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	1280	POM 12 Bullish @ 1070 Triggered 01/01/2016	1/1/2017 Report Announcement reentry - @ 1160 POM 13	BULLISH	Net long	None	Weekly Target CZ 1290 Approaching	Target 2ND Weekly ABC up to 1375 Bullish top	Pull back to 1235-60 Met and rally began *Triggered Reentry 5/7*	CZ 1205-1195 target met & Rejected	

- **½ Trading Position – Entry @ 1150 – 1/1/2017 (up 12.5% Year to date)**
- On 5/07 Report : Announcement: Reentry position PEC-D 1245 within CZ 1235-60 . Stop loss at 1200.
- In 2017 : Twice we have taken profits in Trading position in GOLD : 90 points and 60 points to maximize the gains
- **Net Short USD @102 ; Currently trading at 96**

2016 - Core Position: Net long since POM 12 trigger: at 1070 (1/1/2016) . Holding initial ½ position.
(up 22% - 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)	22.75	POM 12 Bullish @13.0 Triggered 01/01/2016	1/1/2017 Report Announcement reentry - @ 21.6 POM 13	BULLISH	Net long	None	Bounce to 23.5 Met exact	Weekly Target PECD- 24.5	Possible pull back to CZ 21.4-22.4	Pull back to 21.25-22.4 Met and rally began *Triggered Reentry 5/7*	Target Lows of 21.5 met & Rejected

- **½ Trading Position – Entry @ 21.25 -1/1/2017 (up 6.7% Year to date)**
- On 5/07 Report : Announcement: Reentry position PEC-D 21.8 within CZ 21.25-22.4. Stop loss 19.0
- 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, FNV.

2016 - Core Position: Net long since POM 12 trigger: at 13.0 (1/1/2016) . Holding initial 1/2 position.
(up 75% - since our main entry)

Market Overview GOLD

USD: **We Triggered Sell Signal in USD at 102; the downside projection target to 96 – Met**

USD has reached our 1st downside projection of 96, Possibility of bounce. The larger ABC down projection towards 92.

GOLD ; GOLD triggered reentry at PEC-D 1245 within pull back zone CZ 1235-60.

GOLD approaching its ABC up to 1290.

GDX; GDX/GLD ratio continues to be weaker. Pull back to 21.4-22.4 to retest should hold and then rally up

GDX sis moving towards ABC up 24.5.

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

USD – Daily chart Analysis

GOLD – Daily chart Analysis

1st Weekly ABC up to 1290. Pull back to PEC-D 1245 held and rallied up.

GDX – Daily chart Analysis

1st Weekly ABC up to 24.5. Pull back to 21.4-22.4 held and rallied up.

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

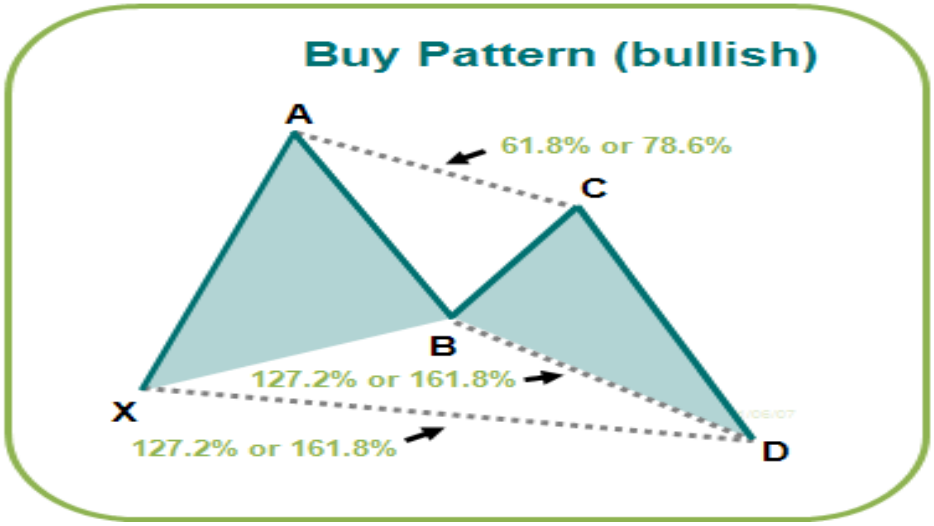
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM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

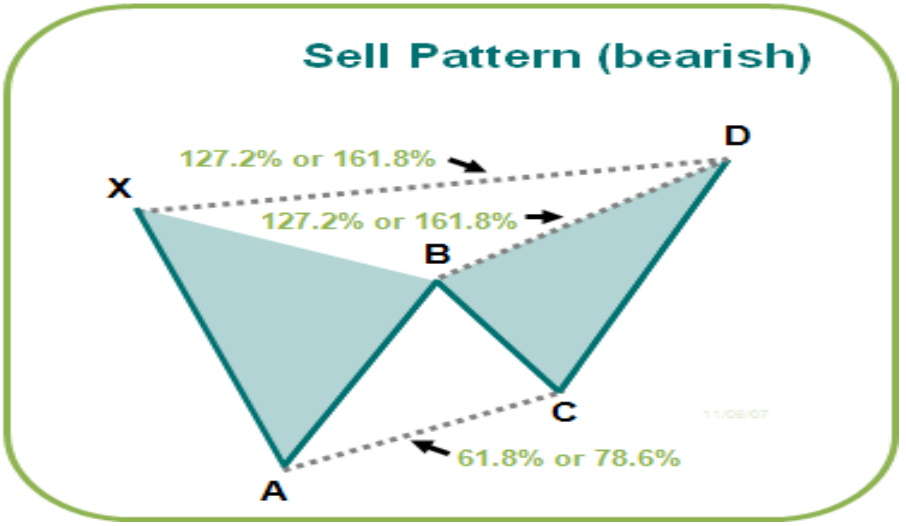
Pythagoras Expansion / Contraction – (PEC) Model

- 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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