



SG Capital Research

Global Market Insights

Research Note – SPX – MS SPECIAL REPORT

MAEG- SPX_MS_SPECIAL REPORT A#1 SG 2012 # SEPT_06

For – Immediate Release – *Thursday*

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

1. Market Overview Commentary (FYI) – No Action needed

2. Chart Analysis – 2 charts

- ***SPY – Hourly – Tertiary Triangulation Test***
- ***SPY – TICK / TRIN Analysis for POM 15***

SPX – Market Overview Commentary

Today's Special message is to update on "ULTRA NEAR TERM" potential Price Path (FYI only).

Current Status - We remain at POM 14 (Advise Hedging) – “ NO Trigger for POM 15 to execute Net short position.

Friday is Employment Report, We have good potential reason to push the Market in either direction to provide us clues on how the Market internals diffuse itself. Market is refusing to back off from the Tertiary Triangulation Test

- **For Upside Termination** - Our sense is SPX breaks upside, the Tertiary Triangulation Test should get completed to Trigger POM 15 towards **target 1425**. The ingredient for such behavior in SPX is based on diffusion of TICK / VIX Ratio, TRIN readings that has this extra Energy even though PQV energy is quite Neutralized to Zero level. **Our conclusion is SPX upside once the move is complete, we need to judge if it is valid breakout , For valid breakout criteria are well defined in our Monday's A # 1 – MS – SPX message.**

Note – We have chart below that indicates how TICK,/ VIX & TRIN readings contributes to such Tertiary Triangulation move for the residual Energy causing strength without backing off. .

- **For downside decline pick up** - The Triangulation is reaching the Apex at 1406 for break down, The perfect Hrly PEC-D Pattern, each time it tries to break the downside there NO -PQV validation and Prices come in within the Triangle like Magnet, volume is not picking up on downside suggesting the pattern is holding. The TICK / VIX / TRIN reading is not allowing this decline . **Our conclusion in this case is if SPX breaks downside with volume under 1B, Put / Call below 0.95 & TICK / VIX below 0.3 then SPX will merely go to **CZ 1390- 1370** and rally right back .**

USD is still providing good clue. The DXY has entered our pull back **CZ 81.5-82.25** and Bullishly rejecting lows . We are nearing a next leg up in DXY which would be bearish for risk-on ones (equities). **Today's Currency Report has Full coverage on (USD).**

SPX- (HRLY CHART) “ Tertiary Triangulation Pattern” Analysis

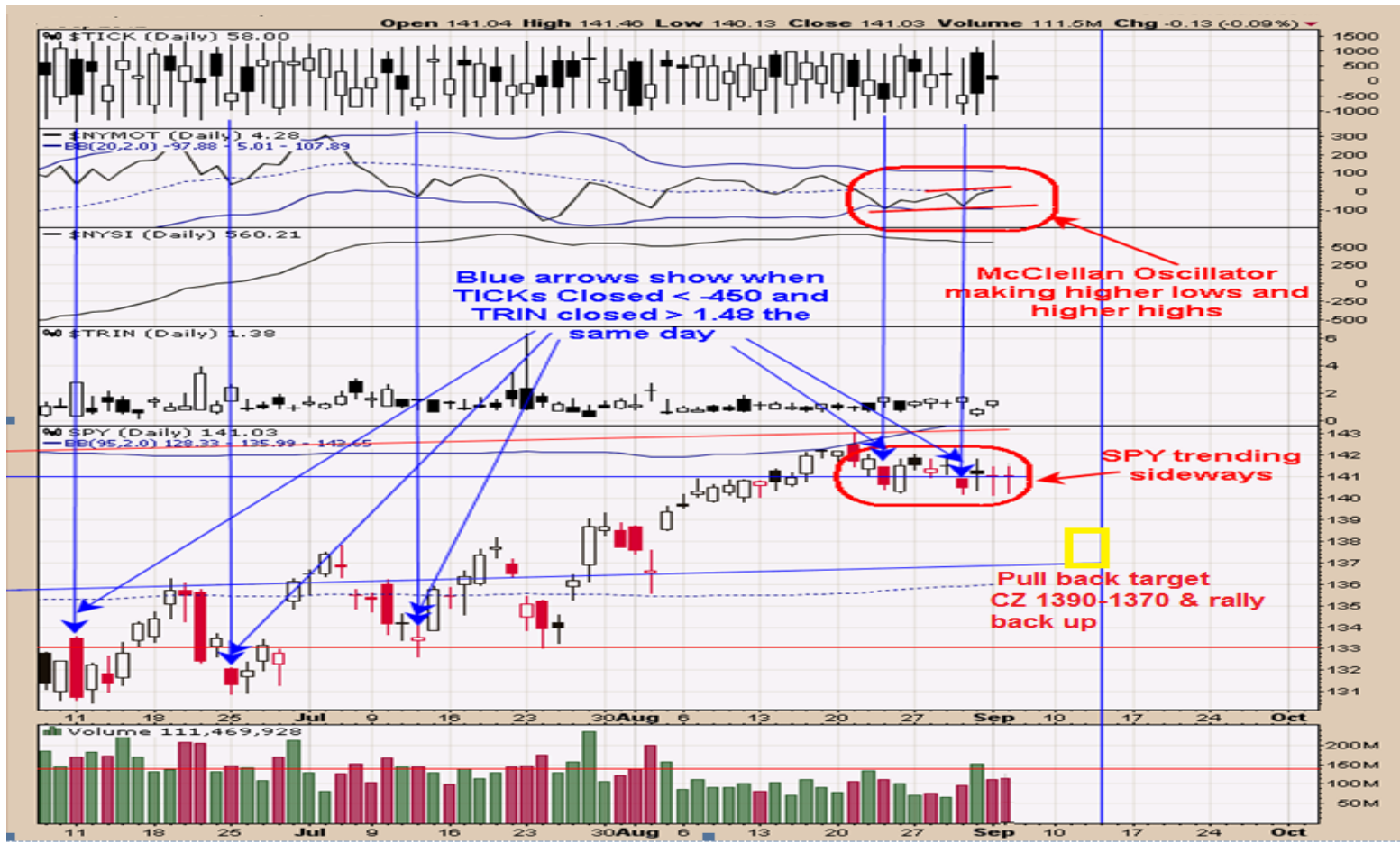
This is HOURLY CHART “ Tertiary Triangulation Pattern” at Play (Refer notes within the chart)



SPX- TICK/ TRIN Ratio Analysis

RESIDUAL STRENGTH FOR POM 15 - chart below shows (labeled with blue arrows) when the TRIN is below 1.4 and the TICK is below minus 450 the same day. Confirmed by TICK / VIX RATIO below 0.3 , The market still have residual Energy left . This is why market don't seem to backing of from Triangulation Test .

(Refer notes within the chart for previous such readings resulting in strength – This is strength is not for New ABC up, It is Near Term POM 15 criteria on Triangulation Test) .



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