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Trading Gold Futures by Graham Easter

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Gold prices rose nearly 10% in 2011 despite falling sharply in the fourth quarter. Gold has now posted annual gains for 11 straight years. Though gold briefly entered bear market territory in December 2011, the fundamentals for the precious metal remain intact and most analysts say that gold prices will continue to rise in 2012.

Considering the volatility in global markets, worries about the Euro Zone, global economic growth, and negative real rates in most of the developed world, gold is an attractive investment option.

There are a number of ways investors can gain exposure to gold. The most popular method is to buy physical gold. Another way investors can gain exposure to gold is through gold exchange traded funds, which track gold prices. Investors can also buy shares of gold mining companies. In this article, though, we will focus on futures for gold.

Gold futures are traded on the Comex division of the New York Mercantile Exchange (NYMEX). The NYMEX gold futures are priced in dollars and cents per ounce. The size of a gold futures contract is 100 troy ounces. The ticker symbol for NYMEX is GC. Trading on NYMEX is conducted for delivery during the current calendar month and the next two calendar months. Also, during any February, April, August, and October falling within a 23-month period, and any June and December falling within a 60-month period starting with the current month.

Using technical analysis is one of the best ways to spot emerging trends in the gold market. With the help of charts, which are available online, traders can anticipate the direction in which the gold market is likely to move. Martin Pring has explained in his book, â€œTechnical Analysis Explained,â€• how a trader can analyze gold prices by employing trend-determining techniques such as moving averages and rates of change.

At Barchart traders can access different futures charts, including gold. The Futures Momentum page can also help if you are looking to trade in these futures. The Futures Momentum page consists of a list of the strongest futures contracts, which are ranked by weighted alpha over the past year. The Futures Momentum page is an excellent way to spot emerging trends in this market.

The Futures Momentum page is updated every 10 minutes, giving traders up to date information. During active trading hours, traders can see the latest price data when on the main, technical and performance views pages.

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Ryan Harris is interested in the stock market, and he loves to go to barchart.com to get the latest info on current stock prices. Get the latest info on a stock prices, feel free to visit the website.

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