SG Capital Research
Global Market Insights
Chart System

Date : 20th November (Wednesday)

BROADER INDICES REPORT(Strategy &Prop Tech)

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

• Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up Alert Update For ST Trend Reversal & RM	Progress Status	Existing Position / Exposure	NEW ACTION (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
TLT (BONDS)	104.5	POM 13 –Re Run CZ 107-115 *Mean CZ At 111* ***Triggered 8/9***	**NONE**	BULLISH ***Should turn Neutral if close under 102.2***	Net Long	**NONE**	Target – PEC-D 108-	1ST ABC PEC-D 112 Bullish Top	Pull back to Crash PEC-D 104 – retesting Bullishly	CZ 104-105, ***Should Came back in range above 105***	RM ½ @ 102.2
IWM (SM CAP)	109.3	POM 15 (SPX) CZ 104.25 – 101.28 *Mean CZ At 103.1* ***Triggered 7/24***	***@ 104.6 Reduced 1/2*** *Net Short On 10/3*	BEARISH ***ST bounce Is in progress***	Net Short	**NONE**	PEC-D 106 met & failed On PQV With false break above	PEC-D 111 Momentum Thrust - met Frothy failed *3 – Drives to the Top complete*	Pull back to 107 and then rally back to double top	1st ABC down to 102 heavy bottom	***Close below 110.2 wkly*** *Would be 1st confirmation*

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QQQ (NASD)	82.90	POM 15 (SPX) CZ -74.75-73.51 *Mean CZ At 74.28* ***Triggered 7/24***	***@ 77.23*** ***Reduced 1/2*** *Net Short On 10/3*	BEARISH ***ST bounce Is in progress***	Net Short	**NONE**	PEC-D 78 met & failed On PQV With false break above	PEC-D 83 Momentum Thrust – met Frothy failed 1-3-5 Pattern *complete*	Pull back to 81 and rally back then rally back to double top	1st ABC down to 76 heavy bottom	***Close below 81.50 wkly*** *Would be 1st confirmation*
SMH (SEMI)	40.45	POM 15 (SPX)	NONE	NEUTRAL	CASH . *No signal*	NONE	ABC up to 40 Complete	Extend to 41, but should fail		CZ 35-36 Best Risk Reward to enter Net long	Good candidate to be long after the orrection.
MDY (MID CAP)	235.2	POM 15 (SPX)	NONE	NEUTRAL	CASH *No signal*	NONE	POM 15	TBA	TBA		Ditto
IYT (TRANS)	127.2	POM 15 (SPX)	NONE	NEUTRAL	NONE *No signal*	NONE	POM 15	TBA	TBA		Ditto

Continued…….

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EMB (EMG B.	108.5	NONE	NONE	NEUTRAL Bullish bias	NONE	NONE *No signal*	CZ 110.7-109.7 Met & broken out Bullishly	Target to CZ 114.5-113.75	Pull back to CZ 108-107 Met & rejected Bullish breakout area	PEC-D 104.5, floor CZ 103-101 Climax lows	***Best Risk Reward for Net long @ 102.5 PEC-D***

Update - NASDAQ & Russell has met all long term weekly targets for this current rally . Russell (Small caps) continues to underperform v/s SPX. The volume on downside picked up and last week's rally has been on endemic volume. These are time driven rolling top and good candidate to add to Net Short .

To Add to Net Short exposure in IWM, QQQ - , let the Market exhaust itself on current Bearish Momentum top or let the volume pick up on downside with "**close under price**" as Trigger . One can short counter Trend rally upon 1st failure to add previously exited positions at SPX 1670 position . We have refrained from adding any new position since then . We shall add exposure back upon failure of counter trend rally after the first break. .

Next week has positive bias on Thanks Giving week

SPX- Portfolio – Overview

- SPX @1670 on 10/3, We Announced to - Reduced Short exposure @ 1670 to avoid short squeeze
- SPX Failed @ 1687 to Trigger POM 15 - Mid term Turned Bearish 7/28

EQUITY Portfolio Holdings - Non Marginable – Non leveraged (1:1)

- **NET LONG at POM 13 / in Main Bullish CZ : ……..Bullish Tops / Bullish Bottom**

  XLV ,XHB, EWJ , XLP, TLT

- **SHORT -LEG (at/ in Bearish CZ : ……..– Bearish Tops / Bearish Bottoms**

  QQQ , IWM,

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

Broader Indices Overview

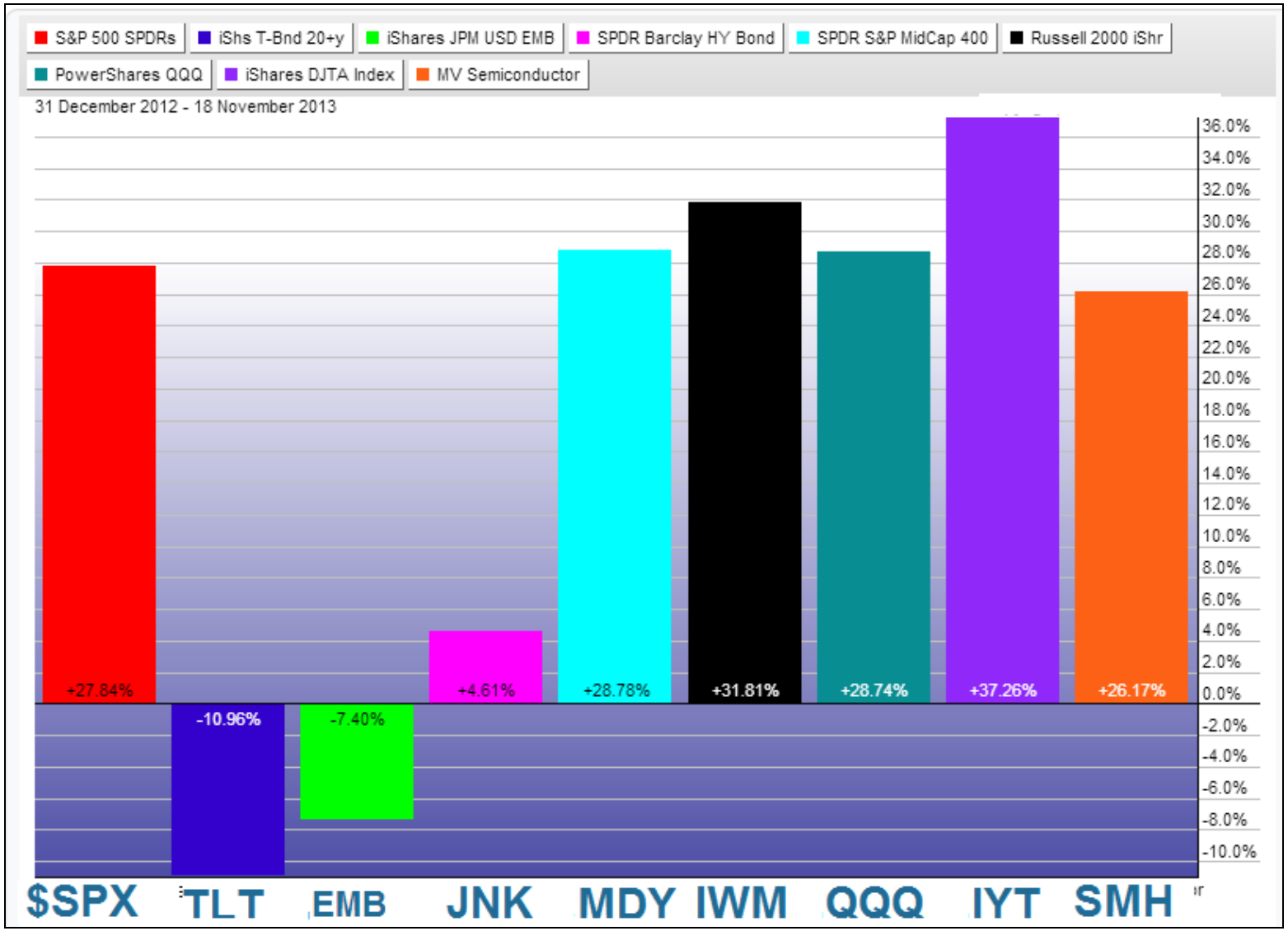
- **BULLISH -** **TLT- .**
- **BEARISH-** **QQQ, IWM,**
- **NEUTRAL -** **EMB, MDY, IYT, & SMH**

- **QQQ, IWM** - The Bearish Top has been in place & getting extended since POM 15 . It is frothy at the Top with BEARISH heavy Bottom .
- **MDY, SMH , IYT** NEUTRAL - No SIGNAL. - Neutral Top & Neutral Bottom - There is no favorable Risk / Reward . The " Best opportunities to go Long would be after the pull back in Bullish zone.
- **EMB -** NEUTRAL , No SIGNAL. –. Pull back to CZ 107-108 met & rejected lows . The upside is CZ 114-.5-113.75
- **TLT -** Pull back Retesting CZ 104-105 – Bullishly . We would like to see if it rejects lows, close above 105 this week . Stop RM -102.2 . Upward move to PEC- 108 – met but is left incomplete for re test .

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

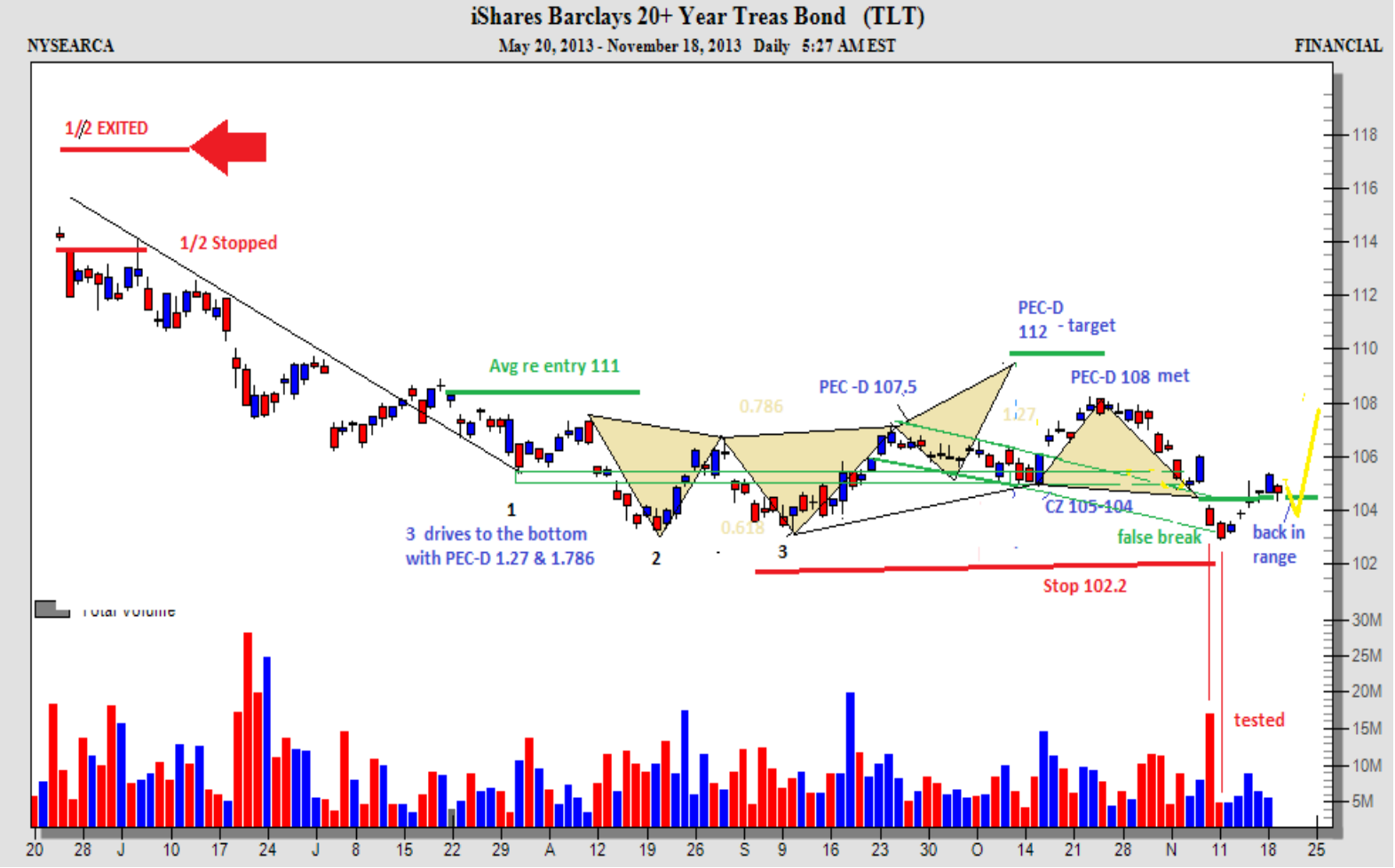
2013 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



TLT (Bond) – CZ- PEC- D Analysis – Daily - Bullish

Downside – Pull back Retesting CZ 104-105 . We would like to see close above 105 on weekly . Stop RM -102.2

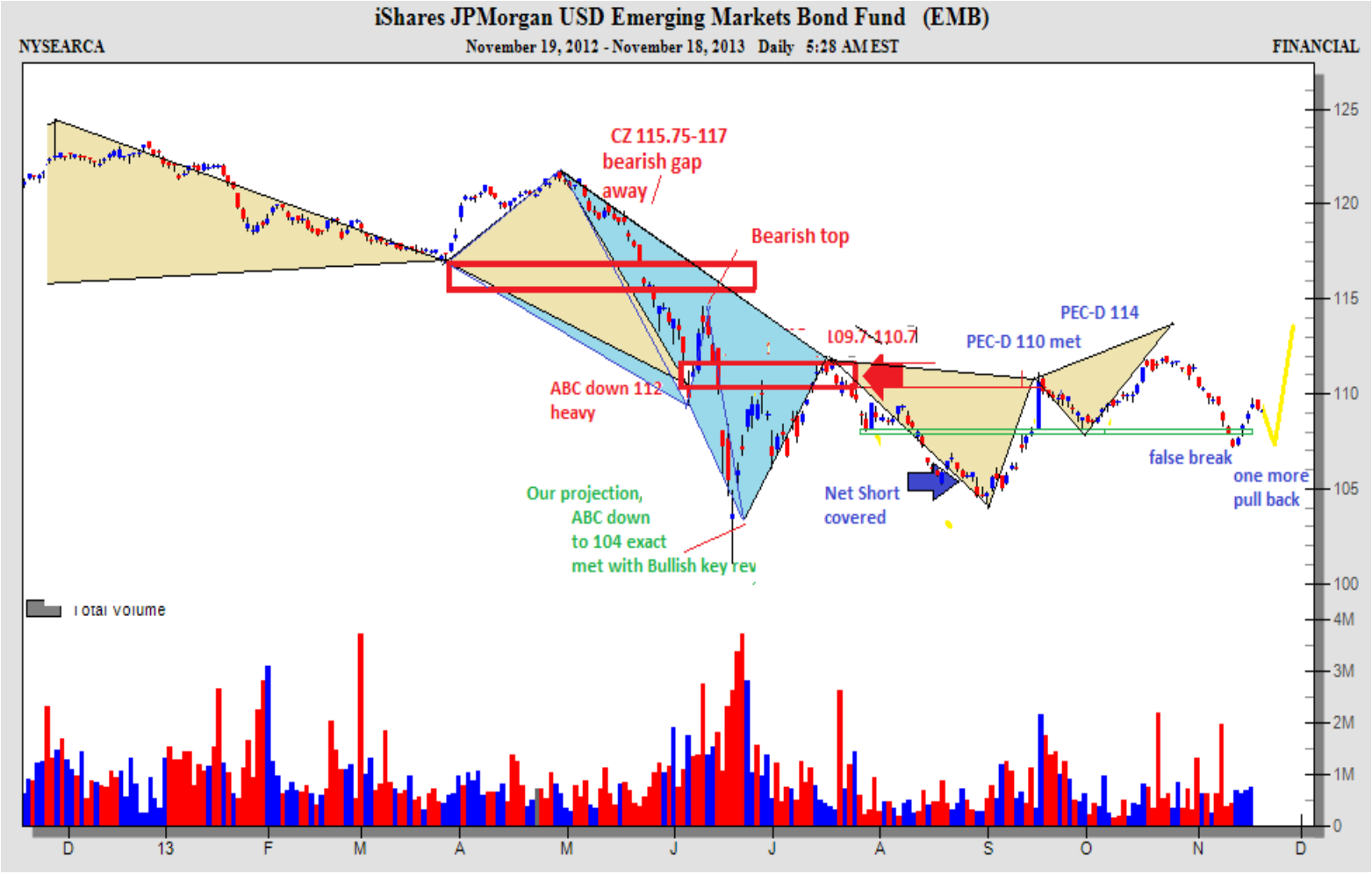
Upside - , Upward move to PEC-D 108 met but is left incomplete for re test . Target to PEC-D 112



EMB (EMG Bonds) – CZ / PEC-D / Ratio Analysis – Daily – Neutral with Bullish bias

UPSIDE – CZ 114.5-113.75

DOWNSIDE – Pull back to CZ 107-108 – Met Bullish breakout area .

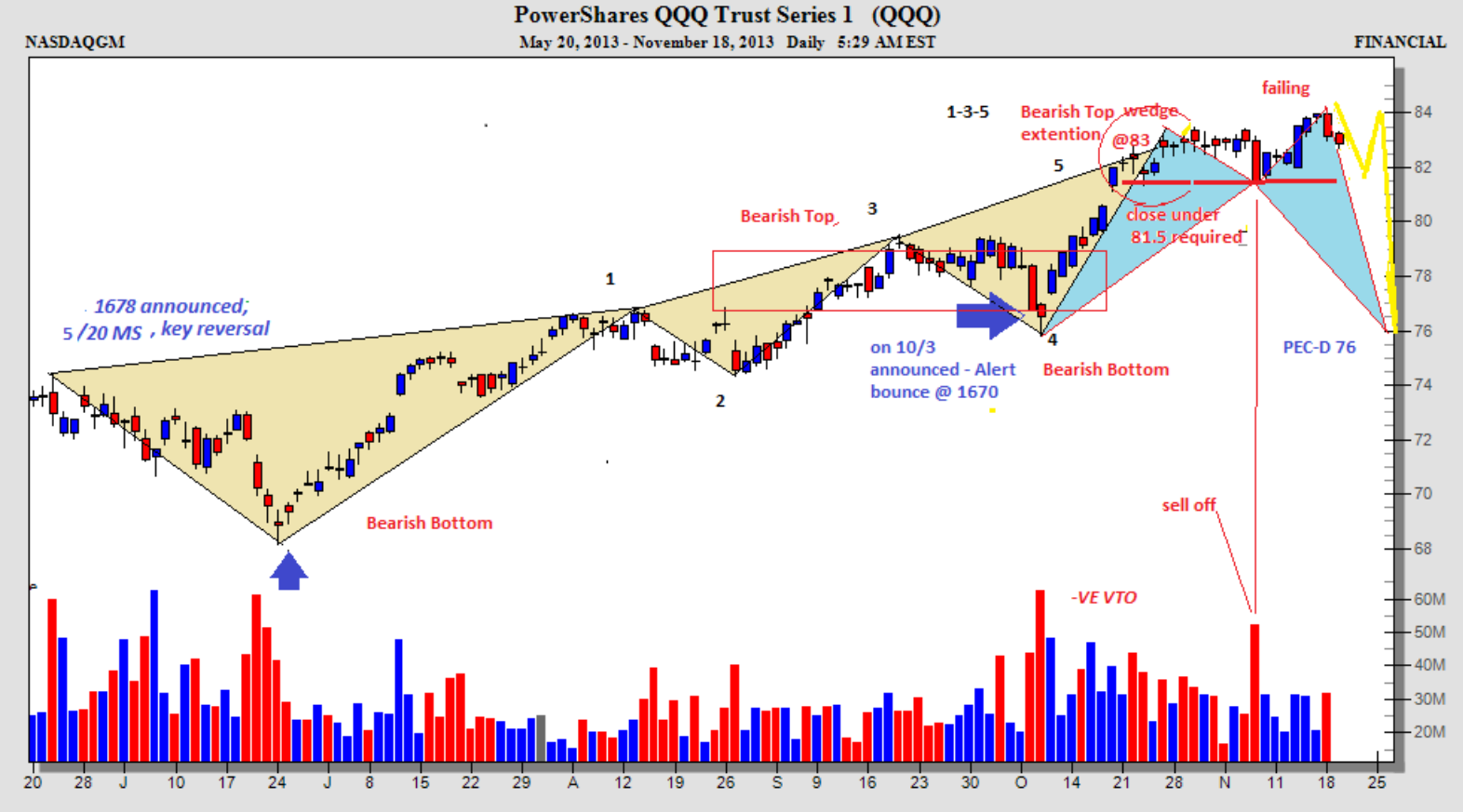


QQQ – (NASD 100) - CZ – PEC-D Analysis - BEARISH

- **Texture – Texture - TOP BEARISH CZ. & TOP BEARISH CZ -**

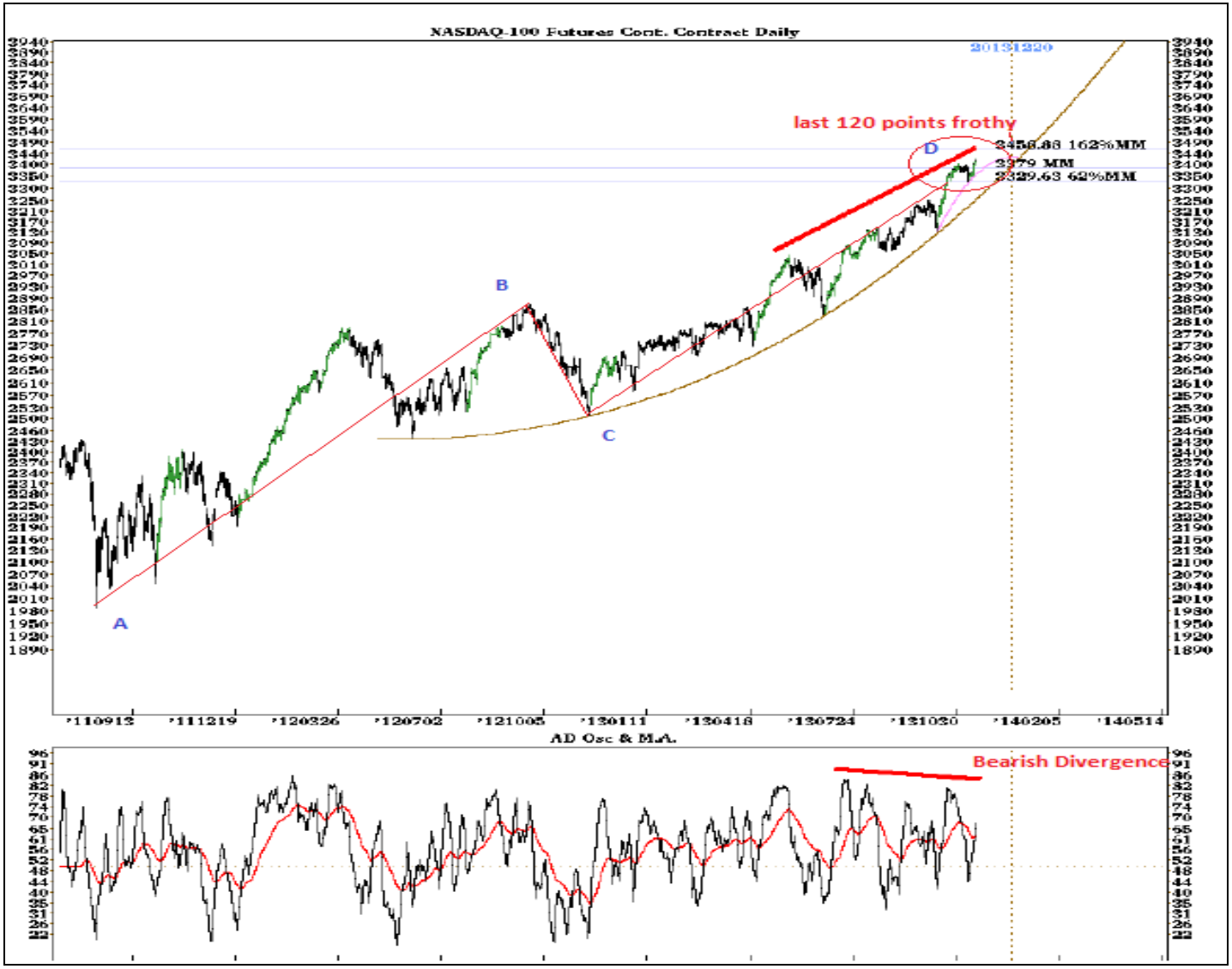
Upside - Bearish Top **extended to 83** **1-3-5 pattern with –ve VTO ,** PEC-D 78 is the natural price.

Downside - Pull back to PEC-D 81 and then **1st ABC down** PEC-D @ 76,



(NASD 100) - CZ – PEC-D Analysis - BEARISH

Larger completion of ABCD Pattern with last 120 points on frothy top with Bearish divergence

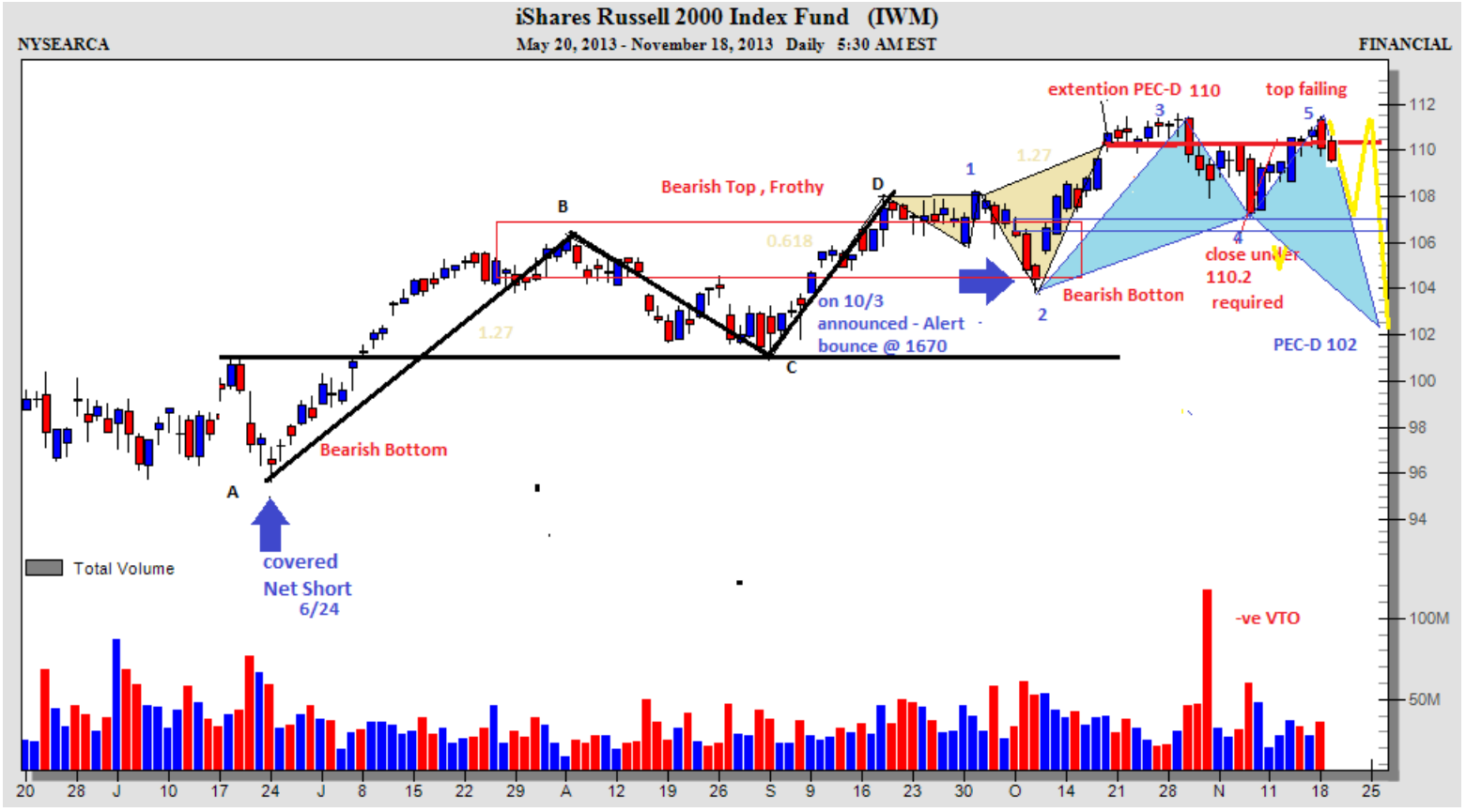


IWM – CZ – PEC-D Analysis - "BEARISH)

- **Texture - TOP BEARISH CZ. & TOP BEARISH CZ)**

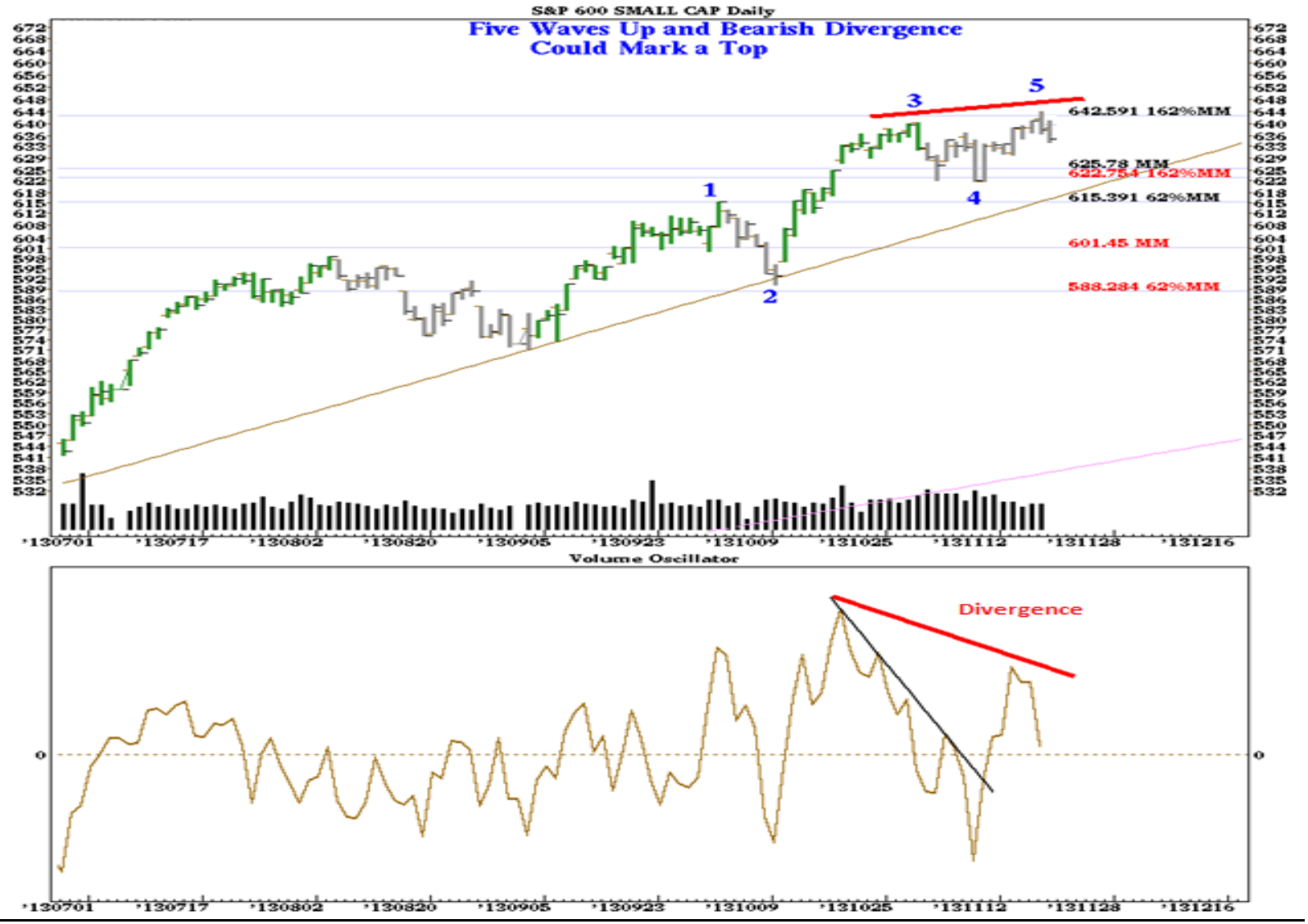
Upside - Bearish Top **extended to 111** , **1-3-5 pattern with –ve VTO with –ve VTO ,** PEC-D 106 is the natural price

Downside - Pull back to PEC-D 107 and then **1st ABC down** PEC-D @ 102,



(Small Cap) - CZ – PEC-D Analysis - BEARISH

Five Wave 1-3-5 completion with Bearish divergence



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.***
  - ***Exterme Indicator Analysis***

CORRELATION RATIO ANALYSIS

Inter market Analysis – TNX (Yield) v/s SPX

- ***Direct Correlation continues in Current Trend***

Inter market Analysis – TLT v/s USD

- ***Inverse Correlation continues in Current Trend***

- **EXTREAME Sentiment Analysis**
- **(3rd Party Data) -** Courtesy : SENTIMENT TRADERS

None @ EXTREMES

POM criteria for Implementation on SPX

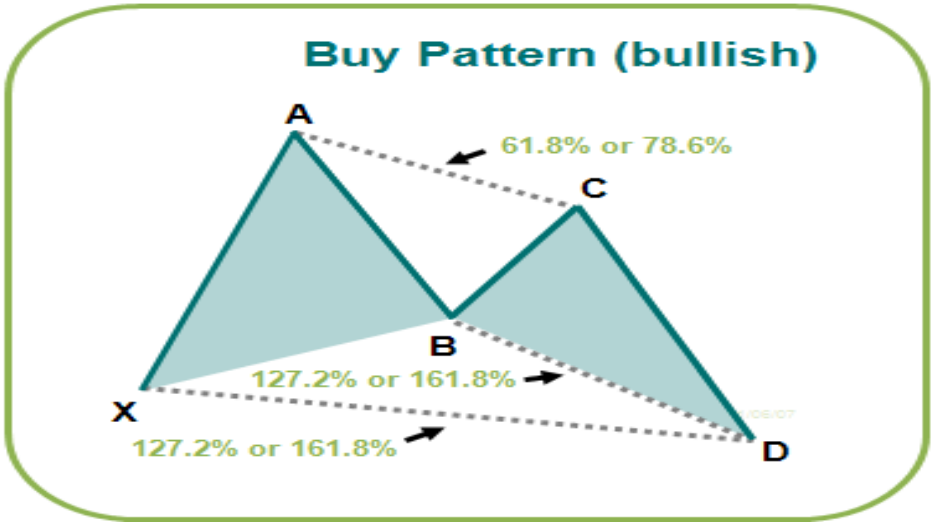
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal) and 12 , 11 (is Buy Signal) both are the Actionable Area whereas POM 13 is A Neutral Signal for Risk management*
- *On way UP move, POM 13 signifies to STOP executing additional 'New Buys" that was initiated at POM 12 or POM 11 levels*
- *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)***

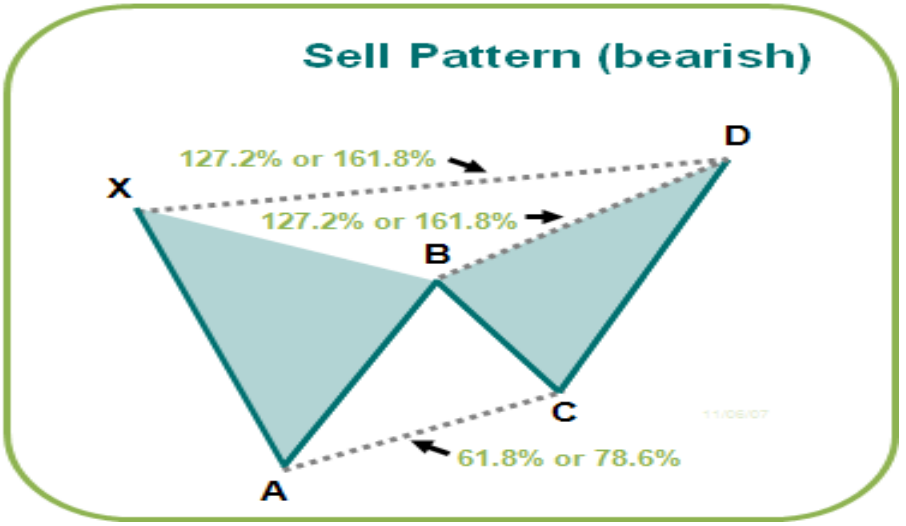
Pythagoras Expansion / Contraction – (PEC) Model

- 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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