SG Capital Research
Global Market Insights

Chart System

Date: 20th September 2015 (Saturday)

MS –GOLD – POM - MARKET STRATEGY REPORT

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- ## 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	1140	POM 12 On 8/15 @ 1120 TRIGGER Our ½ position Entry	NONE	BULLISH	Full Position 17% Net long	NONE	Target 1st ABC up to 1150 approaching EXACT	2nd PEC-D 1210 Bullish Top	Pull back to 1120 & rally up	ABC down to 1070 Rejected lows With Bullish Bottom	

GOLD is 33% in our Asset allocation holding: split equally in GOLD and GDX.

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GDX (XAU /HUI MINERS COR)	14.48	POM 12 On 8/15 @ 14.3 Trigger **Our ½ position Entry**	NONE	BULLISH	Full Position 17% Net long	NONE	1ST ABC up at 16 Bullish top	Target ABC up to 17.5 Bullish Top	Pull back to 14.5 rejected Bullishly	ABC down to 13.50- Double bottom Rejected lows	

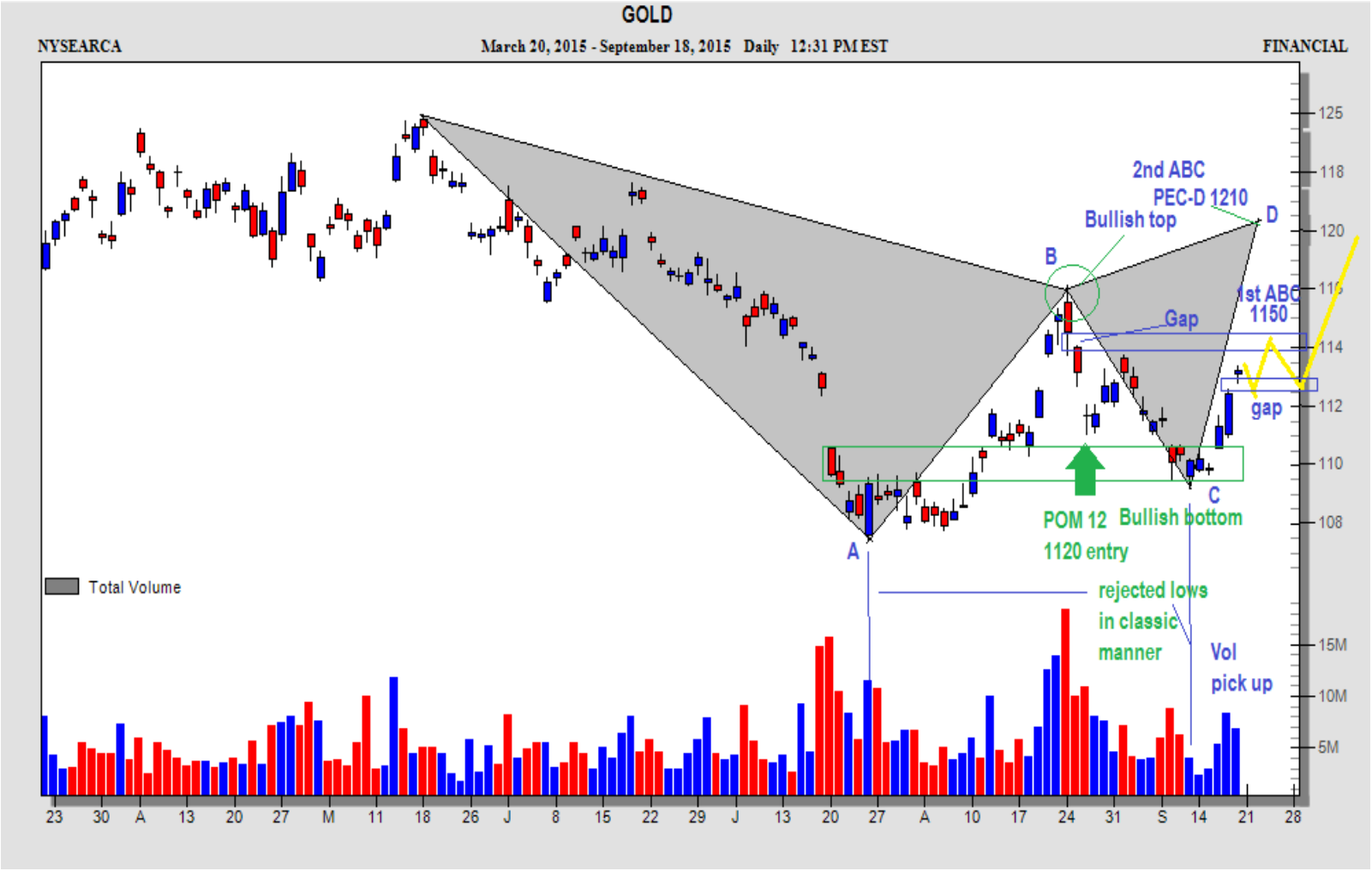
Gold and Miners continued to rally with volume when the Fed didn't raise rates last week. If the Fed starts QE4 that could initiate a larger impulse wave up beyond our nominal trade projections. We will let the market decide.

GOLD- CZ/ PEC- D Analysis Daily chart

Notes within chart

UPSIDE – 1st ABC up to 1150 target approaching. – 2nd ABC up to 1210

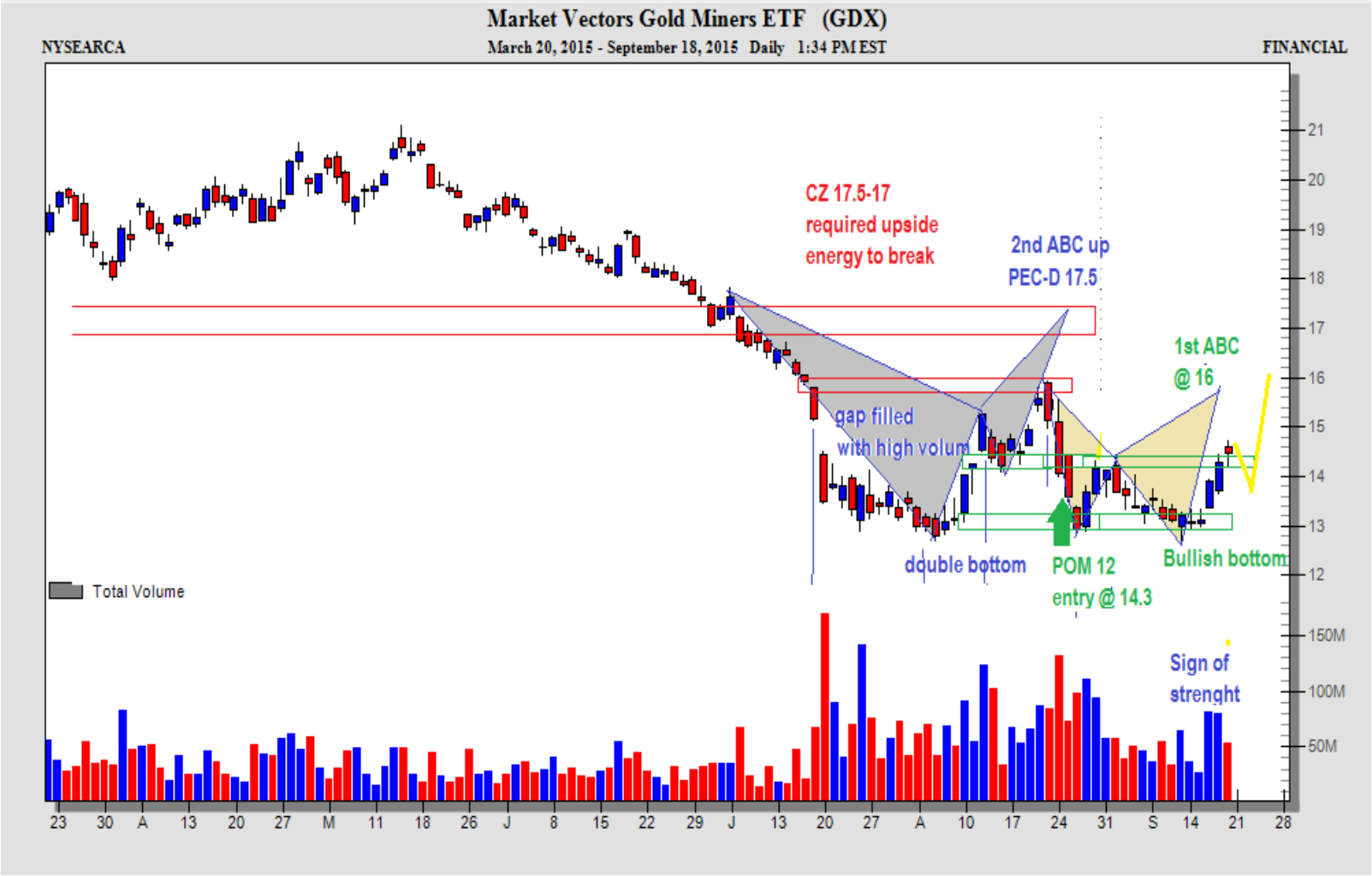
Downside - Pull back to 1120 and rally up.



GDX – Daily – PEC –D / CZ Analysis

Downside - Pull back to PEC-D 14 rejected the lows with Bullish bottom

Upside - 1st ABC up to 16 Bullish top . & 2nd ABC up to 17.5



GDX – Daily – Volume / RSI Analysis

Appendix Content

- **Objectives & POM /CZ / PEC –D Guidelines – 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.*

POM criteria for Implementation on SPX

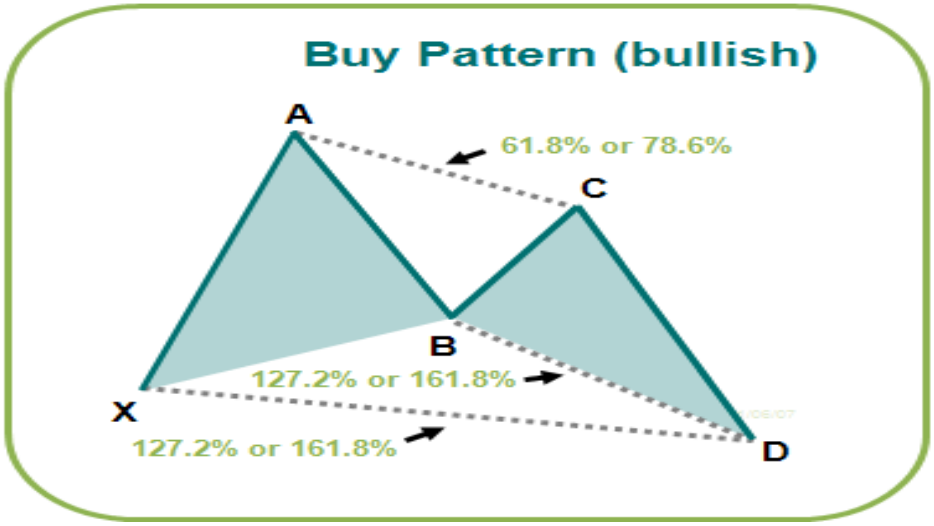
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM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

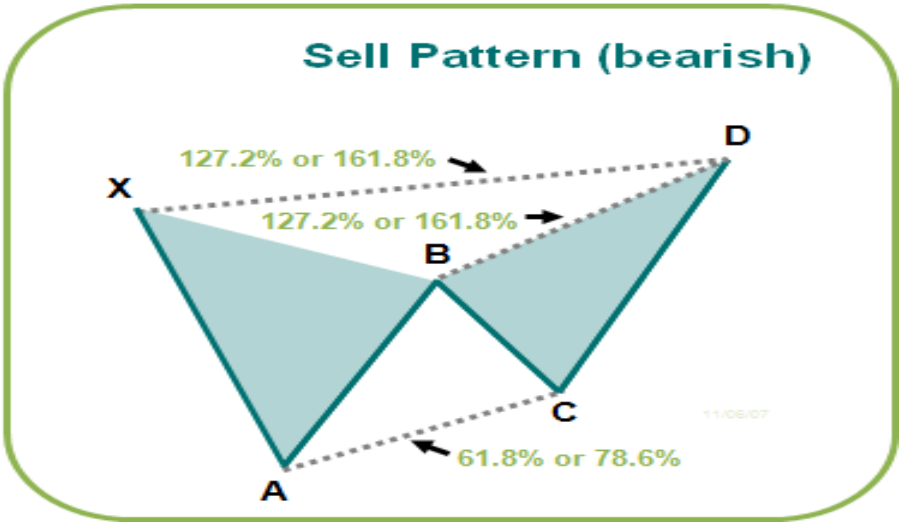
Pythagoras Expansion / Contraction – (PEC) Model

- 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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