



SG Capital Research

Global Market Insights

Research Note – SPX – MS SPECIAL REPORT

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For – Immediate Release – *Tuesday*

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- **Content Coverage within– *Special Report***

1. ***Market Overview Commentary (FYI) – *Observation update****

2. ***CZ Analysis & Triggers***

Market Overview Commentary

Special message on SPX based on Monday's Action. - Observation on pull back towards CZ 1425-1410

SPX

In Monday's trading, the market was pumped to 1460 and then dumped to 1444 . SPX could neither hold the price nor the volume on rise. It appears to be heading towards our CZ 1425-1410. We have been awaiting patiently for this price path-pull back target. Market that tends to take off without proper testing of CZ has a high probability of reverting back with fake start & limited move.

In fact, lead dog, the SOX, IWM, IYT IDX closed in red after great start on Monday and their Relative Strength compared to SPX continued to be weak as pointed out in earlier Reports. If Momentum rally kicks in SPX , these IDX's should underperform.

Meanwhile Short term PEC-D projection is at 1420. & Successful test of CZ 1425-1410 is needed to Trigger Momentum Indicators & allow rebalancing of position. We are Monitoring it for Trigger. Seasonal cycle lows are set in next 4-5 days , EURO –COT lows by 8th October. “Timelines are just for guidelines but Price is more dictating factor.

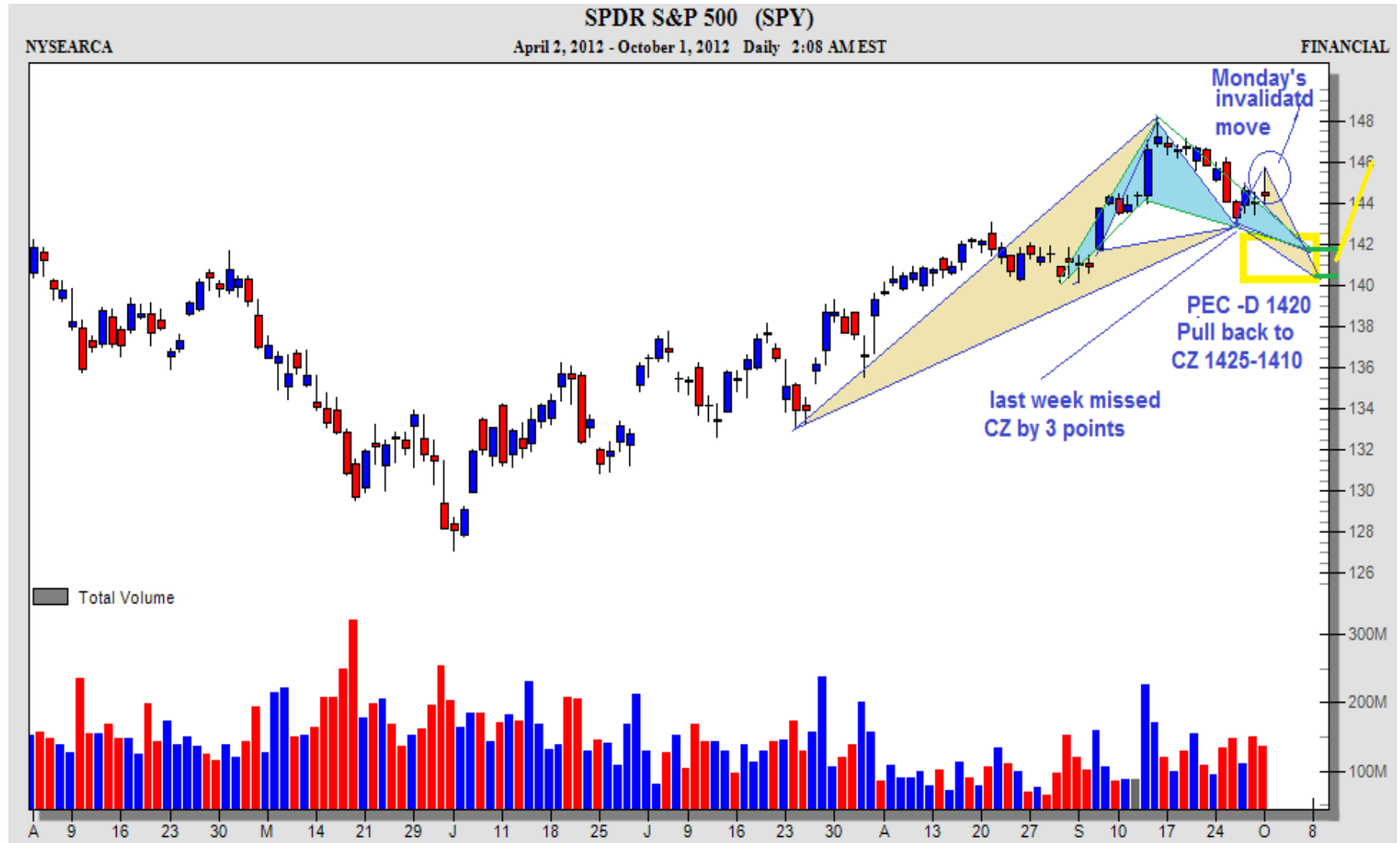
Our preference is the test of CZ. The Market usually tends to “walk and talk” at the CZ where Energy gets released. We will get hints of a short term bottom developing in TICK, VIX & ARMS indicators during PQV validation Until then, its unnecessary chance. We sit tight on our hands and do nothing.

Conversely, if PQV is not validated at 1425- 1410 via either volume Expansion or SPX jumps the price Creek below 1400 with pattern failure then Momentum Indicators can be at the risk for getting negated .In such case we shall not temper with our POM 14 – Caution hedges.

Either way we let the market prove itself in CZ (DMZ's !!) to get the high probability event based on our Methodology. .

SPX- CZ / PEC-D Analysis – NEAR TERM

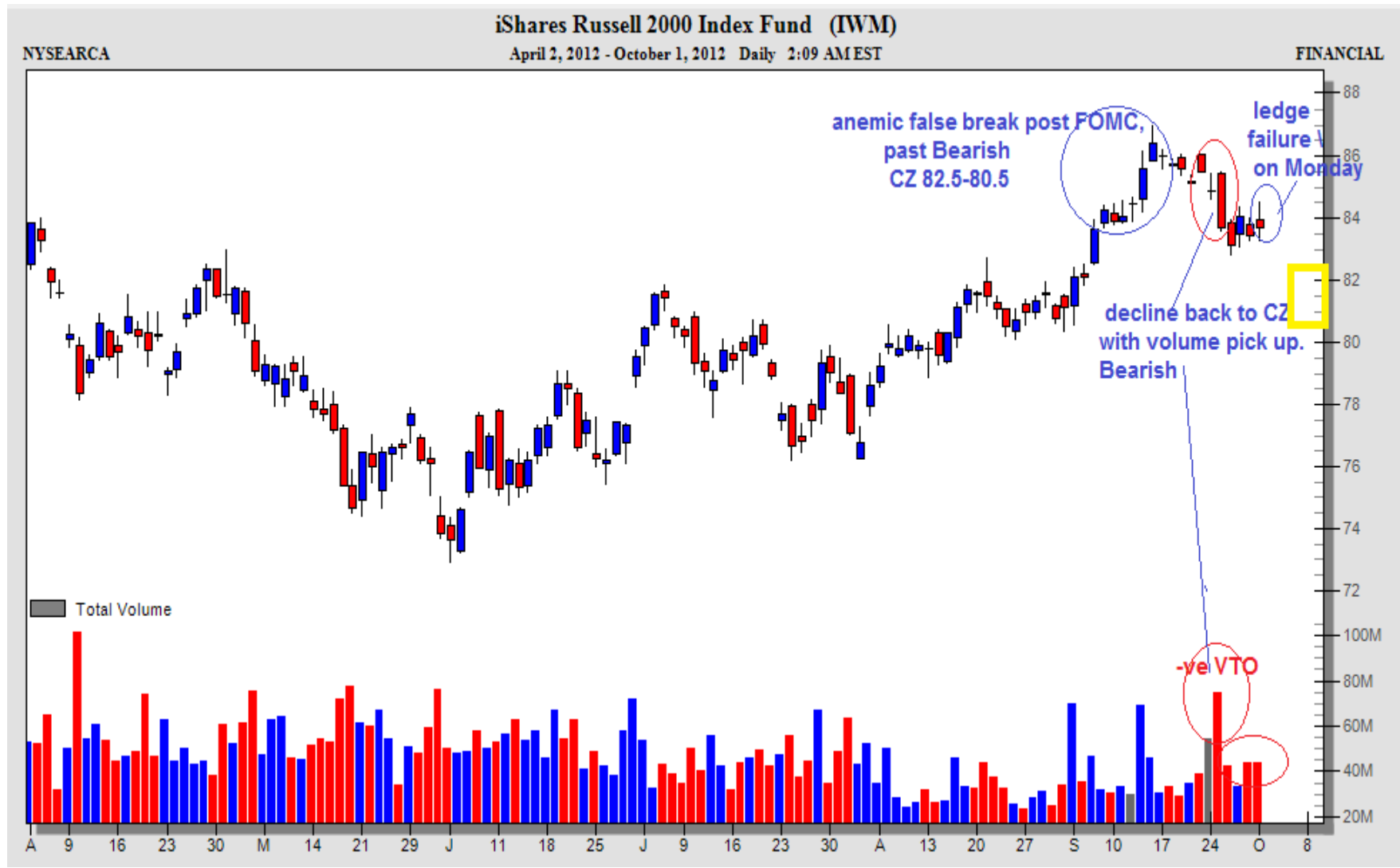
Pull back PEC-D is at 1420 & CZ 1425-1410



IWM – CZ – PEC-D Analysis - **“CAUTION”** – **Weak dog**

- Texture - TOP BEARISH CZ. & BOTTOM BEARISH CZ

Notes within the charts. Pull back target CZ 82.5-80.5 – Not much progress post FOMC.



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