



Date: July 24, 2016 (Sunday)

[www.sgcr.us](http://www.sgcr.us)

**GOLD – GDX STRATEGY REPORT**

By : Suneil R. Pavse, CMT

## ● 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>	1325	<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 Bullish top	Target 2 <sup>ND</sup> Weekly ABC up to 1400	Pull back to CZ 1310-1280 and rally up	CZ 1220-00 Tested, rejected	

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

***We announced the short term pull back at 1375 after getting extended with Bullish Top. Since that point, Gold has dropped 50 points towards out pull back CZ 1310-1280 But it is on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.***

	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
GDX (XAU /HUI MINERS COR)	28.5	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 32.	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 Mark to Market (Jan 1<sup>st</sup> price @ 1070) . Our POM 12 – Net long Triggered at 1060 GOLD and GDX @ 13.

*We announced the short term pull back at 1375 after getting extended with Bullish Top. Since that point , Gold has dropped 50 points towards out pull back CZ 1310-1280 But it is on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.*

DXY looks slightly stronger. Seasonality for GOLD is weak in July and bottoming in August. . There is an Eight Year cycle low also due in September which is about two months away and it would be reasonable to expect a consolidation to start around this time frame. The long term picture is very bullish

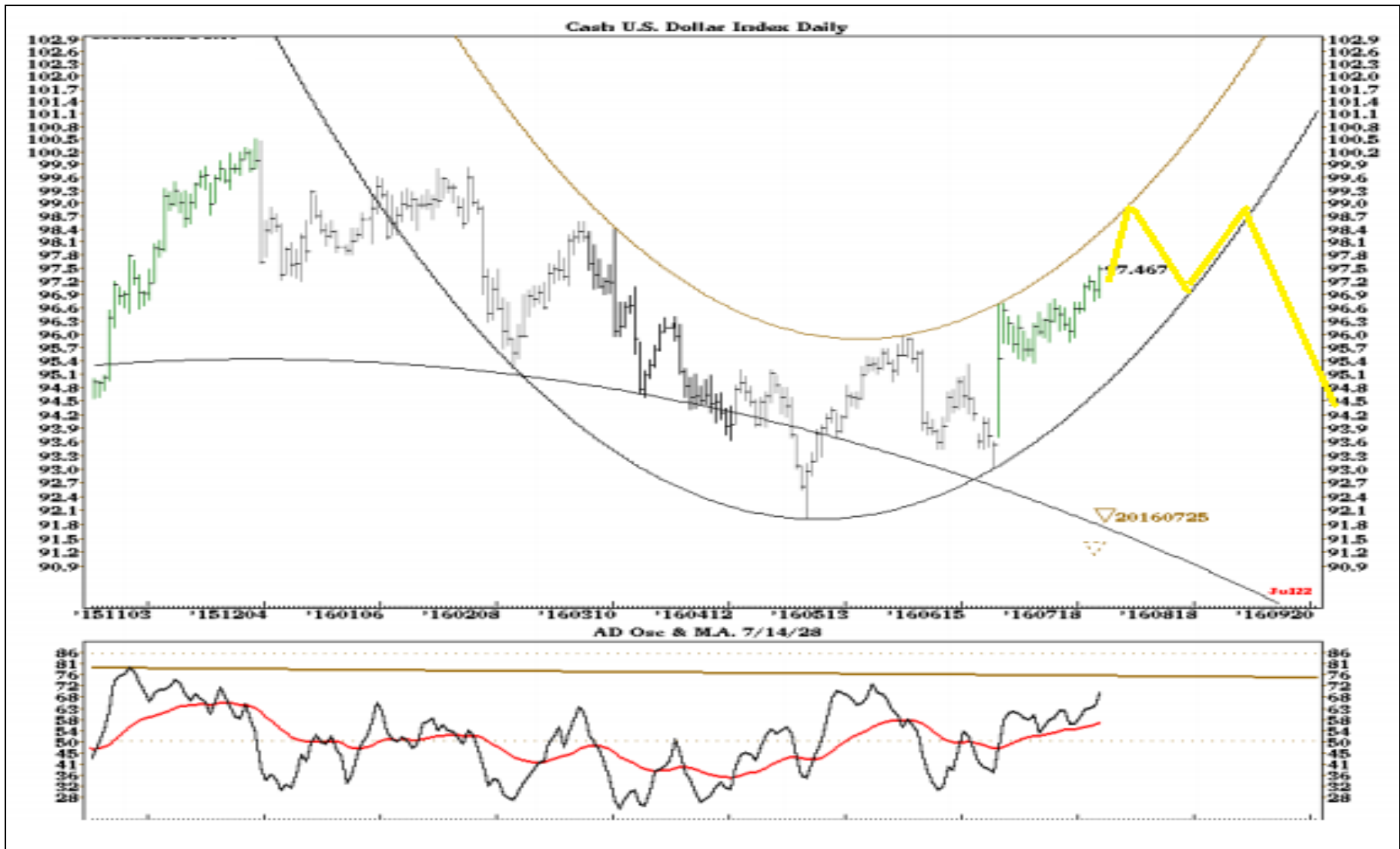
Silver has been catching bid which is going to be Bullish for GOLD on next leg up.

### GDX :

GDX is on pull back mode to CZ 26-24. It has approached our Exact Target to 29 with Bullish Top and was extended. The weekly GDX RSI and On Balance volume are showing divergences. But after the pull back is on its way to 32

# USD - PEC-D Analysis Daily chart

*USD is in uptrend and Strength in USD is causing GOLD to sell off since 1375.*



# GOLD- PEC-D Analysis **Daily chart**

. We announced the short term pull back at 1375 after getting extended with Bullish Top. Since that point , Gold has dropped 50 points towards out pull back CZ 1310-1280 But it is on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.



# GDX- PEC-D Analysis Weekly chart

GDX is in pull back mode to CZ 26-24 after approaching our target of 29 with Bullish Top. RSI and On Balance volume are showing divergences. . But after the pull back is on its way to 32



# 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)



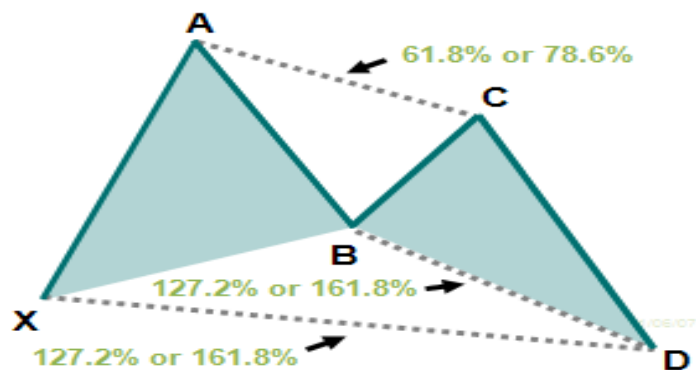
# Pythagoras Expansion / Contraction – (PEC) Model

- 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

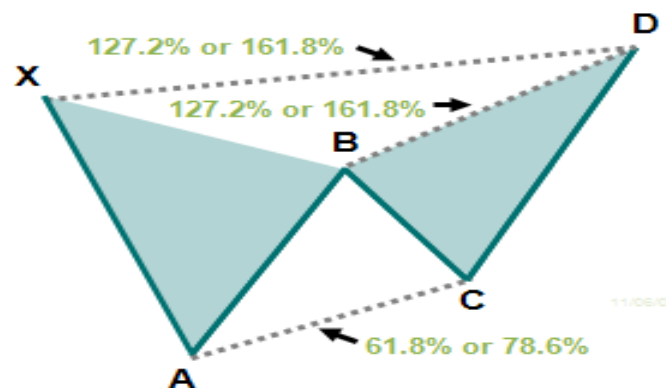
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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)



**Disclaimer :** The information in this report has been taken from sources believed to be reliable but SG Capital Research does not warrant its accuracy or completeness. Any opinions expressed herein reflect our judgment at this date and are subject to change. This document is for private circulation and for general information only. It is not intended as an offer or solicitation with respect to the purchase or sale of any security or as personalized investment advice. SG Capital Research or its Author does not assume any liability for any loss which may result from the reliance by any person or persons upon any such information or opinions. These views are given without responsibility on the part of SG Capital Research or its officials. No part of this report may be reproduced in any manner as Author reserves the distribution rights. Under Copyright 2002 Act: It is a violation of federal copyright and imposes liability for such infringement.