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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	1312	POM 13 Re – Run Marked to Market on 1/01 start @1205	@ 1220 Re entry ½ On 12/4 & @ 1280 Re entry ½ On 10/6	BULLISH pull back in progress	Net Long	NONE	2 nd ABC to 1365 Met – EXACT & decline began Cautioned of Pull back	Target Weekly 2 nd ABC up to 1405.	Pull back to CZ 1320-1330 – Approached Target but No Rejection Still. Appears heavy Bottom	PEC-D 1280 Rejected lows On lighter volume	<u>Weekly 5 year</u> CZ 1190-1220 Is solid floor Bullish floor

	Current Price	Main CZ Triggered & Date	Follow up <u>Announcement</u> - Update For ST Trend Reversal & RM	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)	80.10	@ 80.2 Marked to Market on 1/01 start	@ 80.25 Triggered entry 12/4	BULLISH	Net Long	NONE	Target CZ 83-84 Bullish Top	Eventual target CZ 88-90	Pull back PEC-D 80.60 Met with false break But is back in range	PEC-D 79.25 PQV Validated floor	CZ @ 72 Triggered Main Long term Bullish signal entry 7/9/2011
EUR /USD	1.38	NONE	NONE	NEUTRAL	NONE Stopped out at 1.37	NONE No Signal	PEC-D 1.36 Met & Exceeded	False break above PEC-D 1.36	Target PEC-D 1.36 To judge next step	PEC-D 1.33	
GBP/USD Announcement	1.655	NONE	@ 1.655 Triggered entry 3/26	BULLISH	Initiate 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	
USD / JPY	102	@ 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. – to retest again Bullish bottom	PEC-D 96.25 Floor Bullish bottom	Up 35% from Main entry long term CZ @ 76, 10/7/11
AUD/ USD	0.925	@ 0.89 Marked to Market on 1/01 start	@ 89.5 Re entry ½ On 12/4 & @ 91 Re entry ½ On 6/24	BULLISH	Net Long	NONE	Target PEC-D 95 Bullish top		Pull back PEC-D 89.5 – met & held Bullish bottom	3 – Drives to the bottom @ 88 Bullish bottom	+VE divergence & accumulation

Currency Overview -

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

Since our last Report 2/13, **GOLD** has – Met upside target of 1365 exact – 2nd ABC up Daily and cautioned of pulled . The pull back approached our target 1320 but NO rejection yet- It is still bit heavy.

AUD is continuing its move for ABC up as projected . **DXY** is Bullishly back in range after a false break below CZ . **BGP** has Set up Bullish ABC up and Triggered entry. **EURO -** Neutral stopped out **and YEN** should continue to weaken with few minor bounces.

- BULLISH

AUD , DXY , BPS

GOLD – Pull back in progress

USD/JPY (i.e weaker Yen) –

- BEARISH -

NONE

- NEUTRAL

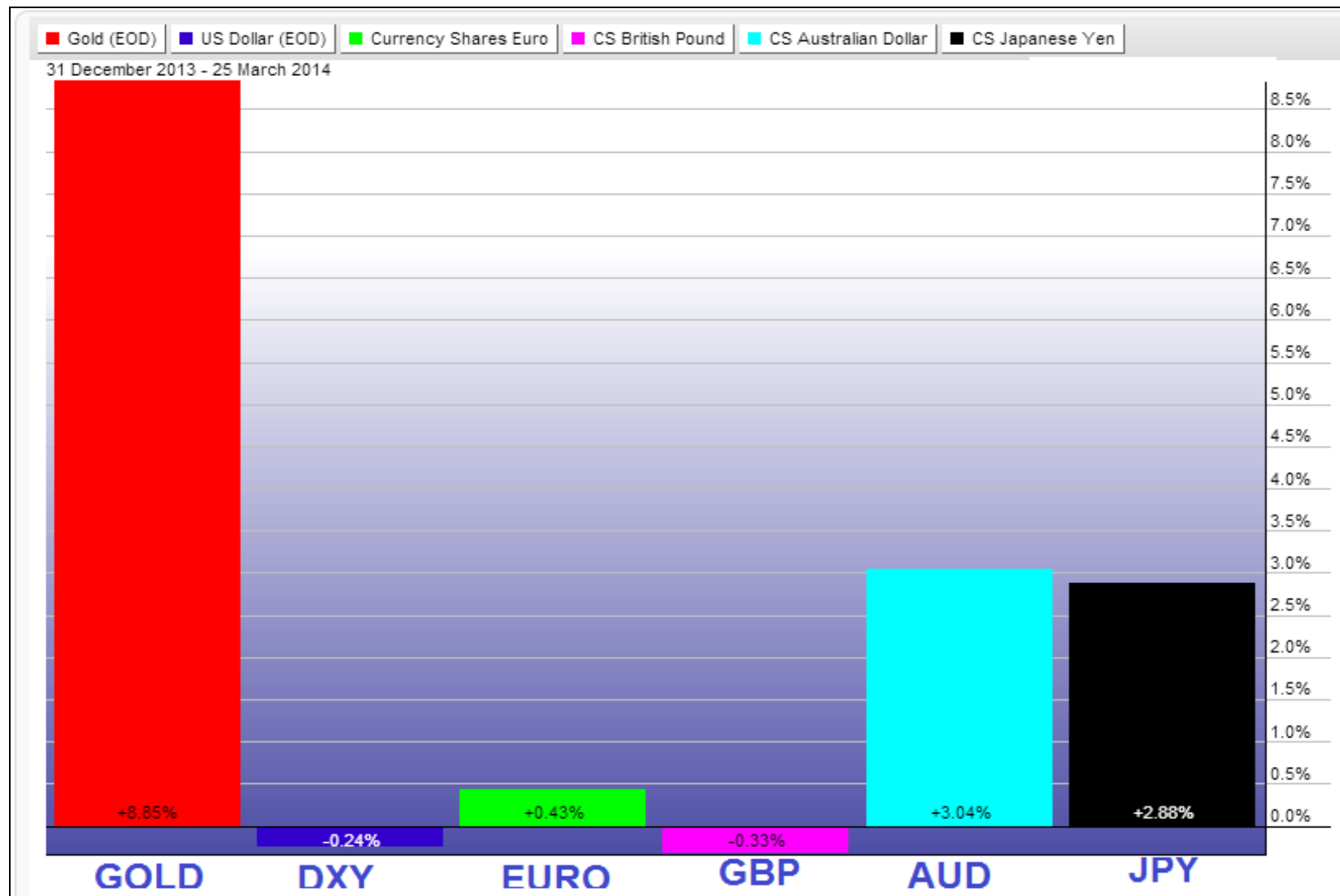
EURO .

Note- For Gold Chart – Refer the chart just released 2 days back in Mondays' MS – No change.

YTD - Currency performance v/s USD

Weakest and strongest currencies

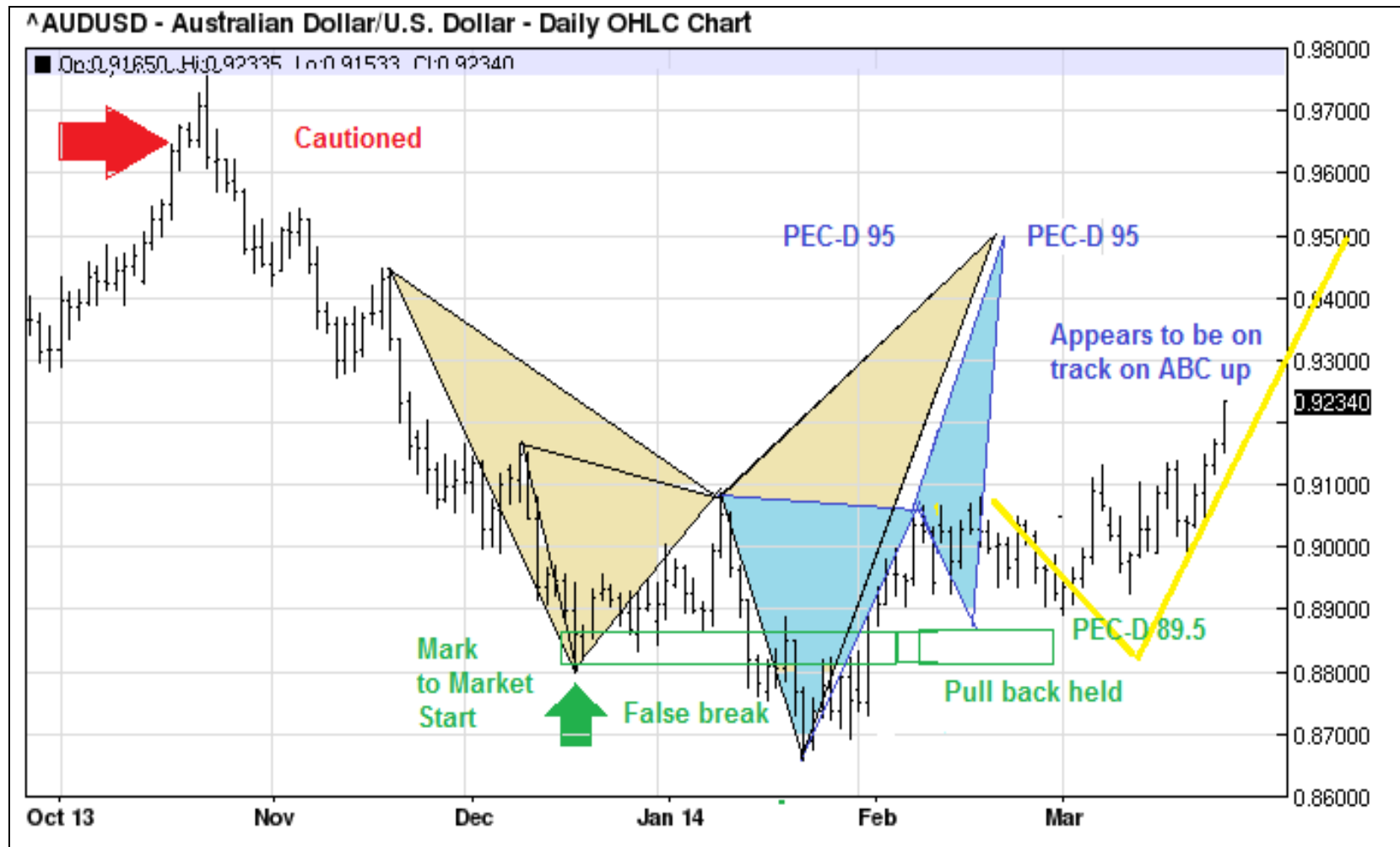
2014 - Strength / weakness. Chart below is our Inter market Analysis Model with Ratio Relative performance v/s USD .



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

Pull back – PEC-D 89.5 . Held and rally began . It is continuing its price path

Upside - – Target PEC-D – 95 Projected Mid term. In progress



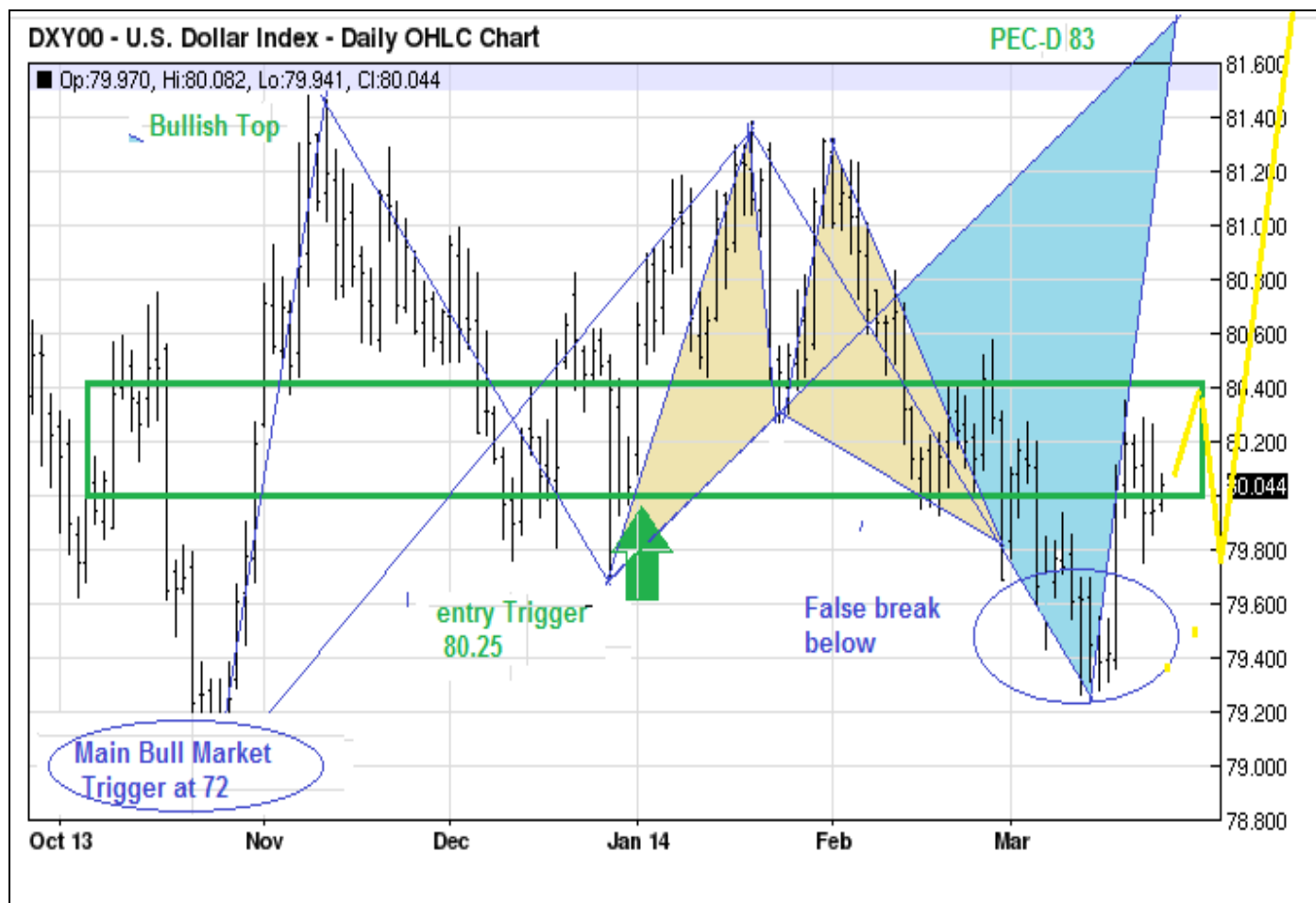
DXY (\$ USD) – CZ / PEC D – Analysis – Bullish

Upside - Target to **PEC-D 83**. CZ – 83-84 Bullish top, Projected 1st ABC up

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

Eventual Upside - **CZ – 88-90**, 2ND ABC' - Main entry @ **72** Net Long Trigger.



EURO / USD – CZ/ PEC Analysis – Neutral

Upside target – Target to PEC-D 1.36 - exceeded and Stopped out at 1.37 .

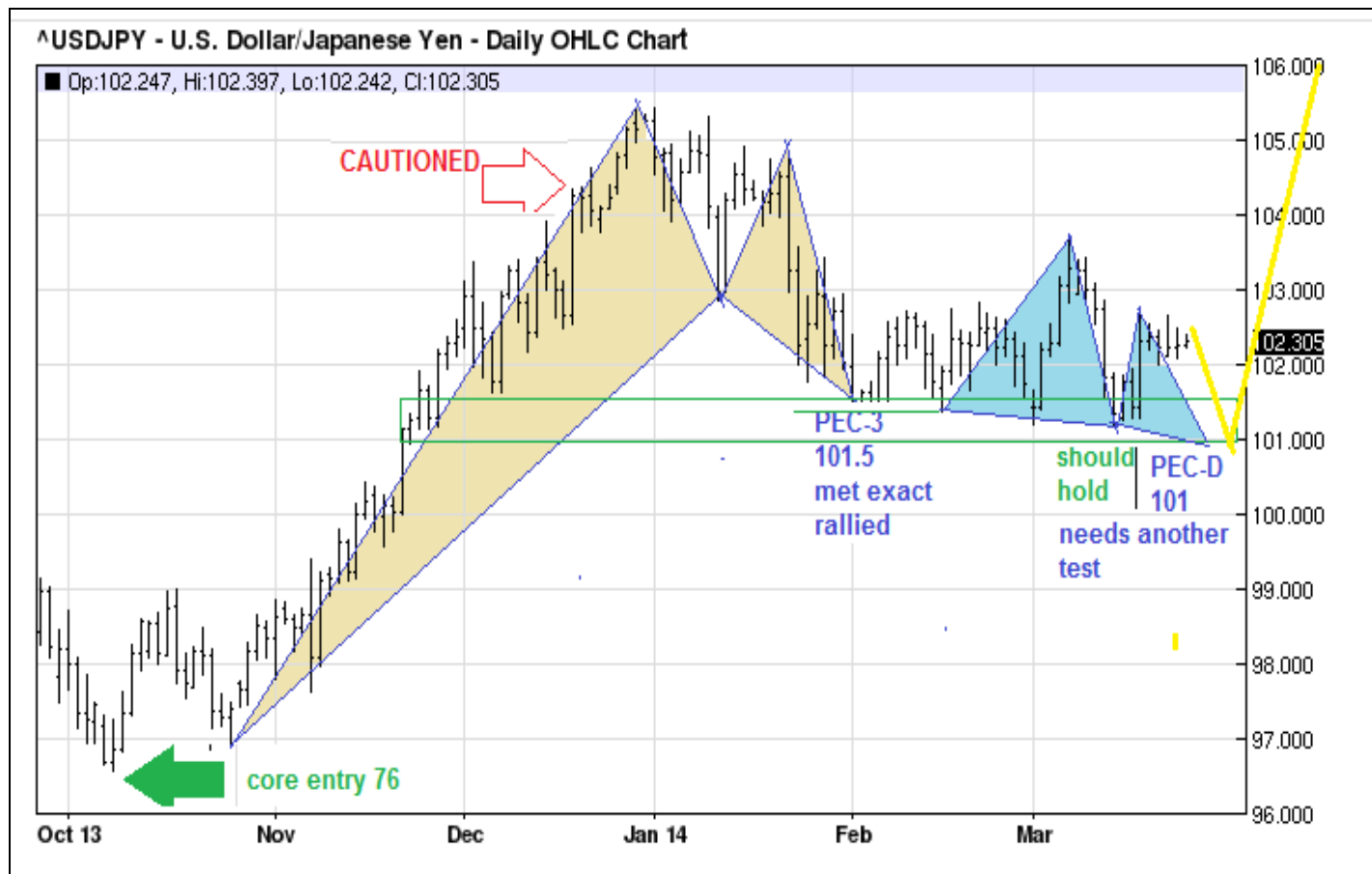
Downside - PEC-D 1.365 to Judge the next step .



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

Pull back target - Short term pull back to **PEC-D 101** to re test . It should hold Typical Bull Market retracement.
Main entry in YEN / USD @ **76** – Net long Trigger on core position .

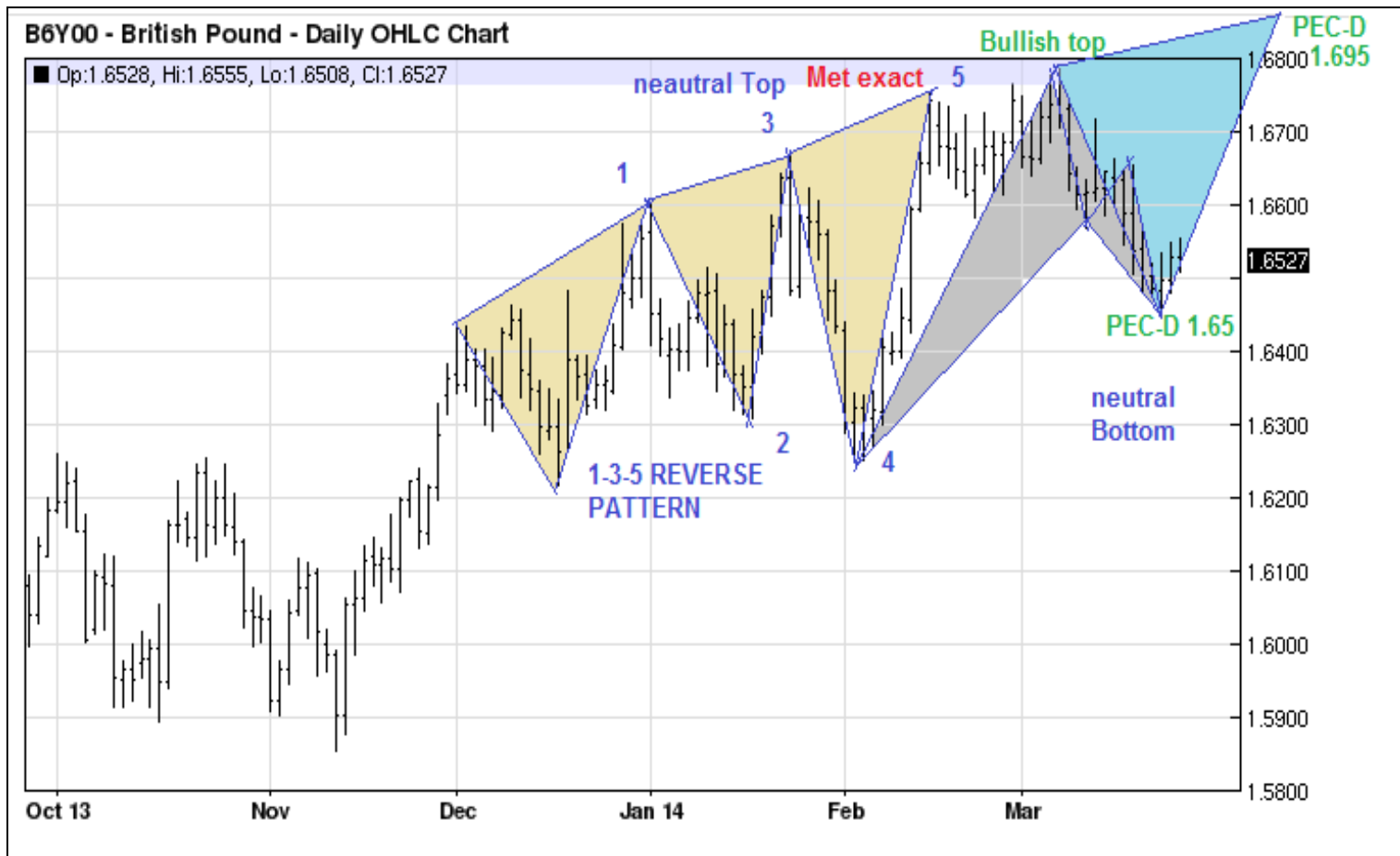
Upside - Target to 3rd ABC up – **PEC-D 104**-Bullish top) . The Final Target to **120**



GBP / USD – PEC Analysis – **Bullish .**

Downside - First downside PEC-D 1.65 –Met with Neutral Bottom .

Upside target – ABC up PEC-D 1.70 , Bullish Top . Earlier 1-3-5 Reverse wave to 1.67 met with Bullish Top.



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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