



Date : 5<sup>th</sup> Sept 2013 ( Thursday)

**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	<b>NEW ACTION</b> ( Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	<b>Downside CZ Near term</b>	Downside CZ Mid term	Remark
<b>GOLD</b>	1388	POM 13 @ 1540 For main entry  <b>Core position</b>	CZ 1205 1190  <u>Entry Triggered @ 1205</u> 6/28-announced	Bullish ST pullback  <b>Holding Core position to Target 1510</b>	Net Long  <b>Alerted to exit ½ as @ 1429</b> On 8/26 – announcement <b>Profits 224+148 - pts</b>  Entry was @ 1205. On 6/28. & @ 1280 On 6/24.	NONE	2 <sup>nd</sup> ABC up 1425- 1445 <b>Met &amp; failed</b>	3 <sup>rd</sup> ABC up to 1510. In next rally	<b>Pull back to CZ 1365-1350 -</b> Top of the Flag Post Bullish bottom  Best Risk reward for next entry	CZ 1325-1335 – Bullish bottom  <u>Bottom in place @ 1205,</u> PEC-D 1180	For Recycled 1/2 exposure  <b>Exited (2) Profits 224+148</b>  <b>Earlier exited 4- Profits 72 + 220</b>  <b>5- stop Loss – (-15+ 0-3-9-2)</b>

**Note - We shall Re enter ½ exited position back at later date"**

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<b>DXY (\$ USD)</b>	82.20	CZ @ 72 <u>Core</u> on 7/9/2011 Intact	Secondary CZ 79.55-79.0 On 10/06	BULLISH	Net Long	NONE	CZ 84-85 Bullish Top Rally in progress	CZ 88-90	<b>CZ 81.5-80.75</b> Met & rejected lows	Poly Trend line @ 80.75- Met	(RM ) below 79.25 PQV Validated floor
<b>EUR /USD</b>	1.32	CZ 1.352-1.36 On 2/13	Secondary CZ 1.34-1.35 – <b>Triggered on 8/19</b> Pre announced on 8/14	BEARISH	Net Short <u>RM -1.37</u>	NONE	<b>CZ 1.34-1.35</b> Met & failed Bearish Top		CZ 1.28-1.27 Bearish bottom	CZ 1.20-1.21 <b>H &amp; S Projection</b> <b>Once 1.27 is broken</b>	CZ @ 1.49 <u>Core</u> on 7/9/2011 Intact.
<b>GBP/USD</b>	1.56	NONE	Secondary CZ 1.555-1565 <b>Triggered on 8/19</b> Pre announced on 8/14	BEARISH	Net Short <u>RM -1.58</u>	NONE	<b>CZ 1.555-1.565</b> Met & failed Bearish Top	CZ 1.65-1.64	CZ 1.52-1.51 Neutral bottom	CZ 1.48-1.50 Bullish bottom	<b>Trading range</b> Between 1.58-1.51
<b>USD / JPY</b>	99.73	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	<b>PEC-D @ 100.5</b> – Approaching Bullish Top	Target 105-104 Bullish Top  <b>PEC-D Target 120</b>	<b>CZ 95-96</b> Missed by 50 cents & rally began Bullish bottom	PEC-D 90 Floor Bullish bottom	For Recycled ½ exposure <b>Earlier Exitd Profit</b> <b>@ 98.29</b> , <b>Alert 7/28</b> <b>= 4% entry 94.5 , 6/12</b>
<b>AUD/ USD</b>	0.915	CZ 94-95 On 6/12	Secondary CZ 91.5-92.5 on 6/24	Bottoming Out off Crash Zone	Net Long	NONE	CZ 0.96-0.97 Poly trend line	CZ 1.00-0.99	<b>CRASH PEC- @ 92</b> 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 -

**BPS, EUR**

- NEUTRAL CURRENCY

NONE

## Currency Overview

Currencies have been moving back & forth exactly as per Trigger . **AUD is finally at BREAKEVEN POINT**

- **BULLISH DXY**

The US Dollar Index formed successful Triple Bottom at 81 on pull back & rally began . DXY is in trading range 85-81 to build cause for next leg up .

Projected 1<sup>st</sup> ABC up to **CZ 85-84** Bullish top target is in progress within the confines of Mid term Bull Market. The 2<sup>nd</sup> leg up to **CZ 88-90**.

- **BEARISH EUR/USD -**

EURO/USD - **CZ 1.34-1.35** Met & Failed on bounce. **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 - Should be approaching or ST – upside PEC-D @ 100.5. For our re entry of ½ position , the pull back to - **PEC-D @ 95.5 into CZ 95-96- missed by 50 cents & reversed**. 3<sup>RD</sup> ABC up to **CZ 105-104 has** Bullish top . The Final Target to **126**.

- **BEARISH GBP/USD –**

GBP/USD - **CZ 1.555-1.565** – Met & Failed on bounce. **Triggered Net Short as per Pre- announcement 8/14**  
This too has the “Reverse wave pattern” with **5 Wave** expanding triangle at the 1.555 failed

● **BULLISH AUD/USD**

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

**GOLD - Bullish- ST Pullback .**

Projection 2<sup>nd</sup> ABC up within CZ 1425-1445 **Met & exact** and failed . Currently it is in process of pullback. We announced to **exit of ½ position for 224 & 148 points profits**

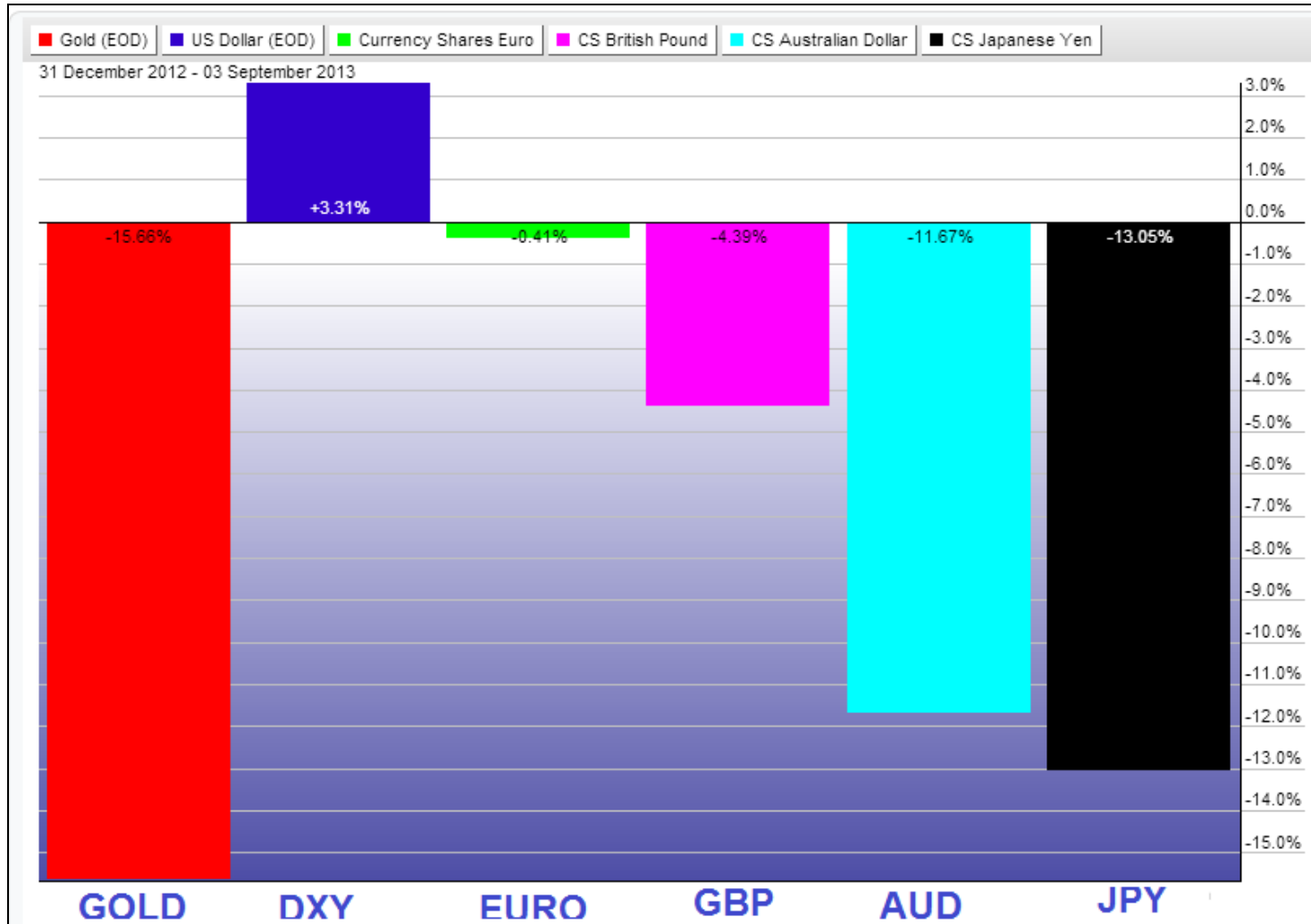
**Downside –** Pull back to **CZ 1365-1350-** A shallow retracement with Bullish bottom slightly above our **Pullback CZ 1325-1335 .**

**At 1205 on 6/28** Triggered volume rejection resulting in 250 point rally . We exited ½ position at 1428 . **We shall re- enter the position back.** We **hold Core position for 3<sup>rd</sup> ABC up to target 1510 .**

# YTD - Currency performance v/s USD

## Weakest and strongest currencies

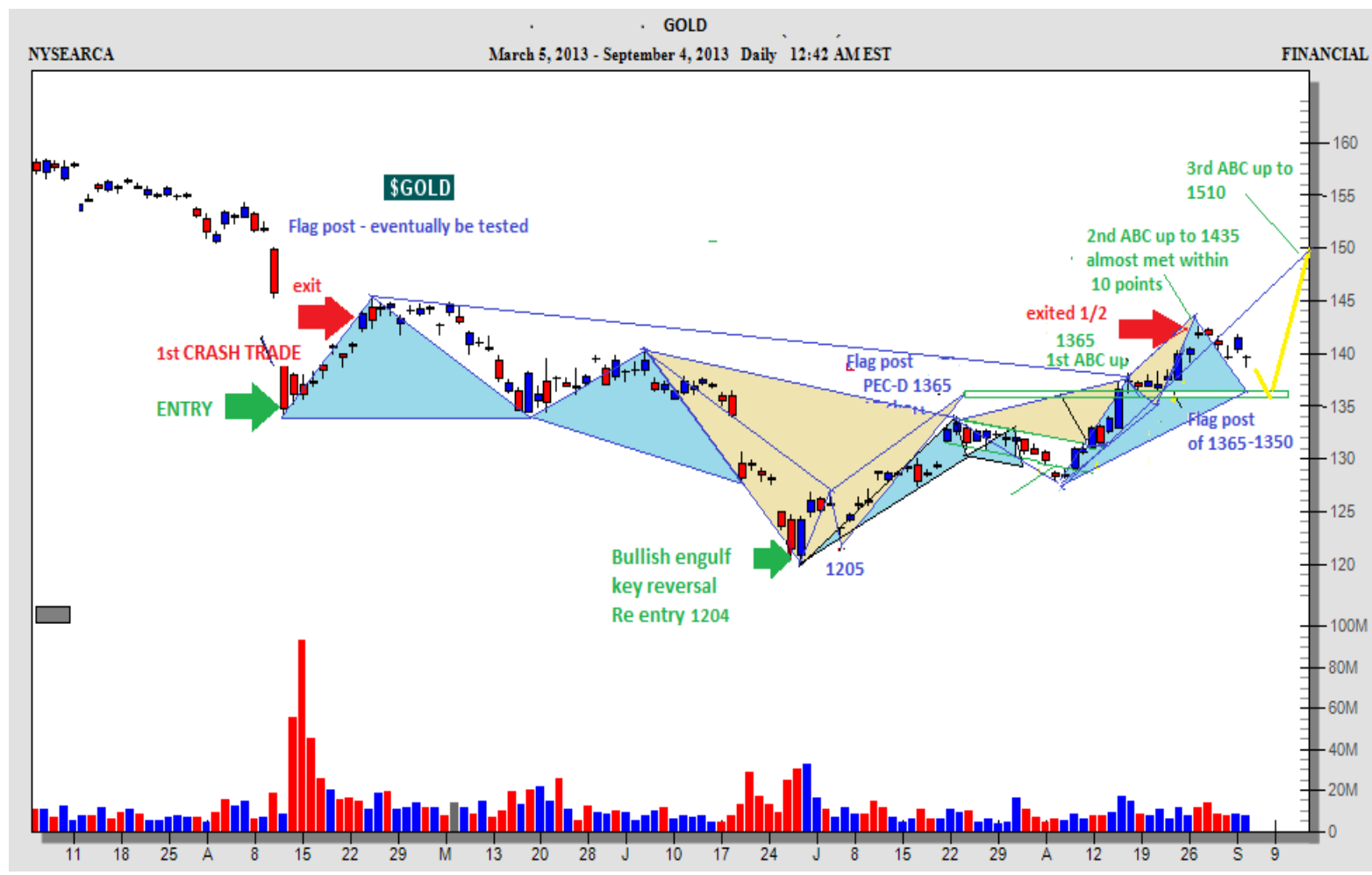
2013 - Strength / weakness. Chart below is our Inter market Analysis Model with Ratio Relative performance v/s USD .



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

**Upside -** Projected 2<sup>st</sup> ABC up – met & failed **within CZ 1425-1445** ( Refer notes in chart)

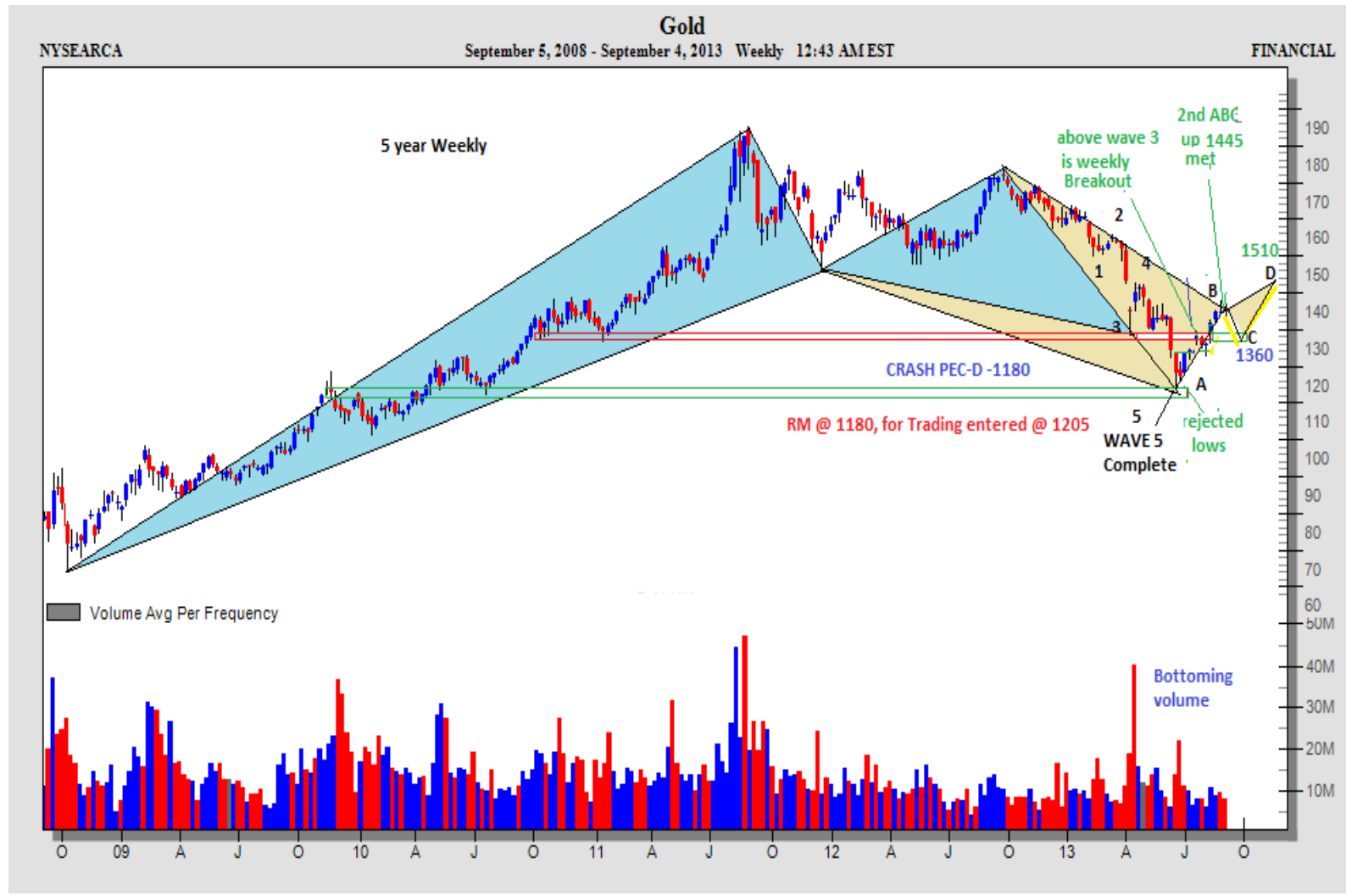
**Downside -** Pull back **to 1365-1350 – Flag post Top with Bullish bottom**, slightly above our **Pullback CZ 1325-1335**



# GOLD – Weekly – PEC –D / CZ Analysis –

Downside – Currently Trading above WAVE 3 on weekly to signal Mid term Bottom . **Weekly** - Valid break out Mid term

( Refer notes in chart)





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

Downside - . Rejected the Pull back CZ 81.5-80.75 , PEC-D 81.50 .DXY, Holding long term Poly Trend line

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

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



## EURO / USD – CZ/ PEC Analysis – **Bearish** .

Upside target – Target to CZ 1.34-1.35 Bearish Top failed & Triggered ( 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 .

Main entry @ 1.49 - Net short Trigger .



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

**Upside -** PEC-D Target to 100.5 FOR Short term Top . ( 4<sup>th</sup> ABC up CZ 105-104 with Bullish top) .

**Pull back target -** PEC-D 95.5 missed by 50c in CZ – 95-96 & rally began . Typical Bull Market retracement after 3 drives to top 1-2-3 Bullish Tops. In sequential PEC- Ratio.

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



# 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.

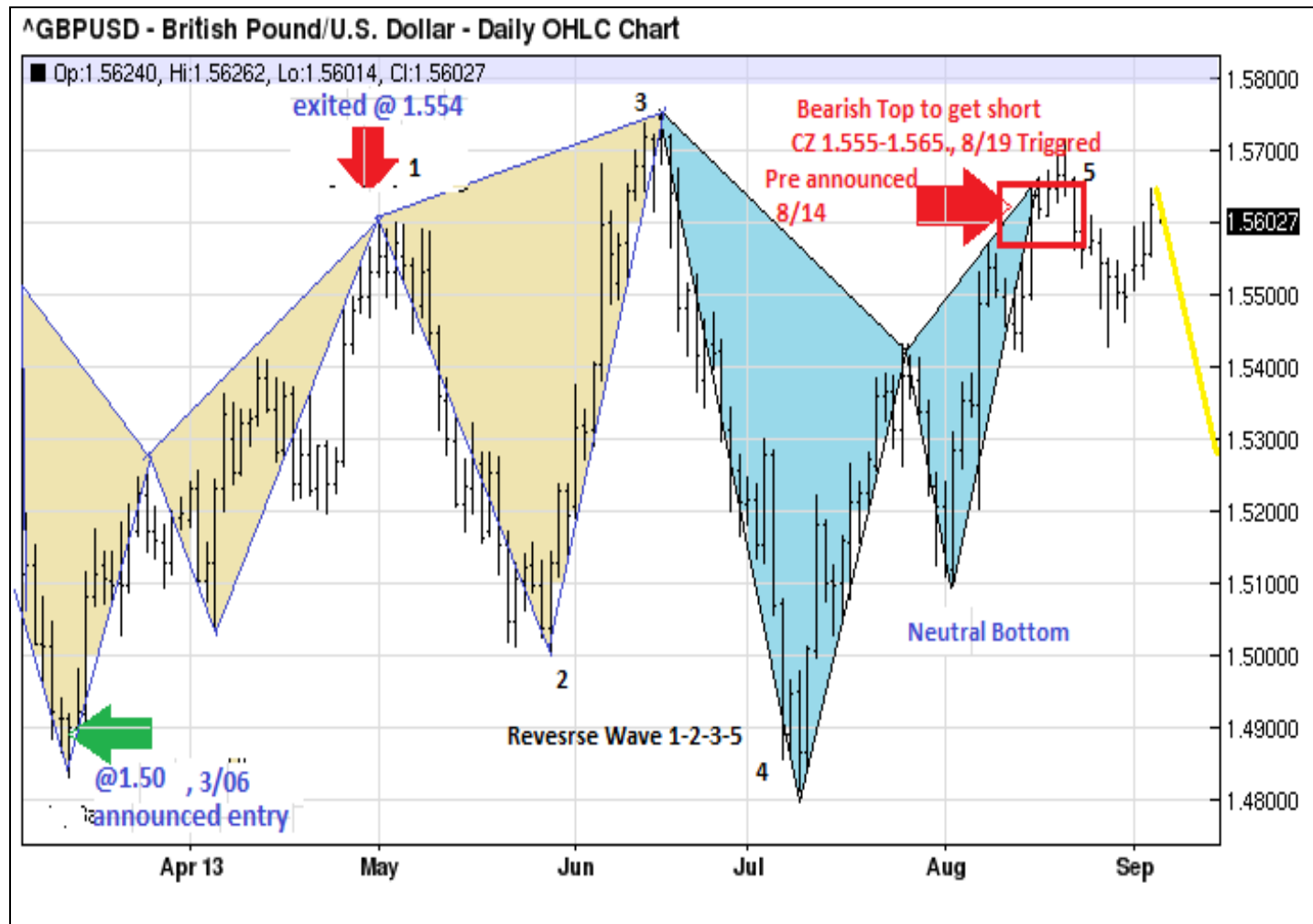


## GBP / USD – PEC Analysis – Bearish bias.

Upside target – Target to CZ 1.555-1.565 Bearish Top failed & Triggered ( Notes within the chart).

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

Reverse – 5 Wave pattern & Double Top PEC-D confirmed @ 1.555-1565



# 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**

- ( 3<sup>rd</sup> 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 2<sup>th</sup> 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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