



Date : 17<sup>th</sup> Jan 2014 ( Friday)

GLOBAL INDICES REPORT (Strategy & Prop Tech)

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● **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 <u>Near Term</u>	Upside CZ <u>Mid term</u>	Downside CZ <u>Near term</u>	Downside CZ <u>Mid term</u>	Remark
<b>EEM (EMRG)</b>	39.99	POM 15 ( SPX )	NONE	NEUTRAL	CASH	NONE	PEC-D 41.75 Neutral Top	CZ 44-43.5 Neutral Top	PEC-D 41 <b>exceeded</b>	<b>Target</b> – 2 <sup>nd</sup> ABC down PEC-D 39 Neutral bottom	<b>No Signal</b>
<b>EWZ (BRZL)</b>	42.38	POM 15 ( SPX )	NONE	NEUTRAL	CASH	NONE	PEC-D 46 Neutral Top	CZ 51-53	PEC-D 44.5 <b>exceeded</b>	<b>Target</b> – 2 <sup>nd</sup> ABC down PEC-D 41.7 Neutral bottom	<b>No Signal</b>
<b>FXI ( CHINA)</b>	35.86	<b>@ 37.78</b> Marked to Market On 1/01 start	@ 37.75 Triggered On 12/17 CZ 38.38.5 <u>Secondary</u> For Net Long entry ( floor)	<b>BULLISH</b>	Net Long	NONE	<b>Target</b> CZ 42.5-41.5	<u>\$ SSEC- Target to CZ 2375-2350</u> <i>Bullish Top remains.</i>	CZ 38 -37.5 <b>Met with false break below</b> Bullish bottom	ABC down To 35 possible	<b>RM stop- 34.75</b>  <i>SSEC- has met its PEC-D 2050 But not much below</i>

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\$NIKK (JAPAN)  Or DXJ	15750	@ 16100 Marked to Market On 1/01 start	CZ 12500-12100 On 5/21  <u>Secondary</u> For Net Long entry ( floor)	BULLISH	Net Long	NONE	Target PEC-D 16000 Met exact Bullish Top	ABC up to 17000 intact	Pull back in progress to PEC-D 15300 CZ-15400-15200 Higher high Bullish bottom  & rally back up	CZ 13600-13400 Bullish bottom	<b>Core position up 77%</b> <u>From - Main CZ @ 8500</u> Triggered 10/10/2012- Open
EWJ COR - (JAPAN)	12.02	@ 12.08 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 PEC-D 12.75 CZ 12.50-12.40 Bullish Top	CZ -13.70-13.40 intact	CZ 11.50-11.25 Met repeatedly with Bullish bottom	CZ -10.60-10.80 Higher high Bullish bottom floor	

## Global Indices Overview -

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

Since last Report 11/21, FXI –China has pulled back \$ 2 below our triggered entry for Net long. We think its false break below . But our PEC-D for \$SSEC has been projected to 2050 . It it has not false broken below by much. Weekly charts is still rejecting lows. Upon full testing it should begin leg up.

NIKKE – Japan continues to be strong in its uptrend Bull Market with +ve VTO. This Market has been consistently buy on dips into CZ for Net long positions to target higher levels. After the pull back it should set up next ABC up . As YEN weakens NIKKE should continue to rise.

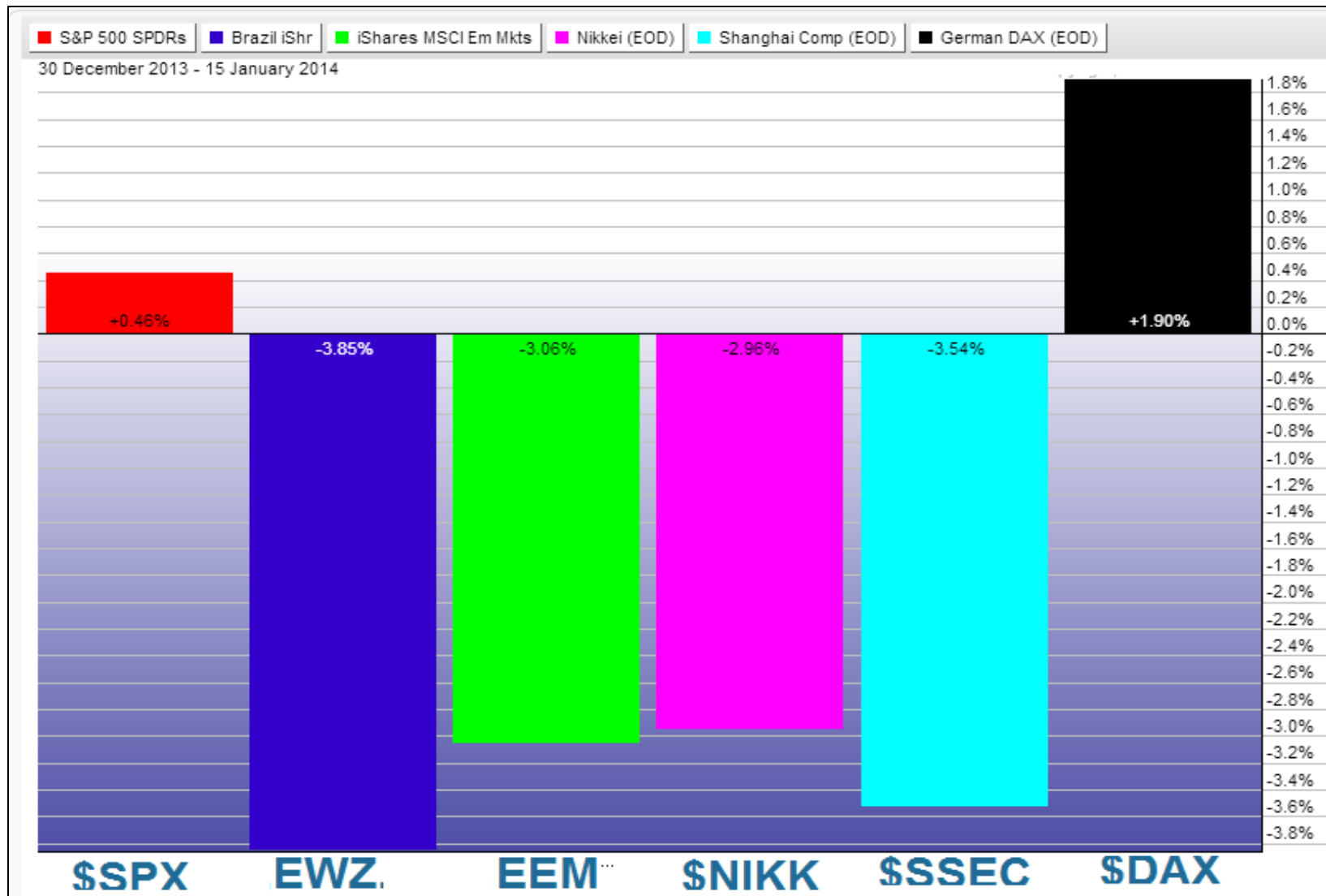
EEM & EWZ - Neutral Tops and Neutral bottoms usually has no signal . Markets which we classify as Neutral can move in either direction till it establishes its key reversal with volume to define the next trend which has not happened. .

- BULLISH - EWJ ( Nikk ) , FXI (China)
- NEUTRAL - EWZ , EEM,
- 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 our Target to – PEC-D 16000 – Bullish Top . **Larger ABC at - 17000.**

**Downside** – pull back Should approach PEC-D 15300 within 15400-15200 - Bullish Bottom . & rally back up .

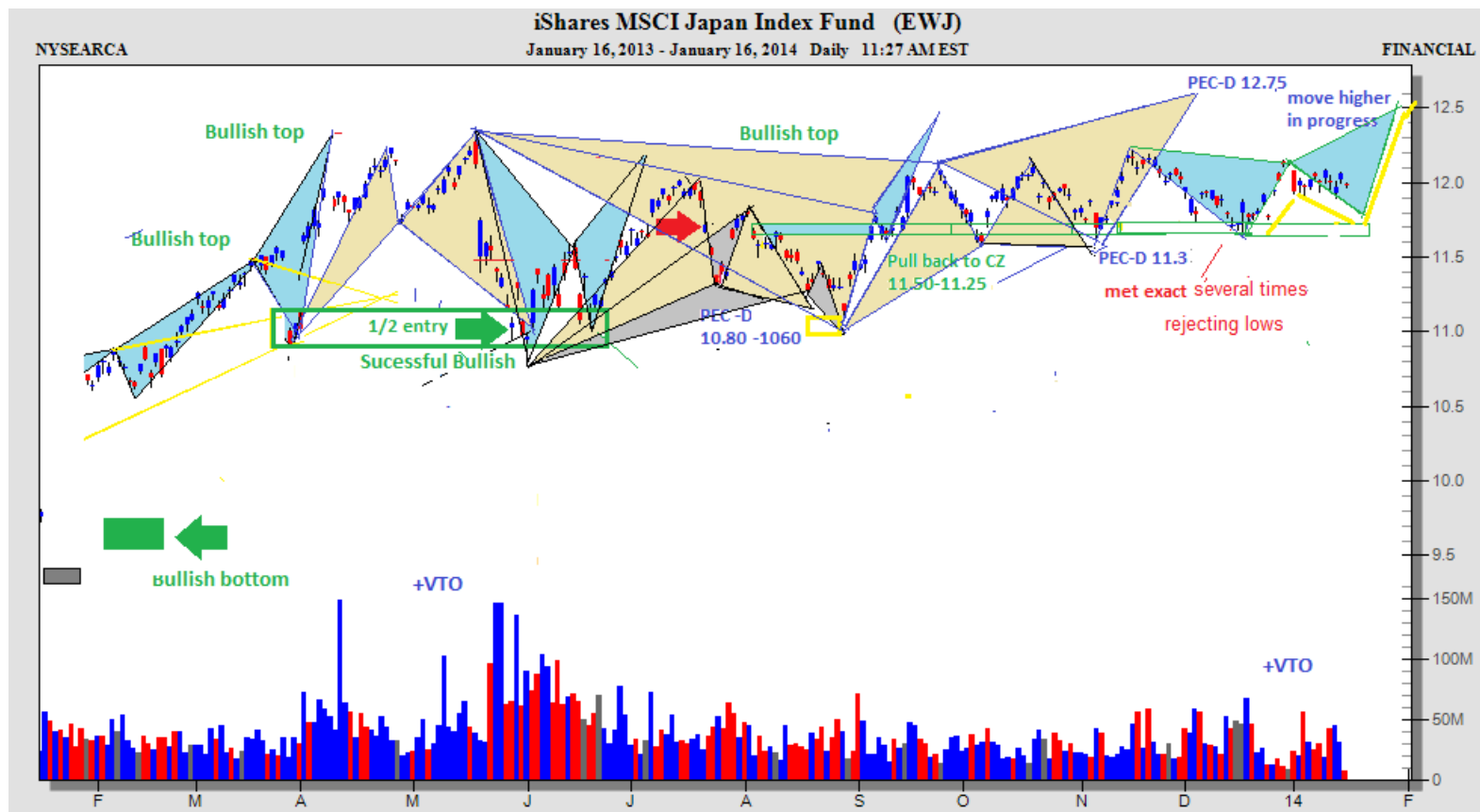


## EWJ ( JAPAN)– CZ / PEC-D / Ratio Analysis – **Bullish**

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

**Upside** - In progress to **Target PEC-D 12.75-** to **CZ 12.5-12.40** Bullish Top . **Larger ABC at - 13.40-13.70,**

**Downside** – Pull back to **CZ 11.50-11.25-** HELD – repeatedly into Bullish Bottom. - ( 10.60-10.80) is the Floor.

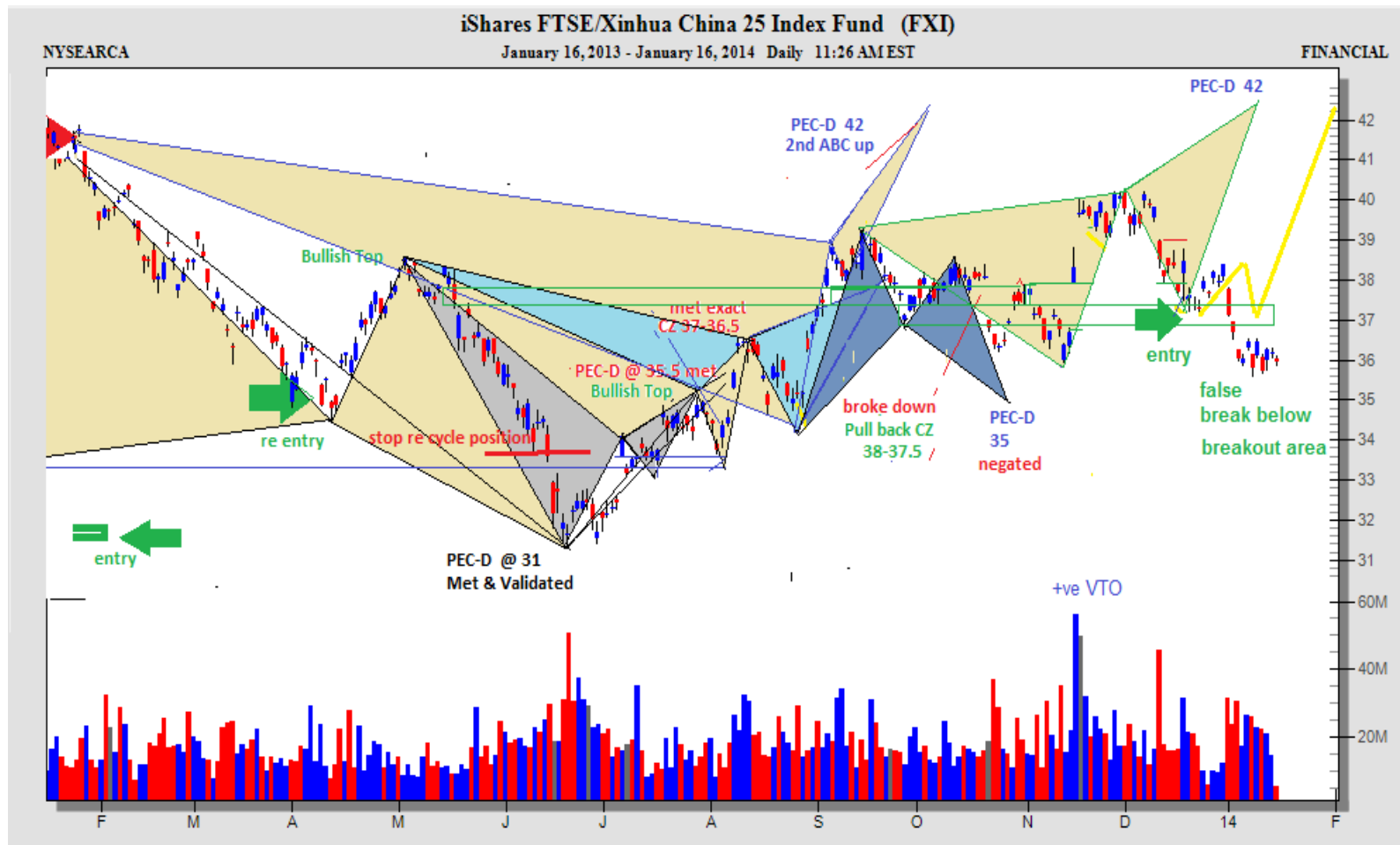


# FXI – ( SHANGHAI) / PEC-D / Ratio Analysis. – **Bullish**

- **Texture - Neutral Top & BULLISH BOTTOM**

**DOWNSIDE** – Pull back to CZ 38 -37.5 - false break below – RM 34.75 . On weekly charts , the pull back is Bullish

**UPSIDE** – ABC up PEC-D @ 42.



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

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

**1<sup>ST</sup> UPSIDE** – PEC- D @ 2380, CZ 2350 -2375, - Bullish top . pattern validation is intact . This may take time





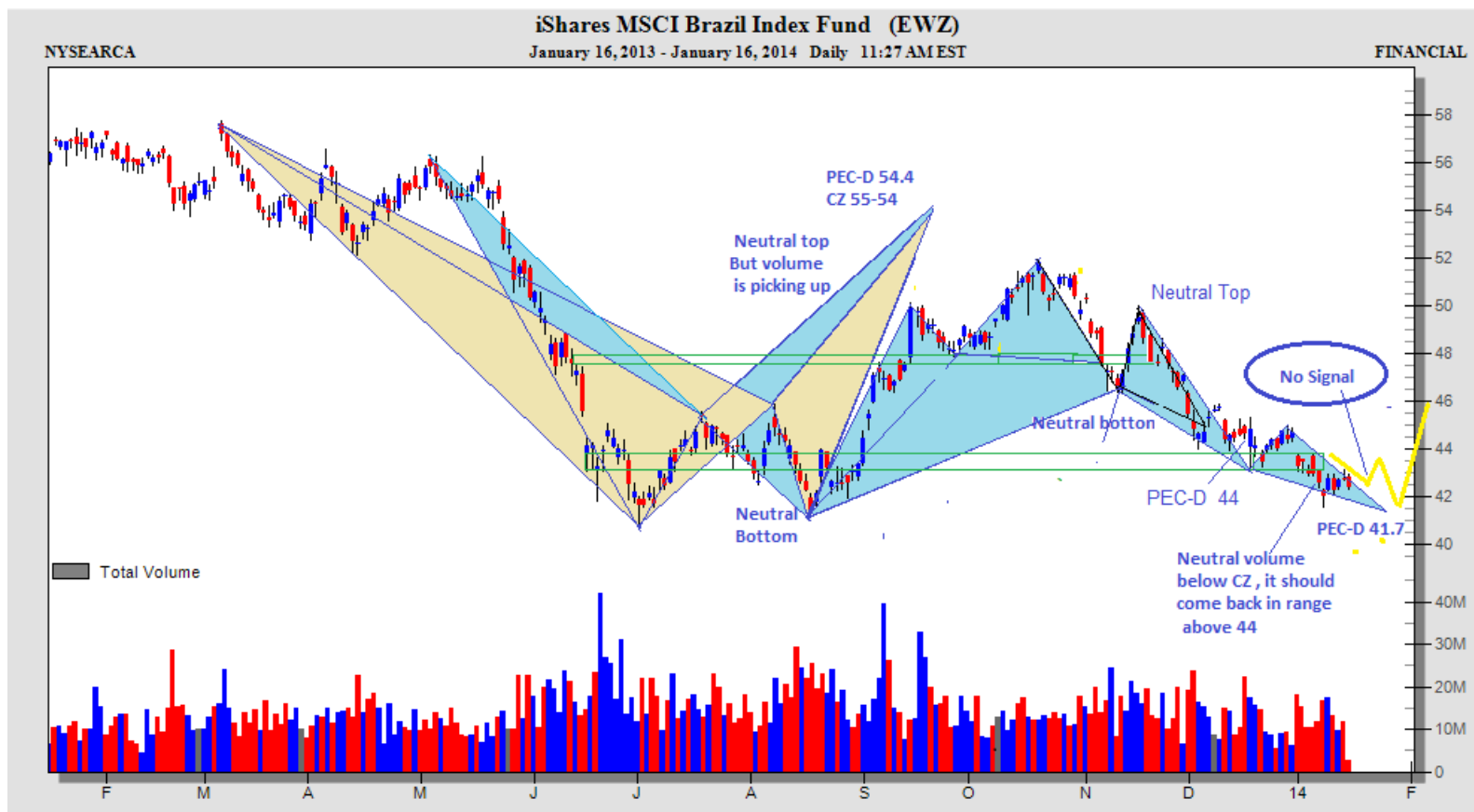
# EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral -

- Texture – NEUTRAL TOP & NEUTRAL BOTTOM

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

DOWNSIDE -- 2<sup>nd</sup> ABC down to PEC-D 41.7 – Neutral volume

UPSIDE -- ABC to PEC-D 46



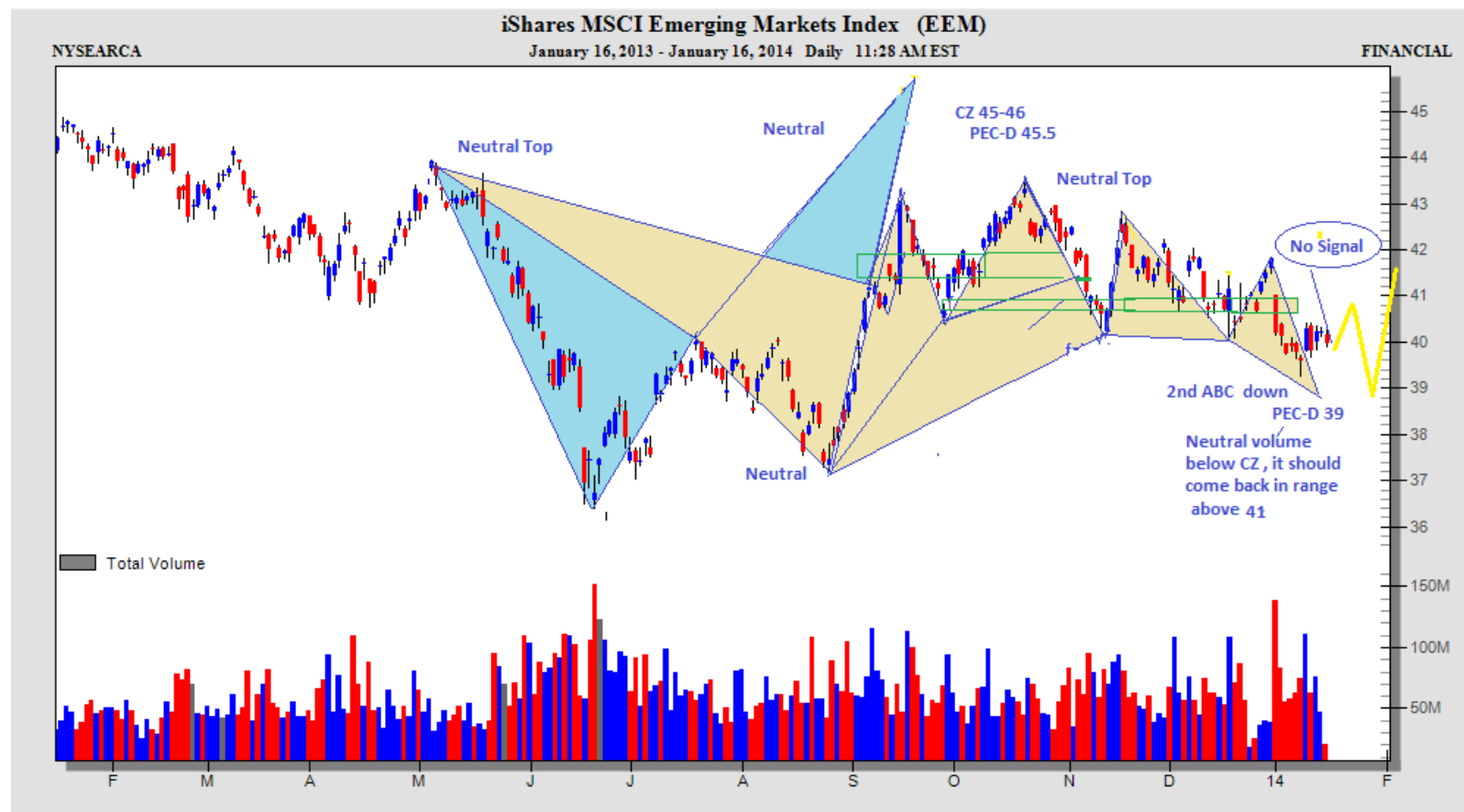
# EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral

- Texture – Neutral Top & NEUTRAL BOTTOM

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

DOWNSIDE -- 2<sup>nd</sup> ABC down to PEC-D 39 – Neutral volume .

UPSIDE – -- ABC to PEC-D 41.75



# 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. .*

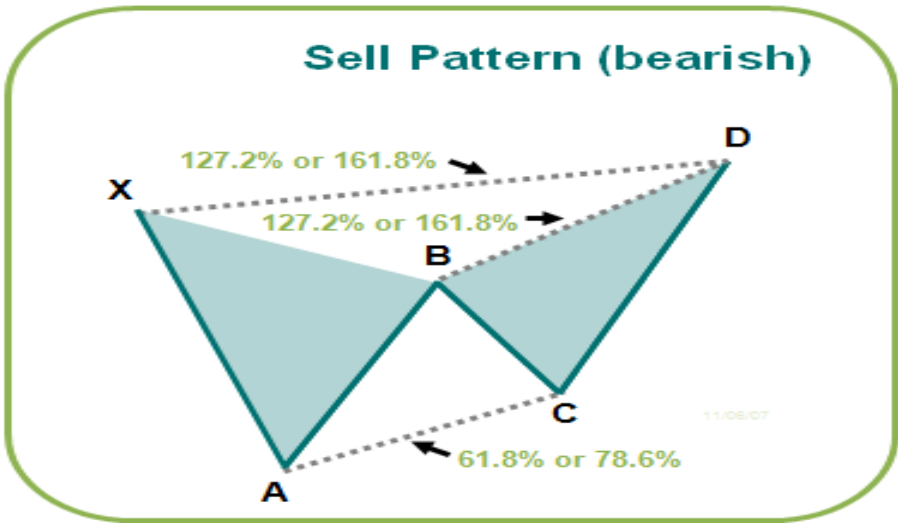
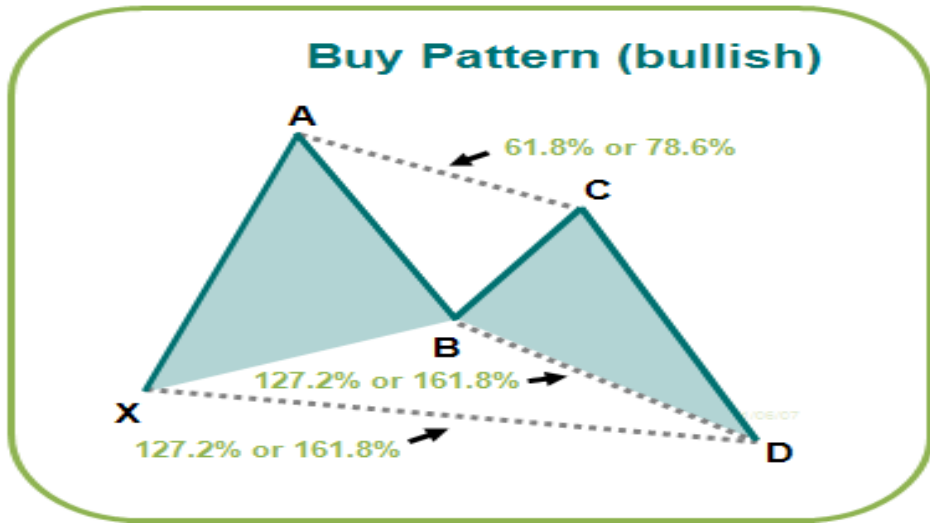
*The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.*

## **Pythagoras Expansion / Contraction – (PEC) Model**

- **PEC Model is a 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 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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