



Date : 11<sup>th</sup> July 2014 ( Friday)

## CURRENCY REPORT (Strategy & Prop Tech)

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### ● Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement Update</u> 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
<b>GOLD</b>	1337	POM 13 Re – Run Marked to Market on 1/01 start @1205	Announced Re- entry Trigger @ 1268 Email 6/17 Alerted Stop 1268	BULLISH <i>Rejection Of shallow retracement to 1305 Set up Larger ABC up</i>	Net Long	NONE	Target PEC-D 1345- approaching Bullish Top	Target 2 <sup>nd</sup> ABC to 1400 Bullish Top Weekly ABC up & <u>H &amp; S bottom</u>	Pull back 1305-1310 Met & rejected for next leg higher Bullish Bottom	PEC-D 1260 Rejected lows Bullish Bottom	<u>CZ 1300-1290</u> Broke out high volume For a large ABC up  <u>Weekly 5 year CZ 1220-1190</u> Is solid floor Bullish floor

ACTIONABLE IDEAS - Not much has changed in GOLD since our last Report from Wednesday ( 7/9)- Refer for Charts

For Bulls – Triggered re- entry @1268 , 6/17. with Bullish bottom and EXPLODED since our trigger . The Target ABC up & . H & S Bottom Target 1400

For Bears – This is a heavy volume on breakout of CZ 1300-1290, therefore No Sell Signal till 1400, Not a Candidate for Short Sell

	Current Price	Main CZ Triggered & Date	Follow up <b>Announcement</b> - Update For ST Trend Reversal & RM	Progress Status	Current Position / Exposure	<b>NEW ACTION</b> ( Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
<b>DXY (\$ USD)</b>	80.20	<b>@ 80.2</b>  Marked to Market on 1/01 start	<b>@ 80.25</b> <i>Triggered entry 12/4</i>	BULLISH	Net Long	NONE	Target 1 <sup>st</sup> ABC up To PEC-D 81.2 Should be re tested	2 <sup>ND</sup> ABC up PEC-D 83 Bullish Top	Pull back CZ 80.1-79.60 Should hold & rally back up	PEC-D 79.25 PQV Validated floor	CZ @ 72 Triggered Main Long term Bullish signal entry 7/9/2011
<b>EUR /USD</b>	1.36	NONE	NONE	NEUTRAL	0%	NONE <b>No Signal</b>	Bounces Should fail Towards PEC-D 1.37	False break above PEC-D 1.37	Target PEC-D 1.335		
<b>GBP/USD</b>  <b>Announcement</b>	1.71	NONE	<b>@ 1.655</b> <i>Triggered entry 3/26</i>	BULLISH to NEUTRAL	Net Long to 0%	<b>EXIT</b> @ 1.71 Entry @ 1.65	Target PEC-D 1.71 Met <b>1-3-5 Pattern Complete</b>		PEC-D 1.65 Met - Bullish Bottom	PEC-D 1.575 Neutral bottom	<b>Rallied 3.5%</b> <i>since our trigger</i>
<b>USD / JPY</b>	101.33	<b>@ 104.2</b>  Marked to Market on 1/01 start	Secondary CZ 94-95 <i>Triggered Re entry 6/12</i>	BULLISH i.e. weaker Yen	Net Long	NONE	Target 3 <sup>rd</sup> ABC up PEC-D @ 104- Bullish Top	Target 120 Bullish Top	Pull back PEC-D 100.5 Bullish bottom & rally up	PEC-D 96.25 Floor Bullish bottom	Up 35% from <b>Main entry long term CZ @ 76,</b> 10/7/11
<b>AUD/ USD</b>	0.938	NONE	NONE	NEUTRAL	0%	NONE <b>No Signal</b>	Bounces Should fail Towards PEC-D 95	Target PEC-D 95 – <b>MET</b> Exact.	Pullback to PEC-D 92.5 Should hold & rally		<b>Target reached</b> <i>Exiting for 5.6% profit</i>

## Currency Overview -

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

- BULLISH

GOLD, DXY , BPS, USD/JPY ( i.e weaker Yen) –

- BEARISH -

**NONE**

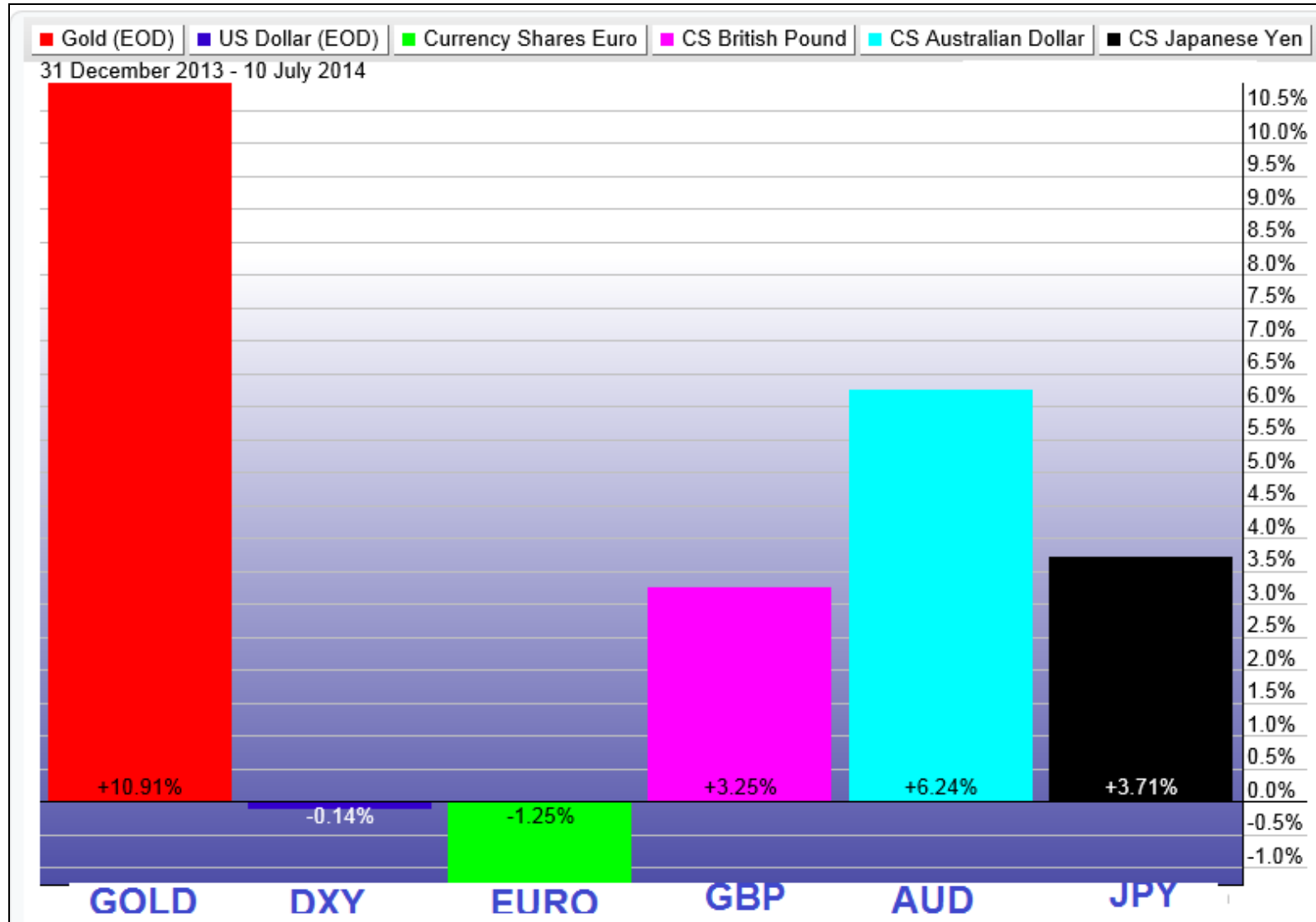
- NEUTRAL

EURO , AUD, .

# 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 .

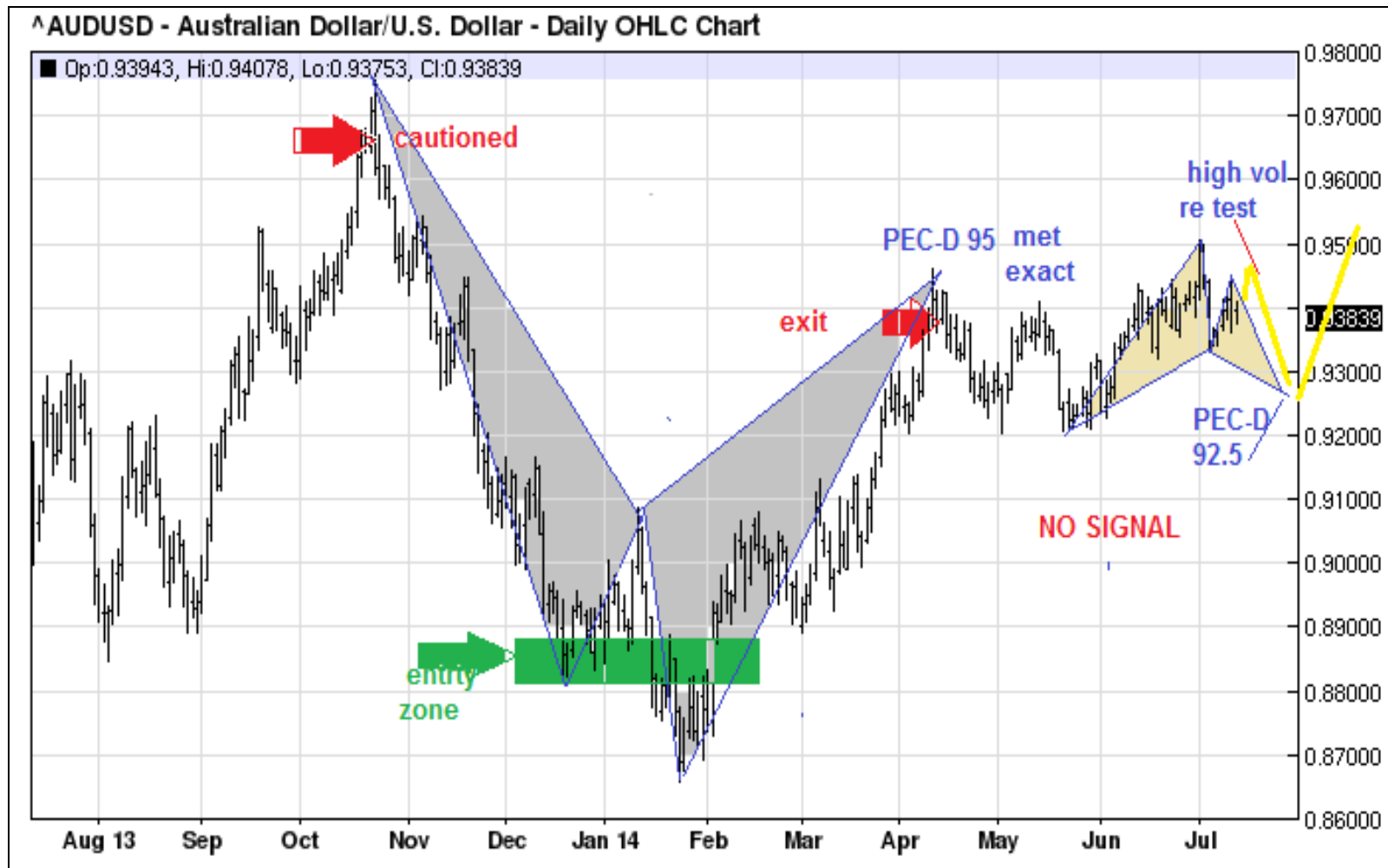


# AUD/USD – CZ / PEC –D Analysis – Neutral

**NO SIGNAL / NO POSITION.**

**Upside -** – our Target PEC-D – 95 - Met , any bounce should fail

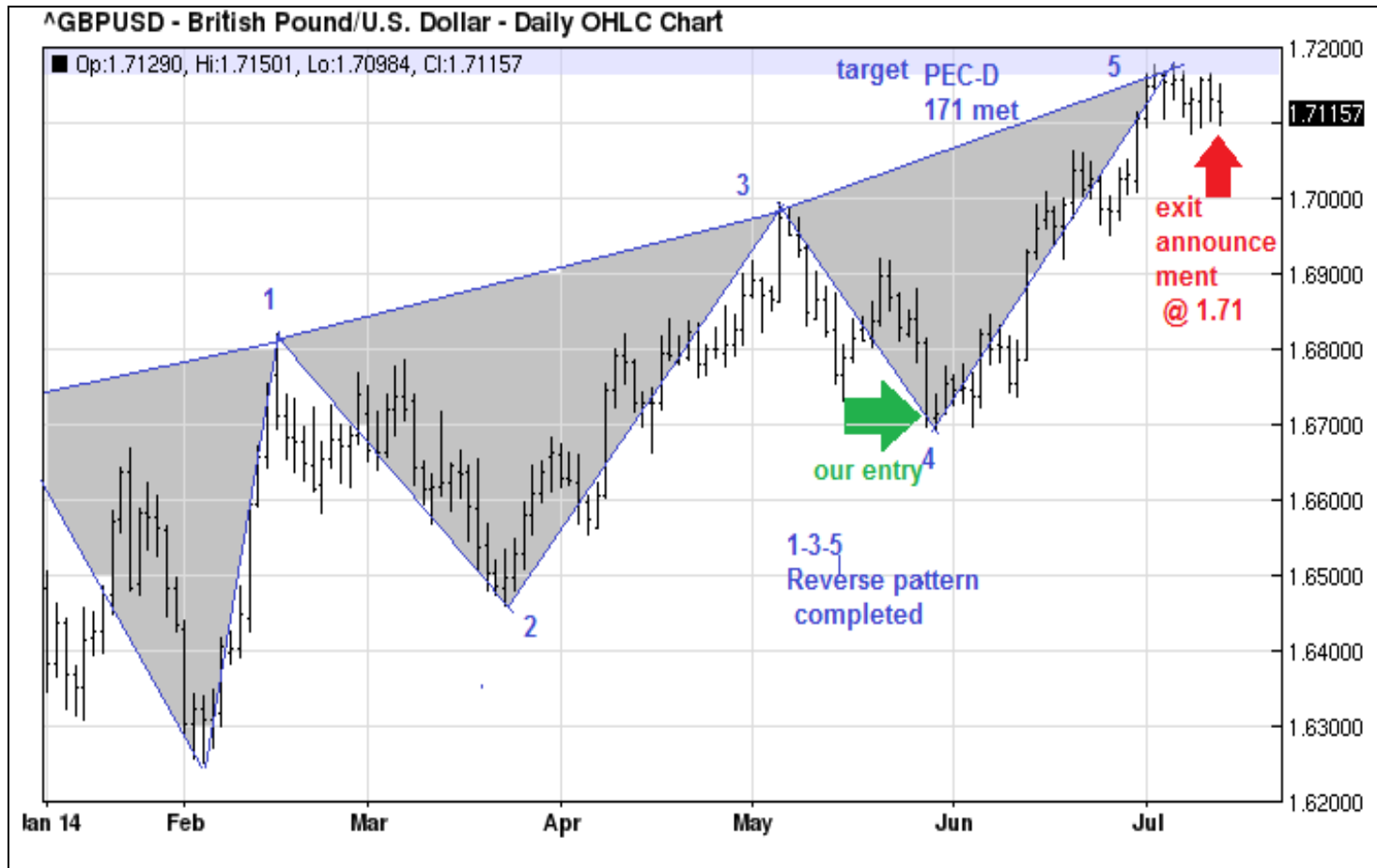
**Pull back –.** PEC-D - 92.5 & then rally up -



## GBP / USD – PEC Analysis – **Bullish to Neutral.**

Upside target – ABC up PEC-D 1.71 , Met 1-3-5 Reverse wave complete . Entry @ 1.65 on 3/26

Downside - No Target yet



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

**Pull back target** - Pull back to PEC-D 100.5 should hold and rally up – This is large consolidation within the leg higher.  
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 into CZ 80.1-79.60 Bullish bottom in place should hold

**Upside -** 1<sup>ST</sup> ABC up to PEC-D 81.2. – met But should be re tested The 2<sup>nd</sup> ABC up to PEC-D 83. Bullish top  
Main entry @ 72 Net Long Trigger.





# EURO / USD – CZ/ PEC Analysis – Neutral

NO SIGNAL / NO POSTION.

Upside target – Cap PEC-D 1.37 should fail

Downside - PEC-D 1.335 .



# 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.*
  - *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**

## **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 2<sup>th</sup> 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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