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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) Pre announcement	38.50	POM 14-Re (SPX) On 6/24	Main CZ 44.50-43.50 on 1/04	NEUTRAL Bearish bias	CASH	Net Short Scale within 40.75-39.75 RM – 41.5	CZ 40.75 - 39.75 Bounce Should fail	CZ 43-42.25 Bounce Should fail	CZ 39.75-40.75- Met with Bearish Bottom	CZ 36-35 Met with Bearish Bottom	First leg down had high volume . Bounces are anemic Weekly H & S top
EWZ (BRZL)	43.86	POM 14-Re (SPX) On 6/24	Main CZ 57-55.50 on 1/04	NEUTRAL Bearish bias	CASH	NONE	PEC-D 48.5 Bounce Should fail	CZ 57-55.50 Bullish Top Negated	CZ 50 -52 Broke with Bearish Bottom	PEC-D @ 37.5 Possible area for Long	Ditto- Exited for 5.5% profit. (53 to 56.
FXI (CHINA)	32.52	Main CZ @ 33.57 On 9/26 Is intact Core position	Secondary CZ 36.50-35.25 4/03	BULLISH Pull back extended Beyond CZ Re entry stopped @ 32.97	Net Long	NONE	CZ 43-42, Bullish Top	Target on \$ SSEC CZ 2700-2600	CZ 35.25-36.50 – Bullish bottom Extended	PEC-D 31 PQV validation required	For Recycled exposure . Re entry. 35.87 (4/03) Stop @ 32.97 Earlier exited at 41.74, 1/23 for 8 points

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\$NIKK (JAPAN) Or DXJ	13,700	Main CZ @ 8500 . On 10/10	CZ 8600-8450	BULLISH	Net Long (recycling exposure re-entered Announced 5/31	NONE	CZ 15900-15600 Met exact with Bullish Top	New ABC up to 17000 after Pull back complete	CZ 12500-12200 Met with Bullish bottom	CZ 11,100-10800 (floor)	Holding ½ position since 8500 (10/10) up 60% for ABC up ½ Recycling Position locked in 25% prfit 8500 to 10900
EWJ COR - (JAPAN)	11.22	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH	Net Long	NONE	CZ 11.80-11.60 met with Bullish Top	CZ -13.70-13.40	CZ -10.60-10.40 Met with Bullish bottom	CZ 10.2-10 (floor)	Holding ½ position since 9.05 (10/10) up 25% for ABC up

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

Global Indices Overview

- **BULLISH INDICES - EWJ (Nikk), FXI (China), (pull back in progress)**
- **NEUTRAL with BEARISH Bias - EEM,EWZ**
- **China (\$ SSEC / FXI)**

Since last Report , CHINA broke down below its pull back Bullish CZ lows. The extension has been on Neutral Bottom and has it not negated the uptrend. It may just take slightly longer to build a base before the new uptrend begins. **CHINA** has Bullish top_.

Our re entry (½ recycle)- Net long position was stopped out at 32.97 on 6/20. Entry @ 4/3 @ 35.87. Earlier 2 round Trips has been profitable moves. We own core position at lower price. Downside **PEC-D 31 should be validated before sustainable up move** (We will announce, the ½ re entry when validates)

- **Japan (NIKKE / EWJ)**

NIKKE's pull back came in right into **CZ 12500-12200** . We Pre announced re entry on 5/31 , ½ recycling Net long position . Correction was well justified within the Bull market.

NIKK should have some backfilling around this CZ area & re test into **12500-12200** based on VTO, before sustainable move higher begins towards the Bullish Top . In spite of this correction !! r **NIKK has moved up (62%).& EWJ up (23%)** . since our Trigger .

NIKK remains under owned as Asset class within Investment community in past decade, the new inflows should initiate up move . As indicated on 31ST May Report DXJ is currency adjusted instrument for NIKK.

- **Brazil (EWZ) ,**

Once the pull back CZ 50-52 Broke down with High volume, NEUTRAL turned Bearish bias with Bearish bottom . Bullish Top was negated. Market did not even bounce

We have **No Position** . we exited at 56. At current levels , there is no favorable Risk / Reward. Till.....

EWZ bounces to PEC-D 48.5 to go Net Short & then the 2nd ABC down on larger scale to PEC-D 37.5 This should provide great entry Net Long based if PQV is validated.

- **Emmrg. (EEM),**

Once the pull back CZ 40.75-39.75 Broke down with High volume, NEUTRAL turned Bearish bias with Bearish bottom . Market did not even bounce

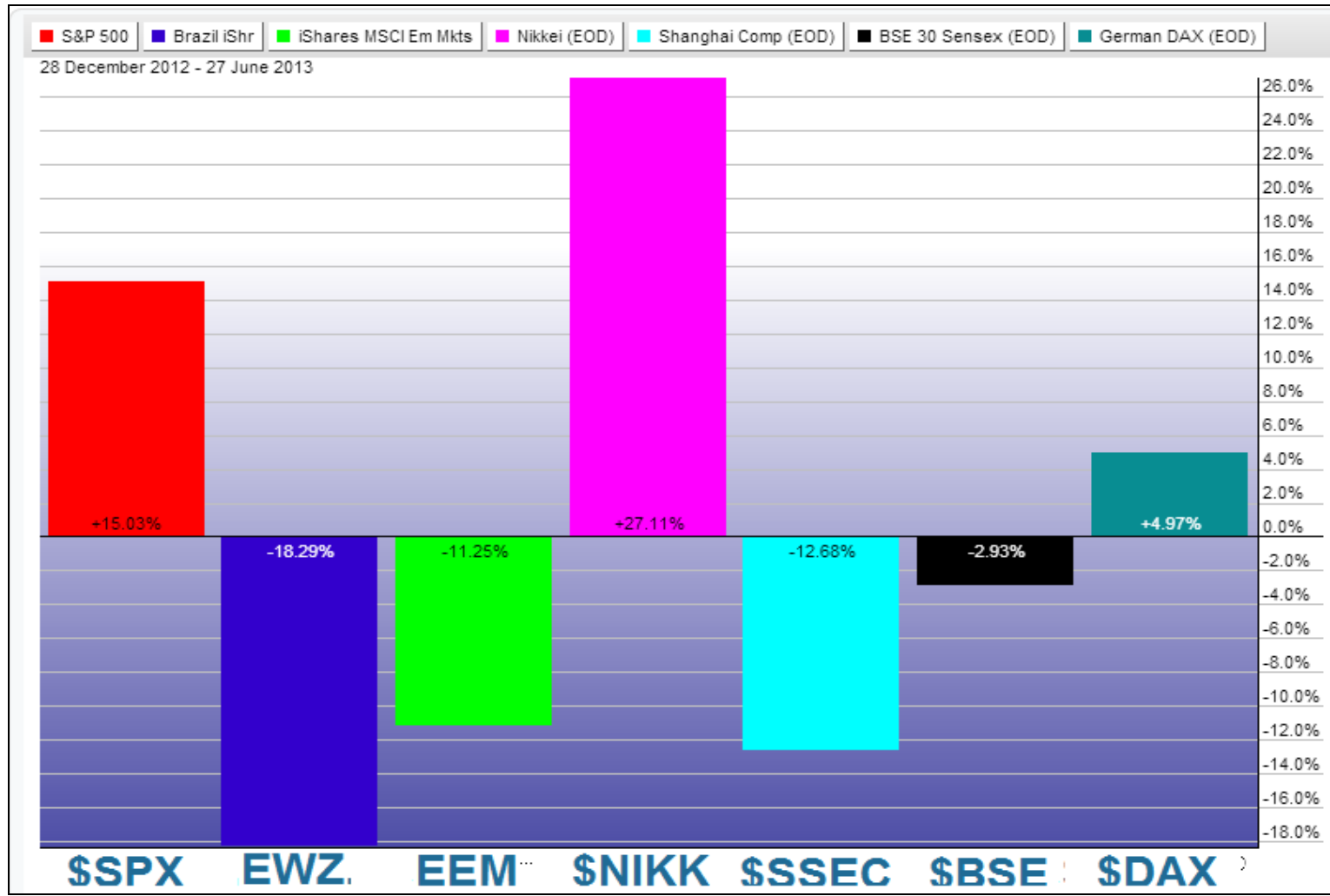
We have **No Position** . At current levels , there is no favorable Risk / Reward. Till....

EEM bounces to CZ 40.75-39.7 to go Net Short - **Trigger to watch**. & then decline to RE TEST the 2nd ABC down CZ 36-35 – 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.



§SSEC (SHANGHAI) / Poly Trend & Ratio Analysis - **Bullish**

DOWNSIDE – MET - CZ 2200-2275 with Bullish bottom is extended. It is false break below – Neutral bottom

1ST UPSIDE – CZ 2400-2350, Met with - Bullish top –



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

DOWNSIDE – Rejected lows 2000 -1950 Bullishly. After back filling the rally should begin

Final Upside - Target CZ 2700 -2600 -Larger PEC-D pattern validation is intact .

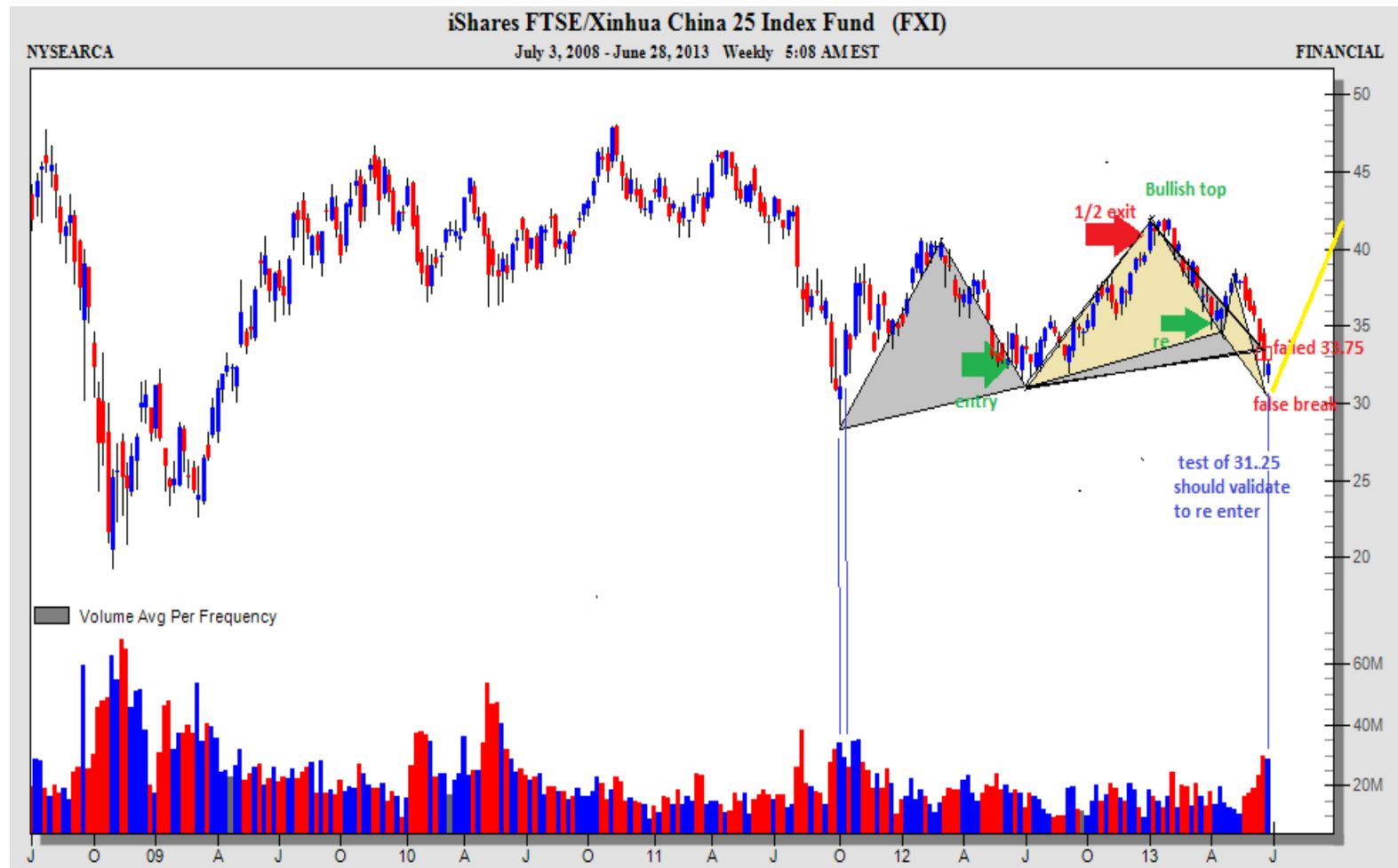


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – **Bullish**

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

DOWNSIDE – CZ 35.25-36.50 is extended. It is false break below – Neutral bottom
PEC-D 31 should be validated before sustainable up move (We will announce)

1st UPSIDE – CZ 42-43, - Met - Bullish top



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

- -Texture - BULLISH TOP & BULLISH BOTTOM

Downside – CZ 12500-12100 - **Met exact** and rally began . - . (11,100-10800) is the Floor .

Upside - **Target CZ 15900-15600** Bullish top (Larger PEC-D pattern)

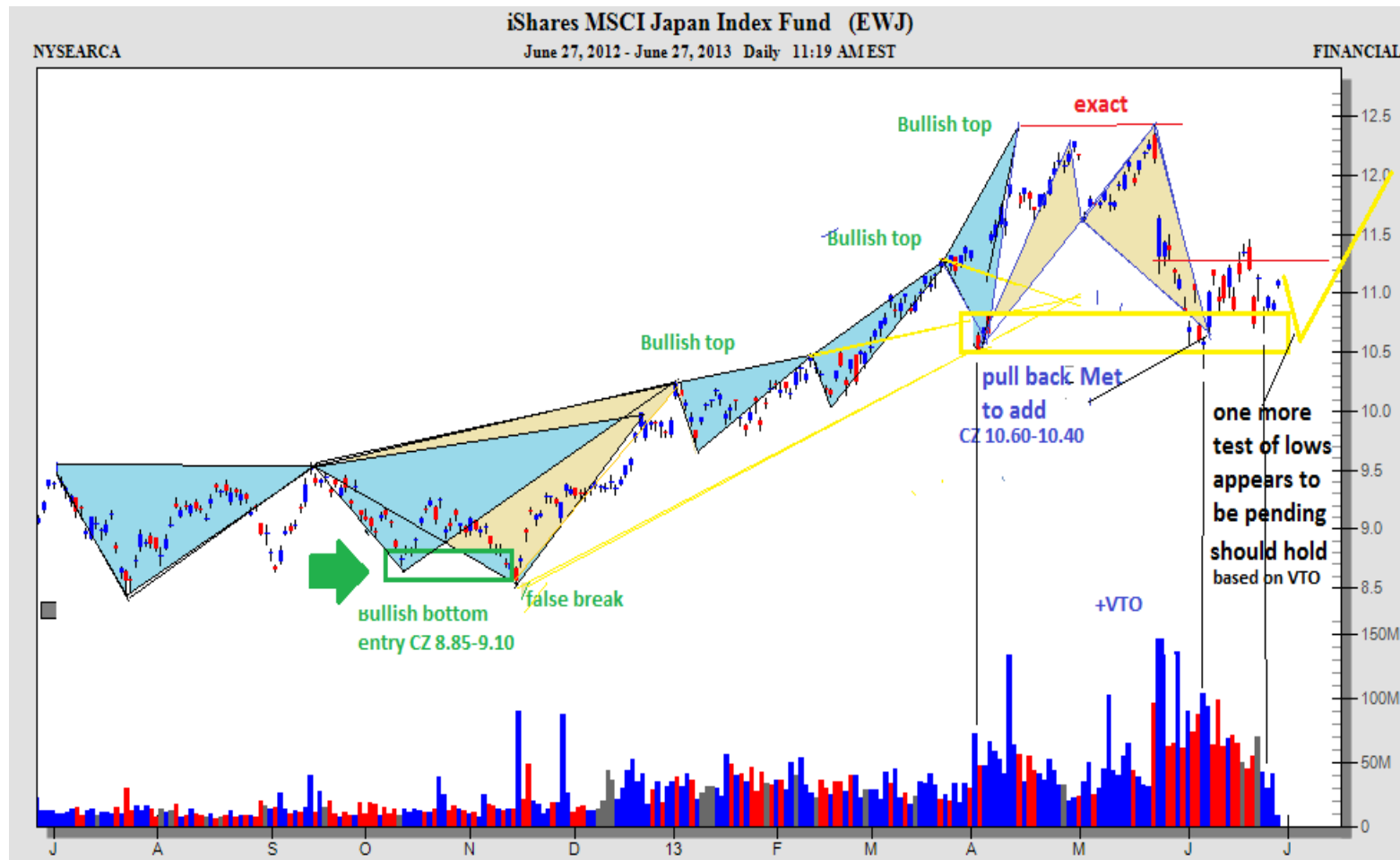


EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – **Bullish** – **Pull back in Progress**

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

Downside – CZ 10.60-10.40 **Met exact on** Pull back target, Re test within CZ is possible and then next ABC up .(10.2-10) is the Floor .

Upside - CZ - with Bullish Top , **Larger ABC at 13.40-13.70,**

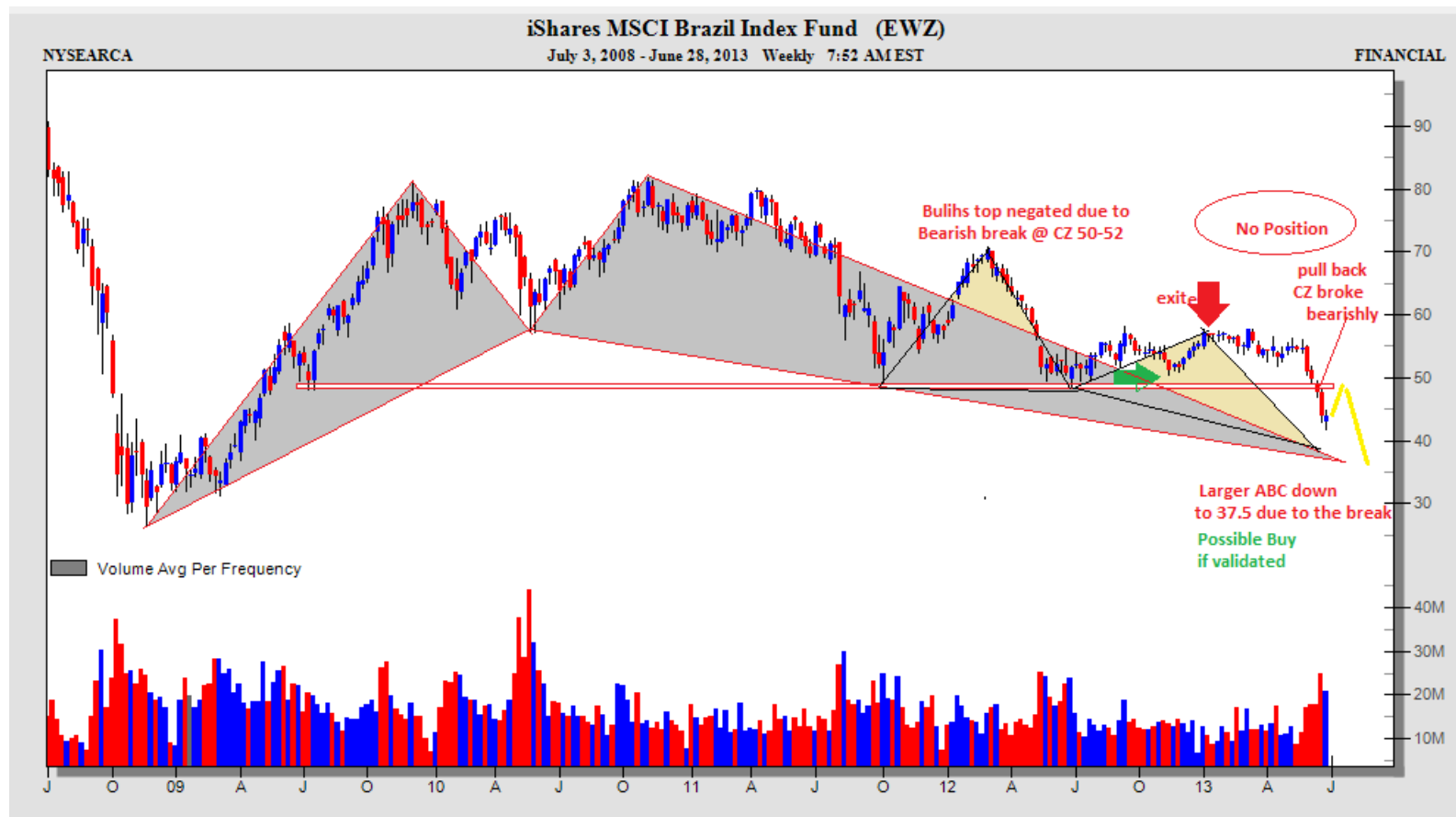


.EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral – Bearish bias

- Texture – NEUTRAL TOP & BEARISH BOTTOM

DOWNSIDE -- CZ 50-52 – 1st ABC Broke with volume (Without bounce) & began 2nd ABC down to PEC-D 37.5 . (Possible Buy)

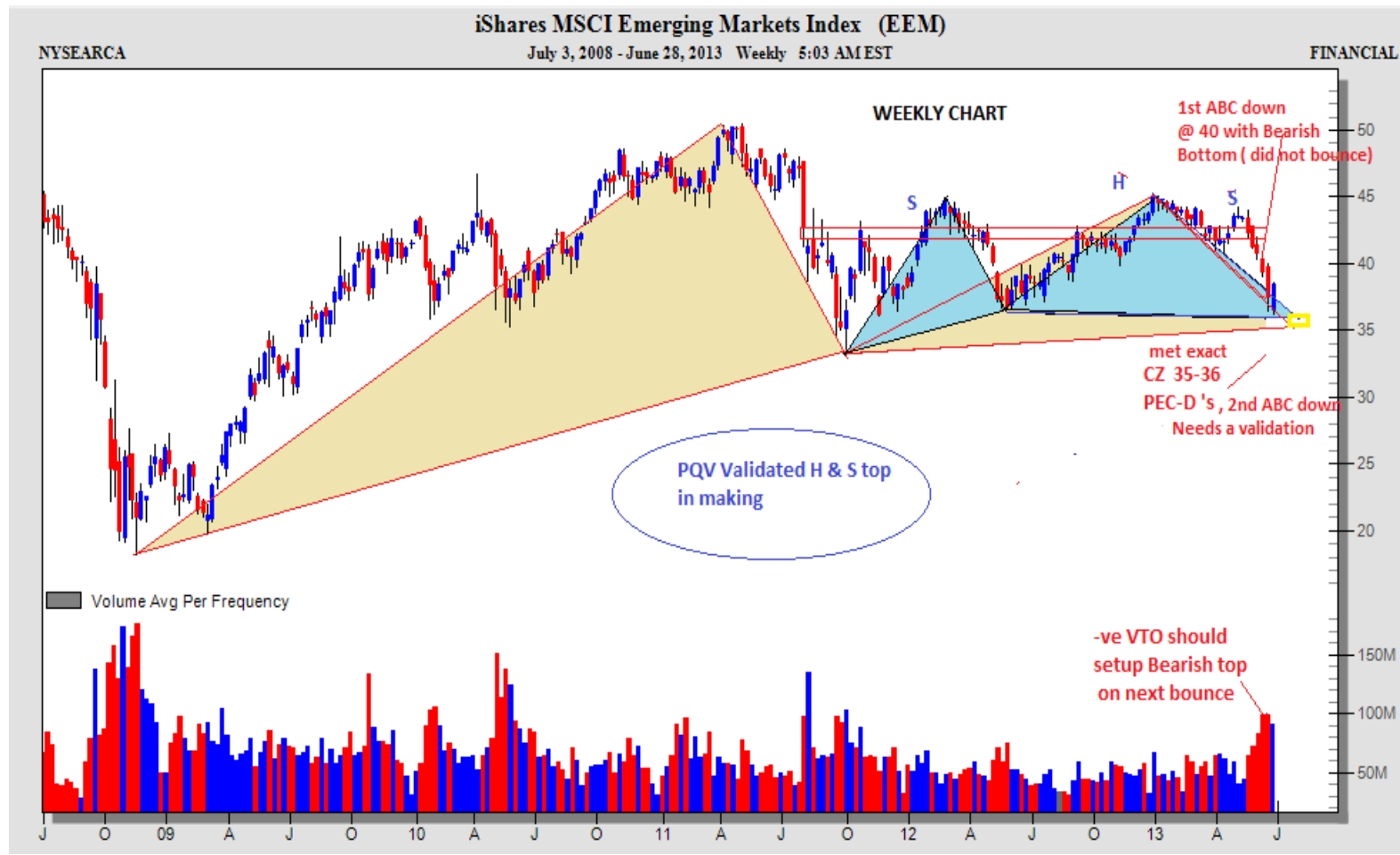
UPSIDE -- CZ 50-52 – top heavy , should fail



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

- Texture – NEUTRAL TOP & BEARISH BOTTOM

DOWNSIDE – CZ 36-35 Target- **Met exact as projected**, with heavy bottom , It needs a PQV Validation

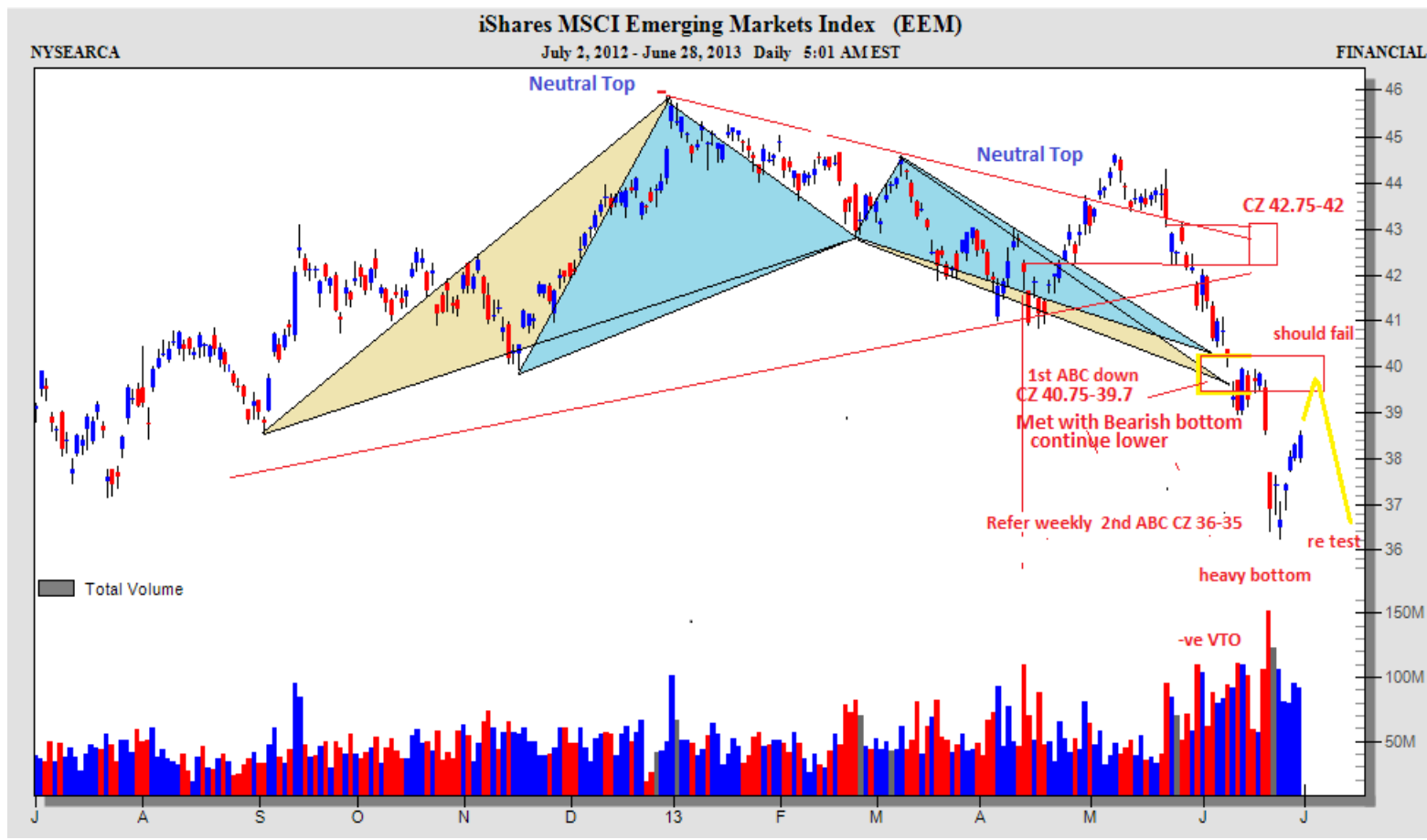


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily - Neutral – Bearish bias

- Texture – NEUTRAL TOP & BEARISH BOTTOM

UPSIDE – CZ 40.75-39.75 CZ to fail - Trigger to watch , This was 1st ABC down which did not even bounce in weak Market

DOWNSIDE – CZ 36-35 Target- Met exact as projected, 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. .

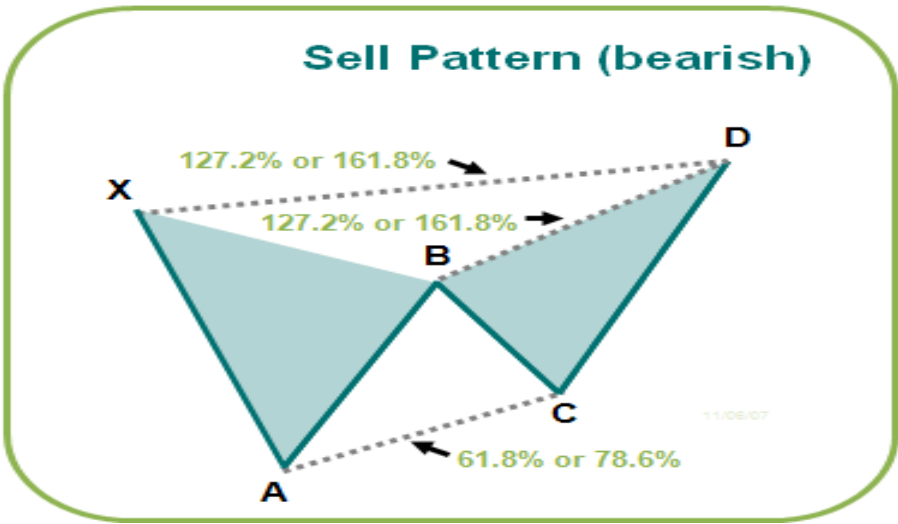
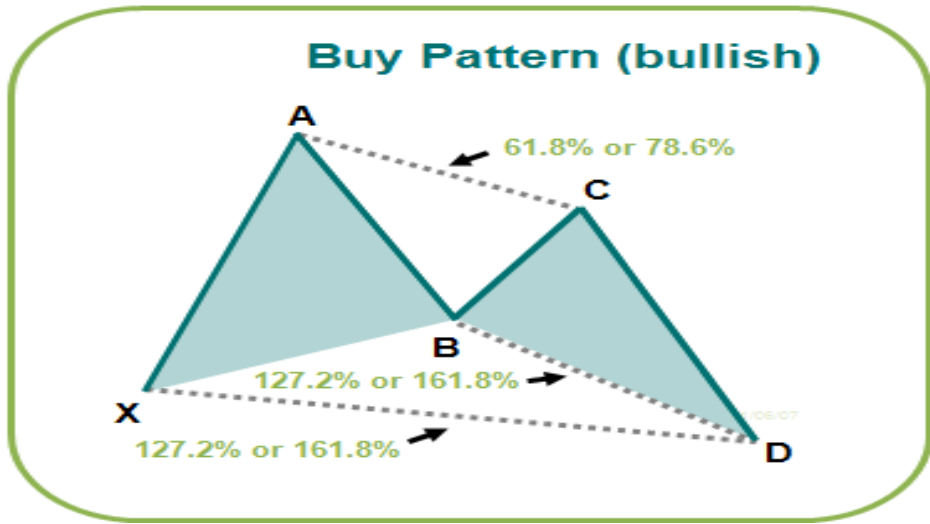
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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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