**Date: JUNE 11, 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 | 1268 | 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- Met exact and Sold off | Target 2ND Weekly ABC up to 1375 Bullish top | Pull back to 1265-55 Should hold | CZ 1205-1195 target met & Rejected | |

- **½ Trading Position – Entry @ 1150 – 1/1/2017 ( up 10.5% Year to date)**
- On 5/07 Report : Announcement:  Reentry  Trading position at 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 20.7% - 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) | 22.83 | 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 1ST Target PECD- 24.5 Weekly 2ST Target PECD- 26.0 | pull back to CZ 22.4- 21.4 should hold | 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 Trading  position at 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 <u>Sell Signal</u> in USD at 102; the downside projection target to 96 – Met**

USD has reached our 1$^{st}$ downside projection of 96, Possibility of bounce. The larger ABC down projection to 92

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

GOLD met exactly at 1290, our projected ABC up and pulled back.  It should hold CZ 1265-55 levels

**GDX;**  Broke out with high volume Bullish top at 23.5 and pulling back into Gap and CZ 22.40-21.4 with lighter volume.
It should be rejecting to set up continuation for ABC up. RSI is positive.

There are negative divergences.  Last Tuesday's rally Broke to a new short term high and the GDX/GLD ratio;
Advance/Decline and Up down Volume Indicators made lower highs.  These negative divergences may work themselves out
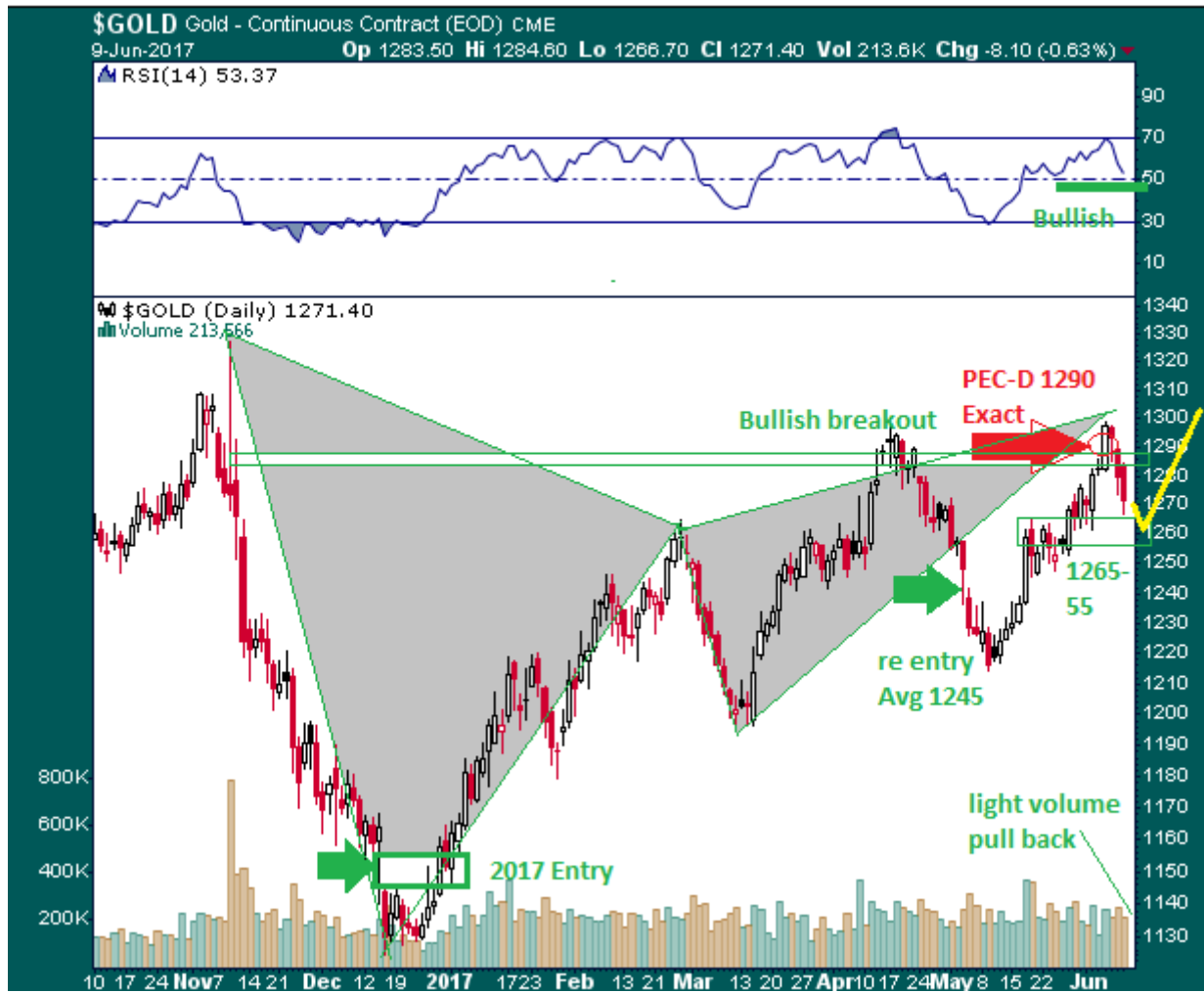Over time.

Major rally in GOLD ( Break above 1290) will initiate once GDX Catch the bid

Pull back to 22.4 -21.4 should hold and then rally up. GDX projected ABC up to 24.5.

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

# GOLD – Daily chart   Analysis

1st Weekly ABC up to 1290 Met with Bullish top. Pull back to CZ 1265-55 should hold and rally up.

# GDX – Daily chart   Analysis

GDX broke out with high volume Bullish top at 23.5 and pulling back into Gap and CZ 22.40-21.4 with lighter volume.
It should be rejecting to set up continuation for ABC up. RSI is positive.  There are negative divergences.  Tuesday's rally
Broke to a new short term high and the GDX/GLD ratio; Advance/Decline and Up down Volume
Indicators made lower highs.  These negative divergences may work themselves out over time.

**1st Weekly ABC up to 24.5.   Pull back to 21.4-22.4.**

# GDX – Weekly chart Analysis

GDX broke out weekly with high volume Bullish top at 23.5 and pulling back to CZ 22.40-21.4 with lighter volume

2<sup>ND</sup> Weekly ABC up to 24.5.
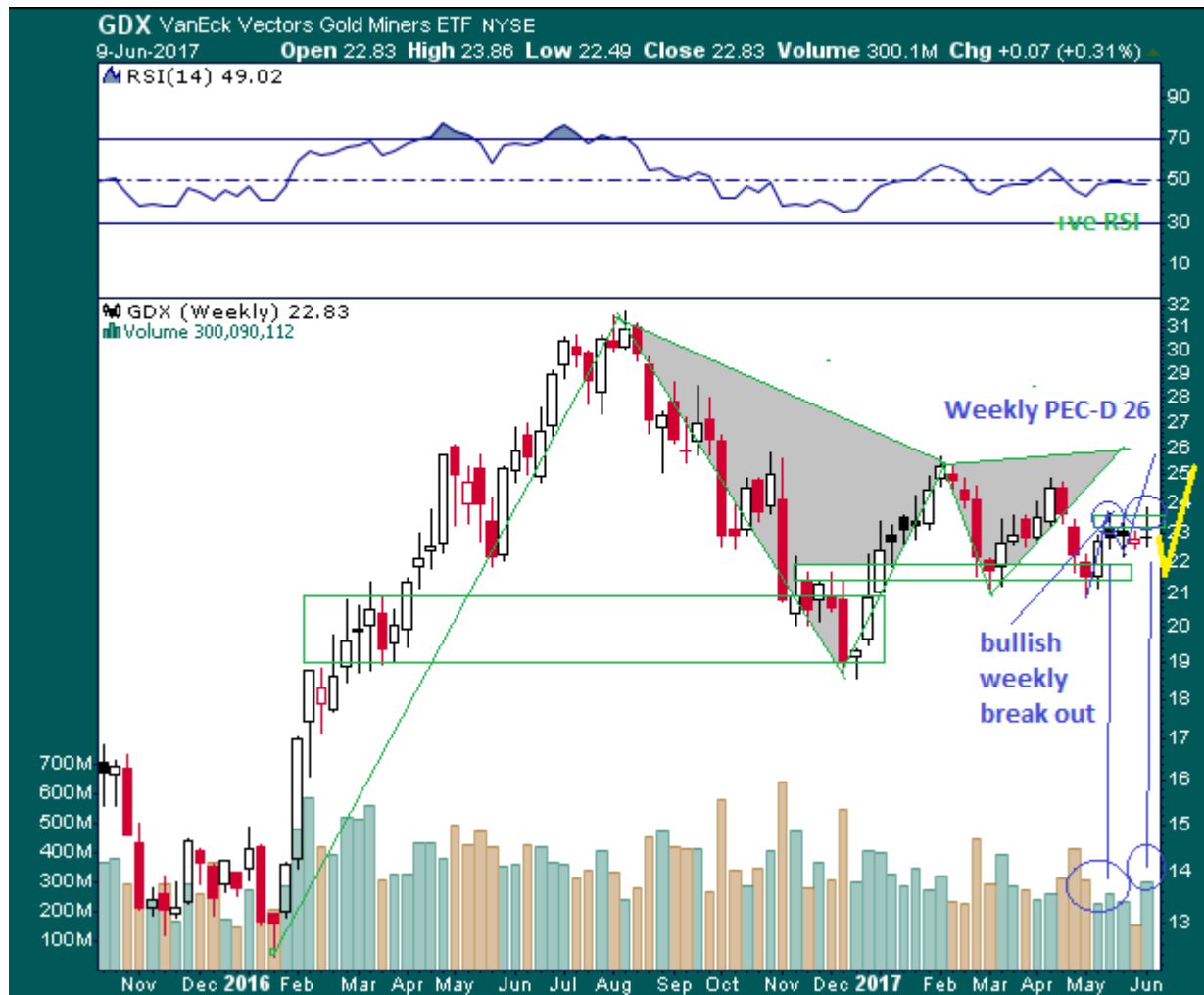
# Appendix Content

- **Objectives & POM /CZ / PEC –D Guidelines – <u>Refer to detail Annexure</u>**

- **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 <u>UP</u> move, POM 13 signifies to <u>STOP</u> executing additional 'New Buys" that was  initiated at POM 12 or POM 11 levels

- On way <u>DOWN</u> move,  POM 13 signifies to <u>STOP</u> executing additional " New Short Sells" that was  initiated at POM 14 or POM 15  levels

- (<u>Bear Markets</u>) POM 15 is for - <u>Net Short</u>  & POM 14 is for - <u>Hedge Longs</u>

- (<u>Bull Markets</u>)  POM 15 is for -<u>Hedge Longs</u>  &  POM 14 is for - <u>Partial Hedge</u>

- POM 12 & 11 is for Net Long

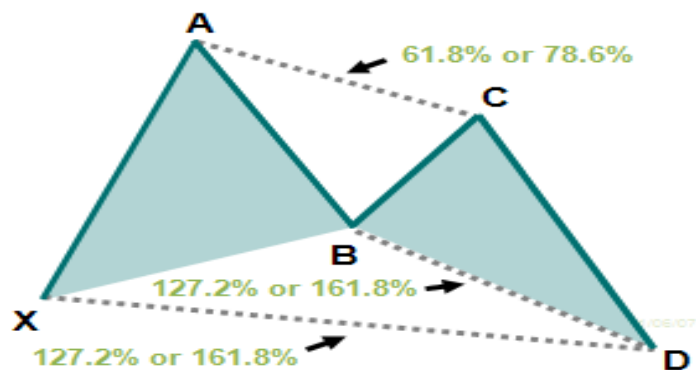- POM 10 is Climatic Crash low  Buy Signal  to add to Net long position ( <u>Rear event</u>)

# Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 2$^{th}$ 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
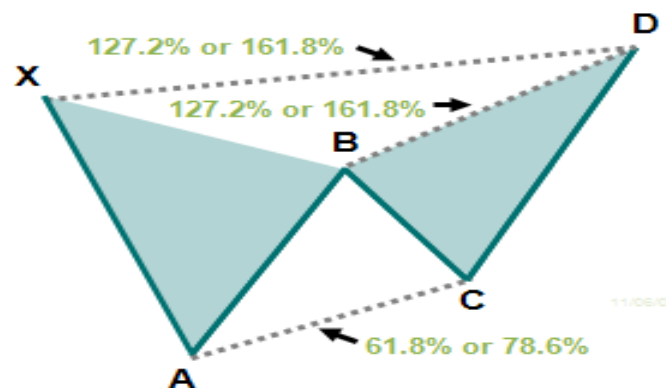
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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