



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***
 2. **Chart Analysis – 2 charts**
 - **CHINA / SPX – Ratio Pattern Analysis**
 - **CHINA – Poly Trend & Oscillator Analysis**
 - **CHINA (FXI) – CZ/ PEC-D Analysis.**

Market Overview Commentary

Today's Special message is to **highlight Observation** on CHINA'S NEAR TERM" potential Price Path .

Ratio on CHINA(SSEC) / SPY suggests a major Breakout area testing pattern. This Pattern is difficult to achieve . On Independent stand alone basis, we were looking for Validation in terms of PQV & PEC-D Projections with Oscillator positive divergence. (Refer charts below). As mentioned in GLOBAL IDX we were also looking at formation of Key reversal with Bullish engulfing.

CHINA (SSEC) market is setting up good Risk Reward for NET LONG on any retracement (with stop under lows, refer chart) and **Conservatively be PAIRED with SPX for HEDGING. SPX which is at the Top of the range with Negative divergence with limited upside. .**

FXI (CHINA) – ETF – PEC-D patterns are being met with upward price projection. FXI being Higher beta than SPY for pair Trade adjustment.

CHINA (SSEC) Retracement into CZ 2110-2080 for potential LONG position Hedged with SPX
FXI - Retracement into CZ 32.80-32.50 for potential LONG position Hedged with SPY –
FXI Trigger - , with 12M shares or less volume test within CZ & close price above 32.90 for trigger

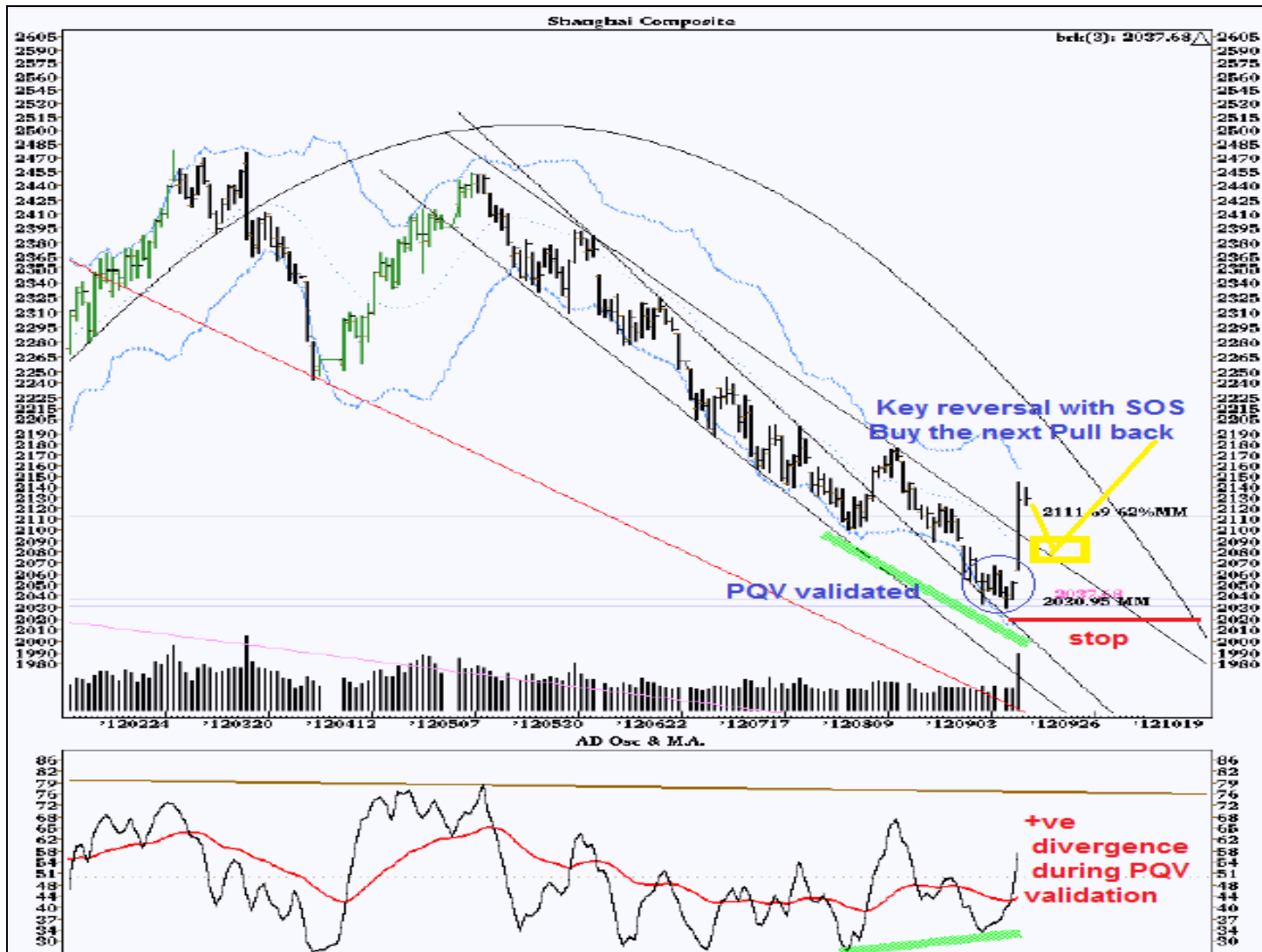
CHINA SSEC / SPY Ratio Analysis

NOTES WITHIN THE CHART . .



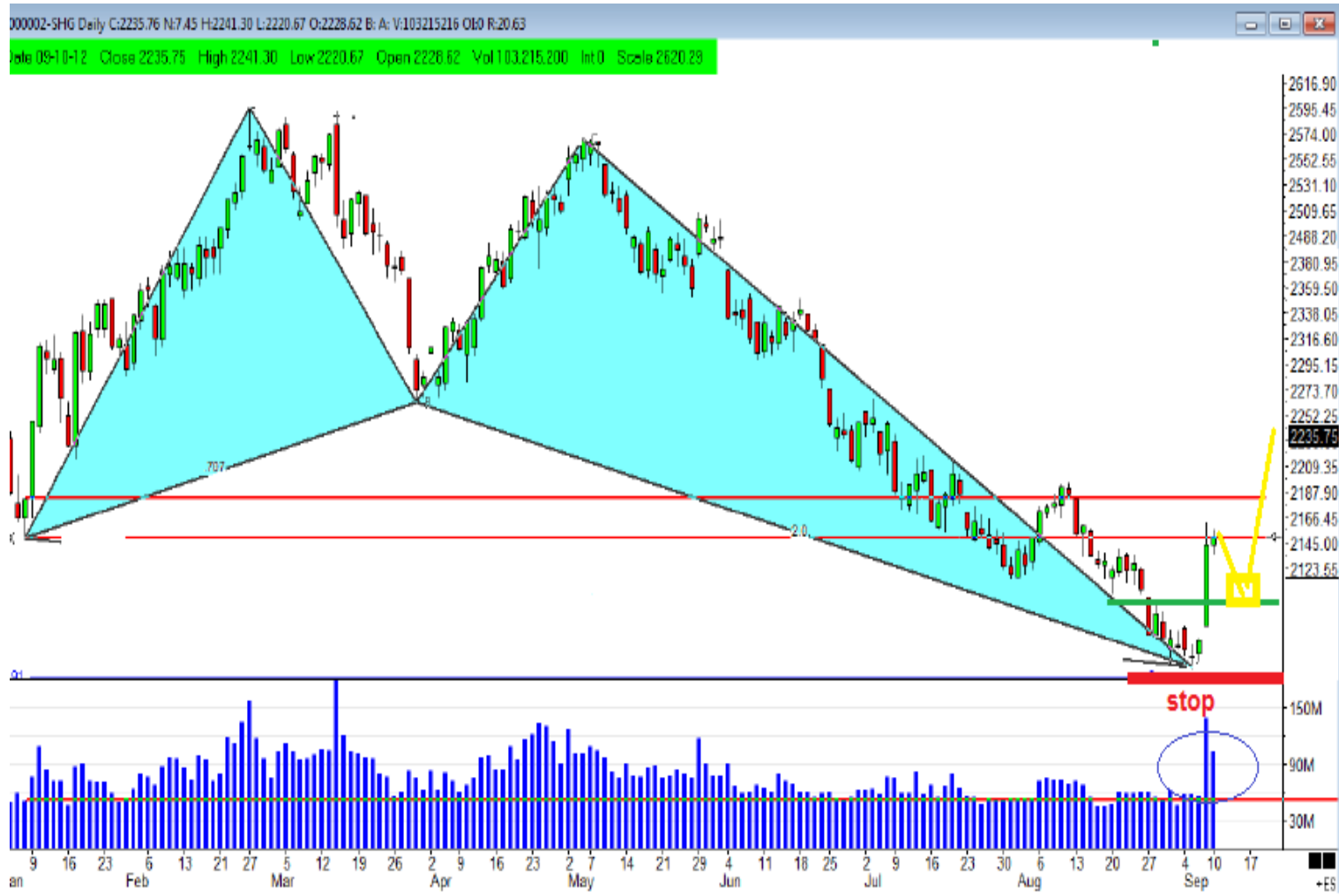
SSEC (SHANGHAI) – CZ – Poly Trend & Oscillator Ratio Analysis.

Texture – NEUTRAL TOP. & BULLISH BOTTOM. , NOTES WITHIN THE CHART . .



SSEC (SHANGHAI) – CZ / PEC-D / Ratio Analysis.

Retracement into CZ 2110-2080 for potential NET – LONG position – BUT – Risk adjusted Stop for risk protection recommended on other side of CZ (indicated in red)



FXI – (SHANGHAI) / PEC-D / Ratio Analysis.

Retracement into CZ 32.80-32.50 for potential NET – LONG position, with 12M shares or less & close price 32.90 for trigger – BUT – Risk adjusted Stop for risk protection recommended on other side of CZ (indicated in red



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