



Date : 9th Jan 2013 (**Wednesday**)

COMMODITY REPORT (Strategy & Prop Tech)

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● Executive Summary

	Current Price	Trigger POM or CZ & Date Pre announced	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 INDEX) CRB-COR	27.58	NONE	NONE	NEUTRAL	CASH	NONE	CZ 29-28.5		CZ -27-26.5		" No favorable Risk / Reward" For Long or Short Position till CZ is tested & validated
OIL (\$ WTIC)	93.5	NONE	NONE	NEUTRAL <i>-ve Bias</i>	CASH	NONE	CZ 95-94		CZ -84-83		" No favorable Risk / Reward"
JJC (COPPER - COR)	46.50	CZ / PQV @44 Alerted on 11/14	CZ 44.2-43.2	BULLISH	Net Long	Raise the Stop to Cost price 44.00	CZ 48-47.5		CZ 44.2-43.2	CZ 48-48.5	CHINA v/s COPPER (refer chart below)
UNG (NATGAS)	18.17	CZ / PQV @ 16.00 Alerted On 5/2	CZ 16-16.5 Alerted on 5/16	BULLISH	Net long	Triggered Re entry , Alerted @ 20 mean price on 12/03 within CZ 19.5-20.5 RM -Stop @ 17.25 on ½ recycling position	CZ -23.75-22.5		CZ -19.5 - 20.5 Met & exceeded Bullishly		½ Recycling position, exited on 10/25, at 22.66 took 5 point profit & avoided the decline of 3 points till re -entry @ 19.0)
DBA (AGRO) New Announcement	27.64	CZ / PQV @ 27.80 Alert on 1/09	CZ 27-28	BULLISH	Net Long	Trigger to watch Alert Today Entry Around 27.50 STOP @ 26.60	CZ -30.00-29.00			CZ 27-28 PEC-D@ 27.5	Refer chart below & Commentary

Continued.....with Precious Metals

	Current 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
GOLD	1662	POM 13 @ 1540 On 5/15 Original remains intact)	CZ 1540-1580	BULLISH	Net Long	Triggered Re entry , <u>Alerted</u> @ 1645 mean price on 01/04 within CZ 1625-1640 <u>RM -Stop @ 1590 on recycling position</u>	CZ 1690-1720, bounce target Met Exact & decline began	CZ 1790-1820	CZ 1635-1625 GOLD requires another re test But PQV should hold	CZ 1635-1620 ABC down to 1625 Met exact & PQV validated	On ½ recycling position @, 1770, 9/17 took 220 point profit & avoided the decline of 125 till re –entry @ 1645 <u>(PS : 2 stops cost 10 Bucks in between till re entry)</u>
GLD (GOLD COR)	160.33	POM 13 @ 150 On 5/15	CZ 150-154	BULLISH	Net Long	N/A	CZ 165- 168	CZ 173-176		CZ 159-157	
GDX (XAU /HUI MINERS COR)	44.65	POM 13 @41 on 05/15 (Original remains intact)	CZ 41-43	BULLISH	Net Long	Triggered Re entry , <u>Alerted</u> @ 44.75 mean price on 01/04 within CZ 45.5-43.5	CZ 50.5-48.5,		CZ 45.5-43.5	CZ 45.5-43.5 ABC down Met exact & PQV validated	On ½ recycling position @, 53.5,, 9/17 took 12.5 point profit & avoided the decline of 9.5 point till re – entry @ 44.5 <u>(PS : 2 stops cost 2.75 Bucks in between till re entry</u>
SLV (SILVER)	29.40	POM 13 @26.5 05/15 (Original remains intact)	CZ 27-26	BULLISH	NONE	NONE	CZ 34-33			CZ 29-30 Met exact & PQV validated	SLV should outperform GOLD in next rally

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

- **BULLISH INDICES**

GOLD, SLV, GDX , NATGAS (UNG), COPPER

- **BEARISH INDICES-**

NONE

- **NEUTRAL INDICES**

CRB, DBB, - Neutral bias

OIL – Bearish bias.

Commodity Indices Overview

In recent rally from POM 13 , CRB did not rally along due to its Neutral setup. We did not participate into it on Long side as a result would be dead money (see chart below) .

*NEUTRAL Sectors **CRB, DBB, OIL** . has no favorable Risk / Reward at current levels. and we have no Position. POM 14 in SPX for CAUTION is in progress. . **GOLD, SLV, GDX, NGAS, COPPER** - BULLISH Sectors are building base for rally.*

NEW -DBA - CORN, WHEAT, SOYABEAN are setting up BULLISH & CATTLES, HOG are setting up BEARISH. This is good combination for DBA to rally .

GOLD – “BULLISH”

Brief Overview

Paulson’s Hedge Fund, Advantage GOLD- (is Down -24%) in 13F filling just released . Fund’s the Largest Holding is GLD & Timing Hedges have been completely off once again this year based on performance. Our POM could have avoided much of THE Fund’s decline at the least. Now If the Fund Kicks in Liquidation, then we could have another pull back in GOLD

TICK Lows of 1624 was hit in ASIA but did NOT Trade in US Markets at those lows on 1/05. GOLD opened AM Pre Market at 1640. When such lows get established outside US Exchanges , there are tendencies for GOLD to Re visit lows during active US Markets open as after shocks.

Therefore, **The next pull back could have another test of CZ 1635-1620. PQV suggests the secondary test should hold and any break under should be “ Down Thrust” .**

Our Announcement **ALERT on 1/04**, has generated Re –Entry in GOLD @ 1645 on ½ Recycling position.

With our CORE entry GOLD (1548) and timely exit (1770) 9/17 on ½ recycling position, We have avoided 140 down move from 1770 to 1650. and entered back in on exited position

GOLD - Remains Triggered **POM 13 @ 1540-** on 5/15 we initiated **NET LONG** within **CZ 1540-1580**, This signal completed **POM 14** Triggered . On 2/6 for **HEDGING** within **CZ 1790-1765**. All subsequent commentary refers to CZ to CZ moves are for Risk Management.

GDX (MINERS) – “BULLISH”

Brief Overview

Our Announcement **ALERT on 1/04**, has generated Re –Entry in GOLD @ 44.7 on ½ Recycling position.

GDX finished its projection as expected exact into CZ 43-45, on PQV validation .

The GDX/GLD ratio is moving higher , this indicates gold stocks are outperforming gold while Gold has reached its own projected target of 1625. This is bullish sign for both. GDX is showing a bullish divergence , creating a bullish “Three Drives to a bottom” pattern with PEC-D . The falling wedge and rising oscillator point toward a potential rally.

Re test into CZ 43-45 is certainly possible if GOLD pulls back. If Re test happens into this CZ , it is not the beginning of ABC down. The event would “ Wash out “ Perma Bulls & Perma Bears” similar to last May bottom at POM 13 Trigger

Triggered POM 13 @ 41- on 5/15 we initiated NET LONG within CZ 41-43, This signal completed POM 14 Triggered . On 2/6 for HEDGING within CZ 58-56. All subsequent commentary refers to CZ to CZ moves are for Risk Management.

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) – BULLISH

Remains Triggered 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

Brief Overview

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) – “ NEUTRAL”

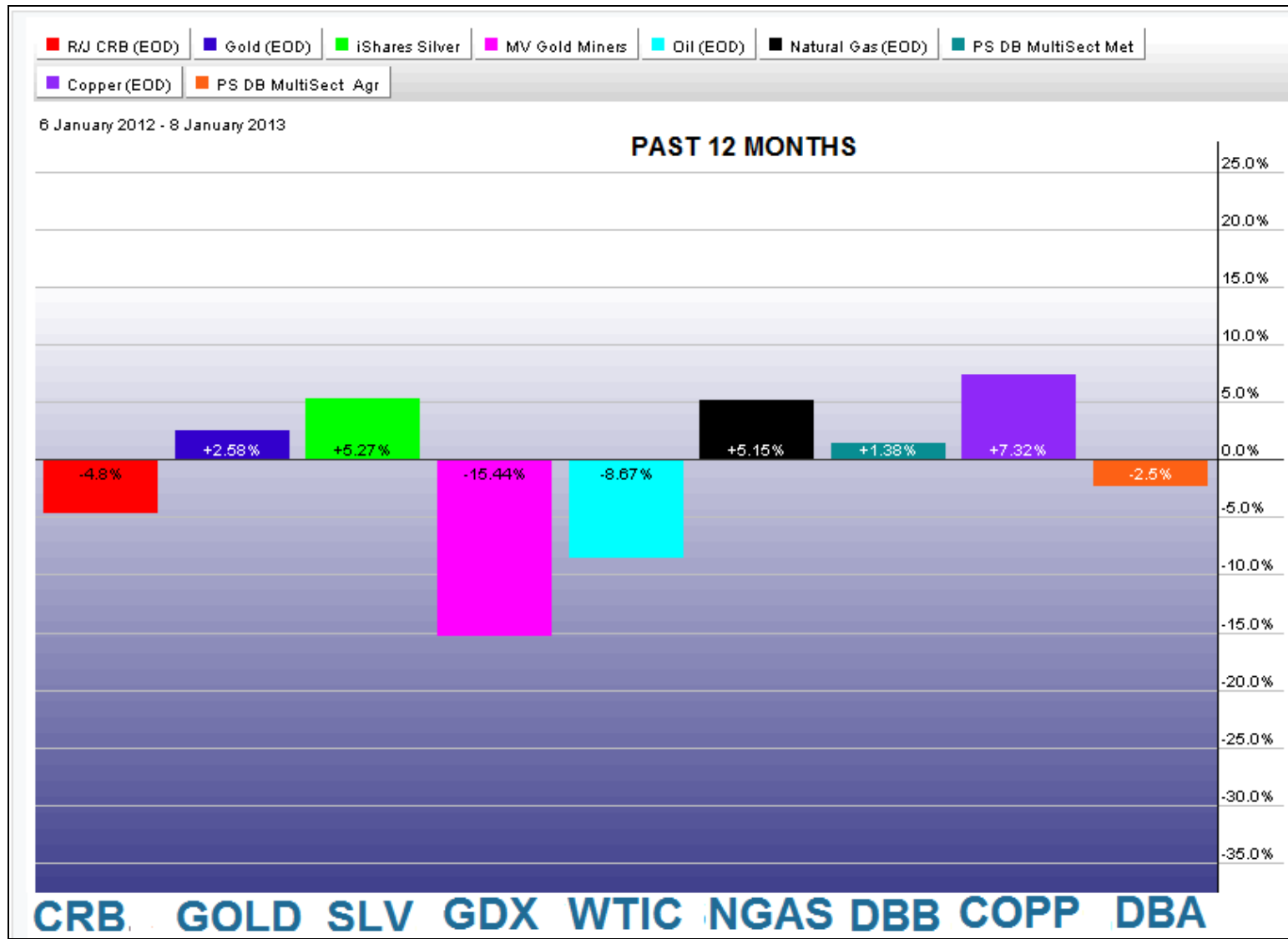
No New Trigger & we do not initiate New position.(in CASH). Last Signal Trigger CLOSED Net Short Position on 10/25

Triggered within CZ 86-88, All subsequent commentary refers to CZ to CZ moves are for Risk Management.

• 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 - Upside & Downside Risk equally balanced

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



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

Near Term Pull back target – CZ – 79.55-79, PEC-D – 79.55 – Met exact

Main entry @ 72 Net Long Trigger

Upside - CZ – 81.25 -81.75, PEC-D – 80.90

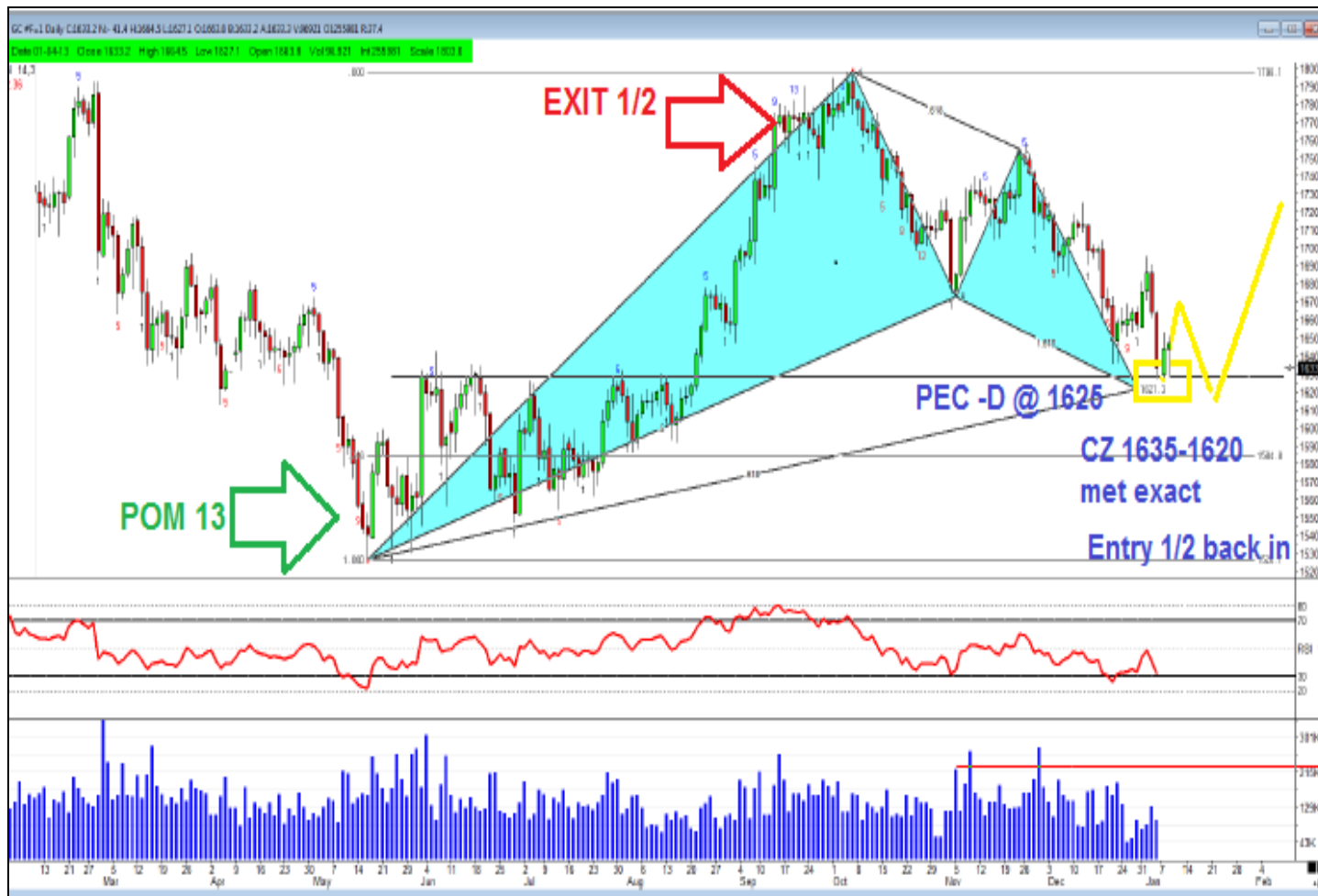


GOLD – CZ/ PEC- D Analysis – *Bullish*

Texture - BULLISH TOP & BULLISH BOTTOM.

Downside – ABC down to 1625 Met Exact in CZ 1635-1620 – With possibility of Retest (see price path below)

Upside Near term – CZ 1690-1720 – Volume needs to pick up for continuation move higher, if not there should be few false start similar to last May bottom. .



SLV – CZ / PEC –D Analysis - **Bullish**

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

DOWNSIDE – CZ 30.- 29.25 – Met

UPSIDE - CZ – 34-33

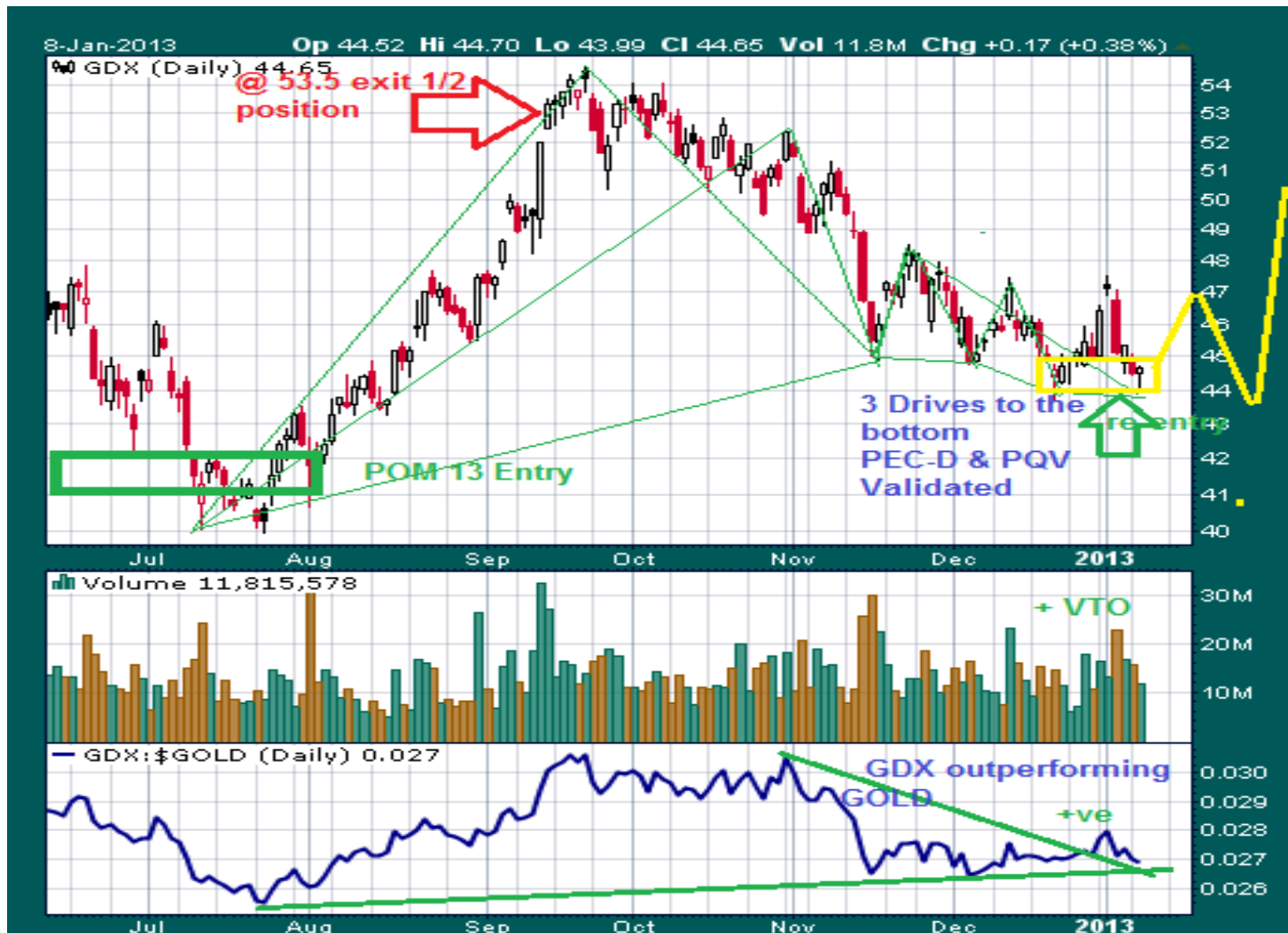


GDX – CZ – PEC-D Analysis - DAILY - *Bullish*

- Texture - *BULLISH TOP & BULLISH BOTTOM.*

Downside - CZ 43.5-45.5. Met exactly & PQV Validated. – With possibility of Retest (see price path below)

Upside - CZ 48.5 - 50.5



COPPER (PROXY) - CZ/ PEC –D Analysis - *Bullish*

- *BULLISH TOP CZ & NEUTRAL BOTTOM*

Downside - Triggered in CZ 3.52-3.47 –EXACT & Rally began

Upside – CZ 3.78-3.84.



COPPER v/s CHINA (PROXY) - - Bullish

We are long both COPPER & CHINA (Refer notes within the charts)



JJC (COPPER) - CZ/ PEC -D Analysis - *Bullish*

Texture – *BULLISH TOP CZ & NEUTRAL BOTTOM CZ*

DOWNSIDE – Triggered PQV Validation in CZ 44.2-43.2- EXACT & Rally began

Upside – CZ 48-48.5.



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

- Texture - *BULLISH TOP & BULLISH BOTTOM*

- DOWNSIDE – CZ – 19.5-20.5 Met & exceeded Bullishly

↳ Upside target , CZ – 23.75- 22.5 , ABC up). Initiated Main entry CZ 16.5 -16.



OIL – CZ / PEC –D / Oscillator Analysis - *Neutral* - *ST Caution*

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

Upside target , *CZ – 95-94* , *PEC-D @ 94.60* , *ABC up - ST Caution*

DOWNSIDE – *Best Risk reward to Buy* , *CZ – 84-83* ,

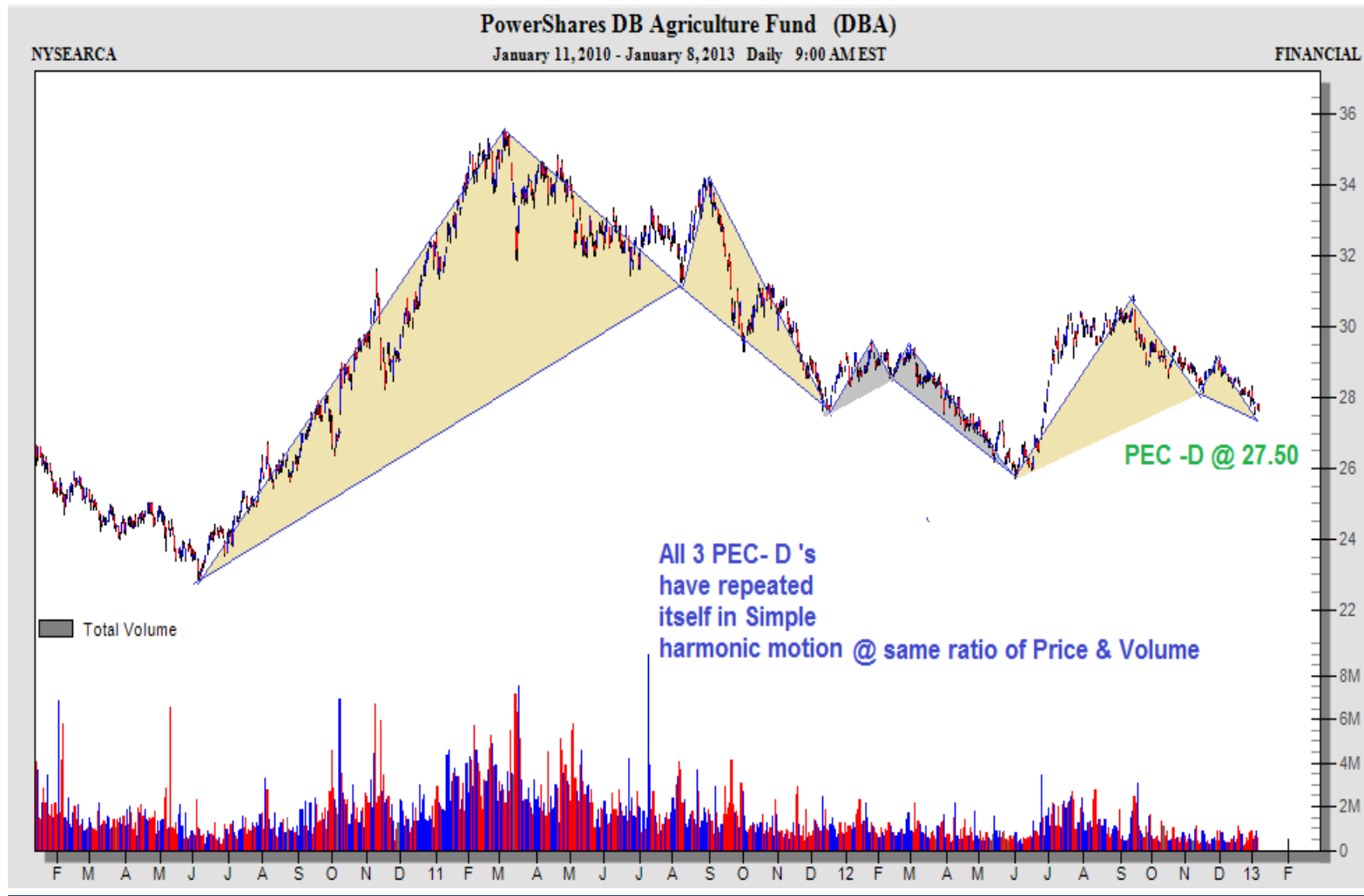


DBA (AGRO) – CZ / PEC –D / Oscillator Analysis **Bullish**

- Texture - BULLISH TOP & BULLISH BOTTOM

ACTION - DOWNSIDE – CZ – 27-28-, MID TERM - PEC-D @ 27.5 - Trigger to watch

↳ **Upside target** , CZ 30-29



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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