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CURRENCY REPORT (Strategy & Prop Tech)

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● Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement</u> Update For Trend Reversal	Progress Status	Current Position / Exposure	<u>NEW ACTION</u> (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD Announcement	1302	POM 13 Re – Run Marked to Market on 1/01 start @1205	EXIT @ 1300 For 95 points Profit	BULLISH Turned NEUTRAL	Reduced to 0%	EXIT @ 1300 For 95 points Profit	CZ 1320-1330 Met exact With Neutral Top	2 nd ABC to 1345 Fell short by 8 points & GAPPED DOWN Surprise!	Pull back to CZ 1300-1290 Met Exact But Not clear picture	Target PEC-D 1260 Bullish floor	Weekly 5 year CZ 1190-1220 Is solid floor Bullish floor

GOLD - Refer commentary below.

	Current Price	<u>Main CZ Triggered & Date</u>	<u>Follow up Announcement- Update For ST Trend Reversal & RM</u>	Progress Status	Current Position / Exposure	NEW ACTION (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
DXY (\$ USD)	79.78	@ 80.2 Marked to Market on 1/01 start	@ 80.25 Triggered entry 12/4	BULLISH	Net Long	NONE	Target 1 st ABC up To PEC-D 81.2	2 nd ABC up PEC-D 83 Bullish Top	Pull back PEC-D 80.60 Met with false break	PEC-D 79.25 PQV Validated floor	CZ @ 72 Triggered Main Long term Bullish signal entry 7/9/2011
EUR /USD	1.384	NONE	NONE	NEUTRAL	0%	NONE No Signal	False break above PEC-D 1.36	NONE	Target PEC-D 1.36 Met But No Signal	PEC-D 1.33	
GBP/USD	1.68	NONE	@ 1.655 Triggered entry 3/26	BULLISH	Net Long	NONE	PEC-D 1.67 Met Bullish Top	Target PEC-D 1.70	Pullback to PEC-D 1.65 Met - Bullish Bottom	PEC-D 1.575 Neutral bottom	Rally in progress As expected
USD / JPY	102.33	@ 104.2 Marked to Market on 1/01 start	Secondary CZ 94-95 Triggered On 6/12	BULLISH i.e. weaker Yen	Net Long	NONE	3 rd ABC up PEC-D @ 104- Bullish Top	Target 120 Bullish Top	Pull back PEC-D 101.7 is retesting Bullish bottom	PEC-D 96.25 Floor Bullish bottom	Up 35% from Main entry long term CZ @ 76, 10/7/11
AUD/ USD Announcement	0.934	@ 0.89 Marked to Market on 1/01 start	EXIT @ 0.935	BULLISH TURN NEUTRAL	Reduced 0%	EXIT @ 0.935	Target PEC-D 95 – MET Bullish top	NONE	NONE		Target reached Exiting for 5.6% profit

Currency Overview -

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

Since our last Report 3/26, **GOLD** – Rejected the weekly lows of 1290 and rally began towards our 1st projected target of 1325 and then moving towards 2nd ABC up 1345. It fell short of 2nd ABC up by 8 points and Gaped down on 4/15.

Although we were expecting pull back to CZ 1310-1290 BUT not in this manner of sudden gap down. We tuned **NEUTRAL** and **EXITED** our position on Risk Management basis to protect **our 95 points profit**. We shall step in when things get more clear. We think the lows of CZ 1310-1290 needs consolidation for better picture.

AUD Met our 2nd ABC up target of 95 as projected . We are turning **NEUTRAL** and shall **EXIT this position for 5 cent or 5.6% profit**. **BGP** has Set up Bullish ABC up towards our target of 1.695 from Triggered entry @ 1.655.

DXY is Bullishly back in false break below CZ but testing well . **EURO** - Neutral
YEN should continue to weaken with few minor bounces.

- **BULLISH**

DXY , BPS, USD/JPY (i.e weaker Yen) –

- **BEARISH -**

NONE

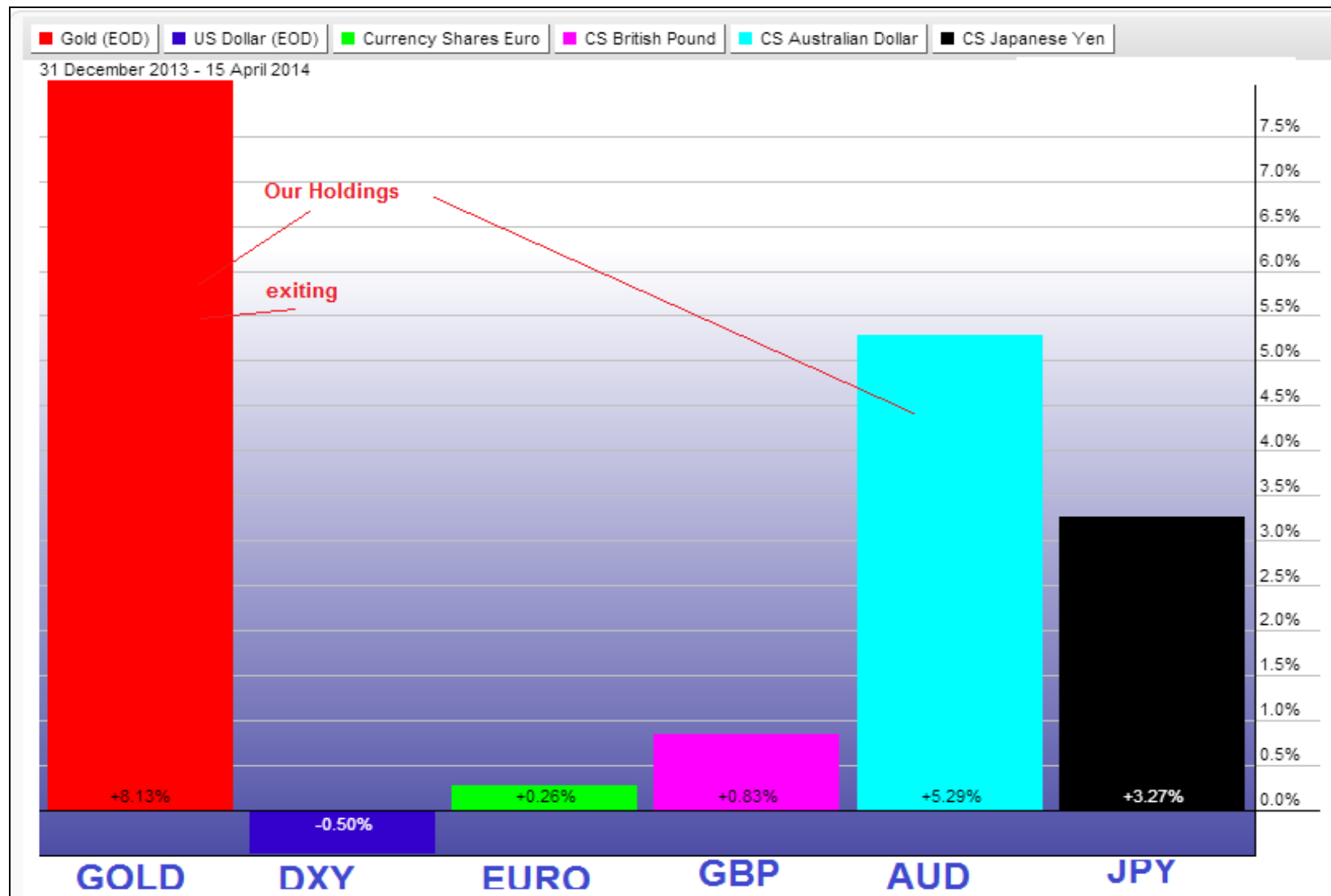
- **NEUTRAL**

EURO , AUD, GOLD.

YTD - Currency performance v/s USD

Weakest and strongest currencies

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

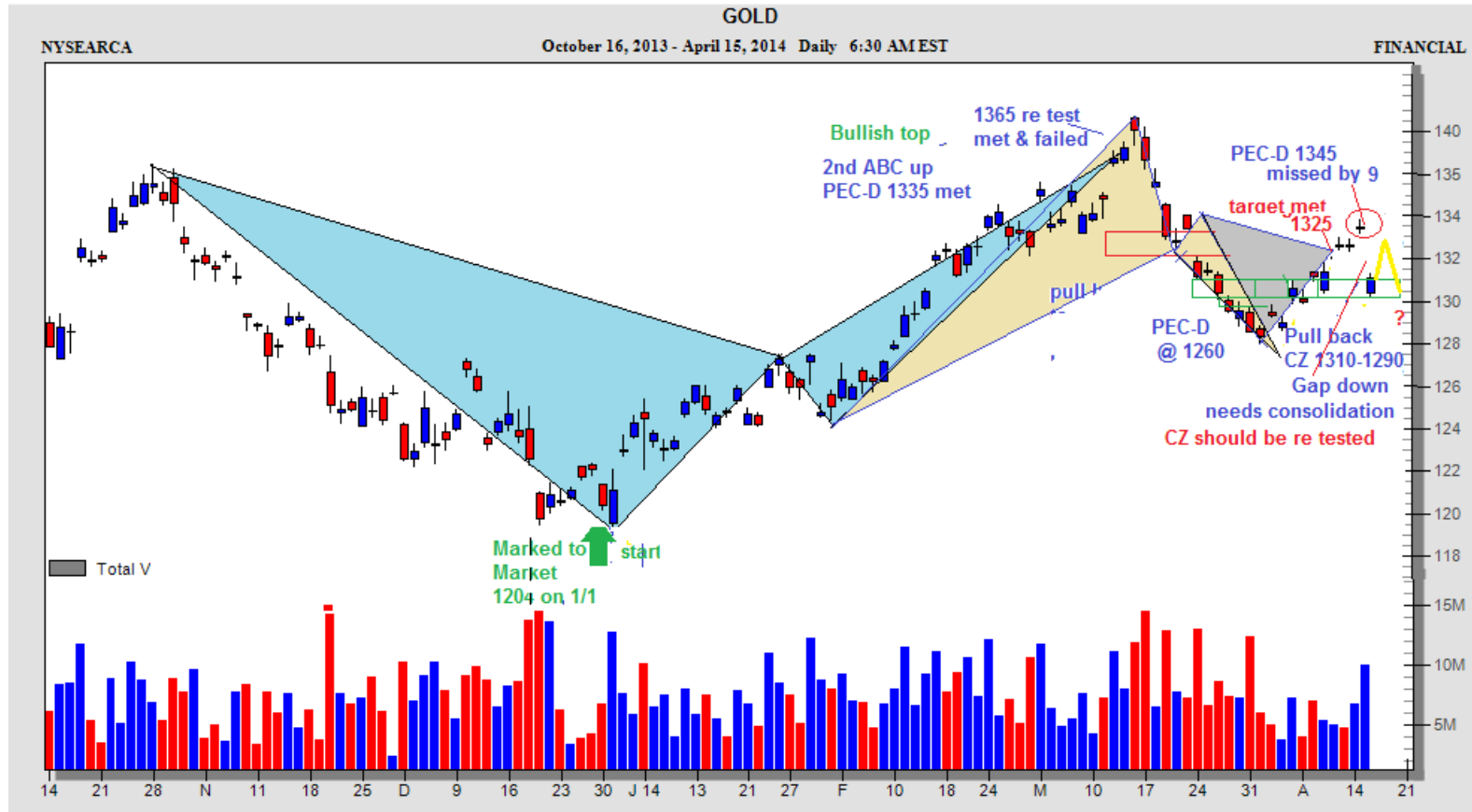


GOLD – Daily – PEC –D / CZ Analysis – NEUTRAL

Upside - 2nd ABC up to 1345 missed by 9 points and Gaped down to pull back CZ .

Downside - Pull back to CZ 1310-1290 , Met but we think the lows of CZ 1310-1290 needs consolidation for better picture. – EXIT Position for 95 point profit
ABC down to PEC-D 1260 may be tested

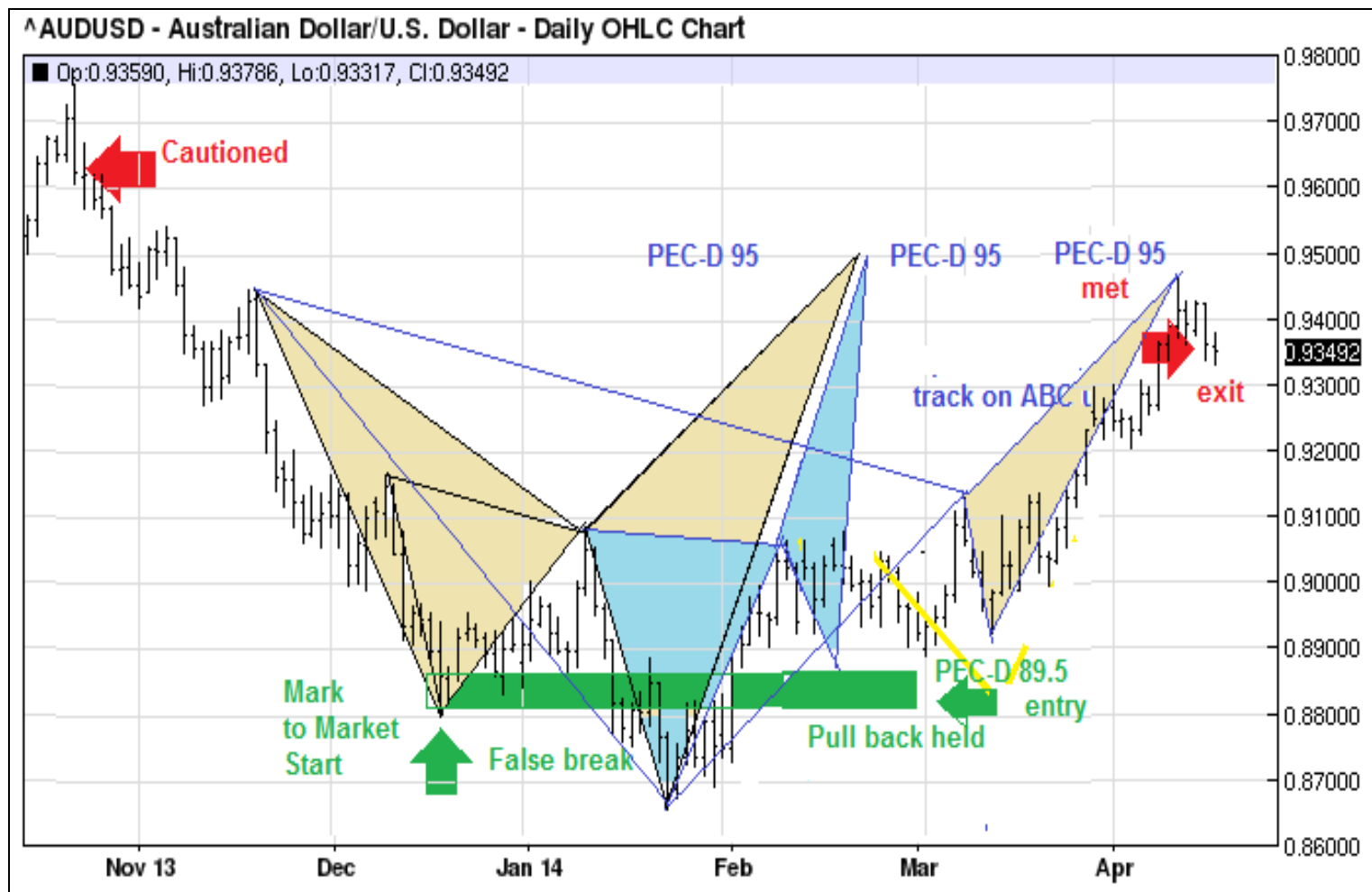
PEC-D 1220 – Rejected lows +ve VTO & Bullish Bottoming process . GOLD has seen a solid bottom on 5 year weekly chart within CZ 1190-1220.



AUD/USD – CZ / PEC –D Analysis – Neutral

Upside - – our Target PEC-D – 95 Projected - Met – **EXIT this Position for 5.6 % profit**

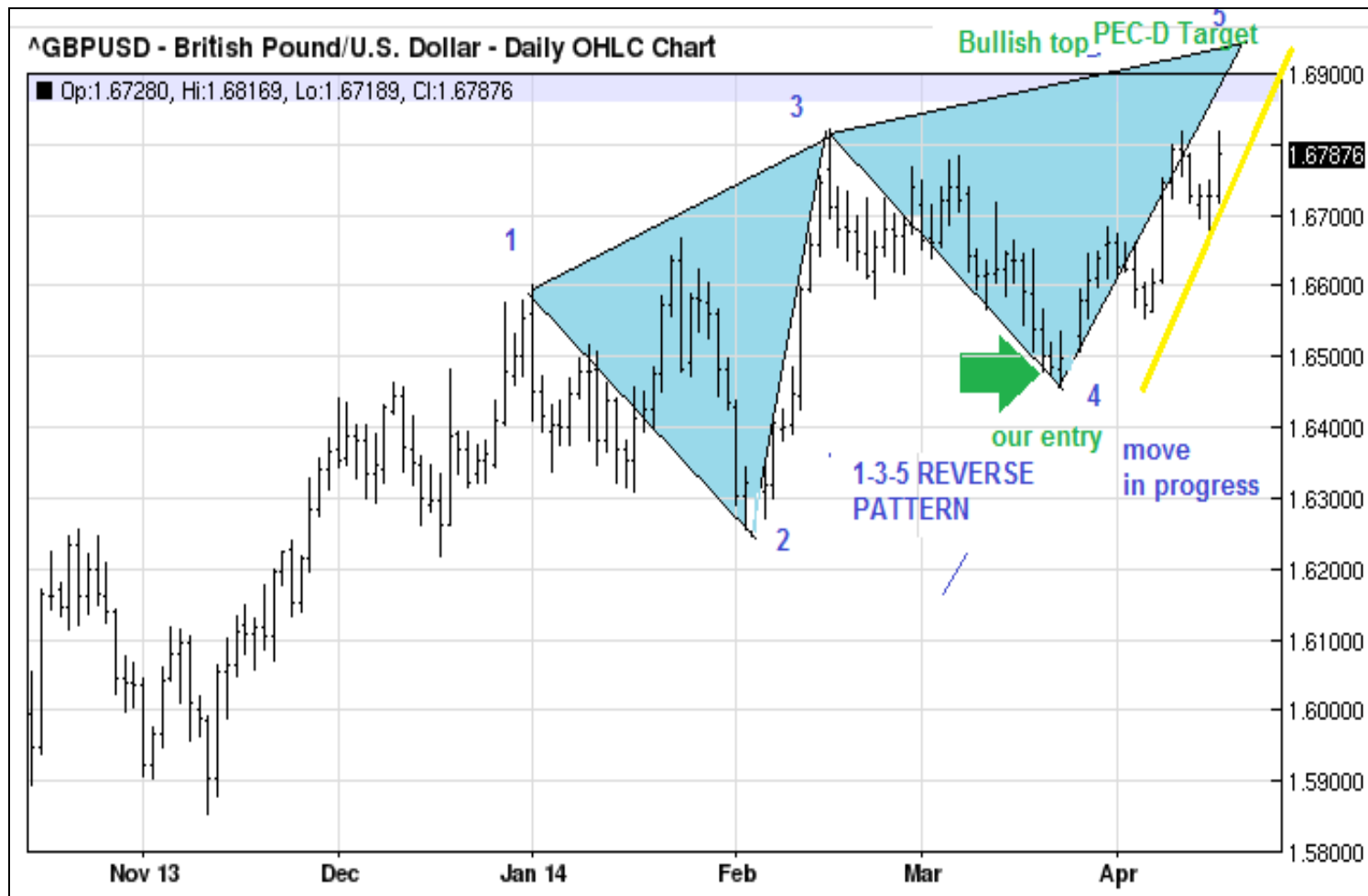
Pull back –. **NO NEW TARGET . – NO NEW SIGNAL**



GBP / USD – PEC Analysis – Bullish .

Downside - Downside PEC-D 1.65 –Met - **We triggered entry 3/26 Report** .

Upside target – ABC up PEC-D 1.70 , Bullish Top . New 1-3-5 Reverse wave in progress for Bullish Top.

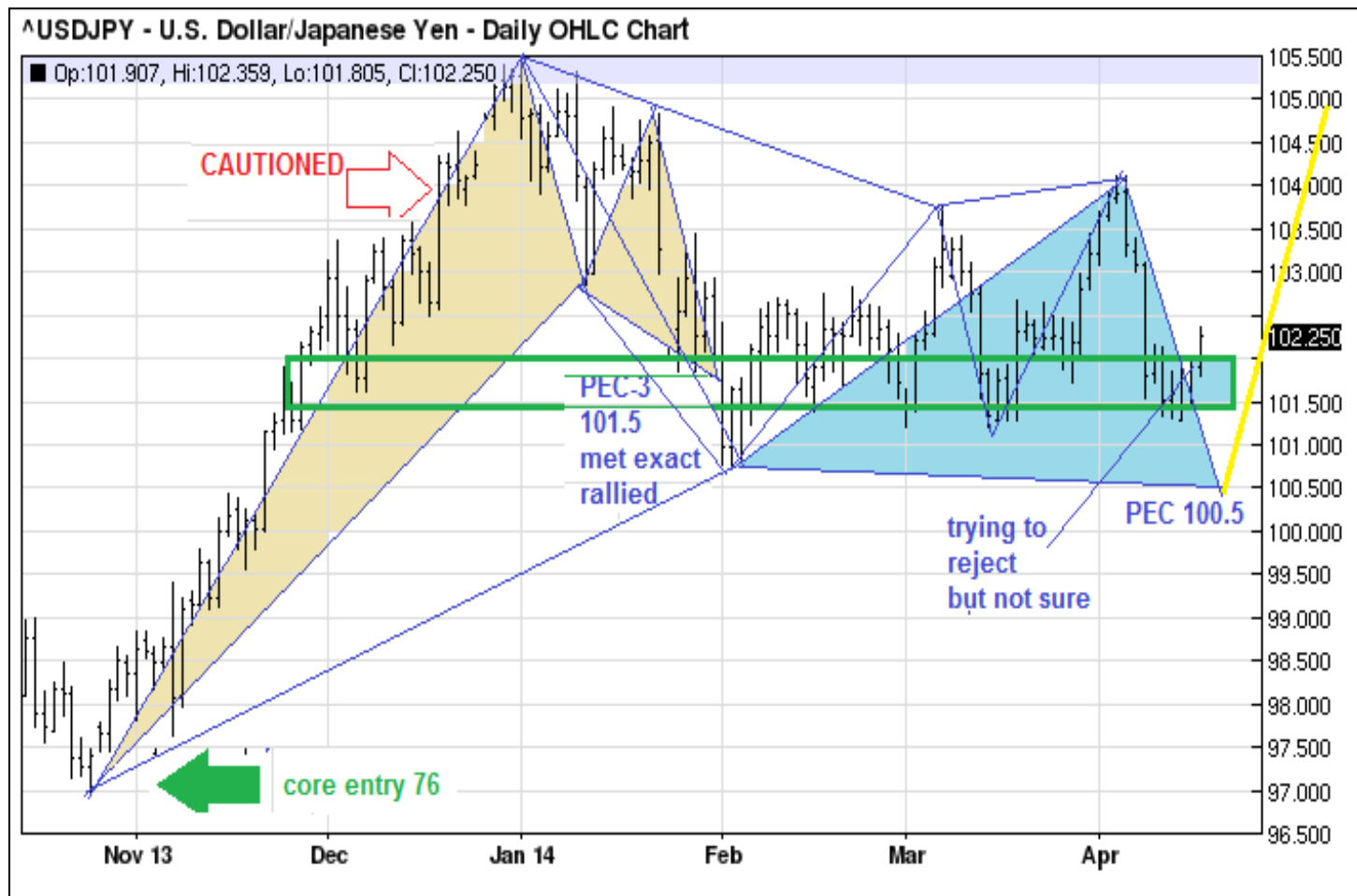


YEN / USD – PEC-D Analysis - **Bullish – (Weakening Yen)**

Pull back target - Pull back to PEC-D 101 **MET and HELD** . BUT we think it wants to test smaller PEC-D 100.5 before rally begins.

Main entry in YEN / USD @ 76 – Net long Trigger on core position .

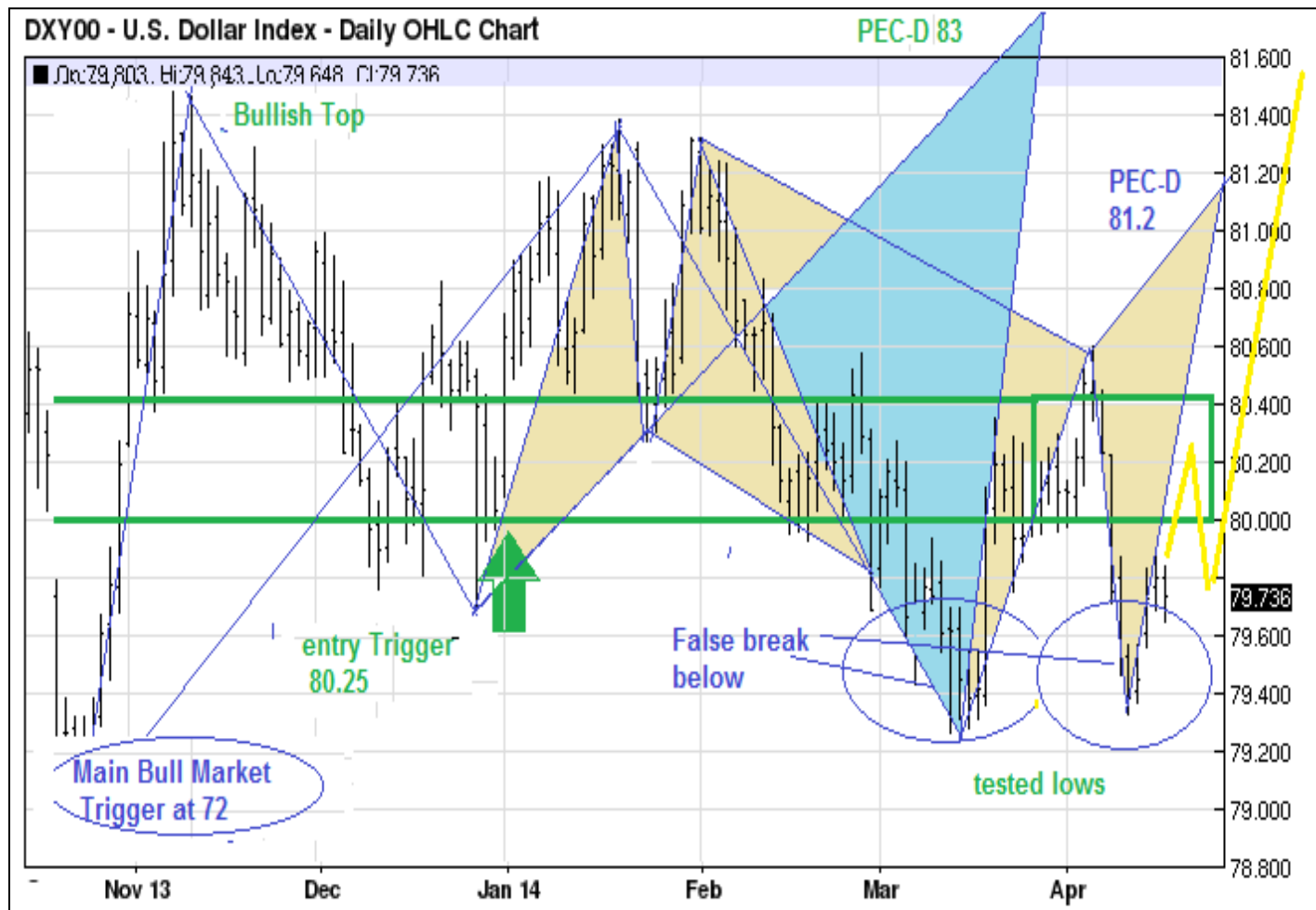
Upside - Target to 3rd ABC up – PEC-D 104-Bullish top) . The Final Target to 120



DXY (\$ USD) – CZ / PEC D – Analysis – Bullish

Downside - .Pull back to PEC-D 80.60 - exceeded with False break below CZ . (USD invariably does false breaks below CZ)
On Mid- term basis USD still has Bullish Top & Bullish bottom in place

Upside - 1ST ABC up to PEC-D 81.2. The 2nd ABC up to PEC-D 83. CZ – 83-84 Bullish top
Main entry @ 72 Net Long Trigger.



EURO / USD – CZ/ PEC Analysis – Neutral

Downside - PEC-D 1.365 - Target met within few pennies & rallied bot NO Trigger .

Upside target – NO TARGET . – NO NEW SIGNAL



Appendix Content

- 2012 YTD – 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

GOLD

None @ EXTREMES

- *SENTIMENTS - GOLD – PUBLIC OPINION*
- *SENTIMENTS - RYDEX CASH FLOW*
- *SENTIMENTS - GOLD – COT*

CURRENCIES

None @ EXTREMES

- *SENTIMENTS - USD, FXE, BGP, YEN, AUD,*

- **CORRELATION RATIO ANALYSIS**

Inter market Analysis – USD v/s SPX

- ***Inverse Correlation continues in Current Trend***

Inter market Analysis – USD v/s GOLD

- ***Inverse Correlation continues in Current Trend***

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 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

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