

a time when the price has no choice. Price will automatically move to the right of the trend line and signal the end of the trend.

When this develops, the trend collapses very quickly. The plunge in the oil in 2008 after prices reached \$140 was characteristic of this parabolic trend collapse.

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This is the risk with the gold trend. When the parabolic trend ends the gold price can move quickly towards support at \$1,000.

Generally the leverage impact with gold producers and explorers is about 3 to 1. This is an advantage when the gold price

goes up. When the price falls this leverage works in the opposite direction and causes a substantial and rapid decline in the price of gold producers and explorers. Our most recent trading DVD examines the methods applied to trading gold, gold stocks and gold derivatives.

If you would like Daryl to chart a specific stock, commodity or currency, please write to us at ChartingAsia@cnbc.com or ChartingAsia@cnbc.com. We welcome all questions, comments and requests.

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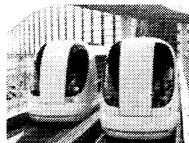
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