



Date : 26th 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 | NEW ACTION (Trigger to Watch)) | Upside CZ Near Term | Upside CZ Mid term | Downside CZ Near term | Downside CZ Mid term | Remark |
|-------------|---------------|---|--|----------------------|---|---|---|--------------------|---|--|---|
| GOLD | 1337 | POM 13 @ 1540 For main entry Core position | CZ 1205 1190 <u>Re – Run Entry Triggered @ 1205 6/28-</u> | Bullish ST pull back | Net Long <u>Alerted Re entry ½ @ 1350 avg</u> <u>Holding Core position to Target 1510</u> | NONE | ABC up CZ 1425- 1445 Bullish Top In tact | ABC up to 1510. | PEC-D 1295 Met exact & rallied Bullish bottom <u>PEC-D 1295</u> <u>Could get re tested for secondary test</u> | CZ 1205 – 1180 PEC-D 1180 Bullish bottom | For Recycled 1/2 exposure <u>Exited (2)</u> on 8/26 @ 1429, Entry 1204, 1280 for Profits 224+148 <u>Earlier exited 4- Profits 72 + 220</u> <u>5- stop Loss -- (-15+ 0-3-9-2)</u> |

Note - We could see a re test Of PEC-D 1295 on secondary test. We shall enter our balance ½ to attain our full position. (Note- this position was earlier exited at 1428 for 250 points gains)

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|---------------------|---------------|---|---|---|--|--|---|--|--|---|--|
| DXY (\$ USD) | 80.47 | CZ @ 72 Core on 7/9/2011 Intact | Secondary CZ 79.55-79.0 On 10/06 | BULLISH ST consolidation 80-81 | Net Long | NONE | CZ 81.5-80.75 Brake down Area | CZ 84-85 Bullish Top Rally | Poly Trend line @ 80.75 Broke down the lows on FOMC Day | PEC-D 79.25 PQV Validated floor | Eventual target CZ 88-90 RM) below 79.25 |
| EUR /USD | 1.35 | CZ 1.352-1.36 On 2/13 | Secondary CZ 1.35-1.34 on 8/19 | BEARISH | Net Short RM -1.37 | 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 Core , on 7/9/2011 Intact. |
| GBP/USD | 1.60 | NONE | NONE | NEUTRAL | NONE Stopped out @ 1.58 for 2c loss | NONE | CZ 1.555-1.565 Met & broke out exceeded Neutral Top | CZ 1.65-1.64 | CZ 1.52-1.51 Neutral bottom | CZ 1.48-1.50 Bullish bottom | Trading range Between 1.60-1.51 |
| USD / JPY | 98.66 | CZ @ 76 Core 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 met With Bullish Top | Target 105-104 Bullish Top PEC-D Target 120 | Pull back PEC-D 96.25 Bullish bottom & rally up | CZ 95-96 Floor Bullish bottom | For Recycled ½ exposure Earlier Exitd Profit @ 98.29 , Alert 7/28 = 4% entry 94.5 , 6/12 |
| AUD/ USD | 0.94 | CZ 94-95 On 6/12 | Secondary CZ 91.5-92.5 on 6/24 | BULLISH Hot toming | Net Long | NONE | CZ 0.96-0.97 Approaching Bullishly | CZ 1.00-0.99 | CRASH PEC- @ 92 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 – ST consolidation

GOLD,

AUD – Bullish Bottoming.

- BEARISH CURRENCY -

EUR

- NEUTRAL CURRENCY

BPS

Currency Overview

- **BULLISH DXY)** -

FOMC day surprised US Dollar Index, failed the Triple bottom lows. 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 for next leg up .

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

- **BEARISH EUR/USD)** -

EURO/USD - **CZ 1.35-1.34** Met & **should Fail 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 – downside **PEC-D @ 96.75** should hold . Earlier Met upside **PEC-D @ 100.5**
3RD ABC up to **CZ 105-104 has** Bullish top . The Final Target to **126**.

- **NEUTRAL GBP/USD)** –

GBP/USD - **CZ 1.555-1.565 EXCEEDED** with Neutral Top & We were stopped out

- **BULLISH AUD/USD%)**

Rally has initiated with Sign of strength and volume . Slight pull back and then continuation of move higher to **ABC up 96.5** . AUD bottomed with CRASH PEC-D’s with 3 DRIVES to the Bottom at **PEC-D 91** & accumulation bottoming process.

GOLD - Bullish- ST Pullback .

The recent pull back to 1300 appears to be a consolidation between 1295 – 1350, We should continue to move around these price to build cause , including one more possible test of lows PEC-D 1295 or higher high. .

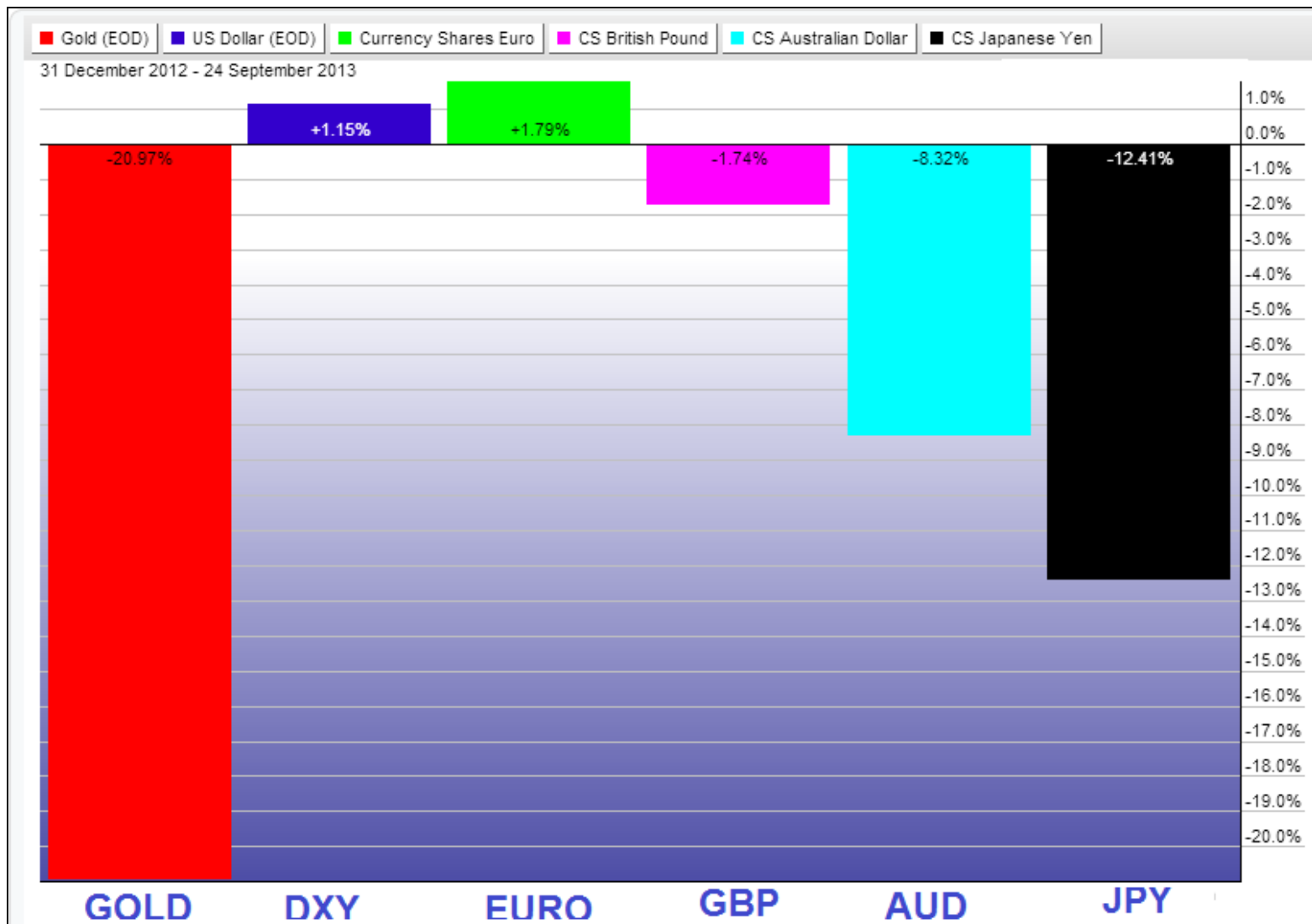
Downside – A retest of 3rd ABC down to PEC-D 1295-. This should hold on Bullish bottom. **We shall re- enter the balance ½ of position back in upon secondary test .**

Earlier. We re entered ½ of our previously exited position @ 1350. The position that was *exited at 1428 to book 250 point profit , entered at 1205 on 6/28. .*

YTD - Currency performance v/s USD

Weakest and strongest currencies

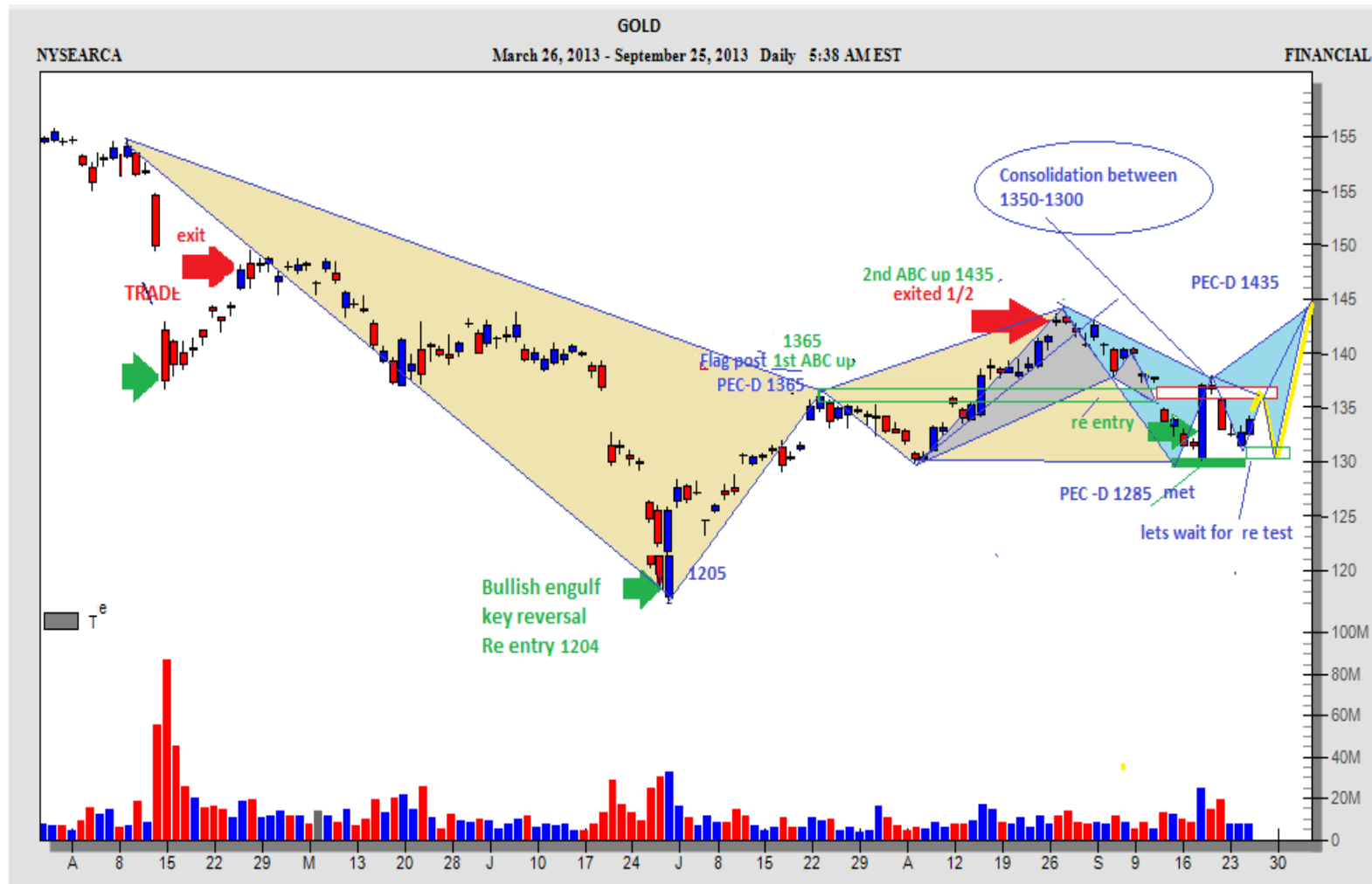
2013 - Strength / weakness. Chart below is our Inter market Analysis Model with Ratio Relative performance v/s USD .



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

Downside – A retest of 3rd ABC down to **PEC-D 1295-**. This should hold on Bullish bottom. It appears to be a consolidation between **1295 – 1350**, (price path in yellow) and should continue to move around these price range to build cause **and secondary test 1295 or higher**.

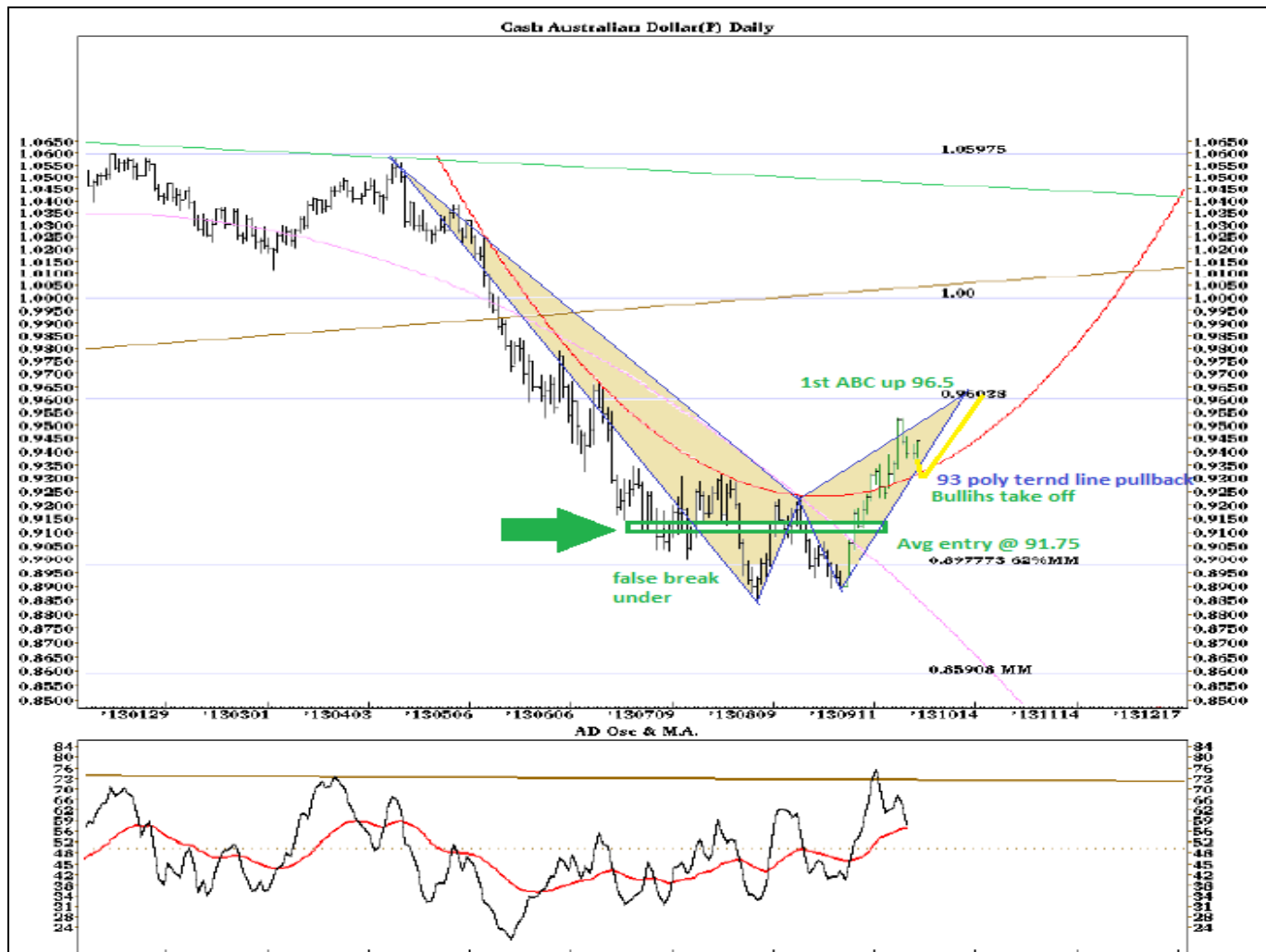
Upside - Projected to CZ 1425-1445



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 – CRASH PEC-D to 92 has Bullish bottom. AUD below 93 is false break +ve divergence



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

Downside - . Broke down on FOMC Day Poly Trend line, Consolidation between 80-81 (Refer price path in yellow)

Upside - CZ – 85-84 Bullish top,

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



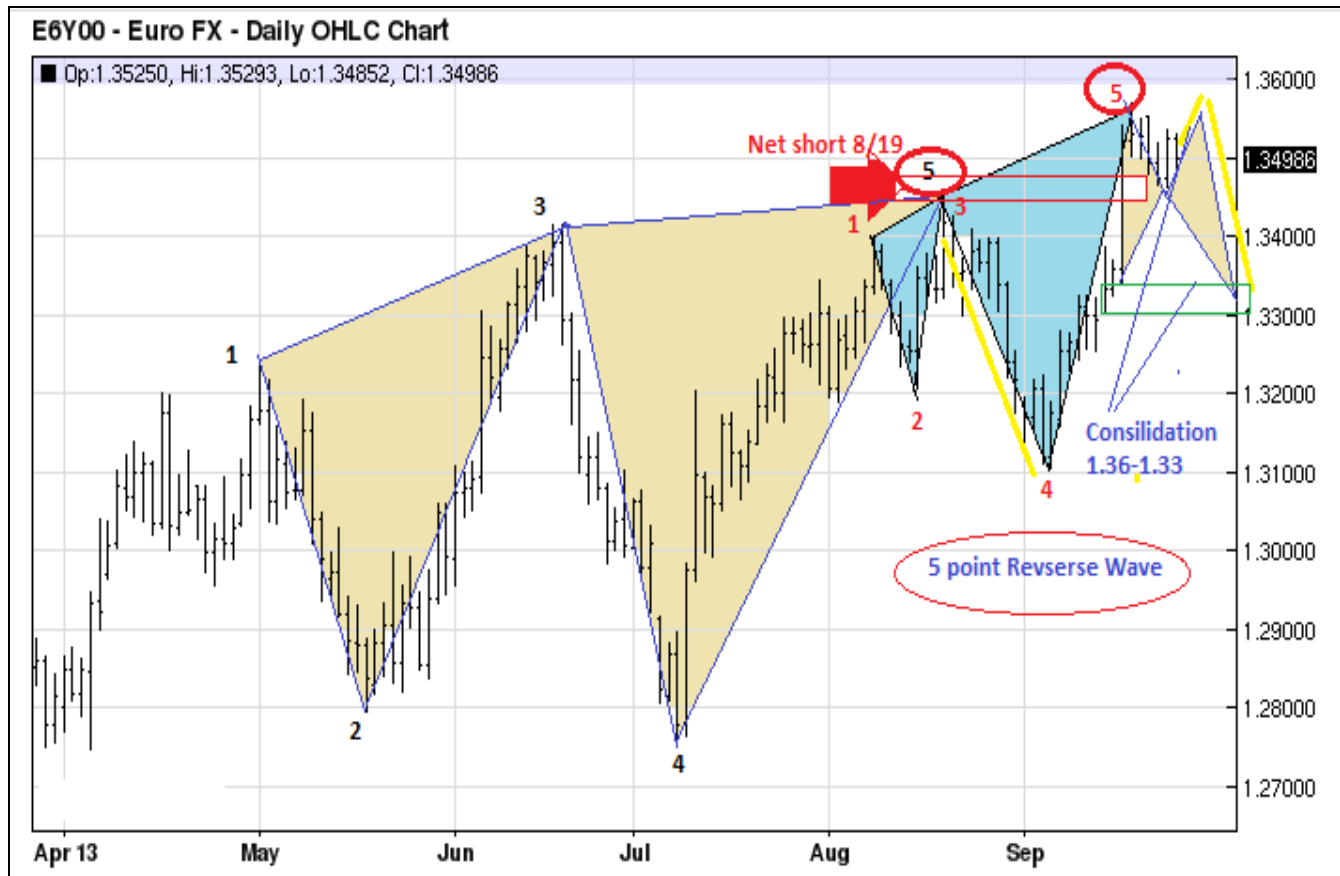
EURO / USD – CZ/ PEC Analysis – Bearish .

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

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 .

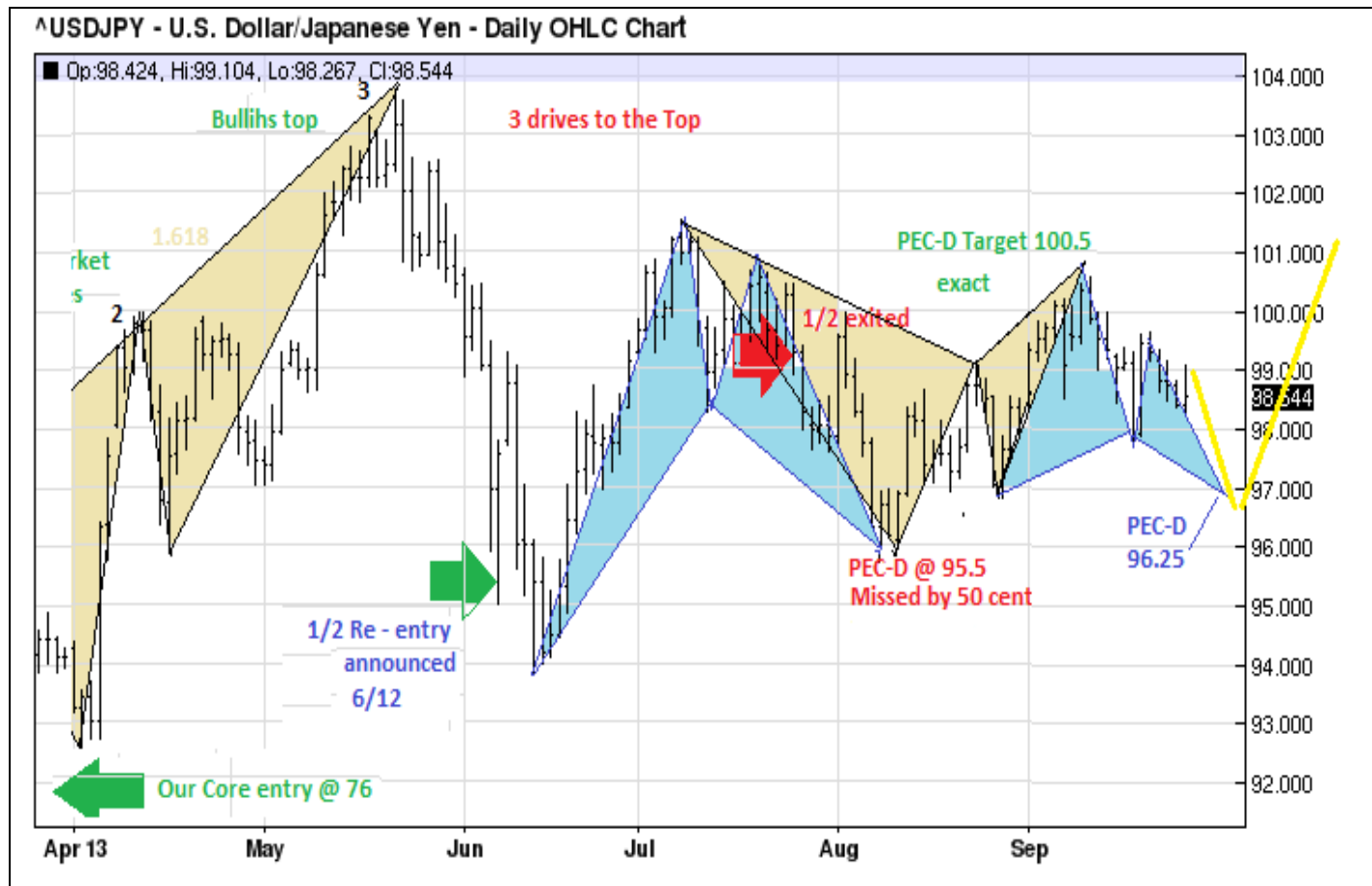


YEN / USD – PEC-D Analysis - **Bullish – (Weakening Yen)**

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

Pull back target - PEC-D 96.25 . Typical Bull Market retracement & rally up.

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

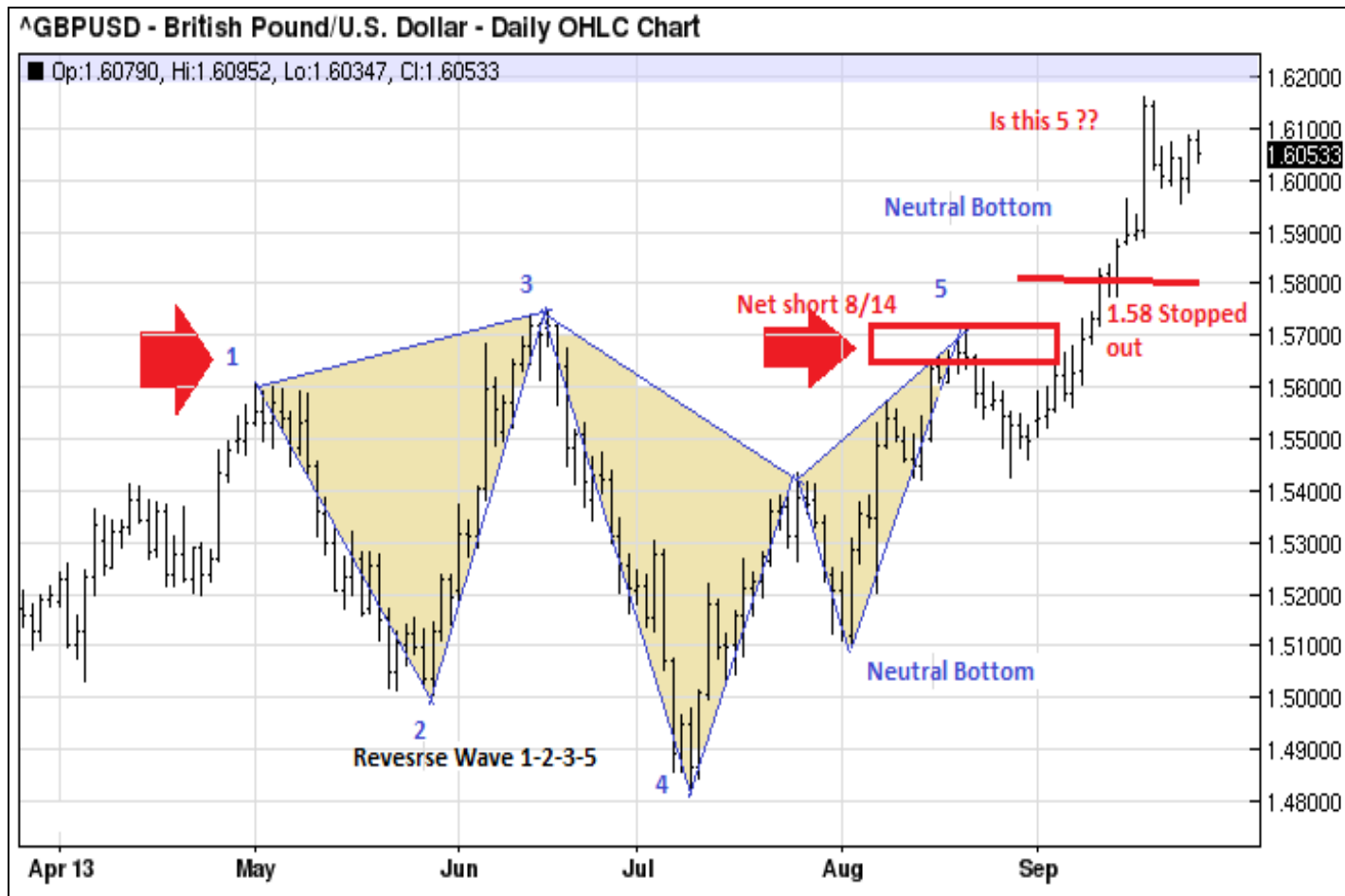


GBP / USD – PEC Analysis – NEUTRAL .

Upside target – Target to CZ 1.555-1.565 Bearish Top Busted with Neutral Top (Notes within the chart).

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

Reverse – 5 Wave pattern Top PEC-D confirmed – Is it at higher price @ 1.60 (Not clear)



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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