



Date: APRIL 16, 2017 (Sunday)

Immediate Release - GOLD – GDX STRATEGY REPORT

By : Suneil R. Pavse, CMT

• 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	1290	POM 12 Bullish @ 1070 Triggered 01/01/2016	3/13 Report Announcement reentry - @ 1202	BULLISH	Net long 18%	Pre-announcement. Exiting ½ position Within CZ 1290-1320	Blow off Possibility to 1 st Weekly ABC up 1320 Approaching	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. Currently at 1290(up 88 points)
- 2nd Daily ABC up to 1265 has been broken bullishly towards 1st Weekly ASBC up to Target 1320.
- **3rd Drive of 3- Drive to the top is under formation to target 1310.**
- Pre – announcement: Existing ½ position within CZ 1290-1320.

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)	24.5	POM 12 Bullish @13.0 Triggered 01/01/2016	3/13 Report Announcement reentry - @ 21.6	BULLISH	Net long 18%	Pre-announcement. Exiting ½ position Within CZ 24.5-26	Blow off Possibility to 1 st Weekly ABC up 26.0 Approaching	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. Currently at 24.5(up 3 points)
- 2nd Daily ABC up to 26 coincided with 1st Weekly ABC up to Target 26.0.
- Pre – announcement: Existing ½ position within CZ 24.5-26.0.
- **Junior Miner with heavy volatility:** MUX, GPL, GORO, HL
- **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

GOLD

Net Long Signal in GOLD- Reentry (on 2nd pass) announced on 3/13 @ 1204. Currently GOLD trading at 1290; Rise of 88 points. In the 1st Pass (Jan / Feb) we have Gains of 95 points from entry 1150 to 1245 exit point . **Total Gains (95+88) in Portfolio = 16.0% Profit** . v/s GOLD up 12% Year to date from 1150 to 1290.

Past week GOLD was up 35 points. It was purely geopolitical fear trade. After slight pull back last week, the Bullish top shooting star at 1275 was tested and broken. 2nd Daily ABC up at 1265 has been broken bullishly towards **1st Weekly ABC up to Target 1320.**

Blow off possibility between CZ 1290-1320, GOLD possibly may form a **3rd drive of 3 Drive to the top 1.27,1.41,1.618 pattern to target 1310.** **We pre announced to Exit ½ position.**

GDX

Net Long Signal (GDX) - Reentry (on 2nd pass) announced on 3/13 @ 21.4. Currently GDX trading at 24.5 ; Rise of 3 points. . In the 1st Pass (Jan / Feb) we have Gains of 5 points from entry 20.5 to 25.5 exit point . **Total Gains (3+5) in Portfolio = 39.0% Profit** . v/s GDX up 19% Year to date from 20.5 to 24.5.

After slight pull back last week, the Bullish top continued. 2nd Daily ABC up at 26.0 is coinciding with **1st Weekly ABC up to Target 26.0.**

Blow off possibility between CZ 24.5- 26, we **pre announced to Exit ½ position.**

GDX has been lagging GOLD in this last run up, suggesting that Gold is a fear trade. GDX has been following Equity market v/s GOLD metal. GDX/GLD ratio leads the way for GDX indicating weakness in Mining stocks on weekly charts.

The monthly chart for GDX remains bullish.

GOLD – Daily chart Analysis

Refer notes inside the chart: 3rd drive of 3 Drive to the top 1.27,1.41,1.618 pattern to target 1310.



GOLD – Weekly chart Analysis

Refer notes inside the chart



GDX – 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 is in Bullish territory. 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**)

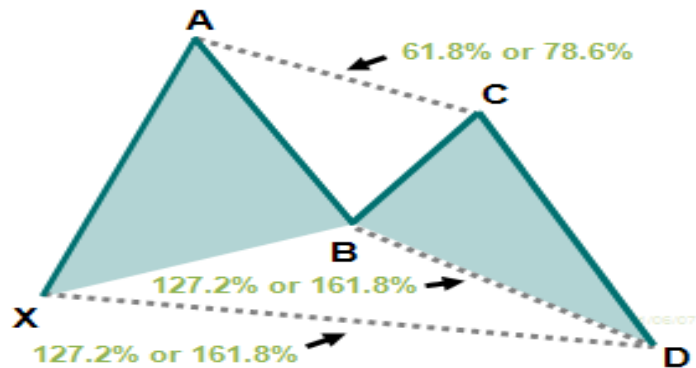
Pythagoras Expansion / Contraction – (PEC) Model

- 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

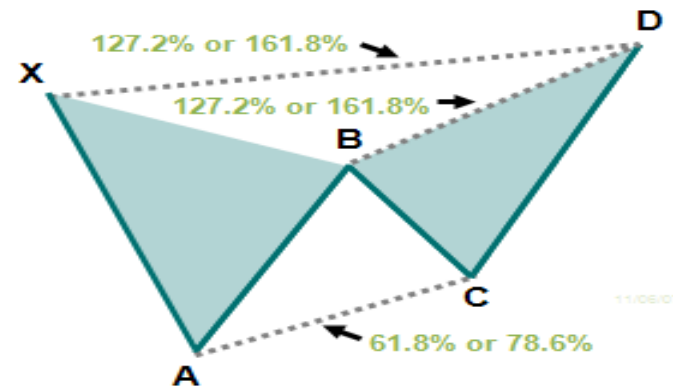
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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