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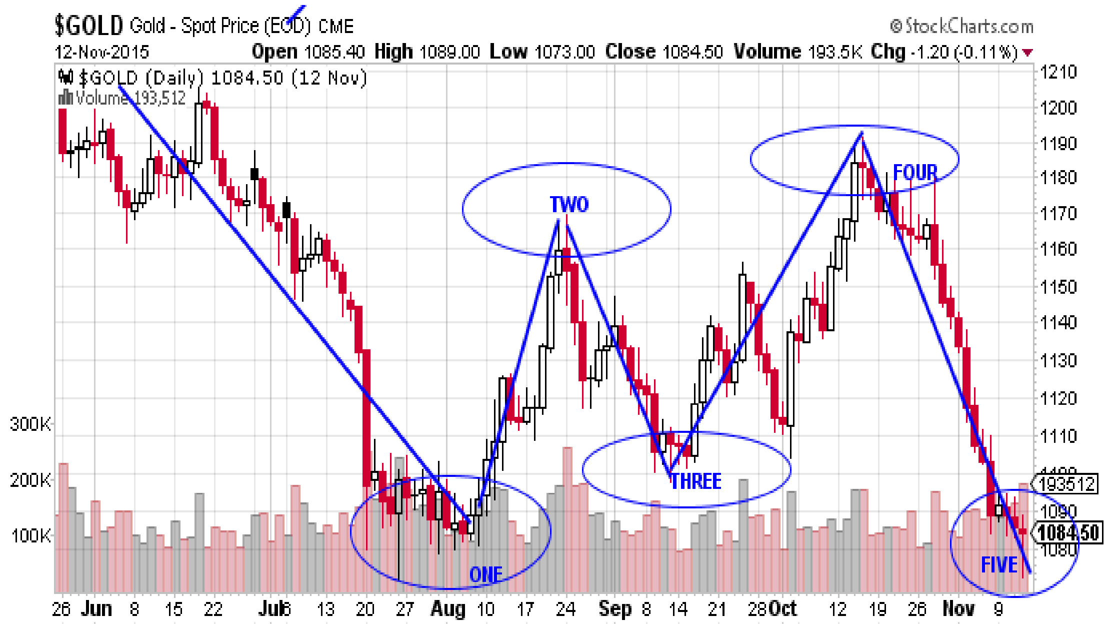
Starboard Weekly Report Ending November 13, 2015
Charts of the Week



From StockCharts.com, we have two different comparisons of gold as it is traded on the commodity market. The top chart is the daily trading or short term price picture and the bottom chart is the monthly trading or long term price picture.

TECHNICAL

Most market analysts waste a great deal of their effort on logical projections, which often proves to be fruitless. On the other hand, charts are often better at forecasting since they reflect supply demand, price sentiment, momentum and history. Point and figure charts, along with moving averages and Elliot Wave, offer a much better predictive value than 90% of the logical speculation that analyst make public. Elliot Wave analysis (depicted on today's charts) flies in the face of most analysts' opinions; however, it has a superior track record. Their discipline believes that markets repeat in up down waves over various time periods. The charts above show the daily gold activity in the top presentation and the longer term monthly is demonstrated on the bottom. The top chart is showing a five down wave completion phase that has not finalized. Until it reverses, which would likely coincide with the 50 day average crossing the 200, there could be further downside. There is very good news about gold in the long term monthly chart because the next wave up is a fifth wave and that is always the strongest of all five waves. When the fifth short-term wave down completes, then the frustration of owning gold will finally be rewarded. We will know we are there once the 50, which is now at 1135, cross the 200 at 1165. If gold can rally to the 1200 area, it should be enough to create the crossover. Until then, gold is a technical waiting game.

FUNDAMENTAL

Recently the gold market reacted to interest rate speculation and this created short term volatility driven by a FED announcement. Volatility does not project a trend but it is merely how traders react to news. The real price movement will be determined by economic effects of an actual event. If interest rates are finally raised by the FED, this could have the opposite outcome on the way gold reacts. The threat of higher rates would indicate that price control of zero interest rates is ending and when that occurs it could create a penned up reaction of accelerating rates. Price controls by governments do not work and the result of controlling interest rates could be as serious as wage price controls were in the early 1970's. The *Inflation Genie* exploded back then and there is the possibility that the interest rate equivalent could happen today. Only the *Shadow* really knows what evil lurks, but following the charts will put us well ahead of the logic driven analysts.

ASIDE

"The truth will set you free, but first it will make you miserable." "He who controls the money supply of a nation controls the nation." James A. Garfield

The first quote from our country's 20th President has him sounding like a modern day gold investor. In regard to Garfield's second quote, our current President controls the money supply via his FED appointments. And thus, he controls the nation through the markets; equities, interest rate markets and commodities like oil and gold.