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	1254	POM 12 Bullish @ 1070 Triggered 01/01/2016	1/1/2017 Report Announcement reentry - @ 1160 POM 13	BULLISH	Net long	None	1st Daily ABC up to 1250 MET With Bullish top	Weekly Target CZ 1290	Possible pull back to 1240	CZ 1205-1195 Rejected with Bullish Bottom	Target 2ND Weekly ABC up to 1375 Bullish top

- PEC-D 1250 met with Bullish top
- **Weekly Close above 1260 will target 1290 very quickly.**
- **½ Trading Position – Entry @ 1150 – Jan 01 (up 9.0% Year to date)**
- **In 2017 : Twice we have taken profits in Trading position in GOLD : 90 points and 60 points to maximize the gains**

2016 - Core Position: Net long since POM 12 trigger: at 1070 (1/1/2016) . Holding initial ½ positions .
(Up 20% - since our main entry)

	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)	22.4	**POM 12 Bullish @13.0 Triggered 01/01/2016**	**1/1/2017 Report Announcement reentry - @ 21.6 POM 13**	BULLISH	Net long	None	1st Daily ABC up to 22.75 Approaching	Weekly 1ST Target PECD- 24.5	pull back to CZ 21.4-22.4 rejected lows with Bullish Bottom ***Triggered Recycled entry 5/7***	Target Lows of 21.5 Rejected with Bullish Bottom	Weekly 2ST Target PECD- 26.0

- PEC-D 22.75 approaching
- Weekly Close above 23.0 will target 24.5 very quickly.
- **½ Trading Position – Entry @ 21.25 - Jan 01 (up 5.5% Year to date)**
- **In 2017 : Twice we have taken profits in Trading position in GDX : 5 points and 3 points to maximize the gains**
- **Suggested Junior Miner with heavy volatility**: MUX, GPL, GORO, HL
- **Suggested Senior Miner**: RGLD, SA, and FNV are leading the Miners Index.

2016 - Core Position: Net long since POM 12 trigger: at 13.0 (1/1/2016) . Holding initial 1/2 position **(up 73% - since our main entry)**

Market Overview GOLD

USD: **We Triggered Sell Signal in USD at 102;** USD may hold the decline at 93.2 . The 2ND ABC down projected to 92. CZ between 93.2-92 should be monitored for a bounce in USD and its impact on GOLD. If USD dislocates at 93, the next target is 87.

AUD : **We Triggered Net long in AUD at 71; the upside projection target to 80.** AUD broke out multi month high. This is great signal for commodities.

GOLD : Gold and Silver caught the bid last week with expansion in volume.

PEC-D 1250 met with Bullish top . **Weekly close above 1260 will target 1290 very quickly to initiate a very large ABC up.** The Commitment of traders report (COT) for gold has been showing bullish signs for two weeks

Our timely call in Silver last week at 15.70 based on very attractive GOLD / SILVER ration at 76:1 . It has proved its merit. Silver has taken off from that point. The long term mean is 55.

GDX: PEC-D 22.75 approaching. **Weekly close above 23.0 will target 24.5 very quickly to initiate a very large ABC up.**

GDX may be forming head and shoulder bottom. GDX internals are Bullish. The Up / down Volume percent indicator which has made higher lows as GDX made lower lows ; a bullish divergence. The Indicator is above 0 which is bullish.

GDX has made lower lows and the GDX/GLD ratio is matching its previous low showing GDX/GLD ratio is stronger than GDX which is bullish divergence.

The monthly chart for GDX remains bullish. GDX rejected the pullback CZ 21.4-22.4.

USD – Daily chart - CZ –PEC-D Analysis

USD may hold the decline at 93.2 . The 2ND ABC down projected to 92. CZ between 93.2-92 should be monitored for a bounce in USD and its impact on GOLD. **We Triggered Sell Signal in USD at 102;**

GOLD – Daily chart - CZ –PEC-D Analysis

PEC-D 1250 met with Bullish top. **Weekly close above 1260 will target 1290 very quickly to initiate a very large ABC up.**

GDX – Daily chart - CZ –PEC-D Analysis

GDX may be forming head and shoulder bottom. Projected target 1st ABC up 22.75 approaching.

GDX rejected the pullback CZ 21.4-22.4 bullishly.

GDX – Weekly chart CZ-PEC-D Analysis

Weekly GDX. Up down Volume indicator which is above "0" is a bullish sign. Next window up is the Advance/Decline Indicator which is also >0 is also bullish. Top window is the weekly RSI for GDX which is above 50 (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 are 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

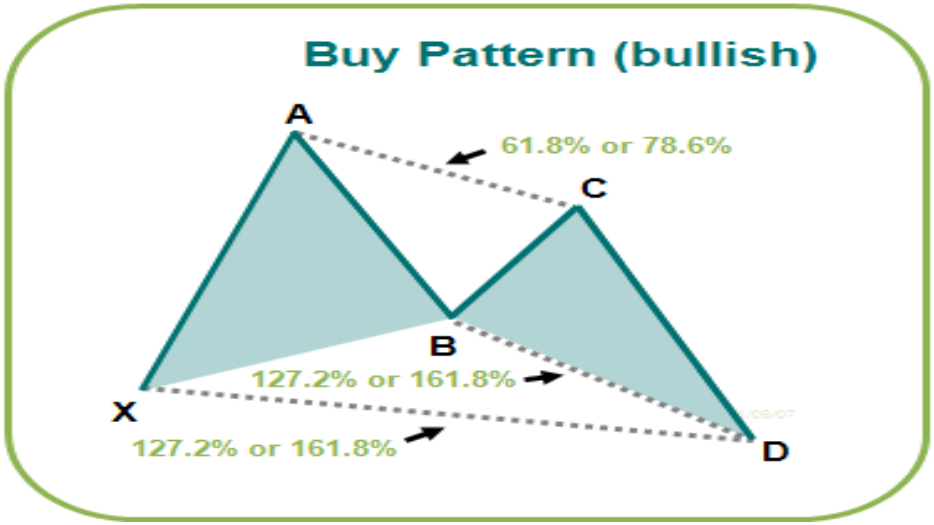
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM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

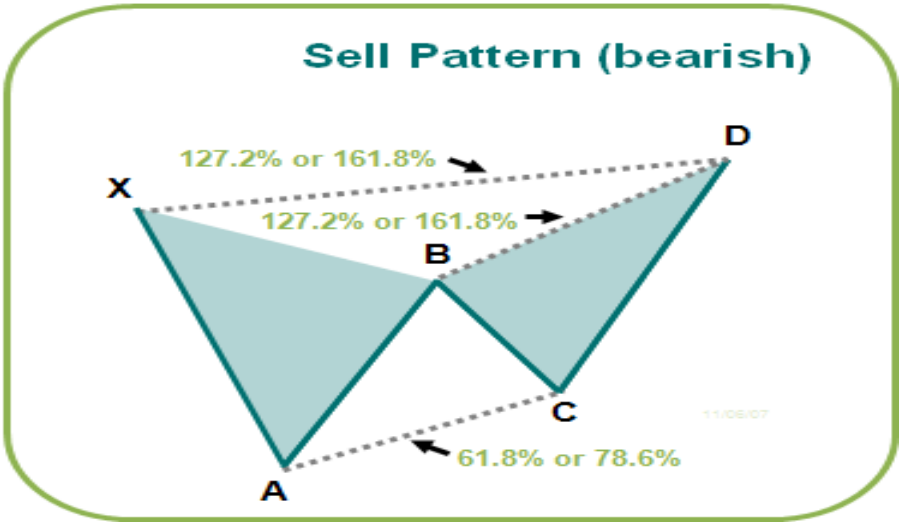
Pythagoras Expansion / Contraction – (PEC) Model

- 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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