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Why gold could soon get a boost from the wild market volatility

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Conventional wisdom would suggest the wild market swings, triple- to quadruple-digit point drops in the [Dow Jones industrial average](#), and major U.S. markets entering into corrections would portend higher [gold](#) prices as investors flock to safe havens.

But it hasn't.

In fact, gold is down. Early Friday, it was off 0.19 percent. Through Thursday, the precious metal had declined nearly 2 percent for the week after falling more than 1 percent last week. This weakness has come amid a stronger U.S. dollar, renewed inflation expectations and higher [U.S. Treasury yields](#). This all theoretically would prove bearish for the yellow metal, even as markets are going haywire.

Some market watchers are bullish on the metal despite its decline. Bill Baruch, president at Blue Line Futures, told CNBC's "[Trading Nation](#)" on Thursday he has a positive outlook at current levels. He calls it a buying opportunity should gold fall further. Here are his reasons why.

- At its 2018 high, gold was up nearly 10 percent from its December lows; it's now up a little over 6 percent from its December lows around \$1,241 per ounce.
- Gold's 100-day moving average, at \$1,294 as of Thursday evening, represents about 2 percent below where gold was trading on Thursday. At this level, around \$1,300, would be a solid buying opportunity and technical support.

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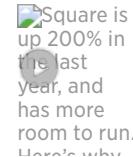
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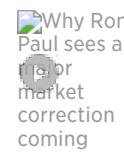
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Bullish

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Symbol	Price	Change	%Change
US 10-YR	2.894	0.015	0%
GOLD	1330.50	10.60	0.80%
DJIA	24874.76	336.70	1.37%

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Stacey Gilbert is the head of derivative strategy at Susquehanna.

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