SG Capital Research
Global Market Insights

Chart System

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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 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	1290	POM 12 Bullish @ 1070 Triggered 01/01/2016	3/13 Report Announcement reentry - @ 1202 POM 13	BULLISH ST pull back	Net long 9%	4/16 announced Exit ½ position Within CZ 1290-1320	Weekly Target CZ 1290-1320 Met	Target 2ND Weekly ABC up to 1400 Bullish top	Pull back to 1260	Target Lows of 1195 met & Rejected	

- On 3/13 Report: Announcement reentry initiated entry at 1202. Currently at 1290(up 88 points)
- **Announced 4/16: Exit ½ positions** within CZ 1290-1320. **(88 points profit)** - Will re – enter back on pull back

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)	23.6	**POM 12 Bullish @13.0 Triggered 01/01/2016**	**3/13 Report Announcement reentry - @ 21.6 POM 13**	BULLISH ST pull back	Net long 9%	**4/16 announced Exit ½ position Within CZ 24.5-26.0**	Weekly Target CZ 24.5-26 Met	Target 2ND Weekly ABC up to 31 Bullish top	Pull back to 22.4	Target Lows of 21.5 met & Rejected	

- On 3/13 Report: Announcement reentry initiated entry at 21.6.
- **Announced 4/16**: **Exit ½ positions** within CZ 24.5-26.0. **(3 points profit)** .Will re – enter back on pull back
- **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

Past week's announcement in our REPORT 4/16 to EXIT Gold (within CZ 1290-1320) should prove its merit. Over the weekend, France's 1st round of election results should pressure Gold this week justifying our Exit last week.
This week there will high volatility in the currency market. Gold continues to be a fear trade due to Geopolitical conflicts in North Korea.

First pull back in GOLD should be around 1260

GDX

Past week's announcement in our REPORT to EXIT GDX should prove its merit.

GDX has been lagging GOLD in this last run up. GDX/GLD ratio leads the way for GDX indicating weakness in Mining stocks on weekly charts. The monthly chart for GDX remains bullish.

First pull back in GOLD should be around 22.40

GOLD – Daily chart Analysis

Refer notes inside the chart:

GOLD – Weekly chart Analysis

Refer notes inside the chart

GDX – Daily chart Analysis

Refer notes inside the chart.

GDX – Daily chart Analysis

GDX/GLD ratio is trending down suggesting GDX is weak. Especially if RSI for the GDX/GLD ratio is below 50 (sell signal) than GDX should work lower.

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

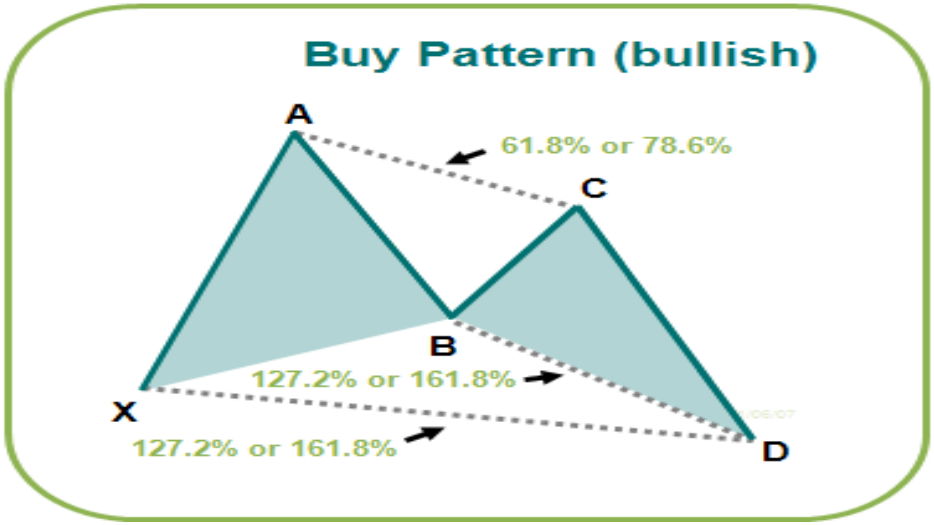
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM 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)***

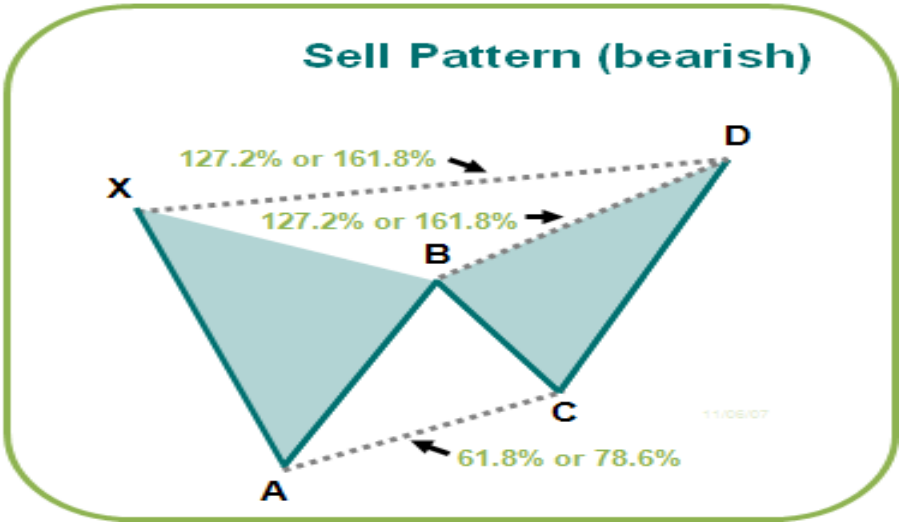
Pythagoras Expansion / Contraction – (PEC) Model

- 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





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