

# The Sid Klein Comment

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## Dow Update, Gold



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The Dow put in a 100-point reversal day today. By slightly breaking below 10,700, the VIX spiked up to a point from which it in turn reversed to the downside. Both taken together means that should another multi-hundred-point bounce ensue through these summer months, another option premium bashing event will have taken place.

This was probably the last (though less significant) tradable event, pre-crash. The next peak may be around 11,000 in the first week of August, or so. If this transpires, then the next decline may not be to 10,200, which is where I had initially placed the next support. In fact, one may more reasonably expect a 3000-point debacle.

As for gold, it has come through with SKC's huge rally within a correction. Simply, I looked for a rally off of the bottom toward \$700, before re-testing the lows. The violent swings are vindicating these timely views. How gold trades from here is uncertain in the very near term now that we have been graced by all this volatility, but the songs remain the same, as regards the intermediate and long term views are concerned. Again, silver timing follows that of gold.

Sid Klein

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