SG Capital Research
Global Market Insights
Chart System

Date : 21ST August (Thursday)

MS –GOLD – POM - MARKET STRATEGY REPORT (SP)

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Executive Summary

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	Current Price	POM Triggered within CZ & Date	Follow up Announcement Update 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 Announcement	1285	POM 13 Re – Run *Marked to Market on 1/01 start* @1205	Announced Re- entry **Trigger @ 1268** **Email 6/17** Alerted	BULLISH	12% Net Long	Increasing Position By 3% Stop 1268	1ST Target PEC-D 1345- Bullish Top ***It should re test 2nd time & breakout***	Target 2nd ABC to 1400 Bullish Top Weekly ABC up ***H & S bottom***	Pull back 1300-1290 ***Met & False break below Into the gap possible*** 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 texture

For Bulls – Currently **false break below CZ 1300-1290** . The First Target ABC up @ 1345 **should be re tested and breakout.** The Mid term H & S Bottom Target @ 1400. GLD Triggered re- entry @1268 , 6/17. with Bullish bottom. Protective stop in case

For Bears – The heavy volume upside breakout of CZ 1300-1290 is being tested on pull back on light volume . No "Sell Signal" till 1400 or at least 1345. **GOLD – is Not a Candidate for Short Sell**

GOLD – Overview & Update

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

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

GOLD – False break below CZ 1300-1290 on lighter volume. The gap under may be filled on lower volume followed by consolidation . Once rejected with sign of strength , it should buildup large ABC up (As a re cap , Our entry point is 1268 on ½ trading basis and entry on core position at 1204. We are in in profit on both position in spite of volatility) . Protective stop in case

Our 1st Upside ABC up target of 1345 which was met earlier with Bullish top. from our triggered entry 1268. The breakout area CZ 1300 -1290 on low volume with Bullish Bottom has been repeatedly testing . Divergence in Money flow is still exiting past 6 weeks.

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

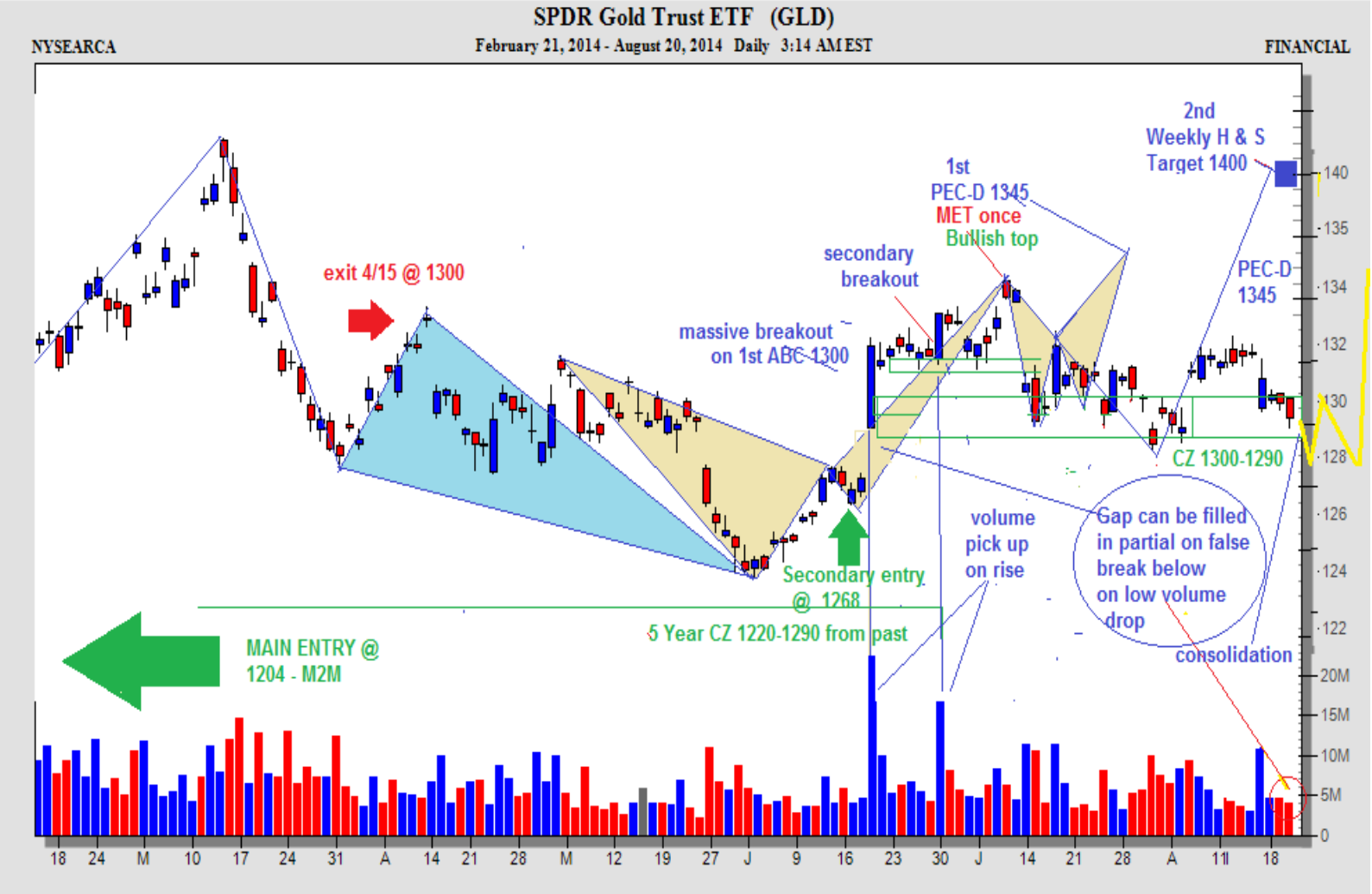
Seasonal – Remains positive from end July to October for most explosive for GOLD Markets .

GOLD STOCKS (GDX) continues to outperform GOLD. GDX/gold ratio has been rising Bullishly. This is Bullish condition for both gold and gold stocks.

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

Downside - Pull back to CZ 1300-1290 breakout area. False break below on lighter volume below the the gap under may be filled on lower volume followed by consolidation and for next rally.

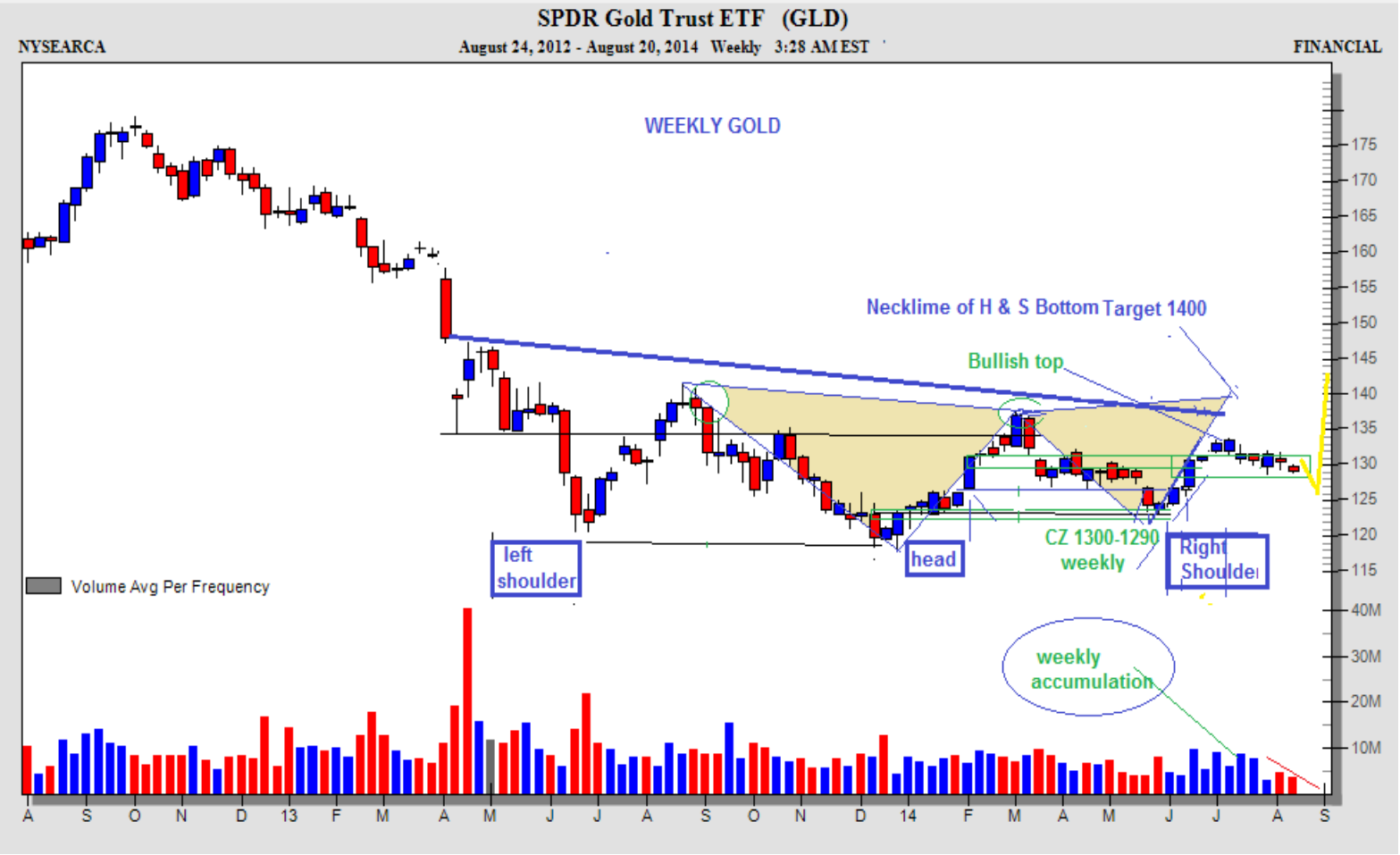
UPSIDE – 1st Target PEC-D 1345- Bullish top. Should be re tested again - met once **(Notes within the charts)**



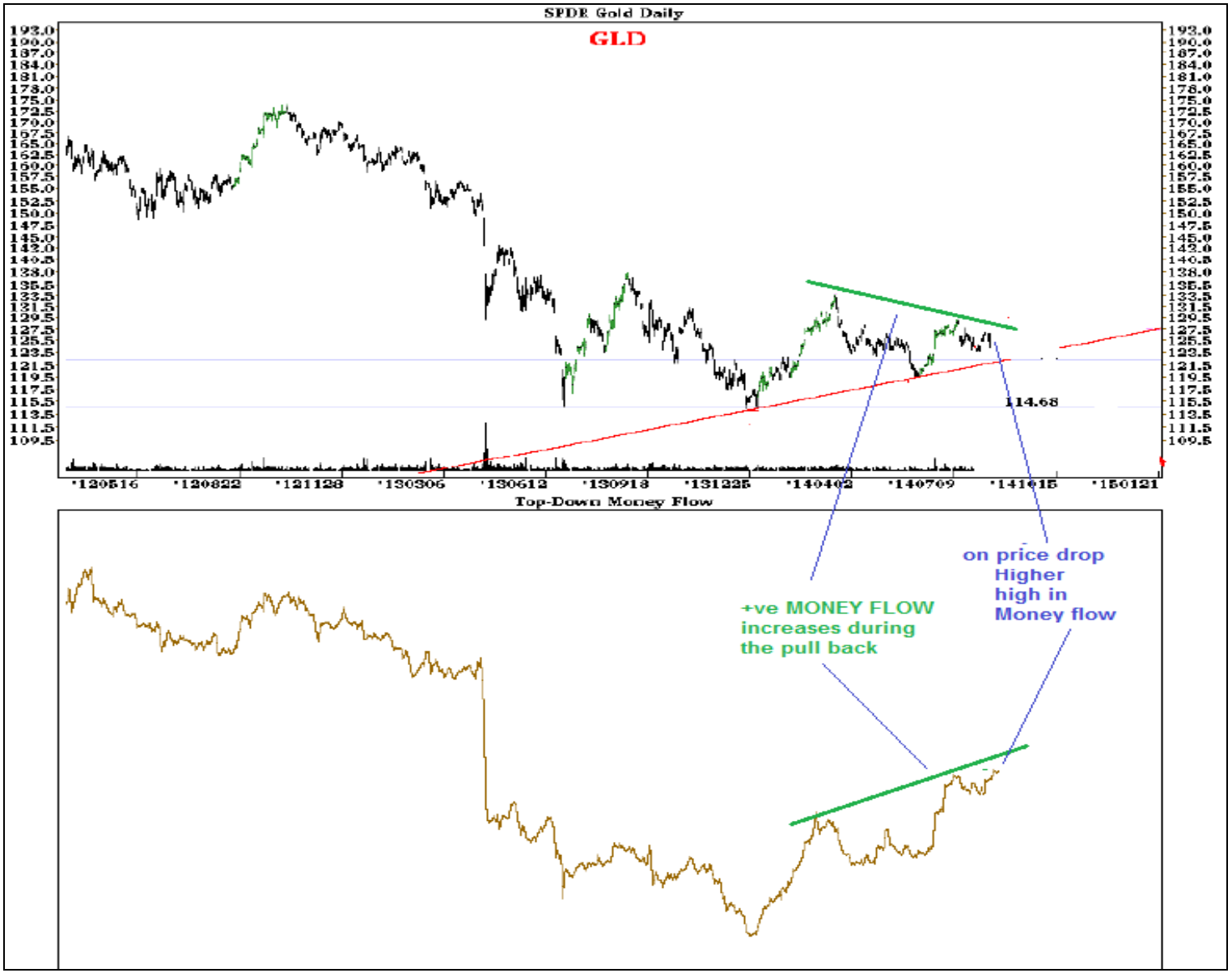
GOLD – Weekly – PEC –D / CZ Analysis - Chart 2

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

Downside - CZ 1300-1290 – Under false break Rejecting lows with Bullish Bottom for next rally.
GOLD has seen a solid bottom on 5 year weekly chart within CZ 1220-1190.



GOLD v/s Money flow Analysis - Chart 3



Appendix Content

- **2012 YTD – SPX - Position Summary**
- **Objectives & POM /CZ / PEC –D Guidelines – Refer to detail Annexure**
- **Full Utilization of " SP" Report Guidelines & Limitations - Refer to detail Annexure**
- **POM – " Price Oscillation Model " Criteria**
- **PEC –D " Pythagoras – Expansion & Contraction Criteria**
- **CZ- Confluence Zone Criteria**
- **TEXTURES – Bullish , Bearish , Neutral**

Critical backdrop Notes –

- *Price path Analysis is running commentary of the Market's price behavior , Not a Trade Signal.*
- *Intermittent CZ's are Short time out / Risk management for overweight position / rebalancing spots. Unless your own Portfolio objective demands.*
- *POM's are Action points. Also at times Action points is at Main CZ's when specifically announced Triggers.*
- *Model does not encourage Buying in between unless its false break upside or false break downside soon after POM / Main CZ Trigger and is specifically announced . Model stays with Trend POM to POM Signal.*

(42) - INSTRUEMNTS COVERAGE SUMMARY

Re - STRATEGY & PROP ANALYSIS with – POM, CZ, PEC-D, PQV

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GR 1 (13+2) Coverage in MS	GR 2 (9 +4) Coverage in SECTORS	GR 3 (8+1) Coverage in COMMODITY	GR 4 (5) Coverage in CURRENCY
US BROADER IDX • SPY (SPX 500) • DIA (DOW 30 • QQQ (NASD100) • IWM (Small Cap) • IYT (Transports) • NYA (NYSE) BOND IDX • TLT (Bonds) • MUB (Muni). (SP) GLOBAL IDX • EEM (Emerg.) • EWJ (Japan) • FXI (China) • EWZ (Brazil) • FTSE (Europe Proxy) • BSE (India) • EWA (Aust) SP SP - Special situation	SECTORS IDX • XLF (Financials) • XLV (Health) • XLB (Materials) • XLE (Energy) • XLK (Tech) / QQQ - Proxy • XLI (Industrial) – • XLP (Staples) • XLY (Discretionary) • XHB (Home Builders) • XLU (Utility) SP • RTH (Retail) - SP) • SMH (Sem.) SP • BBH (Biotech) SP	COMMODITY IDX • CRB /DBC • GLD (Gold) • SLV (Silver) • GDX (Miners) • OIL • Copper • DBA (Agro) • UNG (Natural Gas) • DBB (Base M) SP	CURRENCY • USD / DXY • EUR/USD • AUD/ USD • USD/JPY • GBP/ USD

POM criteria for Implementation on SPX

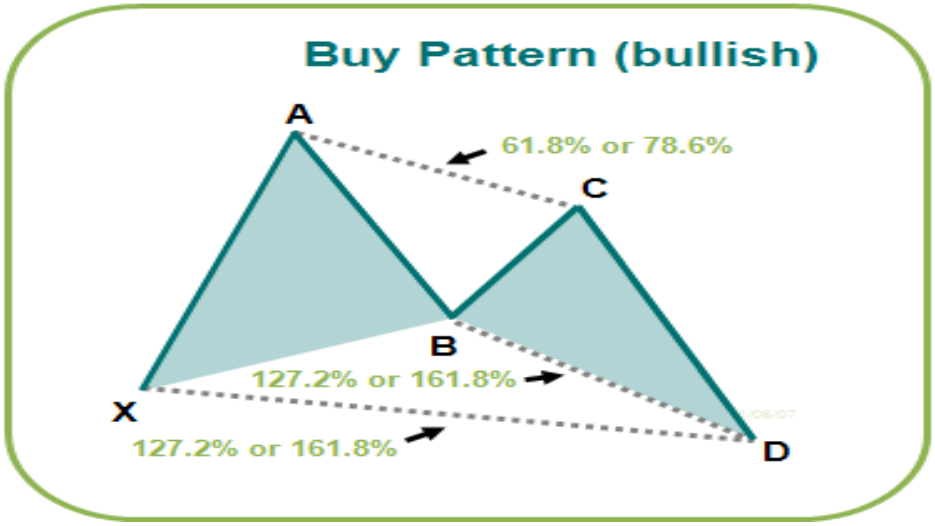
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM 11 levels*
- On way *DOWN* move, *POM 13* signifies to *STOP* executing additional " New Short Sells" that was initiated at *POM 14 or POM 15 levels*
- ***(Bear Markets) POM 15 is for - Net Short & POM 14 is for - Hedge Longs***
- ***(Bull Markets) POM 15 is for -Hedge Longs & POM 14 is for - Partial Hedge***
- *POM 12 & 11* is for Net Long
- ***POM 10*** is Climatic Crash low *Buy Signal* to add to Net long position ***(Rear event)***

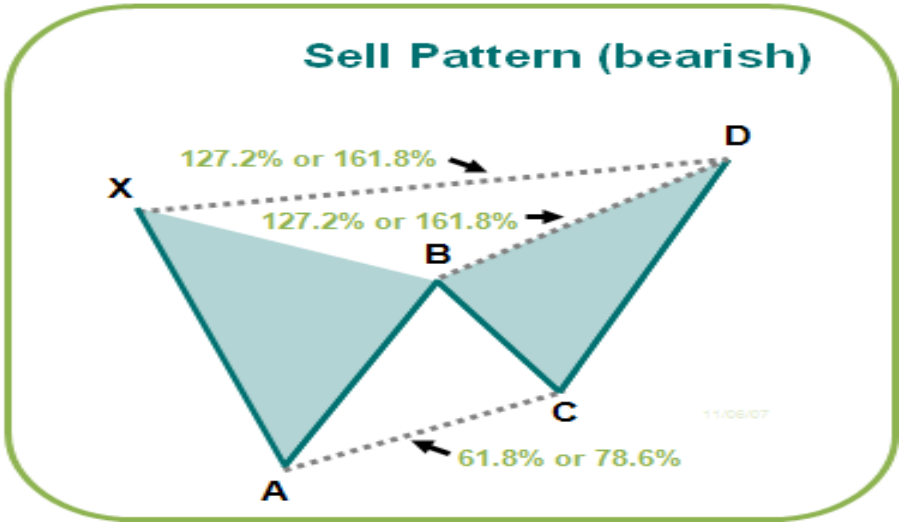
Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 2th Derivative Timing Tool utilized on core currencies which identifies the turning point, for Tops and Bottoms on "Short & Intermediate term" Trend in the currency market.
- Methodology is based on Mathematical Pattern Recognition with Symmetrical Pythagoras Triangular expansion and contraction (PEC) in concert with Price Oscillation (POM) . This has a high probability for greater accuracy on Price projections at confluence when Integrated together.
- Once our POM analysis is complete, it will overlay PEC. The input signals are from tracking rolling Arithmetic Numerical series of Regression utilizing Fibonacci to Identify Triangular patterns of Expansion / Contraction. Triangular pattern completes at the convergence of 2 separate Fibonacci extension levels and overlay Price Oscillation Model.
- Since the Currency has 2 dimensional pairs, PEC is critical to analyze with 2x2 Fibonacci steams to achieve confluence point D coinciding with POM

PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

The output signal of ABCD price moves preceded by a swing high or low (XA) generates projection point D, which is actionable point derived from 2 connecting triangles with convergence ratio. As with all geometric patterns, a Buy or Sell signal occurs as the pattern completes at point D





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