



Date : 31th January 2014 (Friday)

COMMODITY REPORT (Strategy & Prop Tech)

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● Executive Summary

	C. Price	Main CZ Triggered & Date	Follow up <u>Announcement</u> Update For Trend Reversal	Progress Status	Current Position / Exposure	NEW ACTION - Position (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
DBC COMMDITY CRB	24.91	NONE	NONE	NEUTRAL Bearish bias	CASH	NONE <i>No Signal</i>	Bounce to CZ 25.25-25.50 Failed & set next ABC down	Target to PEC-D 26.50 upside <i>Negated</i>	CZ 25.25-25.50 Broke down with Bearish volume	Target ABC down to PEC-D 23.50	
OIL (\$ WTIC)	97.1	NONE	NONE	NEUTRAL Bullish bias	CASH	NONE <i>No Signal</i>	Bounce to CZ 96-95 broke out upside and negated Bearish bias Surprised !!	Target PEC-D 99.5-	Pull back CZ 94-93 Neutral Top Should hold and rally up	ABC down to PEC-D 89 - <i>Negated</i>	As per last Report We closed On our position @ cost 94.5 due to RM Subsequently Oil broke out!
COPPER - COR)	3.22	CZ 3.10-3.27 @ 3.20 avg. Triggered On 4/22	NONE	BULLISH ST Pullback In progress	Net Long	NONE	Target to CZ 3.45-3.50 Bullish Top		Pull back to PEC-D 3.22 Approaching Re test Should hold	CZ 3.15-3.10 Bullish Bottom (Floor)	Successful bottom in place at 3.10

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UNG (NATGAS)	24.25	CZ -17.75-17.50 @ 17.50 <i>Triggered On 10/23</i>	NONE	BULLISH ST Pullback In progress	Net long Up 55%	NONE	PEC-D 23 Bullish top Broke out 3 YEAR consolidation into large ABC up	Target PEC-D 30	Pull back to Retest CZ 23.5-23 Bullish bottom Approaching Re test Should hold	CZ 19.50-19.25 Bullish bottom	Big Rally since our Trigger 10/23 @ 17.50 Up 55%
DBA (AGRO)	24.38	CZ – 24.60-24.40 <i>Triggered On 12/5</i>	NONE	BULLISH	Net long	NONE	Target PEC-D 26.30] Bullish top	CZ -28-29 Bullish top	False break below CZ 24.40-24.60 Re testing Bullish Bottom Should reject lows	PEC-D 24.5 3 drives to bottom Completed Bullish Bottom	STOP RM 24.10

Commodity Overview -

SIGNALS. - Price Projection CZ, Trading / Investment Conclusions below

Since last commodity Report 1/11 , The highlights has been **NATGAS (UNG)** , It has moved up 50% since our entry and 30% in last 2weeks in strong uptrend as expected. **CRB** is Neutral with Bearish bias .

OIL – was a surprise !! to us , the bounce we were expected met the target but translated into breakout. It negated the ABC down. We exited at our cost price.

COPPER approaching pull back zone exact as expected for next rally up. .

- BULLISH INDICES –

DBA (AGRO), - Consolidation

\$COPPER, ST Pull back.

\$ NATGAS (UNG)

- BEARISH INDICES- **None**

- NEUTRAL INDICES -

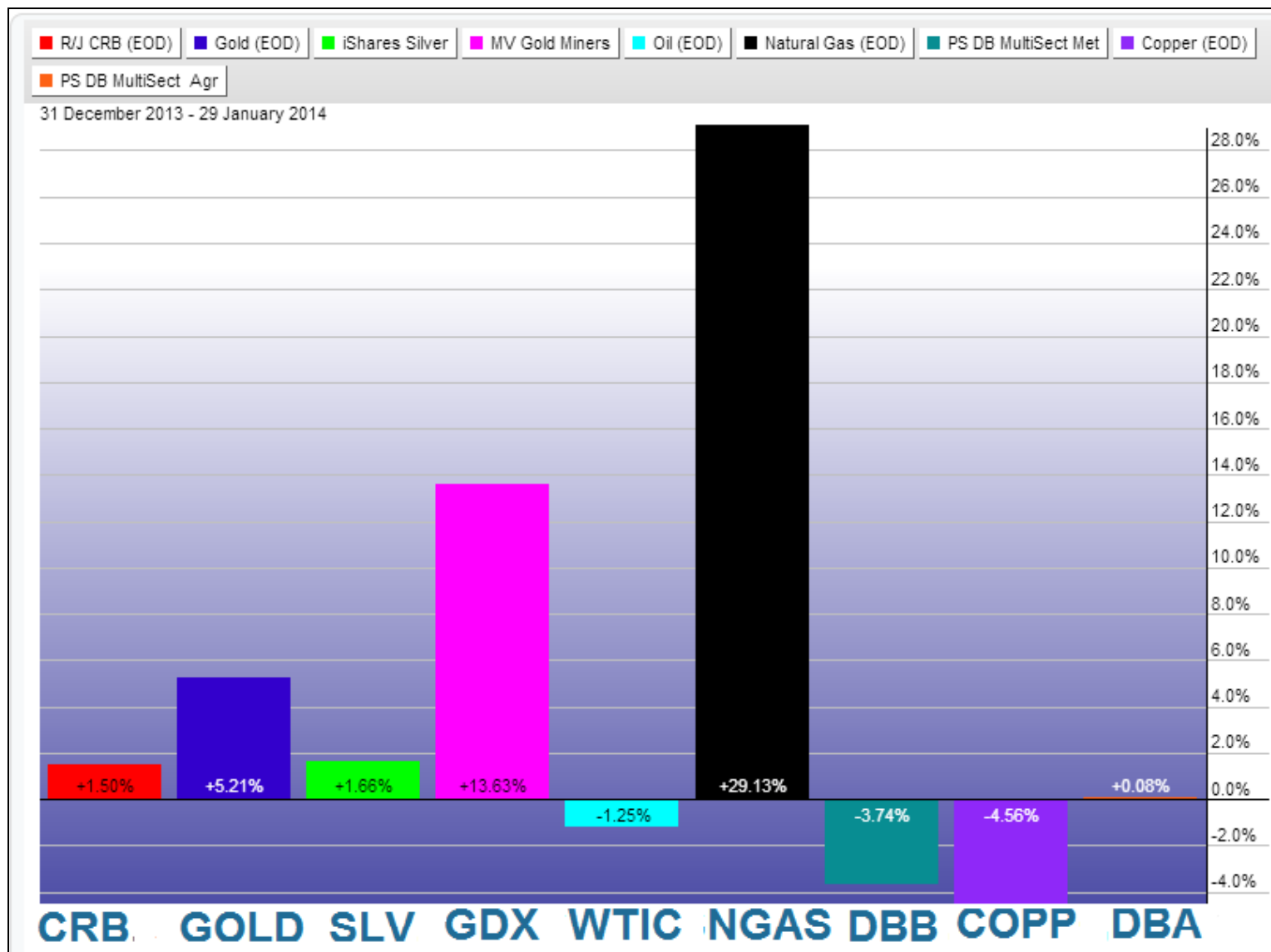
CRB (DBC)-

\$WTIC -

• YTD – Commodities & SPX performance v/s CRB

Weakest and strongest Indices for PAIR TRADES

2014 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s CRB .



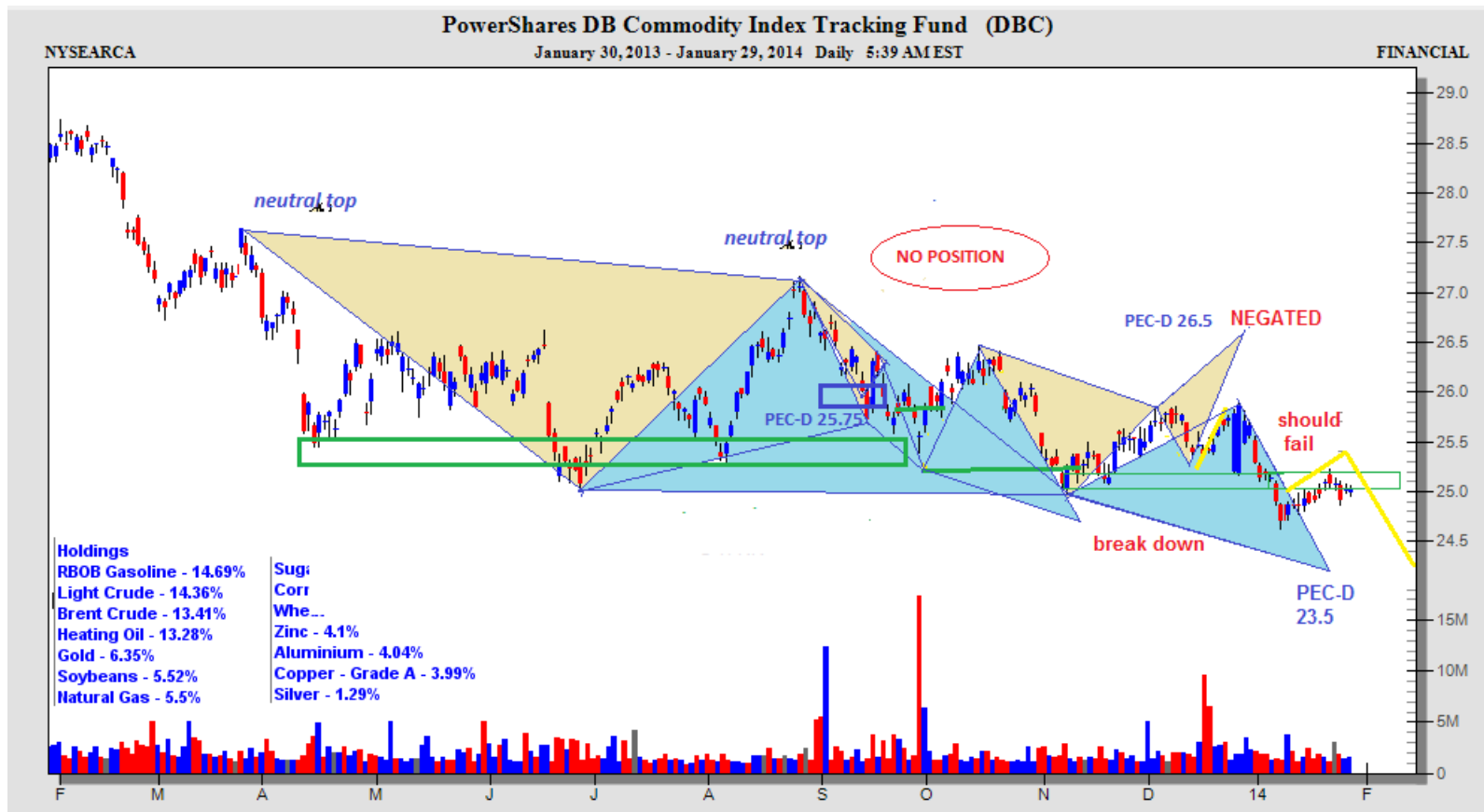
DBC (CRB- Index) - with CZ/ PEC-D & Oscillator Analysis – Neutral – Bearish bias

NEUTRAL TOP & NEUTRAL BOTTOM

No Signal / No Position –

UPSIDE - Bounce to CZ 25.25-25.50 failed . Target to PEC-D @ 26.50 was negated due to break of CZ 25.25-25.75 with high volume

DOWNSIDE - - ABC down to PEC-D 23.5 with Neutral bottom .,

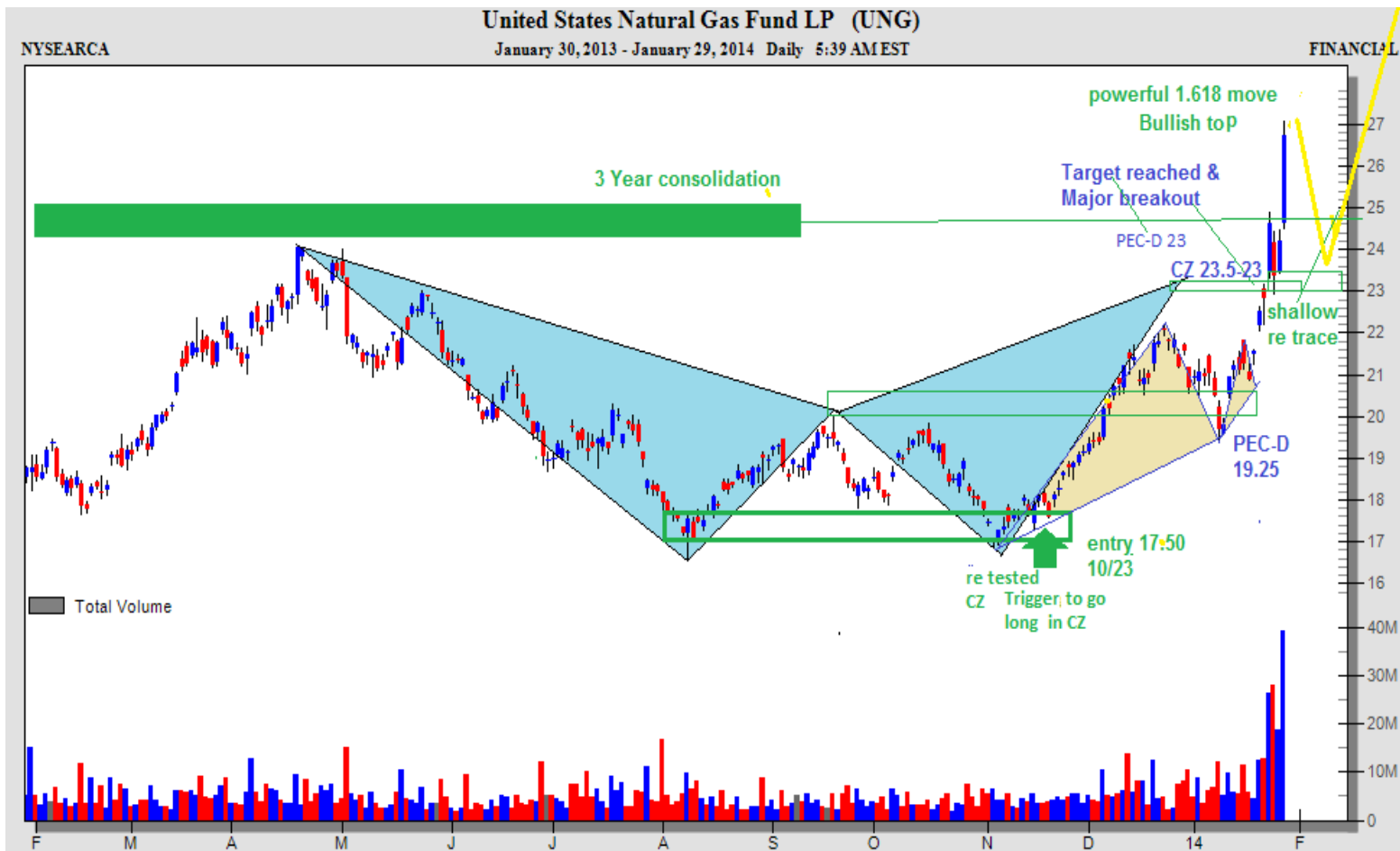


NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis **Bullish – ST pull back**

- Texture - BULLISH TOP & BULLISH BOTTOM

Upside - PEC-D 23 (Bullish Top) – Met & Broke out of 3 years consolidation with very large ABC with Bullish top, It should continue to go higher target **PEC-D 30** after shallow pull back .

DOWNSIDE - It can test the breakout area of **CZ 23.50-23.00** with bullish bottom , it should hold and head higher.



COPPER - CZ/ PEC -D Analysis - Bullish - ST pull back

BULLSH TOP & BULLSH BOTTOM

Downside - Pull back to PEC-D 3.22 approaching . Bullish floor validated CZ 3.15-3.05-

Upside - Target PEC-D 3.45 Bullish Top in place



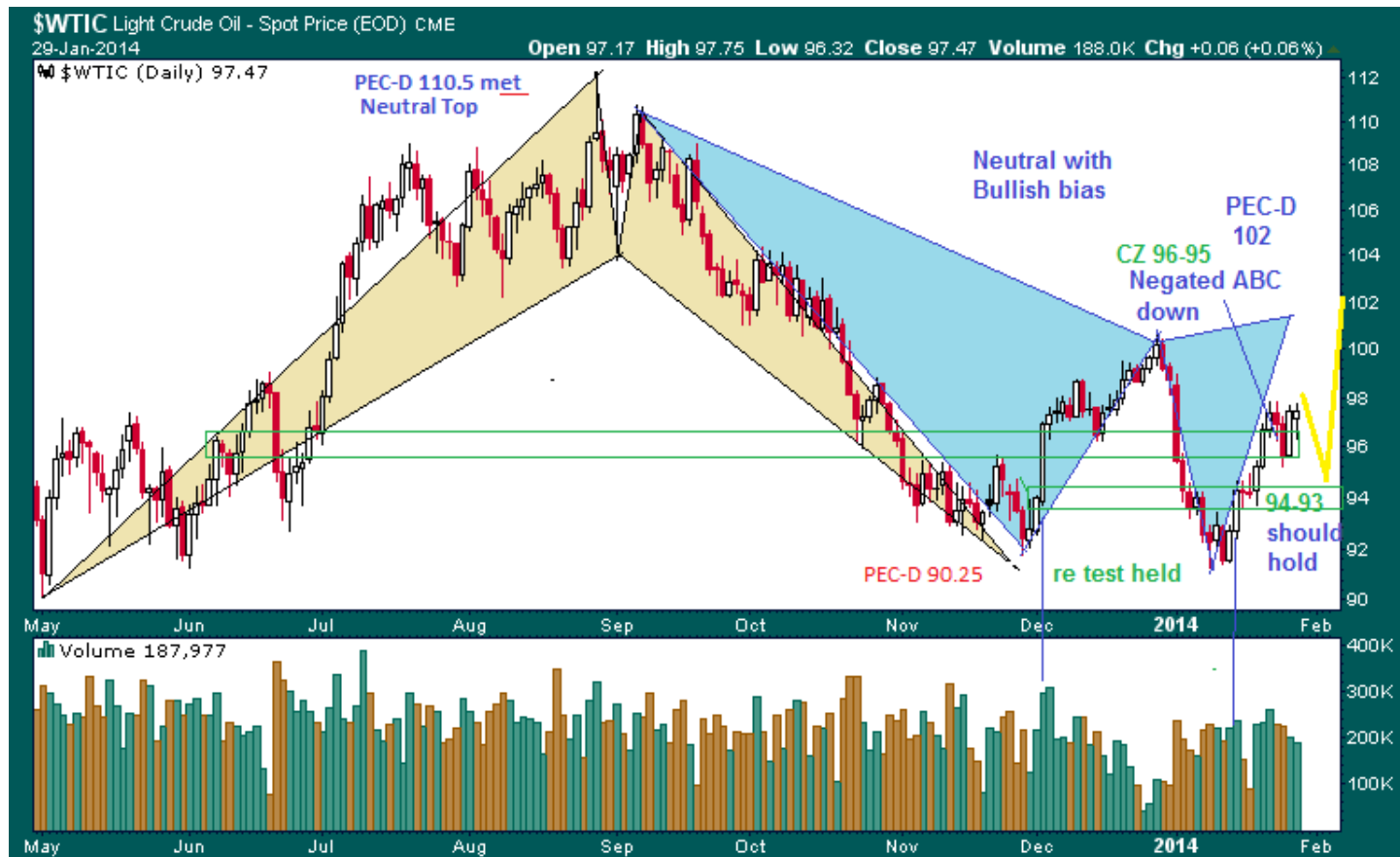
OIL – CZ / PEC –D / Oscillator Analysis - Neutral- Bullish bias

NEUTRAL TOP & NEUTRAL BOTTOM

No Signal / No Position –

UPSIDE - Bounce to CZ 96-95 broke out Bullishly (surprised us) – It negated ABC Down.
We had exited position at breakeven @ 94.4 as per our Pre announcement last Report due to Risk Management.

DOWNSIDE -- Pull back to breakout area CZ 94-93 and should hold to go higher with Neutral bottom .,



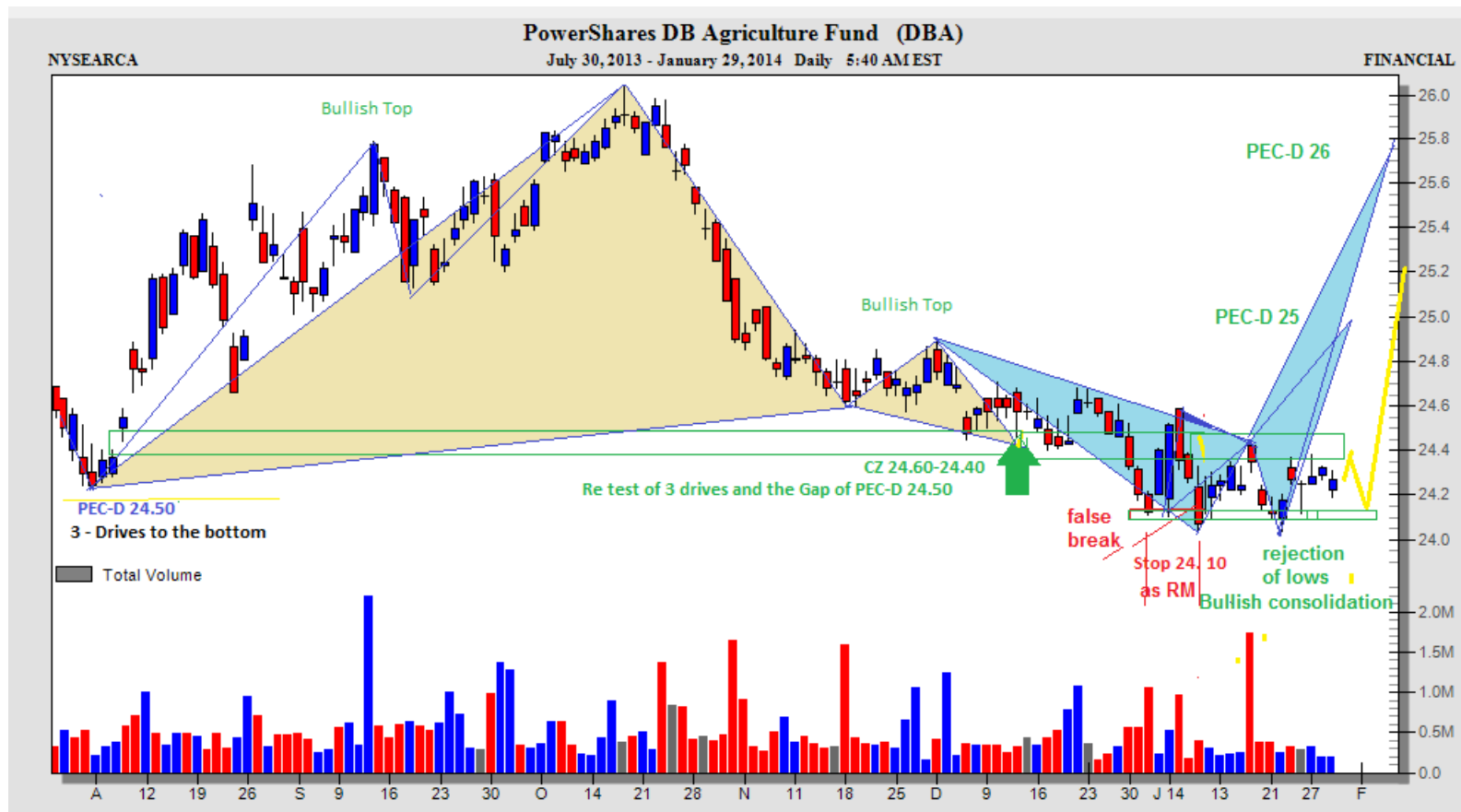
AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

- Texture - BULLISH TOP & BULLISH BOTTOM

DOWNSIDE - False break below - CZ 24.40-24.60 - Bullish Bottom, Needs consolidation .
Re testing the 3 DRIVES to the Bottom . This is Validated strong Floor . **Stop RM 24.10**.

1ST Upside – PEC D- 26.30

2nd Upside target , CZ – 28-29 (Bullish Top) .



Appendix Content

- 2012 YTD – GOLD, GDX, CRB - Position Summary
- 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.*

- **EXTREAME Sentiment Analysis GOLD & Currencies**

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

- **CORRELATION RATIO ANALYSIS - Inter market Analysis**

GOLD v/s GD_X (XAU)

- **None @ EXTREMES**

GOLD v/s SLV

- **None @ EXTREMES**

- **CORRELATION RATIO ANALYSIS - Inter market Analysis**

CRB v/s SPX

- **Direct Correlation continues in Current Trend**

CRB v/s USD

- **Inverse Correlation continues in Current Trend**

OIL v/s SPX

- **None @ EXTREMES**

COPPER v/s SPX

- **None @ EXTREMES**

- None @ EXTREMES

POM criteria for Implementation

- 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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