SG Capital Research
Global Market Insights
Chart System

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GLOBAL INDICES REPORT (Strategy & Prop Tech)

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• Executive Summary

	Current Price	Triggered 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
$NIKK (JAPAN) **Or DXJ**	13615	Main CZ @ 8500 . On 10/10/ 2012 **Core Position inact Up 60%**	Secondary Trigger 12500-12100	BULLISH	Net Long ***Exited ½ position 7/29*** *For 13% profit* *Entry 12400 (5/21) to 13900*	NONE	CZ 15600-15900 with Bullish Top *Rally target Fell short by 600 Points (@ 15000)*	ABC up to 17000 intact	Pull back In progress to CZ 12500-12200 Bullish bottom	CZ 11,100-10800 (floor)	**Core ½** position since 8500 (10/10) up 60% for ABC up **Earlier** locked in 25% prfit 8500 to 10900
EWJ COR - (JAPAN)	11.48	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH	Net Long	NONE	CZ 12.50-12.40 with Bullish Top *Rally target Fell short by 35 c Points (@ 11.05*	CZ -13.70-13.40	Pull back In progress to CZ -10.60-10.90 Bullish bottom	CZ 10.2-10 (floor	Holding ½ position since 9.05 (10/10) up 35% for ABC up

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EEM (EMRG)	39.30	POM 15 (SPX)	CZ 39.75 -40.75 Scale in" 7/17- Trig Announced 6/30	BEARISH Topping	Net Short RM – 41.5	NONE	CZ 39.75-40.75 -Met & failed. *Another test possible*	CZ 43-42.25 Extended Bounce Should fail	CZ 36-35 Bearish Bottom		First leg down had high volume **Weekly H & S top in effect**
EWZ (BRZL)	43.75	POM 15 (SPX)	NONE	NEUTRAL	CASH	NONE	PEC-D 48 CZ 47-48 Bounces Should fail	CZ 57-55.50 Neutral Top	CZ 41.5-40.5 Neutral bottom	PEC-D @ 37.5 Possible area for Long	No Signal
FXI (CHINA)	34.40	Main CZ @ 33.57 On 9/26/2012 Is intact **Core Position intact**	Secondary CZ 36.50-35.25 4/03	BULLISH	Net Long	NONE	PEC-D 35.5, Bullish Top *met* *Back in range above 34.5*	CZ 37-36.5, Bullish Top *$ SSEC CZ 2250-2350*	CZ 33.5-34.5 Bullish bottom *One smash down In this CZ Would end decline*	PEC-D 31 PQV validated	For Recycled exposure **½ .Re entry.** @35.87 (4/03) Stopped @ 32.97 ,6/20 **Earlier exited** at 41.74, 1/23 for 8 pt Profit

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

Global Indices Overview

- **BULLISH -** **EWJ (Nikk), FXI (China),**
- **NEUTRAL -** **EWZ**
- **BEARISH -** **EEM,**

- **Japan (NIKKE / EWJ)**

Short term "time out" in pull back mode. Correction within the Bull markets with +VTO for next leg up towards Bullish Top . The Money flow continues in spite of ST pull back with Bullish Volume & ABC ups. Next best Risk reward in CZ 12500-12200 PQV validation

We exited ½ Net Long position @ 13900 **for 12% gains** as Risk Management, entry on 5/21 @ CZ 12500-12200 .
NIKKE **up 60% on** Core position entry in tact.

- **China ($ SSEC / FXI)**

Since last Report , FXI – Met PEC-D @ 35.5 & came back in range 34.50 . One smash down to CZ 33.5-34.5 , would end the decline . FXI has not negated the uptrend. It is building base for new uptrend. **CHINA** has Bullish top **.**

FXI Core position entry @ 33 in tact. We are looking for suitable spot to re enter ½ exposure**. Earlier -** 2 round Trips of profitable moves & one stopped out at slight loss.

- **Brazil (EWZ) ,**

We have **No Position** . - Neutral . At current levels , there is no favorable Risk / Reward. Till…..

EWZ bounce is projected at PEC-D 48.5 . We shall see how it reacts there . It is Mixed picture.
On downside the 2nd ABC down on larger picture is to PEC-D 37.5 This should provide great entry Net Long based if PQV is validated for better Risk / Reward .

- **Emmrg. (EEM),**

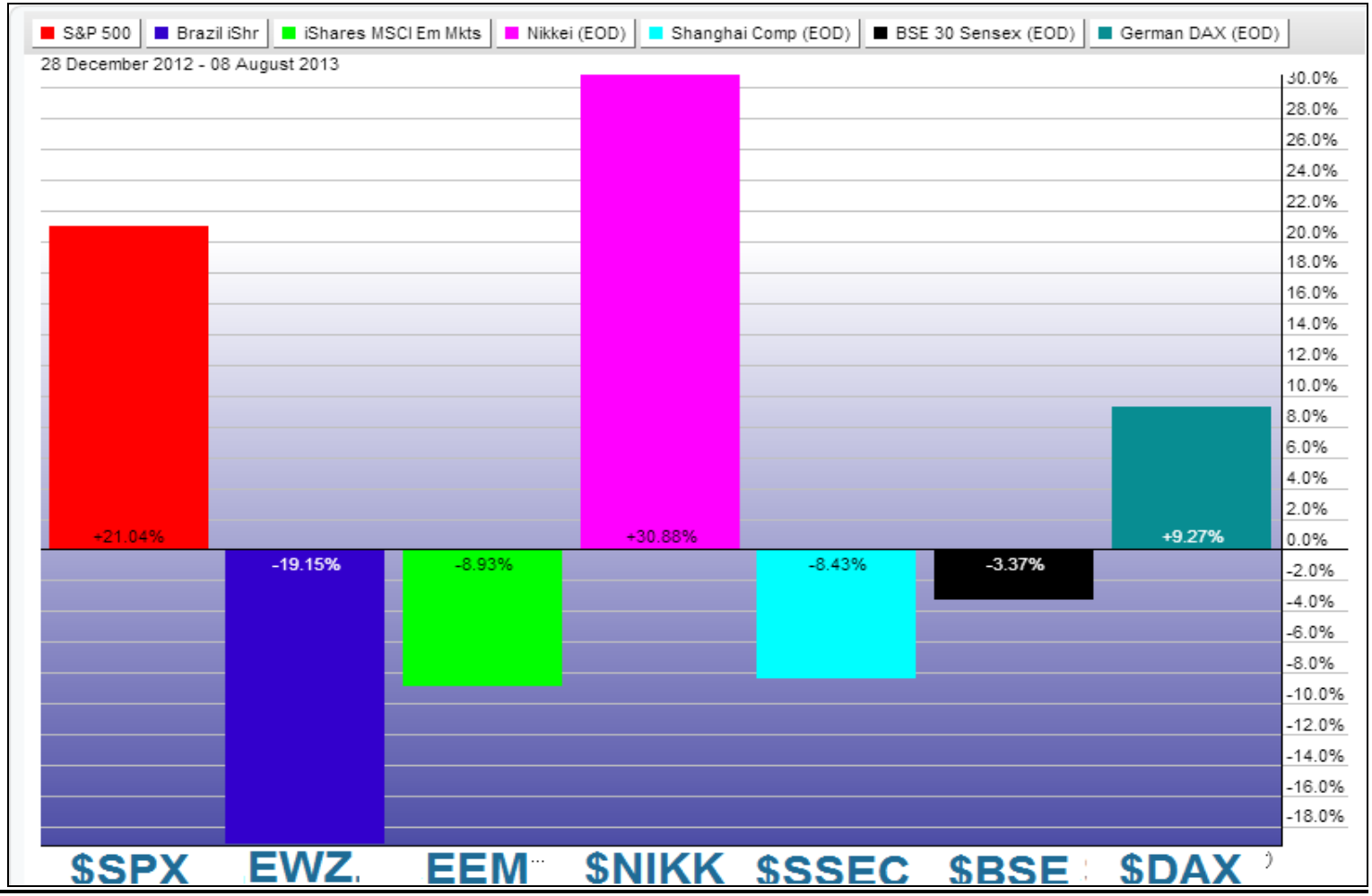
EEM bounced to CZ 40.75-39.7 & failed in Bearish CZ . One more test possible into this zone. RM 41.5

We Triggered Net Short 7/17 – Pre announced on 6/30. The decline target is ABC down to CZ 36-35 , which has heavy bottom

- **YTD – Global Indices performance v/s SPX**

Weakest and strongest Indices for PAIR TRADES – (Notes within chart below- QE- Impacting various Markets)

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



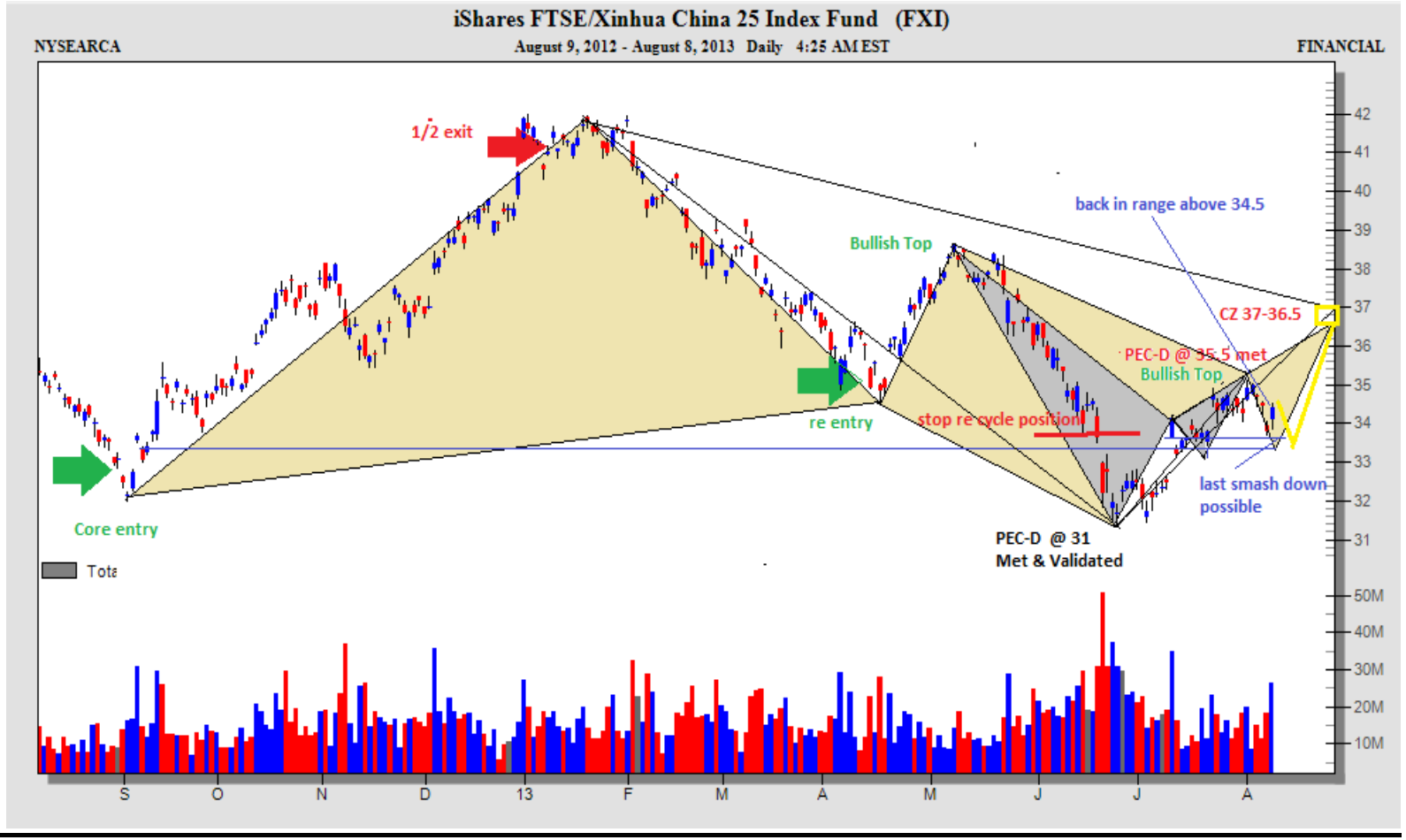
FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – Bullish

- **Texture - BULLISH TOP & BULLISH BOTTOM**

1st UPSIDE – PEC-D @ 35.3 Bullish top Met.

DOWNSIDE – CZ 33.5-34.5 . (One smash down possible)
Close above 34.5 is back in range . This should give traction on upside.

2nd UPSIDE – CZ 37-36.5 Bullish top, pattern validation is intact . This may take time



$SSEC (SHANGHAI) / PEC-D / Ratio Analysis. – Weekly - Bigger picture

DOWNSIDE – Rejected lows 1950-2000 Bullishly. – One last smash down would end the decline.

1ST UPSIDE – PEC- D @ 2250, CZ 2350 -2250, - Bullish top

Final Upside - Target CZ 2500-2450 -Larger PEC-D pattern validation is intact . This may take time

NIKKE (JAPAN)– CZ / PEC-D / Ratio Analysis – Weekly Bigger picture

- -Texture - BULLISH TOP & BULLISH BOTTOM

Upside - Target to CZ 15600-15900 fell short by 600 points & declined . **Larger ABC at - 17000,**

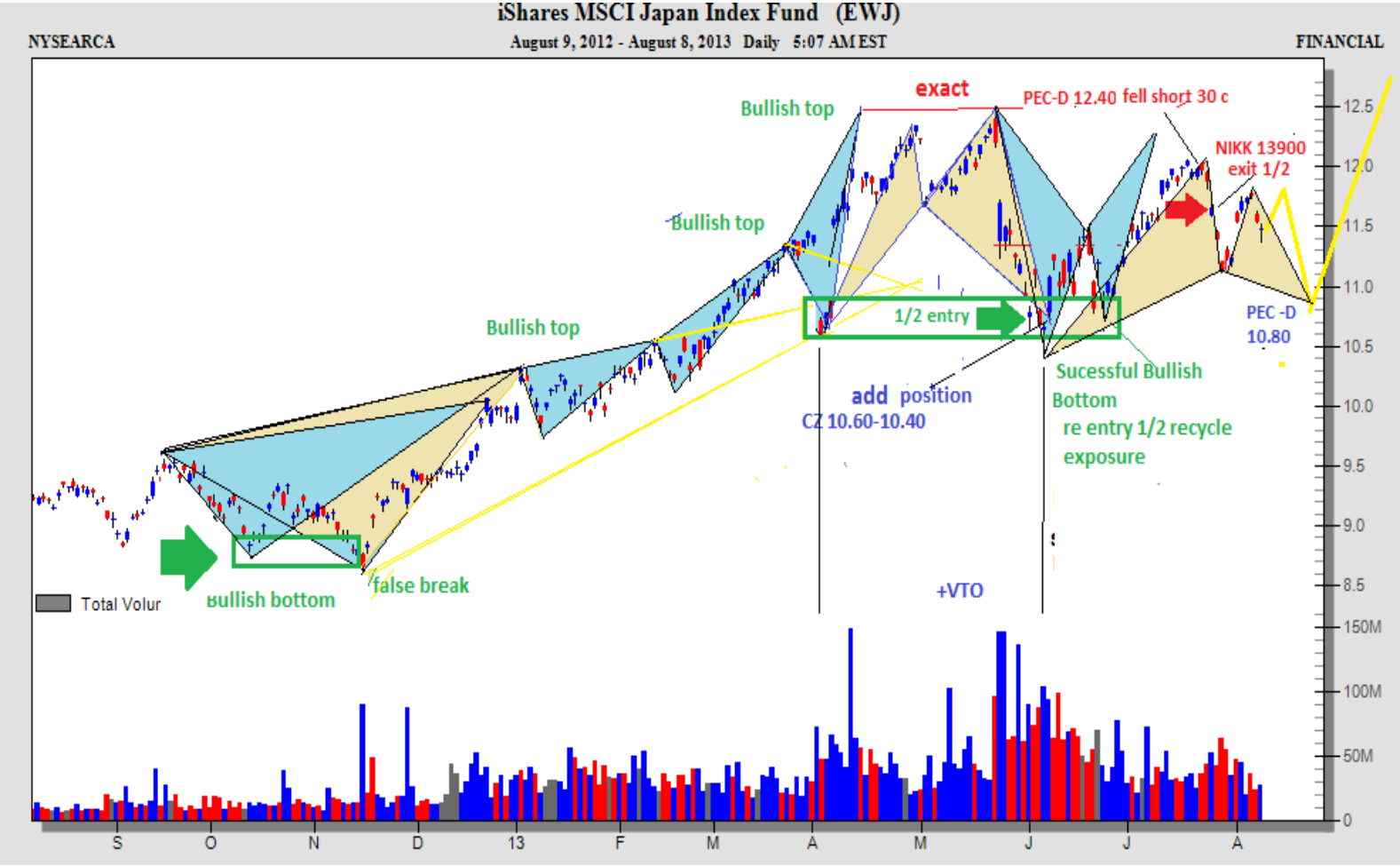
Downside – Pull back to CZ 12500-12200 - Bullish Bottom . - (11,100-10800) is the Floor .

EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – Bullish

- **-Texture - BULLISH TOP & BULLISH BOTTOM**

Upside - Target to Target CZ 12.5-12.40 fell short by 35 cents. . **Larger ABC at - 13.40-13.70,**

Downside – Pull back to CZ 10.60-10.90 - Bullish Bottom . - (10.2-10) is the Floor.



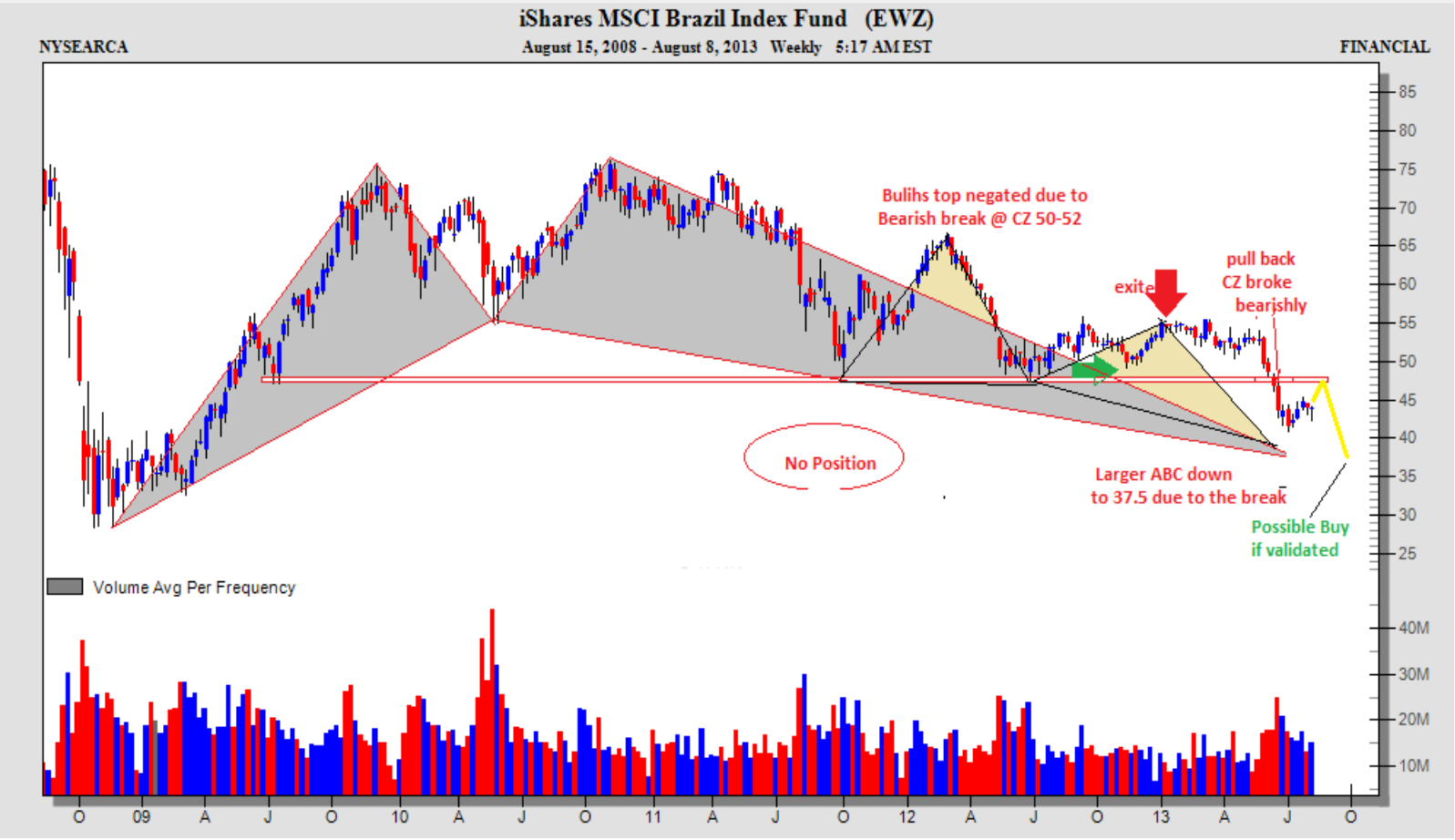
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral

- **Texture – NEUTRAL TOP & BEARISH BOTTOM**

At current levels , there is no favorable Risk / Reward. One or the other has to happen.

UPSIDE – –- PEC-D 48, CZ 47-48 – Bounce to top heavy, should fail

DOWNSIDE –- 2nd ABC down to PEC-D 37.5 . (Possible Buy) if Validated

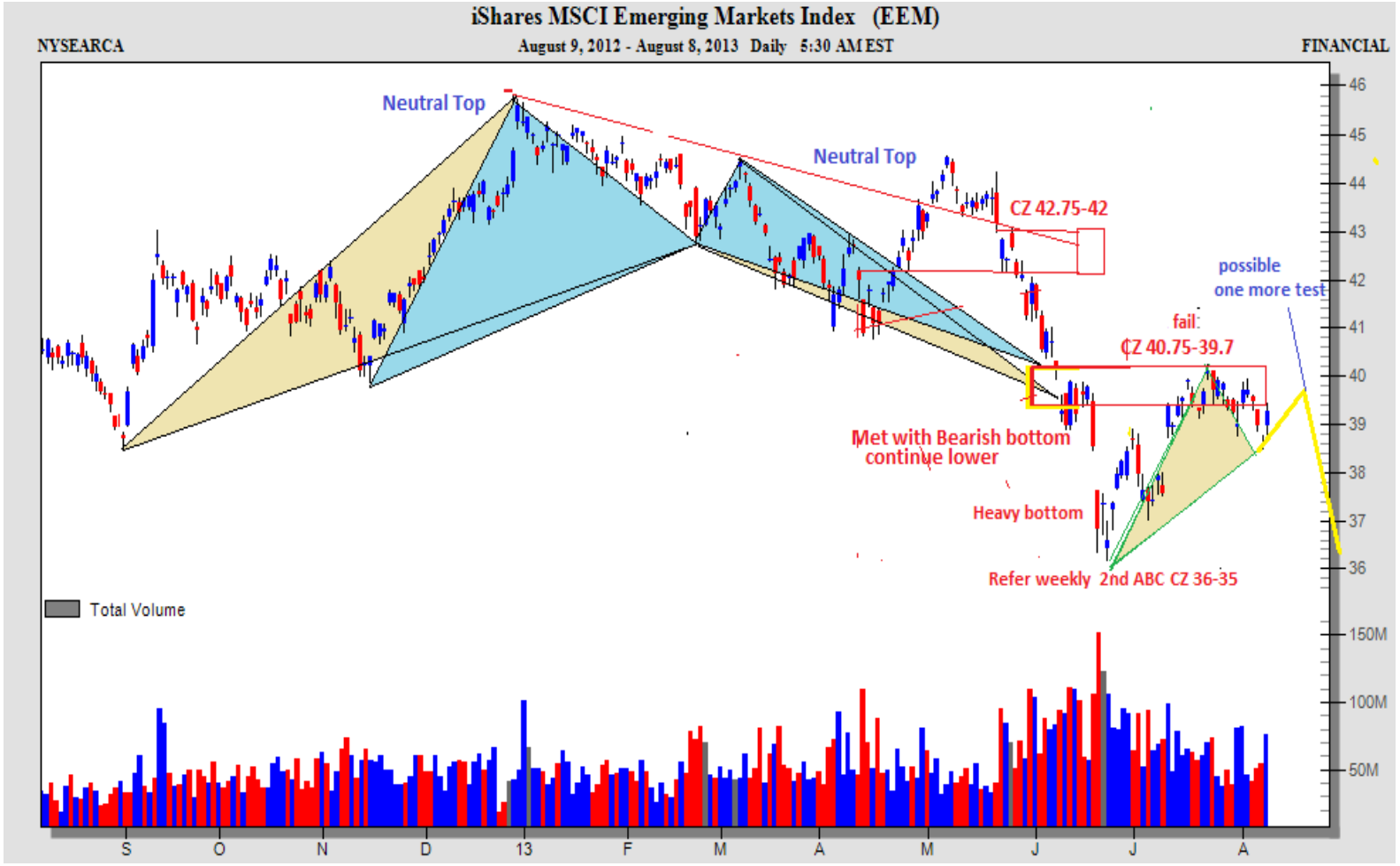


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily - Bearish

- **Texture – BEARISH TOP & BEARISH BOTTOM**

UPSIDE – CZ 39.75 - 40.75- Met & failed , One more test possible in this CZ - . RM 41.5

DOWNSIDE – CZ 36-35 Target- is projection with heavy bottom , It needs a PQV Validation

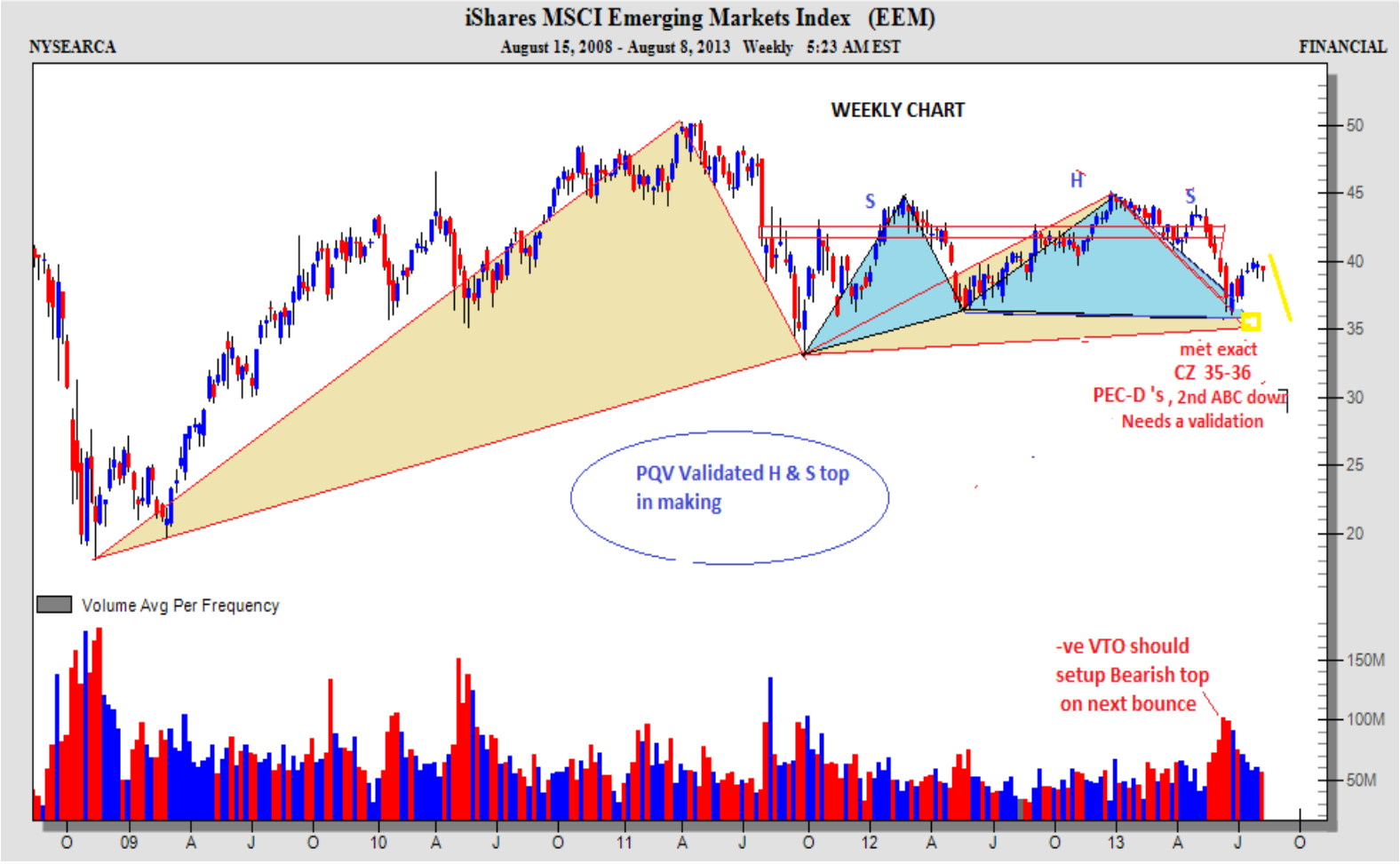


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – – Weekly - Bearish

- **Texture – BEARISH TOP & BEARISH BOTTOM**

Head & Shoulder Top is still in tact.

DOWNSIDE – Target CZ 36-35 heavy bottom , Our decline objective mid term PEC-D /36 – 2nd ABC down



Appendix Content

- **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.***
    - ***Exterme 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.*

POM criteria for Implementation on SPX

- ***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)***

- **TEXTURES – Bullish , Bearish , Neutral**

In charts above we have price path of DX's noted as they are reaching its individual CZ / PEC-D Price Projections in this rally. We have identified IDX's ' with Bullish Tops . These have participated very strongly whereas the IDX with Bearish Tops & Bearish Bottoms are moving higher with –ve divergences. .

At POM 14, Bearish Top IDXs should be viewed with caution for weakness & suitable of Hedging to scale in within its own Individual CZ . These IDX 's should on reduced in position at its CZ area / PEC- D patterns. The pull back in such cases tends to be deeper in correction

The Bullish Top IDX should be continued to Hold Long position from POM 13 – Net long till POM 15 is Triggered and should be accumulated on any pull backs. These are NOT candidates for Short Sell. .

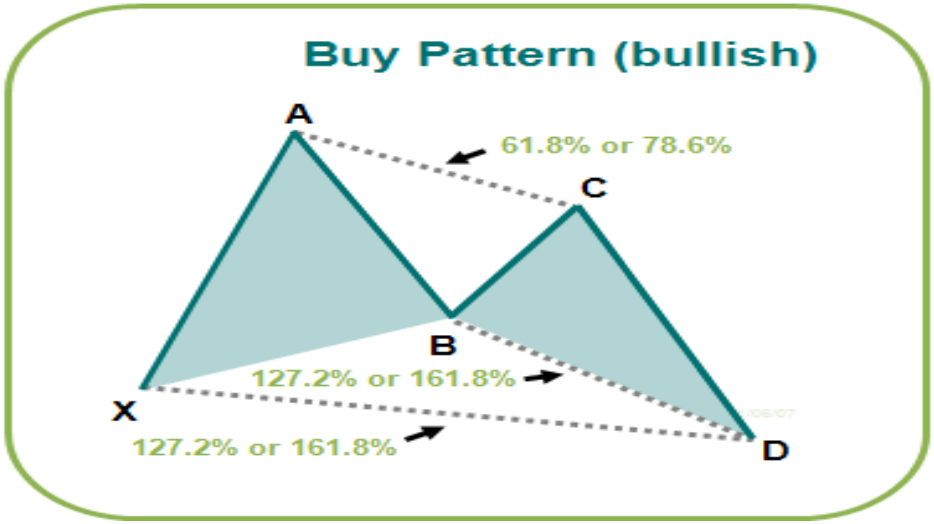
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of " New pick up in force in one direction" to decide the Trajectory of Path.

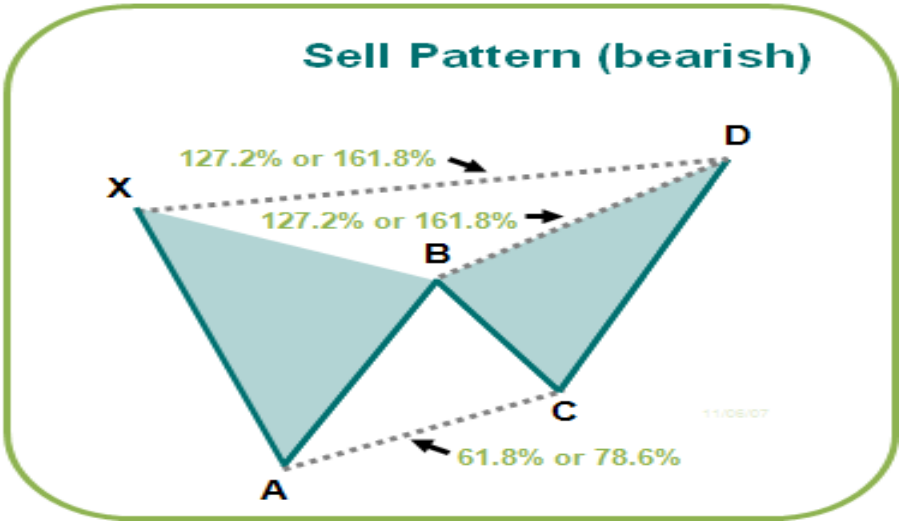
Pythagoras Expansion / Contraction – (PEC) Model

- 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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