



THE RECOVERY IS STRONG, BUT IS THE CORRECTION REALLY OVER?

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In my June outlook, Scenario 1 called for a deeper correction towards \$3,900, while maintaining a constructive medium- to long-term view on gold. That scenario has played out exceptionally well, with gold correcting sharply towards the \$4,000 region before staging a strong recovery.

Gold is currently trading around \$4,362. Following a series of weaker economic data releases and developments around Federal Reserve expectations, prices recovered rapidly from the \$4,000 area. The speed of this rebound naturally raises an important question: has gold completed its correction and resumed its larger bull trend?

In my view, not yet.

Despite the strength of the recent recovery, the broader corrective structure does not appear

complete. A significant liquidity zone remains around \$3,900, and I believe this area could still attract price before the market establishes a stronger foundation for the next major bullish leg.

On the upside, gold has already moved back through the previous high around \$4,380, removing an important near-term liquidity level. The next significant area to watch is approximately \$4,500. A move towards this zone could represent the final extension of the current recovery rather than confirmation of a fresh sustained bull run.

The Road Ahead

My base-case scenario is for gold to test the \$4,500 region and subsequently face renewed selling pressure, potentially restarting the bearish trajectory towards the \$3,900 liquidity zone.



The \$3,900 area therefore remains extremely important. If gold eventually reaches this level, I would reassess the market structure at that point rather than automatically assuming further downside.

Importantly, a correction towards \$3,900 would not necessarily invalidate the long-term bullish outlook. On the contrary, if liquidity around this level is absorbed and buyers respond strongly, it could provide a much healthier technical foundation for the next major leg of the gold bull market.

Key levels to watch: \$4,500 on the upside and \$3,900 as the major downside liquidity zone.

Bottom line: The recovery from \$4,000 has been impressive, but I would be cautious about interpreting it as the beginning of a new sustained uptrend. The larger bull story may remain intact, but the correction may still have one unfinished chapter.

Silver: Liquidity Sweep Before the Next Major Move?

Silver continues to follow a similar technical structure to gold. After creating an inducement around the \$55 level, prices moved sharply higher alongside gold, with silver currently trading near \$64.46.

In simple terms, an inducement is a price level that attracts traders into positions, creating liquidity that the market may target before making its larger directional move.

Despite the strength of the recent recovery, I do not believe it necessarily confirms the beginning of a sustained bullish trend. From a liquidity perspective, there remains a significant pool of resting liquidity around \$71.50, making this the next important upside level to watch.

My base-case scenario is that silver could extend its rally towards \$71.50, potentially sweeping the liquidity resting at these higher levels. Similar to my outlook for gold, such a move could prove to be a liquidity sweep rather than a genuine breakout, followed by renewed selling pressure.

If silver fails to sustain above the \$71.50 region, a reversal could push prices back towards the \$50 level. This would broadly align with the expected structure in gold, where I anticipate an upside move before another corrective leg lower.

The \$50 region would therefore become a crucial level for silver. If prices reach this zone and the remaining liquidity is absorbed, I would reassess the market structure before determining the next major directional move.

Key levels to watch: \$71.50 on the upside and \$50 as the major downside target and reassessment zone.

Bottom line: Silver's rally from \$55 has been impressive, but the presence of liquidity around \$71.50 suggests there may still be room for one more push higher before a potentially deeper correction. The broader bullish story may remain intact, but just like gold, silver may still have unfinished business on the downside.

