March 1, 2018

Technical observations of
Ross.Clark@ChartWorks.ca

Gold's Seasonal Rally Passes It's Prime Time

The gold and silver markets continue to tease traders and investors. The seasonal rally lasted forty-five days but failed to take out the highs of the last four years.

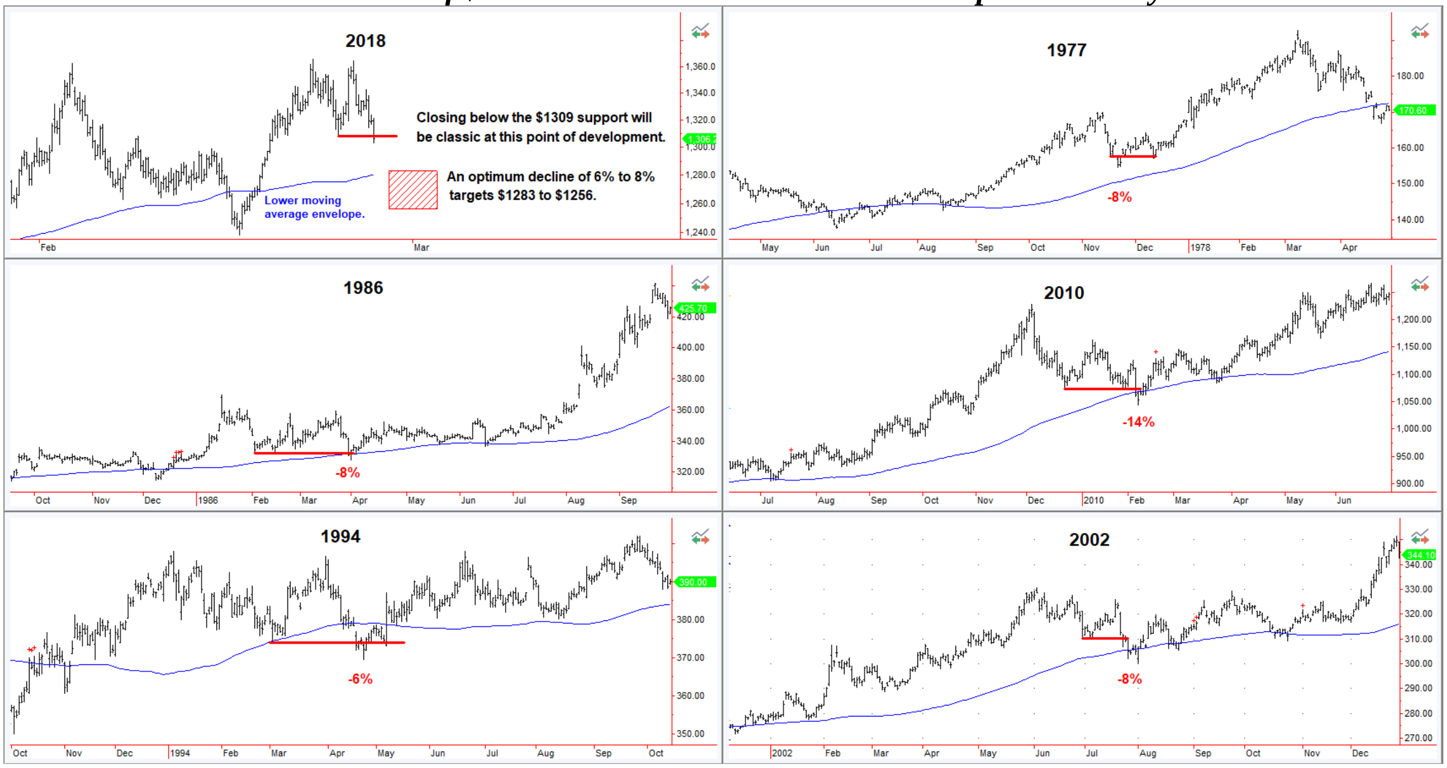
We continue to be of the view that the eight-year cycle bottomed in December 2016 (*not the premature low in December 2015*) and that prices will gain momentum on the upside in the next few years. The recent high occurred 58 weeks following the December 2016 low, matching the previous five examples.

The most recent correction into February 8th held at $1309. This 'needed' to be violated now to maintain its tight correlation at this point in the cycle. (See red lines on next page).

However, downside moves at this point in the eight-year cycle have been 8%, 8%, 6%, 8% and 14%. The anomalous 14% move was in 2010 when prices had rallied 80% from the October 2008 low.

The current decline from $1365 is less than five percent. Based upon the most common pattern, the optimum targeted range is $1283 to $1255. This would be an overlap of the moving average band. If prices close below the band (currently $1275) then the first weekly close back above it is a definitive buy.

The violation of $1309 is a classic characteristic at this point in the cycle



Opinions in this report are solely those of the author. The information herein was obtained from various sources; however, we do not guarantee its accuracy or completeness. This research report is prepared for general circulation and is circulated for general information only. It does not have regard to the specific investment objectives, financial situation, and the needs regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.

Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities or options or futures contracts. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk. Moreover, from time to time, members of the Institutional Advisors team may be long or short positions discussed in our publications.

BOB HOYE, INSTITUTIONAL ADVISORS
EMAIL bhoye.institutionaladvisors@telus.net
WEBSITE www.institutionaladvisors.com