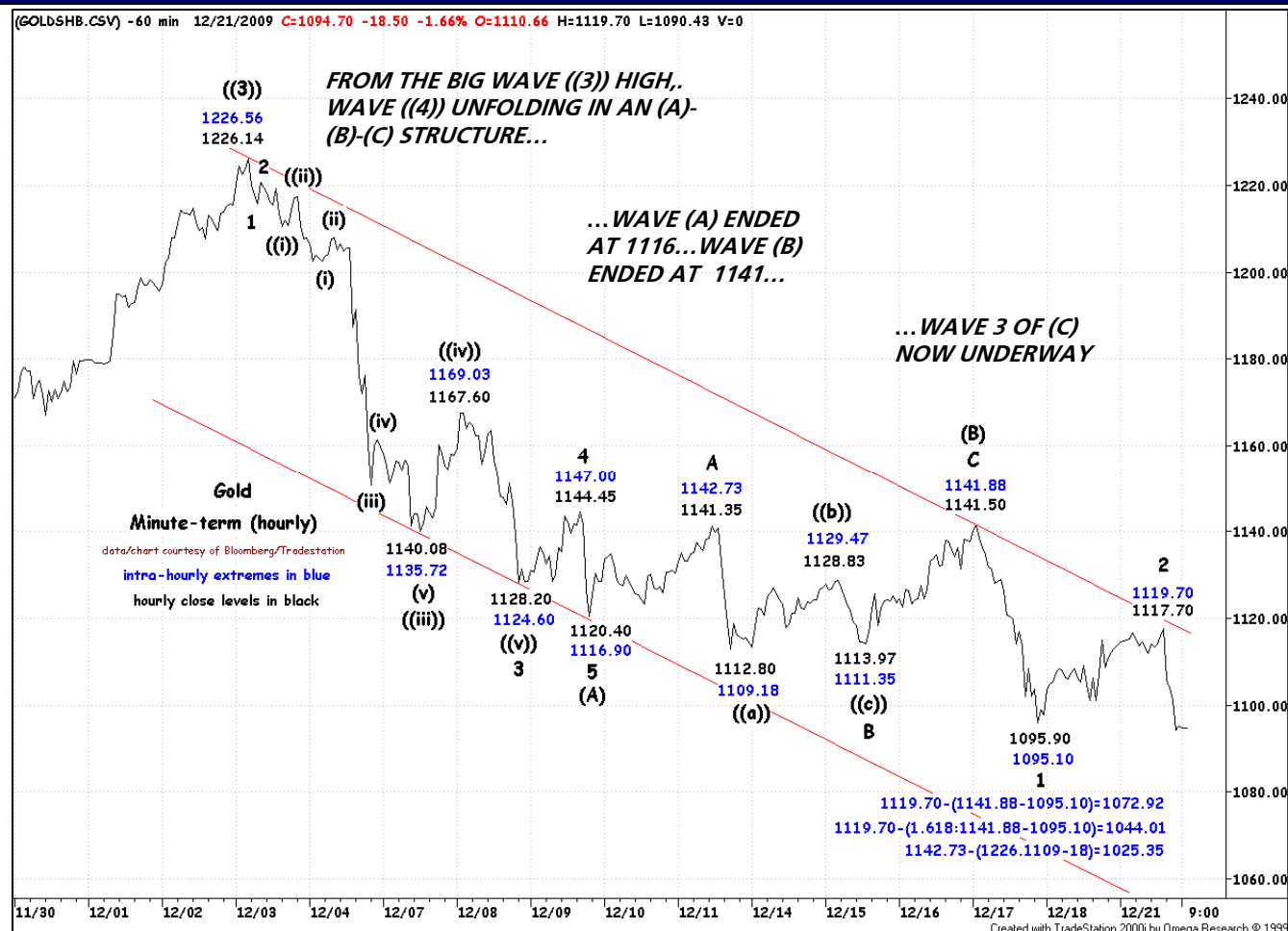


Gold Correction Hits New Low

Trend-Rhythm-Structure - December 21, 2009 - Monday



From the 864.97 April low, **Gold** rose in a very large wave ((3)) of V structure to 1226 (see daily chart on next page). Since wave V is likely a diagonal triangle, its subdivisions have had three legs, as did the 864-1226 rise. That makes the decline from 1226 a developing wave ((4)). The above hourly close chart shows its breakdown. Wave (A) dropped to 1116, whereas wave (B) recovered to 1142 before pushing to a new low at 1109, and finally terminating at its orthodox 1141 high. From there, **wave (C) is unfolding lower**, with the current drop from 1119 as its developing wave 3 subdivision. Note that third legs of C-waves are often the most powerful, so we certainly **could see downward acceleration** now that wave 3 has pushed below the 1095 wave 1 low. Looking ahead, the wave (C) decline (when measured from 1142) would equal the distance of wave (A) (when measured to 1109) at **1025**. This is pretty close to some external targets that I'll point out on the next page.

...continued on next page...

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