



Date : 30TH October (Wednesday)

BROADER INDICES REPORT(Strategy & Prop Tech)

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Executive Summary

	Current Price	Trigger 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
TLT (BONDS)	108.29	POM 13 -Re Run On 01/7 <u>Core position</u>	CZ 115-107 Triggered @ 107 8/09 – 2nd -1/2 re entry	BULLISH Bottoming <i>Building cause for up move</i>	Net Long Avg entry Price 111	NONE	Target – PEC-D 112	CZ 124-125 Bullish Top	Pull back to PEC-D 106 Should hold	Crash PEC-D 104, tested Bullish divergence	Current Drawdown --- 2.5% managed with EMB Hedged profit of 3.5%
IWM (SM CAP)	111.1	POM 15 (SPX)	CZ 104.25 – 101.28 "Scale in" 7/24	BEARISH Alerted On 10/3 <i>For ST bounce since SPX @ 1670</i>	Net Short Avg entry @ 103.1	NONE	PEC-D 106 met & failed On PQV <i>Close below 110.2 Would be confirmation</i>	PEC-D 111 extension Frothy Should fail Very soon 3 – Drives to the Top complete	1 st ABC down to 102 heavy bottom	CZ 98-97 heavy bottom	Bearish Top Engulf @ 99 is intact on 5/22 <i>10% Hedge remains on XLP,XLV,XHB for Market Neutral Book 5/22</i>

Note - We shall announce to re enter ½ – NET Short exposure back in once the Top is in . At SPX @1670 on 10/3, we **Reduced** Short exposure @ SPX - 1670 (in XLE, XLB) to avoid short squeeze

	Current Price	Trigger 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
QQQ (NASD)	83.06	POM 15 (SPX)	CZ -74.75-73.51 <u>Scale in</u> " 7/24	BEARISH Alerted On 10/3 For ST bounce since SPX @ 1670	Net Short <i>Avg entry @ 74.28</i>	NONE	PEC-D 78 met & failed On PQV <u>Close below 81.50</u> <i>Would be confirmation</i>	PEC-D 83 extension Frothy Should fail Very soon 1-3-5 Pattern	1 st ABC down to 76 heavy bottom	CZ 72-73 heavy bottom	Bearish Top Engulf @ 75 is intact on 5/22 <i>10% Hedge remains on XLP,XLV,XHB for Market Neutral Book 5/22</i>
SMH (SEMI)	41.23	POM 15 (SPX)	NONE	NEUTRAL	CASH .	NONE	ABC up to 40 complete No signal	Extend to 41, but should fail		CZ 35-36 Best Risk Reward to enter	Good candidate to be long after the correction.
MDY (MID CAP)	236.5	POM 15 (SPX)	NONE	NEUTRAL	CASH	NONE	POM 15 No signal	TBA	TBA		Ditto
IYT (TRANS)	126.1	POM 15 (SPX)	NONE	NEUTRAL	NONE	NONE	POM 15 No signal	TBA	TBA		Ditto

Continued.....

	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
EMB (EMG B.	111.3	N/A	CZ 110.7-109.7 On 7/1	NEUTRAL Bullish bias	NONE	NONE <i>No signal</i>	CZ 110.7-109.7 Met exact & broken Bullishly	CZ 114.5-113.75	CZ 108-107 Bullish breakout area	PEC-D 104.5, floor CZ 103-101 Climax lows	<i>Best Risk Reward for Net long @ 102.5 PEC-D</i> <i>Earlier - Closed the Net long Position for 3.5% profit</i>

SPX- Portfolio – Overview

WORLD MARKETS ARE ALL HIGHER THIS MORNING as the FOMC concludes the 2-day meeting with a statement this afternoon. On Mondays MS- We had re iterated our projected target of PEC-D 1765 with extension moving to 1680 with +ve bias in first 2-3 days of the week . It is approaching . ST turn should come in soon but that should be followed by rally . The counter trend rallies are better option if one is inclined to add short positions.

The NASDAQ & Russell weekly has made all long term targets - the question is how much higher it can rise before the early Time termination 8TH_November & 18TH November Bradley dates.

- SPX @1670 on 10/3, We Announced to - **Reduced** Short exposure & close XLB & XLE **@ 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, FXI , EWJ , XLP, TLT

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

QQQ , IWM,

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

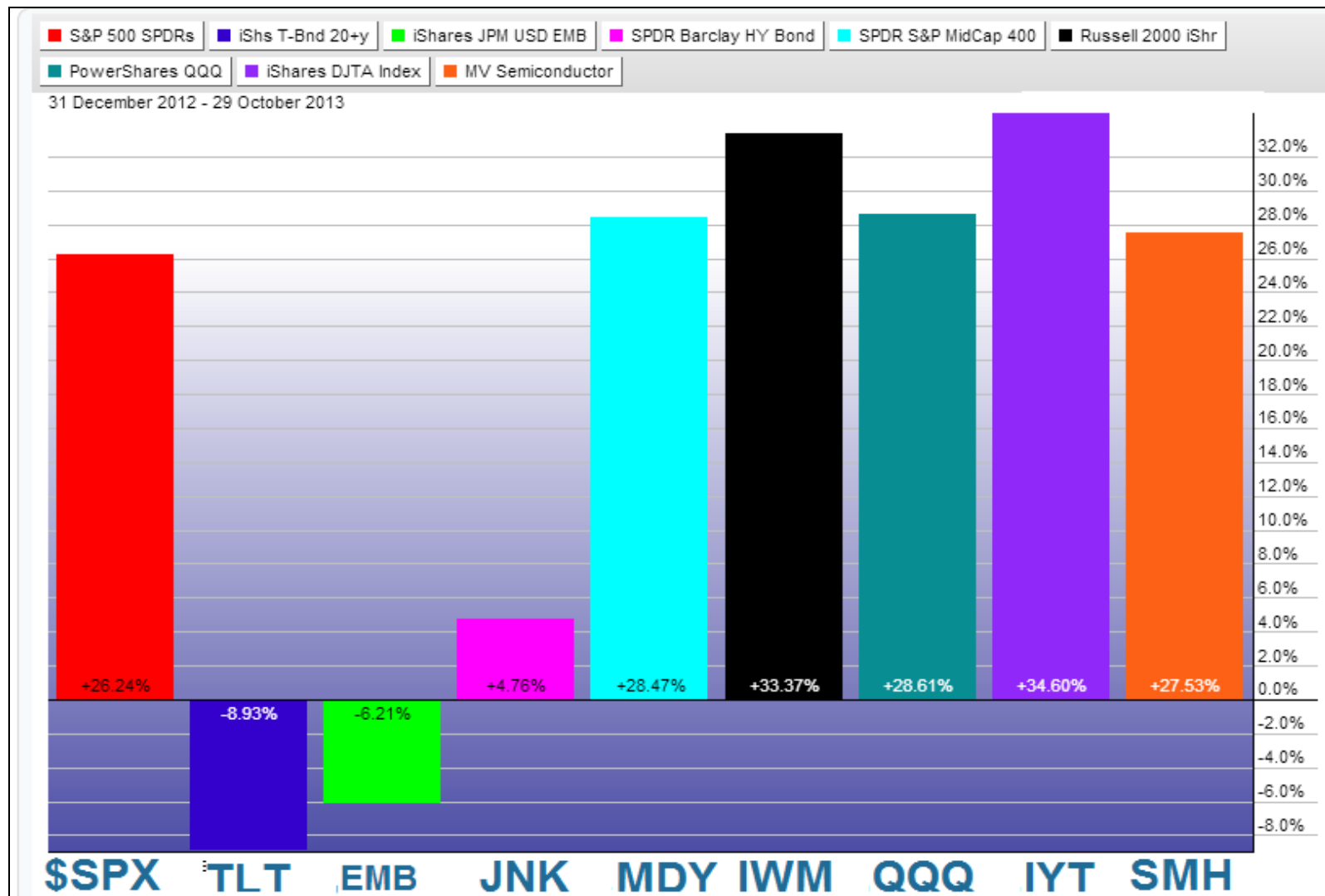
Broader Indices Overview

- **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.** - It met **CZ 110.7-109.7** . & extended with Volume as we projected . Now it should approach **CZ 114-.5-113.75** . pull back target to **CZ 108-107**
- **TLT -** Trading above **PEC-D 107**, it should get to **112 Target.** It has initiated leg up by building a base within **CZ 104-105** with Bullish divergence & +ve VTO . .

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

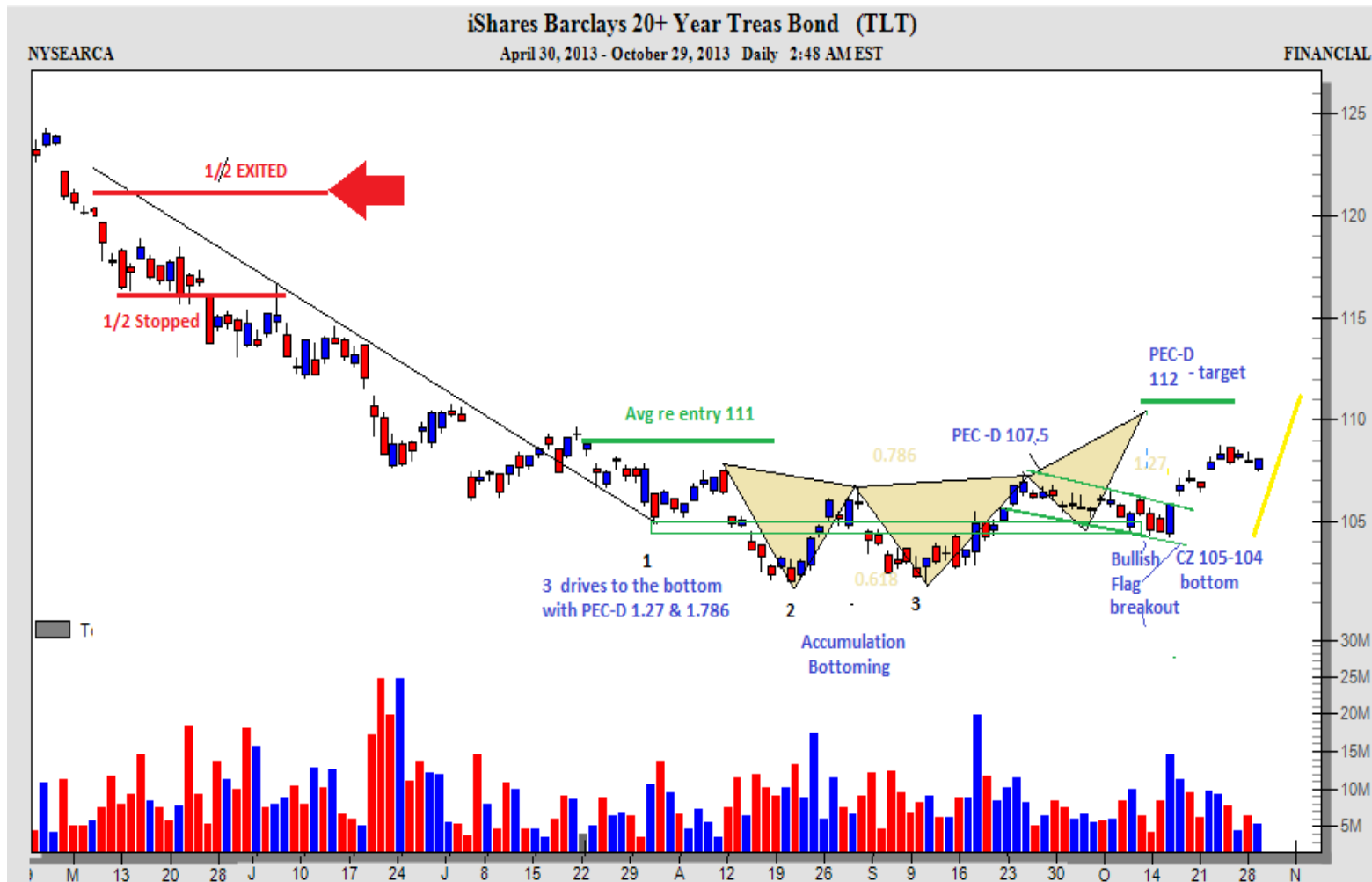
2013 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



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

Upside - Rally to PEC-D 112 is in progress & then to CZ – 124-125 (Bullish top).

Downside – Bottoming process complete 105-104 , It rejected PEC-D 104 lows with , +ve vol reversal .

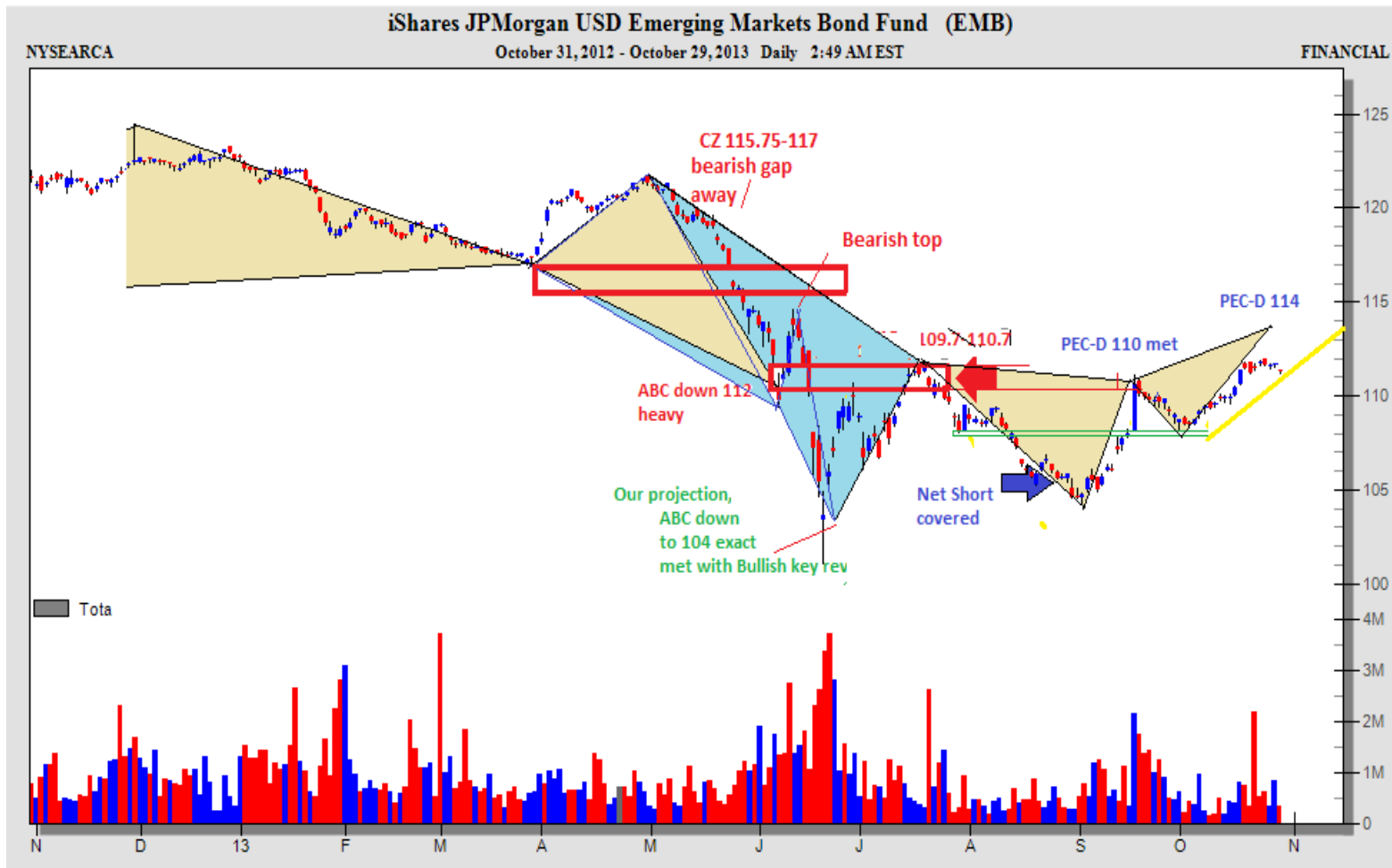


EMB (EMG Bonds) – CZ / PEC-D / Ratio Analysis – Daily

UPSIDE – CZ 114.5-113.75- approaching, Volume is picking up on break of CZ 110.7-109.7

DOWNSIDE – CZ 108-107 – Bullish breakout area .

PEC-D - 105 Covered our Net Short exposure timely

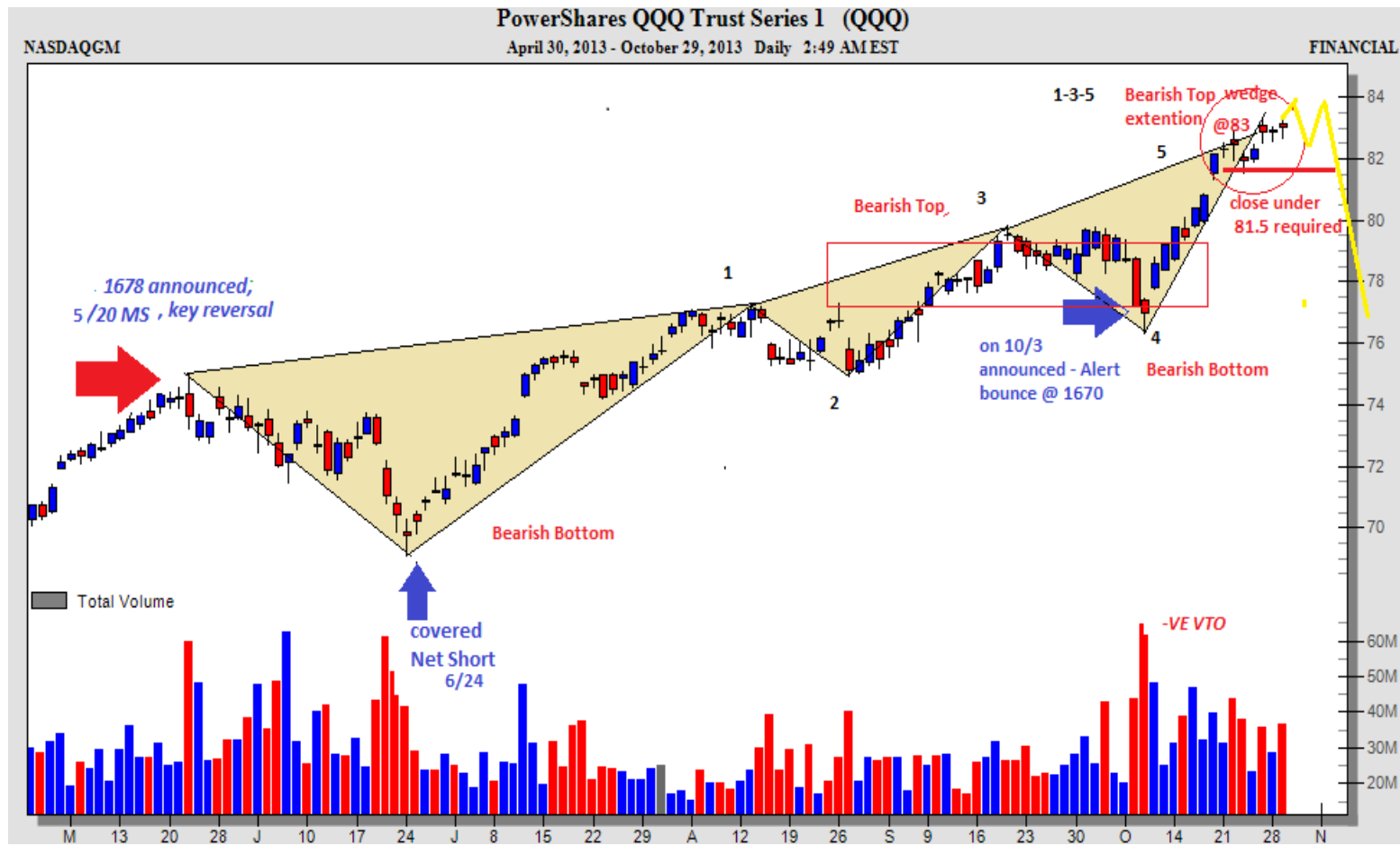


QQQ – (NASD 100) - CZ – PEC-D Analysis - **BEARISH**

- 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 - 1st ABC down PEC-D @ 76.

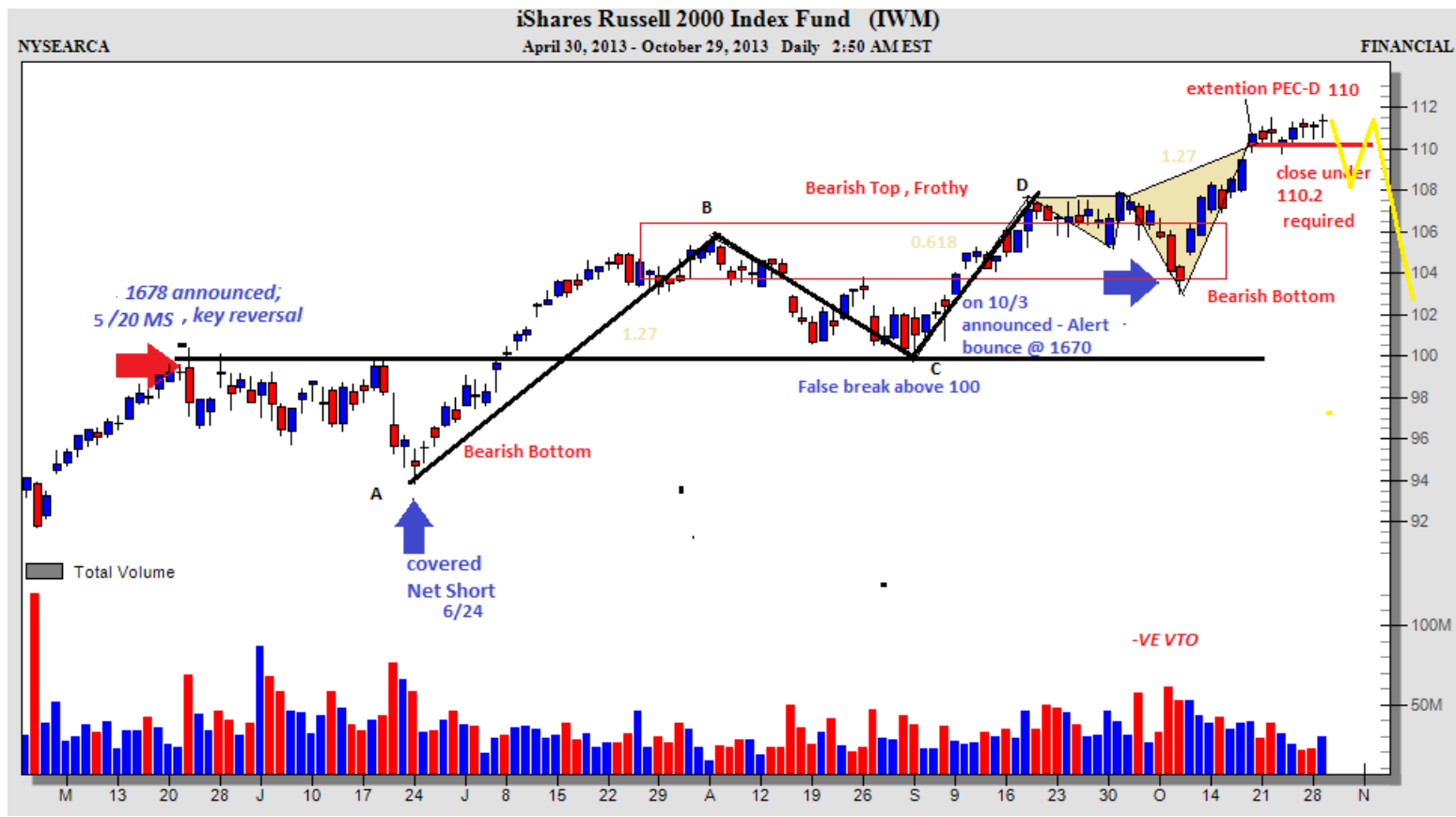


IWM – CZ – PEC-D Analysis - “BEARISH)

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

Upside - Bearish Top extended to 111 with -ve VTO , PEC-D 106 is the natural price

Downside - 1st ABC down PEC-D @ 102,



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*

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)

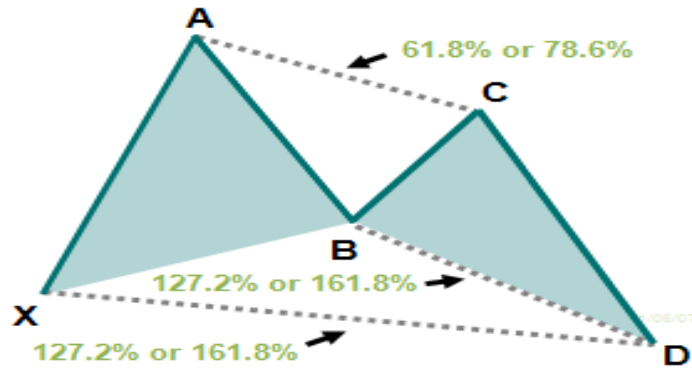
Pythagoras Expansion / Contraction – (PEC) Model

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

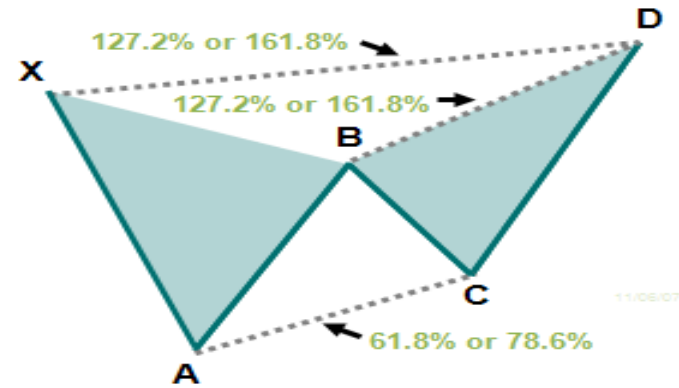
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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