SG Capital Research
Global Market Insights
*Chart System*

**Date: April 17, 2016 (Sunday)** [www.sgcr.us](http://www.sgcr.us) **GOLD – GDX 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 | 1235 | POM 12 Bullish @ 1070 Triggered | POM 13 Bullish @ 1200 Triggered | BULLISH<br><br>Short term pull back & consolidation | 8.5% Net long | NONE | 2nd ABC ( Daily) to 1260 Met Bullish top | Target 2ND Weekly ABC up to 1350 | Pull back to CZ 1220-1200 and rally up | ABC down to 1070 re - tested Triple bottom Bullish | |

**Triggered Signal – POM 12 – Strong Net long at 1070- Dated 1/1 /2016**
**Triggered Signal – POM 13 – Net long at 1200- Dated 2/7 ( We Exited ½ position)**

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|---|---|---|---|---|---|---|---|---|---|---|---|
| **GDX (XAU /HUI MINERS COR)** | 22.5 | **POM 12 Bullish @13.0 Triggered** | **POM 13** Bullish @ 18 Triggered | BULLISH<br><br>Short term pull back & consolidation | 8.5% Net long | NONE | 2nd ABC ( Daily) to 22.0 Met Bullish top | Target 2ND Weekly ABC up to 26 | Pull back to CZ 20-19 and rally up | ABC down to 13.0 re - tested Triple bottom Bullish | |

# Market Overview GOLD

**GOLD – has taken off since our Mark to Market (Jan 1st price @ 1070) . Our POM 12 – Net long Triggered at 1060. Currently we have 18% Profit in GOLD and 60% Profit on GDX- Miners.**

Last week's G-20 Meeting and Sunday's Doha's Oil conference should inject some volatility in Currency and Commodity Markets next week

Gold has hit our 2nd ABC up of 1260 with massive Bullish Top. Breakout above 1200 **has begun 2nd weekly ABC up to 1350**. Currently GOLD is building cause between 1220-1200 for next leg up. This consolidation in larger move

The major cycle low in 2016 has materialized in January as expected. There are still lots of room for Gold to run higher after the pull back. US Dollar topped out exactly at our PEC-D 100 as announced. We have price target of 93.

**GDX** : On Balance Volume is much higher suggests higher prices for GDX. It is a bullish sign for both gold and Gold stocks when the GDX/GLD ratio is rising (which shows gold stocks are outperforming gold). It is even more of a bullish sign when GDX/GLD ratio is outperforming GDX which is what happening here. Refer to GDX Chart below

.

**In charts below OIL, AUD, COPPER, XLE Oil Stocks; we have indicated the current status of the previously owned assets.**

# GOLD- PEC-D Analysis Daily chart

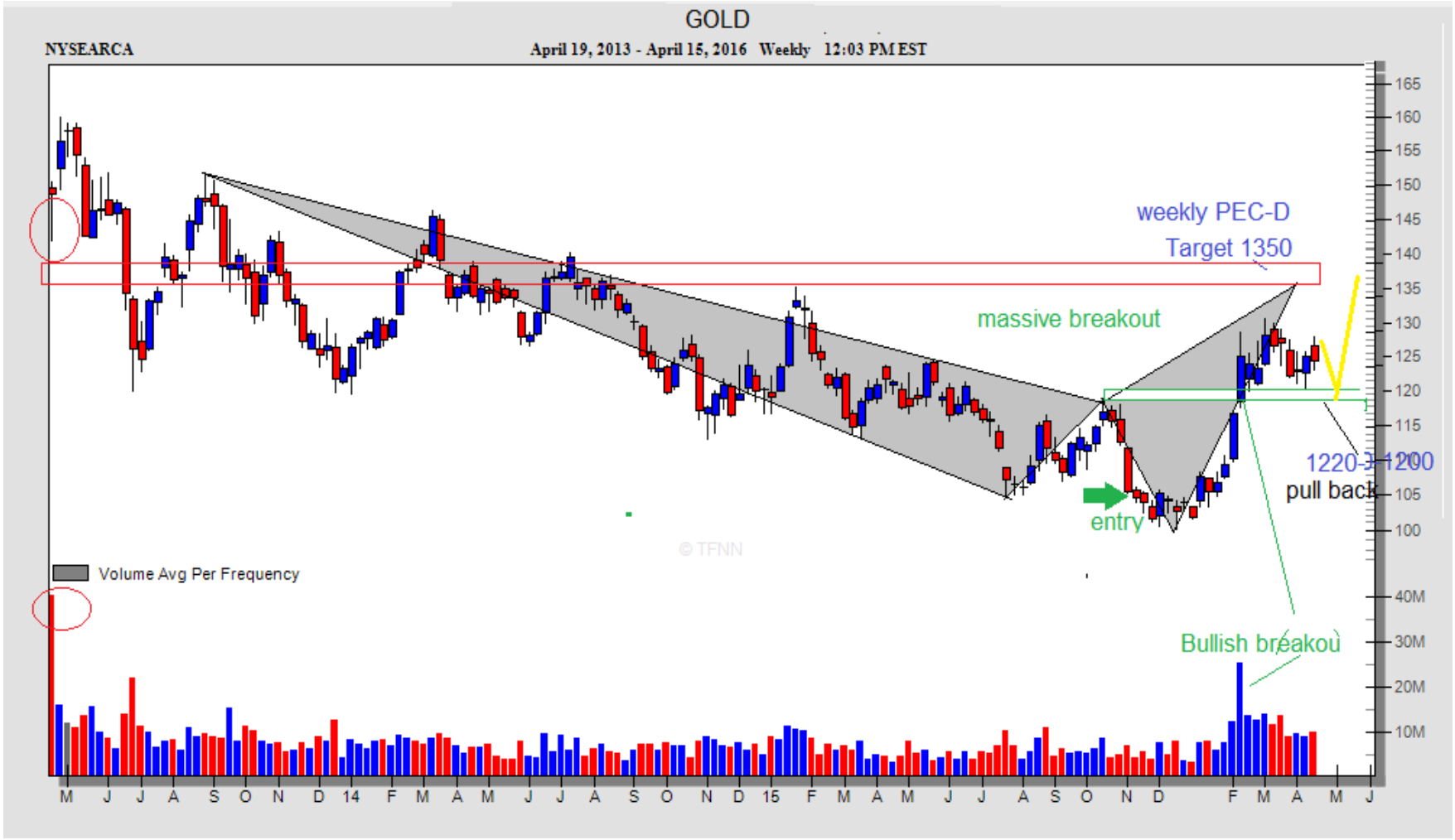
**UPSIDE** – Currently GOLD is building cause between 1220-1200 with accumulation for next leg up. Next weekly ABC up is towards 1350. Earlier 2nd daily ABC up to 1250 met with Bullish Top

**Downside – Pull back to CZ** 1220-1200 should hold once gain and then rally up.

# GOLD- PEC-D Analysis Weekly chart

**UPSIDE** – Currently GOLD is building cause between 1220-1200 with accumulation for next leg up. Next weekly ABC up is towards 1350. Earlier 2nd daily ABC up to 1250 with Bullish Top

**Downside – Pull back to CZ** 1220-1200 should hold once gain and then rally up.



# GDX- PEC-D Analysis Daily chart

**UPSIDE** – Currently GDX is building cause between 22-18 with volume accumulation. Next weekly ABC up is towards 26. Earlier 2nd daily ABC up to 22 met EXACT with Bullish Top

**Downside – Pull back to CZ** 20-19 should hold once gain and then rally up.

# AUD - PEC-D Analysis Daily chart

**Notes within the chart ; 10% up move.**

# COPPER - PEC-D Analysis Daily chart

**Notes within the chart; 10% up move**

# OIL ( $WTIC) - PEC-D Analysis Daily chart

**Notes within the chart; 20% up move**

# XLE – OIL Stocks - PEC-D Analysis Daily chart

**Notes within the chart; 10% up move**

# 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

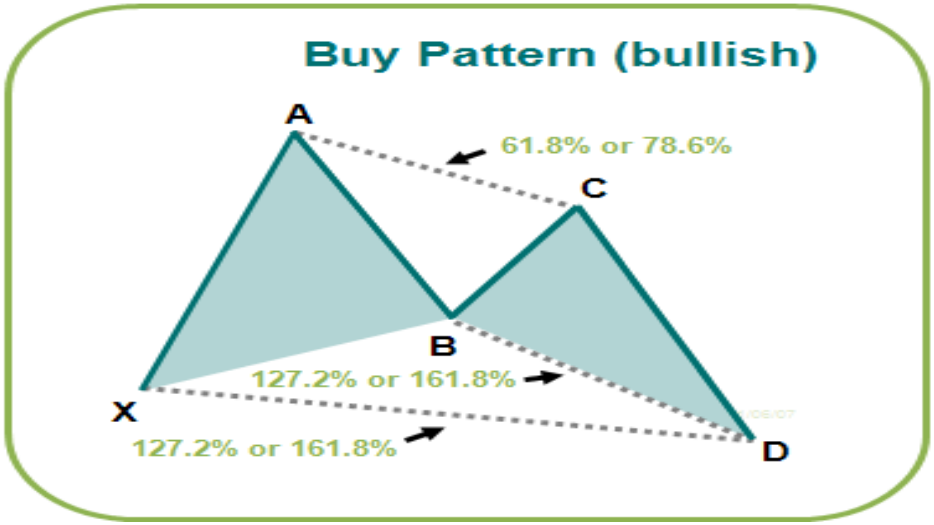
- ***POM is rated from 10 to 15***
- *POM 14 , 15 ( is Sell Signal)* and *12 , 11 ( is Buy Signal )* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or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

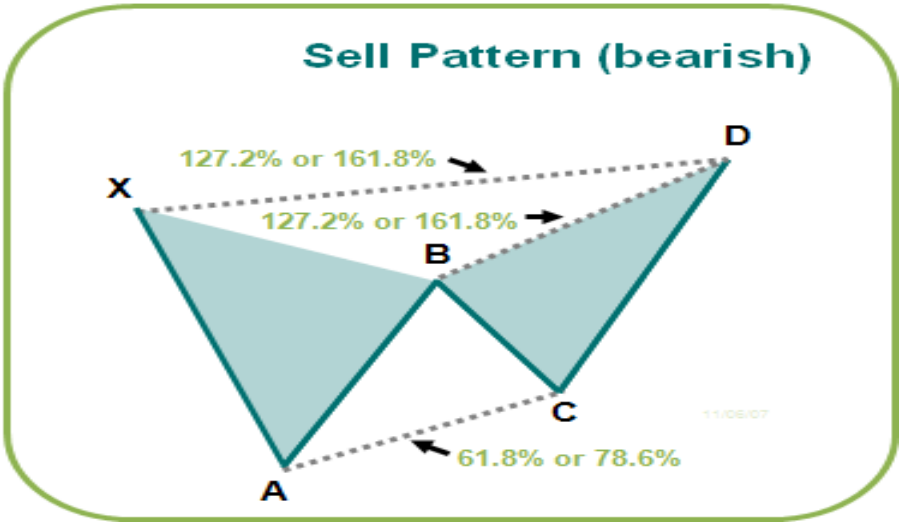
# Pythagoras Expansion / Contraction – (PEC) Model

- 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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