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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	1267	POM 12 Bullish @ 1070 Triggered	Announcement Short term pull back	BULLISH	8.5% Net long	Scale in Between 1280-1240	Bounce to 1305	Target 2 ND Weekly ABC up to 1400 Bullish top	Re test of 1240 Possible soon	CZ 1220-00 Tested, rejected	

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

Announcement to Scale between 1280-1240. Retest of 1240 is possible soon.

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GDX (XAU /HUI MINERS COR)	24.62	POM 12 Bullish @13.0 Triggered	Announcement Short term pull back	BULLISH	8.5% Net long	Scale in Between 23.5-21.5	‡ Bounce to 26	Target ABC up to 32	Re test of 22.5 Possible soon	ABC down to 13.0 re - tested Triple bottom Bullish	

Announcement to Scale between 23.5-21.5. Retest of 22.5 is possible soon.

Market Overview GOLD

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

GOLD rallied past week as we expected (from 1250 to 1275) ; specifically good rally in GDX (22.5 to 24.5). However, we think, the rally may fade near term as the volume dried up at 1275 . The pull back to re test the lows of 1240 can't be ruled out. Overall volume during decline has been contracting but volume has not expanded during up days. Up volume is required for continuation of rally.

USD has reached our upside target of 97.5 and broken out to new ABC up to 99. This suggests the short term pull back in GOLD is not complete. GOLD needs to “back and fill” into this area to form a base.

We would certainly keep our power dry to “scale in” our Net Long position, in case GOLD drops further than 1240; Especially in volatile instruments such as GDX and SLV.

Our First bounce target 1305. Positive seasonality in Gold has begun from Cycle lows.

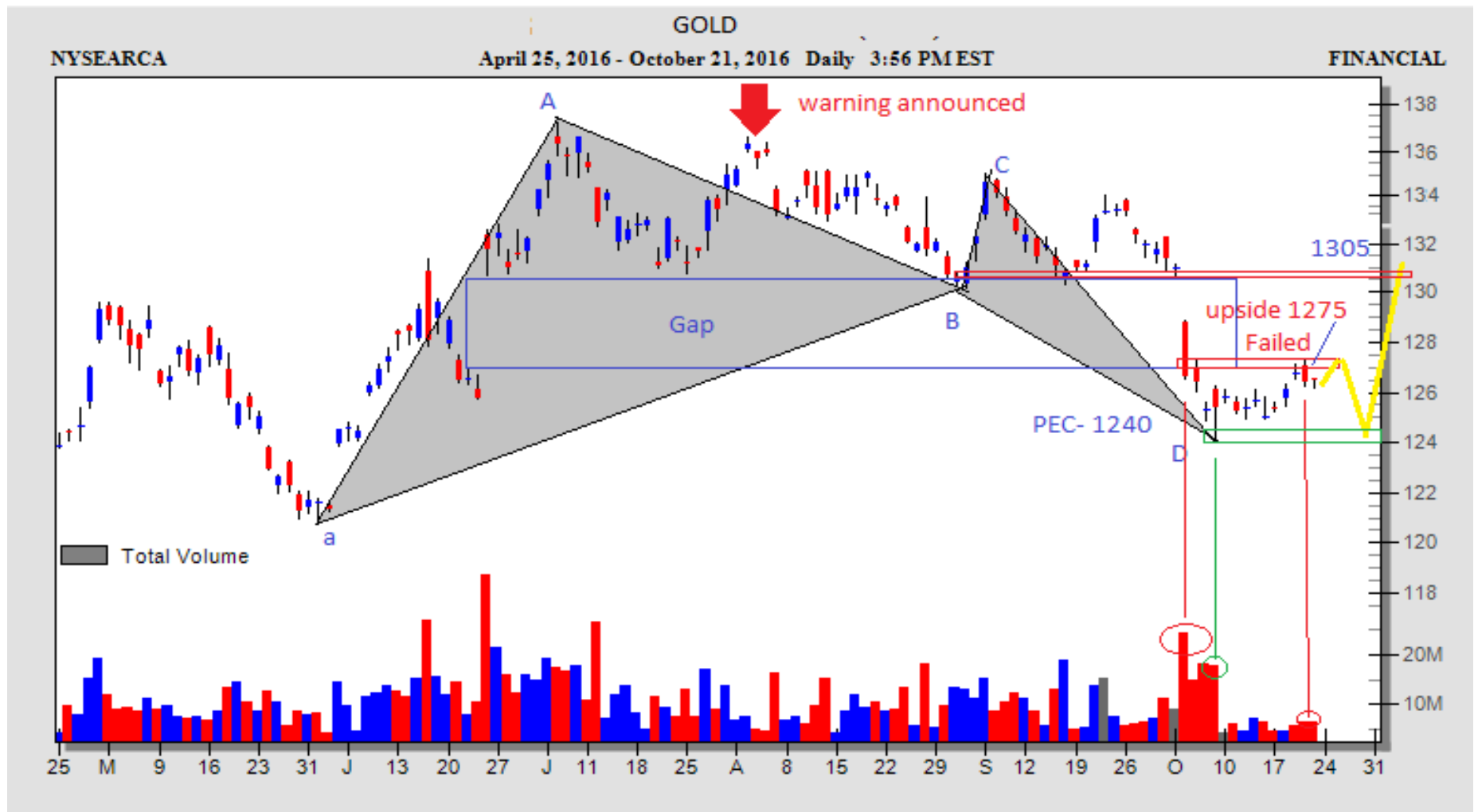
GDX

In terms of PEC-D projection, GDX has reached its target but in terms of Wave count, there is slight possibility, 5th Wave (1-3-5) pattern can target GDX to 22.

GOLD- PEC-D Analysis Daily chart

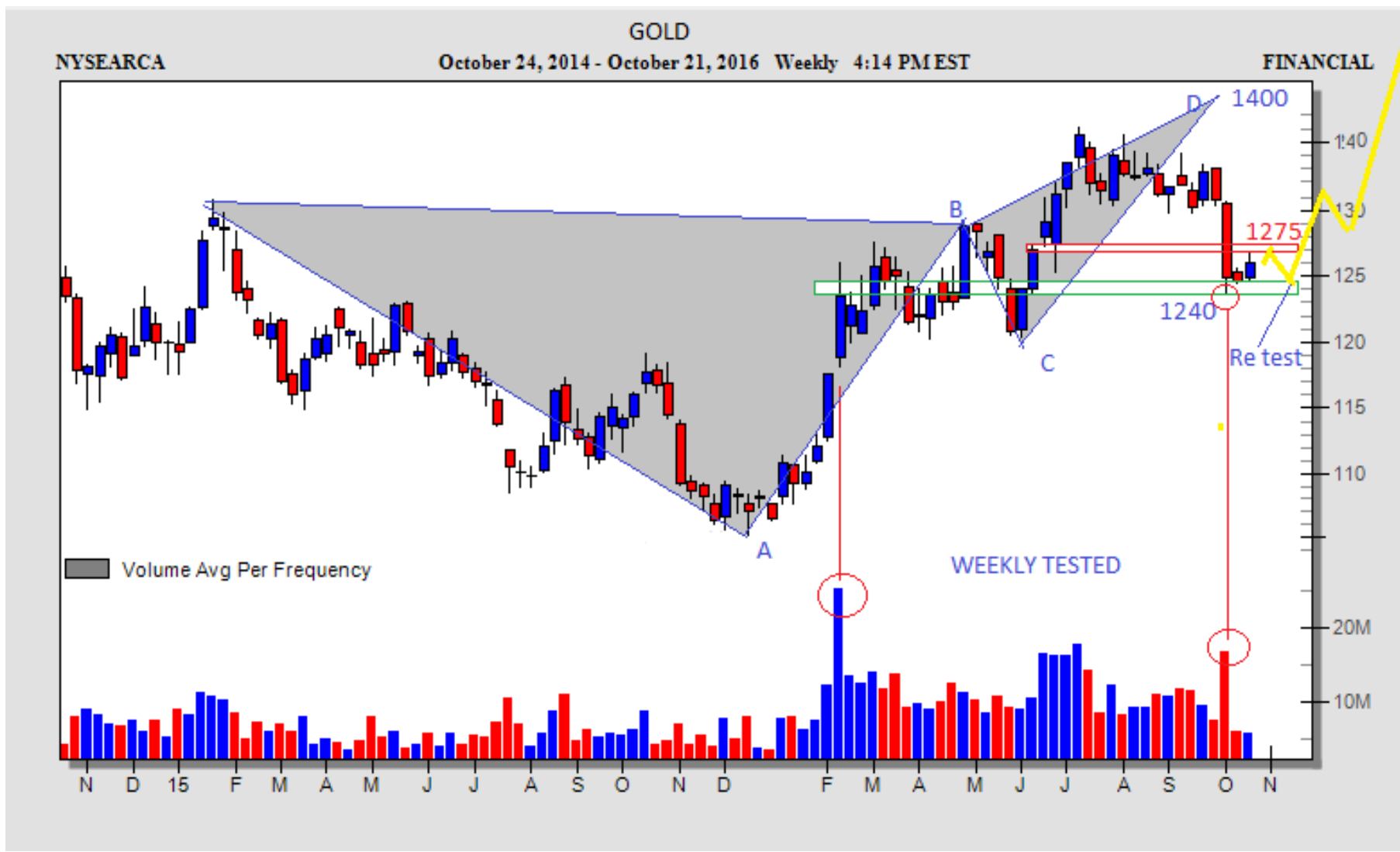
GOLD is Building base after meaningful price destruction. Pull back to 1240 for retesting the lows is highly possible.

1st ABC up to 1305 and 2nd ABC up to 1400 projections.



GOLD- PEC-D Analysis Weekly chart

1st ABC up to 1305 and 2nd ABC up to 1400 projections.

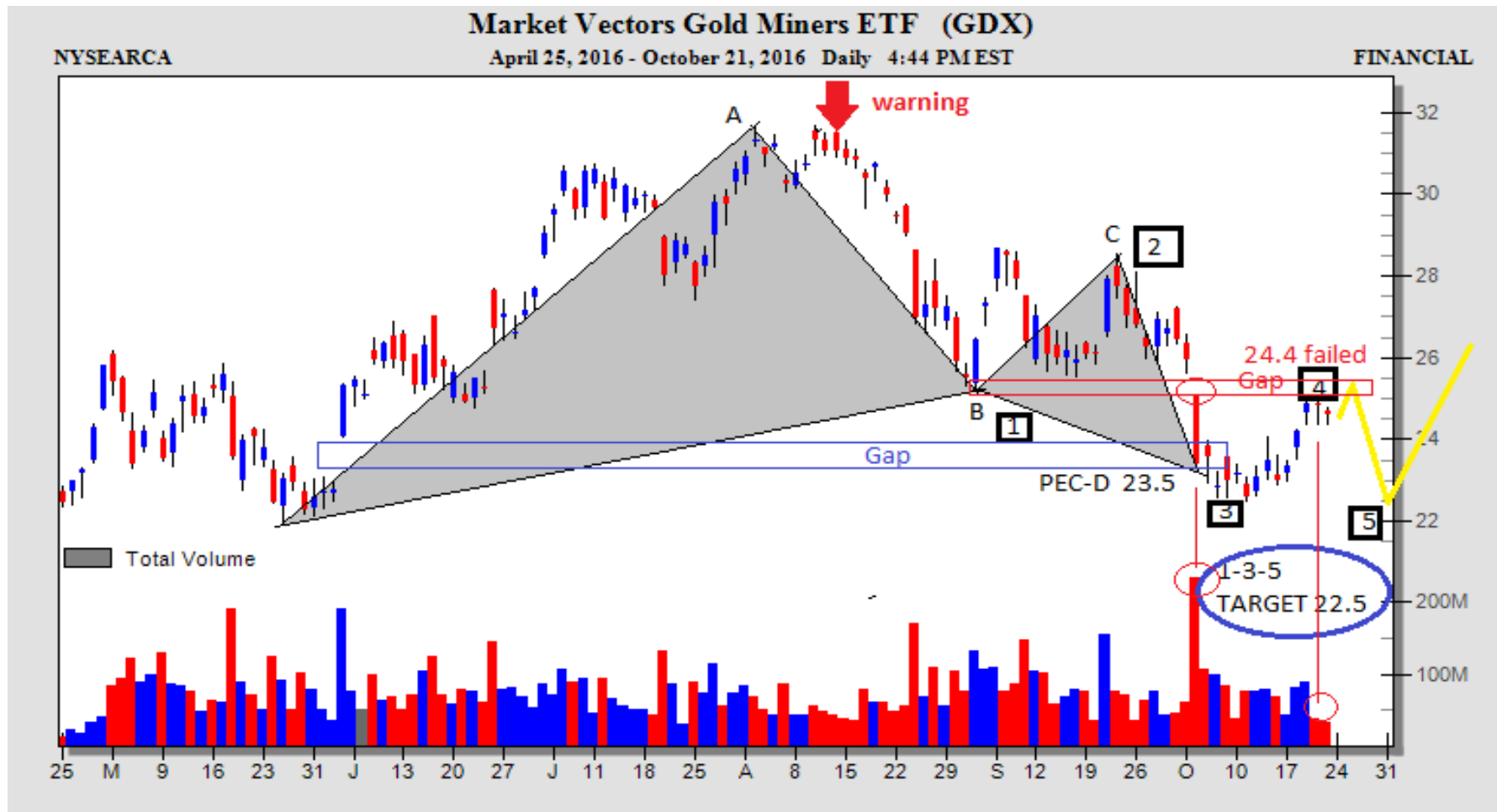


GDX- PEC-D Analysis – Daily Chart

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

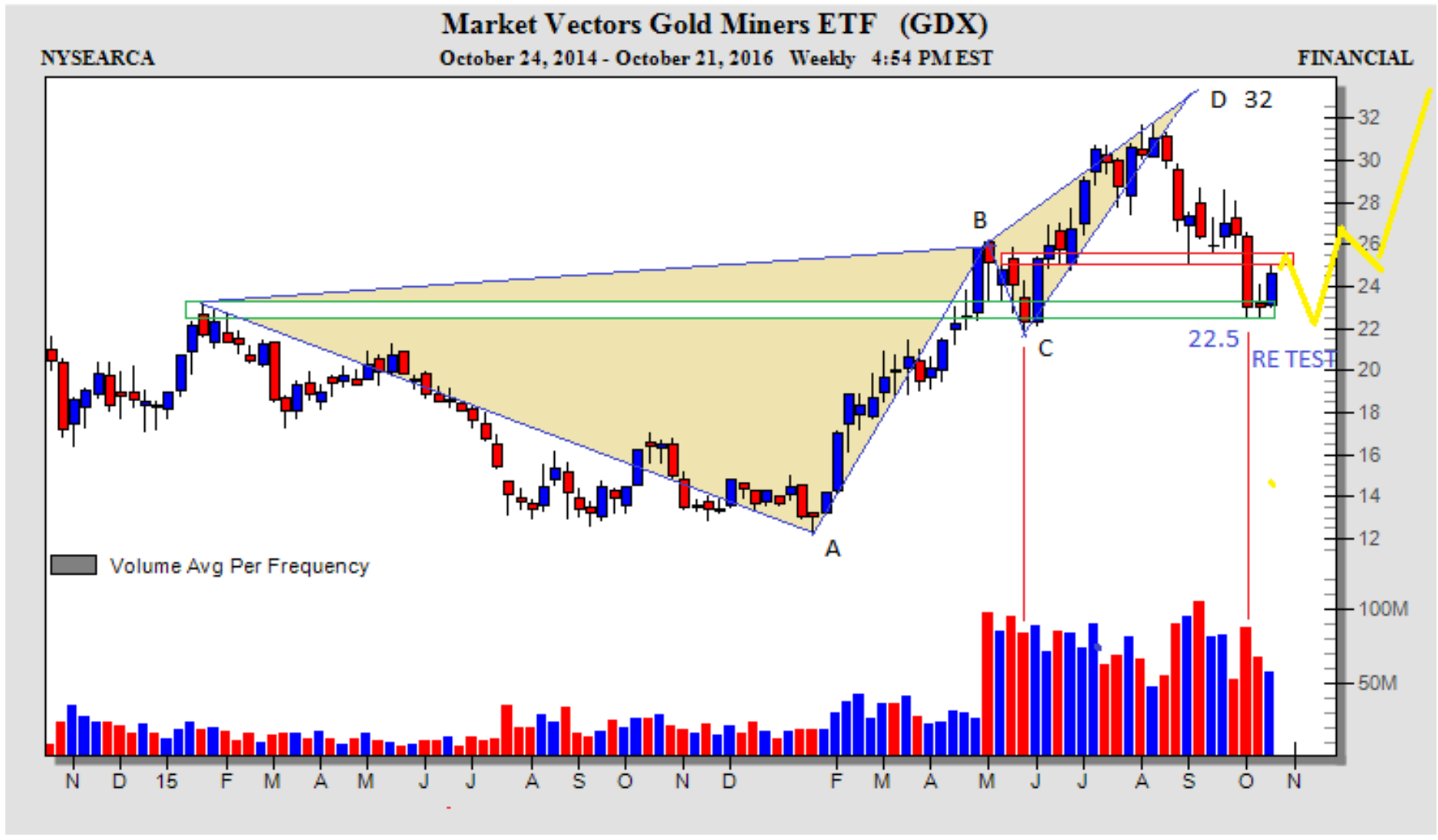
GOLD is Building base after meaningful price destruction. Pull back to 22 for retesting the lows is highly possible.

1st ABC up to 26 and 2nd ABC up to 32 projections.



GDX- PEC-D Analysis – Weekly Chart

1st ABC up to 26 and 2nd ABC up to 32 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**)

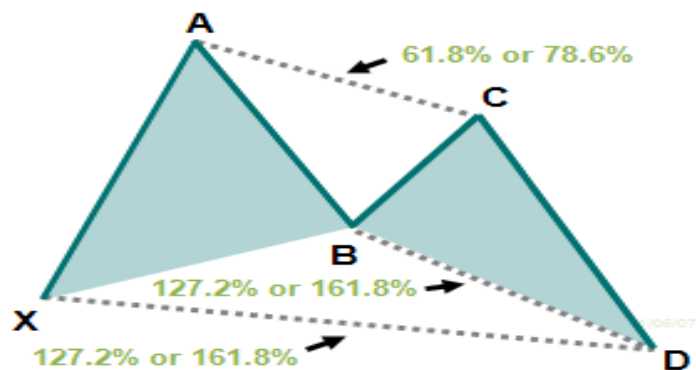
Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 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

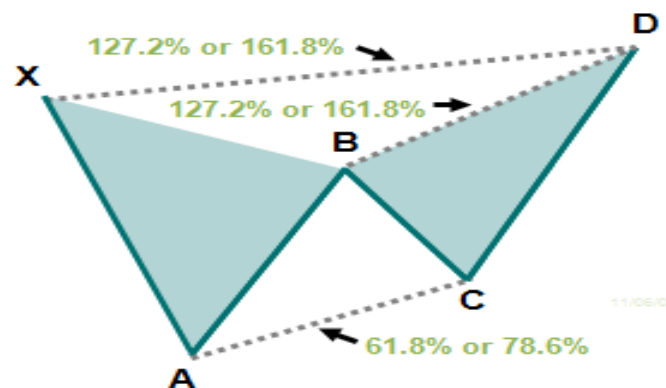
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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