



# GSA Pro <sup>TM</sup>

The version of Gold Stock Analyst newsletter for Professional Investors  
 Reports on 60+ Gold miners plus the mid-month GSA-Top10 newsletter

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Top 10 News (on Pg 3):

## “Crowded Short”

It's an investment term meaning that most of the potential investors are already “in”, so the question is begged “Who is left to join the trade to keep momentum going to the downside?”

According to the weekly Commodities Future Trading Commission data, Money Managers have a record net short position. And, the CFTC data are just the “tip of the iceberg” as there are other methods for investors/hedge funds to be short Gold... in the US and abroad.

The table to right details the metal's last 3 months' price and Net Short position (as a percentage of total Open Interest) on the Tuesday of the report's week. Since June 5, Gold is down ~\$100/oz and investors have gone from net +11% long, to an all-time-record net short -19% on Aug 21, 2018.

In Dec-15 Gold was driven down to a \$1,049/oz bottom and net shorts maxed at -3%. The trade was overcrowded as over the next 12 months Gold soared \$100/oz, and was \$200/oz higher two years later in Dec-17. As the chart below's light blue line and arrow shows, driving Gold's price gain was that net shorts had reversed and gone long, ultimately peaking at 45% of Open Interest.

Now net shorts, still the tip of the total short “iceberg”, have stabilized in the negative mid-teens (blue in table) as apparently all those possible have come on board and make the trade exceedingly overcrowded. We don't know what political event or economic data will panic the shorts to buy and cover. But odds are that one or more of the possibilities will soon provide the spark to send Gold higher.

CFTC Gold Managed Money		
Date	Gold Price	Net Position
6/5/18	\$1,298	+11%
6/12/18	\$1,295	+12%
6/19/18	\$1,276	+2%
6/26/18	\$1,257	0%
7/3/18	\$1,252	0%
7/10/18	\$1,254	-1%
7/17/18	\$1,226	-5%
7/24/18	\$1,226	-7%
7/31/18	\$1,224	-9%
8/7/18	\$1,210	-14%
8/14/18	\$1,193	-17%
8/21/18	\$1,205	-19%
8/28/18	\$1,212	-16%

