



Date : 21<sup>ST</sup> May 2013 ( Tuesday)

**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>  <b>Announcement</b>	1365	<b>POM 13 @ 1540</b> On 5/15 For main entry  <b>Core position</b>	CZ 1345-1320 (5/21)	Bottoming Volatility (Retesting Crash Zone)	Net Long	<b>Initiate entry</b> Below 1375 To 1320 Scale in  <b>On Successful Re test of - 1320 final Crash zone Would Trigger POM 12 Full exposure</b>	CZ 1450-1480 Flag post cap	CZ 1530-1560 Breakdown area	<u>1400- 1410</u> projection <b>MET</b> ( but No Validation Hence move lower)	<b>CZ 1345-1320</b>  <b>Re test In progress</b>	For Recycled exposure  <b>1.Re entry.</b> @ 1635 (1/5), @1575 (3/01)  <u>Earlier exited</u> at 1429, 4/22 for <u>72 points</u> & @ 1770, 9/17 for <u>220 profit</u> Is providing profit cushion 3 –Stop losses of 20 points incurred.

**Refer " important note" below in overview para**

## Continued...

	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
SLV ( SILVER)  <b>ALERT</b>	22.22	POM 13 @26.5 05/15  <u>Core</u> POM on GOLD remains intact)	NONE	Bottoming Volatility	NONE	NONE	CZ 24.5-25.5  Flag post cap	CZ 27-26	<b>CZ 21.5-20.5</b>  Re test In progress		<b>ALERT</b> - on 5/20 , Swing of 15% In 1 day up 7.5% & down 7.5 %. This could be a bottom for big rally  <b>RM 19.50</b>
GDX (XAU /HUI MINERS COR)  <b>Announcement</b>	27.09	POM 13 @41 on 05/15 For entry  <u>Core Position</u> POM remains intact)	CZ 26-25 (5/21)	Bottoming Volatility  (Retesting Crash Zone	Net Long	<b>Initiate entry</b> Below 27.50 –to 25.5 Scale in  <b>On Successful</b> Re test of CZ 26-25 Would Trigger POM <b>12</b> <b>Full exposure</b>	CZ 32-31  Breakdown area	<u>CZ 35-36</u> Upside cap	<b>CZ 26-25</b>  Re test In progress		For Recycled exposure 5%  <b>Re entry @</b> 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

**HEDGING on GOLD-** Drop in YEN has hurt GOLD. Since the start of October, the USD has risen **24%** against the YEN, while gold has lost **-21%**. The DXY has risen **5%** during those eight months. This combination has helped us to reduce volatility in GOLD position in our Portfolio

## Portfolio – Overview & Update

We shall place on “HOLD “ all our “ Net Longs” exposure in **GOLD ( ½ position) & GOLD Equity ( ½ Position) .**

- Overall we are in Green in GOLD since 5/15/2012 POM 13, but still in Red on GDx in spite of exiting ½ position at the Market Top on 7/17 @ 53. Our Re entry at average price 38 -39 **has experienced Drawdown**
- **Entry @ 1540 on 5/15/ 2012. ( original POM 13 ) , Entry - Avg @ 1590 on 1/5, 3/01 entry ( Recycling) . We have profit Cushion of 220 points ( exited at 1770 on 7/17 ) & 70 points on Crash Trade entry @ 1350/ exit 1430 .**
- **GDX-** have not added any new position to GDx since 3/07 ( price of 37.90 ) – Neither Fresh nor Recycled exposure .  
We plan to do so today below 27.5 -25.5 after avoiding almost \$10.00 drop

### GOLD / GOLD EQUITY Portfolio Holdings .....

- LONG at POM 13 / in Main CZ : .....  
GOLD, GDx

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

- BULLISH INDICES – Bottoming Volatility - GOLD, SLV, GDx

### DXy – “BULLISH”

DXy has been very strong . We are Bullish on DXy Mid term for 1<sup>st</sup> ABC up to CZ 84-83. The 2<sup>nd</sup> leg up in the 2<sup>nd</sup> half of 2013 will accelerate to Bullish Top @ 88-90.

## **GOLD - Testing Capitulation Zone**

**Important note** - Since last Report, the GOLD pull backed as expected to **lows of 1336** to enter the capitulation zone **CZ 1345-1320**. It made key reversal at **1336**. We could get another re test of Key reversal one more time for another validation of lows to finish the down move. Today Gold retraced 1355 & rejected.

### Downside-

- Successful **Re test** of **-1320** lows with PQV Validation would Trigger POM 12 to increase to **our Full exposure**.

The final test will be a move to 1320 or lower and a close back above 1325 on lighter volume. If this type of a test were to occur, we would have a test of an important swing point low on lighter volume and Price/RSI divergence followed up with a bullish reversal signal to set a significant bottom.

### Upside -

- “**Flag Post Pattern**’ target of **1450-1480** still remains a formidable ceiling.

## **GDX (MINERS) – Testing Capitulation Zone**

We waited for Price point of 26 since early April. GDX finally approached projected **CZ 26 -25** and rallied with key reversal .. We could get another re test of Key reversal one more time for another validation of lows **25.5** to finish the down move.

Looking at the mining sector, we have made a momentum low in the oscillator & now showing +ve divergences on oscillator on re test. Cash Build-Up Phase is in progress. .

# DXY ( \$ USD) – CZ / PEC D – Analysis – **Bullish**

**Upside - CZ – 84-83 Bullish top, Eventual Upside - CZ – 88-90, 2<sup>ND</sup> ABC**

**Downside -**, Pull back to CZ 80.5-81.5 – Met exact with +ve Divergence at lows  
Main entry @ 72 Net Long Trigger



# GOLD – Daily – PEC –D / CZ Analysis

Downside- CZ 1345-1320 – Capitulation zone . PQV – validation in this area . entry point

Upside - CZ 1450-1480, the Flag post area would be CAP on any up move.



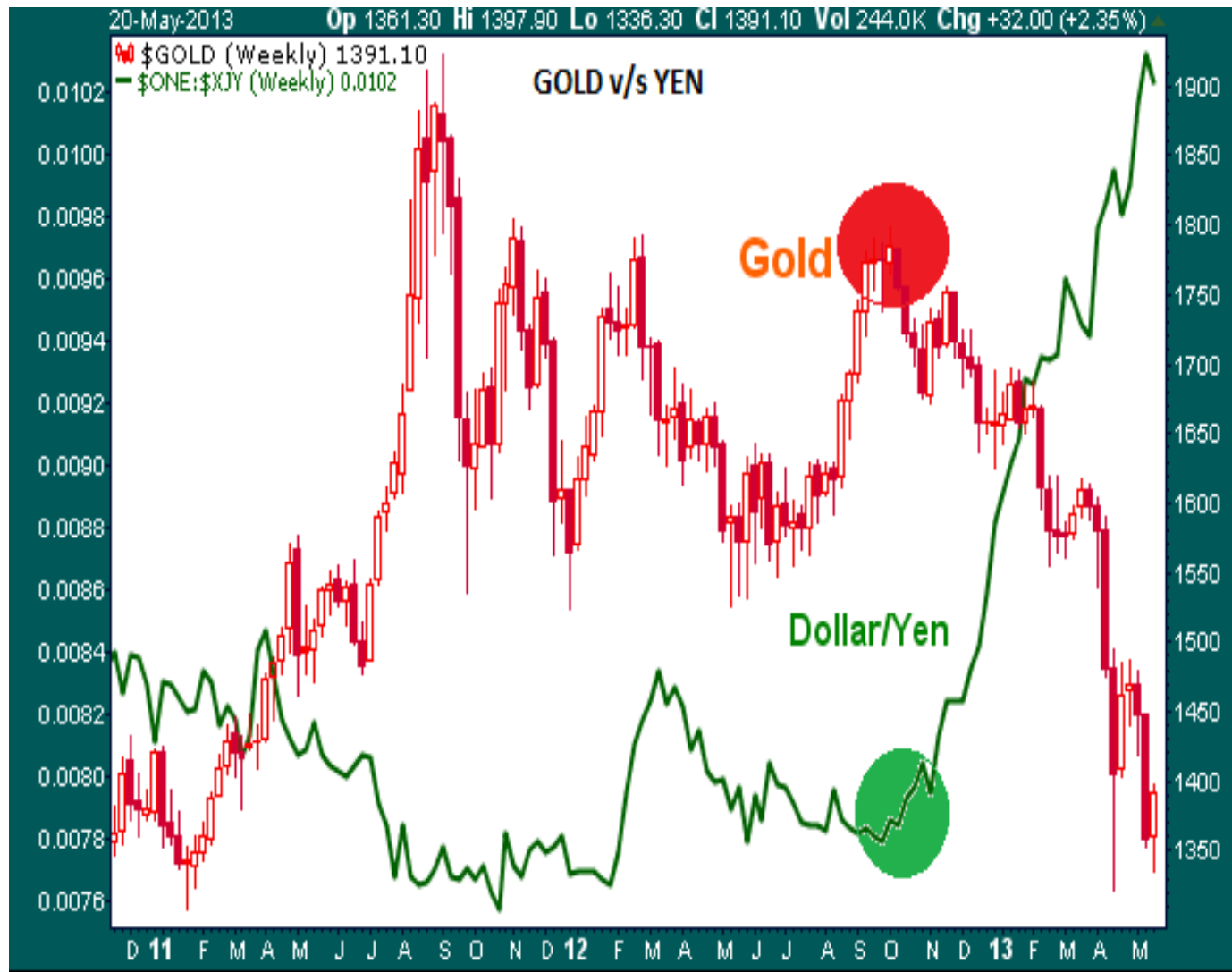
# GOLD – Weekly – PEC –D / CZ Analysis – Bigger picture

**Downside-** Weekly CZ projections met with ABC down to 1345 was a reversal point within CZ 1345-1320.



## GOLD v/s USD/YEN - CZ Analysis

**HEDGING on GOLD-** Drop in YEN has hurt GOLD. Since the start of October, the USD has risen **24%** against the YEN, while gold has lost **-21%**. The DXY has risen **5%** during those eight months

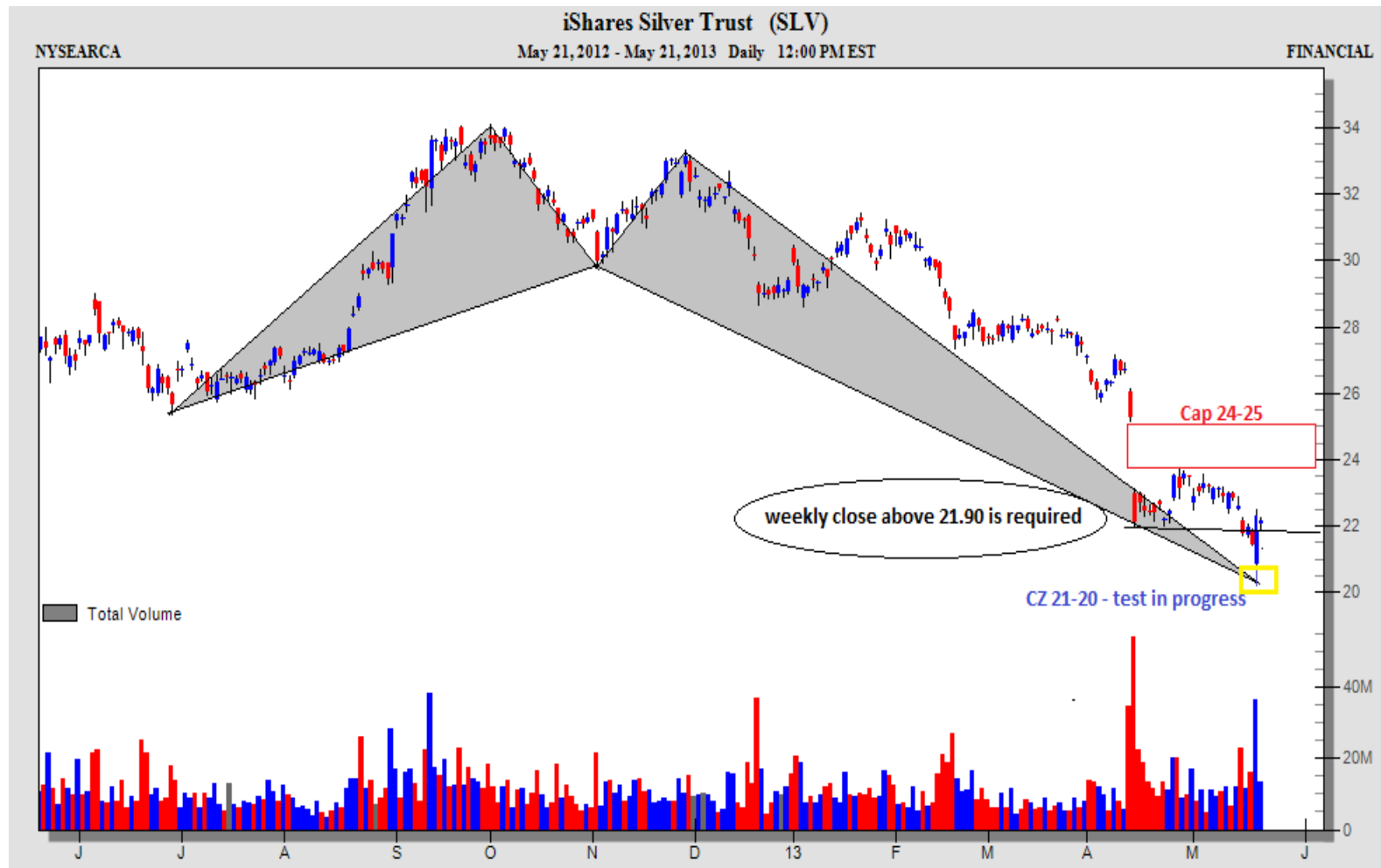




## SLV – CZ / PEC –D Analysis - *Daily chart-*

**Downside-** CZ 21.5-20.5 – *Capitulation zone* . PQV – validation in this area. It made key reversal at 20 . We could get another re test of Key reversal one more time for another validation of lows to finish the down move .

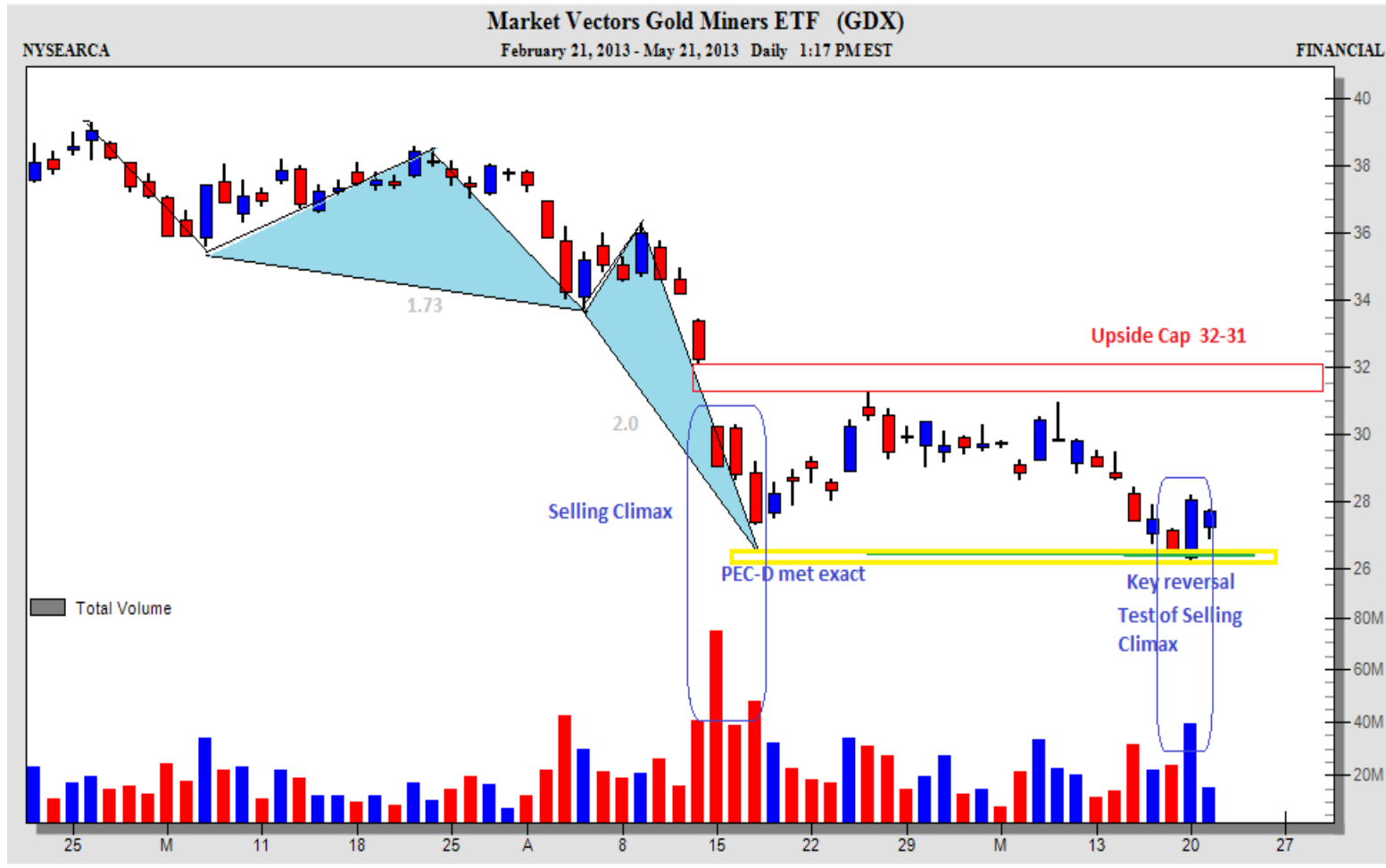
**Upside -** CZ 24.5-25.5 the Flag post area. would be CAP on any up move.



# GDX – Daily – PEC –D / CZ Analysis

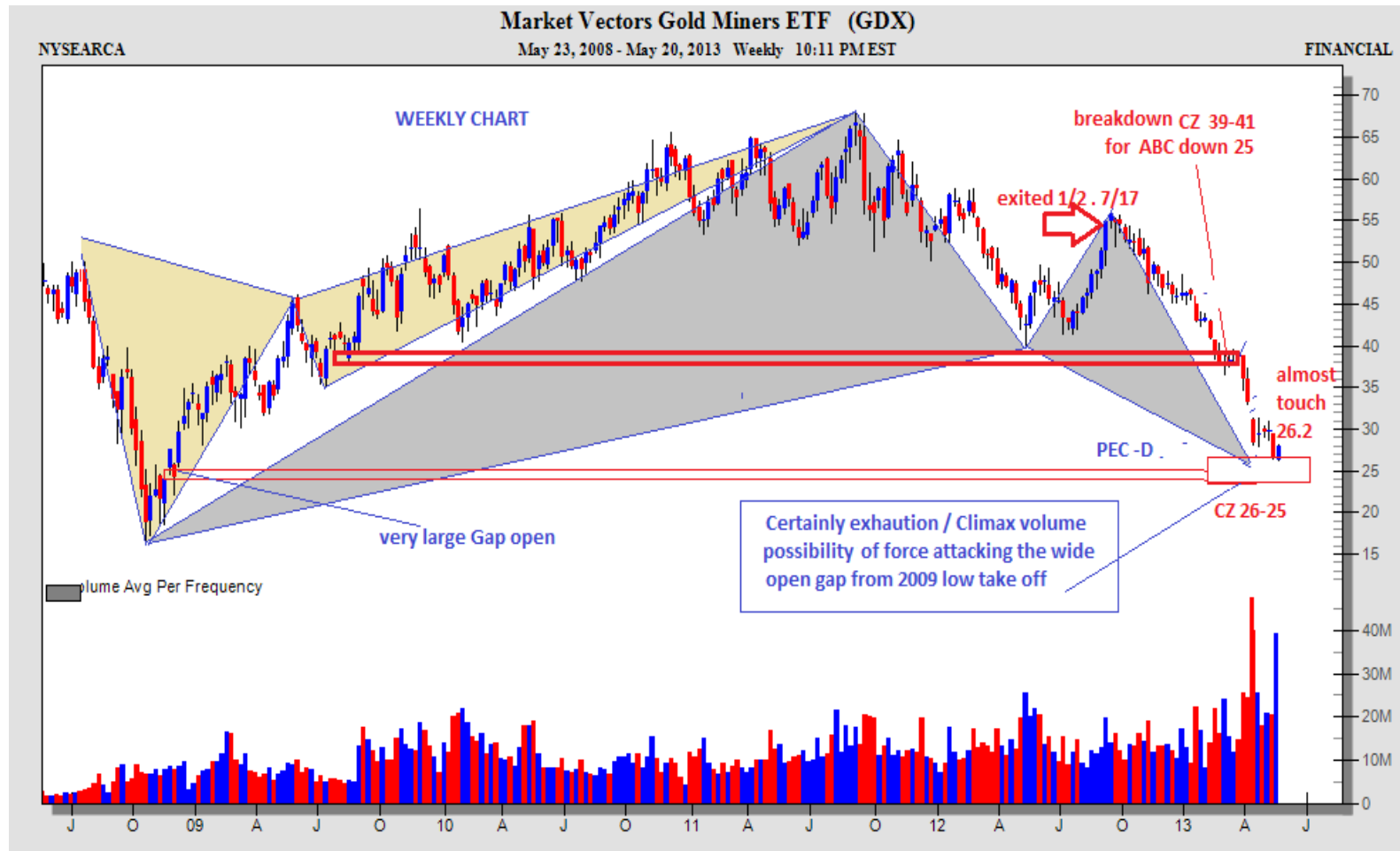
**Downside - -@ PEC-D 26 – Met exact within few pennies.** “Selling Climax test & key reversal ( notes within the chart) .

**Upside - CZ 31-32** would be CAP on any up move. This area that was sliced decisively GAPED AWAY high volume



# GDX – CZ – PQV Analysis - DAILY - Weekly chart

**Downside-** Weekly PEC-D projections are CZ 26-25, with ABC down to 25.75. We could get another re test of Key reversal one more time for another validation of lows 25.5 to finish the down move.



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