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GOLD – GDX STRATEGY REPORT

By : Suneil R. Pavse, CMT

● 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	1207	POM 12 Bullish @ 1070 Triggered	Announcement Triggered POM 13 @1220-1200	BULLISH	Net long Increasing 8.5% to 17%	Scaling in below 1210 Potential to decline to 1180	Rally to breakdown area 1270		Potential for decline to 1180	CZ 1220-00 Re testing Bullish Bottom	Target 2 ND Weekly ABC up to 1400 Bullish top

Our Exited position in GOLD @ 1340 on election night has now pulled back to our Target price of 1200-1200.

- **Announcement:** Scaling to re – enter this position for new Trigger @1200-1220. There is possibility for a wash out in Gold here.
- 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 @1220-1200 (GDX 21-20)	BULLISH	Net long 17%	Closed the Hedges With GOLD @1210	Rally to breakdown area 24	TBA	Re test of 22.5-23.5 Failed to Hold The pull back.	Potential for decline to 19.5	

- **Announcement:** Closing the Hedges in GOLD @ 1200-1220 placed against GDX price drop on election night @ GOLD - 1330 to lock in the profit.
- Core entry Net long since POM 12 trigger: at 13.0. Holding initial 7.5% position

Market Overview GOLD

USD : Proceeds from “ Recently Sold position” in US Bonds by Chinese’s and Saudi’s are now sitting in US Dollars, pushing the USD to 13 years high. USD rally is completely overbought with the possibility of blow off move, however the 93% Bullishness prevails in sentiment indicator with everyone is on one side of this trade. After the blow off move, USD can pull back reversing GOLD to the upside. .

GOLD:_ Currently GOLD is approaching CZ 1200-20 towards the pullback target indicated in last week Report. This is potential spot for us to Re- enter our exited position on election night at 1330.

The election night rally from 1270 to 1340 was real “Trump Rally” however the breakdown in GOLD prices from 1270 to 1207 was clearly due to unexpected “Overnight Demonetization of Indian Currency” . The western press hasn’t covered this news as much except in specialized Commodity news wire. Analyst community has been blaming Trump for the selloff.

Since we have large profit cushion in GOLD, we have been little aggressive in entry . Partial / Scale in purchases can minimize the drawdowns. This is very volatile market.

On Short term basis: there is a possibility GOLD can flush itself out towards 1180 out of momentum.

Gold has been in Correction mode since July peak of 1385 (14% correction) . GOLD stocks GDX have acted better than GOLD during Demonetization.

On Midterm basis, Since January 1, GOLD is up 15% . Price point of 1200 has been exactly midpoint or 50% of pull back from initial rally from 1050.

Some of the Trump policies should impact tremendously to re adjust GOLD prices positively

- Islamic GOLD standards can move large amount of Currencies into GOLD.
- Impact of fiscal Trump spending on Debt should impact Gold prices
- Globally, there is accumulation of 150 Trillion USD debt outstanding as per IMF, should impact Gold prices

After the correction and some consolidation, GOLD Market could be in significant up move in 2017-18

GOLD- PEC-D Analysis Daily chart

Pull target CZ 1200-20 reached . It could overshoot to 1180 out of Momentum. Possible shake out move.
RSI has been trading around 26, very oversold to a point previous rallies has begun within CZ testing.



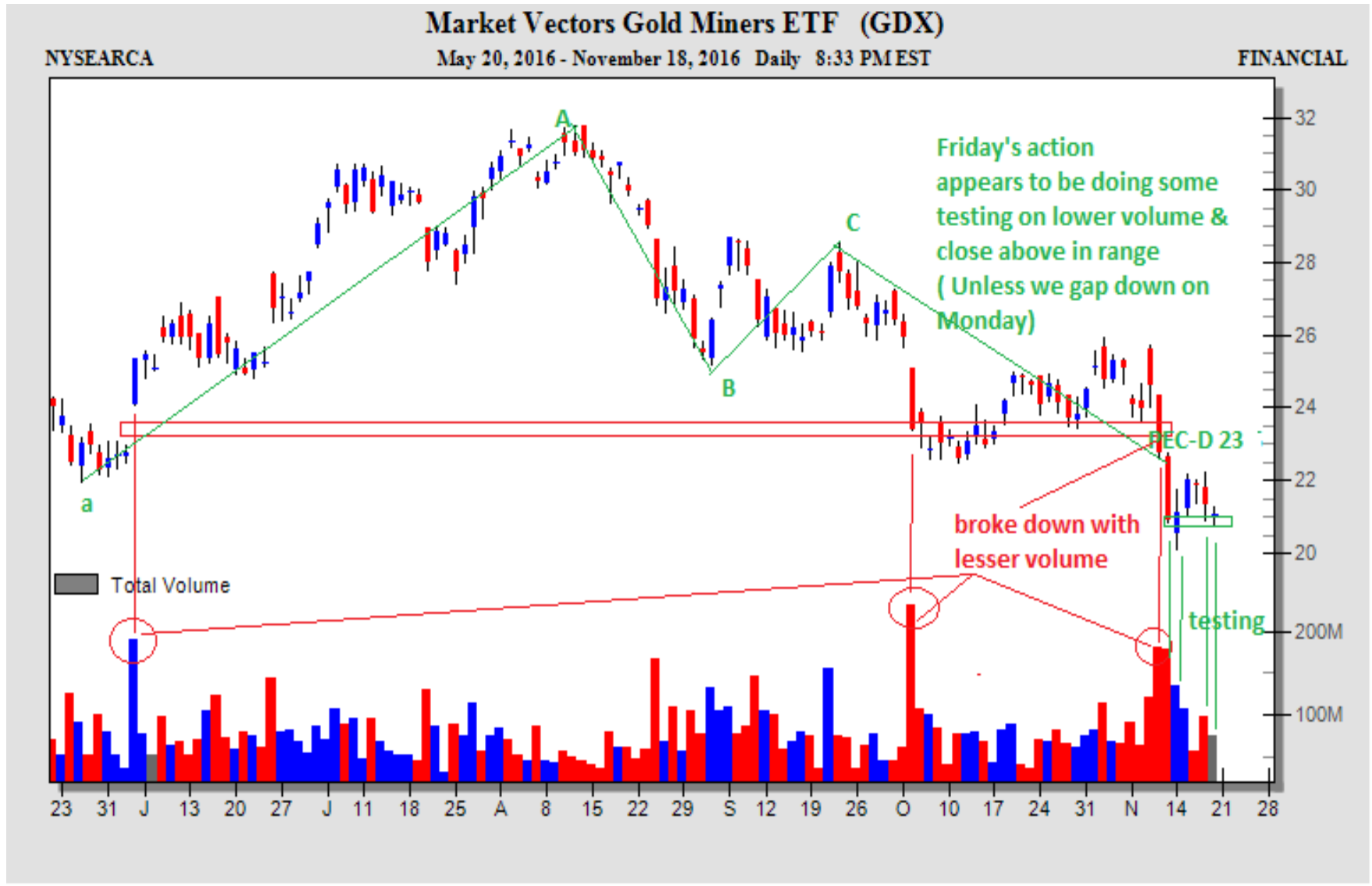
GOLD- PEC-D Analysis Weekly chart

There is a GAP at 1180 with high volume bar which can be filled. Pull target into CZ 1200-20 reached . Weekly RSI has been trading around 30, oversold to a point previous rallies has begun within CZ testing.



GDX- PEC-D Analysis **Daily chart**

Notes within the chart .



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**)

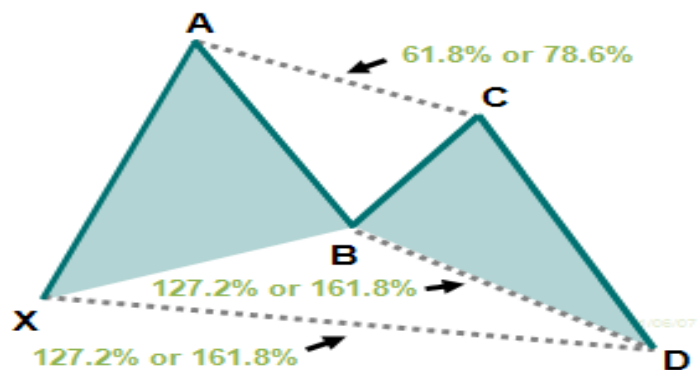
Pythagoras Expansion / Contraction – (PEC) Model

- 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

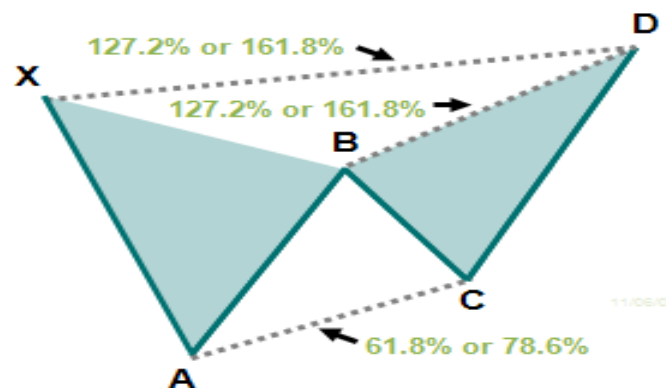
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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