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INTER-ISSUE UPDATE

PLAN 2

Thursday September 5th, 2013

TRIGGER\$

Economic & Technical Analysis for the Active Trader

www.triggers.ca

WEEKLY DAILY HOURLY

VIX			
GOLD			
OIL crude light			
<p>MACRO DRIVERS Credit & Volatility MACRO TRIGGERS Additional Info/Charts</p>			
<p>MACRO DRIVERS Precious Metals MACRO TRIGGERS Additional Info/Charts</p>			
<p>ECONOMIC & EVENT CALENDARS TA Glossary</p>			
<p>Understanding the Analysis</p>			
<p>TRIGGER\$ Trading Methodology Performance Update</p>			

Updated

Aug 29 /2013

DISCLAIMER: Inter-Issue UPDATES is not a Trade Advisory Service. This is a Technical Analysis service supplementing the monthly analysis found in our monthly publications. The point of the Updates is to provide a more fluid, stable and up-to-date analysis - more so than could be delivered in just a monthly publication alone. TRIGGER\$ & TARGETS are markers that can be used in measuring / determining trend movement and changes. **They are Not trading signals or calls.**

MACRO DRIVERS

CREDIT & VOLATILITY: The spike in interest rates associated with the fear of a Federal Reserve "Taper" has forced bond yields up by over 100 bps. This is significant by historical measure and it has reduced capitals and increased VaR around the world on already overleveraged credit markets. This has forced RISK-OFF due to collateral calls, repatriations and forced liquidations. The Asian markets are presently experiencing the worst credit squeeze since the 2008 financial crisis.

PRECIOUS METALS: Recent strength in Precious Metals is bringing out the Bulls. However significant damage has been done to the retail traffic. The Velocity of Money continues to fall along with a weakening US dollar. This has historically not been a good sign for Precious Metals. India's government restrictions and ban on Precious Metals is a visible cloud hovering over Gold prices. The fear which is pushing down the Velocity of Money is the same fear which will soon be redirected towards global fears. This will signal the turning point in Gold and Silver as it then heads rapidly higher (see Key Charts)

MACRO TRIGGERS

Steadily deteriorating global economic conditions and expectations are expected to soon relieve pressures on expanding bond yields. A reversal in bond yields will be indicative of weakening global expectations.

Precious Metals have been basing for some time and appear to have broken overhead resistance. There is however still a strong possibility of yet another attempt to push gold prices down one final time.

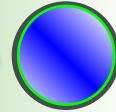


The market has reached resistance and pulled back a little so far this week: current weekly bar is slightly red. The W%R has turned and we may get a pullback from the indicator before lifting to the trend resistance shown.

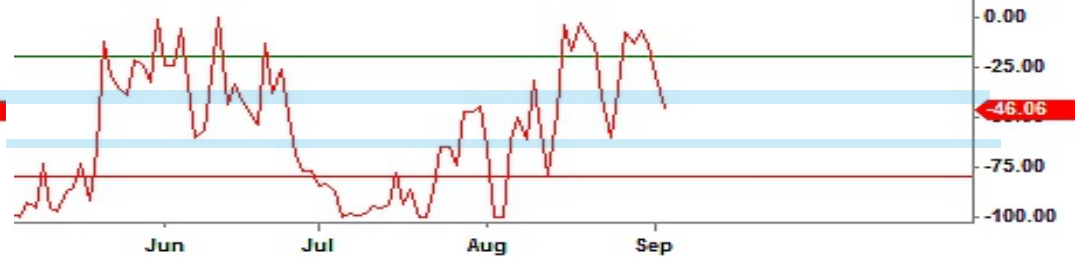
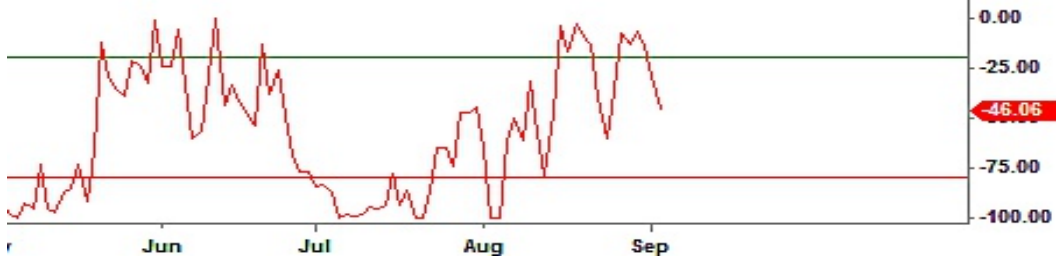
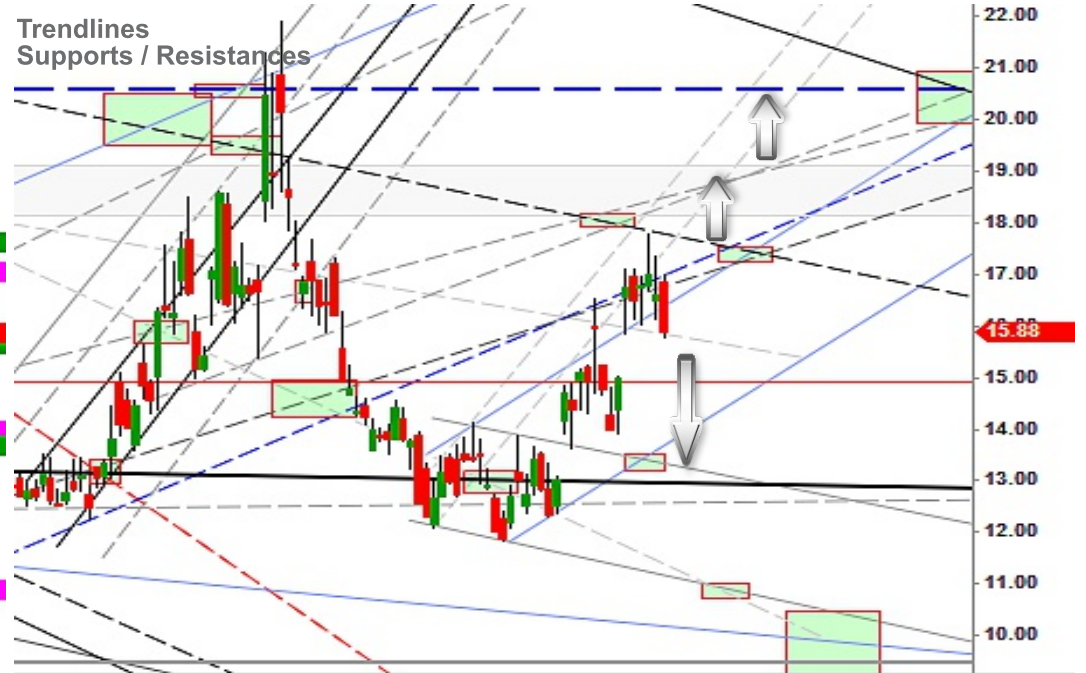
VIX DAILY



MATA DRIVERS\$



SUPPORT / RESISTANCE	grey zone	19.12	20.60 blue-dash s/r
SUPPORT / RESISTANCE	black-dash	17.75	19.12 grey s/r zone top
SUPPORT / RESISTANCE	grey-dash	15.77	12.95 solid black s/r

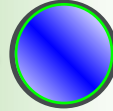


The daily bars show "islands" between the gaps: this is a potential reversal pattern. Sitting on the 13ma, a Fib level and trend s/r, these offer TC if the market pulls back. The W%R is falling from the -20 level and has just moved through a blue s/r zone. One more zone can be seen below the indicator and these offer aggressive TC's. The black-dashed trend s/r and grey zone above the market need to be moved through for any lift of significance to occur.

VIX 60 MIN



MATA DRIVERS



SUPPORT / RESISTANCE	grey zone	19.12	20.60 blue-dash s/r
SUPPORT / RESISTANCE	black-dash	17.75	19.12 grey s/r zone top
SUPPORT / RESISTANCE	grey-dash	15.77	14.91 solid red s/r
			12.95 solid black s/r

Bollinger Bands
Moving Averages
Fibonacci



Trendlines
Supports / Resistances



Still watching for the gaps to be filled, a break of the current grey-dashed support offers a TC if this starts to happen. The W%R is below the -80 level and indicates negative pressure on the market. Having almost lift back to the -80 level, a lift over or bounce off of, offer guidance for the next move (and an aggressive TC).



Gold has moved slightly lower since last update, increasing the size & "redness" of the current weekly bar. Unsure exactly how far the current consolidation / pullback will go, watching the technical triggers from several time frames can warn when the next wave/move is underway. The W%R is at the -20 level, continuing to indicate positive pressure. IF we are to see any pullback of significance from the market, the W%R needs to fall below the -20 level (TC).

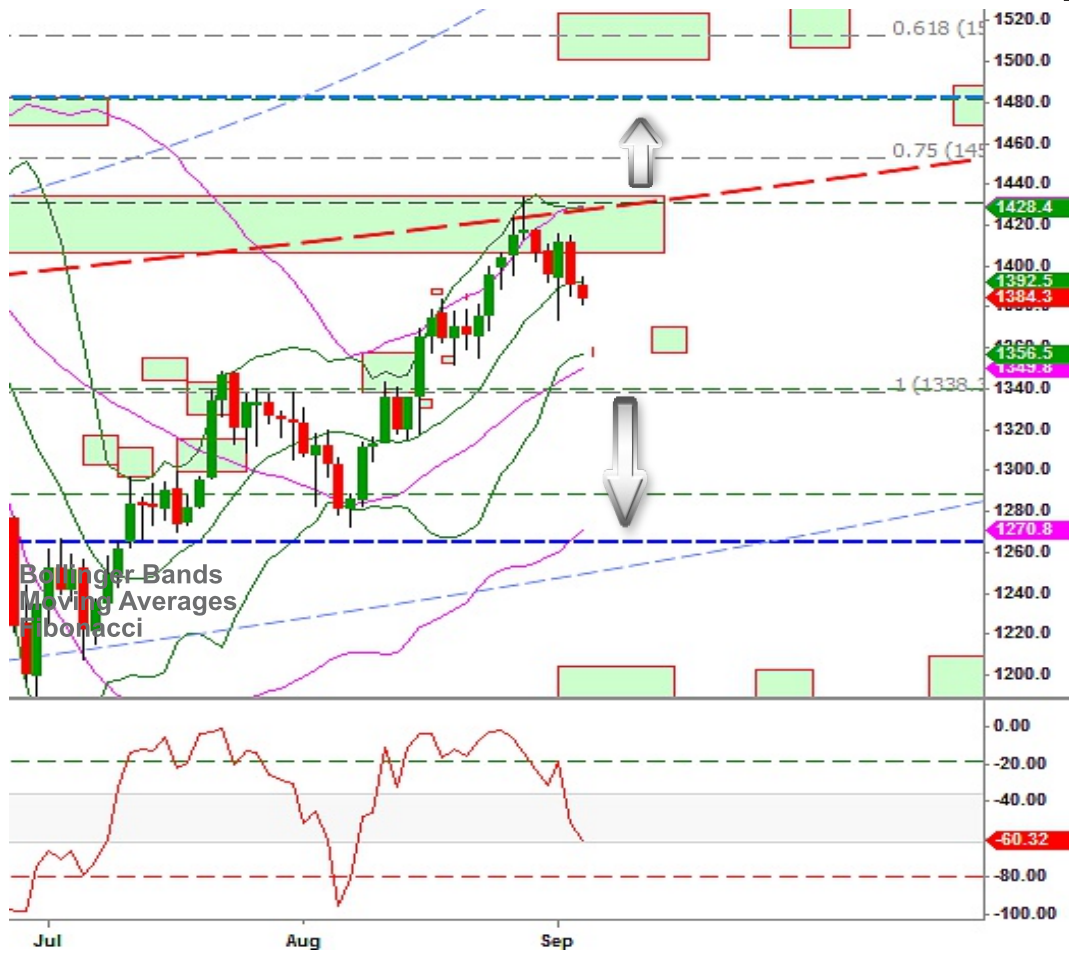
GOLD DAILY



MATA DRIVER\$



SUPPORT / RESISTANCE	solid red	1438.20	1471.00 next grey s/r zone
SUPPORT / RESISTANCE	grey-dash	1374.40	1346 channel support



The latest rise can be bound inside a channel. This gives us some targets to consider at the channels edges, as well as TC if they are broken. The 13ma looks to be broken and a move to the 34ma would then be expected. A grey trend s/r can be seen just below the market and this offers a TC if moved over. The W%R has dropped to the lower end of the grey s/r zone on the indicator – breaking through the zone offers a TC (down or up).

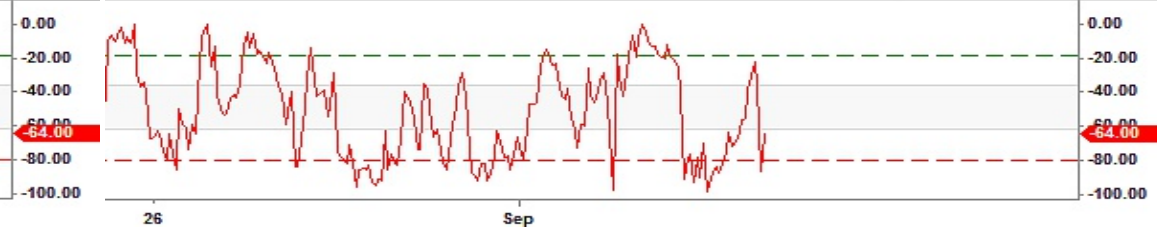
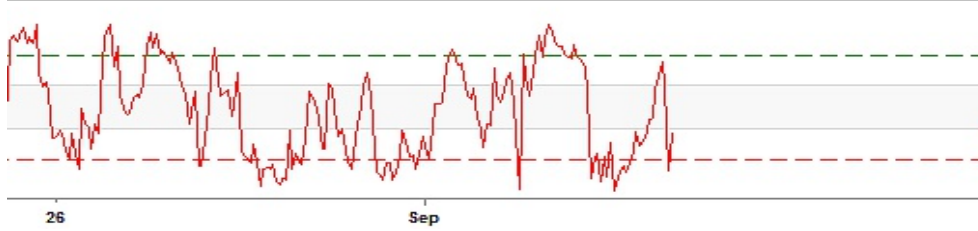
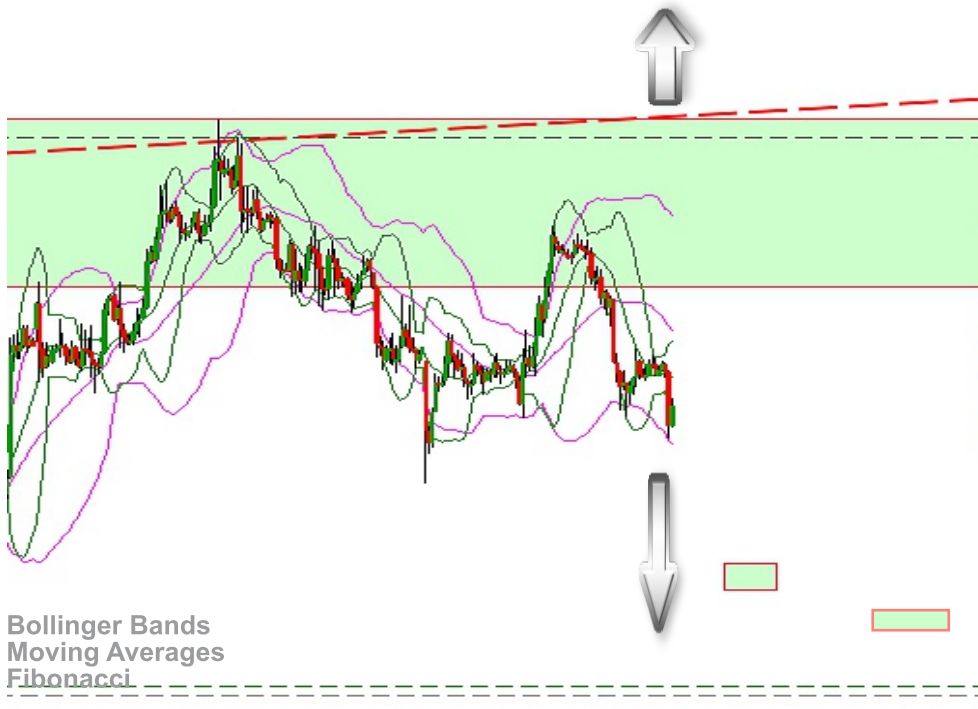
GOLD 60 MIN



MATA DRIVER\$



SUPPORT / RESISTANCE	solid red	1438.20	1471.00 next grey s/r zone
SUPPORT / RESISTANCE	channel	1410.20	1438.20 solid red
SUPPORT / RESISTANCE	grey-dash	1374.40	1346.00 channel support



Inside the rising black channel on the Daily chart, we can see a descending channel on the 60min. The market is currently dropping from the upper channel to the lower, with room left to go. The W%R is at the lower end – resistance from the grey s/r zone on the indicator could keep the market falling. While there are technical TC's that can be seen inside the channel, waiting for it to be broken, one way or the other, offers less risk.



Oil continues sideways. This has been going on now for a while, a break-out would be expected soon. The W%R pulled back a little and is now at the -20 level... anything above the grey s/r zone indicates a positive trend & pressure on the market. Blue dashed trend s/r's can be seen above the market and these represent previous highs. IF the current is broken, a move to the next is likely.

OIL DAILY



MATA DRIVERS



SUPPORT / RESISTANCE	solid black	110.80	114.37 blue channel s/r
FIBONACCI LEVEL	red	103.62	112.33 Fib circle
			102.30 solid black s/r



Oil has had a couple of spikes recently, one up and the other down. Note that both stop at a Fib circle. The W%R has pulled back in to the grey s/r zone: bouncing up out or dropping down through the zone offer TC's for the next move. The consolidation is bound by several s/r's and Fib studies and these also offer TC's.

OIL 60 MIN



MATA DRIVER\$



			114.37 blue channel s/r
SUPPORT / RESISTANCE	solid black	110.80	112.33 Fib circle
FIBONACCI LEVEL	red	103.62	102.30 solid black s/r



The W%R is lifted over the -20 level and indicates positive pressure. IF the market lifts, a grey dashed trend s/r marking previous highs offers a TC for a move to the solid black s/r. This too then becomes a TC if broken. A purple s/r below the market offers TC should Oil start to fall off.

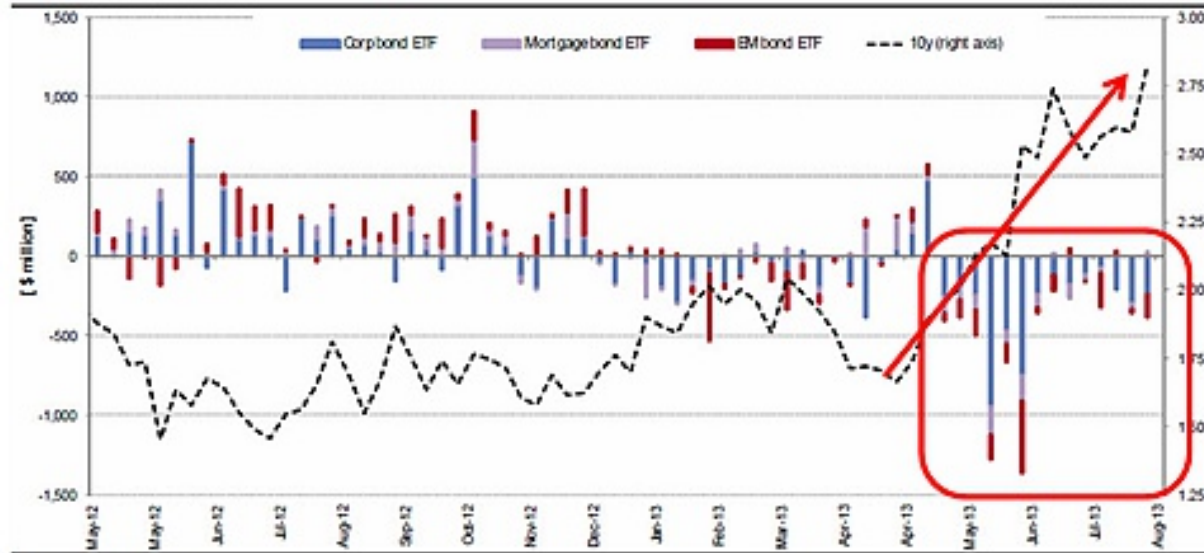
VOLATILITY - "Taper Talk" Gives Way to a "Taper Tantrum"

EVERYONE IS GETTING OUT OF "DODGE"!

GLOBAL DELEVERAGING OF RISK IS UNDERWAY

USA - Corporate Bonds, MBS

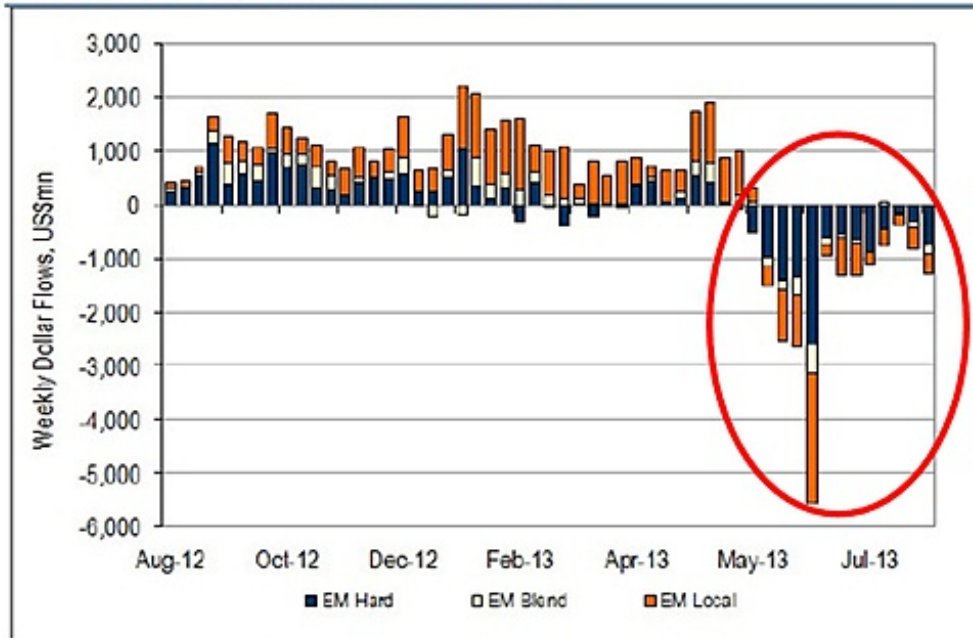
Figure 2: estimated flows of three popular fixed income ETFs; May 2012-present



Source: UBS, Bloomberg

EMERGING MARKETS

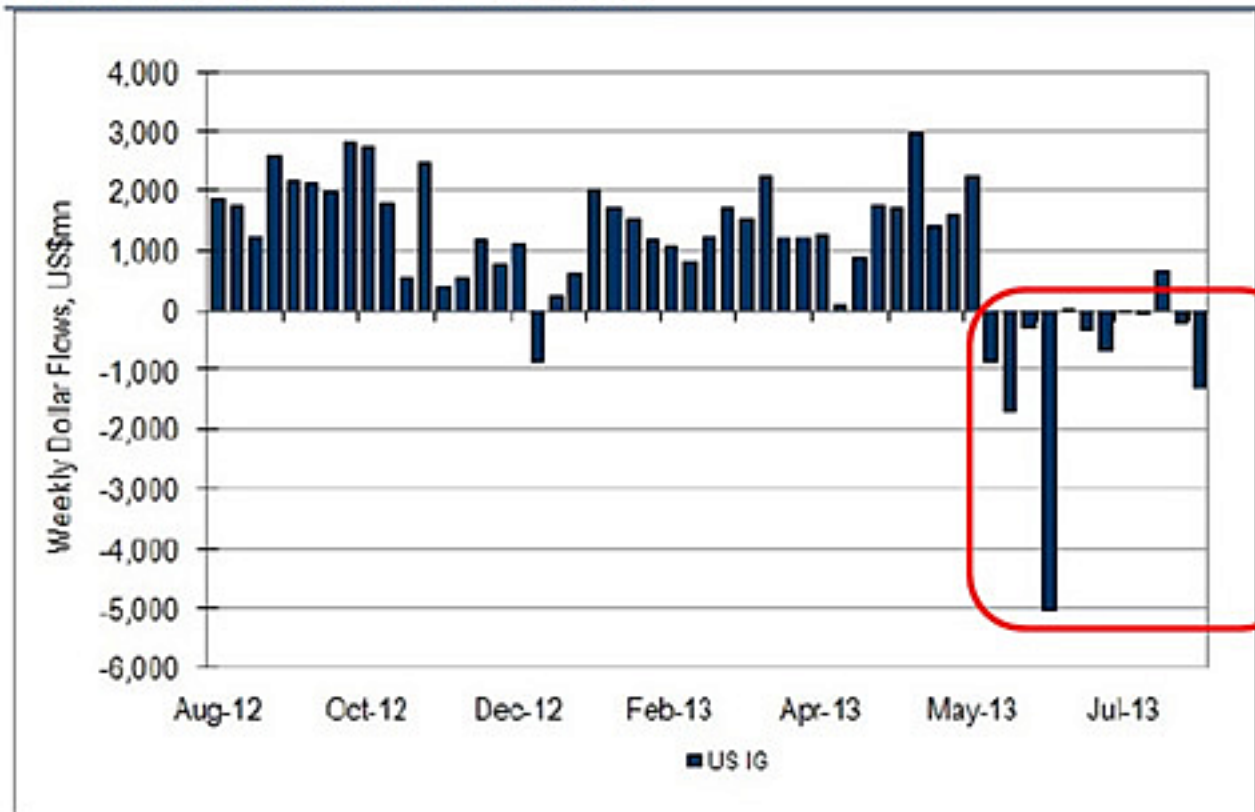
Exhibit 3: EM Bond Mutual Fund Flows



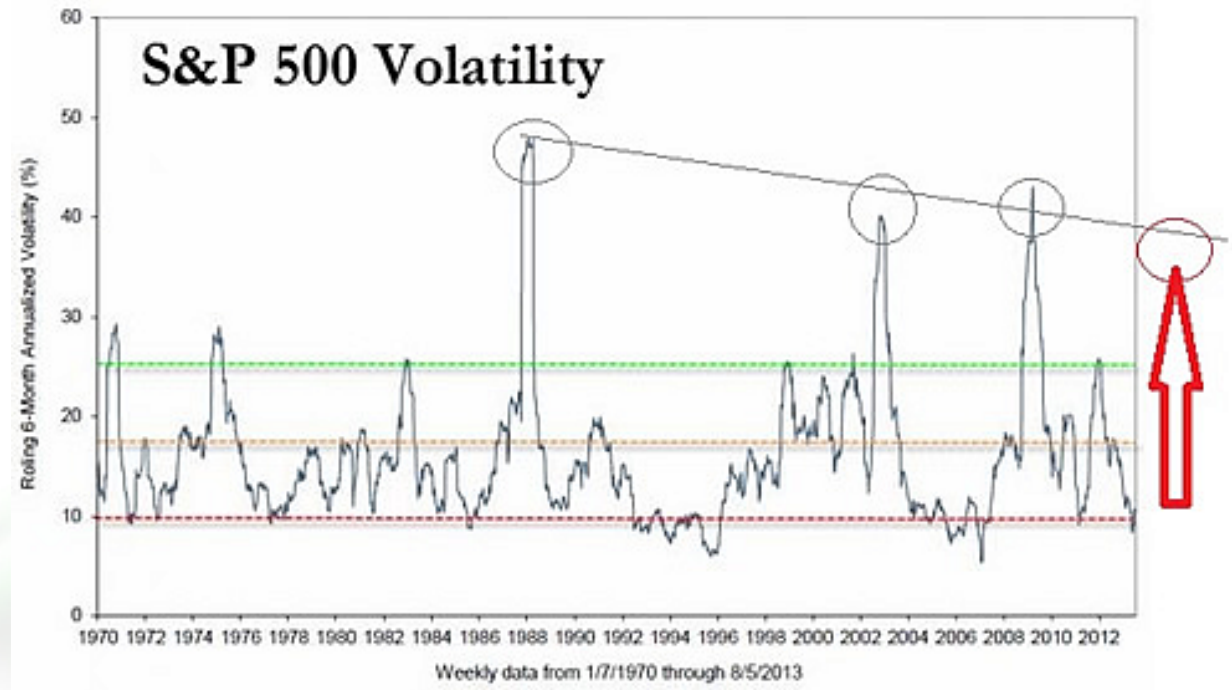
Source: BofA Merrill Lynch Global Research, EPFR

INVESTMENT GRADE (IG) BONDS

Exhibit 4: US IG Mutual Fund Flows

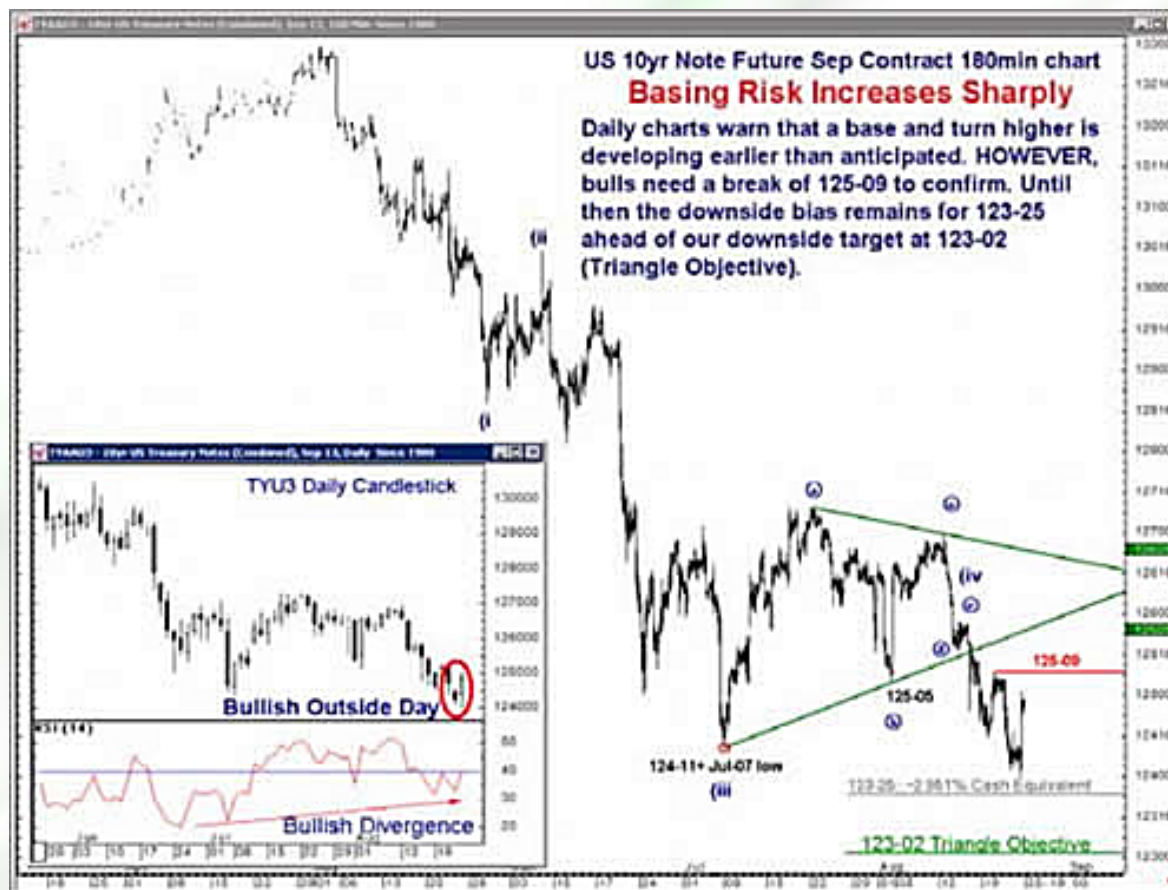


Source: BofA Merrill Lynch Global Research, EPFR



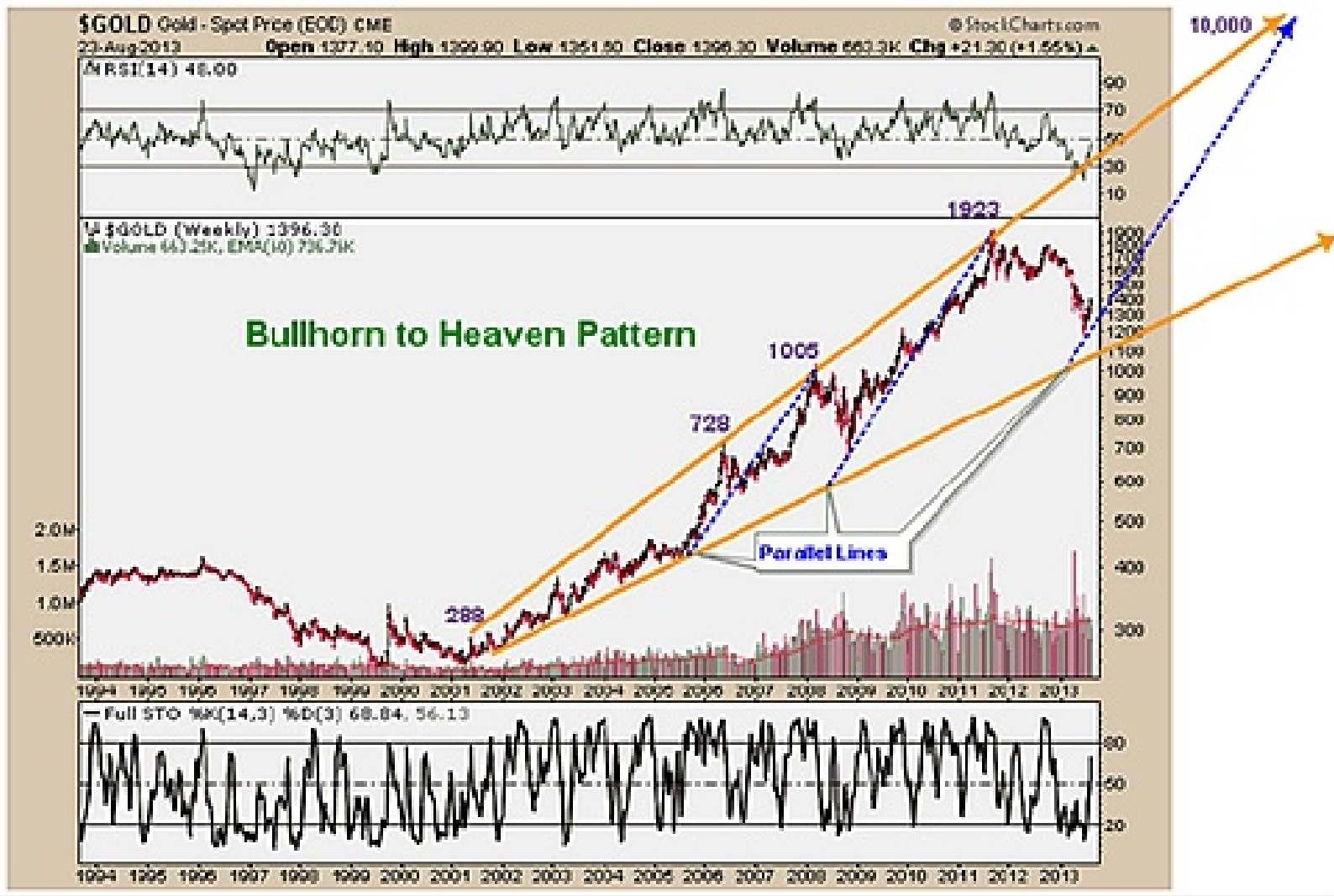
US 10yr Note futures at risk of a bullish turn

We have been and remain US Treasuries bears, targeting 3.045%/123-02 in 10s. However, evidence for a bullish turn in trend is RAPIDLY INCREASING. Specifically, the persistent Bullish Momentum Divergences and Friday Bullish Reversal Candles across much of the curve all warn of an earlier than anticipated turn in trend. For now we remain bearish, but a break of 2. 802%/125-09 in 10s would force us to change our view.



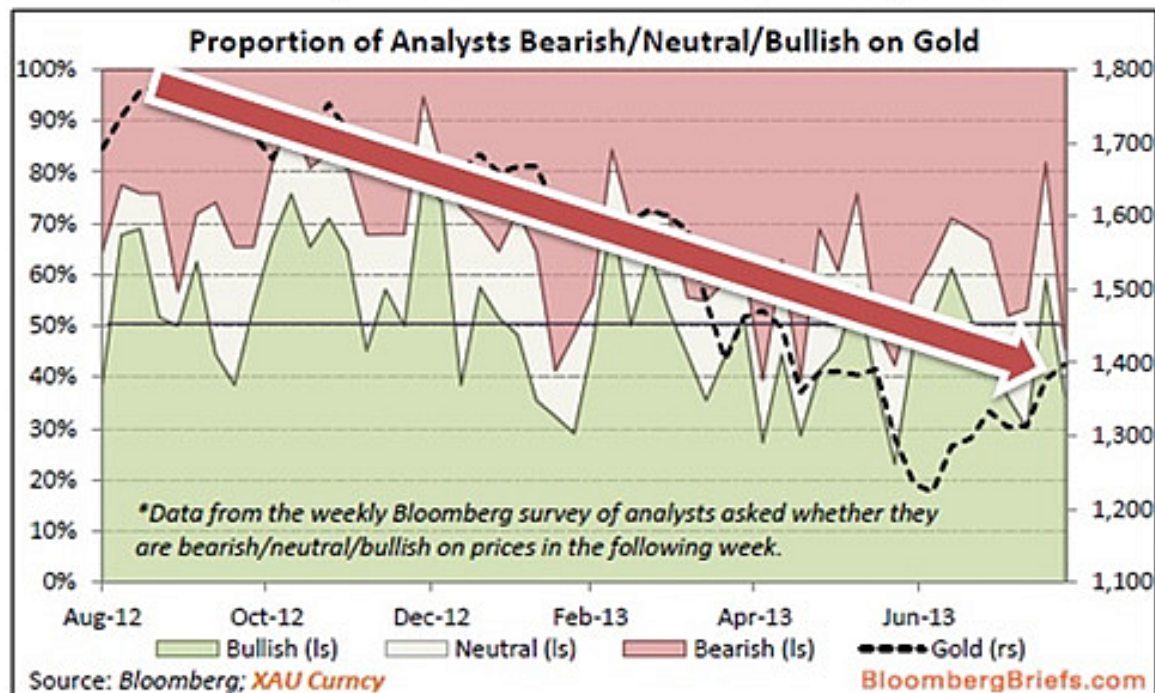
This chart courtesy of Peter Degraaf (Bob Cote Jr.) shows a 'bullhorn' pattern on a log scale for gold. The interesting aspect of his analysis is the discovery of those three blue parallel lines.

If these are as meaningful as he thinks, the gold bulls are in for an exciting ride.



CHANGING SENTIMENT
STRONG B EARISH SENTIMENT IS NORMALLY A BULLISH SIGN

Gold Prices Likely to Decline This Week, Survey Shows



Gold traders are the most bearish in nine weeks after Federal Reserve policy makers backed plans to taper stimulus if the U.S. economy strengthens. Twelve analysts surveyed by Bloomberg expect prices to fall this week, eight were bullish and two neutral. That's the highest proportion of bears since June 21, a week before prices reached a 34-month low. Looking further ahead, gold may drop to \$1,300 an ounce by the end of 2013 and \$1,288 by the end of 2014, according to the median of estimates collected by Bloomberg.

— Nipa Piboonanasawat, Bloomberg Brief

CASH COST OF GOLD NOW \$1104/OZ

There is a limit to the Gold Manipulation - The Cash Cost of Production

When mines go 'dark' because gold is below their production costs then Supply plummets and Prices must rise - NO?

Figure 1: Gold prices have tumbled towards marginal cash costs



Source: Company reports, Bloomberg, Barclays Research

UNDERSTANDING THE ANALYSIS

You will notice that 2 charts are given for the Daily and Hourly time frames. Each chart is identical but shows different technical studies. This is done so that the charts are easier to read and less cluttered. Both charts should be taken in to consideration. Targets given are located in the exact same position on each chart and you can see which tools are aligning across both perspectives.

1 Instrument / Market

2 Time Scale

3 Trend

General overall trend based on the technical analysis. Although a market may have had a few down days, it may still be in an up-trend - technical parameters determine direction, i.e. channel.

4 Driver

The market that is having the most influence on, and has a relationship with, the current market.

5 Trigger & HPTZ

Green and Red arrows divide the chart from top and bottom representing the TA above and below the current market. Triggers are the technical tools that need to be violated to reach the HPTZ location.

6 HPTZ

Green boxes are identified target locations. Red boxes are missed targets. Yellow boxes are targets hit. Box size is determined by (1) the time scale the target was placed on - weekly target viewed on hourly chart appears large (2) not all technical tools cross at an exact point but in a general area.

7 Arrows

The base of the arrow sits at a significant technical tool that is a trigger consideration. The arrow points to the next significant technical and is where the market should move to once the initial trigger at the base of the arrow is crossed. These identify the significant technical triggers and where the market is likely to move to once crossed.

8 W%R Indicator

Consistent indicator used with HPTZ and technical triggers. Aids in identifying trends and pivots.

9 Analysis

What occurred since last update; significant technicals, triggers and targets. Also: education & explanation of the TA and methods, using targets and technical triggers as the backbone of a personal trading strategy.

1
S&P 500

2
DAILY

3

4
MATA DRIVERS

\$USD

TRIGGER

HPTZ

5	SUPPORT / RESISTANCE	purple dashed	1,649.00	1,681.49 next purple s/r, circle
	FIBONACCI LEVEL	circle	1,645.78	1,663.84 pink Fib lvl
	SUPPORT / RESISTANCE	lt. red	1,608.00	1,560.00 red dash s/r, prev low
				1,514.67 red s/r



9

Still have questions? email goldenphi@triggers.ca

TRIGGER\$

Economic & Technical Analysis for the Active Trader
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Methodology Performance

as of Friday, March 1st, 2013

TRIGGER\$ Updates are part of a Trading Methodology that uses the identification of High Probability Target Zones (HPTZ).

These targets are derived from the assimilation of several Technical tools and methods.

Through the application of the tools to determine HPTZ, they also set up trigger considerations for potential entry and exit placement.

Our Updates give the HPTZ that we have found as well as the most obvious technical triggers that have set up. There are usually several trigger considerations for each HPTZ and the traders own risk tolerances and trading strategy must decide for themselves which are appropriate. As noted in our disclaimer, this is not a trade advisory service. The updates outline and use a methodology *that can be used as the base for an individuals personal trading strategy.*

The trading methodology entails identifying the HPTZ **both above and below** the current market position. While we generally have a bias on market direction, we are not infallible. Identifying the HPTZ on either side of the market, and using the technical tools as trigger considerations, the trader eliminates all bias and psychological pitfalls and trades what the market actually does, as opposed to what is believed to potentially occur.

This sets up a purely technical trading system. Regardless of market

direction, the trader has a plan and method for successfully navigating the market.

You will note throughout the updates we post that the Methodology remains constant. That is, it does not change, shift or modify depending on market conditions. **Regardless of trending or non-trending markets, the methodology is applicable in all situations.**

While the methodology has been in development for several years, it is only recently that we have started to keep a track record of its progress. Through the publication of these updates, we have a real-time record of the success or failure of the method and identification of HPTZ, or a proof of concept. In July of 2012 we expanded our updates to include several markets and it is from this point that we have started collecting data from our methodology. For the moment, the sampling size is admittedly small. However it grows monthly and should soon enough begin to establish an acceptable statistic.

As we locate HPTZ on either side of the market, only those that are activated are included in the calculations. HPTZ are activated when the market makes a move in that direction (i.e. new wave), exceeding the current market boundaries (i.e. channels, pattern s/r's etc.). HPTZ identify targets for the next wave. If the next wave becomes apparent and moves outside current boundaries but does not make it to the HPTZ, then it is a miss.

Hits on price level, but misses at the exact location (time) are only counted as a hit if the call could reasonably be considered "close". That the market at some point reaches the price level is not enough to be considered as a hit – the p/t must "just miss" the time target to be counted as a hit on price but miss on time.

July 2012–Mar 1st 2013 HPTZ Forecast	Totals / %
Multiple Markets Combined Totals	All Markets
Total # of HPTZ\$ Forecasted	391
# Targets Hit: Both Price & Time*	332
# Targets Hit: Price Level Only*	26
TOTAL # ALL TARGETS HIT**	358
# Targets Missed	33
Hit% : Both Price & Time Only*	85%
HIT%: ALL TARGETS HIT**	92%

July 2012–Mar 1st 2013 HPTZ Forecast	SPX	USD	EUR/JPY	EUR/USD	VIX	GOLD	OIL
Total # of HPTZ\$ Forecasted	46	76	76	67	38	48	40
# Targets Hit: Both Price & Time*	39	64	61	58	34	40	36
# Targets Hit: Price Level Only*	1	5	9	4	2	4	1
Total # All Targets Hit**	40	69	70	62	36	44	37
# Targets Missed	6	7	6	5	2	4	3

* **Both Price & Time:** exact location for both price & time was achieved

* **Price Level Only:** price level was reached, but occurred outside of specified time frame. Only those price levels reached where the time element could be reasonable counted as "close" count as a Hit.

** **Total Combined** number of the Price & Time Targets Hit and the Price Level Only Targets Hit.