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GLOBAL INDICES REPORT (Strategy & Prop Tech)

By : Suneil R. Pavse, E : apavse@aol.com

Executive Summary -

	Current Price	Triggered POM or CZ & date	Triggered within CZ & date	Progress Status	Current Position	NEW ACTION (Trigger to Watch)	Upside CZ <u>Near Term</u>	Upside CZ <u>Mid term</u>	Downside CZ <u>Near term</u>	Downside CZ <u>Mid term</u>	Remark
EEM (EMRG)	42.46	POM 15 (SPX)	NONE	NEUTRAL pull back in Progress	CASH	NONE	CZ 40.75 – 39.75 Met & broke out To new ABC up	CZ 46-45 Neutral Top	CZ 42.5-41.5 Should hold on pull back Neutral bottom	CZ 36-35 Bearish Bottom	No Signal Neutral with Bullish bias From last Report proved its merit with rally , now pull back
EWZ (BRZL)	49.57	POM 15 (SPX)	NONE	NEUTRAL pull back in Progress	CASH	NONE	PEC-D 48 CZ 47-48 Met & broke out To new ABC up	CZ 55-54 Neutral Top	CZ 48-47 Should hold on pull back Neutral bottom	CZ 41.5-40.5 Neutral bottom	No Signal Ditto
FXI (CHINA) Announcement Alert	37.92	Main CZ @ 33.57 On 9/26/2012 Is intact	Secondary CZ -35.25-36.50 4/03	BULLISH to NEUTRAL	Net Long To Cash	Exit Core Position @ 37.92 Entered @ 33 for 15% profit	Bounce to CZ 38-37.5, Approaching & should fail	Target CZ 42.5-41.5 Negated <u>\$SSEC-Target to CZ 2375-2350</u> Bullish Top remains.	CZ 38- 37.5 Failed & broke down	ABC down To 35 CZ 34.5-33.5 Validated Bullish bottom	Core entry . @33.00) We shall re enter once the dust settles

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\$NIKK (JAPAN) Or DXJ	14200	Main CZ @ 8500 . On 10/10/2012 Core Position inact Up 67% 8500 to <u>current</u>	Secondary Trigger 12500-12100 On 5/21	BULLISH St pull back in Progress	Net Long	NONE	Target CZ 15600-15900 Bullish Top	ABC up to 17000 intact	PEC-D 13500 CZ 13600-13400 Higher high Bullish bottom	CZ 12500-12200 (floor)	Earlier - ½ position locked in 13% prfit 12400 (5/21) to 13900 (7/29) locked in 25% prfit 8500 to 10900
EWJ COR - (JAPAN)	11.76	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH St pull back in Progress	Net Long	NONE	Target PEC-D 12.75 CZ 12.50-12.40 Bullish Top	CZ - 13.70-13.40	CZ 11.50-11.25 Bullish bottom	CZ -10.60-10.80 Higher high Bullish bottom 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) – ST pull back
- NEUTRAL - EWZ , EEM, FXI (China)- New
- BEARISH - None
- Japan (NIKKE / EWJ)

NIKK has confirmed uptrend with volume as Bull market continues. Short term pull back in progress. +VTO for next leg up towards Bullish Top . NIKKE Core position entry is **up 67% on** ,in tact. We have successfully taken 3- round Trips on ½ Trading positions

- China (\$ SSEC / FXI)

Announcement to Exit Core position at 37.92 **for 15% profit**. Position entered at **33**. Pull back to CZ 38-37.5 failed & bounced back to the CZ . It negated the 2nd ABC up 42 is in progress. On Core Index \$SSEC – Bullish Top at PEC- D @ 2390, CZ 2350 -2375 REMAINS ,

Since the Bullish bottom at levels below remains we shall re entered back once dust settles. We have successfully taken 2- round Trips.

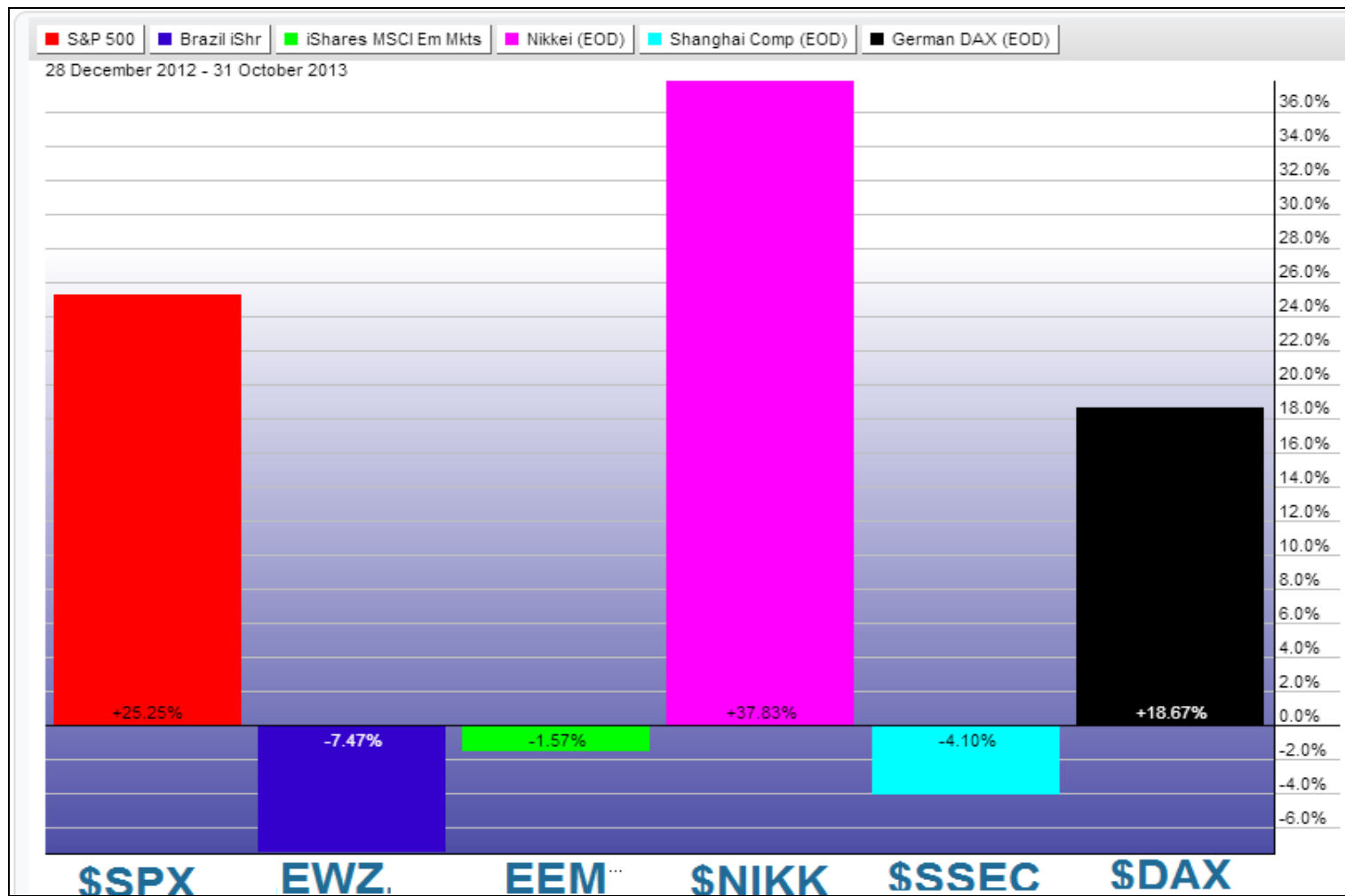
- Brazil (EWZ) & Emmrg. (EEM),

We have **No Position** . – Neutral . But current levels , there is no favorable Risk / Reward.

- 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.

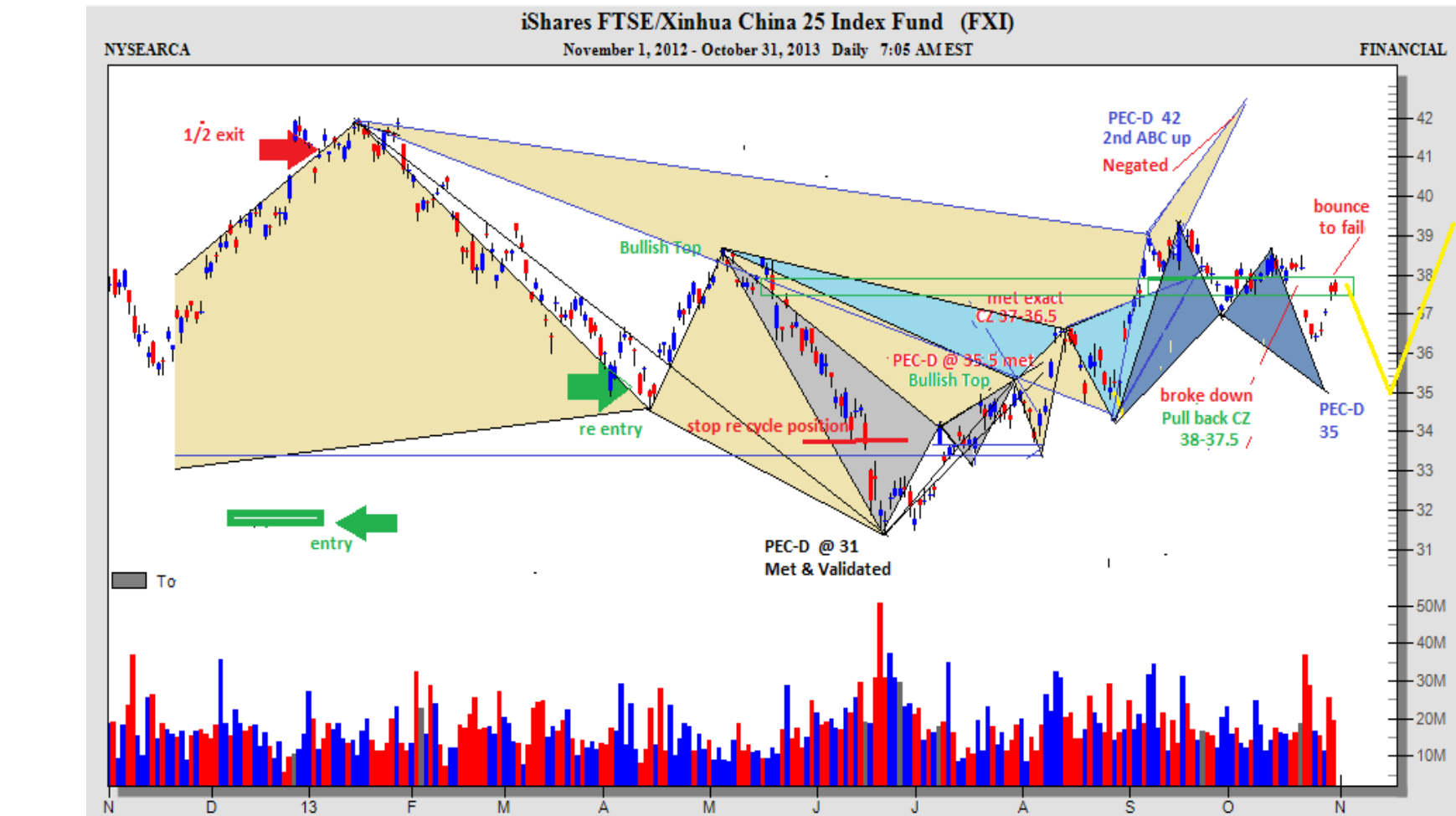


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – Neutral

- Texture - Neutral Top & BULLISH BOTTOM

DOWNSIDE – Pull back to CZ 38-37.5 - met & broke down, this negated the Bullish top of 2nd ABC up PEC-D @ 42

UPSIDE – bouncing back CZ 38-37.5 . it Should fail & then Set ABC down to PEC-D 35



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

1ST UPSIDE – PEC- D @ 2390, CZ 2350 -2375, - Bullish top . pattern validation is intact . This may take time

DOWNSIDE – Pull back to PEC-D 2050 should hold . It Rejected lows 1950-2000 Bullishly.



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

- -Texture - BULLISH TOP & BULLISH BOTTOM

Upside - Target to CZ 15600-15900 – Bullish Top . **Larger ABC** at - **17000**,

Downside – CZ 13600-13400 - Bullish Bottom . (12500-12200) is the Floor .

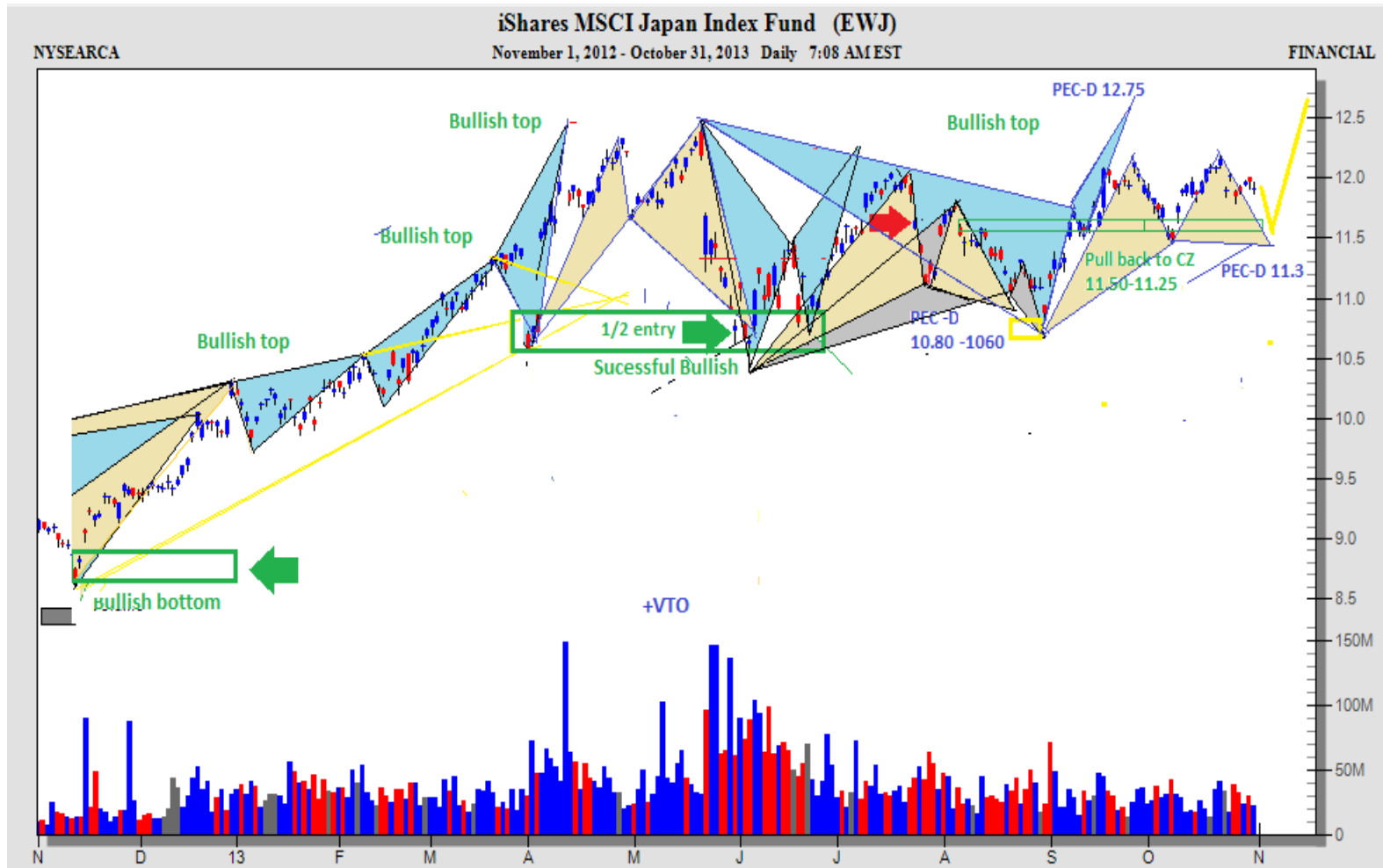


EWJ (JAPAN)- CZ / PEC-D / Ratio Analysis – Bullish – ST pull back

- -Texture - BULLISH TOP & BULLISH BOTTOM

Upside - Target PEC-D 12.75- to CZ 12.5-12.40 Bullish Top . Larger ABC at - 13.40-13.70,

Downside – Pull back to CZ 11.50-11.25- should hold Bullish Bottom. - (10.2-10) is the Floor.



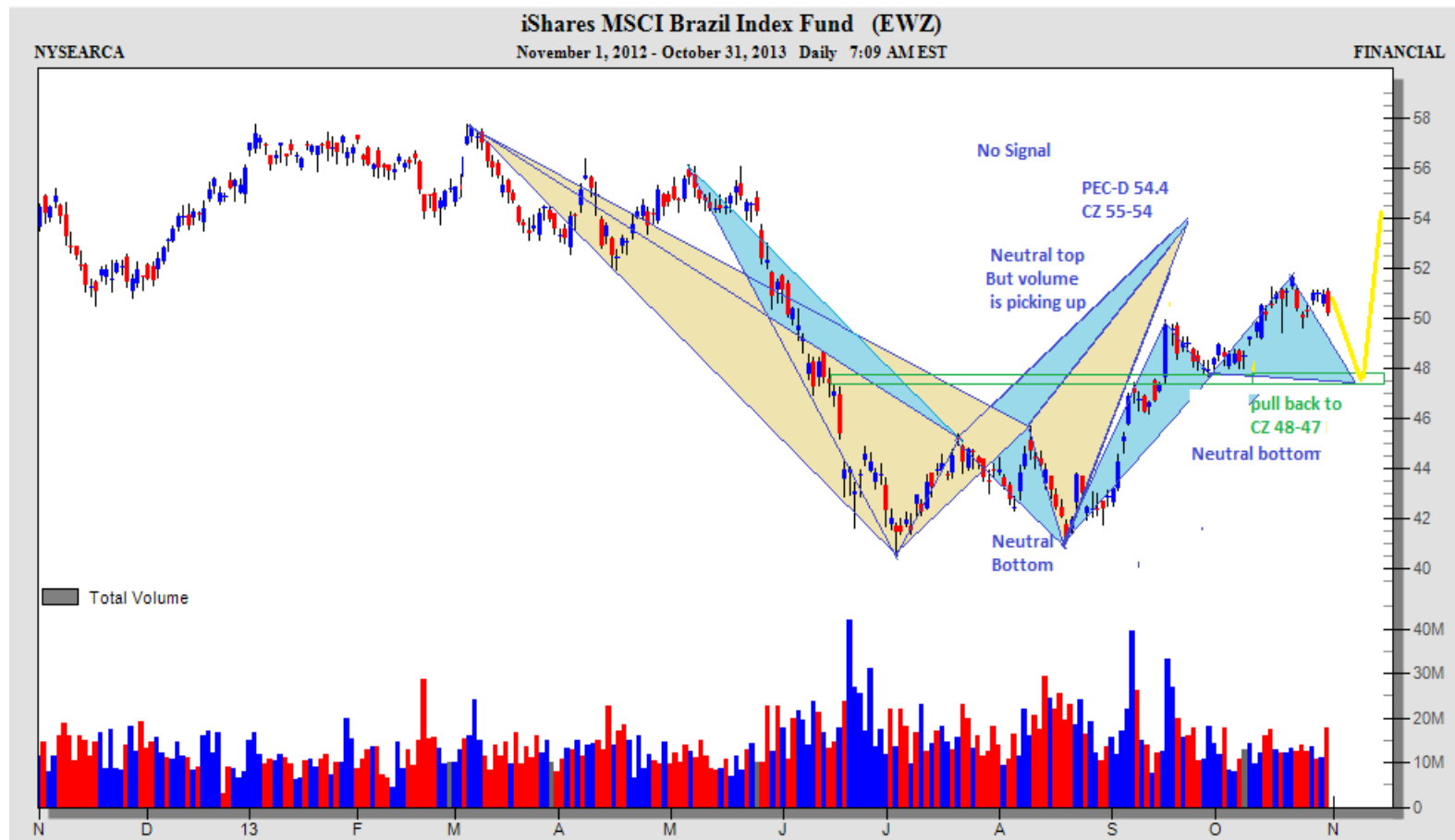
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral

- Texture – NEUTRAL TOP & NEUTRAL BOTTOM

At current levels No Signal , We shall see how it reacts on pull back to CZ 48-47.

DOWNSIDE -- CZ 48-47- should hold. .

UPSIDE -- 2nd ABC to PEC-D 54.5 within CZ 54-55. Earlier 1st ABC up was met & broken upside.



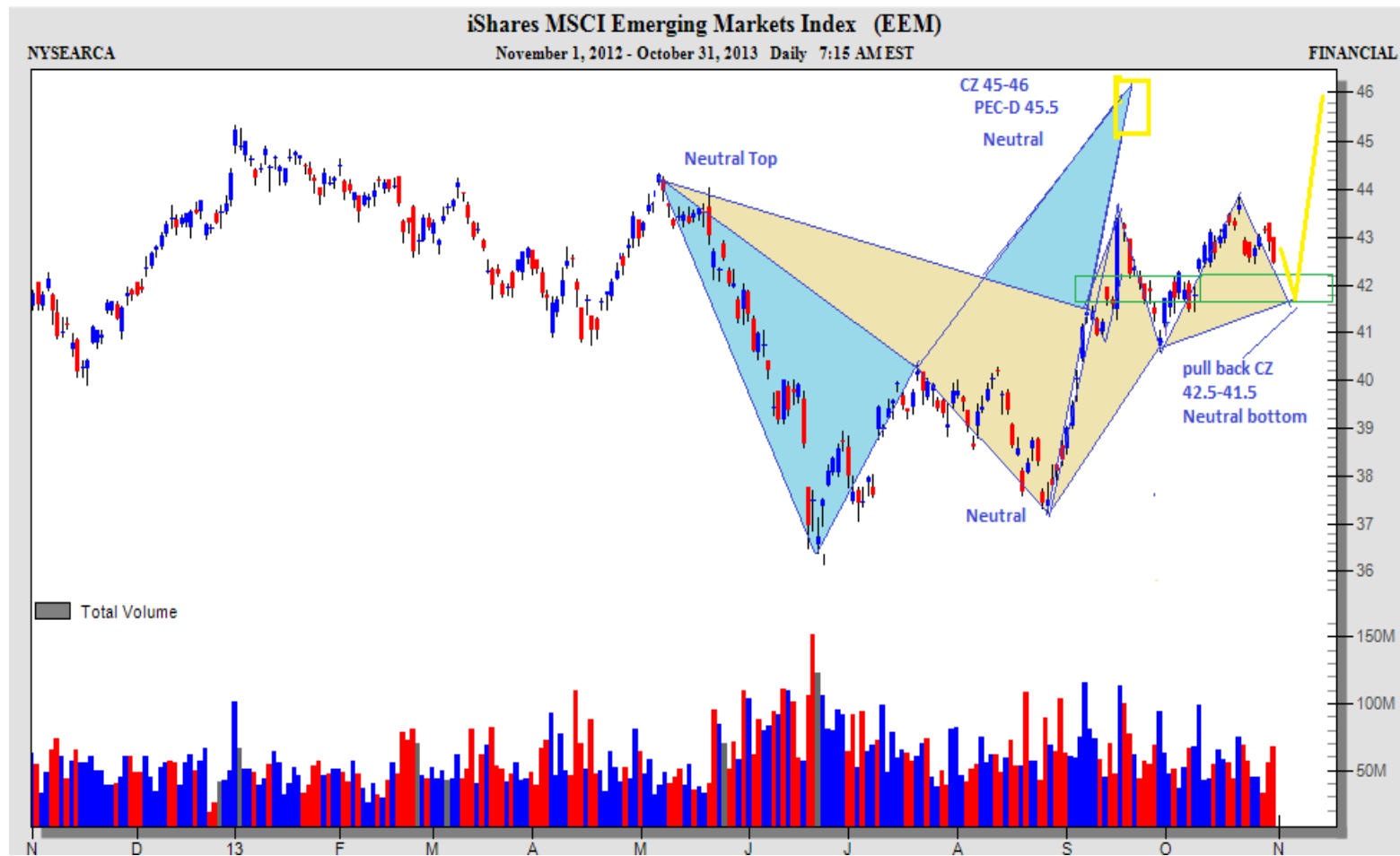
EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral

- Texture – Neutral Top & NEUTRAL BOTTOM

At current levels No Signal , We shall see how it reacts on pull back to CZ 42.5-41.55

DOWNSIDE – CZ 42.5-41.55 – should hold .

UPSIDE – -- 2nd ABC to PEC-D 45.5 within CZ 46-45. Earlier 1st ABC up was met & broken upside.



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.

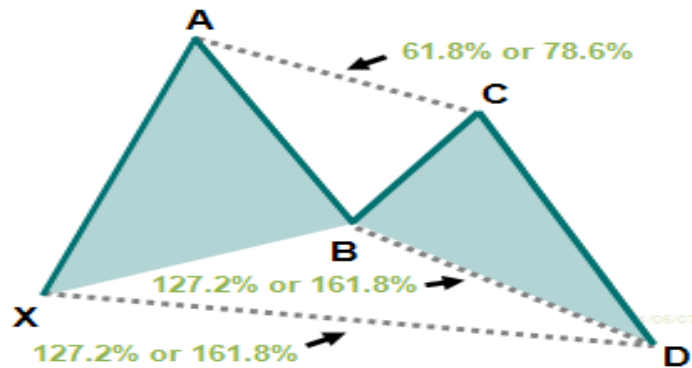
Pythagoras Expansion / Contraction – (PEC) Model

- **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 streams to achieve confluence point D coinciding with POM**

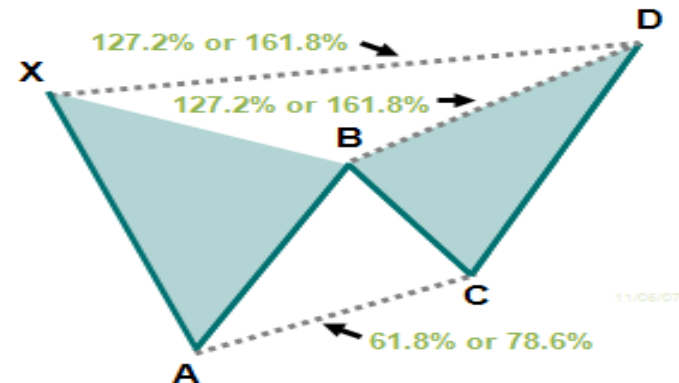
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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)



Sell Pattern (bearish)



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