



Date : 2nd May 2013 (Thursday)

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)	42.82	POM 15 (SPX)	CZ 44.50-43.50 on 1/04	NEUTRAL	CASH	NONE	CZ 44.30-43.40 Neutral Top		CZ 40.75-39.75 Missed By cents & rallied	Should Follow SXP on pull back	No Risk / Reward unless the upside or downside CZ is tested successfully.
EWZ (BRZL)	54.47	POM 15 (SPX)	CZ 57-55.50 on 1/04	NEUTRAL	CASH	NONE	CZ 57-55.50 Bullish Top		CZ 50 -52 Met & rallied	Ditto	EWZ - Good candidate to be long in next pull back . Exited for 5.5% profit. (53 to 56. In current rally
FXI (CHINA)	37.19	Main CZ @ 33.57 On 9/26 Is intact Core position	Secondary CZ 36.50-35.25 4/03 Re entry RM – 33.75 only on Re cycling position	BULLISH	Net Long	NONE	CZ 43-42, Bullish Top	Target on \$ SSEC CZ 2700-2600	CZ 35.25-36.50 – PQV Validated with Bullish bottom		For Recycled exposure . Re entry. 35.87 (4/03) Earlier exited at 41.74, 1/23 for 8 points & & avoided the 6.5 pt decline till re –entry @ 36

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\$NIKK (JAPAN)	13,700	Main CZ @ 8500 . On 10/10	CZ 8600-8450	BULLISH	½ Net Long Exited ½ @ for 25 % profit. On 1/11 (10900) in current rally	NONE	CZ 12200 - 12000 Met & exceeded with Bullish Top	CZ 15900-15600	CZ 12100 - 11800 (Next best Risk / Reward for long	CZ 11,100-10800 (floor)	Holding ½ position since 8500 (10/10) up 60% for ABC up Especially LT weakening YEN target is from 76 to 120
EWJ COR - (JAPAN)	11.57	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH	½ Net Long Exited ½ @ for 8.9% profit. On 1/11 (9.85) in current rally	NONE	CZ 11.80-11.60 met with Bullish Top	CZ -13.70-13.40	CZ -10.70-10.40 (Next best Risk / Reward for long	CZ 10.2-10 (floor)	Holding ½ position since 9.05 (10/10) up 25% for ABC up
\$BSE MUMBAI	19600	POM 15 In SPX COR	CZ 20050-19650 On 1/16 19850 mean price	bounce in progress	n/a	n/a	Our first Target was CZ 19200-19100 Met & exceeded	To be evaluated On Sunday	CZ 18400-18600 heavy bottom	Protect Risk - close below 17800 Remains	Right Shoulder -2 Negated once price Exceeded above 19300

BSE – We will have **special Report** later on **Sunday EST** - On arrival to our destination

Announcement - (From Commodity Report) – Entering Net long in DBA 2% , within today's High / low Prices intraday. PEC-D MET & false broke under and was earlier stopped out @ 25.50. – RM 25.25
If one believes fundamentally food inflation is coming back !!!

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

Global Indices Overview

- **BULLISH INDICES -** **FXI (China), EWJ (Nikk) (Short term shallow pull back due)**
- **NEUTRAL INDICES -** **EEM,EWZ**
- **China (\$ SSEC / FXI)**

Bullish divergence within the current CZ low suggests that we have a correction within a new uptrend . A bottom in the Shanghai market should correspond with a commodity market bottom and turn higher. (Oil May be the exception)

*We have seen commodities rally earlier in the decade, then enter a bear market due to China's slowdown. If China begins its 2nd leg up in uptrend , the next leg of the commodities run could be right around the corner along with CHINA . We re-entered ½ recycled “ Net Long “ position back in in **CHINA** which has Bullish top*

- **Japan (NIKKE / EWJ)**

*NIKKE continues higher with Bullish Top to next ABC up . BOJ expansion in monetary base pushing YEN sharply lower. We remain Net Long on **\$NIKK & Short YEN**. This Index has shallow retracements and refuses to have meaningful pull back. This is a sign of early stages of Bull Market with powerful ABC up with Major change in Trend. Majority players are awaiting for the pull back, if so we know what happens !! Since our trigger **NIKK moved up (60%).& EWJ up (25%)** .*

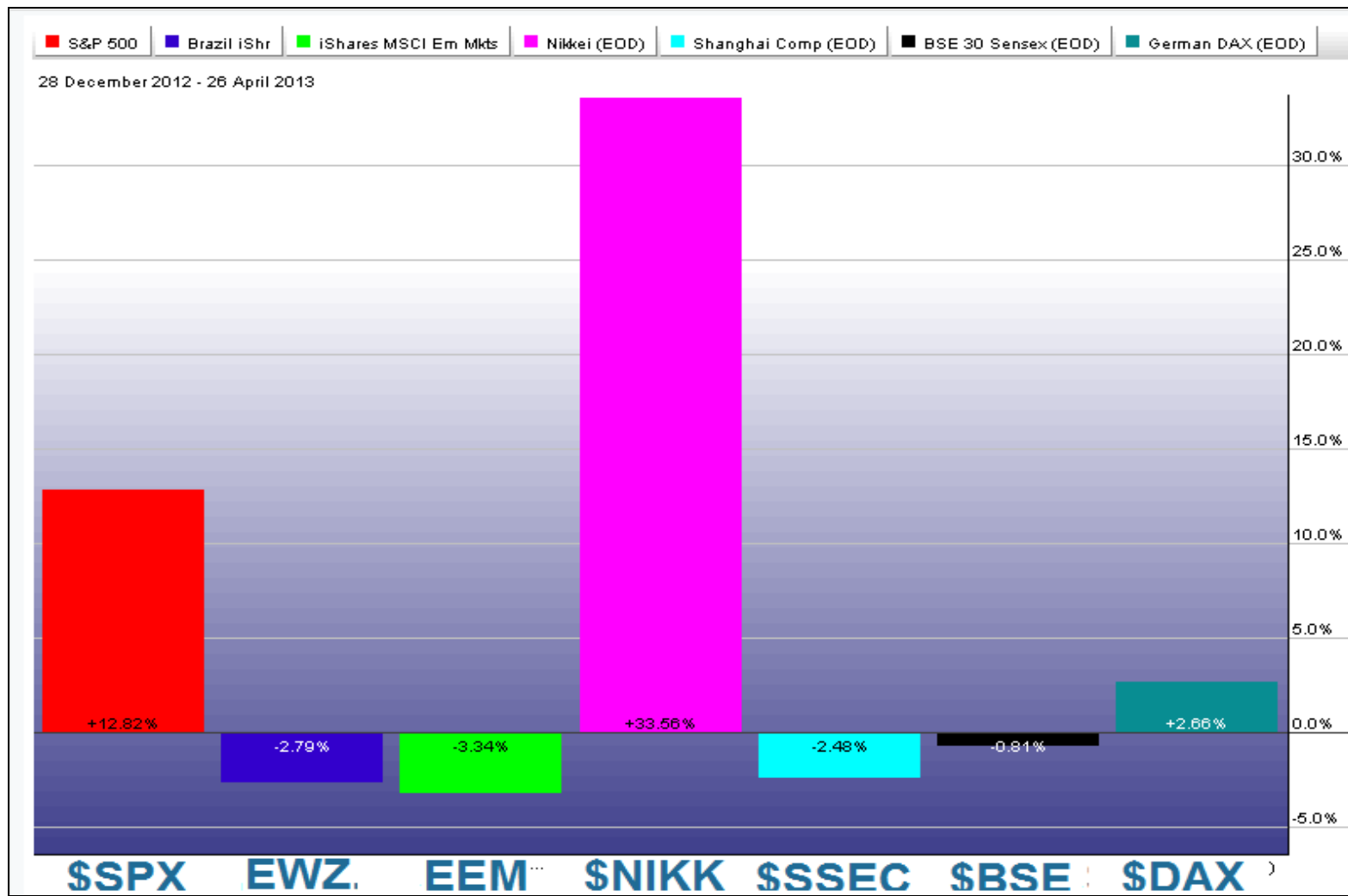
- **Brazil (EWZ) , Emmrg. (EEM),**

*EWZ, EEM Remains NEUTRAL , Since beginning of the year , especially upon SPX POM 15 - Trigger both these Markets have been trading lower. **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. **EWZ on proper CZ testing should be Net Long Candidate.***

- 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**

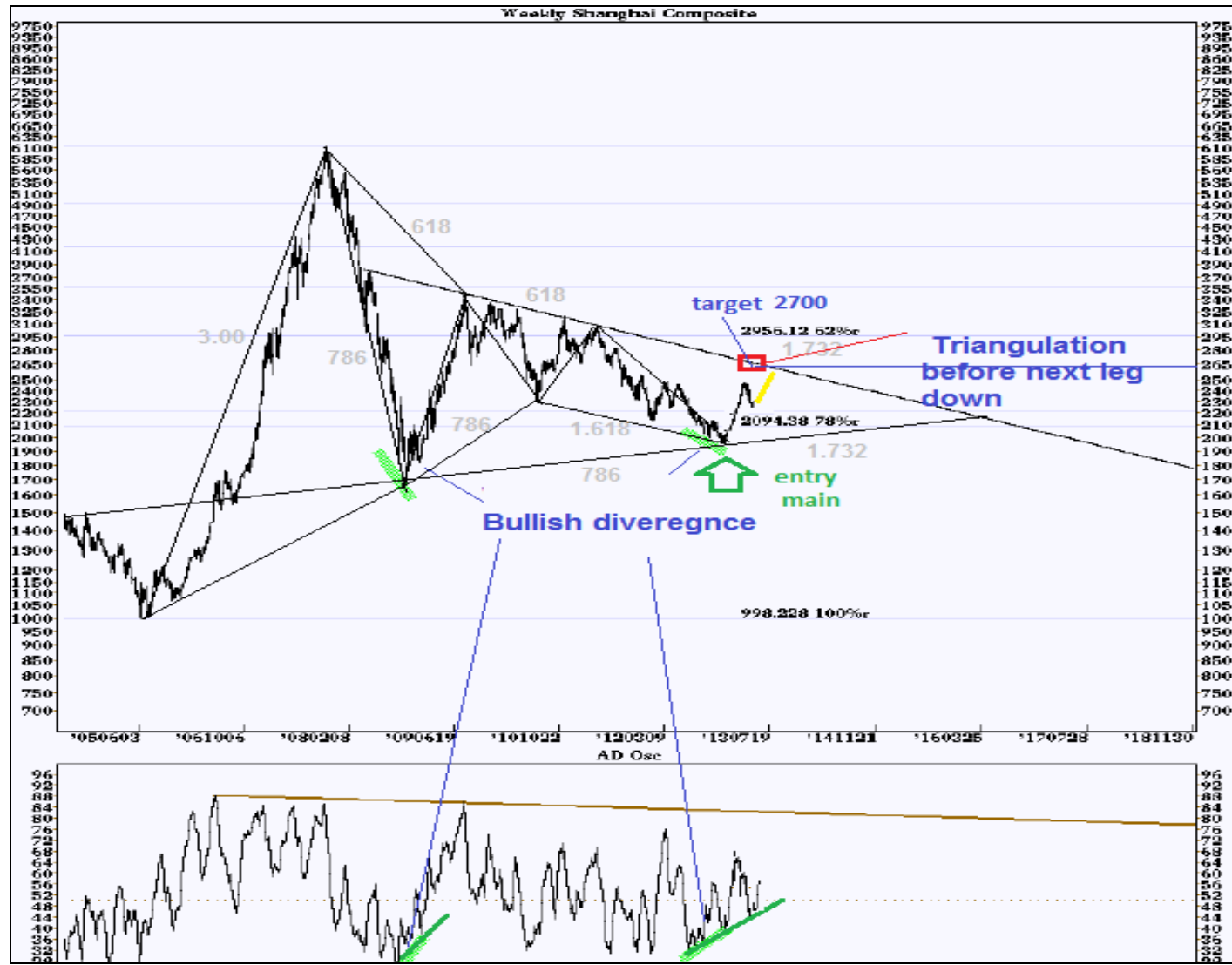
DOWNSIDE – MET - CZ 2200-2275 & PQV Validated with Bullish bottom “ **Triggered entry ½ position back in** ” – Ready for next leg up.

1ST UPSIDE – CZ 2400-2350, - Bullish top – Refer note within the chart - Bullish H & S bottom confirmed by Poly Trend and volume



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

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

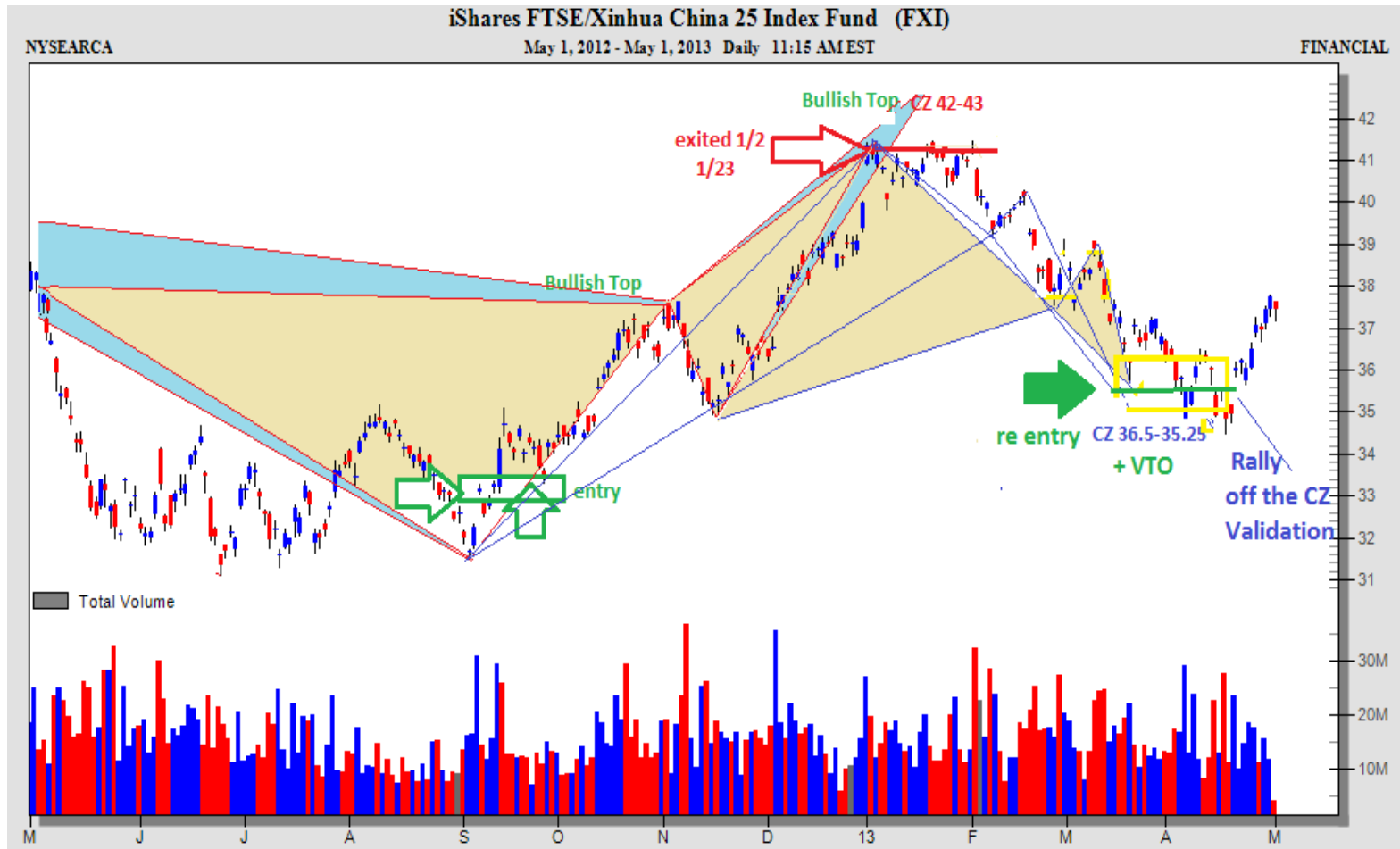


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – *Bullish*

- *Texture - BULLISH TOP & BULLISH BOTTOM*

DOWNSIDE – MET - CZ 35.25-36.50 & PQV Validated with Bullish bottom “Triggered entry ½ position back in “ – Ready for next leg up.

1st UPSIDE – CZ 42-43, - Bullish top

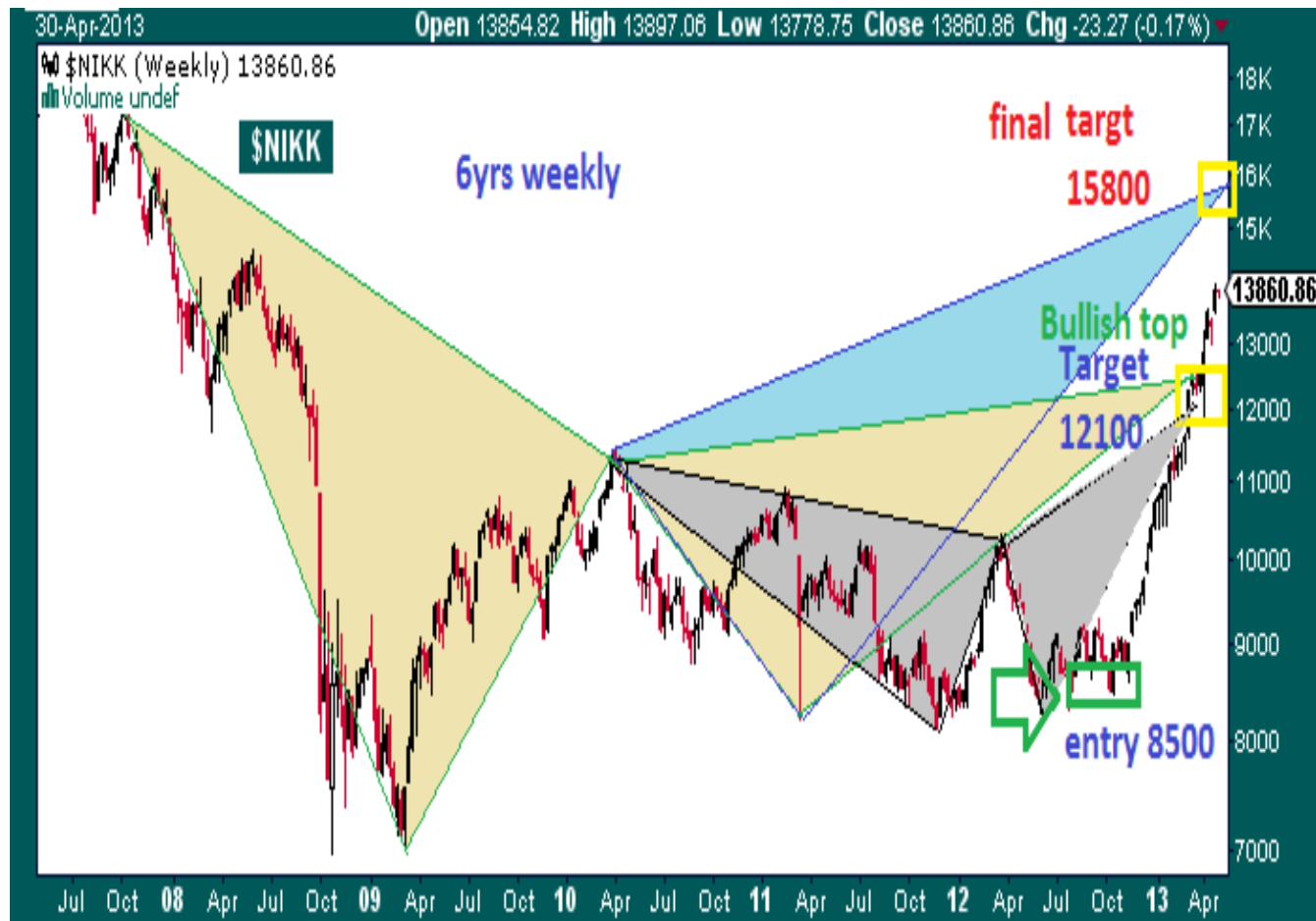


NIKKE (JAPAN)– CZ / PEC-D / Ratio Analysis – **Weekly Bigger picture**

- -Texture - BULLISH TOP & BULLISH BOTTOM

Downside – CZ 12100-11800 Pull back target for PQV Validation and then next ABC up .

Final Upside - Target CZ 15900-15600 (Larger PEC-D pattern validation)

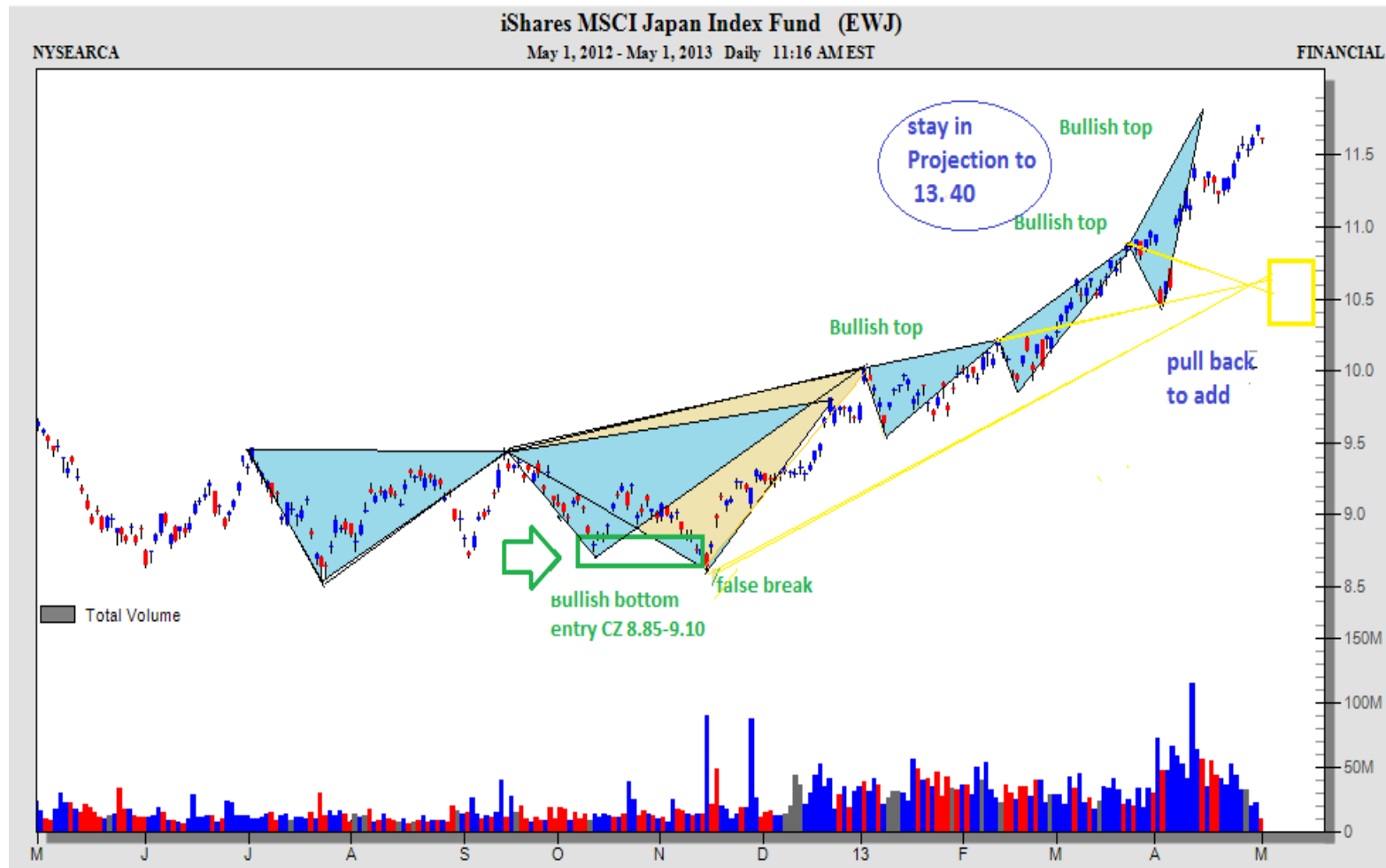


EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – **Bullish – Shallow Pull back**

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

Upside - MET - CZ 11.80-11.60 with Bullish Top , Larger ABC at 13.40-13.70,

Downside – CZ 10.70-10.40 is Pull back target for PQV Validation and then next ABC up

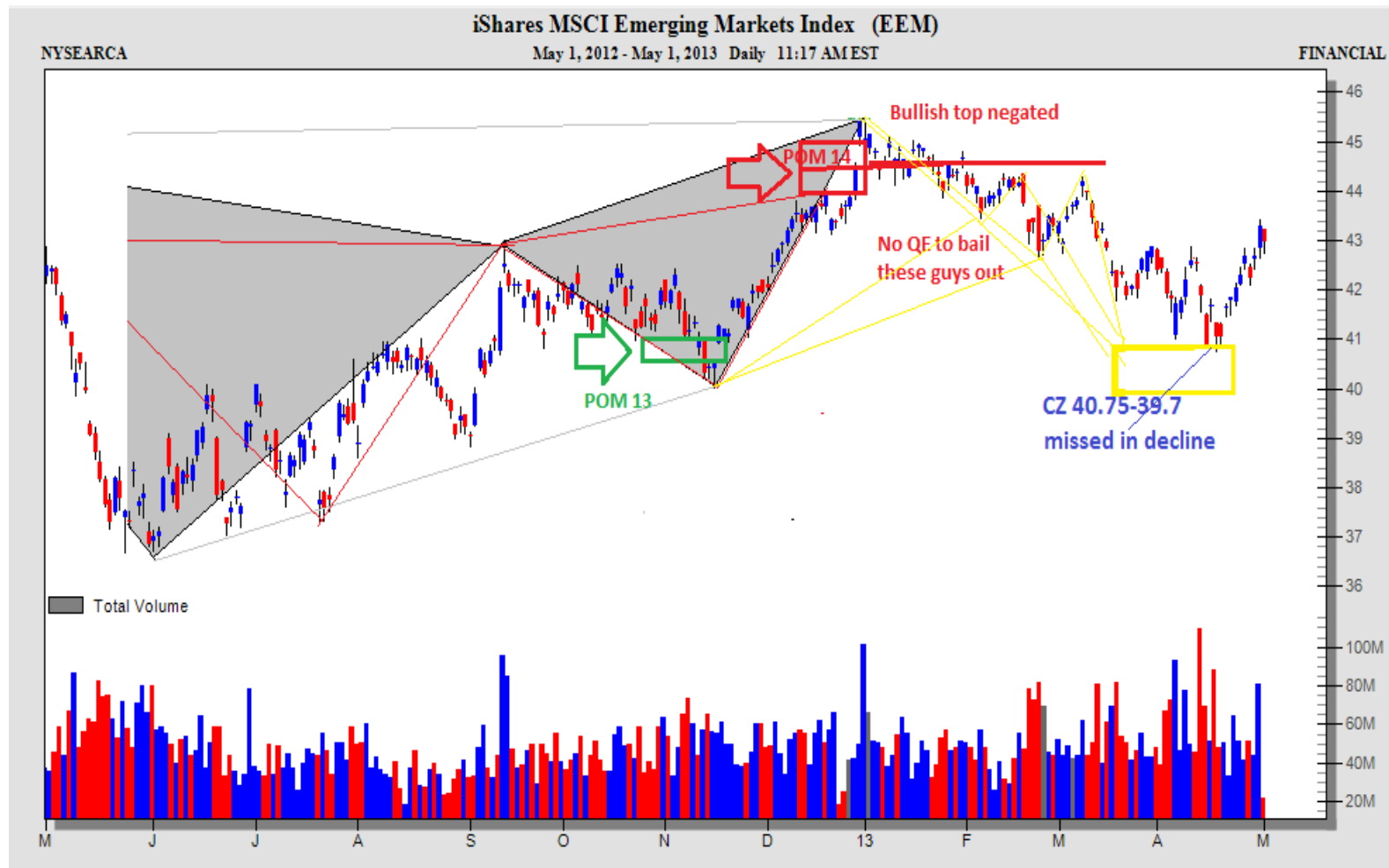


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – *Neutral*

- Texture – *NEUTRAL TOP & BEARISH BOTTOM*

DOWNSIDE – CZ 40.75-39.75 **missed by pennies** but Proper CZ test is required . This should follow SPX 's pull back

UPSIDE – CZ 44.40-43.30 – “ No Risk / Reward for Long or Short “

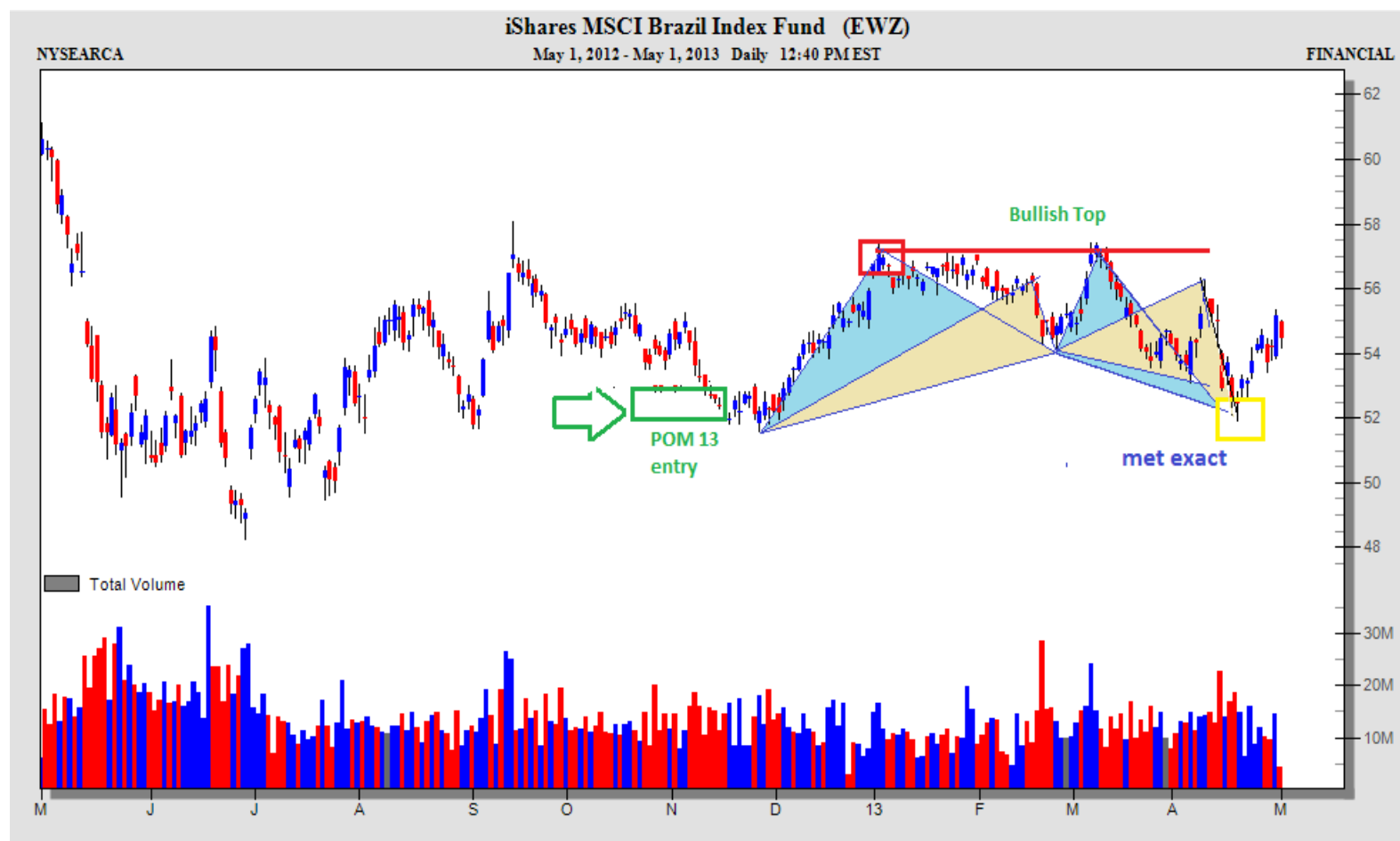


EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - *Neutral* - **Bullish bias**

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

DOWNSIDE - CZ 50-52 - but Proper CZ test is required . This should follow SPX 's pull back

UPSIDE - CZ 57-55.50 - is Bullish Top . No Risk / Reward for Long or Short



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. .

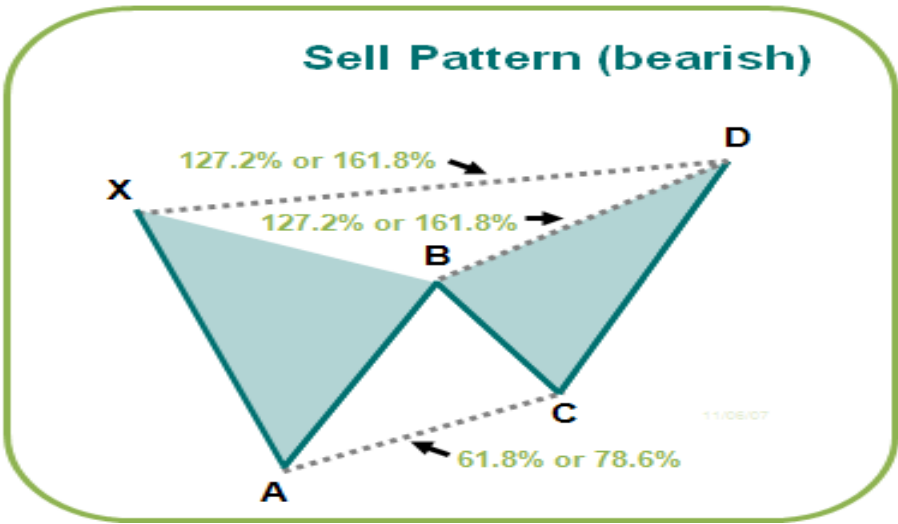
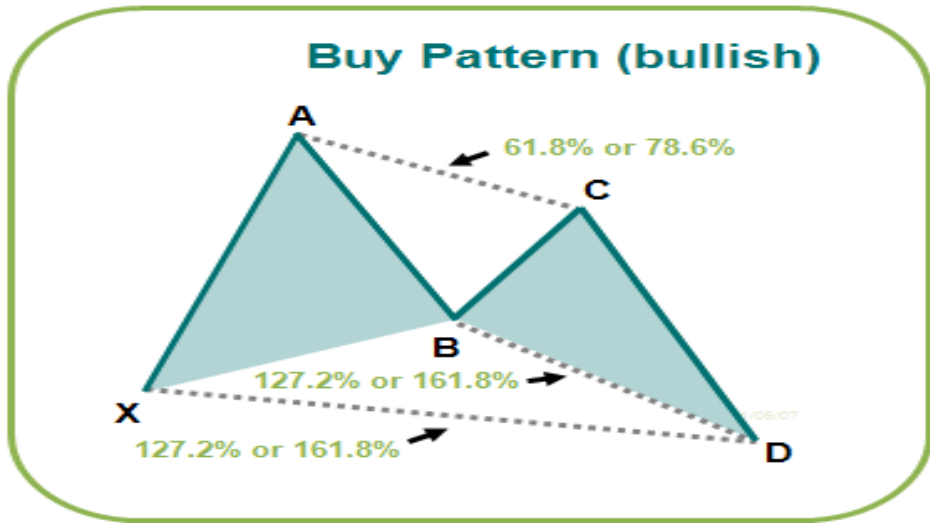
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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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