



Date : 24<sup>th</sup> April 2013 ( Thursday)

## 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	25.65	NONE	NONE	NEUTRAL From CAUTION	CASH	0%	NONE	CZ 27.5-28 Neutral top	CZ 29-28.5	CZ -27-26.5 Met	CZ 25.2-24.6  Looking for Successful test	ALERT - Cancel Any open Orders  Favorable Risk / Reward" For Short / long Position till CZ is PQV validated
OIL (\$ WTIC)	89.61	NONE	NONE	NEUTRAL From BEARISH	CASH  Announced exit @ 88, ( 4/15 move from 96 (2/08) for 8% gains	Reduced from 1.5% to 0%	NONE	CZ 97-96 Bearish Top		CZ 87-86 Met & Covered short  Neutral Bottom	CZ 82-81	ALERT - Cancel Any open Orders
COPPER - COR)  Pre announcement	3.16	@ 3.27 4/15 announced 04/04	CZ 3.28-3.3	BULLISH	Net Long	1.5%  Increase 1.5% to 3%	Initiate Trigger Within CZ 3.15-3.05	CZ 3.50-3.45		CZ 3.28-3.30, met Bullish Bottom False break under	CZ 3.15 - 3.05 Bullish Bottom	Note – Prefer Copper contract as instrument.

Continued...

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UNG (NATGAS)	23.03	NONE	NONE	BULLISH	CASH  Announced EXIT @ 22.6, (4/15 move from 16 & 20 for 40% & 12% gains)	Reduced from 3% to 0%	NONE	CZ -23.75-22.5 Met with Bullish top		CZ 21.75-21	CZ -19.5-20.0	Exited due to -  ABC up complete & To Generate Cash for GOLD opportunities
DBA (AGRO)  Pre announcement	25.58	NONE	NONE	BULLISH	CASH  Stopped @ 25.5, (4/15 down from 27.5 for 7.2% loss)	Reduced from 2% to 0%	Re - Initiate Trigger Within CZ 25.4-25 With volume less than 400k PQV	CZ -30.00-29.00 Bullish top		CZ 25.4-25 Approaching Bullishly		RM @ 24.75  Stopped out by 5 cents !!

### Note

Our "Special Report" 04/23 Covered the Precious metal segment.

## **SIGNALS. - Price Projection CZ, Trading / Investment Conclusion**

### **Commodity Overview**

Since February the commodity markets have undergone correction in fear of deflation, Currency wars etc, etc. . The Rally in USD, (our Net Long position) certainly put pressure in Commodity Market. These commodities are gradually approaching their correction CZ with Bullish Bottoms. We think once full testing is complete, they should be the leaders in Summer rally.

Copper led the way lower, we think now Copper will be leading the way higher. Currently it is slightly below our Trigger CZ on false break below. It had the textbook triangle and thrust decline suggests this is one of those situations where the odds are lined up.

**CRB,, OIL** - We remain NEUTRAL till upside or downside is tested with validation. There is No favorable Risk / Reward, therefore we have **No Position** at current levels.

**NGAS, DBA** - BULLISH Sectors, **NGAS** has rallied substantially with Bullish top. **DBA** is building base for next rally after key Bullish reversal. We Exited UNG for Money Management Reasons. We shall participate in UNG after the pull back

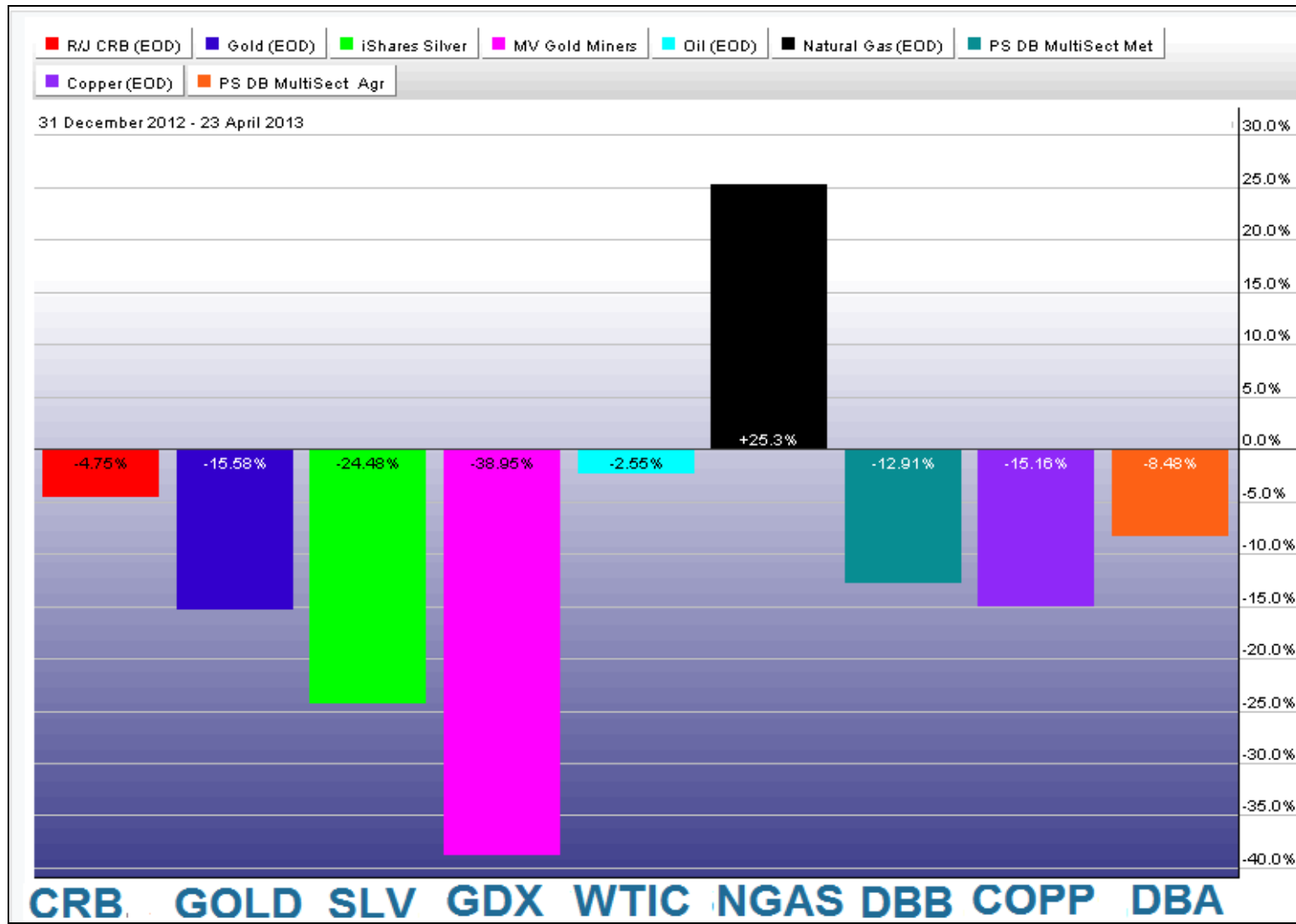
**COPPER** - BULLISH. It has tested lower CZ. We have another pending Trigger to Watch for testing CZ.

- **BULLISH INDICES** – **NATGAS (UNG), DBA (AGRO), COPPER**
- **BEARISH INDICES**- **NONE**
- **NEUTRAL INDICES** - **OIL (\$ WTIC), CRB**

# • 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 – Neutral

**DOWNSIDE** - - As projected , the ABC down to 25 CZ 25.2-24.6 is in progress – This Zone will be held Bullishly for next rally. No Risk Reward yet !!

**UPSIDE** - CZ – 27-26.5 towards with Bearish top



## COPPER - CZ/ PEC -D Analysis - *Bullish*

- *NEUTRAL TOP & BULLSH BOTTOM*

**Downside** - CZ 3.15-3.05- Mini Crash levels in sympathy with GOLD , break below CZ 3.28-3.30 , PEC-D 3.27 is false break under **Trigger to Watch "PQV Validation"**

**Upside** - Projected CZ 3.50-3.45.



## OIL - CZ / PEC -D / Oscillator Analysis - Neutral

**DOWNSIDE** - Projection CZ-87-86 - Met exact with Neutral Bottom - **EXITED** Short Position @ 88

**Upside target** - Bounce should initiate - No Risk Reward yet !!



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

- Texture - *BULLISH TOP & BULLISH BOTTOM*

Upside target , CZ – 22.5-23.75 ( Bullish Top) ABC up met 22.75 – **EXITED ALL** – Money Management

Downside - Pull back should initiate . We shall participate in UNG after the pull back





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

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

Downside target , Key Reversal Bullish - @26 , - **Trigger to Watch** – in CZ 25.4-25.0- **RM @ 24.75**

Main entry CZ 27.5-27 has failed & STOPPED OUT @ 25.5 – Re gunning back

Notes within the charts. – Similar to GDX



# 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**

- **( 3<sup>rd</sup> 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 2<sup>th</sup> 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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