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COMMODITY REPORT (Strategy & Prop Tech)

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● Executive Summary

	C. Price	Trigger POM or CZ & Date	Triggered within CZ & Date	Progress Status	Current Position	Current Exposure	NEW ACTION - Position (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
DBC COMMODITY CRB- COR Pre Announcemt	26.72	NONE	NONE	CAUTION	CASH	Increase 0% to 3%	Initiate Trigger Within CZ 27.5-28	CZ 27.5-28 Bearish Top	CZ 29-28.5 Bearish Top	CZ -27-26.5 Met exact Bearish Bottom		" favorable Risk / Reward" For Short Position till CZ is PQV validated
OIL (\$ WTIC) Pre Announcemt	94.50	CZ @96.2 Entry announced 2/08	CZ 97-96	BEARISH	Net Short Earlier Exited ½ @ 90.25 3/5 from 96 (2/08) 6 point move	Increase 1.5% to 3%	Initiate Trigger Within CZ 97-96 For additional position	CZ 97-96 Bearish Top re tested & failed		CZ -91-90	CZ 86-87	RM @ 98.00 1. Missed RM stop by 20 cents 2. Expected Short term bounce from 92 to 97 was completed & failed
COPPER - COR) Pre Announcemt	3.32	NONE	NONE	NEUTRAL Will turn Bullish @ Trigger	CASH	Increase 0% to 1.5%	Initiate Trigger Within CZ 3.28-3.30	CZ 3.80-3.75		CZ 3.28-3.30, approaching Bullish Bottom		Note – Prefer Copper contract.

Continued...

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UNG (NATGAS) Pre Annoucement	21.26	CZ @ 16.00 16.5 Core Position entry On 5/2 & 5/16	Secondary CZ 19.5-20.5	BULLISH	Net long	3 %	Initiate EXIT ½ Within CZ -22.5-23.75	CZ -21-20 Met	CZ -23.75-22.5 Bullish top	CZ 20.25-19.5	CZ -18.5-19	RM @ 19 (revised) on recycling 1.5% only PS- On ½ recycling position exited @, 22.66, 10/25, we booked 5 point profit & avoided the decline till re-entry @ 20= 2.6 points
DBA (AGRO)	26.27	CZ @ 27.50 on1/09 For entry	CZ 27-28	BULLISH Bottoming	Net Long	2 %	NONE	CZ -30.00-29.00 Bullish top		CZ 27-28 Extended to 26 Down Thrust Key reversal		RM @ 25.50(

Note

Our “**Special Report**” **04/03 Covered the Precious metal segment.**

SIGNALS. - Price Projection CZ, Trading / Investment Conclusion

Commodity Overview

In Last Report 3/14, our expectation was "Rally in USD, our Net Long position would put pressure in Commodity Market. This is exactly what we witnessed past 5 weeks. Now the DXY should pull back, this may result in some kind of Breathing room for **commodity (CRB)**

We remain BEARISH in **CRB, DBB**, - We have No favorable Risk / Reward, therefore has No Position at current levels. However We have Trigger to Watch for testing CZ.

NGAS, DBA - BULLISH Sectors, **NGAS** has rallied substantially. **DBA** is building base for next rally after key Bullish reversal

OIL - BEARISH, We are holding ½ Net Short position. Oil has Bearish Top. Earlier we exited ½ position, as it reached our 1st price objective 90 to the downside from 96. **XLE- Energy Index** – Our BEARISH – Net Short Sector, got creamed on Wednesday's trading.

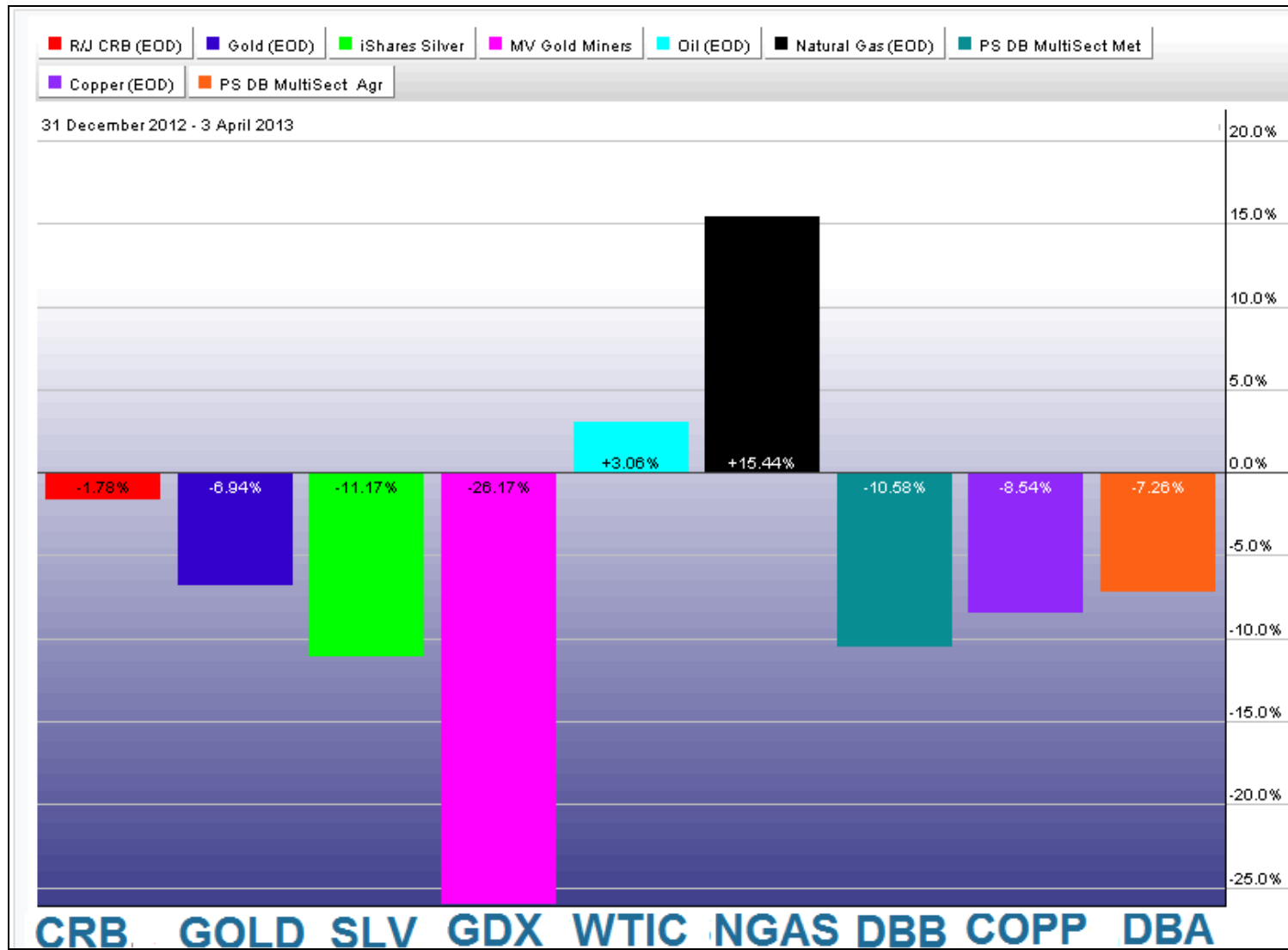
COPPER - BEARISH turning NEUTRAL. It is oversold. Upon testing of lower CZ we should turn Bullish. We have Trigger to Watch for testing CZ.

- **BULLISH INDICES** – **NATGAS (UNG), DBA (AGRO)**
- **BEARISH INDICES**– **OIL (\$WTIC), CRB DBB**
- **NEUTRAL INDICES** - **COPPER**

• YTD – Commodities & SPX performance v/s CRB

Weakest and strongest Indices for PAIR TRADES

2013 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s CRB .



DBC (CRB- Index) - with CZ/ PEC-D & Oscillator Analysis - *Bearish*

- Texture – BEARISH BOTTOM CZ & BEARISH TOP – CZ

DOWNSIDE -- Projected CZ – 26.5-27 , PEC-D @ 26.75. Met Exact with Bearish Bottom, after the bounce DBC should go further down next ABC down –

UPSIDE - CZ – 27.5-28 PEC-D @ 27.75 towards with Bearish top - **Trigger to Watch “ failure within**



COPPER - CZ/ PEC -D Analysis - *Bearish turning Neutral to Bullish on Trigger*

- NEUTRAL TOP & BULLISH BOTTOM

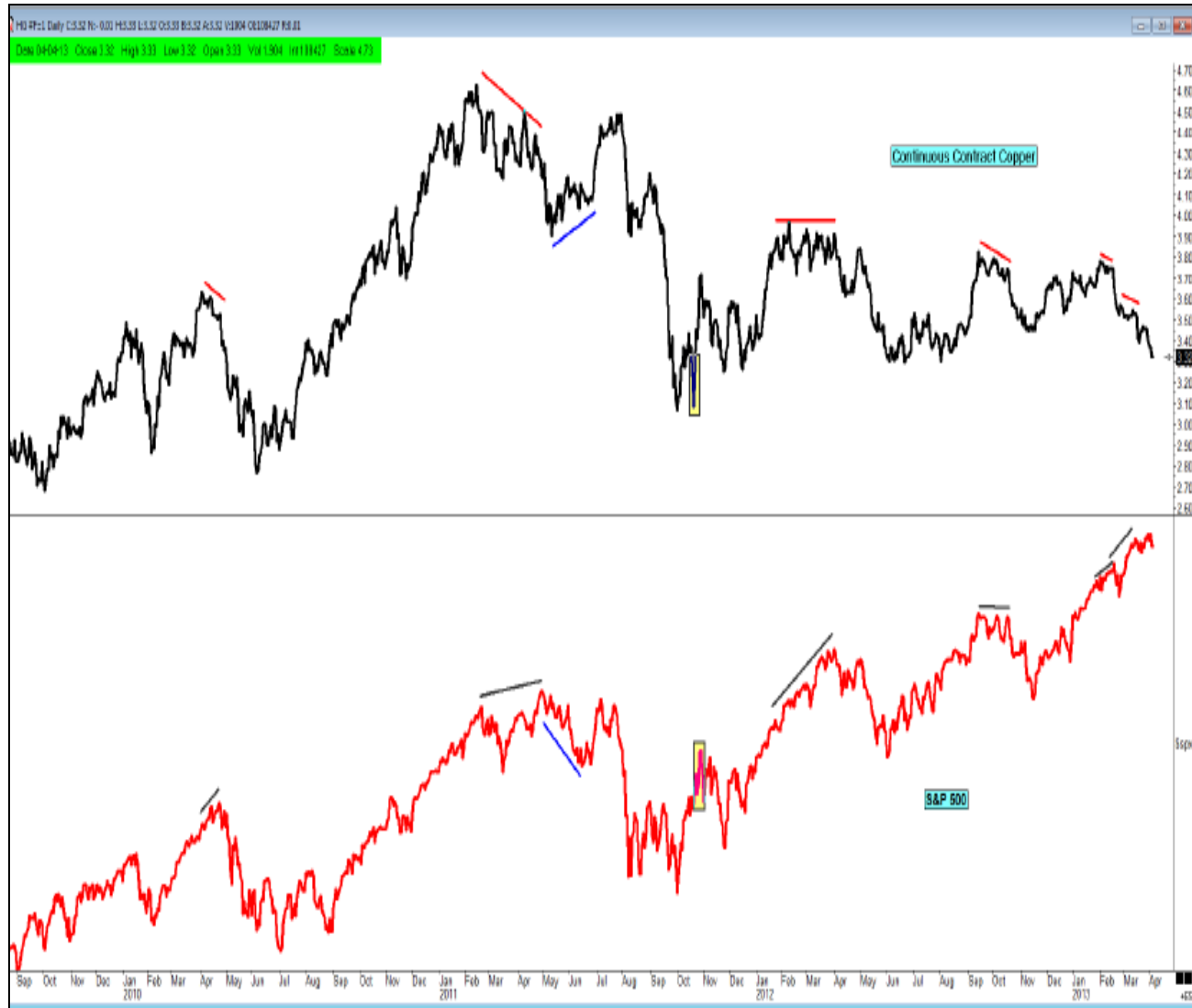
Downside - Approaching CZ 3.28-3.30, PEC-D 3.27- **Trigger to Watch "PQV Validation"**

Upside - Projected CZ 3.78-3.84. - MET



(COPPER) v/s SPX – Analysis

Direction of Copper usually leads the way for SPX . When divergence occurs, it is the direction of copper that points the way. At the moment, copper is suggesting a correction is on the way



OIL – CZ / PEC –D / Oscillator Analysis - **Bearish**

- Texture – **BEARISH TOP CZ & BEARISH BOTTOM**

Upside target , CZ – 96-97 – failed on bounce . towards with Bearish top - **Trigger to Watch “ failure within RM 98.00 due to geopolitical Middle east / OPEC Risk**

DOWNSIDE – Projection CZ – 91-89 , - Met exact



NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis *Bullish*

- Texture - *BULLISH TOP & BULLISH BOTTOM*

Upside target , CZ – 22.5-23.75 (Bullish Top) ABC up. Exit ½ as Risk Management. Trigger to Watch

Initiated Main entry CZ 16.5 -16. RM @ 19 (REVISED) only on ½ recycling position

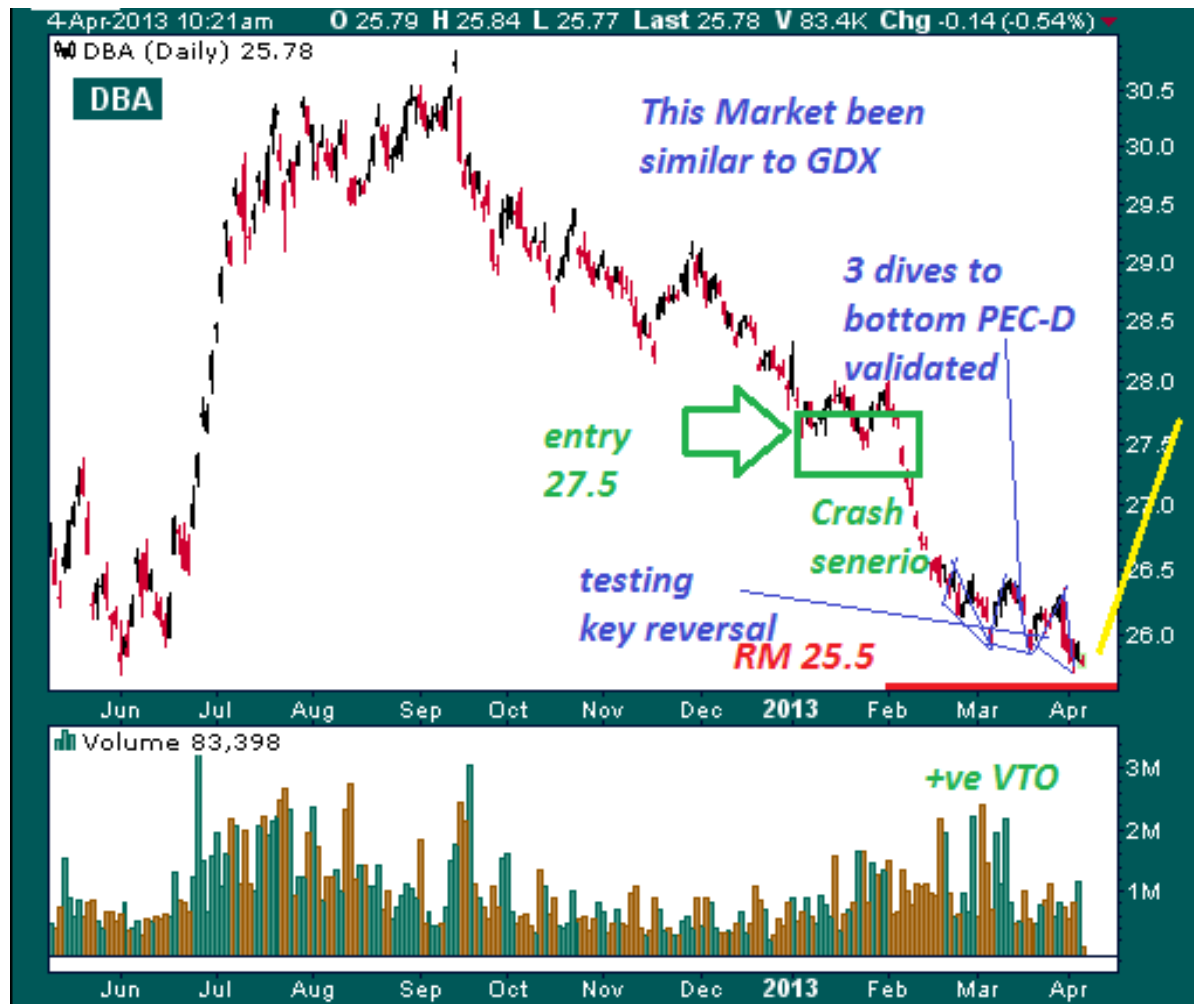


AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

- Texture - **BULLISH TOP & BULLISH BOTTOM**

Downside target , Key Reversal Bullish - @26 , Initiated Main entry CZ 27.5-27 has failed in Crash scenario. **RM @ 25.50**

Notes within the charts. – Similar to GDX



DBC -(COMMODITY) - BEARISH

No New Trigger & we do not initiate New position.(in CASH). Last Signal Trigger POM 13 @ 28.4 on 10/15, within CZ 28-29All subsequent commentary refers to CZ to CZ moves are for Risk Management.

JJC (COPPER) – BEARISH” TO NEUTRL

Triggered CZ 48-47.5 – CASH ,2/21 @ 45.5 Last Signal triggered in **MAIN CZ – Net long @ CZ 44.2-43.2** on 11/14
All subsequent commentary refers to CZ to CZ moves are for Risk Management.

NAT GAS)- UNG – BULLISH

Remains Triggered **MAIN CZ – Net long @ CZ 16.00-16.5** on 5/2, & 5/16
All subsequent commentary refers to CZ to CZ moves are for Risk Management.

OIL (\$ WTIC) – “ BEARISH”

Remains Triggered **CZ 97-96 - Net Short** on 2/21 – Bearish .
All subsequent commentary refers to CZ to CZ moves are for Risk Management.

AGRO) -DBA – BULLISH

Remains Triggered **MAIN CZ – Net long @ CZ 26-27** on 1/09
All subsequent commentary refers to CZ to CZ moves are for Risk Management.

Appendix Content

- 2012 YTD – GOLD, GDX, CRB - Position Summary
- Objectives & POM /CZ / PEC –D Guidelines – Refer to detail Annexure
- Full Utilization of “ SP” Report Guidelines & Limitations - Refer to detail Annexure
- POM – “ Price Oscillation Model “ Criteria
- PEC –D “ Pythagoras – Expansion & Contraction Criteria
- CZ- Confluence Zone Criteria
- TEXTURES – Bullish , Bearish , Neutral
- Chart Analysis
 - *Trend & Oscillator Analysis,*
 - *PEC –D Analysis,*
 - *Poly- Trend Analysis,*
 - *Pattern / CZ – Price & Volume Analysis.*
 - *Exterme Indicator Analysis*

- **EXTREAME Sentiment Analysis GOLD & Currencies**

- **(3rd Party Data) - Courtesy : SENTIMENT TRADERS**

- **CORRELATION RATIO ANALYSIS - *Inter market Analysis***

GOLD v/s GDX (XAU)

- ***None @ EXTREMES***

GOLD v/s SLV

- ***None @ EXTREMES***

- **CORRELATION RATIO ANALYSIS - *Inter market Analysis***

CRB v/s SPX

- ***Direct Correlation continues in Current Trend***

CRB v/s USD

- ***Inverse Correlation continues in Current Trend***

OIL v/s SPX

- ***None @ EXTREMES***

COPPER v/s SPX

- ***None @ EXTREMES***

COPPER v/s CHINA

- ***None @ EXTREMES***

CRB Commodity-2012-TURNS REAL TIME-POM & CZ



CRB - YTD - (-15 points) _____ (- 5 %)

POM 13 + 35 points gains (1 signal) _____ + 13%

POM 14 - Risk Managment Saving 45 Points (2 signals) _____ +16%

GDX - 2012 – TURNS REAL TIME – POM & CZ



GDX - YTD -(**-8 points**) _____ (- **15%**)
 POM 13 **+12 points gains** (**1 Signals**) _____ **+ 30%**
 POM 14 to POM 13 - Risk Management saving **+23 points gains** (**2 Signals**)— **+46%**

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 steams 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

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