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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 <u>Near Term</u>	Upside CZ <u>Mid term</u>	Downside CZ <u>Near term</u>	Downside CZ <u>Mid term</u>	Remark
EEM (EMRG)	38.56	POM 14 on 2/3 Report Pre - announced @ SPX 1735	NONE	NEUTRAL Bullish bias	CASH	NONE	Target PEC-D 41. Neutral Top	TBA	Target – PEC-D 39 Met & exceed Neutral bottom		No Signal
EWZ (BRZL)	40.32	POM 14 on 2/3 Report Pre - announced @ SPX 1735	NONE	NEUTRAL	CASH	NONE	PEC-D 44 Should cap Consolidation	TBA	Target – PEC-D 41.7 Met & exceed Neutral bottom		No Signal
FXI (CHINA) Pre-Announcement	34.40	@ 37.78 Marked to Market On 1/01 start	@ 37.75 Triggered On 12/17 CZ 38.38.5 Secondary For Net Long entry (floor)	BULLISH Turned NEUTRAL	Net Long	Exit on bounce to CZ 36-35.5 Override The stop RM @ 34.75	Bounce cap CZ 36-36.5	CZ 42.5- 41.5 \$ SSEC- CZ 2375-2350 Bullish Top Negated .	ABC down To 35 Met with heavy bottom		SSEC- has met its PEC-D 2050 Bounce should initiate

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\$NIKK (JAPAN) Or DXJ Announcement	14462	<u>@ 16100</u> Marked to Market On 1/01 start	CZ 12500-12100 On 5/21 <u>Secondary</u> For Net Long entry (floor)	BULLISH	Net Long	Increasing position	Target PEC-D 16000 Met exact Resulted in sharp pull	ABC up to 17000 intact	Pull back to CZ-15400-15200 Exceeded on low volume Back filling after sharp decline	PEC-D 14K Should hold For next rally Bullish bottom	Core position up 70% From - Main CZ @ 8500 Triggered 10/10/2012- Open
EWJ COR - (JAPAN)	11.36	<u>@ 12.08</u> Marked to Market On 1/01 start	CZ 8.95-9.15 On 5/21 <u>Secondary</u> For Net Long entry	BULLISH	Net Long	NONE	Target CZ 12.50-12.40 Missed by 30 cents Bullish Top	CZ -13.70-13.40 intact	CZ 11.50-11.25 Met & exceeded on false break below Bullish bottom	CZ -10.60-10.80 Higher high Bullish bottom floor	Once in range above 11.50 It should initiate up move. Yen related sell off within Bull Market .

Global Indices Overview -

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

Since last Report 1/17, **FXI –China** has continued to pull back more than it should have been . Turned Neutral from Bullish picture. We shall override the stop at 34.50 and participate in the bounce considering that weekly indicators and PEC-D for \$SSEC projection to 2050 has been met . \$SSEC Looks more Bullish then FXI . FXI has surprised us a bit.

We shall the quality of next rally to judge the next step but we shall exit on bounce within CZ 36-36.5 and step aside

NIKKE – Japan – Volatility in YEN & negative correlation has resulted in nasty pull back in NIKKE. NIKKE pulled back after touching the target exact 16000. A warning for overweight positions. We do not believe this bull market is over and buy on dips into CZ for Net long positions to target higher levels. Short term pull back is NOT as meaningful for early bull market buyers.

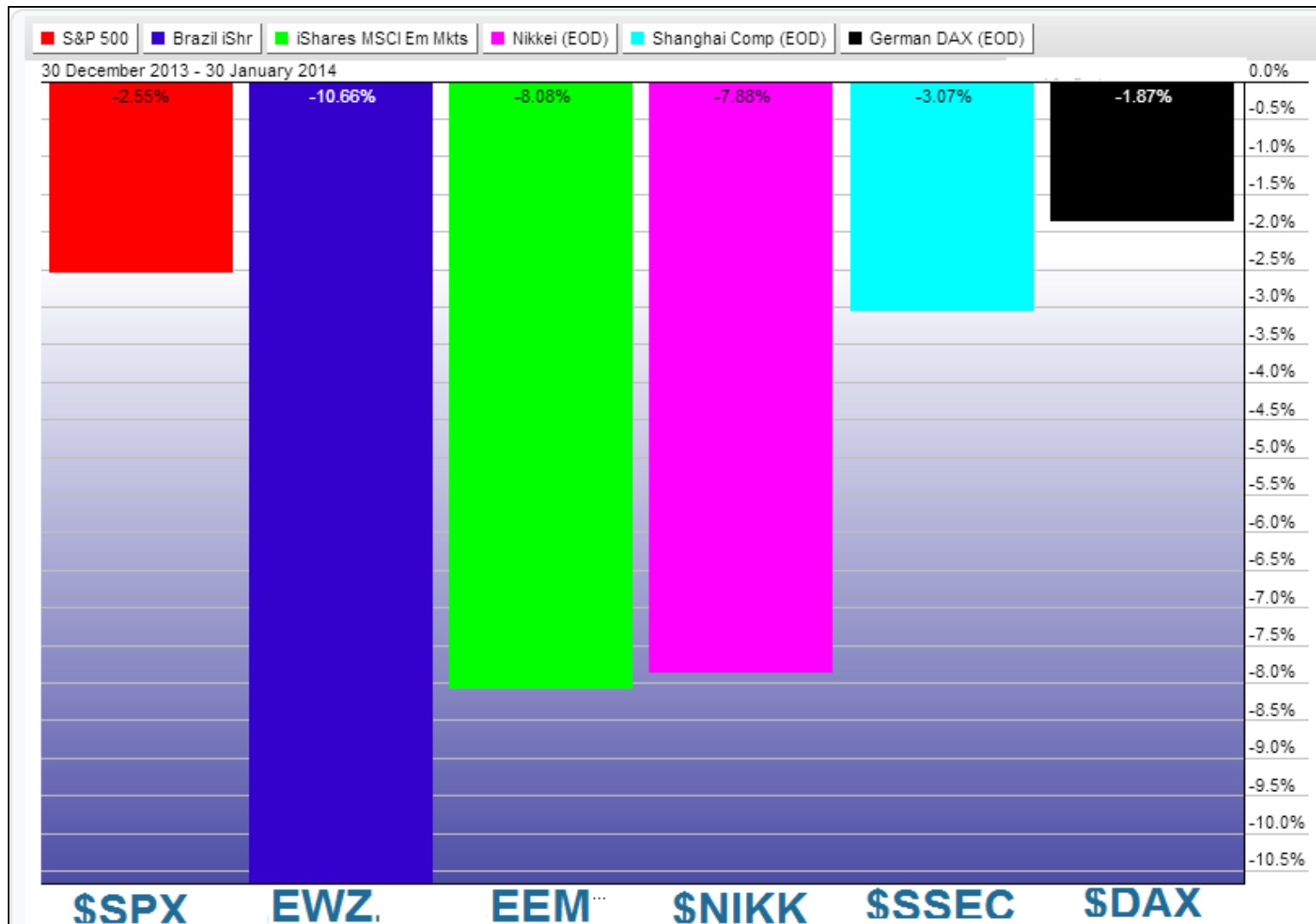
EEM & EWZ – These Markets pulled back just as expected from POM 15 towards its ABC down and has triggered POM 14 along with SPX . These are Neutral Tops and Neutral bottoms with Bullish bias – No signal

- BULLISH - **EWJ (Nikk) , – ST pull back in progress**
- NEUTRAL - **FXI (China) , EWZ**
EEM with Bullish 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**

- -Texture - BULLISH TOP & BULLISH BOTTOM

Upside - Met – EXACT our Target to – PEC-D 16000 – Bullish Top & SOLD off due to weakening yen. .
Larger ABC at - 17000,

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

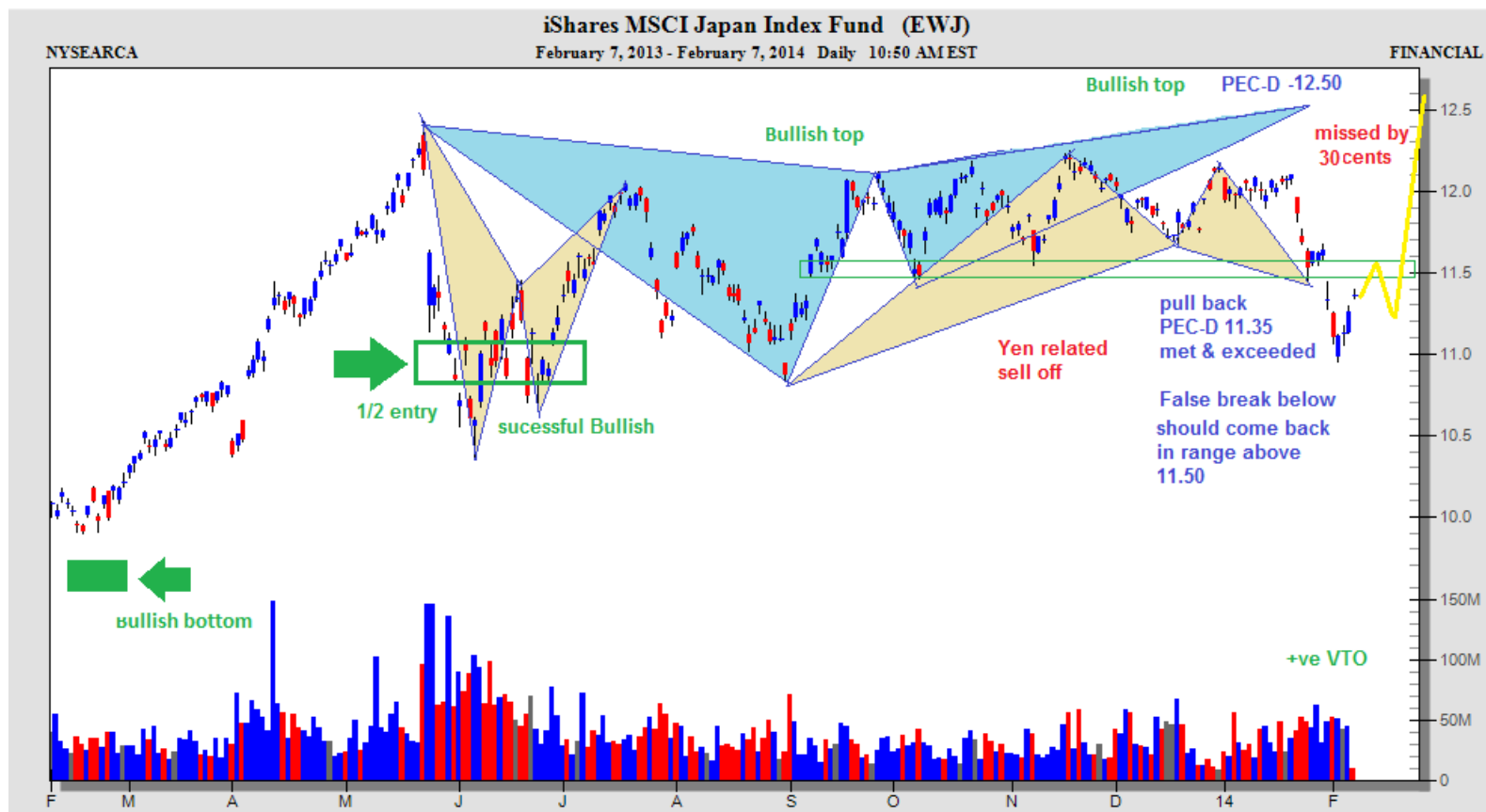


EWJ (JAPAN)– CZ / PEC-D / Ratio Analysis – **Bullish** - **ST pull back**

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

Upside - Target to CZ 12.5-12.40 Bullish Top missed by 30 cents & sold off
Larger ABC at - 13.40-13.70,

Downside – Pull back to CZ 11.50-11.25- went under false break , Weekly rejections of Bullish Bottom.
(10.60-10.80) is the Floor.

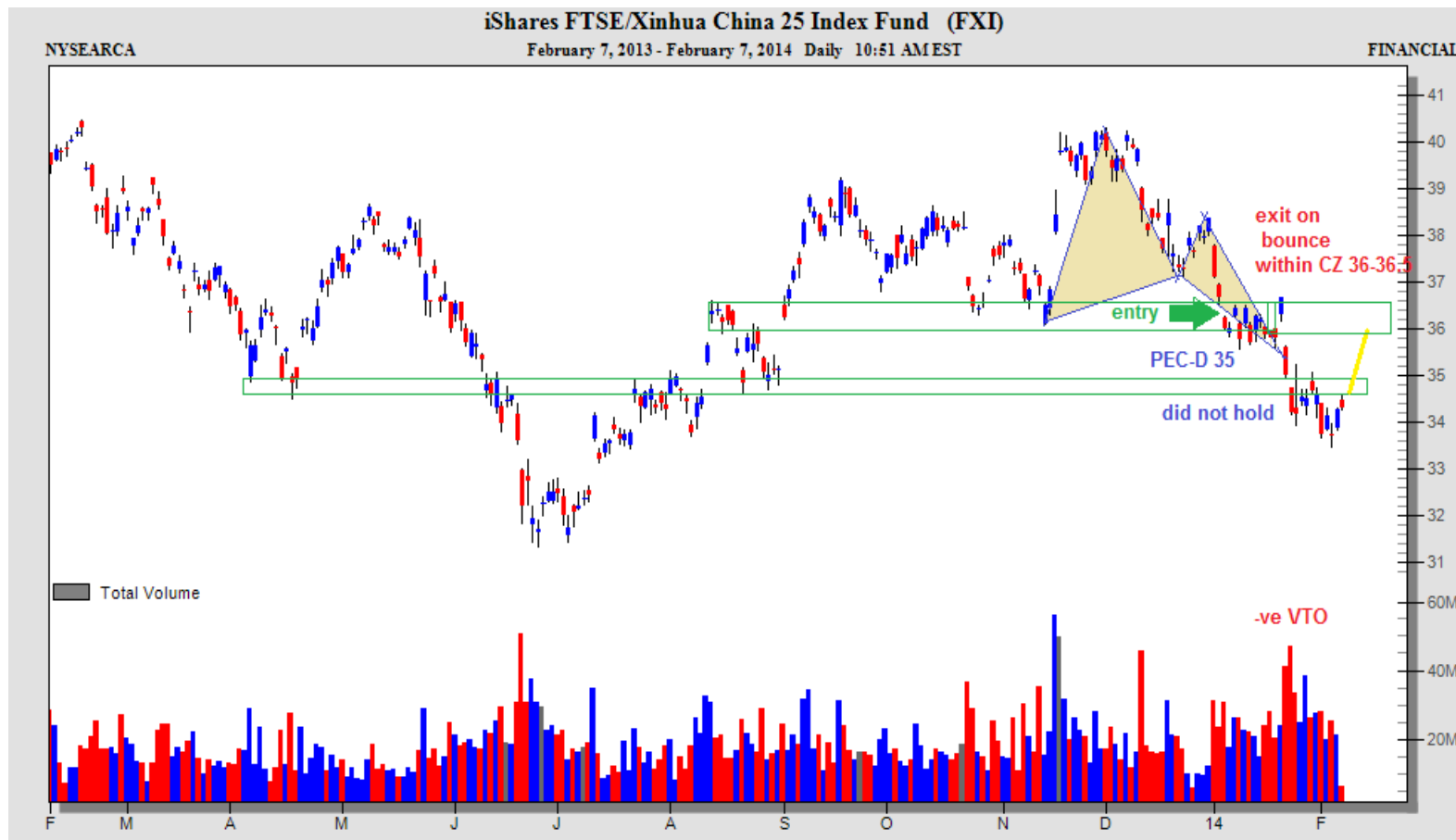


FXI – (SHANGHAI) / PEC-D / Ratio Analysis. – Neutral

- Texture - Neutral Top & Bearish Bottom.

DOWNSIDE – Pull back to CZ 38 -37.5 broke below and met PEC-D 35 with heavy bottom
On weekly charts bounce to initiate soon

UPSIDE – Bounce to CZ 36-36.5 - We shall exit. ABC up PEC-D @ 42 got negated .



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

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

1ST UPSIDE – Bounce to CZ 2100 – 2150 - We shall exit
PEC- D @ 2380, CZ 2350 -2375 Negated



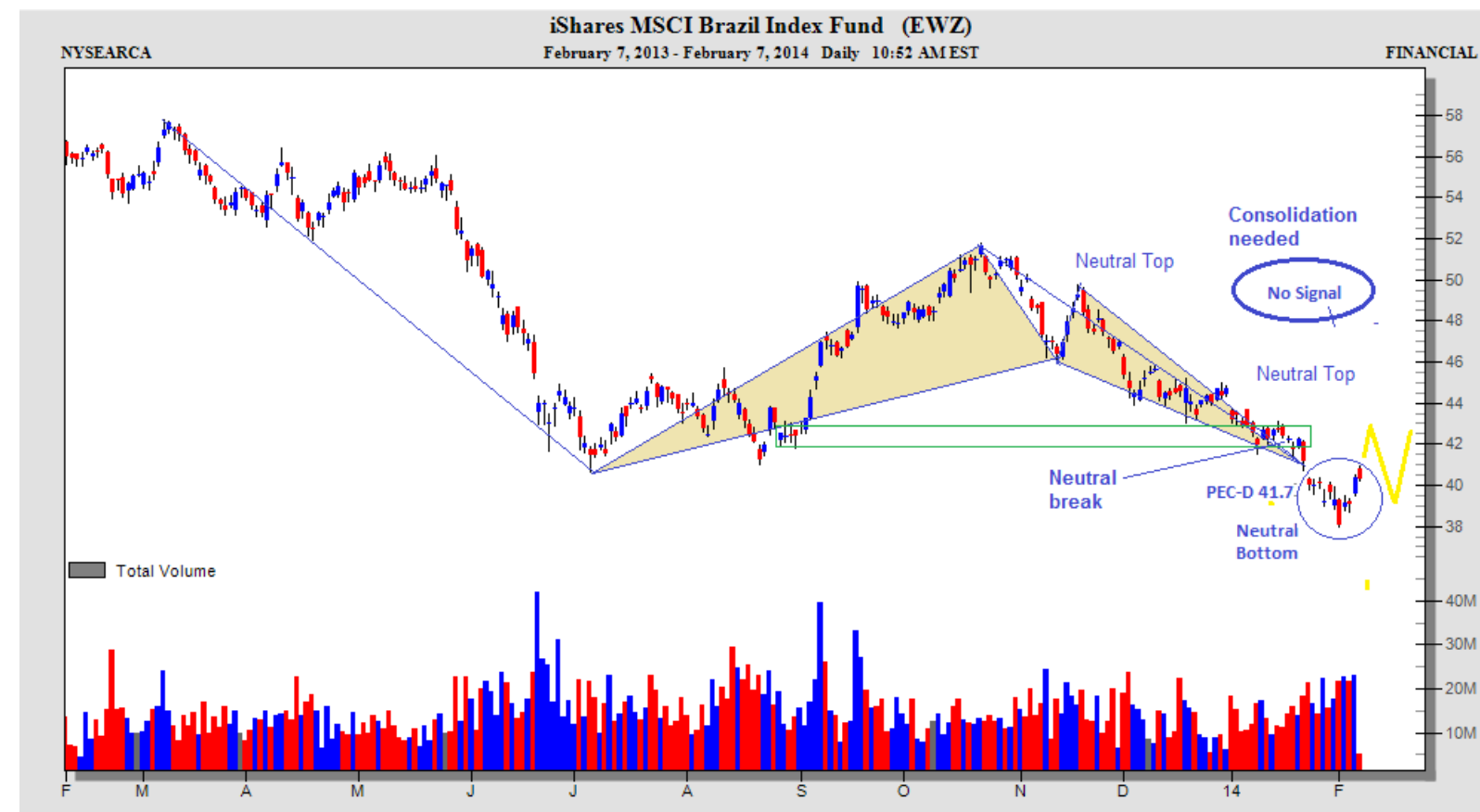
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral -

- Texture – NEUTRAL TOP & NEUTRAL BOTTOM

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

DOWNSIDE -- 2nd ABC down to PEC-D 41.7 met & exceeded – Neutral volume . Consolidation needed

UPSIDE -- ABC to PEC-D 44 should cap



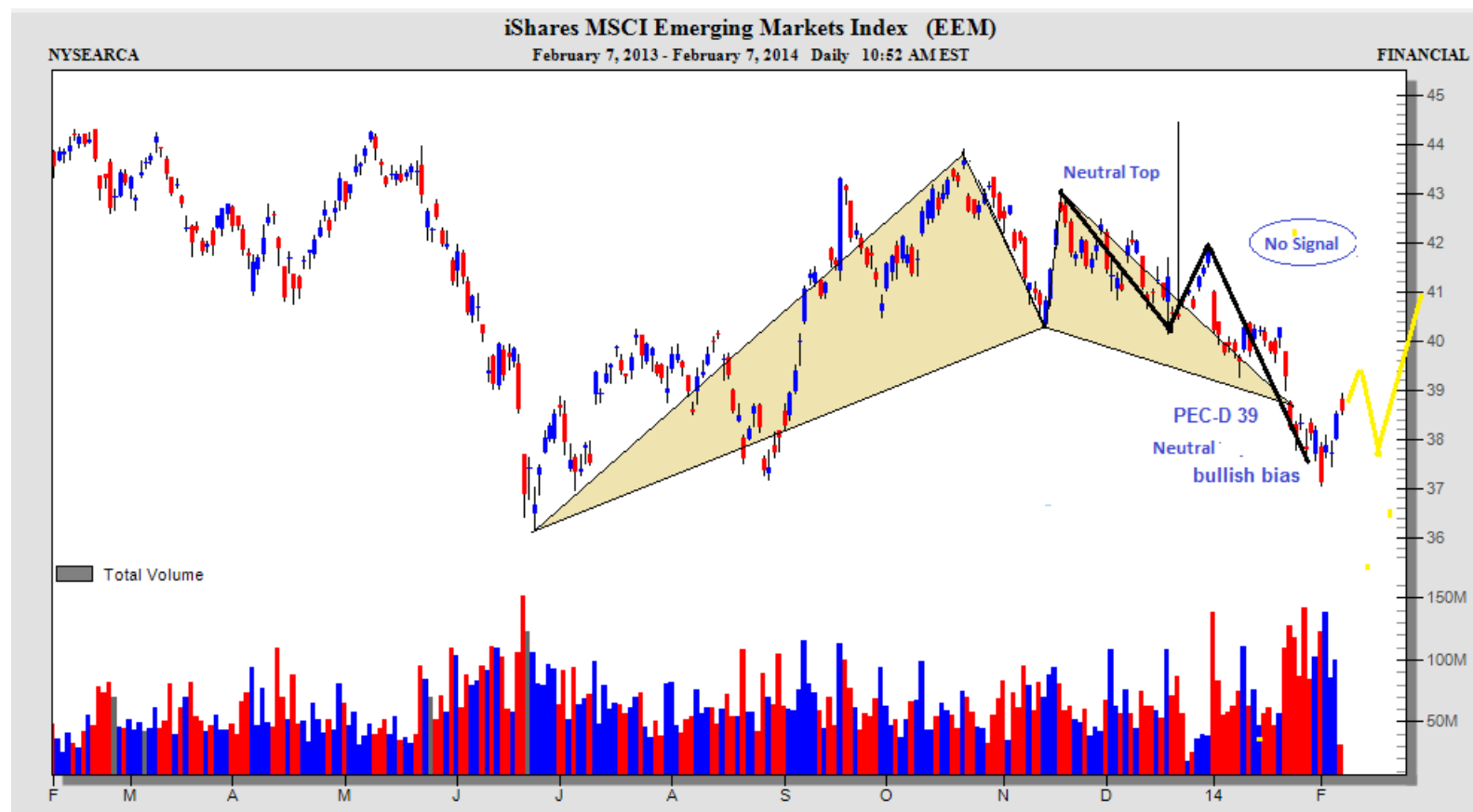
EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral – Bullish bias

- Texture – Neutral Top & NEUTRAL BOTTOM

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

DOWNSIDE -- 2nd ABC down to PEC-D 39 Met & Exceeded with Neutral volume . This has Bullish bias

UPSIDE -- ABC to PEC-D 41



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. .

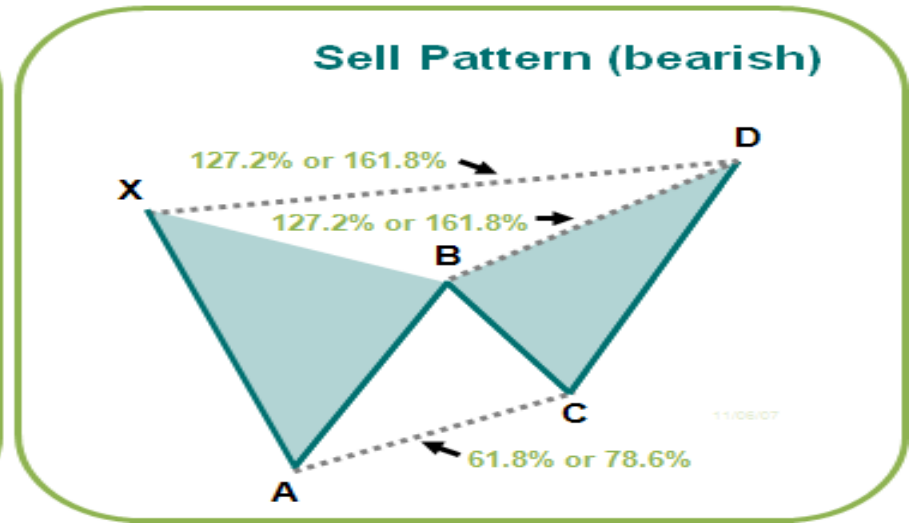
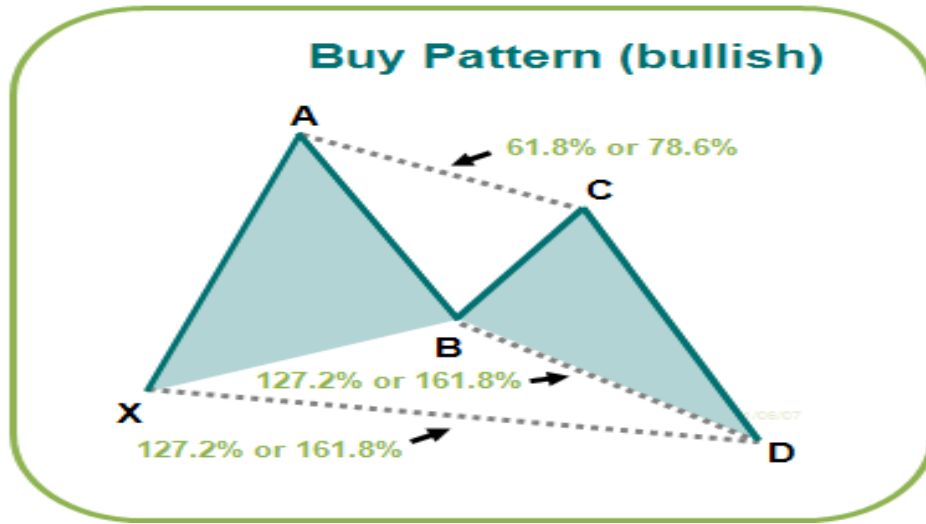
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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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