



SG Capital Research

Global Market Insights

**Research Note – Commodity Analysis (C)- STRATEGY & PROP Analysis (SP)**

**MAEG – WKLY CZ- COMMODITY ANALYSIS SG 2011 # DEC\_21**

**For Immediate Release – *Wednesday AM (EST)***

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**Commodity Analysis (C) – (SP)**

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  - **COMMODITY INDEX/ CRB / CCI / DBC**
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  - **SILVER / SLV,**
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- **SPX – ( Special Situation )**

- *In our Yesterdays note A # 3 MS , we had highlighted ( several points & Charts ). Most of our ducks were in row converging to focal point to Trigger POM 13 into CZ 1205-1295. On Monday we had just dipped into CZ . On Tuesday it Gapped up 22 points and rallied all day long 35 points. This is a sweet reminder of 400 point rally “post Thanks giving” which had Wall street late comers excited ( We enjoyed that rally ourselves as we were at POM 13 during at that time)*
- *From yesterday action with Gap up in the light volume Holiday bounce, If it gaps up again this week, we might experience another 3 Gap play into re- test POM 14 – CZ ( 1251-1270) once again & fail . We will let the market “talk and walk” at that time to tell us the story . We will position accordingly especially if we extend ( in our absence next week) then PLAN B stated in A # 1 MS – dated 12/12 – Alert will dictate .*
- *Conversely If EURO / DAX fails then it would throw cold water in our seasonality. This should target back CZ 1205-1195 on downside.*
- *We have following observation from Yesterday’s action –*
- *First – Just to step back - When SPX Triggered POM 14 re run within CZ ( 1251-1270) - 12/02, in midst of Bullish enthusiasm , it appeared quite contrary and seemed difficult for SPX to decline to CZ 1205-1195 at that time . But once again CZ acted like magnet entering into it (even if by 5 points) and then reacting violently with Gap up.*

*Violent move suggests there is a torpedo sitting there with unfinished business.*

*Point to note – If market had dipped even by 3 points into CZ yesterday , POM 13 would have triggered but Gap away was not healthy to chase . A new Short covering rally. .*

- **Second - Importance of “ Back against the Wall” Scenario. – Allows to exit positions at minimum risk**

***From what we see, the Decision points made at CZ has lesser chances being shaken out. Most of the Yesterday gap up Stops that were cleaned at Open , were of the investors who went short after the break point 1230 all the way to 1210 .v/s acting within our CZ 1251-1270 at extreme end of oscillation.***

***In our case , the position is still in money in spite of up move allowing us to re think the exit strategy on uncomfortable positions while it is still profitable. .***

- **1- Executive Summary**

- **GOLD & GDX**

- **Gold came down straight to 1560 as expected from - POM 14 – Triggered at Avg price 1710 within CZ 1680-1740 . It proved its merit .**

**On 12/14 – Gold was Trading at Crash price of 1570 , when we send Alert email out to Lock in / Rebalance Hedges for 140 points Profit ( based on Portfolio Objective). This was strictly Risk management call for up coming bounce.**

**GOLD is currently Trading at 1635 on this bounce. ( 65 points higher from the Risk Management call) . The target of the upside for this bounce is not clear but it is weak and would no have holding power**

- **Overall we have not initiated POM 13 on Gold, (it has not proved itself yet.) . Perhaps on Retest of low CZ we will have signal once it approaches for Trigger.**
- **Meanwhile, the Mining Index ( GDX) achieved our CZ 52-50 downside target from our CZ -( 61- 59) This was Crash . We send Alert email out to Lock in / Rebalance Partial Hedges for 20% points Profit ( based on Portfolio Objective).**
- **GDX still has Bullish Top but Mid term we needs more back filling at lower CZ**

- **2- Trading & Invest Conclusions on CRB Components**

- **SLV**

*On 12/15 – Alert on SLV – Since SLV was oversold . We indicated in ALERT email at 28.25 price, SLV would initiate a bounce to 31-32 . Currently trading at 29 but Risk management below 27.70 ( Refer charts) .*

*Earlier our - SLV PEC –D projection at 36, was met along with POM 14 on GLD resulted into downside target 29-28*

- **GDX ( XAU/ HUI)**

*We are looking for bounce from our downside Target CZ 52-50 ( just achieved) but it may not hold . Only upon proper testing in CZ should give safer signal to Trigger POM 13 along with GLD*

- **CRB ( DBC)**

*No Final down side target yet . inpite of decline it appears Bearish. Once SPX reaches POM 13/12 and CRB reaches its Bullish CZ, We should Trigger Bullish setup. BUT our - Bearish CZ 320 -330 still remains intact. Where decline began .*

- **WTIC OIL**

*Oil has been stronger then other CRB components. We are looking for ST bounce from PEC-D at 93 but over Mid term bearishness remains especially close under 92 would target 88 . We would await for better Risk / Reward.*

## • 3- GOLD – Commentary

*The recent Crash in Gold had writing within our CZ of POM 14 . With open interest dropping in CME , Paulson & MF's ( RAFCO's book - potential liquidation in GLD which we had pointed out was quite evident in Our PQV / CZ work which indicated to us that there was no counter party to hold the other side of the Trade on decline and the distribution would result in mark down. .*

*Messages from C, MER, Black-Rock repeated efforts to pump Gold with Buy recommendation around 1750 in our CZ was good sign of distribution. Sometimes we wonder how these guys still exists Professionally & ethically being so wrong day after day.*

**On the Short term**– *Our projections are for a bounce and then rest test of our lower CZ . We think some work needs to be done on downside. This is the area our Next Signal should be triggered on pullback for better risk reward for action based on SP"s RA / RI.*

**On the Mid term**, *The Last parabolic top in Gold at 1900 was formed with Bullish Top by our Mathematical process , which suggest after the pull back (or nasty correction) . Gold should go back to test those highs again at 1950 . There are ways to negate this event but indicators that we monitor for POM / CZ does not have evidence of negation as of yet. In spite of current decline.*

- *We think over Mid term DXY v/s GOLD correlation will detach itself as its done in past and we will monitor closely for that inflection point.*

**On Longer term** - *GOLD within the confines of Bull Market, POM Projection by our Mathematical process has 2400 Target which is intact . The Natural Oscillation within the price moves are very healthy for next leg up only after re balancing the retracements*

## 4- GOLD - POM Signals , Price Projections, Investment Conclusions

- Start point GLD -1420 (1<sup>ST</sup> Jan) YTD – 1635 up + 215 points
  
- POM 15 - Net Short -- For SLV only ( Total points gains SLV= +10.5 )
  - None recommended for GLD to “SHORT’ in Bull market by this Model. ( Exception for SLV).
  - Total 2 -Signals YTD – Summary listed in Appendix below
  
- POM 14 - Hedge Longs / Risk Management - (Total decline saved= + 539 )
  - Recycle partial capital to Trade from Bullish CZ to POM 14 Re Run - CZ whiles the bigger Trend kicks in
  - Proportion / Qty. of Hedges should be based on Portfolio's objective and Risks Tolerance
  
  - Total 8- Signals YTD – Summary listed in Appendix below
  
- POM 12,13 - Net Long – ( Total point gains = + 437 )
  - POM 12 Calls – None - so far this year. (POM 12 for Full Fresh capital to go long).
  - Total 4- Signals YTD – Summary listed in Appendix below



## 5- GDX. - POM Signals , Price Projections, Investment Conclusions

- Start point 61 ( 1<sup>st</sup> Jan) – YTD 53 – ( down – 8 points)

### GDX ( XAU / HUI)

- POM 15 - Net Short – **None Triggered in 2011** - ( Total points gains = 0 )
- POM 14 - Hedge Longs / Risk Management - ( **Total decline saved = 30 points** )
  - Recycle partial capital to Trade from Bullish CZ to POM 14 Re Run - CZ while the bigger Trend kicks in
  - Proportion / Qty. of Hedges should be based on Portfolio's objective and Risks Tolerance
- 4- Signals YTD – Summary listed in Appendix below
- POM 12,13 - Net Long – ( Total point gains = 17.25 points or 27% )
  - POM 12 Calls – None - so far this year. (POM 12 for Full Fresh capital to go long).
  - 4- Signals YTD POM 13 – Summary listed in Appendix below .

## CRB – Chart Analysis

- *CRB / DBC- with MA , Trend & Oscillator Analysis*
- *CRB- Poly Trend Analysis.*

## GOLD / SLV, GDX – Chart Analysis

- *GOLD MA, Trend & Oscillator Analysis –*
- *GOLD - PEC –D Analysis*
- *SLV – PEC –D Analysis*
- *SLV – Poly Trend Analysis*
- *HUI / XAU – PEC –D Analysis*
- *GDX – CZ – Price & Volume – Mid term*
- *GDX – CZ – Price & Volume – Long Term*

## Commodity Component – Chart Analysis

- *OIL – PEC –D Analysis*
- *OIL –MA, Pattern & Oscillator Analysis*
- *OIL – Poly Trend Analysis*

# CRB- Poly Trend Analysis

***CRB - By Poly Trend Method - Target the last bounce was a towards Trigger 320-325 . It was met underneath Poly Trend in bearish fashion at the time of POM 14 on SPX .....REST IS HISTORY ( refer charts)***

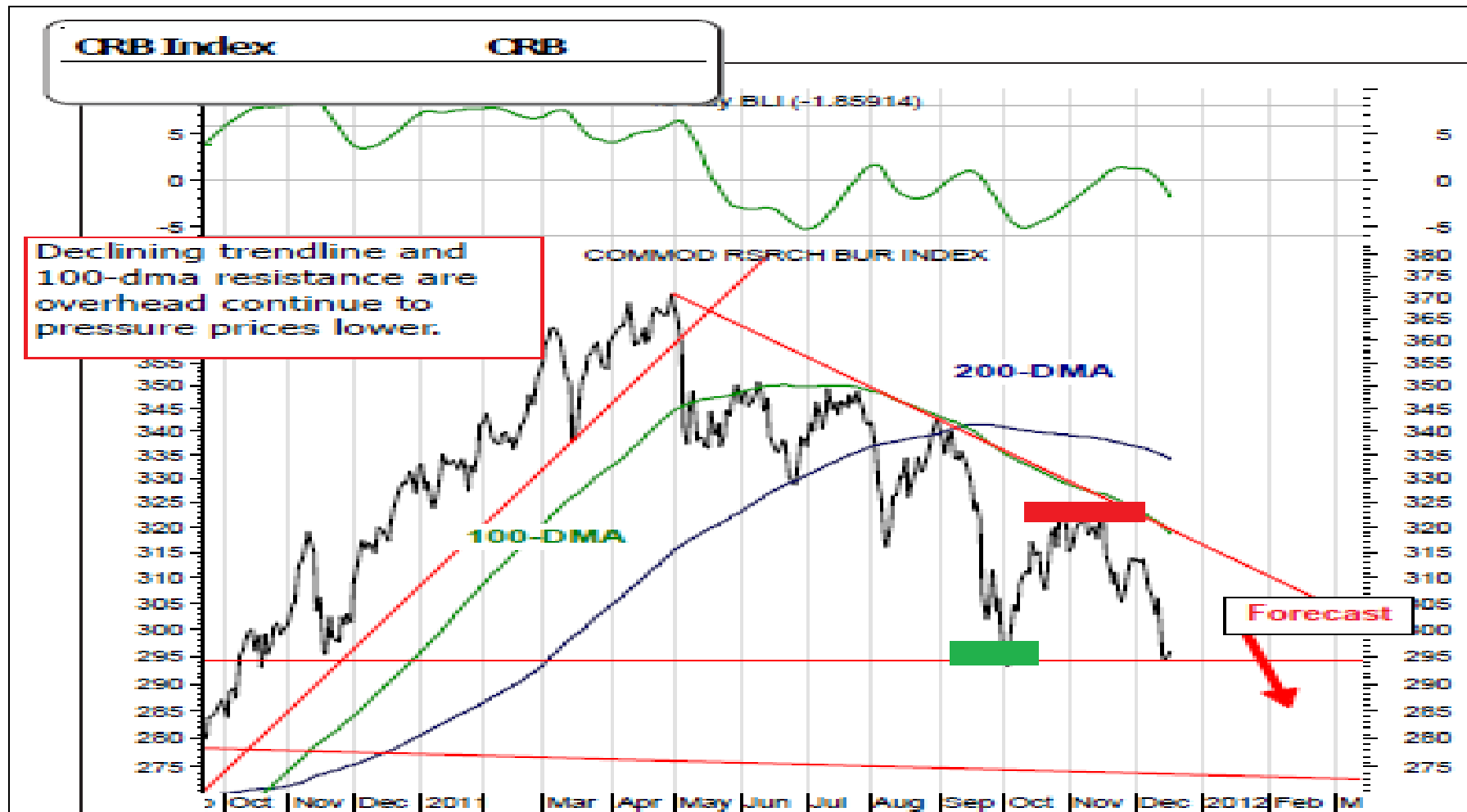
***All though no sign of Bottom, counter trend bounces & turns will take place within SPX – POM's***



## CRB / DBC- with MA , Trend & Oscillator Analysis

By this Analysis – the Correction in Commodity Market is still in tact which began as soon as the The CZ is 320-330. Was met at around SPX triggered POM 14.

Longer term - CRB retraced a Fib 62% of its 2008-2009 bear market and ran into CZ 360-370 & 50% of its move CZ 340-350 . Bounces are within the confines of larger declines of “lower highs and lower lows” continues .



# GOLD - PEC -D Analysis

*PEC-D @ 1770 with 618 / 786 expansion was exact and Crash began*

*By this Method - NO PEC -D bottom yet . Although bounces are possible.*



## GOLD MA, Trend & Oscillator Analysis – .

*By this Model No bottom yet. The TOP HEAVY ( POM 14) and BOTTOM HEAVY ( POM 13).*

*The Bounce out of CZ was bearish, Re test of lower CZ is high probability.*



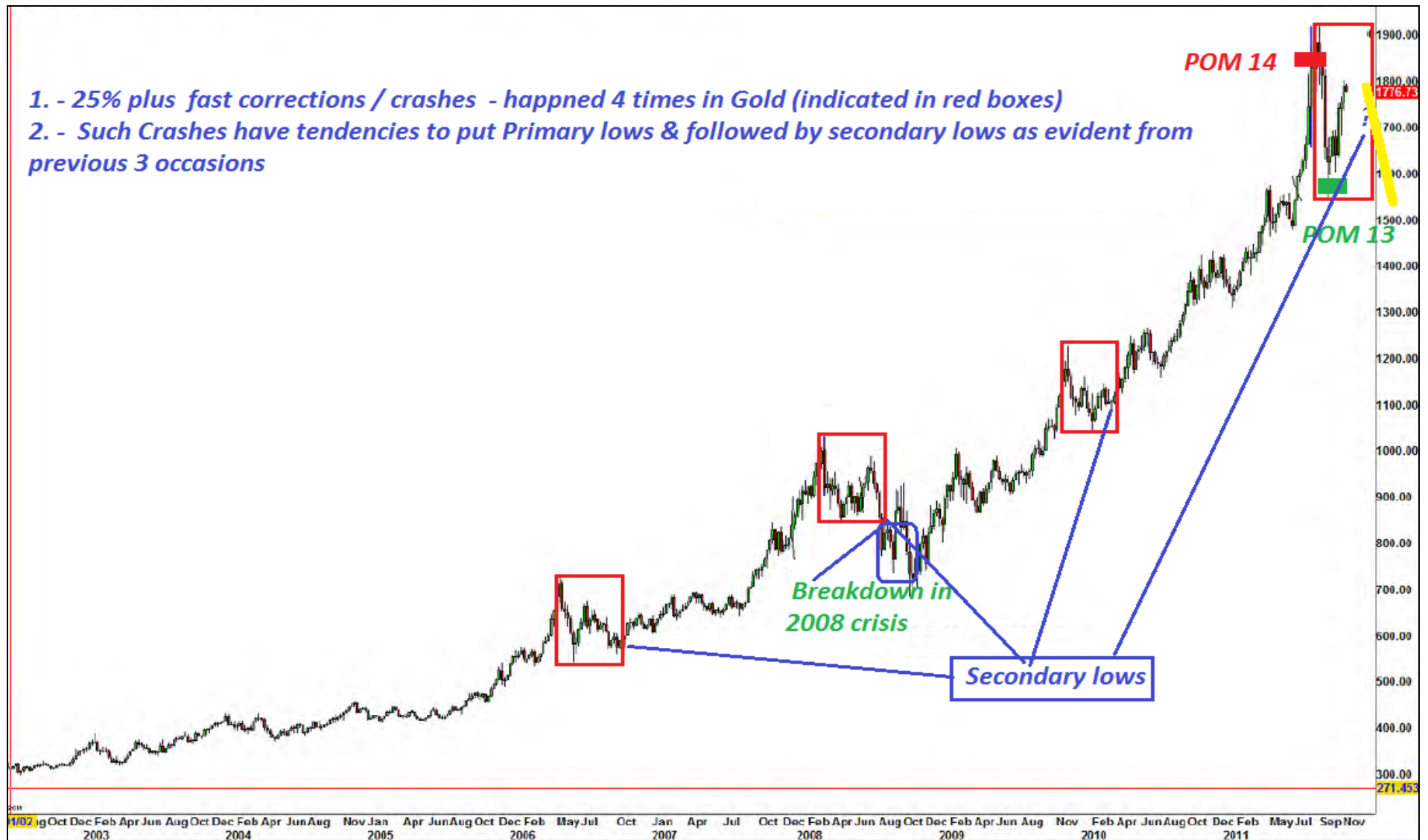
# GOLD – Poly Trend Analysis – .

*By this Model, we need a floor at the top of Poly Trend . No bottom yet. ( Refer charts within)*



## GOLD – ( From ARCHIVED 11/08 – Reports )

( Notes within the charts) .....We had warned via this chart at 1750 based on Pattern recognition / PQV Analysis of prior crashes .....Yellow line is what was after math . HISTORY repeated 8 times since Bull market ( we have indicate only 4 ) We have ARCHIVE Commentary to show the balance 4 from 2003 to 2006 for any academic interest.





## GOLD – ( From ARCHIVED 11/08 – Reports )

( Notes within the charts) .....Detail view of sequence of ABC patterns Analysis of prior crashes ..... Yellow line is what was after math



## SLV – PEC –D Analysis

*Silver approaching – **PEC-D at 28 ( short term bounce) , Earlier PEC- D is at 35 gave great signal during the Time of POM 14 on Gold . ( NOTES within the charts)***



## SLV – Poly Trend Analysis

*Silver is Pulling back under the Poly Trend – which should result in bounce but earlier By this method at 36 gave great signal at the Top of Poly Trend during the Time of POM 14 on Gold ( Refer notes within the charts below)*

*A pullback under 27.50 would signal a deep plunge.*



## HUI / XAU - PEC -D Analysis

*HUI / GDJ is approaching PEC-D which should result in bounce. Earlier PEC-D at 610 was exact, resulted in nasty correction since PEC-D Pattern confirmed it at the time of POM 14 Trigger on GOLD simultaneously.*

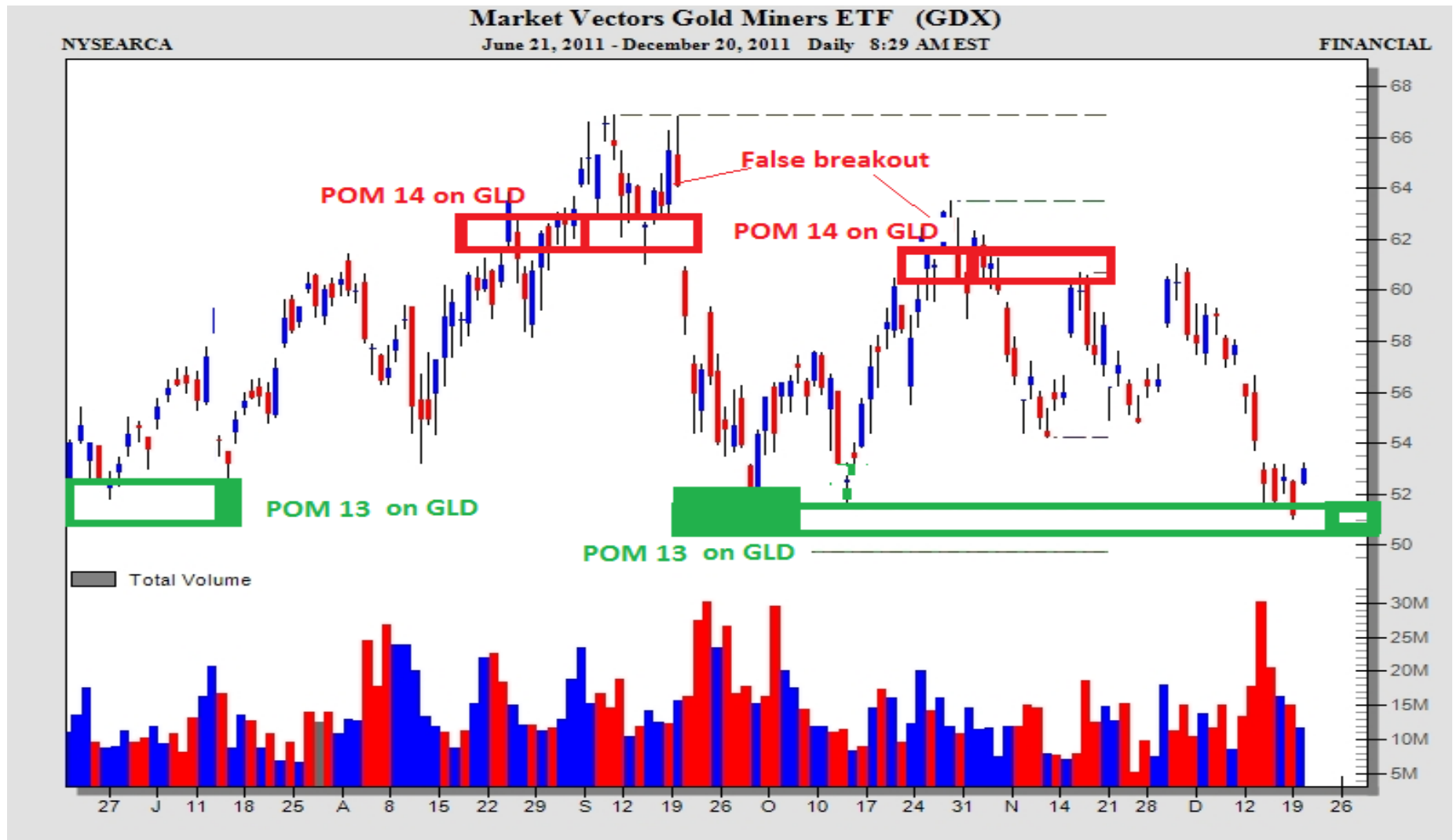


## GDX – CZ / PQV Analysis –

*GDX finally reached its end destination CZ 50-52 from the Top CZ 59-61 gave a great Signal .*

*The way it approached is not complete . We will get bounce but needs another test or even perhaps lower to wash out.*

*However the long term BULLISH TOP remains.*



## GDx – CZ – Price & Volume ( Bigger Picture)

GDx has Bullish Top on weekly , Monthly basis the GDx / GOLD Ratio is under valued . The long term pattern is very Bullish for breakout .

Monthly chart of the GDx, which provide a longer term view. A large Head and Shoulder Patten formed with combination of "Expanding Triangle". Expanding Triangle pattern are normally continuation pattern. Expect breakout. The bigger picture remains bullish. Currently No rejection



## OIL – PEC –D Analysis

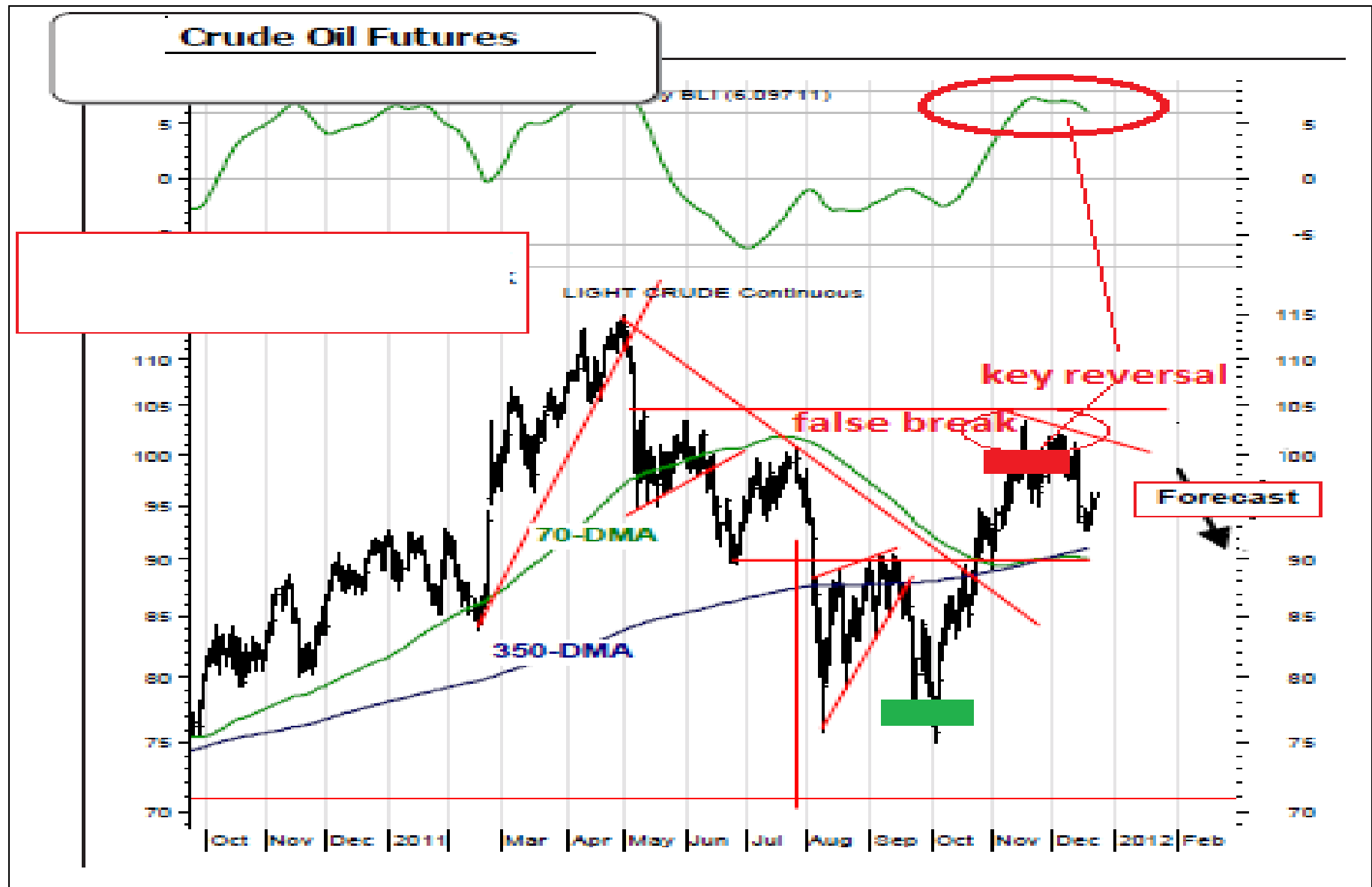
Crude oil has completed PEC –D this should **result in only bounce.** If we close below 92 I that would negate the effect similar to SLV close blew 27.50

Earlier PEC-D at 95-96 was extended and got back in range and at the 0.786 level 75, The Rally began when POM 12 on SPX was triggered.



## OIL -MA, Pattern & Oscillator Analysis

*By this Method – Key reversal at 104 is still in tact. Current pattern is Bearish with lower target 89 . But bounce is a possibility first.*





## OIL – Poly Trend Analysis

Longer term – 3<sup>rd</sup> May Signal is very critical which happened at the Top of Poly Trend and the POM 12 in SPX Triggering at 75 for current rally . We are currently trading on Right side of slippery slope.

Bearish after the bounce – Time termination projects lower prices into 1 Q . **Our May 3<sup>rd</sup> Signal at 112 is still intact.**



# Appendix Content

- **1. GOLD / SLV – POM Signals History for 2011**
- **2. Trading & Investment Conclusion History GOLD / GDX 2011**
- **3. Objectives & POM /CZ Guidelines**
- **4. Guidelines for Full Utilization of “ SP” Report with Limitations**
- **5. GOLD & CRB Components – 52 Weeks Chart with Signal turns**
- **6. GOLD - POM – “ Price Oscillation Model “ Criteria**
- **7. PEC –D “ Pythagoras – Expansion & Contraction Criteria**
- **8. Definitions of Extreme Sentiment Indicators**

## 2011 – POM Signals on Triggers-

### GOLD- 2011 –**REAL TIME** TURNS– POM & CZ



GOLD - YTD - Gains <u>+150 Points</u>	+10.0%
POM 12, 13 - Gains <u>+437 Points</u> ( 4 Signals)	+30%
POM 14 to 13 - Partially Hedged & Risk Management saving <u>+550 points</u> ( 9 Signals)	+35%
POM 15 - Net Short SLV + <u>10.5 gains</u> ( 2 Signal)	+33%

# GDX - 2011 – TURNS **REAL TIME** – POM & CZ



GDX - YTD (-10 points) \_\_\_\_\_ **(-15%)**  
POM 14 to POM 13 - Risk Management saving +30 points gains ( 4 Signals) — **+60%**  
POM 13 +18 points gains ( 3 Signals) \_\_\_\_\_ **+35%**

# SLV- 2011 –REAL TIME " CRASHES" – POM & CZ



# CRB Commodity-2011-TURNS **REAL TIME**- POM & CZ



CRB - YTD - (-30 points) \_\_\_\_\_ **(-10%)**  
 POM 12/13 + 115 points gains ( 5 signal) \_\_\_\_\_ **+40%**  
 POM 14 - Risk Managment Saving 180 Points (6 signals) \_\_\_\_\_ **+55%**

**SELL SIDE - Triggered previously by CZ TRACKER at Qualified CZ**

- ( CZ validation time & price indicated Red on charts below & Trigger points in Appendix)
- Remaining Commodities including OIL had – No Validation or Triggers
  
- **\$ WTIC , JJC (Copper), DBC**



- **GLD/ SLV - Trading & Investment Conclusion - – Updated**

- **GOLD – POM Signals & Price Projections - Start point 1420 1<sup>ST</sup> Jan**

- **POM 15 - Net Short -- SLV ( Total points gains SLV= +10.5 or 28%)**

- **Alert** - POM 15 –, SLV – Triggered **Alert** Jan 1<sup>st</sup> @ 30 target 26 , 25<sup>TH</sup> Jan = ( 4 points) 12% gains
- **Alert** - POM 15 –, SLV – Triggered **Alert** April 26<sup>th</sup> & 28<sup>TH</sup> @ 47.5 target 41 = ( 6.5 points) 16% gains
- None recommended for GLD to “SHORT” in Bull market by this Model. ( Exception for SLV)

- **POM 14 - Hedge Longs / Risk Management - (Total decline saved= + 399 = 22%)**

- Recycle partial capital to Trade from Bullish CZ to POM 14 Re Run - CZ while the bigger Trend kicks in
- Proportion / Qty. of Hedges should be based on Portfolio's objective and Risks Tolerance

- **Last Alert on 10/13- ( OPEN POSITION) – 8<sup>th</sup> HEDGE - B # Report- POM 14 - CZ Trigger @ 1680-1740**

- **7<sup>TH</sup> Hedge** - Closed @ 1680 CZ ( 9/23 - Alert ) from POM 14 Re run @ 1825 , 8/23 = 145 points gain
- **6<sup>th</sup> Hedge** - Closed @ 1725 CZ ( as per Target 1700 announced in Report 8/23 - Alert ) from POM 14 Re run @ 1825 , 8/23 = 100 points gain
- **5<sup>th</sup> Hedge** - Stopped out on 8/17 @ 1825 from POM 14 – Re run Trigger at 1780 = (-45) points loss
- **4<sup>th</sup> Hedge** - Closed on 5/6 at POM 13 @1460 ( GLD = 143) from POM 14 @ 1544 ( 150.48) = 84 points gain
- **3<sup>rd</sup> Hedge** - Stopped out on 4/5 @ 1450 ) from POM 14 – Re run Trigger at 1425 ) = (-25) points loss
- **2<sup>nd</sup> Hedge** - Closed on 3/16 at CZ ( @ 1380) , from POM 14 – Re run Trigger at 1425) = 45 points gain
- **1<sup>st</sup> Hedge** - closed on 1/25 at POM 13 ( @ 1325 ), from POM 14 @ 1420 ( since 1<sup>st</sup> Jan) = 95 points gain

- **POM 12,13 - Net Long – ( Total point gains = + 437 = 25%)**

- **Alert 9/26** – POM 13 @ entry 1603 ( Trigger 1550) & Closed position (1/3) @ 1680 & (1/3) @ 1695 & 1740 (1/3) – POM 14- **Alert (10/13)** -Bearish CZ - Resulted in = 107 point gain
- **Alert 01/25** – POM 13 @ 1320 & Closed position @ 1375-1395 @ Bearish CZ (03/09) Resulted in = 65 point gain
- **Alert 5/6** - POM 13 @ 144-145 ( 1470) & Closed position @ 1596 – 1615 @ Bearish CZ .Resulted in = 135 point gain
- **Alert – 7/20** - Parabolic Warning announced in C # Commodity @ 1628 to target 1760 = 130 points gain- Parabolic Apex pattern although we announced it in timely manner, such long plays is for special Type of specialized Trading Desks- Risk Management is Critical ( Disclosure -We did not play upside parabola Real time)
- POM 12 Calls – None - so far this year. (POM 12 for Full Fresh capital to go long)



- GDX- Trading & Investment Conclusion
- GDX follows GOLD- POM's
- Start point 61 on 1<sup>st</sup> Jan

## GDX ( XAU / HUI)

- POM 15 - Net Short – None
  - POM 14 - Hedge Longs / Risk Management - ( Total decline saved= 20 points or 33 %)
    - *Recycle partial capital to Trade from Bullish CZ to POM 14 Re Run - CZ whiles the bigger Trend kicks in*
  - Alert - CZ @ 59-61 – Revised - 4<sup>TH</sup> HEDGE
    - 3rd Hedge - Closed @ 56.5 ( 9/23 - Alert ) from POM 14 Re run @ 61-62, 8/23 = 5 points gain 8.5%
    - 2<sup>th</sup> Hedge - Closed on 5/6 at POM 13 @ 56 from POM 14 @ 62 = 6 points gain 10%
    - 1<sup>st</sup> Hedge - closed on 1/25 at POM 13 @ 53), from POM 14 @ 62 ( since 1<sup>st</sup> Jan) = 9 points gain 15%
  - POM 12,13 - Net Long – ( Total point gains= 17.25 points or 27%)
    - Alert 09/26 – POM 13 @55.76 & Closed position @ 57 @ POM 14 Alert - (10/13) Bearish CZ Resulted in = (1.25 points) 2.2%%
    - Alert 01/25 – POM 13 @53 & Closed position @ 60-61 @ Bearish CZ (03/09) Resulted in = ( 7.5 points)14%
    - Alert 5/12 & 6/27 - POM 13 @ 52-53 & Closed position @ 60-61 @ Bearish CZ .Resulted in = 8.5 point gain 13%
- POM 12 Calls – None - so far this year. (POM 12 for Full Fresh capital to go long)

- **Objective & POM / CZ Guidelines**

*Focus is on the Short & Intermediate term turning point – Price Path Analysis of GOLD, SLV, GDX via POM's Price projections and / or CZ ( Bullish & Bearish between the POM's) . POM is Unidirectional Judgmental Model, It utilizes multiple input signal via the Global Inter market Analysis (GIC), Price & Quality Volume (PQV), Pattern Recognition ( PEC) , Cycles, Internal & External price equilibrium points to assists in output signals . POM is supplementary Analytics to add value to RA/ RI Framework for Risk Management.*

- *SPX, CRB, GOLD combination signal acts as Risk Benchmark for all the Commodity Markets. Since these Markets gets priced off SPX for timely POM & Bullish CZ calls of each Specific Commodity .*
- *All the Commodities tends to follows the Price path of POM 11, 12, 13 of SPX ( except @ POM14, 15), various Instruments will Top out at different time to Trigger CZ – Validation for NET SHORT. Sell Order at POM 14, 15 to be spread within CZ price band for scaling out*
- *GOLD is still following the Bull Market “ POM” Regime unlike SPX market*
- *All CZ / PEC D / POM's – Marked on charts ( in color) below has been Announced on Real time in our Previous Reports prior to Price shifts.*
- *Stops always on other side of CZ @ value based on Portfolio's Objectives & Risk tolerance*
- *POM Conclusions to be cross verified by other methods prior to final decision*
- *For Maximum utilization of POM / PEC –D Process for Risk Management. Refer to guidelines within the Appendix below*

## ➤ Key Points for Full utilization of SP- Reports

- **Maximum Utilization of various POM's , CZ's & ABC's – for Risk Management & full enhancements on CZ pricing & CZ-PQV Timeliness**
- At Top down Level– Triggers around POM's -Mid term & CZ's - Short term – ( CZ's happens in between the POM's ) . Critical component for Clean execution is to maintain ongoing updated data base spreadsheet of CZ's Pre announced in SP releases prior to price shifts. These inputs when Computerized Daily Monitoring, Triggers, Timely PQV validations, Price projections Alerts on real time should warn in timely manner to take action. .
- Rebalancing Pre Planned procedure at Triggers – “ Rebalancing % of Overall Position Sizing” , Beta & , Net Exposures sizing depending on each Portfolio's Objective & Risks Tolerances for either Recycling of Capital or Fresh capital.
- Key points for Risk Management
- Hard Stops around CZ's
- STOP SELL- “ early warning Alerts” in fast moving markets, Over night Day / Night ( IST) time delay Risks.
- Cross verification by Other Methods  
**Computerized Daily Monitoring, CZ Triggers, Timely PQV validations**
- **2. CZ – Tracking**
- Programing - “Time/ Price Displacement, Supply / demand Activity Bar Analysis” –
- At “Institutional Grade - Price , Volume with Time Integration
- Supply / Demand Activity bar Analysis – Real time.
- Candlestick – Price displacement Algo Programing experience at CZ Validation for Triggers

## POM criteria for Implementation

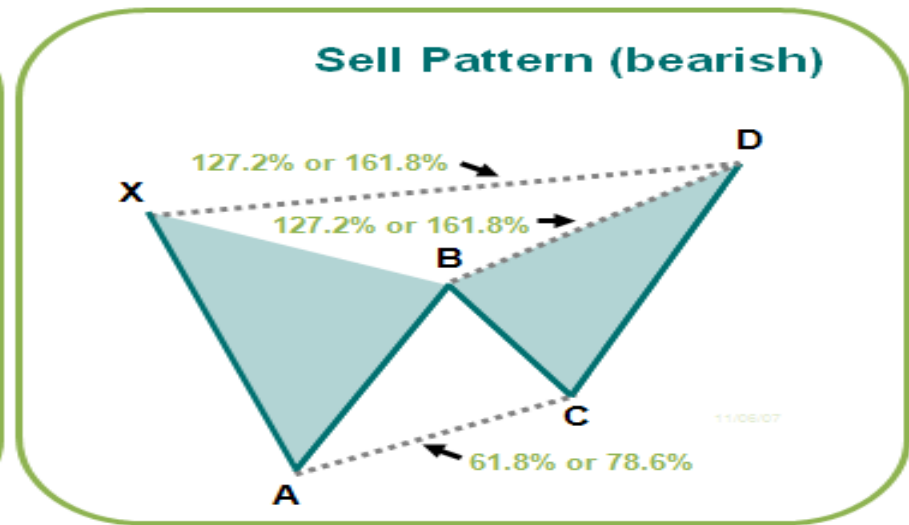
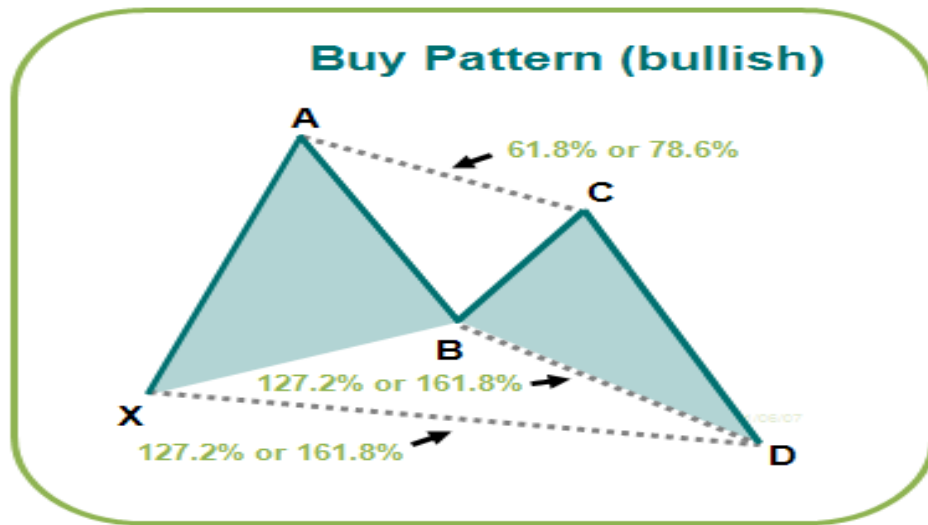
- POM is rated from 10 to 15
- POM 14 , 15 ( is Sell Signal) and 12 , 11 ( is Buy Signal ) both are the Actionable Area whereas POM 13 is A Neutral Signal for Risk management
- On way UP move, POM 13 signifies to STOP executing additional ‘New Buys’ that was initiated at POM 12 or POM 11 levels
- On 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 2<sup>th</sup> 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



• **EXTREAME Sentiment Analysis ( 3<sup>rd</sup> Party Data )**

Courtesy : SENTIMENT TRADERS

*Our Sentiment Analysis has “Intermediate & Short term” composition. We evaluate ( 8- 9 ) Indicators for sentiments out of which some are working well for Short term and other for Intermediate terms These are either Numerical Indicators as the Investors sentiments is expressed through purchases of the market*

*Rydex flow, Insiders activity. The Emotional / Survey sentiments we track Investors Intelligence sentiment Advisors sentiments. etc. All these are Integral part of POM composition ,*

*Our Behavior Indicators Commercial Hedges , AAll etc Sentiment Indicators, Insiders activity, Speculation activity,*

*Based on current market condition and the probability of Indicators we point out the EXTERME INDICATOR ONLY as a observation points*

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