



Date : 25th Aug 2013 (Saturday)

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 | 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 | 26.57 | NONE | NONE | NEUTRAL | CASH | NONE | CZ 27.10-27.2 Approaching Neutral top | CZ 29-28.5 Neutral top | CZ 25.5-25.75 Met & PQV validated successfully | | No Signal . |
| OIL (\$ WTIC) | 106.4 | NONE | NONE | NEUTRAL Bullish bias | CASH | NONE | PEC-D 109.25 met exact With Bullish Top | PEC-D 110.75 Can be the top it fails | CZ 102.5 102 Pull back to Bullish Flag | | No Signal Exited Short position @ 88, (4/15 move from 96 (2/08) for 8% gains |
| COPPER - COR) | 3.37 | @ 3.20 avg. 4/15 announced 04/04 & 4/22 | CZ 3.10-3.27 | BULLISH | Net Long | NONE | CZ 3.50-3.45 Approaching Bullish Top | | CZ 3.05-3.10- Re tested Bullish Bottom Successfully | | Successful bottom in place at 3.10 |

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|--|----------|--------------------------|----------------------------|-----------------|------------------|---|---------------------|-------------------------------|---|---------------------------------|---|
| UNG (NATGAS) Pre - Announcement | 18.50 | CZ 16-17 4/15 | CZ -17.75-17.50 | BULLISH | CASH | Pull back to 17.75 Initiate position @ entry | Target PEC-D 20 | CZ -23.75-22.5 Bullish top | CZ -17.75-17.50 Bullish bottom | Exceeded below on False break | Stopped out earlier 6/6 entry @ 21 for 18.5 Exited long position @ For 40% & 12% gains 22.6, (4/15 move from 16 & 20 |
| DBA (AGRO) Pre - Announcement | 24.92 | CZ 25.5-25 5/22 | CZ -24.5-24.25 | BULLISH | CASH | Pull back to 24.50 Initiate position @ entry | Target PEC-D 25.80 | CZ -28-29 Bullish top | CZ 24.50-24.25 Bullish Bottom Exceeded below on False break | 3 drives to bottom 25 completed | Earlier Stopped @ 25.5, (4/15 down from 27.5 for 7.2% loss |

Special situation – Oil stocks From Sector Report

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|--------------|---------------|--------------------------|-----------------------------------|-----------------|-------------------------------|-------------------------------|---------------------------------------|--|-----------------------------------|---|-------------------------------|
| XLE (ENERGY) | 81.71 | POM 15 (SPX) | CZ 81.60-81.82 "Scale in" 7/10 | BEARISH | Net Short Alerted 7/10 | NONE | POM 15 target Met @ PEC-D 81.5 failed | Close below 81 Weekly Would be the Top | 1 st ABC down PEC-D 77 | 2 nd ABC down CZ 74-75 Heavy bottom | Bearish break away is in tact |

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

- BULLISH INDICES – \$ NATGAS (UNG), DBA (AGRO), \$COPPER
- BEARISH INDICES- XLE – (Special Situation from Sector Report)
- NEUTRAL INDICES - CRB (DBC) & \$WTIC - Bullish bias

Commodity Overview

Since last Report 7/12,

CRB - Our expectation in last Report was for pull back into Bearish Bottom CZ for PQV Validation which it did and rally began . Our Price target to 27.10 . There is No favorable Risk / Reward , we have No Signal at current levels.

COPPER - As expected bottom in Copper is in place approaching PEC-D 3.50. It has successfully tested the Bullish CZ twice, rejecting lows & initially rally from 1st validation date suggested key reversal . We are Net Long

NGAS, - Trigger to watch “ Pull back to 17.75 – PEC-D “ Net long in Bullish CZ . **NGAS** has a Bullish top at 24.00 , - We were stopped out at 18.50 . This is Recycling Position re entered @ 20 earlier exited at 24.00 . We are Bullish

DBA - Finally got Traction with Sign of strength. Trigger to watch “ Pull back to 24.50 – PEC-D “ Net long in Bullish CZ We are Bullish

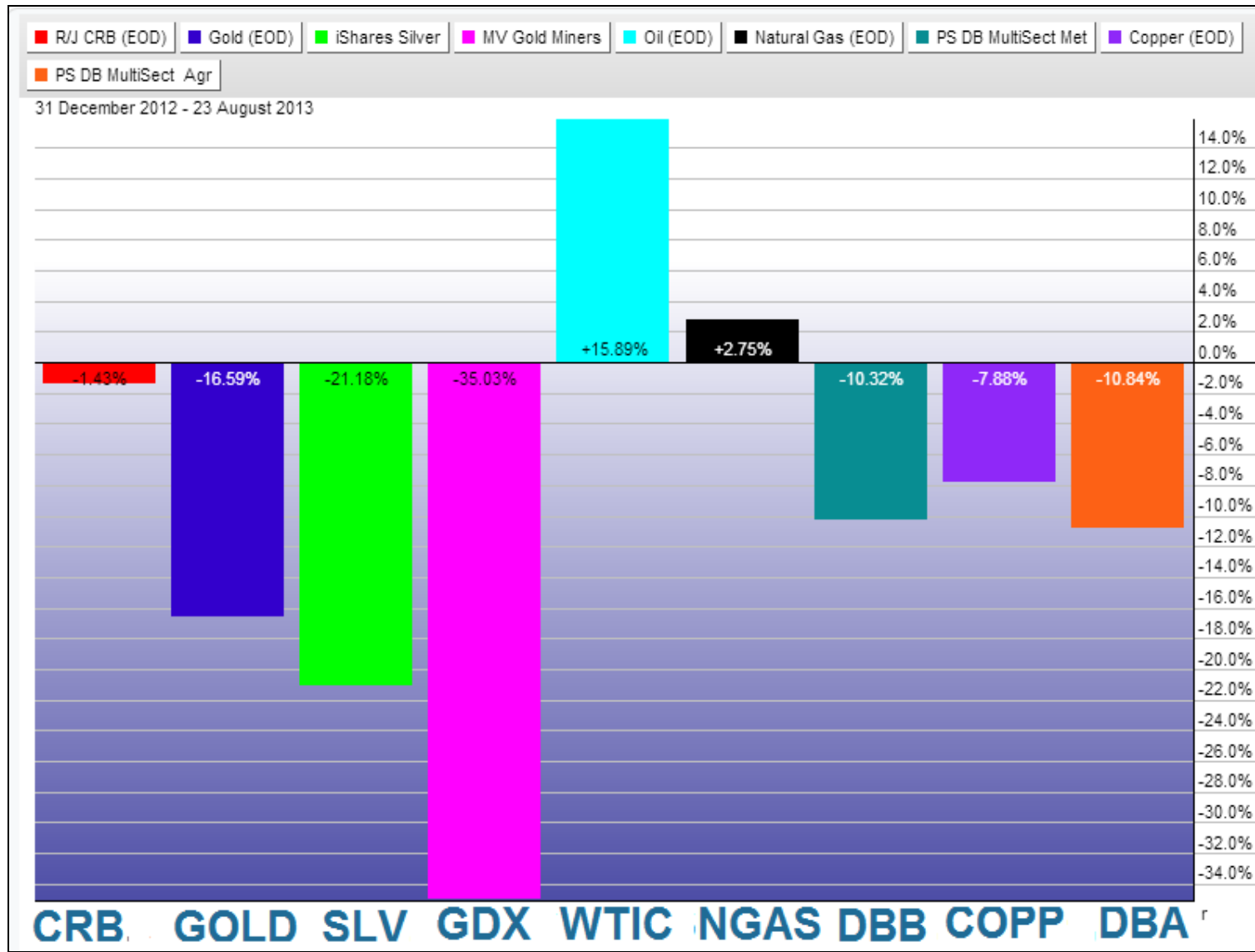
OIL - Target 109.5 PEC-D – Met with Bullish Flag. But After the pull back to 102, It should rally to 110.5. we have No Signal at current levels

XLE (SP) - We Remain **BEARISH** and failed in CZ Validated for Short position @ 81. 70 as an Suitable Hedge against existing long. 1ST ABC down 77 & 2nd ABC down 74 (Heavy bottom) . ST strength in Oil is holding the XLE market

• YTD – Commodities & SPX performance v/s CRB

Weakest and strongest Indices for PAIR TRADES

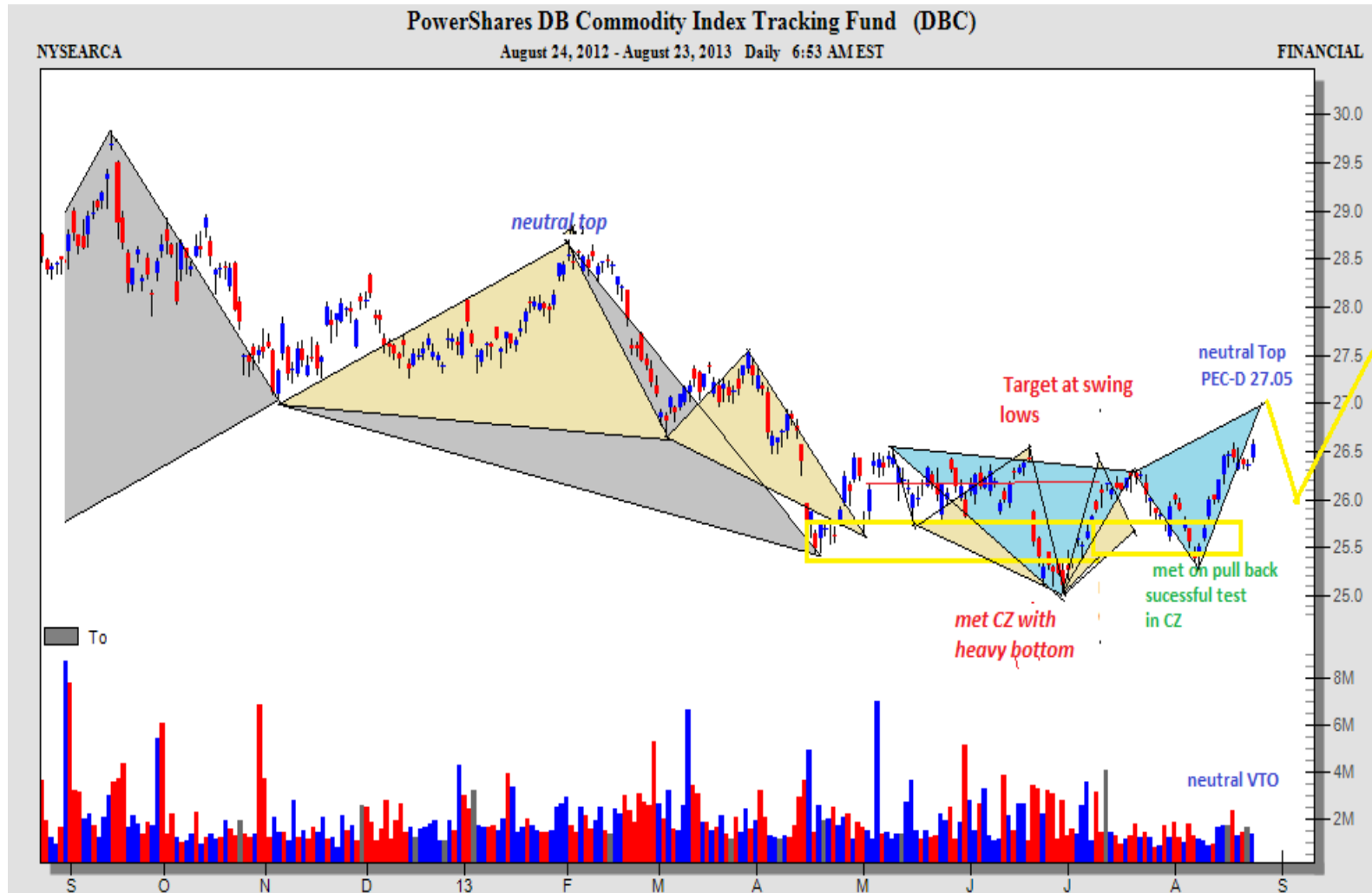
2013 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s CRB .



DBC (CRB- Index) - with CZ/ PEC-D & Oscillator Analysis – Neutral NEUTRAL TOP & NEUTRAL BOTTOM

DOWNSIDE -- CZ 25.25-25.75 – Met & PQV Validated as expected in last Report .

UPSIDE - CZ – 27.10-27.25 – approaching with Neutral Top



COPPER - CZ/ PEC –D Analysis - Bullish

BULLSH TOP & BULLSH BOTTOM

Upside – CZ 3.50-3.45. – Bullish Top approaching

Downside - CZ 3.15-3.05- Met & Bullish bottom on re test - and PQV Validated. The bottom is in place



OIL – CZ / PEC –D / Oscillator Analysis - Neutral – Bullish bias

Upside target- PEC-D 109.5- Met exact – Now forming Bullish Flag (108-102) to target 110.5

DOWNSIDE – Pull back to Flag – PEC-D @102.5 & rally back to test highs.



Special situation – From Sector Report

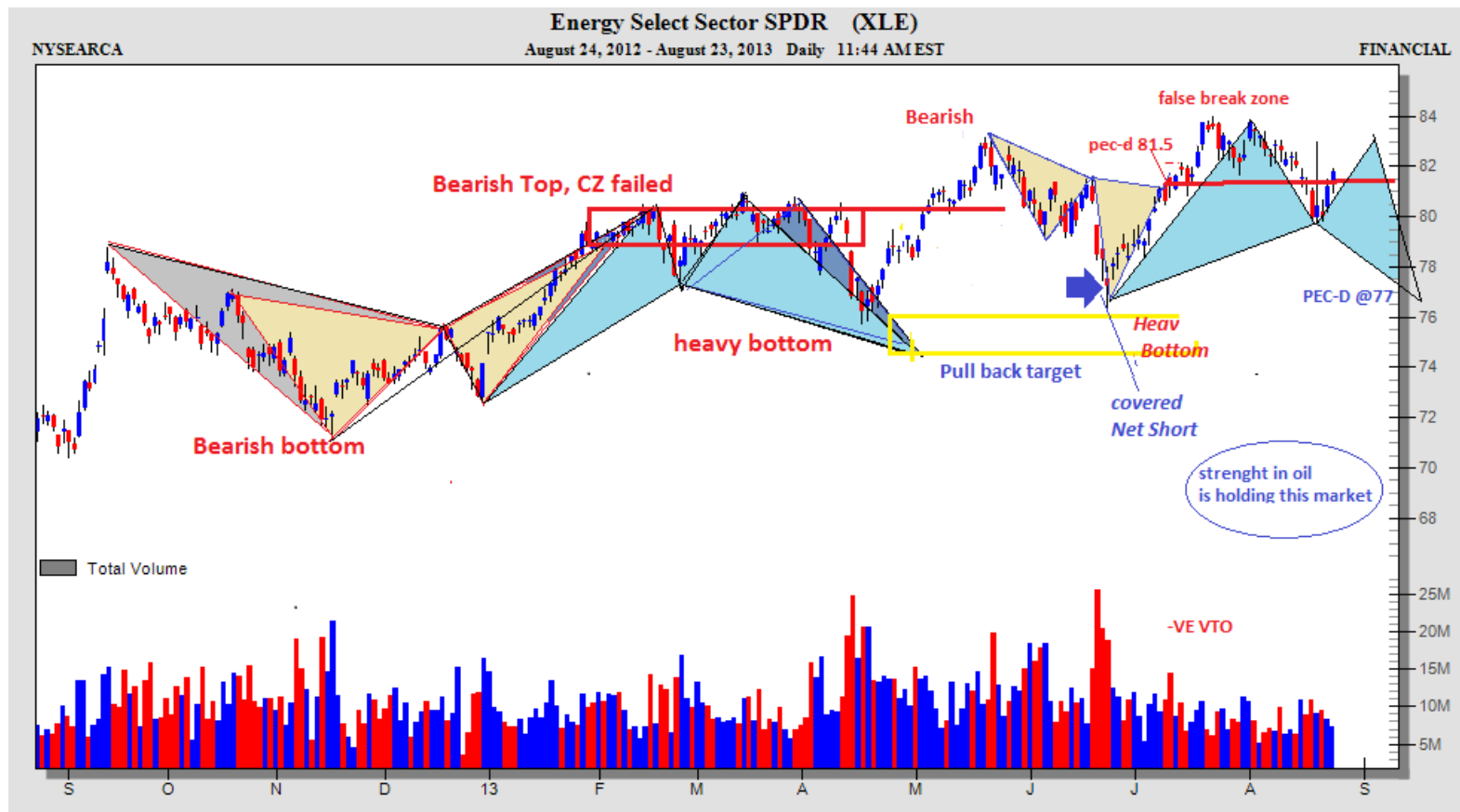
XLE - CZ –PEC-D / Ratio Analysis - BEARISH POM 15 – 7/10

- Texture - BEARISH TOP & BEARISH TOP

UPSIDE – CZ 81.60- 81.80– Bearish Top Triggered failure – Net Short position
Close below 81 weekly , the Top should be in.

DOWNSIDE - 1st ABC down to 77

2nd ABC down to CZ 74-75 heavy bottom , Breakaway is intact.



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

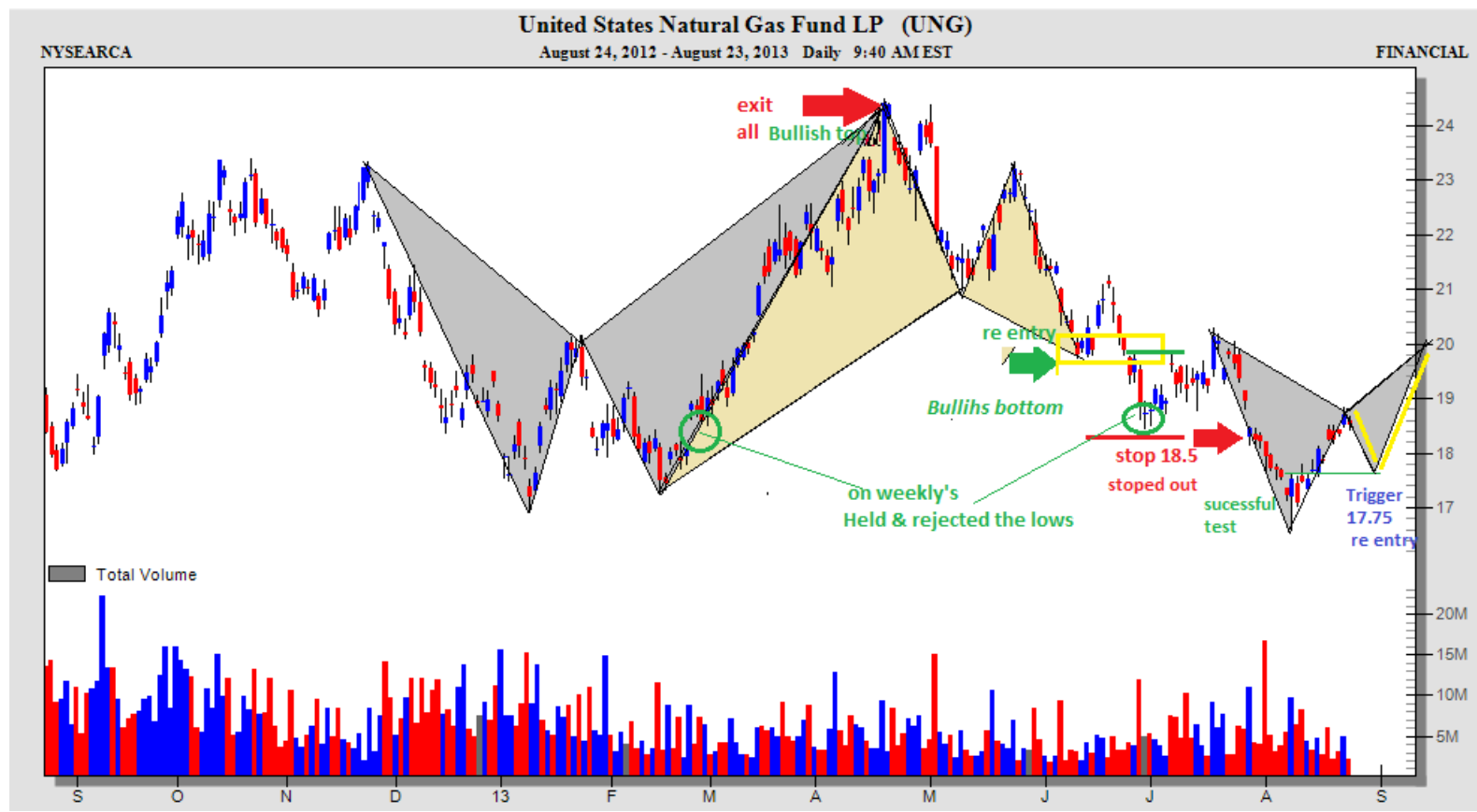
- Texture - BULLISH TOP & BULLISH BOTTOM

Stopped out at 18.5

DOWNSIDE - - Pull back to 17.75 – **Trigger to watch “ re entry ”** . CZ 17.75-17.50 - Bullish Bottom.

1ST Upside – PEC D- 20. Once comes in range above 20 , it should get traction

Upside target , CZ – 23.75- 22.5 (Bullish Top)



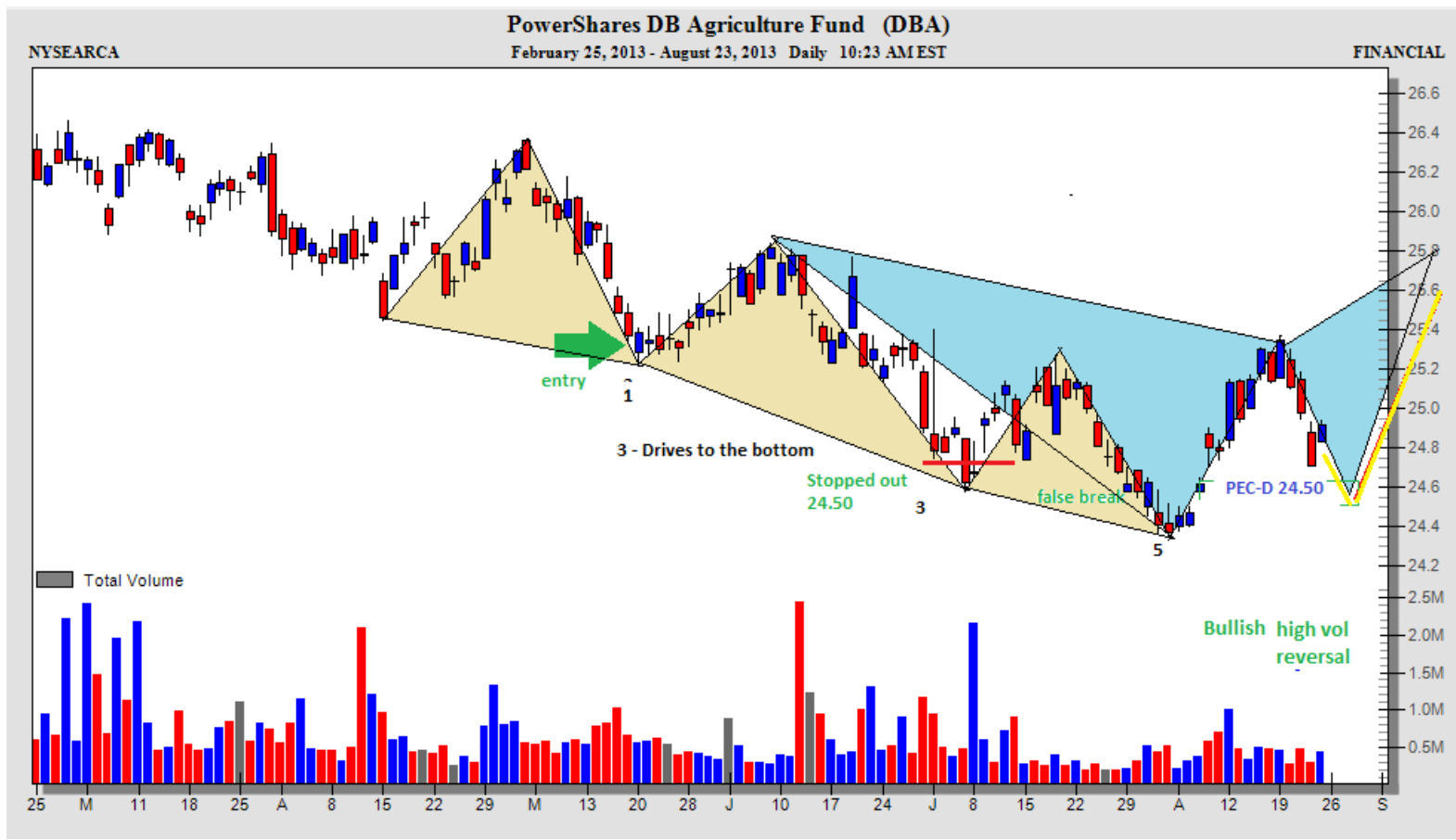
AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

- Texture - BULLISH TOP & BULLISH BOTTOM

DOWNSIDE -- Pull back to 24.50 - Trigger to watch " re entry . CZ 24.50-24.25 - Bullish Bottom. 3 DRIVES TO THE Bottom
PEC-D Validated

1ST Upside – PEC D- 26.80

Upside target , CZ – 28-29 (Bullish Top)



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 .*

Critical backdrop Notes –

- *Price path Analysis is running commentary of the Market’s price behavior , Not a Trade Signal.*
- *Intermittent CZ’s are Short time out / Risk management for overweight position / rebalancing spots. Unless your own Portfolio objective demands.*
- *POM’s are Action points. Also at times Action points is at Main CZ’s when specifically announced Triggers.*
- *Model does not encourage Buying in between unless its false break upside or false break downside soon after POM / Main CZ Trigger and is specifically announced . Model stays with Trend POM to POM Signal.*

- **EXTREAME Sentiment Analysis GOLD & Currencies**

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

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

GOLD v/s GD \bar{X} (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

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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