



SG Capital Research

Global Market Insights

Research Note – Currency Analysis (B)

MAEG- CURRENCY ANALYSIS- PEC- SG 2011 # MAR 22

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Currency Analysis (B)

- DXY
- EUR/USD
- GBP/USD
- JPY/USD
- AUD/USD
- CHF /USD
- Daily Trend Adjusted Strategy - 3x3 / 9EMA – **DOW, SPX**
- Attached, the Chart list & specific Charts (below). *We have picked up charts that has some distinct characteristics and values as the pattern gets completed based on our assessment:*
- Selected Currency have up to (5) Analytic Charts as Titled below
 1. Weekly – 3 Year with **11 W / 40 W SMA** with RSI, CCI, MACD
 2. Daily – 3 Year with **11D / 55D SMA** with RSI, CCI, MACD
 3. POM Analysis
 4. PEC Analysis.
 5. Sentiments (if Extreme character)
 6. Standard Deviation charts (LT / ST)
 7. PPP Reversion & Standard Deviation Analysis – Long Term
- Charts 3,4,5 (above) articulates special situation coverage for that specific CURRENCY highlighted in the list below
- Appendix - History of past POM, PEC Signals & Key Criteria

• Daily SPX - “ Trend Adjusted Signal” – Flat @ 1324

3x3 /9EMA – Momentum Break Indicator –

Next Signal – Buy SPX above 1307 on close

• Objective

Focus is on the short term and Intermediate term turning points of the Currencies via Integrated Methodologies of POM's and PEC's overlay. It utilizes multiple input signal from PEC derived with ABCD Price projections, where D price point to be validated via Price Oscillation Model (POM) . POM's price & Quality volumes (PQV) , patterns conclusions is derived to overlay POM /PEC gives a Confluence Price Zone “ around D Zone” (within +/- 1.5% variation). This is ACTIONABLE ZONE, on scaled in entry with stops if required on other side of confluence) with margin for volatility & Risk tolerance. This is supplementary Analytics to add value to RA/ RI Framework for Risk Management.

• Currency – “ Signals & Projections”

. Current Signals (stated below) & Projections to be advised when trend begins

(In Some Charts, there may be possibility of 1- 2 days of delayed chart data due to accommodation of processing and preparation time in 1-2 days prior)

DXY - Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)

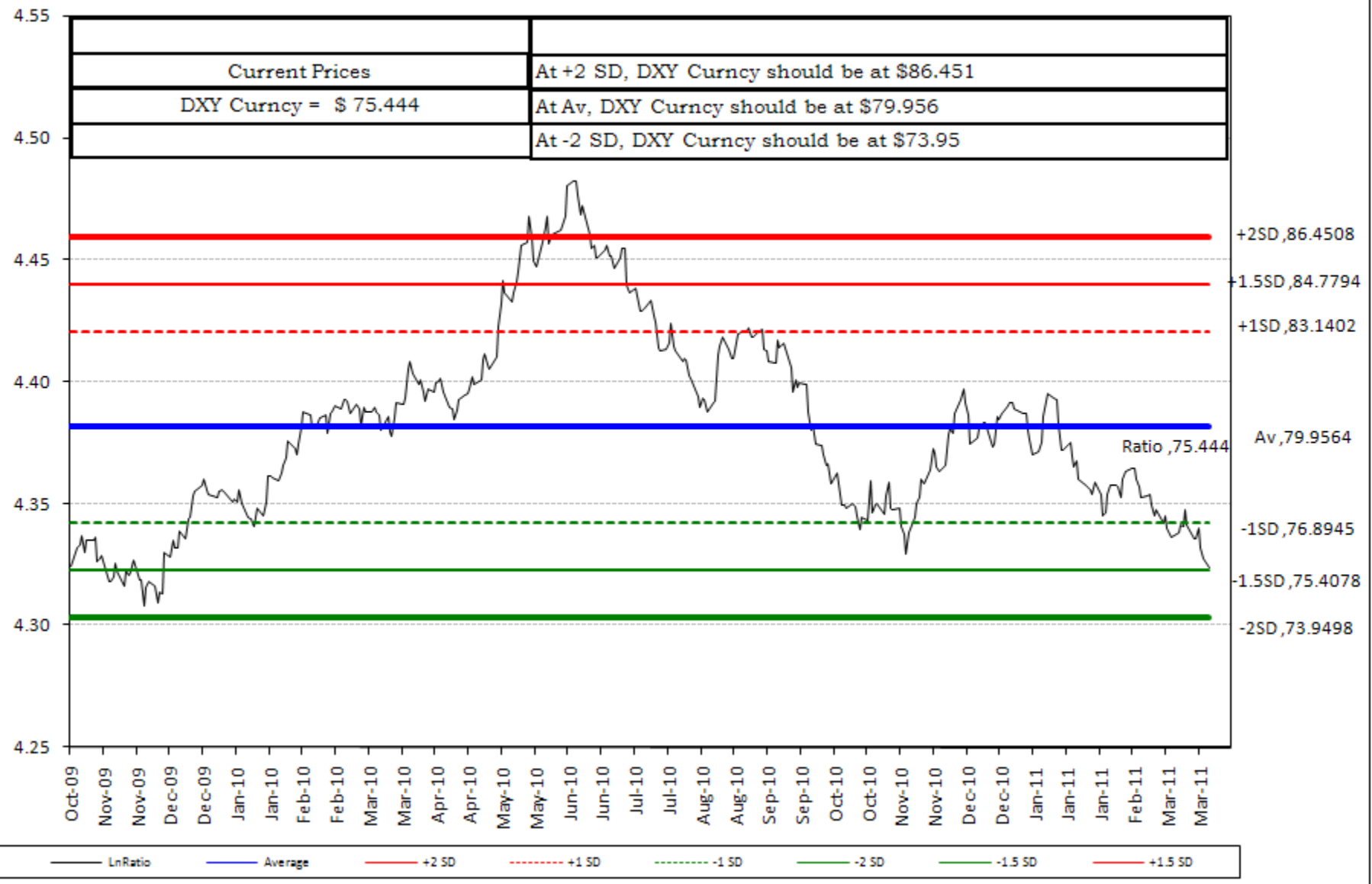


1- DXY - Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

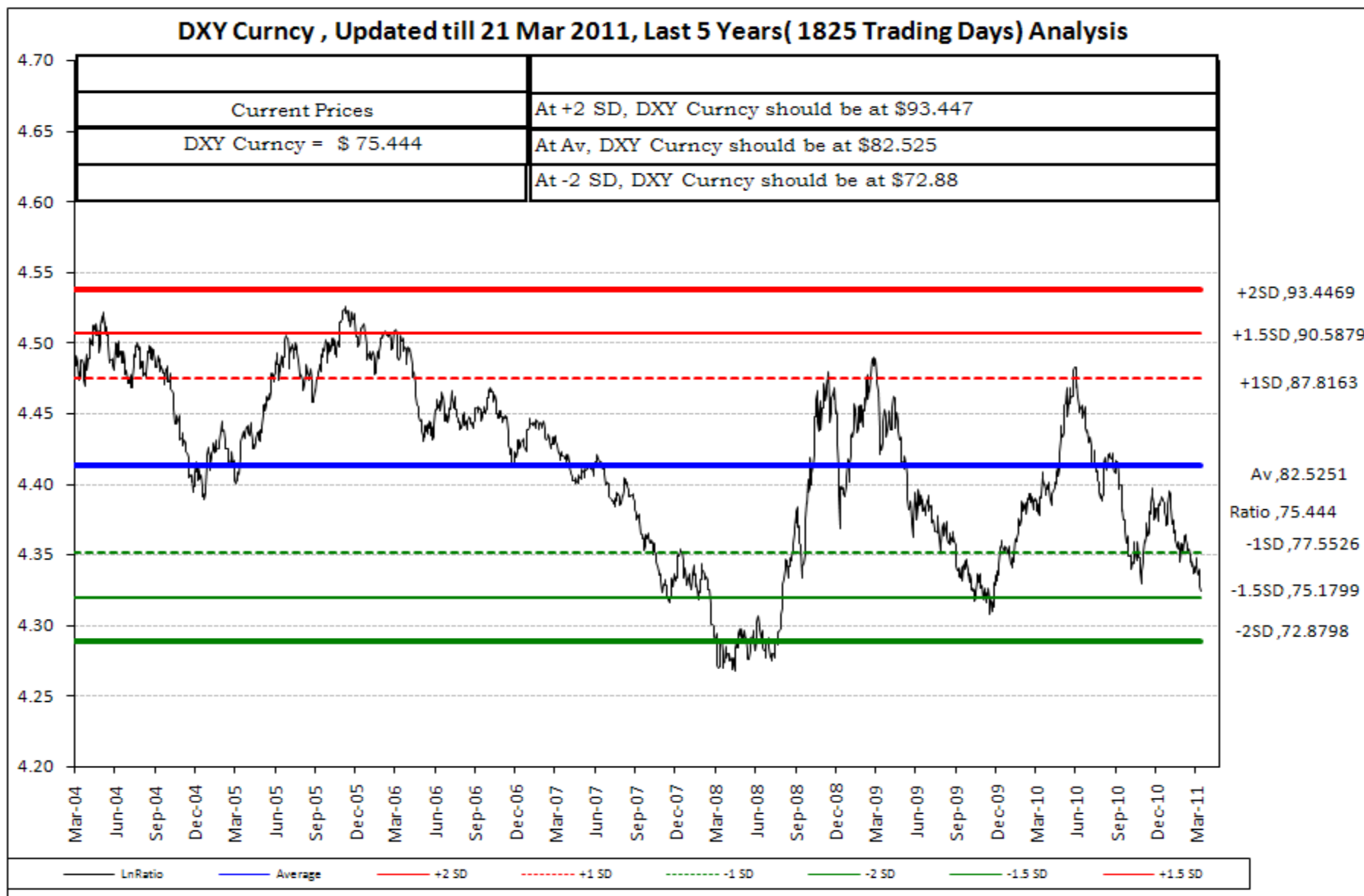


DXY Last 365 Analysis

DXY Curncy , Updated till 21 Mar 2011



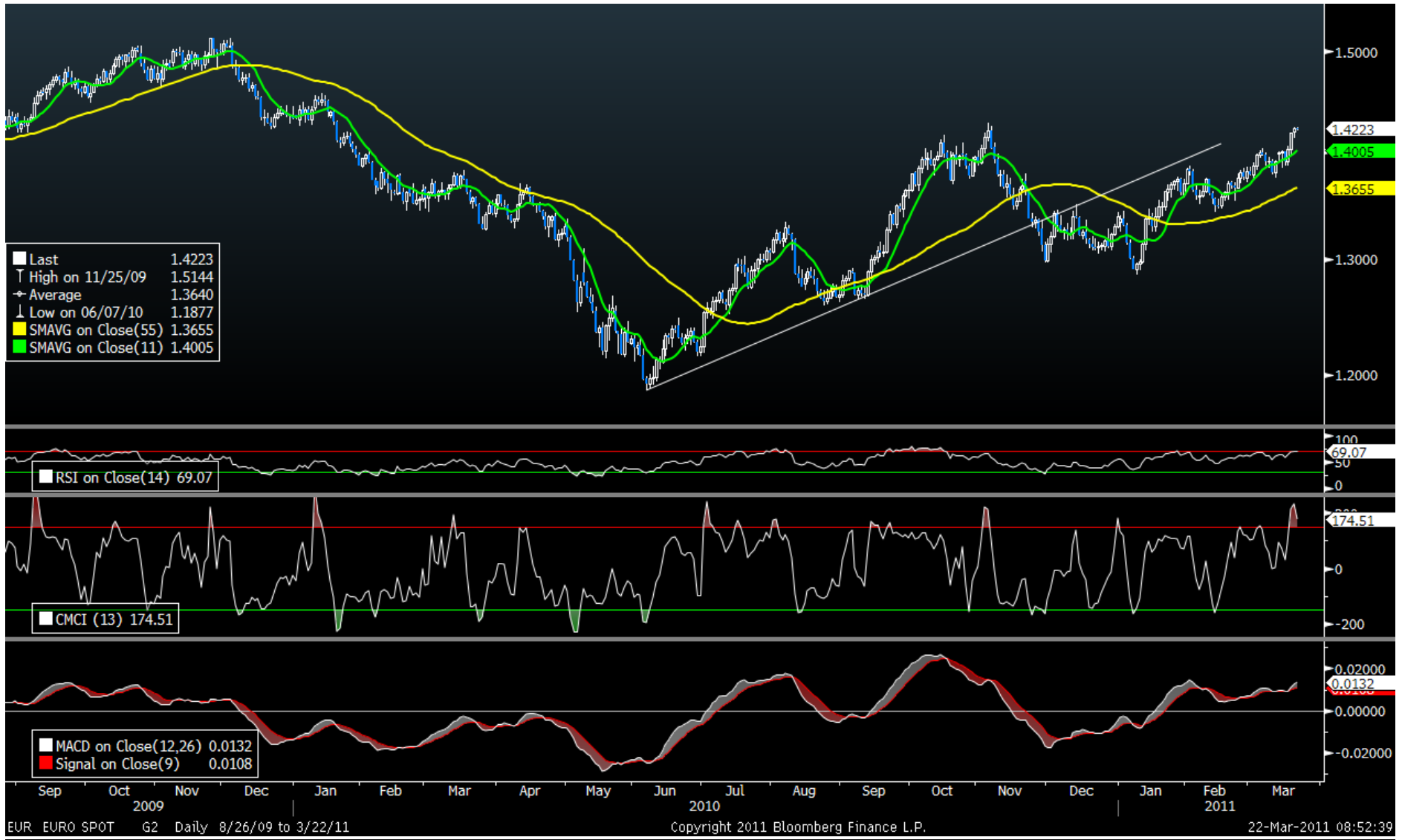
DXY Last 5 yrs Analysis



1- EURO / USD - Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)

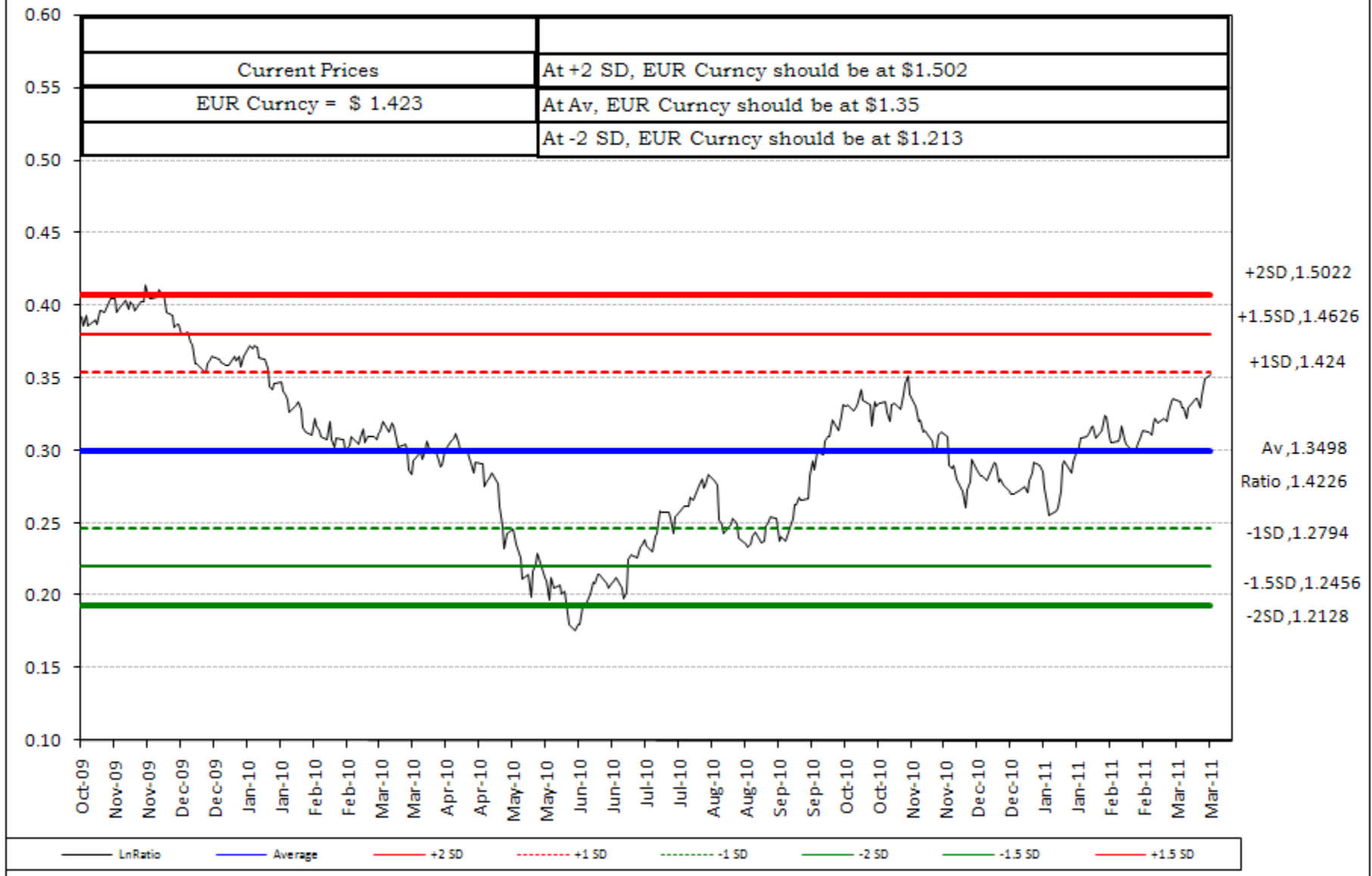


EURO / USD - Daily - 3 Year with RSI, CCI, MACD (11D / 55D SMA)

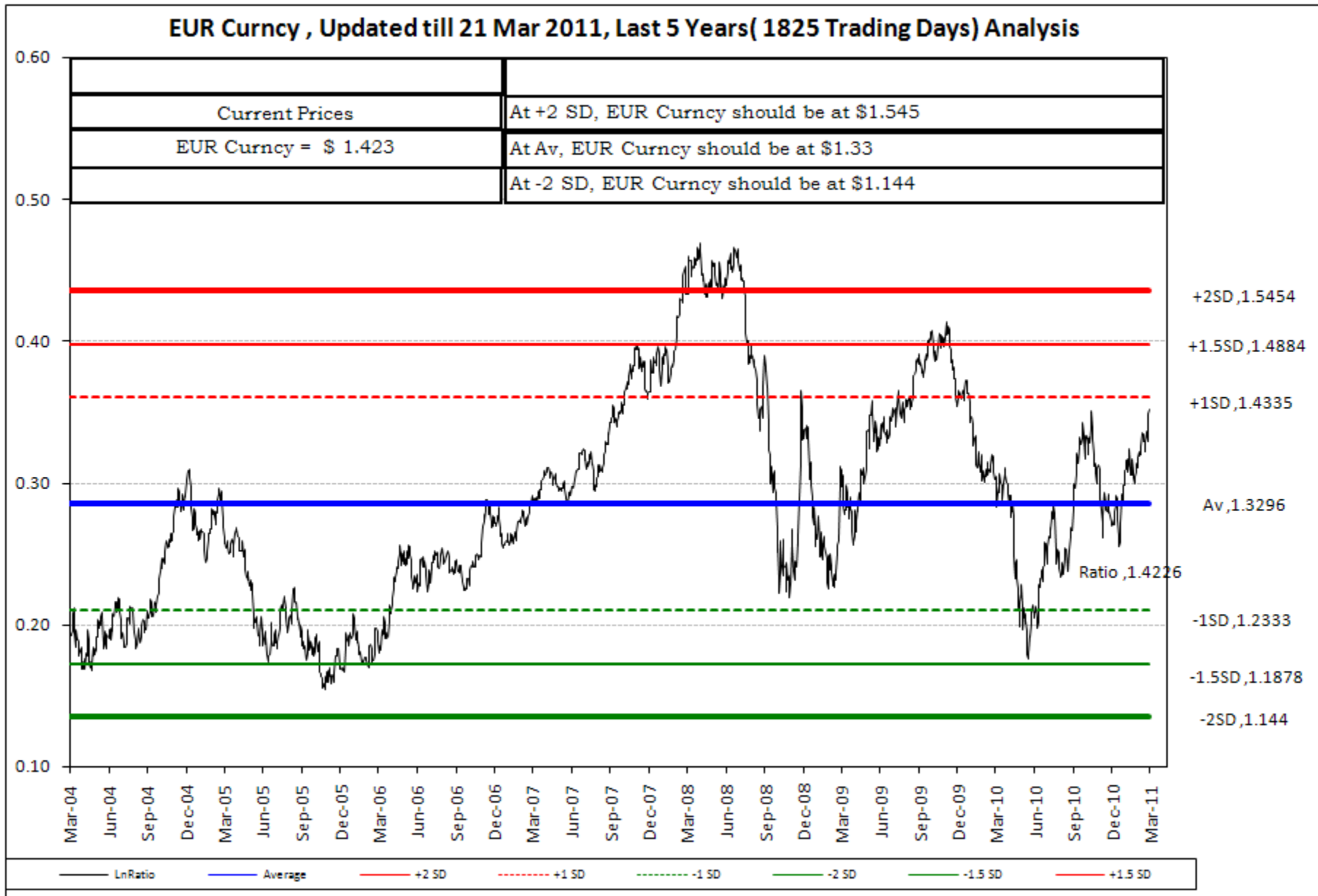


EUR Last 365 Analysis

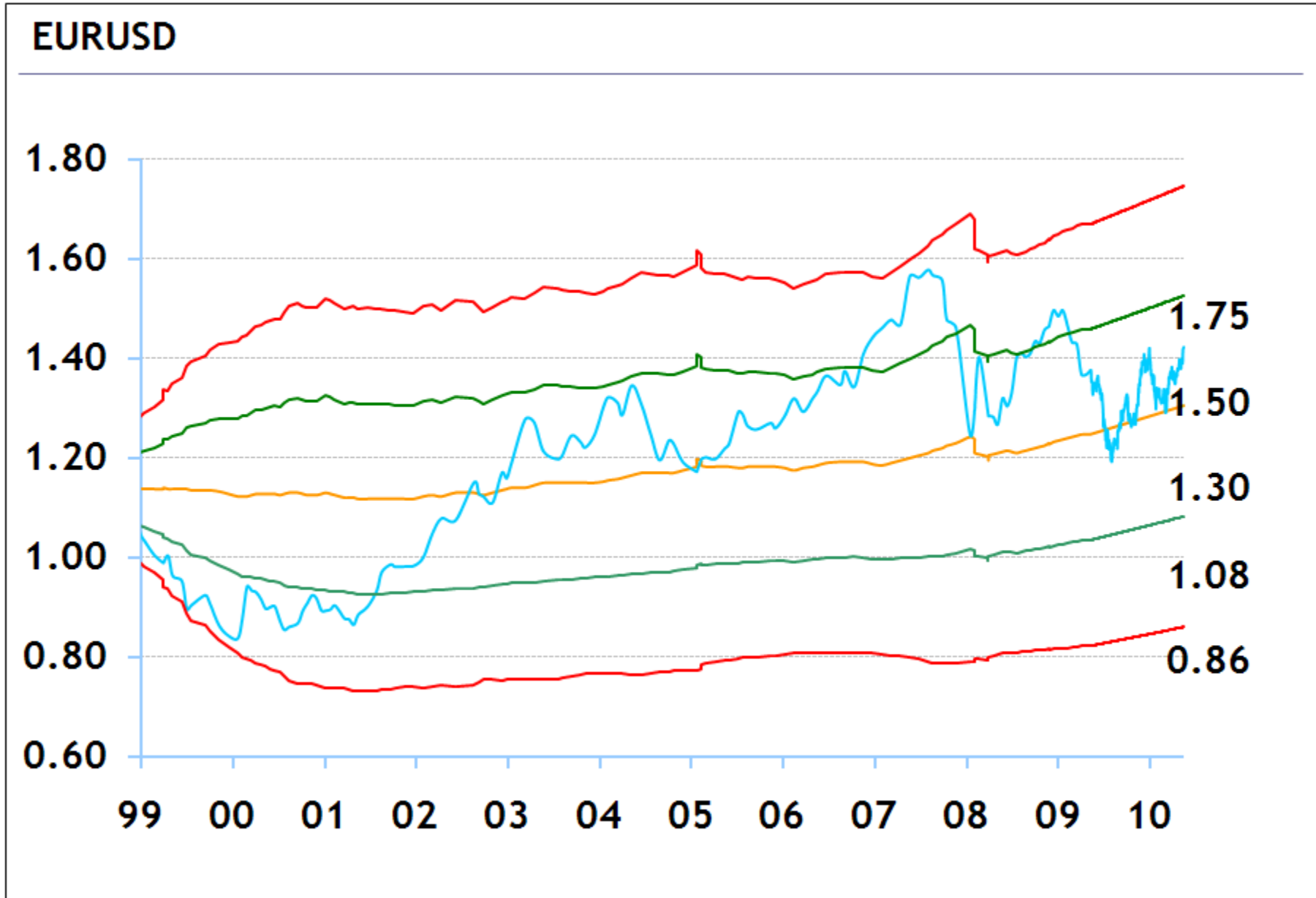
EUR Curncy , Updated till 21 Mar 2011



EUR Last 5 yrs Analysis



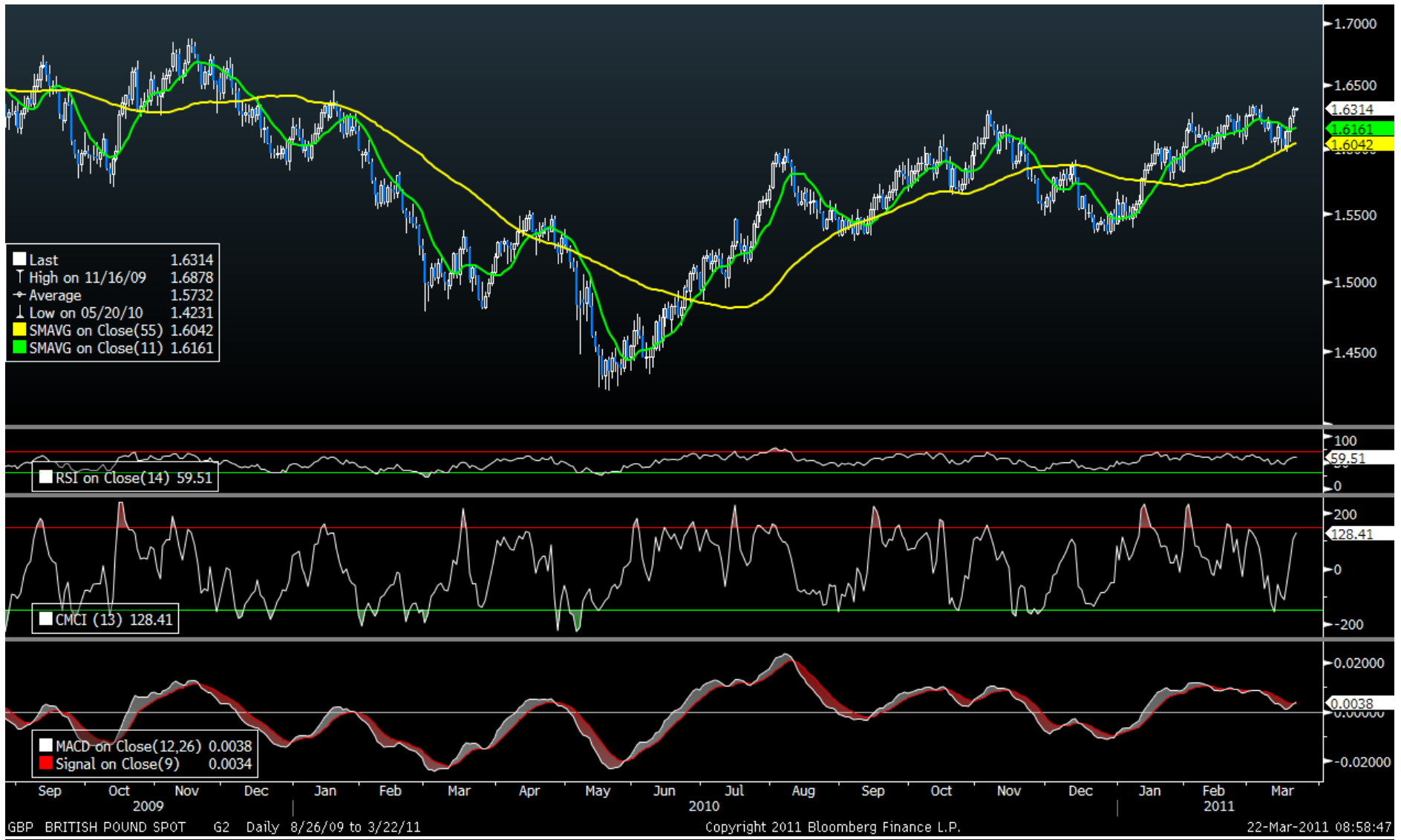
4 - EURO / USD – PPP Reversion & Standard Deviation Analysis – Long Term



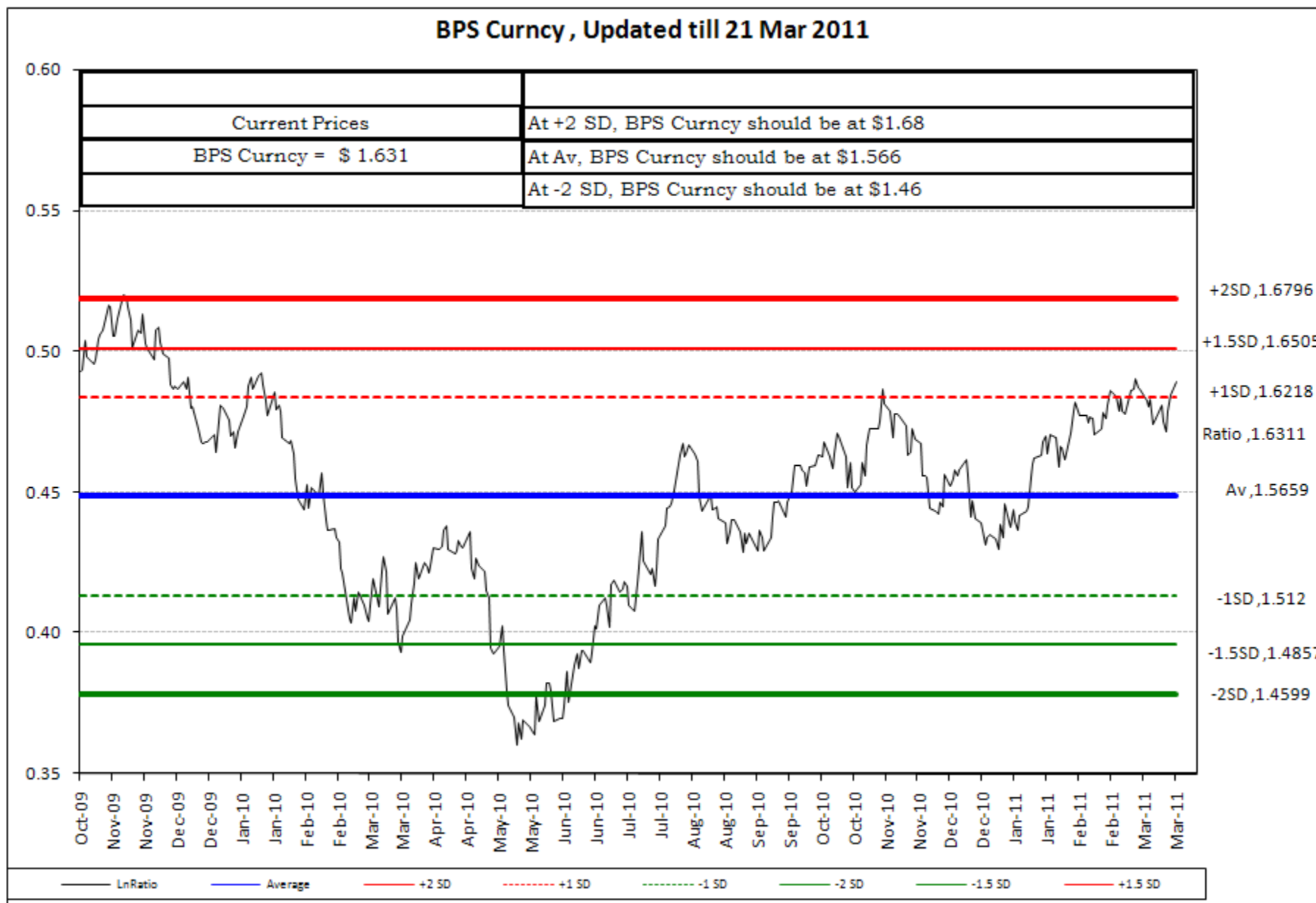
1- GBP / USD - Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



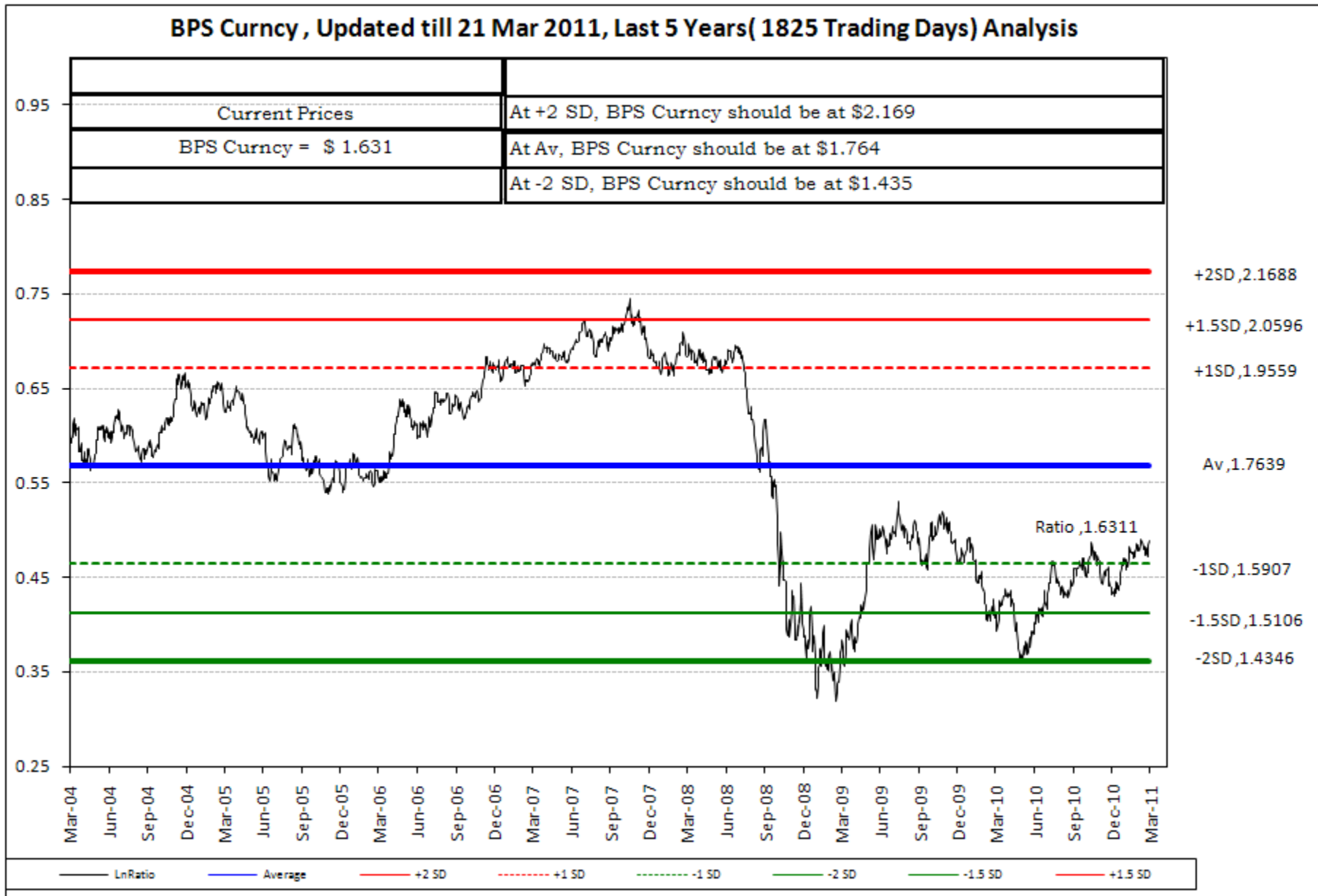
GBP / USD - Daily - 3 Year with RSI, CCI, MACD (11D / 55D SMA)



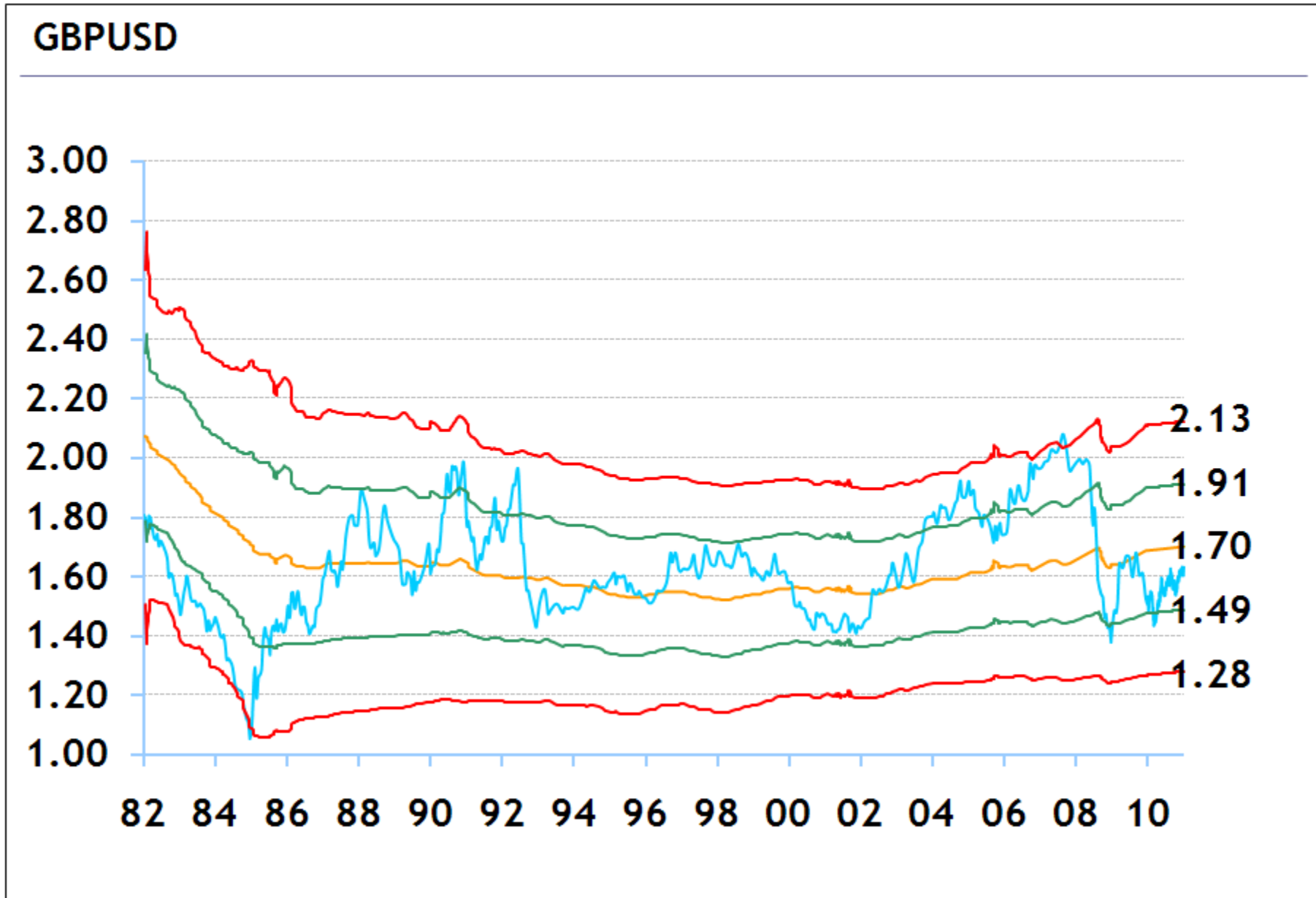
BPS Last 365 Analysis



BPS Last 5 yrs Analysis



4 - GBP / USD – PPP Reversion & Standard Deviation Analysis – Long Term



1- JPY / USD - Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)

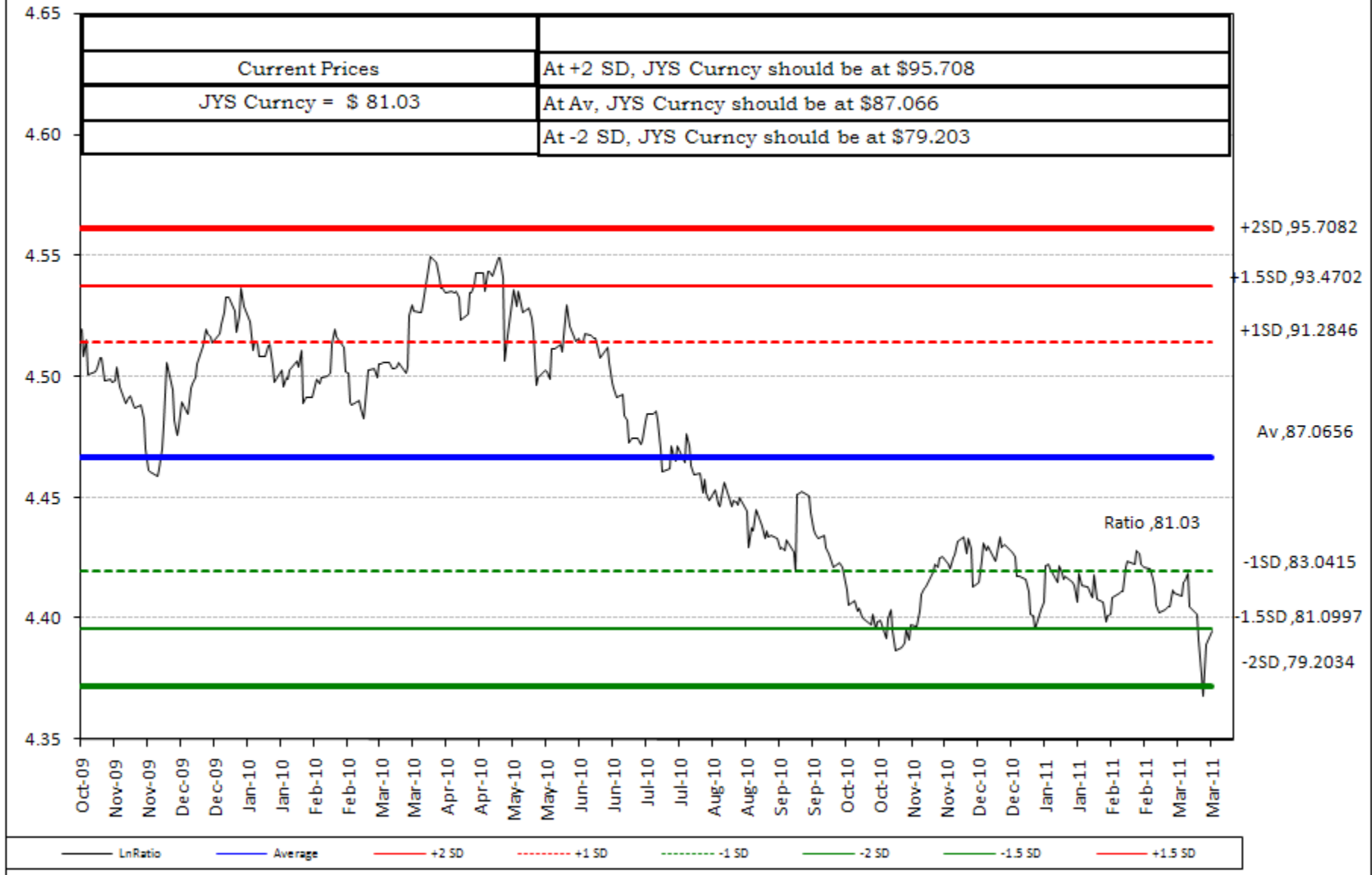


2- JPY / USD - Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

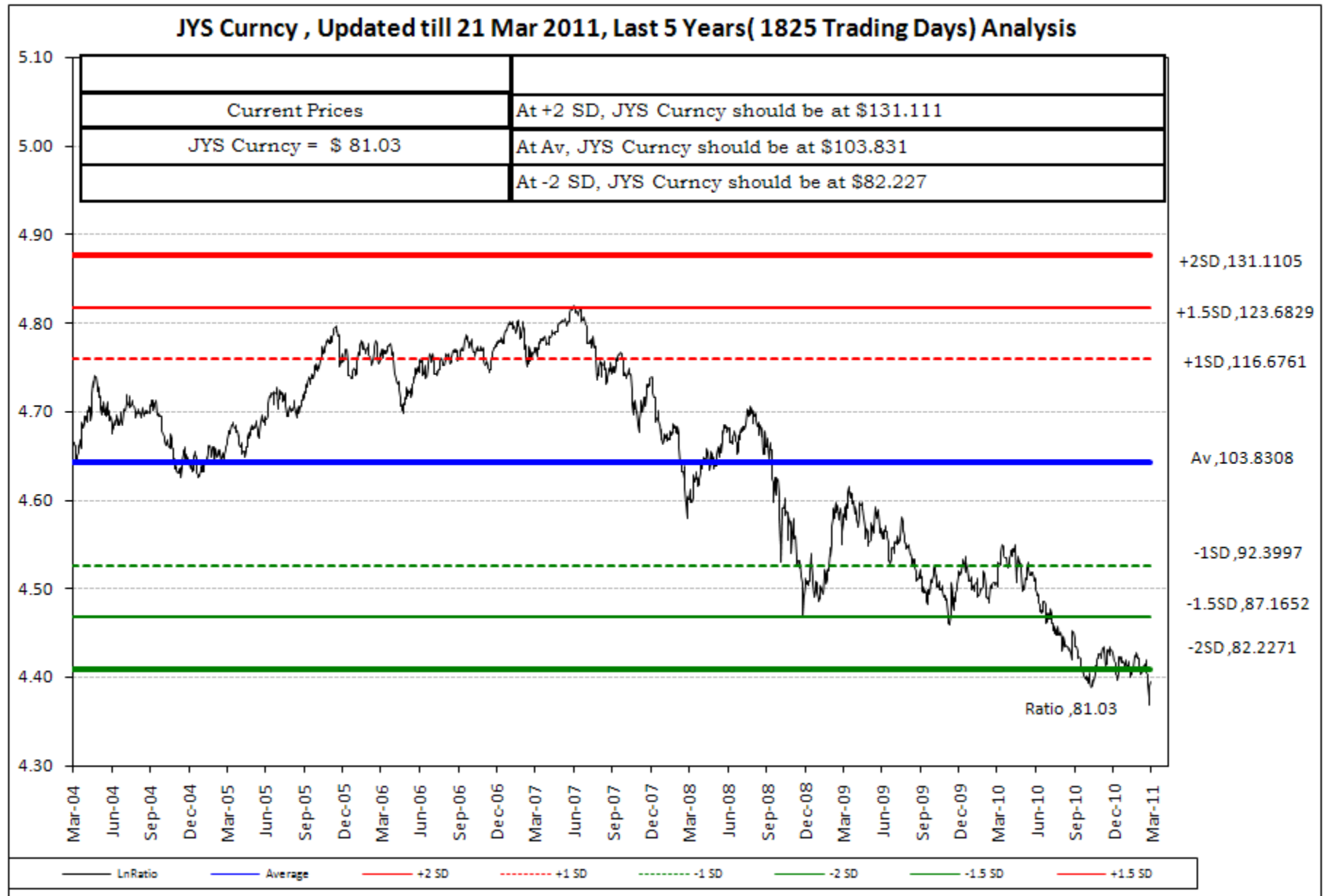


JYS Last 365 Analysis

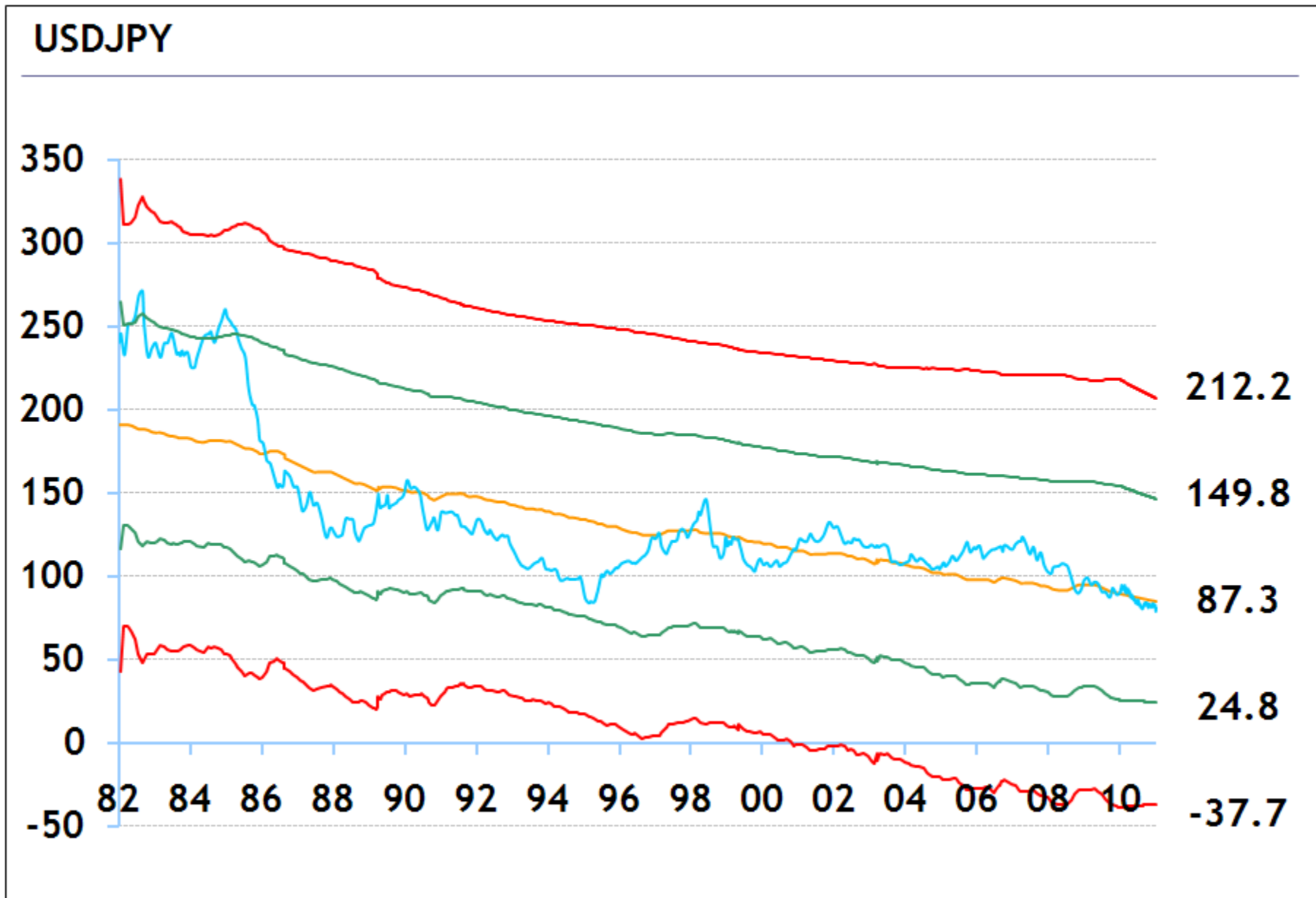
JYS Curncy , Updated till 21 Mar 2011



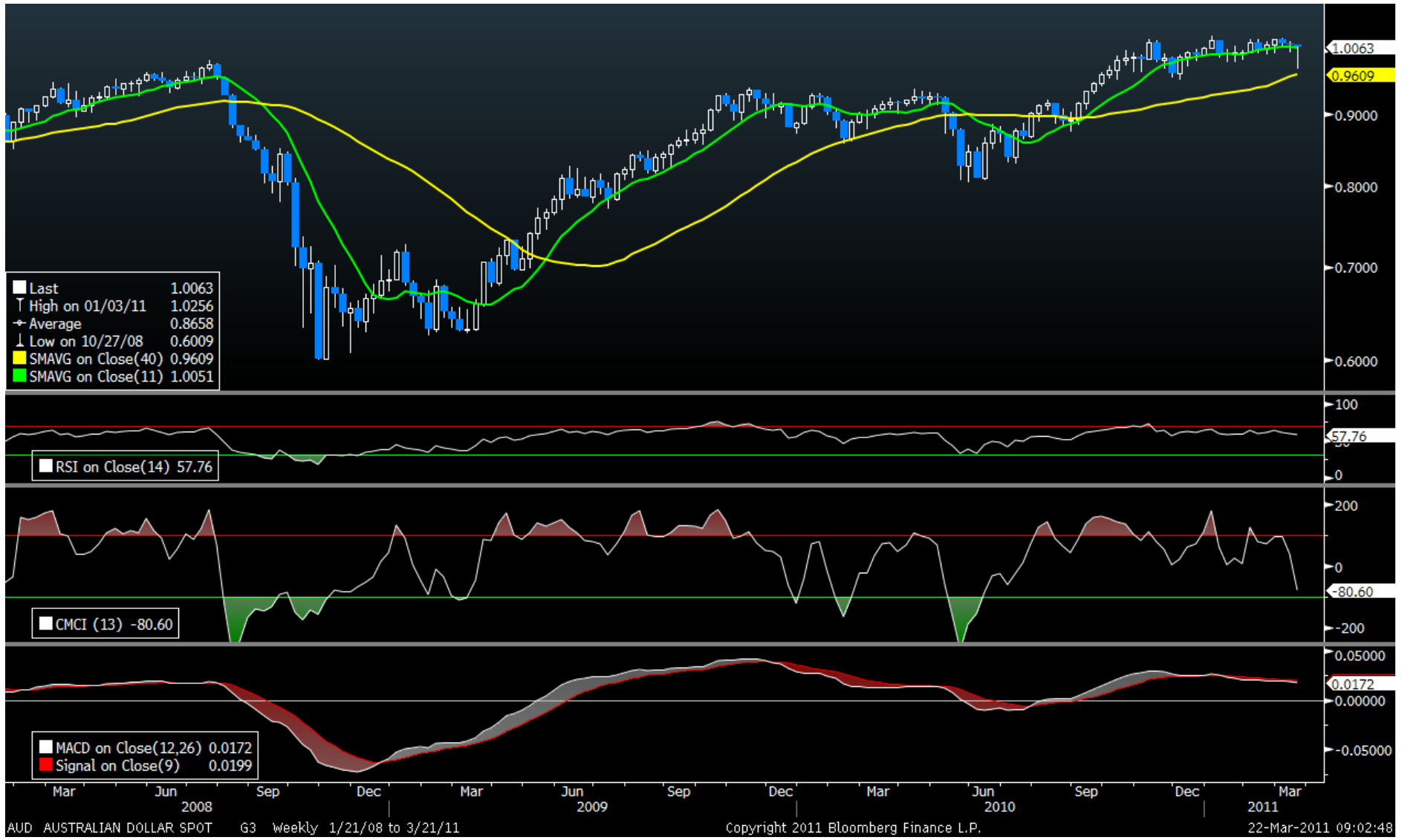
JYS Last 5 yrs Analysis



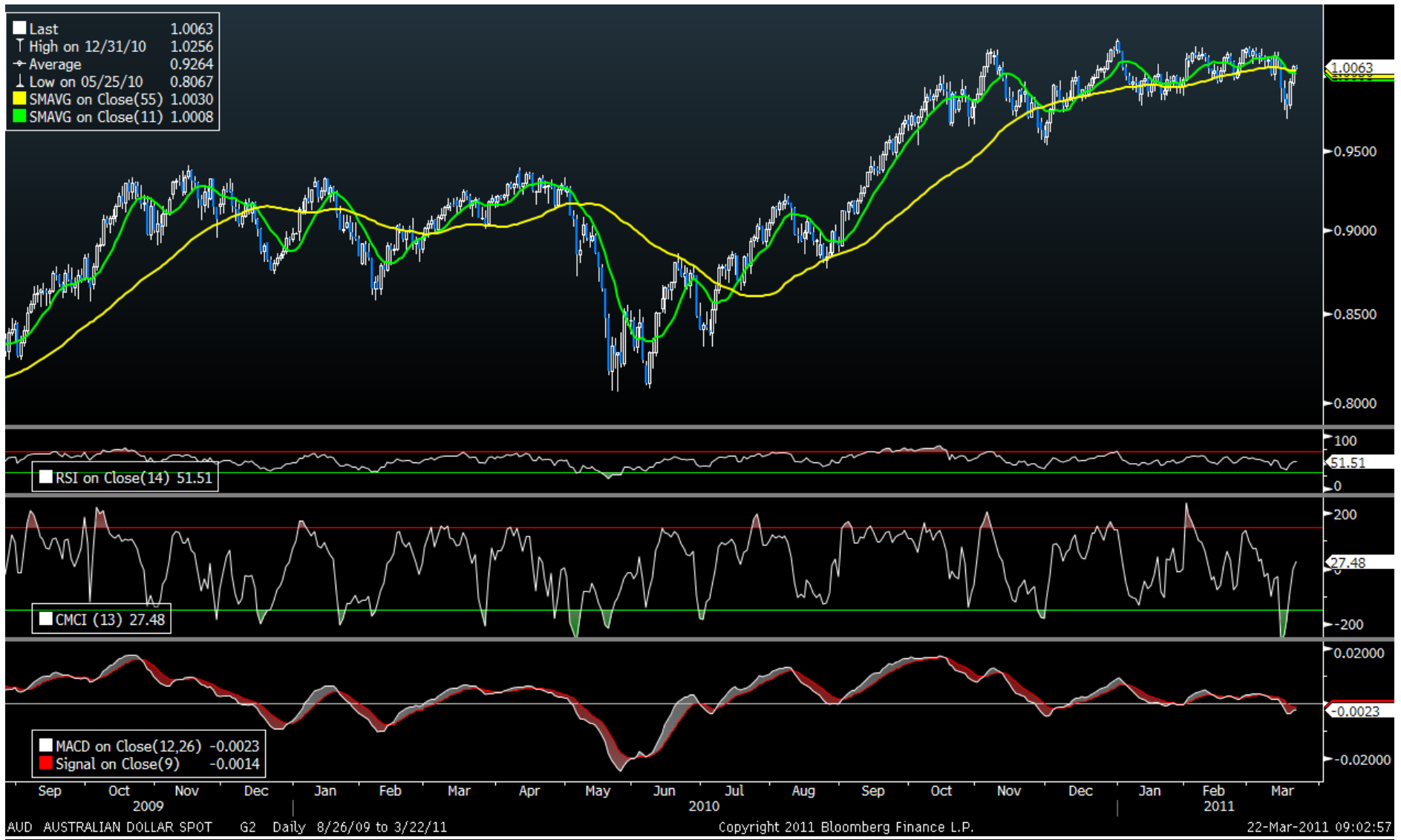
4 - JPY / USD – PPP Reversion & Standard Deviation Analysis – Long Term



1- AUD / USD - Weekly – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)

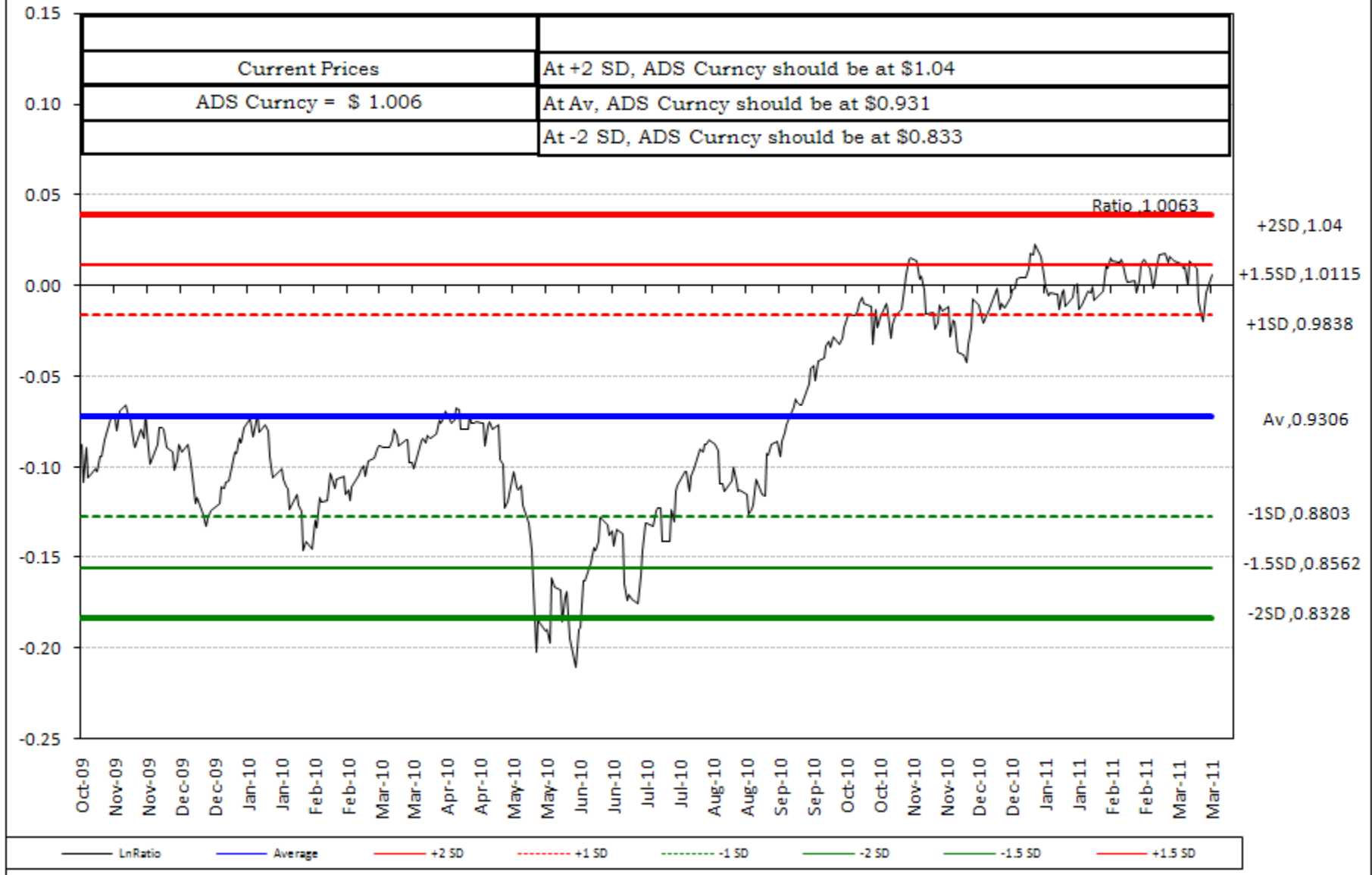


AUD / USD - Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

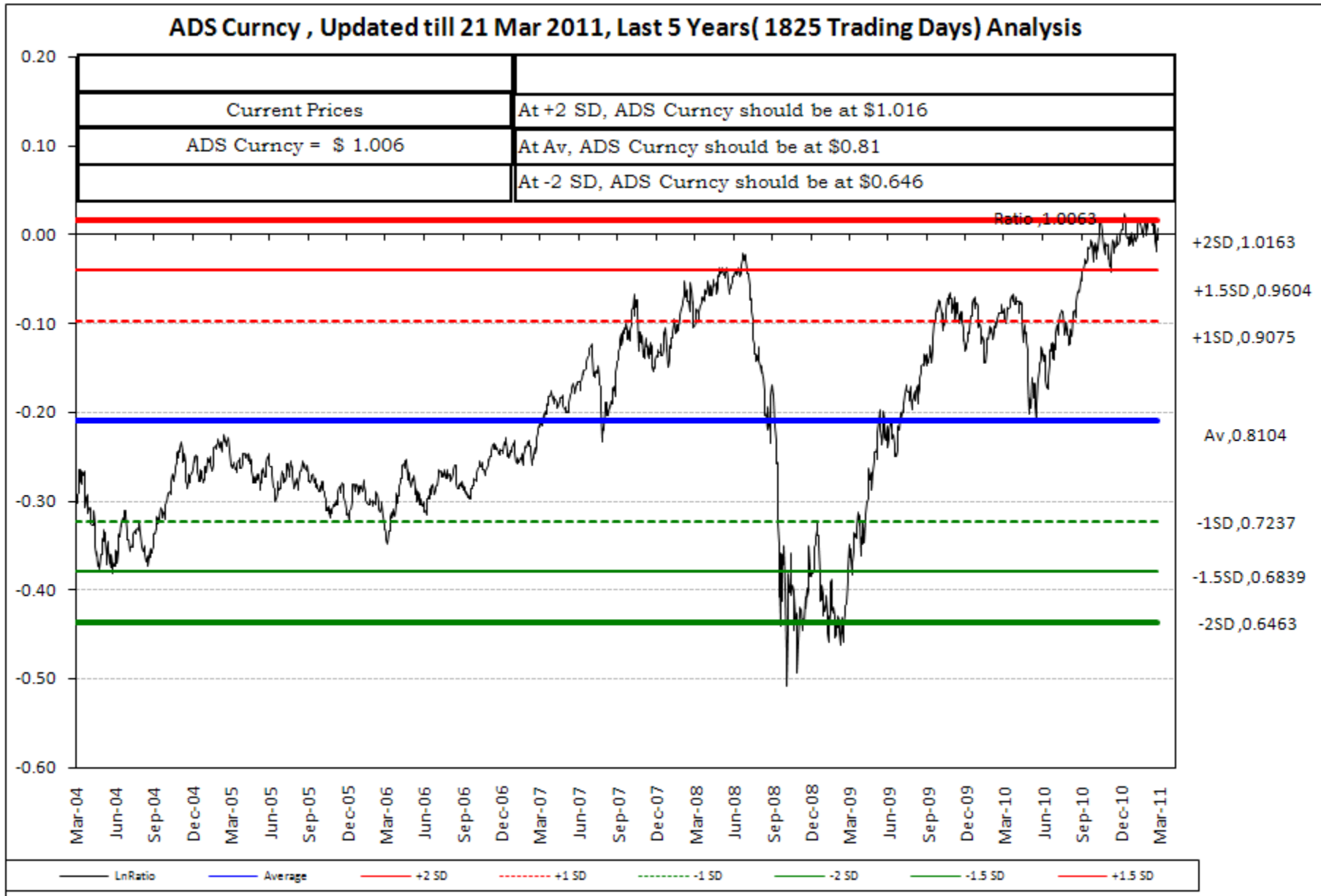


ADS Last 365 Analysis

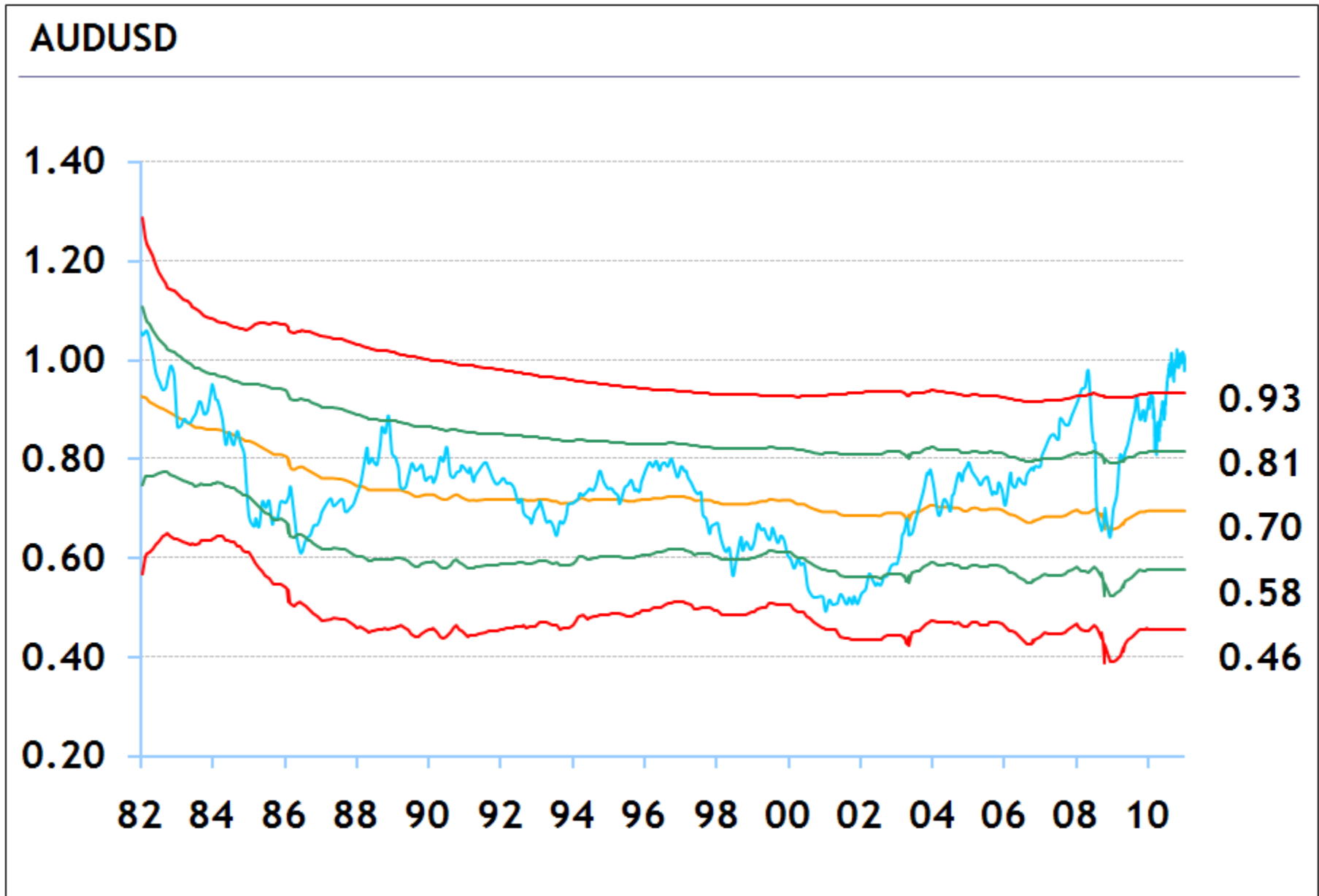
ADS Curncy , Updated till 21 Mar 2011



ADS Last 5 yrs Analysis



2 - AUD / USD – PPP Reversion & Standard Deviation Analysis – Long Term

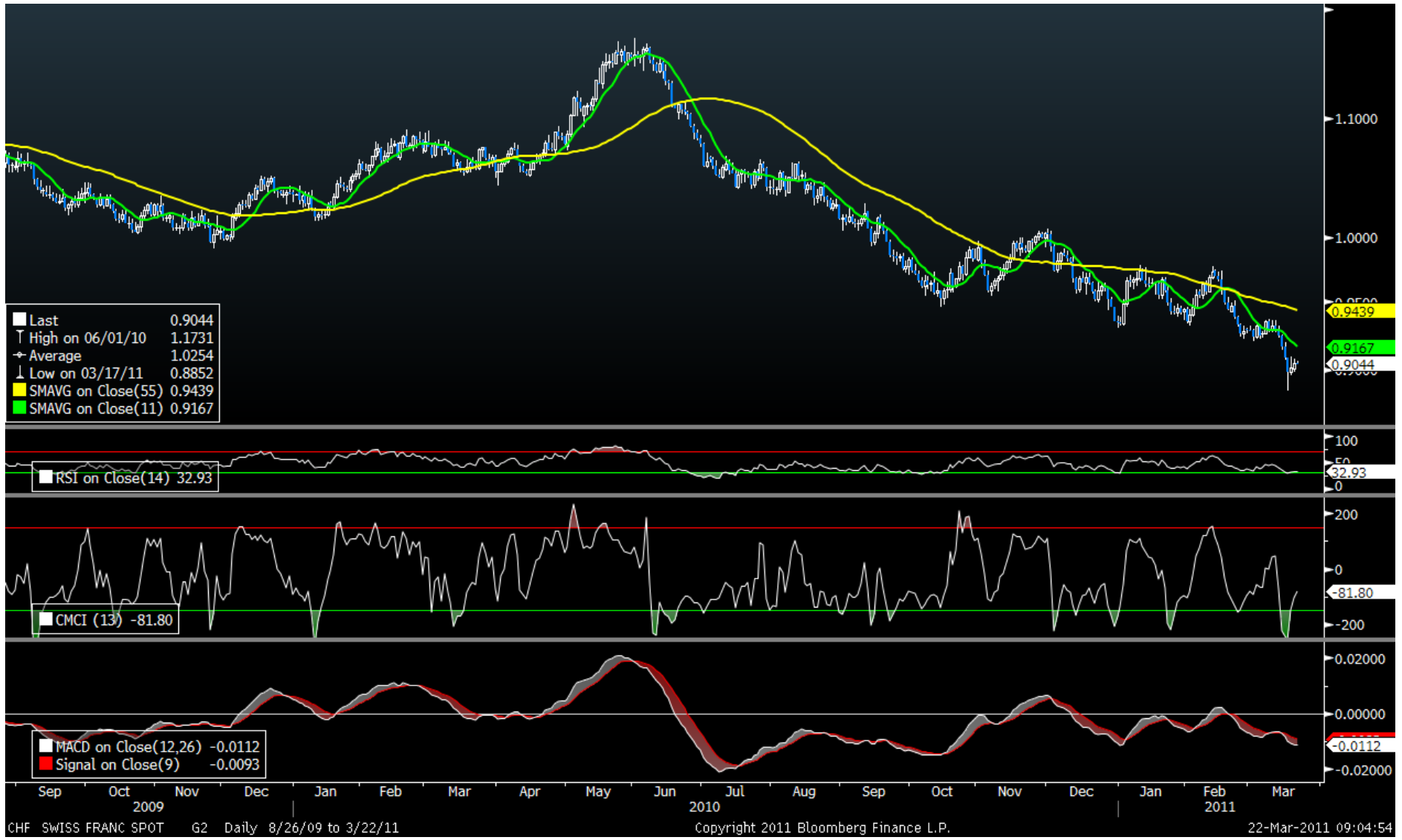


1- CHF / USD - Weekly – 3 Year with RSI, CCI, MACD

(11 W / 40 W SMA)

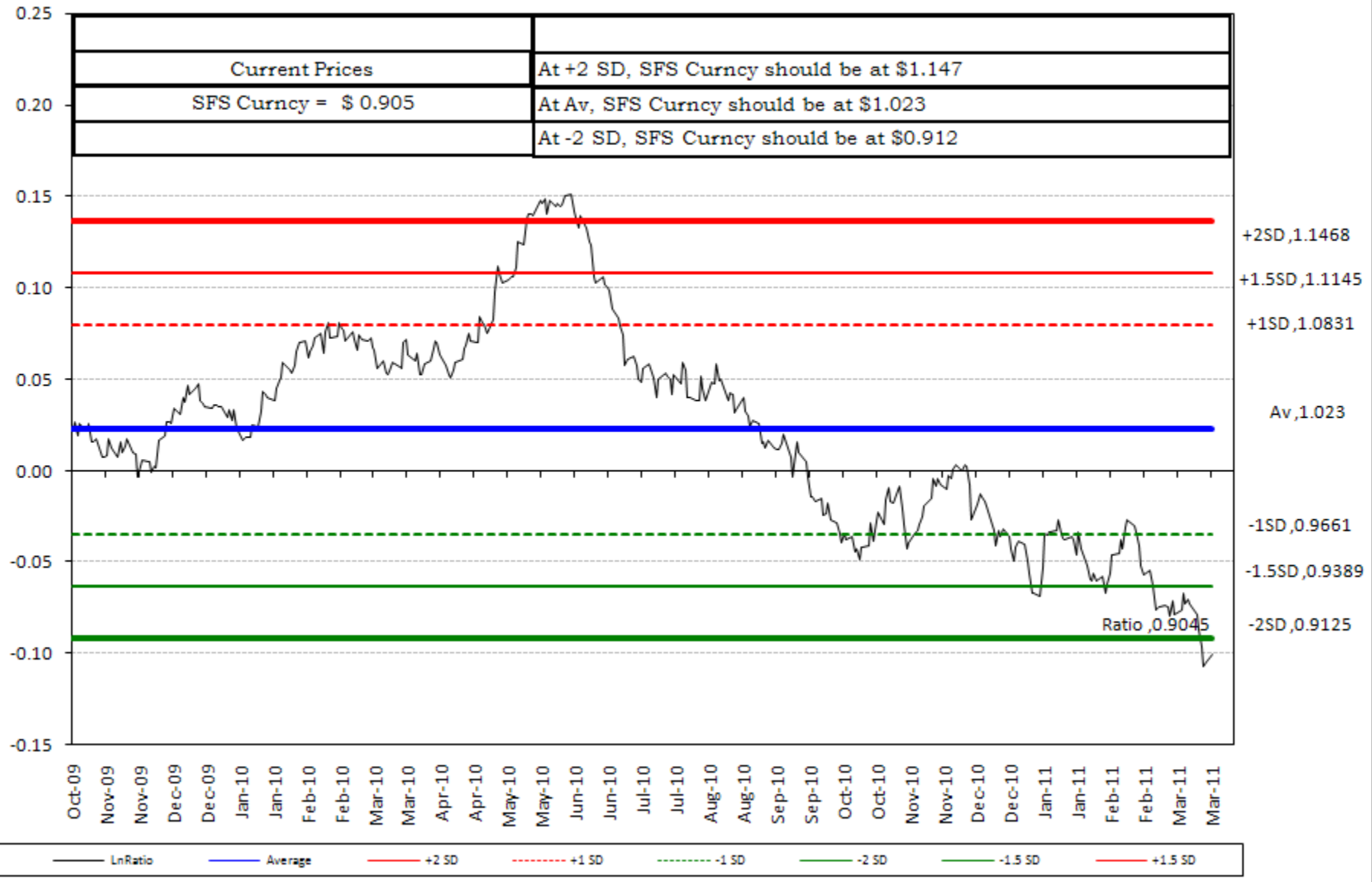


2- CHF / USD - Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

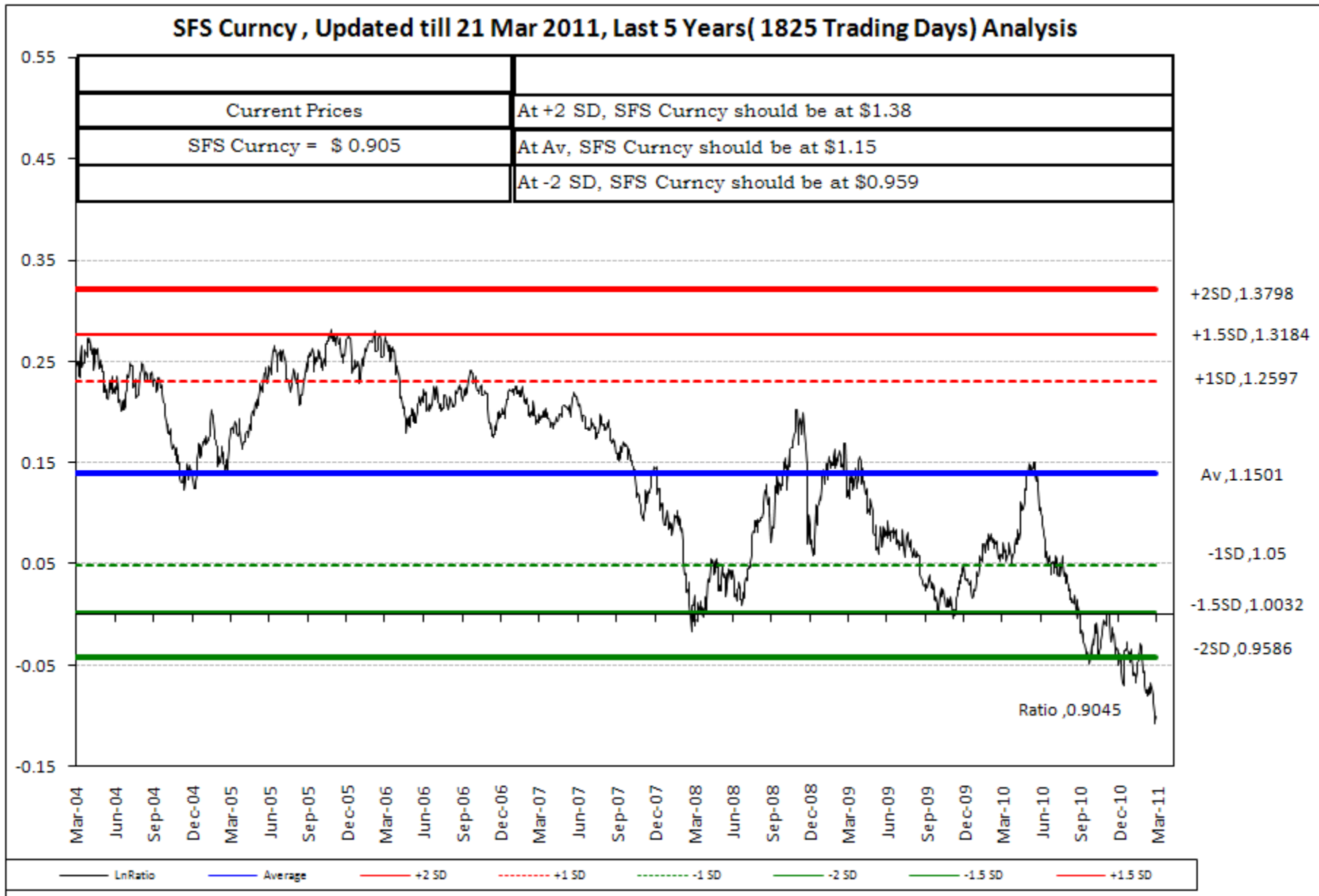


SFS Last 365 Analysis

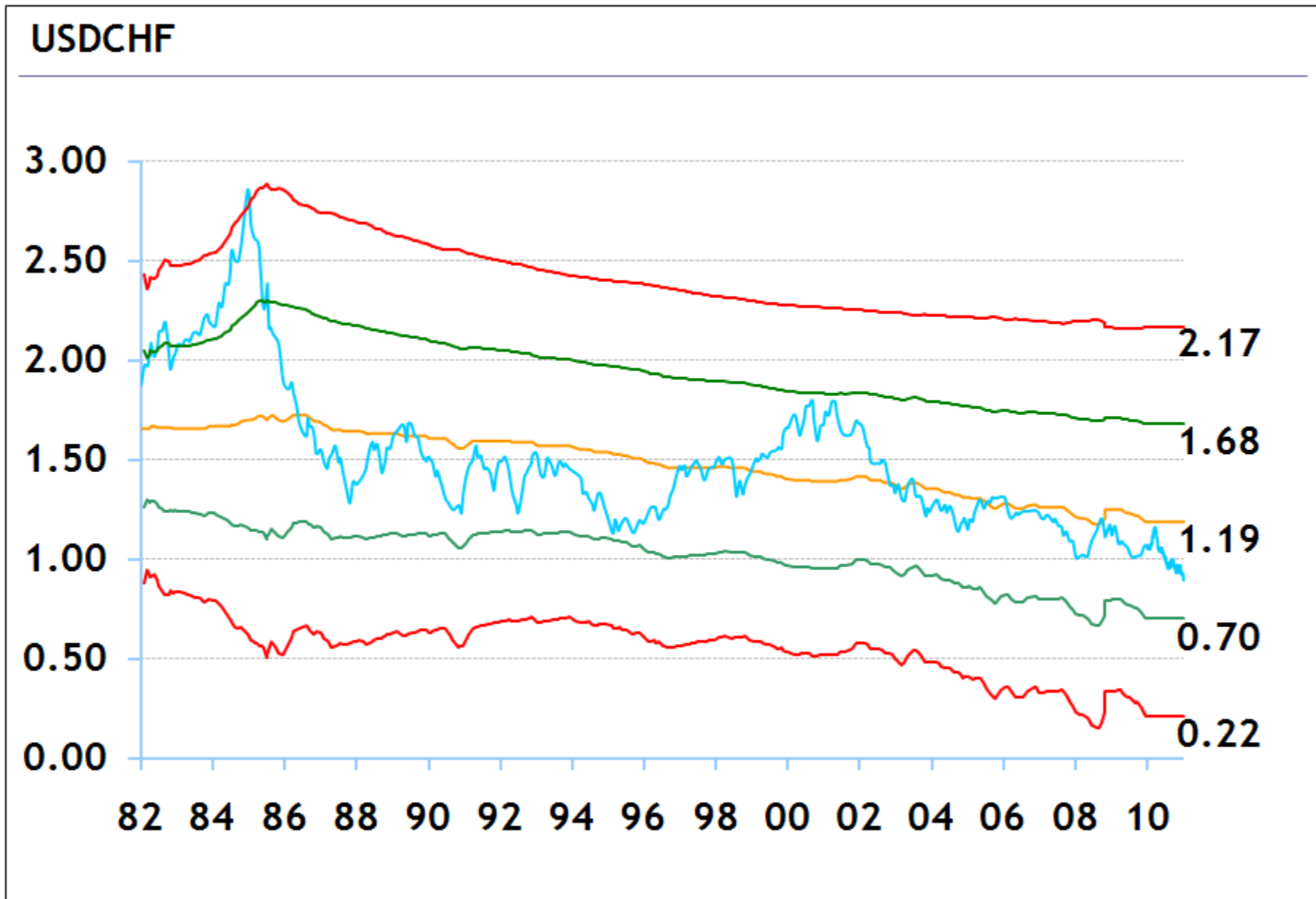
SFS Curncy , Updated till 21 Mar 2011



SFS Last 5 yrs Analysis



4 - CHF / USD – PPP Reversion & Standard Deviation Analysis – Long Term

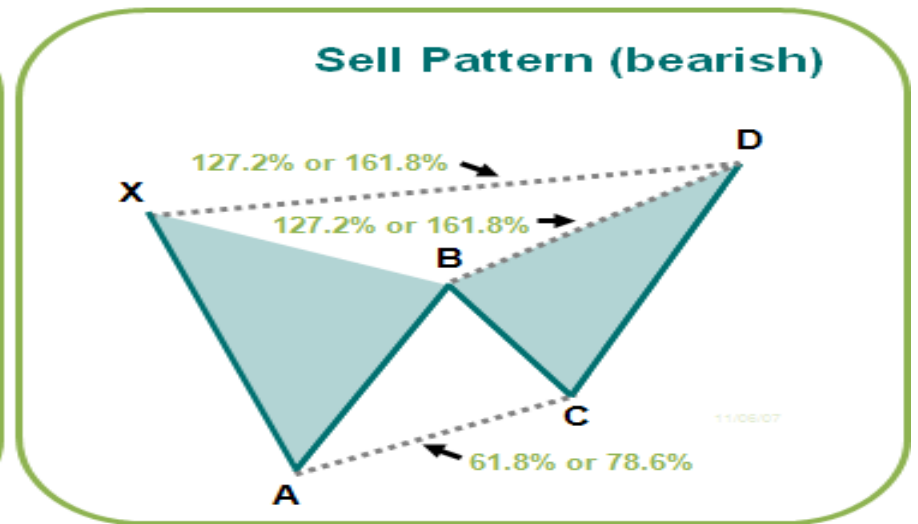
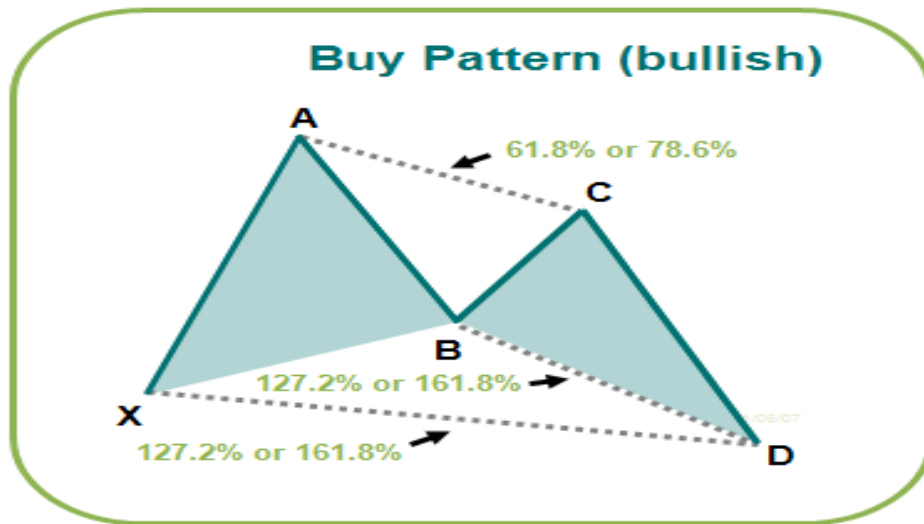


Pythagoras Expansion / Contraction – (PEC) Model

- 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 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



Daily SPX - “Trend Adjusted Signal”

- 3x3 /9EMA – Break Indicator –

The process utilizes the cumulative Algorithm of price trails 3x3 / 9EMA input signals for Trend formation. This signal tends to work well in Market extensions (i.e. Post POM 14).

This Methodology is implemented by Program Traders especially in Momentum extensions and diagonal triangle formation Trend-following system which bases its reversal signals on breaking a significant closing Break Indicator I to confirm the new trend. (it's important to use a stop if you act on a signal). The reversal price is generated on the close of a bar. (The drawback of strategy is that it can whip saw).

INTERNALS OF 3X3- 9EMA – Break Indicator.

The line break indicator has captured the post POM 14 Moves on a mechanical basis. Although can't guarantee it will continue. But, even if it misses on occasion , it's still is the best indicator we've ever seen in Market for extensions.

Tight trading ranges tend to cause whipsaws and those are environments where trading multiple markets can help for diversification, in SPX & DOW. The reason is that we have a purely mechanical indicator, our line break indicator, that is much better to use. That indicator has proven extremely good over the past several months in many markets in many extensions.

As a reminder of how simple this indicator is, when the market closes above the "break" price level, the indicator is ""bullish"; when the market closes below the break price, the indicator is then "bearish". at the close

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