SG Capital Research
Global Market Insights
Chart System

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• Executive Summary

	Current Price	Triggered within CZ & date	Follow up Alert Update For Trend Reversal & RM	Progress Status	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
$BSE MUMBAI	21075	CZ 17400-17600- On 8/28 Triggered entry	@ 21400 3ʳᵈ Weekly ABC up completed EXACT & exhausted On 11/3- BSE Report	Caution Local Election victory bounce with Seasonality rally is in progress	ABC up to PEC-D 21150- Neutral Top Is approaching	Target Triple top to 21350 should be retested & fail	Pull back to CZ 20600-20300– Bearish Bottom	PEC-D 19.8 CZ 19850-19600- *previously Did not complete (It Hit lows of 20150)* Weekly Bullish Floor Best Risk/ Reward to go long (TBA)	Refer to Price path below

- ## SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

BSE Overview - CAUTION @ 21400 on 11/3 Report

In our last Global Report 11/22, BSE was trading @ 20100 " *We had indicated that our pull back target was towards 19800 (2nd ABC down) from its Exhaustion point at 21400 for a decline of 1600 points . On its way down to 19800 , BSE stopped at 20150 (it fell 350 point short of 19800) & reversed back to rally . The rally was triggered by Local election results reversing the course prematurely (350 points) and moving towards our 21150 upside target without proper test of 19800 (heavy bottom))*

Next – . Since *CZ 20300-20600 pullback (1st ABC down) was* met with Bearish Bottom and simultaneously, the Top @ 21400 has been on Neutral Top. We build in –ve VTO, this suggests that the bounces should fail at Triple top 21350. (almost near our original cautionary point Alerted on 11/3) . Bounces generated from heavy bottoms without full price projections and without volume diffusions eventually tends to come back for retest of CZ .

 The upside double top shooting is at 21350, it should get tested as well . The positive seasonality world wide and perhaps January effect could provide the steam but upon failure of shooting start with Bearish top, BSE could follow the price path and calendar dates of SPX noted in our Monday's MS Report.

SPX's decline should initiate the decline of BSE to PEC-D 19.8 for full price projection in 1st- 2 months of 2014. In the short term BSE price path can get skewed due to internal political reasons but eventually the market goes in direction of volume.

We re – iterate - *On weekly Chart, the Bullish Bottom is at CZ 19850-19600 , 2nd ABC down is full price projection . The Bullish floor is very powerful and may not get easily broken on downside .*   **Best Risk / Reward " to enter LONGS based on volume diffusion process projecting prices.**

CHART 1-   BSE (Mumbai) – CZ/ PEC-D Top – Daily

DOWNSIDE - First Pull back to PEC-D 20500 – was met with Heavy bottom – The Next ABC down to PEC-D 19800- did not get completed

UPSIDE -   A shooting start at double top at 21350 should get tested . Most likely this should be Bearish top during its Triple test, Its failure should set up decline to PEC-D 19.8 for full price projection. The " Price path notes mentioned in chart below.
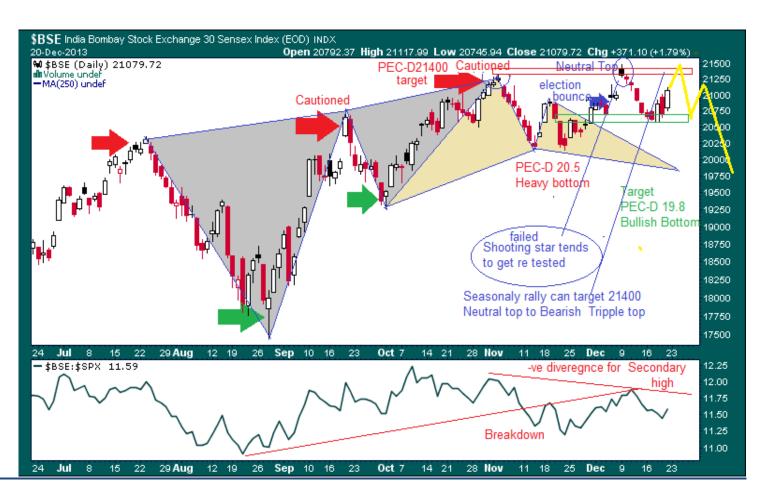
CHART 2-   BSE (Mumbai) v/s SPX – ROC - Corr

- **Texture – Neutral Top & Bullish Bottom** .

ARCHIVED CHART – from previous 11/4 Report Weekly (FYI)

CHART 3- BSE (Mumbai) v/s SPX – ROC - Corr - Bigger picture- weekly

- **Texture – Neutral Top & Bullish Bottom .**

UPSIDE - . **The weekly** 3rd ABC up PEC-D 21500 final exhaustion . Should get tested for Triple Top at the shooting star 21350

DOWNSIDE - CZ 19800-19500 which would provide " Best Risk / Reward " to enter LONGS. .

Appendix Content

- **Objectives & POM /CZ / PEC –D Guidelines – <u>Refer to detail Annexure</u>**

- **Full Utilization of " SP" Report Guidelines & Limitations - <u>Refer to detail Annexure</u>**

- **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**

<u>note –</u> **This Analysis in BSE is <u>" STRICTLY</u> " with respect to SPX & POM . pinpoints the Tops and bottom. NOTE - POM 's of SPX are better actionable points. All other points CZ (noted) are moves within the move for Risk Management. Actionable point by this methodology is at SPX @ POM 14**

<u>Critical backdrop Notes –</u>

- 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.

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