SG Capital Research
Global Market Insights
Chart System

Date : 13th December 2013 (Friday)

COMMODITY REPORT (Strategy & Prop Tech)

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• Executive Summary

	C. Price	Main CZ Triggered & Date	Follow up Announcement Update For Trend Reversal	Progress Status	Current Position / 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 **COMMDITY CRB**	25.49	NONE	NONE	NEUTRAL _No Signal_	CASH	NONE	Target to PEC-D 26.50	PEC-D 27.60 Neutral top	CZ 25.25-25.75 Met with Neutral Bottom	Target PEC-D 24.35 *Best / Risk Reward for Net long*	*Rallied since our last Report as projected*
OIL ($ WTIC) **Pre announcement**	97.75	NONE	NONE Missed Trigger CZ 91-.90 entry by 90 cents & rallied to 98	NEUTRAL Bullish bias _No Signal_	Increase Net long on Trigger	Initiate to scale with CZ 95-94	PEC-D 97.5 Met Neutral Top	Target PEC-D 99.5	Pull back to CZ 95-94	PEC-D 90.25 Bullish bottom	
COPPER - COR)	3.30	CZ 3.10-3.27 @ 3.20 avg. *Triggered* On 4/22	NONE	BULLISH	Net Long	NONE	Target to CZ 3.50-3.45 Bullish Top		CZ 3.15- 3.10 Met exact Bullish Bottom (Floor)	Successful bottom in place at 3.10	*Rallied since our last Report as projected*

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UNG (NATGAS)	21.37	CZ -17.75-17.50 @ 17.50 *Triggered* On 10/23	NONE	BULLISH	Net long	NONE	PEC-D 20 Met Bullishly	Target CZ -23.75-22.75 Bullish top	CZ -17.75-17.50 Bullish bottom		*Big Rally since our Trigger 10/23 @ 17.50*
DBA (AGRO)	24.64	CZ – 24.60-24.40 *Triggered* On 12/5	NONE	BULLISH	Net long	NONE	Target PEC-D 26.30	CZ -28-29 Bullish top	CZ 24.60-24.40 Re testing Bullish Bottom *Should reject lows*	PEC-D 24.5 3 drives to bottom Completed Bullish Bottom	*STOP RM 24.10*

Commodity Overview - Since last Report 11/13
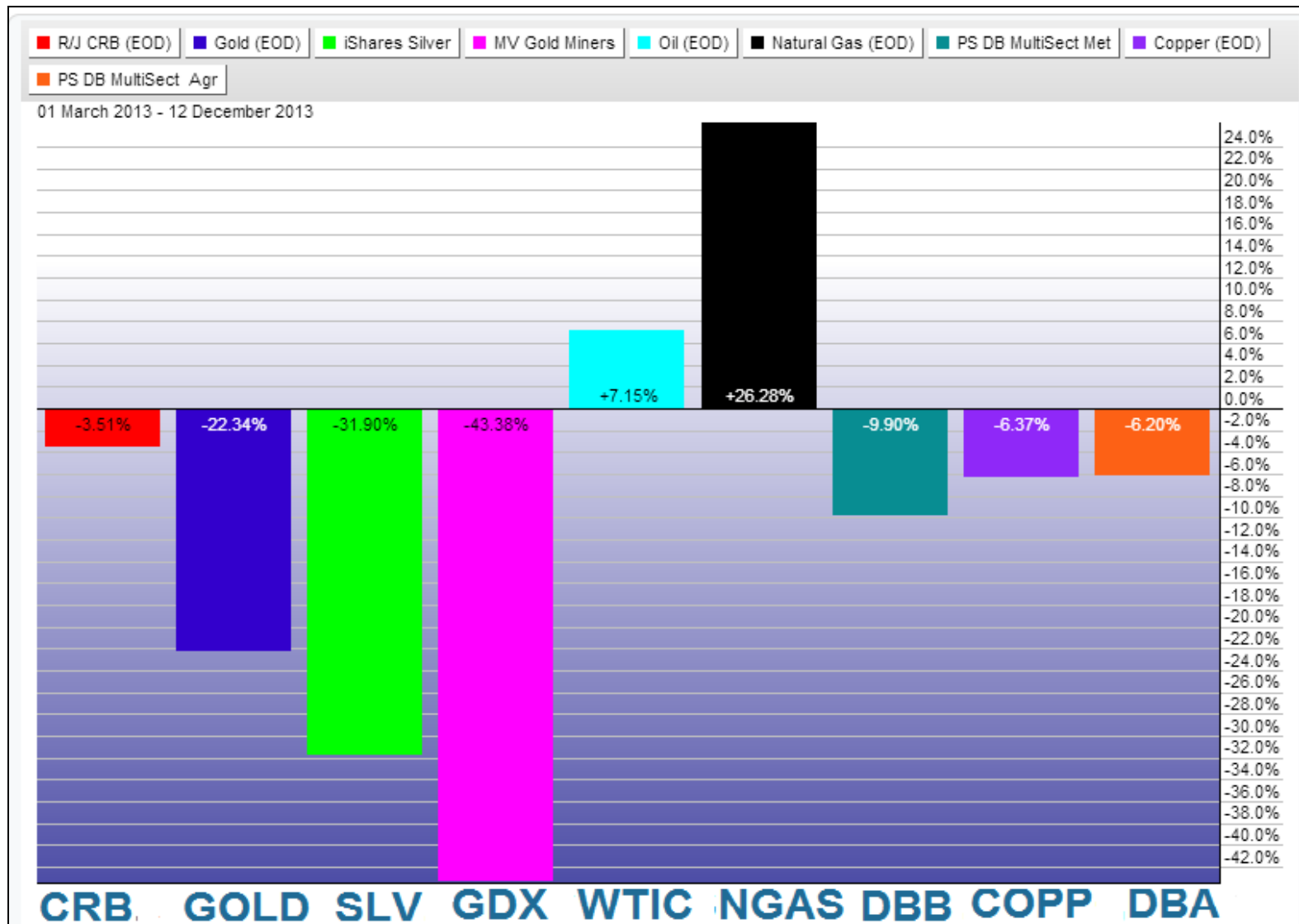
SIGNALS. - Price Projection CZ , Trading / Investment Conclusions below

- **BULLISH INDICES – $ NATGAS (UNG), DBA (AGRO), $COPPER**

- **BEARISH INDICES-   None**

- **NEUTRAL INDICES -   CRB (DBC) , $WTIC – Bearish bias .**

• 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 .
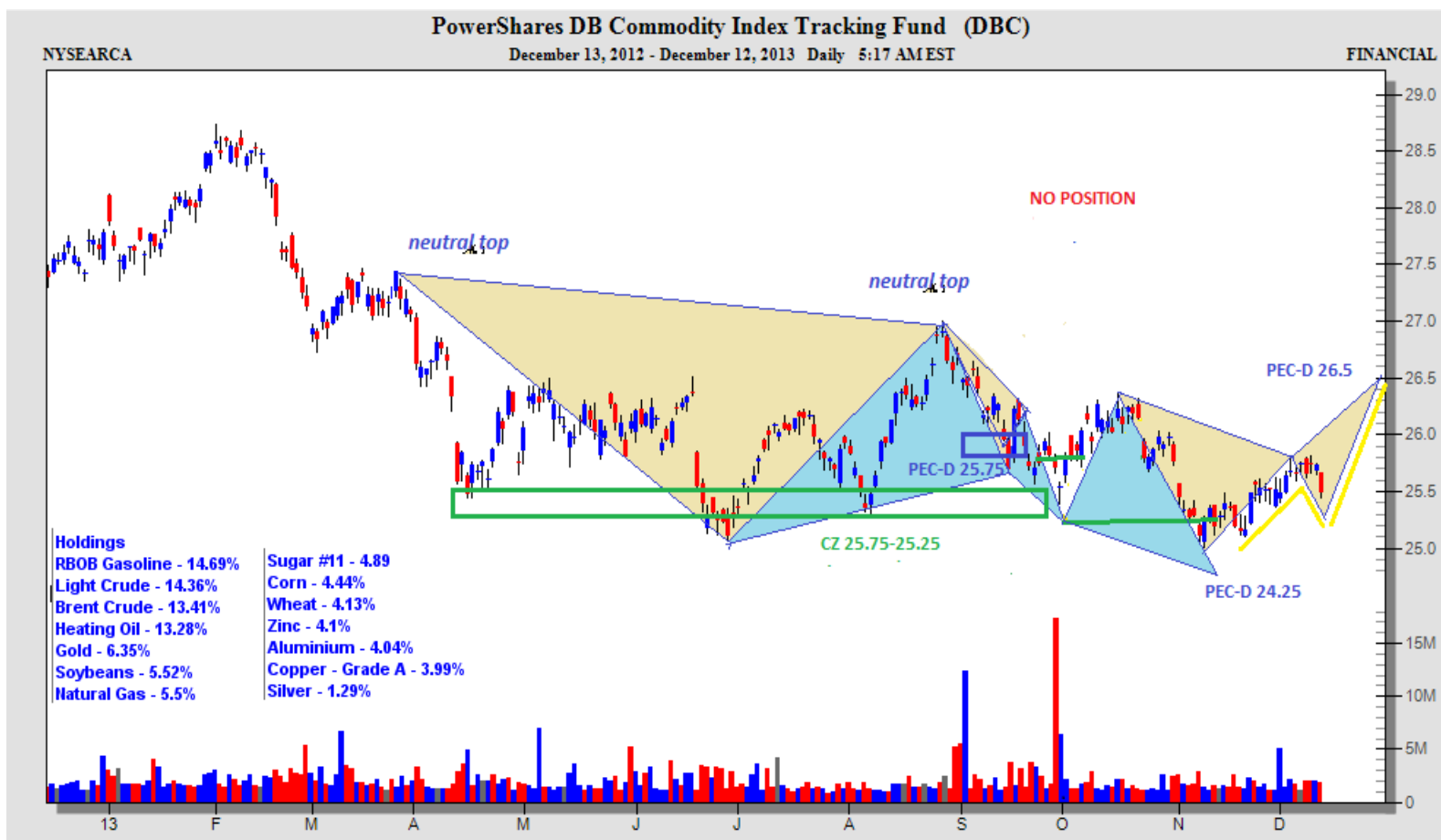

Legend: R/J CRB (EOD), Gold (EOD), iShares Silver, MV Gold Miners, Oil (EOD), Natural Gas (EOD), PS DB MultiSect Met, Copper (EOD), PS DB MultiSect Agr

01 March 2013 - 12 December 2013

CRB	GOLD	SLV	GDX	WTIC	NGAS	DBB	COPP	DBA
-3.51%	-22.34%	-31.90%	-43.38%	+7.15%	+26.28%	-9.90%	-6.37%	-6.20%

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

No Signal / No Position – Since last Report DBC has rallied as expected

UPSIDE - Target to PEC-D @ 26.50 for Neutral Top.

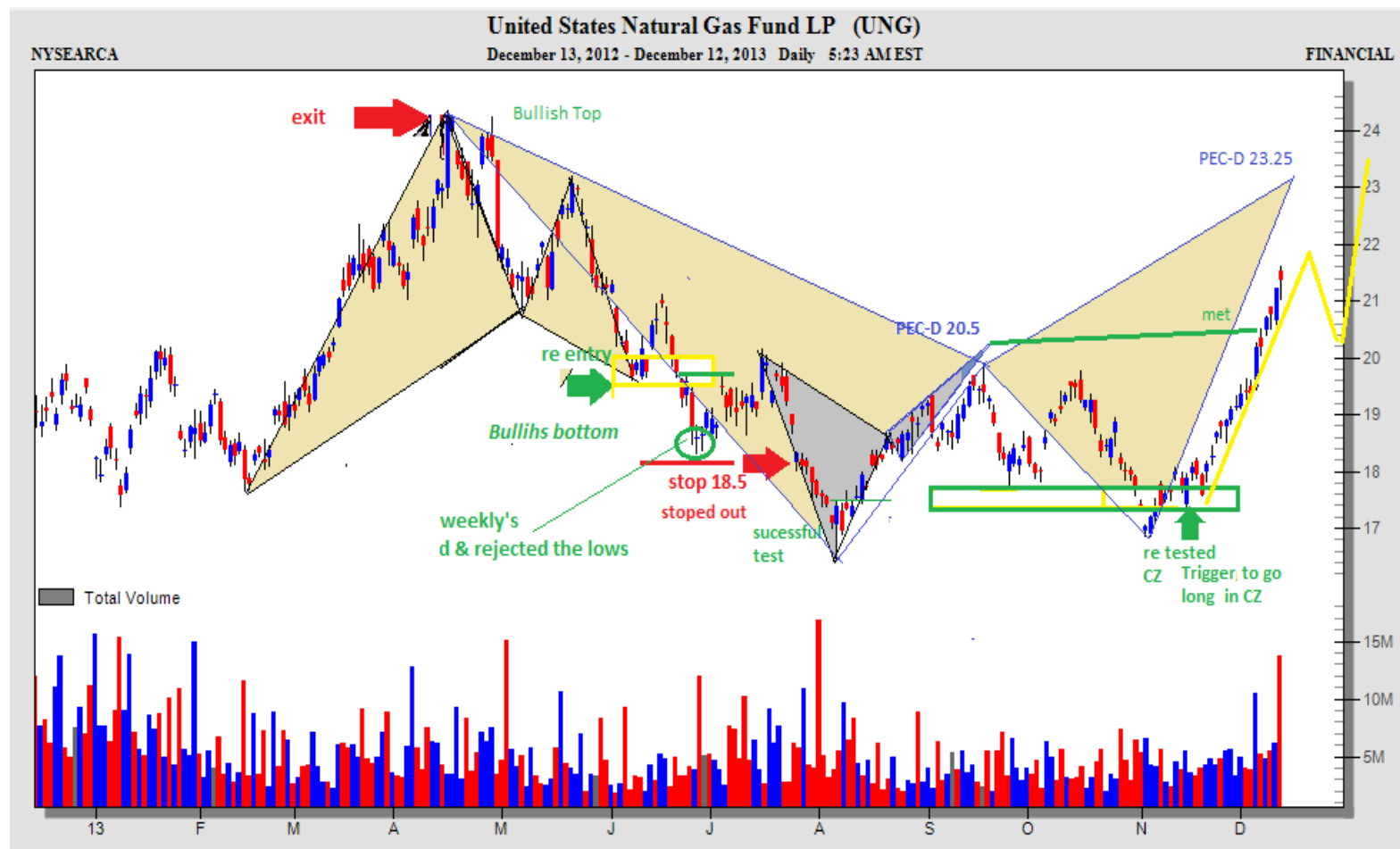**DOWNSIDE -** - Pull back to CZ 25.25-25.75. – met with Neutral bottom .,

PowerShares DB Commodity Index Tracking Fund (DBC)
December 13, 2012 - December 12, 2013 Daily 5:17 AM EST

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

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

Upside target , CZ – 23.75- 22.5 (Bullish Top). 1^(ST) Upside target **– PEC D- 20.5 met Bullishly . This has been huge rally since our Trigger at 17.5**

DOWNSIDE - - Re tested   CZ 17.75-17.50 - Bullish Bottom & Triggered Net Long on 11/13

United States Natural Gas Fund LP   (UNG)
December 13, 2012 - December 12, 2013 Daily 5:23 AM EST
NYSEARCA
FINANCIAL

COPPER - CZ/ PEC –D Analysis - Bullish
BULLSH TOP & BULLSH BOTTOM

Downside - CZ 3.15-3.05- Met exact with Bullish bottom. It has tested twice and PQV Validated.

Upside – Target remains CZ 3.50-3.45. – Bullish Top –

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

No Signal / No Position – We missed entry into trigger zone 91-90 by 90 cents with Bullish bottom and it rallied to our upside target of PEC-D 97.5

DOWNSIDE – Pull back to CZ 95-94 , . Trigger to watch " to Initiate Scaling in Net long within CZ 95-94
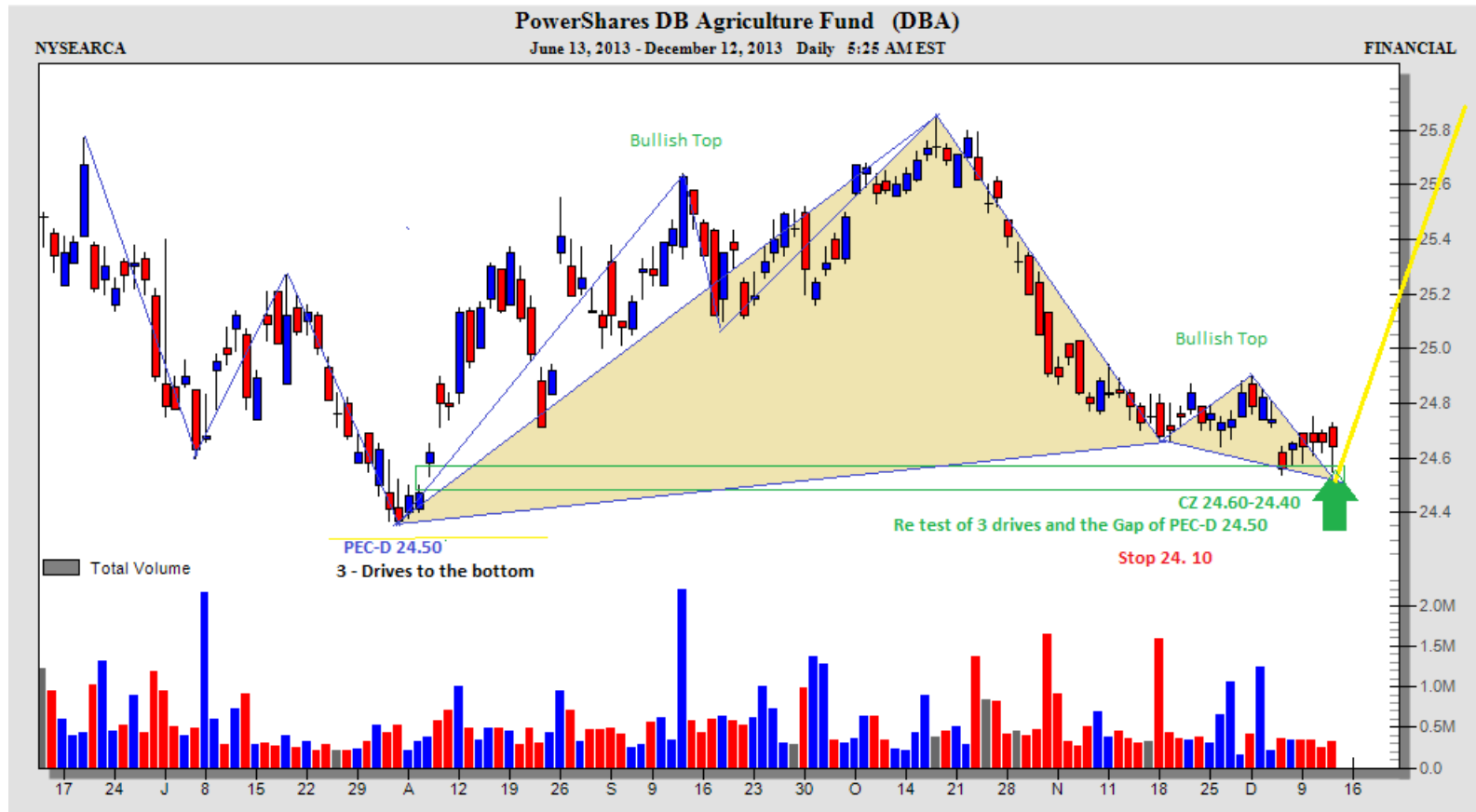
Upside target- PEC-D 99.5   Neutral Top-

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

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

DOWNSIDE - CZ 24.60-24.40 - Bullish Bottom, Re testing the 3 DRIVES to the Bottom . This is Validated strong Floor .. it Triggered Net long within CZ 24.60-24.40. Stop RM 24.10.

1ST Upside – PEC D- 26.30

2nd Upside target , CZ – 28-29 (Bullish Top) .

PowerShares DB Agriculture Fund (DBA)
NYSEARCA   June 13, 2013 - December 12, 2013 Daily 5:25 AM EST   FINANCIAL

Bullish Top

Bullish Top

CZ 24.60-24.40
Re test of 3 drives and the Gap of PEC-D 24.50

PEC-D 24.50
3 - Drives to the bottom

Stop 24. 10

Total Volume

Appendix Content

- **2012 YTD – GOLD, GDX, CRB - Position Summary**

- **Objectives & POM /CZ / PEC –D Guidelines – <u>Refer to detail Annexure</u>**

- **Full Utilization of " SP" Report Guidelines & Limitations - <u>Refer to detail Annexure</u>**

- **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 .*

<u>Critical backdrop Notes –</u>
- *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 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**

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 <u>UP</u> move, *POM 13* signifies to <u>STOP</u> executing additional 'New Buys" that was initiated at *POM 12 or POM 11 levels*

- On way <u>DOWN</u> move, *POM 13* signifies to <u>STOP</u> executing additional " New Short Sells" that was initiated at *POM 14 or POM 15 levels*

- <u>*(Bear Markets)*</u> *POM 15* is for - <u>**Net Short**</u> & *POM 14* is for - <u>**Hedge Longs**</u>

- <u>*(Bull Markets)*</u> *POM 15* is for - <u>**Hedge Longs**</u> & *POM 14* is for - <u>**Partial Hedge**</u>

- *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