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SPECIAL REPORT- CURRENCY DXY-JPY

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

- **Executive Summary.**
- **Overview (FYI)**

Backdrop – Last Currency Report, 03/27. Our coverage in USD / JPY indicated pull back to **CZ 92-93**, after putting in Bullish Triangular Top at **96-95**. USD / JPY has been our most favorite vehicle since 76 for longer term. (We are long this pair i.e weaker Yen as Trade of the year 2012 & 2013) .

Currently –

On Thursday, BOJ announced another round of Bernanke type fire hosing the market with liquidity. The results were immediate as the Yen dropped and NIKKE rallied hard. We are Long NIKKE since 8500. These instruments has it “ ALL” Bullish Top, Bullish Bottom, ABC after ABC’s and best of all “BOJ’S help” . (Unlike SPX, which has FOMC, Bearish Tops except Bullish top in healthcare, Home Builders, Staples in comparison)

The moves in Japan are very significant, they are going to be buying ETFs, corporate bonds and basically any security that's traded — in unlimited quantity. **At 76 – JPY & 8500 NIKKE**, the volume & projection Model had such forecast of **97 & 12500** much ahead of BOJ’s action.

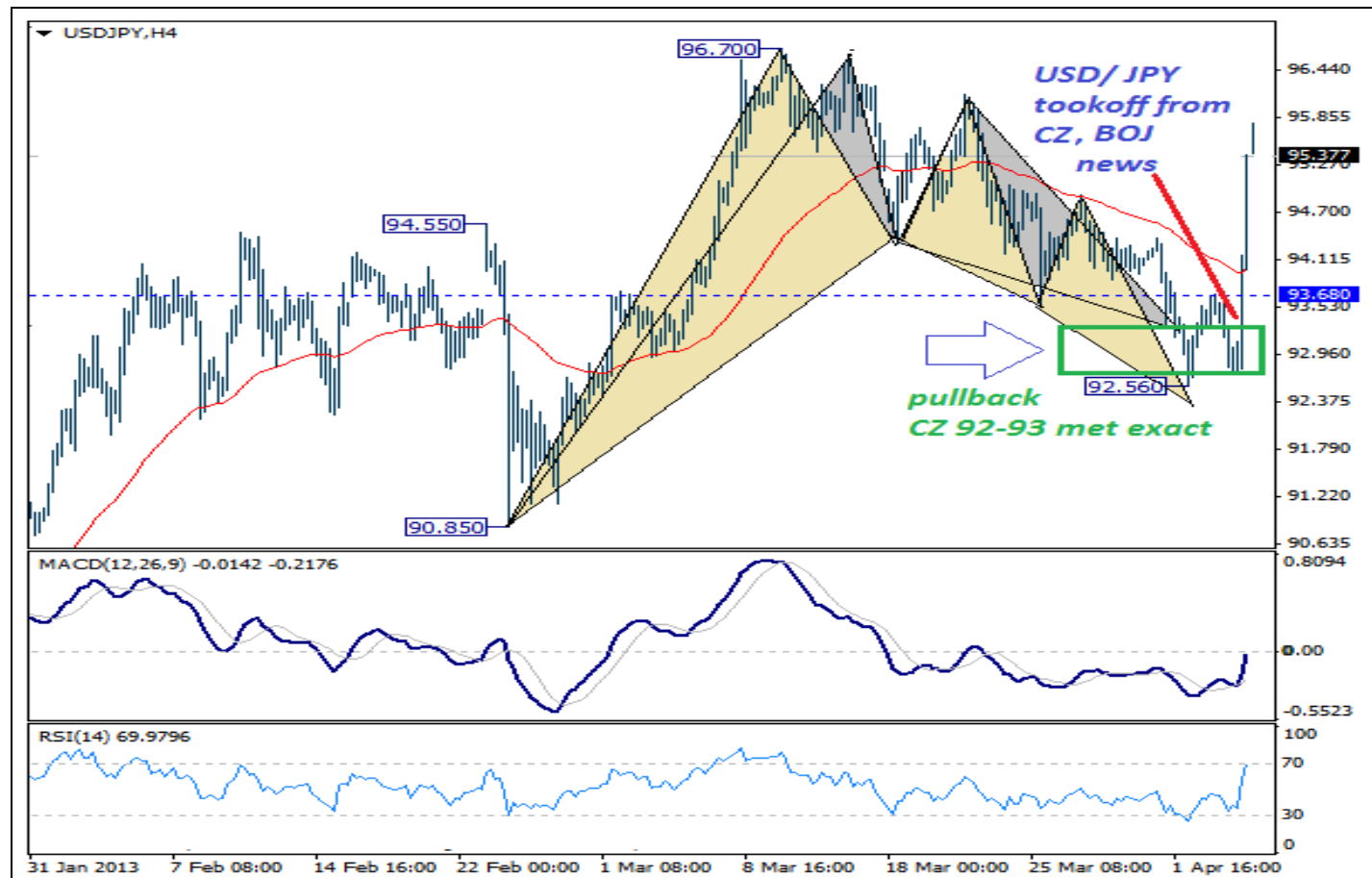
Yen weakness has been helping DXY (the Yen is the second-weighted currency in the DXY basket) . We are very likely going to see that measured move target of **83.50** before the DXY finishes short term Top. This pull back should help **GOLD** position to initiate the rally. For now EURO’s 1.26 levels (H & S neckline has held well) We should see a rally in EURO from 1.28 to 1.33 possibly next leg down. This should help pull back in DXY. We continue to like BPS (our next long position)

YEN / USD – PEC-D Analysis - **Bullish** - Daily

Pull back target – CZ – 92-93, met exact & rally began (BOJ trigger) to set up next ABC up.

Upside - Peak 96 of Triangular Bullish Top in Bull Market . (4th ABC up with Bullish top) , should be eventually broken to upside. .

Main entry in YEN / USD @ 76 – Net long Trigger



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

Upside - Reached & extended the target, look toppy. But has Bullish top in place for next leg up after the pull back.



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