SG Capital Research
Global Market Insights
Chart System

Date : 22rd July 2014 (Tuesday)

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

By : Suneil R. Pavse, E : apavse@aol.com

• Executive Summary

	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	1307	POM 13 Re – Run *Marked to Market on 1/01 start* @1205	Announced Re- entry **Trigger @ 1268 Email 6/17** Alerted **Stop 1268**	BULLISH	Net Long	NONE	1ST Target PEC-D 1345- Bullish Top ***Met once & sold off , It should re test again***	Target 2nd 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

For Bulls – Triggered re- entry @1268 , 6/17. with Bullish bottom , The First Target ABC up @ 1345 Met once but should be re tested again. It should 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 rejecting . No "Sell Signal" till 1400. **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 – After 4 weeks of rally, Gold reached our 1st Upside ABC up target of 1345 exact with Bullish top from our triggered entry 1268.

The pull back was slightly deeper towards breakout area CZ 1305 -1300 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).

GOLD v/s GDX v/s SIL (Silver stocks) – Analysis in chart below

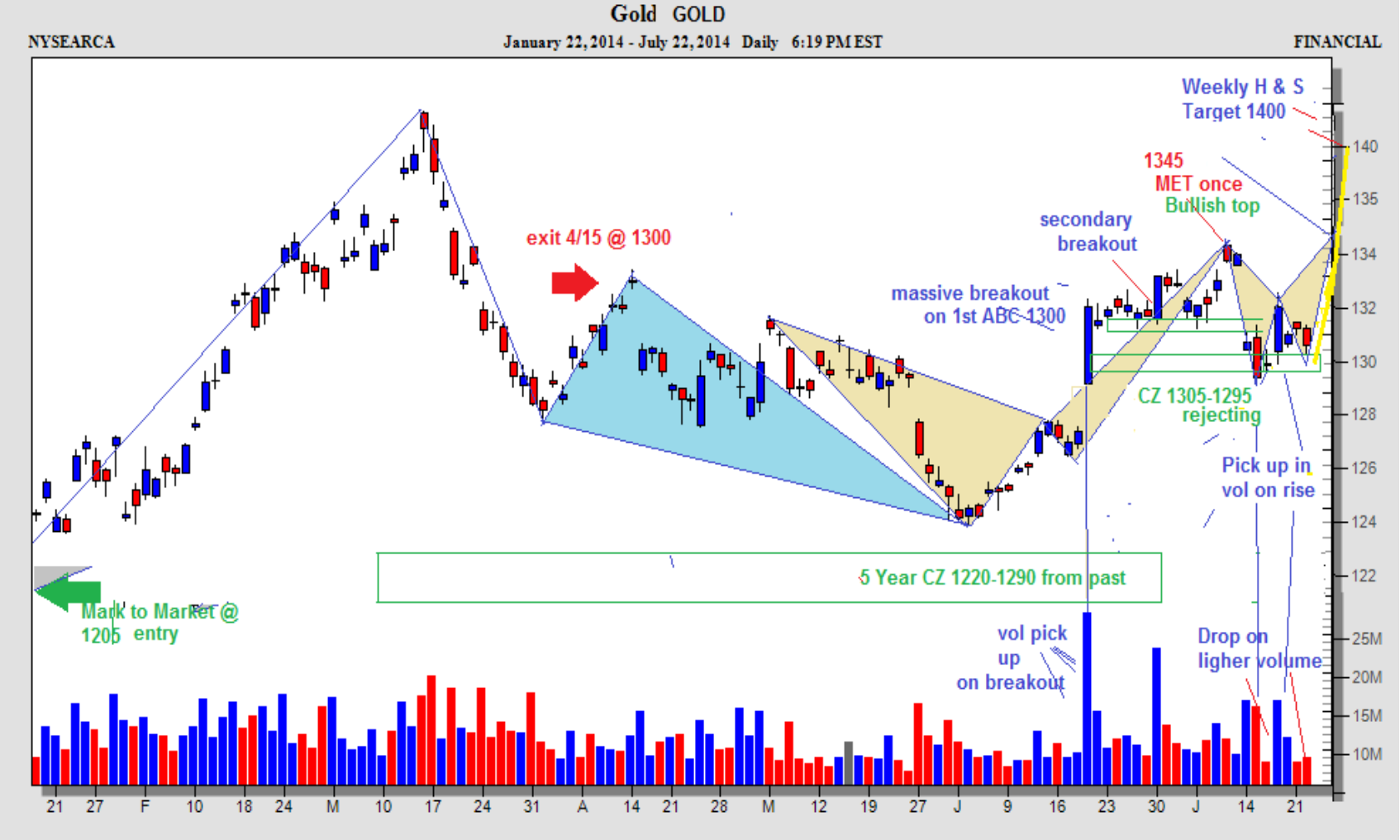
Seasonal – still remains positive from end July to October for most explosive for GOLD Markets .

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

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

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

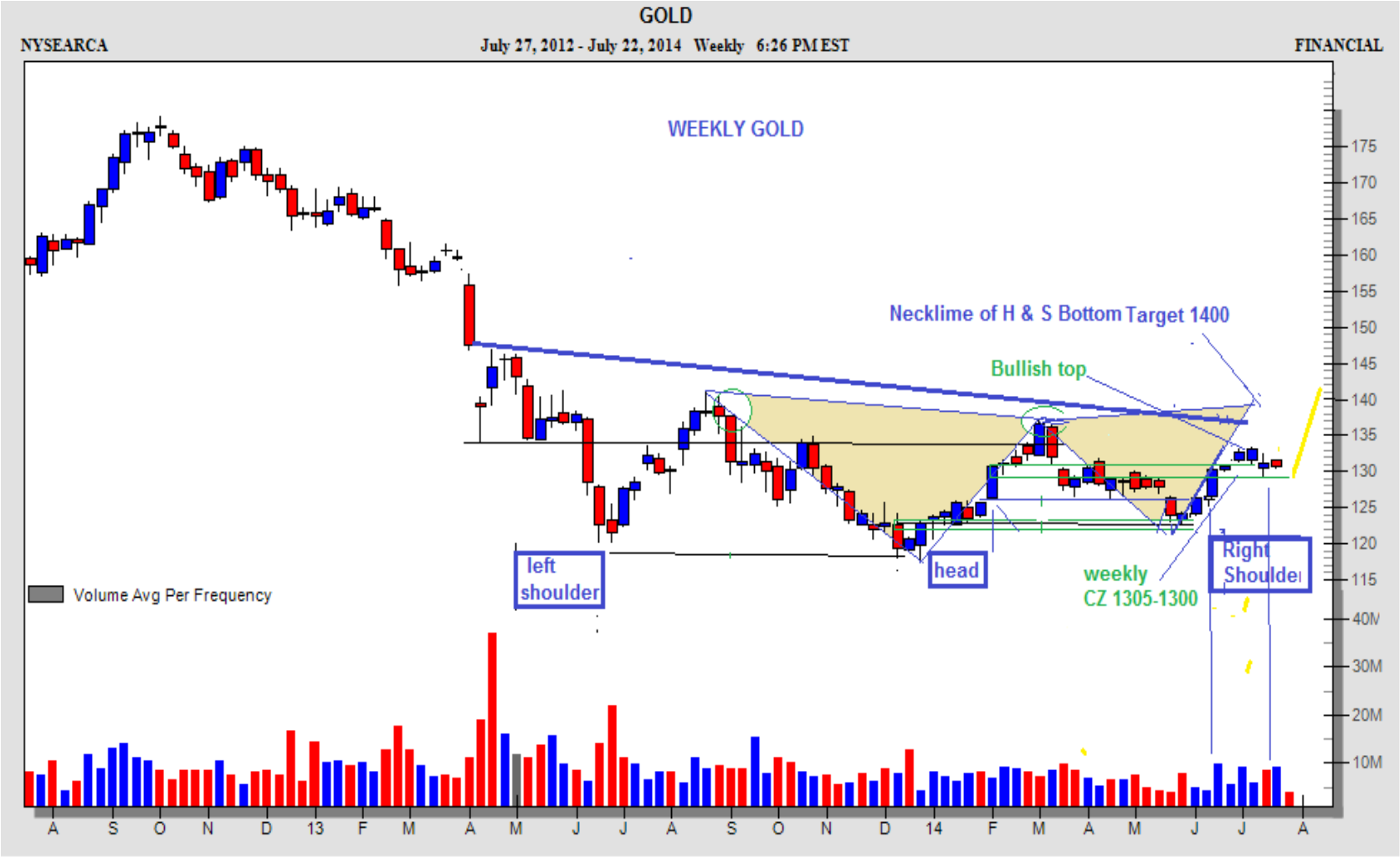
.



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 v/s GDX – Analysis - Chart 3

GOLD STOCKS (GDX) OUTPERFORMING GOLD. Since the start of 2014, the **(GDX)** has gained 27% versus a 9% gain in **bullion**. That stronger miner's action is reflected in the rising **GDX/gold ratio.** This is good sign for bullion . Additionally **SIL (SILVER STOKCKS)** has gained 26% versus a 20% GDX gain. This is another good sign for the entire sector.

GOLD v/s Money flow Analysis - Chart 4

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

-

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

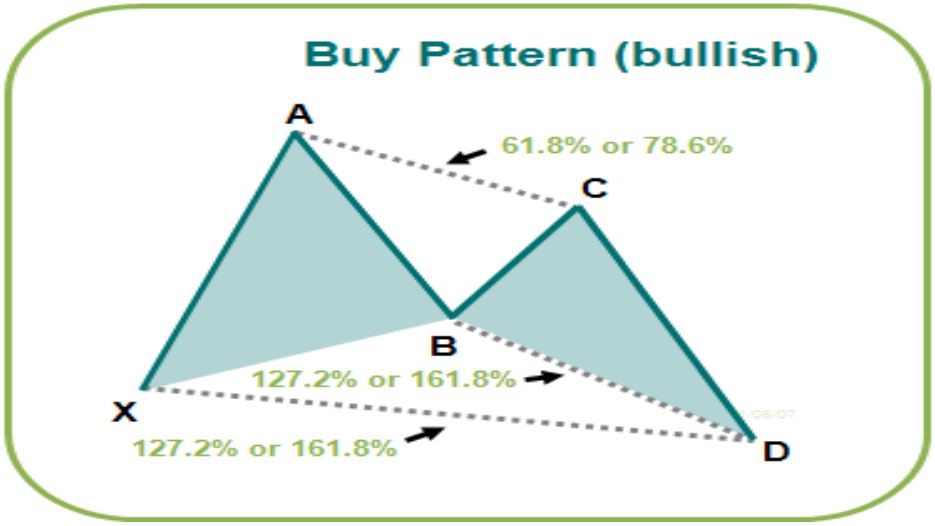
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM 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)***

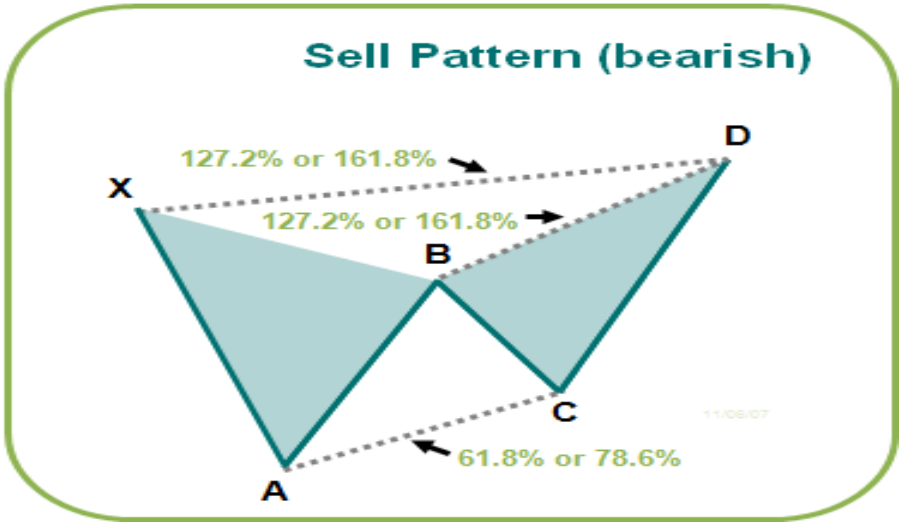
Pythagoras Expansion / Contraction – (PEC) Model

- 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





Disclaimer : *The information in this report has been taken from sources believed to be reliable but SG Capital Research does not warrant its accuracy or completeness. Any opinions expressed herein reflect our judgment at this date and are subject to change. This document is for private circulation and for general information only. It is not intended as an offer or solicitation with respect to the purchase or sale of any security or as personalized investment advice. SG Capital Research or its Author does not assume any liability for any loss which may result from the reliance by any person or persons upon any such information or opinions. These views are given without responsibility on the part of SG Capital Research or its officials. No part of this report may be reproduced in any manner as Author reserves the distribution rights. Under Copyright 2002 Act: It is a violation of federal copyright and imposes liability for such infringement.*