

GOLDRUNNER'S FRACTAL ANALYSIS

Market Fractal analysis is the study of repeating patterns of price over long periods of time that are created by a common driver of price that can be isolated. In essence Fractal Development is the means by which the main fundamental variable that drives a market's price creates repeating patterns of price growth at ever-higher degree over time due to repetitive market psychology.

GOLDRUNNER's Fractal Analysis of the Markets began as an offshoot of combining the studies of Charting Techniques, Technical Analysis, and Price Pattern Recognition in terms of Gold back in 2002 and 2003, and then comparing the current Gold Charts to their fractal predecessors from the late 1970's. Contrary to some sites that have popped up more recently, GOLDRUNNER worked out the true fractal comparisons in terms of finite time and price as higher levels of degree are reached over time.

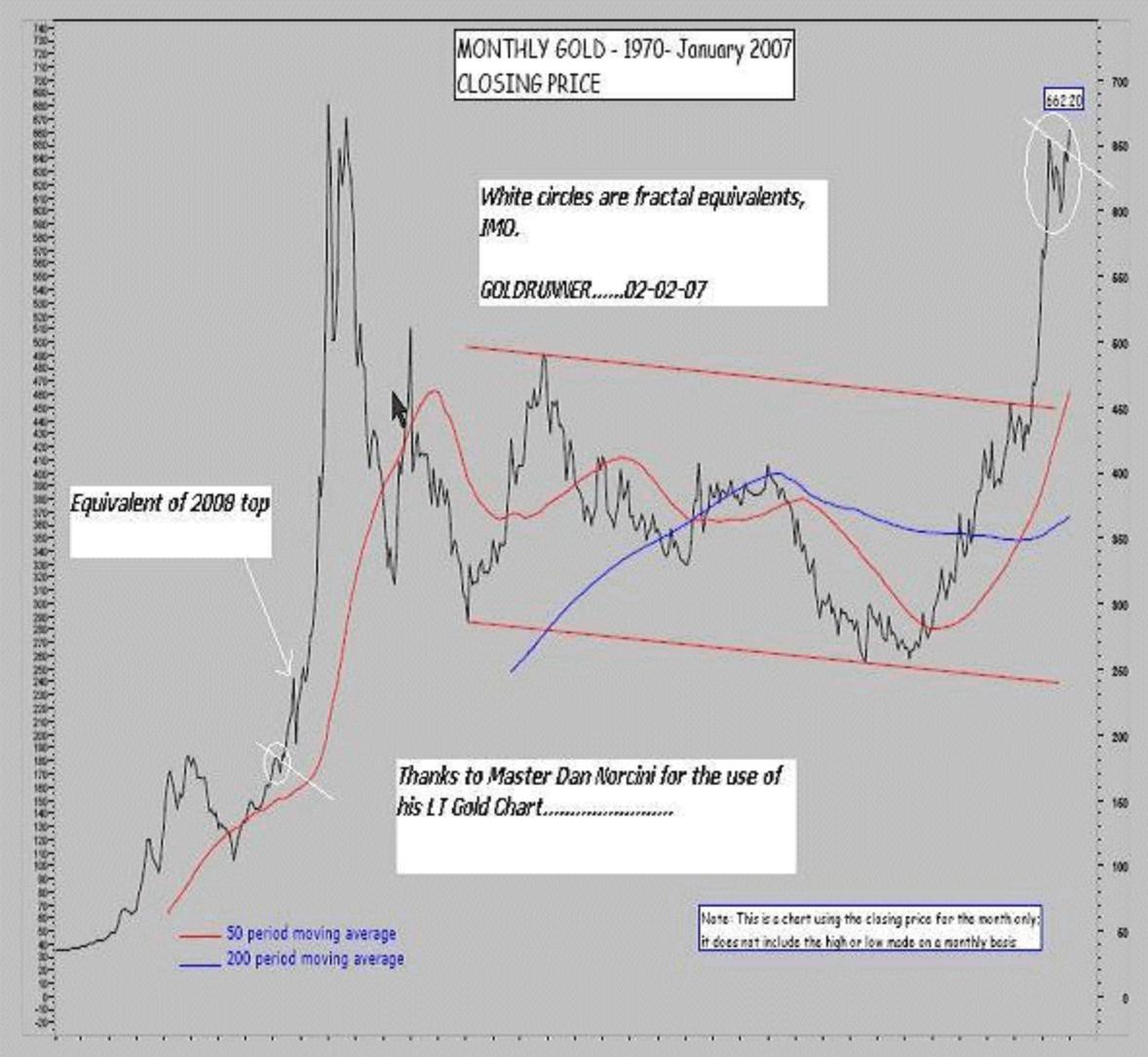
The Fractal Work was expanded during the Precious Metals correction from late 2003 to the end of 2004. During that time, GOLDRUNNER sought to expand the Fractal Work to the PM Stock area, but he could find no PM Stock Index charts from the 70's sufficient for the more exact fractal work. Thus, GOLDRUNNER elected to continue the Fractal Work with the PM Stocks Indices by using an earlier fractal sequence in the chart of the HUI Index from 2002 to develop fractal cycle time and price targets for 2005 and 2006. GOLDRUNNER successfully isolated the May 2005 bottom at 165 for the HUI Index in advance and created an HUI Fractal Model describing a rise for the HUI up into early 2006 with a following correction in to mid-2006. His HUI Fractal Model was quite successful with his price projection for the top of the intermediate-term cycle coming in just a few points shy of the eventual 401 top; while his time projection was off by about 2 months. His price and time projections for the following correction came in close to where the HUI Index eventually traded with the low of the following HUI correction landing one fib level lower than his original projection created a year prior. During his 2005/ 2006 HUI Index fractal work, GOLDRUNNER started writing editorials for Gold-Eagle for public consumption.

GOLDRUNNER's fractal work met a period of turmoil toward the end of the successful HUI Index Fractal Model due to a major fire at his office and no real 70's Precious Metals Stock Index charts to turn to. He moved on with the work in early 2007 describing a waterfall decline to come in all asset classes into the 4th quarter of 2008 per the fractal charts. In early 2007 he described the coming waterfall decline in all asset classes as a coming "Deflation Scare" into a time gap in Fed Dollar Inflation that would likely give way to a new round of Dollar Inflation via direct Debt monetization. This is what the fractal charts from the late 1970's had suggested. His Fractal Gold Charts for the current Gold Bull illustrated his expectations for a sharp decline for Gold into late 2008 as examples posted, below, show. In fact, GOLDRUNNER posted a Fractal Gold Chart showing his expected \$680 price target for Gold into that decline as it related to the similar price move back on the 70's side of that Fractal Chart.

GOLDRUNNER's work with the Fractal Gold Chart continued with his recent fractal target for Gold up into mid-year 2011. He has found sufficient surrogate charts for the PM Stock Indices from the late 1970's and used them to confirm that the PM Stocks are currently trading in a fractal relationship to how they traded in the late 1970's. These charts should provide the basis for price and time projections for the PM Stock Indices going forward.

GOLDRUNNER uses a variety of charting and technical analysis tools in relation to his fractal work analysis and with his analysis of individual PM Stocks. You will find some examples of charts that Goldrunner produced for public consumption for Gold in the past, below. The examples of Gold Fractal Charts are followed by sample charts of the 2005/ 2006 HUI Fractal Work.





MONTHLY GOLD
1970 - August 2007
CLOSING PRICE

Gold's enemies may win a few battles in gold from time to time but **We have hist. breakout**
they are definitely losing the gold war



UR here at the break-out? ? next target 1105ish?...per Gann

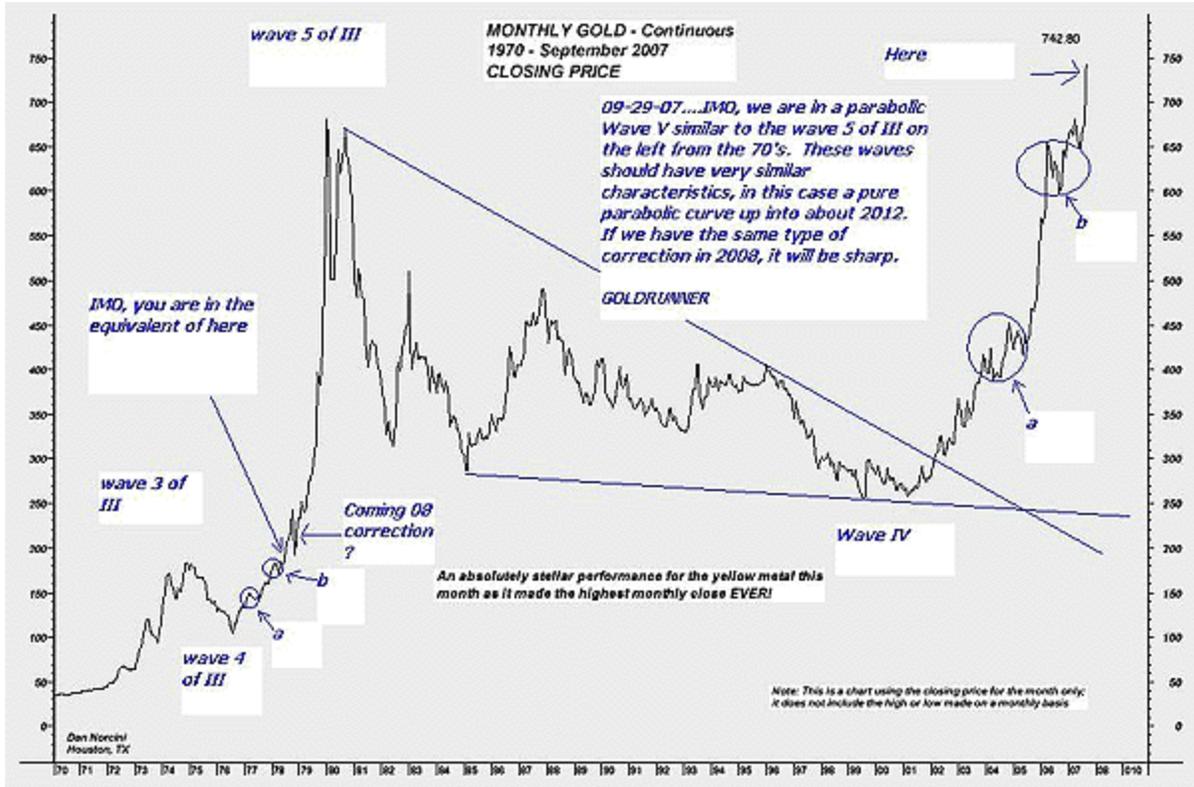
09-07-07.....This is the "fractal" that I have been following in the LT Gold chart. I believe the break-out is similar to the blue arrow on the left in Wave III in the 70's. I expect Gold to run up to over 1100 on this coming move, but Gann's work might give us a target of around 1105. I suspect we'll see a re-test to 680 to 682. We shall see.....

GOLDRUNNER

Wave IV?

wave 4 of III?

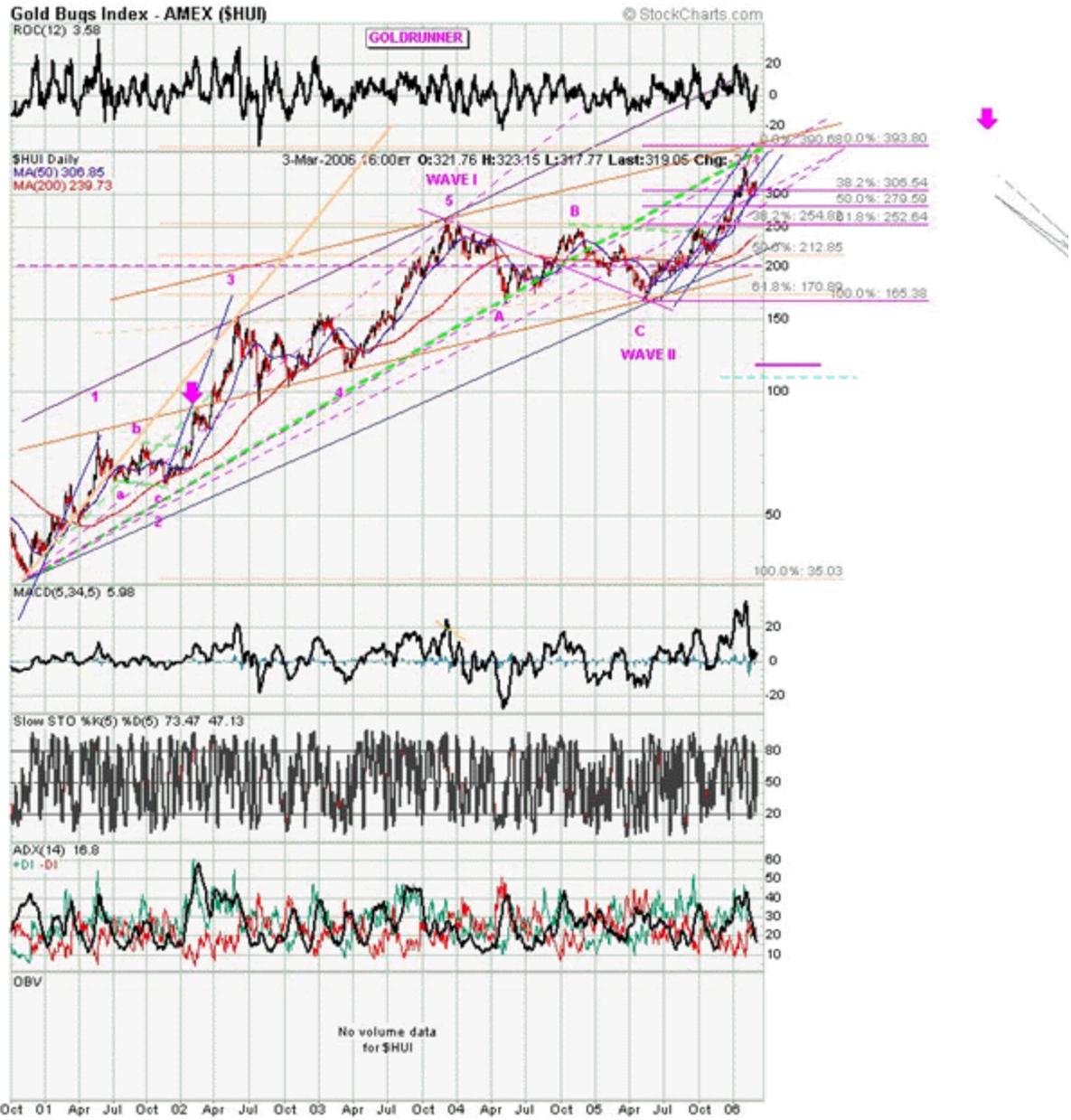
Note: This is a chart using the closing price for the month only; it does not include the high or low made on a monthly basis



Gold Bugs Index - AMEX (\$HUI)

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Goldrunner summarized parts of his fractal work and the underlying work he has done on the relationships of “price to value” during times of aggressive Dollar Inflation in an editorial series on Gold-Eagle.com in early 2009. Parts of that editorial series are linked, below.

THE EFFECTS OF DOLLAR INFLATION

PART ONE

http://www.gold-eagle.com/editorials_08/goldrunner032509.html

PART TWO

http://www.gold-eagle.com/editorials_08/goldrunner040509.html

PART FOUR AND FIVE

http://www.gold-eagle.com/editorials_08/goldrunner041309.html