



From the Desk of Nick Nicolaas (FDNN)
Alert #65

January 12, 2010

About Gold
Does it Need a Rest #2?

and

Martin Armstrong's Economic Confidence Model
'June 13, 2011 Turnaround Date'

Dear Friends:

On December 1, 2010 in my FDNN '#64 Alert' I wrote "Does Gold Need a Rest?" and at that time I referred to my Nov 16, 2009 FDNN Alert #62 in which I had written: "The market is rallying but needs to correct and it will any day, probably very soon. We expected it to correct much sooner but it only corrected a little, it may only correct a little again (hard to predict). The coming correction will also hit the Metals and gold as well (to the \$900s perhaps) although it may hit \$1,200 or so beforehand. I am short the S&P right now but after it corrects we will probably have a Santa Clause rally going into mid December."

On November 16 the S&P was flirting with 1100 and Gold was at a record \$1,139.20. The S&P then moved sideways for a while and in mid December it started a somewhat anaemic Santa Clause rally. Gold did peak at \$1,226.40 and then retrenched as low as \$1,075 from where it then rallied again to \$1,137.40 last Friday (Interesting to note that that this Friday close (January 8, 2009) is nearly the same gold price as on November 16, 2009), in other words "sideways".

Today, the Market Vectors Gold Miners (GDX) Metals Shares Index is indecisive and we still feel that we still may see a correction. **In the words of our Swiss**

(actually Irish) friend Ian Woods:

"I think that gold bullion is going to surprise a few folk who ARE stubborn bulls by going lower...yes it SHOULD recover and head much higher thereafter; so higher in 2010 is doable, but the next three months might see a different picture...

Could retrace here to just above 1200, but then ??? We think it goes back to 1000 and possibly lower.

Gold stocks moving higher at the moment anticipating the higher price LATER in the year...(remember the none month rule of thumb...the bullion and stocks are different animals)

See Aurizon and Kinross as going higher so ALSO Novagold..

One thing is for sure...we are probably going to experience lots of turbulence and volatility, so fasten the seat belts may be good advice, and buy on weakness.

Actually bulls should be happy to add to positions in the dip. Everyone loves to go to the sales...so the stockmarket appears to want to schedule a sale, so one should take advantage of the bargains!"

END

Rolf Nef, a friend from Kilchberg in Switzerland (www.tellgold.li) has done an excellent analysis titled "**(When) Is the Gold Bull Market Really Finished?**" which you can access [here](#)

As you all know FDNN has been trying to analyze what the next Martin Armstrong's 'Economic Confidence Model' Turnaround Date which is June 13, 2011 will bring. Rolf Nef may have the answer in his analysis when he says that the dollarbottom/gold-silver top may very well be **June 13, 2011**.

It is my view that he may be correct about the "dollarbottom/gold-silver top" but I also believe that it probably will be an INTERIM dollarbottom/gold-silver top for a couple of years and then up again.

Of course, there is no certainty as to what may happen and as the June 13, 2011 Date comes nearer FDNN may yet stand and to be corrected. **In any event, June 13, 2011 certainly is a very good date to focus on and collectively we will try and figure out what that Date may bring!**

I will say this again, **when/if gold and the metals do retract (perhaps violently), it may only be short lived however, that will present another tremendous buying opportunity** especially when all the talking heads and news paper articles start saying **"it's all over for gold and the metals"**. Yes, gold, silver, platinum and all of the metals then be a "screaming buying opportunity".

In any event, "for the long-term you've got to be in the Hard Assets - - - to protect your wealth!!

If the markets do correct then use your cash reserve and - - - buy with a vengeance!

As always - - **Stay Tuned!!**

Regards,

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