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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)	39.28	POM 15 (SPX)	CZ 39.75 -40.75 Scale in” 7/17 Pre announced 6/30	BEARISH Topping	Net Short Triggered 7/17 <u>RM – 41.5</u>	NONE	CZ 39.75-40.75 -Met & failed. Another test possible	CZ 43-42.25 Bounce Should fail	CZ 36-35 Bearish Bottom		First leg down had high volume Weekly H & S top in effect
EWZ (BRZL)	43.72	None	Main CZ 57-55.50 on 1/04	NEUTRAL Bearish bias	CASH	NONE	PEC-D 48 CZ 47-48 Bounce 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)	33.73	Main CZ @ 33.57 On 9/26 Is intact <u>Core Position intact</u>	Secondary CZ 36.50-35.25 4/03	BULLISH Pull back is coming back in range with +ve VTO above 34.5	Net Long	NONE	PEC-D 35.5, Bullish Top	CZ 43-42, Bullish Top <u>\$ SSEC</u> CZ 2600-2650	CZ 35.25-36.50 – Bullish bottom Extended	PEC-D 31 PQV validate d	For Recycled 5% exposure <u>½ .Re entry.</u> @35.87 (4/03) Stopped @ 32.97 ,6/20 <u>Earlier exited</u> at 41.74, 1/23 for 8 pt Profit

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\$NIKK (JAPAN) Or DXJ	14580	Main CZ @ 8500 . On 10/10 Core Position intact Up 70%	Secondary Trigger 12500-12100 Announced 5/21 – ½ re entry Back in NIKKE has rallied 18% since	BULLISH	Net Long	NONE	CZ 15600-15900 with Bullish Top	ABC up to 17000 intact	CZ 12500-12200 Met with Bullish bottom & rally began	CZ 11,100-10800 (floor)	Core ½ position since 8500 (10/10) up 70% for ABC up ½ Recycled Back in @ 12500, 5/21 Up 18% Earlier locked in 25% prfit 8500 to 10900
EWJ COR - (JAPAN)	11.95	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	CZ -10.60-10.40 Met with Bullish bottom & rally began	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 - EWJ (Nikk), FXI (China),
- NEUTRAL - EWZ – Bearish bias
- BEARISH - EEM,

- Japan (NIKKE / EWJ)

The Money flow continues to pour in NIKKE with Bullish Volume & ABC ups.

NIKKE's pull back came in right into CZ 12500-12200 . We Pre announced re entry on 5/31 , giving 2nd chance to entry to ½ recycling Net long position . Correction was well justified within the Bull market. The test was at +VTO suggested the new leg up towards Bullish Top

NIKKE up 18% since last Trigger 5/21 and up 70% on Core position entry in tact. This has helped to absorb some of the drawdown & Volatility in GDX. .

- China (\$ SSEC / FXI)

Since last Report , FXI almost coming back in range 34.50 , rejecting / validated the lows Bullishly @ PEC-D 31 tested . It has not negated the uptrend. It is building base for new uptrend. CHINA has Bullish top.

We own core position at lower prices with 2 round Trips of profitable moves. But re entry (½ recycle)- Net long position was stopped out at 32.97 on 6/20 (Entry @ 4/3 @ 35.87). Looking for sweet spot to re enter – increase exposure.

- 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 .

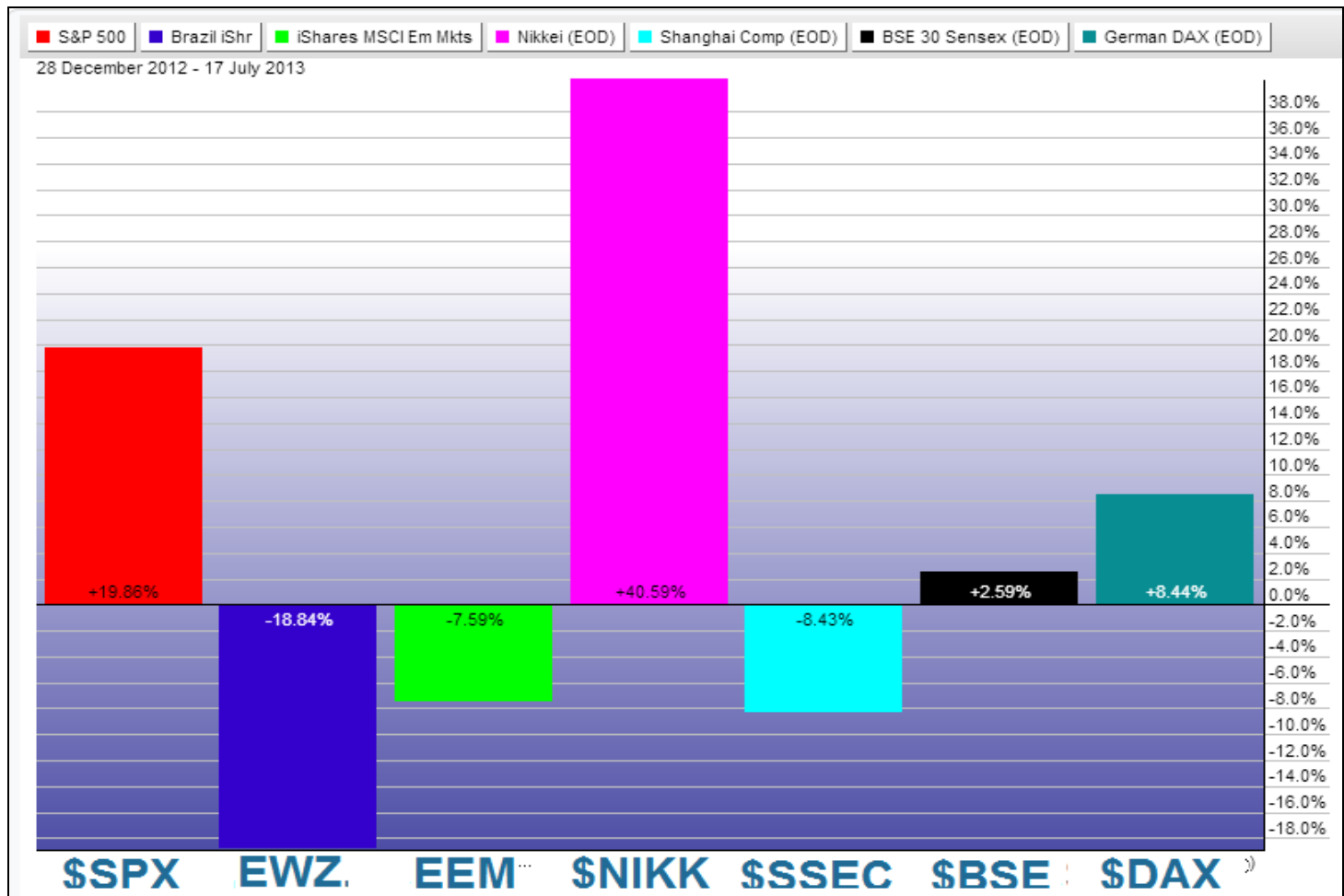
- Emmrg. (EEM),

EEM bounced to CZ 40.75-39.7 & failed in Bearish CZ . We Triggered Net Short 7/17 – Pre announced on 6/30. The decline target to RE TEST the ABC down 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.

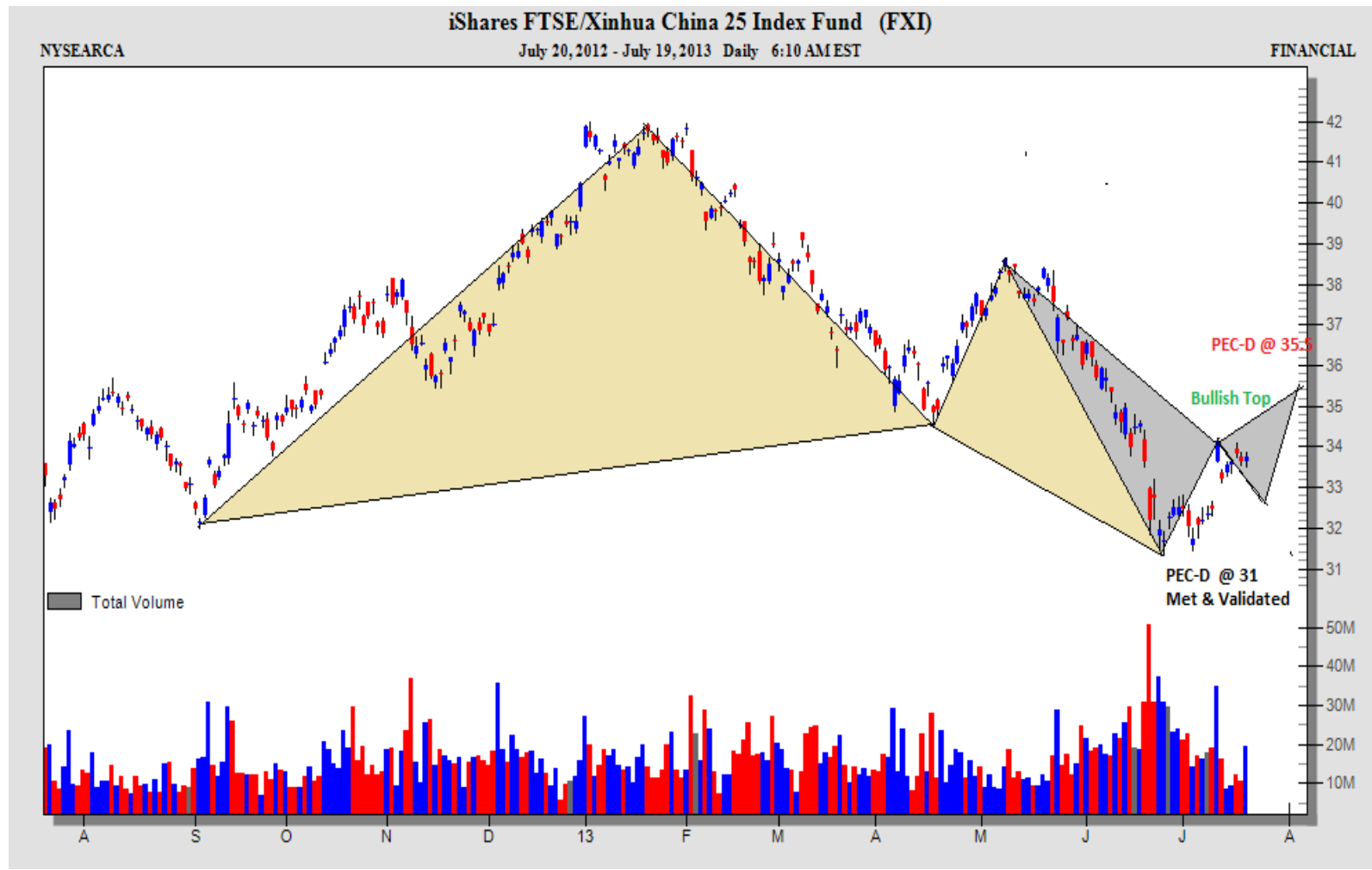


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – **Bullish**

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

DOWNSIDE – PEC-D 31- Met & validated. It was false break below, Come back in range

1st UPSIDE – PEC-D @ 35.3 Bullish top

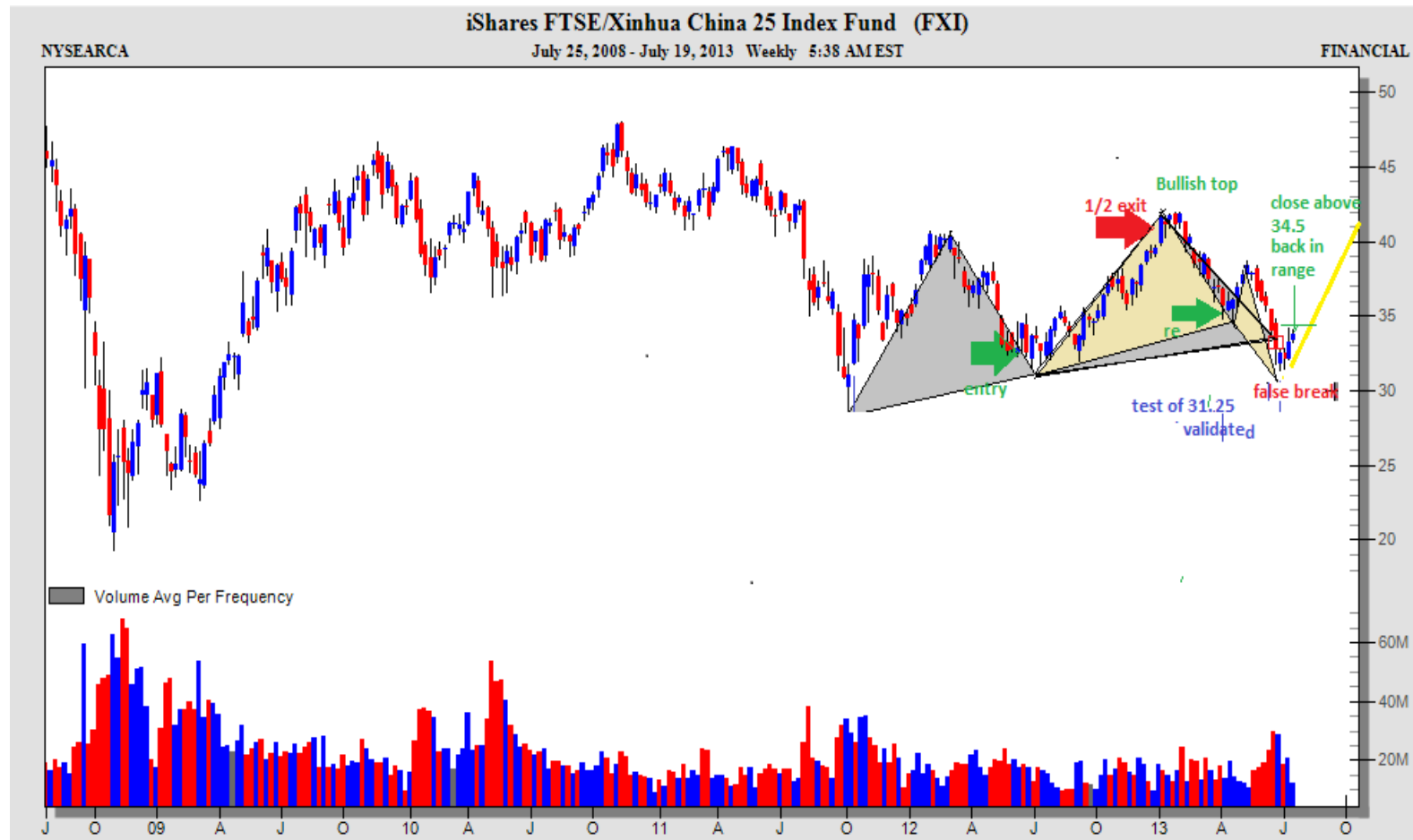


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – Weekly - Bigger picture

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

DOWNSIDE – PEC-D 31- Met & validated. **Close above 34.5 should Come back in range to get traction upside**

2nd UPSIDE – CZ 42-43, - Met - 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. After back filling the rally should begin

1ST UPSIDE – PE-CD @ 2300, CZ 2400-2350, - Bullish top

Final Upside - Target CZ 2600-2650 -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 – CZ 12500-12200 - **Met exact** – Bullish Bottom and rally began . - (11,100-10800) is the Floor .

Upside - **Target CZ 15900-15600** Bullish top (PEC-D pattern) . **Larger ABC at - 17000,**

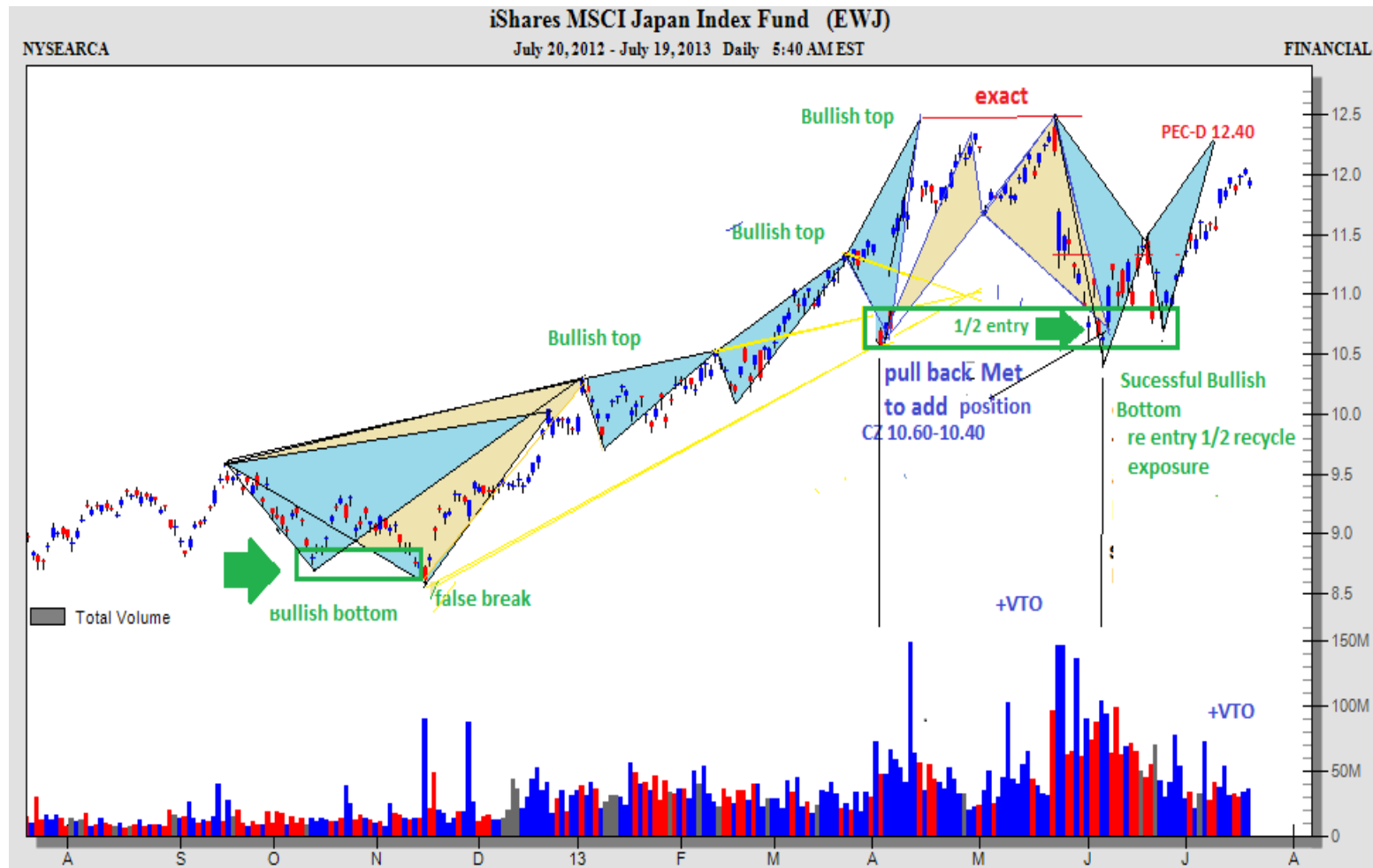


EWJ (JAPAN)- CZ / PEC-D / Ratio Analysis – **Bullish**

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

Downside – CZ 10.60-10.40 - **Met exact**- Bullish Bottom and rally began. (10.2-10) is the Floor .

Upside - Target CZ 12.5-12.40 Bullish top (PEC-D pattern). **Larger ABC at 13.40-13.70,**

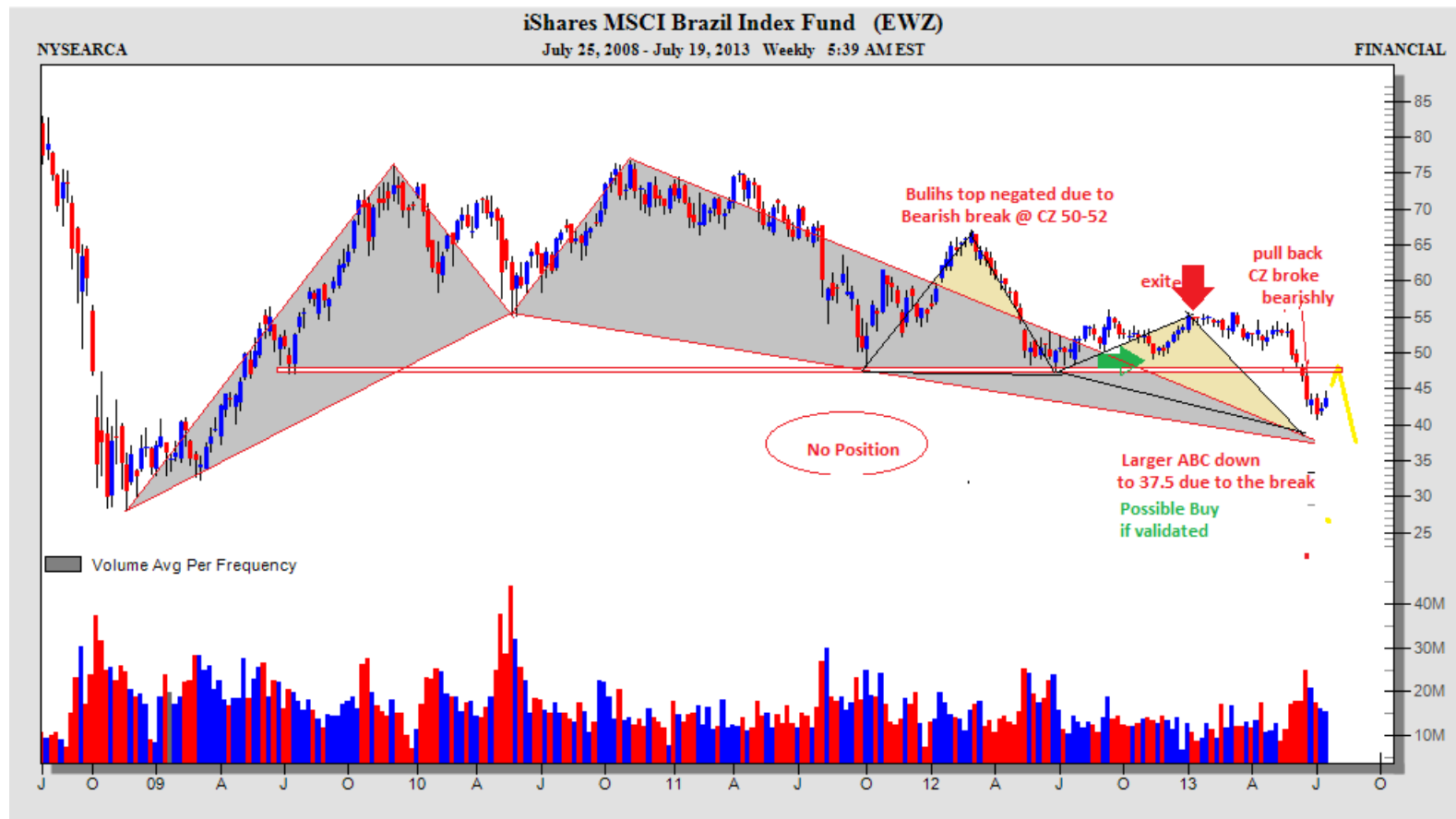


EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral – Bearish bias

- Texture – NEUTRAL TOP & BEARISH BOTTOM

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

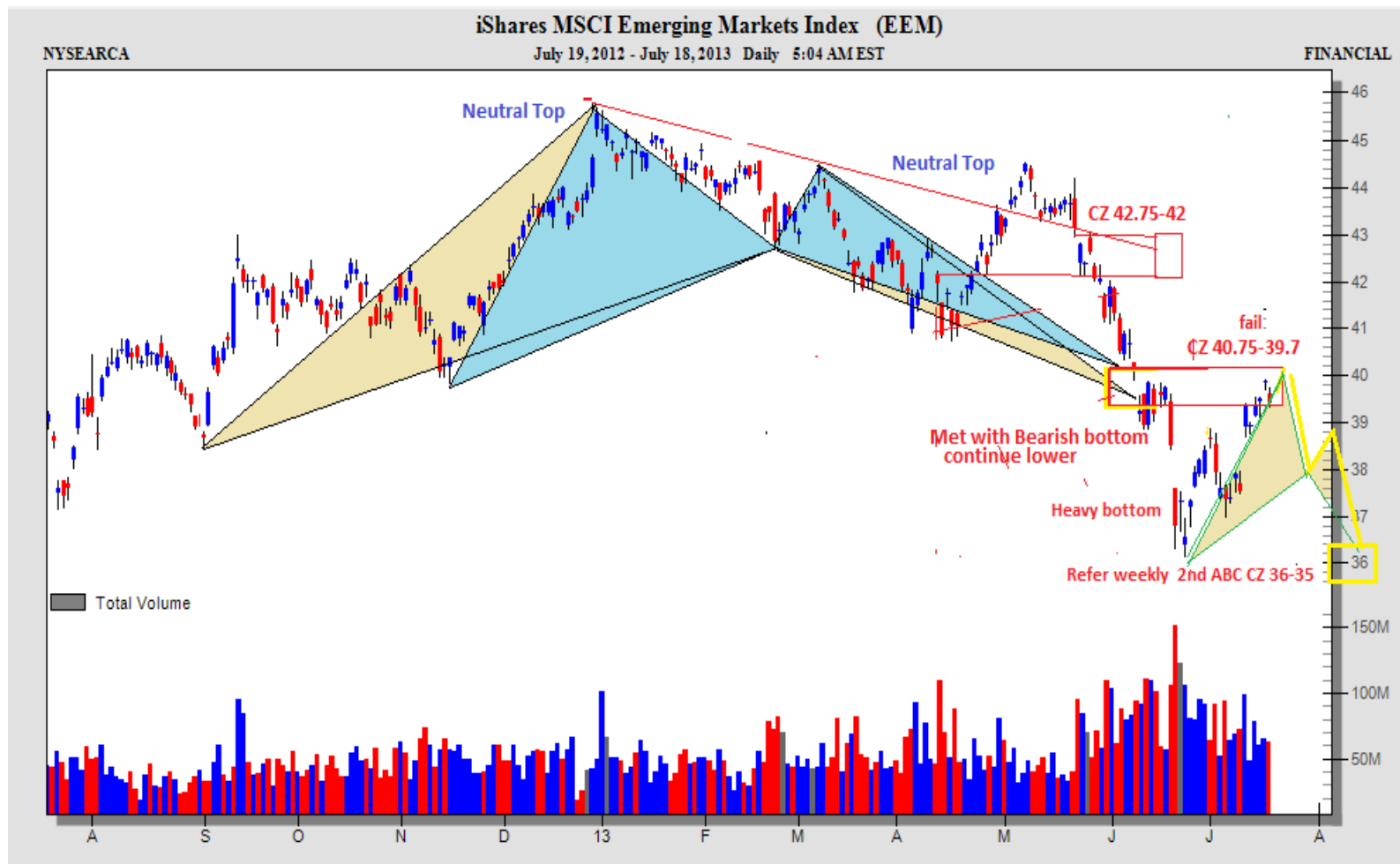


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily - Bearish

- Texture – BEARISH TOP & BEARISH BOTTOM

UPSIDE – CZ 39.75 - 40.75- Met & failed ,

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

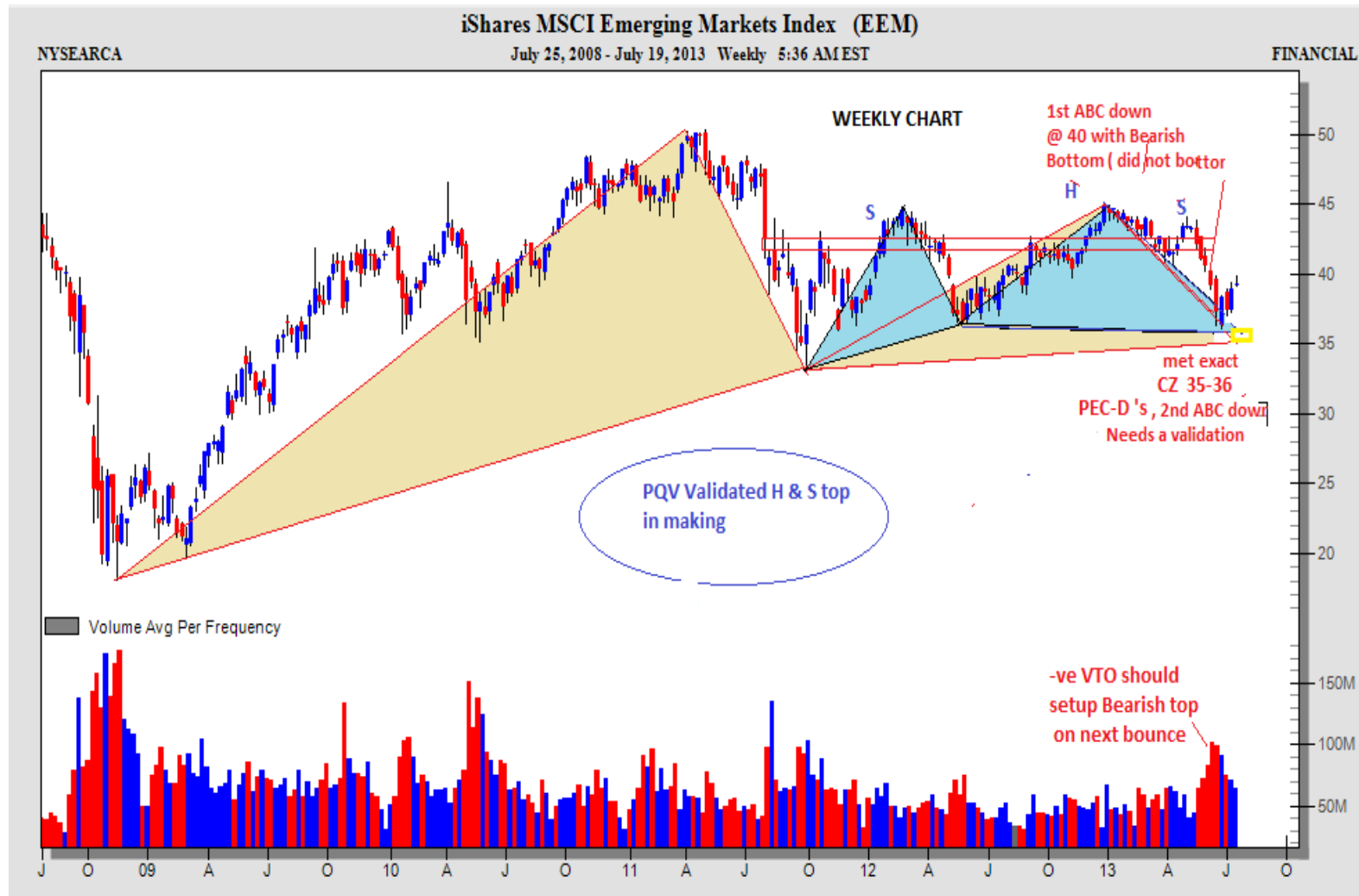


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Weekly - Bearish

- Texture – BEARISH TOP & BEARISH BOTTOM

Head & Shoulder Top is still in tact.

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



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. .

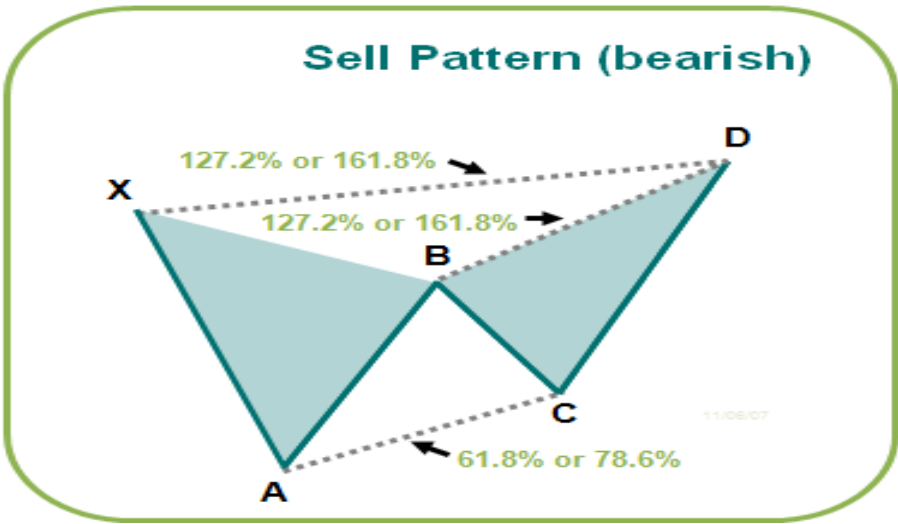
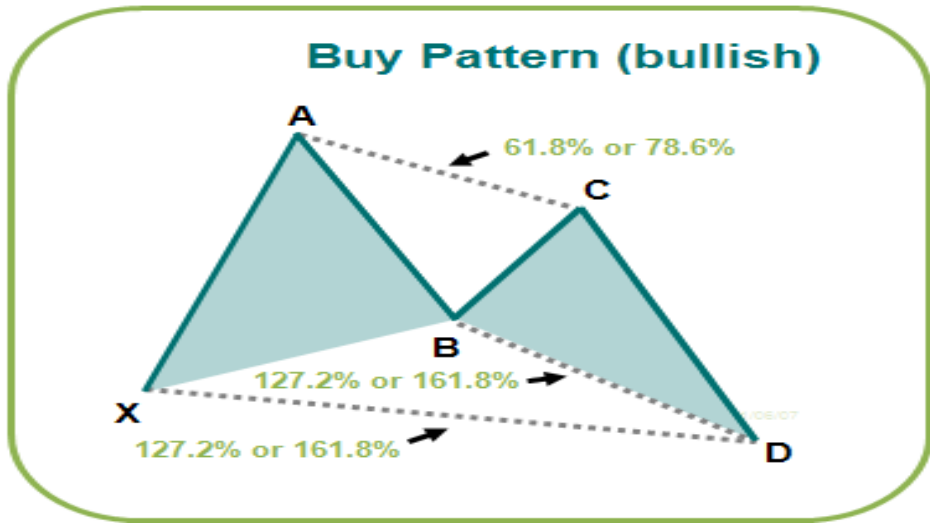
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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 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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