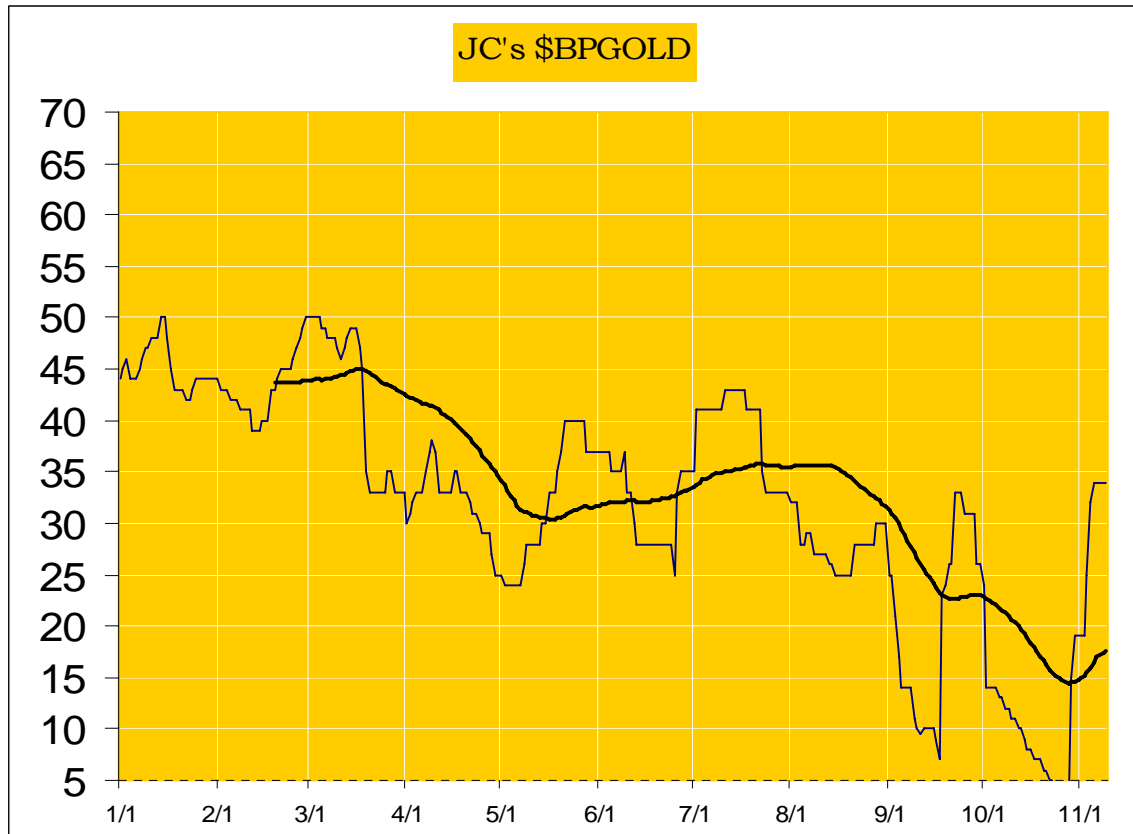


JACK CHAN'S SIMPLY PROFITS

Gold update 11/08/2008



BPGOLD – cycle is up.

Signals and set ups



Gold sector is on a monthly sell signal.

Gold sector is in a major correction.

Note: this is the first time in eight years since the bull market began that \$HUI has traded below the monthly 50ema support. Therefore, either this is a full correction to correct the entire advance since 2000, or we have entered a bear market. Caution is advised.

Investors

In a bull market, investors should focus on the buy signals and set ups occurring near the EMAs on the daily charts, to buy or accumulate any of the ETFs.

In a bear market or during a major correction, investors should focus on the sell signals and set ups occurring near the EMAs on the daily charts, to buy or accumulate any of the “inversed” ETFs.

Traders

Aggressive traders simply buy and sell upon bullish or bearish buy/sell signals on the daily charts.

Conservative traders may want to wait until there are set ups, when stops and allocations are provided.



GLD – TLBSS.

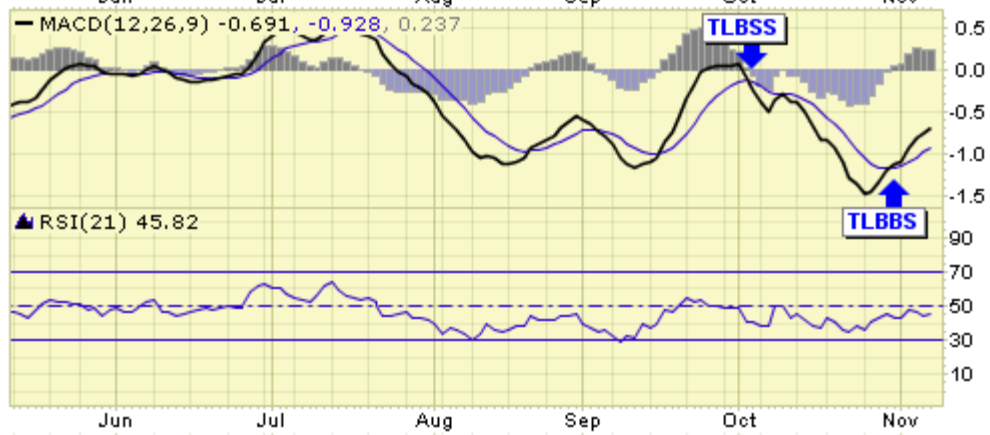
A triangle has formed at the low, which indicates a consolidation and has a tendency to break in direction of the current trend, which is down. More later...



SLV – TLBBS this week but no set up.

XGD.TO (iShares CDN S&P/TSX Global Gold Index Fund) TSE © StockCharts.com

7-Nov-2008 Op 12.37 Hi 12.70 Lo 12.07 Cl 12.50 Vol 703.0K Chg +0.47 (+3.91%) ▲



XGD.TO – on TLBBS.

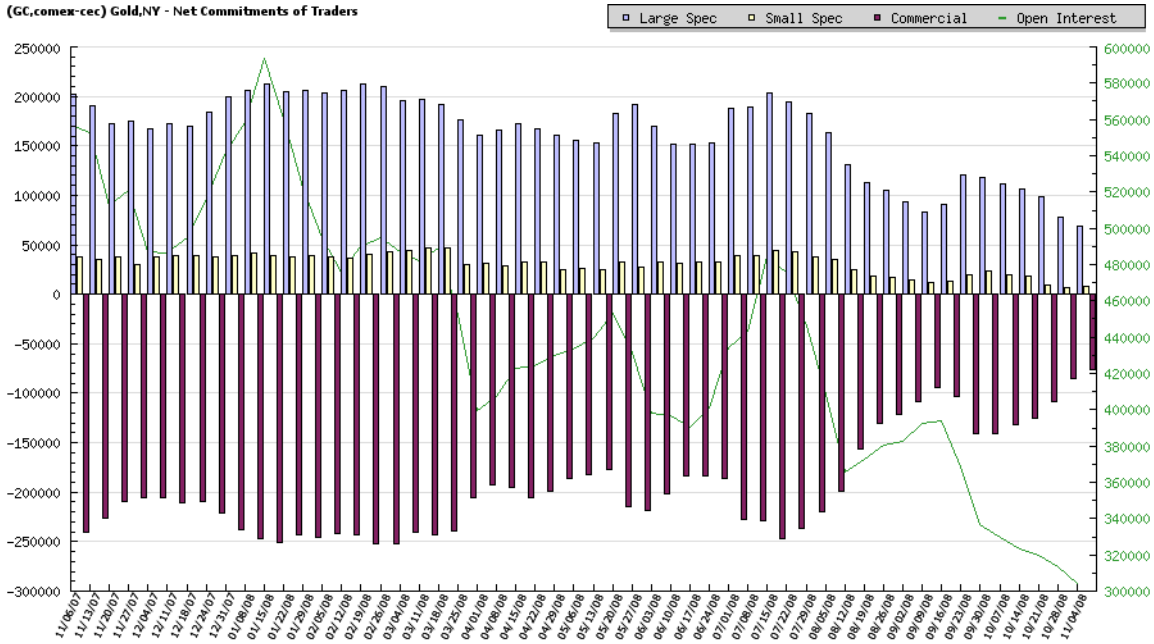
Bought at 13.15 with stop at 11.59, risk was 12% and therefore, allocation was zero.



GDX – TLBBS but no set up.

Analysis

(GC,comex-cec) Gold,NY - Net Commitments of Traders



	--- Large Speculators ---			----- Commercial -----			-- Small Speculators --			Open		
	#	Long	Short	Bullish	#	Long	Short	Bullish	Long	Short	Bullish	Interest
10/07/08	212	137,672	26,059	84%	83	90,270	221,577	29%	42,528	22,834	65%	329,480
10/14/08	205	131,093	24,268	84%	89	90,552	216,295	30%	44,314	25,396	64%	323,496
10/21/08	209	125,951	26,749	82%	87	98,664	207,457	32%	37,180	27,589	57%	319,472
10/28/08	215	117,638	39,323	75%	81	108,336	193,412	36%	31,418	24,657	56%	313,709
11/04/08	228	118,166	49,971	70%	85	102,401	178,807	36%	32,149	23,938	57%	303,908

charts compiled by software North LLC

Both CNS and OI continue to fall.....



OI is now at levels of previous bottoms.



Commercial net short is now below levels of previous bottoms.



Folks, we have a mirror image in progress with GLD and USD.

A triangle is a consolidation pattern which tends to break in the direction of the current trend. Also, a triangle consolidation tends to precede the final movement of the current trend and often a reversal occurs soon after a new low/high is achieved.

What does this all mean?

It means that GLD will likely breakdown to a new low and an upside reversal will occur soon after.

USD will likely breakout to a new high and a downside reversal will occur soon after.

Summary

COT data is very supportive that we are at or very near a bottom of importance.

Price action in GLD and USD clearly suggests a sharp spike down/up may soon to occur respectively. If and when that happens, I'll be alert to watch for a reversal, and if that reversal is accompanied by a divergence with gold stocks (\$HUI making a higher low while GLD making a lower low), a bottom of importance may have been reached and we

will look to buy the gold sector ETFs aggressively. Technically speaking, this is the most encouraging development since the collapse of the gold sector. BUT, as long as the configs are bearish, any positions are nothing more than a counter trend trade. We'll take a step at a time. Risks management is still top priority.

End of update