



Date: MAY 30, 2017 (Tuesday)

Immediate Release - GOLD – GDX STRATEGY REPORT

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● Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement Update</u> For Trend Reversal	Progress Status	Current Position / Exposure	<u>NEW ACTION</u> (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD	1263	POM 12 Bullish @ 1070 Triggered 01/01/2016	1/1/2017 Report Announcement reentry - @ 1160 POM 13	BULLISH Possible short term pullback	Net long	None	Weekly Target CZ 1290	Target 2 ND Weekly ABC up to 1375 Bullish top	Pull back to 1235-60 Met and rally began <i>Triggered Reentry 5/7</i>	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 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
- Weekly close above 1265 is required to initiate new ABC up.
- **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 21% - 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)	22.75	POM 12 Bullish @13.0 Triggered 01/01/2016	1/1/2017 Report Announcement reentry - @ 21.6 POM 13	BULLISH Possible short term pullback	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 8% 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 78% - 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.

Last week's FOMC meeting notes, in spite of hawkish tone, resulted in bid under the gold price. Platinum and silver caught the bid as well. Silver is quite attractive relative to gold with ratio at 73. Eventual mean to reversion is at 55.

Weekly close above 1265 is required to initiate next ABC up.

The longer term view for GOLD is Bullish. The bottom of 8 year cycle came in December 2016 at 1050 (our main core entry).

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

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

GOLD – Daily chart Analysis

Refer notes inside the chart: Larger 3 drive to the top pattern is in play towards 1.618. OBV and RSI are positive and have room to run higher. Close above 1265 on weekly basis is Bullish to continue higher. Any pull back towards 1250-45 should hold and then rally up.



GOLD – Weekly chart Analysis

Weekly OBV and RSI are positive and have room to run higher.

1st Weekly ABC up to 1290 and Larger Weekly ABC up to 1370



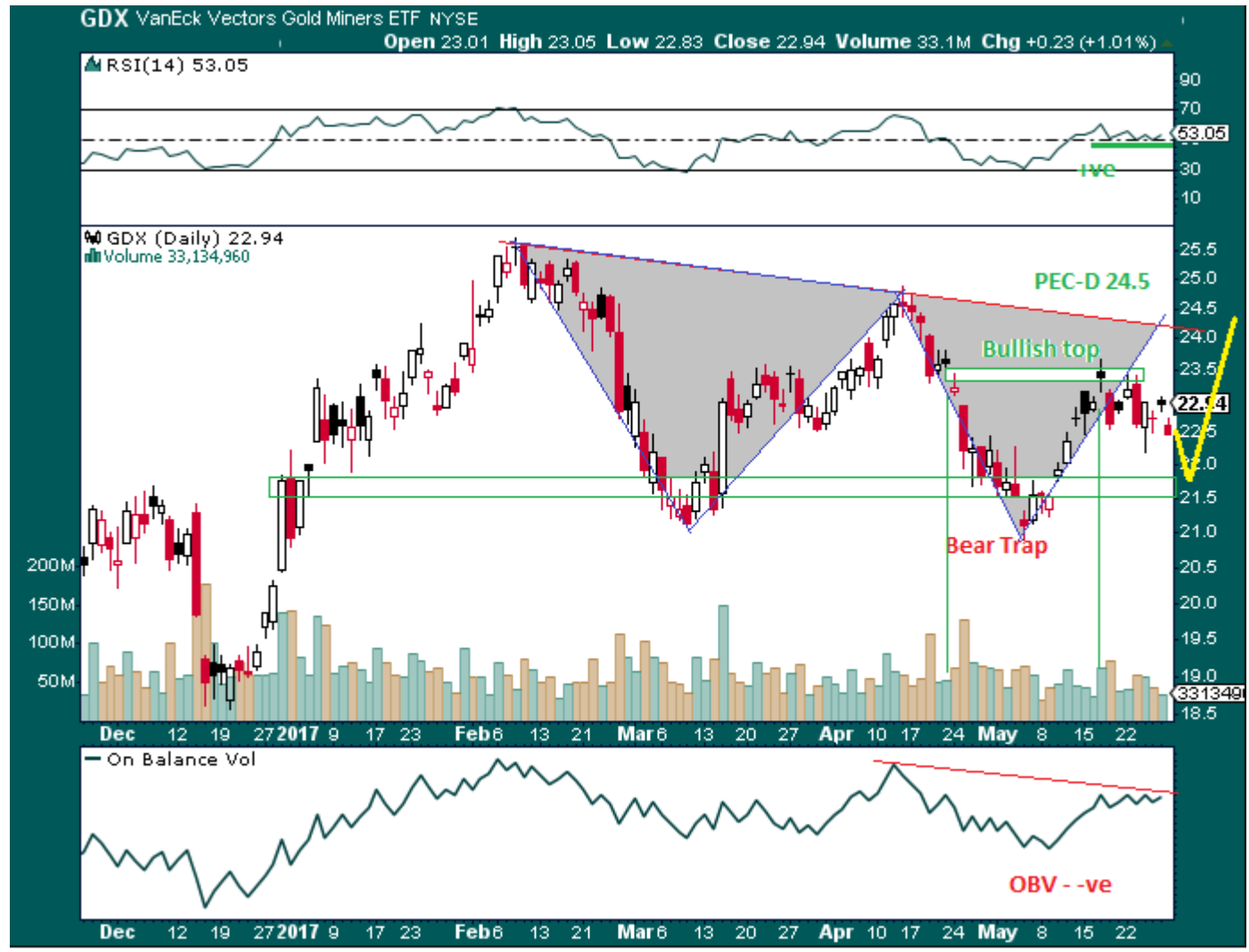
GDJ – Daily chart Analysis

GDJ/GLD ratio is showing weakness which usually leads the way for GDJ. However RSI is positive. Up down Volume indicator and Advance/Decline indicator should be showing strength and rising and that is not what happening here. The last several days both indicators are trending sideways along with GDJ. This is Neutral.



GD_X – Daily chart Analysis

Mixed Picture: RSI is above 50 which is Bullish, Bullish top VTO, OBV negative, GD_X/ GOLD ratio negative.
Pull back to 21.4-22.4 to retest, hold and then rally 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**)

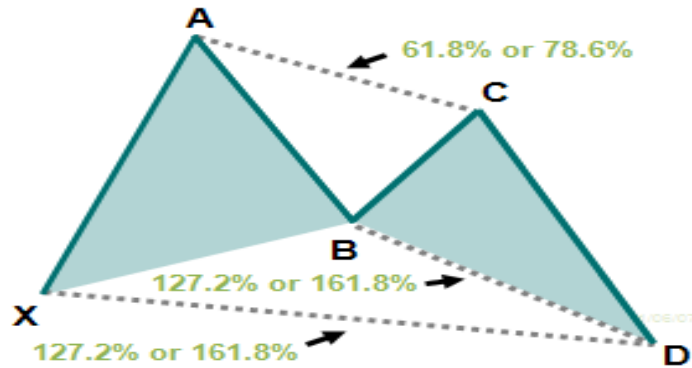
Pythagoras Expansion / Contraction – (PEC) Model

- 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

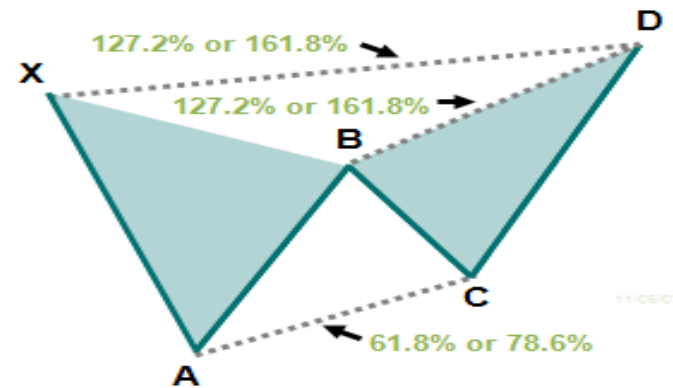
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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

Buy Pattern (bullish)



Sell Pattern (bearish)



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