Date : 11th April 2014 (Friday)

GLOBAL INDICES REPORT (Strategy & Prop Tech)

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● Executive Summary -

	Current Price	POM Triggered within CZ & Date	Follow up Announcement- Update For ST Trend Reversal	Progress Status	Existing Position /Exposure	NEW ACTION (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
EEM (EMRG)	41.83	POM 15 -SPX *On 3/25 COR Avg 40.0*	NONE	NEUTRAL	CASH	NONE	Target PEC-D 41. Met	TBA	No Signal Watch quality of pull back		Emerging markets showing more strength than US & EURO Markets
EWZ (BRZL)	47.39	POM 15 -SPX *On 3/25 COR Avg 43.5*	NONE	NEUTRAL	CASH	NONE	Target PEC-D 45 Met	TBA	No Signal Watch quality of pull back		DITTO
FXI (CHINA)	36.14	POM 15 -SPX *On 3/25 COR Avg 35.0*	NONE	NEUTRAL	CASH *As Pre announced Exited Position @ 35.5 For -4.0% loss*	NONE	Bonce cap CZ 36.5-36 Met and exceeded	Target PEC-D 38 *Target $ SSEC- CZ 2375-2350 Neutral Top*	No Signal Watch quality of pull back	*SSEC- PEC-D 2050-tested* Is solid floor	

Note - $SSEC is more Bullish then FXI , showing +ve signs again

	Current Price	POM Triggered within CZ & Date	Follow up Announcement-Update For ST Trend Reversal	Progress Status	Existing Position / Exposure	NEW ACTION (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid_term	Remark
$NIKK (JAPAN) Or DXJ	14000	@ 14300 Added Position on 2/7 @ 16100 Marked to Market On 1/01 start	CZ 12500-12100 On 5/21 Secondary For Net Long entry (floor)	BULLISH Pull back in progress	Net Long	NONE	Target PEC-D 16000 Bullish Top Although met once	ABC up to 17000 intact	Pull back to CZ-15400-15200 Exceeded on low volume	PEC-D 14K Should hold For next rally Bullish bottom	Core position up 65% From - Main CZ @ 8500 Triggered 10/10/ 2012- Open
EWJ COR - (JAPAN) Pre announce	10.84	@ 12.08 Marked to Market On 1/01 start	CZ 8.95-9.15 On 5/21 Secondary For Net Long entry	BULLISH turn to Neutral Pull back in progress	Net Long	Pre announce Exit Position @ 11.25 For RM	Target CZ 12.50-12.40 Bullish Top Negated	CZ -13.70-13.40 Negated	CZ 11.50-11.25 Met & broken with heavy volume	Target CZ - 10.60-10.80 Should hold & rally Higher high Bullish bottom floor	.

Note - $NIKKE is more Bullish then EWJ

US Markets – SPX, BONDS and GOLD have been following EXACT the same price path that we had projected in our Last Monday's Report and our POM 15 Trigger on SPX . (More info on Monday's MS Report)

Global Indices   Overview -

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

Emerging Markets seems to be relatively more Bullish (Neutral with +ve bias) as compared to US and European Markets.

Since our last Report 2/07**, FXI –China-**   We Exited our position within CZ 36-36.5 as pre announced for -4.5% loss as Risk Management and now stepped aside . We have **_No signal_** . BUT $SSEC Looks more Bullish then FXI – ETF . This is due to currency fluctuations .

 NIKKE – Japan – Volatility in YEN & negative correlation has resulted in nasty pull back in NIKKE. NIKKE is still re testing its pull back target zone of 14000.   We do not believe this bull market is over and buy on dips into CZ for Net long positions to target higher levels.   _$NIKKE is more Bullish then EWJ (We are exiting EWJ at higher limit price 11.25 as Risk Management But holding NIKK) ._ This is long term Bull Market to hold

 EEM & EWZ – These are Neutral Tops and Neutral bottoms with Bullish bias – But **_No signal_**

- **BULLISH   -   NIKKE – Pull back in progress**

- **NEUTRAL - FXI (China) , EWZ, EEM, EWJ .**

- **BEARISH -   None**

• YTD – Global Indices performance v/s SPX

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 SPX.

NIKKE (JAPAN)– CZ / PEC-D / Ratio Analysis – <mark>Weekly Bigger picture</mark> –
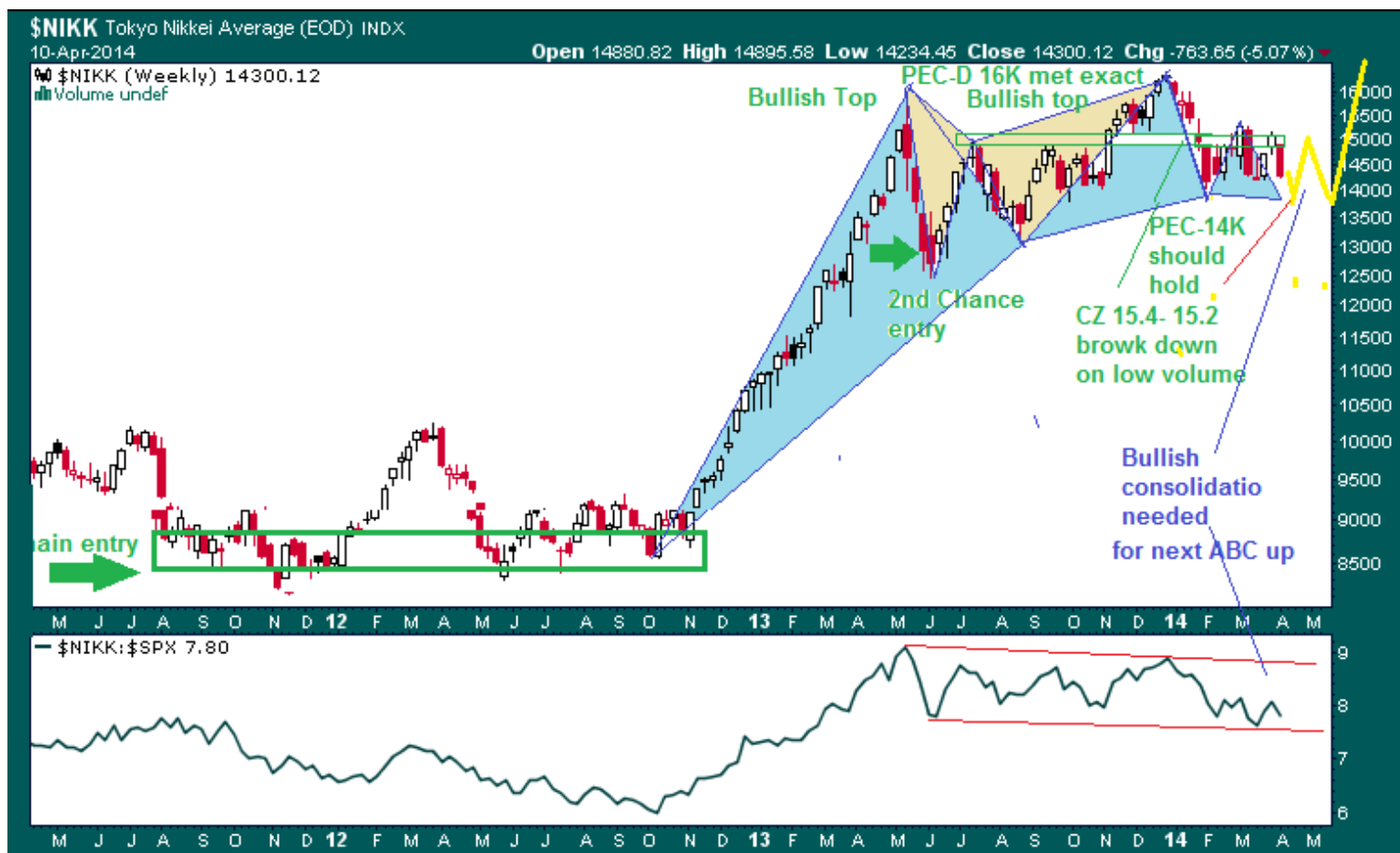## Pull back in progress

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

Downside – PEC-D to 14000 is resting BUT should hold. . The pull back CZ 15400-15200 - Bullish Bottom broke down on low volume.

Upside - Target to – PEC-D 16000 – Bullish Top remains although met once.
**Larger ABC at - 17000,**

EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – NEUTRAL - pull back in progress

- **-Texture -** **BULLISH TOP** **(negated) &** **BEARISH BOTTOM**

EWJ has different texture than NIKK – We shall limit exit at 11.30 on bounce

Downside – Pull back to CZ 11.50-11.25- went under with heavy bottom negating the Bullish top .
(10.60-10.80) is the Floor. Should hold

Upside - Target to CZ 12.5-12.40 Bullish Top - Negated.

iShares MSCI Japan Index Fund (EWJ)
April 11, 2013 - April 10, 2014 Daily 5:05 AM EST
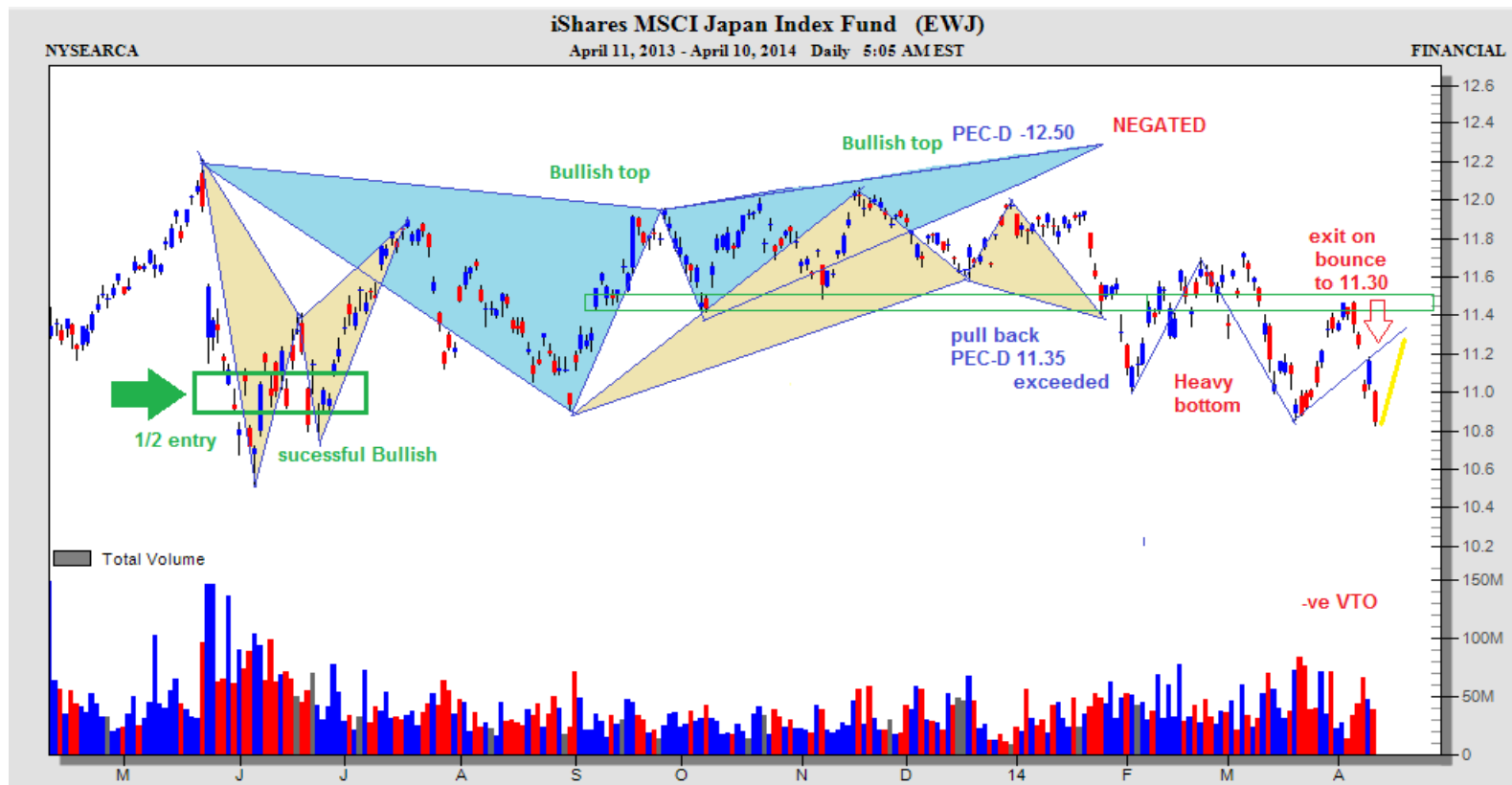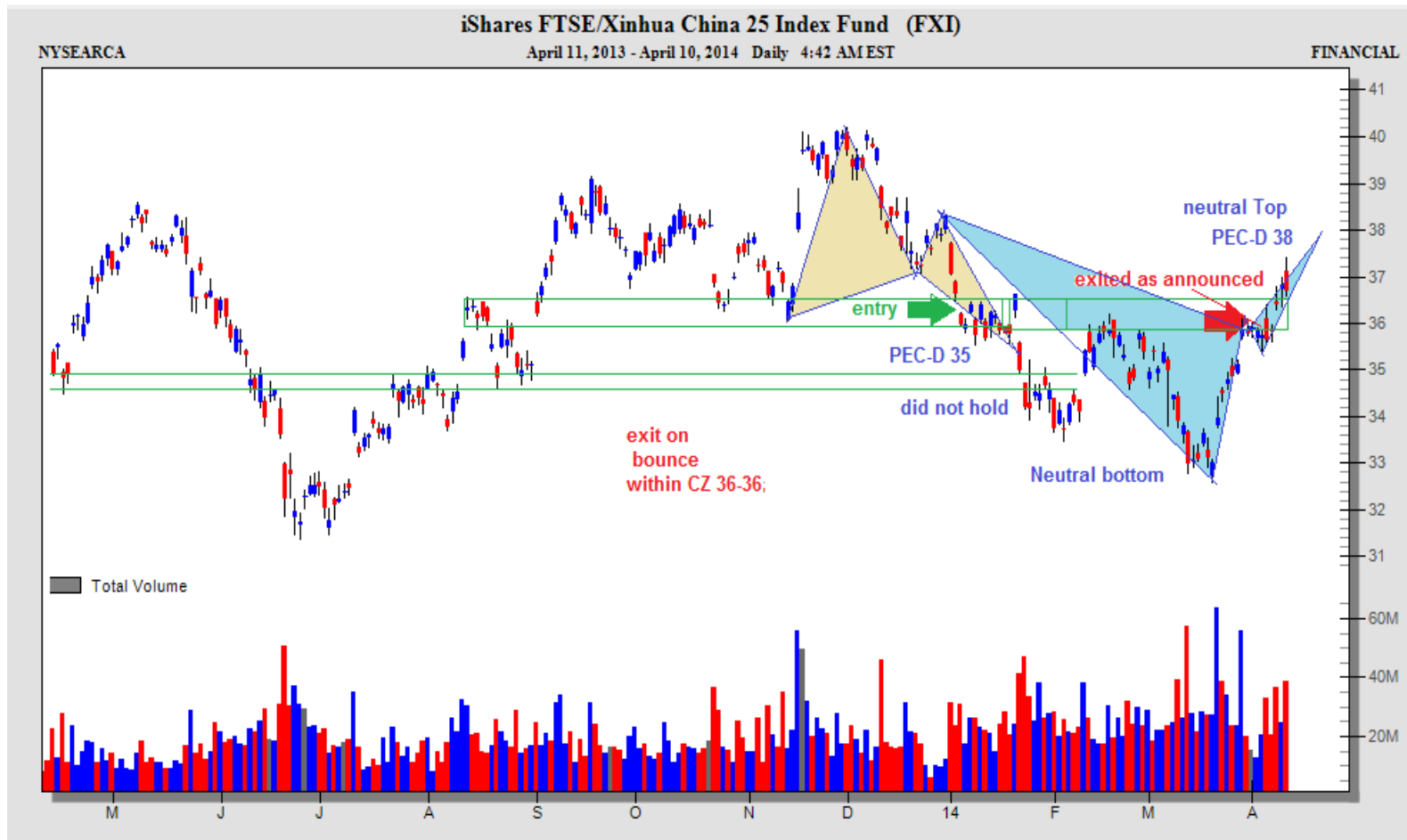
FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – Neutral

- **Texture - Neutral Top & Neutral Bottom**

UPSIDE – Bounce to CZ 36.5-36 - We exited as announced for RM.

DOWNSIDE – **No signal.** watch the quality of pull back Pull back.

$SSEC (SHANGHAI) / PEC-D / Ratio Analysis. – Weekly - Bigger picture

- **Texture – NEUTRAL TOP   & NEUTRAL BOTTOM**

DOWNSIDE – Pull back to Target PEC-D 2050 – met. SSEC hasn't broken much below the pull back zone but CZ 2000-1950 is solid floor.

1ST UPSIDE – Bounce to CZ 2100 – 2150 - showing strength . PEC- D @ 2350 is back in game.
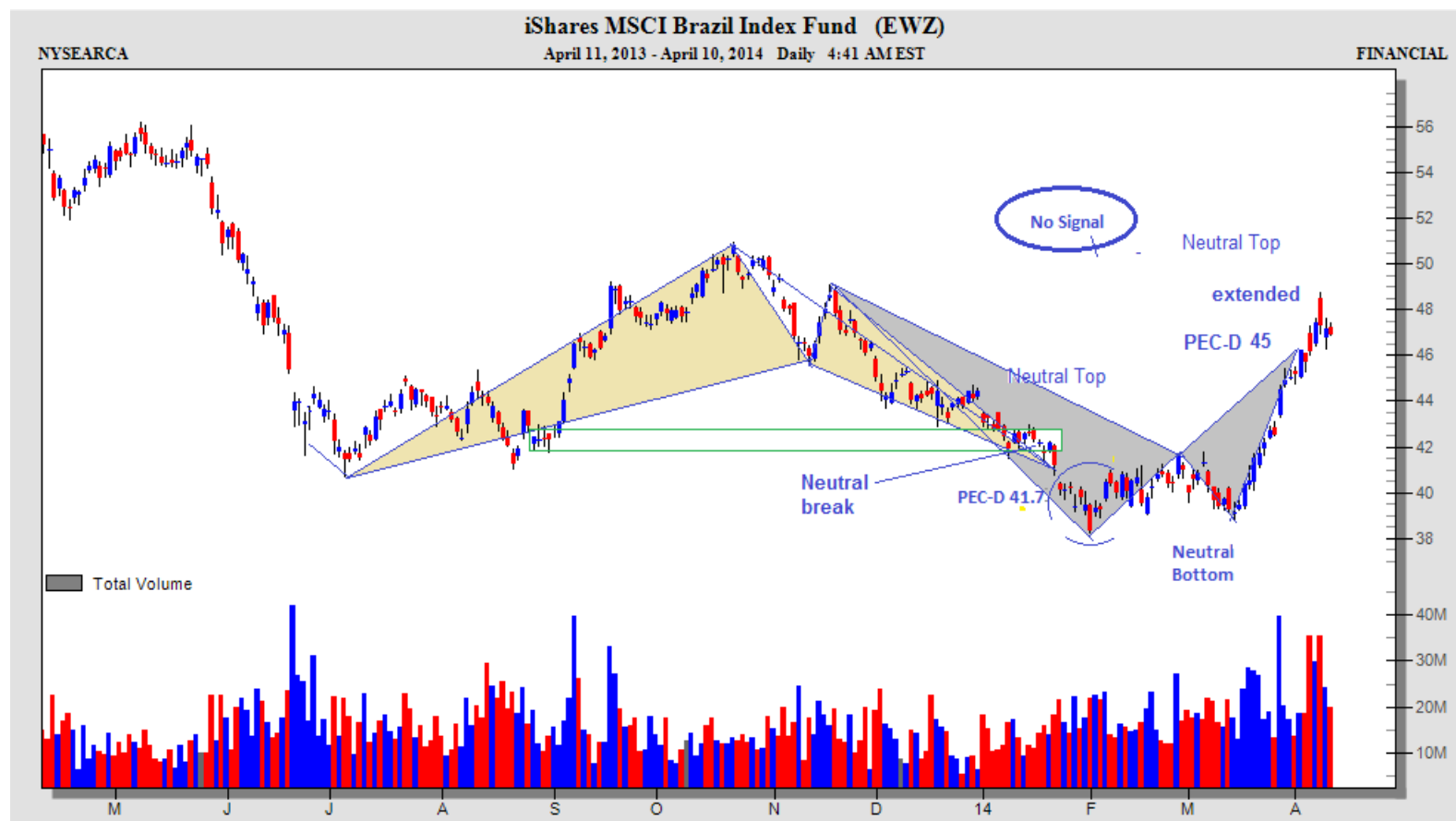
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral -

- **Texture – NEUTRAL TOP   &   NEUTRAL BOTTOM**

At current levels No Signal & No Risk Reward due to Neutral Top & Neutral Bottom .

UPSIDE – –- Projected ABC to PEC-D 45 – Met

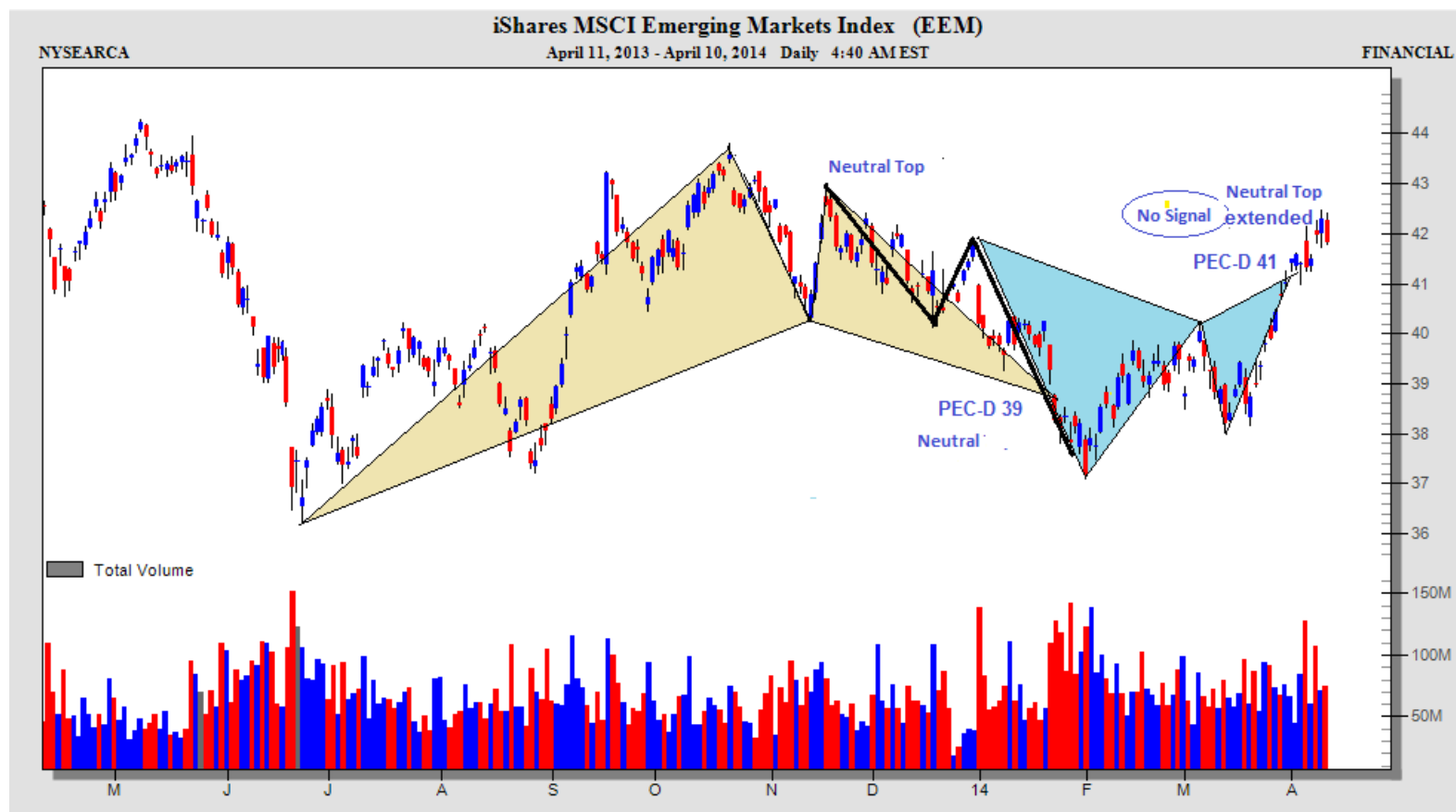DOWNSIDE – No signal. watch the quality of pull back Pull back.

iShares MSCI Brazil Index Fund (EWZ)
April 11, 2013 - April 10, 2014 Daily 4:41 AM EST

NYSEARCA   FINANCIAL

EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral

- **Texture –** Neutral Top & NEUTRAL BOTTOM

At current levels No Signal / No Risk Reward due to Neutral Top & Neutral Bottom ..

UPSIDE – –- Projected ABC to PEC-D 41 – Met   & extended

DOWNSIDE – **No signal.** watch the quality of pull back Pull back.

iShares MSCI Emerging Markets Index (EEM)
NYSEARCA
April 11, 2013 - April 10, 2014 Daily 4:40 AM EST
FINANCIAL

Appendix Content

- **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*

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.*

POM criteria for Implementation on SPX

- **_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 <u>UP</u> move, *POM 13* signifies to <u>STOP</u> executing additional 'New Buys" that was initiated at *POM 12 or POM 11 levels*

- On way <u>DOWN</u> move, *POM 13* signifies to <u>STOP</u> executing additional " New Short Sells" that was initiated at *POM 14 or POM 15 levels*

- **_(Bear Markets)_** **POM 15 is for - <u>Net Short</u> & POM 14 is for - <u>Hedge Longs</u>**

- **_(Bull Markets)_** **POM 15 is for -<u>Hedge Longs</u> & POM 14 is for - <u>Partial Hedge</u>**

- *POM 12 & 11 is for Net Long*

- **_POM 10_** *is Climatic Crash low Buy Signal* to add to Net long position **_(Rear event)_**

- **TEXTURES – Bullish , Bearish , Neutral**

In charts above we have price path of DX's noted as they are reaching its individual CZ / PEC-D Price Projections in this rally. We have identified IDX's ' with Bullish Tops . These have participated very strongly whereas the IDX with Bearish Tops & Bearish Bottoms are moving higher with –ve divergences. .

At POM 14, <u>Bearish Top IDXs</u> should be viewed with caution for weakness & suitable of Hedging to scale in within its own Individual CZ . These IDX 's <u>should on reduced in position at its CZ area / PEC- D patterns.</u> The pull back in such cases tends to be deeper in correction

The <u>Bullish Top IDX</u> should be continued to Hold Long position from POM 13 – Net long till POM 15 is Triggered and should be accumulated on any pull backs. <u>These are NOT candidates for Short Sell. </u>.
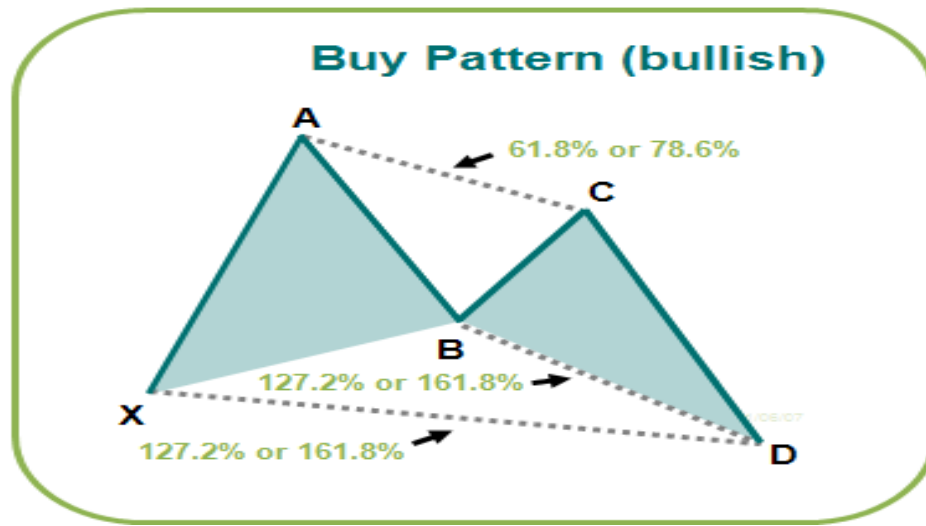
The <u>Neutral Top IDX's</u> are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of " New pick up in force in one direction" to decide the Trajectory of Path.

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

Buy Pattern (bullish)

A

61.8% or 78.6%

C

B

127.2% or 161.8%

X

127.2% or 161.8%

D

Sell Pattern (bearish)

X

127.2% or 161.8%

127.2% or 161.8%

B

D

C

A

61.8% or 78.6%