



Date: 17TH July 2015 (Friday)

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))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD	1140	POM 12 On 3/19 @ 1165 ENTRY	Stopped out ½ position @ 1150 On 7/09 Risk management	BULLISH Short term sell off	7.5% Net long	NONE	1 st PEC-D 1210 Bullish Top	Target PEC-D 1270 Bullish Top	CZ 1165-1145 Bullish Bottom	PEC-D 1145 is 3 – drives to bottom	

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

½ Positon stopped out at 1150 as Risk management, As soon as we have rejection and close above 1170, we would trigger entry

	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
GDX (XAU /HUI MINERS COR)	16.15	POM 12 On 3/19 @ 18.07 ENTRY	Stopped out ½ position @ 16.7 On 7/9 Risk management	BULLISH Short term sell off	7.5% Net long	NONE	1 st – PEC-D 21 Bullish Top	Target to To CZ 24-23 Bullish Top	ABC down to CZ 18-19 Break Below on low volume	PEC-D to 16.5	

GOLD – Overview -

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

½ Positon stopped out at 1150 as Risk management.

Gold has been holding its main **CZ 1165-1145** once again on lighter volume. We are below the 1150 stopped out price. 1145 is – Three Drives to Bottom . We are looking for secondary rejection but don't seem to get its footing.

Earlier Gold rallied bullishly toward our 1st upside target of **1210** to Bullish Top .

GDX volume expanded a bit on downside . We need to get back with the range **CZ 18-19** soon. On upside the ABC target **to 21.0.**

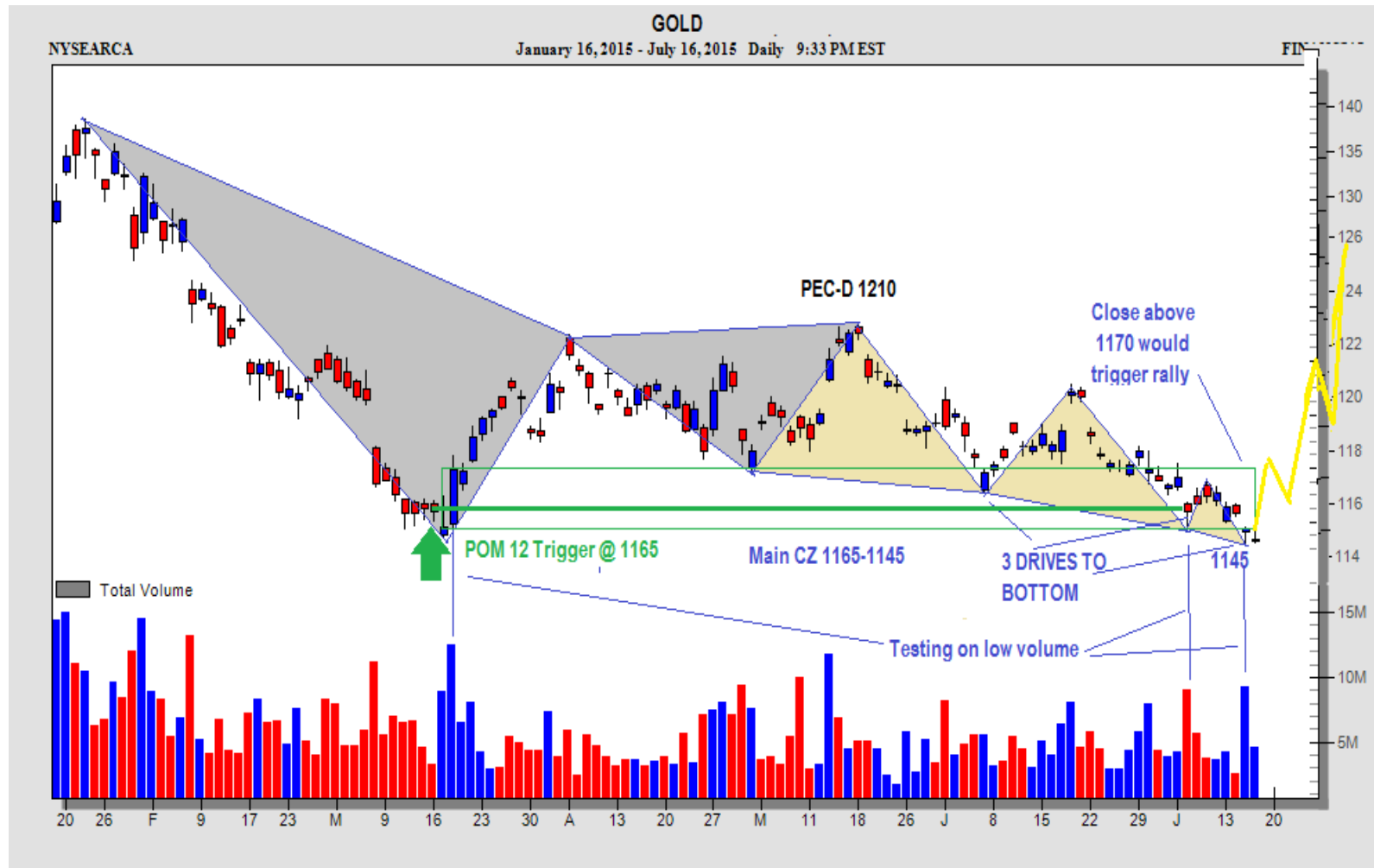
The “Commitment of Traders report” showed the small Speculators in a short position and shows net long over 7K. This is Bullish for the gold market

GOLD- CZ/ PEC- D Analysis Daily chart

Notes within chart

Downside - Long term CZ 1165-1145 is holding up. 1145 is 3 drives to the bottom

UPSIDE - 1ST PEC-D -1210 - Bullish Top . Close above 1220, the next ABC up.

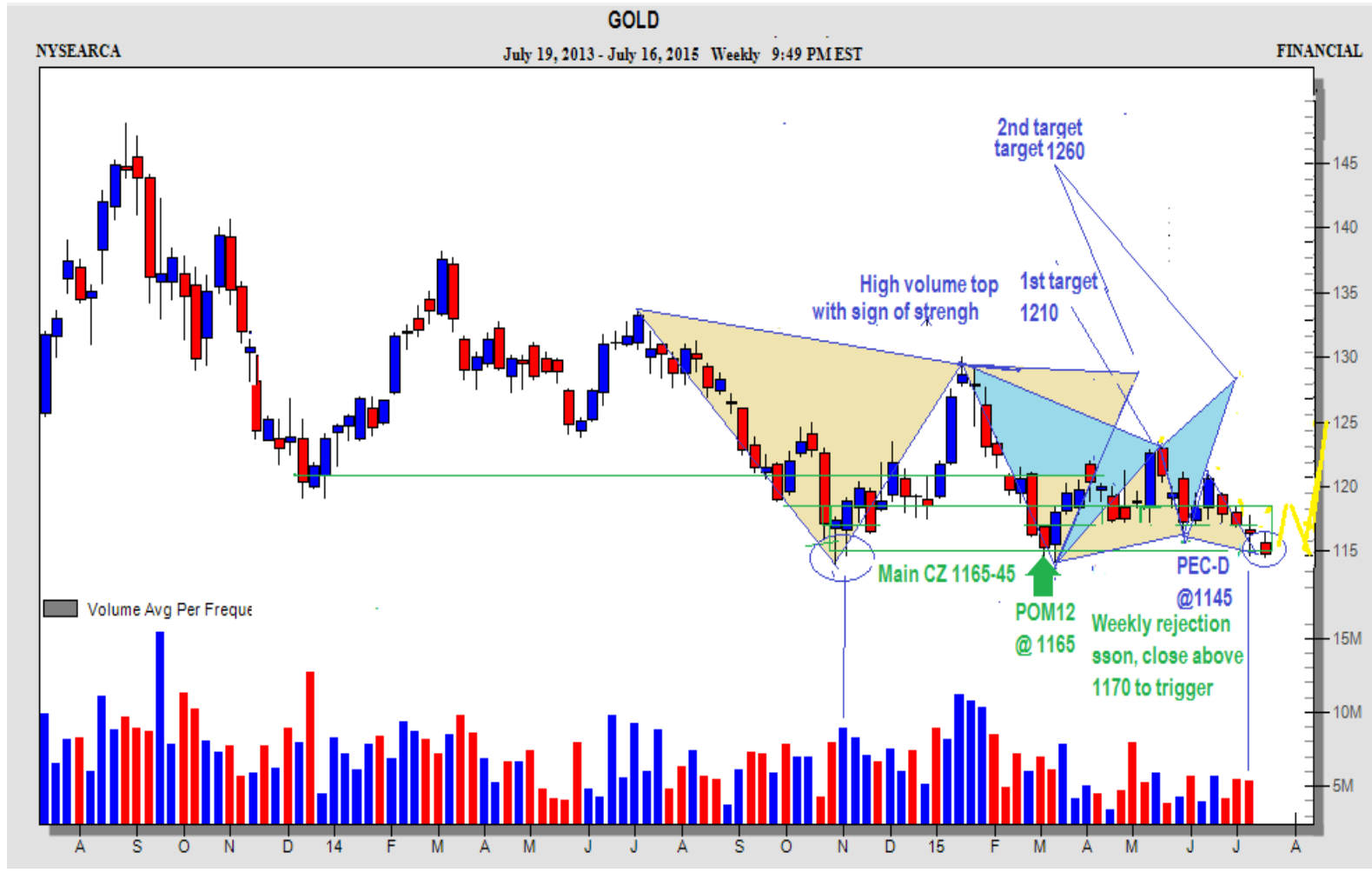


GOLD – Weekly – PEC –D / CZ Analysis

Notes within chart

Downside - Pull back to 1180 -1165 broke below it to 1150, It is rejecting lows on weekly but needs close above 1170

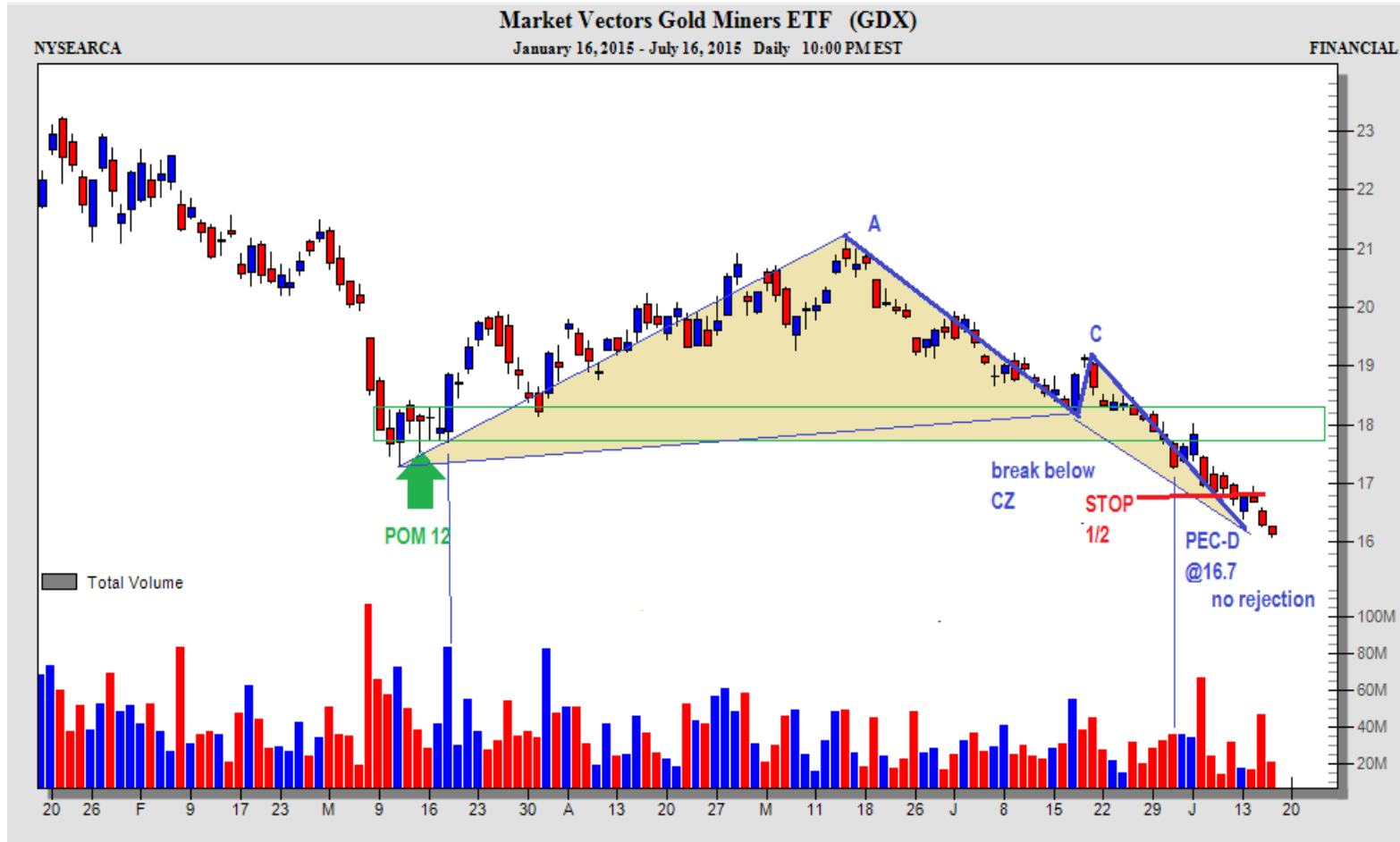
Long term CZ 1165-1145.



GDX – Daily – PEC –D / CZ Analysis

Downside - Pull back to CZ 18-19 broke down now toward PEC-D 16.5- No rejection yet.

Upside - Target PEC-21 Bullish Top.



AMEX – Daily – Volume – Osc Analysis



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)

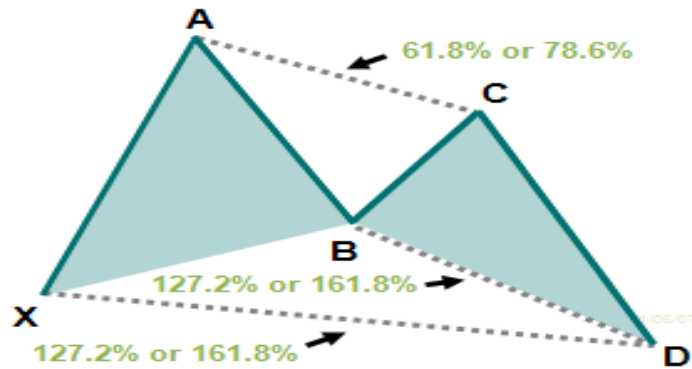
Pythagoras Expansion / Contraction – (PEC) Model

- 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

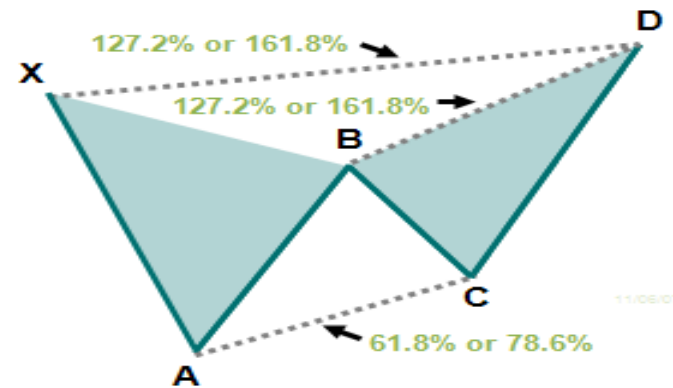
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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