



Date : 4<sup>nd</sup> April 2013 ( Wednesday)

**SPECIAL REPORT- COMMODITY- Precious Metal**

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● **Executive Summary**

	Current Price	Trigger POM or CZ & Date	Triggered Within CZ & Date	Progress Status	Current Position	<b>NEW ACTION</b> ( Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
<b>GOLD</b>	1545	POM 13 @ 1540 On 5/15 For main entry  <u>Core position</u> POM remains intact)	Secondary CZ 1625-1635 extended	BULLISH Bottoming volatility	Net Long	Triggered pending "Open orders"  at limit @ 1560 @ 1545	CZ 1620-1635  Close above 1625 ( Weekly) required to initiate acceleratn	CZ 1690-1710,	<b>Smash down to thrust</b>  lows of 1560. This was tested on 3/01		For Recycled exposure  <u>1. suitable Re entry.</u> @ 1635 (1/5), 1575 (3/01) 1550 (4/04)  2 Earlier exited at 1770 9/17 <u>For 220 profit</u> <u>Is providing profit cushion</u> 2 –Stop losses of 10 points incurred

Continued...

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<b>SLV ( SILVER)</b>	26.90	POM 13 @26.5 05/15  <b>Core</b> POM on GOLD remains intact)	Secondary CZ 29.25 -30.25  @ 29.60 On 2/20	Bottoming Volatility  ( ST hold Till key reversal)	NONE	NONE	CZ 30.5-31.5  Close above 30.75 on daily required to initiate acceleratn	CZ 33-32.5	Smash down to thrust  lows of 27.40. This was tested on 3/01		SLV due to volatily very minimum exposure if at all.
<b>GDX (XAU /HUI MINERS COR)</b>	34.03	POM 13 @41 on 05/15 For entry  <b>Core Position</b> POM remains intact)	Secondary CZ 43.5-45.5  <u>extended</u>	Bottoming Volatility  ( ST hold till key reversal)	Net Long	NONE	CZ 41-42  Need high force with Sign of Strength (SOS) to break th'	CZ 45-44	Smash down to thrust  lows of 36.5. This was Key reversal on 3/06		For Recycled exposure  Finding suitable Re entry @ 44.5 (1/04), 37.90 (3/07)  Earlier exited at 53.5, 9/17 For 9 profit Is providing profit cushion 2 -Stop losses of 2.75 points incurred

## Portfolio – Overview & Update

There is great amount of fear in this Market . We waited for very long time for this “Smash down” which is currently happening. In our recent past Reports we have been highlighting. We have increased our “ Net Longs” exposure in GOLD during this bottoming process at specific price points, with open orders waited for “ Smash down to thrust prices “. We have much better “**holding power**” in this bottoming volatile conditions. Due to ....

- Our accumulation prices are much closer to lower end of “correction CZ” lows @ 1630, 1575, 1555 and We have profit Cushion of (220 points) on ½ **Recycling Position** with great desirable entry point on remaining ½ **Core position (5%)** (on original entry at 1540). , **On cost adjusted basis we are in Black 7% on this overall**
- Our **Long DXY** position is acting as Good Hedge against Short term correction & bottoming volatility in **GOLD**. Gold Portfolio is well balanced.
- **GDX** – Extended our accumulation CZ prices. This Group went into panic liquidation. We were surprised to the extend of “last 5 points sell off”. We have lost the advantage of earlier profit cushion we had, **causing cost adjusted drawdown of 7.5% to this position more than we would like to see.** We are not adding any position till we see at least after some stabilization & witness another key reversal

## SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

- **BULLISH INDICES – Bottoming Volatility**
- **GOLD -**
- **SLV, GDX – ST Hold till key reversal**

## **DXY – “BULLISH” - ST pull back soon.**

We are Bullish on DXY Mid term but we should see short term pull back . DXY has just finished ABC up into target **CZ 82-81**. The move above this target CZ has been on bearish divergence against its oscillator is warning that the rally could be facing some headwinds in the near term .

After the pull back the further rally should continue. Partly fueled by anyone in Europe ( except Germany) with more than 100,000 Euro may be thinking about rushing to move cash to USD & BPS . Euro's neckline of H&S neckline is t 1.26 ( If it breaks) this could put upside pressure on USD & BPS ( we are long both) . Currently EURO should bounce to 1.32 before next down.

## **GOLD – “BULLISH” Bottoming volatility**

### Brief Overview

- DXY's Upside blow off to **83** to end the ST ABC up is causing the GOLD to fulfill its “SMASH down lower”. Pull back in DXY should initiate rally in GOLD
- We have been expecting for Smash down into bottom of Bullish CZ for some time to back fill. GOLD is testing 5/15 /2012 lows with lighter volume.
- Positive seasonality begins in Gold, 3<sup>rd</sup> -4<sup>th</sup> week of April.
- On Monthly / Weekly, the Bullish Bottom is still intact, suggesting the longer term force is on upside in spite of **The Down Thrust ( 1560)**, is being tested 3<sup>rd</sup> time ( First test 5/15/2012, & on 3/01).
- We are looking for GOLD to close above 1625 Weekly for acceleration higher. The upside force has not picked up yet.
- The large Commercial net short ( 158,000) continues to build up position at levels that marked the 2008 low and the January 2011 low.
- Upon completion of the bottoming , GOLD would initiate a Fifth wave rally. In the gold market, the fifth wave is usually the strongest of them all. The rally attempts towards our target of **CZ 1690-1710**.

## **GDX (MINERS) – - Bottoming volatility – ST hold till key reversal**

### Brief Overview

- *Mining stocks haven't shown traction. GDX made Key Reversal 3/06. We have been expecting for Smash down towards bottom of Bullish CZ.( Its gone much further than we thought) . GDX having gone th' capitulation. Rejection in GOLD is going to be driver for GDX*
- *The GDX/GLD ratio has turned more extreme. This is bullish sign for GDX is in process of bottoming .*
- *Current Prices are below our POM 13 prices of 41 , 5/15*

# DXY ( \$ USD) – CZ / PEC D – Analysis – **Bullish – short term pull back & higher**

Upside - Reached CZ – 81.75- 81.25 & exceeded - Powerful rally with a Bullish top

Downside - Pull back first to CZ 80.5-81.5 then move higher . DXY is Building Major base with Bullish bottom with +VE divergence. Main entry @ 72 Net Long Trigger

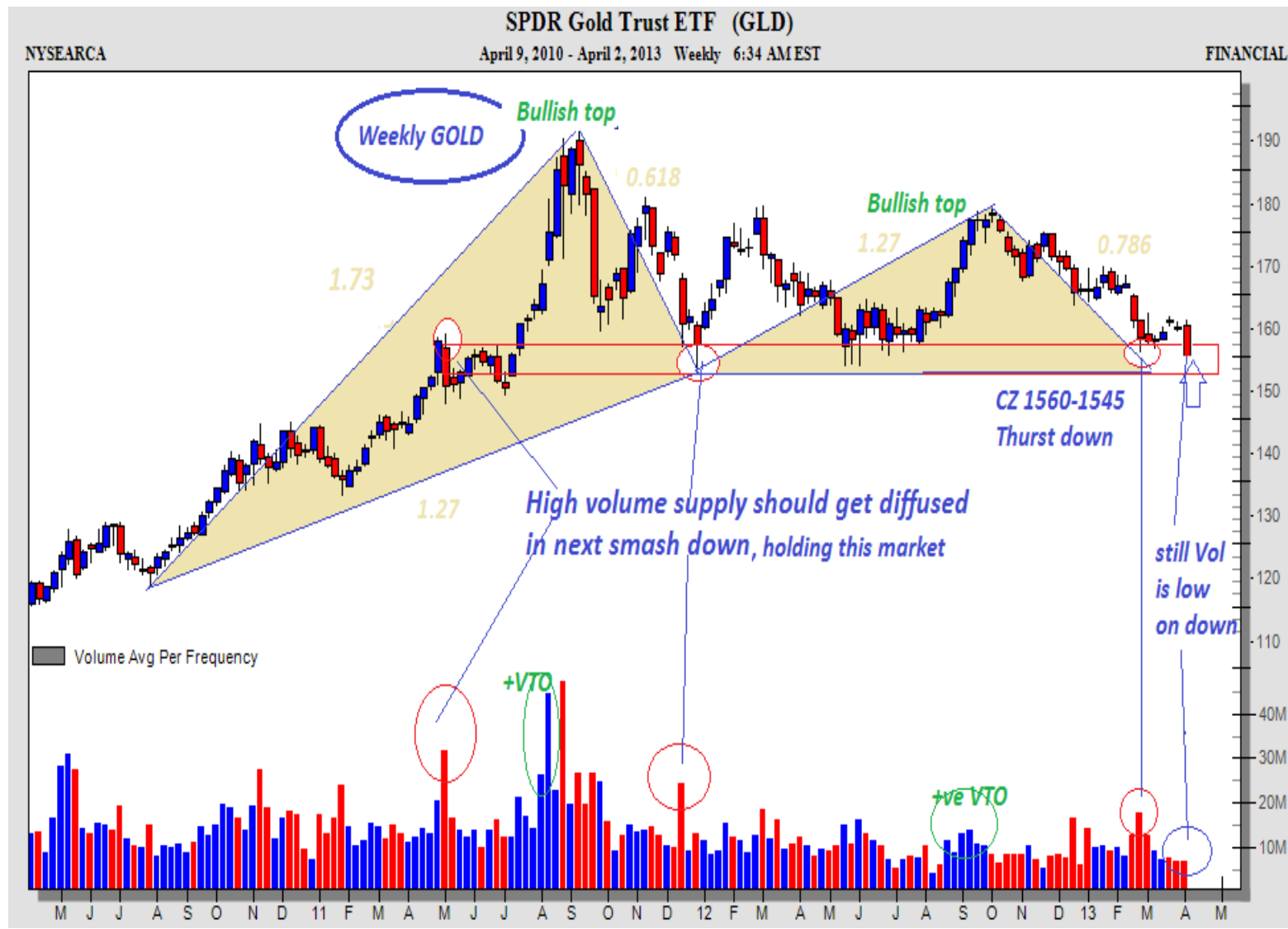




# GOLD – CZ/ PEC- D Analysis – Weekly chart

Texture - BULLISH TOP & BULLISH BOTTOM. (in Monthly & weekly) - Bottoming volatility

(Refer volume notes in chart below).





# GOLD – CZ/ PEC- D Analysis – **Bullish – Monthly chart - Bottoming volatility**

**Downside – Weekly** - GOLD possibly forming Bullish FLAG. Long term Chart, RSI is in pull back zone. Bullish top still remains with VTO +VE, Long term slow - STO is turning positive. (Refer volume notes in chart below).



# SLV – CZ / PEC –D Analysis - Daily chart - Bottoming volatility - ST hold till key reversal

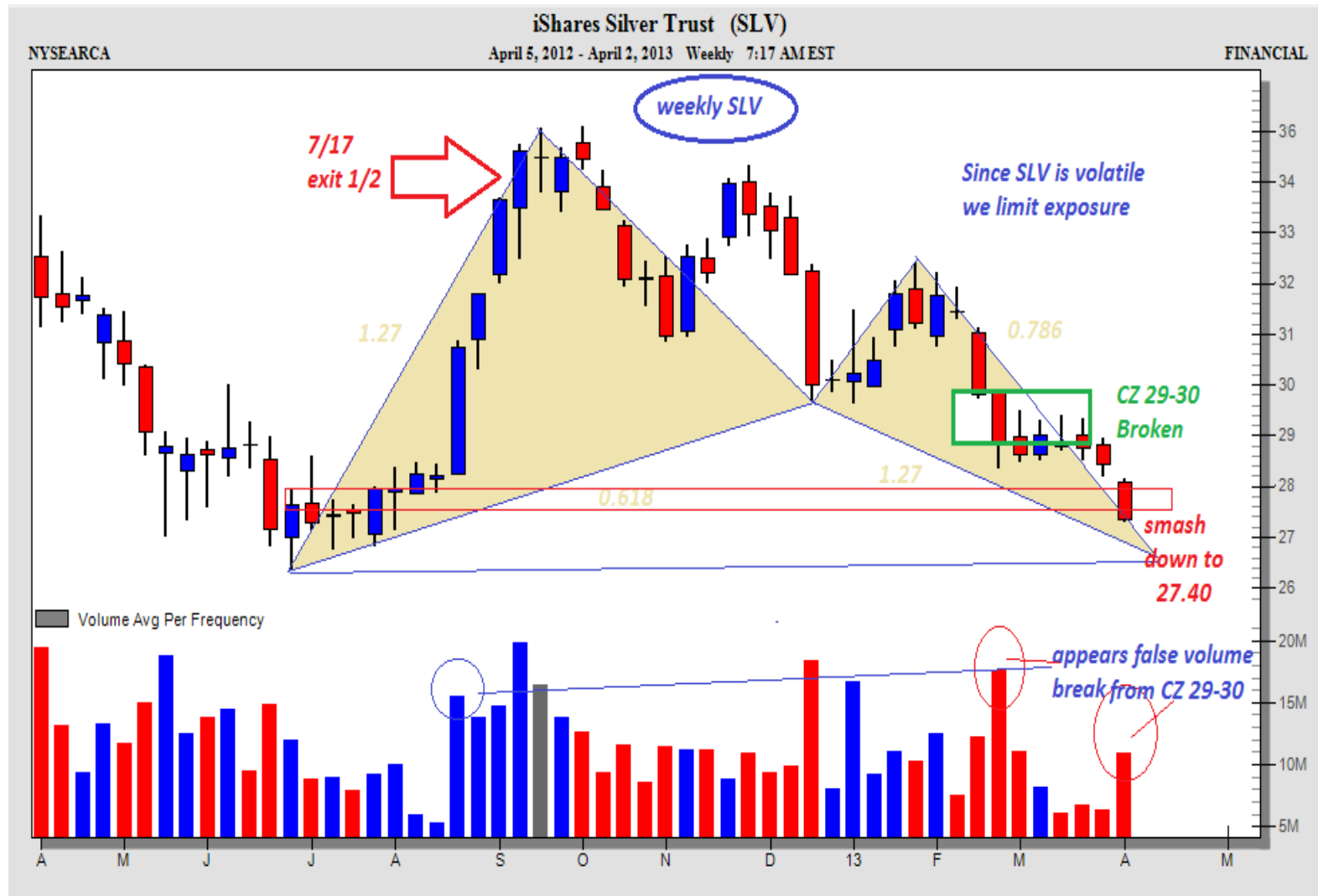
**Downside** - Down Thrust to **27.60** is under attack. This week's fall in silver did not have volume on downside  
"3 drives to the bottom"( In Time & PEC-D Price validated )

**Upside** – Close above CZ at 30.75 level is required to initiate up move. .



# SLV – CZ/ PEC- D Analysis – Weekly chart - *Bottoming volatility* - *ST hold till key reversal*

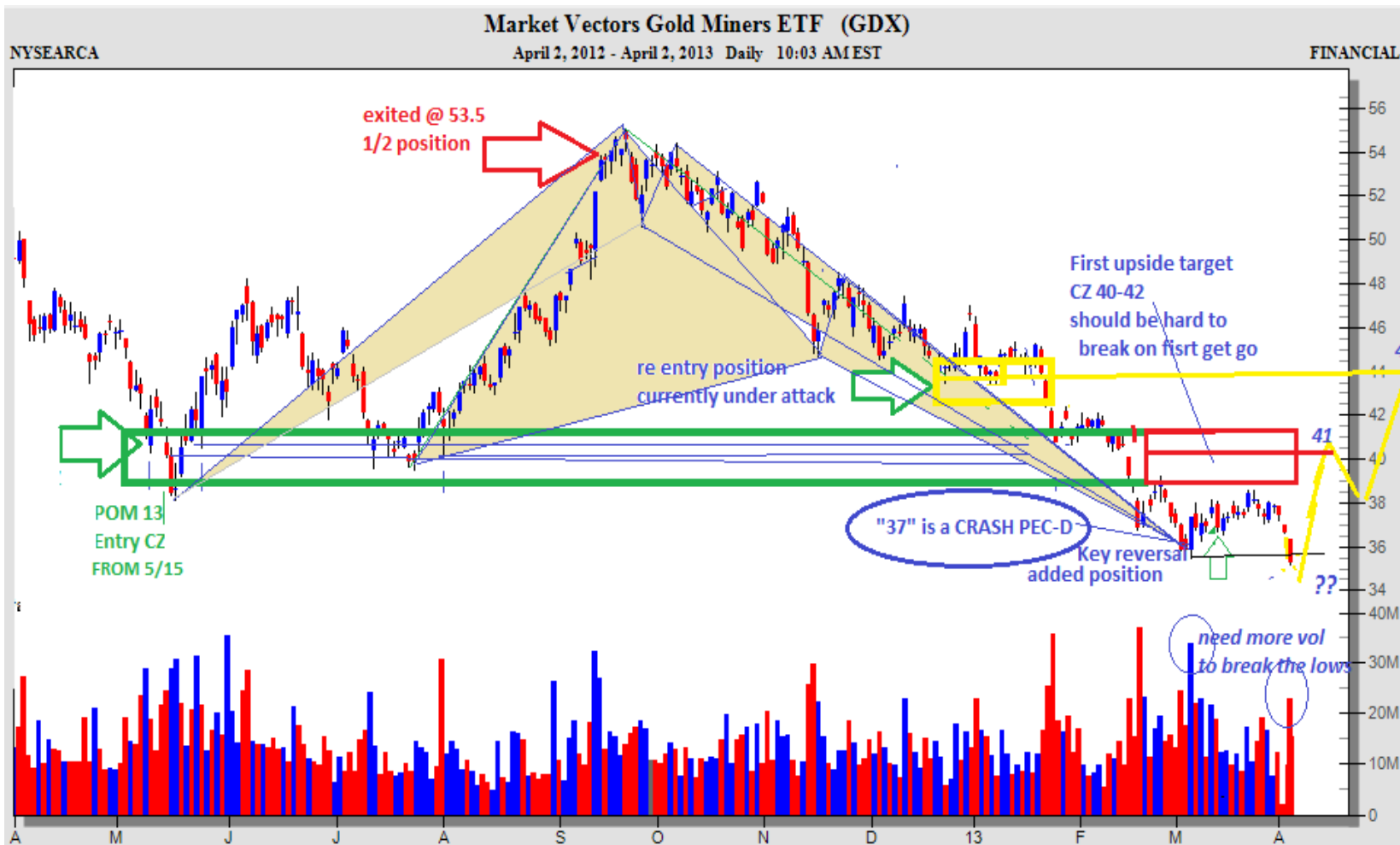
Downside - Weekly chart is more clear to see where the re- balancing points are . ( Notes within the chart).



# GDx – CZ – PEC-D Analysis Daily chart - *Bottoming volatility- ST hold till key reversal*

**Downside** – Down Thrust to 36.5 is *CRASH – PEC-D is under attack . key reversal @ 36.5, 3/06 is .* Need rejection lows , volume is lighter. Prices crossed under our Original POM 13 - *CZ 40-42 area .*

**Upside** - *Close above CZ at 41 level is required to initiate up move ( Refer notes within the chart)*



## GDX – CZ – PQV Analysis - DAILY - Weekly chart - ST hold till key reversal

Monthly GDX chart since 2008. The Decline into the May 2012 low produced a "Selling Climax". & are now testing those lows on lighter volume. It is Bullish sign ( But Monthly reversal yet ). The RSI reached near 30 . Stochastic and GDX/GLD ratio is at extremes and has tuned up .



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