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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	1204	POM 12 Bullish @ 1070 Triggered 01/01/2016	2/7 – Alert Exit - ½ position @ 1242 for 7.8% profit	BULLISH	Net long 9.0% increase to 18% Scale back in gradually	Pre-Position to re enter	Target – 1 st ABC up to area 1260	Target 2 ND Weekly ABC up to 1400 Bullish top	Pull back to 1210 Met – Hit lows of 1196	Decline to 1185-65 Rejected lows put in lows at 1125.	

- **Pre announcement:** We will step back in with partial position on Monday and Wednesday after FOMC meet, if GOLD holds strong after the meeting.
- On 2/7 Alert – Exited ½ position @ 1242 for 7.8% Profit- Entry point @ 1152

Our Core entry Net long since POM 12 trigger: at 1070 (1/1/2016) . Holding initial 9.0% position.

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcemen</u> <u>t Update</u> For Trend Reversal	Progress Status	Current Position / Exposure	<u>NEW ACTION</u> (Trigger to Watch))	Upside CZ <u>Near Term</u>	Upside CZ <u>Mid term</u>	Downside CZ <u>Near term</u>	Downside CZ <u>Mid term</u>	Remark
GDX (XAU /HUI MINERS COR)	21.7	POM 12 Bullish @13.0 Triggered 01/01/2016	2/7 – Alert Exit - ½ position @ 25.2 for 20% profit	BULLISH	Net long 9.0% increase to 18% Scale back in gradually	None	Target – 1 st ABC up to area 26	Target 2 ND Weekly ABC up to 31 Bullish top	pull back to 21.5 Gap area Met –Exact		

- **Pre announcement:** We will step back in with partial position on Monday and Wednesday after FOMC meet, if GDX holds strong after the meeting.
- On 2/7 Alert – Exited ½ position @ 25.2 for 20% Profit- Entry point @ 21
- Junior Minor with heavy volatility: MUX, GPL, GORO, HL for very small speculative partial position.

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

Market Overview GOLD

On 2/7, the sentiments turned very Bullish [the day of our Alert signal to exit GOLD (1245) and GDX (25.2)] . Both the instruments hit our price target exactly as projected at 1260 and 25.7 respectively. Since then GOLD has pulled back to 1200 (-5%) and GDX to 21.2 (-18%), massive declines.

In precious metals, the pull backs are typically very hard to face within the Bull market. Based on Risk appetite, manage the risk with stops and draw down. **Profit cushion from last leg up will provide a good buffer.**

Friday's BLS Report on unemployment could not take the GOLD market down with very high Jobs number. FOMC meets on Tuesday / Wednesday. GOLD, Commodity and Currencies may be setup for volatility. Although rate increases are baked in the Cake, Market can be very volatile. We would like to see how it reacts to the news.

Overall fear will remain in GOLD Market such as EMU- French elections, US Debt ceiling issue and inflation.

GOLD: Our pullback level to CZ 1210-00 was met. It appears at 1195 projection was tested on low volume. There is a possibility we may go back and test this level once again.

GDX: Our pullback level to CZ 21-22 was met. It appears at 21 projection was tested on low volume. There is a possibility we may go back and test this level once again.

The pattern that may be forming on GDX is a Head and Shoulders bottom pattern and the Right Shoulder is forming here at 21-22.

- **Pre announcement:** We will step back in with partial position on Monday and Wednesday after FOMC meet, if GOLD holds strong after the meeting.

GOLD – Daily chart Analysis



GDX – Daily chart Analysis



GD_X / GOLD – Daily chart Analysis

GD_X/GLD ratio RSI is down near 30 where short term bounces have occurred for GD_X. GD_X likely to bounce strong enough to get the RSI back above 50. GD_X could start the bottom process



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**)

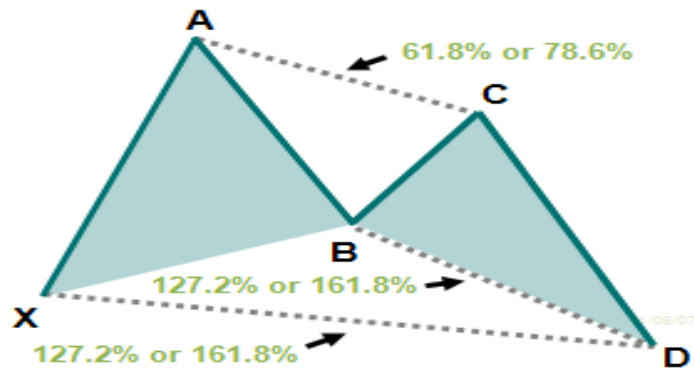
Pythagoras Expansion / Contraction – (PEC) Model

- 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

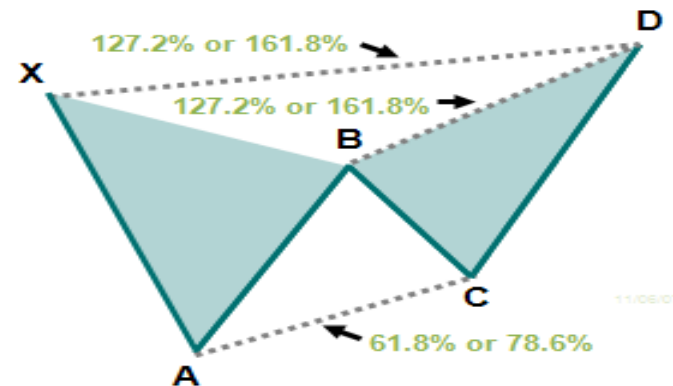
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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