



Date : 22th June 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	25.43	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.		Our Preannouncement CZ 25.5-25.75 Trigger invalidated due to Bearish bottom approach in CZ
OIL (\$ WTIC) Pre announcement	94.00	CZ 98.5-100 6/19	NONE	Bearish	CASH	Initiate Net Short Within CZ CZ 95-96.5	CZ 95-95.5 should fail with Bearish top	CZ 98.5-100 Met Failed Bearish top (Missed Entry due to Report timing)	Target PEC- D 90	CZ 87-86 Neutral Bottom	Exited Short position @ 88, (4/15 move from 96 (2/08) for 8% gains RM Stop @ 99.5
COPPER - COR)	3.10	@ 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 testing Bullish Bottom		Initiated Trigger 3.10 avg , rallied and now resting CZ 3.05-3.10

On Oil – It reached its Projected target exact 98.5-100 & sold off, but for some reason we did not place “ Pre announcement to act on failure in our May 22nd – Commodity Report. Now we wait for next chance to Trigger

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UNG (NATGAS)	20.22	CZ 16-17 4/15	CZ -20.75-21.25 6/6 Announced – Re entry 5/22	BULLISH	CASH	NONE	CZ -23.75-22.5 Bullish top		CZ 20.75-21.25 – Met Bullish bottom Triggered	CZ -19.5-20.0	Exited long position @ For 40% & 12% gains 22.6, (4/15 move from 16 &20
DBA (AGRO)	25.30	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 Met Bullish Bottom Triggered	3 drives to bottom 25	<u>RM @ 24.75</u> 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- **OIL**
- NEUTRAL INDICES - **CRB – Bearish bias**

Commodity Overview

Since last Report 5/22,

CRB - Commodity Index approached correction CZ but with Bearish Bottom . (We have invalidated the PQV - CZ test due to heavy bottom). We think a proper PQV test is needed . There is No favorable Risk / Reward , we have **No Position** at current levels.

COPPER - Copper is re testing the Bullish CZ , rejecting lows once again after nice initially rally from 1st validation date. **We are Net Long**

OIL - Oil approached projected Bearish **CZ 98.5- 100 and failed** . We missed the exact Top entry failure due Market volatility. We should Trigger entry soon **“Trigger to Watch” to initiate for Net Short** as stated in summary sheet above .

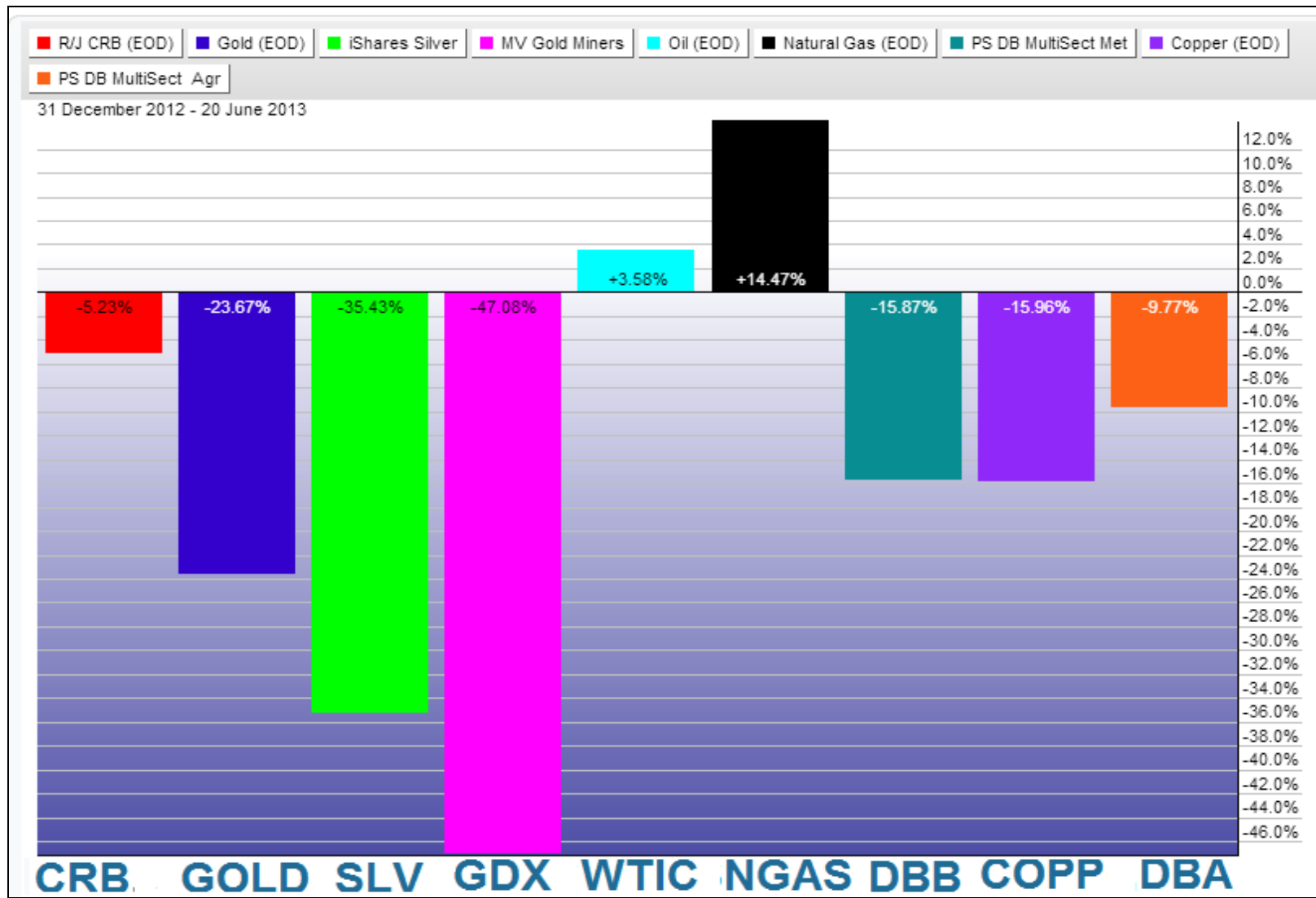
NGAS, - Triggered Net long in Bullish CZ . **NGAS** has a Bullish top at 24.00 , this is the area where we had Exited UNG for Money Management Reasons . & it has declined 20 % since our exit . **We are Net Long**

DBA - BULLISH, but DBA don't seem to get any traction. It is building base for next rally after completing 3 drives to Bottom. **We are Net Long** .

• 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 25.5-25.75 – Met with Bearish Bottom – No PQV Validation . The force is still in downward direction

UPSIDE - CZ – 27.5-28 towards with Neutral Top

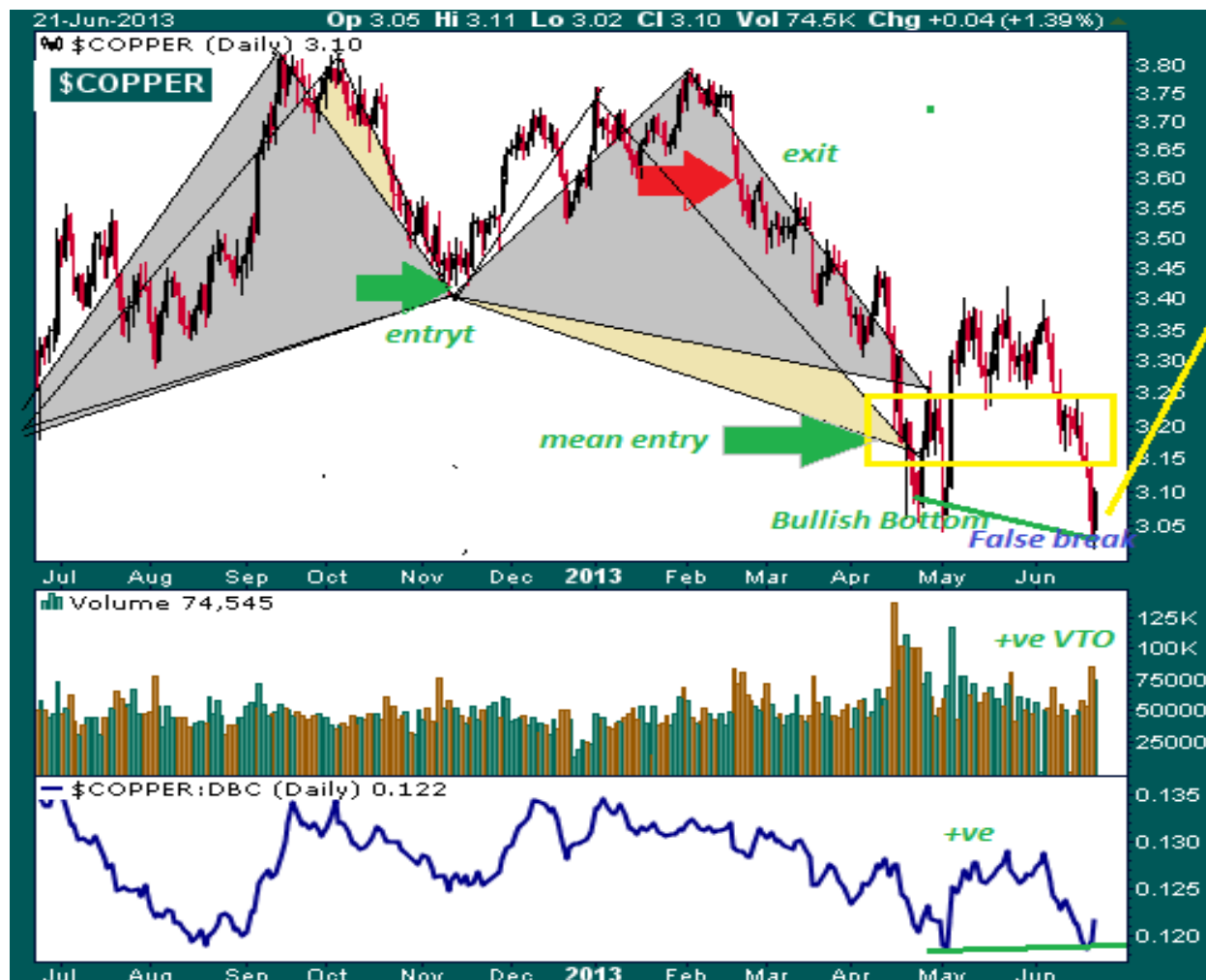


COPPER - CZ/ PEC -D Analysis - Bullish

NEUTRAL TOP & BULLSH BOTTOM

Downside - CZ 3.15-3.05- Met – Bullish bottom on re test - and PQV Validated

Upside – CZ 3.50-3.45. – Neutral Top



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

Upside target- CZ 98.5 -100 failed

Trigger to watch - CZ 95.5-96.5. Failure here would be Best / Risk Reward for Net Short entry into next bounce

DOWNSIDE – PEC-D 90 & Projection CZ – 87-86 - Neutral Bottom .

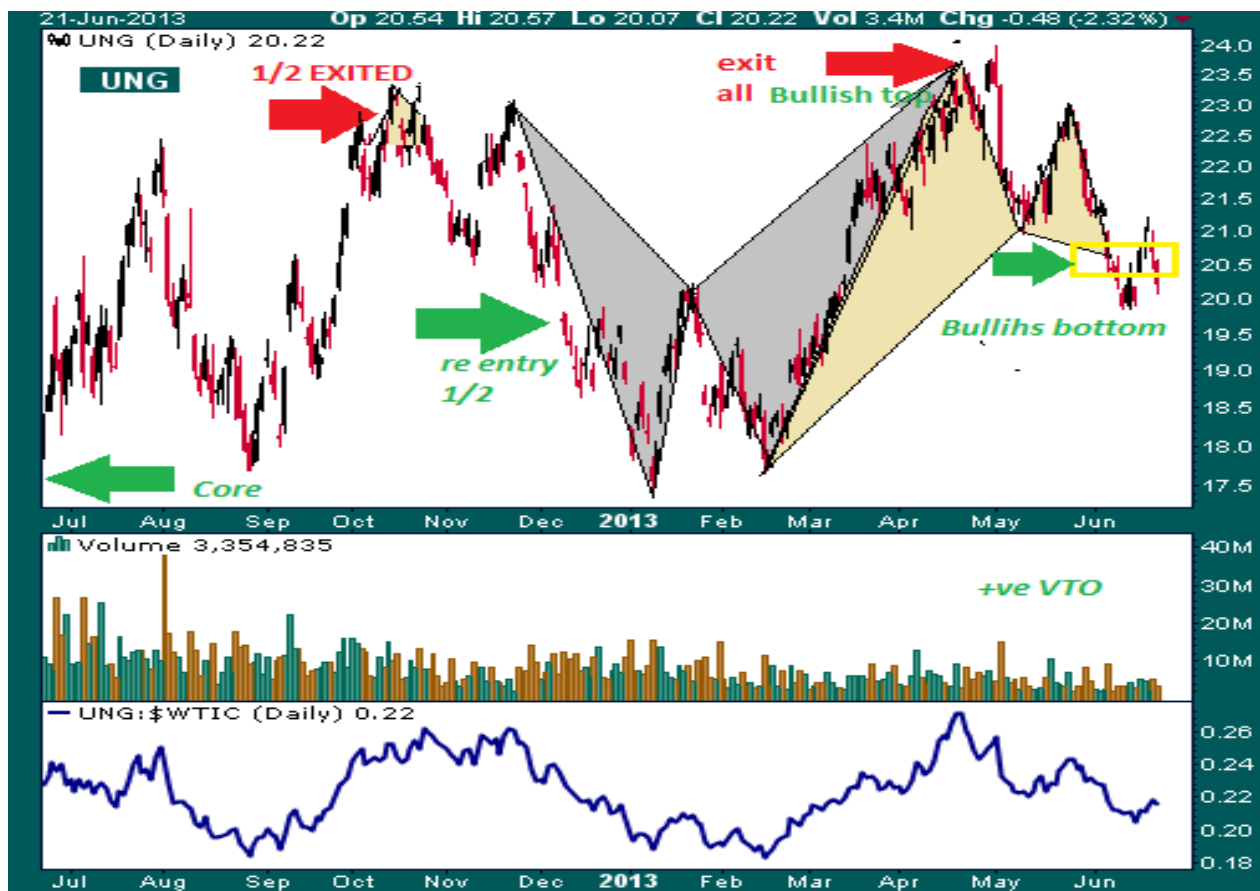


NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis **Bullish**

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

DOWNSIDE -- CZ 20.75 -21.25– PQV Validated . Bullish Bottom.

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- RM @ 24.75

Main entry CZ 27.5-27 has failed & STOPPED OUT @ 25.5 . 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.*

■ *Externe Indicator Analysis*

- **EXTREAME Sentiment Analysis GOLD & Currencies**
- **(3rd Party Data) - Courtesy : SENTIMENT TRADERS**

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

GOLD v/s GDV (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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