timing for the next major advancing phase in Gold may not yet be right. It had been my thinking in recent months that Gold would decline toward 1,700 in Q2 2024 to provide symmetry on the weekly chart, as shown by arrows. This price action would then have constructed an inverted continuation H&S pattern. This may still become the case.

The war in the Mid East has thrown a wrench into the scenario I had not expected. The result may be a much earlier breakout of the 2100 level than shown on the chart.

Yet, it remains my hope (markets really do not care about our hopes) that a wash out decline will occur in the months ahead to properly prepare Gold for a run to \$3,000 and higher.

