



Date : 19th July 2014 (Saturday)

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
OIL (\$ WTIC)	102.8	NONE	NONE	NEUTRAL <i>Trading Range 105-100</i>	CASH	NONE No Position	.Caped to CZ 105-104 Neutral Top	Target ABC up to PEC-D 112 – Negated	Pull back CZ 105-104 Did not hold	CZ 101-99 Should hold Bullish bottom	Geo-political Volatility
COPPER - COR)	3.20	NONE	NONE	NEUTRAL Bullish bias	CASH	NONE No Position	Target PEC-3.35	CZ 3.45-3.50 Negated	Pull back to PEC-D 3.20-3.15 Should hold		

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UNG (NATGAS)	21.77	CZ -17.75-17.50 @ 17.50 Triggered On 10/23	NONE	BULLISH Pull back in progress	Net long Up 25%	NONE	PEC-D 23 Bullish top Broke out 3 YEAR consolidation into large ABC up	Target PEC-D 28 Bullish top 1-3-5 Pattern in place	Pull back CZ 24-23 Did not hold False break below Bullish bottom	PEC-D 22 Should hold Bullish bottom	Big Rally since our Trigger 10/23 @ 17.50
DBA (AGRO) Pre announcement	26.36	CZ – 24.60-24.40 Triggered On 12/5	NONE	BULLISH To Neutral	Net long Up 8%	Exit Position @ 27.0	Rally to CZ 29-28 Met exact & failed Bearish Top	Target 2 nd ABC up PEC-30 Negated	Pull back PEC-D 25.5 Should hold Neutral bottom	PEC-D 24.5 3 drives to Bullish bottom	Rally since our Trigger 12/5 @ 24.50

Commodity Overview -

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

AGRO (DBA) - Broke down our **CZ 28-27 Bearishly** . **Exit for limit price 27.00 – Announcement.**

NATGAS (UNG) Short term pull back in progress within larger consolidation in uptrend with powerful Bullish tops .
Although on short term **we gave back our profit from +45% to + 25%.**

OIL – We are **Neutral - NO POSITION** . Stuck in trading range **105-100**. Oil pull backed more than we anticipated in our last Report.

COPPER – We are **Neutral – with Bullish bias. – NO POSITON** but on 7/3 Global Report we pointed out short term breakout at **3.20** . .

- BULLISH INDICES –

\$ NATGAS (UNG)

- BEARISH INDICES-

NONE

- NEUTRAL INDICES -

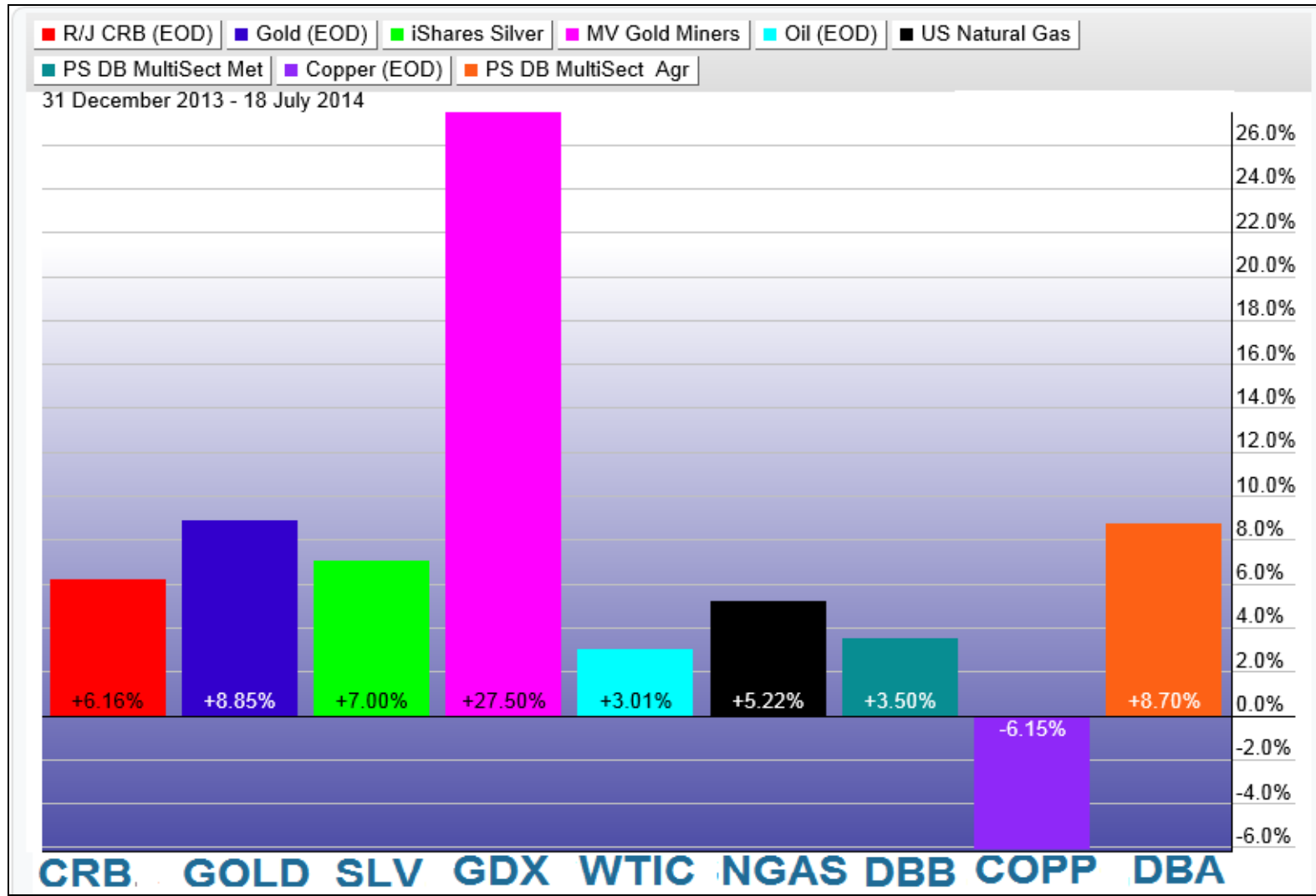
\$WTIC , DBA

COPPER – Bullish 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 .

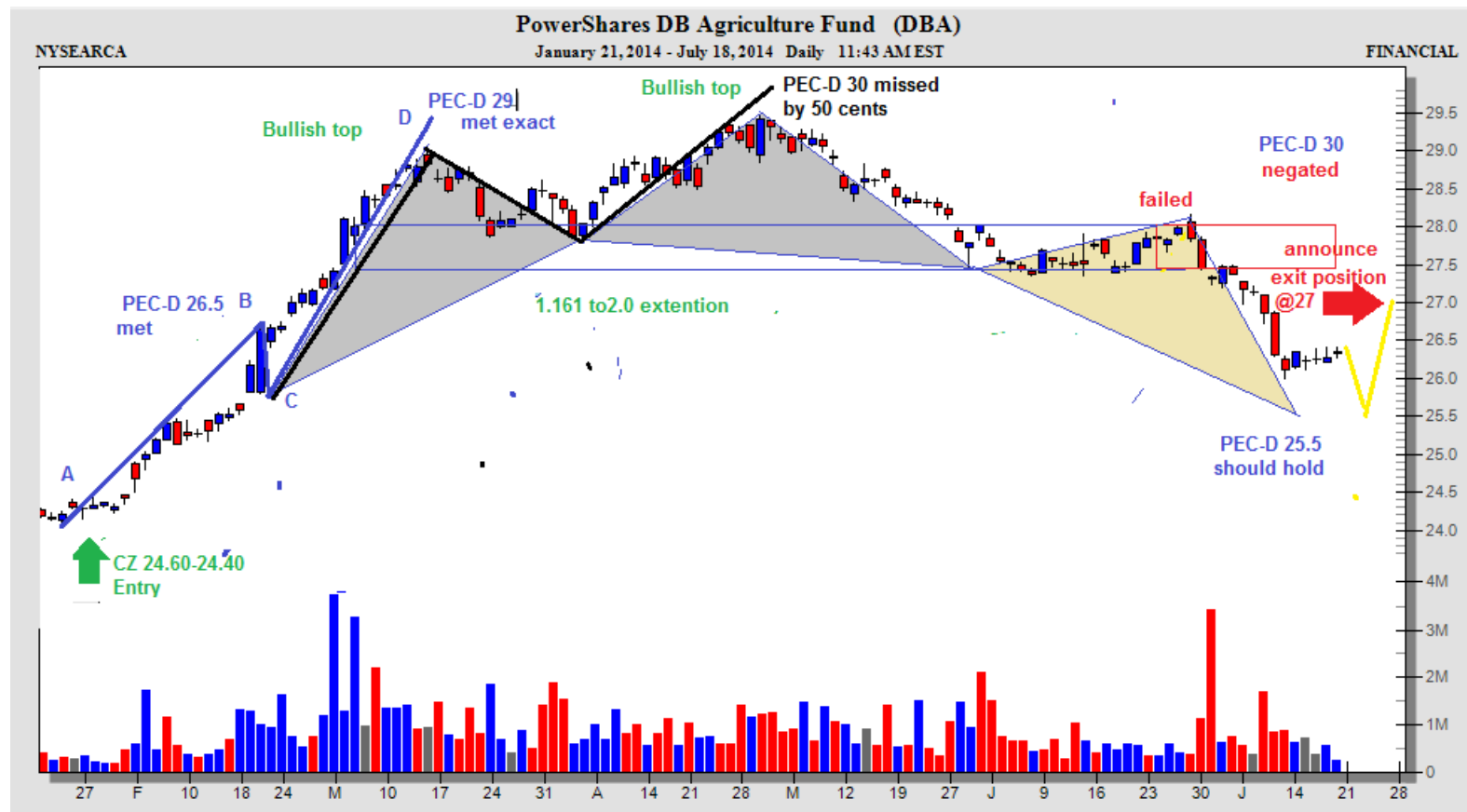


AGRO (DBA) – CZ / PEC –D / Oscillator Analysis **Bullish to Neutral -**

Texture - **BULLISH TOP (Negated) & Neutral BOTTOM**

Upside – Target 27.0 – Exit position. CZ 28-27.5 Failed on Bearish Top
_PEC-D 30- Negated Bullish Top.

DOWNSIDE - to – PEC- 25.5 and rally back ,



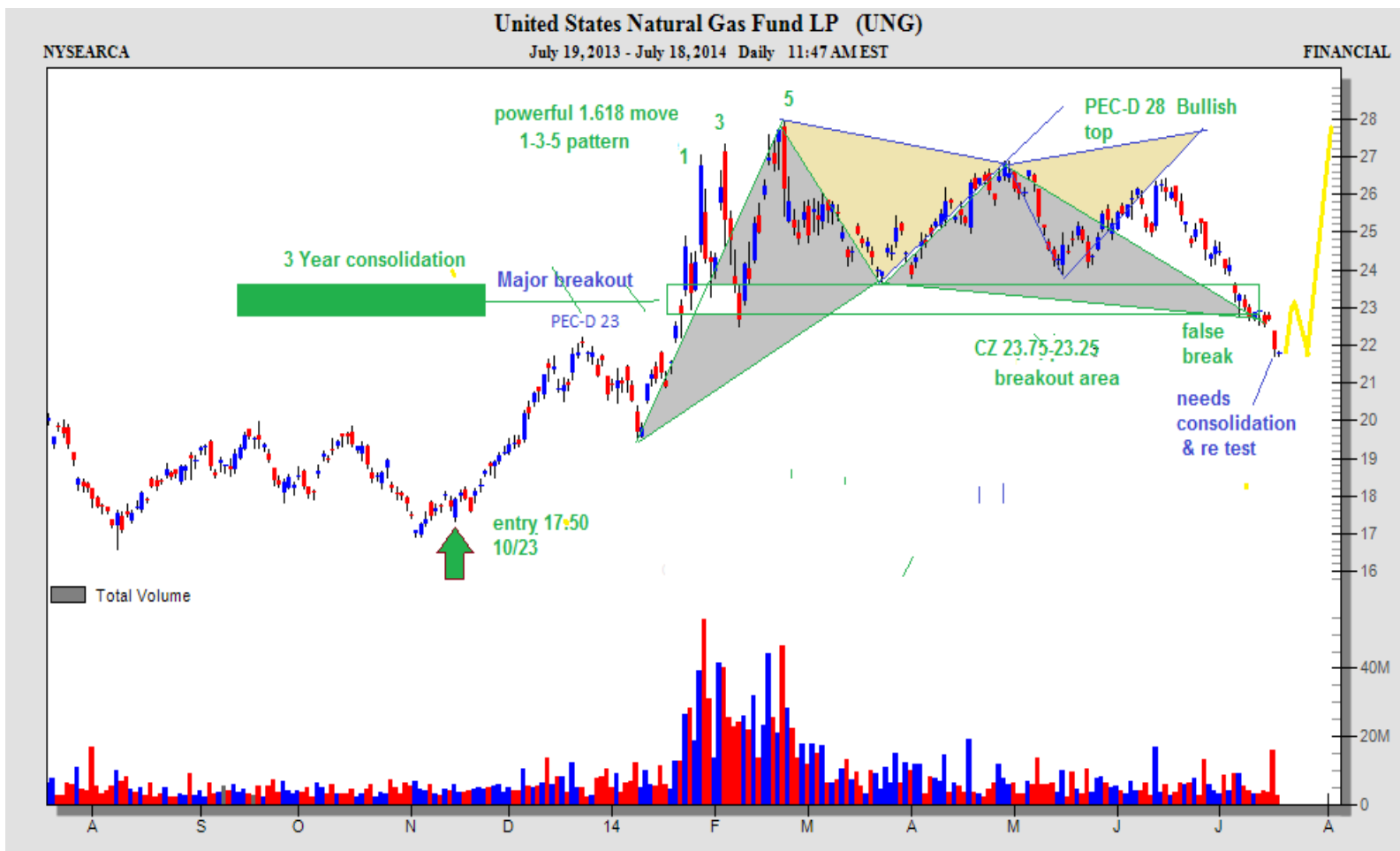
NATGAS (UNG) – CZ / PEC –D / Oscillator Analysis **Bullish – pullback in progress**

Texture - BULLISH TOP & BULLISH BOTTOM

DOWNSIDE - Pulled back to 22 more than **CZ 24-23** with bullish bottom. It is false break below .

Upside - **PEC-D 28** *Pattern 1-3-5 in place with 3 drives to top in place .*

PEC-D 23 (Bullish Top) – Broke out of 3 years consolidation with very large ABC with Bullish top,



COPPER - CZ/ PEC –D Analysis - Neutral- Bullish bias

NEUTRAL TOP & Neutral BOTTOM

No Signal / No Position –

Downside - pull back to CZ 3.20-3.15 Neutral bottom should hold. ...

Upside – Target PEC-D 3.25 , At 3.20 on 7/3 – Global Report pointed the Short term breakout.



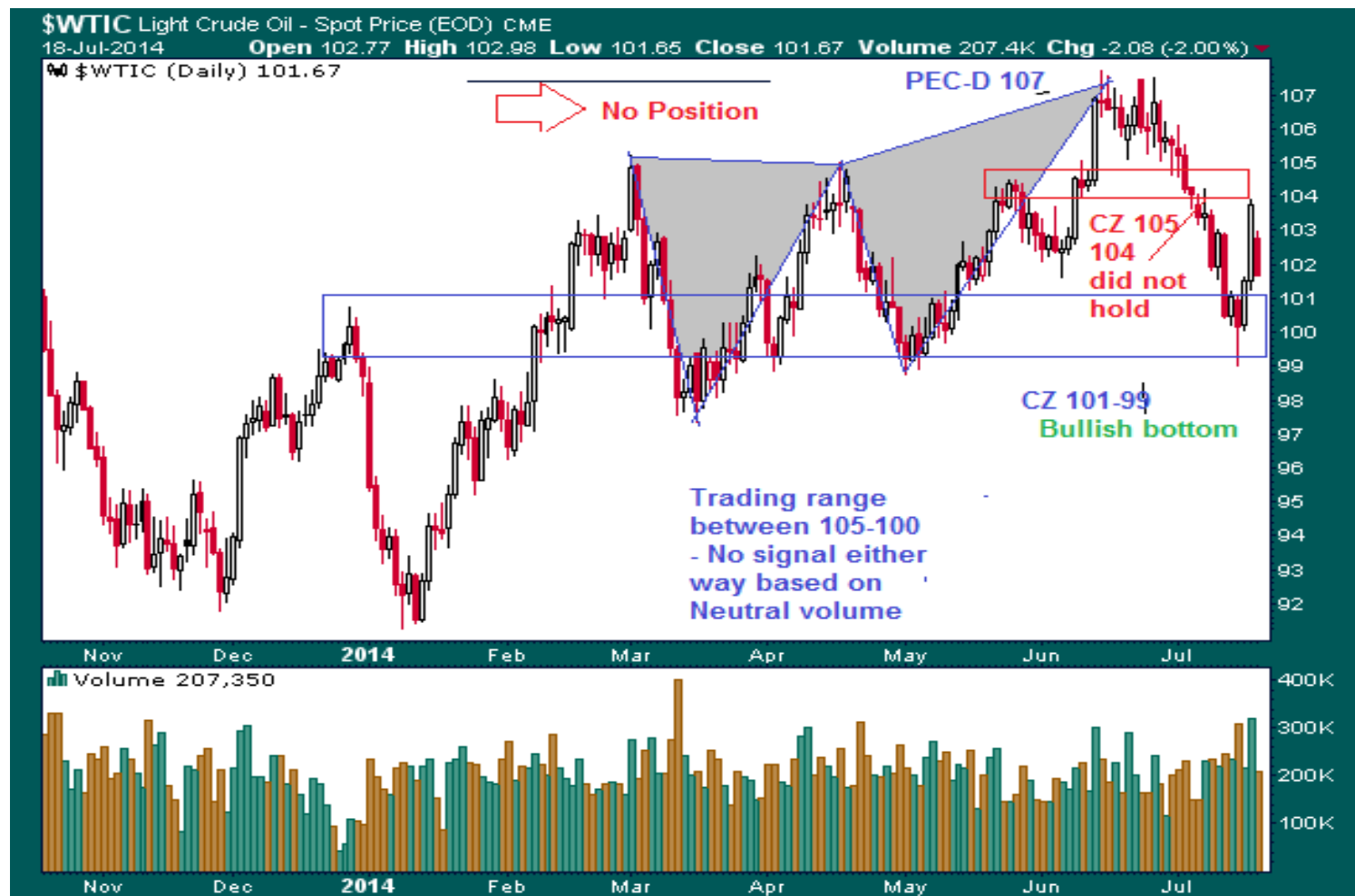
OIL – CZ / PEC –D / Oscillator Analysis - Neutral

NEUTRAL TOP & Bullish BOTTOM

No Signal / No Position – Consolidation in 105-100 range

UPSIDE - to CZ 105-104 to Cap. –OIL is Difficult to predict in short term due to geopolitical volatility.

DOWNSIDE -- Pull back to CZ 101-99 should hold for next rally



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**
- **(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

COPPER v/s CHINA

- 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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