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**GOLD – GDX STRATEGY REPORT**

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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
<b>GOLD</b>	1340	<b>POM 12 Bullish @ 1070</b> Triggered	<b>Announced Short term pull back @1375</b>	<b>BULLISH Short term pull back in progress</b>	8.5% Net long	NONE	2 <sup>nd</sup> ABC ( Daily) to 1280 Met & broke out <b>Bullish top</b>	Target 2 <sup>ND</sup> Weekly ABC up to 1400	<b>Pull back to CZ 1310-1280</b> and rally up	CZ 1220-00 Tested, rejected	

**Triggered Signal – POM 12 – Strong Net long at 1070- Dated 1/1 /2016**

***The short term pull back we announced at 1375 is still in process. Our pull back CZ 1310-1280 and rallied back But pull back is not complete, once completed GOLD will be on its way to 1400 Bullish Top which is weekly 2<sup>nd</sup> ABC up projections.***

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GDX (XAU /HUI MINERS COR)	29.9	POM 12 Bullish @13.0 Triggered	Announced Short term pull back @ 30.5	BULLISH <i>Short term pull back in progress</i>	8.5% Net long	NONE	Target 2 <sup>ND</sup> Weekly ABC up to 26 Met & broke out Bullish top	New ABC up to 36.	Pull back to CZ 26-24 and rally up	ABC down to 13.0 re - tested Triple bottom Bullish	

## Market Overview GOLD

**GOLD** – has taken off since our POM 12 – Net long triggered at 1060 and GDX @ 13.

The short term pull back we announced at 1375 is still in process. GOLD should Pull back further towards CZ 1310-1280. USD uptrend is causing pull back in GOLD.

Once pull back completed, GOLD on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.

There is an Eight Year cycle low also due in September. The long term picture is very bullish.

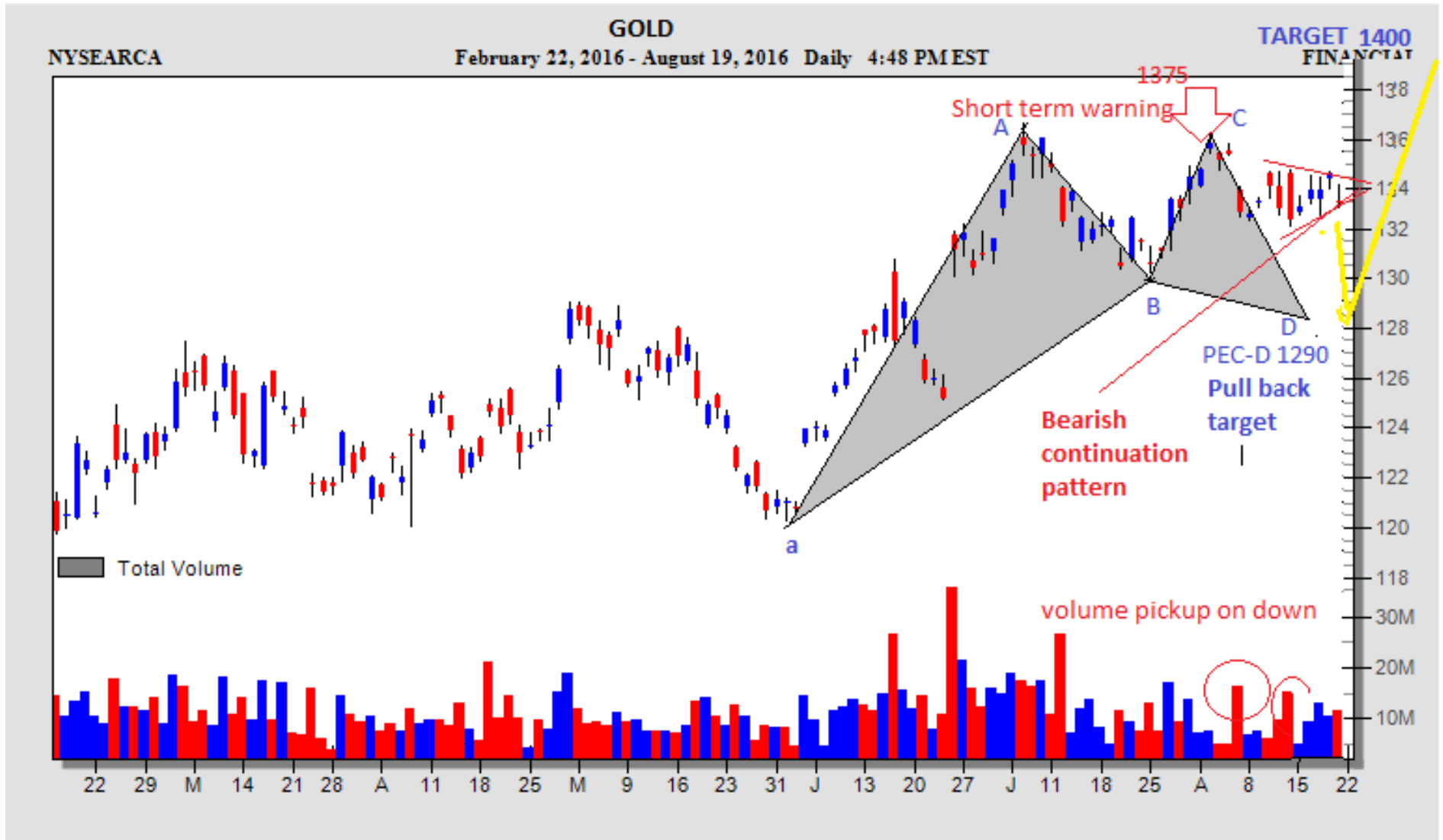
### **GDX** :

Along with Equity Market GDX will sell off on first leg down.

GDX touched a new high and closed lower creating a “Bearish Upthrust” at 32 with Bullish volume. Pull back mode to CZ 26-24. The weekly GDX RSI and On Balance volume are showing divergences. But after the pull back is on its way to 36

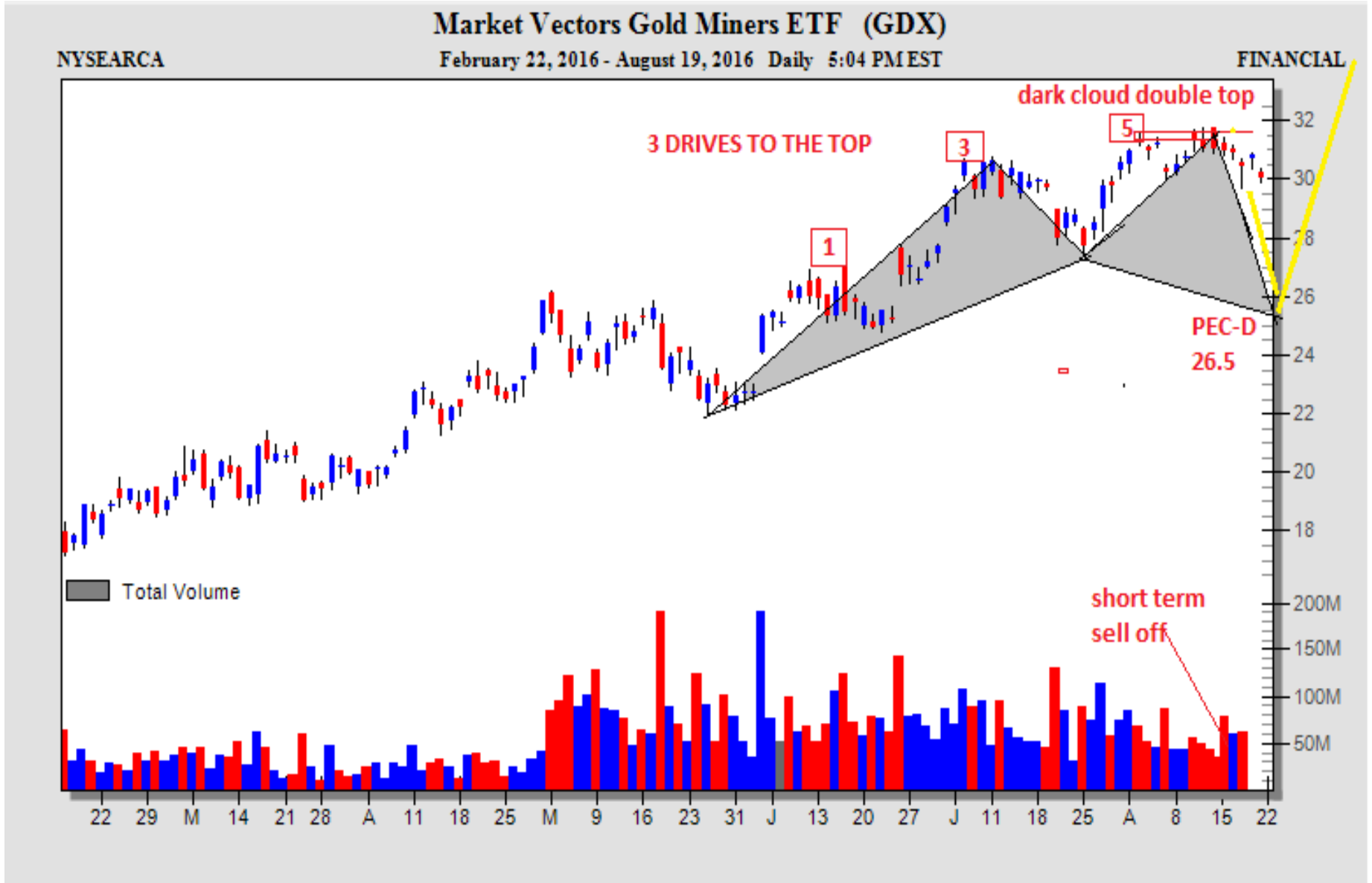
# GOLD- PEC-D Analysis Daily chart

First bounce failed at the previous Bullish top at 1375. Pull back is towards the Gap at 1325 and CZ 1310-1280. It should hold. Once completed, GOLD is on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.



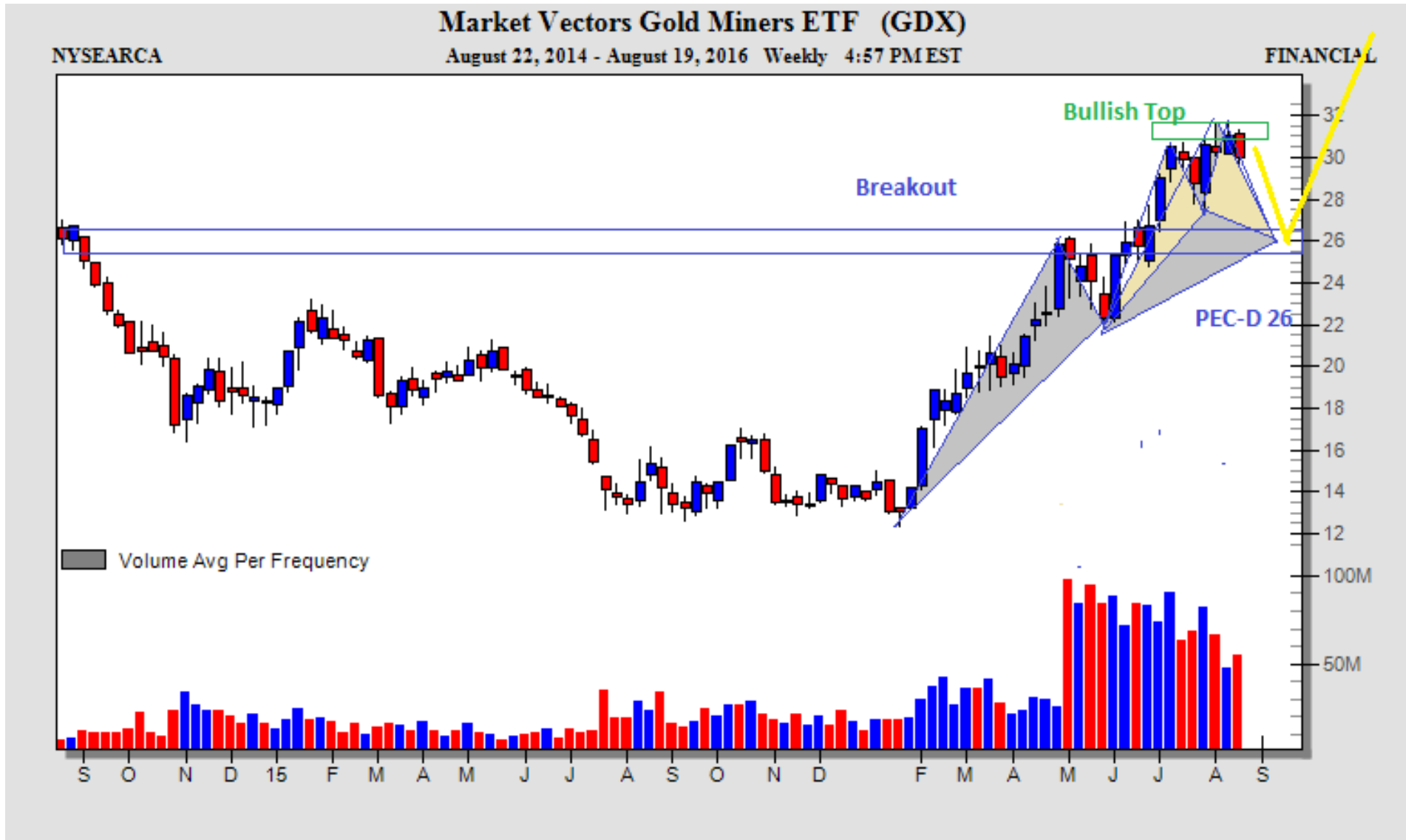
# GDX- PEC-D Analysis

3 DRIVES TO THE TOP with Bearish Dark doubled top at 32 . Pull back PEC-D 26.5



# GDX- PEC-D Analysis- Weekly

Pull back PEC-D 26.0.



# 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**)



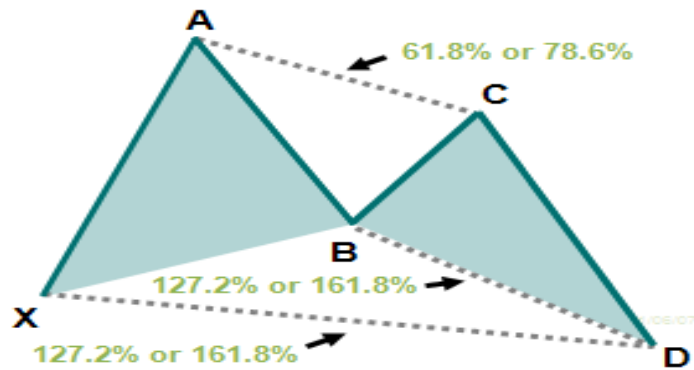
# Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 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 steams to achieve confluence point D coinciding with POM

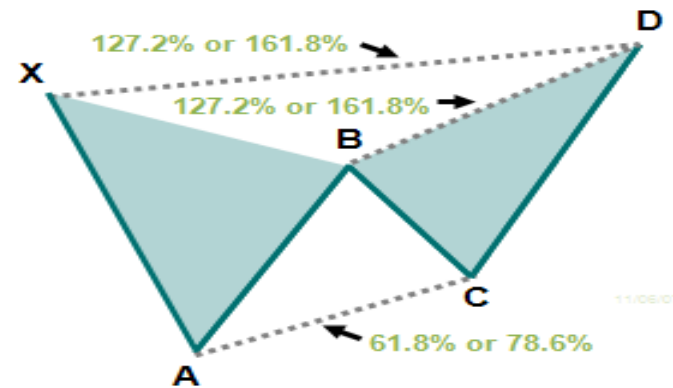
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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

### Buy Pattern (bullish)



### Sell Pattern (bearish)



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