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GLOBAL INDICES REPORT (Strategy & Prop Tech)

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Executive Summary

	Curren t Price	POM Triggered within CZ & Date	Follow up <u>Announce ment- 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
\$NIKK (JAPAN) Or DXJ	15400	_Main CZ @ 8500 Triggered 10/10/ 2012- Open	@ 14300 Announced to entry Add Position on 2/7 <u>Secondary</u> For Net Long entry (floor)	BULLISH	Net Long	NONE	Target PEC-D 16000 Bullish Top	ABC up to 17000 intact	Pull back To CZ 15200- 15000 Should hold and rally back	PEC-D 14K Held Bullish bottom	Core position up 81%
EWJ COR - (JAPAN)	12.18	Main CZ @ 8.9 Triggered 10/10/ 2012- Open	@ 11.45 on 2/7 <u>Secondary</u> For Net Long entry	BULLISH	Net Long EWJ entry / Exit is benchmar ked with NIKK	NONE	Target CZ 12.50- 12.40 Bullish Top	2 nd ABC UP Should follow NIKK to 17000	Pull back CZ 11.80- 12.00 Should hold and rally back	CZ 11.30- 10.90 Held Bullish bottom	.

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SSEC (CHINA)	2050	NON COR With -SPX	NONE	NEUTRAL Bullish Bias	CASH No Position	NONE Awaiting Trigger soon	Target 1 st ABC up 2190	2 nd ABC up CZ 2390-2350 Bullish Top	SSEC- PEC-D 2050- Rejected low	CZ 2050- 1950 Is solid floor	
FXI (CHINA)	38.43	NON COR With -SPX	NONE	NEUTRAL Bullish Bias	FXI entry / Exit is benchmark ed with SSEC	NONE	Target 1 st ABC up 41	2 nd ABC UP Should follow SSEC to 2390 Bullish Top	PEC-D – 36.5 Rejected low	CZ 35-34 1950 Is solid floor	
EEM (EMRG)	44.16	POM 14 -SPX On7/2 Stopped Out @ 1975	NONE	NEUTRAL Bullish Bias	CASH No Position	NONE	PEC-D 42. Met -	Target PEC-D 46	Pull back to CZ 43-42.5 Should hold		No Risk / Reward at Current levels
EWZ (BRZL)	47.84	POM 14 -SPX On7/2 Stopped Out @ 1975	NONE	NEUTRAL Bullish Bias	CASH No Position	NONE	PEC-D 46 Met	Target PEC-D 51.5	Pull back to PEC-D 46.5 Should hold		No Risk / Reward at Current levels

Global Indices Overview -

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

NIKKE – Japan – Our last announced entry on 4/11 @ 14000 to add to our position has resulted in 10% rally to 15400. Volatility in YEN & negative correlation has resulted in volatility in NIKKE. 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 than EWJ. This is long term Bull Market to hold. **EWJ entry / exit to follow NIKKE Trigger**

JAPANESE MARKET CONTINUE TO RISE ON WEAK YEN. consolidating in a "bullish symmetrical triangle" within weaker yen. NIKK testing the upper CZ of 2013 highs, which puts it very close to a significant bullish breakout. Meanwhile, the **Japanese yen** has remained weak. A weaker yen is good for Japanese Market. This certainly helping exporters.

EEM & EWZ – These are Neutral Tops and Neutral bottoms with Bullish bias – But **No signal**

BRAZIL LEADS EMERGING MARKET in rising commodity prices. **(EWZ)** breaking of CZ extending back to 2011 (when commodities peaked). It is also challenging its October high near 50. Currency is rising as well rose 12%.

\$SSEC–China- We have **No signal**. **FXI entry / exit to follow \$ SSEC Trigger – One we get Trigger we shall announce it**

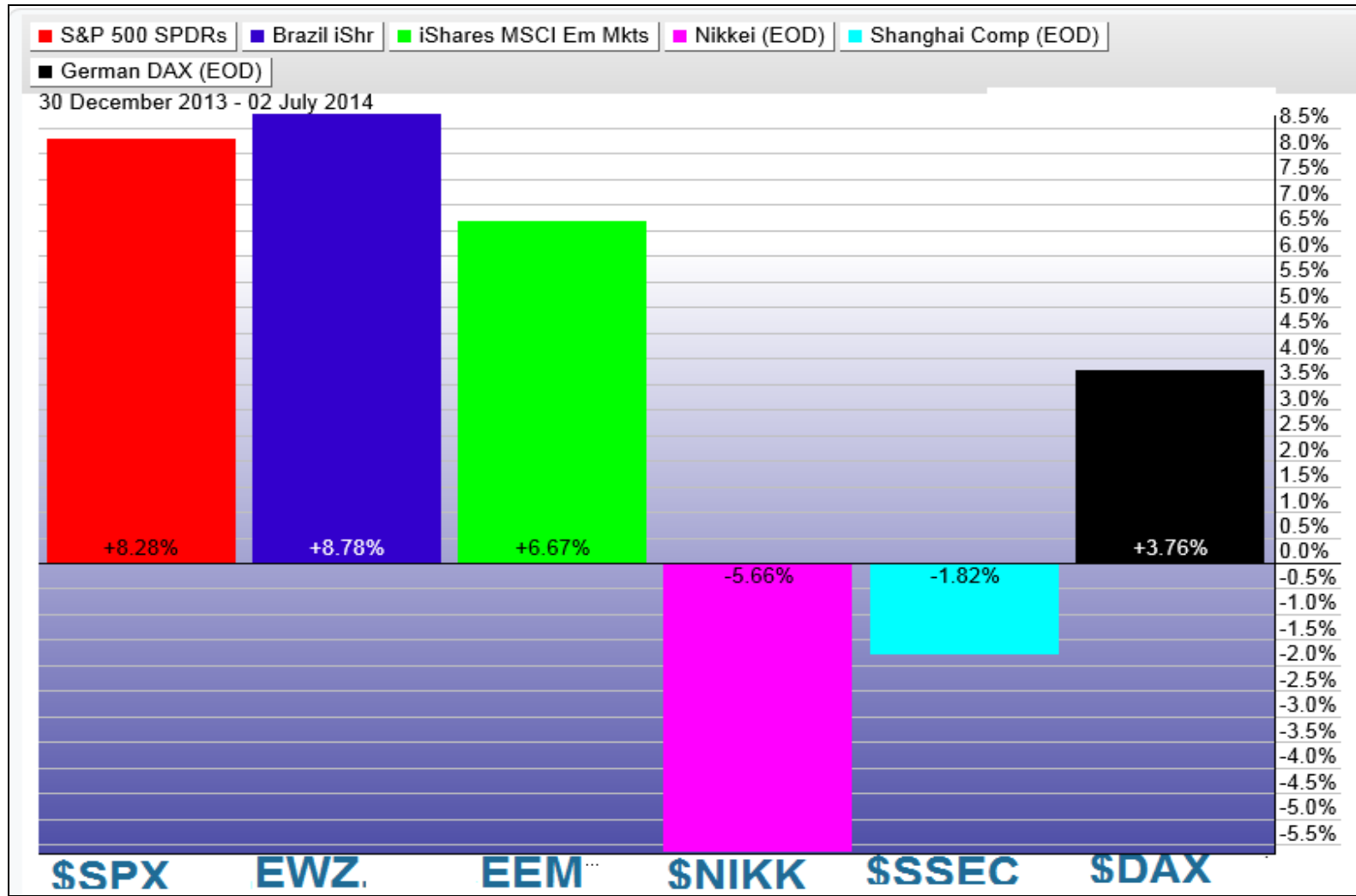
COPPER AND CHINA ARE HIGHLY CORRELATED, Chinese Market have been among the weakest in the world. Emerging markets did better. During that period of Chinese weakness, copper lost as well and made copper one of the worst performing commodity. Those negative trends, however, may be taking an important turn. This would be Bullish for China

- **BULLISH - NIKKE (EWJ)**
- **NEUTRAL - FXI (China), EWZ, EEM – 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** – **Bullish**

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

Downside – Shallow pull back to CZ 15200 -15000 should hold - Bullish Bottom & rally ..

Upside - Target to – PEC-D 16000 – Bullish Top **Larger ABC at - 17000,**

. **EWJ entry / exit to follow NIKKE Trigger**



NIKKE (JAPAN)– v/s YEN Analysis

JAPANESE MARKET CONTINUE TO RISE ON WEAK YEN. consolidating in a "bullish symmetrical triangle" within weaker yen . NIKK testing the upper CZ of 2013 highs, which puts it very close to a significant bullish breakout. Meanwhile, the **Japanese yen** has remained weak. A weaker yen is good for Japanese Market . This certainly helping expoters.



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

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

DOWNSIDE – Pull back to Target PEC-D 2050 – met. (Awaiting for Trigger)

SSEC hasn't broken much below the pull back zone but CZ 2000-1950 is solid floor.

1ST UPSIDE – CZ 2190– 2150 - showing strength . PEC- D @ 2350 is back in game.

FXI entry / exit to follow \$ SSEC Trigger



SSEC (CHINA) - v/s Copper Analysis

COPPER AND CHINA ARE HIGHLY CORRELATED, Chinese Market have been among the weakest in the world. Emerging markets did better. During that period of Chinese weakness, copper lost as well and made copper one of the worst performing commodity. Those negative trends, however, may be taking an important turn. This would be Bullish for China.



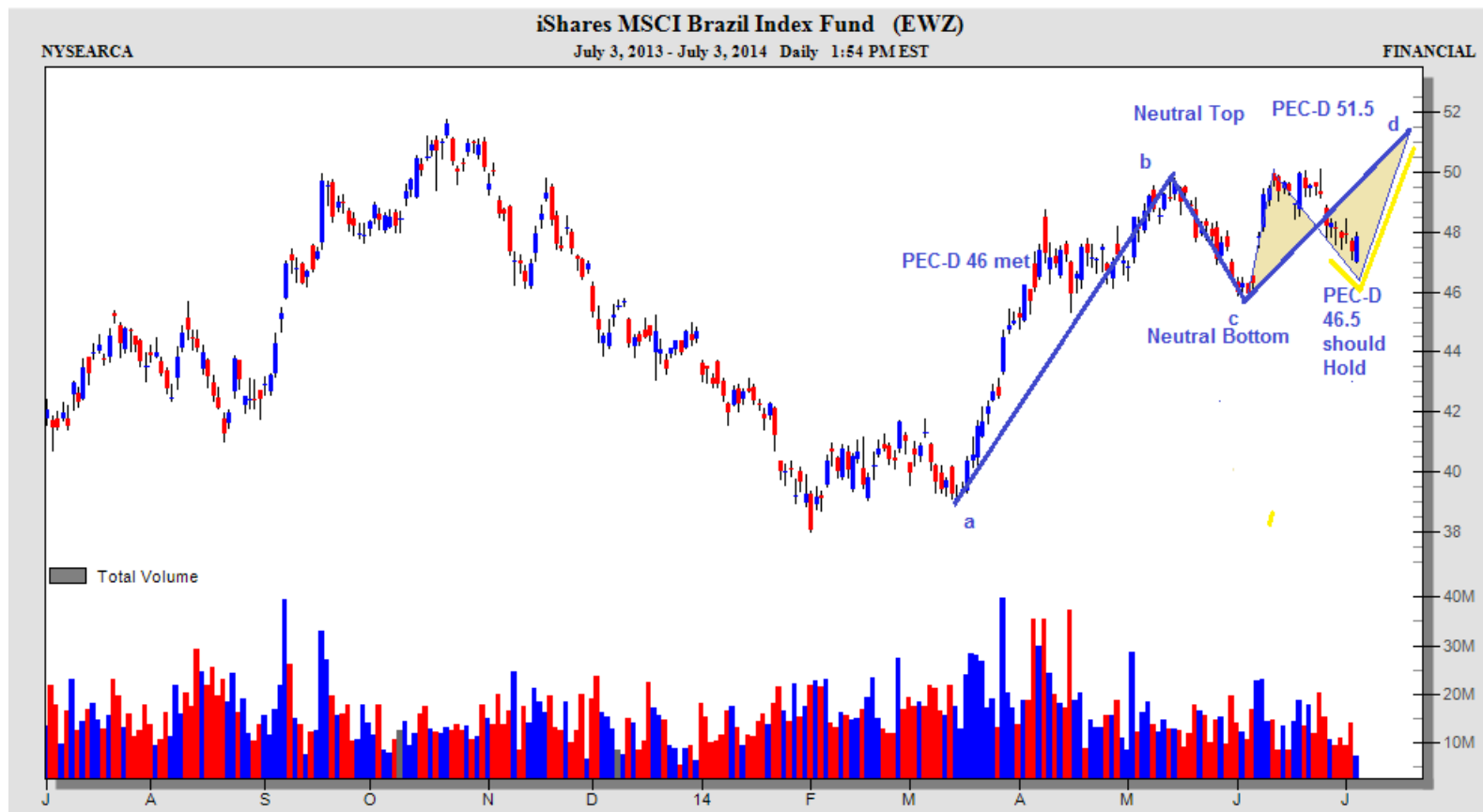
EWZ (BRAZIL) - CZ / PEC-D / Ratio Analysis - Neutral - Bullish bias

- 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 51

DOWNSIDE – PEC-D 46.5 should hold pullback .



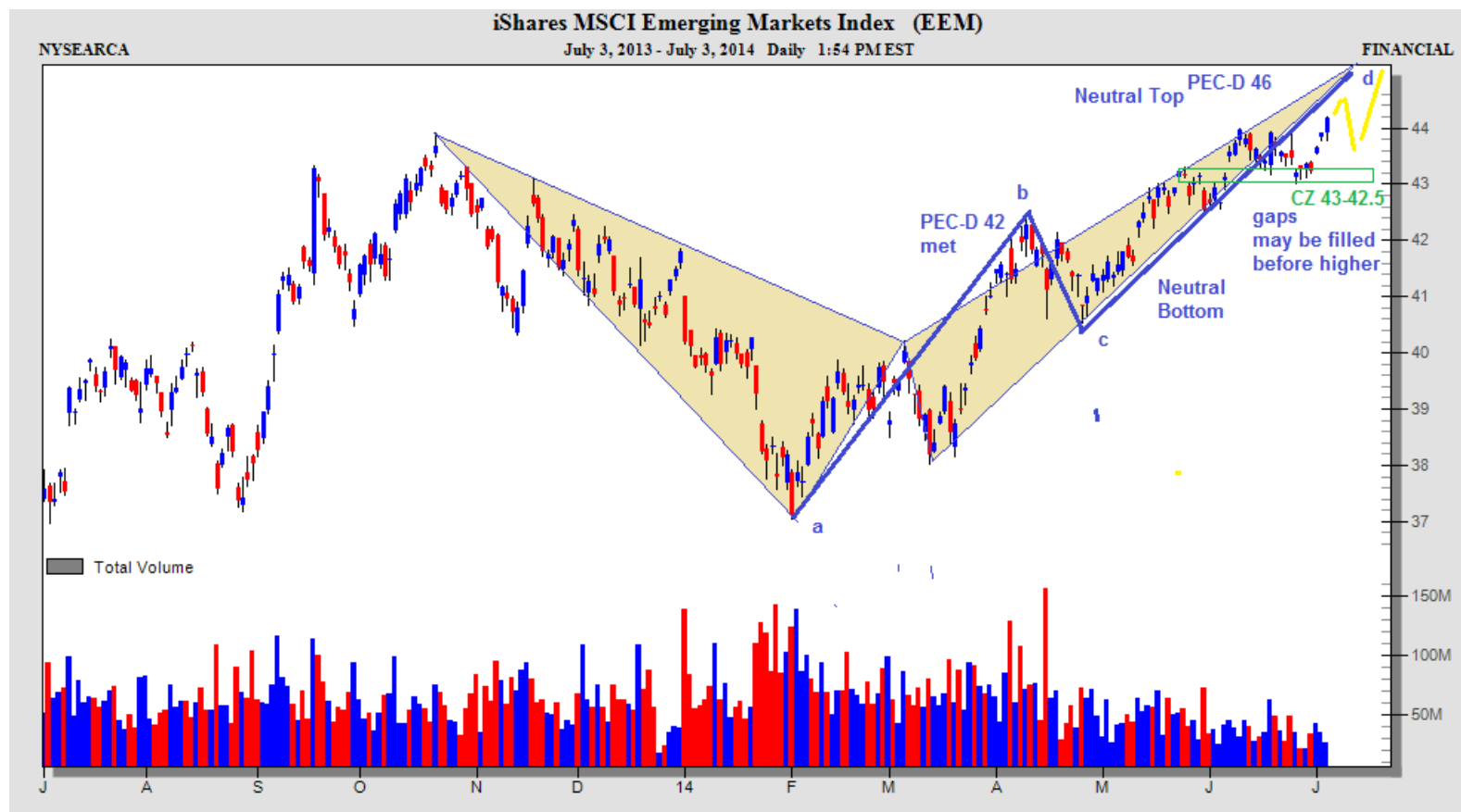
EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral Bullish bias

- Texture – Neutral Top & NEUTRAL BOTTOM

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

UPSIDE – -- Projected ABC to PEC-D 46

DOWNSIDE – CZ 43-42.5 should hold pullback and rally .



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.*
 - *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.*

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. .

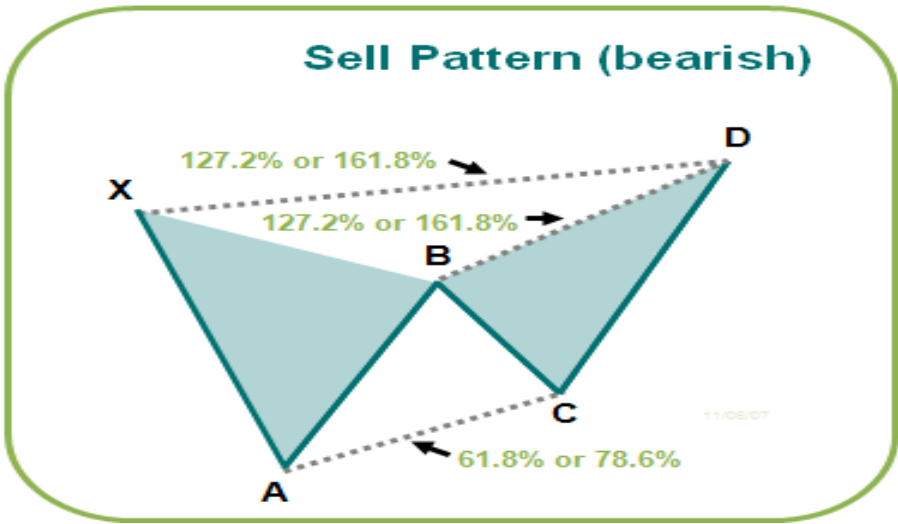
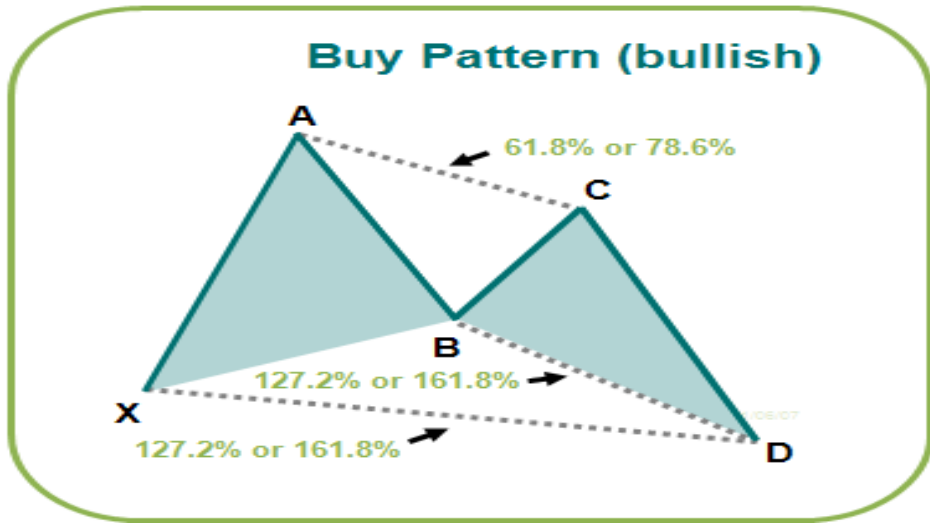
The Neutral Top IDX's are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of “ New pick up in force in one direction” to decide the Trajectory of Path.

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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