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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>	1246	<b>POM 12 Bullish @ 1070</b> Triggered	<b>POM 13 Bullish @ 1200</b> Triggered	<b>BULLISH New breakout From 1260</b>	8.5% Net long	NONE	2 <sup>nd</sup> ABC ( Daily) to 1260 Met & broke out Bullish top	Target 2 <sup>ND</sup> Weekly ABC up to 1390	<b>Pull back to CZ 1220-00</b> Tested, rejected and rallied up	ABC down to 1070 re - tested Triple bottom Bullish	

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

New Bullish breakout from 1260 to next ABC up as expected

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GDX (XAU /HUI MINERS COR)	25.5	POM 12 Bullish @13.0 Triggered	POM 13 Bullish @ 18 Triggered	BULLISH <i>New breakout From 22.5</i>	8.5% Net long	NONE	2 <sup>nd</sup> ABC ( Daily) to 22.5 Met & broke out Bullish top	Target 2 <sup>ND</sup> Weekly ABC up to 29	Pull back to CZ 23-22 tested , rejected and rallied 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. Currently **we have 20% Profit in GOLD and 100% Profit on GDX- Miners**. Our predication was major upside move in GOLD for 2016.

GOLD last week rejected lows within CZ 1220-00 and beginning its next ABC up. It has consolidated with Bullish triangle after breaking out of 1260 Bullish top.

Price of 1260 was 2<sup>nd</sup> ABC up projection on daily basis. This move targets our next projection to 1390 which is weekly 2<sup>nd</sup> ABC up projections.

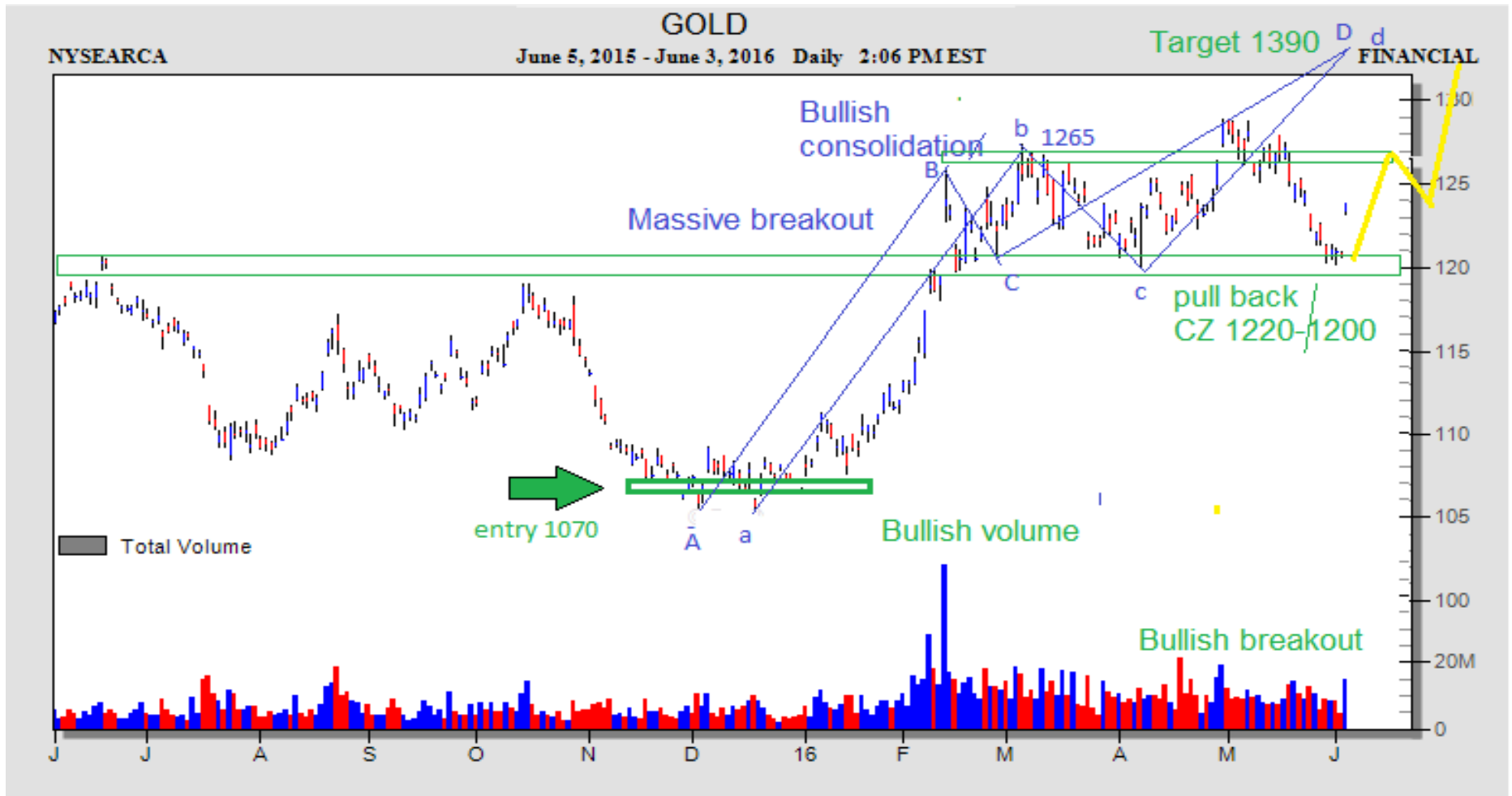
**GDX** : GDX has rejected the CZ 23-22 and began its next ABC up . It has a Bullish top at 26. Our next price target is 29

On Balance Volume continues to be higher suggests higher prices for GDX. It is a bullish sign for both gold and gold stocks when the GDX/GLD ratio is rising. It is even more of a bullish sign when GDX/GLD ratio is outperforming GDX .

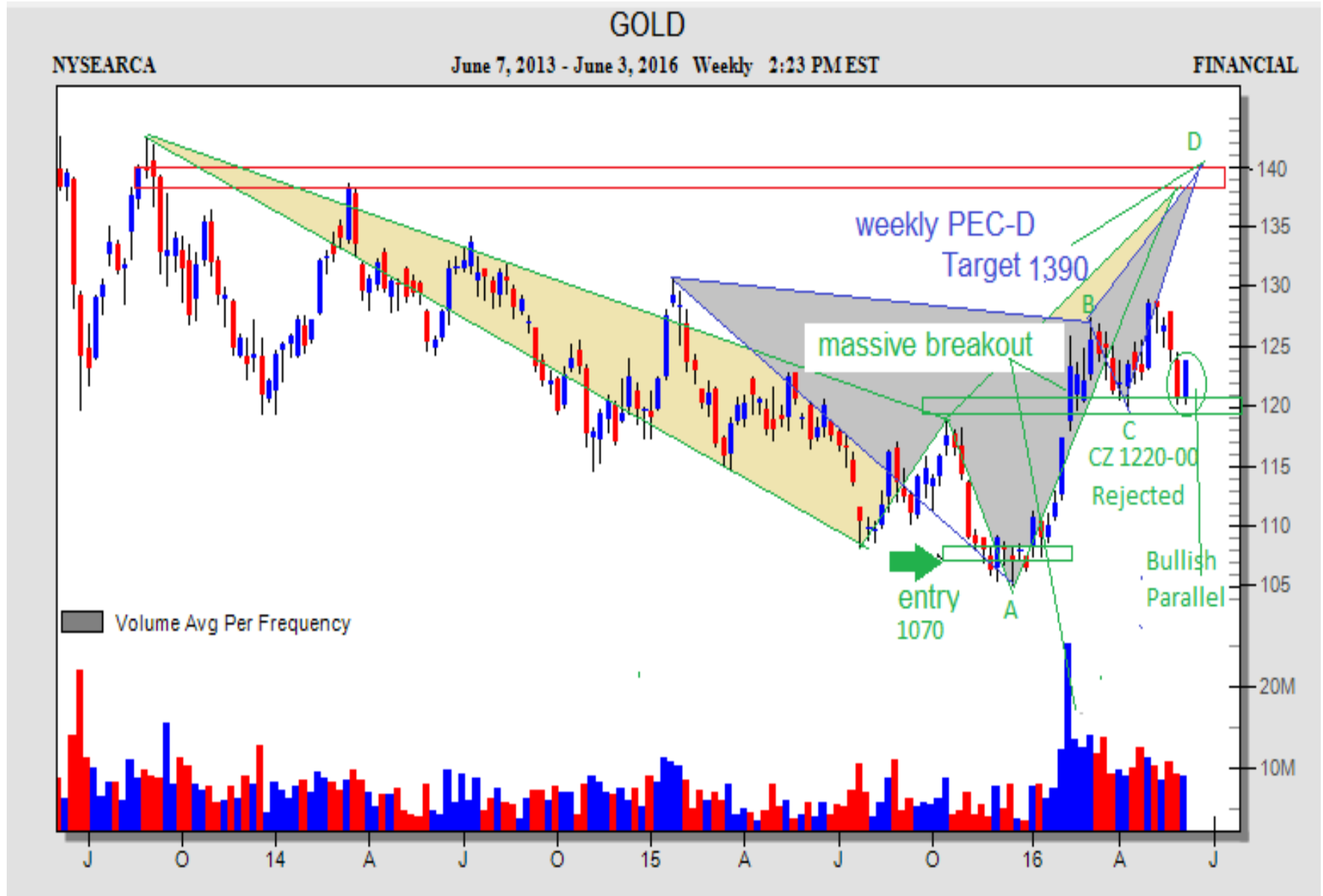
# GOLD- PEC-D Analysis Daily chart

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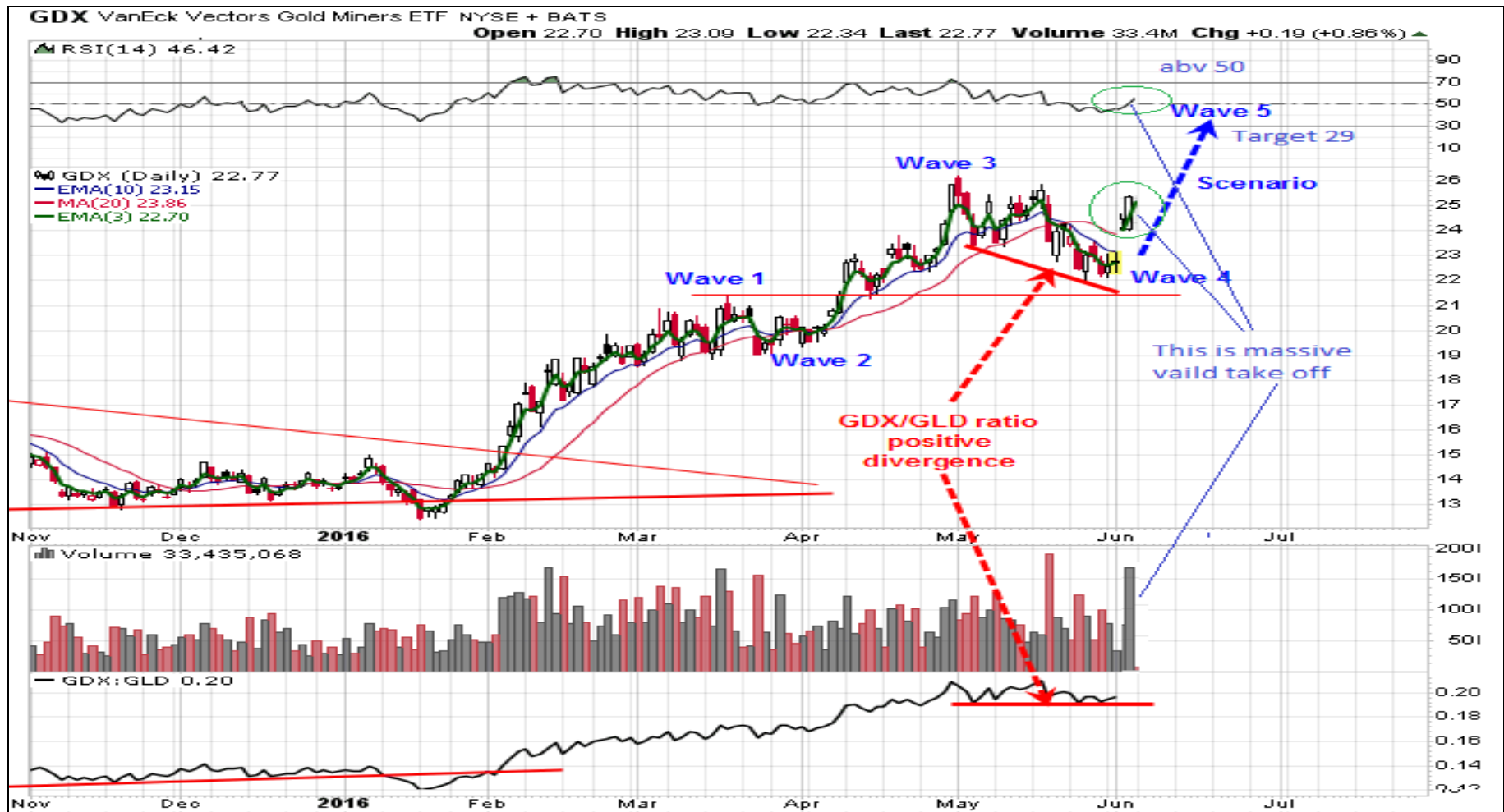
# GOLD- PEC-D Analysis Weekly chart



# GDX- PEC-D Analysis Daily chart

**UPSIDE** – 1-3-5 Pattern in progress to price target 29. Currently GDX is broken out once gain above 22.5 with volume accumulation. Next weekly ABC up is towards 29.

**Downside** – Pull back to CZ 23-22 rejected with Bullish Bottom and rallied up. GDX / GLD Bullish divergence and RSI above 50



# 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)



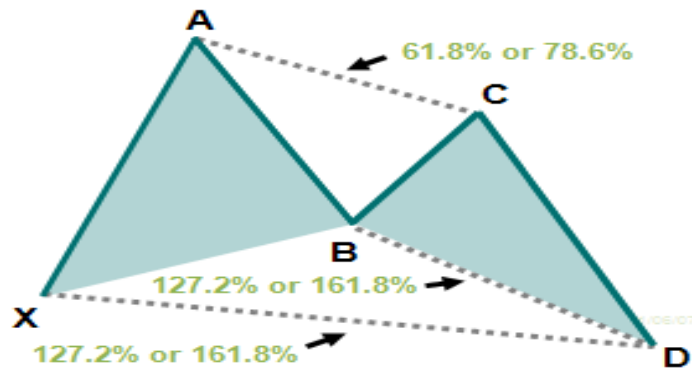
# Pythagoras Expansion / Contraction – (PEC) Model

- 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

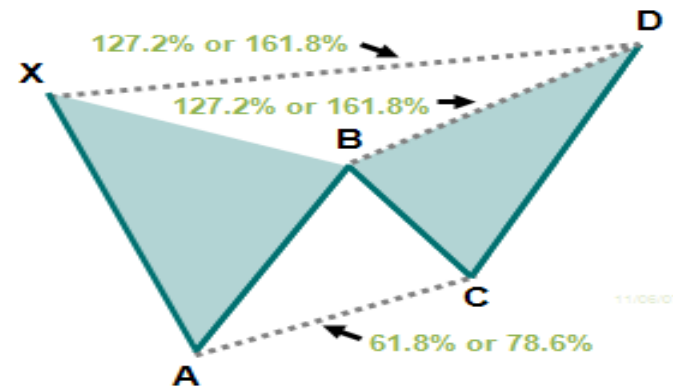
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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