



Date : 11th January 2014 ( Saturday)

## COMMODITY REPORT (Strategy & Prop Tech)

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### Executive Summary

	C. Price	Main CZ Triggered & Date	Follow up <b>Announcement Update For Trend Reversal</b>	Progress Status	Current Position / Exposure	<b>NEW ACTION - Position ( Trigger to Watch)</b>	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
<b>DBC</b>  <b>COMMDITY CRB</b>	24.86	NONE	NONE	<b>NEUTRAL</b> Bearish bias	0% CASH	NONE  <b>No Signal</b>	<b>Bounce to</b> CZ 25.25-25.50 <b>Should fail</b> For next ABC down	Target to PEC-D 26.50 <b>Negated</b>	CZ 25.25-25.50 <b>Broke down with volume</b>	ABC down to PEC-D 23.50	
<b>OIL (\$ WTIC)</b>  <b>Pre announcement</b>	93.0	CZ 94-95 @ 94.4 avg.  Triggered On 1/3	NONE	<b>NEUTRAL</b> Bearish bias	3% Net long	<b>Exit at Breakeven</b> 94.5 on <b>bounce</b> Due to high Volume decline	<b>Bounce to</b> CZ 96-95 <b>Should fail</b> For next ABC down	Target PEC-D 99.5- <b>met</b> With <b>Bearish</b> top & declined	<b>CZ 94-95</b> <b>Broke down with volume</b>	ABC down to PEC-D 89  <b>Better Risk Reward for entry</b>	
<b>COPPER - COR)</b>	3.35	CZ 3.10-3.27 @ 3.20 avg.  Triggered On 4/22	NONE	<b>BULLISH</b> ST Pullback In progress	3% Net Long	NONE	<b>Target to CZ</b> 3.45-3.50 <b>Bullish Top</b> <b>Met exact &amp; Pulled back</b>		<b>Pull back to</b> PEC-D 3.24	CZ 3.15-3.10 <b>Bullish Bottom ( Floor)</b>	Successful bottom in place at 3.10

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<b>UNG (NATGAS)</b>	19.81	CZ -17.75-17.50 @ 17.50  <i>Triggered On 10/23</i>	NONE	<b>BULLISH</b> ST Pullback In progress	2% Net long	NONE	<b>Bounce to</b> CZ 25.25-25.50 <b>Should fail</b>	Target PEC-D 23 Bullish top <b>Missed by 80 cents</b>	<b>Pull back to Retest</b> CZ 19.50-19.25	CZ -17.75-17.50 Bullish bottom	<b>Big Rally since our Trigger 10/23 @ 17.50</b>
<b>DBA (AGRO)</b>	24.24	CZ – 24.60-24.40  <i>Triggered On 12/5</i>	NONE	<b>BULLISH</b>	2% Net long	NONE	Target PEC-D 26.30] Bullish top	CZ -28-29 Bullish top	<b>False break below CZ 24.40-24.60</b> <b>Re testing</b> Bullish Bottom  <b>Should reject lows</b>	PEC-D 24.5 3 drives to bottom Completed Bullish Bottom	<b>STOP RM 24.10</b>

## Commodity Overview -

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

Since last commodity Report 12/13 , Commodity Market got more volatile . **CRB** sold off more than expected with volume and bearish bias. We still have No signal in any direction. On **OIL** acted similar to CRB but it has setup ABC down due to unexpected pick up in volume. Therefore as Risk management we shall exit our pre announced triggered on (1/3) at cost price which is just \$1 above current price. At 88 it should provide good Risk reward. **UNG ( NAT GAS)** is setting up pull back within uptrend. We should see re test of last week's lows after a slight bounce and then rally and so is **COPPER** .

- BULLISH INDICES –

**DBA ( AGRO), - Consolidation**

**\$COPPER, ST Pull back.**

**\$ NATGAS (UNG) - ST Pull back.**

- BEARISH INDICES- **None**

- NEUTRAL INDICES -

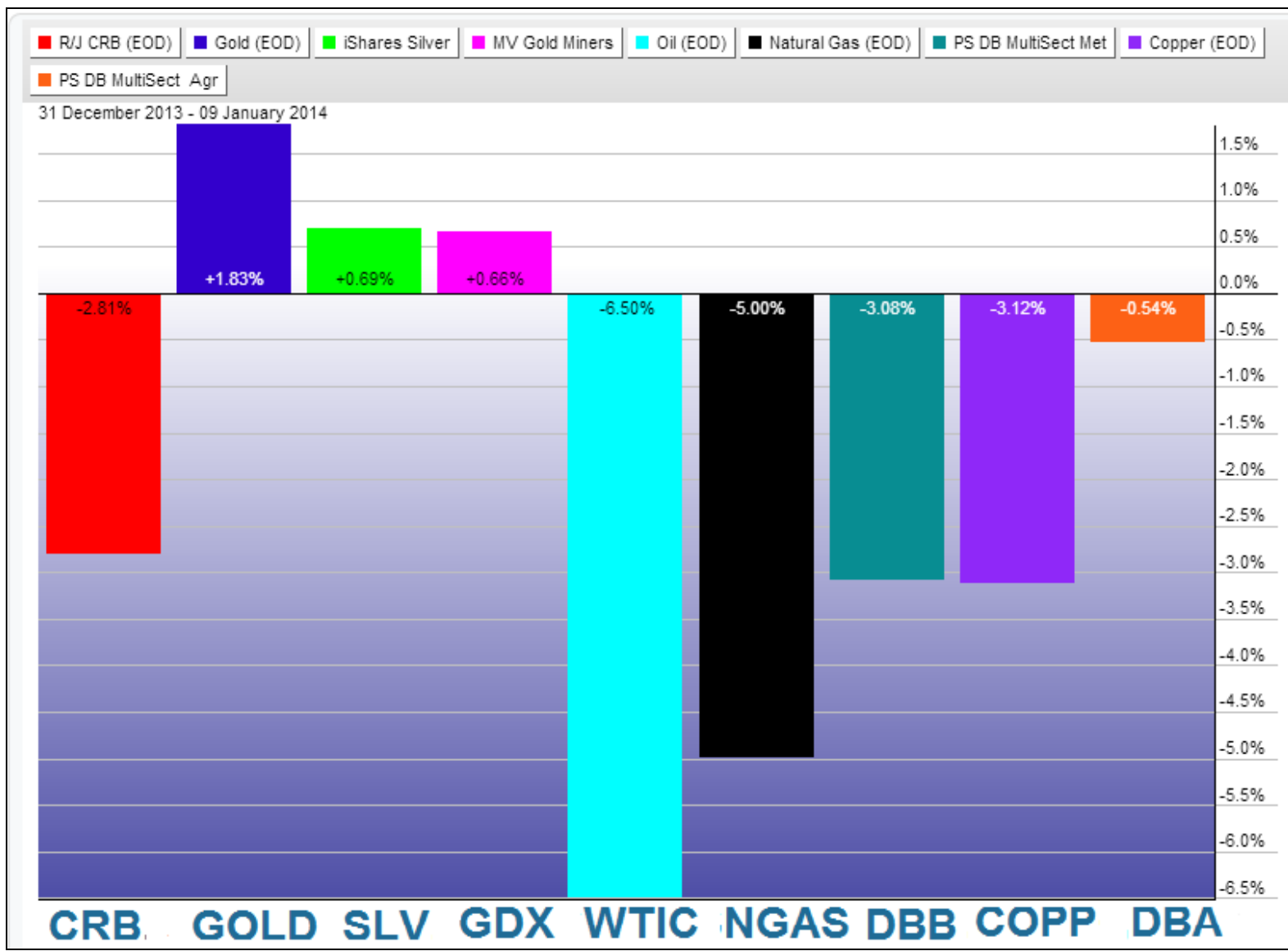
**CRB ( DBC)- Bearish bias ,**

**\$WTIC - Bearish bias**

# • 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

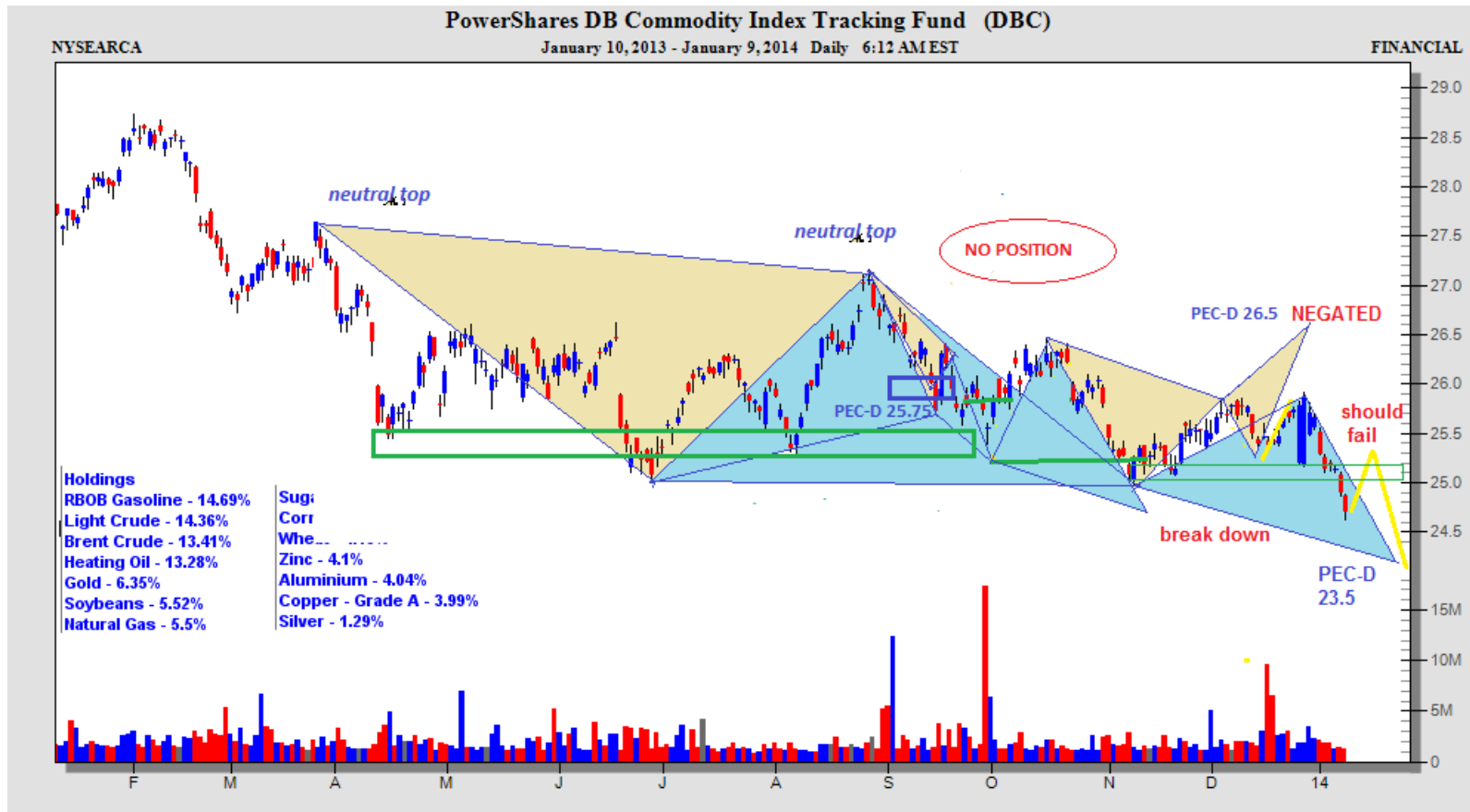
## NEUTRAL TOP & NEUTRAL BOTTOM

**No Signal / No Position –**

**UPSIDE** - Bounce to CZ 25.25-25.50 should fail.

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 .,

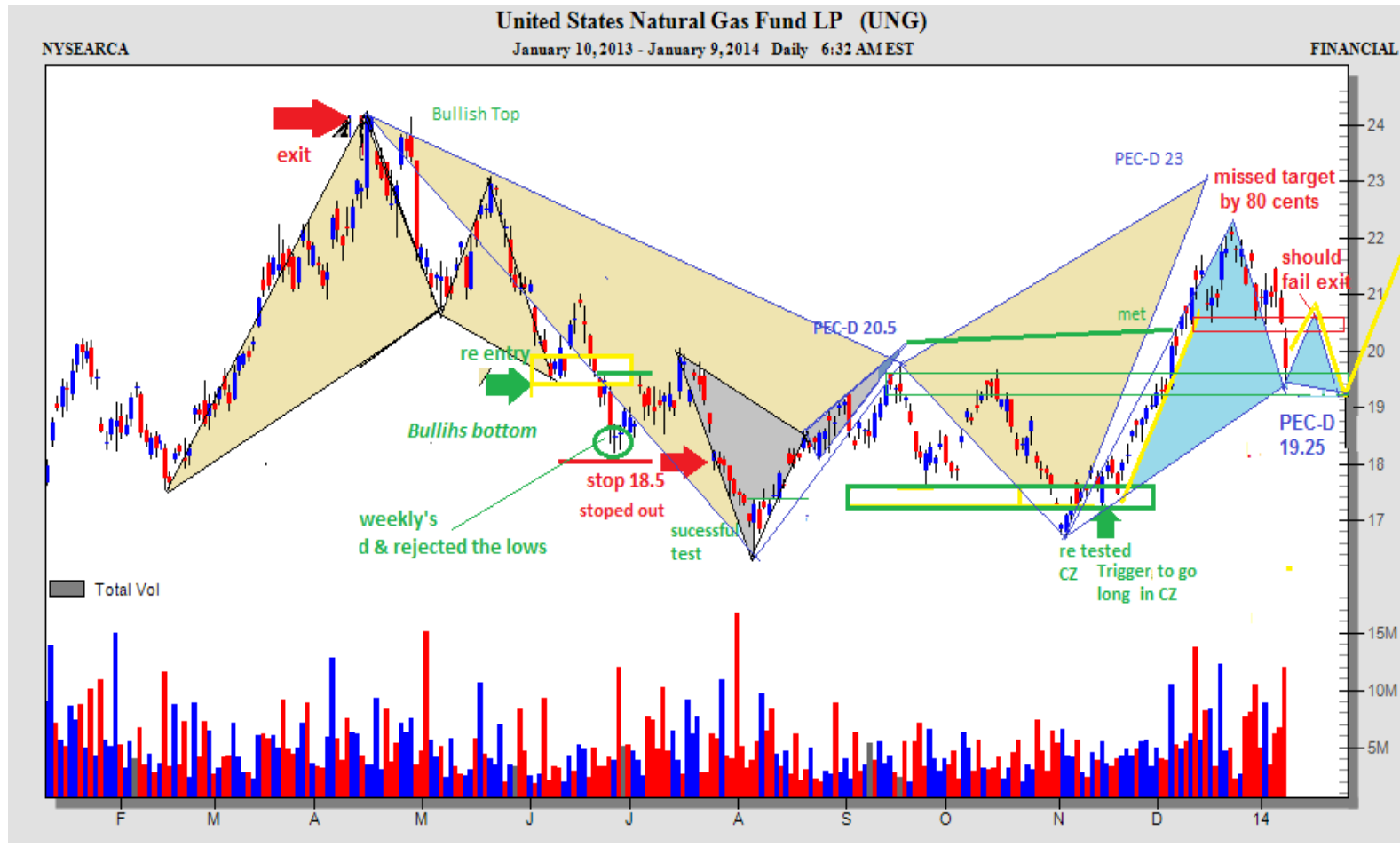


# NATGAS ( UNG) – CZ / PEC –D / Oscillator Analysis **Bullish – ST pull back**

- Texture - BULLISH TOP & BULLISH BOTTOM

**Upside -** Bounce to CZ 20.25-20.75 should fail. Earlier PEC-D 23 ( Bullish Top). Missed by 80 cents.

**DOWNSIDE -** Should re test to double bottom – PEC-D 19.25. within CZ 19.25-19.50



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

## BULLSH TOP & BULLSH BOTTOM

Upside – Target PEC-D 3.45 Met exact to penny and pull back initiated from Bullish Top –

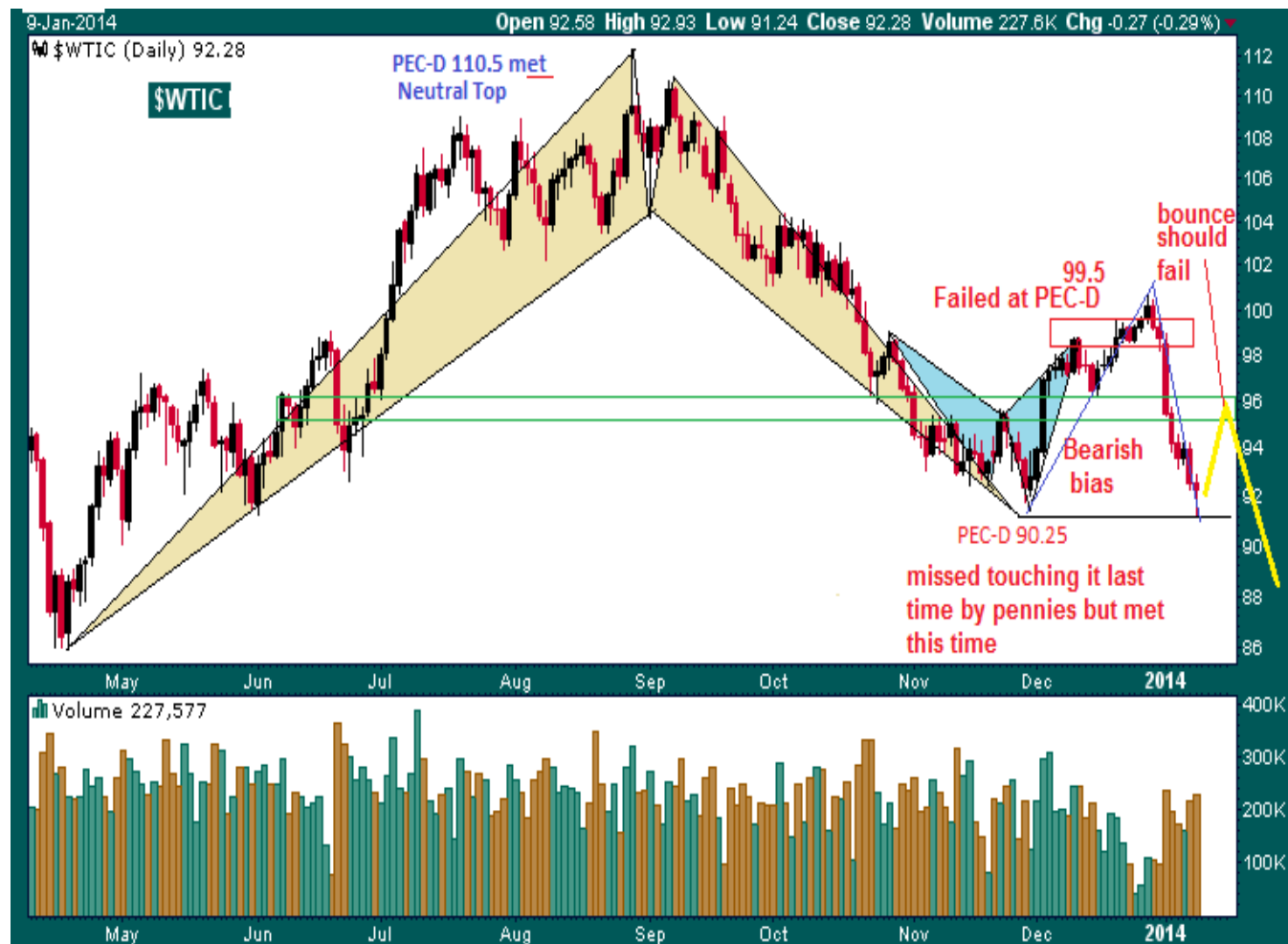
Downside - Pul back o PEC-D 3.24. Bullish floor validated CZ 3.15-3.05-



## OIL – CZ / PEC –D / Oscillator Analysis - Neutral- Bearish bias

**UPSIDE** - Bounce to **CZ 95-96** should fail to set up ABC down. Exit position of **94.5** at breakeven due to Risk Management.  
Target to **PEC-D @ 99.5** – met and failed & Oil pulled back with high volume

**DOWNSIDE** - - ABC down to **PEC-D 89** with Neutral bottom .,





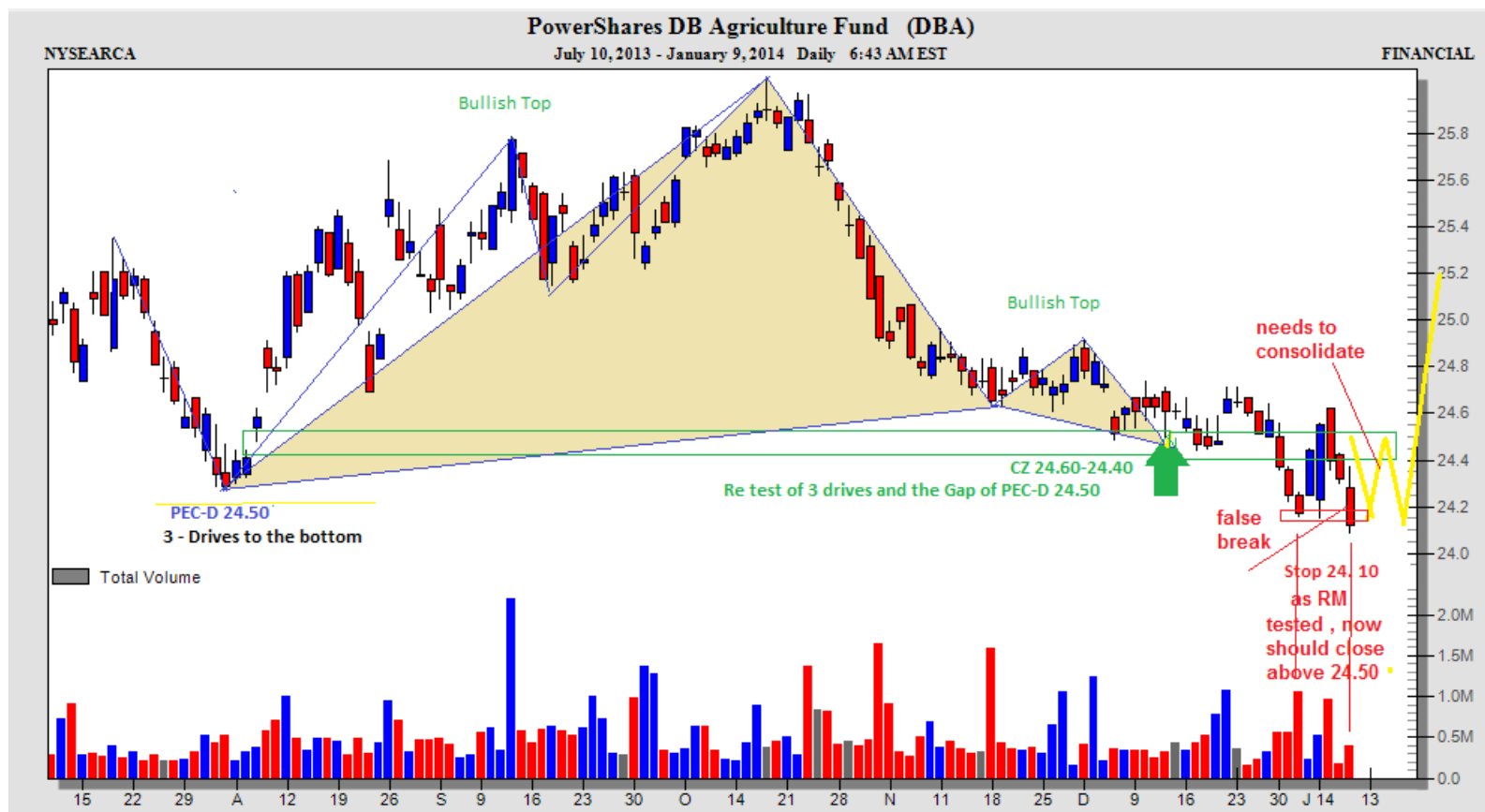
# AGRO ( DBA) – CZ / PEC –D / Oscillator Analysis **Bullish**

- 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.

**1<sup>ST</sup> Upside –** PEC D- 26.30

**2<sup>nd</sup> 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.*
  - *Exterme 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**
- **( 3<sup>rd</sup> Party Data ) - Courtesy : SENTIMENT TRADERS**
  
- **CORRELATION RATIO ANALYSIS - Inter market Analysis**

GOLD v/s GDX ( 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

COPPER v/s CHINA

- None @ EXTREMES

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