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CURRENCY REPORT (Strategy & Prop Tech)

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● Executive Summary

	Current Price	Trigger POM or Main 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	1280	POM 13 Re – Run @ 1205	CZ 1205 1190 @ 1205 6/28- Re entry Triggered	Bullish Advised ST pull back (in progress)	Net Long	Refer Alert note below _On 9/18- ½ Reentry @ 1319	Target 1350-1335 Cap	ABC up CZ 1425-1445 Bullish Top In tact	PEC-D 1295 Met & below it No validation Close above 1295 this week would verify 1255 was a False break	CZ 1205 – 1180 PEC-D 1180 Bullish bottom	<u>For Recycled 1/2 exposure</u> Exited (2) on 8/26 @ 1429, Entry 1204, 1280 for Profits <u>224+148</u> Earlier exited 4- Profits <u>72 + 220</u> 5- stop Loss – <u>(-15+ 0-3-9-2)</u>

GOLD – ALERT – note below

GOLD - Bullish- ST Pullback .

Our Target PEC-D 1295 (we have been announcing since 8/26 when Gold was at 1428 exited), has been met this week and exceeded below it, thanks to WA -DC . This week's Close (by Friday) above 1295 would indicate, it was a false break below and weekly rejection for Bullish rally to begin.

Conversely if on the announcement from WA -DC on D- Day may see a possible Gap down with fast down move to exhaust itself (shake out) to test the lows of 1255 an hourly PEC-D, We think that lows would be held and should be Bullish reversal as well .

ALERT - In either situation of two above situation . we should get a PQV Validation to Re enter the balance ½ of previously exited @ 1428 position back in. **RM Stop loss below 1245**

Upside - Projected **to Cap 1350-1325** & the second leg up would be PEC-D 1435- Bullish top

Earlier. We re entered ½ of our previously exited position **@ 1319** (Refer Alert 9/18). The position that was *exited at 1428 to book 250 point profit , entered at 1205 on 6/28.*

	Current Price	Trigger <u>POM</u> or <u>Main CZ</u> & 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
DXY (\$ USD)	80.50	CZ @ 72 <u>Core</u> on 7/9/2011 Intact	Secondary CZ 79.55-79.0 On 10/06	BULLISH ST consolidation 80-81	Net Long	NONE	CZ 84-85 Bullish Top	Eventual target CZ 88-90		PEC-D 79.25 PQV Validated floor	RM) below 79.25
EUR /USD	1.353	CZ 1.352-1.36 On 2/13	Secondary CZ 1.35-1.34 on 8/19	BEARISH	Net Short <u>RM -1.37</u>	NONE	CZ 1.35-1.34 Met & should fail Bearish Top		CZ 1.28-1.27 Bearish bottom	CZ 1.20-1.21	CZ @ 1.49 <u>Core</u> , on 7/9/2011 Intact.
GBP/USD	1.60	NONE	NONE	NEUTRAL	NONE No Signal	NONE	Reverse Wave 5 PEC-D @ 1.61 Neutral Top	CZ 1.65-1.64 Neutral Top	CZ 1.52-1.51 Neutral bottom	CZ 1.48-1.50 Bullish bottom	<u>Trading range</u> Between 1.60-1.55
USD / JPY	98.4	CZ @ 76 <u>Core</u> , on 10/7/2011 Intact	Secondary CZ 94-95 Triggered On 6/12	BULLISH	Net Long Up 30% from entry	NONE	PEC-D @ 100.5 Bullish Top	Target 105-104 Bullish Top PEC-D Target 120	Pull back PEC-D 96.25 Missed by 25 c & rallied up Bullish bottom	CZ 95-96 Floor Bullish bottom	For Recycled ½ exposure <u>Earlier Exitd Profit</u> @ 98.29 , Alert 7/28 = 4% entry 94.5 , 6/12
AUD/ USD	0.955	CZ 94-95 On 6/12	Secondary CZ 91.5-92.5 on 6/24	BULLISH Bottoming	Net Long	NONE	CZ 0.96-0.97 Approaching Bullishly	CZ 1.00-0.99	Pull back to PEC-D 93 Met & rallied 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

DXY – ST consolidation

GOLD – ST pullback in progress,

AUD – Bullish Bottoming.

USD/JPY (i.e weaker Yen)

- BEARISH CURRENCY -

EUR

- NEUTRAL CURRENCY

BPS

Currency Overview

- **BULLISH DXY -**

WA – DC News is creating ST volatility in US Dollar Index, DXY should come back in range **above 81** to initiate its leg up. Till such time it should be in consolidation **80-81** build cause.

Projected 1st ABC up to **CZ 84-85** Bullish top target.

- **BEARISH EUR/USD -**

EURO/USD - **CZ 1.35-1.34** Met & **should Fail**. Triggered Net Short as per Pre- announcement 8/14

This is “Reverse wave pattern” with **5 Wave** expanding triangle at the 1.35 failed 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 - Approached the downside **PEC-D @ 96.25** and **MISSED by 25 cents**.

Upside is **PEC-D 100.5** Bullish Top and then 3RD ABC up to **CZ 105-104** Bullish top . The Final Target to **126**.

- **NEUTRAL GBP/USD –** Reverse – 5 Wave pattern Top PEC-D confirmed – @ 1.60, Neutral Top . _First downside PEC-D 1.575 . _ Neutral Bottom . – **Trading range from 1.60 to 1.55**

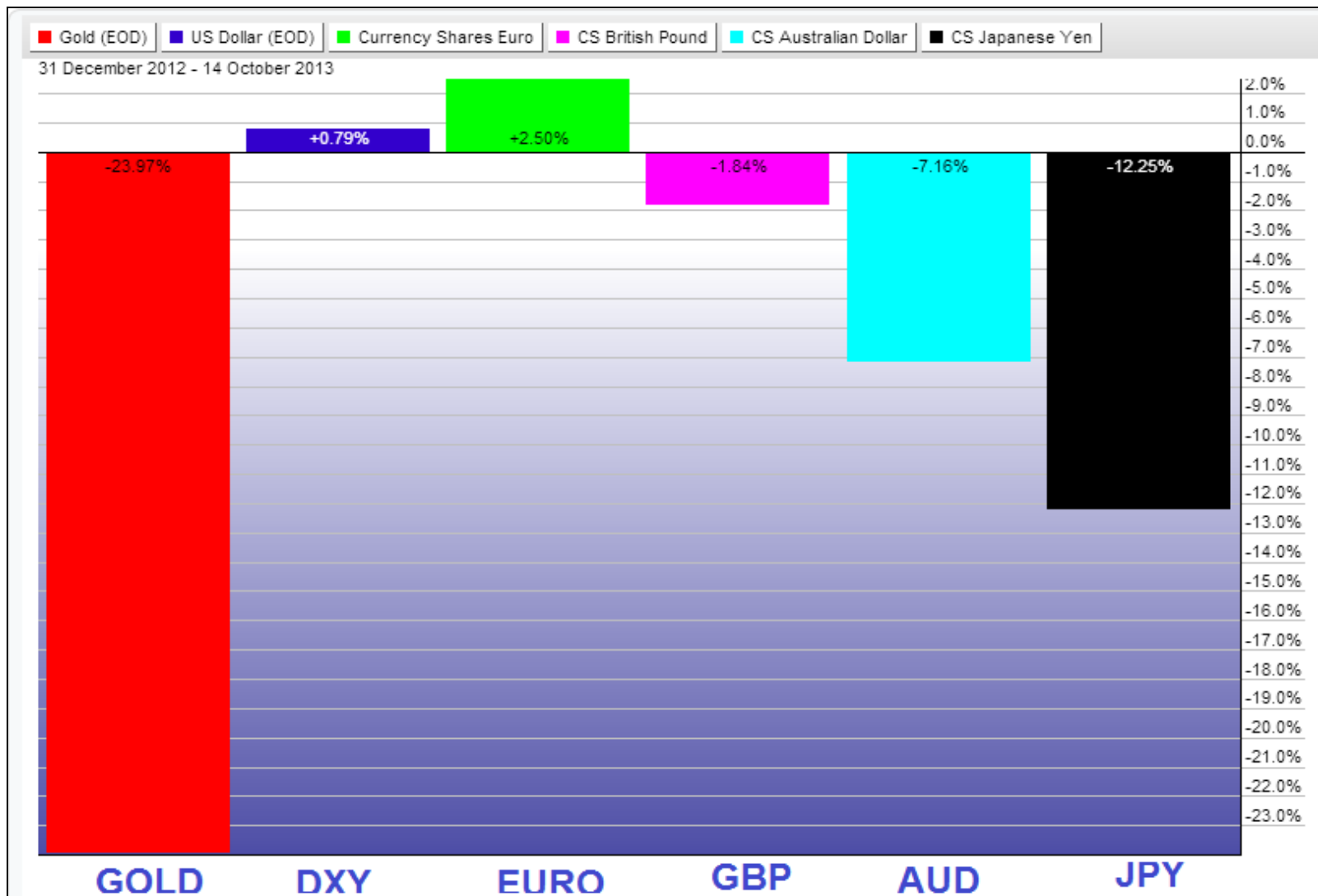
- **BULLISH AUD/USD**

ABC up 96.5 is in progress . The Rally has initiated with Sign of strength and volume from **PEC-D lows of 91** with 3 DRIVES to the Bottom on accumulation.

YTD - Currency performance v/s USD

Weakest and strongest currencies

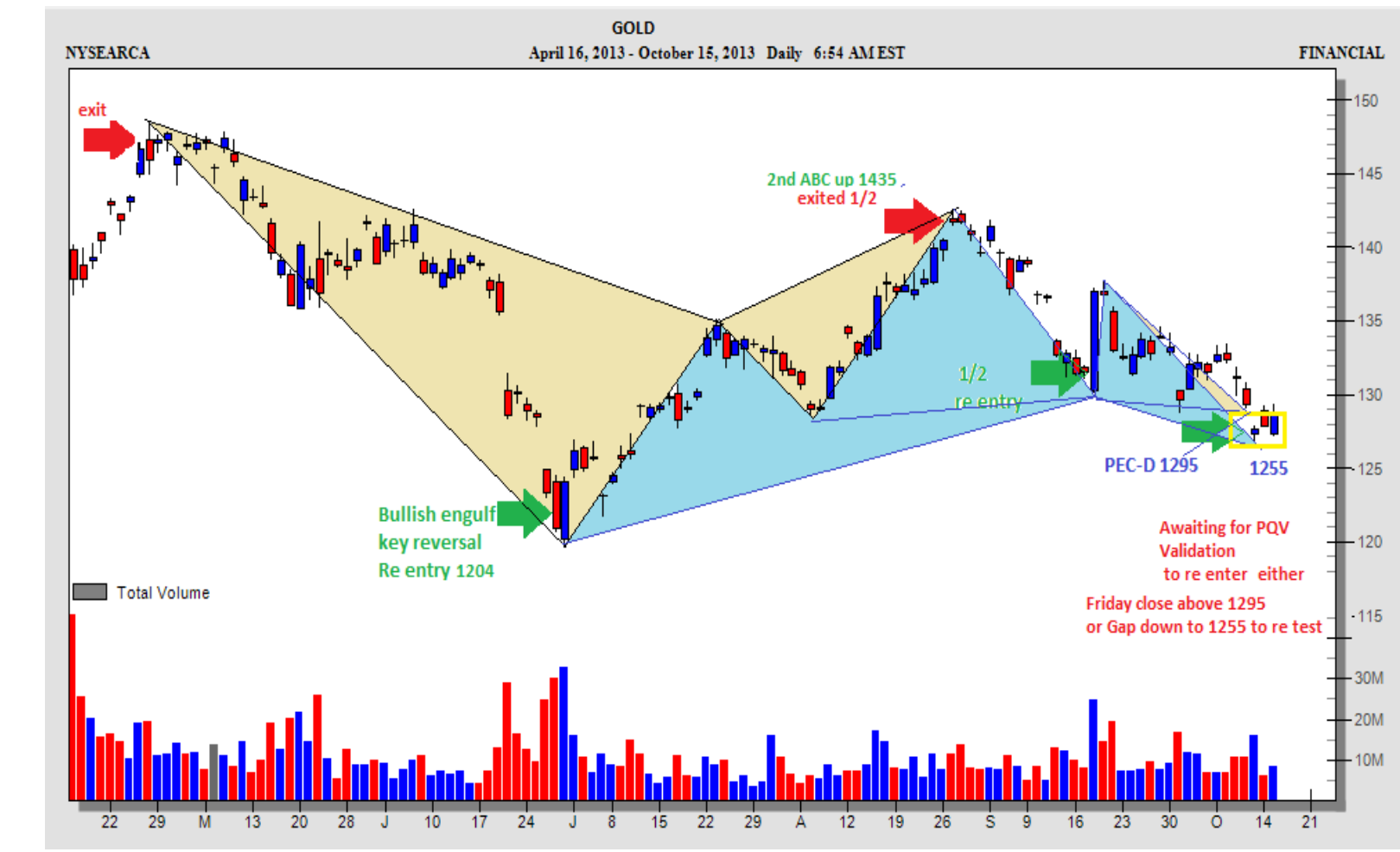
2013 - Strength / weakness. Chart below is our Inter market Analysis Model with Ratio Relative performance v/s USD .



GOLD – Daily – PEC –D / CZ Analysis – **ST pull back**

Downside – A retest above **PEC-D 1295**- is met & exceeded to **hrly PEC-D 1255** on WA News (**BUT** – Needs PQV validation) We shall re- enter the balance ½ of position back in upon secondary test for validation , **- Refer Alert note above**

Upside - Projected **to Cap 1350-1335**



AUD/USD – CZ / PEC –D Analysis – Bullish – Bottoming

Upside - - PEC-D – 96.6 , then pull back and rally to 0.99-1.00 . Mid term Target.

Pull back target –. AUD below 93 met & rallied . Bullish Bottom has formed from 3- Drives to bottom PEC-D @ 91 +ve divergence



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

Downside - Consolidation between 80-81, Close above 81 is required for upside traction

Upside - CZ – 84-85 Bullish top,

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



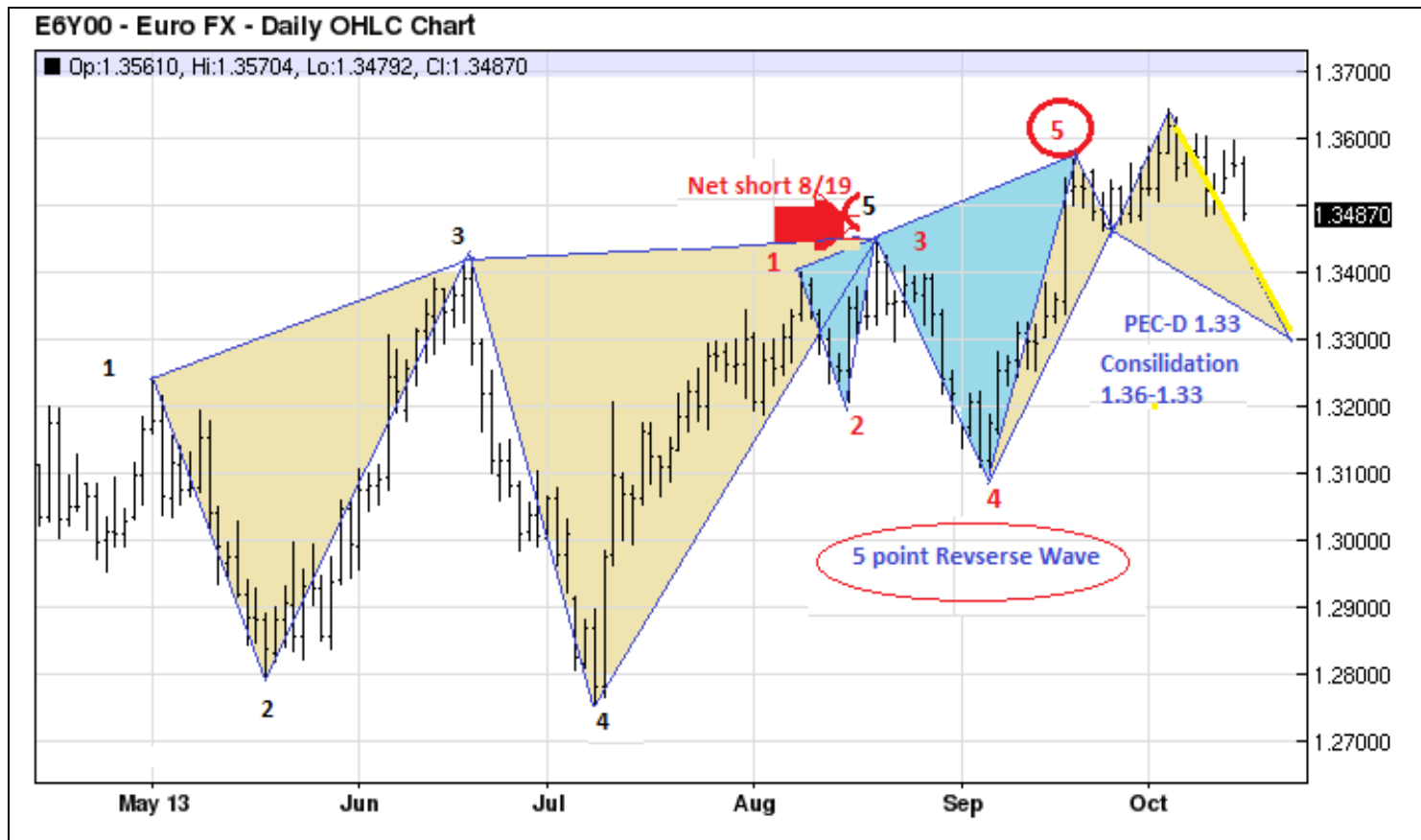
EURO / USD – CZ/ PEC Analysis – Bearish .

Upside target – Target to CZ 1.35-1.34 Bearish Top , should fail . (Notes within the chart). ST – Consolidation between 1.33-1.36 before larger decline

1. Reverse – 5 Wave pattern & Double Top PEC-D confirmed @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 .

Main entry @ 1.49 - Net short Trigger .



YEN / USD – PEC-D Analysis - **Bullish – (Weakening Yen)**

Pull back target - PEC-D 96.25 . Missed by 25 cents & rallied (Ouch !! – 2nd time) – see chart below Typical Bull Market retracement & rally up. Main entry in YEN / USD @ 76 – Net long Trigger on core position

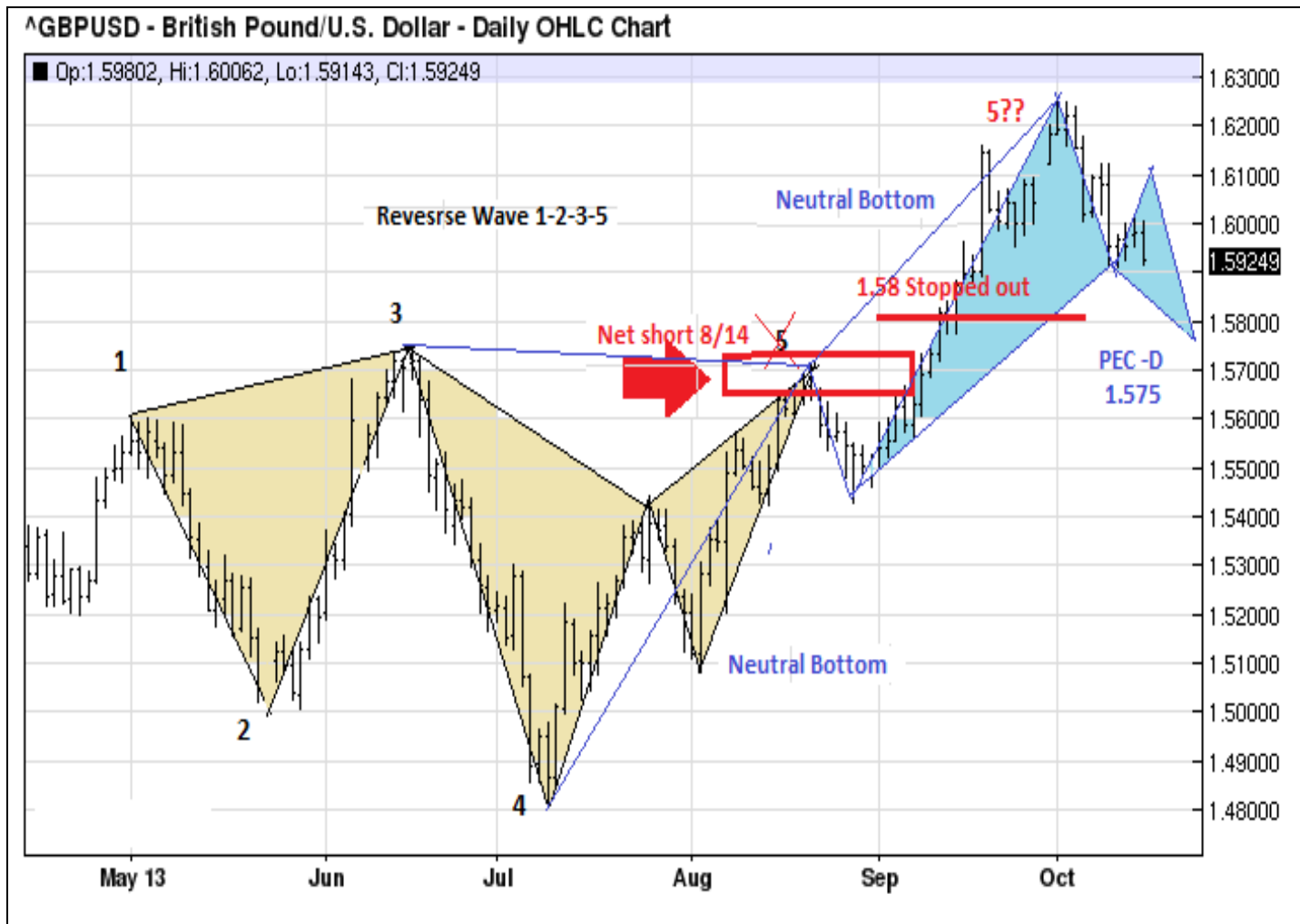
Upside - PEC-D Target to 100.5- . (4th ABC up CZ 105-104 with Bullish top) .



GBP / USD – PEC Analysis – NEUTRAL .

Upside target – Reverse – 5 Wave pattern Top PEC-D confirmed – @ 1.60, Neutral Top – **NO SIGNAL**

Downside - First downside PEC-D 1.575 . Neutral Bottom . – Trading range from 1.60 to 1.55



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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