



Date: November 13, 2016 (Sunday)

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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	1230	POM 12 Bullish @ 1070 Triggered	Triggered POM 13 On Election night @ 1340	BULLISH To NEUTRAL	Net long Reduced 17% to 8.5%	Exited 1255 position at 1330 on election nigh	Blow off Rally to 1340t with Bullish Top	Target 2 ND Weekly ABC up to 1400 Bullish top	Re test of 1285 Failed to Hold the pull back	CZ 1220 Re testing Bullish Bottom	

● Based on Trump Scenario forecast depicted in our last Report. We Exited our secondary Net long Gold position @ 1330 on Election night rally for 75 points/(6% Profit. (Position entered @ 1255)

- Now waiting for new Trigger @ 1200-1220 for reentry the position back again.
- Core entry Net long since POM 12 trigger: at 1070. Holding initial 7.5% position

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GDX (XAU /HUI MINERS COR)	21..0	POM 12 Bullish @13.0 Triggered	Triggered POM 13 On Election night @ 1340	BULLISH To NEUTRAL	17.0% Net long Hedged 8.5% With GOLD @1330	Hedged 8.5% With GOLD @1330	Blow off Rally to 28.10 On Instinet Illiquid.	Target 2 nd ABC up to 32 Bullish top	Re test of 22.5-23.5 Failed to Hold The pull back.		

- Based on the same forecast, during the Election night rally in GOLD, We hedged the GDX position to lock the election night profit with GOLD @ 1330. GDX on Instinet was trading at 28.12 but not liquid to trade in certain exchanges.
- Now waiting for new Trigger @ 1200-1220 in GOLD for closing the Hedges. GDX to reverse to upside along with GOLD
- Core entry Net long since POM 12 trigger: at 13.0 Holding initial 7.5% position

Market Overview GOLD

Our rationale and actions on Gold for this week's Report is quite to the point. Fast fingers from Traders have resulted in very high volatility in these Markets. The political current events are not helping the cause.

Firstly, Trump Victory moved the GOLD market to blow off rally during the Election night as we expected. We acted on that plan and profited from this **move** quite handsomely.

Secondly, "*Sell on the news*" after the election was also quite expected as well; towards 1285 level as normal retracement; but break below 1285 had surprise element to it .

Surprise element : The breakdown in GOLD from 1285 to 1230 past 2 days is purely due to India's surprise announcement of "Demonetization of currency" ; the night of US election . Indian Government action to clean up corruption was complete surprise to the Financial Markets and Global Investors. India is the largest consumer of GOLD with large purchases in shadow Cash. Government's action to freeze and replace large currency denomination overnight has put in liquidity freeze in India.

The impact of demonetization is not quite know in GOLD on short term basis. GOLD may final liquidation and margin selling. However on midterm basis, GOLD should settle down. **If GOLD holds 1220-1200 and rejects lows , We will reenter our exited position back again.**

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

Trump Rally moved Gold to 1340 with Bullish Top , Pull back to 1285 did not hold (Political situation) .
Pull target could reach CZ 1220-1200.



GOLD- PEC-D Analysis **Weekly chart**

Pull target could reach CZ 1220-1200.



GDX- PEC-D Analysis Daily chart

GDX pull back over the last week and both Advance/Decline percent and Up down Volume percent moved higher and closed above "0". If these two indicators continue to show internal strength in the coming days and remains above "0", we could end up in reentering a long GDX position."



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**)

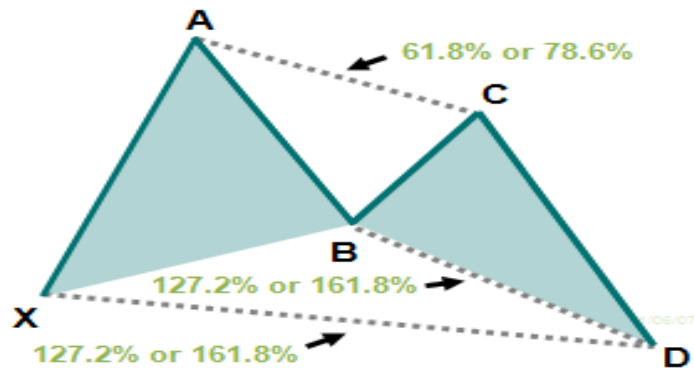
Pythagoras Expansion / Contraction – (PEC) Model

- 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

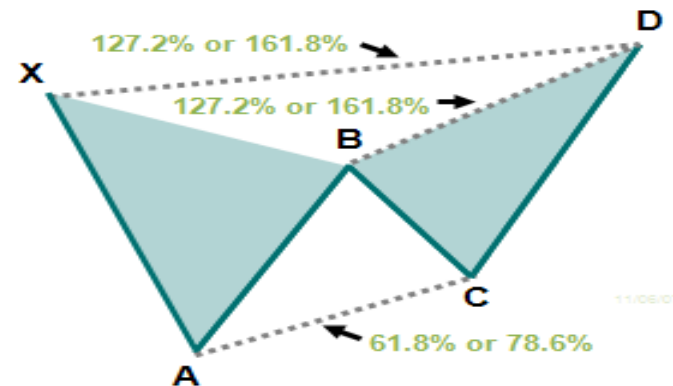
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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

Buy Pattern (bullish)



Sell Pattern (bearish)



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