



Date : 14th Nov 2013 (Wednesday)

COMMODITY REPORT (Strategy & Prop Tech)

By : Suneil R. Pavse, E : apavse@aol.com

● **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	25.27	NONE	NONE	NEUTRAL No Signal	CASH	NONE	Target to PEC-D 27.60 Neutral top		CZ 25.75-25.50 Met with Neutral Bottom	Target PEC-D 24.35 Best / Risk Reward for Net long	
OIL (\$ WTIC) Pre announcement	94.0	NONE	NONE	NEUTRAL Will turn Bullish On Trigger Entry price	CASH	Initiate to Scale in Entry in CZ 91-90 Net long	PEC-D 96.25 Neutral Top		PEC-D 94.5 Met with Heavy bottom	ABC down PEC-D 90.25 Should reject lows	
COPPER - COR)	3.16	@ 3.20 avg. 4/15 announced 04/04 & 4/22	CZ 3.10- 3.27	BULLISH	Net Long	NONE	Target to CZ 3.50-3.45 Bullish Top		Pull back to CZ 3.10-3.05 For re test Bullish Bottom (Floor)		Successful bottom in place at 3.10

	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)	17.63	CZ 16-17 On 4/15	CZ -17.75-17.50	BULLISH	Net long	NONE	Target PEC-D 20	CZ -23.75-22.5 Bullish top	Re tested CZ -17.75-17.50 & Triggered Net long Bullish bottom		
DBA (AGRO) Pre announcement	24.81	CZ 25.5-25 5/22	CZ – 24.5-24.25	BULLISH	CASH	Initiate to Scale in Entry in CZ 24.60-24.40 Net long	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

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

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

Commodity Overview - Since last Report 10/23,

CRB - Is Neutral . No Signal at current levels for entry.

Pull back to CZ 25.75-25.25. – met with Neutral bottom ., However PEC-D 24.35 on rejection of lows have better Risk reward for Net long . The projection of rally to PEC-D 27.60.

COPPER - We are Net Long . Pull back to CZ 3.15-3.05- Bullish bottom. It has tested twice and PQV Validated. The projected rally to PEC-D 3.50 Bullish Top.

NGAS, - Re tested_ CZ 17.75-17.50 . It triggered Net long within CZ . **NGAS** has a Bullish top target at PEC-D 23.5 . We are Bullish

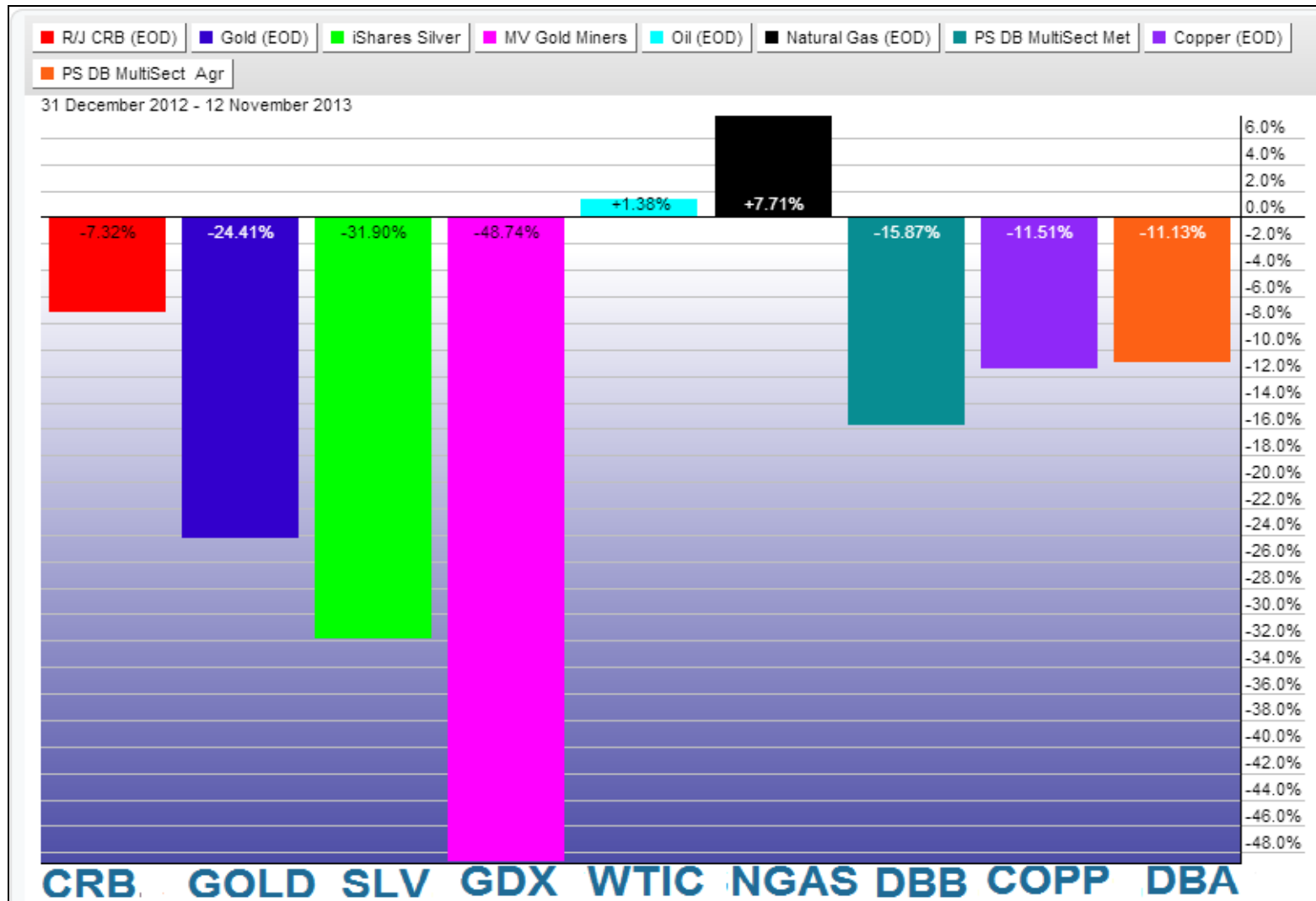
DBA - We are Bullish, Pull back to CZ 24.50-24.25 - Bullish Bottom, Re testing of 3 DRIVES TO THE Bottom Validated is pretty strong Floor . No Signal / No Position . Trigger to watch “ to Initiate Scaling in Net long within CZ 24.60-24.40. Stop RM 24.10

OIL- - Is Neutral with Bearish bias . ABC down to PEC-D 94.5 met with heavy bottom. It has set up new ABC down to 90.5 We have No Signal at current levels for entry till Oil stabilizes and rejects lows. Trigger to watch “ to Initiate Scaling in Net long within CZ 91-90

• 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 .

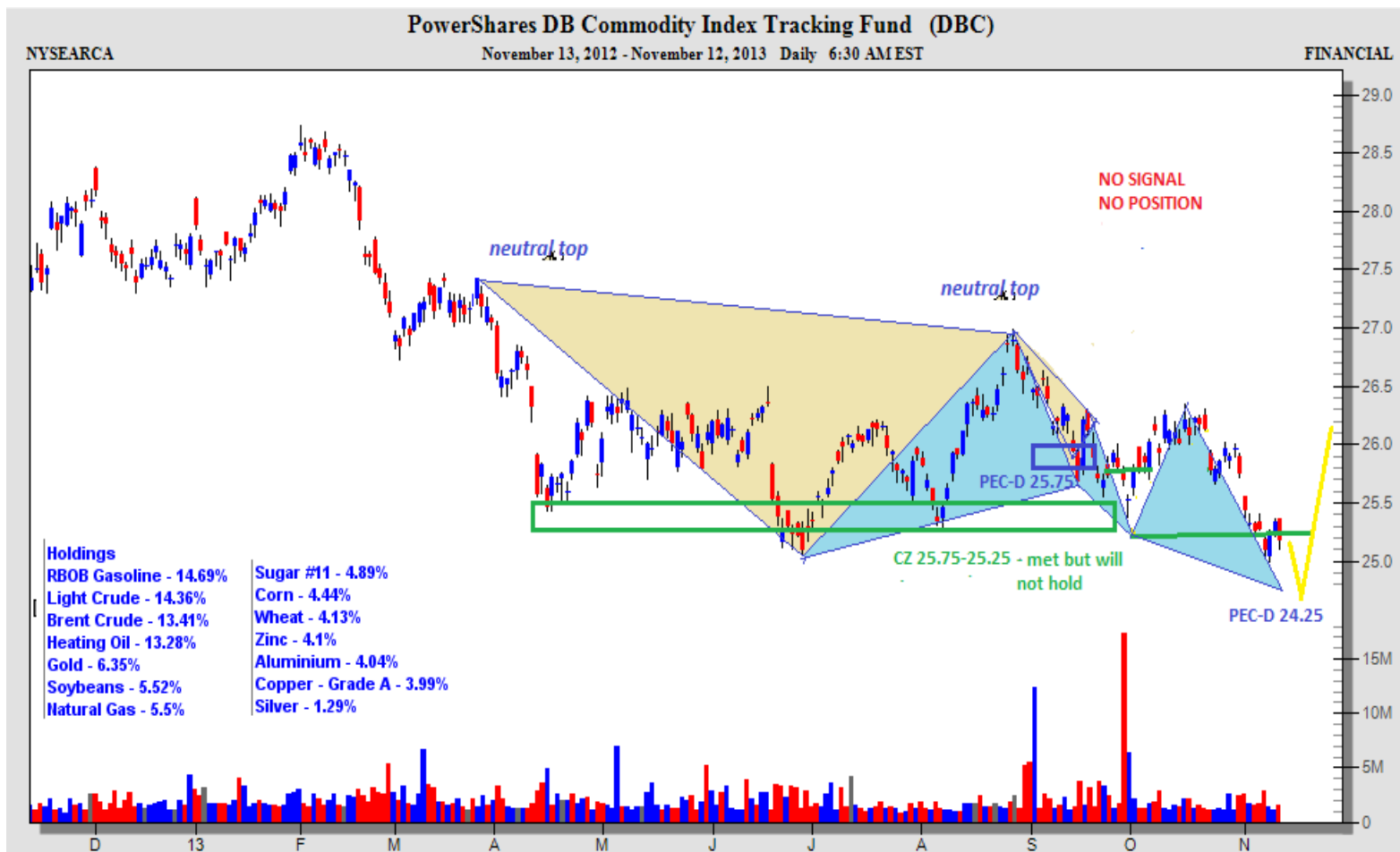


DBC (CRB- Index) - with CZ/ PEC-D & Oscillator Analysis – Neutral

NEUTRAL TOP & NEUTRAL BOTTOM

DOWNSIDE -- Pull back to CZ 25.75-25.25. – met with Neutral bottom ., However PEC-D 24.35 on rejection of lows have better Risk reward for Net long

UPSIDE - Target to PEC-D @ 27.60 for Neutral Top.



COPPER - CZ/ PEC -D Analysis - Bullish

BULLSH TOP & BULLSH BOTTOM

Downside - Pull back to CZ 3.15-3.05- Bullish bottom. It has tested twice and PQV Validated.

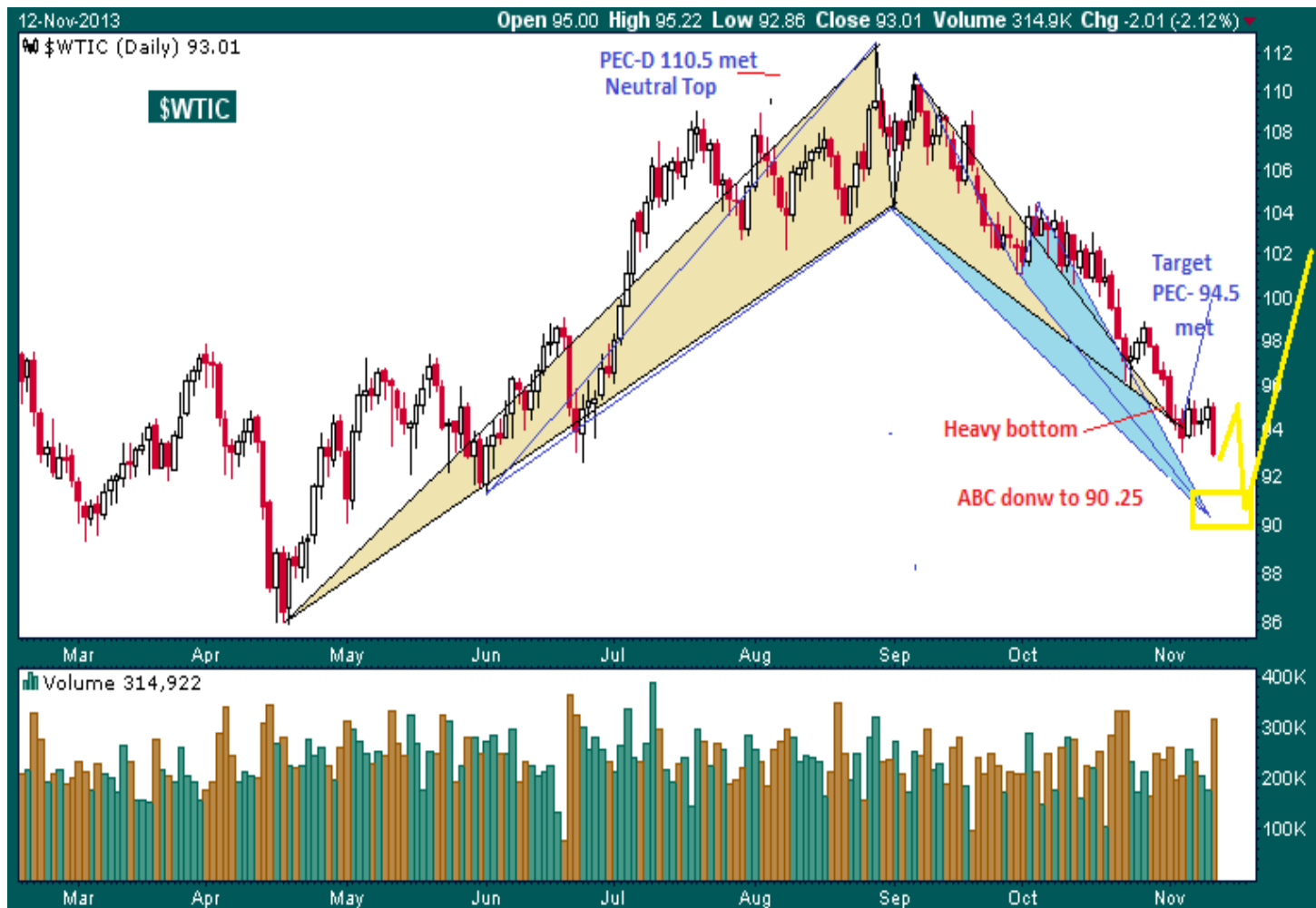
Upside - Target remains CZ 3.50-3.45. - Bullish Top -



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

DOWNSIDE – Pull back to PEC-D 94.5 Met & Broken Bearishly , to setup ABC down to PEC-D -90.25
No Signal / No Position . Trigger to watch “ to Initiate Scaling in Net long within CZ 91-90

Upside target- PEC-D 97.5 Neutral Top-



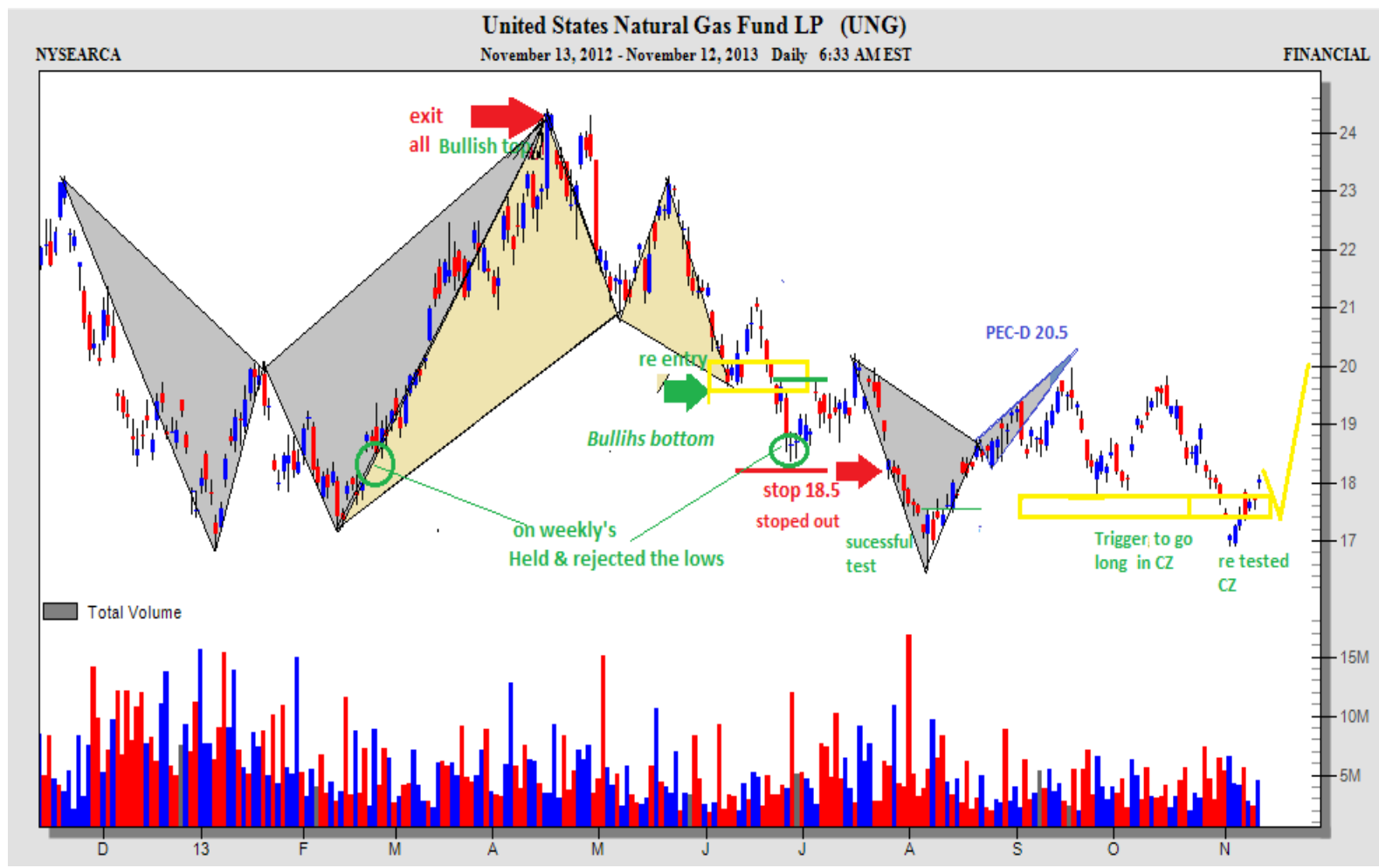
NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis **Bullish**

- Texture - BULLISH TOP & BULLISH BOTTOM

DOWNSIDE -- Re tested CZ 17.75-17.50 - Bullish Bottom. **It Triggered Net Long**

1ST Upside – PEC D- 20.5.

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



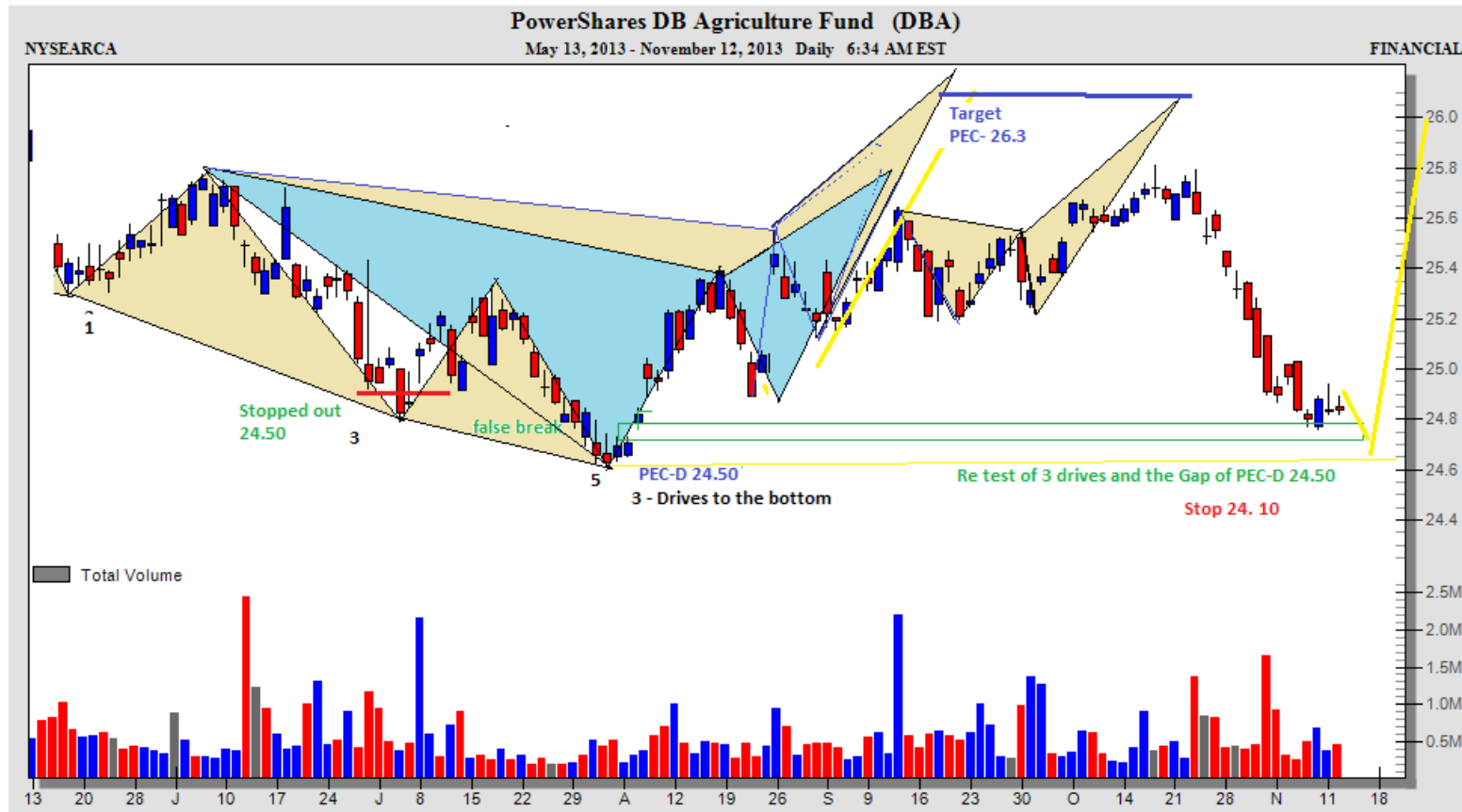
AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

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

DOWNSIDE - Pull back to CZ 24.50-24.25 - Bullish Bottom, Re testing of 3 DRIVES TO THE Bottom Validated is pretty strong Floor . No Signal / No Position . **Trigger to watch “ to Initiate Scaling in 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)



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 .*

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_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**

- 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

Disclaimer : The information in this report has been taken from sources believed to be reliable but SG Capital Research does not warrant its accuracy or completeness. Any opinions expressed herein reflect our judgment at this date and are subject to change. This document is for private circulation and for general information only. It is not intended as an offer or solicitation with respect to the purchase or sale of any security or as personalized investment advice. SG Capital Research or its Author does not assume any liability for any loss which may result from the reliance by any person or persons upon any such information or opinions. These views are given without responsibility on the part of SG Capital Research or its officials. No part of this report may be reproduced in any manner as Author reserves the distribution rights. Under Copyright 2002 Act: It is a violation of federal copyright and imposes liability for such infringement.