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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
EEM (EMRG)	38.02	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 40.75 – 39.75 Met & failed. Another test possible	CZ 43-42.25 If Extended Bounce Should fail	CZ 36-35 Bearish Bottom		2 nd ABC down is in progress Weekly H & S top in effect
EWZ (BRZL)	42.39	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 i.e Neutral Top & Neutral Bottom
FXI (CHINA)	35.13	Main CZ @ 33.57 On 9/26/2012 Is intact Core Position intact	Secondary CZ -35.25-36.50 4/03	BULLISH	Net Long	NONE	CZ 38-37.5, Bullish Top Back in range above 34.5	\$ SSEC-Target to PEC-D 2250 CZ 2250-2350	CZ 34.5-33.5 Met 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

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\$NIKK (JAPAN) Or DXJ Pre announcement	13388	Main CZ @ 8500 . On 10/10/2012 <u>Core Position</u> <u>inact</u> <u>Up 60%</u> <u>8500 to current</u>	Secondary Trigger 12500-12100 On 5/21	BULLISH	Net Long Increase Within CZ noted	Initiate Net long Within CZ 12500-12200	CZ 15600-15900 with Bullish Top	ABC up to 17000 intact	ST Pull back in progress to CZ 12500-12200 Bullish bottom	CZ 11,100-10800 (floor)	Earlier - ½ position locked in 13% prfit 12400 (5/21) to 13900 (7/29) locked in 25% prfit 8500 to 10900
EWJ COR - (JAPAN)	10.87	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH	Net Long	NONE	CZ 12.50-12.40 with Bullish Top	CZ - 13.70-13.40	ST Pull back in progress to CZ -10.60-10.80 It may get extended We wait for harmony with NIKK Pull back target to Trigger EWJ	CZ 10.2-10 (floor)	Holding ½ position since 9.05 (10/10) up 35% for ABC up

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

Global Indices Overview

- BULLISH - FXI (China), EWJ (Nikk) – ST pull back in Progress
- NEUTRAL - EWZ
- BEARISH - EEM,

Global Equities have weakened faster than the U.S. Emerging markets have been the world's weakest group, The EEM has been in a downtrend BUT since China has held up well it has stabilized EEM to larger extend. China is the biggest holding in the EEM (19%), its direction has an important influence on EEM direction.

Brazil and India falling harder has gotten most of the recent attention in emerging markets. Since the start of July, the FXI has gained 8% versus a -1.5% loss in the EEM. During those two months, Brazil lost -3% while India fell .

BRAZIL Real / BSE –INR and their Equity fall all together in recent collapse. Since mid-2011, the Brazil has lost -39% while the currency has fallen -26%. A close correlation has always existed between emerging market stocks and currencies.

- Japan (NIKKE / EWJ)

Short term pull back in Progress. Correction within the Bull markets with +VTO for next leg up towards Bullish Top . Next best Risk reward for entry in CZ 12500-12200 within PQV validation . **Trigger to watch to increase Net long Exposure**

We exited ½ Net Long position @ 13900, 7/29 **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)

FXI – pull back to CZ 34.5-33.5 met & came **back in range 34.50** . One smash down possible . FXI has not negated the uptrend. It is building base for new uptrend. **CHINA** has Bullish top. to CZ 38 -37.5

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. It is Mixed picture. Till.....

EWZ bounce projected at **PEC-D 48.5 – meets and fails** . 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),

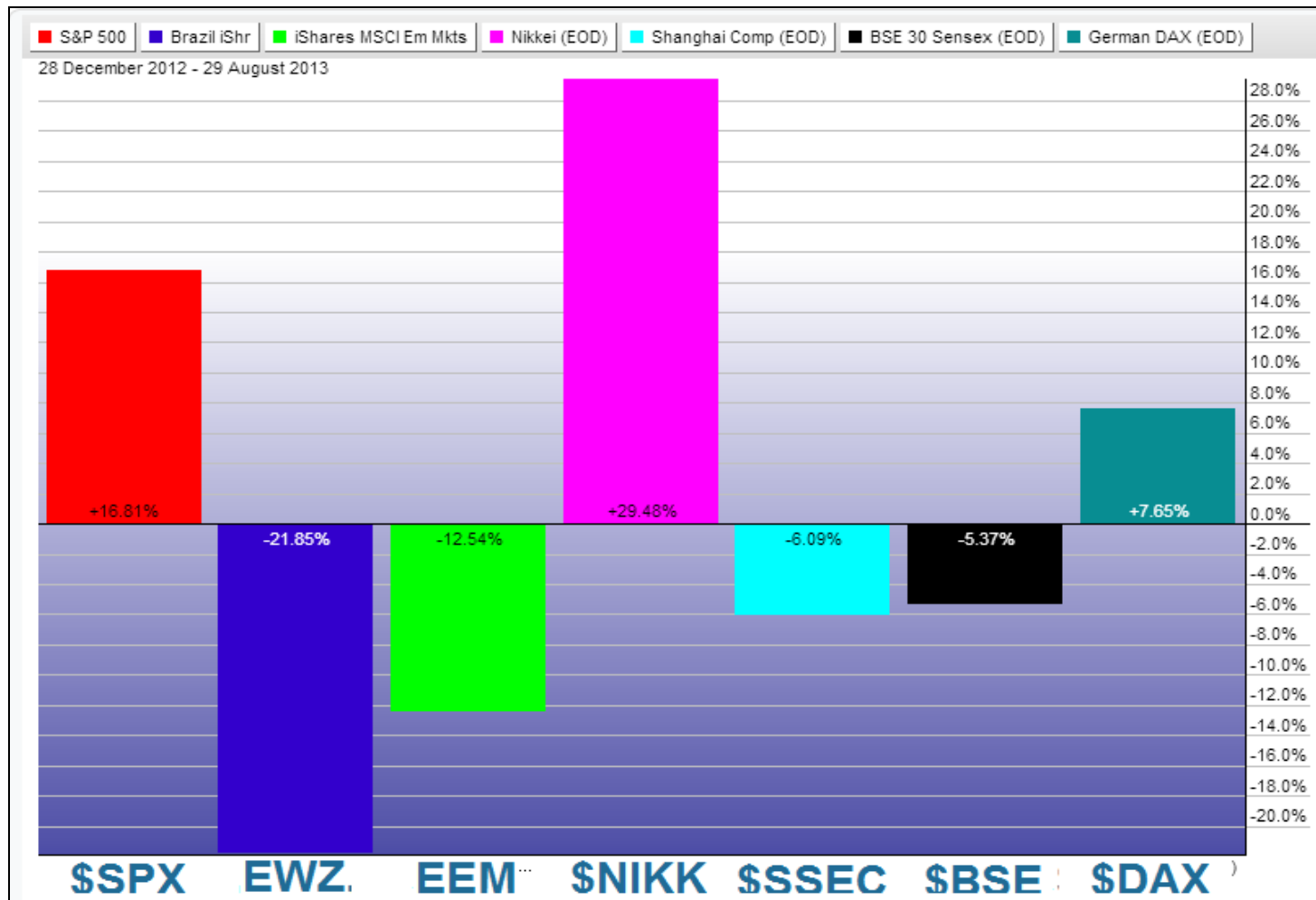
EEM bounced to **CZ 40.75-39.7** met & failed once again in Bearish CZ . **RM 41.5**

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.



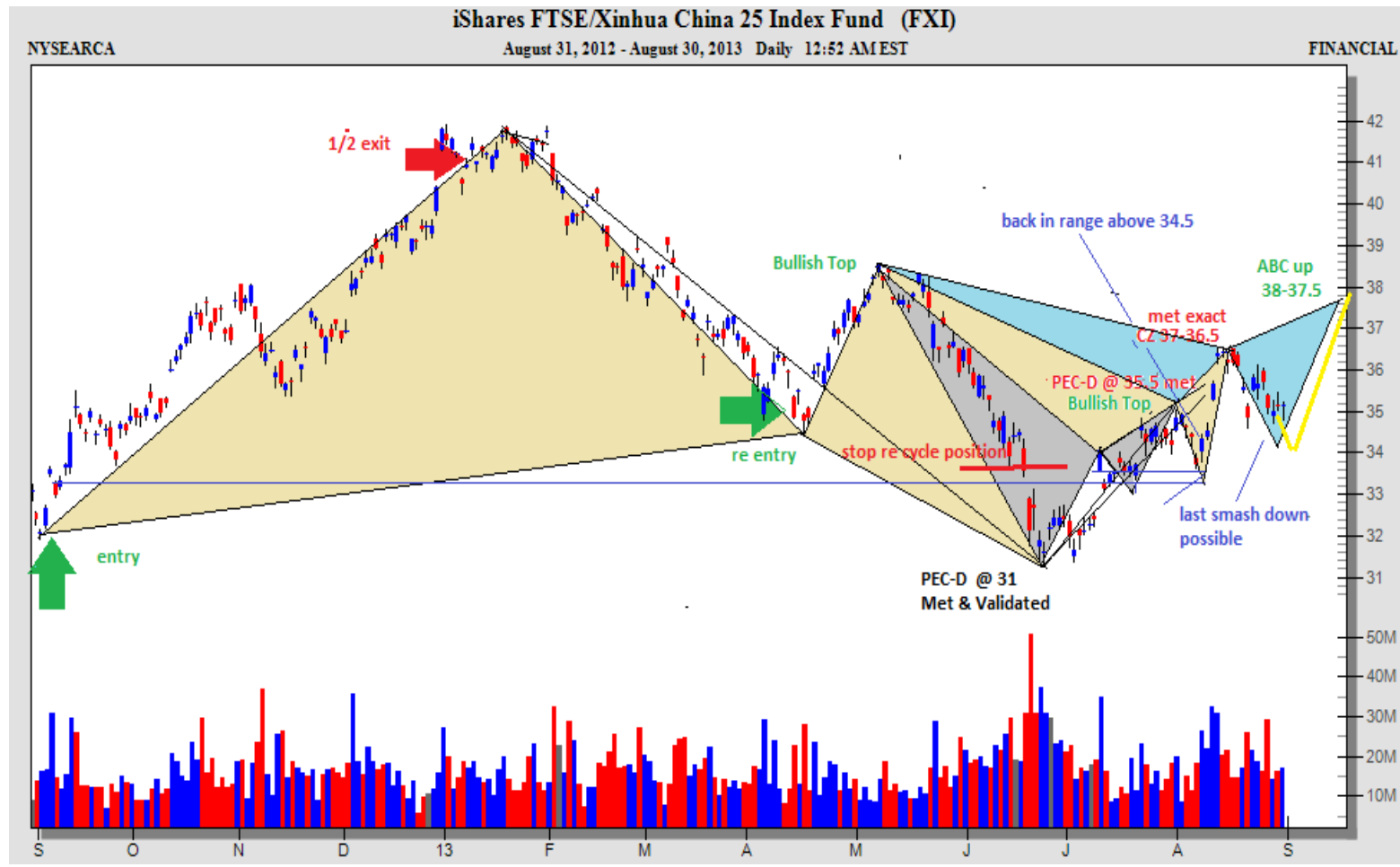
FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – **Bullish**

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

DOWNSIDE – CZ 34.5 - 33.5 – Met .

Close above 34.5 is back in range . It should get traction . (One smash down possible)

UPSIDE – CZ 38-37.5 Bullish top, pattern validation is intact . This may take time



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

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

DOWNSIDE – Rejected lows 1950-2000 Bullishly. – One last smash down possible.

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**

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

Upside - Target to CZ 15600-15900 – Bullish Top . Larger ABC at - **17000**,

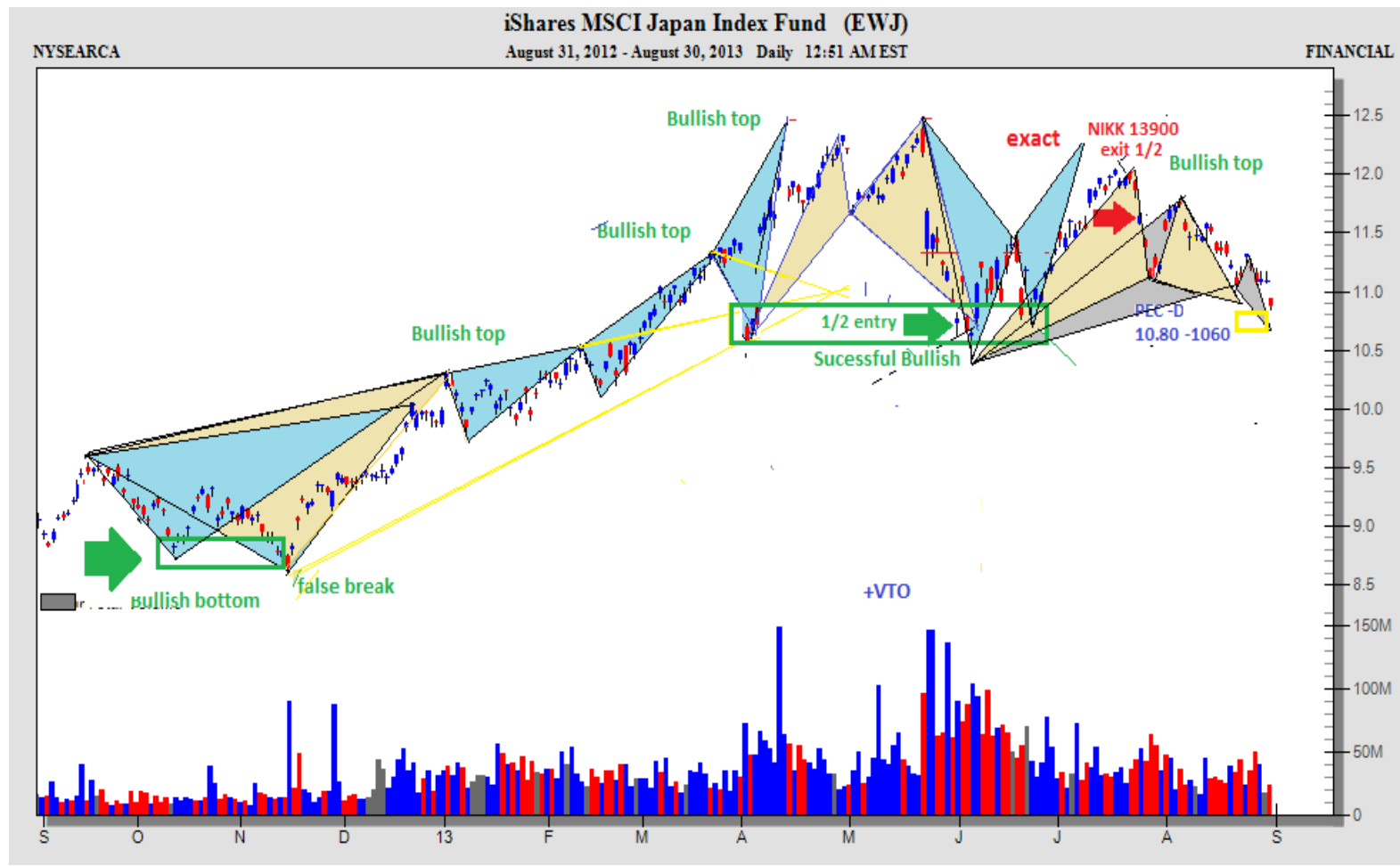


EWJ (JAPAN)- CZ / PEC-D / Ratio Analysis – **Bullish** – **ST pull back in Progress**

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

Downside – Pull back to **CZ 10.60-10.80** approaching Bullish Bottom. BUT we wait for NIKK Target for confirmation. - (10.2-10) is the Floor.

Upside - **Target to CZ 12.5-12.40** Bullish Top . **Larger ABC at - 13.40-13.70,**



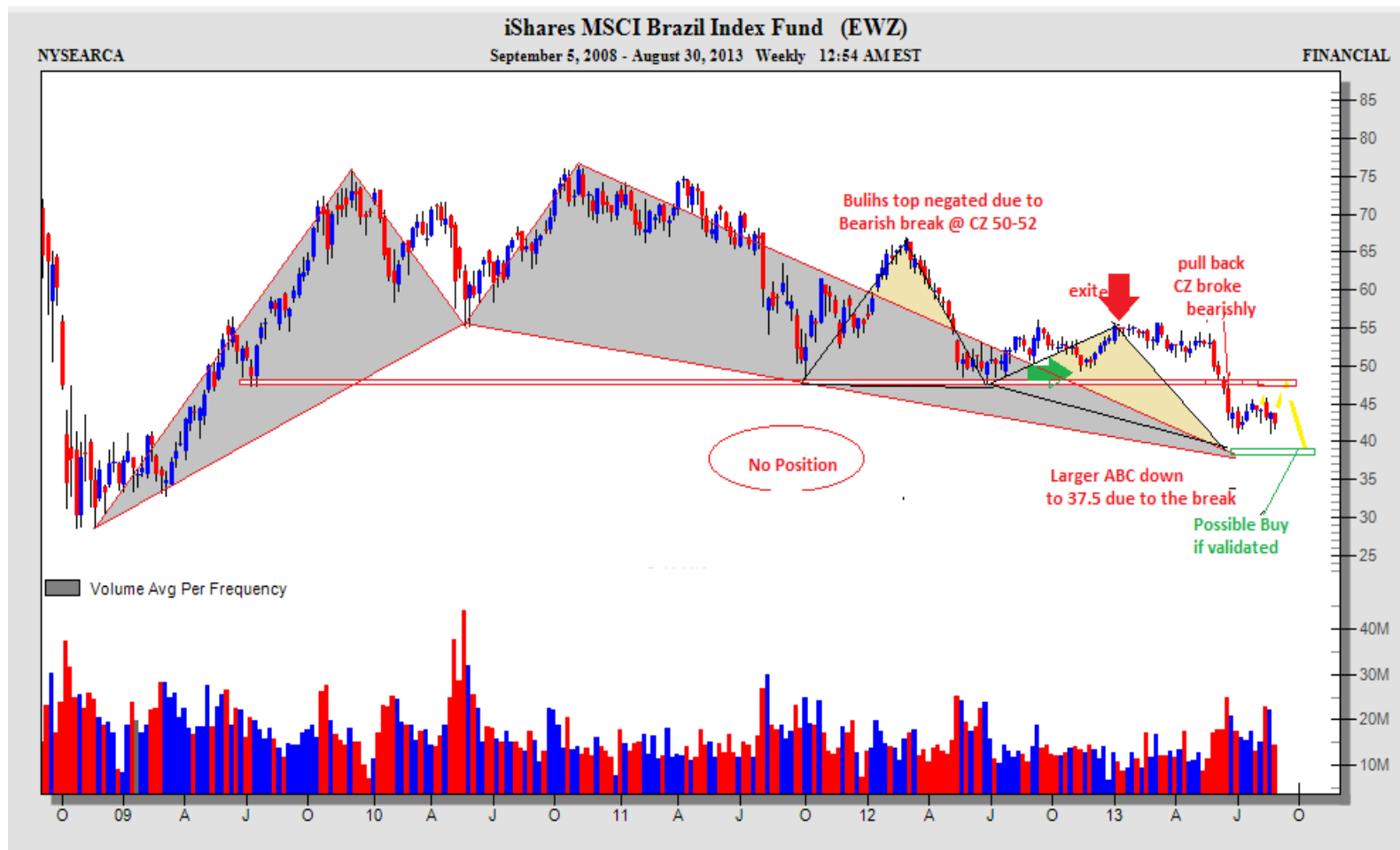
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral

- Texture – NEUTRAL TOP & NEUTRAL BOTTOM

At current levels No Signal , there is no favorable Risk / Reward. **Only if Upside or downside fails in testing we shall act.**

UPSIDE – -- PEC-D 48, CZ 47-48 – Bounce to top heavy, should fail – It hasn't happened yet

DOWNSIDE – -- 2nd ABC down to PEC-D 37.5 . (**Possible Buy**) if Validated - It hasn't happened

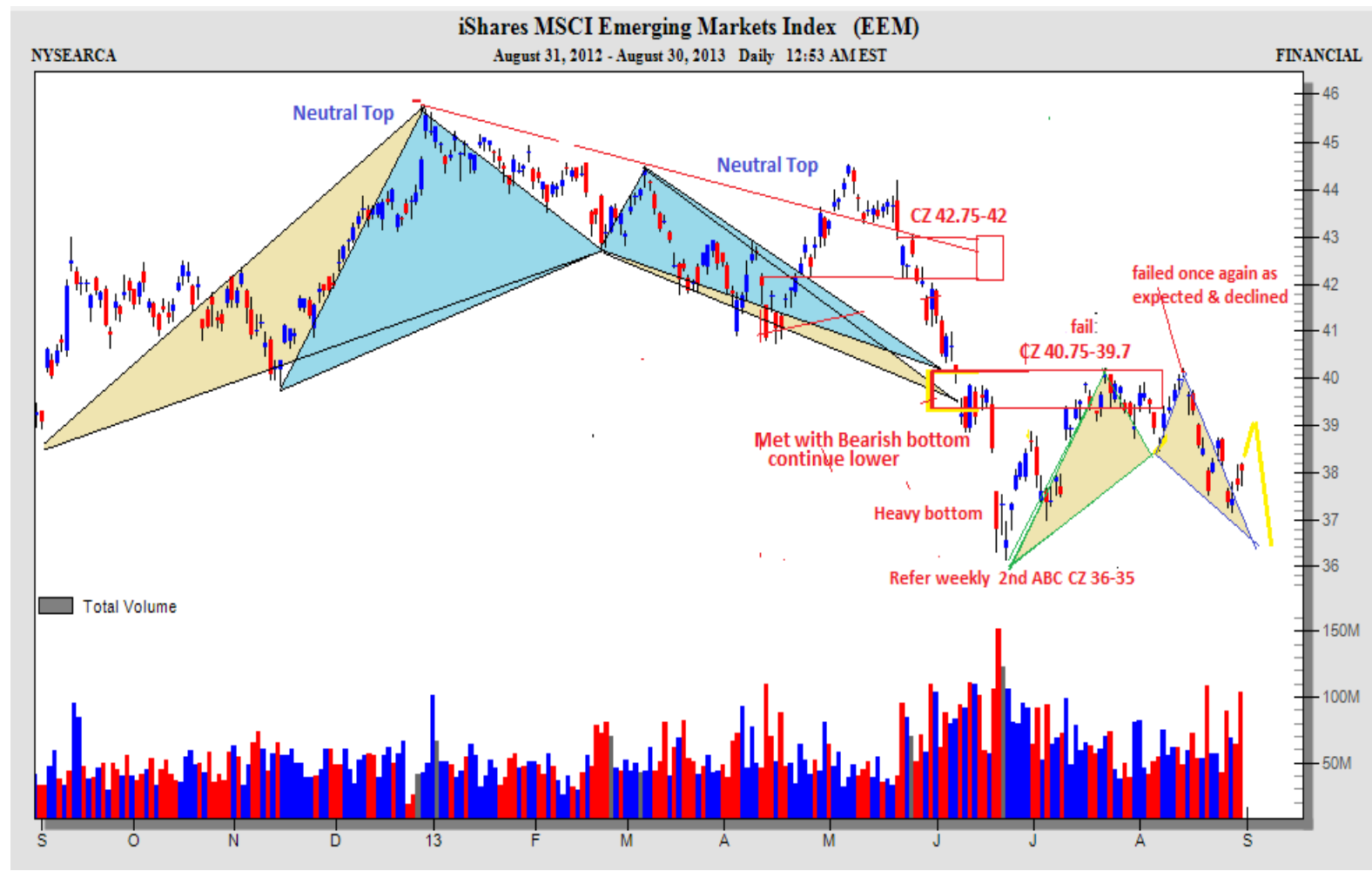


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily - Bearish

- Texture – BEARISH TOP & BEARISH BOTTOM

UPSIDE – CZ 40.75 – 39.75 - Met & failed once again - . RM 41.5

DOWNSIDE – CZ 36-35 Target approaching towards heavy bottom , It needs a PQV Validation

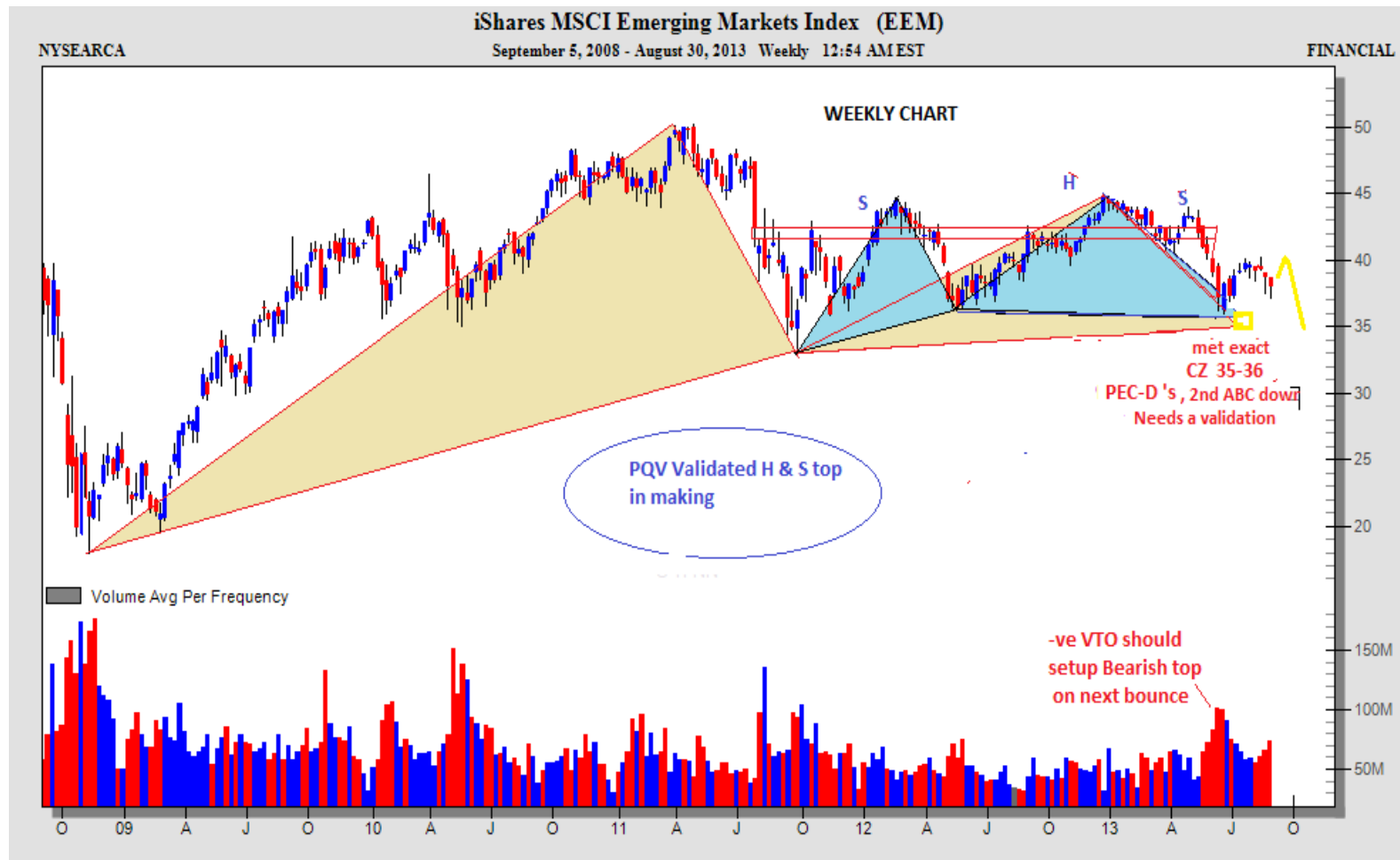


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Weekly - Bearish

- 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.*
 - *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.*

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.

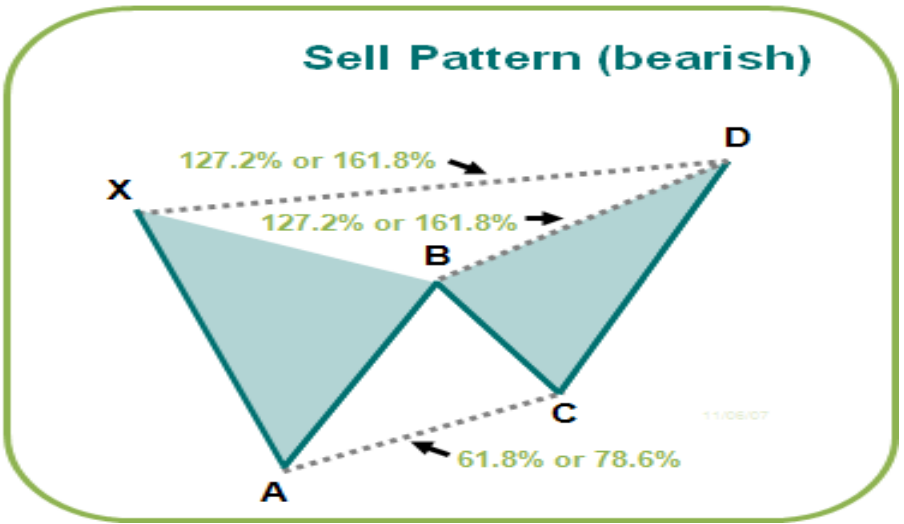
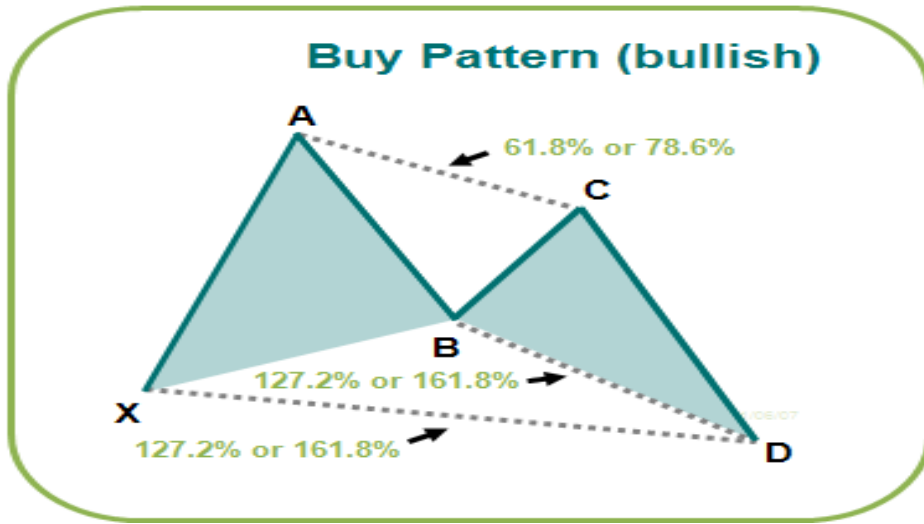
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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 streams 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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