Date: September 25, 2016 (Sunday)   www.sgcr.us   **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	1340	**POM 12 Bullish @ 1070 Triggered**	**Announced Short term Reduce @1375 POM 13**	BULLISH *Short term pull back in progress*	8.5% Net long	NONE	Bounce to 1345 to fail	Target 2ND 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

Bounce should fail into 1345 .

S*hort 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 2nd ABC up projections).*

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GDX (XAU /HUI MINERS COR)	27.07	POM 12 Bullish @13.0 Triggered	Announced Reduce @ 30.5 POM 13	BULLISH Short term pull back in progress	8.5% Net long	NONE	t Bounce to 29 to fail	Target ABC up to 36.	Pull back to CZ 23.5-24.5 and rally up	ABC down to 13.0 re - tested Triple bottom Bullish	

Last week GDX Could not hold the bounce and failed on low volume. Pull back target is CZ 23.5-24.5 but after the pull back is on its way to 36

Market Overview GOLD

GOLD –Began the rally since our POM 12 trigger for Net long at 1070 <u>and</u> GDX @ 13. Later at 1375, we announced short term pullback which is in progress.

Past week, FOMC put in strength under GOLD Market. Gold Equities did not rally as much as GOLD . These are just the bounces similar to past FOMC meeting.
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USD continues to reject lows. Upside price target in USD is 97.5. This should put pressure on Gold and Commodity Market

Our downside target is 1280-1310. Gold should complete its ABC down to 1280. There is a Gap open under 1280 to test and then reverse to uptrend.

The long term picture is very bullish. GOLD should rally to 1400 (weekly 2nd ABC up projections.
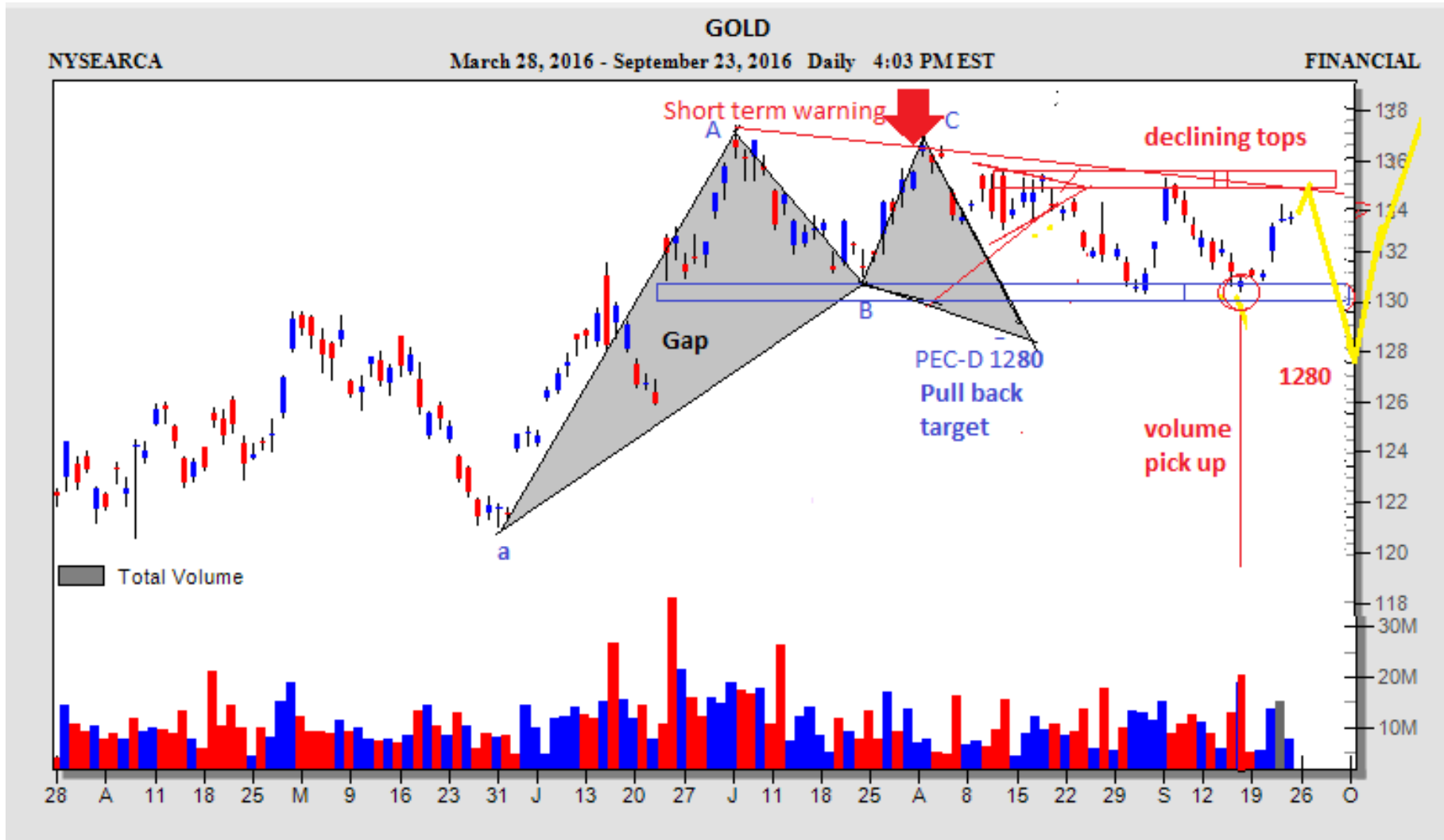
GDX :

Last week on weekly basis GDX Could not hold the bounce and failed on low volume at 29. Pull back target is CZ 23.5-24.5 but after the pull back is on its way to 36

Currently 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 .
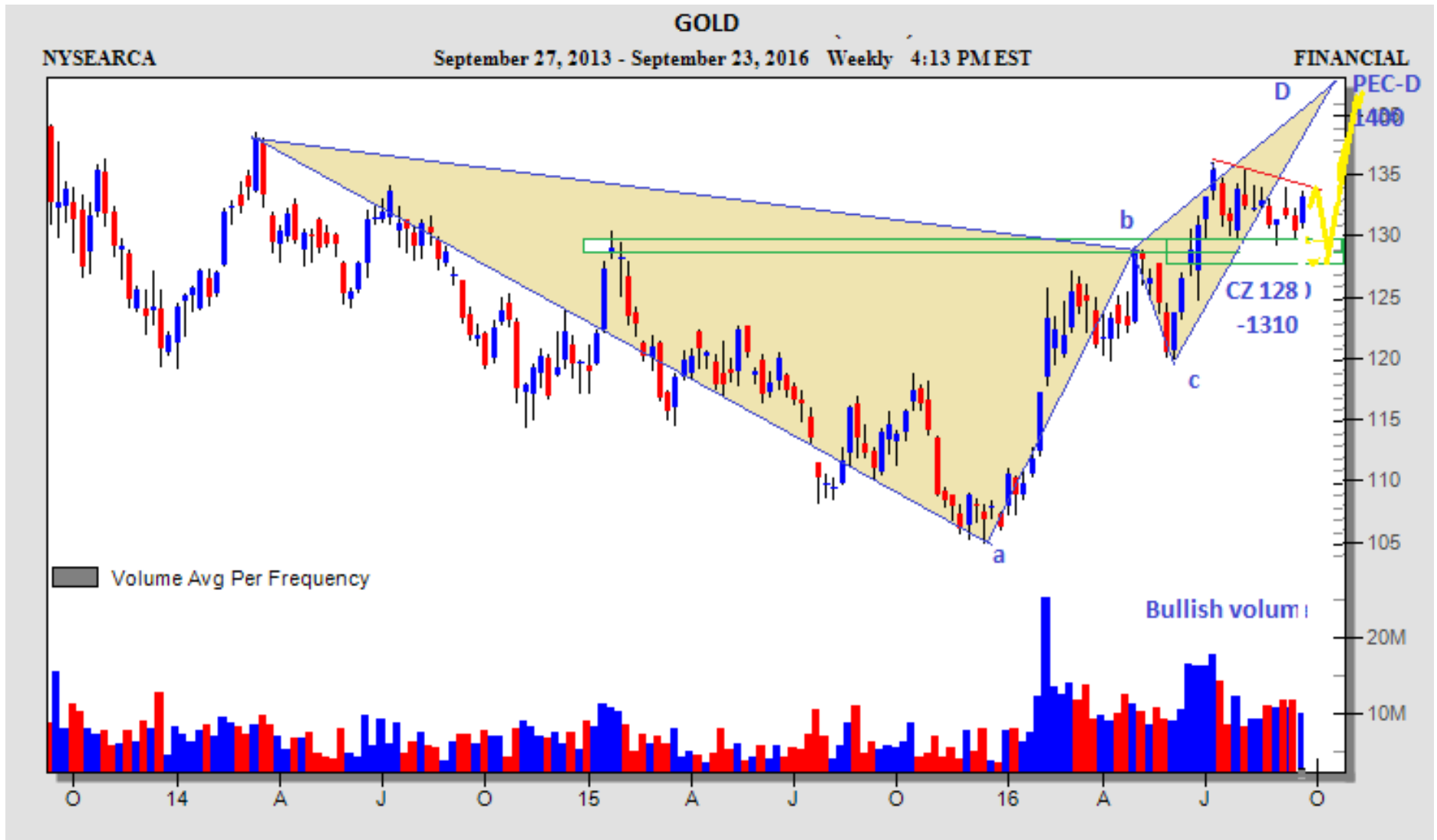
GOLD- PEC-D Analysis   Daily chart

FOMC bounce should fail at declining top 1345. Pull back towards CZ 1280-131 should continue . May overshoot within 1280 Gap but should hold. Once completed, GOLD is on its way to 1400 which is weekly 2nd ABC up projections.

GOLD

March 28, 2016 - September 23, 2016   Daily   4:03 PM EST

NYSEARCA

FINANCIAL

Short term warning

declining tops

A   C

Gap

PEC-D 1280

Pull back target
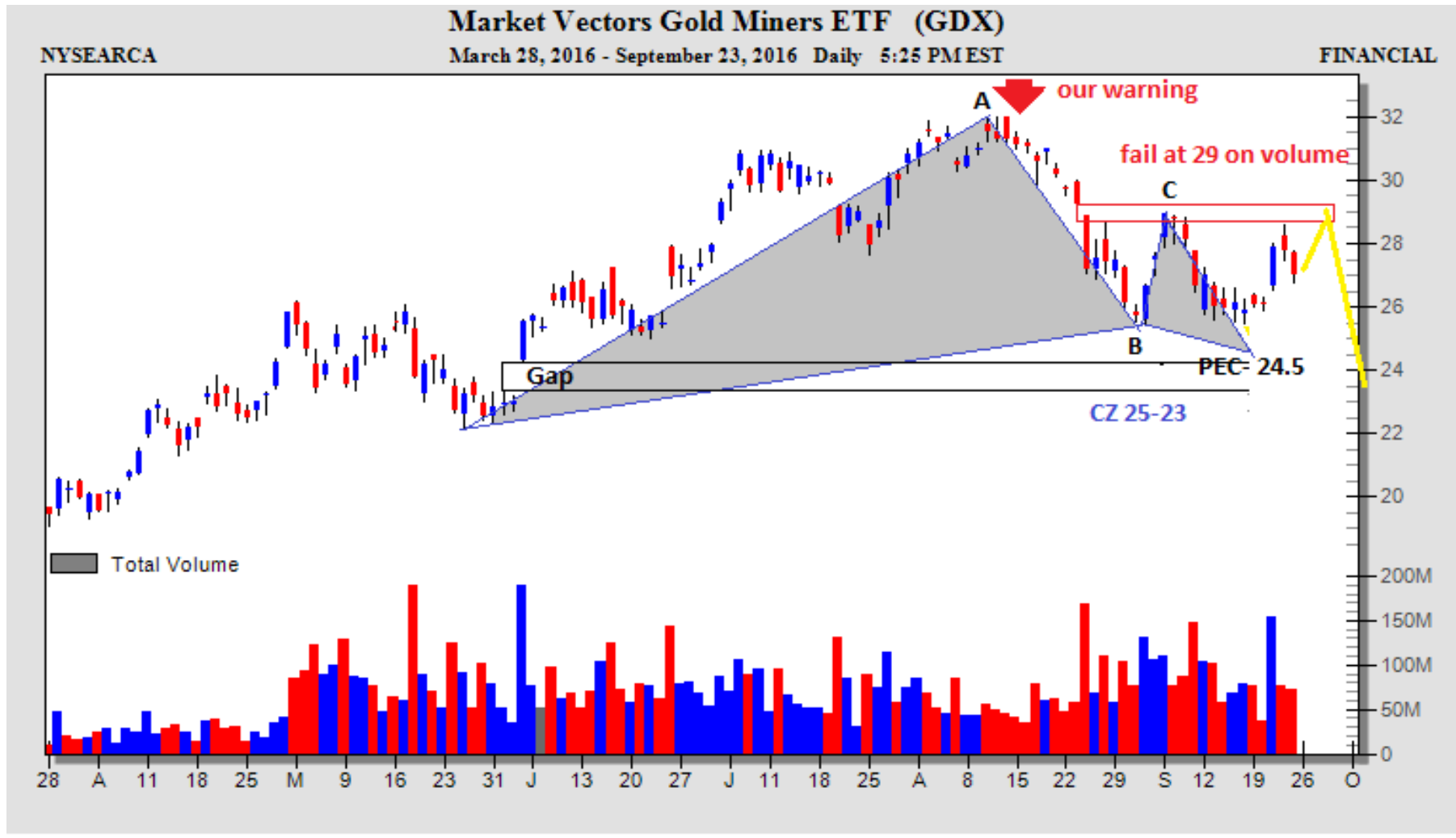
B

1280

volume pick up

a

Total Volume

GOLD- PEC-D Analysis   Weekly Chart

Weekly 2nd ABC up projections to 1400. Weekly volume is very Bullish.

GDX- PEC-D   Analysis – Daily Chart

Bounces are falling around 29 on low volume. ABC down to CZ 23.5-24.5. On daily chart the selloff volume is slightly heavy

Market Vectors Gold Miners ETF   (GDX)

NYSEARCA

March 28, 2016 - September 23, 2016 Daily 5:25 PM EST

FINANCIAL

our warning

A

fail at 29 on volume

C

Gap

B

PEC- 24.5

CZ 25-23

Total Volume

32
30
28
26
24
22
20

200M
150M
100M
50M
0

28 A 11 18 25 M 9 16 23 31 J 13 20 27 J 11 18 25 A 8 15 22 29 S 12 19 26 O

GDX- PEC-D   Analysis – Daily Chart

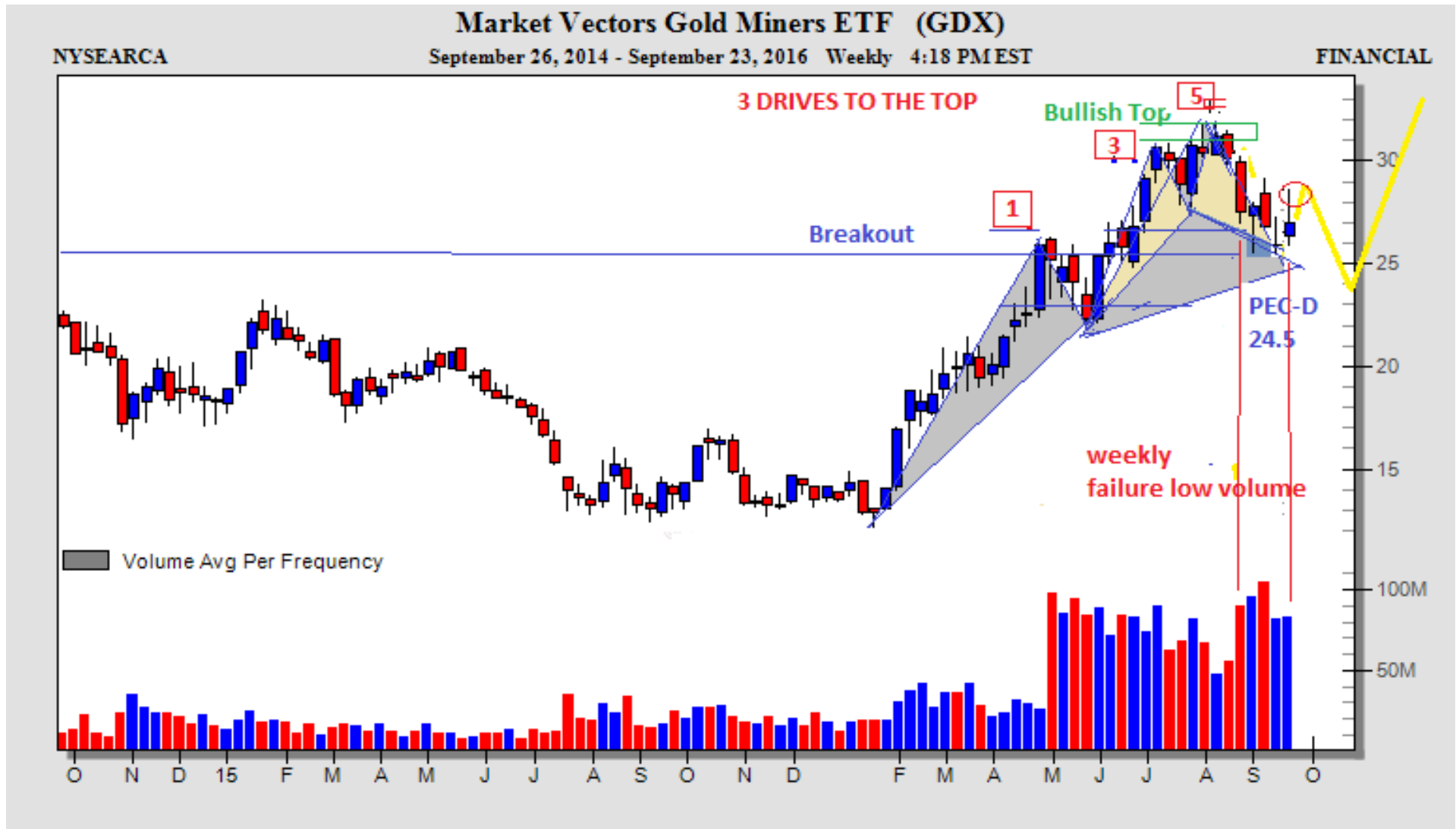Bounces are falling around 29 on low volume. ABC down to CZ 23.5-24.5
 On Balance Volume indicator which is on a bearish crossover. The GDX/GLD ratio which is also on a bearish crossover.
  3 DRIVES TO THE TOP doubled top completed.at 32

GDX- PEC-D Analysis- Weekly Chart

Last week on weekly basis GDX Could not hold the bounce and failed on low volume at 29 .
  Pull back to PEC-D 24.5. : . 3 DRIVES TO THE TOP doubled top completed.at 32

Market Vectors Gold Miners ETF (GDX)
September 26, 2014 - September 23, 2016 Weekly 4:18 PM EST

NYSEARCA   FINANCIAL

3 DRIVES TO THE TOP

Bullish Top

5

3

1

Breakout

PEC-D
24.5

weekly
failure low volume

Volume Avg Per Frequency

O N D 15 F M A M J J A S O N D F M A M J J A S O

Appendix Content

- **Objectives & POM /CZ / PEC –D Guidelines – <u>Refer to detail Annexure</u>**

- **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 <u>UP</u> move, *POM 13* signifies to <u>STOP</u> executing additional 'New Buys" that was initiated at *POM 12 or POM 11 levels*

- On way <u>DOWN</u> move, *POM 13* signifies to <u>STOP</u> executing additional " New Short Sells" that was initiated at *POM 14 or POM 15 levels*

- **(Bear Markets)** *POM 15* is for - <u>**Net Short**</u> & *POM 14* is for - <u>**Hedge Longs**</u>

- **(Bull Markets)** *POM 15* is for -<u>**Hedge Longs**</u> & *POM 14* is for - <u>**Partial Hedge**</u>

- *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
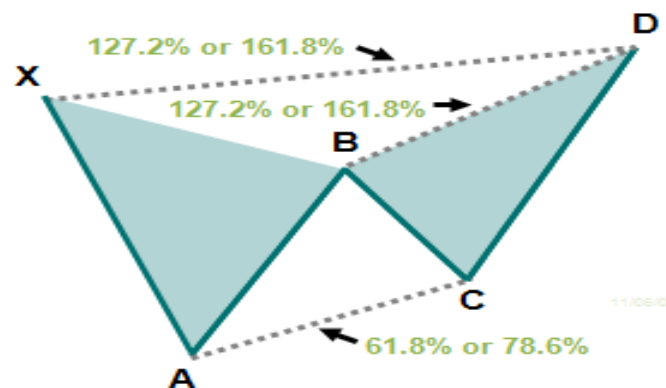
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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)