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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
GOLD	1255	POM 12 Bullish @ 1070 Triggered	Announcement Trigger Below 1280	BULLISH	8.5% Net long	Scale in Net Long entry below 1280	Bounce to 1305	Target 2 <sup>ND</sup> Weekly ABC up to 1400 Bullish top	PEC-D 1280 Met Exact	CZ 1220-00 Tested, rejected	

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

*Correction we announced at 1375 should be over soon. Downside PEC-D 1280 projection has been met. Once GOLD reverses, Our First bounce to be 1305 followed by retest of lows.*

**Announcement to Scale in below 1280.**

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GDX (XAU /HUI MINERS COR)	23.0	POM 12 Bullish @13.0 Triggered	<b>Annoucement</b> Trigger Below 23.5	BULLISH	8.5% Net long	Scale in Net Long entry below 23.5	Bounce to 26	Target ABC up to 32	PEC-D 23.5 Met Exact	ABC down to 13.0 re - tested Triple bottom Bullish	

*Correction we announced at 31 should be over soon. Downside PEC-D 23.5 projections has been met. GOLD tends to overshoot in both directions. Once GOLD reverses, Our First bounce to be 26 followed by retest of lows.*

**Announcement to Scale in below 23.5.**

## Market Overview GOLD

**GOLD** –Our main entry since **POM 12** trigger for Net long at **1070** and **GDX @ 13**.

Our upside target in USD towards 97.5 has been finally met. Rally in USD has resulted in correction in Gold and Commodity Market.

**Nothing has changed in GOLD market since our Report last week. Precious metals is building up the base after meaningful price destruction**

GOLD and GDX has reached our pull back target and volume on downside has been contracting. We would certainly keep some power dry in case it drops further than 1250 especially in volatile instruments such as GDX and SLV.

Our First bounce to be 1305 followed by retest of lows before the rally begins. Positive seasonality in Gold has begun for Cycle lows.

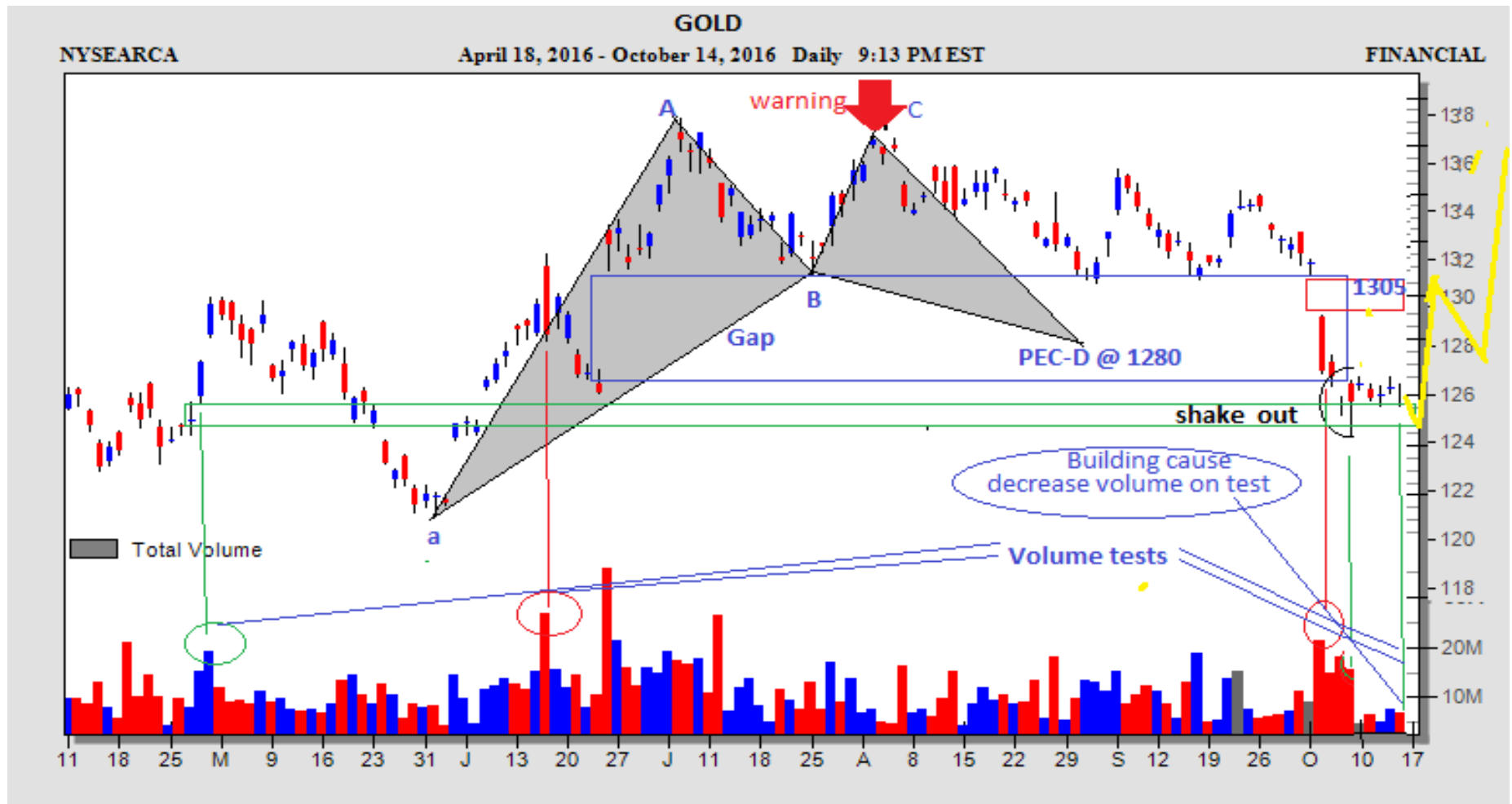
### GDX

GDX is testing the gap level of June 3 at the 23.00 level with low volume. Indicators are pushed to extremes.  
**In terms of PEC-D , GDX has reached its target but in terms of Wave there is slight possibility 5<sup>th</sup> Wave 1-3-5 pattern can take GDX to 22.**

# GOLD- PEC-D Analysis Daily chart

GOLD is Building base after meaningful price destruction.

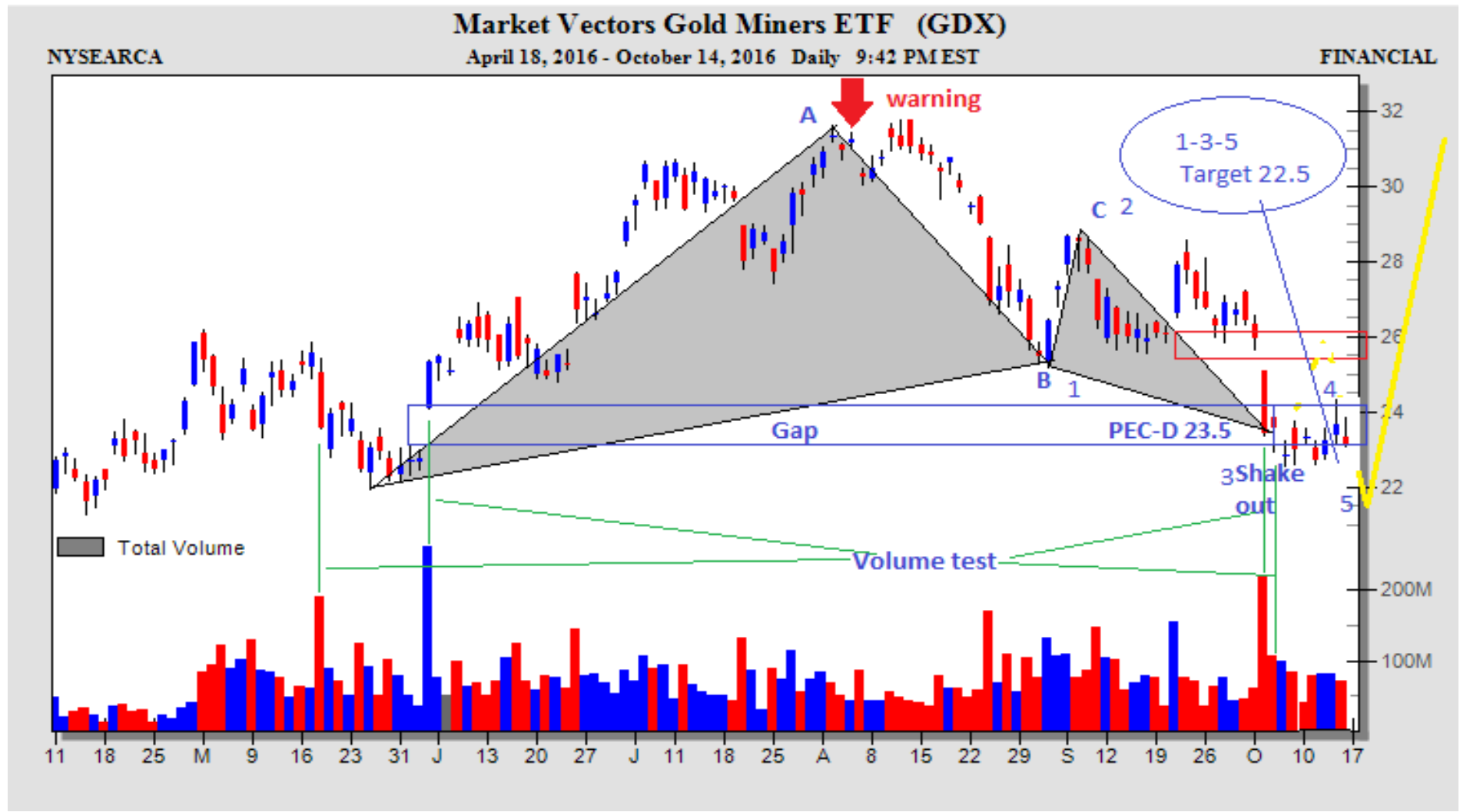
*Pull back towards PEC-D 1280 has been met. First bounce to 1305 and then retest of lows . GOLD is on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.*



# GDX- PEC-D Analysis – Daily Chart

In terms of PEC-D , GDX has reached its target but in terms of Wave there is slight possibility 5<sup>th</sup> Wave 1-3-5 pattern can take GDX to 22

*Pull back towards PEC-D 23.50 has been met. First bounce to 26 and then retest of lows . GDX is on its way to 32 which is weekly 2<sup>nd</sup> ABC up projections.*



# 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

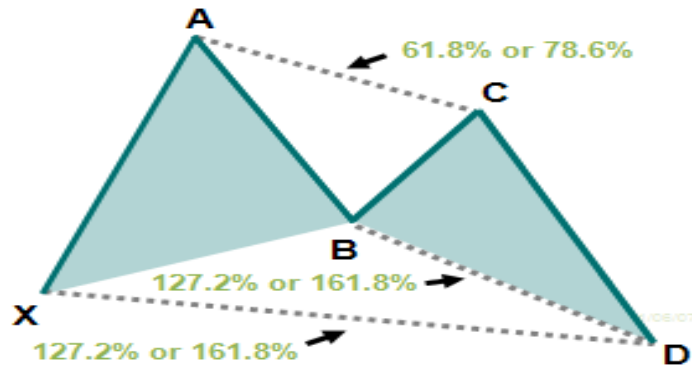
- PEC Model is a 2<sup>th</sup> Derivative Timing Tool utilized on core currencies which identifies the turning point, for Tops and Bottoms on “Short & Intermediate term” Trend in the currency market.
- Methodology is based on Mathematical Pattern Recognition with Symmetrical Pythagoras Triangular expansion 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 streams to achieve confluence point D coinciding with POM

## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

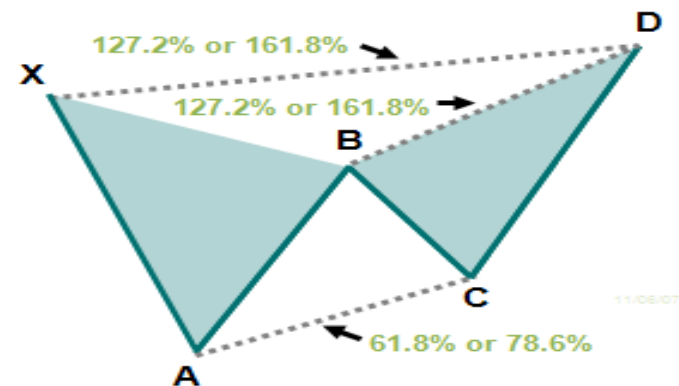
The output signal of ABCD price moves preceded by a swing high or low (XA) generates projection point D, which is actionable point derived from 2 connecting triangles with convergence ratio. As with all geometric patterns, a Buy or Sell signal occurs as the pattern completes at point D



### Buy Pattern (bullish)



### Sell Pattern (bearish)



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