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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 Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
DBC COMMODITY CRB- COR	26.10	NONE	NONE	NEUTRAL Bearish bias	CASH	NONE	CZ 27.5-28 Neutral top	CZ 29-28.5 Neutral top	CZ 25.5-25.75 - Met Bearish bottom		No successful test.
OIL (\$ WTIC)	104.4	CZ 98.5-100 6/19	NONE	NEUTRAL Bullish bias	CASH	NONE	CZ 100-109 Neutral top	CZ 98.5-100 Met & exceeded Stopped @ 99.5	CZ 102-101 Pull back to Breakout area		Exited Short position @ 88, (4/15 move from 96 (2/08) for 8% gains
COPPER - COR)	3.18	@ 3.20 avg. 4/15 announced 04/04 & 4/22	CZ 3.10-3.27	BULLISH	Net Long	NONE	CZ 3.50-3.45		CZ 3.05-3.10- Re tested Bullish Bottom Successfull y		Successful bottom in place at 3.10

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UNG (NATGAS)	19.57	CZ 16-17 4/15	CZ -20.75-21.25 6/6 Announced – Re entry 5/22	BULLISH	Net long RM Stop <u>18.5</u>	NONE	CZ -23.75-22.5 Bullish top		CZ 20.75-21.25 – Bullish bottom Exceeded below on False break	CZ -19.5-20.0 Should Come Back in range to 20	Exited long position @ For 40% & 12% gains 22.6, (4/15 move from 16 & 20
DBA (AGRO)	25.05	CZ 25.5-25 5/22	CZ 25.5-25 5/2	BULLISH	CASH	NONE	CZ -30.00-29.00 Bullish top		CZ 25.4-25 Bullish Bottom Exceeded below on False break Stopped @ <u>24.75</u>	PEC-D 25 3 drives to bottom 25 completed	Earlier Stopped @ 25.5, (4/15 down from 27.5 for 7.2% loss

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

- BULLISH INDICES – \$ NATGAS (UNG), DBA (AGRO), \$COPPER
- BEARISH INDICES- NONE
- NEUTRAL INDICES - CRB (DBC) – Bearish bias , & \$WTIC - Bullish bias

Commodity Overview

Since last Report 5/22,

CRB - Commodity Index approached correction CZ but with Bearish Bottom . (PQV - CZ did not validate due to heavy bottom). There is No favorable Risk / Reward , we have No Signal at current levels.

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

OIL - Interestingly Oil has rallied long side of DXY, It would be interesting to see how it acts during pull back in DXY Oil approached projected CZ 98.5- 100 and BUSTED ! (stopped us out @ 99.5) - we have No Signal at current levels. But After the pull back to 102, It should rally. Target 109.5 PEC-D

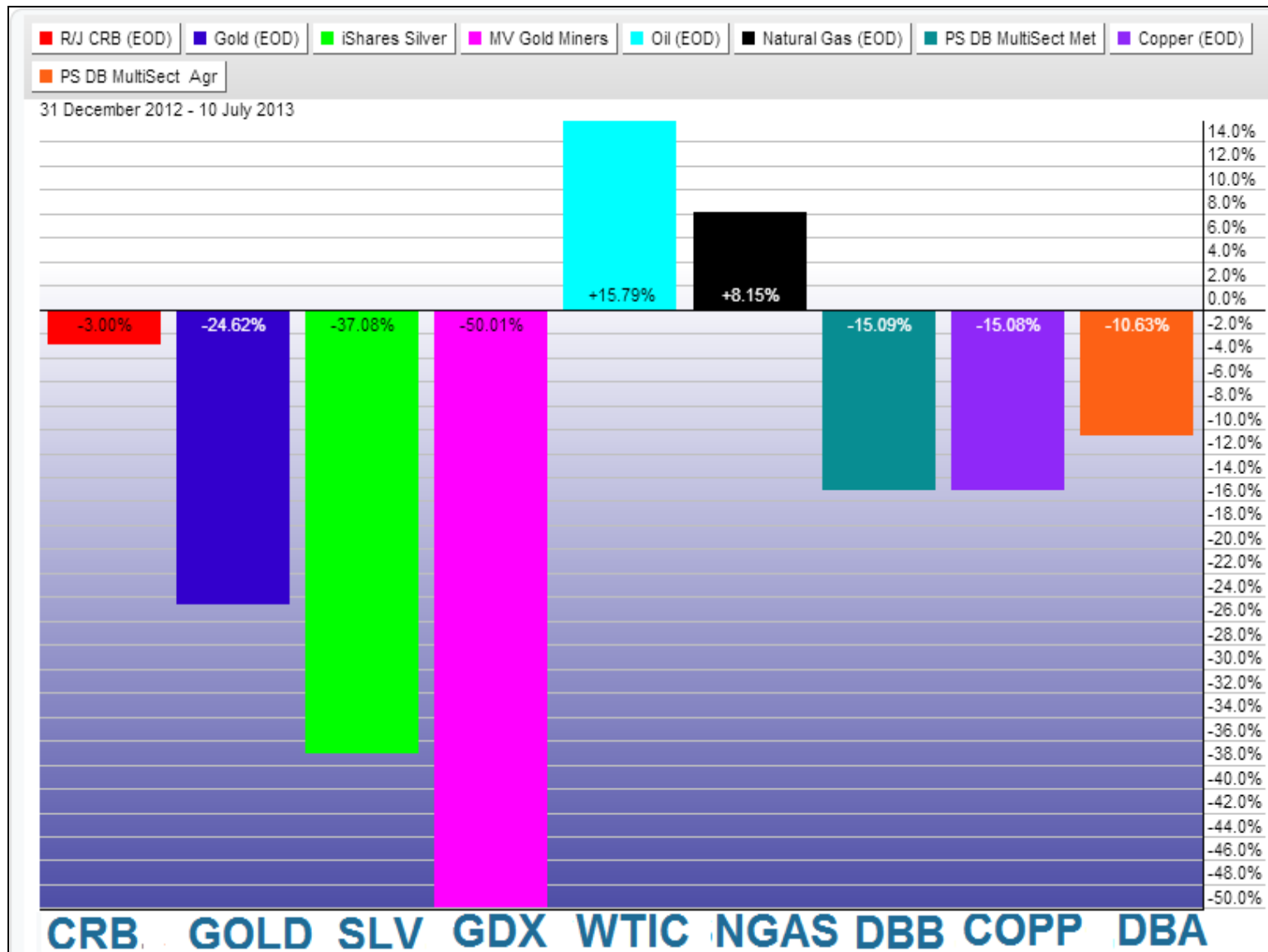
NGAS, - Triggered Net long in Bullish CZ . **NGAS** has a Bullish top at 24.00 , We are Net Long . This is Recycling Position re entered @ 20 earlier exited at 24.00

DBA - BULLISH, but DBA doesn't seem to get any traction. We were Stopped out at 24.75 – RM . we have No Position but we are Bullish

• YTD – Commodities & SPX performance v/s CRB

Weakest and strongest Indices for PAIR TRADES

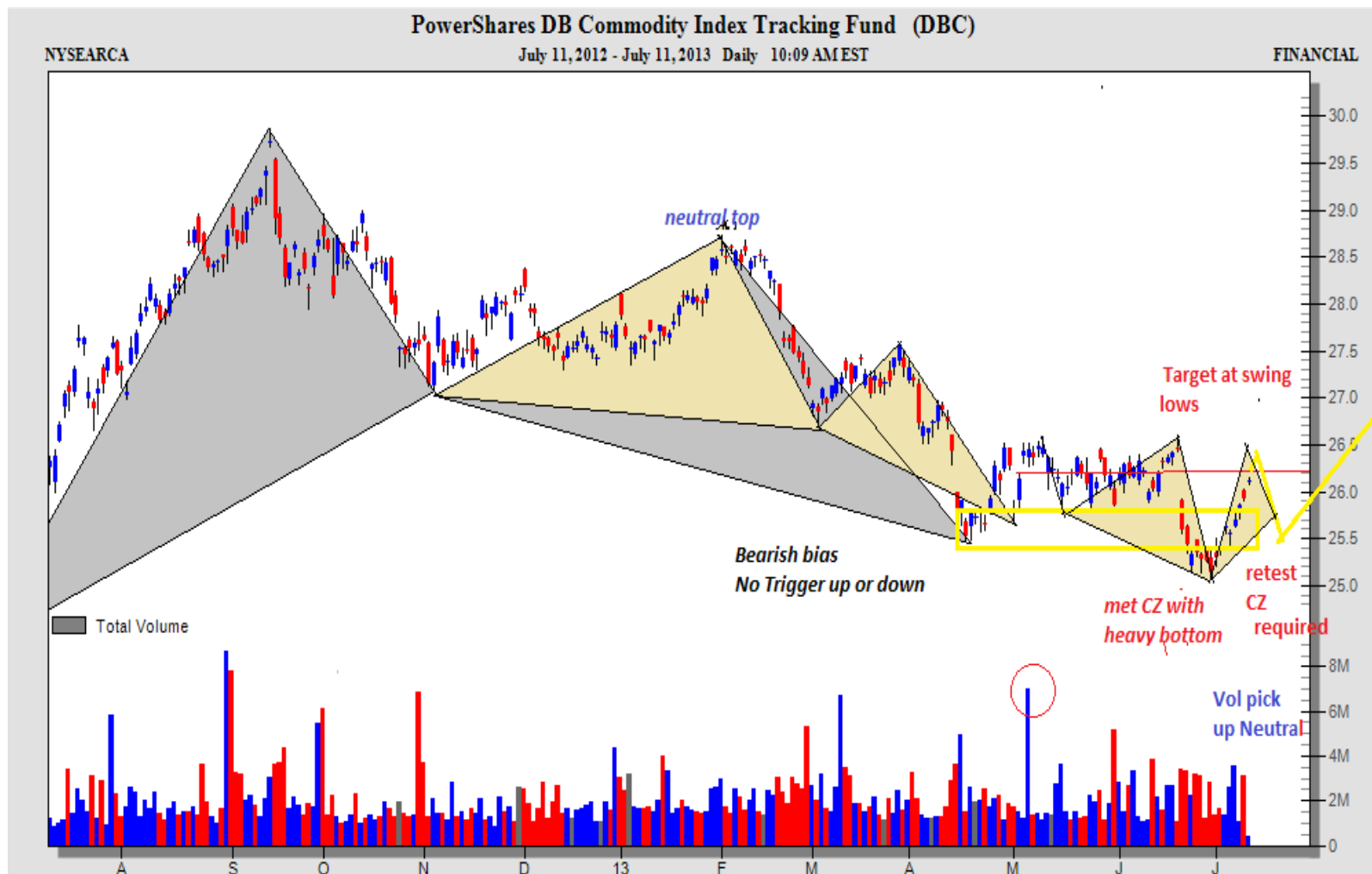
2013 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s CRB .



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

DOWNSIDE -- CZ 25.25-25.75 – Met with Bearish Bottom – No PQV Validation . The force is still in downward direction. Pull back is needed to test the lows before rally up .

UPSIDE - CZ – 27.5-28 towards with Neutral Top

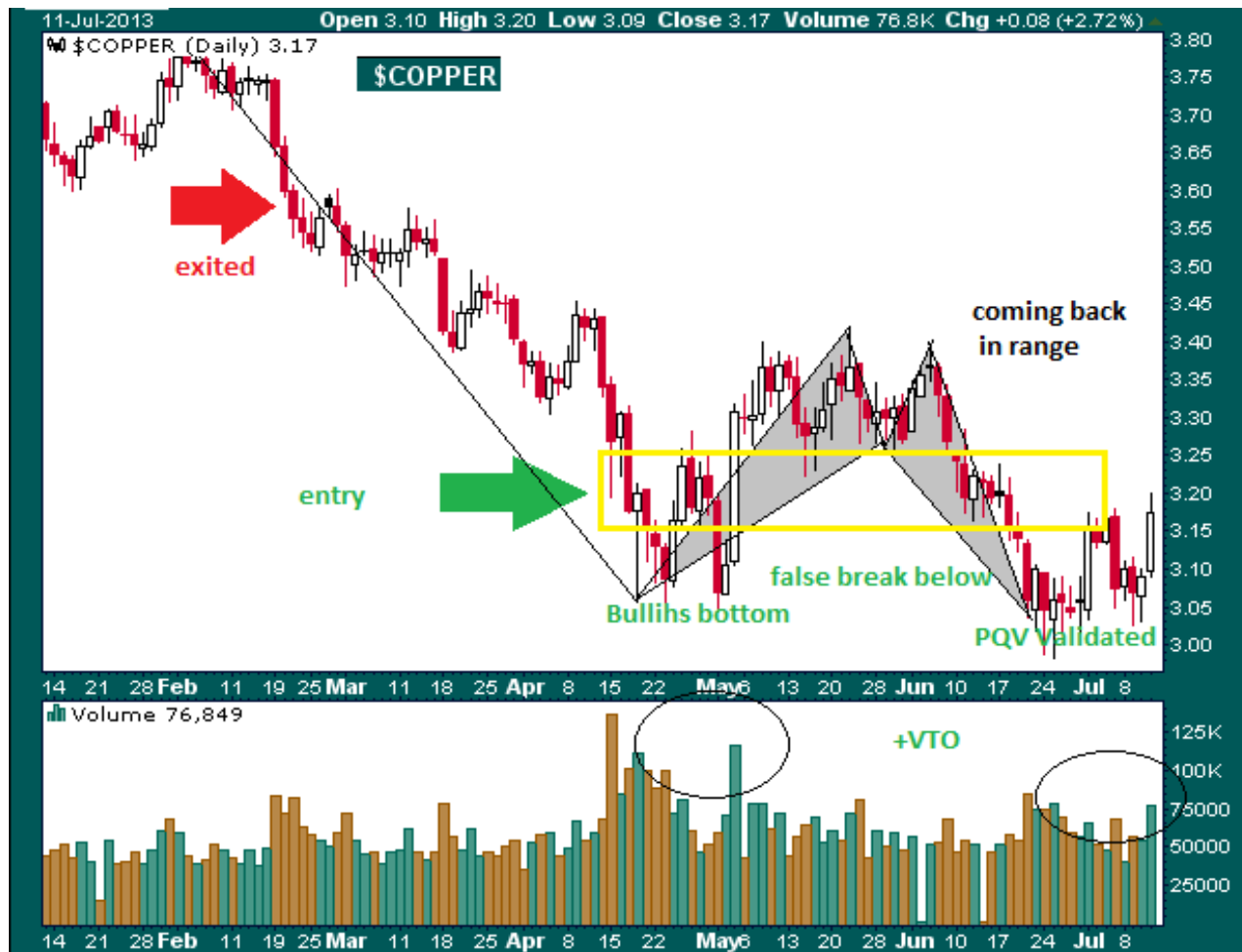


COPPER - CZ/ PEC -D Analysis - Bullish

NEUTRAL TOP & BULLSH BOTTOM

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

Upside - CZ 3.50-3.45. - Neutral Top



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

Upside target- PEC-D 109.5 within CZ 110.25-109

DOWNSIDE – Pull back to Breakout Area @102 & rally back to test highs.

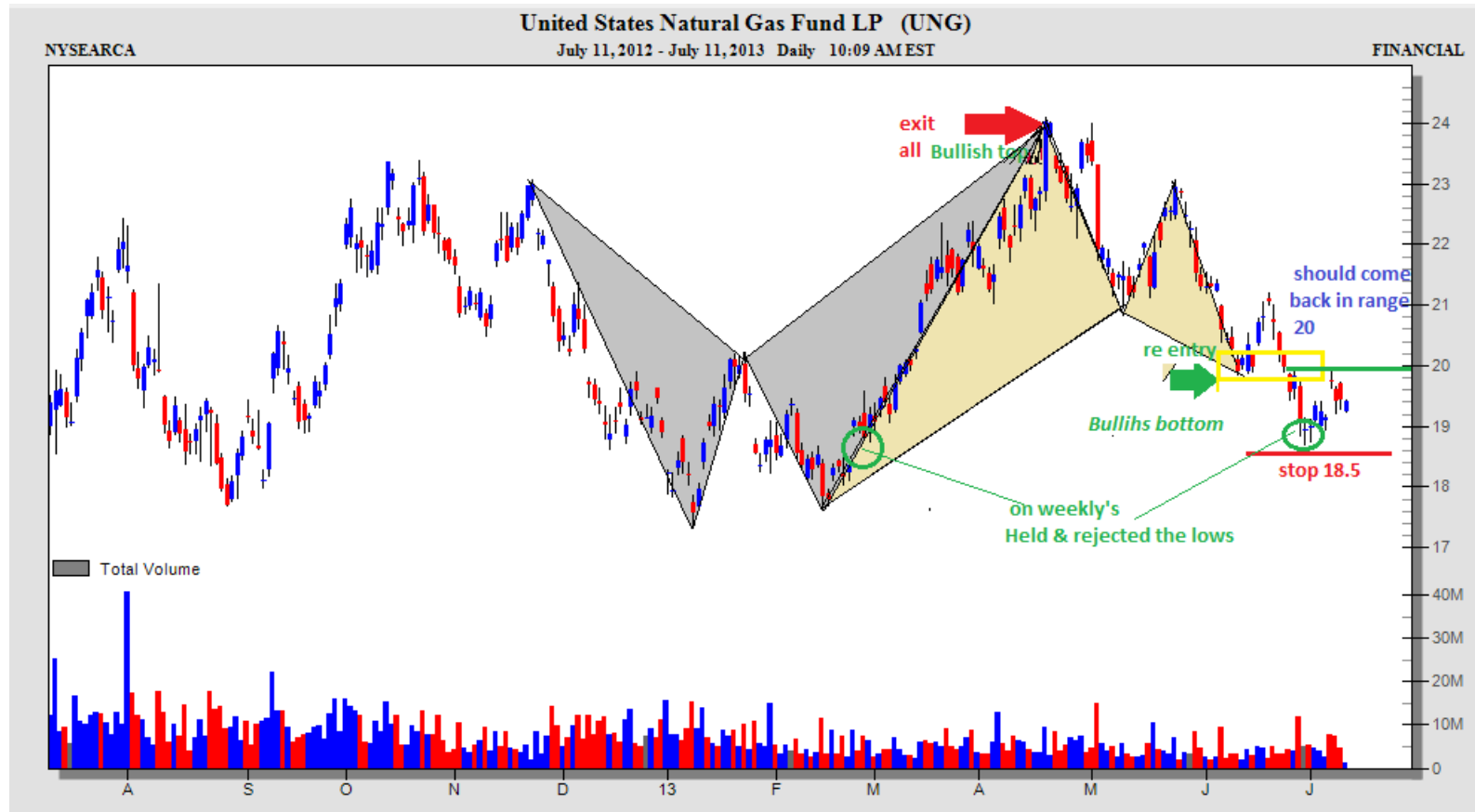


NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis **Bullish**

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

DOWNSIDE - - CZ 19.5 -20.5 is on false break below PQV Validated CZ 20.75 -21.25. Bullish Bottom. Once comes in range above 20 , it should get traction

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

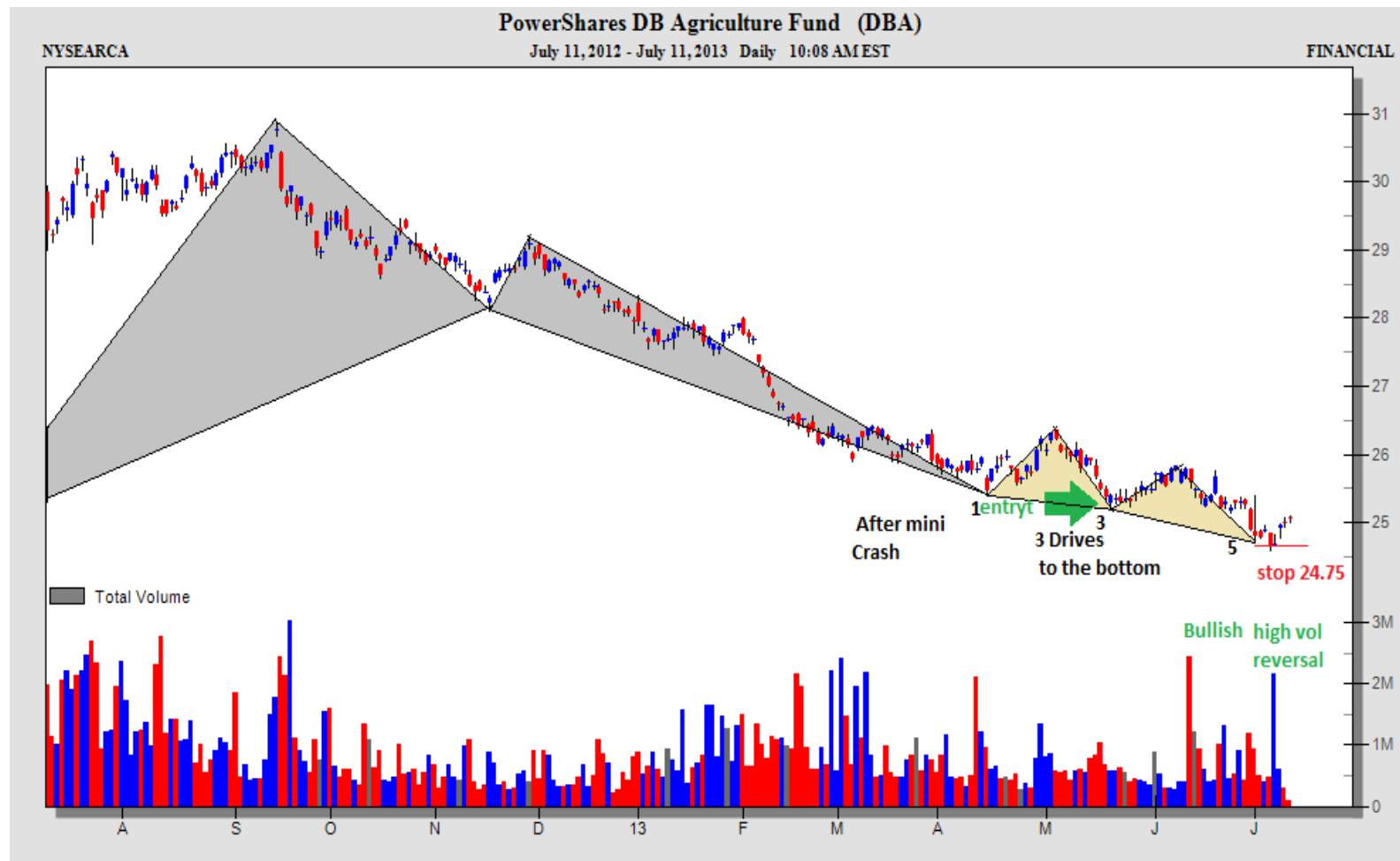


AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

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

Downside target , Key Reversal Bullish - @26, - Triggered 25.4-25.0- Stopped out **at 24.75 as RM**

3 DRIVES TO THE Bottom PEC-D Validated



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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