



Date : 20th June 2013 (Thursday)

PRECIOUS COMMODITY REPORT (Strategy & Prop Tech)

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● Executive Summary

	Current Price	Trigger POM or CZ & Date	Triggered Within CZ & Date	Progress Status	Current Position	NEW ACTION (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ <u>Mid term</u>	Remark
GOLD	1310	POM 13 @ 1540 For main entry Core position	CZ 1345-1320 (5/21) Secondary entry	Retest of Crash Zone	Net Long _entry@ 1365, 5/21, stopped out @ cost 1365 on 6/19- Ref – MS 6/17	Initiate Trigger only if <i>Touch below 1320 & close above 1330 by Friday</i>	CZ 1430-1420 failed	CZ 1450-1480 Flag post top	Attack on Projected 1320 – Crash lows Heavy bottom Re test In progress (No Signal) Successful PQV Would trigger POM 12 – (Refer note below	1280 is extended false break Target <i>If volume on extension is low, its qualified as, the False break PEC-D</i>	For Recycled exposure 1.Re entry. @ 1635 (1/5), @1575 (3/01) Earlier exited at 1429, 4/22 for 72 points & @ 1770, 9/17 for 220 profit Is providing profit cushion 3 –Stop losses of 20 points incurred.

Continued...

	Current Price	Trigger POM or CZ & Date	Triggered Within CZ & Date	Progress Status	Current Position	NEW ACTION (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
SLV (SILVER)	20.12	POM 13 @26.5 05/15 Core POM on GOLD remains intact)	NONE	Retest of Crash Zone	NONE	NONE	CZ 24.5-25.5 failed	CZ 27-26 Flag post cap	PEC-D -20 on weekly is under attack 3 Drives to the bottom pattern (No Signal)		SLV is not giving as good signal as Gold , But should rally once GOLD is PQV Validated
GDX (XAU /HUI MINERS COR)	26.51	POM 13 @41 on 05/15 For entry Core Position POM remains intact)	CZ 26-25 (5/21)	Bottoming Volatility (Retesting Crash Zone	Net Long	Initiate Trigger only if <i>Touch below 25 & close above 26.5 by Friday</i>	CZ 32-31 Failed once but on 2 nd test Bullish pick in volume	CZ 35-36 Upside cap Major breakdown area needs force	Approaching CZ 26-25 Re test In progress (No Signal) <i>On Successful Re test of CZ 26-25 Would Trigger POM 12 Full exposure</i>	PEC-D -25 on weekly 3 Drives to the bottom pattern	For Recycled exposure Re entry @ 44.5 (1/04), 37.90 (3/07) 27.05(5/21) Earlier exited at 53.5, 9/17 For 9 profit Is providing profit cushion 2 –Stop losses of 2.75 points incurred

Ideal test

Since last Report 5/21, we had advised to put **all the additional Net buying on GOLD exposure on HOLD** till downside target met & PQV validated

We have reached our Targets in GOLD @ 1321 & GDX (25.5) Long awaited patiently , now the Market has to prove itself . By Friday , the move below 1320 into “ Selling Climax lows and a close back above 1330 on lighter volume is valid test. This is swing test on lighter volume and Price/RSI divergence followed up with a bullish reversal signal to set a significant bottom. Such validation would Trigger POM 12

. If NOT “ No Trigger” Till GOLD comes back in range after spiraling down on False break temporarily upon finishing extended PEC-D of 1280 - un accompanied by volume figures. NO ACTION

IMPORTANT NOTE - *If there is a possible Net long “Crash Trade “ without a proper PQV test , Usually such Trade comes on 3rd -4th day of down break . We will have a exit strategy in place for Short term basis similar to one we took at last Crash from 1350 (4/16) to 1430 (4/26) for 70 point move .*

SPX – Update- SPX Reached our upside target exact in **CZ 1658-1651** exact on 6/19 as indicated on Mondays’ MS Report 6/17. Indicating failure at that price.. Currently it is moving towards our 1st Projected downside target of 1600 . We should see how it gets into 1598 area. Today’s gap away is Bearish

We shall have more on Monday’s MS to see how week ends on weekly chart. We’ll keep it updated .

GOLD - Testing Cappitulation Zone

Price & Volume Analysis has been suggesting the test of this Heavy bottom in GOLD for quite some time. FOMC is just a Trigger to do so. Our preference is Market going into swing point lows in Asia overnight v/s US open. Historically it has worked well for Bulls.

Downside - GOLD's **Crash lows** at heavy bottom of **1320** is under attack. In this Capitulation lows volume on test should dry up . It needs PQV validation of lows to finish the down move". No signal yet

Upside - **CZ 1420-1430** keeps failing on up move. "**Flag Post Pattern'** target of **1450-1480** still remains a formidable ceiling .

- Gold tends to make its seasonal low in the middle of July.
- the COT for Commercials report a net short position which was the lowest short position since 2004 & 2008 lows We think this is a significant event and marks a major low in Gold ONLY once **CZ 1320-** is tested effectively.

DXY – “BULLISH”

USD put in classic reversal yesterday at our CZ 81.50 -80.5 after correction in Bull Market. The rally in USD to our projected targets would be a replay of the 90's. Europeans were forced to shift their asset to the USA. With stocks going up 30% per annum and the dollar rising about the same, they could obtain an automatic rise of 50% .

We are Bullish on DXY Mid term . 1st ABC up to CZ 84-83 met with Bullish top . The 2nd leg up to Bullish Top CZ 88-90 be accelerated in the 2nd half of 2013.

GDX (MINERS) – Testing Cappitulation Zone

Since our last Report , We had suggested the 3rd Gap of 3 Gap play into 26 was still pending . The current pattern GDX is forming is “ Three Drives to the Bottom. Today can very well be 3rd Drive if PQV is validated this week

Downside - GDX's Lows of heavy bottom of CZ 26-25 is under attack . This is Selling Climax zone. It needs PQV validation of 25.5 – PEC-D lows to finish the down move”. No signal yet

We have several Gold Equities that may reach PEC-D's

- Looking at the mining sector, we have made a momentum low in the oscillator & now showing +ve divergences on oscillator on re test.
- . The GDX/GLD ratio has turned more extreme.

GOLD – Daily – PEC –D / CZ Analysis

Downside - Crash lows of 1320 is heavy bottom under attack in Capitulation zone and extended. It needs PQV validation of lows to finish the down move". No signal yet

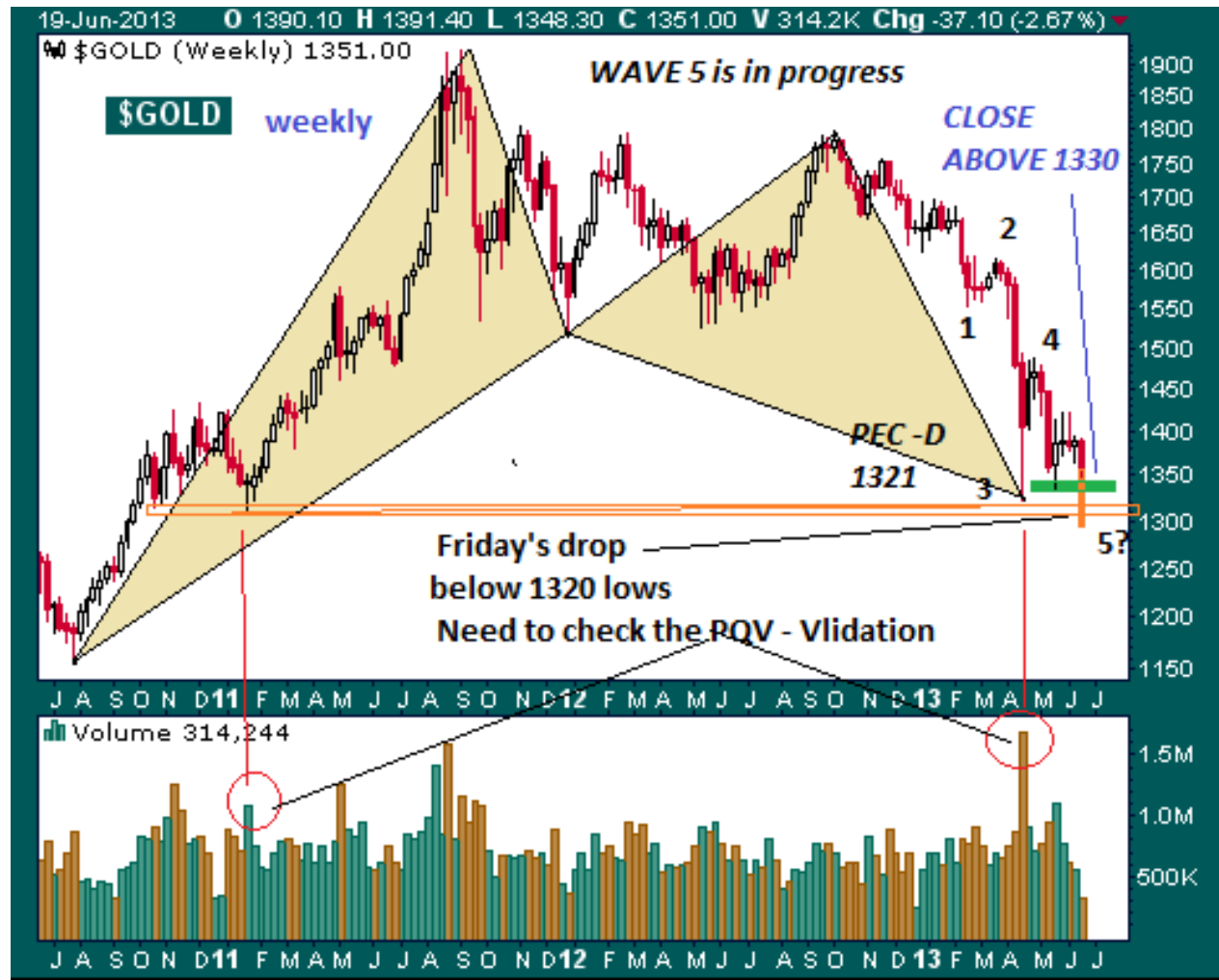
Upside - CZ 1420-1430 – Failed on 2nd rally .



GOLD – Weekly – PEC –D / CZ Analysis – Bigger picture

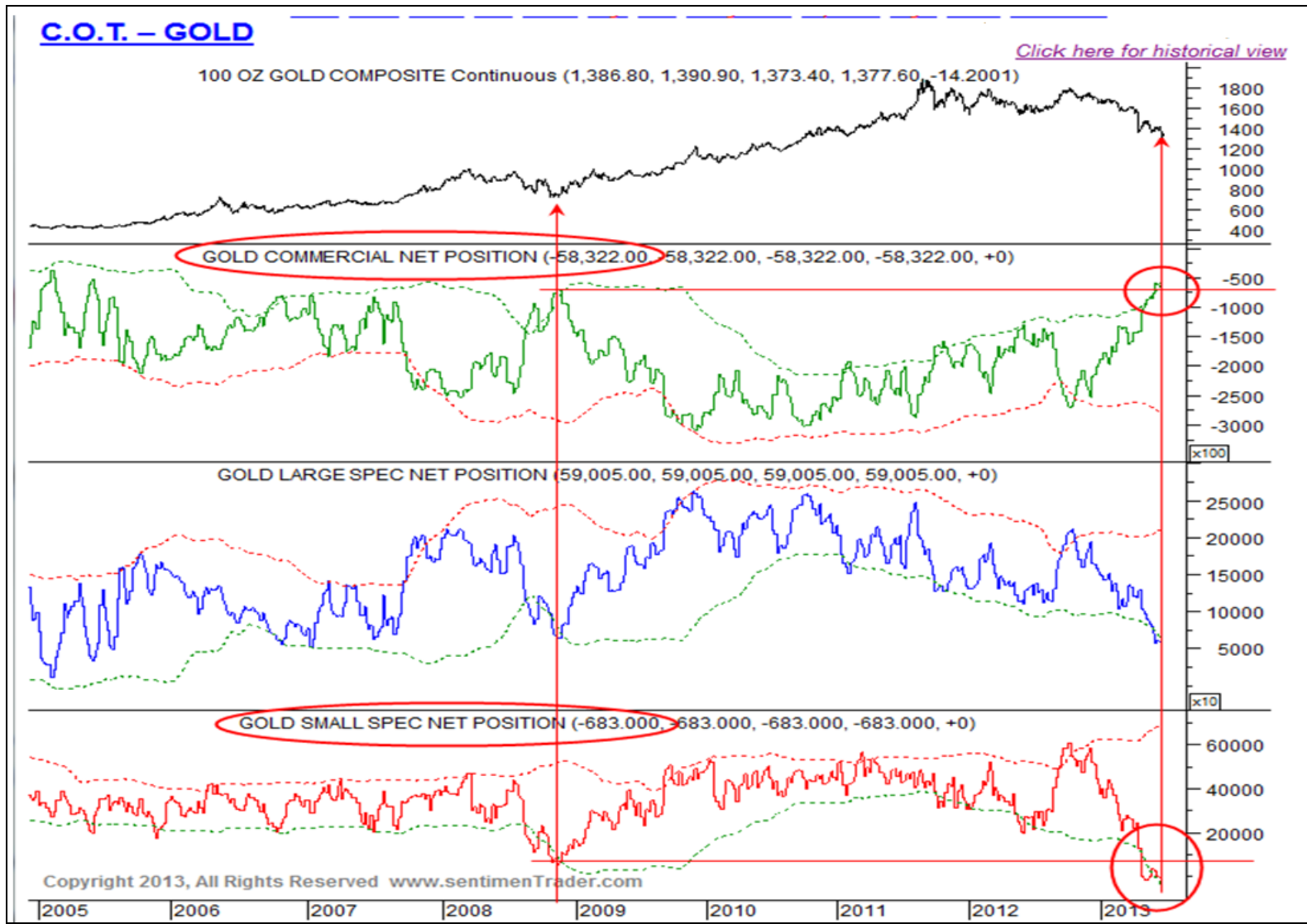
Downside- Weekly WAVE 5 projections to 1320 lows has capitulation volume. (Notes within the chart) . it needs rejection

Upside - CZ 1450-1480 is FLAG POST cap .



GOLD – COT Analysis – Bigger picture.

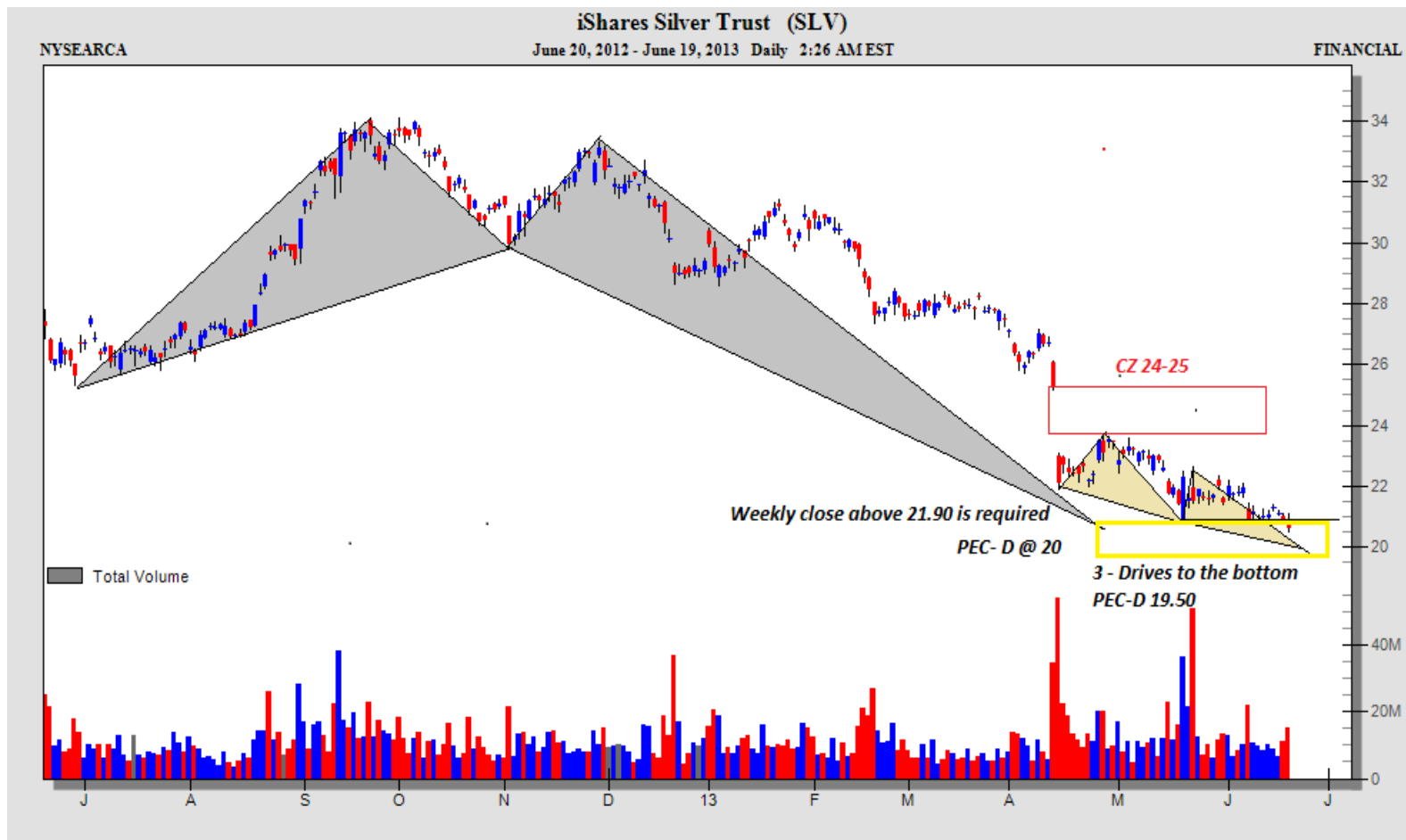
COT for Commercials report a net short position which was the lowest short position since 2004 & 2008 lows



SLV – CZ / PEC –D Analysis - Daily chart-

Downside- -@ PEC-D 20 . On 3 Drives to the Bottom – PEC- 19.50. (notes within the chart) . PQQ – validation in this area. It made key reversal at 20 . We are re testing Key reversal one more time for another validation of lows to finish the down move .

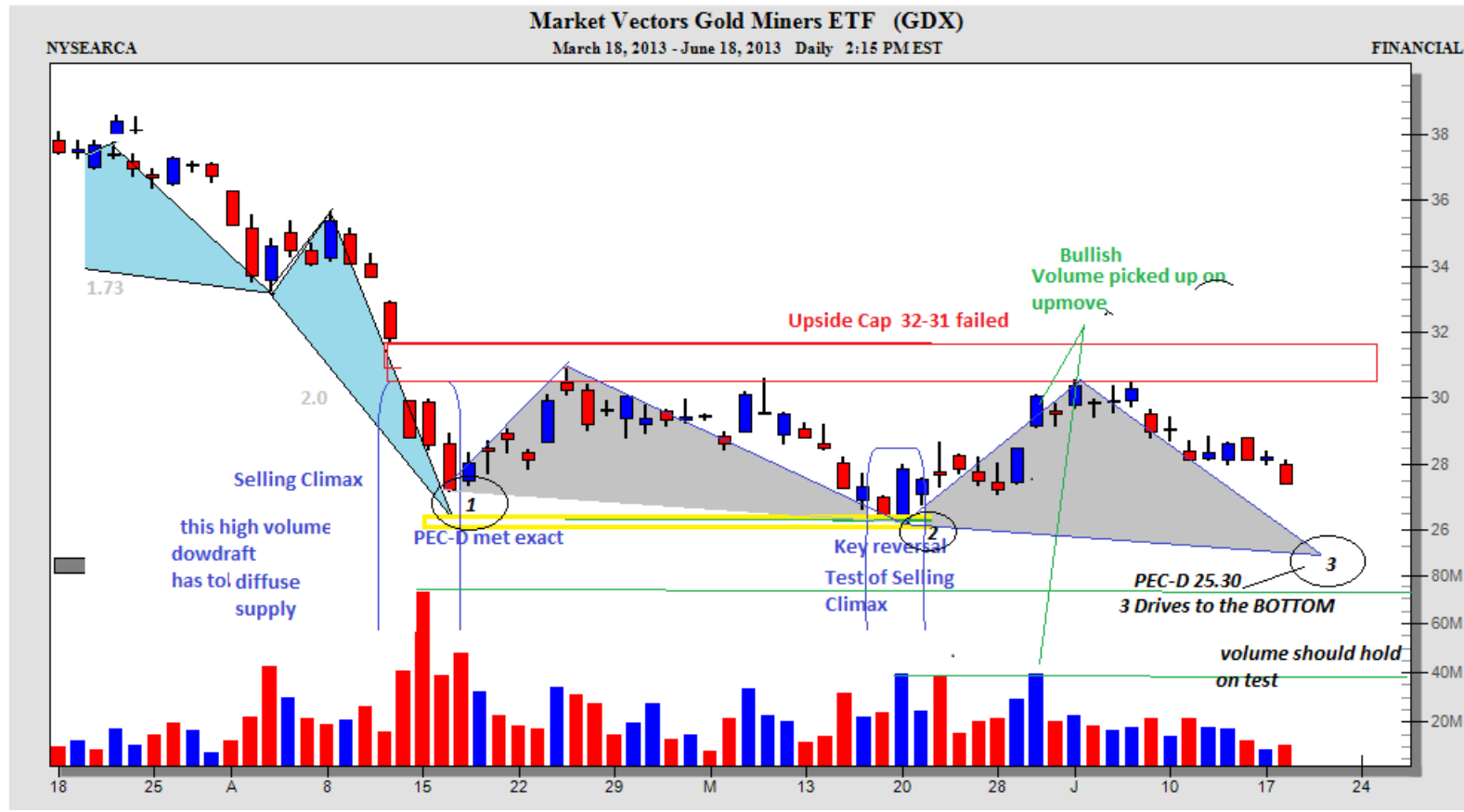
Upside - CZ 24.5-25.5 the Flag post area. would be CAP on any up move.



GDX – Daily – PEC –D / CZ Analysis

Downside - -@ PEC-D 25.5 within CZ 25-26. On 3 Drives to the Bottom – PEC- Validated . (notes within the chart) .

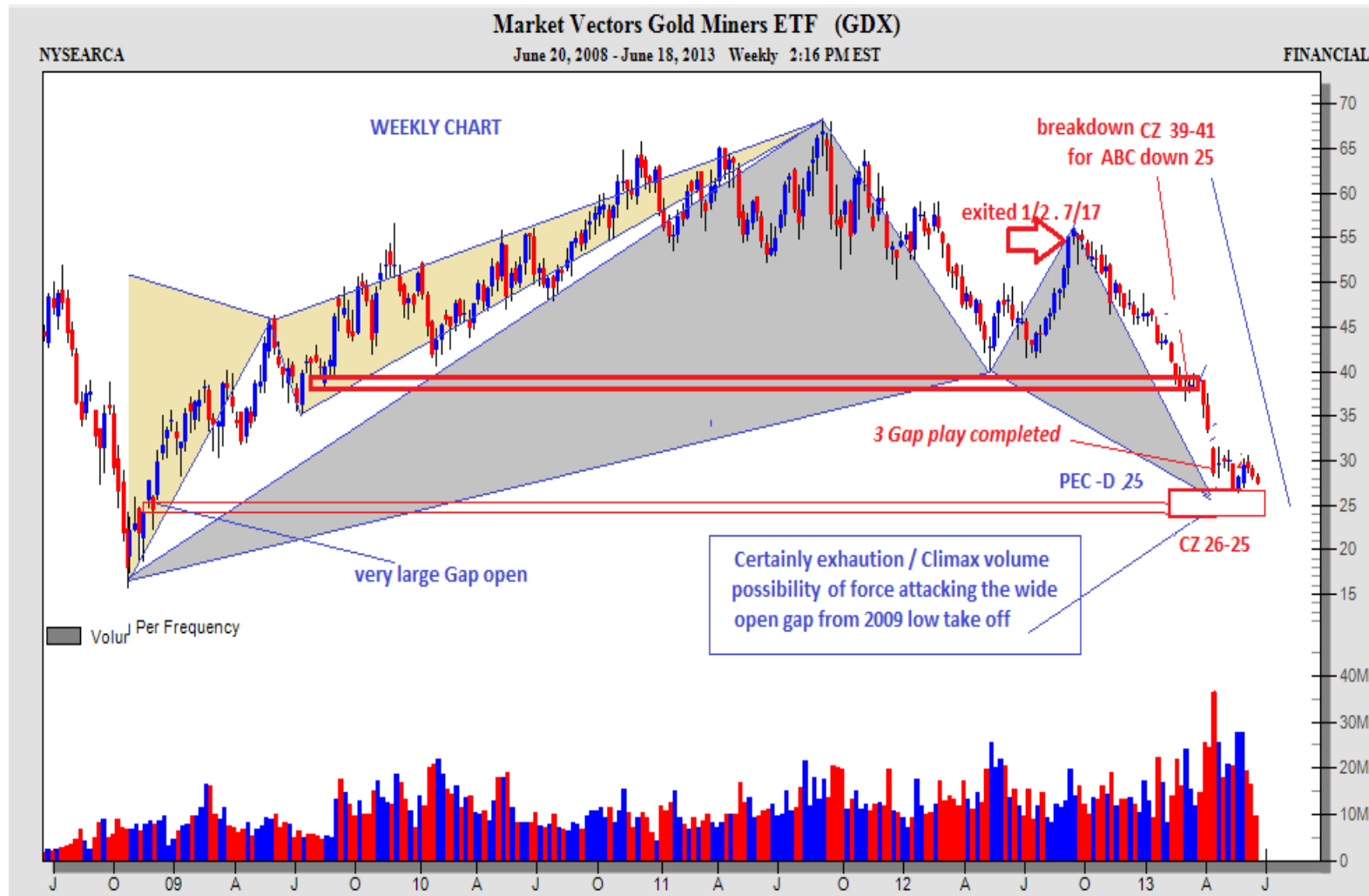
Upside - CZ 31-32 - was tested on higher volume – It is Bullish . Needs more volume to break upside . This area that was sliced decisively GAPPED AWAY high volume



GDX – CZ – PQV Analysis - DAILY - Weekly chart

Weekly Chart produced a “Selling Climax”. , We have **3 gap play completed** and **ABC down to 25 @ PEC-D** under completion & under 26 gap open, it needs to be respected.

Downside- Weekly PEC-D projections are **CZ 26-25**, with **ABC down to 25**. The test of this CZ is in progress.



GDX / GOLD – Ratio Analysis - Weekly chart

- . The GDX/GLD ratio has turned more extreme.



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