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	1268	POM 12 Bullish @ 1070 Triggered 01/01/2016	1/1/2017 Report Announcement reentry - @ 1160 POM 13	BULLISH ST pull back In progress	Net long 9% to 18% Scale in	None	Weekly Target CZ 1290 Met	Target 2ND Weekly ABC up to 1400 Bullish top	Pull back to 1265- 1235 In progress	CZ 1205-1195 target met & Rejected	

- **½ Trading Position – Entry @ 1150 – 1/1/2017**
- On 4/16 Report : Announcement: exited position at 1290
- On 4/26 Email: Announcement reentry "Scale in 1265-1235"

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

	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
GDX (XAU /HUI MINERS COR)	23.6	**POM 12 Bullish @13.0 Triggered 01/01/2016**	**1/1/2017 Report Announcement reentry - @ 21.6 POM 13**	BULLISH ST pull back In progress	Net long 9% to 18% Scale in	None	Weekly Target PECD- 24.5 Met	Target 2ND Weekly ABC up to 31 Bullish top	Pull back to 22.4-21.25 In progress	Target Lows of 21.5 met & Rejected	

- **½ Trading Position – Entry @ 21.5 -1/1/2017**
- On 4/16 Report : Announcement: position exited at 24.5 (3 points Gains)
- On 4/26 Email: Announcement reentry "Scale in 22.4-21.25"
- **Junior Miner with heavy volatility**: MUX, GPL, GORO, HL
- **Senior Miner**: RGLD, SA, FNV.

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

Market Overview GOLD

Next week could be volatile for GOLD; FOMC meeting / announcements on Tuesday / Wednesday. Federal Reserve has cornered itself with its Hawkish tone. It indicated potential rate increases 3 times in 2017. Gold in the face of such announcements had rallied in past. It appeared that the rate increases are baked in the cake.

Fed may have to change its tone considering the behavior of the Bond market past 6 weeks. It would be interesting to see the impact of Dovish tone by Feds within the Gold Market. Spread between the CPI and the 30 year yield suggests inflationary pressures which are positive for Gold Market.

Fundamentally; Fiscal spending policies on Infra structure and Tax reforms may potentially adds USD 5 trillion to the current debt. This may impact Gold as well in future to monetize the debt.
Simultaneously, Gold continues to be a fear trade past 2 months due to Geopolitical conflicts in North Korea.

GOLD

USD – We remain on Sell Signal since 102. USD is on its way to 96 projected targets. The decline has been on heavy volume. There is evidence from price and volume that currency market is imbalanced. We think a large player is unloading USD and accumulating EEM and commodity based currency.

GOLD reached our upside target exactly at 1290 on 4/16. The first pull back target of 1260 was met as expected on 4/26. Possible retest within CZ 1265-1235

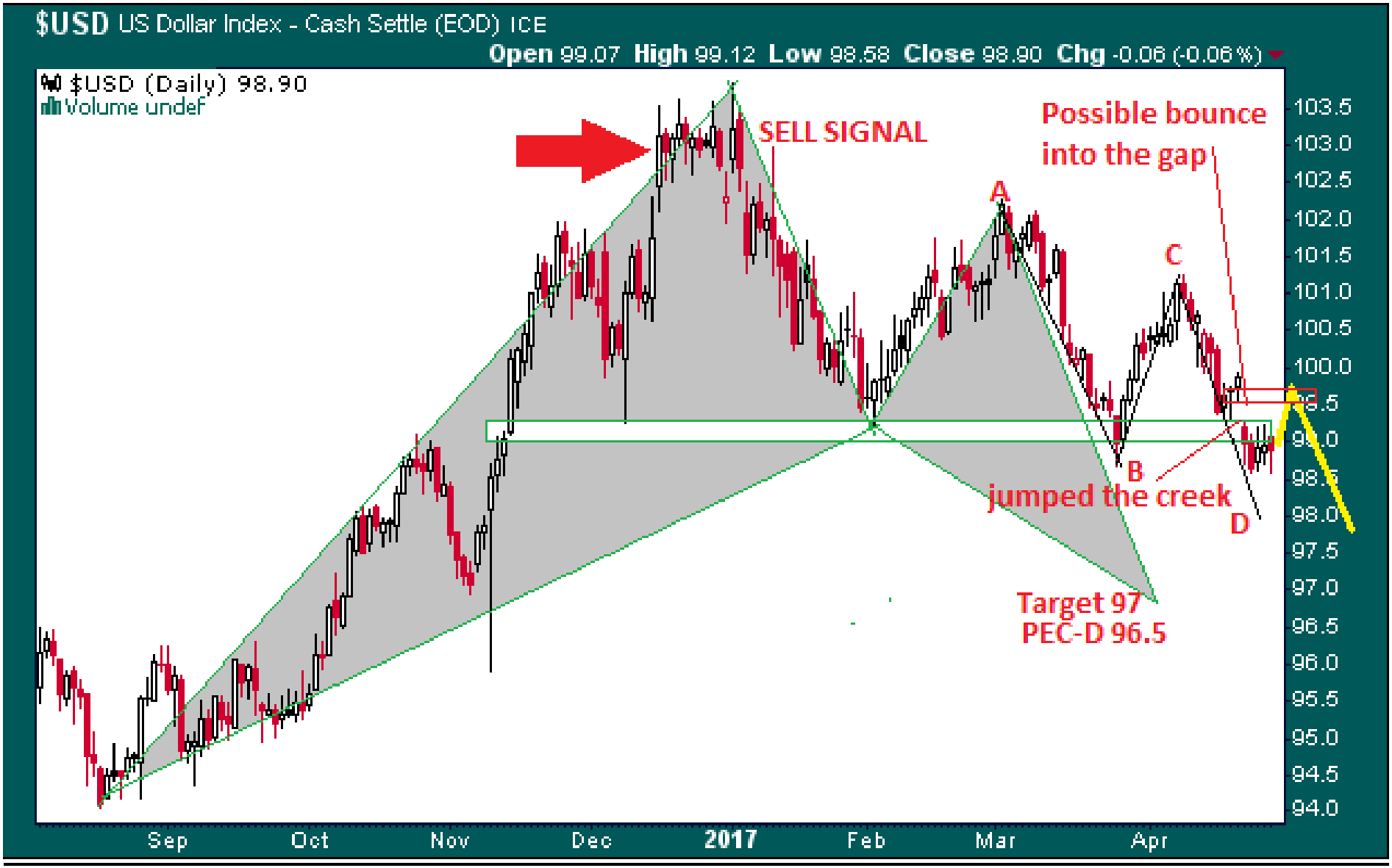
GDX

GDX continues to lag GOLD in this last run up. GOLD is much stronger than GDX. GDX is in the process of pull back. GDX/GLD ratio leads the way, indicating weakness in Mining stocks on weekly charts. **The monthly chart for GDX remains bullish.**

GDX reached our upside target exactly at 24.5 on 4/16. The first pull back target of 22.4 was met as expected on 4/26. Possible retest within CZ 22.4-21.4

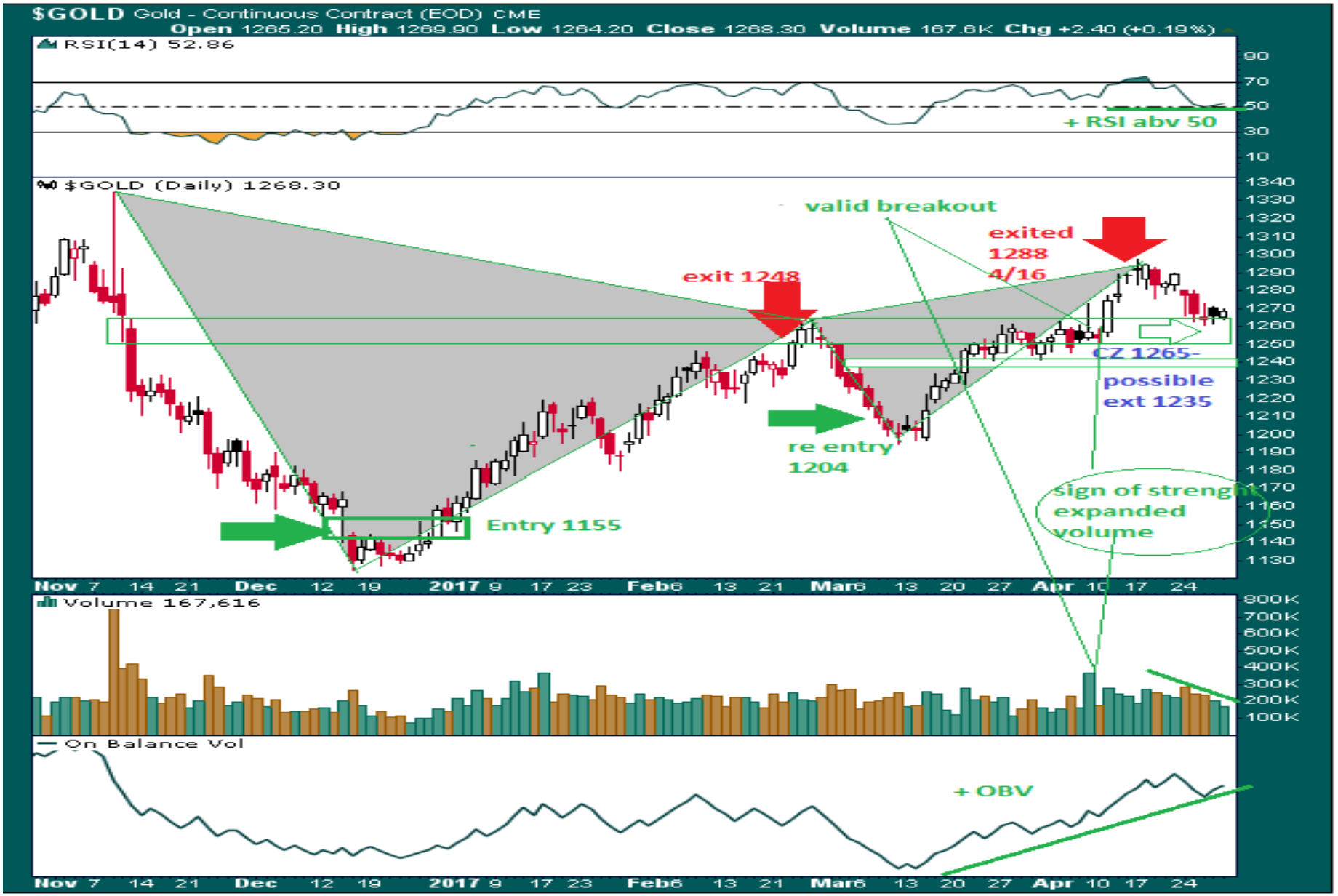
USD – Daily chart Analysis

Refer notes inside the chart



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.

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

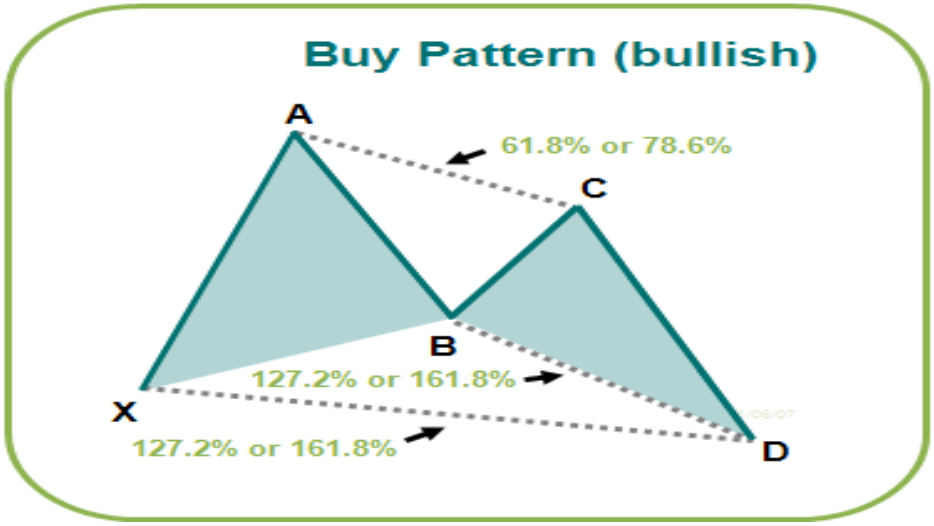
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM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

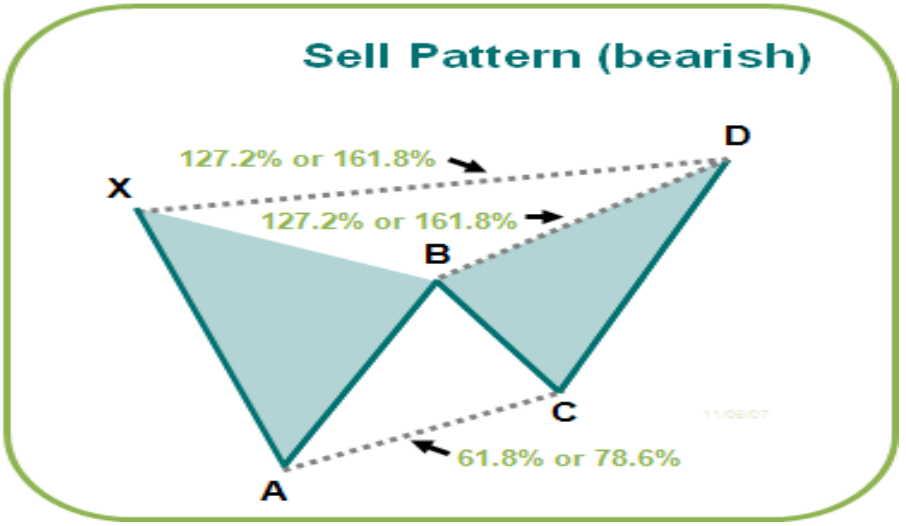
Pythagoras Expansion / Contraction – (PEC) Model

- 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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