



# MMTA Course One – Cycles and Chart Patterns in Financial Markets



# Putting It All Together: Long-term Gold Market Cycles

## Module Lesson Eighteen



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# Gold Market

- Long-term Cycles
- Chart patterns & technical analysis to help identify long-term cycles
- Primary cycle and its phases
- Chart patterns & technical studies to help identify primary cycle in Gold

# Two Methods For Determining Long-Term Cycle Lengths

## 1. Multiplication Method

Used to identify possible long-term cycles when there is less than 50 years of data

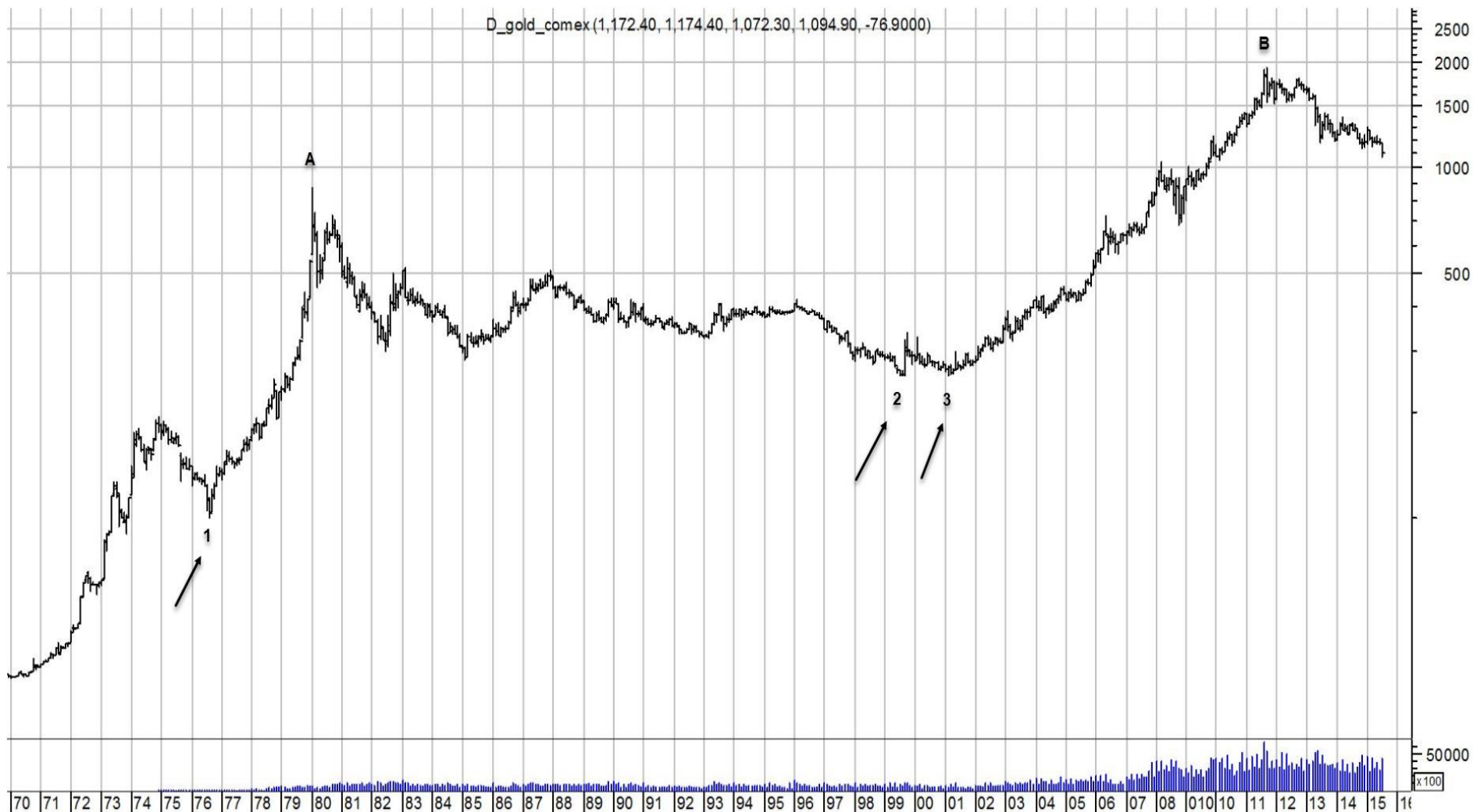
## 2. Division Method

More reliable when there is more than 50-years of data. The more the better

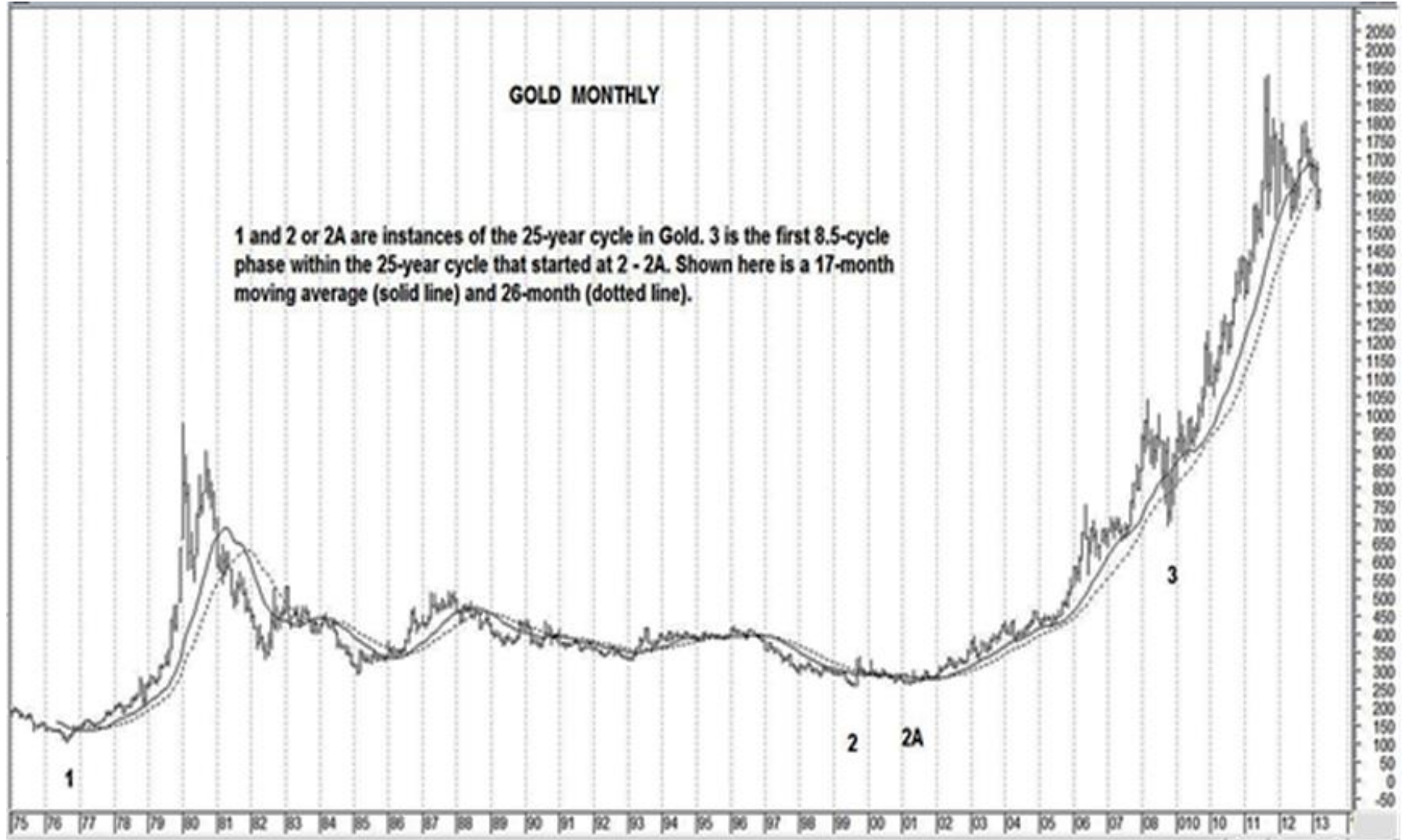
# Longer-Term Gold Cycles

- Studies limited by fact there isn't enough historical data
- Historical data involving price fluctuations is insufficient
- Gold had a fixed price until 1971 when the Gold Standard was eliminated

Identify 2 or 3 possible long-term cycle lows.  
What is the distance between two possible long-term lows?



The longest cycle is from the low in 1976 (99.00) to the double bottom lows of 1999-2001 (about 250.00). The two highs shown here are 1980, 2011, and 2020 (so far).



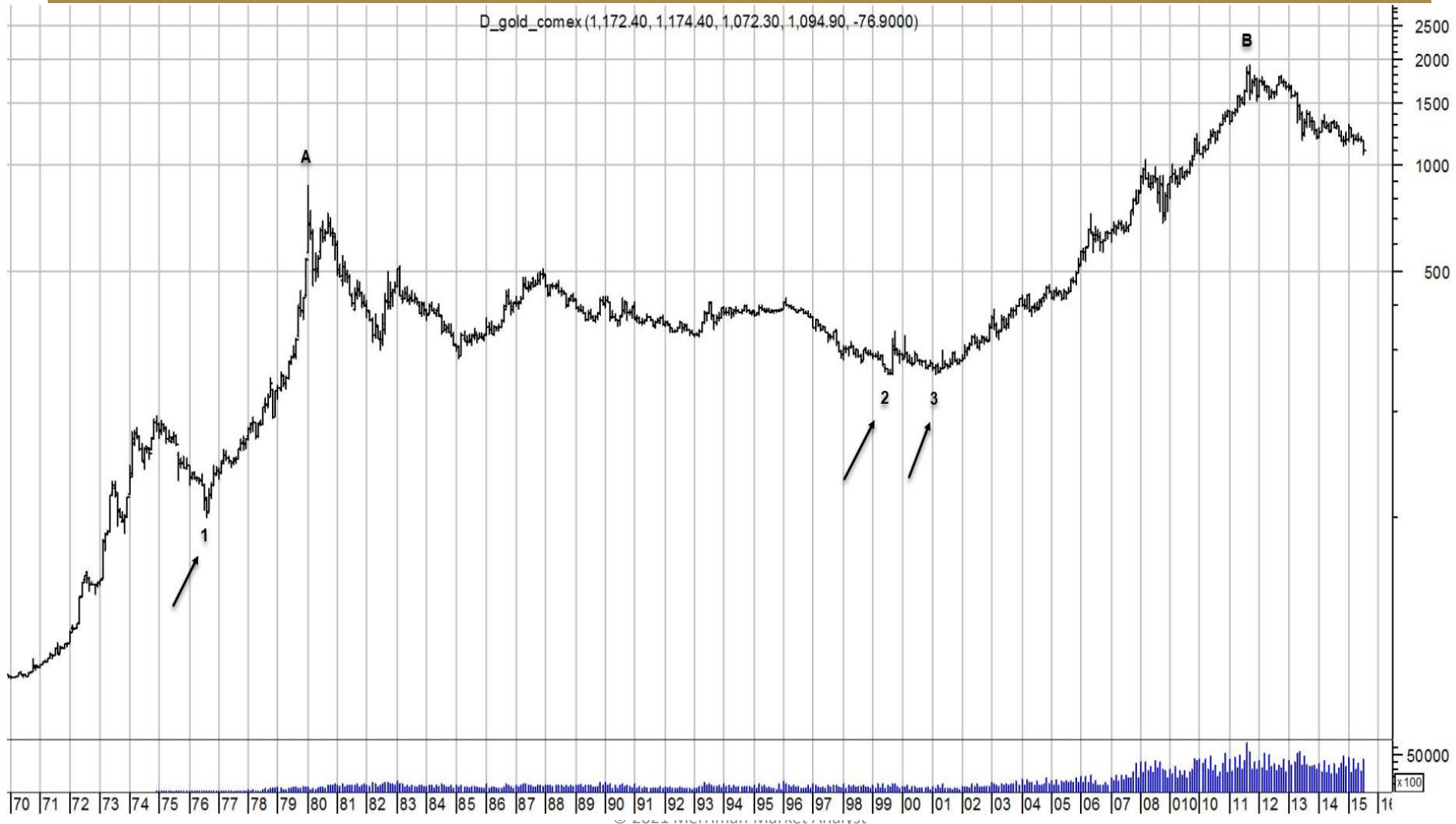


# The 23.5-Year Gold Cycle

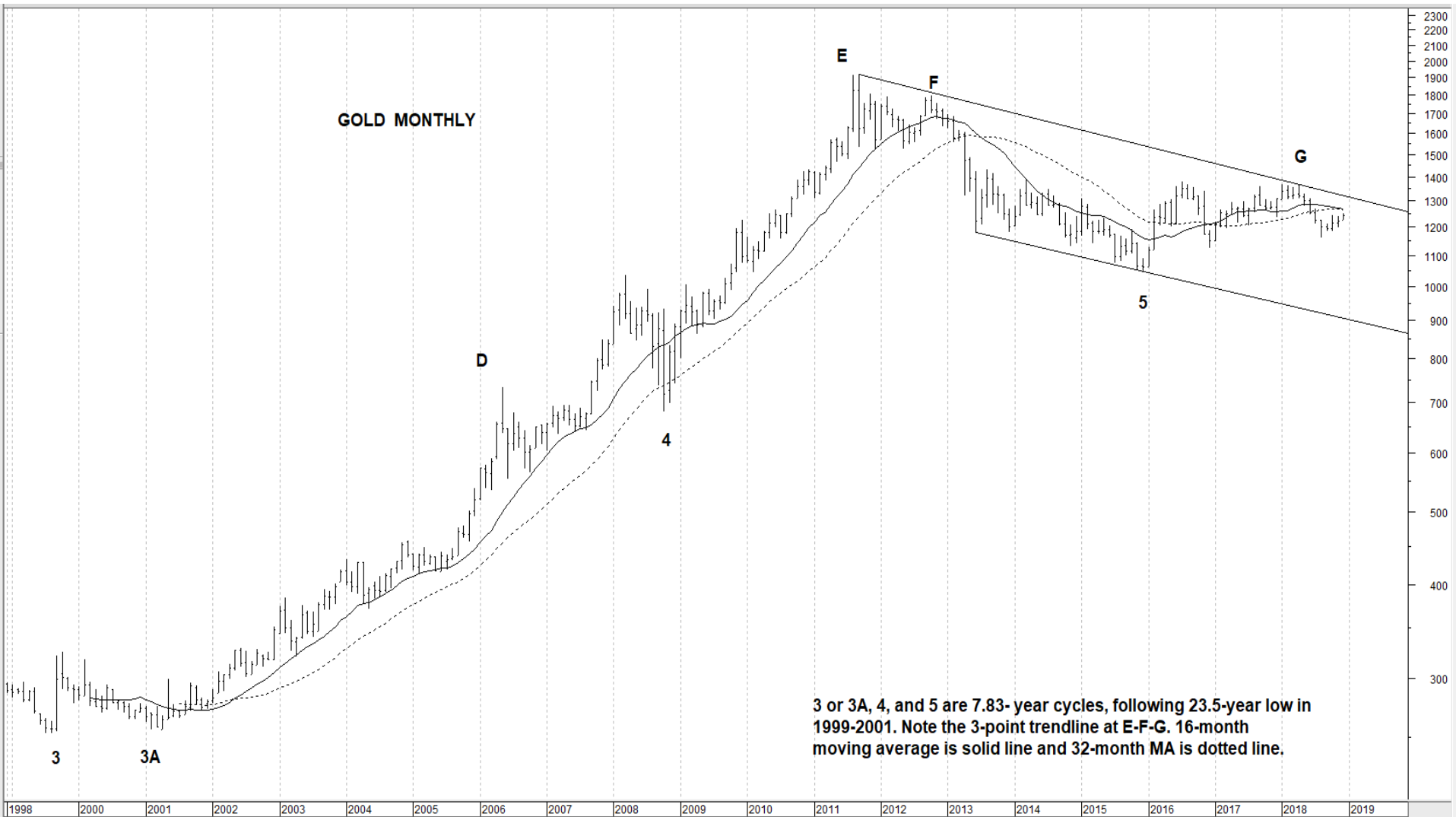
- We will derive a 23.5-year cycle low via the multiplication method

# Possible 23.5-year cycle bottomed in 1976, 1999, or 2001 (1 & 2-2A).

In a 2-phase pattern, sub cycle phase = 11.75 years +/- 2 years.  
Was there a prominent low in 1986-1990? No.



But there was in 1985 and 1993.



# The 7.83-Year Gold Cycle

- August 1976                      ♃☐♁ July 1976-April 1977
- February 1985 - 102 months    ♃☐♁ Feb 27, 1985
- March 1993 -            97 months    ♁♁♁ Feb -Oct 1985; ♃☐♁ March 1993-Jan 1994
- April 2001 -            97 months    ♃♁♁ August 2001-May 2002
- October 2008 -        90 months    ♃♁♁ Oct 2008-July 2010
- December 2015 - 86 months    ♃☐♁ Nov 2015-Sep 2016; ♁☐♁ Jun 2012-Mar 2015
  
- Range is 86-102 months.
  
- The mean is 94 months, with an orb of 6 months. We will use this as our cycle then, or 7.83-year cycle, +/- 6 months.

# The 7.83-Year Gold Cycle

- Multiplication Method:  $7.83 \times 3 = 23.5$ -year longer-term cycle.
- Measured from last cycle in December 2015, next one is due October 2023 +/- 6 months. It will be the third phase within the greater 23.5-year cycle.

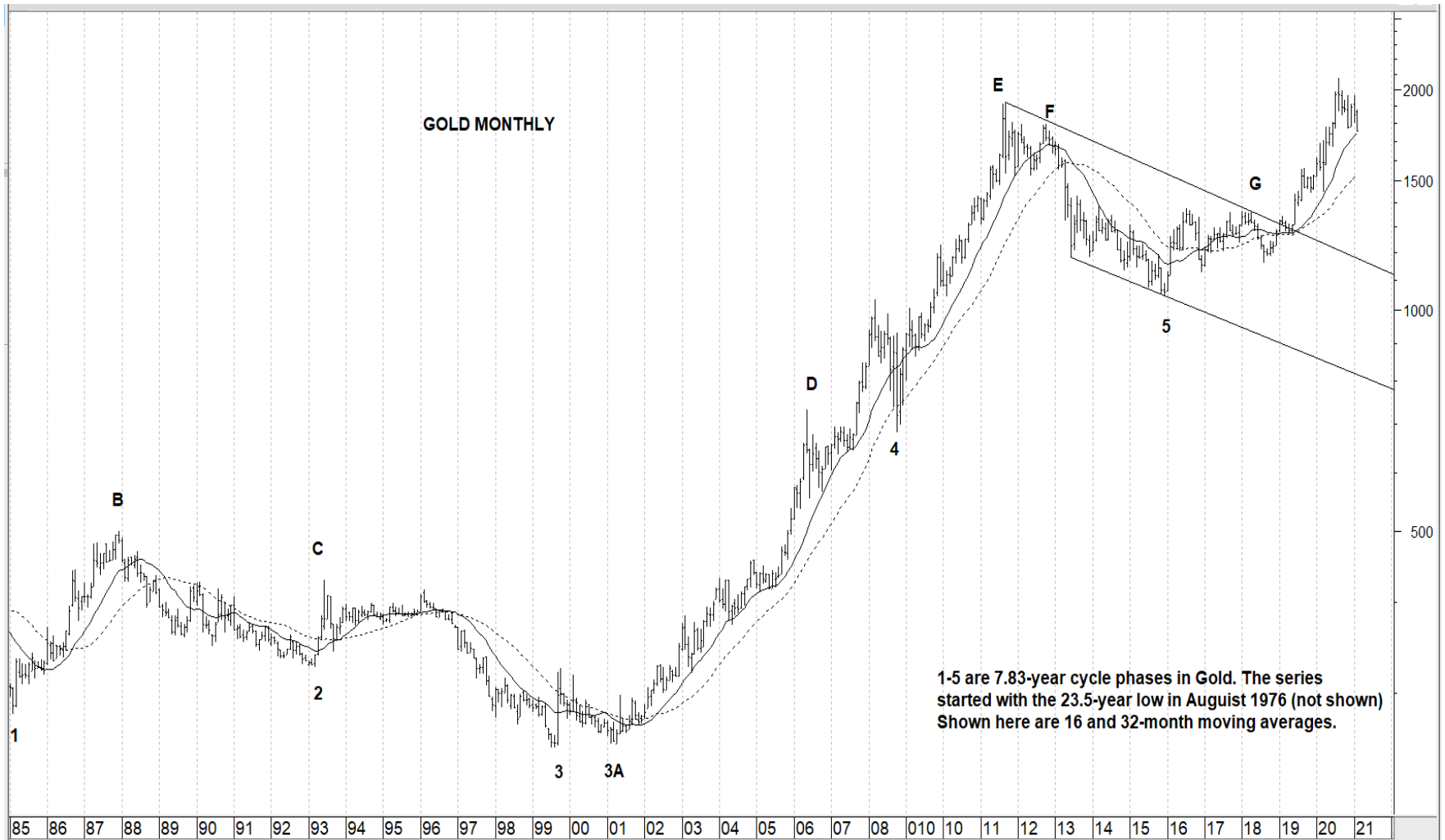
# The 7.83-Year Gold Cycle

- Gold is now in its third phase.

What do we know about third phases?

- May be very explosive, new all-time highs
- May challenge and slightly take out the high of the second phase
- May be bearish, with rally only a correction of move down from high of second phase to low at end of 2<sup>nd</sup> phase
- The final low can test the low of the second phase if it challenges or exceeds crest of second phase

# Gold Monthly Since 1985



Note the convergence of 16- and 32-month moving averages at 1265-1270

# The 7.83-Year Gold Cycle

- The 7.83-year cycle has:
  - Range of 86-102 months
  - Orb of only 8 months
- If we add:
  - 86-102 months after the October 2008 bottom
- It would be:
  - December 2015-April 2017
- Low occurred in December 2015, next is due February 2023-June 2024



# The 31.33-Month Gold Cycle

# The 31.33-Month Gold Cycle

- 7.83-year cycle
  - Three-phase pattern or combination pattern
  - Sub-cycles at 31.33-month interval +/- 6 months
- Normal range: 25-38 months
- Historical range has been 24-38 months, or mean of 31 months +/- 7 months

# Instances of 31.33-Month Cycle

- April 2001
- May 2004 – 37 months
- June 2006 – 26 months
- October 2008 – 28 months
- December 2011 – 38 months
- December 2013 – 24 months
- December 2015 – 24 months
- August 2018 – 32 months

# The 16-17 Month Cycles

- 4-year and 31.33-month cycles can both be sub-divided into 16-month cycles
- For this reason: The 16-month cycle is an important long-term cycle to study, but is more often a 17-month cycle

# The 31.33-Month Gold Cycle

- Comprised of:
  - Two 17-month half-cycles (range 14-20 months)
  - Three 50-week (11.33-month) sub-cycle phases (usually in range of 9-14 months; Aug 2018 was contracted 8 months)
- 4-year cycle can be comprised of two 2-year cycles or three 16-month cycles
- 31.33-month cycle can be comprised of two 16-month cycles
- 16-month cycle has been more of a 17-month cycle

# The 11.33-Month Gold Cycle

- 31.33-month cycle breaks down into:
  - Three 11.33-month (50-weeks)
  - Range: 9-14 months (last was 8 months in August 2018 due to longer-term cycle low too)
- Often the last 50-week cycle in the 31.33-month cycle will distort

# The 11.33-Month Gold Cycle

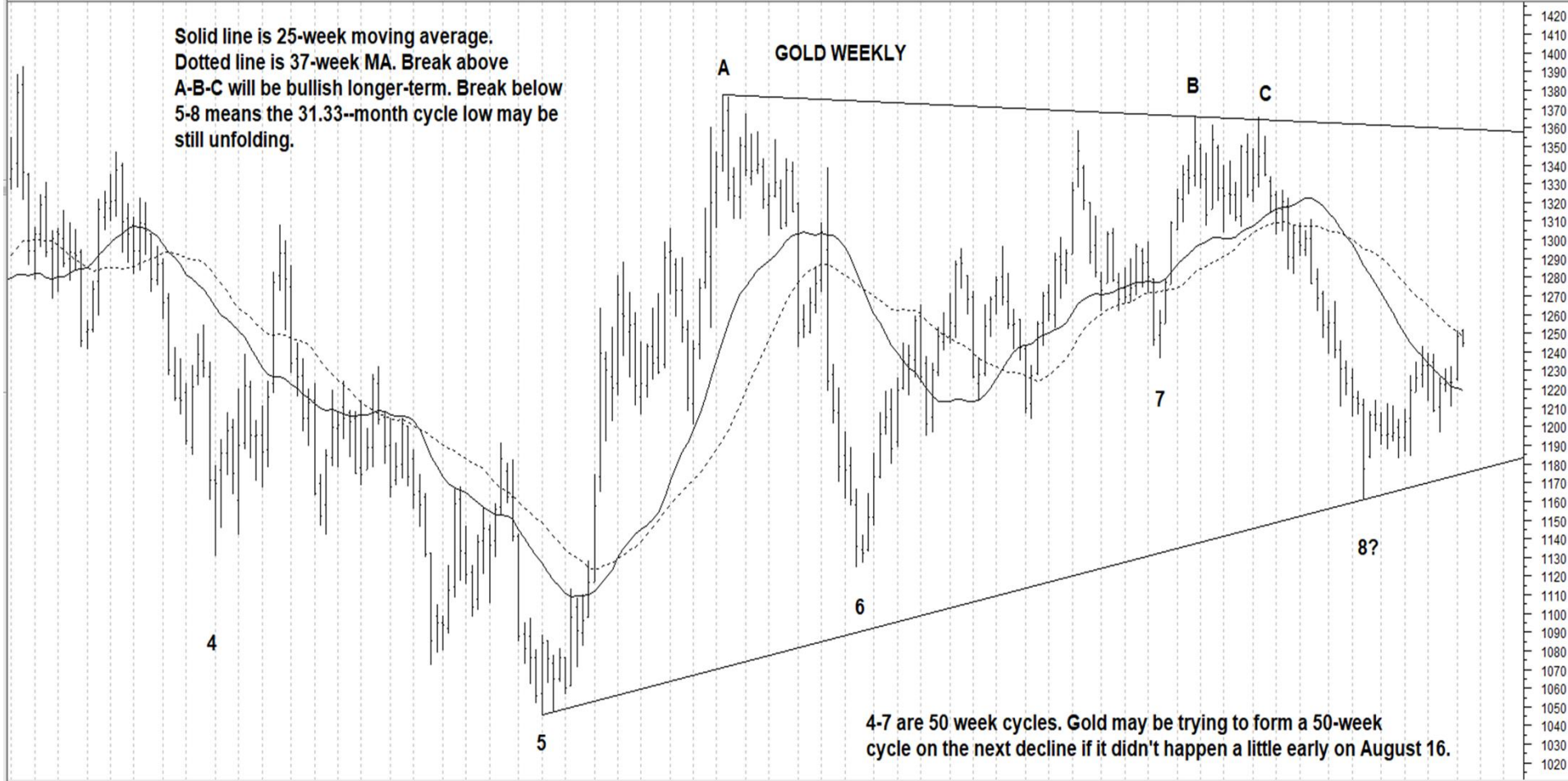
- 50-week

Some recent examples include:

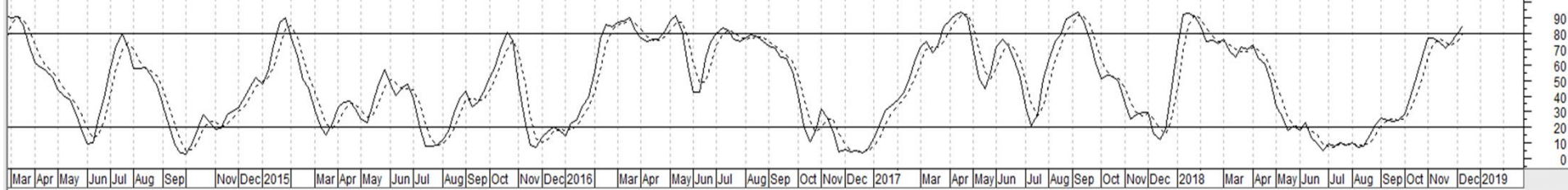
- December 31, 2013
- November 7, 2014
- December 3, 2015\* (this was 7.83-year low)
- December 15, 2016
- December 12, 2017
- August 16, 2018
- November 12, 2019 (March 16, 2020; reset of many markets)
- November 30, 2020 (may be forming now)

Solid line is 25-week moving average.  
 Dotted line is 37-week MA. Break above  
 A-B-C will be bullish longer-term. Break below  
 5-8 means the 31.33--month cycle low may be  
 still unfolding.

**GOLD WEEKLY**



4-7 are 50 week cycles. Gold may be trying to form a 50-week  
 cycle on the next decline if it didn't happen a little early on August 16.

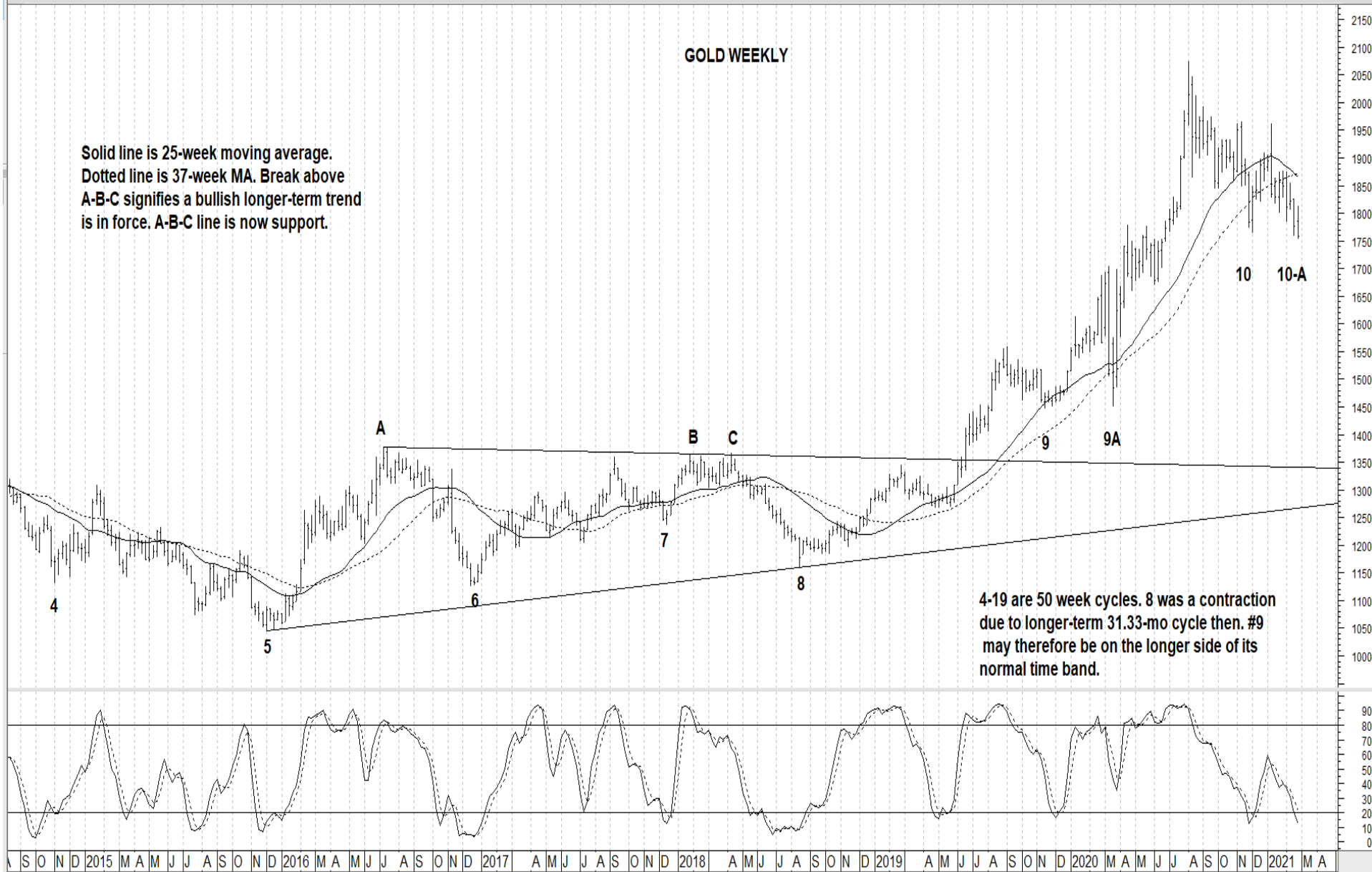


50-week cycles as of January 2019



# GOLD WEEKLY

Solid line is 25-week moving average.  
 Dotted line is 37-week MA. Break above  
 A-B-C signifies a bullish longer-term trend  
 is in force. A-B-C line is now support.



4-19 are 50 week cycles. 8 was a contraction  
 due to longer-term 31.33-mo cycle then. #9  
 may therefore be on the longer side of its  
 normal time band.

50-week cycles as of March 1, 2021

# The 50-week Gold Cycle

- Within this 50-week cycle are usually three 18-week primary cycles
- However, if the 50-week cycle is on the short side, there may only be two primary cycle phases
- Sometimes, but rarely, there are 4 primary cycles within the 50-week cycle

# QUIZ #18

## Gold Market Long-Term Cycles

# QUIZ #18

1. What is the longest cycle we use (so far) in Gold?
2. What type of pattern does this cycle tend to break down into? What are the mean lengths of these phases?
3. What are the probable longer-term and intermediate-term cycles in Gold and when did the current labeling of each begin?
4. Measured from the low of December 2015, when are the next longer-term cycles due?

# End of Module Lesson

Break