

Date: 21th May 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	NEW ACTION (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD	1210	POM 12 On 3/19 @ 1165 ENTRY	NONE Stop @ 1165 Cost p	BULLISH St pull back	15% Net long	NONE	1st PEC-D 1210 Approached Bullishly	Target PEC-D 1270 Bullish Top	pull back to 1200 & rally up	ABC down to 1180 completed Bullish Bottom	Earlier Trade Stopped out at close @ 1185 cost

Note - Announced entry on 3/19 Report @ 1165 as POM 12 – (**Stop @ cost 1165**)

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GDX (XAU /HUI MINERS COR)	20.08	POM 12 On 3/19 @ 18.07 ENTRY	NONE Stop @ 17.0	BULLISH St pull back	15% Net long	NONE	1 st – PEC-D 21 Approaching Bullishly	Target to To CZ 24-23 Bullish Top	pull back to 19.5 & rally up	ABC down to CZ 19-18 completed Bullish bottom	Earlier Trade Stopped out at close @ 18.5 cost

GOLD – Overview -

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

GOLD repeatedly is testing its breakout area at **1180 and rallies bullishly to 1210 building cause.**

We have been expecting GOLD to pull back to 1182 and rally back up. On daily and weekly basis it rejected the lows on much lighter volume several times to 1182 and moving higher with expanding volume Bullish Top several times to 1210.

Close above key level of **1220** could put in a strong positive bias to the upside to **target 1270.**

DXY pulled back down on expanding volume toward our target ABC down to 92. Currently bouncing to 96 with lighter volume to set up ABC down.

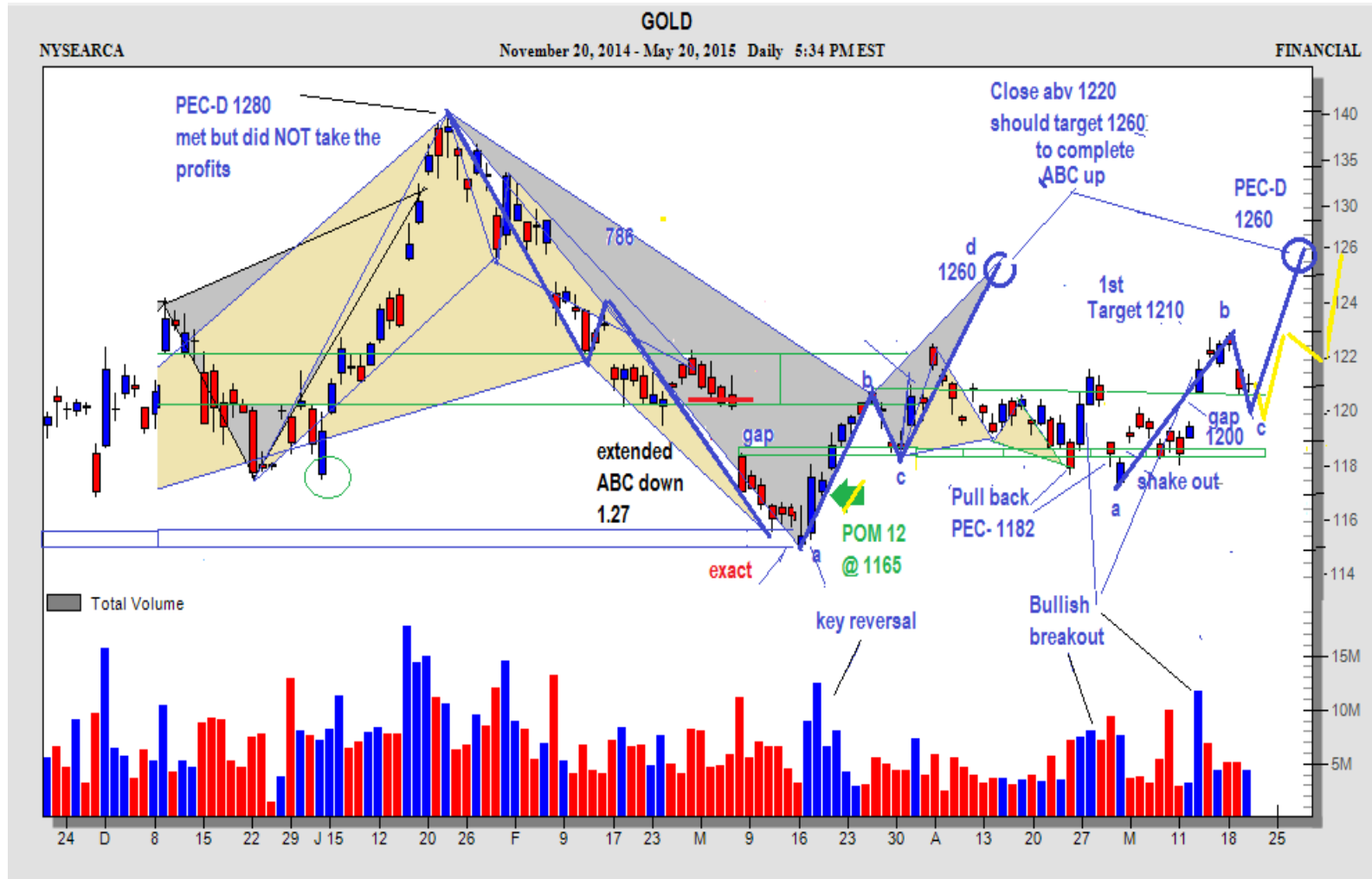
GDX rejected its CZ lows with lighter volume and moved up with sign of strength. GDX/ GLD Ration are still diverging bullishly. On upside the ABC target **to 21.0** and then to **PEC-D 24.** Short term GDX is flipping above and below the important level near 20.20.

GOLD- CZ/ PEC- D Analysis Daily chart

Notes within chart

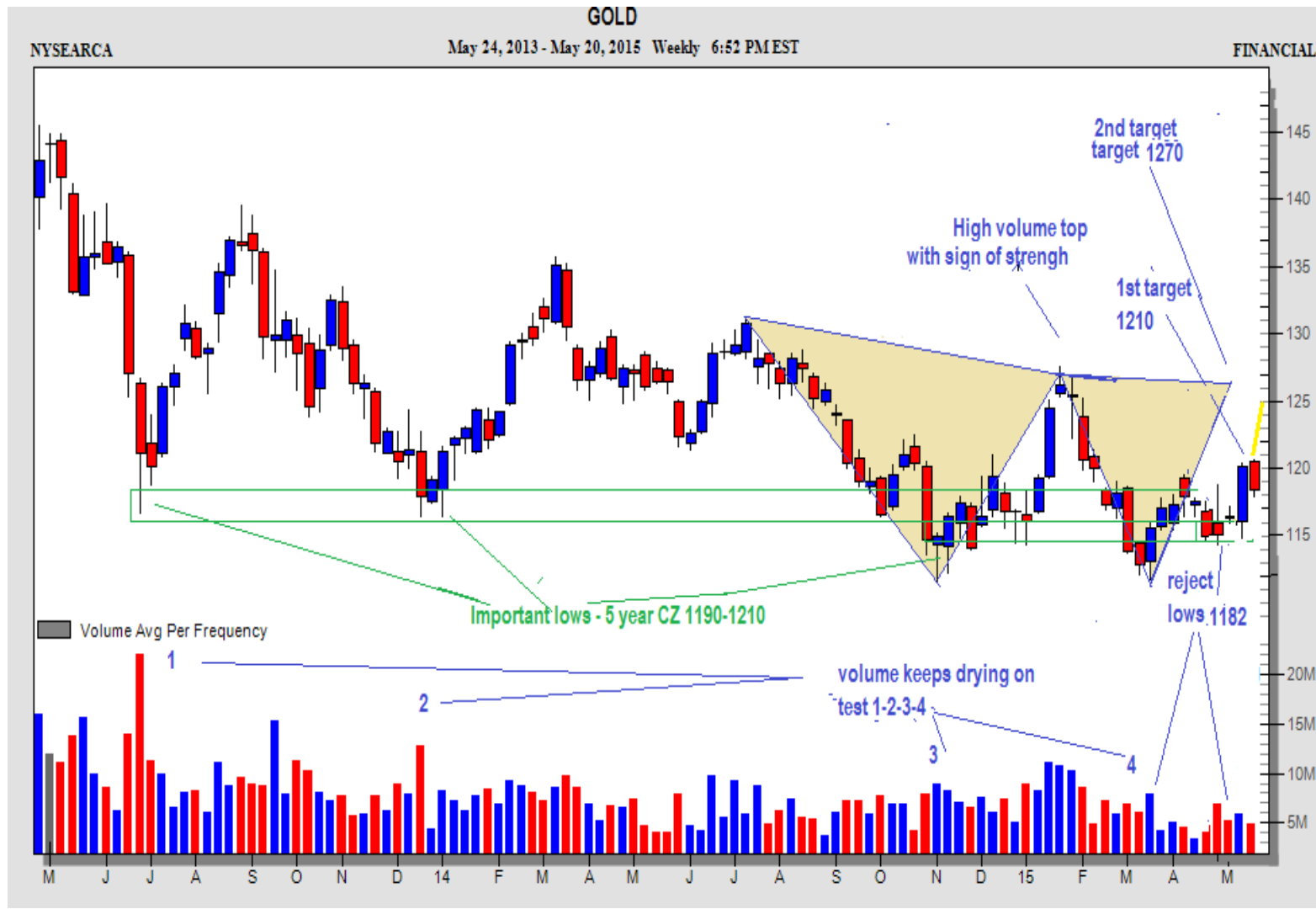
Downside - Pull back to **GAP 1200** and rally up. Earlier rejected 1185 with shake out

UPSIDE - 1ST **PEC-D -1210** - approached bullishly. **Close above 1220**, the next ABC up to **1270** Bullish Top.



GOLD – Weekly – PEC –D / CZ Analysis

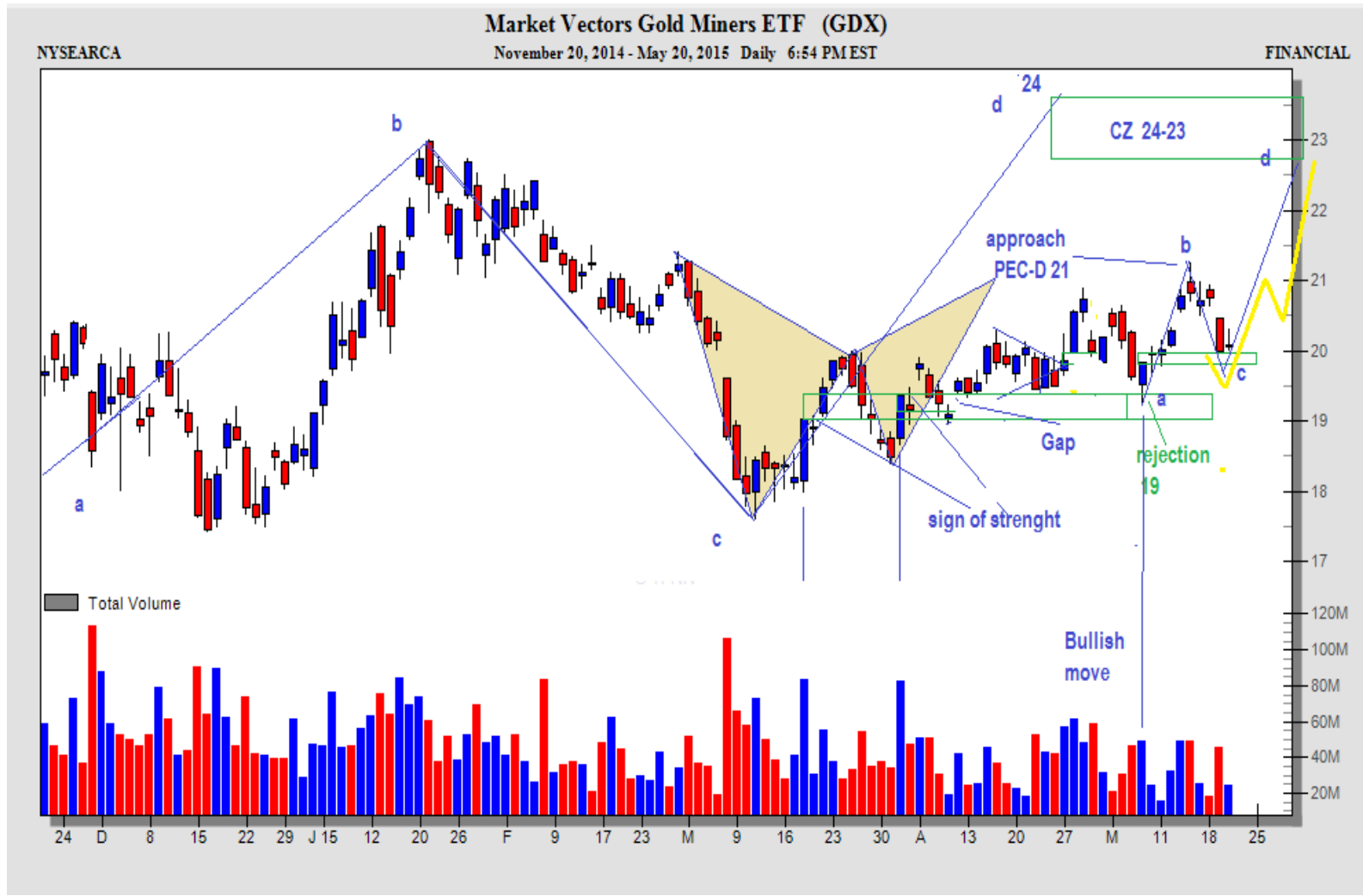
Notes within chart



GDX – Daily – PEC –D / CZ Analysis

Downside - Pull back to 19.5 & rally up, ABC down to CZ 19-18 rejected as volume is dried up on test.

Upside - Target PEC-21 approached bullishly. Next ABC up to CZ 24 -23 Bullish Top.



HUI – Monthly – Analysis

The longer term view of the monthly HUI . Monthly RSI and slow stochastics has been showing a bullish divergence. Monthly True Strength index which is also showing a bullish divergence.

A close above the 190 range which is about 15 points above current levels will complete monthly bottoming process.



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
<p>US BROADER IDX</p> <ul style="list-style-type: none"> • SPY (SPX 500) • DIA (DOW 30) • QQQ (NASD100) • IWM (Small Cap) • IYT (Transports) • NYA (NYSE) <p>BOND IDX</p> <ul style="list-style-type: none"> • TLT (Bonds) • MUB (Muni). (SP) <p>GLOBAL IDX</p> <ul style="list-style-type: none"> • EEM (Emerg.) • NIKK (Japan) • SSEC (China) • EWZ (Brazil) • FTSE (Europe Proxy) • BSE (India) • EWA (Aust) SP <p>SP - Special situation</p>	<p>SECTORS IDX</p> <ul style="list-style-type: none"> • 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 	<p>COMMODITY IDX</p> <ul style="list-style-type: none"> • CRB /DBC • GLD (Gold) • SLV (Silver) • GDV (Miners) • OIL • Copper • DBA (Agro) • UNG (Natural Gas) • DBB (Base M) SP 	<p>CURRENCY</p> <ul style="list-style-type: none"> • 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)

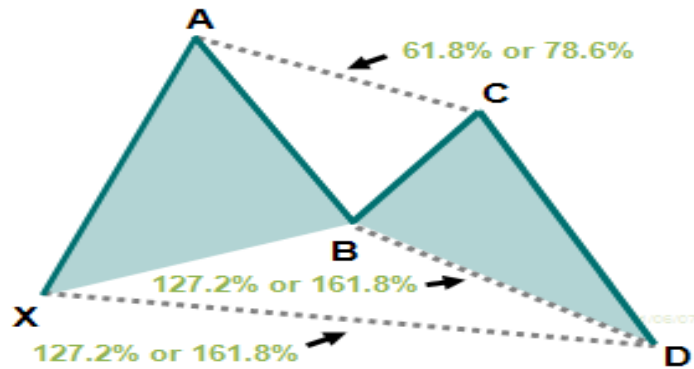
Pythagoras Expansion / Contraction – (PEC) Model

- 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 streams to achieve confluence point D coinciding with POM

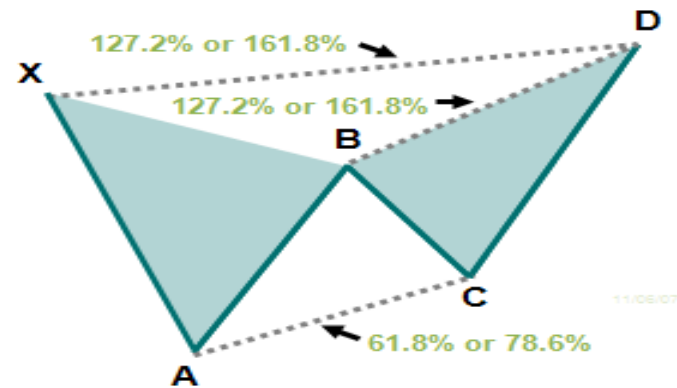
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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