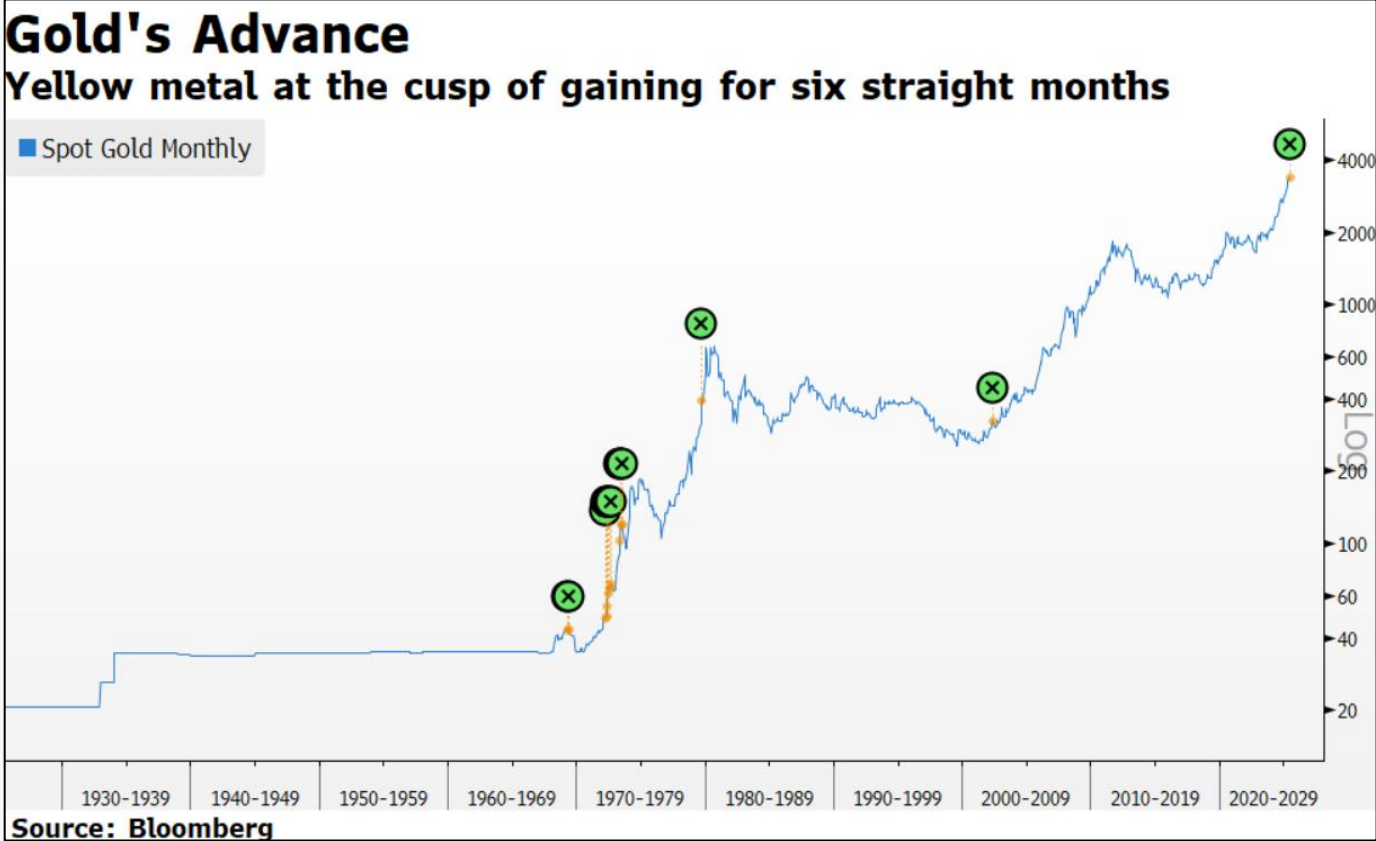




## **Flash Insights**

### **Gold: Going For Six Months Higher**

# Powering Ahead



Spot Gold prices closed at a record high of \$3432/ounce this past week, as the Israel-Iran conflict spurred investor demand for haven assets. So far, the metal is up over 3% in June, and this is where things get interesting from a long-term standpoint for believers in bullion.

At the end of last month, prices were up for five straight months, a run that was last seen in May '17. If the metal is able to end above \$3289/ounce in June, it would complete a six-month winning streak, last witnessed in May '02 or 23 years ago.

In the last 75 years, an advance of that kind has only been witnessed 13 other times. 12 months forward, prices were up ~85% of the time with an average return of nearly 50%. Two years ahead, the win-rate was similar, but the average jump was nearly 100%. The takeaway here is that the six-month winning streak has been a solid signal for long-term investors to allocate more of their wealth to Gold as the purchasing power of the dollar erodes, in turn triggering the slow but evident process of global de-dollarization.

In the short-term, prices are currently primed to reach the \$3,600 - \$3,800 zone where we would advise swing traders to book profits since we believe the dollar is close to reversing its decline. On the downside, \$3,245 is critical – anything under that, and a bigger drop below \$3,000 becomes a real risk. In summary, all eyes on \$3,289 for between now and month-end.

Long-term, the answer to the question, “should the yellow metal find more space in an investor’s wallet?” is a resounding yes.

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