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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	1258	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 2 <sup>ND</sup> Weekly ABC up to 1375 Bullish top	Pull back to 1255-65 Should hold  On push down possible	CZ 1205-1195 target met & Rejected	

- ½ Trading Position – Entry @ 1150 – 1/1/2017 ( up 9.5% 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% - since our main entry )

	Current Price	POM Triggered within CZ & Date	Follow up Announcement t 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)	22.06	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 1 <sup>ST</sup> Target PECD- 24.5  Weekly 2 <sup>ST</sup> 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  <b>Triggered Reentry 5/7</b>	Target Lows of 21.5 met & Rejected

- **½ Trading Position – Entry @ 21.25 -1/1/2017 ( up 3.8% 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 70% - 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 1<sup>st</sup> 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 our projected ABC up EXACT and pulled back. It should hold CZ 1255-65 levels although one more push down is possible.

FOMC announcement day, GOLD hit highs of 1288 and sold off intraday. The 10 year yield and CPI spread triggered the selloff in spite of yields dropping. GOLD pull back may be within the context of higher highs. Break above 1290 should initiate a very large ABC up.

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

GDX internals are mixed but improving. The Up / down Volume percent indicator which has made higher lows as GDX made lower lows is a bullish divergence (same condition for Advance/Decline percent- a Bullish divergence). However both indicators are still below "0" which is bearish (but improving).

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 divergences.

**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

1<sup>st</sup> Weekly ABC up to 1290 Met with Bullish top. Pull back to CZ 1255-65 should hold and rally up.

Prices moving within the channels



# GDJ – Daily chart Analysis

GDJ internals are mixed but improving. The Up / down Volume percent indicator which has made higher lows as GDJ made lower lows is a bullish divergence (same condition for Advance/Decline percent- a Bullish divergence). However both indicators are still below "0" which is bearish (but improving). GDJ has made lower lows and the GDJ/GLD ratio is matching its previous low showing GDJ/GLD ratio is stronger than GDJ which is bullish divergences.



# GDX – Daily 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  
1<sup>st</sup> Weekly ABC up to 24.5.



# 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**)



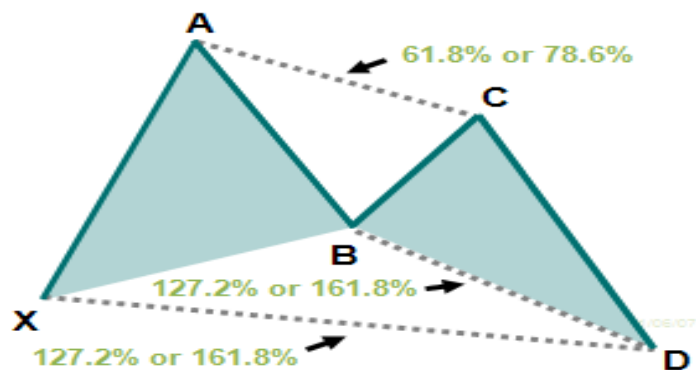
# Pythagoras Expansion / Contraction – (PEC) Model

- PEC Model is a 2<sup>th</sup> 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 streams to achieve confluence point D coinciding with POM

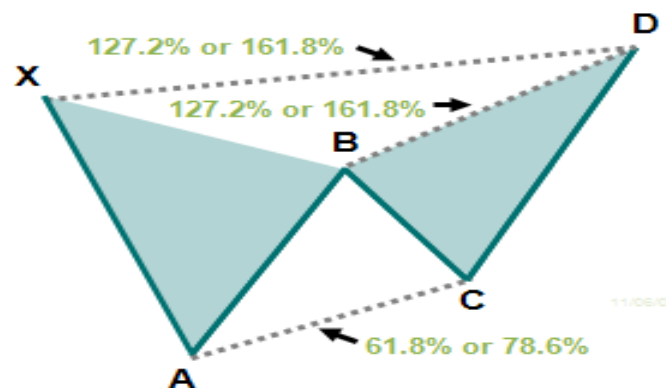
## PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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