Date : 23st March 2013 (Saturday)

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	Current Exposure / Holding	NEW ACTION (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
FXI (CHINA) **Pre announcement**	36.94	Main CZ @ 33.57 On 9/26 Is intact	Secondary Re entry CZ 36.50-35.25	BULLISH Bottoming	Net Long Exited ½ @ for 24 % profit. On 1/23 (41.74) in current rally	Increase 5% to 10%	Initiate recycle exposure- Scale Within CZ 36.5-35.25	CZ 43-42, Met With Bullish Top		PEC-D 38.25 Met & exceeded	CZ 36.50-35.25	Holding ½ core position since 33.25 (9/26) for Larger ABC up
$NIKK (JAPAN)	12,338	Main CZ @ 8500 . On 10/10	CZ 8600-8450	BULLISH SHORT TERM PULLBACK	½ Net Long Exited ½ @ for 25 % profit. On 1/11 (10900) in current rally	5%	NONE		CZ 12000 - 11800 Met & exceeded With Bullish Top	CZ 11200-11000 (Next opportunity for long	CZ 10600-10300 (floor)	Holding ½ position since 8500 (10/10) for next ABC up Especially LT weakening YEN target is from 76 to 120
EWJ COR - (JAPAN)	10.77	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH SHORT TERM PULLBACK	½ Net Long Exited ½ @ for 8.9% profit. On 1/11 (9.85) in current rally	5%	NONE	CZ 10-9.85 Met & exceeded With Bullish Top	CZ 10.80-10.60, Met with Bullish Top	CZ -10.2-10 (Next opportunity for long		Holding ½ position since 9.05 (10/10) for next ABC up

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$BSE MUMBAI	18750	POM 15 In SPX COR	CZ 20050-19650 On 1/16 19850 mean price	CAUTION	n/a	n/a	n/a	20160 Spike up Drive 3 rd Completed	CZ 19200-19100 Right Shoulder -2	CZ 18700 – 18400 Approaching 2nd ABC down with force		our projected Spike high 20160 resulted in decline to 18750
EEM (EMRG)	41.96	POM 15 In SPX	CZ 44.50-43.50 on 1/04	NEUTRAL Bearish bias	CASH	0%	NONE	CZ 44.30-43.40 Met & failed		Follow SPX pullback	CZ 40.5-39.5	Bullish Top Negated !! due to volume pick up on downside
EWZ (BRZL)	53.73	POM 15 In SPX	CZ 57-55.50 on 1/04	NEUTRAL	CASH Exited longs @56	0%	NONE	CZ 57-55.50 Bullish Top		Ditto	CZ 50.5-49.5	EWZ - Good candidate to be long in next pull back l Exited for 5.5% profit. (53 to 56. In current rally

- ## **_SIGNALS. - Price Projection CZ , Trading / Investment Conclusion_**

Global Indices

- **_BULLISH INDICES -_**   **_FXI (China) – Bottoming_**
  EWJ (Nikk) . (Short term pull back due)

- **_BEARISH INDICES-_**   **_BSE , HK_**

- **_NEUTRAL INDICES -_**   **_EEM,EWZ_**

Global Indices Overview

- **_China ($ SSEC / FXI) , Japan (Nikk / EWJ)_**

We remain Net Long on **$ SSEC, $NIKK.** Both Indices have Bullish tops, suggests shallow retracement . We plan to add the ½ exited exposure back in these markets after the pull back for continuation move higher. Next leg up should be powerful

$NIKK(Japan) _continues to get assistance from **weaker YEN** . This should continue for few years. It is Major change in Trend. Since our triggered NIKK moved up (33%)._

 In our next entry in Japan , we should replace **EWJ with DXJ** which takes into account currency adjustment to get full benefit of NIKK (Refer chart below)

$ SSEC (China)- _has rallied 22% since our entry and is ready for re entry as per our Trigger announcement. ._

- ### *HSI (Hong kong)*

 HK (Hong Kong)- *We called the top* *at 23700* *in* **special Report on 1/23** *on the very day* **,** *now it has declined* *1600* *points to 22,100.*

- ### *Brazil (EWZ) , Emmrg. (EEM),*

EWZ, EEM Remains NEUTRAL , EWZ (Brazil) formed Bullish Top .   At current levels , there is no favorable Risk / Reward till we get meaningful pull back for adding Long positions. These are NOT Short Candidates

- ### *Mumbai ($ BSE)*
- ### *Signal is Exclusively benchmarked via SPX- POM 14 & COR with PEC-D, CZ pattern completion.*

In our last Global Report 2/08 , we had indicated 1st ABC down to CZ 19200-19100 that was completed at the time of our Annual conference. In our presentation on the very day dated 3/2 , Our expectation (also previously re – iterated on 19th Jan Report Chart) was bounce to 19500 for 2nd ABC down to CZ 18700-18400 . BSE approached the zone Friday on 2nd ABC down .   Test of CZ 18700 -18400 is very critical for us (see important charts below)

BSE's Top came in at SPX - POM 14 signal within CZ 20050-19750. Spike high Triggered at 20160 (WAVE 1-3-5) completed the Top . SPX , COR is at 0.8 . failed via PQV within CZ

• 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.

Legend: ■ S&P 500   ■ Brazil iShr   ■ iShares MSCI Em Mkts   ■ Nikkei (EOD)   ■ Shanghai Comp (EOD)   ■ BSE 30 Sensex (EOD)   ■ German DAX (EOD)

28 December 2012 - 21 March 2013

QE - 4 is holding SPX but not NYSE & NASD

Sensible Buying in NIKK & china holding the market up

European QE is holding but not as much as FED's

NO GOD FATHER to these Markets , including HSI all down YTD

+10.22%   -2.55%   -4.35%   +21.55%   +4.07%   -3.35%   +4.21%

$SPX   EWZ.   EEM $NIKK $SSEC $BSE $DAX

$SSEC (SHANGHAI) / Poly Trend & Ratio Analysis - *Bullish – Bottoming*

DOWNSIDE – CZ 2275-2200, - met , Scale in within CZ " Trigger entry " – *Ready for next leg up.*

 UPSIDE – CZ 2400-2350, - met exact with - Bullish top , (Exited ½ , Holding ½) – *Refer note within the chart*

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

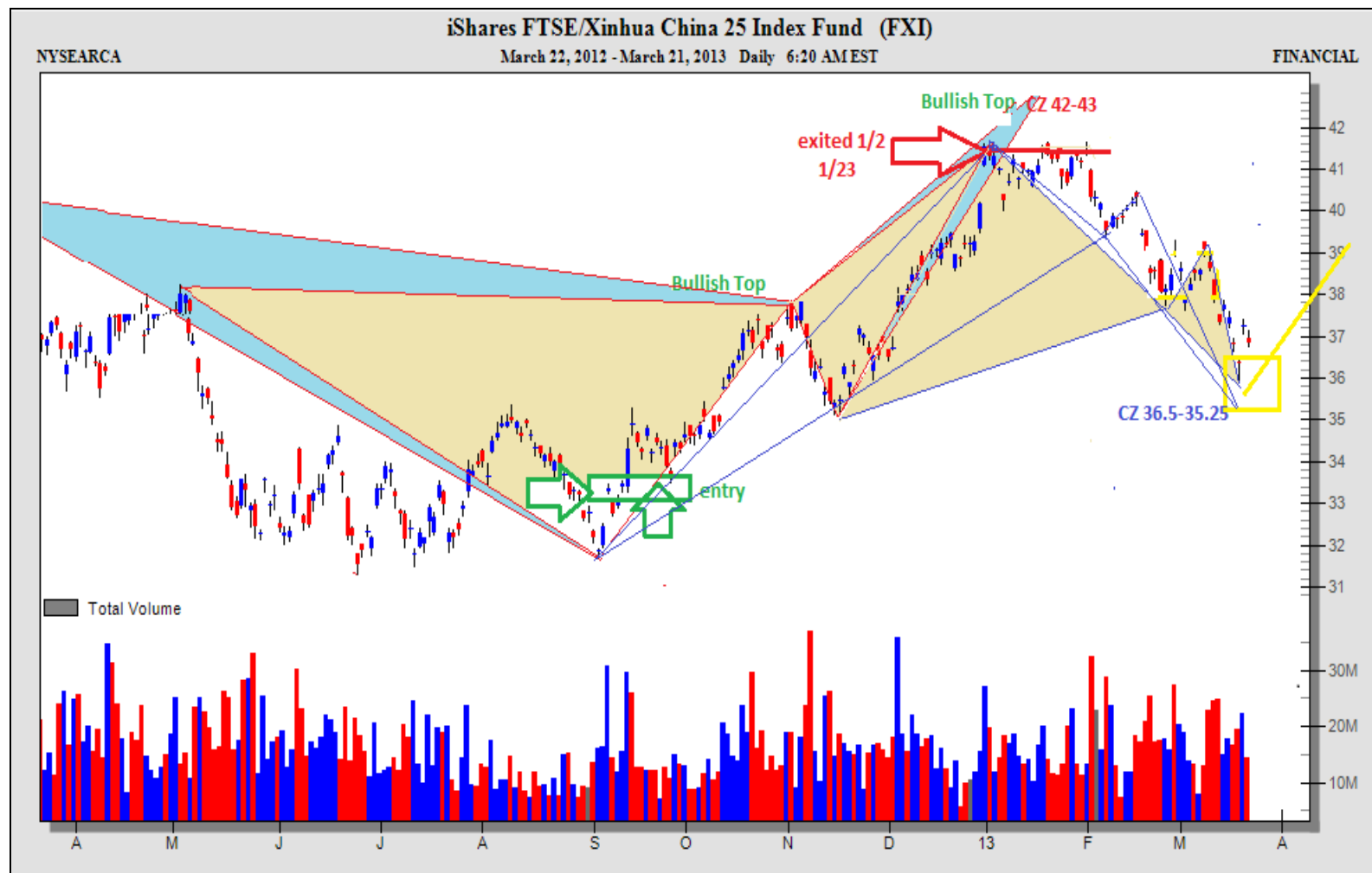**2nd - Upside -** *Target 2700 -Larger PEC-D pattern validation is intact .*
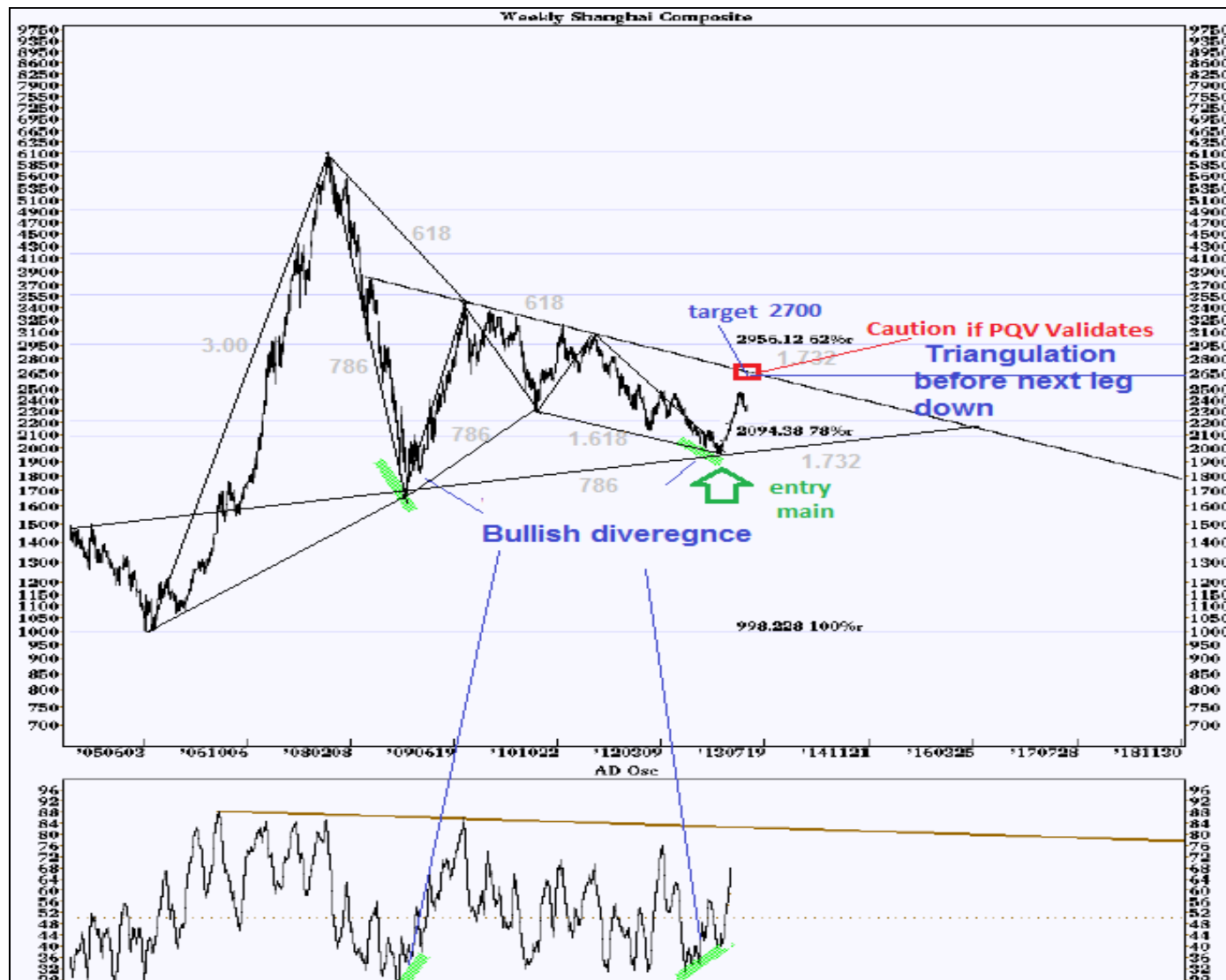
FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – *Bullish – Bottoming*

- *Texture - BULLISH TOP & BULLISH BOTTOM*

DOWNSIDE - CZ 36.50-35.25,   Scale in within CZ " *Trigger entry* " – *Ready for next leg up.*

UPSIDE – *CZ 42-43, - almost met - with Bullish top , (Exited ½ , Holding ½)*

$HSI (HONG KONG) / PEC-D / Ratio Analysis. – (Special situation - FYI)

Indicated in last Special Report 1/23 , HK finished Mid term – PEC-D Patterns under several time frames.

We called the top at 23700 , now it has declined 1600 points to 22,100.

NIKKE (JAPAN)– CZ / PEC-D / Ratio Analysis – *Bullish – ST Pull back*

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

Upside - Target CZ 12000-11800 – Met (Larger PEC-D pattern validation) with Bullish Top. remain long (exited ½ & Holding 1/2)

Downside – CZ 11200-11000 Pull back target and then next rally up. -
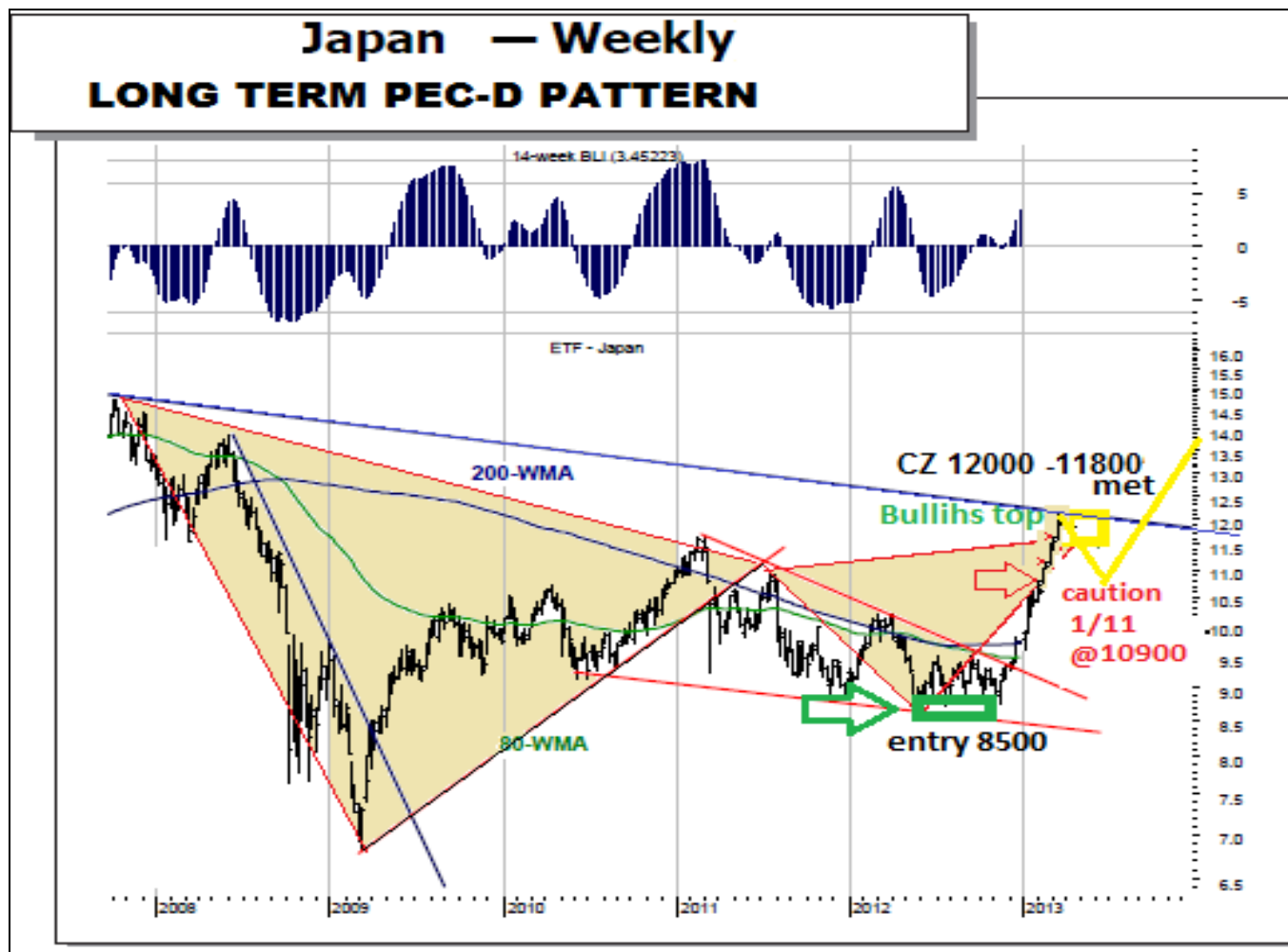
EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – *Bullish -* *ST Pull back*

- *-Texture - BULLISH TOP & BULLISH BOTTOM*

UPSIDE – *CZ 10.80-10.60 - met exact with Bullish top, remain long (exited ½ & Holding 1/2)*

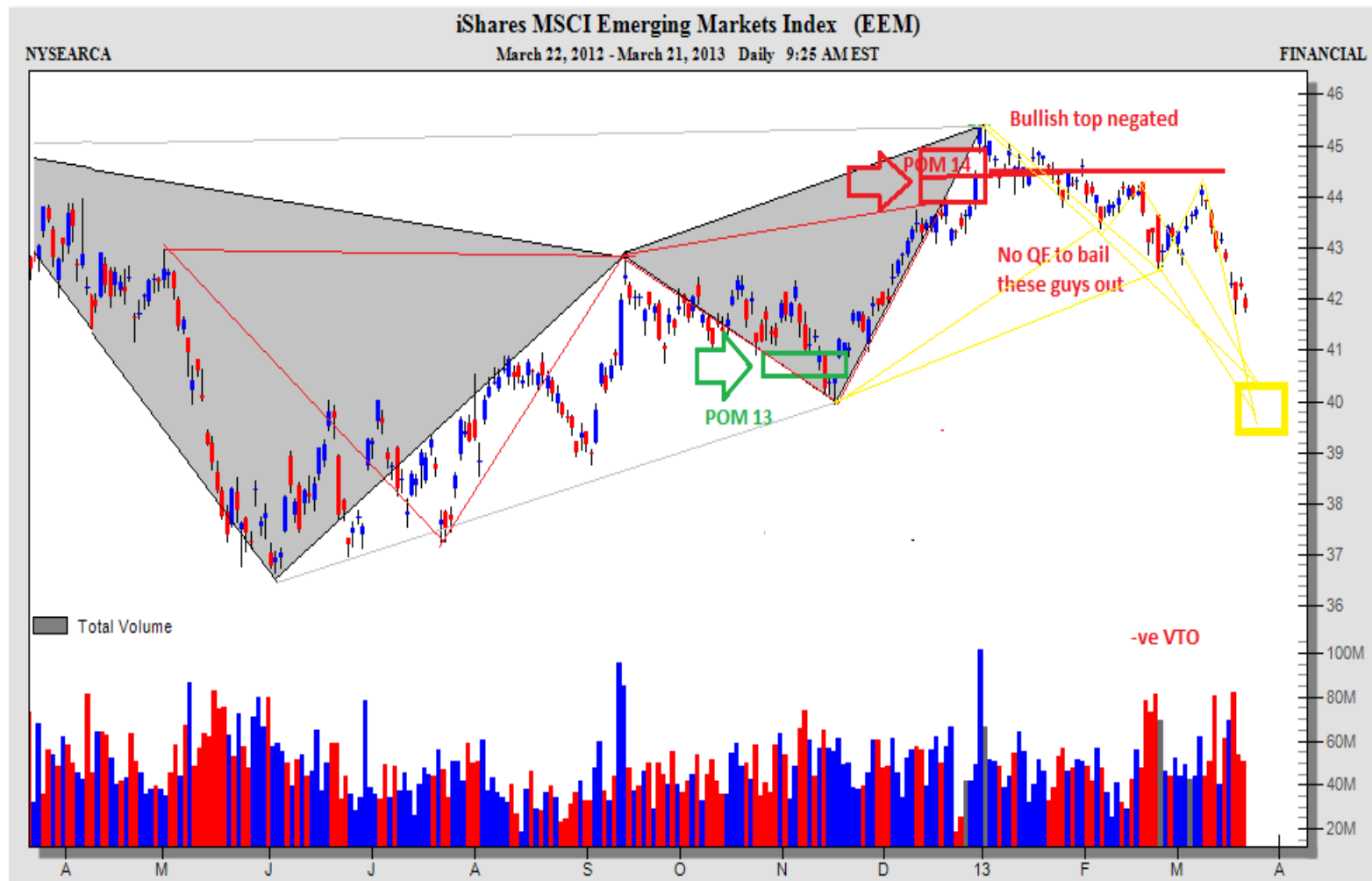*DOWNSIDE* - *CZ 10.2-10.0, Pull back target and then next rally up*
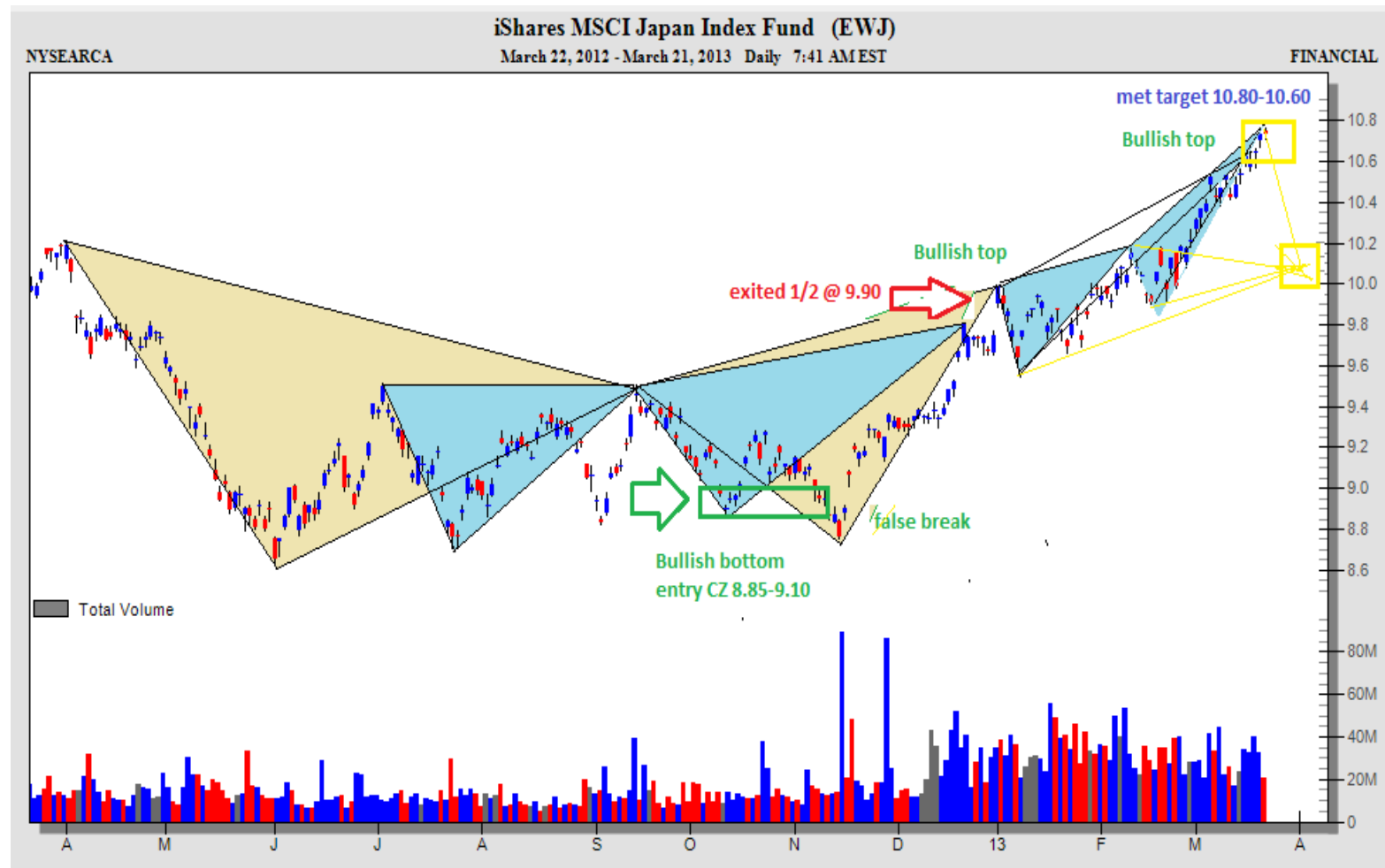
EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – *Neutral*

- ***Texture –*** **BULLISH TOP** **(NEGATED) & BEARISH BOTTOM**

UPSIDE – CZ 44.40-43.30 – Met exact / with Bullish Top (negated)

DOWNSIDE – CZ 40.5-39.5 & Follow SPX

iShares MSCI Emerging Markets Index (EEM)
March 22, 2012 - March 21, 2013 Daily 9:25 AM EST

NYSEARCA   FINANCIAL

Bullish top negated

POM 14

No QE to bail
these guys out

POM 13

Total Volume

-ve VTO

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

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

UPSIDE – *CZ 57-55.50 – Met exact* with Bullish Top . We wait to the texture of pull back

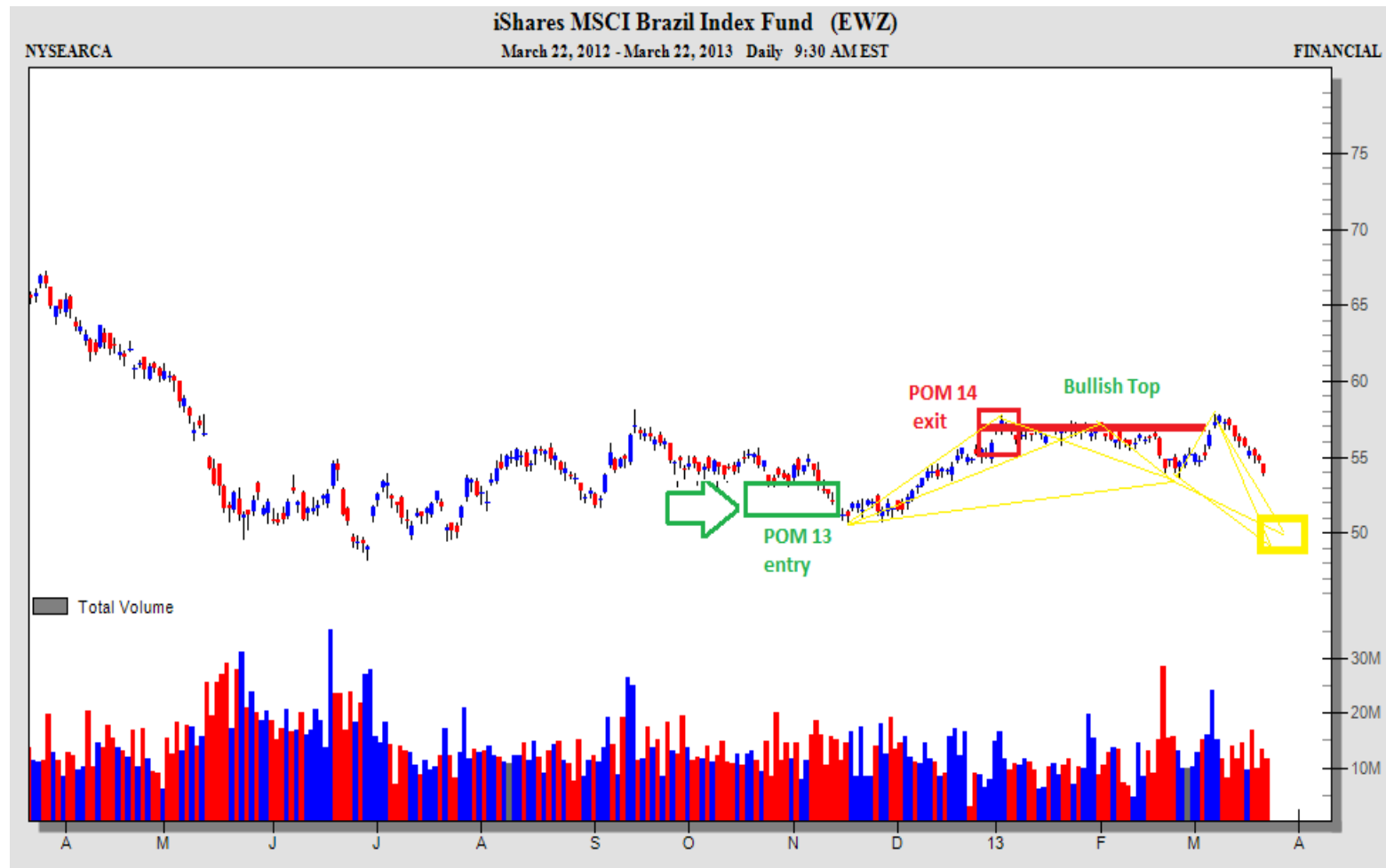DOWNSIDE – *CZ* 40.5-39.5 & Follow SPX

CHART 1- BSE (Mumbai) v/s SPX – ROC - Corr - MID TERM - *Caution*

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

Top Announced 1/16 - WAVE 1-3-5 Spike up @ met exact at 20160 at the Top of CZ CZ 20050-19750 (SPX – POM 14 @ 19800) , internal weakness with Bearish Top , Be CAUTIOUS. COR @ 0.8 levels.
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CHART 2- BSE (Mumbai) – (From Archive)

Chart below was presented in Annual conference 3/2 (also previously re – iterated on 19th Jan Report Chart)
Price path chart indicated - was from 18900 bounce to 19600 to set up 2nd ABC down to CZ 18700-18400 . BSE is approaching the zone Friday 3/22.

BSE (Mumbai) v/s SPX – ROC - Corr – Caution

CHART 3- BSE (Mumbai) v/s SPX – ROC - Corr – NEAR TERM - *Caution*

- *Texture – BEARISH TOP & NEUTRAL BOTTOM*

2ND ABC down is under completion, till such time (by PQV method) " No meaningful Risk / Reward". Without Proper test of CZ , BSE Bounce can form RS-2 (2nd Right Shoulder of double H & S Top") at CZ 19200-19100 (Notes within chart)
We rather see 2nd ABC down to be completed " NOW " without the bounce with successful penetration test in CZ 18700-18400 (for sustainable move higher or for change in +ve Volume texture) .

Note – This Analysis in BSE is " STRICTLY " 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

EEM (EMERG) - NEUTRAL -

EEM- Triggered POM 14, CAUTION within CZ 44.50-43.50, on 12/26, & 1/04 , This signal completed POM 13 on 10/15, NET LONG within CZ 41.5-40, We advice to Rebalance and maintain Underweight .
within CZ 81.5-79 All subsequent commentary refers to CZ to CZ moves are for Risk Management.

EWZ (BRAZIL) - NEUTRAL -

EWZ- Triggered POM 14, CAUTION within CZ 57-55.50, on 12/26, & 1/04 , This signal completed .POM 13 on 10/15, NET LONG within CZ 53.5-51.5, We advice to Rebalance and maintain Underweight
All subsequent commentary refers to CZ to CZ moves are for Risk Management.

FXI – ($ SSEC SHANGHAI) – BULLISH

FXI – Remains Triggered Bullish CZ on 9/19 & 9/26 (Pre- announced 9/11), Net Long within CZ 33.25-33.90
All Subsequent commentary refers to CZ to CZ moves are for Risk Management / rebalancing positions

EWJ (NIKKE JAPAN) – BULLISH

EWJ – Remains Triggered Bullish CZ on 10/10 (Pre- announced 9/25) , Net Long within CZ 8.95-9.15
All Subsequent commentary refers to CZ to CZ moves are for Risk Management / rebalancing positions

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FTSE (LONDON) - CAUTION

FTSE Triggered POM 14, CAUTION within CZ 6100-5950, on 12/26, & 1/04 , This signal completed POM 13 @ 5300 on 5/21 Net Long within CZ 5300-5400. We advice to Rebalance and maintain Underweight .
subsequent. commentary refers to CZ to CZ moves are for Risk Management / rebalancing overweight positions

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*

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 <u>UP</u> move, _POM 13_ signifies to <u>STOP</u> executing additional 'New Buys" that was initiated at _POM 12 or POM 11 levels_

- On way <u>DOWN</u> move, _POM 13_ signifies to <u>STOP</u> executing additional " New Short Sells" that was initiated at _POM 14 or POM 15 levels_

- <u>_(Bear Markets)_</u> **_POM 15_** is for - <u>**Net Short**</u> & **_POM 14_** is for - <u>**Hedge Longs**</u>

- <u>_(Bull Markets)_</u> **_POM 15_** is for - <u>**Hedge Longs**</u> & **_POM 14_** is for - <u>**Partial Hedge**</u>

- _POM 12 & 11 is for Net Long_

- **_POM 10_** is Climatic Crash low _Buy Signal_ to add to Net long position <u>**(Rear event)**</u>

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

The <u>Bullish Top IDX</u> 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. <u>These are NOT candidates for Short Sell. .</u>

The <u>Neutral Top IDX's</u> 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.
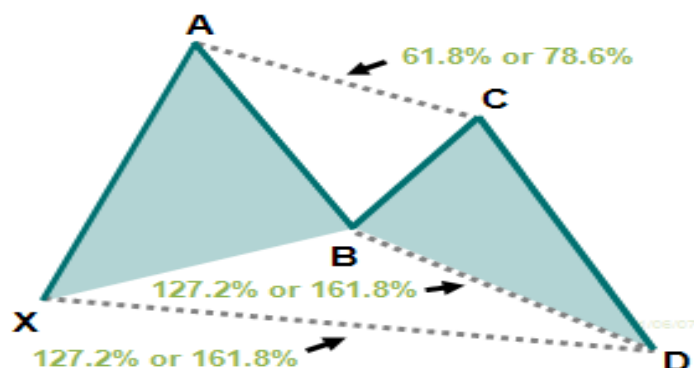
Pythagoras Expansion / Contraction — (PEC) Model

- 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
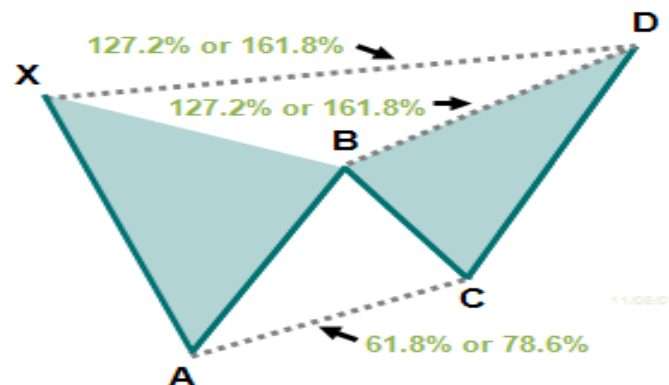
PYTHAGORAS EXPANSION / CONTRACTION —(PEC) Model

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

Buy Pattern (bullish)

A
61.8% or 78.6%
C
B
127.2% or 161.8%
X
127.2% or 161.8%
D

Sell Pattern (bearish)

D
127.2% or 161.8%
X
127.2% or 161.8%
B
C
A
61.8% or 78.6%