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GLOBAL INDICES REPORT (Strategy & Prop Tech)

By : Suneil R. Pavse, E : apavse@aol.com

● Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement-Update</u> 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 Announcement	17450	_Main CZ @ 8500 Triggered 10/10/2012-Open	<u>@ 14300</u> <i>Announced Secondary to entry</i> Add Position on 2/7 up 22%	BULLISH	Reduce Net Long 7.5% To 4%	Exit ½ position at Open Monday Risk Management	Hit a high of 18000 and pulled back	ABC up to 18700 intact	Pull back 16.800- breakout area Should hold and rally back	CZ 15200-15000 Bullish bottom	Core position up 100% Entry / Exit to EWJ based on NIKK Trigger

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement</u> - 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
SSEC (CHINA)	3250	On 7/4 Report @ 2050, We Missed entry Trigger by 20 points @ 2050	Last Report @ 2550 Announced Foreigners Can buy (We dint act)	NEUTRAL	CASH No Position	NONE	Target ABC up PEC- 2650- Bullish Top Met exact & extended	Parabolic move Should top out Soon	Pull back 2900 , ½ way move Should hold and rally back to double top	Parabola 0.75 take off point 2650 Great Risk / Reward.	Entry / Exit to FXI based on SSEC Trigger
EEM (EMRG)	39.29	POM 15 -SPX @39.3 On 12/11	NONE	NEUTRAL Bearish bias	CASH No Position	NONE	Bounce to 40.25-39.25 Should fail		ABC down PEC-D 36	Larger ABC down to 35	No Risk / Reward at Current levels

Global Indices Overview -

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

NIKKE – Japan – last Report NIKK was @ 17400, has remained flat with Bullish top with highs of 18000. ABC up target is 18700

Weakness in YEN should continue till our target 126 and it should help our Bullish Net long position in NIKK to target 18700 next ABC up . We do not believe this bull market is over and buy on dips into CZ for Net long positions to target higher levels. .

\$SSEC–China- We have ***No Position.*** (We missed Net long entry @ 2050 on 7/4 by 20 points)
Last Report SSEC was @ 2675, since then this market has rallied 25% beyond our Target .
Currently in parabolic mode.

Last Report SSEC @ 2550 , we had pointed out that the foreign investors are able to buy stocks for the first time on the Shanghai Stock Exchange via the Hong Kong Stock Exchange. This has resulted in 30% move since.

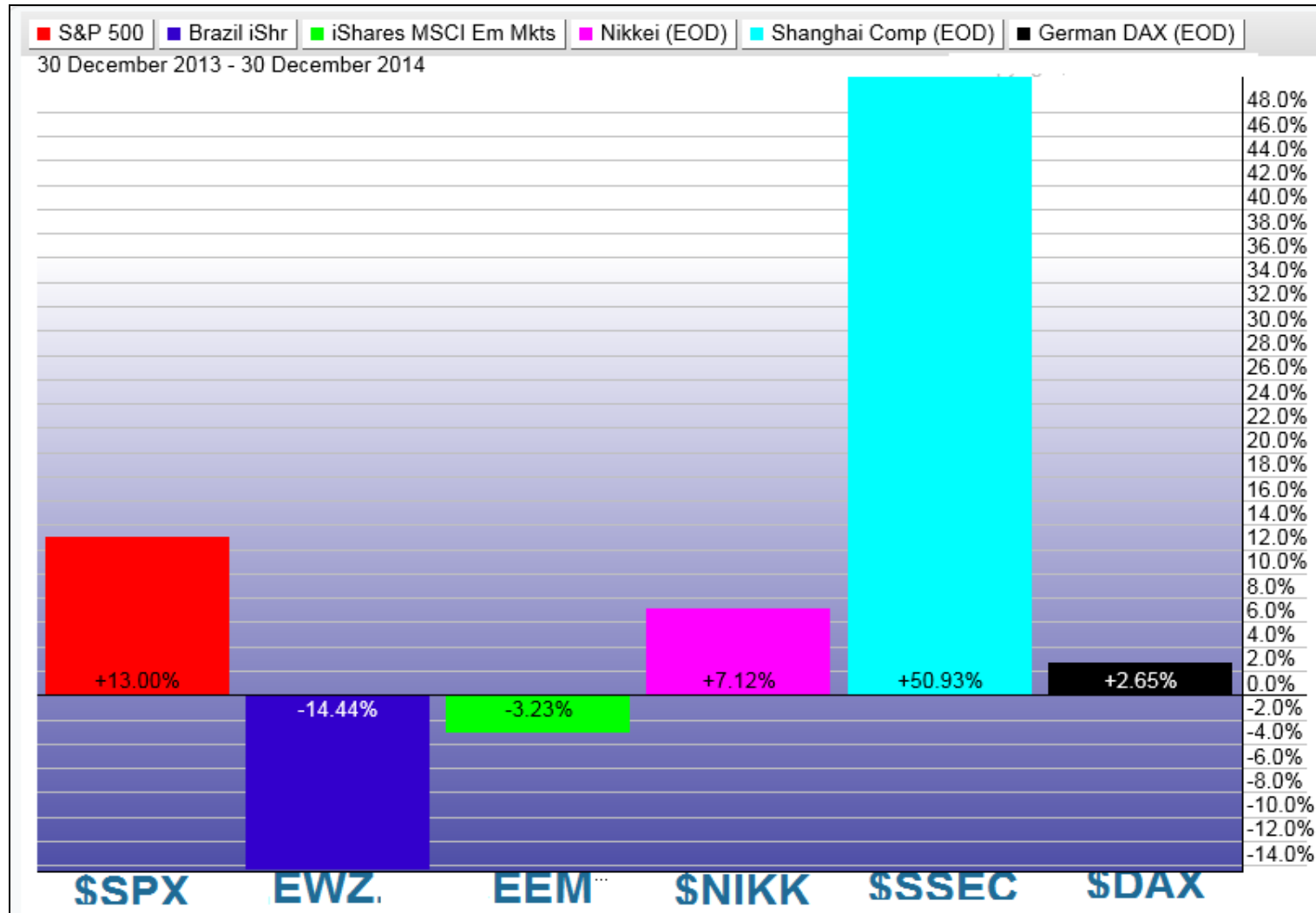
EEM – Bearish Tops and Neutral bottom – But ***No Position,***

- **BULLISH - NIKKE (DXJ) – ST pull back**
- **NEUTRAL - - China (FXI) , EEM – with Bearish bias .**
- **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.



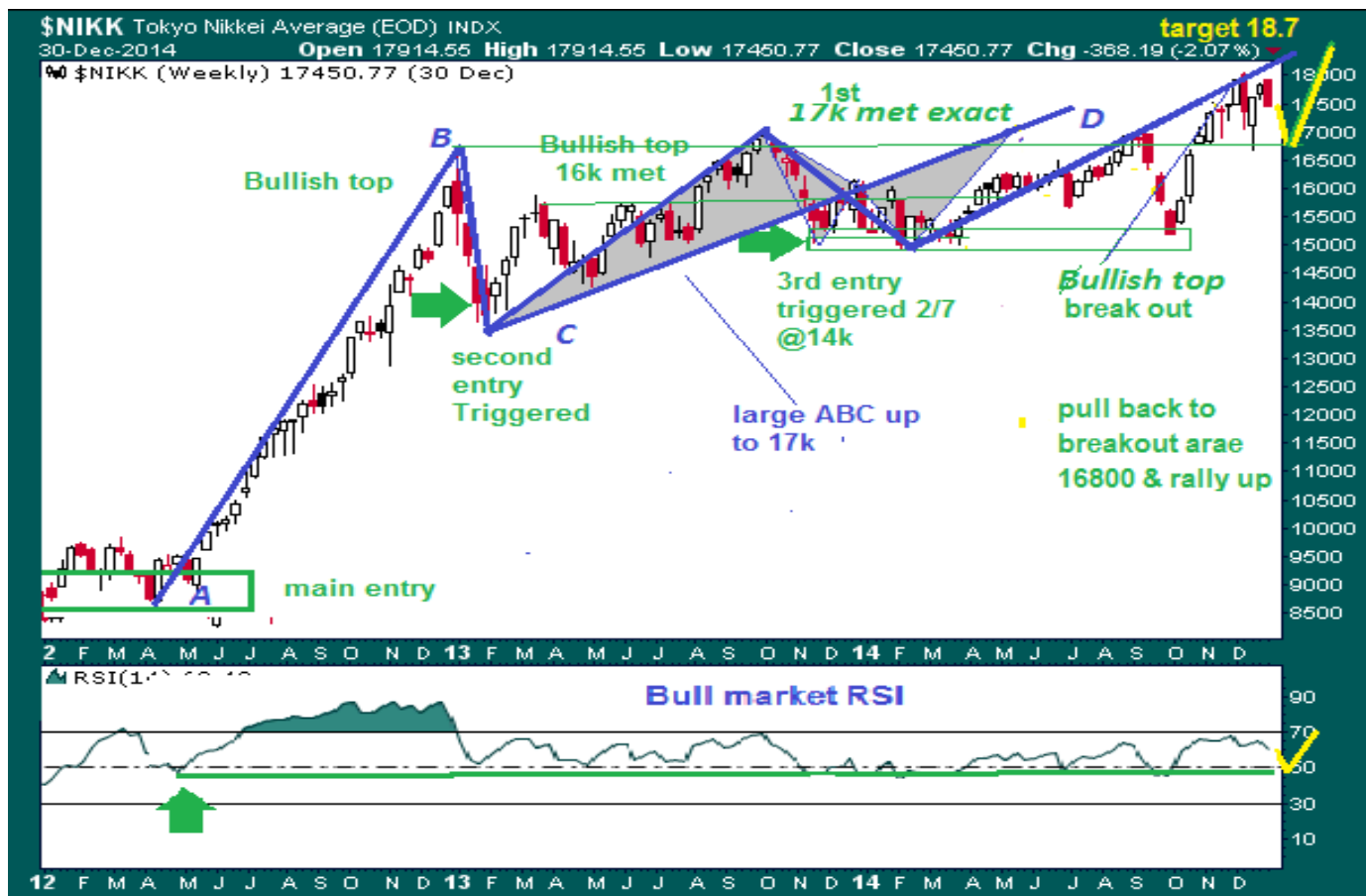
NIKKE (JAPAN)- CZ / PEC-D / Ratio Analysis – Weekly Bigger picture – Bullish

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

Upside - Rally to 18000 – Bullish Top- fell slightly short for Larger ABC up at - 18700,

Downside – Shallow pull back to breakout **16 800 is in progress** should hold **Bullish** Bottom & rally.

DXJ entry / exit to follow \$ NIKK Trigger



\$SSEC (SHANGHAI) /PEC-D Analysis. **Weekly - Bigger picture - Neutral**

Texture – **NEUTRAL TOP & BULLISH BOTTOM** | (No Position)

UPSIDE – Larger ABC up @ 2630- Met & extended beyond it parabolic .

DOWNSIDE - Pull back to 2900 , ½ way move should hold & rally to double top before larger decline.

FXI entry / exit to follow \$ SSEC Trigger

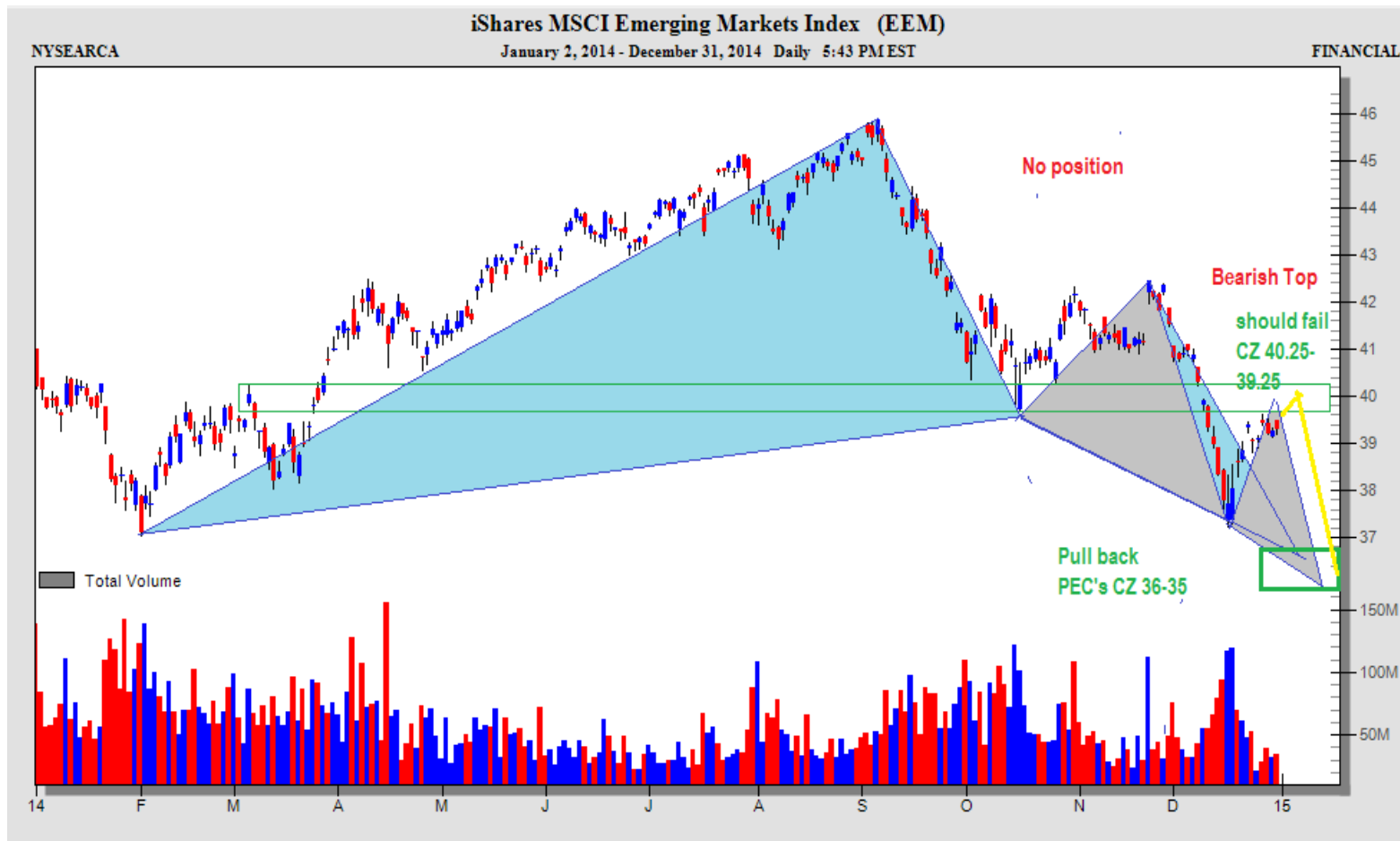


EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral – Bearish bias

- Texture – Bearish Top & NEUTRAL BOTTOM (No Position)

DOWNSIDE – pull back to CZ 36-35 .(2 ABC down converge)

UPSIDE – — Bounce to CZ 40.25-39.25- Bearish top, Should fail.



Appendix Content

- 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.*

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 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)

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

The Bullish Top IDX 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. These are NOT candidates for Short Sell.

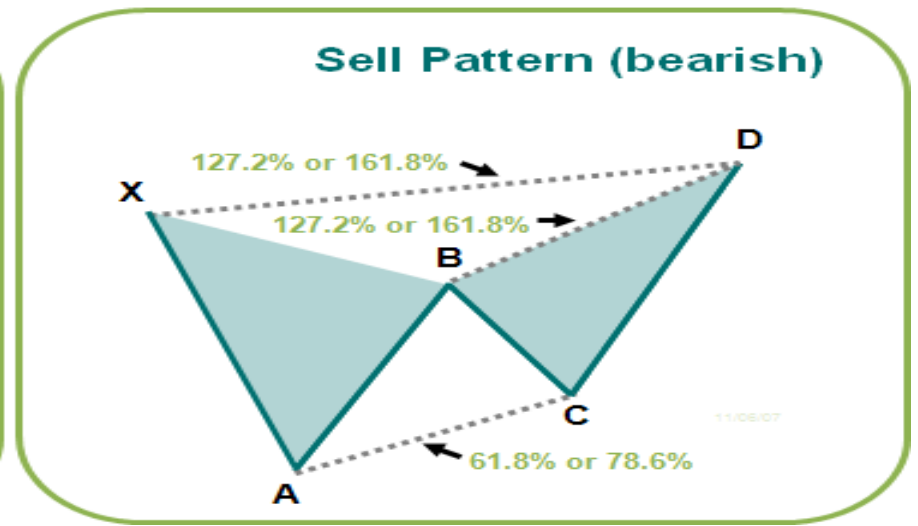
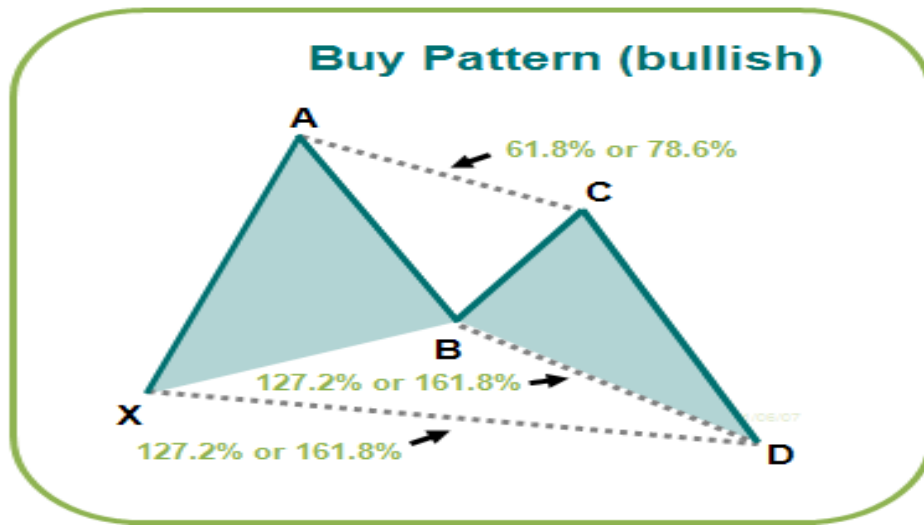
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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



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