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	1228	POM 12 Bullish @ 1070 Triggered 01/01/2016	3/13 Report Announcement reentry - ½ position Scale in @ 1202	BULLISH	Net long 18%	NONE	Target – 1st ABC up to area 1260	Target 2ND Weekly ABC up to 1400 Bullish top	Pull back to 1215 possible	Target Lows of 1195 met & Rejected	Decline to 1185-65 Rejected lows put in lows at 1125.

- **On 3/13 Report : Announcement to step back in previously exited ½ position ; initiated entry at 1204**
- **STOP AT 1202**
- 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 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)	22.7	POM 12 Bullish @13.0 Triggered 01/01/2016	3/13 Report Announcement reentry - ½ position Scale in @ 21.6	BULLISH	Net long 18%	NONE	Target – 1st ABC up to area 26	Target 2ND Weekly ABC up to 31 Bullish top	Pull back to 22.0 possible	Target Lows of 21.5 met & Rejected	

- **On 3/13 Report : Announcement to step back in previously exited ½ position ; initiated entry at 21.5**
- **STOP AT 20.5**
- 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.
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Our Core entry Net long since POM 12 trigger: at 13.0 (1/1/2016) . Holding initial 9.0% position.

Market Overview GOLD

As pre- announced in last week's Report; our prediction that GOLD would reject the lows and rally, was proven *right on the money.* Our "scale- in" entry on Monday 3/13 @ 1204 proved its merit. Currently Gold is trading at 1228.

Our own pre assessment on FOMC's monitory policy decision enabled us to pre-position ahead of Wednesday's FOMC announcement and benefit from the collapse in USD. We have been bearish on USD; our projected 1st ABC down to 98-97. Based on our work, we see several large sellers in USD dampening its move higher.

Treasury Secretary Mr. Mnuchin has been pumping up USD this weekend at G-20 meeting in Germany. This reminds us of Mr. John Snow-[Ex T. Sec] tried pumping up USD during his entire tenure; to the market's surprise, USD moved down from 124 to 75. Correspondingly, during the same time frame GOLD moved from 400 to 1900.

Our Analytics are based on the Anomalies to form our strategy to find the longer term Market direction. Our long term followers recollect, 2011-2015, our best trade was JPY which moved from 76 to 126 with (8) ABC up's.

Past week's, GOLD's massive Sign of Strength with expanding volume in face of FOMC's higher yield and Hawkish tone with several rate hikes should have send the USD to the moon and Crash in US Bonds. But it exactly opposite was the reaction. Our work had predicted such move in our previous reports.

Next week, we are observing several Astro-cycles to place gravitation impact on the Market. Apogee Cycle and Equinox will be in effect.

GOLD: Possibility we may get "back and fill" consolidation in GOLD market towards 1215. Our 1st ABC up target at 1260.

GDX: Possibility we may get "back and fill" consolidation in GOLD market towards 22.0. Our 1st ABC up target at 26.

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

GDX/GLD ratio RSI is down where short term bounces have occurred for GDX. GDX has bounced strongly since.

USD – Daily chart Analysis

GOLD – Daily chart Analysis

GDX – Daily chart Analysis

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

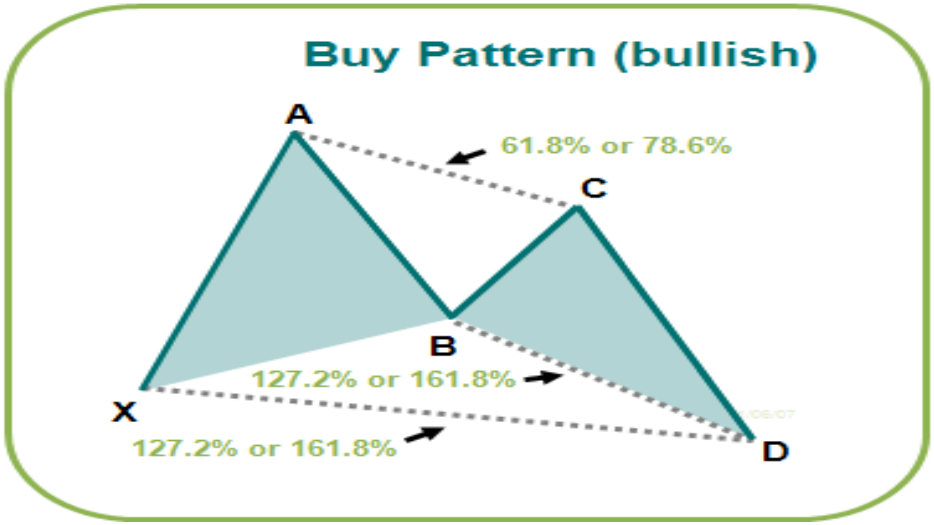
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM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

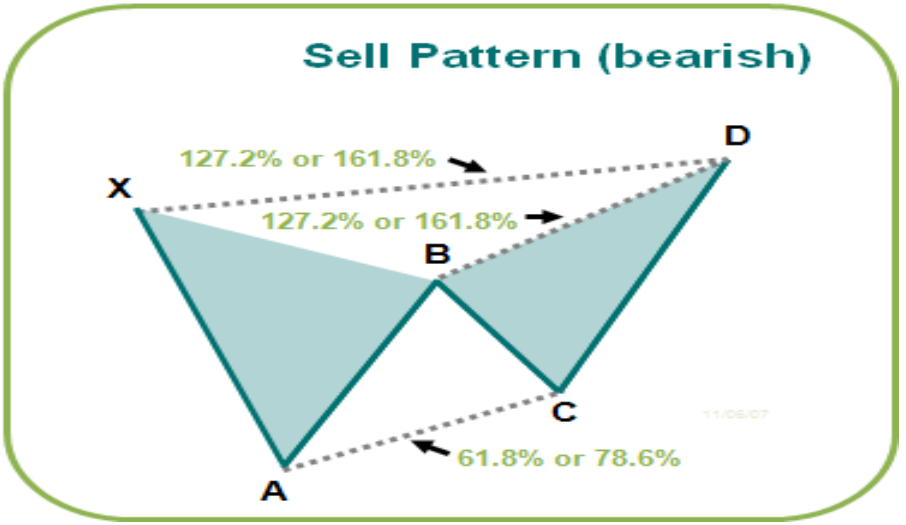
Pythagoras Expansion / Contraction – (PEC) Model

- 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





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