



Date : 20th Sept 2013 (Friday)

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 Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
EEM (EMRG)	43.03	POM 15 (SPX)	NONE	NEUTRAL	CASH Stopped out 9/16 @ 41.25 For -2.5% loss	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 Neutral bottom	CZ 36-35 Bearish Bottom	No Signal FOMC day Volume picked up
EWZ (BRZL)	49.55	POM 15 (SPX)	NONE	NEUTRAL	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 Neutral bottom	CZ 41.5-40.5 Neutral bottom	No Signal FOMC day Volume picked up
FXI (CHINA)	38.88	Main CZ @ 33.57 On 9/26/2012 Is intact Core Position Intact 16%	Secondary CZ -35.25-36.50 4/03	BULLISH	Net Long	NONE	CZ 38-37.5, Met with Bullish Top ABC up to 42	CZ 42.5-41.5 \$ SSEC- Target to CZ 2375-2350	CZ 38.5-38 On pull back.	CZ 34.5-33.5 Validated Bullish bottom	For Recycled 5% exposure ½ .Re entry. @35.87 (4/03) Stopped @ 32.97 ,6/20 Earlier exited at 41.74, 1/23 for 8_pt Profit

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\$NIKK (JAPAN) Or DXJ	14750	Main CZ @ 8500 . On 10/10/2012 Core Position inact Up 75% 8500 to <u>current</u>	Secondary Trigger 12500-12100 On 5/21	BULLISH	Net Long	NONE	CZ 15600-15900 Approaching with Bullish Top	ABC up to 17000 intact	CZ 12500-12200 Higher high Bullish bottom	CZ 11,100-10800 (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)	12.0	Main CZ @ 9.05 . on 10/10	CZ 8.95-9.15	BULLISH	Net Long	NONE	PEC-D 12.75 CZ 12.50-12.40 Approaching with 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

NIKK Note – Pre announcement made on 8/31 to add additional Net long exposure ((recycling) in NIKK within **CZ 12500-12200** did happen . NIKKE without pulling back rallied. This is the danger with Bullish Tops and Bullish bottoms , they do not have to pull back much without completing 3rd ABC . There for we are holding Core position for larger Monthly 3rd ABC up to 17000. We would not want to exit position till Volume dies with Bearish Top at least on 2 time frames

SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

Global Indices Overview

- BULLISH - FXI (China), EWJ (Nikk)
- NEUTRAL - EWZ , EEM
- BEARISH - None

Global Equities have rallied on FOMC announcement.

Several of our Bullish Top – net long Indices (**CHINA & NIKKE**) have confirmed with volume and wide price spread. They had already rallied substantially since our last Report prior to announcement. This has created an overbought condition that needs to be worked off before the next leg up should begin. FOMC gains needs to get digested. All Market should pull back to ½ way move and then finish its respective ABC's

- Japan (NIKKE / EWJ)

Short term pull back in Progress. Correction within the Bull markets with +VTO for next leg up towards Bullish Top . Our NIKKE Core position entry is **up 75% on** ,in tact. We missed ½ re entry for long as Market did not pull back to **CZ 12500-12200**. We have taken Profits twice in this Instruments on Recycling position

- China (\$ SSEC / FXI)

Up Trend in CHINA Met Bullish top. CZ 38 -37.5. The 2nd ABC up 42 is in progress. Pull back to CZ 38-37.5

Our FXI Core position entry @ 33 in tact, is up 16% We have taken Profits twice in this Instruments on Recycling position

- Brazil (EWZ) ,

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

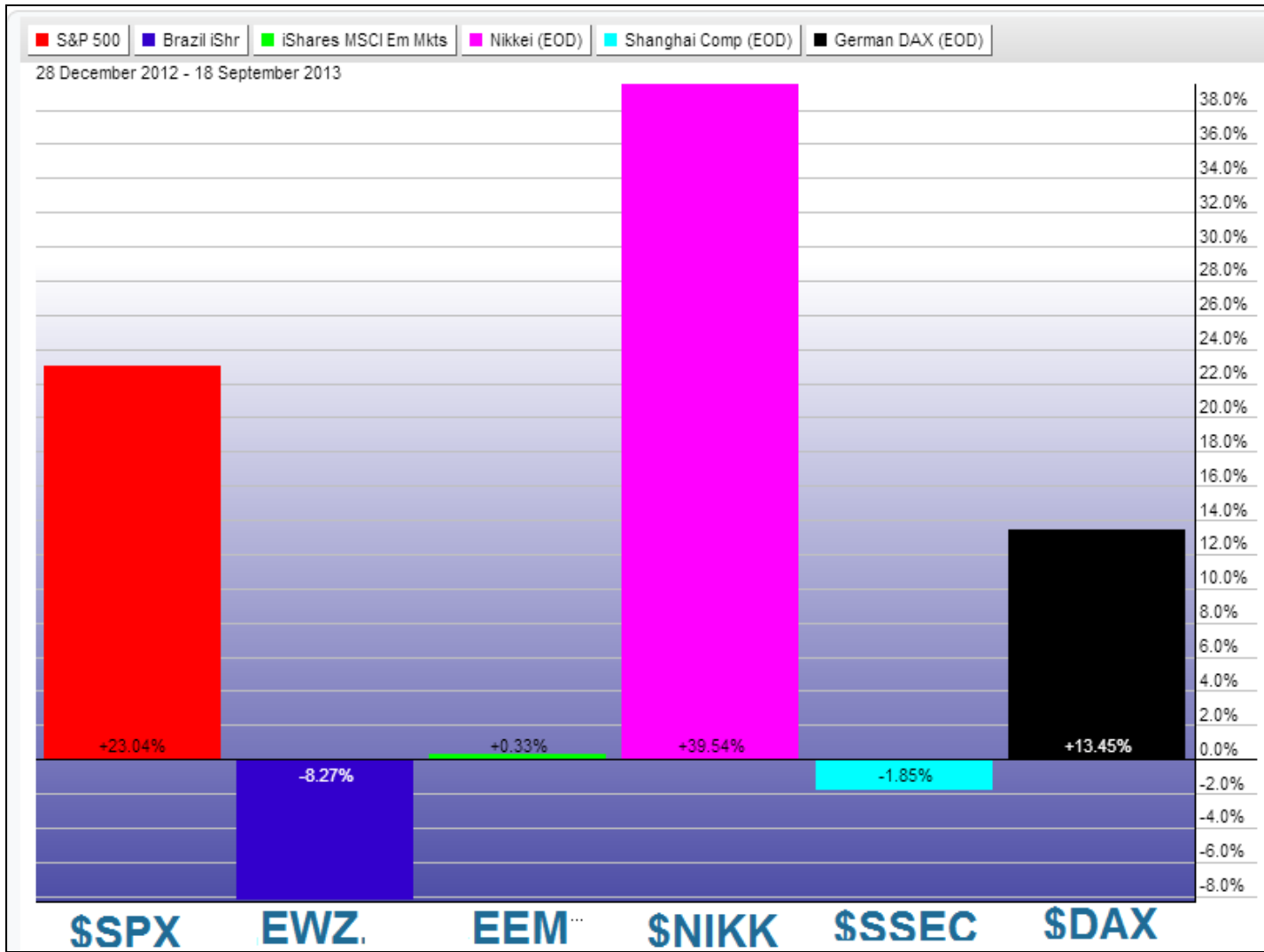
- Emmrg. (EEM),

Stopped out at 41.25 for -2.5% loss . EEM exceeded CZ 40.75-39.7 . We have No Position . - Neutral . At 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.

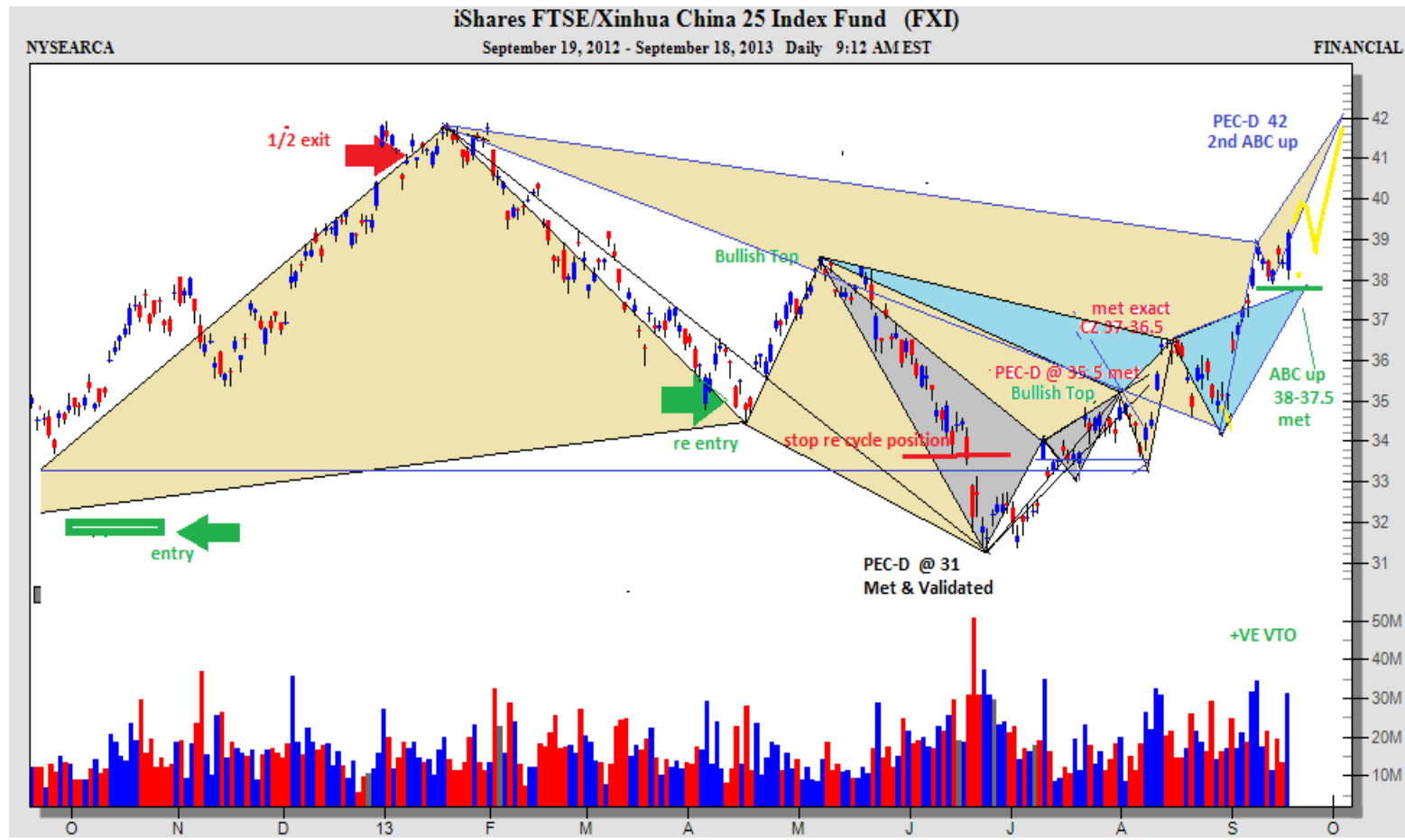


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – **Bullish**

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

UPSIDE – PEC-D @ 42 , for 2nd ABC up. 1st ABC up to CZ 38-37.5 met with Bullish top.

DOWNSIDE – CZ 38.5-38 - pull back – Bullish base.



Baltic Dry Index Analysis

Breakout in this Index explains the Bullish up move in China since our Trigger entry point.

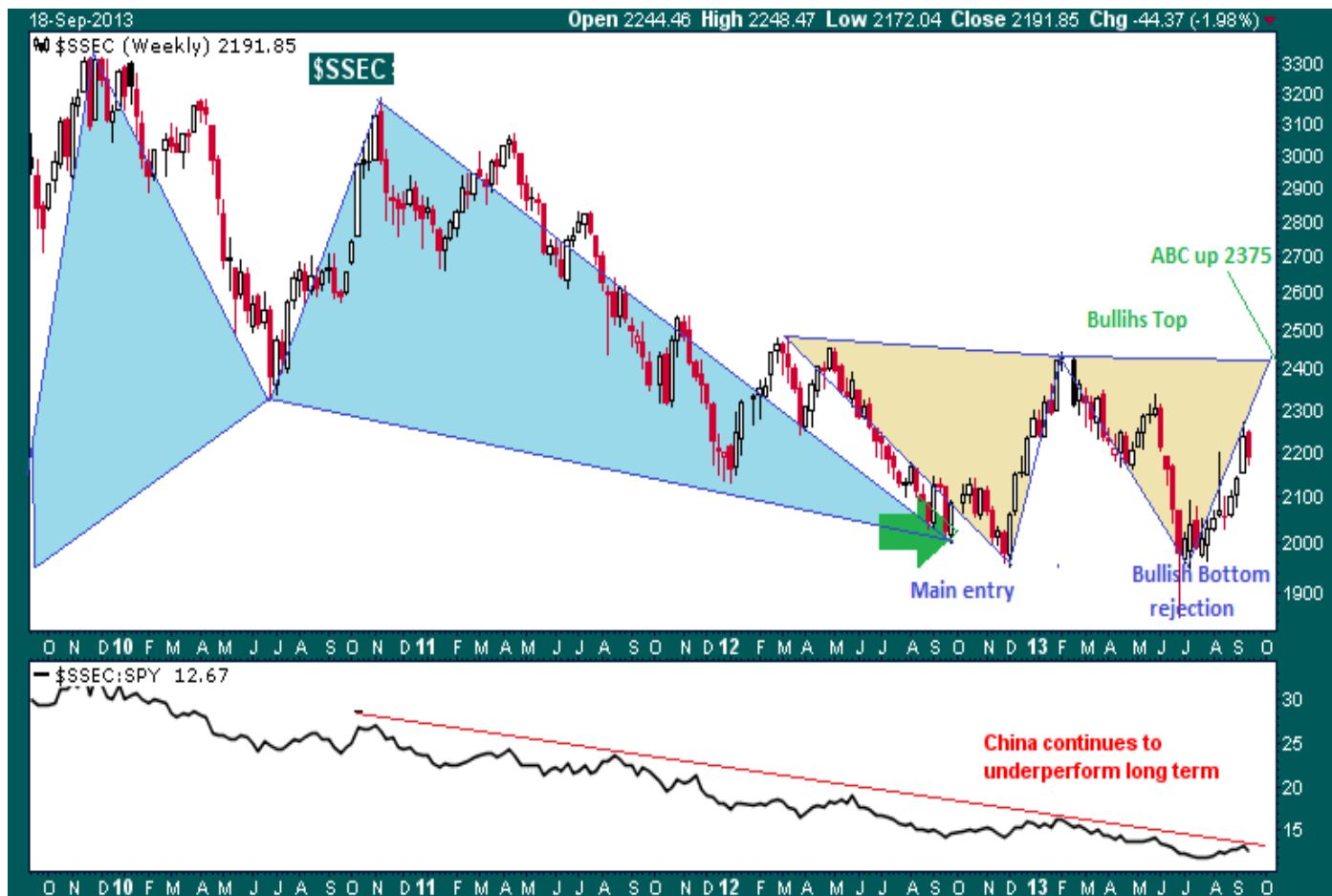


\$SSEC (SHANGHAI) / PEC-D / Ratio Analysis. – Weekly - Bigger picture

1ST UPSIDE – PEC- D @ 2375, CZ 2350 -2375, - Bullish top

DOWNSIDE – Rejected lows 1950-2000 Bullishly.

Final Upside - Target CZ 2500-2450 -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

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

Downside – Pull back in progress to CZ 12500-12200 - Bullish Bottom . (11,100-10800) is the Floor .

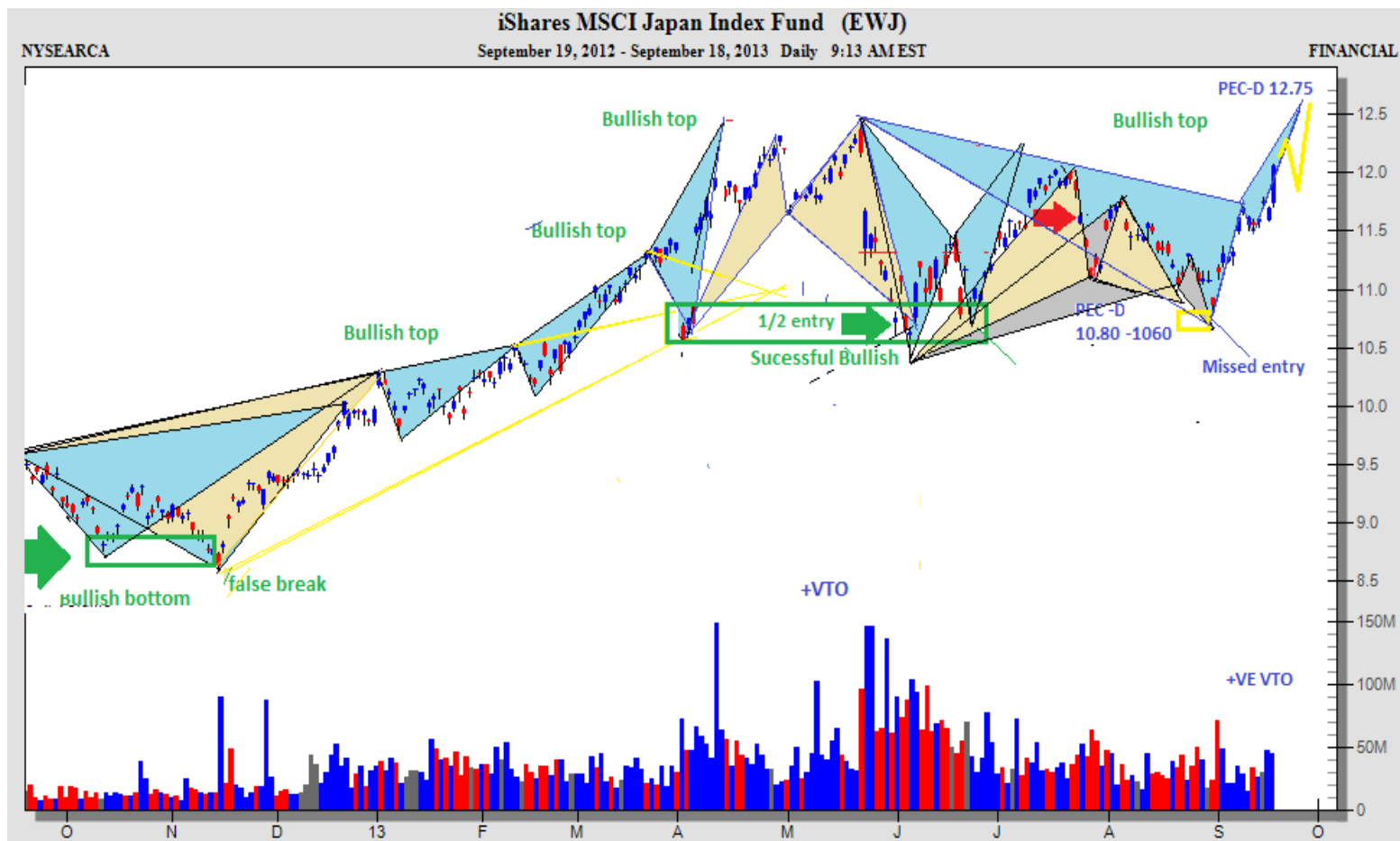


EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – Bullish –

- -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 Bullish Bottom. - (10.2-10) is the Floor.



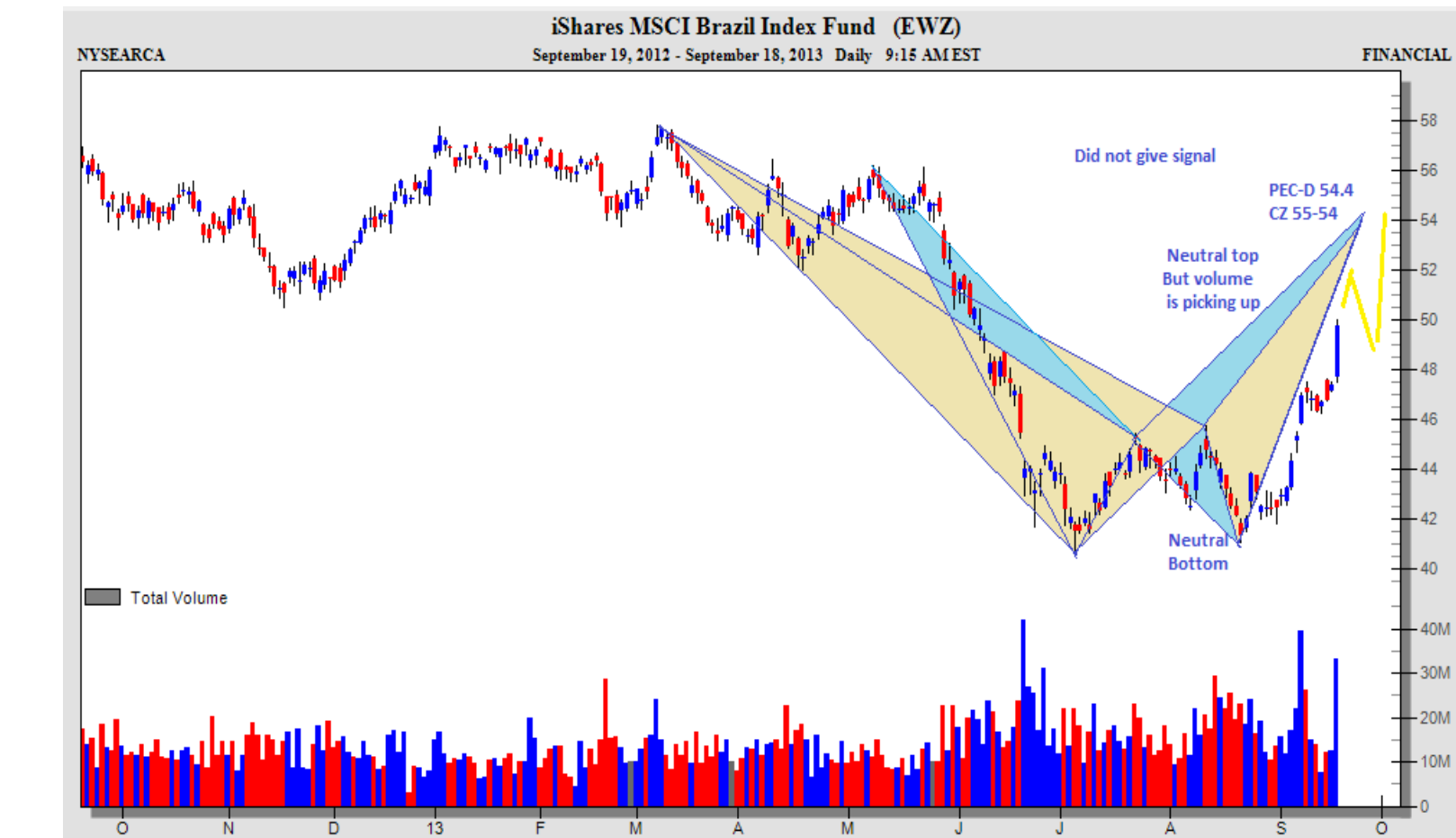
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral

- Texture – NEUTRAL TOP & NEUTRAL BOTTOM

At current **levels No Signal** , We shall see how it reacts on completion of ABC at 54.5

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

DOWNSIDE – -- CZ 48-47- should hold on pull back.



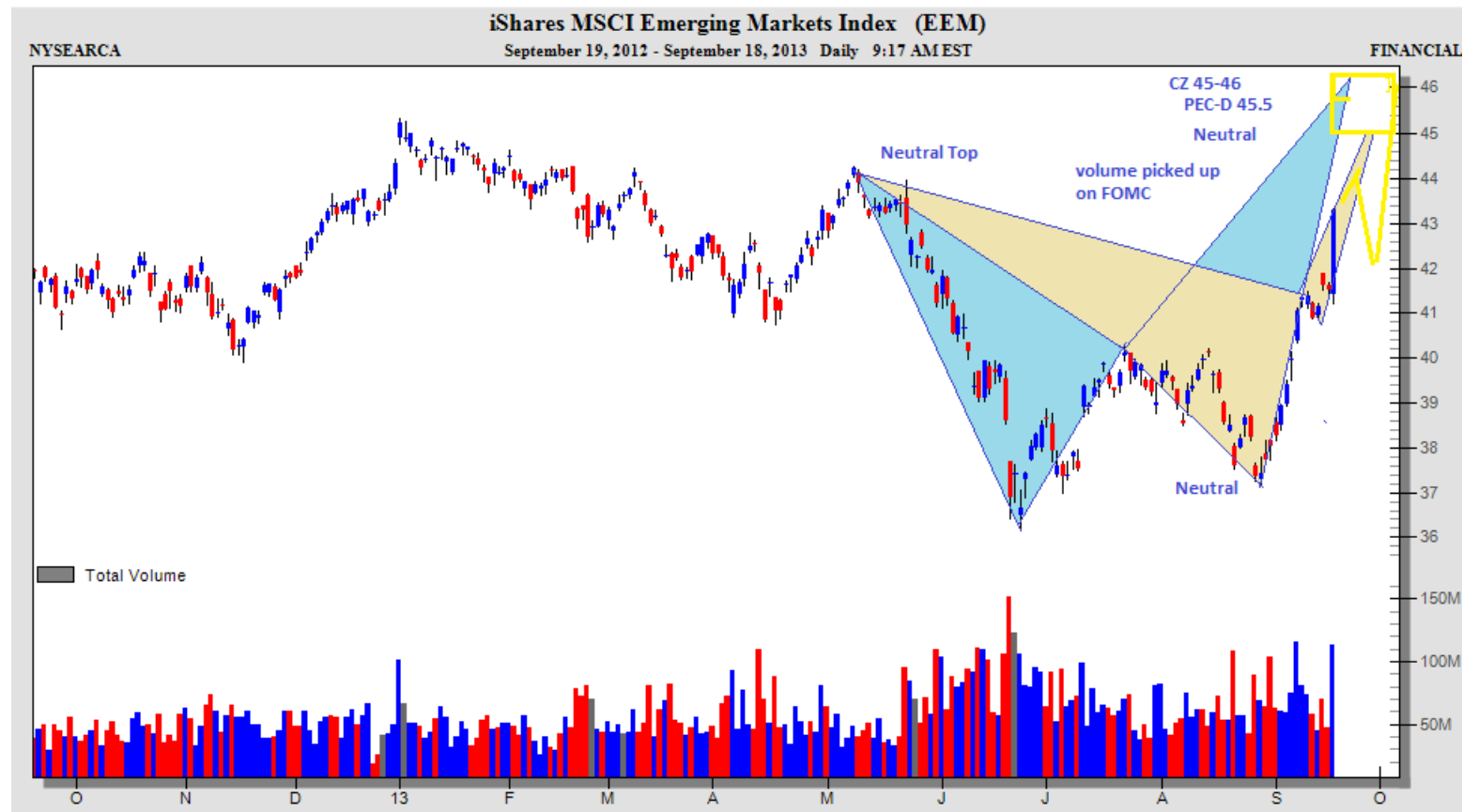
EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral

- Texture – Neutral Top & BEARISH BOTTOM

At **current levels No Signal** , We shall see how it reacts on completion of ABC at 45.5- We were stopped out at 41.25

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

DOWNSIDE – CZ 42.5-41.55 should hold on pull back.



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. .

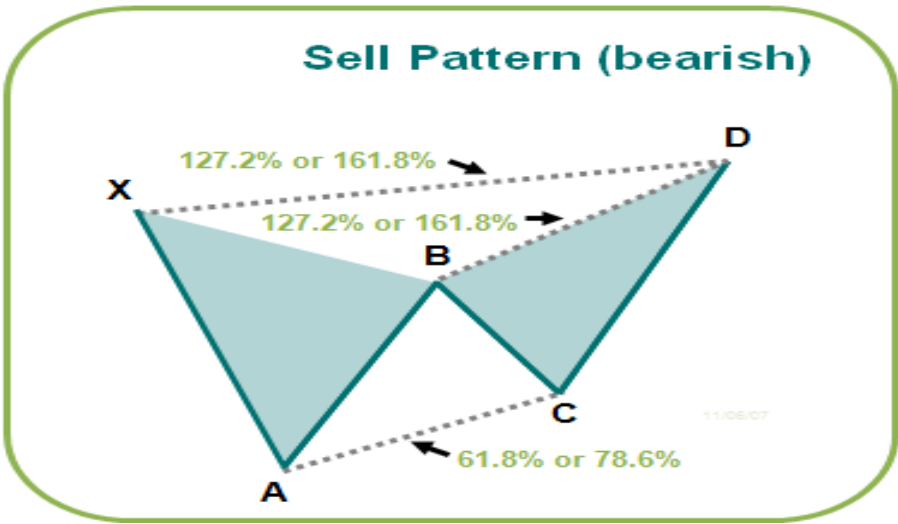
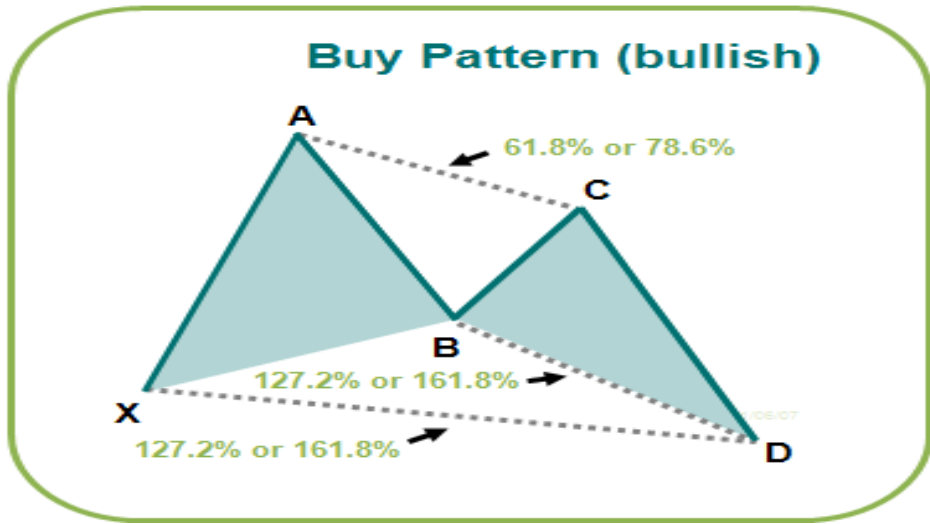
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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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