



Date : 14TH Sept 2013 (Saturday)

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	26.34	NONE	NONE	NEUTRAL	CASH	NONE	PEC-D 27.05 Met exact & pulled back Neutral top	Target to PEC-D 27.60 Neutral top	PEC-D 26.5 Bullish Bottom	CZ 25.5-25.75 Met & PQV validated successfully	No Signal . "Narrow trading range consolidation"
OIL (\$ WTIC)	108.5	NONE	NONE	NEUTRAL Bullish bias	CASH	NONE	PEC-D 110.75 met exact & pulled back With Neutral Top	No Upside target due to Geopolitical Syria issues can move in both directions.	CZ 102.5 102 Pull back to Bullish Flag		No Signal
COPPER - COR)	3.20	@ 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 Approached close to CZ on pulled back		CZ 3.10-3.05- Approaching 3 RD time Bullish Bottom (Floor)		Successful bottom in place at 3.10

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UNG (NATGAS)	19.25	CZ 16-17 4/15	CZ -17.75-17.50	BULLISH	CASH	NONE Missed Entry @ 17.75 – pre announced 8/25	Target PEC-D 20	CZ -23.75-22.5 Bullish top	CZ -17.75-17.50 Bullish bottom		
DBA (AGRO)	25.49	CZ 25.5-25 5/22	CZ – 24.5-24.25	BULLISH	CASH	NONE Missed Entry @ 24.5 – pre announced 8/25	Target PEC-D 26.30	CZ -28-29 Bullish top	CZ 24.50-24.25 Bullish Bottom	PEC-D 24.5 3 drives to bottom Completed Bullish Bottom	

Special situation – Oil stocks From Sector Report

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XLE (ENERGY)	83.95	POM 15 (SPX)	CZ 81.60-81.82 "Scale in" 7/10	BEARISH	Net Short	NONE	POM 15 target Met @ PEC-D 81.5 Failed, false Break above	Close below 83.2 Weekly Would be the Top	^{1st} ABC down PEC-D 77	^{2nd} ABC down CZ 74-75 Heavy bottom	

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

- BULLISH INDICES – \$ NATGAS (UNG), DBA (AGRO), \$COPPER
- BEARISH INDICES- XLE – (Special Situation from Sector Report)
- NEUTRAL INDICES - CRB (DBC) & \$WTIC

Commodity Overview - Since last Report 8/25,

CRB - Our expectation in last Report was for a rally to 27.10 which was met with Neutral Top and CRB pulled back. Now it is setting up for next rally to PEC-D 27.60 . No favorable Risk / Reward , we have No Signal at current levels.

COPPER - It has successfully tested the Bullish CZ 3.15-3.05 twice , rejecting lows & key reversal. The target is PEC-D 3.50 to Bullish Top. We are Net Long

NGAS, - Missed Net long entry on Pull back to 17.75 – PEC-D “. **NGAS** has a Bullish top at 23.5 . We are Bullish

DBA - Missed Net long entry on Pull back to 24.50 – PEC-D “. **DBA** has a Bullish top at 28.5. We are Bullish - The AGRO inflation is very much in tact for higher prices

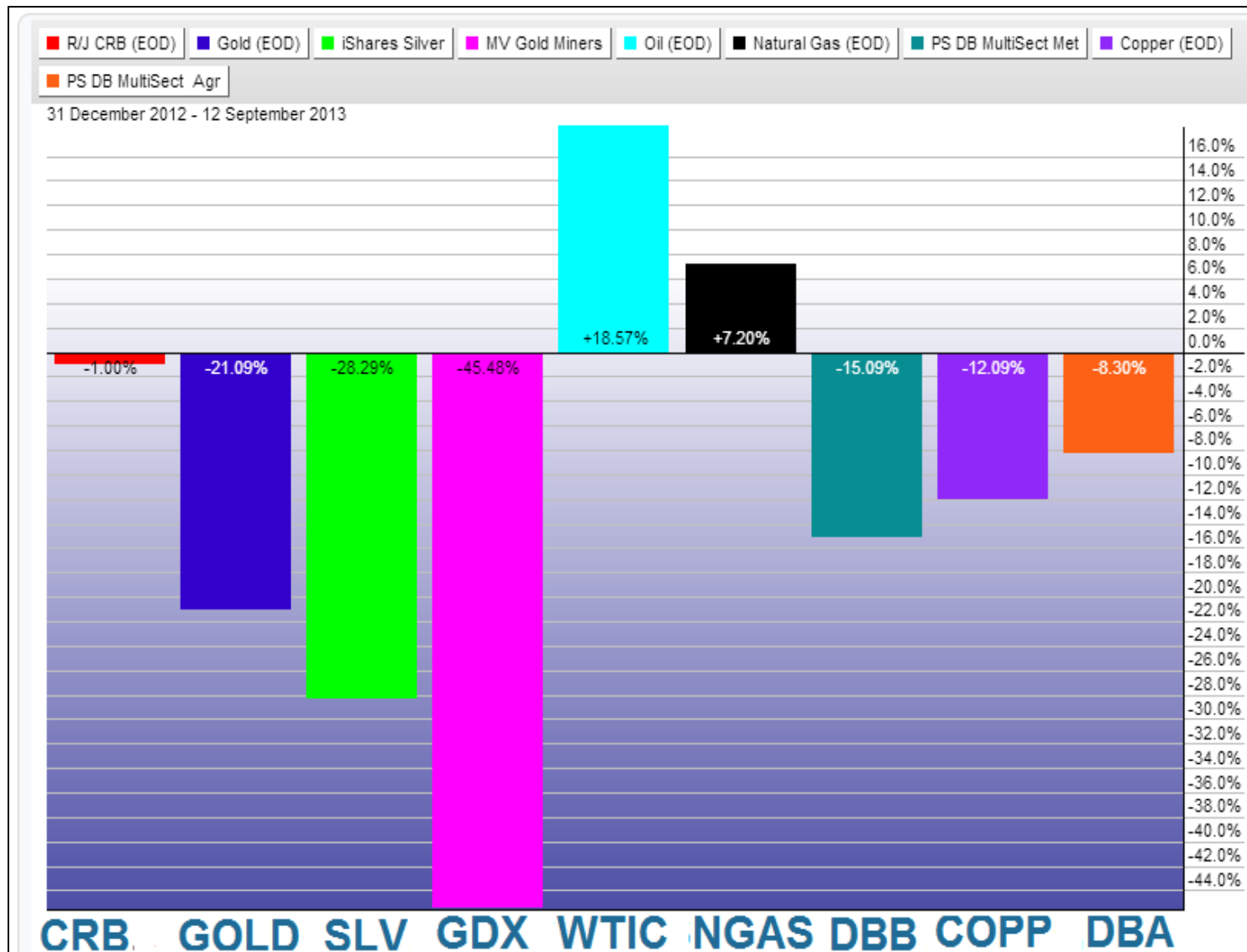
OIL - Target 110.5 PEC-D – Met with Neutral Top breaking out the Bullish Flag. (But No Further upside Target due to Geopolitical Syria issues can market in move in both direction). Best Risk reward would be at PEC-D 102.5 pull back . We have No Signal at current levels.

XLE (SP) - We Remain BEARISH and failed . False break above CZ 81.80-81.6 Validated for Short position @ 81.70 as an Suitable Hedge against existing long. 1ST ABC down 77 & 2nd ABC down 74 (Heavy bottom) . ST strength in Oil is holding the XLE market

• YTD – Commodities & SPX performance v/s CRB

Weakest and strongest Indices for PAIR TRADES

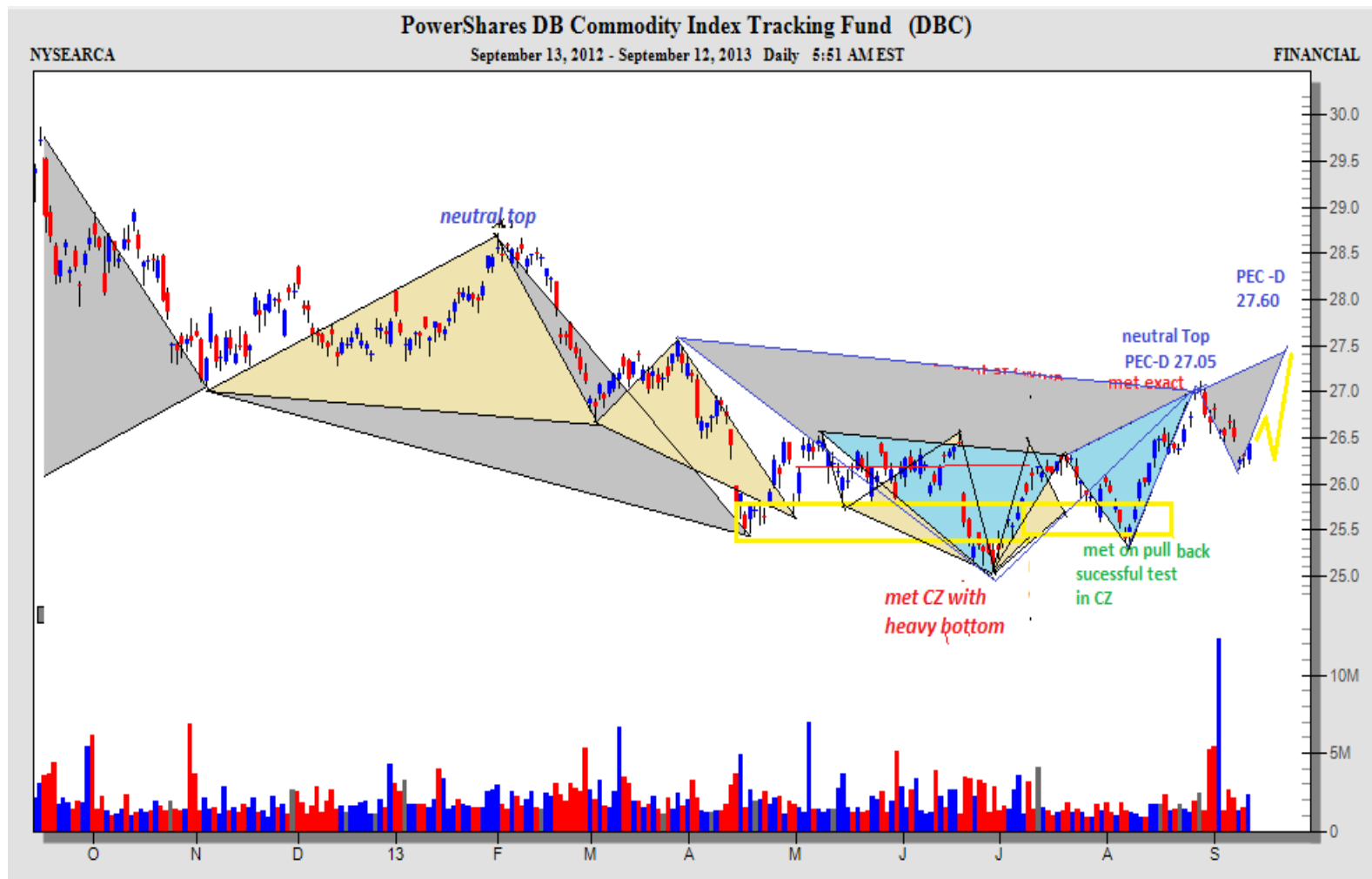
2013 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s CRB .



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

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

DOWNSIDE -- **PEC-D 26.25** rejected lows for a rally. The floor under is **CZ 25.25-25.75** is PQV Validated.



COPPER - CZ/ PEC -D Analysis - Bullish

BULLSH TOP & BULLSH BOTTOM

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

Downside - **CZ 3.15-3.05**- is Bullish bottom Floor, It has tested twice and PQV Validated.



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

Upside target- PEC-D 110.5 Met exact. **With Neutral Top-** Bullish Flag has been broken out (But No Further upside Target due to Geopolitical Syria issues can market in move in both direction)

DOWNSIDE – Pull back to Flag – PEC-D @102.5 . – Possible place for best Risk / Reward



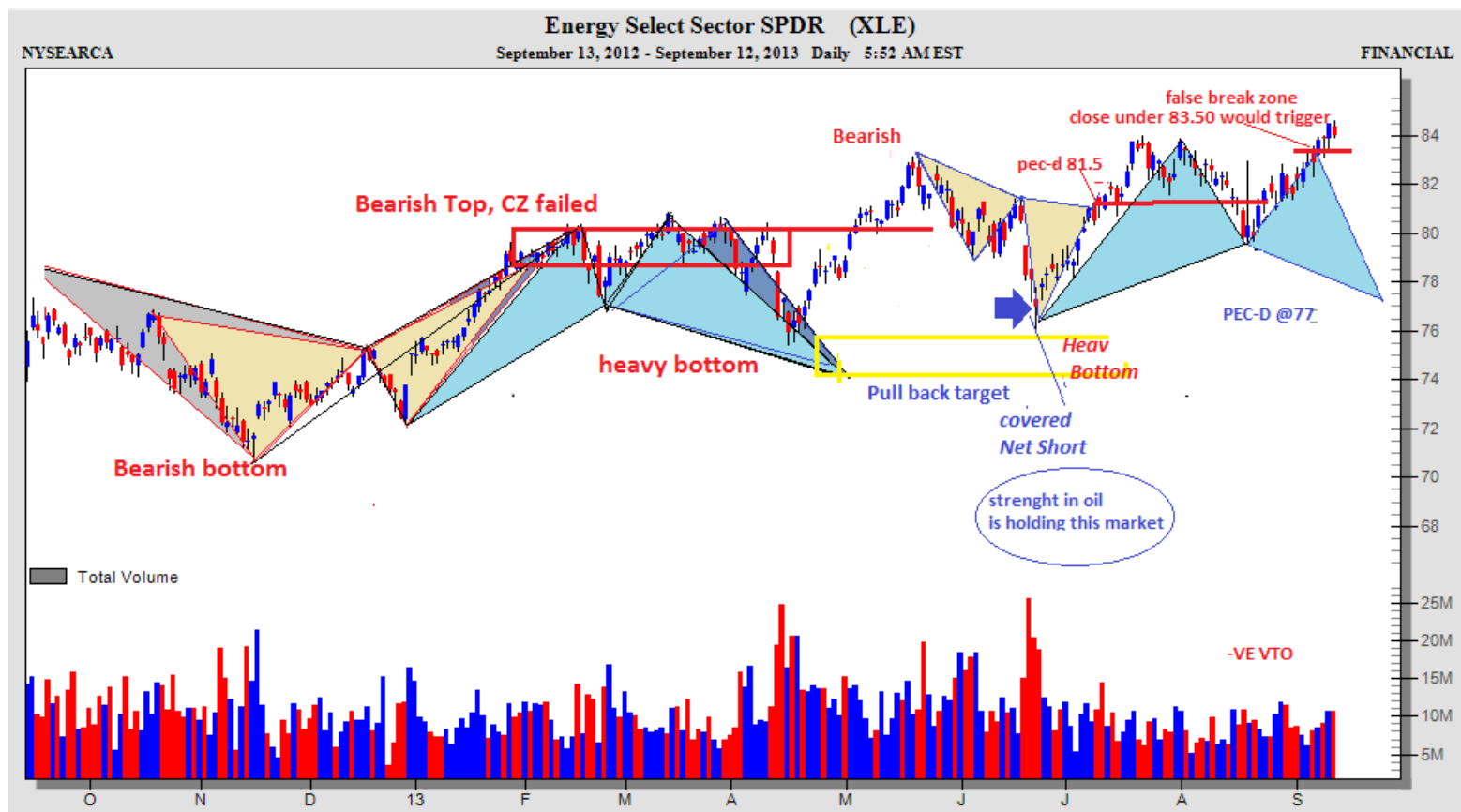
Special situation – From Sector Report

XLE - CZ –PEC-D / Ratio Analysis - BEARISH POM 15 – 7/10

- Texture - BEARISH TOP & BEARISH TOP

UPSIDE – _Moved above the CZ 81.80- 81.60– Bearish Top Triggered failure – Net Short position
Close below 83.25 weekly the Top should be in.

DOWSIDE - 1st ABC down to 77
2nd ABC down to CZ 74-75 heavy bottom.



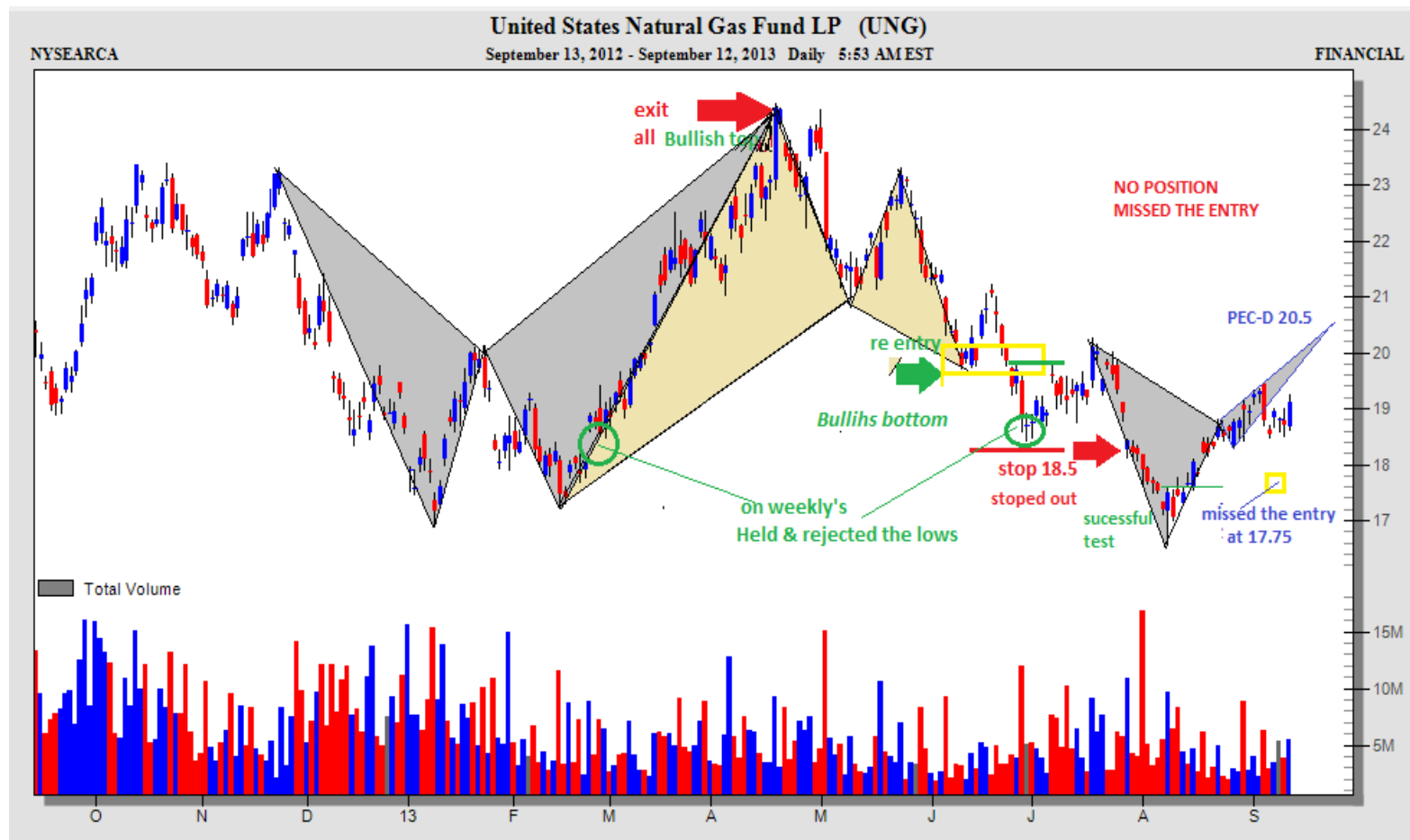
NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis **Bullish**

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

DOWNSIDE -- Missed the pre announced entry at **17.75** . within **CZ 17.75-17.50** - Bullish Bottom.

1ST Upside – **PEC D- 20.5**. Once comes in range above 20 , it should get traction

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



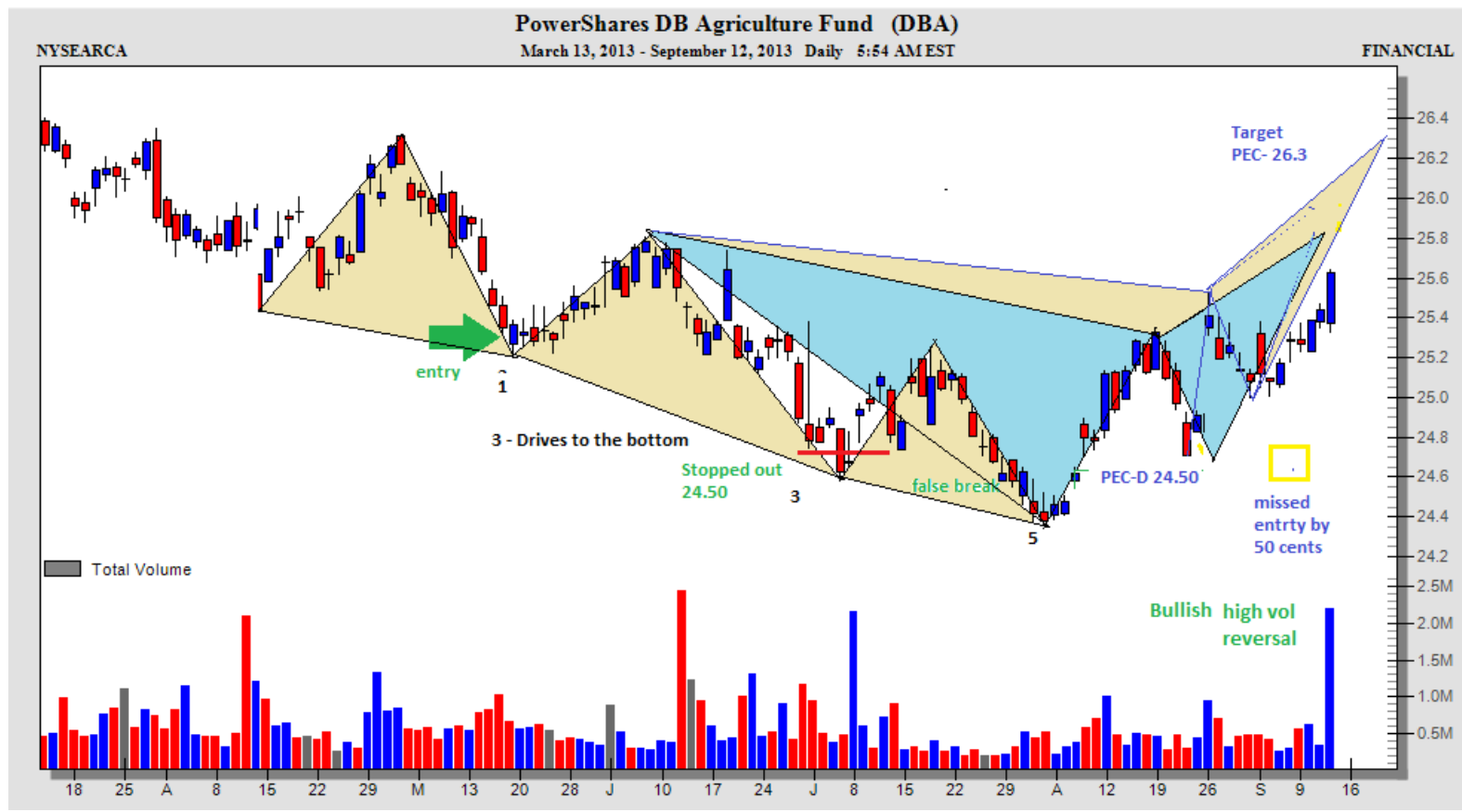
AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

- Texture - BULLISH TOP & BULLISH BOTTOM

DOWNSIDE - Missed the pre announced entry at 24.5 within CZ 24.50-24.25 - Bullish Bottom. 3 DRIVES TO THE Bottom
PEC-D Validated is pretty strong Floor . Up Volume has started entering this Market

1ST Upside – PEC D- 26.30

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

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