Timing model for Gold (August 2026)

Fuzzy Economical cycle

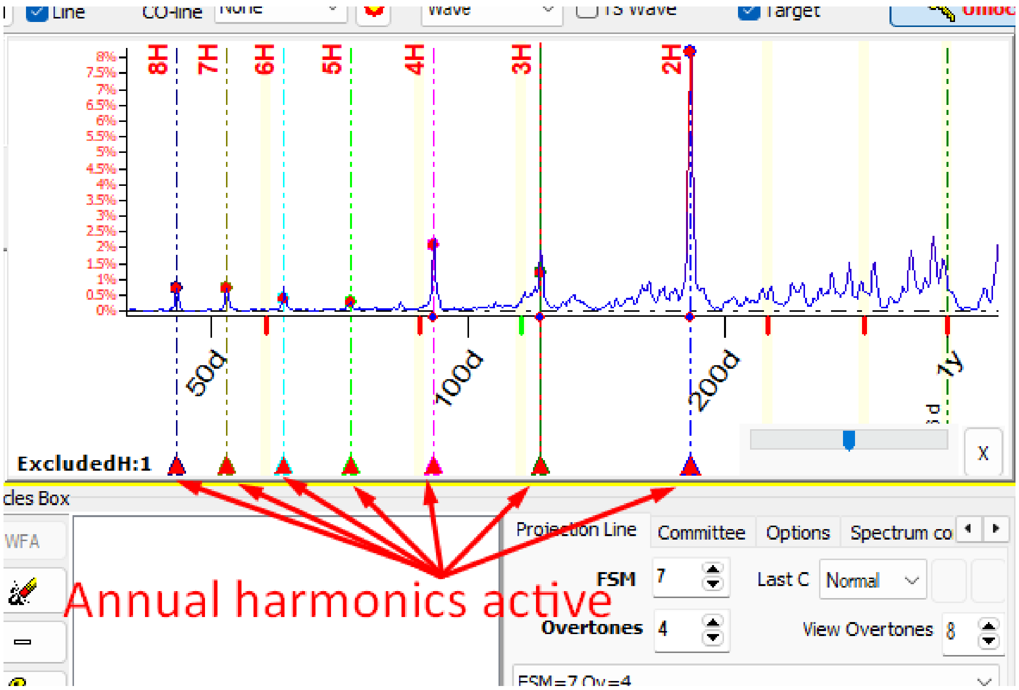
I have made the forecast for Gold a month ago, in the beginning of July 2026:
https://www.youtube.com/post/UgkxULYQ3ZISO-CRlmX3qCbooVsJF3VtGvcb

The forecast turned to be not a good one. I could stop there (not all forecasts are correct, and nobody is perfect, and so on…) But – I thing we all can learn something from it, and now it is time to do our homework on mistakes. Let us try to understand what was done wrong there. Plus, we have now a new tool that allows to see Gold's cyclical picture clearer.

I mean a new tool, TSFP (Timing Solution Forecast Protocol). Let us apply it to build a forecast model for gold.

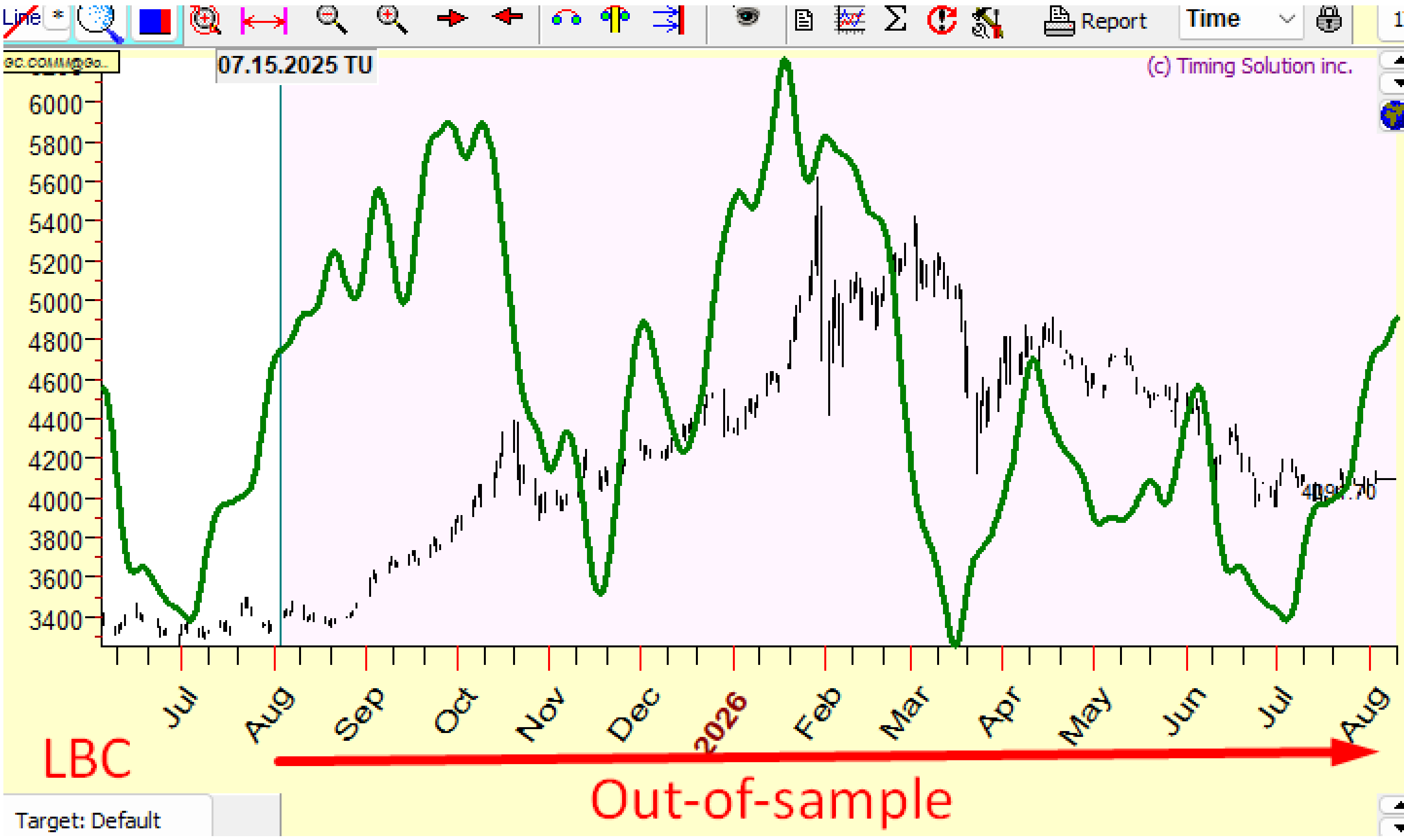
Step #1 Annual cycle Firstly, I recommend checking the Annual cycle. Its presence is very difficult to detect using standard routines such as Spectral Analysis or Walk-Forward Analysis. Quite often the Annual cycle reveals itself as a half-year cycle or two-year cycle or even as the four-year U.S. Presidential cycle. I don't fully understand why the Annual cycle behaves this way; perhaps the stock market "hides" the most obvious cycle.

In any case, we have a specialized module, *Harmonic Map* (a very specific variation of the Bartels cyclical significance test), which allows us to detect the presence of the Annual cycle. It shows that the Annual cycle is present in the Gold price chart and that harmonics based on the Annual cycle are active (they marked by red arrows).

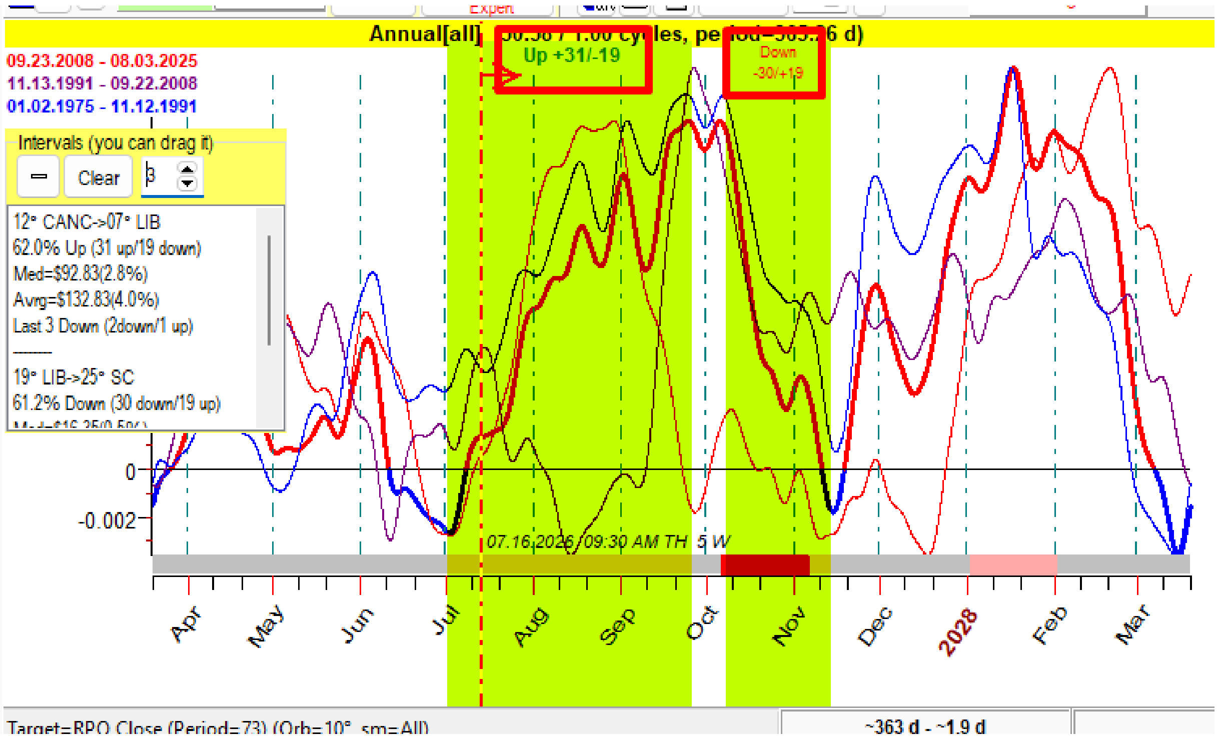


Using the Harmonic Map feature in the Spectrum module, we have found that the Annual cycle is present in most financial instruments, except for crypto. This is why I recommend applying the Annual cycle in any case; it is essentially a mandatory cycle.

Now let us set the LBC one year back, to the beginning of August 2025 (today is August 3, 2026). With this one-year interval treated as out-of-sample data, we can check how our model performs under “field” conditions, when the price history is unknown and is not used in calculating the projection line. The resulting out-of-sample projection line looks like this one (not bad!):

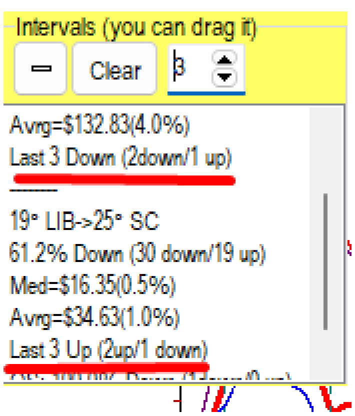


Step #2 Annual Predictable Zones (PZ) Now we will identify the predictable zones based on the Annual cycle. Following the [predictable-zones protocol](), we obtained the following zones:



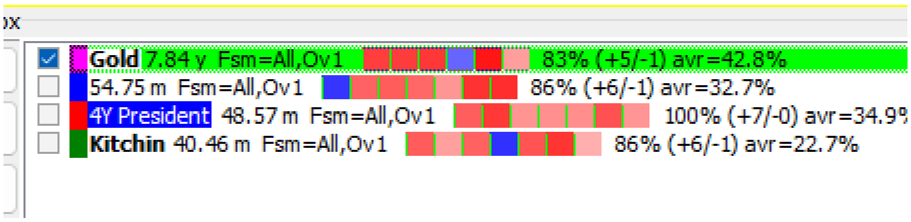
Since 1975, from June until the end of September, gold has gone up 31 times versus 19 times down. From the beginning of October until the beginning of November, it went down 30 times versus 19 times down. On the price chart, these predictable zones look as follows:

Understanding risk, I would like to draw attention to the fact that over the last three years these predictable zones have worked in an inverted way: during June–September we observed 2 down moves and only 1 up move.



So far it is unclear what is that: either Annual cycle has begun working in inverted way, or this is just another game of Chaos. We could start guessing about what it is. We would not; we stop here, just keeping this fact in our minds.

Step #2 Economical cycles: Running TS Spectrum in AI mode for Gold data, I have got these cycles:



The cyclical structure of gold is relatively well-defined and understandable.

The 7.8-year Gold cycle is statistically strong and corroborated by other financial instruments via AI mode.

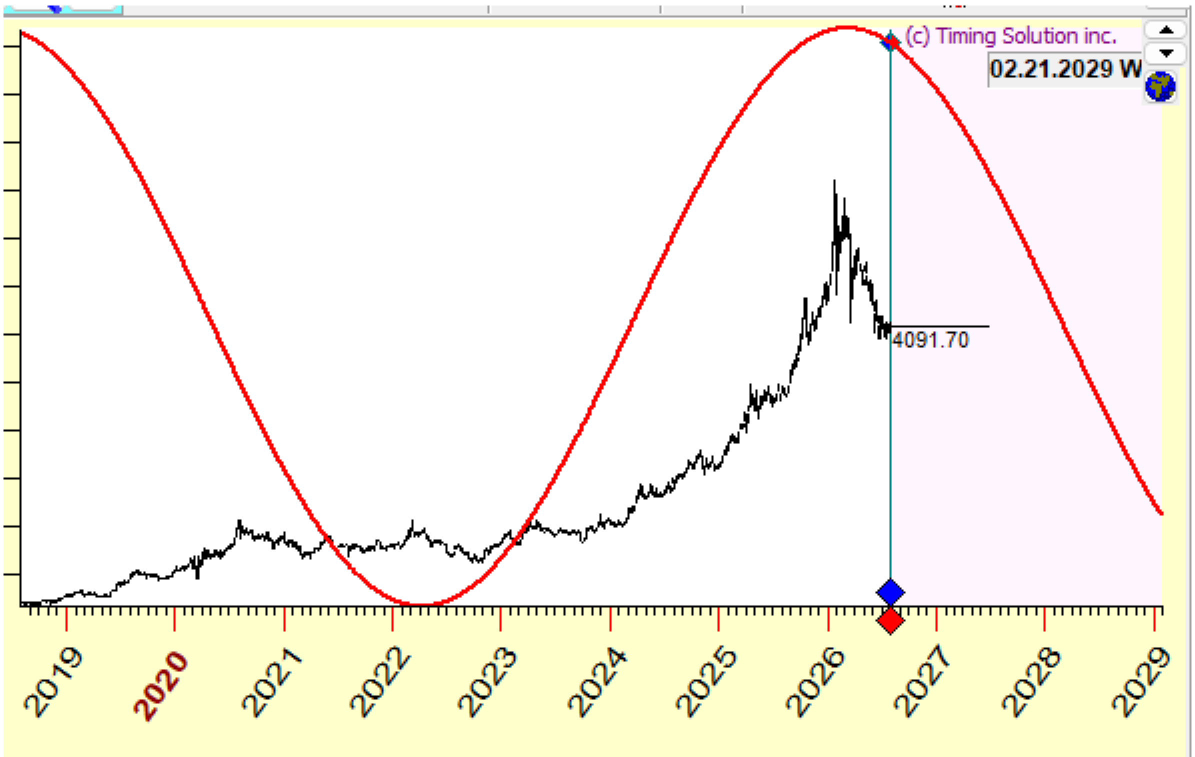
The 54-month cycle appears to be largely stochastic; it lacks cross-instrument confirmation, and the Bartels significance of this cycle is low.

The 4-year U.S. Presidential cycle functions similarly to the Annual cycle, though it is considered separately.

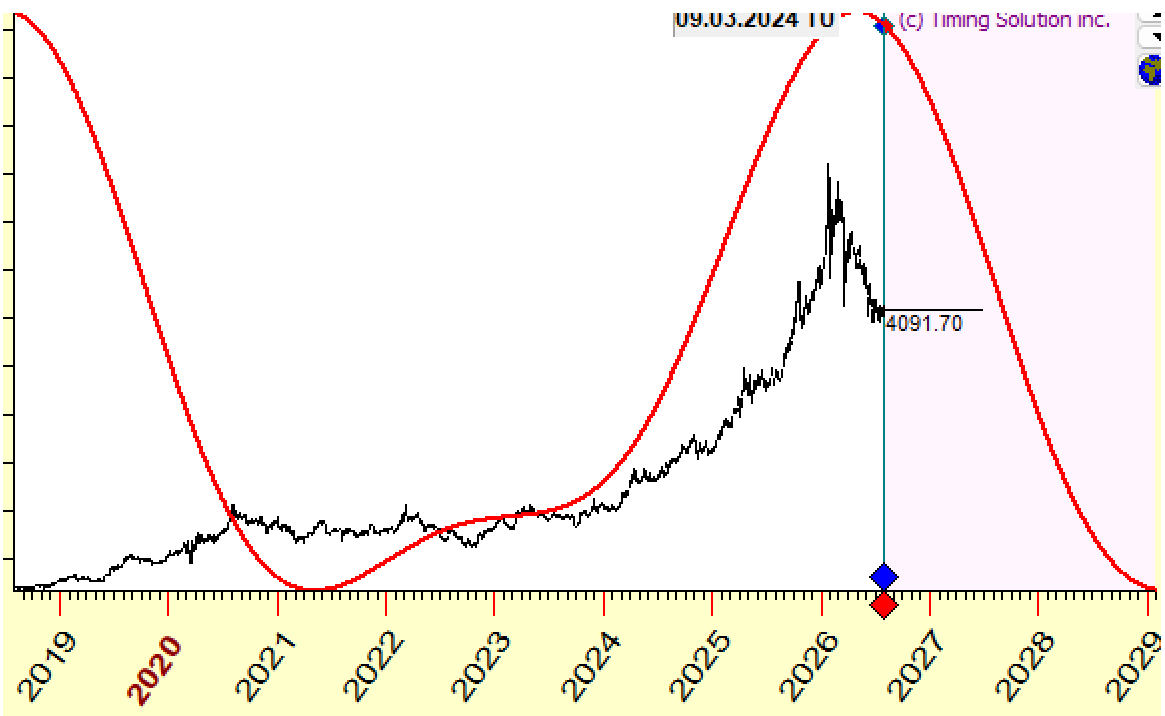
The 40-month Kitchin cycle does appear, but it is less statistically significant; I believe this cycle instead reflects the persistent correlation between Gold and the S&P 500 over the past two decades, where the Kitchin inventory cycle plays a major role.

Thus, the cycle that deserves primary attention is the 8-year Gold cycle. The AI mode in the TS Spectrum module provides valuable guidance in narrowing the selection.

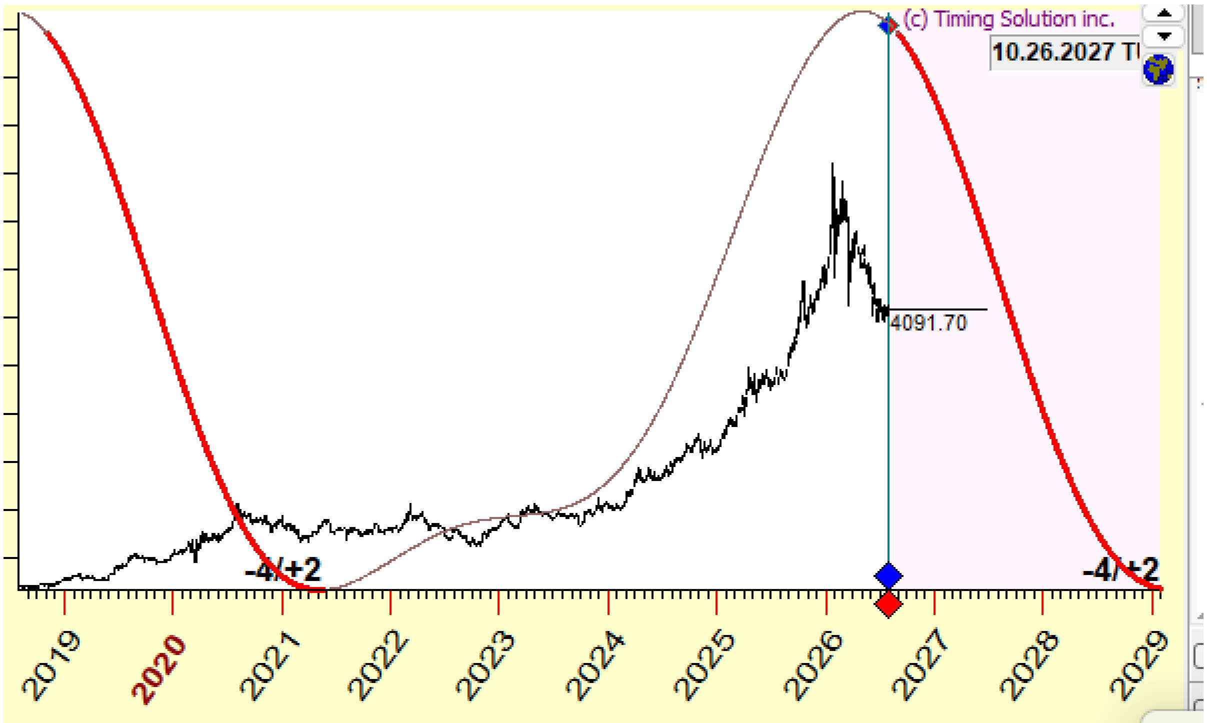
The next question is the tuning of these cycles, and this is the most challenging part. Let us draw the Gold cycle using only one overtone only – basic wave; it looks as follows:



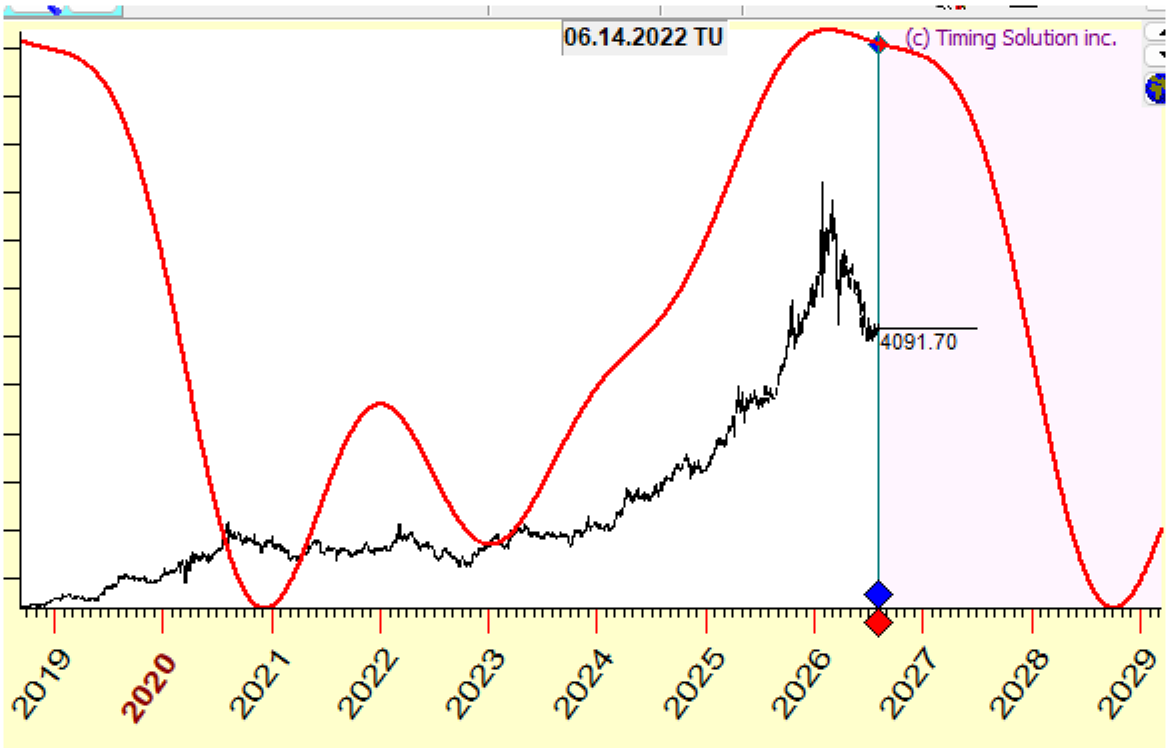
Two overtones reshape the projection line, making it skewed to the right — a long uptrend followed by a sharp, short downtrend:



Historically, Gold moved down four times and up twice within this cyclical downtrend period:

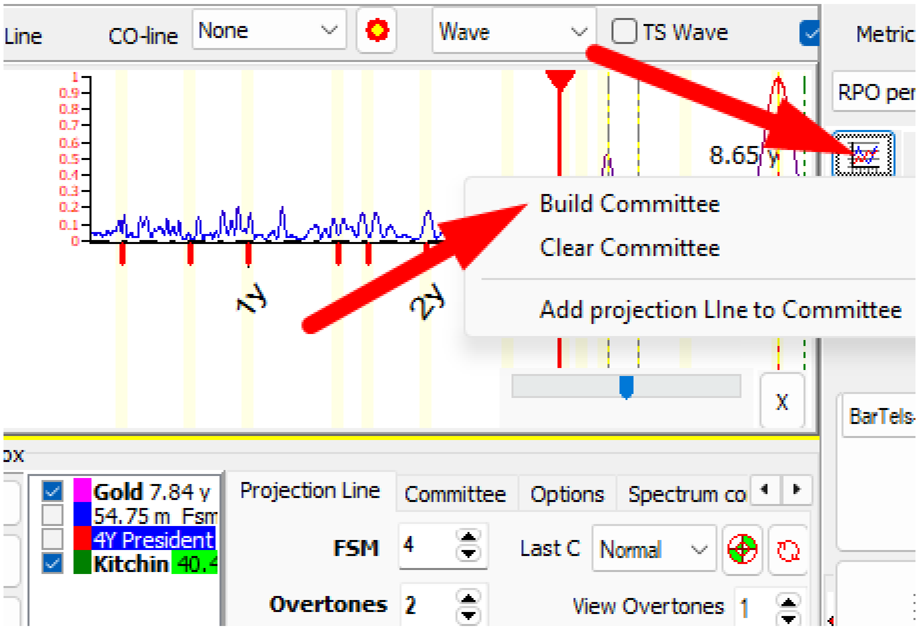


Four overtones:

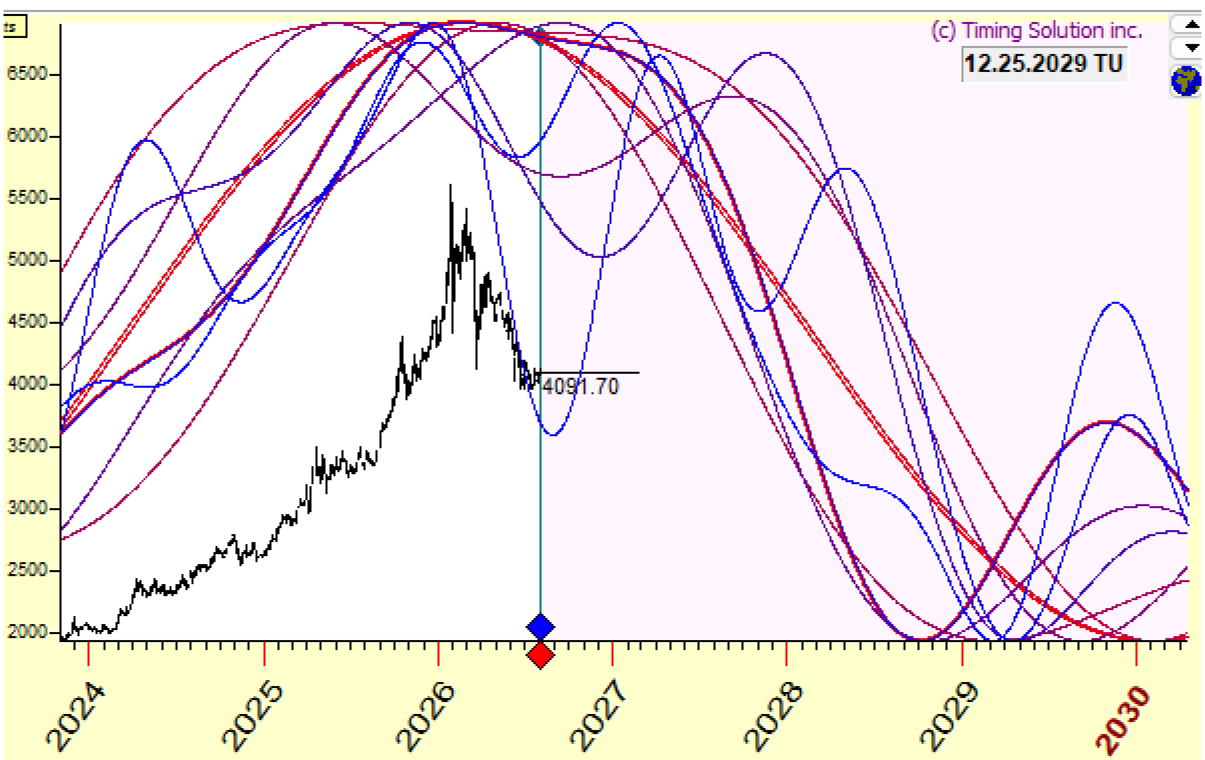


All these projection lines are based on the same 8 years cycle. Which projection line should we choose? Honestly, I do not know; and I do not think that anyone knows. As I see it, His Majesty the Stock Market does not give us any clue about which variation of economic cycle it will choose next. It keeps this card hidden until the very last moment.

But we can calculate all projection lines based on these cycles, to see all possibilities. This is a ***committee*** feature in Timing Solution, you can build it this way:



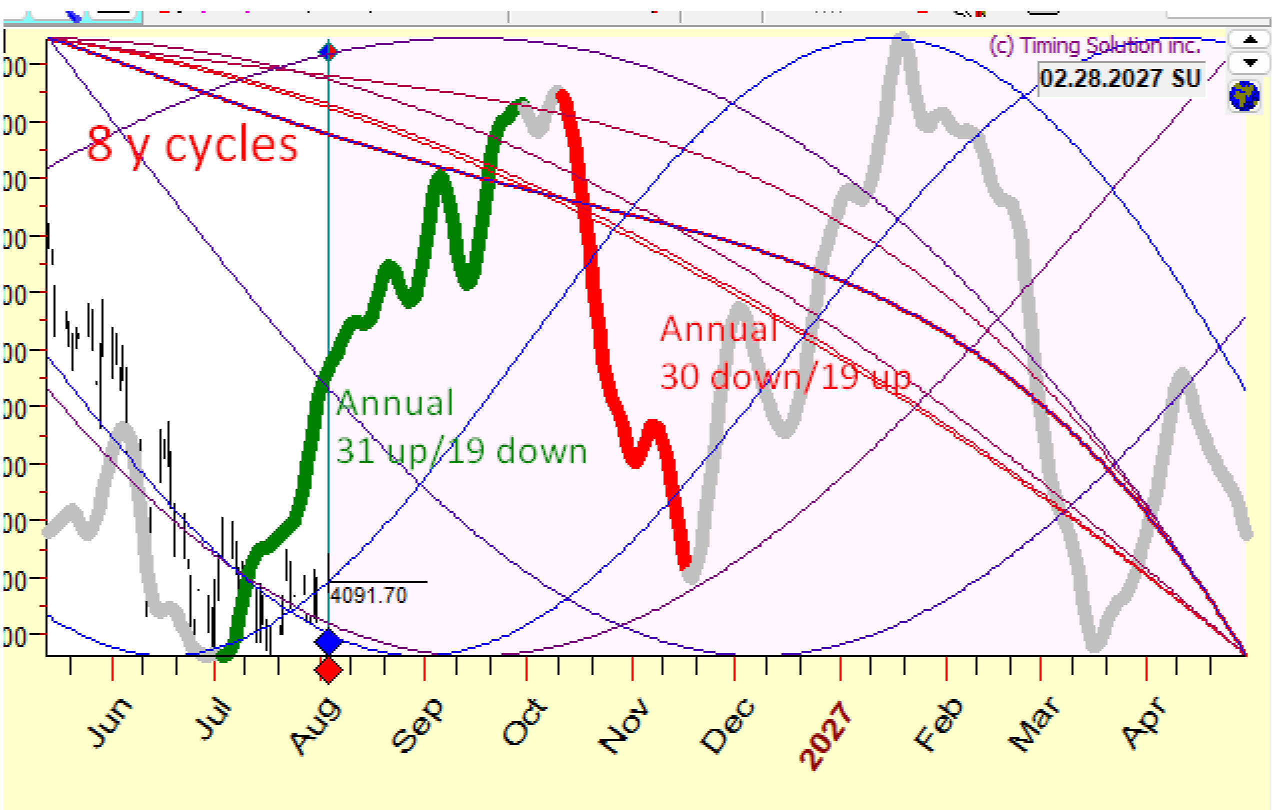
Here are all possible projection lines, variations of economical cycle for Gold:



Most of the projection lines indicate a downtrend lasting till end of 2028 mid-2029.

I believe that a specialist with deep knowledge of gold's history can do this work more effectively. He or she can choose the projection line that best aligns with key historical dates, thereby selecting the most probable economic projection for gold.

All cycles together This is the resulting chart: Committee chart and Annual cycle (bold chart) together:

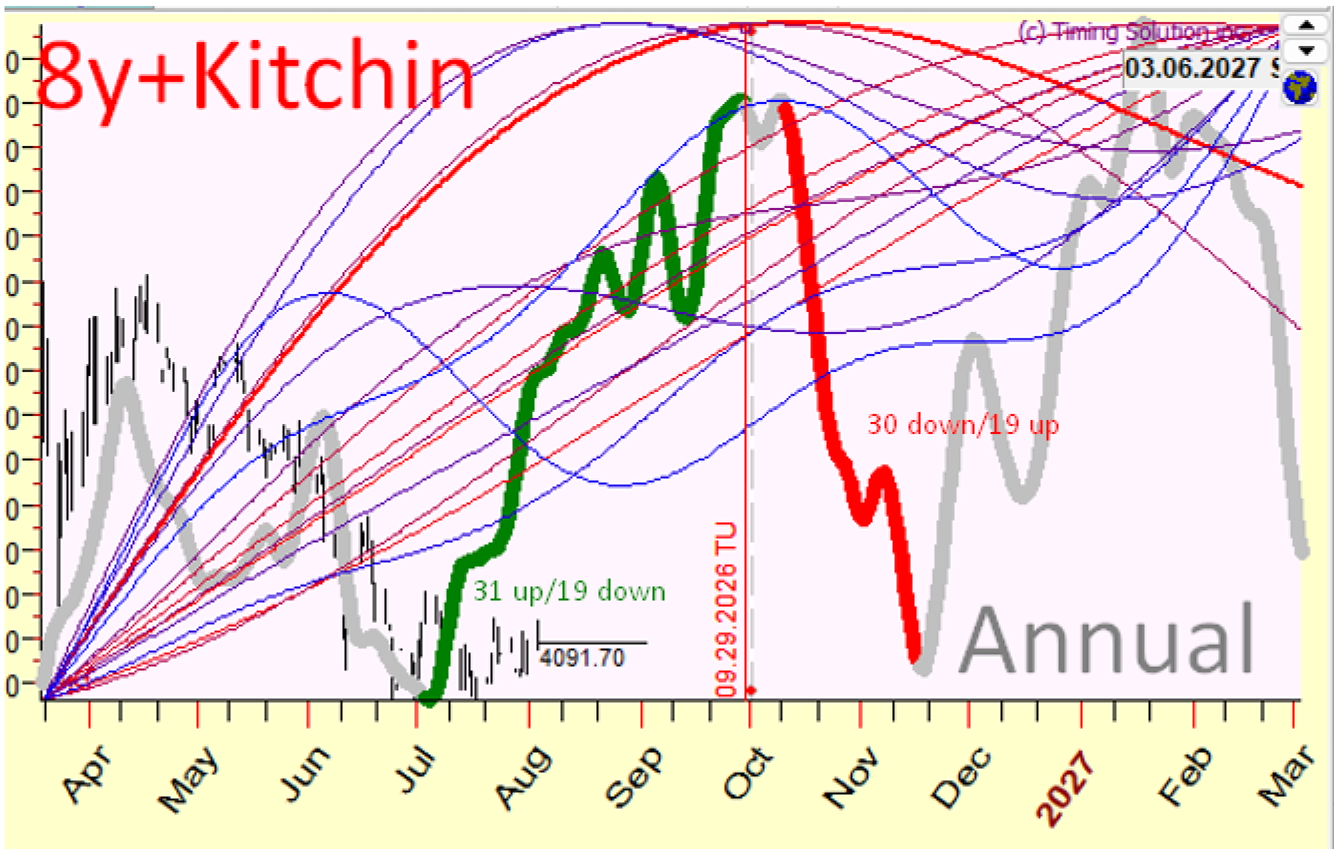


From my understanding, the picture is mixed:

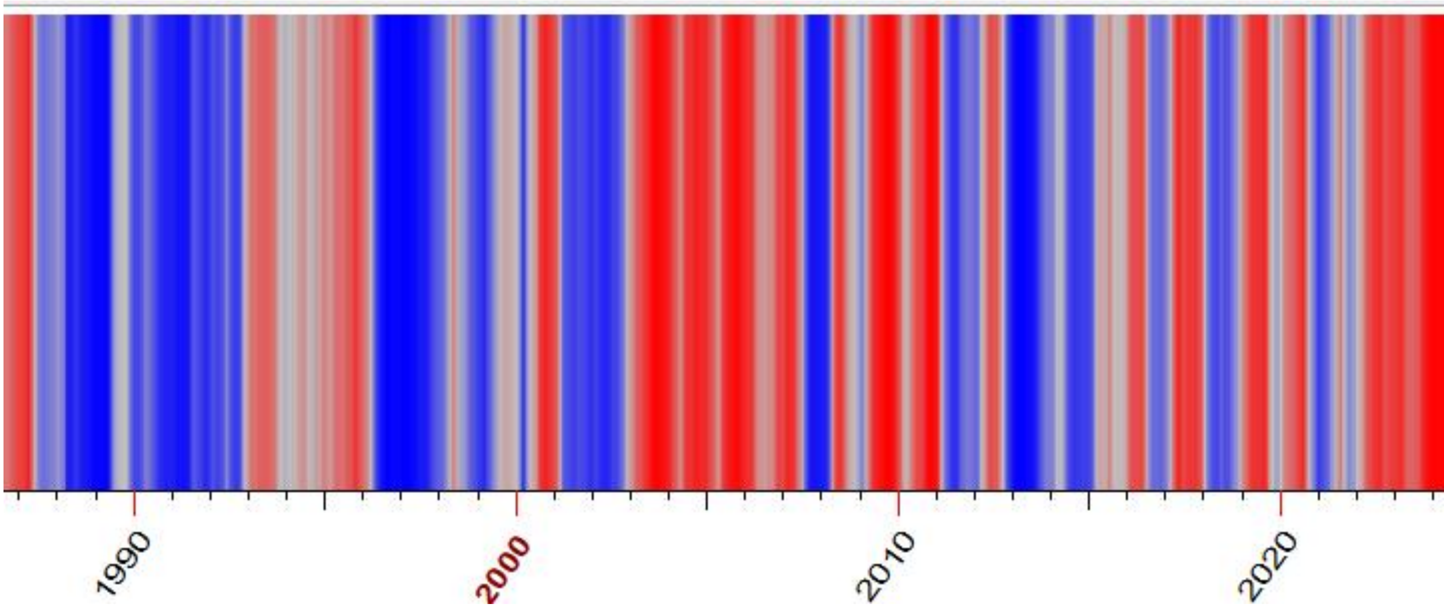
- The annual cycle suggests an uptrend until October 2026, although it is possible that for the past three years this Annual pattern has been broken (2 of 3 years have shown downtrend).
- 8 years cycle mostly indicates downtrend, and most of committee lines show down as well. Though 4 lines show up.

It looks to me like Gold cannot decide which trend to choose; it is in the position of "Buridan's Donkey" right now.

However, I believe that some potential for further gold appreciation still remains. Firstly, it is not easy to break the long-standing annual cycle in gold (it suggests up till October). The additional support may also come from stocks, driven by the 40-month Kitchin cycle, which plays a major role in equities behavior. Over the past 20 years, Gold has correlated with the S&P 500, and the Kitchin cycle suggests an uptrend in stocks through 2027–2028. If we incorporate the Kitchin cycle into the economic forecast and build a superposition of the 8-year cycle and the Kitchin cycle, we get this committee: practically all lines now indicate an uptrend:



But, as always in finance, there are nuances. This is the correlation chart between Gold and the S&P 500 (red intervals indicate positive correlation - Gold and the S&P move together; blue intervals indicate negative correlation - Gold and the S&P move in opposite directions):



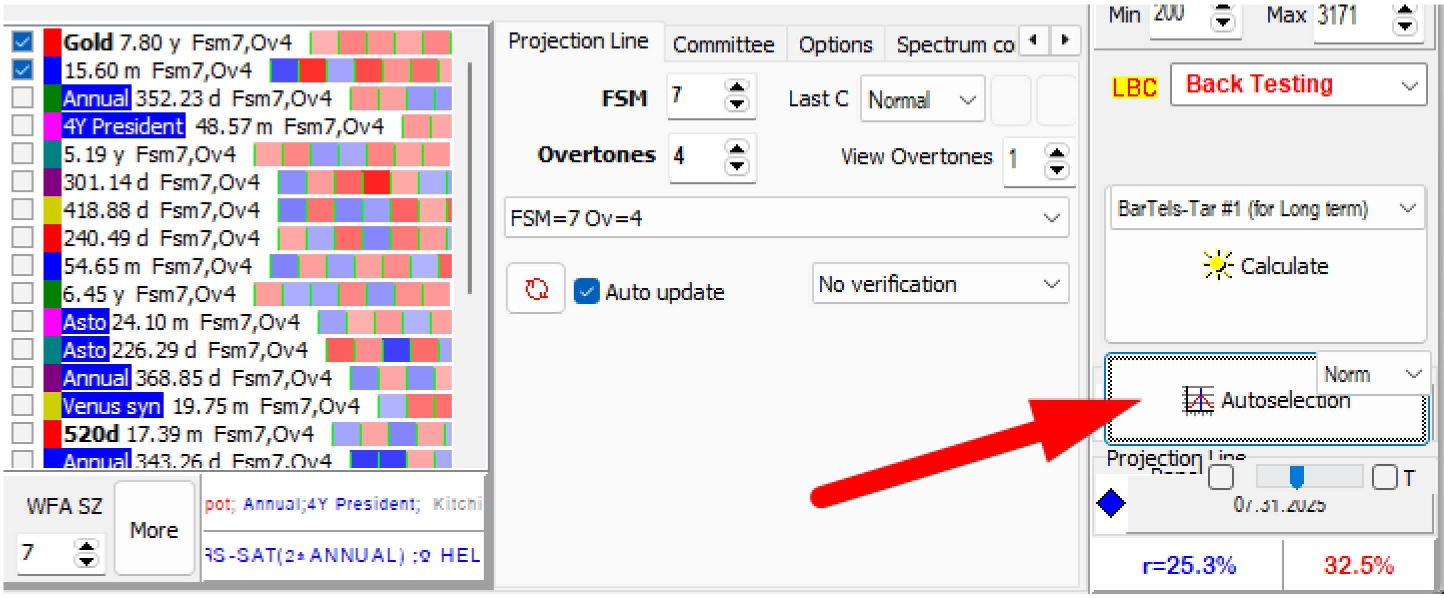
It seems that the correlation between Gold and stocks was established in the early 2000s. Before that, they often moved in opposite directions (the blue regions). At this point, we simply do not know which tendency will dominate.

Afterwords

I would like to give you a final answer, but I cannot do that. Instead, I provide the full picture with the most important players influencing Gold's price. A simple solution does not exist here - not if you intend to research this subject honestly.

And more...

Here I focused on the most important cycles and performed a detailed analysis of them. We can include additional cycles as well. To do that, click the **"Auto-selection"** button, and the program will select more cycles:



Though the statistical significance of these cycles will be smaller.