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Immediate Release - GOLD – GDX STRATEGY REPORT

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● Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement Update</u> 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	1257	POM 12 Bullish @ 1070 Triggered 01/01/2016	3/13 Report Announcement reentry - @ 1202	BULLISH	Net long 18%	NONE	Target – 1 st ABC up to area 1265 MET EXACT Hit highs of 1273	Target 2 ND Weekly ABC up to 1400 Bullish top	Expect pull back from Friday's key reversal & Rally back	Target Lows of 1195 met & Rejected	

- On 3/13 Report : Announcement reentry initiated entry at 1202
- **2017: The second round of rally from 1202 to 1257, we have 55 points profit ; for total of 150 points (95 earlier move +55) = 13% Profit v/s SPX gains = 4.4% move)**

2016 - Our Core entry Net long since POM 12 trigger: at 1070 (1/1/2016) . Holding initial 9.0% position.

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GDX (XAU /HUI MINERS COR)	23.5	POM 12 Bullish @13.0 Triggered 01/01/2016	3/13 Report Announcement reentry - @ 21.6	BULLISH	Net long 18%	NONE	Target – 1 st ABC up to area 26 Hit highs of 24.0	Target 2 ND Weekly ABC up to 31 Bullish top	Expect pull back from Friday's key reversal & Rally back	Target Lows of 21.5 met & Rejected	

- On 3/13 Report : Announcement reentry initiated entry at 21.6
- 2017: The second round of rally from 21.6 to 24, we have 2.0 points profit ; for total of 7 points (5 earlier move +2) = 33% Profit v/s SPX gains = 4.4% move)
- Junior Miner with heavy volatility: MUX, GPL, GORO, HL for very small speculative partial position.
- Senior Miner: RGLD, SA, FNV.

2016- Our Core entry Net long since POM 12 trigger: at 13.0 (1/1/2016) . Holding initial 9.0% position.

Market Overview GOLD

Our 1st ABC up target of 1265 hit right on the nose. Our entry on 3/13 @ 1204 proved its merit. Currently Gold is trading at 1257.

GOLD

Past week GOLD took off. Especially Friday, it hit the highs of 1275. Syria was just an excuse for “Talking host to Jawbone”. Way before Syria bombing, Gold indicators had made up its mind to move to 1265 target.

Friday’s Key reversal, intraday pop (20 points) and drop (20 points; shooting star ended with Bullish top. Now expect some kind of price pull back. The highs of 1275 will be tested back again sooner rather than later.

Since our initial entry at 1050 (Jan 2016) , move higher in GOLD has clearly defied all FOMC announcements and Interest rate polices. Just like Bonds; in case of GOLD, we “stood” by our call against all the mightiest on Wall Street and Washington. Once again realize that the Market indicators are more powerful than contradictory policy announcements.

GDX

GDX has been lagging GOLD in this last run up to 1265. GDX/GLD ratio outperformed GDX and may suggest a short term Pop for GDX. The GDX/GLD ratio leads the way for GDX indicating weakness in Mining stocks on weekly charts. The monthly chart for GDX remains bullish.

USD / XJPY – Daily chart Analysis

A weaker dollar during the first quarter reflected some loss of confidence in the U.S. economy based on currency flow.

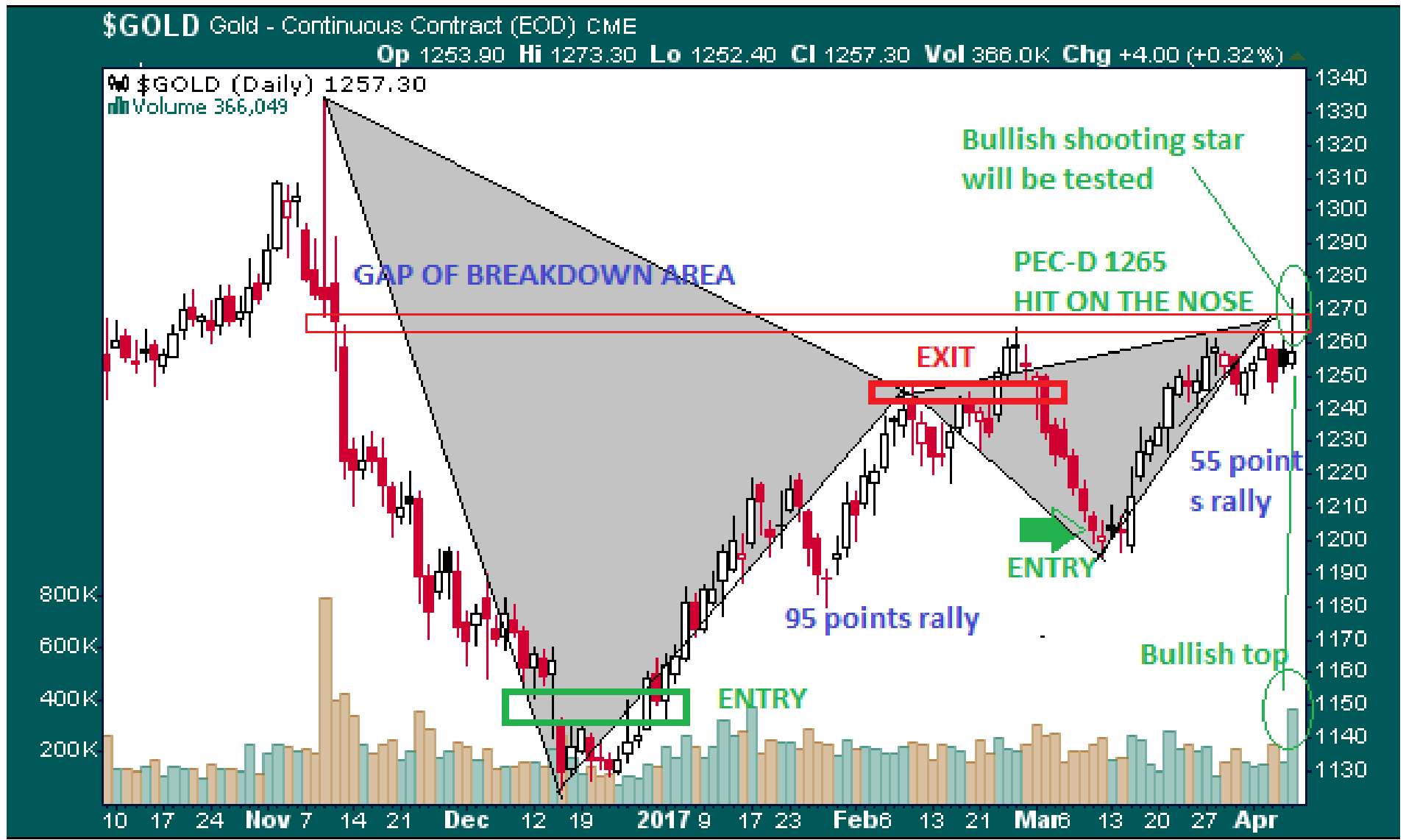
USD, after weak (1 Q) rallying towards the lower highs. Most of those gains have come at the expense of the Euro.

The Japanese yen, has been moving higher since January along with GOLD. A weaker yen would be good for the dollar.



GOLD – Daily chart Analysis

Refer notes inside the chart



GDX – Daily chart Analysis

On the chart GDX/GLD ratio has been making lower highs as GDX has been matching its previous highs suggesting the weekly trend is still weak. RSI for the GDX/GLD ratio which is near 50 level and in “no man’s land” and not giving a clear clue what the short term directions is for GDX/GLD ratio. Though there may be a short term Pop on GDX, the weekly trend appears still weak. The monthly chart for GDX remains bullish



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)

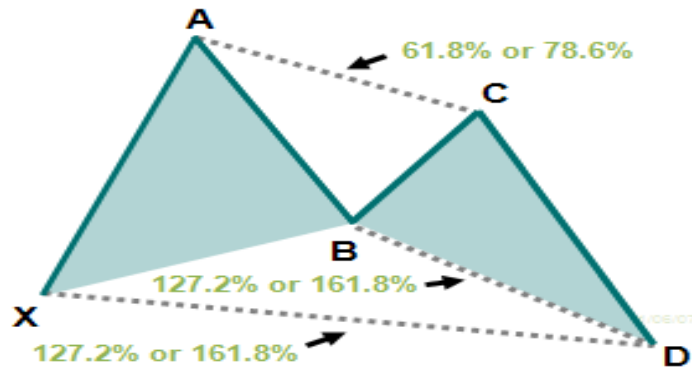
Pythagoras Expansion / Contraction – (PEC) Model

- 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

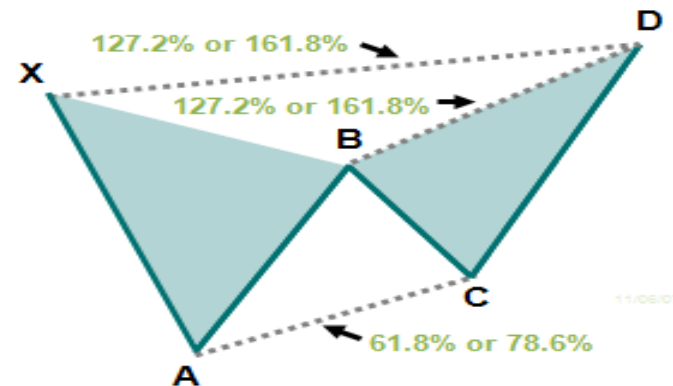
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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