

[Print this Article](#)

[\[Close Window\]](#)

GOLD, SILVER & PM STOCKS DOWNSIDE TARGETS & CORRECTION TIMEFRAME...

originally published March 24th, 2016

We saw the first serious break lower yesterday by the Precious Metals sector to kick off the correction that we have been expecting for some time. Also, as expected, the dollar started to recover. Copper and oil fell too, as predicted in updates at the weekend.

With the correction now starting it is obviously important that we have some idea where and when it is likely to end, so that we don't liquidate bearish positions prematurely, have an idea where and when to take profits in advance, and also an idea when to wade in and scoop up bargains across the sector in ahead of the next upleg.

Following yesterday's sharp drop across the sector the key point to make clear is that a steep uptrend lasting for two months is not going to be corrected by a one-day drop – it will take much more than that. This correction is expected to continue for several weeks more, until about mid-April, and should result in...

Gold reacting back to the \$1100 - \$1130 area...

Gold should hit bottom in the \$1100 - \$1130 area by mid-April, and then turn up again.



Silver reacting back to the \$13.60 - \$14.00 area...

The heavy drop in silver yesterday, which is weaker than gold, implies that it will react back further than the support level in the \$14.60 area shown, and probably continue down towards the December - January lows where there is plenty of support, with a low expected in the mid-April timeframe.



GDX reacting back to the \$15 - \$15.50 area...

GDJ should hit bottom in the \$15 - \$15.50 area by mid-April, and then turn up again.



And DUST advancing back to the \$9 - \$9.30 area...

DUST should peak in the \$9.00 - \$9.30 area by mid-April, at resistance at the gap shown, and then turn down again.



Highly leveraged gold stock bull ETF, NUGT, which is the opposite to DUST, should of course crater, and ideally we will be looking to reverse into it at an opportune time, which be also be mid-April.

The oil bear ETF, DRIP, which we ventured to buy on Monday, is already looking good – it rose 14% yesterday and should continue higher. We will look at where copper and oil might bottom later.

End of update.

Posted at 8.00 am EDT on 24th March 16.