



Date: February 25, 2017 (Sunday)

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	1260	POM 12 Bullish @ 1070 Triggered 01/01/2016	2/7 – Alert Exit - ½ position @ 1242 for 7.8% profit	BULLISH Possible Short term Pull back	Net long 9.0%	None	Target – 1 st ABC up to area 1260 Met exact	Target 2 ND Weekly ABC up to 1400 Bullish top	Pull back to 1220-1230-1210 Should hold & rally up	Decline to 1185-65 Rejected lows put in lows at 1125.	

- On 1st Jan Marked to Market at 1152 as cost basis. Met target of 1260
- On 2/7 Alert – Exited ½ position @ 1242 for 7.8% Profit

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)	24.0	POM 12 Bullish @13.0 Triggered 01/01/2016	2/7 – Alert Exit - ½ position @ 25.2 for 20% profit	BULLISH Possible Short term Pull back	Net long 9.0%	None	Target – 1 st ABC up to area 26 Met exact	Target 2 ND Weekly ABC up to 31 Bullish top	Possible pull back to 22.5-23.0 should hold and rally up	Worst case pull back to 21.5 Gap area Should hold	

- On 1st Jan Marked to Market at 21.0 as cost basis – Met target of 26
- On 2/7 Alert – Exited ½ position @ 25.2 for 20% Profit
- Secondary Equity Mining companies and have done extremely well during the same timeframe
- Since our Alert 2/7, GDX has dropped 5 % on pull back

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

Market Overview GOLD

Precious metal has done what it was supposed to do; follow the price path. It is so amazing how the target is hit to THE penny at PEC-D 1260. Although GDX target fell short by 30C of our PEC-D Projection at 26 . It is pretty close.

We with refrain from overthinking this market and keep it simple. One best Indicator is, currently we see wrong folks on Wall Street are getting Bullish precious market. These are the same folks bearish at 1150 levels and forecasting USD going to Moon when at 103.5. Such emotion is single best Indicator for pull back.

Gold Stocks and (GDX) have already begun the pull back since our Alert on 2/7. GDX has dropped 5 % on pull back

Pull backs are typically very hard to face within the Bull market especially in the volatile Precious market. Based on Risk appetite this is totally personal call how much position should be sized for longer term time frame. The Alert is risk management for rebalancing the portfolio if required.

GOLD: 1st – PEC-D @ 1260 has been met; we can certainly move higher and extend itself but it may result in larger pull back.

The current pull back to CZ 1220-30 should hold (if volume does not pick up on downside) and then rally up. 2nd ABC up projected to 1400.

GDX: 1st – PEC-D @ 26 has been met; pull back to CZ 22.5 -23 should hold (if volume does not pick up on downside) and then rally up. 2nd ABC up projected to 31.

Short term : After our Alert 2/7 , GDX on pull back fell through the previous lows going back a couple of weeks on increased volume producing a “Sign of weakness” which is usually a short term bearish development. GDX/GLD ratio has now traded below the February low suggests GDX/GLD ratio is weaker than GDX which is bearish short term sign.

Midterm: The pattern that may be forming on GDX is a Head and Shoulders bottom pattern and the Right Shoulder may form in the coming weeks. A pull back to support near 22.50-23 should form the right shoulder.

GOLD – Daily **chart** Analysis

OHHH yes!!1260 hit on the button!! . It certainly dint seems that way at 1150 lows.

1st – PEC-D @ 1260 has been met; pull back to CZ 1220-1230 should hold and then rally up.



GOLD – Daily **weekly** Analysis

2nd ABC up projected to 1400.



GDx – Daily chart Analysis

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Secondary Equities Precious Metal and Commodity – Price path since **2/7 Alert**



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**)

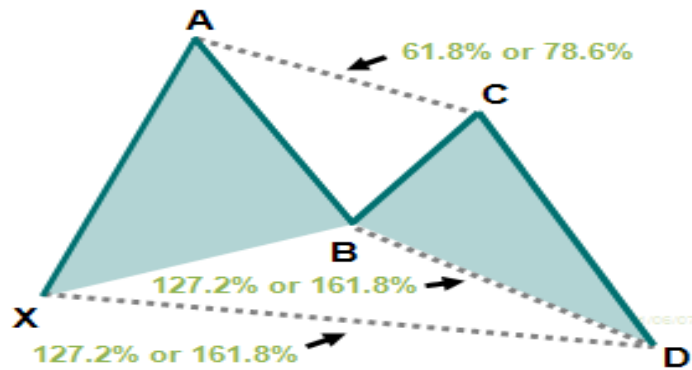
Pythagoras Expansion / Contraction – (PEC) Model

- 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

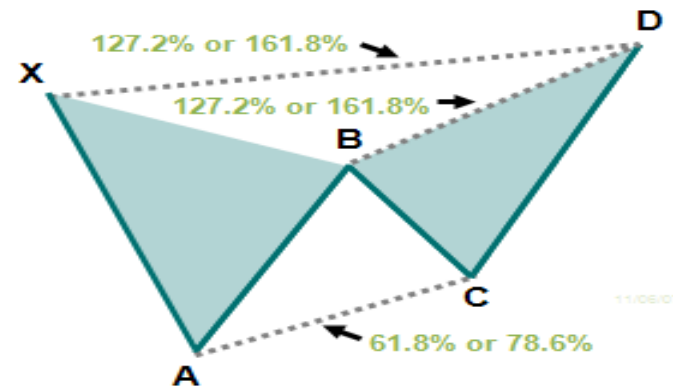
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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