



Date : 16th July 2014 (Wednesday)

PRECIOUS COMMODITY REPORT (Strategy & Prop Tech)

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● Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement Update</u> For Trend Reversal	Progress Status	Current Position / Exposure	NEW ACTION (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD	1300	POM 13 Re – Run Marked to Market on 1/01 start @1205	Announced Re- entry Trigger @ 1268 Email 6/17 Alerted Stop 1268	BULLISH <u>Rejecting the lows CZ 1305-1295</u> Sets up Larger ABC up	Net Long	NONE	1 st Target PEC-D 1345- Met exact & sold off Bullish Top	Target 2 nd ABC to 1400 Bullish Top Weekly ABC up & H & S bottom	Pull back 1305-1300 Met & rejecting CZ for next leg higher Bullish Bottom	PEC-D 1260 Rejected lows Bullish Bottom	CZ 1300-1290 Broke out high volume For a large ABC up Weekly 5 year CZ 1220-1190 Is solid floor Bullish floor

ACTIONABLE IDEAS - Nothing has changed in spite of 50 points drop past 3 days

For Bulls – Triggered re- entry @1268 , 6/17. with Bullish bottom , The First Target ABC up @ 1345 Met exact and sold off . Now rejecting lows at CZ 1305-1295 . The Mid term H & S Bottom Target @ 1400

For Bears – The heavy volume breakout of CZ 1300-1290 is still in place . No “Sell Signal” till 1400. **GOLD** – is Not a Candidate for Short Sell

Continued...

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SLV (SILVER)	20.78	POM 13 Re – Run Marked to Market on 1/01 start @19.0	Bottom in place @ 18.5, PEC-D	BULLISH	Net Long	NONE	Target weekly PEC-D 21.50 Met exact Bullish Top	New ABC up to PEC-D 22.5 Bullish Top	Pull back to PEC-D 20.5 Should hold & rally up	PEC-D 19.5 Rejected lows Bullish bottom	No Position
GDX (XAU/HUI MINERS COR)	26.28	POM 13 Re – Run Marked to Market on 1/01 start @ 21.13	Announced Re- entry Trigger @ 1268 (23.90) Email 6/17	BULLISH	Net Long	NONE	H & S bottom at 21.5 In place To target 28.0- met Exact	Weekly ABC up to 29 Bullish Top	Pull back to PEC-D 25.5 Should hold & rally up	CZ 22.5-22.75 Bullish bottom	

Delivering ALPHA - Conference in NYC

High profile conference in NYC today. Results of Hedge fund Industry published for 2014 as Fridays close. Interesting and very controversial speech from legend Stan Druckenmiller on Federal reserve .

Lagging behind

Hedge funds trailing S&P 500 returns (in %)

	1/14	2/14	3/14	4/14	5/14	6/14	YTD '14
HFRI Fund Weighted Composite Index	-0.54	1.97	-0.30	-0.23	0.98	1.31	3.20
S&P 500 w/ dividends	-3.46	4.57	0.84	0.74	2.34	2.06	7.12

Source: HFR

Note - Our Risk Managed Market Neutral direction bias POM Driven Conservative (Non leveraged)– Macro Portfolio gained 7.01% YTD as of Friday close while FED induced the market.

Precious Metal Overview

SIGNALS. - Price Projection CZ , Trading / Investment Conclusions below

- BULLISH INDICES – GOLD, SLV, GDX

GOLD- NET LONG – POM 13 - Marked to Market @ 1204 – 1st Jan 2014 .

On 6/17 Triggered – Re – entry @ 1268- Alerted

GOLD – After 4 weeks of rally, Gold reached our 1st Upside ABC up target of 1345 exact with Bullish top from our triggered entry 1268. But past 2 days sold off 50 points to the breakout area CZ 1305 -1300 during the FOMC testimony. Although we are little surprised by the magnitude of decline but it is dislocation on low volume. It is rejecting the lows of breakout area with Bullish Bottom. On weekly charts it is light volume decline. This should consolidate a bit and set up Large ABC up . Divergence in Money flow on GLD suggests another massive leg up after consolidation.

Next few months to achieve its 2nd ABC up 1400 (Weekly ABC up) and Inverse H & S bottom target of 1400 (Refer chart below).

Seasonal – still remains positive from end July to October for most explosive for GOLD Markets .

SILVER - is much stronger than GOLD on this pull back . Weekly ABC up to 21.5- met . Pull back to 20.6 and then rally up for new ABC up to 22.5 . SLV

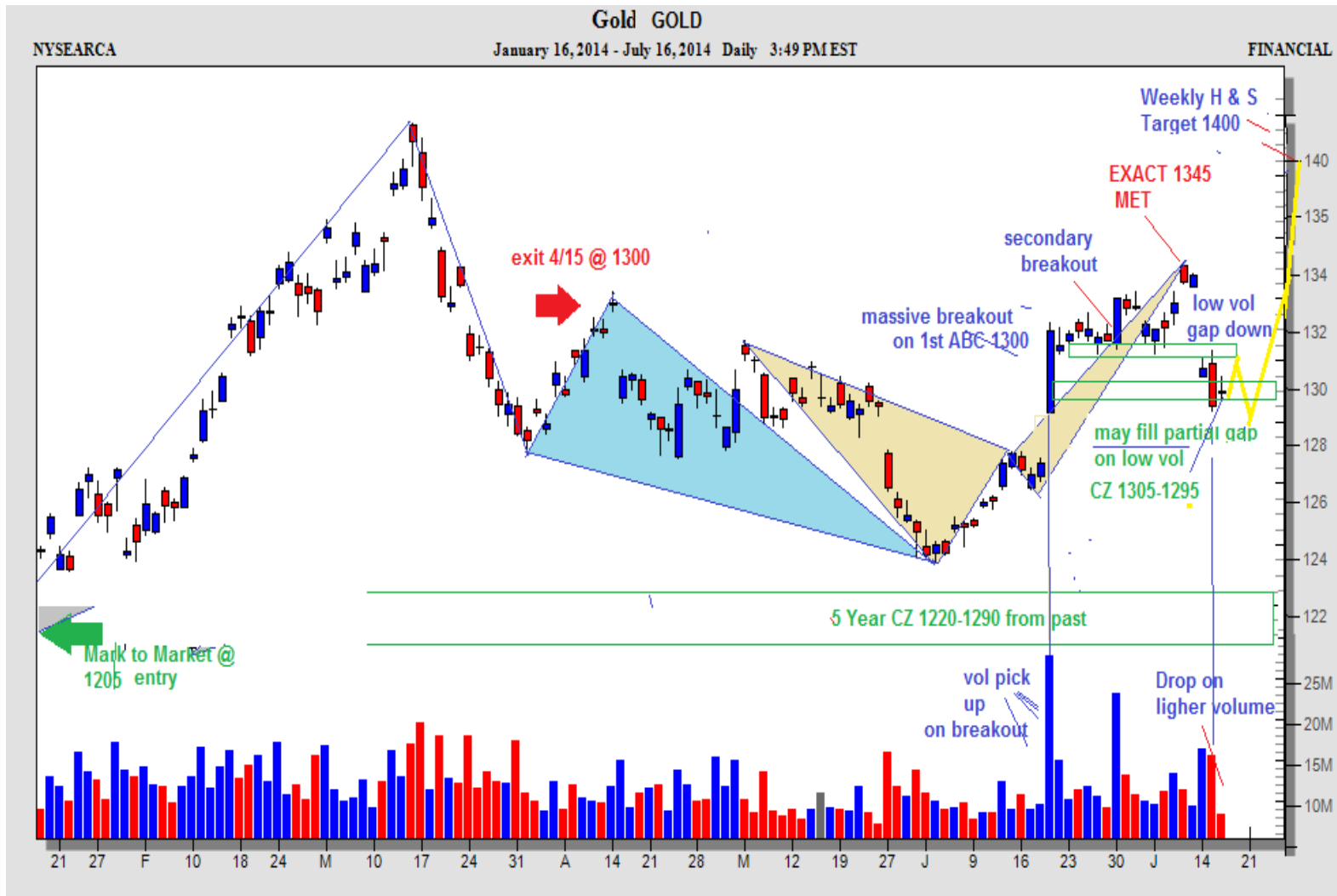
GDX - GOLD stocks & SLV hasn't pull back much in Gold's 50 point decline. Institutional accumulation continues . GDX has formed Bullish Head and Shoulders bottom pattern Target 28.0. Weekly ABC up to 29. There have been several "Sign of strengths" with volume pick up.

GDX/GLD ratio has turned positive it is trending higher which is bullish condition for both gold and gold stocks. GDX Rejected lows at 23.80. lows with Bullish Bottom.

GOLD- PEC- D Analysis POM 13 - Daily chart – Short term Chart 1

Upside – 1st Target PEC-D 1345- met exact & sold off (Notes within the charts)

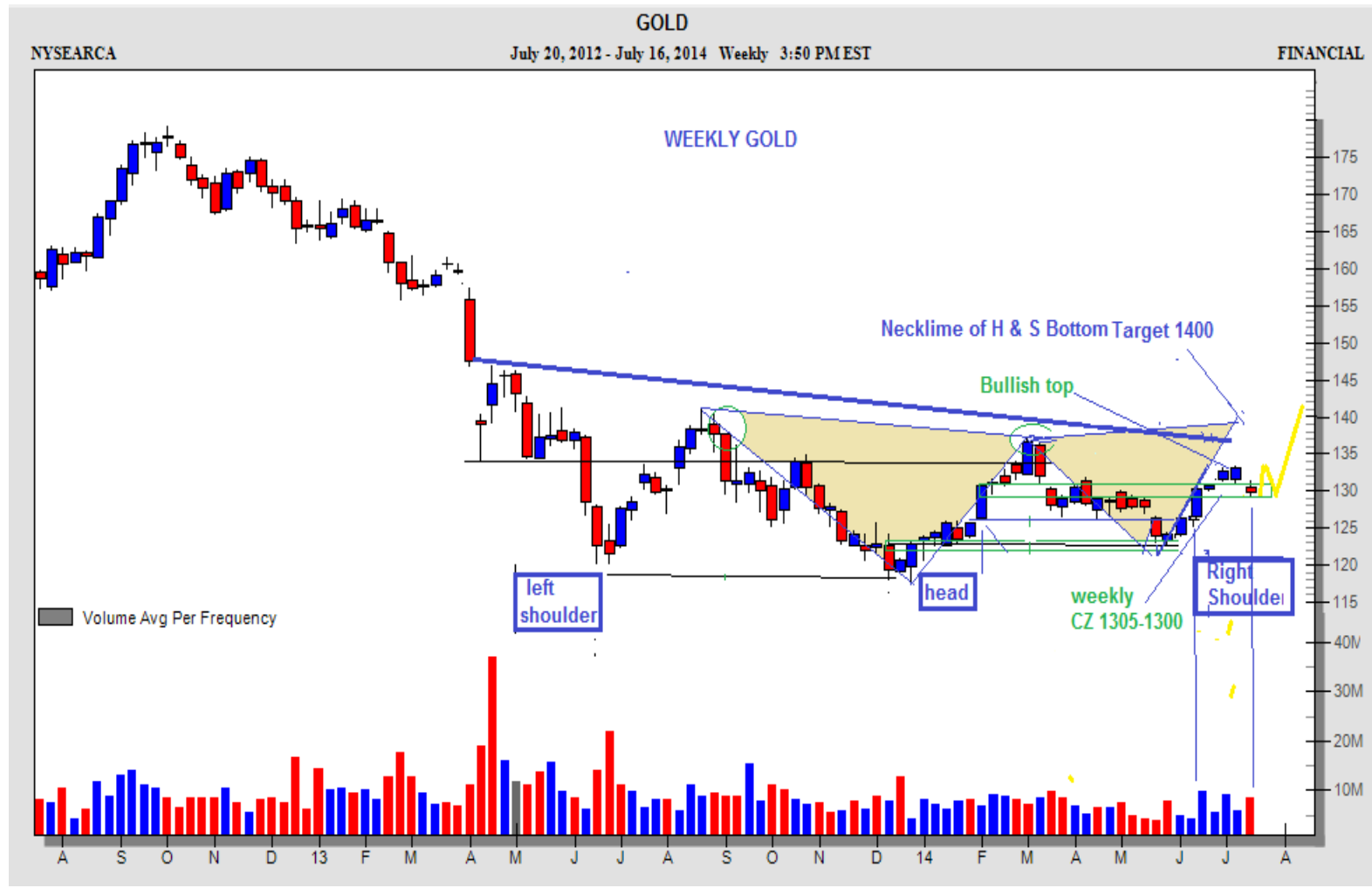
Downside - Pull back to CZ 1305-1300 breakout area is_ Rejecting lows with Bullish Bottom for next rally. .



GOLD – Weekly – PEC –D / CZ Analysis - Chart 2

Upside - Inverse H & S bottom is under formation to **target 1400 – Weekly ABC up.** (Notes within the charts)

Downside - GOLD has seen a solid bottom on 5 year weekly chart within **CZ 1220-1190.**



GOLD – Money flow Analysis

Notes within the chart – We had indicated last week and in follow up

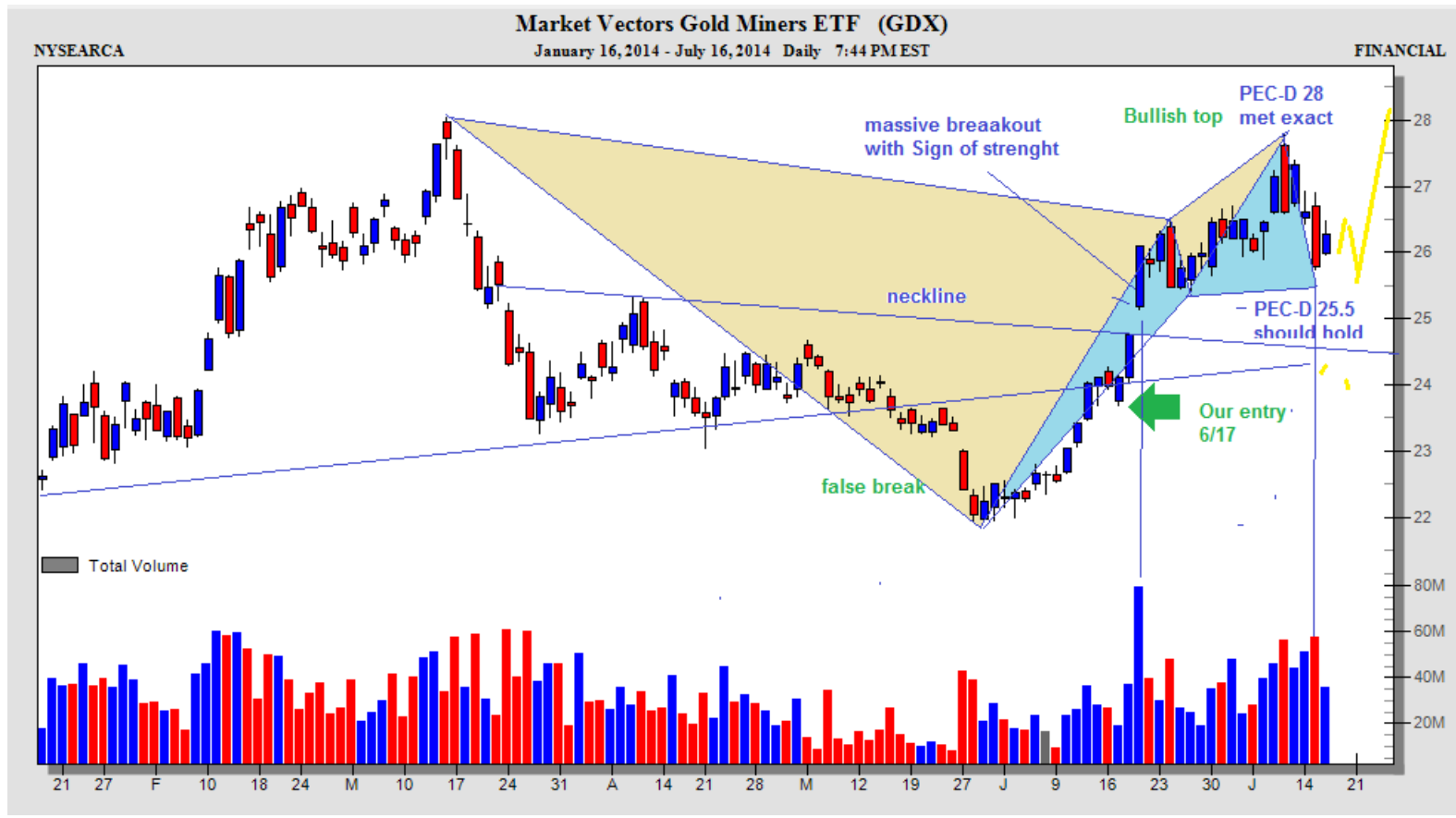


GDX – 1-3-5 & H /S Bottom Analysis – **BULLISH**

Upside - GDX Bullish Head and Shoulders pattern **target met exact at 28.0** .

Downside - Pull back to **25.5 should rejected lows** , & rally back breaking the high .

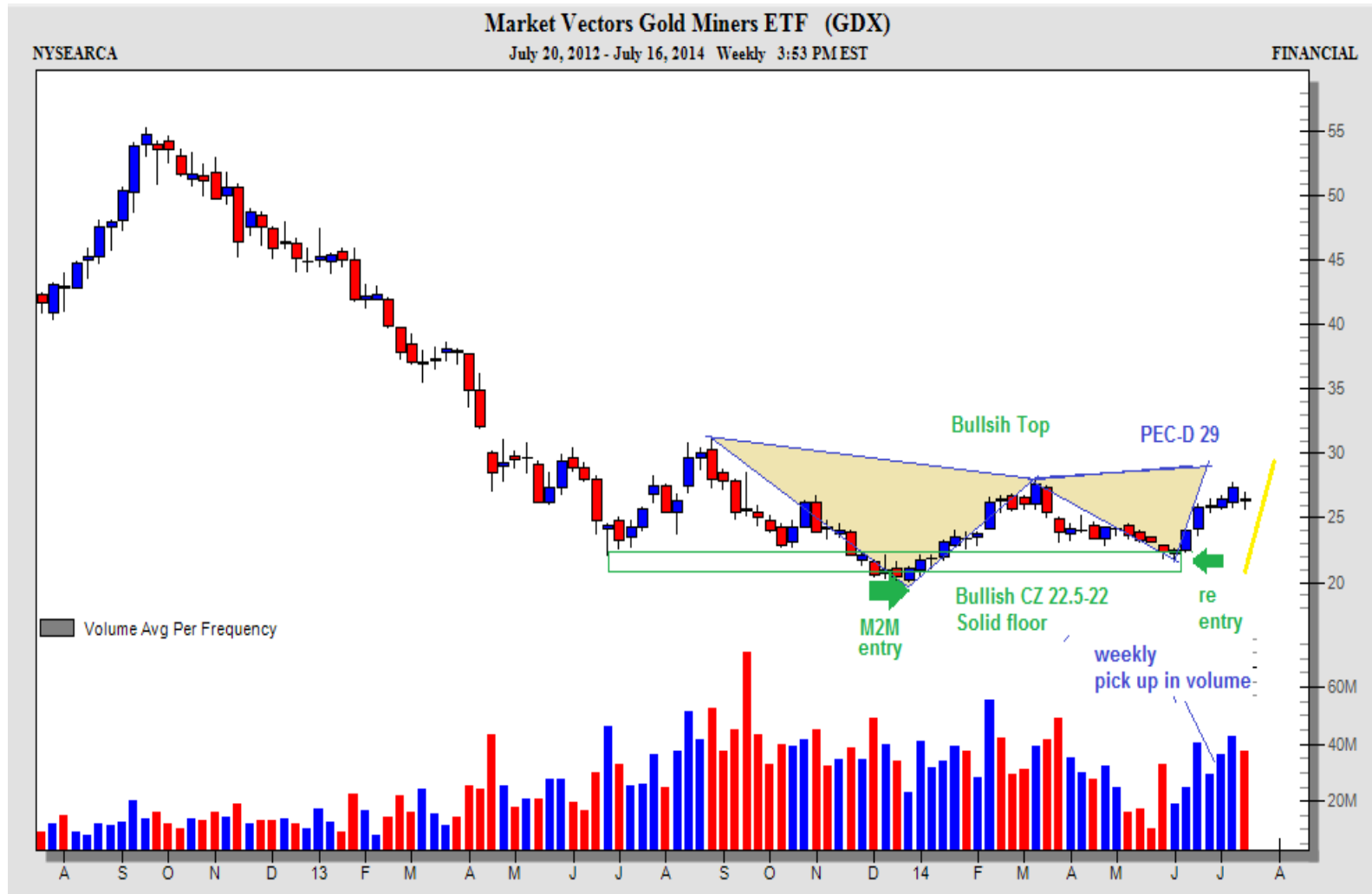
The pull back has been shallow considering 50 point pull back in GOLD past 2 days . The high volume breakout remains for weekly ABC up The Bullish divergences in the Bullish percent index and the GDX/GLD ratio remains



GDX – Weekly – PEC –D / CZ Analysis – BULLISH

Upside - Weekly ABC up projection at 29 to Bullish Top

Downside - We rested the lows . CZ 22.5-22 has solid Bullish Bottom

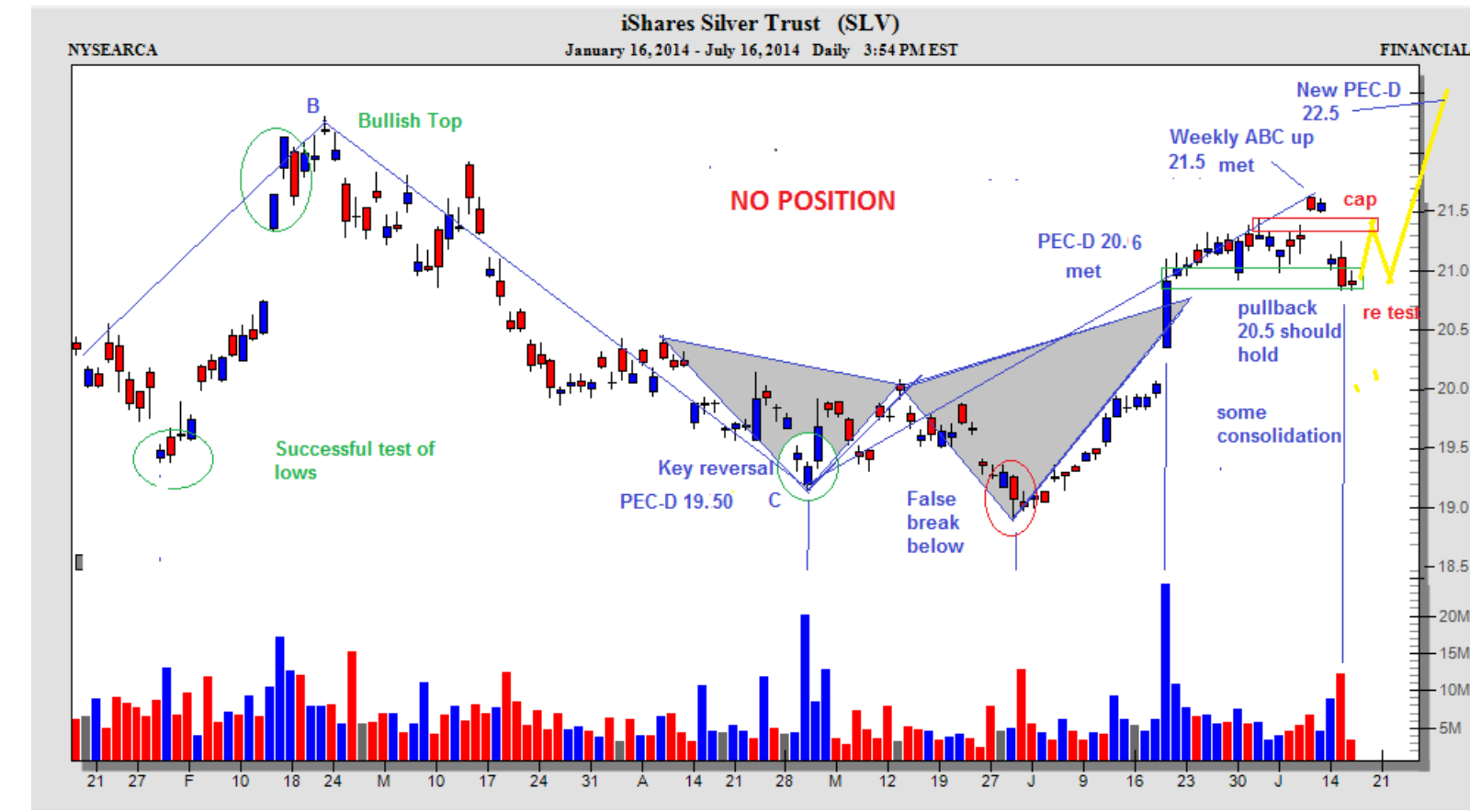


SLV – CZ / PEC –D Analysis - Daily chart- **BULLISH**

Upside - advance to weekly ABC up to 21.5 met with Bullish Top . Setting up new ABC up to 22.5

Downside – Pull back to PEC-D 20.6 should hold and rally up – Consolidation in progress .

Long term Monthly CZ 19.50-18.50 Bottom is place , where the rally initiated



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