



SG Capital Research

Global Market Insights

Chart System

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SPECIAL REPORT- GDX Update

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● Executive Summary.

GDX – In Thursday's Trading , after a very long time GOLD dropped but GDX held well showing +ve price divergence. As we know, in liquidation senerio nothing works except Risk Management and careful deployment of capital.

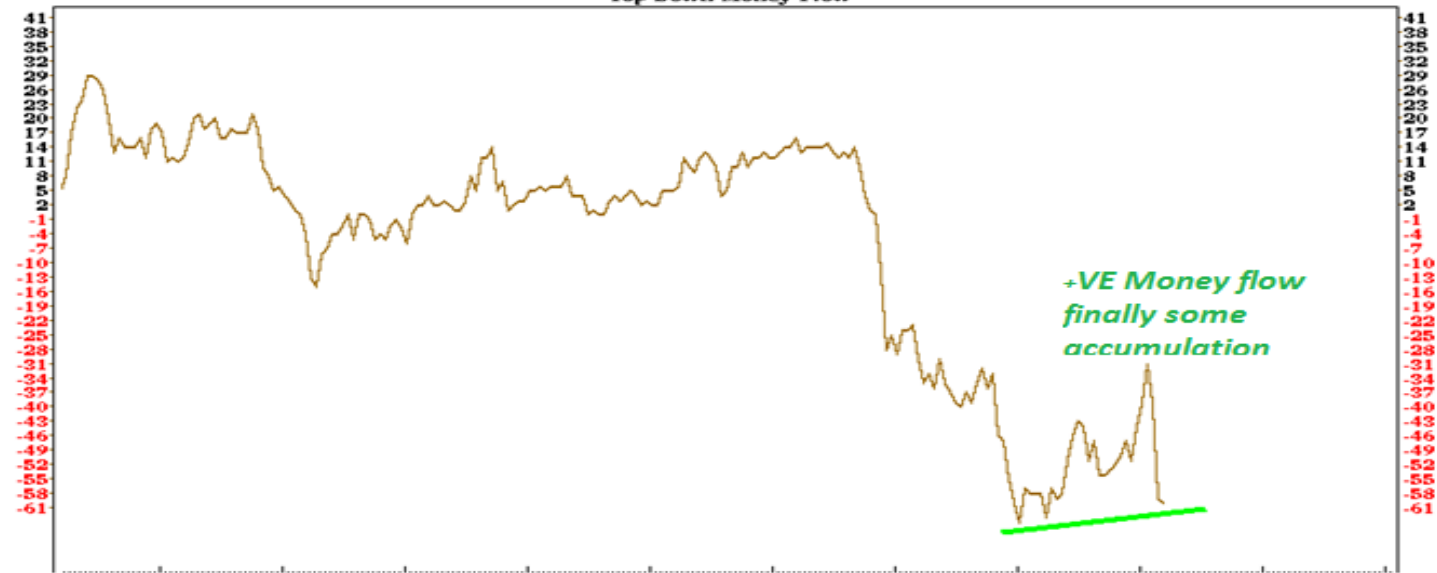
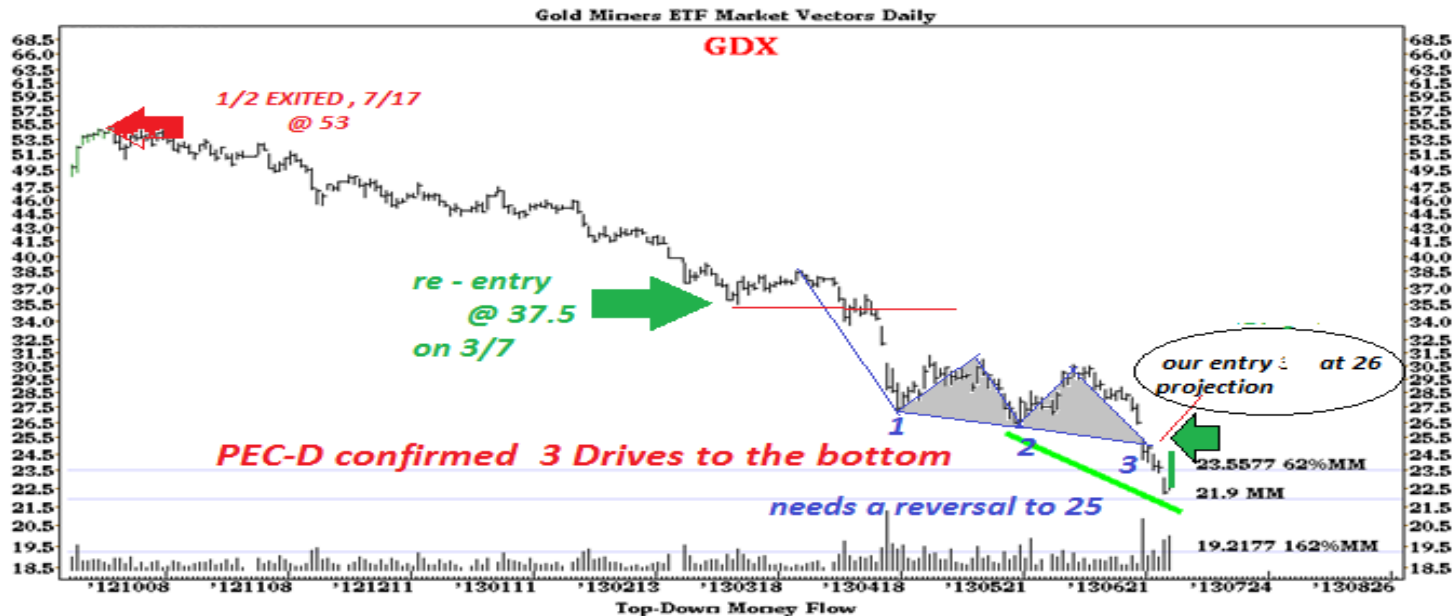
The Normal volume driven PEC'D gets converted into " Crash Driven " PEC-D's . Our latest **PEC-D 25.5**, did not hold the level & declined further 23 for the same reason.

It appears we had a momentum lows at 22.5 and possible reaction lows may come in soon at higher level. Today we see the evidence of volume pick up on upside. 1-2 days of volume reversal to get a signal good signal . It may take a few more days of building a base, but we're basically there. Gold has a seasonal tendency to put in a low in July and that should be highly supportive for gold stocks.

If by any other fundamental Methodology, if today's GDX low is confirmed, then look for the opportunity on pull back . Today appears to be volume reversal with wide price spread. We exited our position at 53 on 7/17 but our re entry at 37.5 was little early and at 26 it doesn't seem bad . But today appears to be good point at 23.5 entry with RM – Stop 22.25

GDX – PEC-D Analysis - Notes within the charts –

Trying to be careful in deployment of capital. therefore only partial exposure.



GOLD – (2006 -2009) V/S (2011 -2013) Analysis



SLV – (1968-2013) Analysis

Curtsey - EY



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