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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	NEW ACTION - Position (Trigger to Watch)	Upside CZ <u>Near Term</u>	Upside CZ <u>Mid term</u>	Downside CZ <u>Near term</u>	Downside CZ <u>Mid term</u>	Remark
DBC COMMODITY CRB- COR	27.92	NONE	NONE	NEUTRAL	CASH	NONE	CZ 29-28.5 Met & decline began		CZ -27-26.5		" No favorable Risk / Reward" For Long or Short Position till CZ is PQV validated
OIL (\$ WTIC)	94.0	CZ @96.2 <u>Alerted - special Report Entry announced 2/08</u>	CZ 96-97	BEARISH	Net Short	NONE	CZ 96-97 Bearish top		CZ -91-89		RM @ 99.00 <u>OIL Naked Short, closing the Copper JJC long</u>
JJC (COPPER - COR)	45.4	CZ @44 <u>Alerted entry on 11/14</u>	CZ 44.2-43.2	BULLISH to NEUTRAL	Net Long to CASH	Exit at OPEN JJC move from 44 to 45.4 PS- JJC was up to 48 but could not hold gains	CZ 48-47.5 Met & failed		CZ 44.2-43.2		Closing for only 3% profit. Could not hold 10% gains.

Continued...

	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
UNG (NATGAS)	18.32	CZ @ 16.00 16.5 <u>Core Position</u> Alerted entry On 5/2 & 5/16	Secondary CZ 19.5-20.5 <u>Re entry</u> Alerted on 12/03	BULLISH Bottoming	Net long	NONE	CZ -23.75-22.5		CZ -19.5 - 20.5 Met & extended		RM @ 17.00 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)	26.52	CZ @ 27.50 <u>Alerted</u> on1/09 For entry	CZ 27-28	BULLISH Bottoming	Net Long	NONE	CZ -30.00-29.00		CZ 27-28 Met & extended		RM @ 25.75 (REVISED) Refer chart below & Commentary

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

Commodity Overview

FOMC meeting notes today , QE ∞ is going to end when Fed members realize what an inflation monster they have created Especially Dr Bernanke's term up in 2014 , Market may be focusing ahead of time on change in Monetary policies. This triggered computerized trading in GOLD & USD Market. This put pressure on Commodity Markets. Solar Sunspot Cycle last week has tendencies to Trigger such fast moves.

NEUTRAL Sectors **CRB, DBB** , We have no favorable Risk / Reward at current levels and has no Position. **POM 14 CAUTION is in progress.** Rally in USD should put pressure . We have been **Bullish & Long DXY** which has better identity than being **Short commodity (CRB)** .

NGAS, DBA - BULLISH Sectors are building base for next rally.

COPPER , - We exit . Failed at Upper CZ Target tuned NEUTRAL with Bearish bias. Past 2days Sell off is Clue for SPX (chart attached)

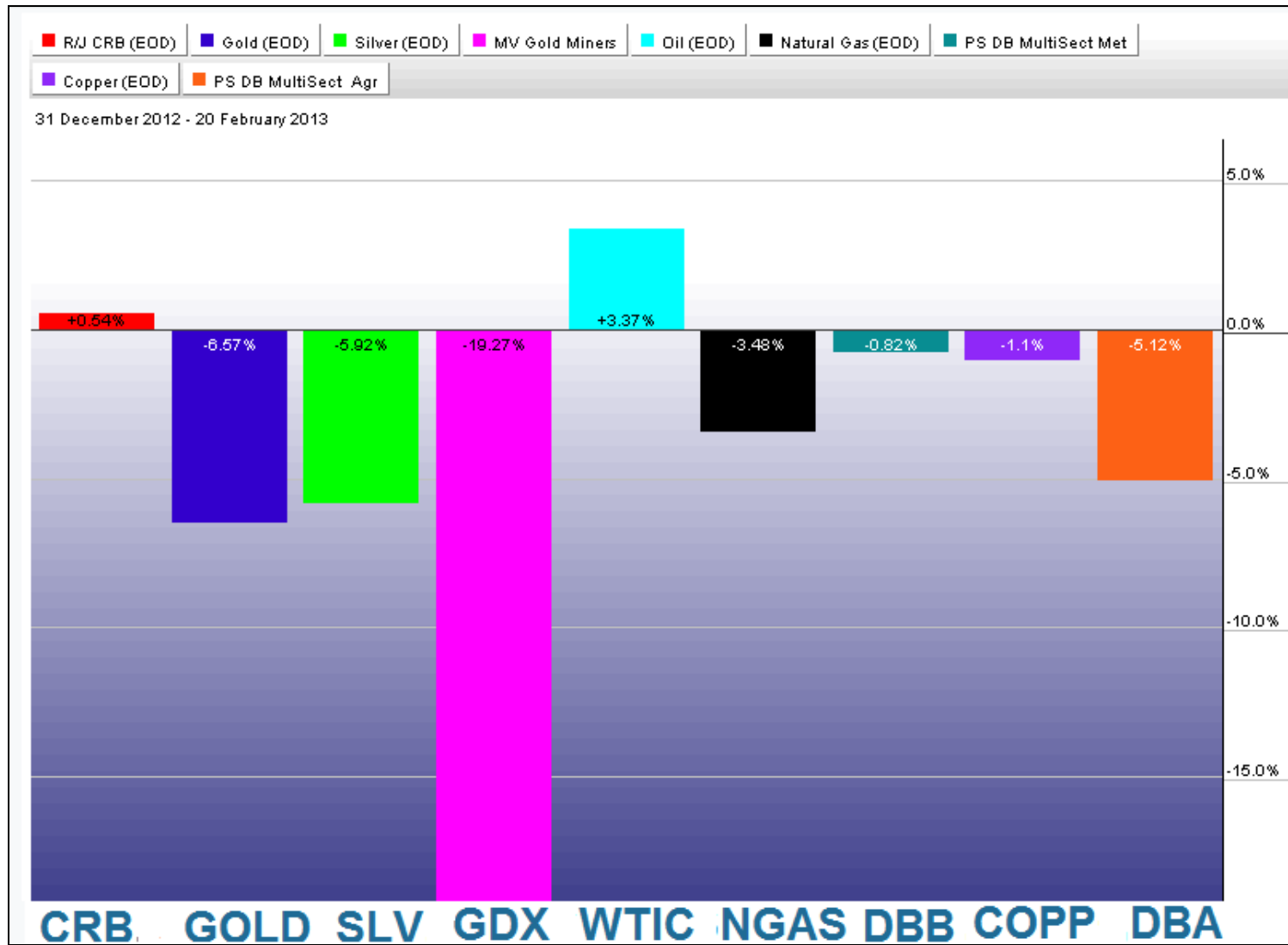
OIL - is set up **BEARISHLY** , failed in the CZ 97-96. Commitment of Traders (COT) from Commercials indicated " Net Short" Levels are very high which is BEARISH for Oil . In Sector Report XLE is our Bearish Top instrument

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

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

UPSIDE - CZ - 29-28.5 PEC-D @ 28.75 met Exact & failed with Bearish top -

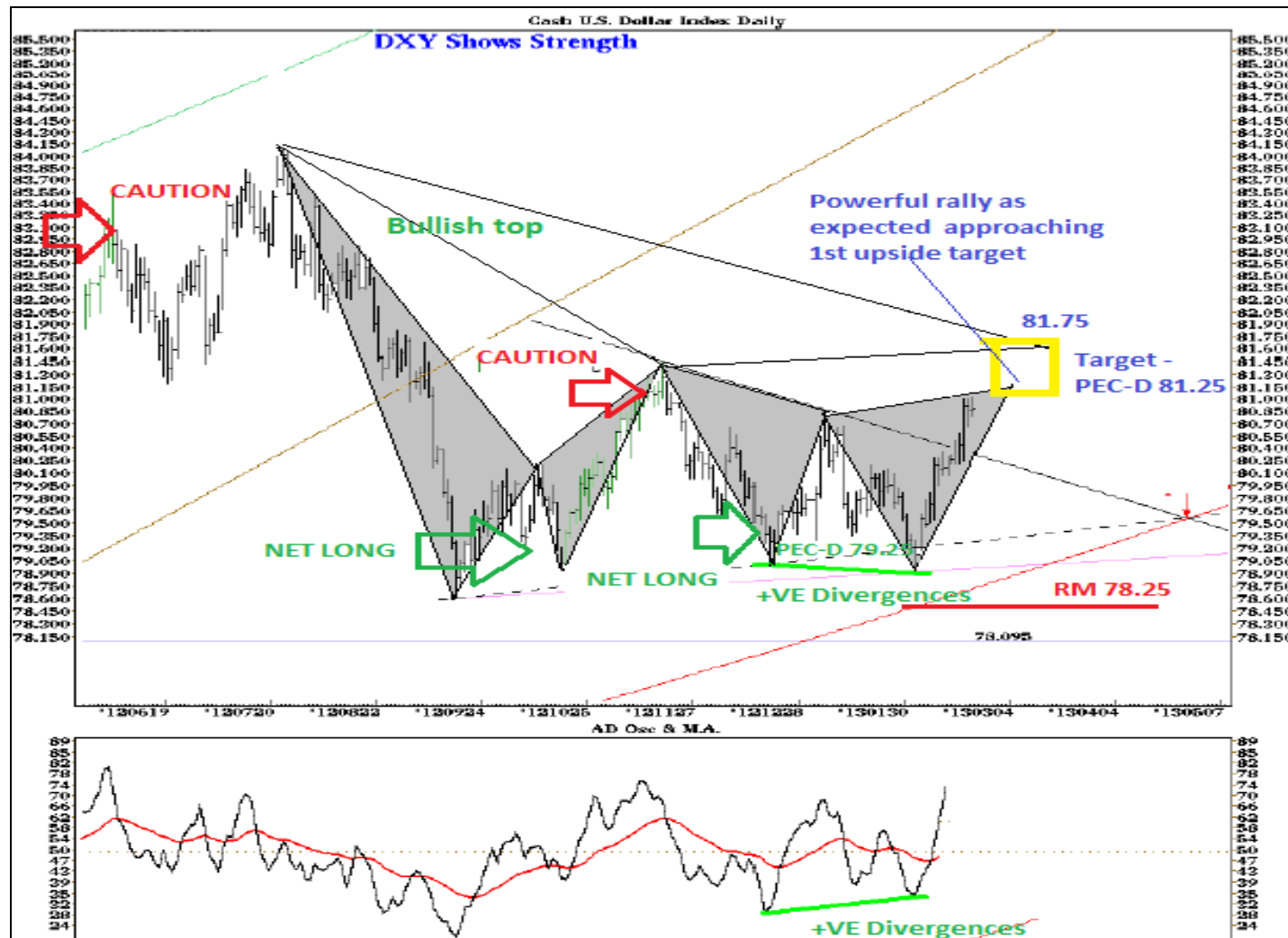
DOWNSIDE - CZ - 27-26.5, PEC-D @ 26.75.



DXY (\$ USD) – CZ / PEC D – Analysis – **Bullish**

Upside - CZ – 81.25 -81.75, PEC-D – 81.25 - Powerful rally as expected is approaching

Pull back target – CZ – 79.55-79, PEC-D – 79.55 – Met exact , Building Major base with Bullish bottom with +VE divergence
Main entry @ 72 Net Long Trigger



COPPER (PROXY) - CZ/ PEC –D Analysis - *Neutral – Bearish bias*

- *BEARISH TOP & NEUTRAL BOTTOM*

Upside – CZ 3.78-3.84. – MET & failed (We missed the timely exit)

Downside - CZ 3.47-3.52 – & Rally began

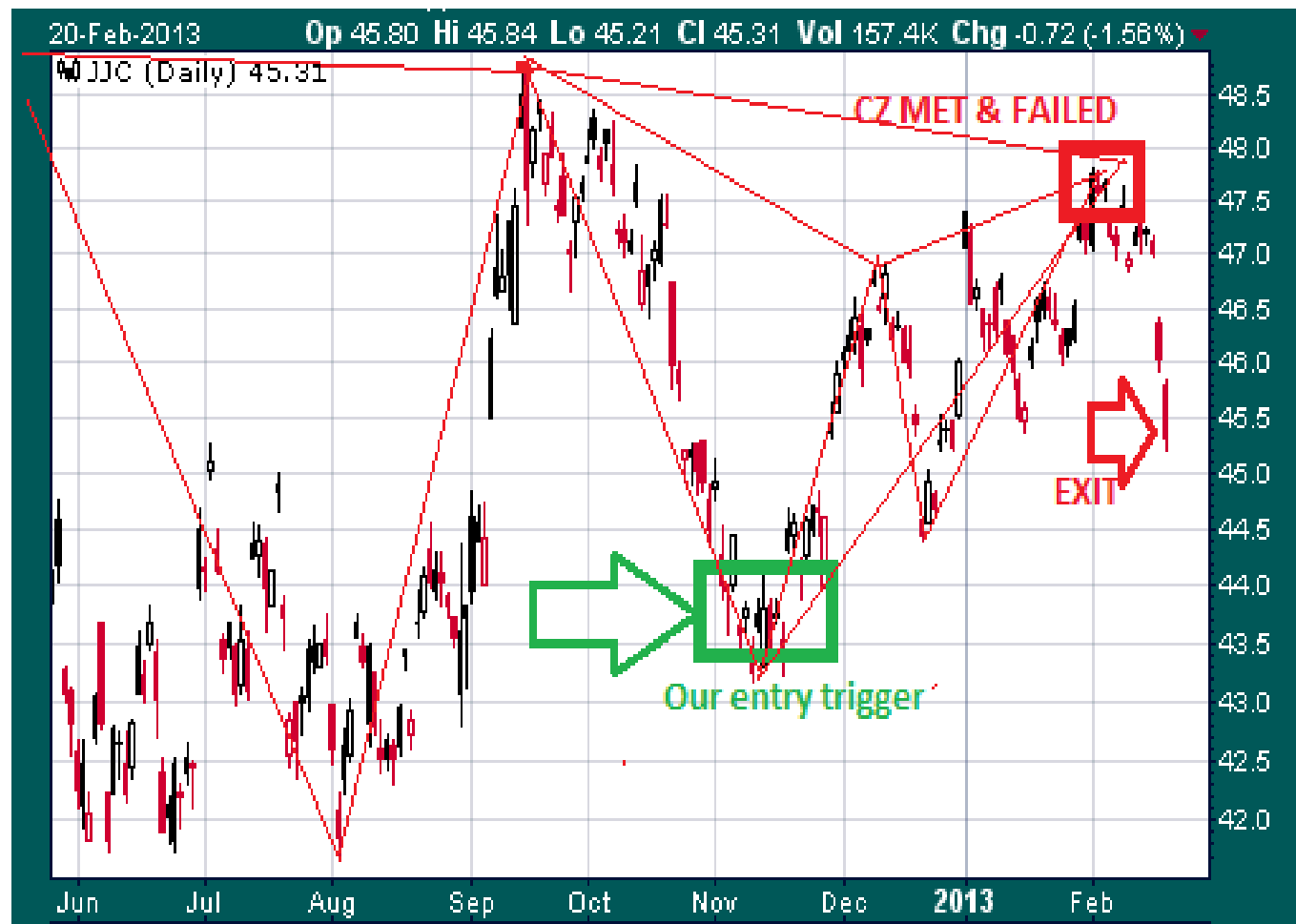


JJC (COPPER) - CZ/ PEC -D Analysis - *Neutral - Bearish bias*

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

Upside – CZ 48.5 - 48- Met & failed .

DOWNSIDE – CZ 44.2-43.2-



(COPPER) v/s SPX – Analysis

Past 2days Sell off in COPPER is Clue for SPX (chart below) . Divergences are indicated

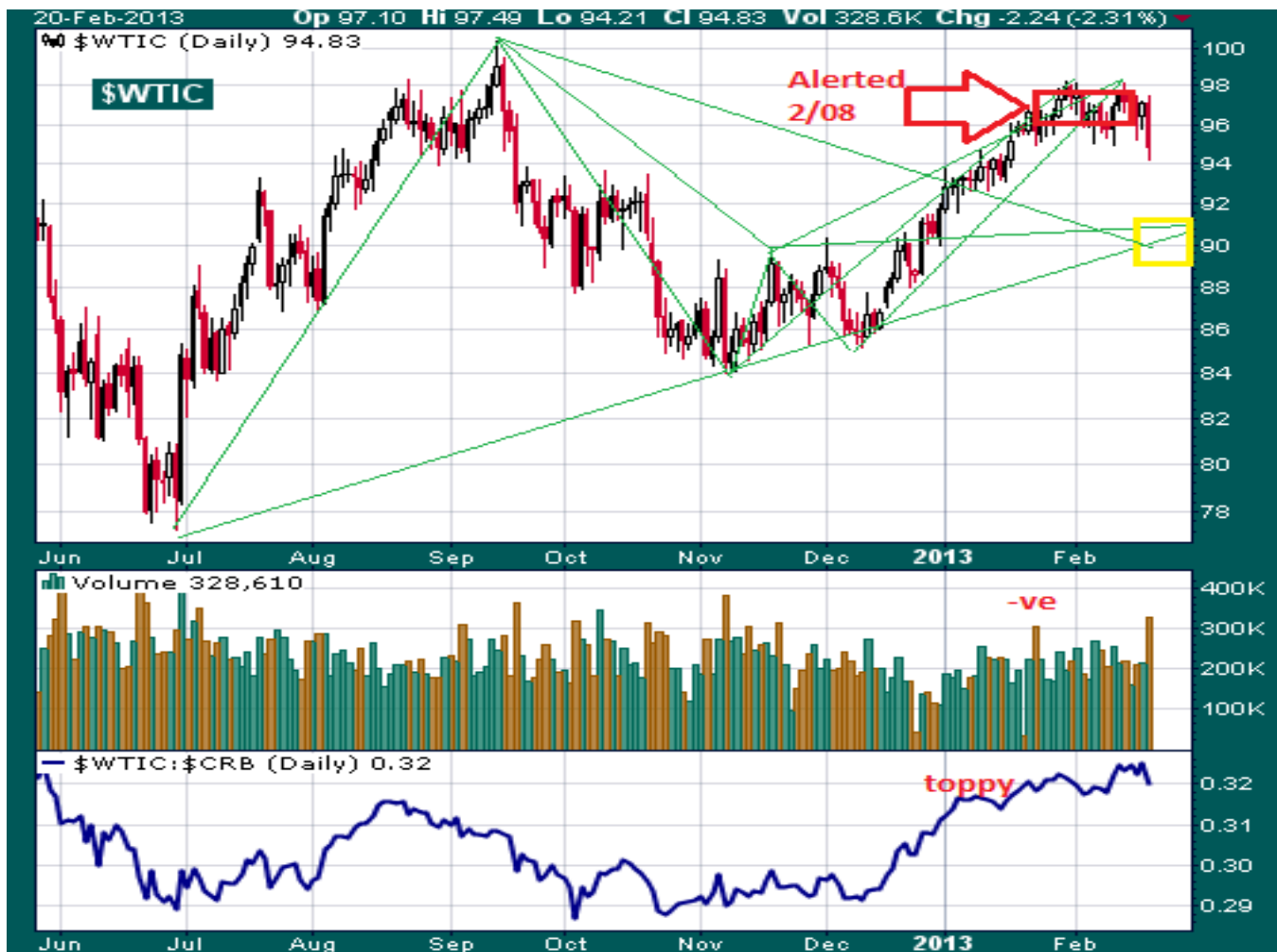


OIL – CZ / PEC –D / Oscillator Analysis - *Bearish*

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

Upside target , CZ – 97-96 met Bearishly & Triggered – Alert 2/08 – **RM 99.00 due to geopolitical Middle east / OPEC Risk**

DOWNSIDE – CZ – 91-89,



\$ WTIC (Oil) – COT Analysis

Current Levels of COT suggests , Previous Tops in Oil . (Chart below)- DATA from CFTC



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

- Texture - *BULLISH TOP & BULLISH BOTTOM*

- DOWNSIDE – CZ – 19.5-20.5 Met & exceeded down thrust , RM @ 17.25 only on ½ recycling position

↳ Upside target , CZ – 23.75- 22.5 , ABC up.

Initiated Main entry CZ 16.5 -16.



DBC -(COMMODITY) - NEUTRAL

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) – NEUTRAL

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.*
 - *Externe 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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