



Date: September 18, 2016 (Sunday)

[www.sgcr.us](http://www.sgcr.us)

GOLD – GDX STRATEGY REPORT

By : Suneil R. Pavse, CMT

## ● 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	1308	POM 12 Bullish @ 1070 Triggered	Announced Short term Reduce @1375 POM 13	BULLISH Short term pull back in progress	8.5% Net long	NONE	1 <sup>st</sup> Bounce to 1340 Failed	Target 2 <sup>ND</sup> Weekly ABC up to 1400 Bullish top	Pull back to CZ 1280-1310 and rally up	CZ 1220-00 Tested, rejected	

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

*Short term pull back / correction we announced at 1375 is still in process. Our pull back to CZ 1280-1310, once completed GOLD should rally to 1400 Bullish Top (weekly 2<sup>nd</sup> ABC up projections).*

	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> ( <b>Trigger to Watch</b> )	<u>Upside CZ Near Term</u>	<u>Upside CZ Mid term</u>	<u>Downside CZ Near term</u>	<u>Downside CZ Mid term</u>	Remark
GDX (XAU /HUI MINERS COR)	25.94	POM 12 Bullish @13.0 Triggered	Announced Reduce @ 30.5 POM 13	BULLISH  <i>Short term pull back in progress</i>	8.5% Net long	NONE	1 <sup>st</sup> Bounce to 29 failed	Target ABC up to 36.	Pull back to CZ 25-23 and rally up	ABC down to 13.0 re - tested Triple bottom Bullish	

## Market Overview GOLD

**GOLD** –Began the rally since our POM 12 trigger for Net long at 1070 and GDX @ 13.

Later at 1375, we announced short term pullback for obvious reasons we mentioned in our report at that time. Currently GOLD is at 1308 and expected pull back is in progress.

Friday the volume in GOLD picked up on downside within the CZ suggests, Volatility should increase within CZ 1310-1280. Another indication, Gold should complete its ABC down to 1280. Gold has tendency to extend in either direction of CZ by a slight beta to trigger stops. There is a Gap open under 1280 to test under and reverse.

**USD** is in strong rally mode (Refer below for projections) . Untill USD projection higher to 97.5 is met, it should continue to put downward pressure in Commodity CRB, Basic Material, Oil \$WTIC,, Gold, and Equity markets in General.

GOLD Pull back target is towards CZ 1280-1310. Once pull back completed, GOLD should rally to 1400 (weekly 2<sup>nd</sup> ABC up projections). There is an Eight Year cycle low also due in September/ October . The long term picture is very bullish.

### **GDX** :

Gold stock got hammered once again last week along with SPX. On Balance Volume indicator which is on a bearish crossover. The GDX/GLD ratio which is also on a bearish crossover.

We announced caution at “ The “Bearish Up thrust” at 32 “ on completion of 3 Drives to the top was the key indicator for sell off . Currently GDX is at 25.9 possibilities we may get a slight bounce here.

Pull back target is CZ 25-23 but after the pull back is on its way to 36

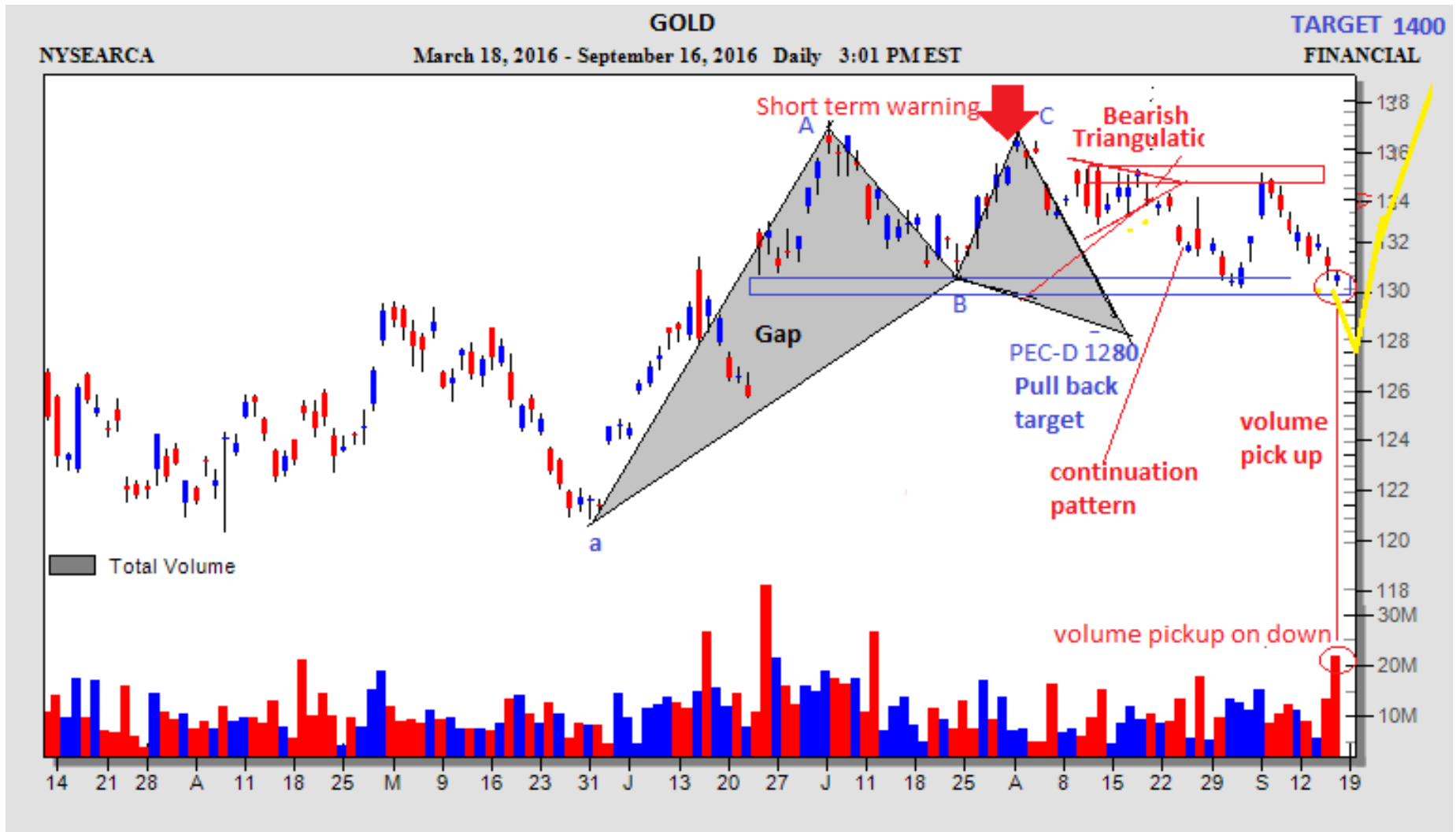
# USD - PEC-D Analysis **Daily chart**

PEC-D projection is at 97. Volume picked up Friday with sign of strength. MACD crossed bullish. RSI above 50 is Bullish.



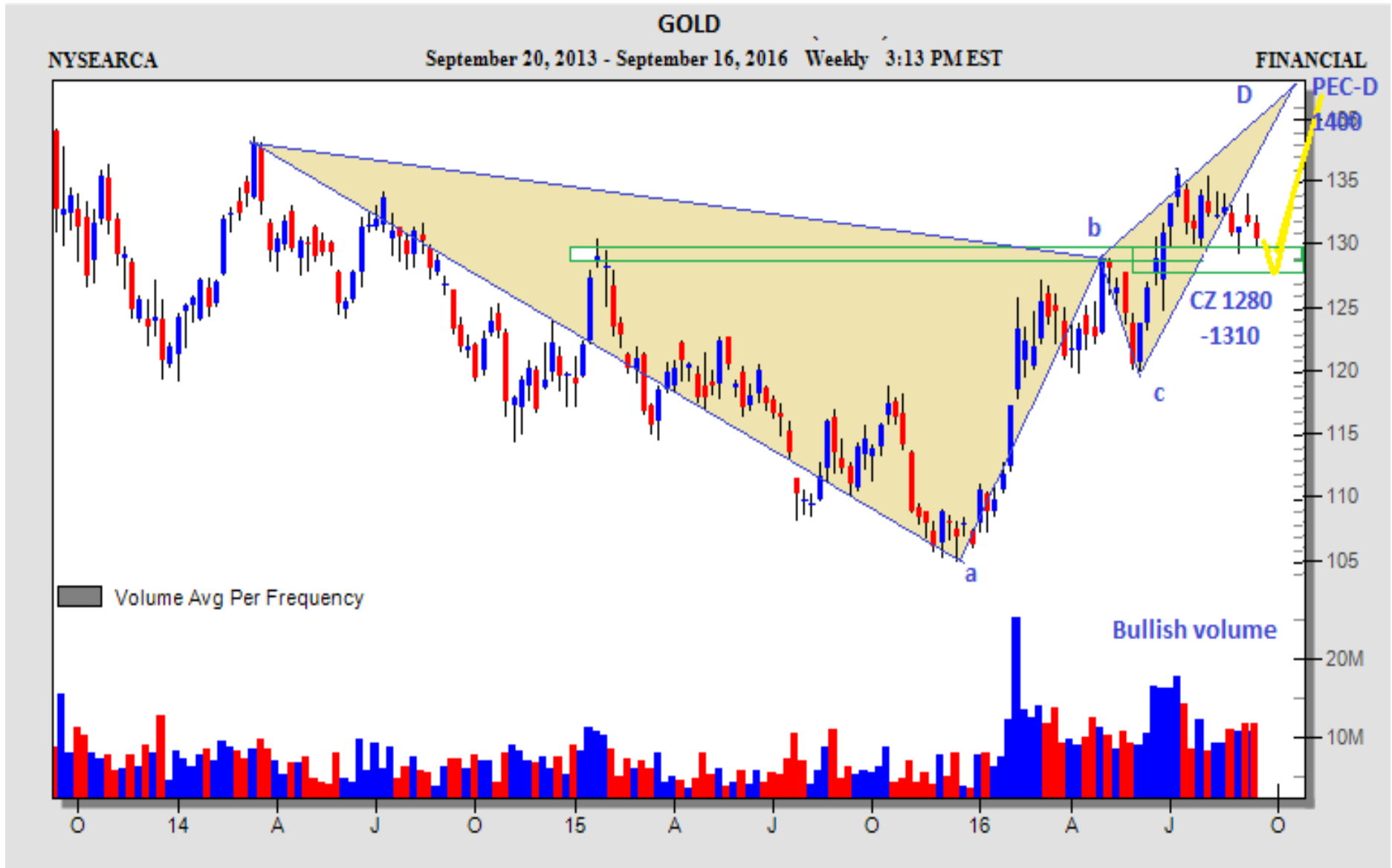
# GOLD- PEC-D Analysis Daily chart

*Pull back is towards CZ 1280-1310. May overshoot in 1280 Gap butt should hold. Once completed, GOLD is on its way to 1400 which is weekly 2<sup>nd</sup> ABC up projections.*



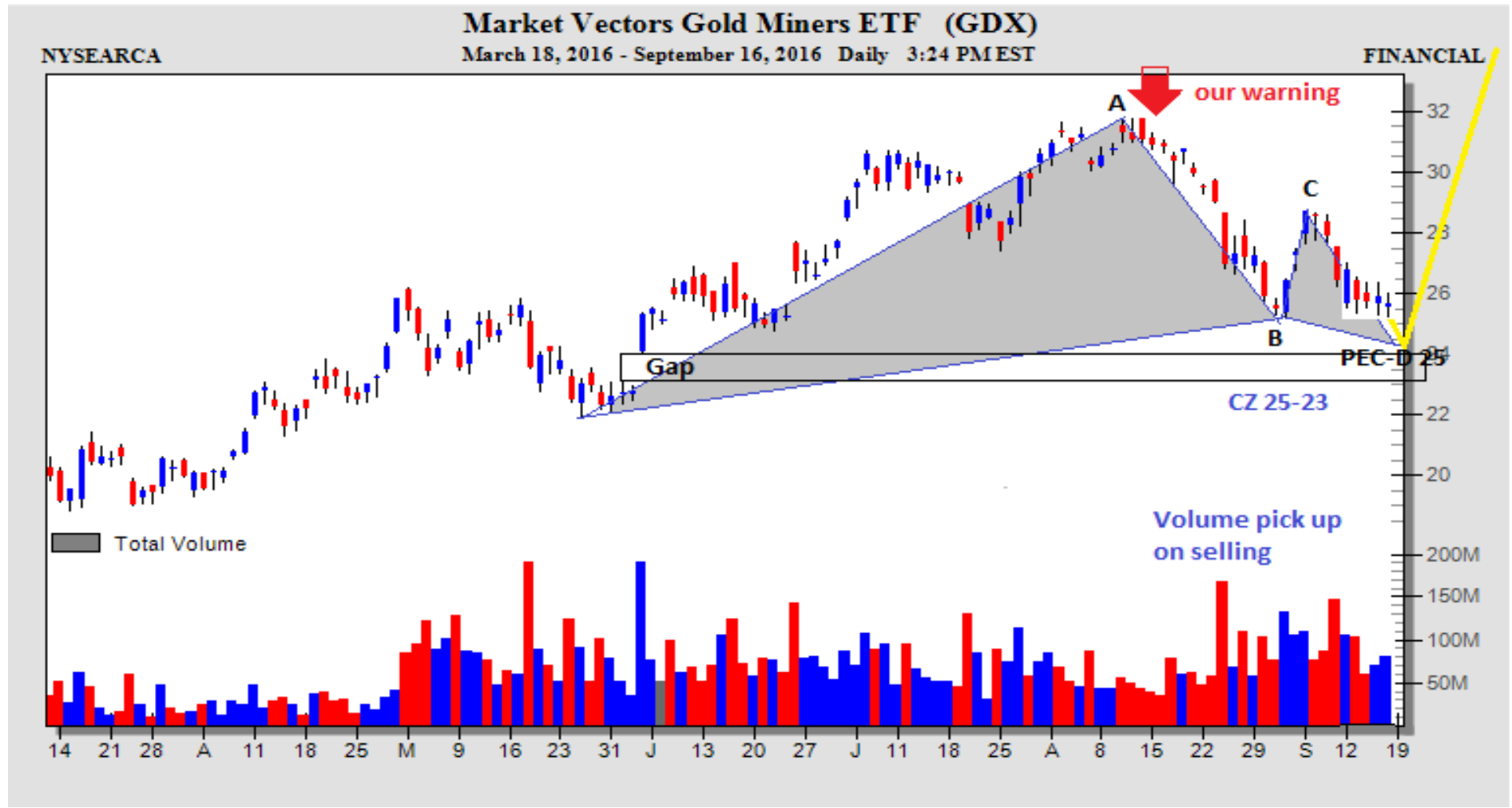
# GOLD- PEC-D Analysis Weekly Chart

Weekly 2<sup>nd</sup> ABC up projections to 1400. Weekly volume is very Bullish.



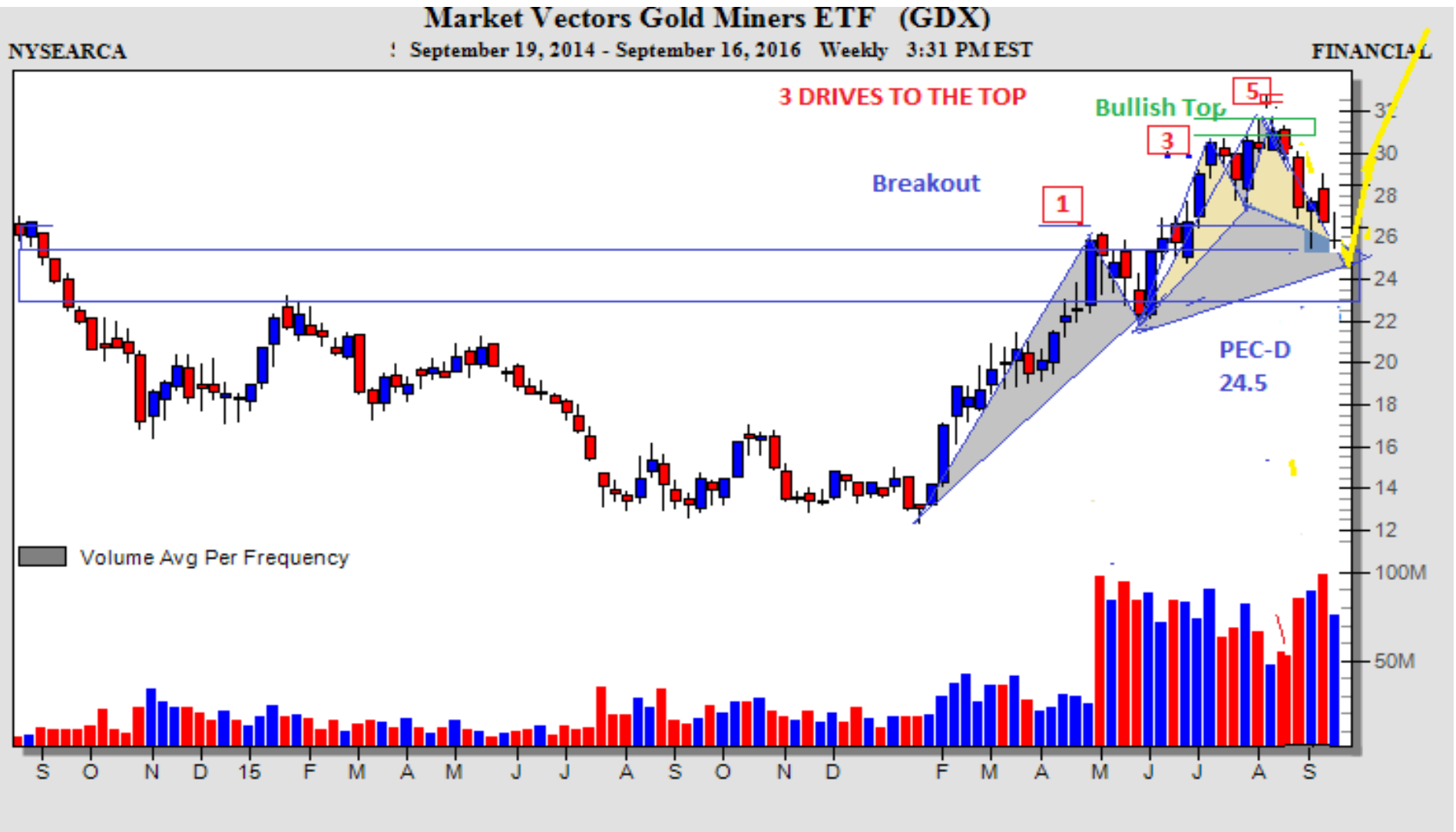
# GDX- PEC-D Analysis – Daily Chart

On Balance Volume indicator which is on a bearish crossover. The GDX/GLD ratio which is also on a bearish crossover. ABC down into CZ 25-23. On daily chart the selloff volume is slightly heavy



# GDX- PEC-D Analysis- Weekly Chart

Pull back to PEC-D 24.5. . 3 DRIVES TO THE TOP doubled top completed.at 32





# 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**)

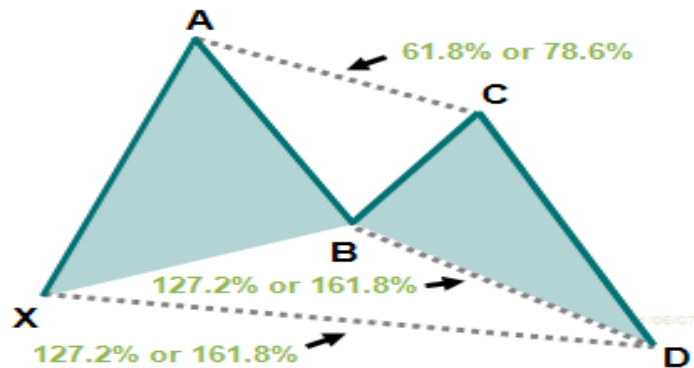
# Pythagoras Expansion / Contraction – (PEC) Model

- 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

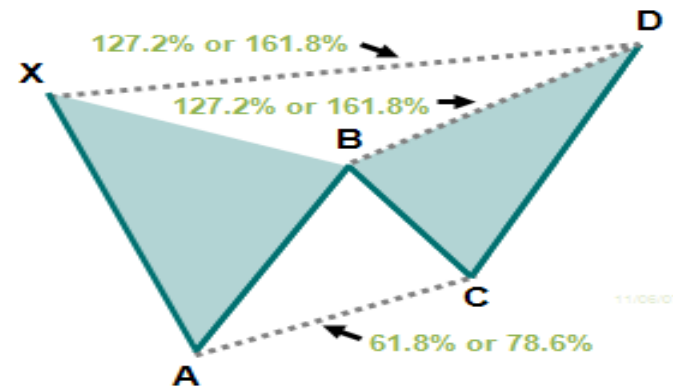
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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)



**Disclaimer :** The information in this report has been taken from sources believed to be reliable but SG Capital Research does not warrant its accuracy or completeness. Any opinions expressed herein reflect our judgment at this date and are subject to change. This document is for private circulation and for general information only. It is not intended as an offer or solicitation with respect to the purchase or sale of any security or as personalized investment advice. SG Capital Research or its Author does not assume any liability for any loss which may result from the reliance by any person or persons upon any such information or opinions. These views are given without responsibility on the part of SG Capital Research or its officials. No part of this report may be reproduced in any manner as Author reserves the distribution rights. Under Copyright 2002 Act: It is a violation of federal copyright and imposes liability for such infringement.