WHAT HAPPENED TO GOLD ON LEAP DAY?

written by GoldSwitzerland | March 1, 2012

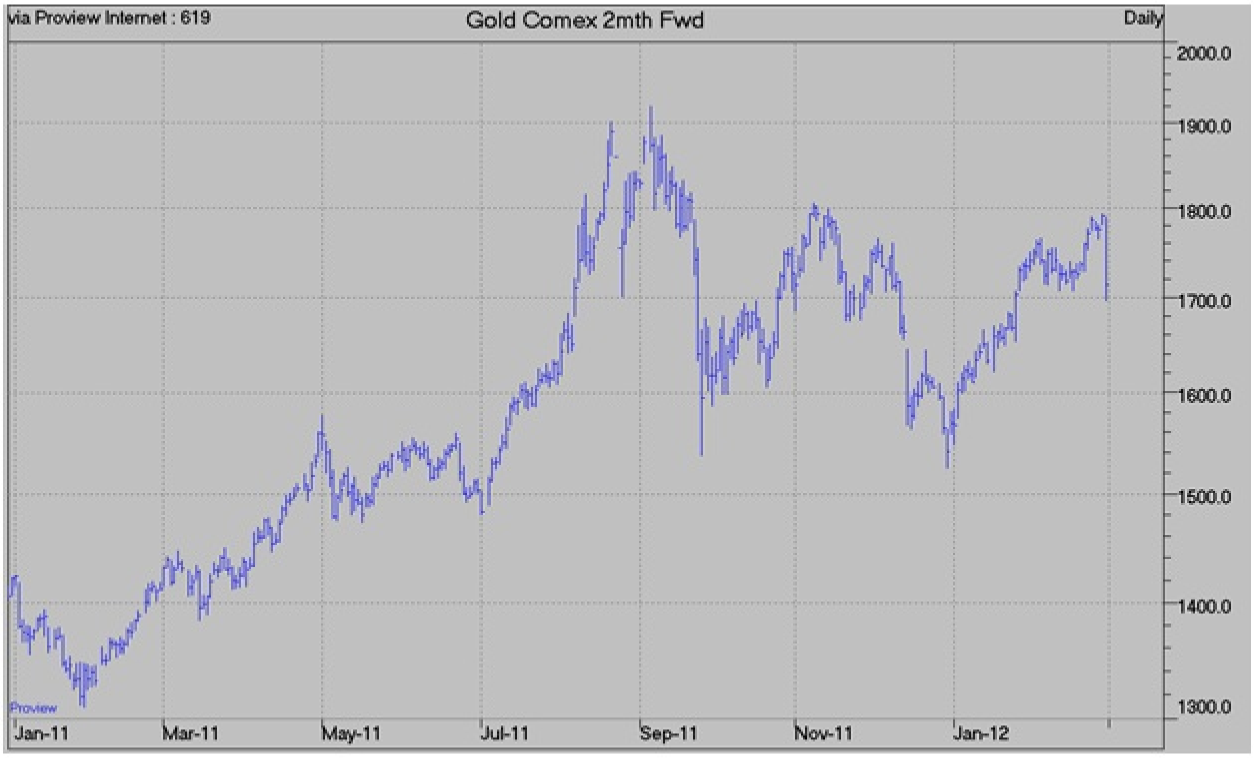
ALF FIELD says Gold correction could be over.

My good friend Alf Field came to visit me in Switzerland this week. We spent a whole day together enjoying the beautiful Zermatt having lunch in the sun at 3,000 meters, overlooking the Matterhorn. Alf has just produced the below article stating that the correction in gold could be over or that we will have one more move down to $1,685. If that is correct we are now poised to experience the faster (and even more volatile) stages of the long term uptrend which started 10 years ago.   Egon von Greyerz

What happened to Gold?

By Alf Field

What happened to gold on 29 February 2012? The precious metal dropped from $1792 to a low of $1686 in one day!



How does this shape up with our Elliott Wave expectations?

The answer is that the market is tracking well in line with expectations. Before dealing with the current move, it is an idea to go over what our expectations are. What we know so far is that Intermediate Wave III started at $1523 and that we have a target of $4,500 for the end of Wave III. We also know that Wave III will consist of five regular waves which we will label 1 2 3 4 and 5. Regular waves 2 and 4 will be the anticipated 13% downward corrections described in my speech to the Sydney Gold Symposium. Link at: Symposium.net.au/Alf_Field/

Regular wave 1 will consist of 5 minor waves which we label (i) (ii) (iii) (iv) and (v). Waves (ii) and (iv) will be downward corrective waves one degree small than the regular waves. Thus they should be about half the magnitude of the 13% of the regular sized declines, say about 6%.

Minor wave (i) should consist of five minuette waves which we can label i ii iii iv and v. Again the minuette waves ii and iv will be downward corrective waves about half the size of the minor wave corrections of 6%. Thus the minuette corrections should be approximately 3%.

The following is the analysis of minor wave (i) showing the five minuette waves:

i	1523 to 1665	+142	+9%
ii	1665 to 1620	– 45	-2.7%
iii	1620 to 1765	+145	+9%

iv	1765 to 1706	– 59	-3.3%
v	1706 to 1792	+ 86	+5%
(i)	**1523 to 1792**	**+269**	**+17.7%**

The two corrective waves are approximately 3% as expected. Waves i and iii are equal at 9% while wave v is almost exactly 61.8% of waves i and iii. This wave count is as perfect as one could wish for. Thus we can conclude that minor wave (i) was completed at $1792.

As described above, minor wave (ii) should be a correction of approximately 6%, but could range from 5% to 8%. A decline of 6% from the $1792 peak gives a target of $1685. In after hours trading yesterday gold reached $1686.

The Comex chart, however, shows a low point of $1696.

It is possible that the entire correction in minor wave (ii) occurred in one day. A rally followed by a further decline to test the $1685 area is a more likely outcome. An 8% decline would bring the $1650 area into play. If gold drops below this level we will have to consider other possibilities.

Once the bottom of minor wave (ii) is in place in a convincing fashion it will be possible to make some more accurate longer term gold price forecasts.

1 March 2012

Alf Field

Disclosure and Disclaimer Statement: The author has personal investments in gold and silver bullion, as well as in gold, silver, uranium and base metal mining shares. The author's objective in writing this article is to interest potential investors in this subject to the point where they are encouraged to conduct their own further diligent research. Neither the information nor the opinions expressed should be construed as a solicitation to buy or sell any stock, currency or commodity. Investors are recommended to obtain the advice of a qualified investment advisor before entering into any transactions. The author has neither been paid nor received any other inducement to write this article.