



Date : 14th Aug 2013 (Wednesday)

CURRENCY REPORT (Strategy & Prop Tech)

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● Executive Summary

	Current Price	Trigger POM or CZ & Date	Triggered Within CZ & Date	Progress Status	Current Position	NEW ACTION (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD	1324	POM 13 @ 1540 For main entry Core position	CZ 1205 1190 <u>Entry Triggered</u> @ 1205 6/28-announced	Bottoming out off Crash Zone –	Net Long <u>Last entry -@ 1205</u> Special Report on 6/28. RM 1180	NONE	1 st ABC up to 1365 In tact <i>Flag post Top 1375</i>	2 nd ABC up 1455 Would be confirmed @ 1375 target Typo in Monday's MS	Pull back CZ 1305 – met & Decisively rejected lows of 1280 <u>Weekly Close above 1320</u> suggests continue higher	secondary lows 1225, <u>Bottom</u> in place @ PEC-D 1180 <u>Critical Rejection-Key Reversal bar 1225-1190</u> On low Volume	For Recycled 2/3 exposure 1.Re entry. @ 1205 (6/28) @1575 (3/01 @ 1635 (1/5),) Earlier exited Profit @ 1429 = 72 @ 1770 = 220 Loss - 22 (-15+ 0-3-9-2) 5-stopped out Entry @ RM 1280 @ 1265 1365@ 1365 1555 @ 1552 1679 @ 1670 1705 @1703

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DXY (\$ USD)	81.76	CZ @ 72 Core on 7/9/2011 Intact	Secondary CZ 79.55-79.0 On 10/06	BULLISH	Net Long	NONE	CZ 85- 84 Bullish Top	CZ 88-90	CZ 81.25 - 81.75 Met & rejected	Poly Trend line @ 80.75- Met	(RM) below 79.25 PQV Validated floor
EUR /USD Pre-announcement	1.325	CZ 1.352-1.36 On 2/13	Secondary CZ 1.34-1.35	NEUTRAL To Turn Bearish On Trigger	CASH Increase Net Short on Trigger	Initiate Within CZ 1.34-1.35 RM -1.37	CZ 1.325-1.335- met Bearish Top	CZ 1.34-1.35 Bearish Top	CZ 1.28-1.27 Bearish bottom	CZ 1.20-1.21 H & S Projection Once 1.27 is broken	CZ @ 1.49 Core , on 7/9/2011 Intact. Earlier exited For Profit @ 1.30 = 5 c 6/28
GBP/USD Pre-announcement	1.545	NONE	NONE	NEUTRAL To Turn Bearish On Trigger	CASH Increase Net Short on Trigger	Initiate Within CZ 1.555-1.565 RM -1.58	CZ 1.555-1.565 approachin Bearish Top	CZ 1.65-1.64	CZ 1.52-1.51 Neutral bottom	CZ 1.48-1.50 Bullish bottom	Trading range Between 1.58-1.51
USD / JPY	98.13	CZ @ 76 Core , on 10/7/2011 Intact	Secondary CZ 94-95 Triggered On 6/12	BULLISH Up 30% from entry	Net Long Reduced Alerted On 7/28 Exited ½ For 4% @ 98.29	NONE	Target 105-104 Bullish Triangular Top	PEC-D Target 120	CZ 95-96 Missed by 50 cents & rally began Bullish bottom	PEC-D 90 Floor Bullish bottom	For Recycled ½ exposure 1.Re entry. @ 94.5 (6/12) RM @ 92.5 Earlier exited Profit @ 89, 1/11 = 17%
AUD/ USD	0.91	CZ 94-95 On 6/12	Secondary CZ 91.5-92.5 on 6/24	Bottomin Out off Crash Zone	Net Long	NONE	CZ 0.95-0.96 Poly trend line	CZ 1.00-0.99	CRASH PEC- @ 92 - met Bullish bottom	3 – Drives to the bottom @ 91 Bullish bottom	False break below 93.5 +VE divergence (Refer note below)

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

- BULLISH CURRENCY

USD/JPY (i.e weaker Yen) , DXY

GOLD, AUD – Bottoming out off Crash Zone

- BEARISH CURRENCY -

NONE

- NEUTRAL CURRENCY

BPS - **Bearish bias**

EURO – **Bearish bias**

Currency Overview

- **BULLISH DXY -**

The US Dollar Index is now forming a triple bottom in the 81 on pull back. It appears DXY is likely to be trading range 85-81 to build cause for now, this should continue to skew correlation with GOLD as we have seen past 3 months.

Projected 1st ABC up to CZ 85-84 Bullish top target is within the confines of Mid term Bull Market. The 2nd leg up to CZ 88-90 to be accelerated in the 2nd half of 2013.

- **NEUTRAL EUR/USD -**

EURO/USD - CZ 1.34-1.35 should be failure on next bounce . Trigger to watch – we've reached a double top at the 134 . There is also a possibility that we are forming the Reverse wave pattern with 5 Wave expanding triangle at the 1.35 on the longer-term chart. . The longer term direction firmly remains to the downside. The Larger H & S is still in progress to target @ 1.27 PEC-D- Neckline Bearish bottom.

- **BULLISH USD/YEN . (i.e YEN is going to weaken).**

USD /YEN - We exited ½ position @ 97.5 but the pull back - PEC-D @ 95.5 into CZ 95-96- missed by 50 cents & reversed. 3RD ABC up to CZ 105-104 has Bullish top . The Final Target to 126 to be accelerated in 2014.

- **NEUTRAL GBP/USD –**

GBP/USD - CZ 1.555-1.565 should be failure on next bounce. Trigger to watch –

- **BULLISH AUD/USD**

CRASH PEC-D's always get extended to next levels with 3 DRIVES to the Bottom PEC-D 91. Currently we have +ve Divergence within accumulation . Close above key reversal at 93 should initiate the rally .

GOLD - Bottoming Crash Zone.

Downside – Tuesday's pull back is slight retracement from last week's rally. The Rally is fully in progress. Pull back to **1305 held & rejected lows last week very decisively** . Weekly close above 1320 – required to suggest continuation move higher.

The Meaningful Secondary low of 1225 in Key Reversal bar 1225-1190 with low Volume is in place for good rally.

Upside - 1st ABC up to 1365 Flag post 1375., We think volume should pick up for next ABC up to 1475

Gold should be in process of a Short covering rally within positive seasonality Aug & September.

At 1205 on 6/28 Triggered entry. & volume rejection projected 200 point rally in Gold from lows of **1180** to 1st ABC up target **1365** –PEC-D.

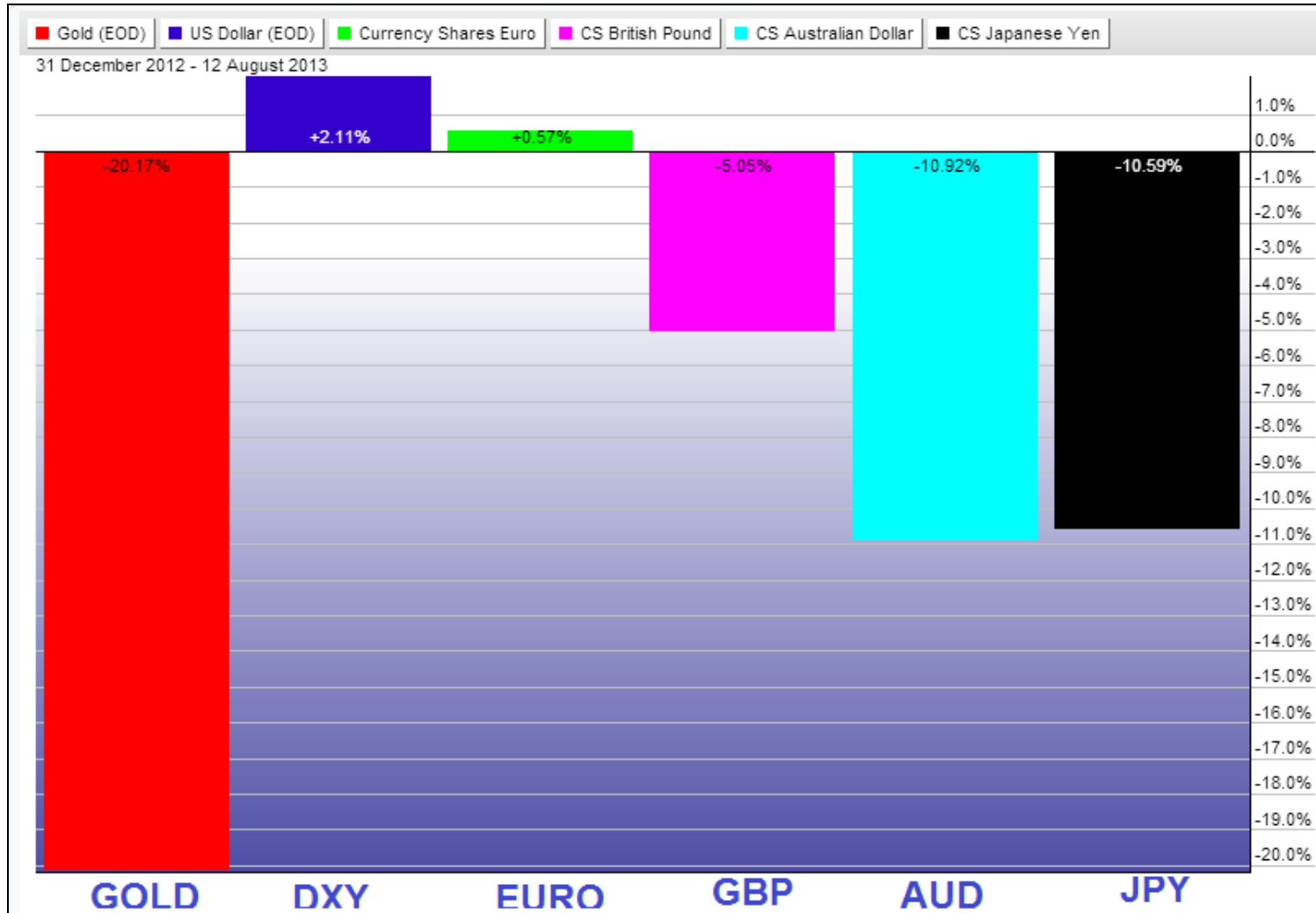
Interesting Article send to by one of my old friend.

<http://www.minyanville.com/trading-and-investing/commodities/articles/History-Shows-Gold-Stocks-Are-Ready/6/3/2013/id/50133>

YTD - Currency performance v/s USD

Weakest and strongest currencies

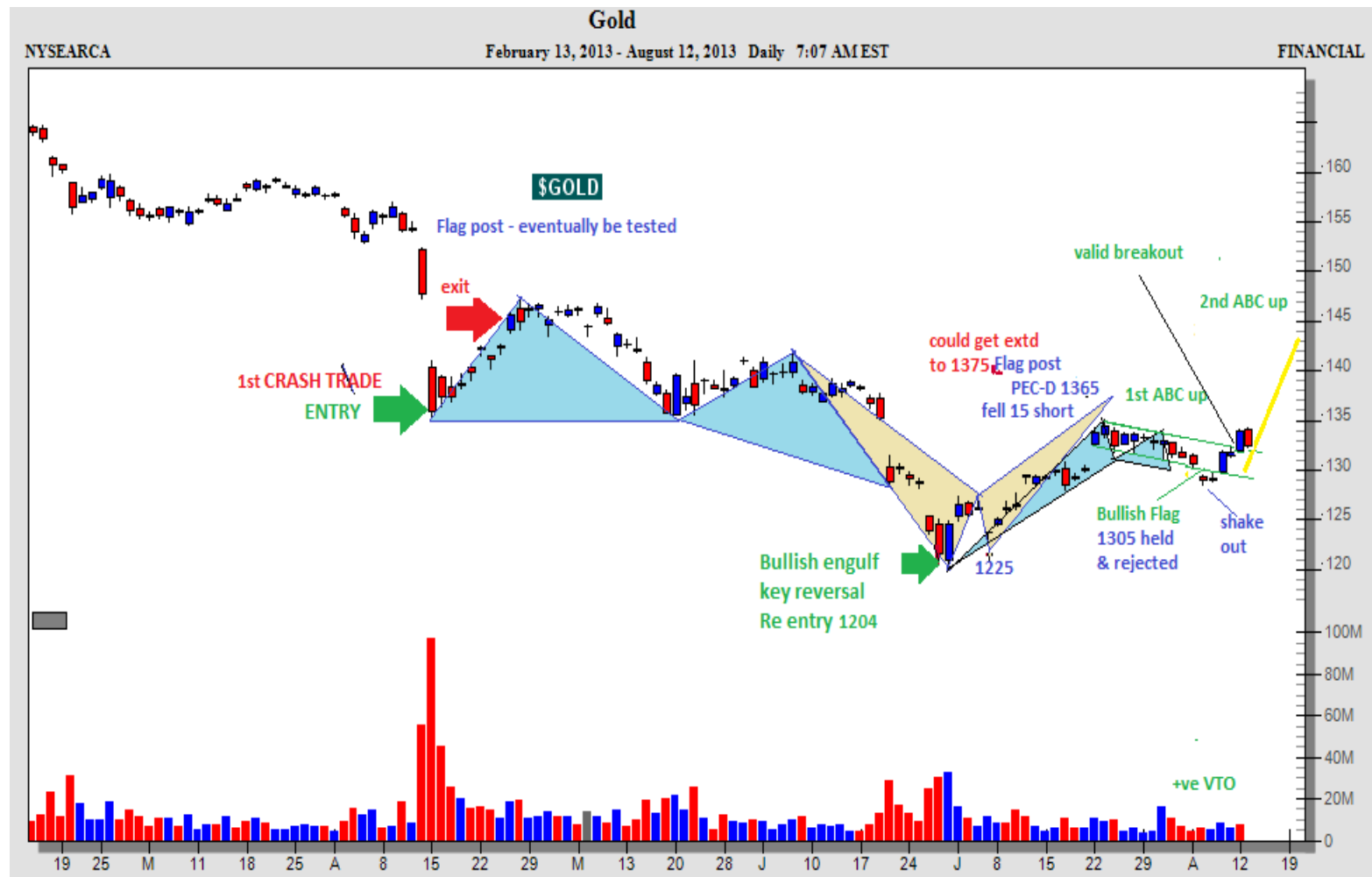
2013 - Strength / weakness. Chart below is our Inter market Analysis Model with Ratio Relative performance v/s USD .



GOLD – Daily – PEC –D / CZ Analysis

1st ABC Up to 1365 Flag post cap is in place 1370. – Flag formation resulted in upside break.

Downside- Weekly close above 1320 suggests continuation move higher. Pull back to 1305 held. At PEC-D 1280 last week, it rejected lows Bullishly.



GOLD – Weekly – PEC –D / CZ Analysis –

Weekly - WAVE 5 is complete and now should get back above point WAVE 3 (1320) – PEC-D on weekly to signal Mid term Bottom (Notes within the chart)



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

Downside -, DXY, Holding long term Poly Trend line. Pull back to CZ 81.25-81.75 , PEC-D 81.50 with Reversed 5 Wave pattern.

Upside - CZ – 85-84 Bullish top, marked the Short term Pull back with –ve divergence.

Eventual Upside - CZ – 88-90, 2ND ABC' - Main entry @ 72 Net Long Trigger.

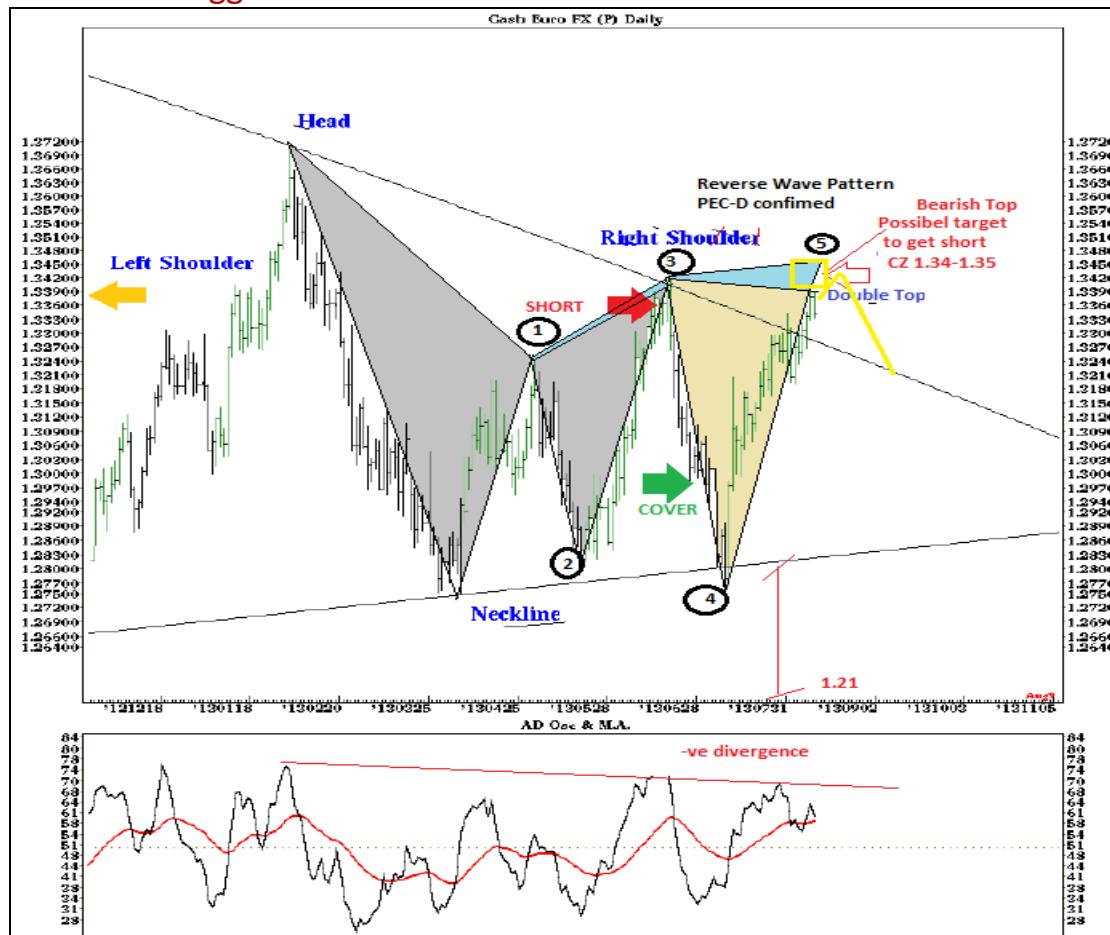


EURO / USD – CZ/ PEC Analysis – Neutral – Bearish bias.

Upside target – Target to CZ 1.34-1.35 Bearish Top should fail – **Trigger to Watch** – ON NEXT BOUNCE(Notes within the chart).

1. Reverse – 5 Wave pattern & Double Top PEC-D confirmed @ 1.34-1.35. EUR is still in –ve divergence.
2. Double head & Shoulder Top is in makings validated by PEC-D . ' Critical point 1.27 Neckline of PEC-D remains intact

Downside - CZ 1.28-1.27 met- PEC –D @ 1.27 & bounced from it
Main entry @ 1.49 - Net short Trigger .



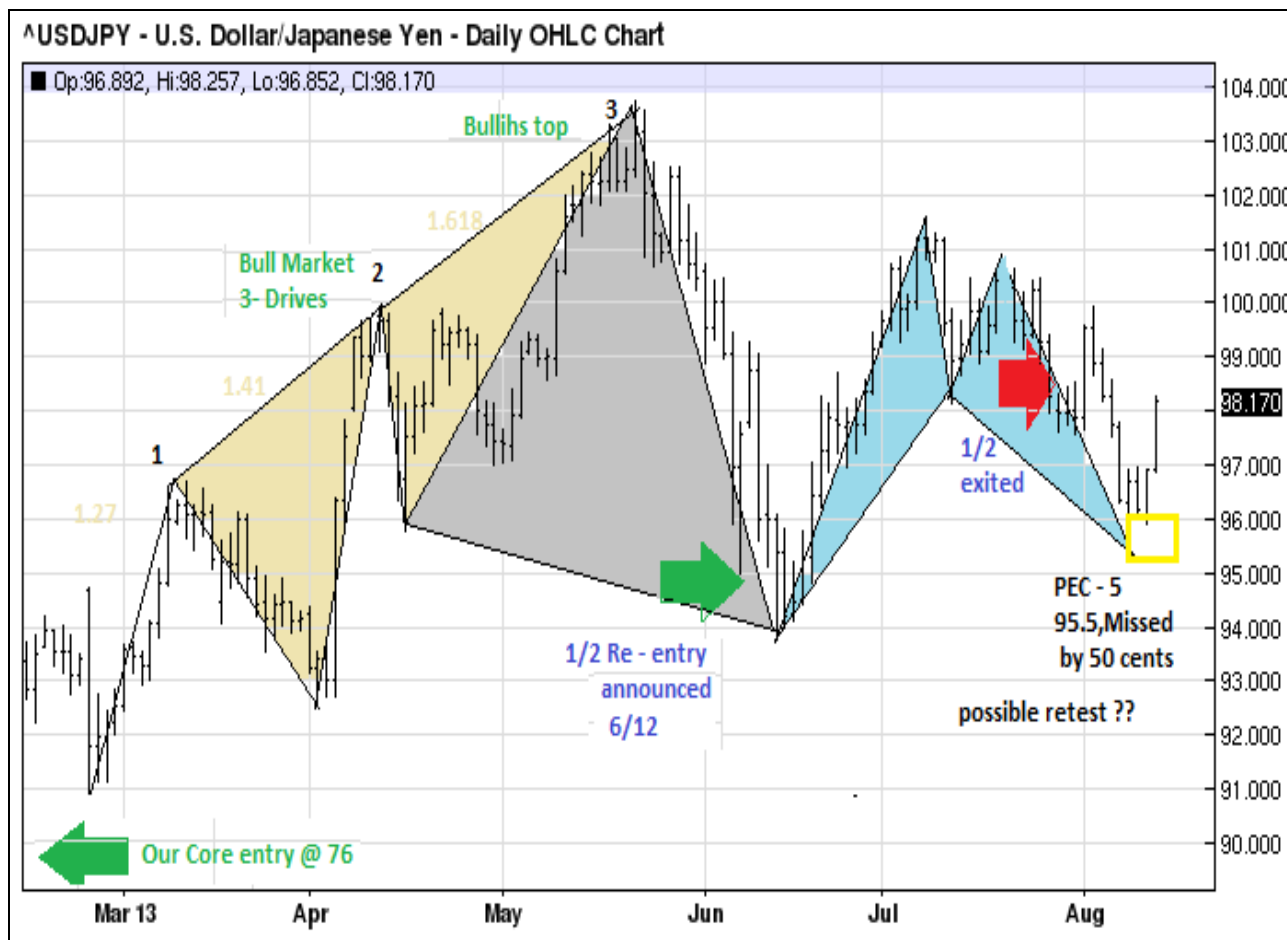
YEN / USD – PEC-D Analysis - Bullish

Pull back target - missed PEC-D 95.5 by 50c in CZ – 95-96 & rally began .

Typical Bull Market retracement after 1-2-3 Bullish Tops. In sequential PEC- Ratio.

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

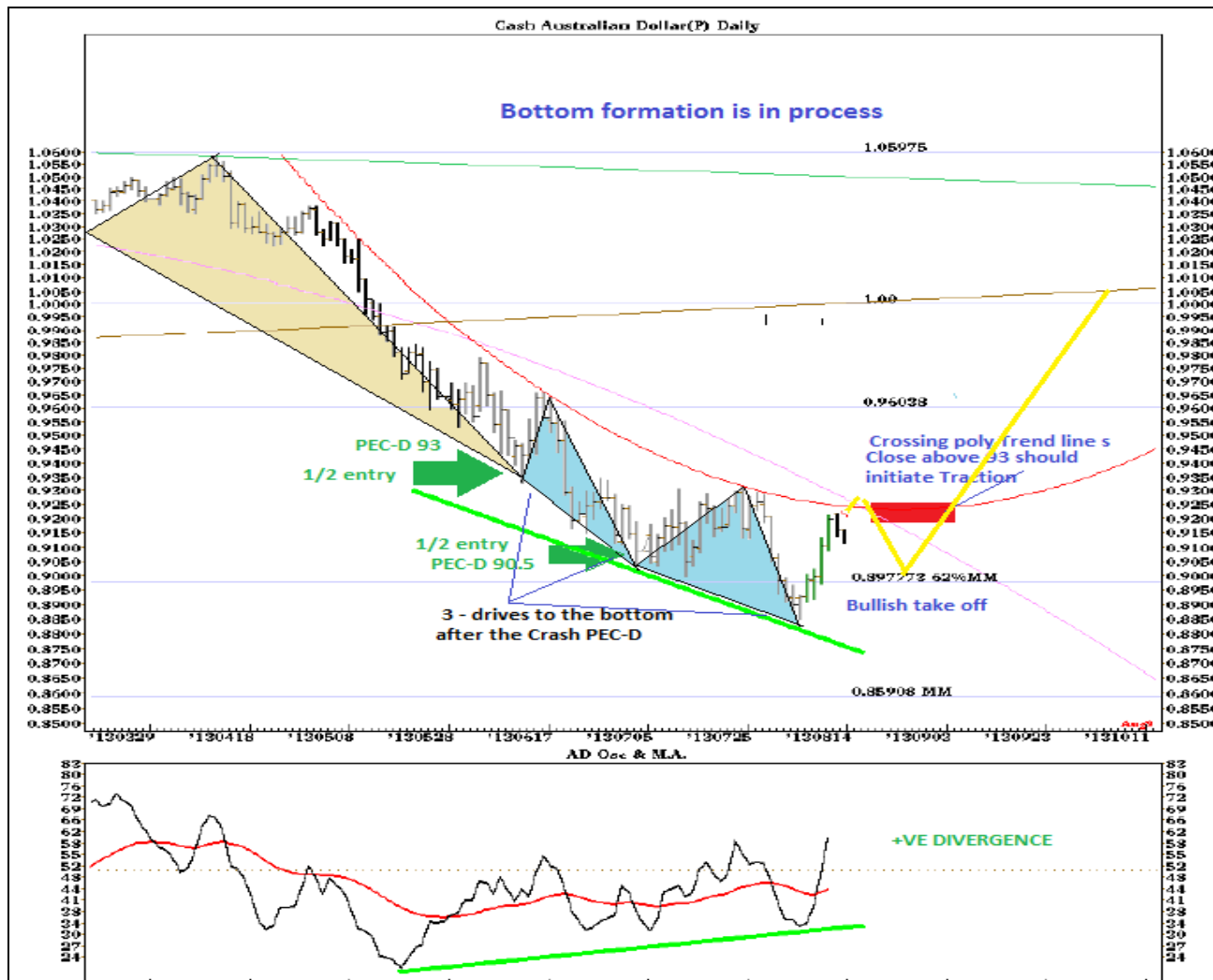
Upside - CZ 105-104 is a Triangular Bullish Top in Bull Market . (4th ABC up with Bullish top) .



AUD/USD – CZ / PEC –D Analysis – Bullish – Bottoming in Crash zone

Pull back target – CRASH PEC-D to 92 has Bullish bottom. AUD needs close above 93.1 to mark the bottom. , below 93 is false break exceeded with +ve divergences.

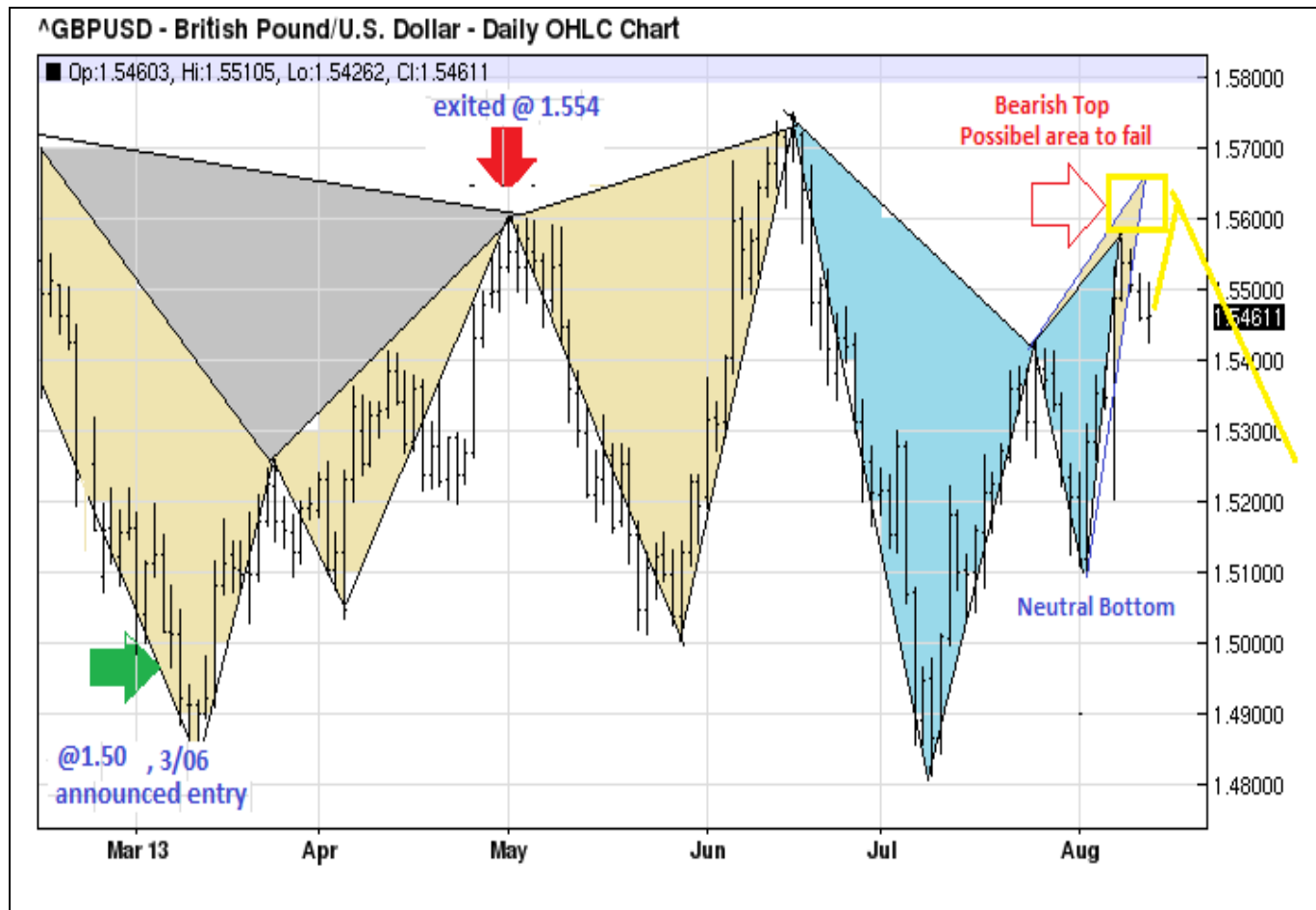
Upside - Bounce to CZ – 0.97 , then pull back and rally to **0.99-1.00** Mid term Target.



GBP / USD – PEC Analysis – Neutral - Bearish bias.

Upside target – Target to CZ 1.555-1.565 Bearish Top should fail – **Trigger to Watch** – ON NEXT BOUNCE(Notes within the chart). RM 1.58

Downside - Pull back to CZ 1.52-1.51 Neutral Bottom .



Appendix Content

- 2012 YTD – 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

GOLD

None @ EXTREMES

- *SENTIMENTS - GOLD – PUBLIC OPINION*
- *SENTIMENTS - RYDEX CASH FLOW*
- *SENTIMENTS - GOLD – COT*

CURRENCIES

None @ EXTREMES

- *SENTIMENTS - USD, FXE, BGP, YEN, AUD,*

- **CORRELATION RATIO ANALYSIS**

Inter market Analysis – USD v/s SPX

- *Inverse Correlation continues in Current Trend*

Inter market Analysis – USD v/s GOLD

- *Inverse Correlation continues in Current Trend*

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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