



Date: 23<sup>th</sup> April 2015 (Thursday)

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

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## ● Executive Summary

|             | Current Price | POM Triggered within CZ & Date     | Follow up <u>Announcement</u> Update For Trend Reversal | Progress Status                | Current Position / Exposure | <u>NEW ACTION</u> (Trigger to Watch)) | <u>Upside CZ Near Term</u>                               | <u>Upside CZ Mid term</u>        | <u>Downside CZ Near term</u>         | <u>Downside CZ Mid term</u>                            | Remark   |
|-------------|---------------|------------------------------------|---|--------------------------------|-----------------------------|---------------------------------------|--|----------------------------------|--------------------------------------|--|--|
| <b>GOLD</b> | 1192          | POM 12 On 3/19 @ 1165 <b>ENTRY</b> | NONE<br><b>Stop @ 1165</b><br><b>Cost p</b>             | <b>BULLISH</b><br>St pull back | 15%<br>Net long             | NONE                                  | 1 <sup>st</sup> PEC-D 1210<br><b>Met Bullishly Twice</b> | Target PEC-D 1280<br>Bullish Top | <b>pull back to 1185 &amp; rally</b> | ABC down to 1140<br><b>completed</b><br>Bullish Bottom | Earlier Trade Stopped out at close @ 1185 cost |

**Note** - Announced entry on 3/19 Report @ 1165 as POM 12

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|----------------------------------|---------------|--------------------------------|---|--------------------------------|-----------------------------|--|--|-----------------------------------|------------------------------|--|---|
| <b>GDX (XAU /HUI MINERS COR)</b> | 19.78         | POM 12 On 3/19 @ 18.07 ENTRY   | NONE<br>Stop @ 17.0                                     | <b>BULLISH</b><br>St pull back | 15%<br>Net long             | NONE                                   | 1 <sup>st</sup> – PEC-D 21<br>Met<br>Bullishly<br>Once | Target to PEC-D 24<br>Bullish Top | pull back to 18.90 & rally   | ABC down to PEC-D -18 completed<br>Bullish<br>bottom | <b>Earlier Trade Stopped out at close @ 18.5 cost</b> |

## GOLD – Overview -

The Gold's bottom was put in on our announcement **date 3/13 for POM 12 trigger @ 1165.**

GOLD market has been testing the patience. The pullback in GOLD is on light volume, it should result in rally up. On weekly basis it is rejecting lows. In coming weeks GOLD should be moving much higher.

Gold hit the key level of 1210 on upside meeting our 1<sup>st</sup> ABC up but **DID NOT** close **above the highs of 1220** it could put them in a strongly positive bias to the upside to target 1280.

The rally has begun with Sign of strength and expanding volume. It has rejected long term **CZ 1165-1140** with light volume and made key reversal. On upside, the **ABC up to 1210** and then to **PEC-D 1280.**

DXY last week came down on expanding volume. Earlier it has come off the top with high volume and has finished 1 to 2 ABC up. Now the decline should be to 94. On upside the larger trend is complete.

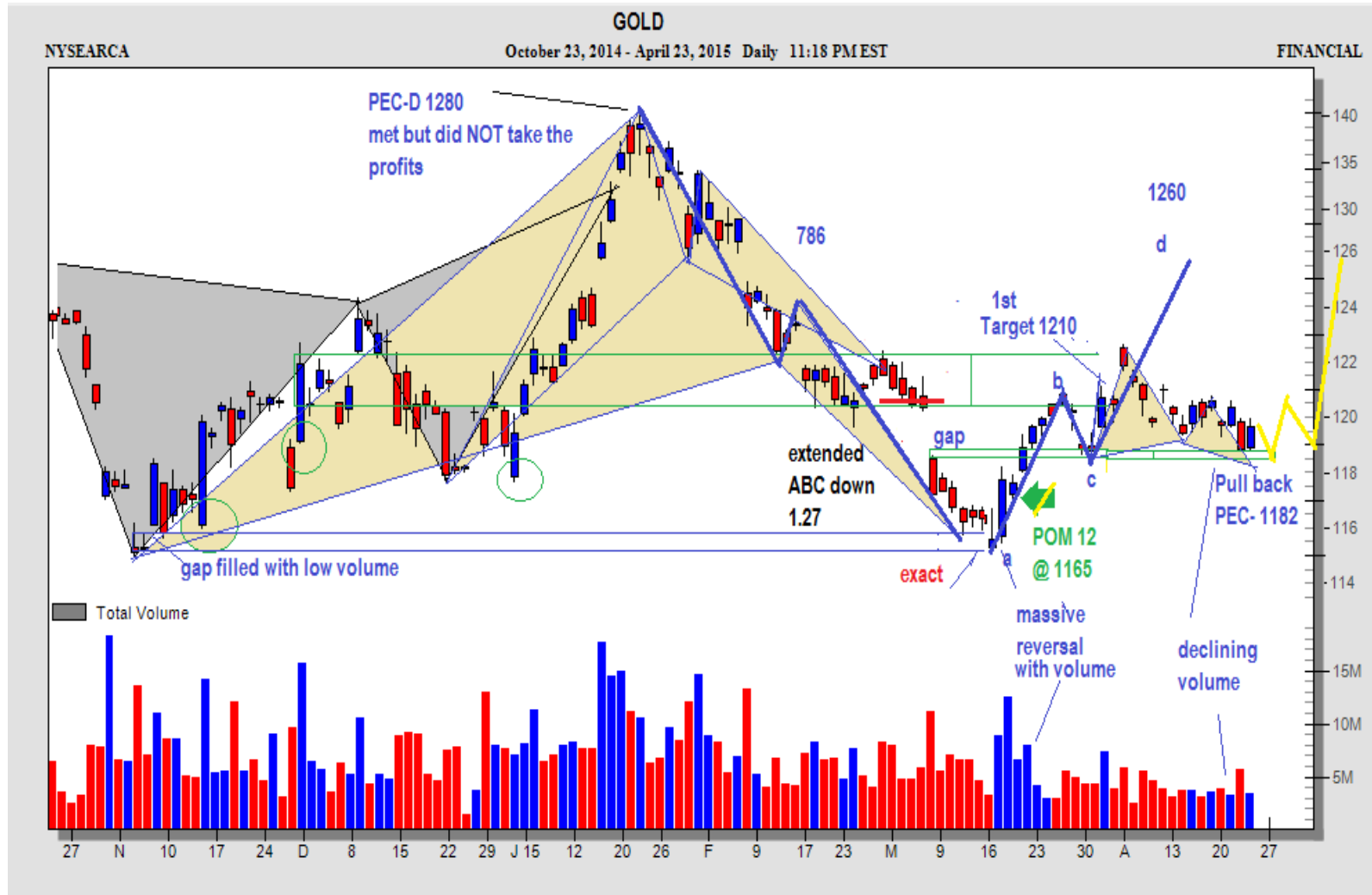
GDX is in cash build up phase. It rejected its CZ lows with lighter volume and moved up with sign of strength. GDX/ GLD Ration are still diverging bullishly. On upside, the ABC **to 21.0** and then to **PEC-D 24.**

# GOLD- CZ/ PEC- D Analysis Daily chart

## Notes within chart

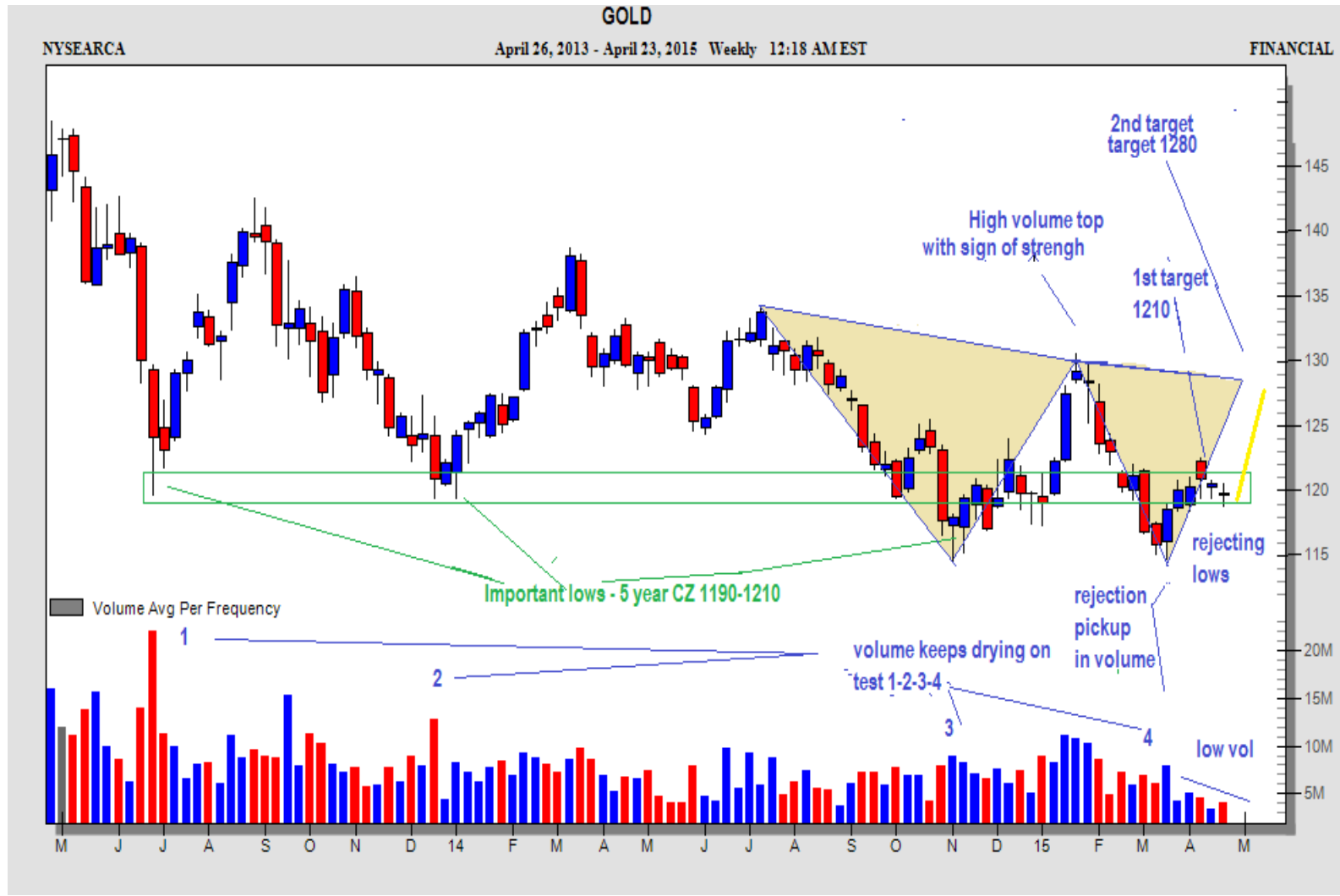
**Downside** - Shallow pull back to 1185 & rally up , ABC down to 1140 & rejected as volume is dried up on test.

**UPSIDE** - 1<sup>ST</sup> PEC-D -1210 – met twice bullishly and ABC up to 1280 Bullish Top.



# GOLD – Weekly – PEC –D / CZ Analysis

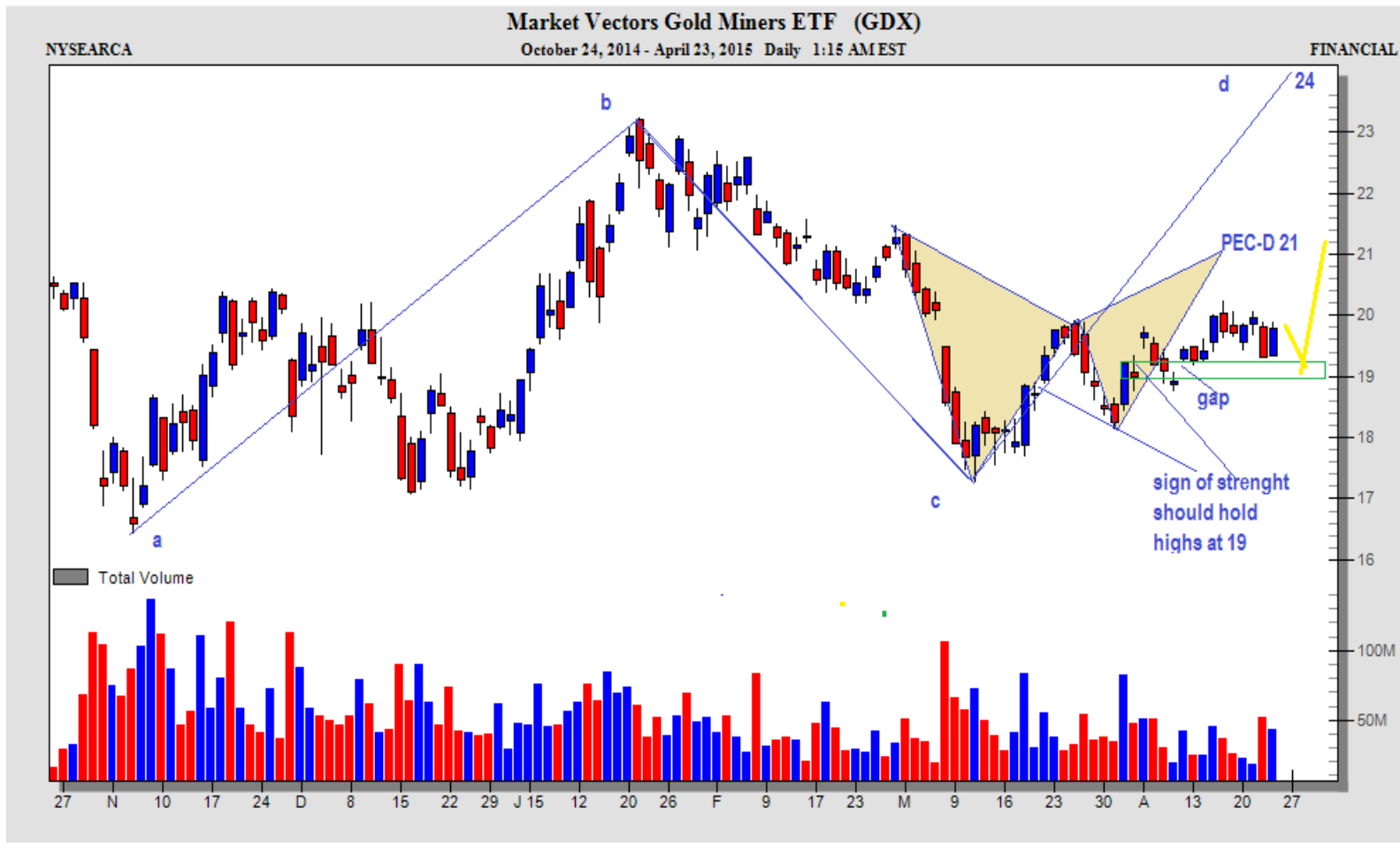
## Notes within chart



# GDx – Daily – PEC –D / CZ Analysis

**Downside -** Shallow pull back to 19 & rally up, **ABC down to 18 rejected** as volume is dried up on test.

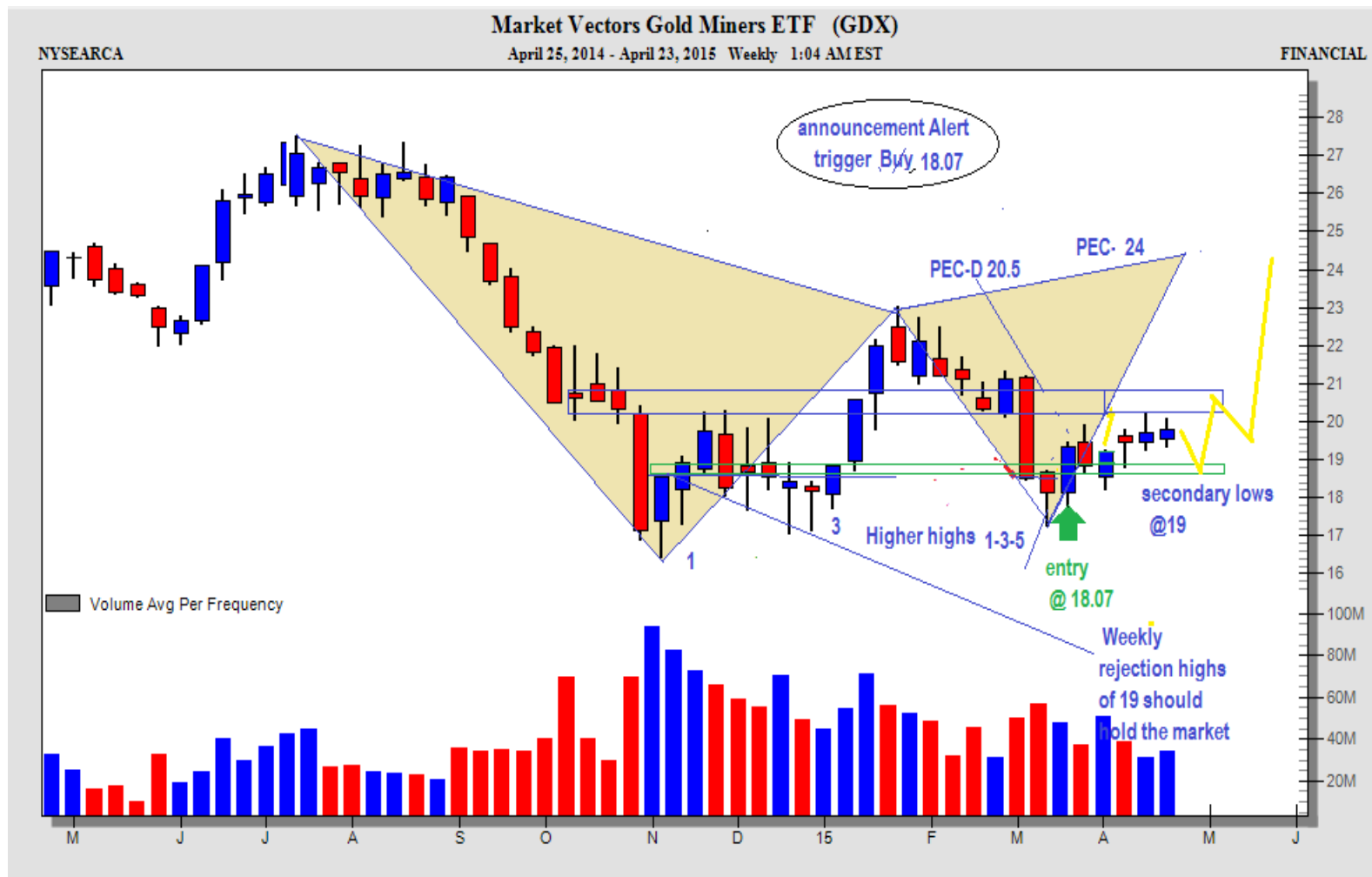
**Upside -** Target **PEC-21**. ABC up to **24 Bullish Top**. It should be re tested on upside **Wave 1-3-5**



# GDX – Weekly – PEC –D / CZ Analysis

**Downside -** Shallow pull back to 19 & rally up, ABC down to 18 rejected as volume is dried up on test.

**Upside -** Target PEC-21. ABC up to 24 Bullish Top. It should be re tested on upside Wave 1-3-5



# 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)<br>Coverage in MS  | GR 2 ( 9 +4 )<br>Coverage in SECTORS   | GR 3 (8+1)<br>Coverage in COMMODITY   | GR 4 (5)<br>Coverage in CURRENCY  |
|--|--|---|---|
| <p><a href="#">US BROADER IDX</a></p> <ul style="list-style-type: none"> <li>• SPY ( SPX 500)</li> <li>• DIA ( DOW 30)</li> <li>• QQQ ( NASD100)</li> <li>• IWM (Small Cap)</li> <li>• IYT ( Transports)</li> <li>• NYA (NYSE)</li> </ul> <p><a href="#">BOND IDX</a></p> <ul style="list-style-type: none"> <li>• TLT ( Bonds)</li> <li>• MUB ( Muni). (SP)</li> </ul> <p><a href="#">GLOBAL IDX</a></p> <ul style="list-style-type: none"> <li>• EEM (Emerg.)</li> <li>• NIKK (Japan)</li> <li>• SSEC (China)</li> <li>• EWZ ( Brazil)</li> <li>• FTSE (Europe Proxy)</li> <li>• BSE (India)</li> <li>• EWA (Aust) SP</li> </ul> <p>SP - Special situation</p> | <p><a href="#">SECTORS IDX</a></p> <ul style="list-style-type: none"> <li>• XLF ( Financials)</li> <li>• XLV ( Health )</li> <li>• XLB ( Materials)</li> <li>• XLE (Energy)</li> <li>• XLK (Tech) / QQQ - Proxy</li> <li>• XLI ( Industrial) –</li> <li>• XLP ( Staples)</li> <li>• XLY ( Discretionary)</li> <li>• XHB ( Home Builders)</li> <li>• XLU ( Utility) SP</li> <li>• RTH ( Retail) - SP)</li> <li>• SMH ( Sem.) SP</li> <li>• BBH ( Biotech) SP</li> </ul> | <p><a href="#">COMMODITY IDX</a></p> <ul style="list-style-type: none"> <li>• CRB /DBC</li> <li>• GLD (Gold)</li> <li>• SLV (Silver)</li> <li>• GDV (Miners)</li> <li>• OIL</li> <li>• Copper</li> <li>• DBA ( Agro)</li> <li>• UNG ( Natural Gas)</li> <li>• DBB ( Base M) SP</li> </ul> | <p><a href="#">CURRENCY</a></p> <ul style="list-style-type: none"> <li>• USD / DXY</li> <li>• EUR/USD</li> <li>• AUD/ USD</li> <li>• USD/JPY</li> <li>• GBP/ USD</li> </ul> |

## 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)

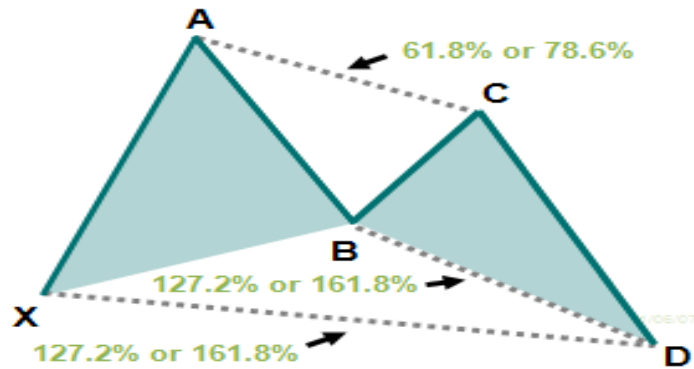
## Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 2<sup>th</sup> 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 streams to achieve confluence point D coinciding with POM

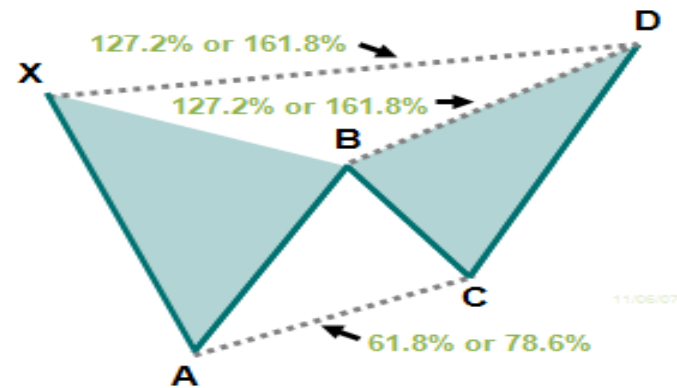
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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

### Buy Pattern (bullish)



### Sell Pattern (bearish)



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