



SG Capital Research

Global Market Insights

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

MAEG – WKLY CZ- COMMODITY ANALYSIS SG 2012 # MAR_21

For Immediate Release – *Wednesday AM (EST)*

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Commodity Analysis (C) – (SP)

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- GOLD (GLD)
- SILVER (SLV)
- MINERS (GDX)
- OIL (USO)
- NAT GAS (UNG)
- COPPER (JJC)
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- AGRI COMMODITY (DBA)

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• 1- Executive Summary

• MARKET

World Markets are Mixed after Europe's strong opening its softened. This is the first morning in quite some time where we see Europe weakening after a strong opening, and even more so given the past 2- day decline. This argues for a further correction to digest the recent gains. If there is a point on any major country market worthy of watching it is the German DAX. A close second would be Hang Sang pictured yesterday as it failed. If European and Chinese markets are weakening others will follow. Although we have heard Theory of decoupling argument before.

• COMMODITY

Commodity Market has been following our Price Path Script pretty well as articulated in our Previous Commodity Reports (includes GOLD, SLV, GDX, CRB , Base Metal etc.)

Past 10 years every rally in SPX has been led by Commodity Market. And conversely Decline in SPX has began with Commodities topping out before equities. Decline in Gold Miner may be Proxy for such precursor.

Technically CRB and its Major component (except Oil) has been weak as indicated in our last C # Commodity Report & continues to prove its merit . Certainly it is good instrument at POM 14 / POM 15 for Short Position then general Market. CRB does not get much sponsorship from Fed as much as general Market to hold Commodity Market higher. .

- COMMODITY (CRB)- meeting its own CZ AT 330-320 with its Price Path Analysis & failed. This market should follow our signals of POM 15 on SPX on downside . DBA UNG usually does not follow CRB very closely are on Bullish Set Up Triggers .
- OIL(\$WTIC) - Since last Report, We were Neutral, Since Geopolitical situation has pushed it out on breakout. But No Signal although we have Price projections. Price of Oil in Euros is already more expensive than it was at the peak in 2008
- DXY- The USD continues to move higher put in pressure on GOLD , CRB.

GOLD

Currently remains, at Bull Market POM Rating - POM 14 which is Partially Hedged Long Positions within CZ areas of POM 14 . Failure in this Zone provides best Risk Management opportunities during decline / corrections.

On 3/06, - Last email Alert GOLD at 1668 – For Floating position

Action 1) – Our recommendation in email “Alert” was to Cover Hedge Position Triggered at **CZ 1775-1750 - failure.** As expected, we witnessed Gold failed miserably in that **CZ - 1775-1750**, the reaction was **130 points decline to 1660 to lock in.**

Pending Action 2) –, Once GOLD settles down it could give a opportunity within **CZ 1650-1625** – ONLY upon successful CZ re test to go LONG as our NEXT STEP) .

Currently we have entered , **CZ -1650-1620** as expected for secondary test and still appears quite heavy. This is the area where we broke out with “Sign of Strength with validated PQV on FOMC day 1/25)_ - and is critical area to diffuse PQV on this pull back re visit . Now this area should hold on the pull back for bounce only . With proper / methodical successful test. (**It has not happened yet**) .If it does then GOLD would set up Bullish entry for next ABC up.

But If PQV invalidates at 1650 -1625 TEST then downside would open up continue to 1560 as Next target where there are more Projected verifications (see chats below) We are Bullish on USD that might push GOLD down . We shall announce it via Trigger point at that Level. This could very well be POM 13 at that time .

LONG TERM BULLS - remain Long with (½) Core position from POM 12. The 2nd (½) floating HEDGE position at POM 14 CZ to capitalize on Market gyrations.

In typical Bull Market move, Pull back tends to give fast Price destruction & does not stay down longer on Trigger

OUR POSITIONS

The Core Long Position has been in tact from our last POM 12 @ 1250 which we plan to hold long term towards 1900 to test the BULLISH TOP target and to 2400 our 6th Wave LT Price Target .

The Floating Hedge Position being rebalanced with Hedges several times_ for Profits within the GOLD's swinging gyration from POM 14 to ABC down or at POM 13. Recent one being 130 point decline. Currently awaiting for next step.

- GDX

Although GDX has reached our downside CZ Target 50-52 from the decline that began from our CZ Trigger. (58-57) & GOLD at 1775-1750 - POM 14 . We announced covering Hedges Gold at 1668. @ CZ 50-52). On 12/16
Alert

GDX went down slightly further and now oversold . It should bounce any time **BUT GOLD contract has some work to do on downside this should drag GDX in sympathy.**

It is really amazing that Miners could not rally with the rest of the market. General Market has been bidding up almost anything except Miners . I would assume that means something to watch.

Considering the long term on GDX (Chart below) , the ideal point to accumulate Long has been towards the lower end of CZ 's and Manage the Risk when it reaches at the upper end of the CZ. to get the best Risk / Reward. Those points are more closer to Tops if one is Seller and more closer to Bottom if one is Buyer depending on Portfolio's Objective.

POM Signals , Trading Conclusions - Price / CZ Projection Summary

C# Commodity Report 21st March 2011	CURRENT STATUS	Target Reached CZ - Trigger Confluence Zone	Next Target	Comments
GOLD				
SHORT-TERM -POM 14 last 1725	NEUTRAL	1668	1650-1625	Decline from 1775 to 1668 was met (140 pts)
MID-TERM - POM 13 (1575-1550)	NEUTRAL	1650-1625	1560-1531	Awaiting for PQV Validation
LONG-TERM POM 12 (1250-1225)	BULLISH	1250-1225	1900 -2000	Consolidation in larger range 1450-1825 (Partial Long Position in tact)
GDX (Miners)				
SHORT-TERM	NEUTRAL	50-52	47-45	Decline from 58-57 to 50-52 (6 points)
MID-TERM	BULLISH	47-45	65-67	Awaiting for PQV Validation
SLV				
SHORT-TERM	NEUTRAL	31	31-30	Decline from 34.5 to 31was met (3.5pts)
MID-TERM	BULLISH	30-29	TBA	Awaiting for PQV Validation
CRB				
SHORT-TERM	BEARISH	330-320	300-305	leg down in progress
MID-TERM	BEARISH	360-370	TBA	4th leg down
OIL				
SHORT-TERM	NEUTRAL	104	NA	115 ? OR 100 ?
MID-TERM	NEUTRAL	TBA	TBA	Should follow CRB / IRAN policies
DBB (Base M)				
SHORT-TERM	BEARISH	22-21	TBA	leg down in progress Should follow CRB
JJC (Copper)				
SHORT-TERM	BEARISH	53-52	TBA	leg down in progress Should follow CRB
DBA (Agro)				
SHORT-TERM	BULLISH	29	TBA	Leg Up in Progress Risk Management below 28
UNG (Natgas)				
SHORT-TERM	BULLISH	18.40	TBA	Leg Up in Progress (NEW ENTRY) Risk Management below 17.5 on close STOPPED OUT ONCE
LEGEND				
POM 14	Partially Hedge Status	Bull Market Signals		
POM 13	NET Long Status	Bull Market Signals		
				NOTE: For Detail Price Path Chart Analysis Indicators, Justification for our Conclusions, refer to the full Report

CRB – Chart Analysis

- **YTD – Commodity Components with SPX performance v/s CRB**
- **DXY Correlation / CRB - with MA , Trend & Oscillator Analysis**
- **DXY - with Poly trend & Oscillator Analysis**
- **CRB / DBC- with MA , Trend & Oscillator Analysis**
- **CRB- Poly Trend Analysis.**
- **CORRELATION RATIO Analysis – CRB v/s USD, CRB v/s SPX**

GOLD / SLV, GDX – Chart Analysis

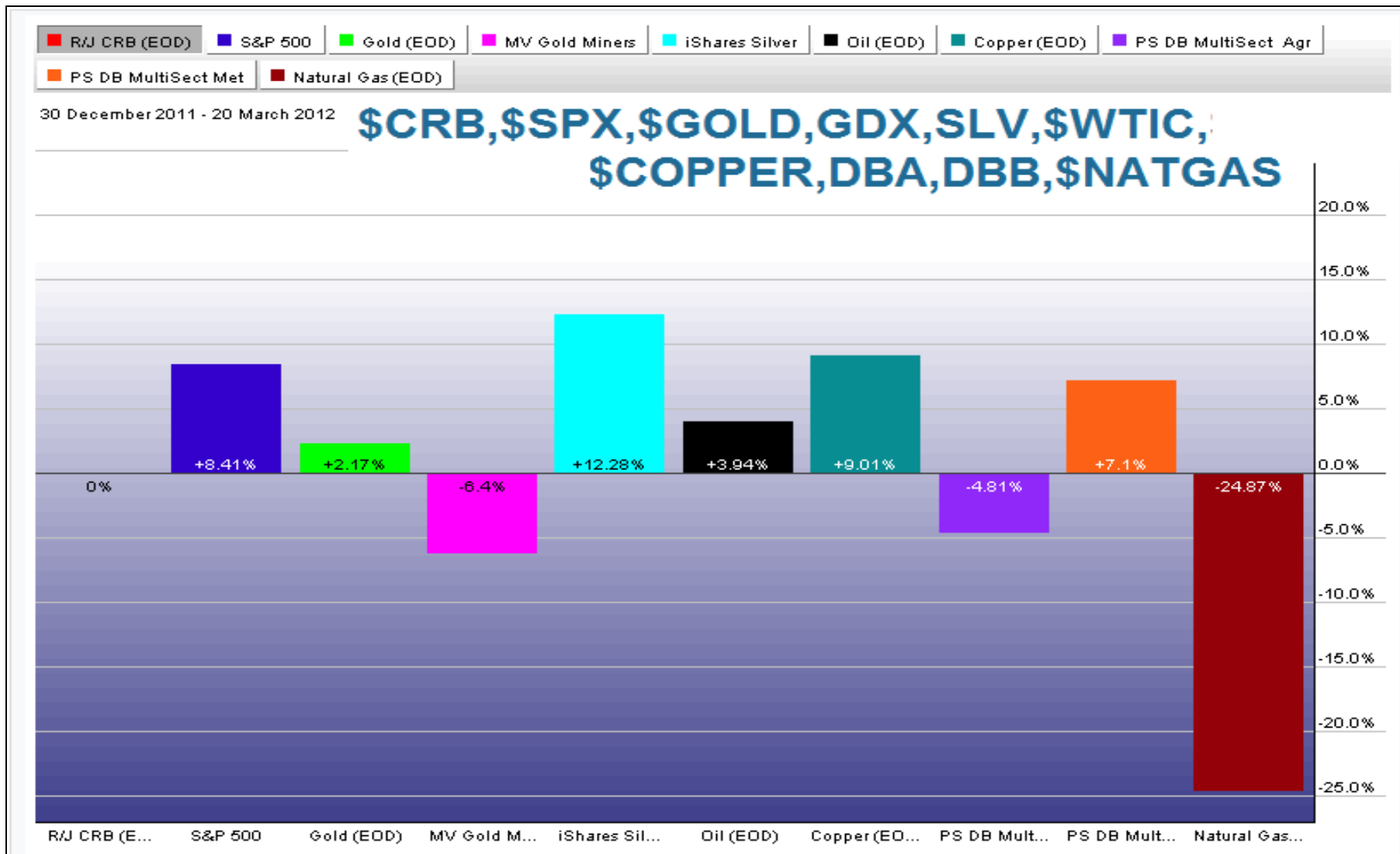
- **GOLD MA, Trend & Oscillator Analysis –**
- **GOLD - PEC –D Analysis**
- **GOLD – Cycle Analysis**
- **GOLD / SLV – Lead / lag Analysis**
- **EXTREAME Sentiment Analysis (3rd Party Data)**
- **SLV – PEC –D Analysis**
- **SLV – Poly Trend Analysis**
- **HUI / XAU – PEC –D Analysis**
- **GDX – SMA & Trend Analysis**
- **GDX – CZ – Price & Volume**
- **CORRELATION RATIO Analysis– GOLD v/s GDX, SPX, SLV, OIL**

Commodity Component – Chart Analysis

- **OIL – PEC –D Analysis**
- **OIL –MA, Pattern & Oscillator Analysis**
- **NATURAL GAS – UNG - MA / Pattern & Oscillator Analysis**
- **COPPER (JJC) – MA / Pattern & Oscillator Analysis**
- **CORRELATION RATIO Analysis – COPPER v/s SPX , CHINA,**
- **BASE METAL – (DBB) - MA / Pattern & Oscillator Analysis**
- **AGRI – COMMODITY – (DBA) - MA / Pattern & Oscillator Analysis**

• YTD – Commodities & SPX performance v/s CRB

Weakest and strongest Indices - Since is beginning of the year 2012 , **FOR PAIR TRADES** - it is very critical to keep close eye on this chart for Strength / weakness pick up in these market . (Chart below is our Inter market Analysis Model with Ratio Relative performance v/s CRB)



GOLD – CZ, Pattern Analysis

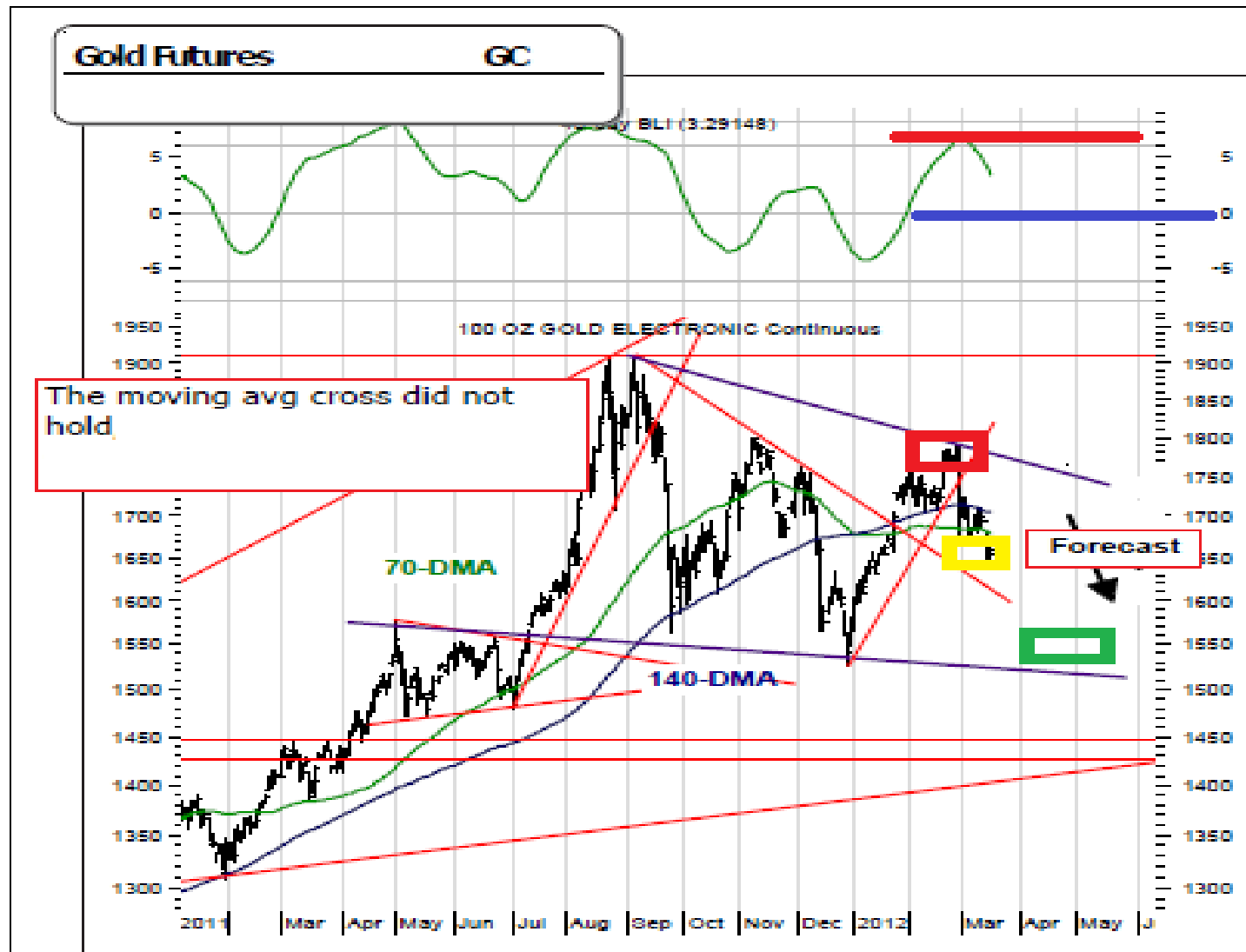
We think the bounce should come in based on PQV – VTO but it would not last and set up ABC down to Green area CZ 1560-1530.

By this Method - . As indicated in last Report, Red Box at 1775-1750 completed this rally leg and then retracement to 1650-1620 area



GOLD MA, Trend & Oscillator Analysis

By this Method - . It Results in the same conclusion .



- **EXTREAME Sentiment Analysis GOLD (3rd Party Data)**

Courtesy : SENTIMENT TRADERS

- **GOLD – PUBLIC OPINION - NON @ EXTREMES SENTIMENTS**

- **RYDEX CASH FLOW - NON @ EXTREMES SENTIMENTS**

- **GOLD – COT - NON @ EXTREMES SENTIMENTS**

- DXY - with MA, Trend & Oscillator Analysis

As expected , DXY Finished another ABC up to 81.25 with Bullish Top . from 78 reversal. Bullish Tops tend to get tested after pull backs if not broken.

Currently DXY it is retracing back once again as natural pull back .

DXY began MAIN Trigger @ 72-73 (09/07/2011)



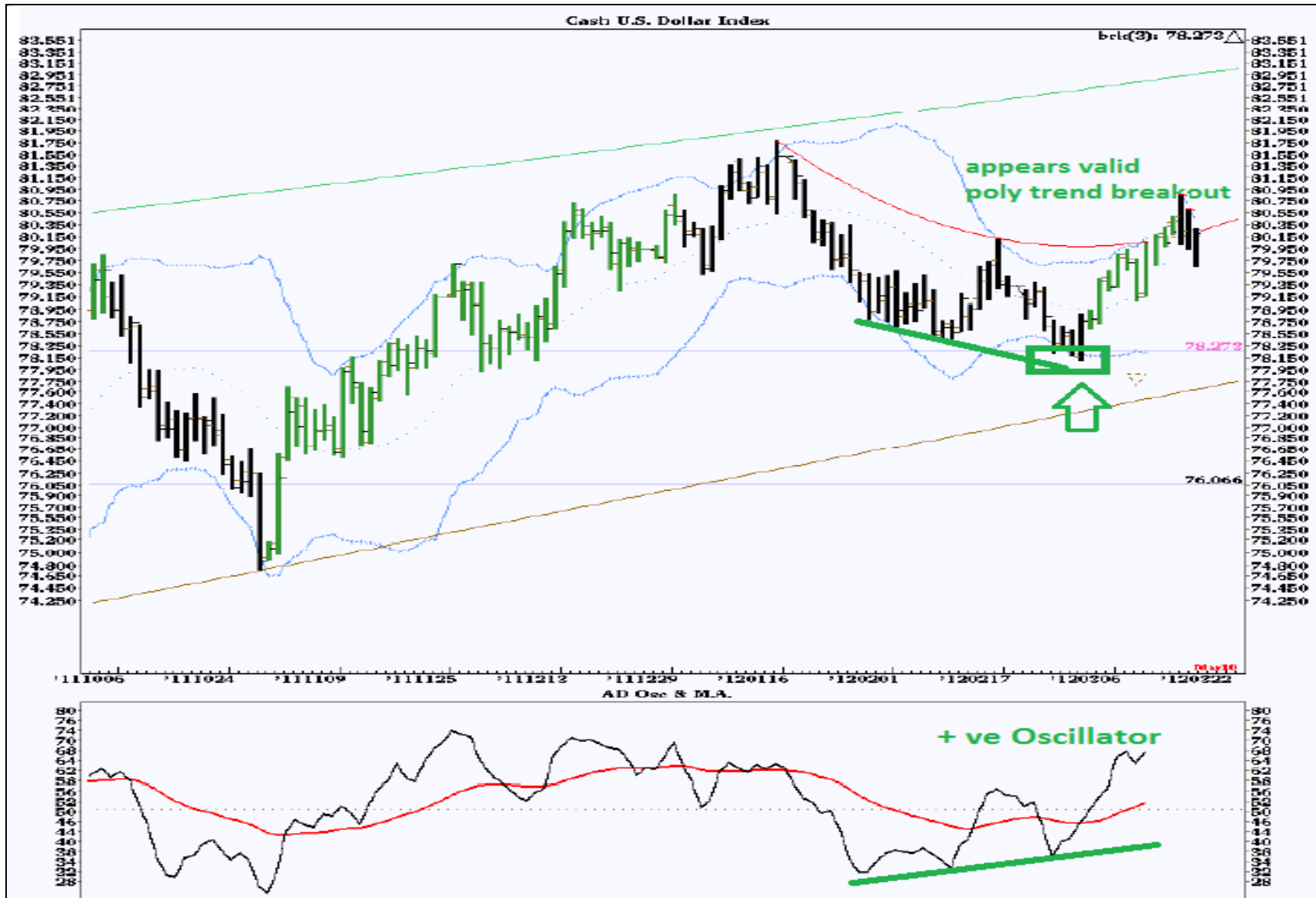
USD – PEC D – Analysis – SHORT TERM

***By this Method- PEC-D @ 81.25 was completed and retracement began , this allowed CRB / GOLD to bounce .
Once the pull back pattern at 786/ 618 is completed to 79.25 , DXY should rally to 82.25 and put pressure on GOLD and CRB once again***



USD – Poly Trend / Oscillator Analysis

Poly trend line has been decisively broken, Major bullish divergence on Oscillator that signals a bottom is solid on every rally.



CRB- Poly Trend Analysis

The commodities failed in our CZ 330-320 and decline is in progress, bounces will be just bounces

CZ of 330-320 with -ve divergence and PQV is invalidated on Right side of POLY TERND . is a Caution.



- **CORRELATION RATIO ANALYSIS**

- **CRB v/s USD - Inter market Analysis**

Inverse Correlation continues in Current Trend – No extremes

- **CRB v/s SPX - Inter market Analysis**

Direct Correlation continues Current Trend – No extremes

SLV – PEC –D Analysis

By this Analysis – PEC – D Projection on downside is **30-29** indicated in yellow . The decline began from PEC-D **34.5-33.5** @ 786/127- PEC-D as stated in earlier Reports.



SLV – Poly Trend Analysis

As Reported in earlier Report , By this method , Silver was at high risks area at 35.5 challenged the Poly Trend target where previous rallies have failed. is in counter trend bounce, . That trend line is rolled over to the downside bearishly



SLV – CZ, Pattern Analysis

As expected, SLV FAILS TO HOLD BREAKOUT in CZ35-34 (RED) due to PQV, -ve VTO, This was a Bull Trap., now moving back below the breakout with a sharp decline to 31.

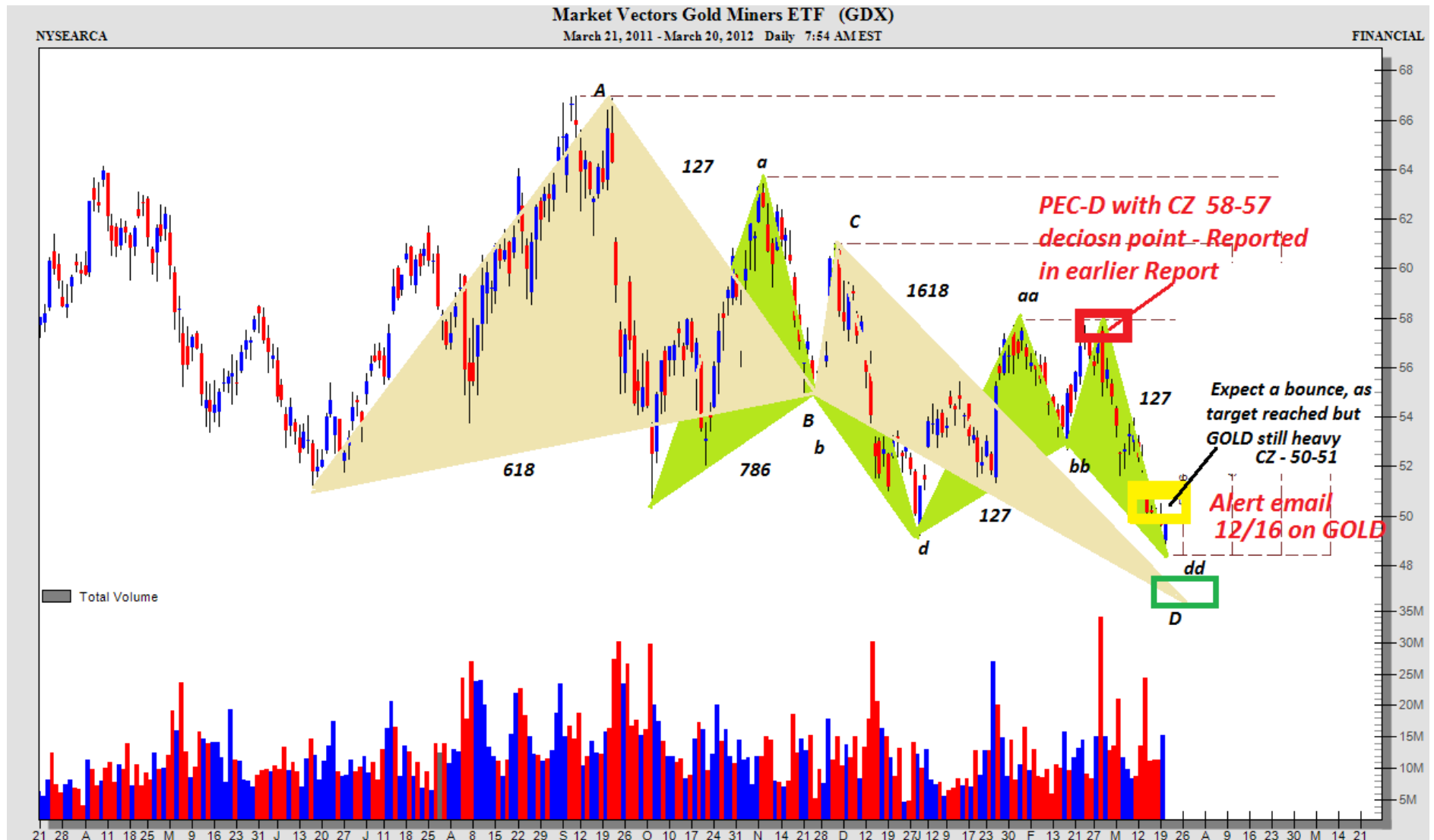
By this Method -.. The retracement to -30 -29 area if PQV validates., We think better Risk / reward should be set up, till such time our Model would not Trigger sustainable up move.



GDX / XAU – PEC – D Analysis

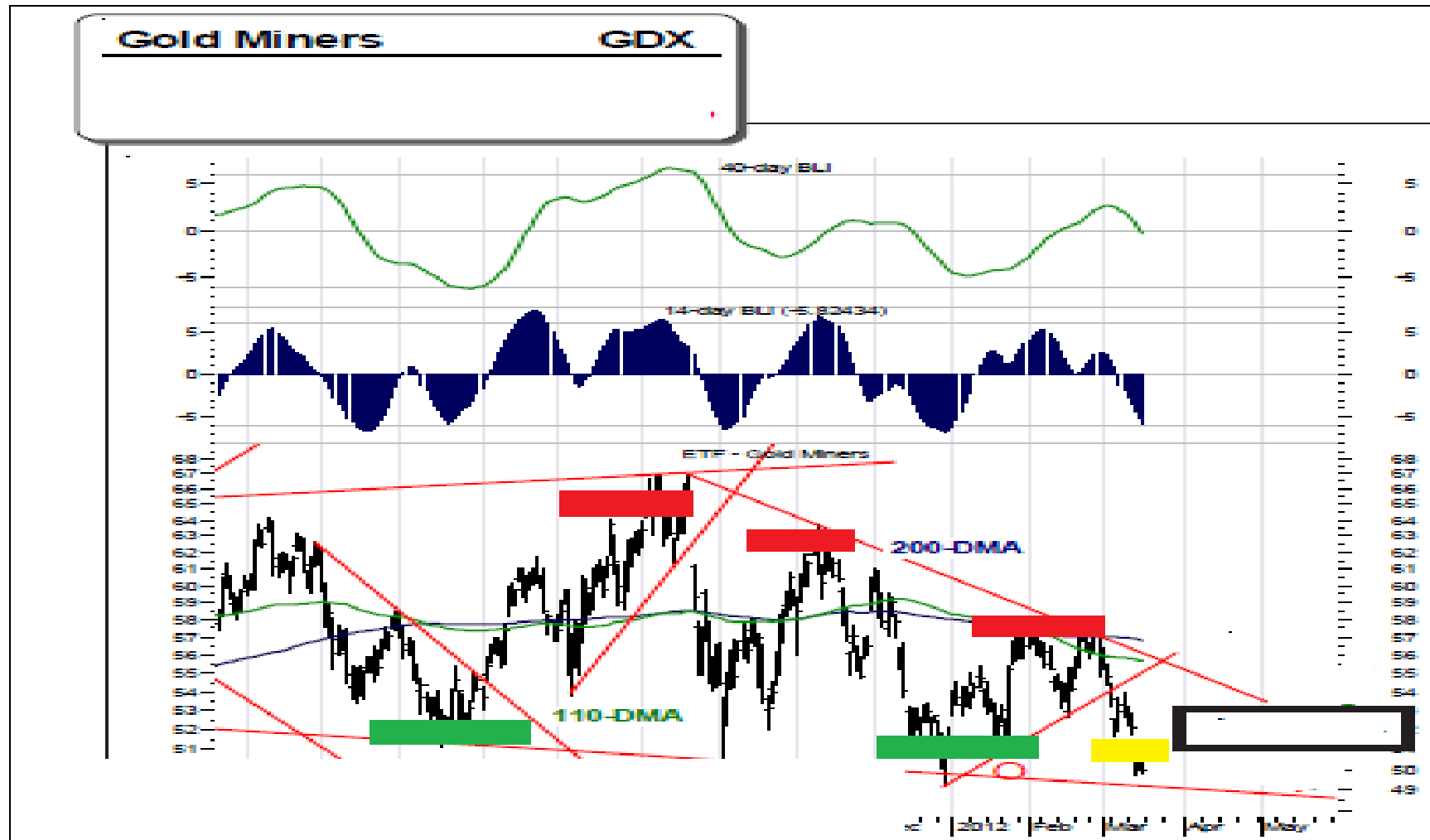
By this Model – From last Report PEC –D pattern XAU @ 203-205 proved it merit and sell off began (this coinciding with GDX – 58-57)

CZ Target on decline projected to CZ 50-52 is met but it looks heavy . We think 47-45 or GOLD to POM 13 trigger should setup better Risks reward for next signal .



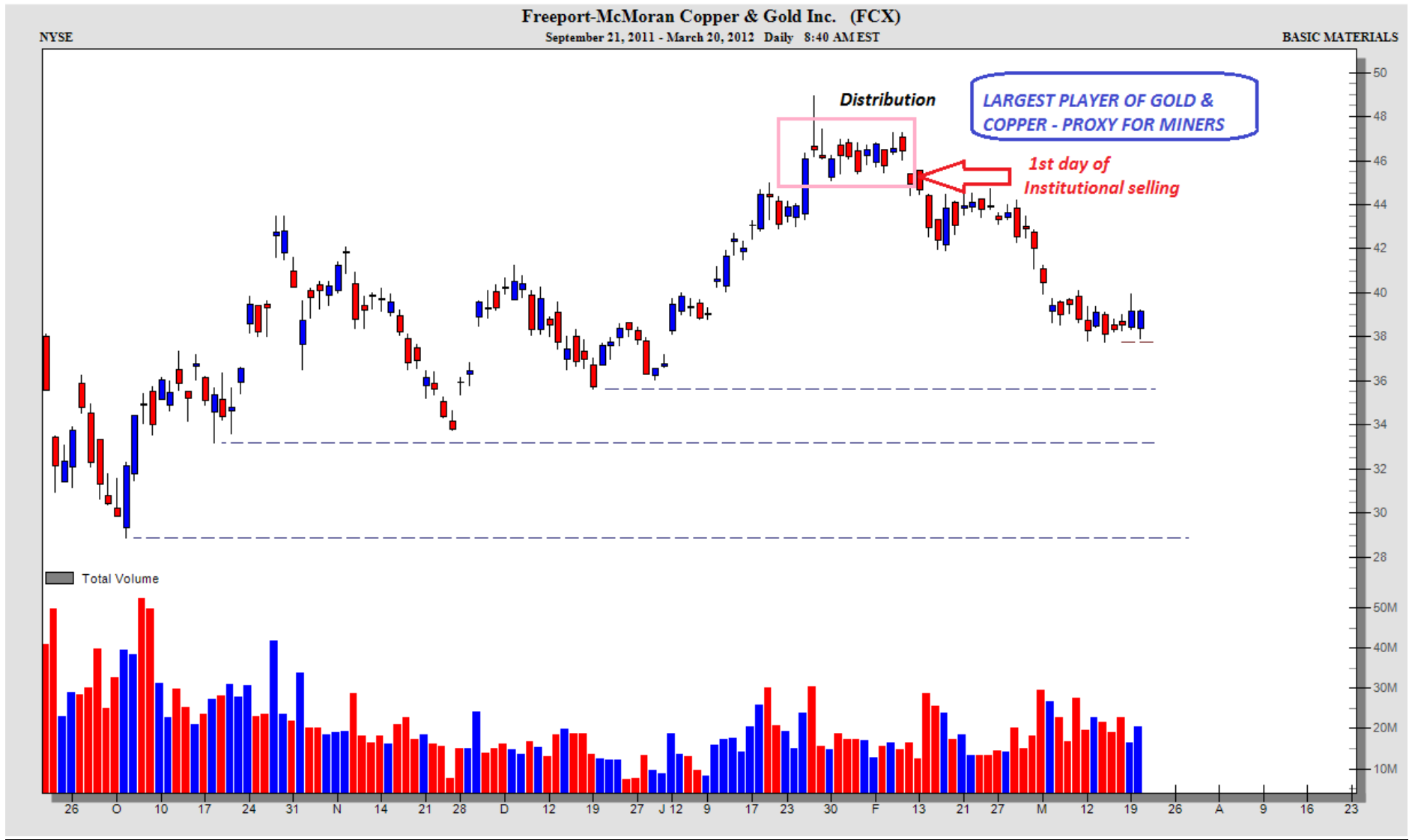
GDX - MA, Trend & Oscillator Analysis

By this Model – GDX pull back CZ -53-51 (in yellow) was met along with GOLD's decline . Earlier the Price was rejected at CZ 58-57 and nasty decline began .



FCX - Analysis

PROXY for Miners - is relevant (notes within the chart) . At 46 was first sign of institutional setting and kept the pressure for further relentless selling.



NEM - Analysis

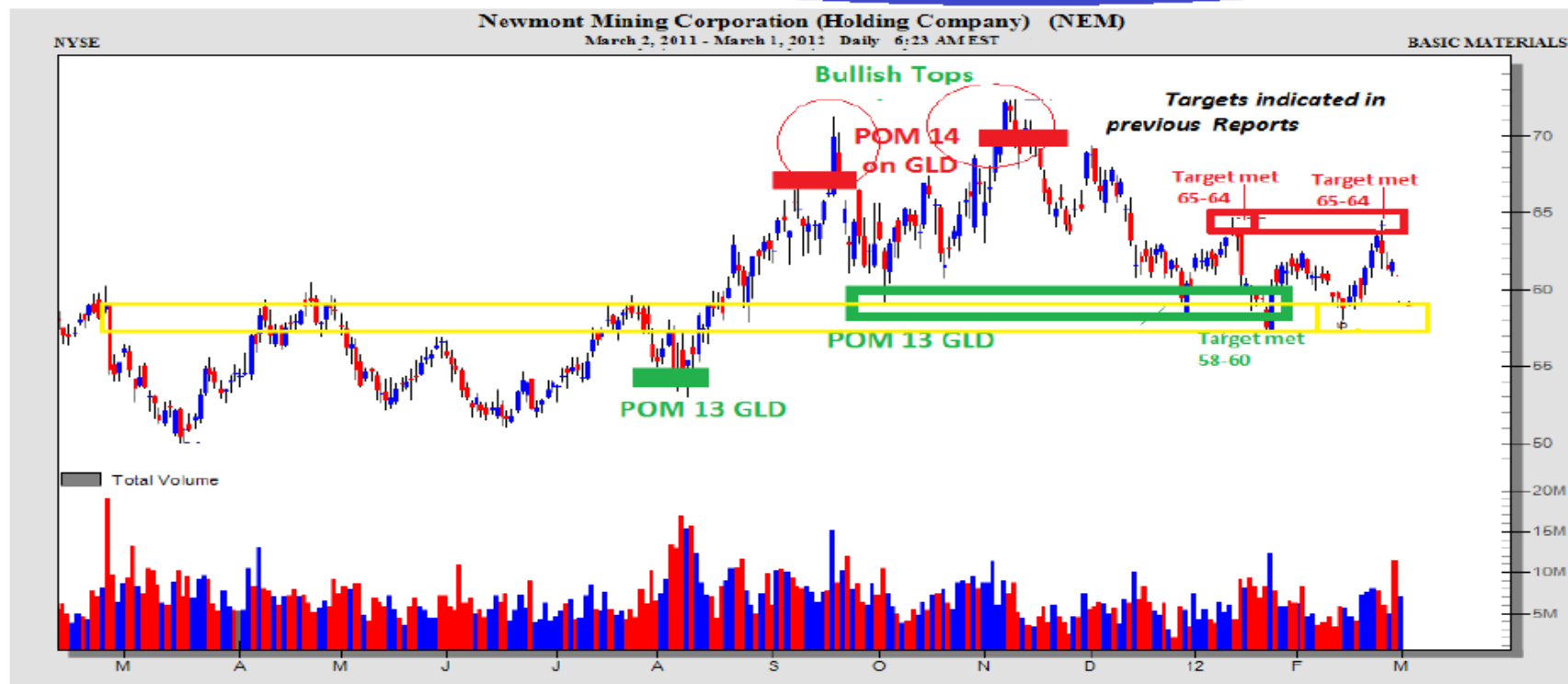
PROXY for Miners - is relevant (notes within the chart below) NEM like FCX was victim of Institutional selling which began at our CZ 65-64 Slide below is from Archived from E # 3 – REPORT 02/29. (refer notes)

NEM – CZ- PRICE & VOLUME ACTION - Group A

Equity showed amazing power of CZ in red and yellow to get attracted on rally and pull back- both indicated in earlier messages

UPSIDE - Oversold bounce once again reaching our projected CZ - 65-64 (red) & as suggested Snapped back quick into CZ back to lower CZ 60-58 in green / yellow.

DOWNSIDE - CZ 59-57 (in Yellow), area should be attracted again into this decline that started at 65, especially with GLD, GDX are projected to be under retracement. Volume should not expand towards the close into 57.



Correlation Ratio Analysis

- **GOLD v/s GDX (XAU) – Extreme Ratio Analysis (ST / MT)**

GDX : GLD Ratio acts like A/D Line for GOLD market .

SHORT TERM - NONE @ EXTREMES

MID TERM - GDX is Undervalued

- **GOLD v/s SPX – Extreme Ratio Analysis**

Gold v/s SPX prices since 1988 (22 YR Cycle). SPX has moved 5.5 X times to-date and during the same time frame GOLD has moved up 4 X times . It appears still some more room left to upside on Gold. With similar target of Price expansion - Target PRICE is 2500 on GOLD.

NONE @ EXTREMES

- **GOLD : SLV RATIO – Extreme Ratio - Analysis**

At one time this ratio was at extreme. (Reversion to mean, consolidation is needed here)

NONE @ EXTREMES

AGRI – COMMODITY – (DBA) - MA / Pattern & Oscillator Analysis - **BULLISH**

DBA has pulled back to re test the CZ once again but Mid Term has turned BULLISH . Triggered entry at 29.00 . Risk should be protected with stop at 28.00.

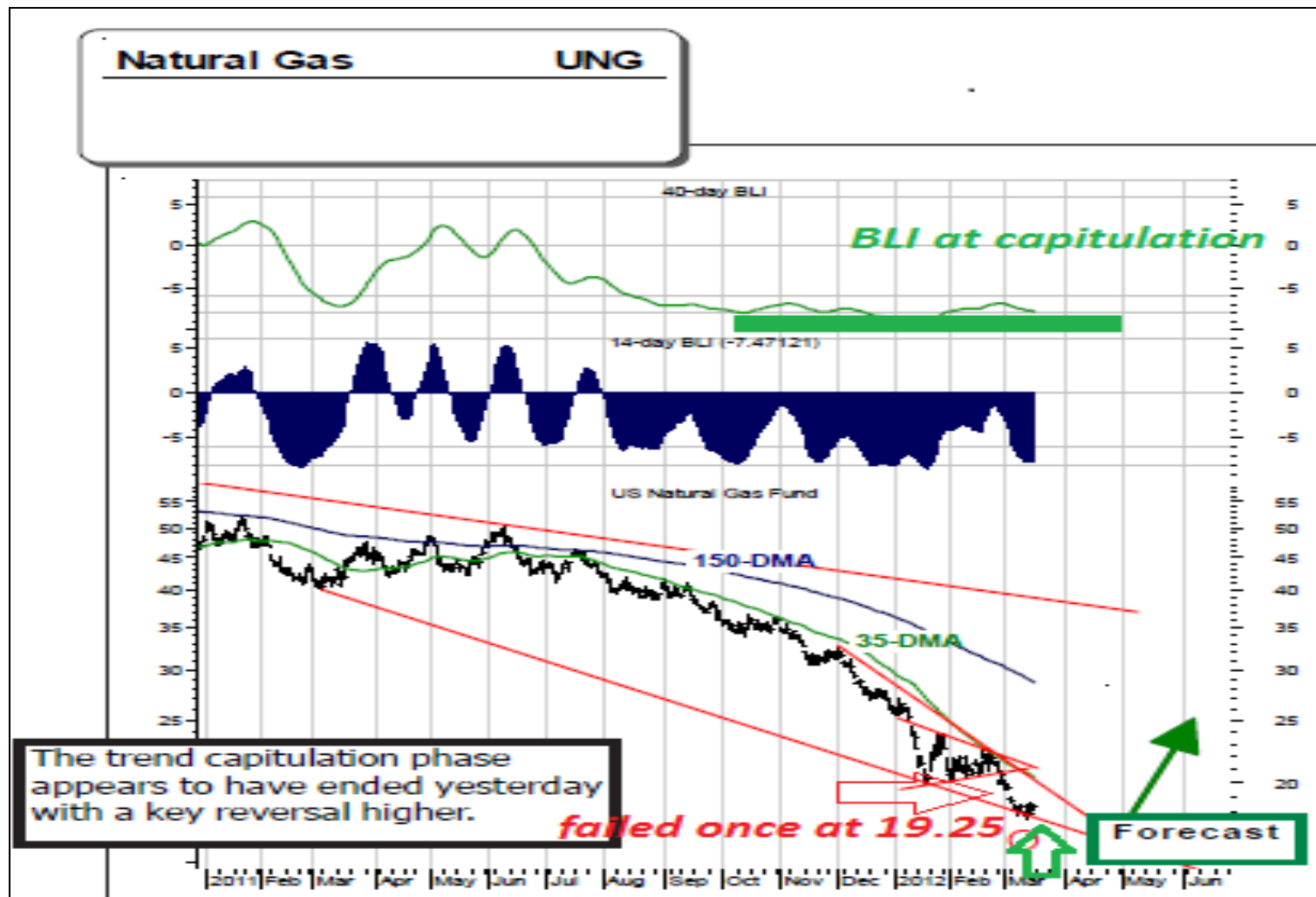
Earlier break below CZ was shake out.



NATURAL GAS – UNG - MA / Pattern & Oscillator Analysis - BULLISH

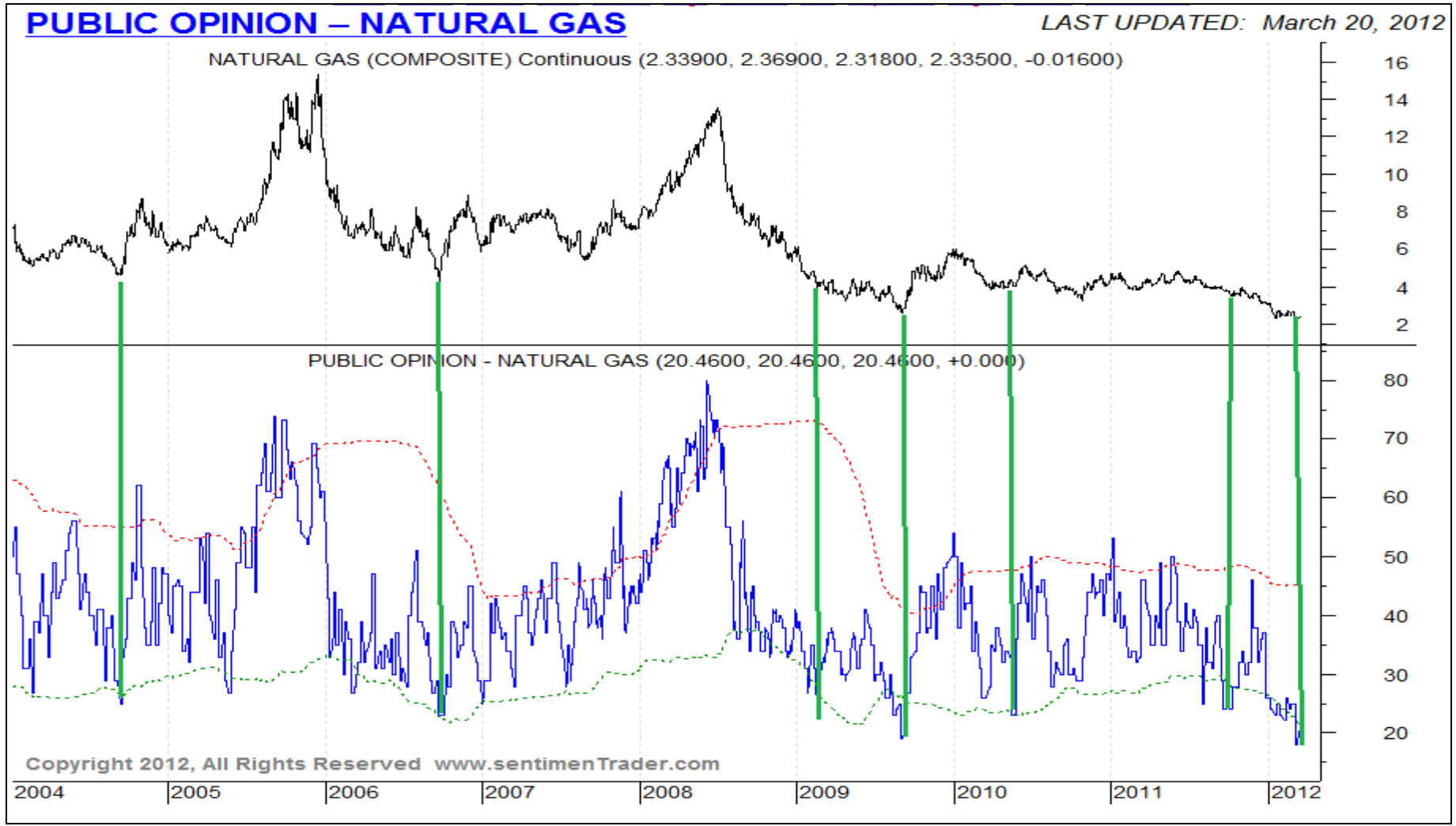
Our earlier entry into UNG failed but UNG is forming a bottom . It formed key reversal once again . Entry back into it announced 18.4 stop 17.5 announced. Several Individual NGAS stocks have broken out bullishly

UNG going through the capitulation phase. By several Matric including v/s \$WTIC is very undervalued. UNG is also at 20 yr low



• EXTREAME Sentiment Analysis UNG (3rd Party Data)

Courtesy : SENTIMENT TRADERS



OIL – PEC –D Analysis - NEUTRAL

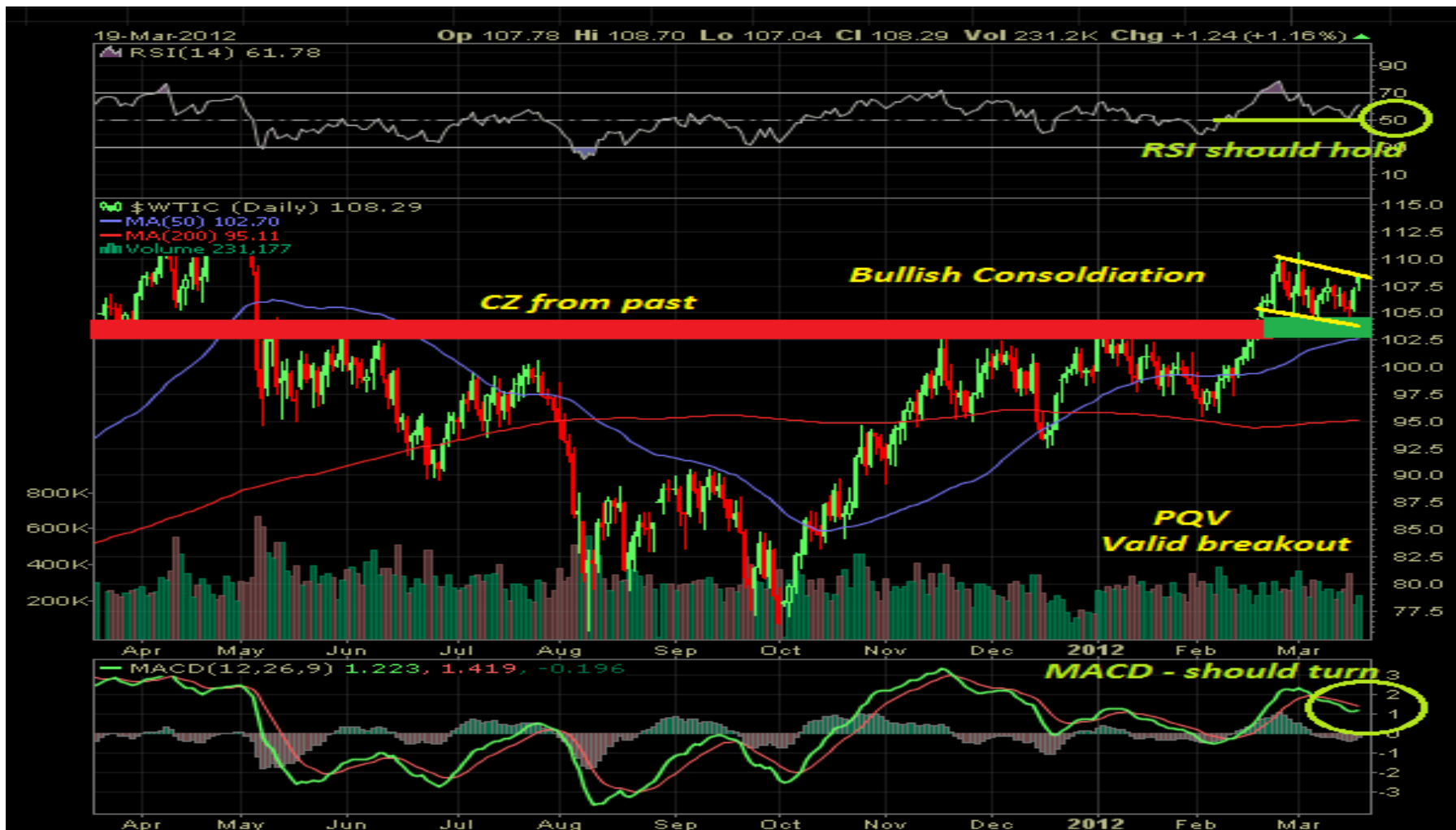
Geopolitical issues have dominated . Therefore in spite of having price Projection , It is hard to get Trigger.

*In last Report we indicated Oil Pull back to 104 - 103 which it happened then bounced. We have Price Projection **PEC –D** / **786/127** to target 100 but it can change if news come out of IRAN*



OIL – Poly Trend Analysis - NEUTRAL

If we look at OIL in slightly different Analysis . It appears we may not pull back to 100 (as stated by PEC-D) but consolidate in FLAG and break towards 115. This is mixed picture.



Correlation Ratio Analysis

- **OIL v/s SPX - Inter market Analysis @ Extreme**

Oil prices above 95 – Warning bell for SPX

Oil prices are back above 95 . Every time it exceeds 95 , the correction is due in SPX . We are currently in the similar situation & extended.

- **\$ COPPER v/s SPX - Inter market Analysis @ Extreme**

The Price Path Analysis in SPX & COPPER act as LEAD / LAG Indicator on its correlations. Copper is once again is showing diverging from SPX . Copper has been lead indicator by at least 2-4 weeks in prior cases to call nasty decline. We have already past 4 weeks..

- **\$ COPPER v/s CHINA - Inter market Analysis @ Extreme**

CHINA'S market collapse hurts copper. We have been Tracking the Price Path Analysis in CHINA market in our A # 2 – MS GLOBAL Report as warning to Global Markets. And in C # Commodity Report CZ in JJC (COPPER) for Top / Bottom with Inter market Analysis .

COPPER - PEC -D Analysis -

COPPER completed **PEC-D** exact at 4.0 at 786/127

Copper's rebound may be over as it failed to exceed its prior high. That represents a bearish divergence against stronger commodities & CRB



COPPER (JJC) – MA / Pattern & Oscillator Analysis

Bounce into CZ 52-51 & Failed with key reversal. It should follow CRB on next decline.



BASE METAL – (DBB) - MA / Pattern & Oscillator Analysis

Bounce into CZ 22-21. & **FAILED** once again It should follow CRB on next decline. .



SD - OVERVALUED v/s CRB ETF (SD +2)

- **\$WTIC v/s NATGAS**

SD - UNDERVALUED ETF (SD - 2)

- **NATGAS v/s CRB**

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**

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

- Start point GLD -1560 (1ST Jan)
- POM 15 - Net Short --None (Total points gains= +0)
- None recommended for GLD to “SHORT’ in Bull market by this Model. (Exception for SLV).
- POM 14 - Hedge Longs / Risk Management - None (Total decline saved= + 0)
- POM 12,13 - Net Long – None (Total point gains = +0)

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

- Start point 51.5 (1st Jan)
- POM 15 - Net Short --None (Total points gains= +0)
- POM 14 - Hedge Longs / Risk Management - None (Total decline saved= + 0)
- POM 12,13 - Net Long – None (Total point gains = +0)

2011 – POM Signals on Triggers-

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



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

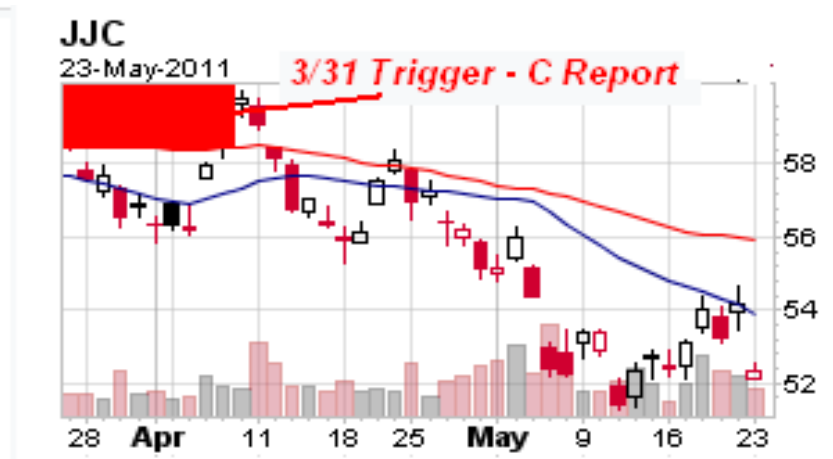


CRB - YTD - (-30 points) _____ **(-10%)**
POM 12/13 + 115 points gains (5 signal) _____ **+40%**
POM 14 - Risk Management Saving 180 Points (6 signals) _____ **+55%**

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 1ST Jan**

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

- **Alert** - POM 15–, SLV – Triggered **Alert** Jan 1st @ 30 target 26 , 25TH Jan = (4 points) 12% gains
- **Alert** - POM 15–, SLV – Triggered **Alert** April 26th & 28TH @ 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) – 8th HEDGE - B # Report- POM 14 - CZ Trigger @ 1680-1740**

- **7TH Hedge** - Closed @ 1680 CZ (9/23 - Alert) from POM 14 Re run @ 1825 , 8/23 = 145 points gain
- **6th 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
- **5th Hedge** - Stopped out on 8/17 @ 1825 from POM 14 – Re run Trigger at 1780 = (-45) points loss
- **4th Hedge** - Closed on 5/6 at POM 13 @1460 (GLD = 143) from POM 14 @ 1544 (150.48) = 84 points gain
- **3rd Hedge** - Stopped out on 4/5 @ 1450) from POM 14 – Re run Trigger at 1425) = (-25) points loss
- **2nd Hedge** - Closed on 3/16 at CZ (@ 1380) , from POM 14 – Re run Trigger at 1425) = 45 points gain
- **1st Hedge** - closed on 1/25 at POM 13 (@ 1325), from POM 14 @ 1420 (since 1st 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 1st 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 - 4TH HEDGE
 - 3rd Hedge - Closed @ 56.5 (**9/23 - Alert**) from POM 14 Re run @ 61-62, 8/23 = 5 points gain 8.5%
 - 2th Hedge - Closed on **5/6** at POM 13 @ 56 from POM 14 @ 62 = 6 points gain 10%
 - 1st Hedge - closed **on 1/25** at POM 13 @ 53), from POM 14 @ 62 (since 1st 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

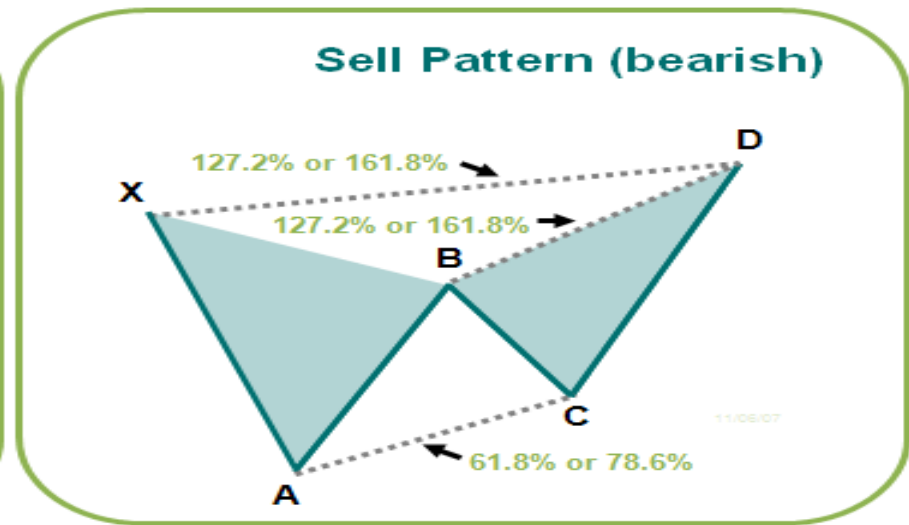
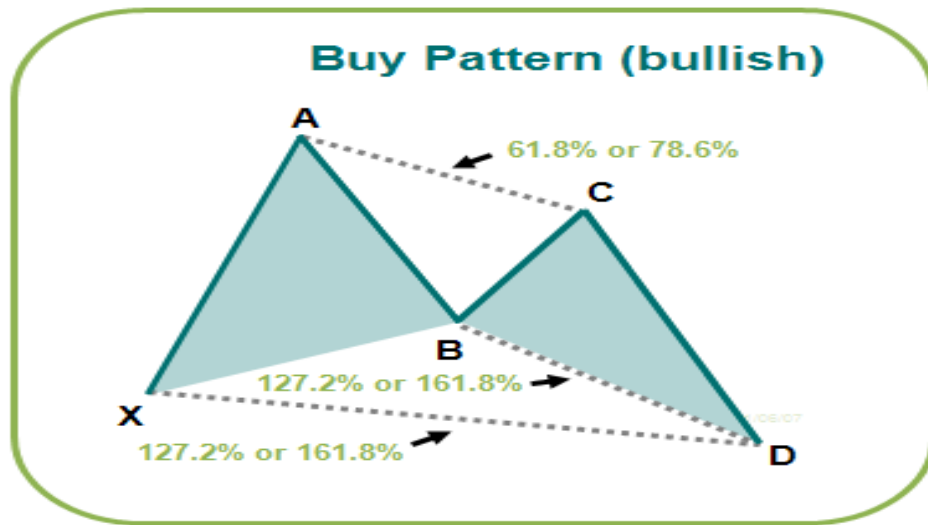
- POM is rated from 10 to 15
- POM 14 , 15 (is Sell Signal) and 12 , 11 (is Buy Signal) both are the Actionable Area whereas POM 13 is A Neutral Signal for Risk management
- On way UP move, POM 13 signifies to STOP executing additional ‘New Buys’ that was initiated at POM 12 or POM 11 levels
- On way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



• EXTREAME Sentiment Analysis (3rd 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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