Date : 15th March 2014 (Saturday)

COMMODITY REPORT (Strategy & Prop Tech)

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● Executive Summary

	C. Price	Main CZ Triggered & Date	Follow up Announcement 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)	99.0	NONE	NONE	NEUTRAL	CASH	NONE *No Signal*	Target PEC-D 102 Met Should retest One more time	PEC-D 104	Target CZ 96-95 Neutral **Should hold and rally up**	CZ 94-93 Bullish floor	
COPPER - COR) Announcement	2.94	CZ 3.10-3.27 @ 3.20 avg. *Triggered* On 4/22	NONE	BEARISH ST bounce soon	Net Long EXIT	EXIT @ 3.05 Limit order For 4.5% loss	Target to CZ 3.45-3.50 Fell short by 15 c and Negated Bullish Top		Pull back to PEC-D 3.20 *Failed*	CZ 3.15-3.10 *Failed Bullish Bottom*	

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UNG (NATGAS)	24.31	CZ -17.75-17.50 @ 17.50 *Triggered* On 10/23	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 *1-3-5 Pattern in place*	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)	29.0	CZ – 24.60-24.40 *Triggered* On 12/5	NONE	BULLISH ST Pullback Soon	Net long *Up 18%*	NONE	Target 2nd ABC up CZ -29-28 Bullish top Met / approaching	Consolidation 29-27	Pull back CZ 28-27.5 *Should reject lows*	PEC-D 24.5 3 drives to Bullish bottom In place	*Big Rally since our Trigger 12/5 @ 24.50* *Up 18%*

Note – Massive move in Natural gas and Agro , both our Net long holdings. Exit Copper for 4.5% loss on bounce.

Commodity Overview -

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

MAJOR DIVERGENCE IN COMMODITY - most of the commodity gains were in agricultural markets (DBA) and natural gas (UNG) . The copper has plunged recently underperforming Commodity Market . Its recent selloff is being tied to problems in China's overhang in inventory and collateral loans .This resulting in Margin call forced liquidation of copper.

Since last commodity Report 1/31 , The highlights has been **AGRO (DBA)** , It has moved up 18% since our entry point. **NATGAS (UNG)** too is highlight , It has moved up 50% since our entry but in consolidation after very larger move. Both are in strong uptrend as expected. **OIL –** Has met our upside target 99 to 97 since our last Report but we are still Neutral. **COPPER –** Was surprised us ! Its been down 8% since our last Report

- **BULLISH INDICES –**

  DBA (AGRO), - Consolidation ST

  $ NATGAS (UNG) - Consolidation ST

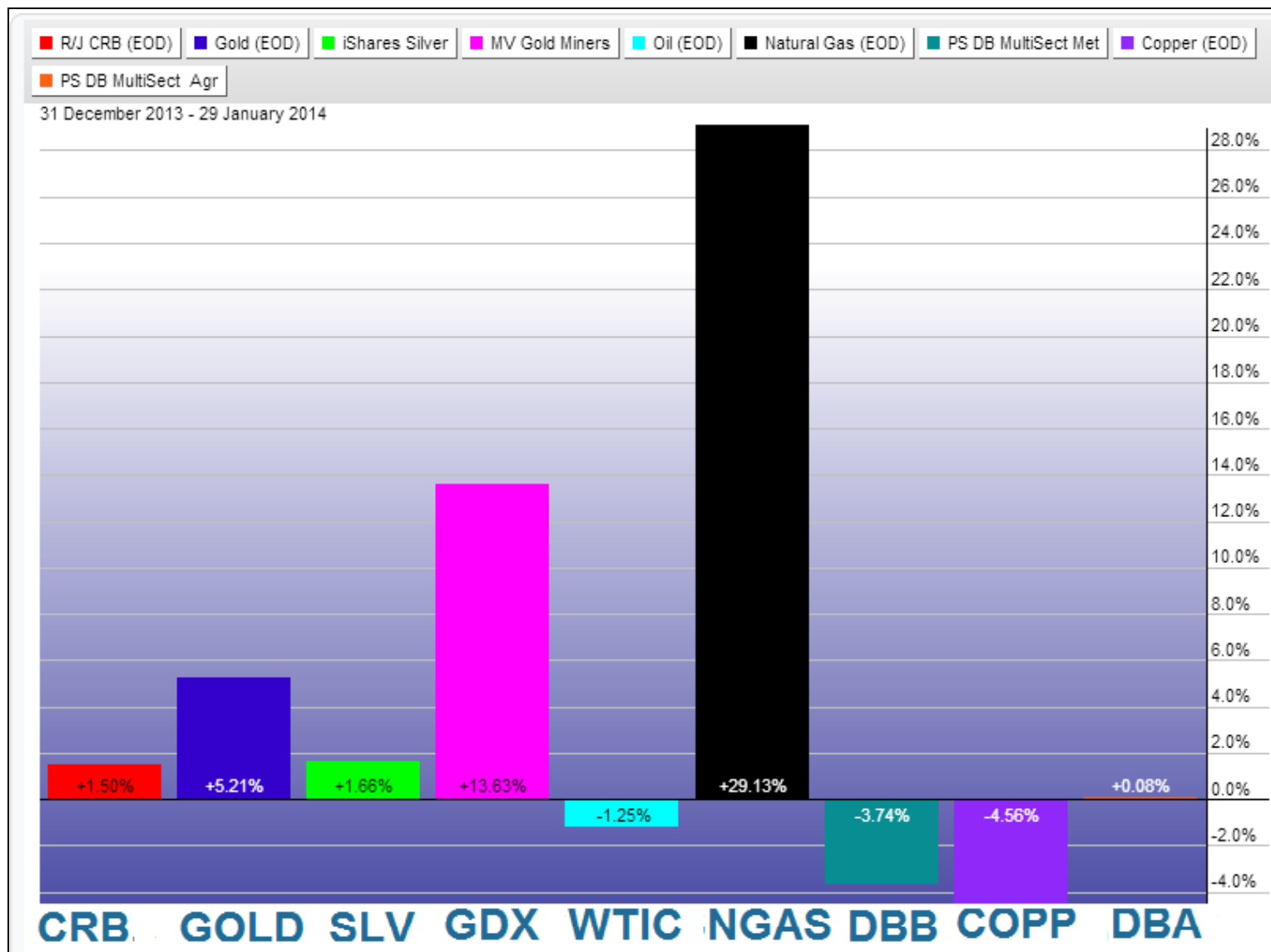- **BEARISH INDICES-**

  $COPPER – ST bounce

- **NEUTRAL INDICES -**

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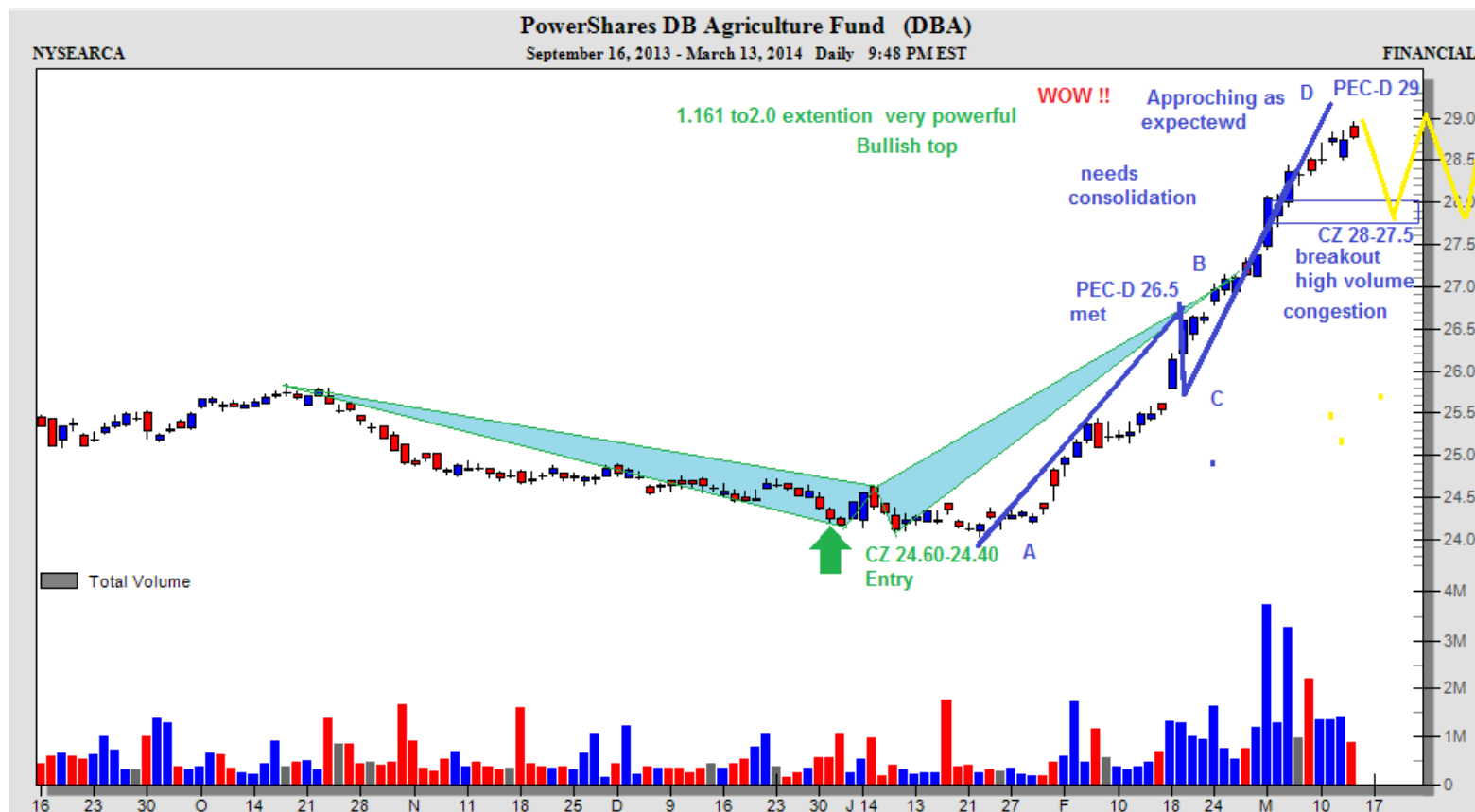
AGRO (DBA) – CZ / PEC –D / Oscillator Analysis Bullish

- **Texture - BULLISH TOP & BULLISH BOTTOM**

2nd Upside target , CZ – 29-28 (Bullish Top) Met / Approaching . **This is Monster ABC up 1.61/2.0 as we have been expecting for while .**

DOWNSIDE - to - CZ 28-27.5 - Breakout congestion Bullish bottom , Needs consolidation .

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 pull back . *Pattern 1-3-5 in place*

DOWNSIDE - Pull back to test the breakout area of CZ 23.50-23.00 with bullish bottom , it should hold and head higher.

United States Natural Gas Fund LP (UNG)
March 14, 2013 - March 13, 2014 Daily 9:36 PM EST
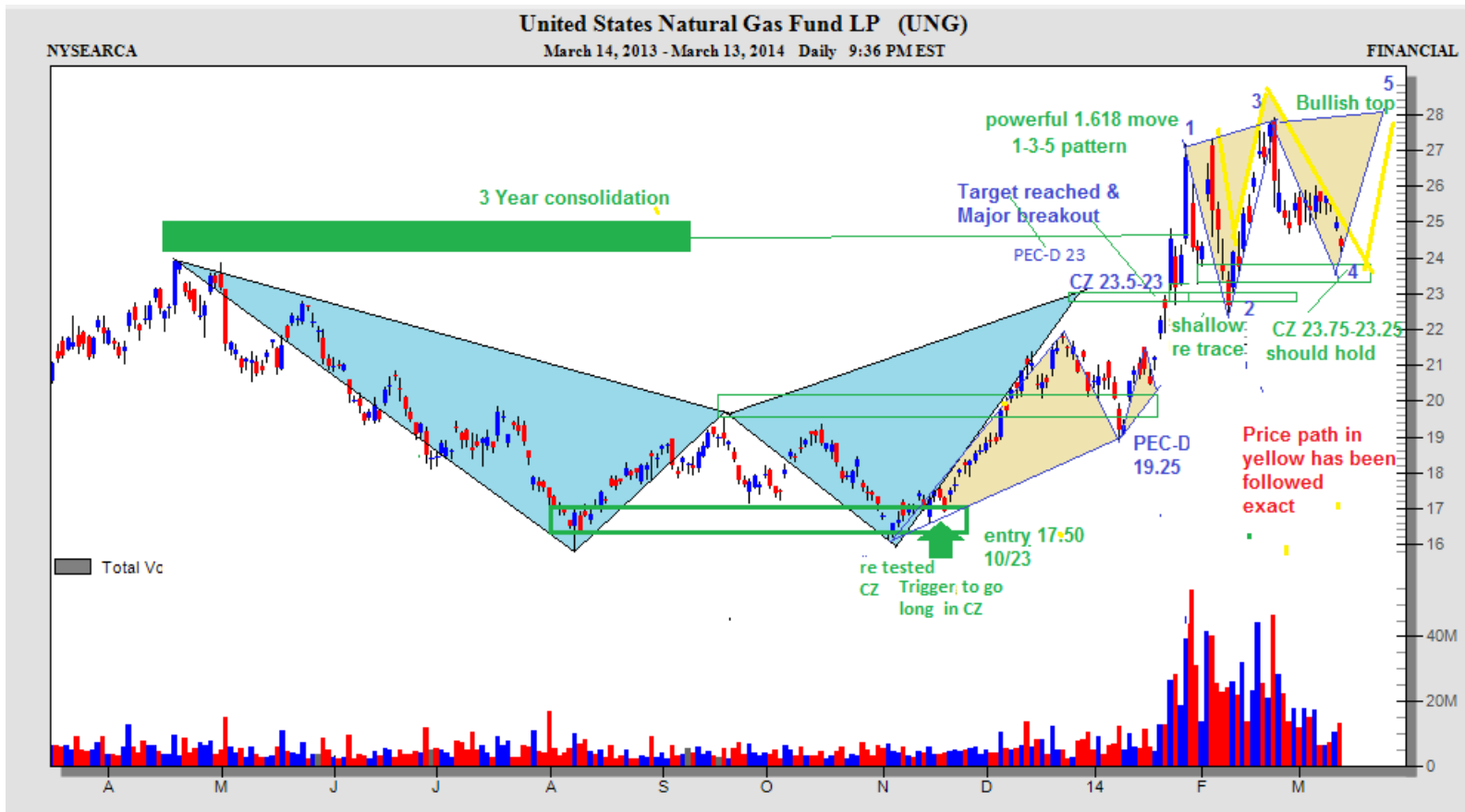
COPPER   v/s CHINA

The falling **copper/CRB Index ratio** shows copper underperforming the CRB Index this year. Copper has lost -6% while the CRB has gained 8%. The weaker Chinese market have something to do with copper's weakness.

COPPER - CZ/ PEC –D Analysis - Bearish - ST Bounce

BULLSH TOP (NEGATED) & BULLSH BOTTOM (BROKEN)

Downside - Pull back to to Bullish validated CZ 3.15-3.05 broke down bearishly . This should be retested after the bounce to PEC-D 3.05 …Exit the position -

Upside – Bounce target PEC-D 3.05………. earlier Target PEC-D 3.45 fell short by 15 cents and negated Bullish Top

OIL – CZ / PEC –D / Oscillator Analysis - Neutral-
 NEUTRAL TOP &   NEUTRAL BOTTOM

No Signal / No Position –

UPSIDE - Bounce to PEC-D 102 & back down to complete ABC down

DOWNSIDE - - Pull back to breakout area CZ 97-96 should hold to go higher to target 104

$WTIC Light Crude Oil - Spot Price (EOD) CME
14-Mar-2014   Open 98.25 High 99.28 Low 98.06 Close 99.01 Volume 200.4K Chg +0.77 (+0.78%)

$WTIC (Daily) 99.01

NO SIGNAL

NEUTRAL

PEC-D 102- Met

CZ 96-95
should hold

Volume 200,443

Neutral

Appendix Content

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

- **Objectives & POM /CZ / PEC –D Guidelines – <u>Refer to detail Annexure</u>**

- **Full Utilization of " SP" Report Guidelines & Limitations - <u>Refer to detail Annexure</u>**

- **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 .*

<u>Critical backdrop Notes –</u>
- *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 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**

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