SG Capital Research
Global Market Insights
Chart System

GLOBAL INDICES REPORT (Strategy & Prop Tech)

● 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
$NIKK (JAPAN) **Or DXJ**	17500	Main CZ @ 8500 *Triggered 10/10/ 2012- Open*	@ 14300 *Announced Secondary to entry Add Position on 2/7 up 22%*	BULLISH	Net Long **7.5%**	NONE	Target PEC-D 17000 Met exact & extended	Next ABC up to 18700 intact	Pull back PEC-D 16K Should hold and rally back	CZ 15200-15000 Bullish bottom	*Core position up 100%* Entry / Exit to EWJ based on NIKK Trigger

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SSEC (CHINA)	2475	NON COR With -SPX	On 7/4 Report @ 2050, We Missed entry Trigger by 20 points	NEUTRAL Bullish Bias	CASH No Position	NONE	Target ABC up PEC- 2390- Bullish Top Met exact & extended	Next ABC up PEC- 2650-	Pull back PEC-D 2400 Should hold and rally back	CZ 2050-1950 Is solid floor	Entry / Exit to FXI based on SSEC Trigger
EEM (EMRG)	41.28	POM 14 -SPX @40.5 On 10/2	NONE	NEUTRAL	CASH No Position	NONE	Bounce to 42.5 (Not clear the quality of bounce) -		PEC-D 39.5 Should hold for bounce		No Risk / Reward at Current levels Trading range consolidation 39.5-42.5
EWZ (BRZL)	39.28	POM 14 -SPX @ 42 On 10/2	NONE	NEUTRAL	CASH No Position	NONE	Bounce to PEC-45 (Not clear the quality of bounce) -		PEC-D 40 Should hold for bounce	ABC down to PEC-D 35 Is not complete yet	No Risk / Reward at Current levels

Global Indices Overview -

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

 Both China and Japan has been on fire towards our projected upside targets for different reason (Refer notes below)

NIKKE – Japan – last Report NIKK was @ 15400, since then this market has rallied 2000 points to our Target of 17000 with Bullish top and beyond.

 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 @ 2375,   since then this market has rallied 5% to our Target of 2400 with Bullish top and beyond.
Starting next Monday, foreign investors will be able for the first time to buy stocks on the Shanghai Stock Exchange via the Hong Kong Stock Exchange
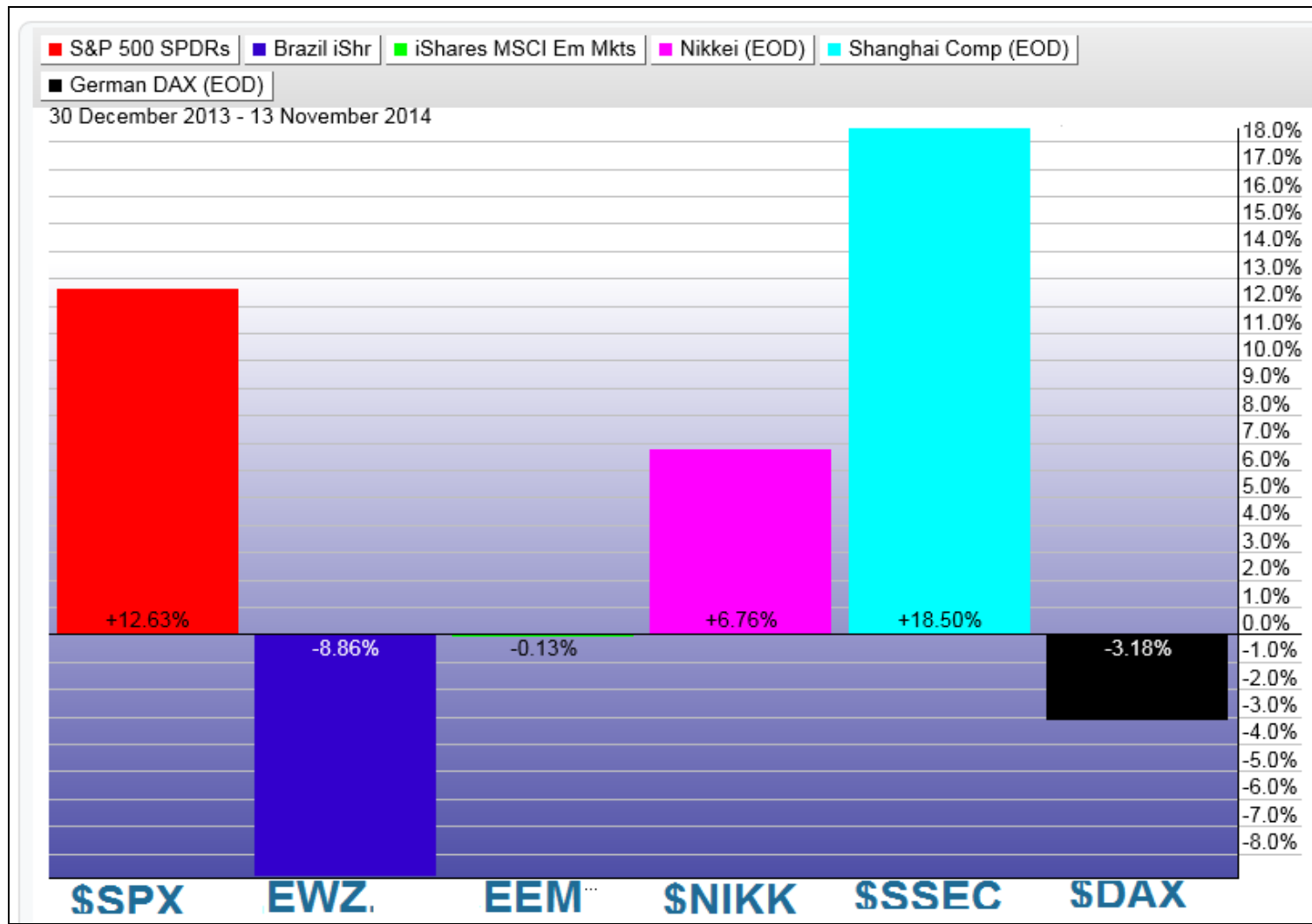
EEM & EWZ – These are Neutral Tops and Neutral bottoms – But *No signal,* however

- **BULLISH -   NIKKE (DXJ)**

- **NEUTRAL - - FXI (China) with Bullish bias.   EWZ, EEM.**

   BEARISH -   None

● <u>YTD – Global Indices performance v/s SPX</u>

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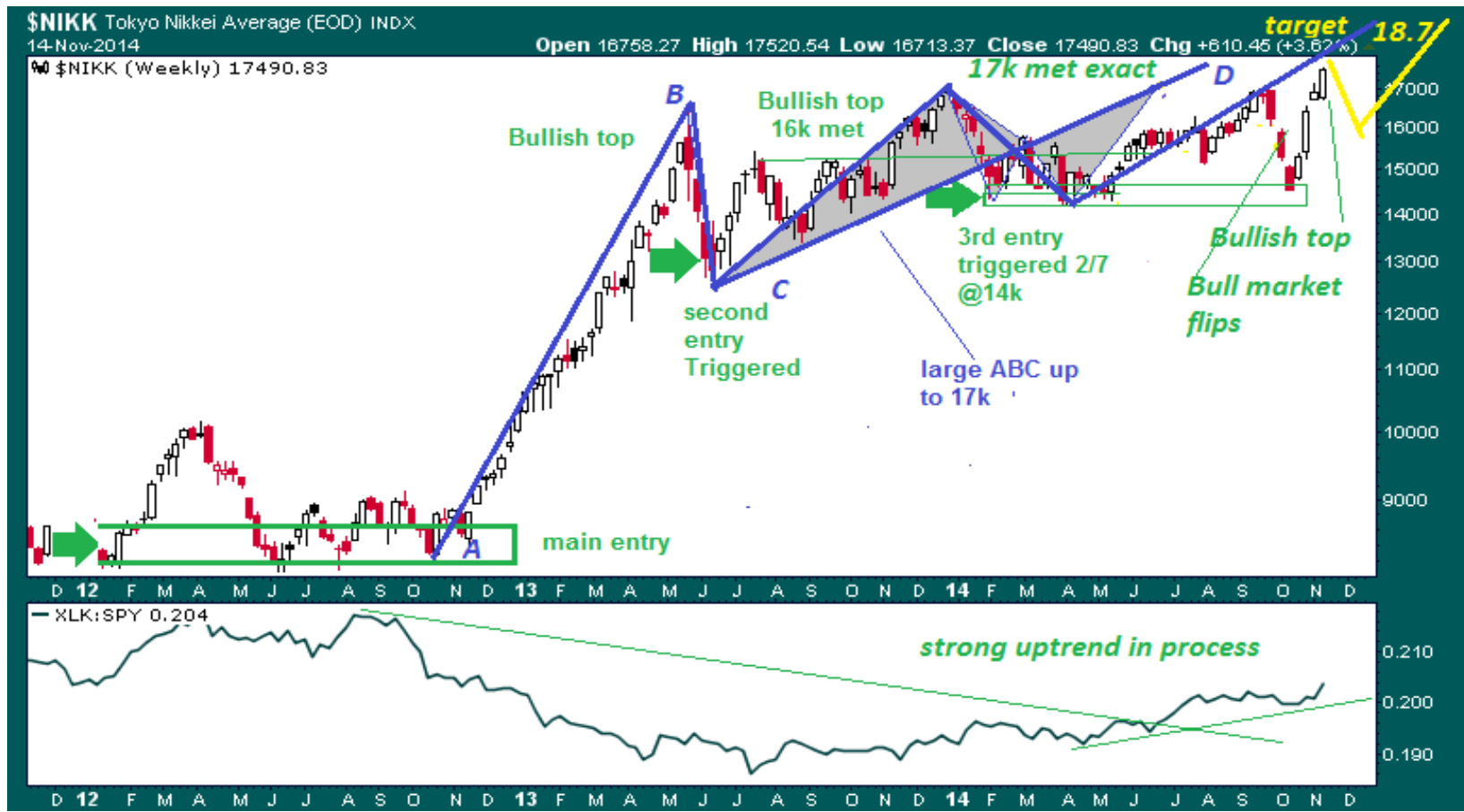
NIKKE (JAPAN)– CZ / PEC-D / Ratio Analysis – Weekly Bigger picture – Bullish

- -Texture - BULLISH TOP & BULLISH BOTTOM

Upside - Target to – PEC-D 17000 met – Bullish Top Larger ABC at - 18700,

Downside – Shallow pull back to PEC-D 16000 should hold Bullish Bottom & rally ..

DXJ entry / exit to follow $ NIKK Trigger

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

Texture – NEUTRAL TOP   & BULLISH BOTTOM   (No Position)

UPSIDE –PEC-D - 2390—Met , Bullish Top , Larger ABC up @ 2630.

DOWNSIDE - Shallow pull back to PEC-D 2400 should hold Bullish Bottom & rally ..

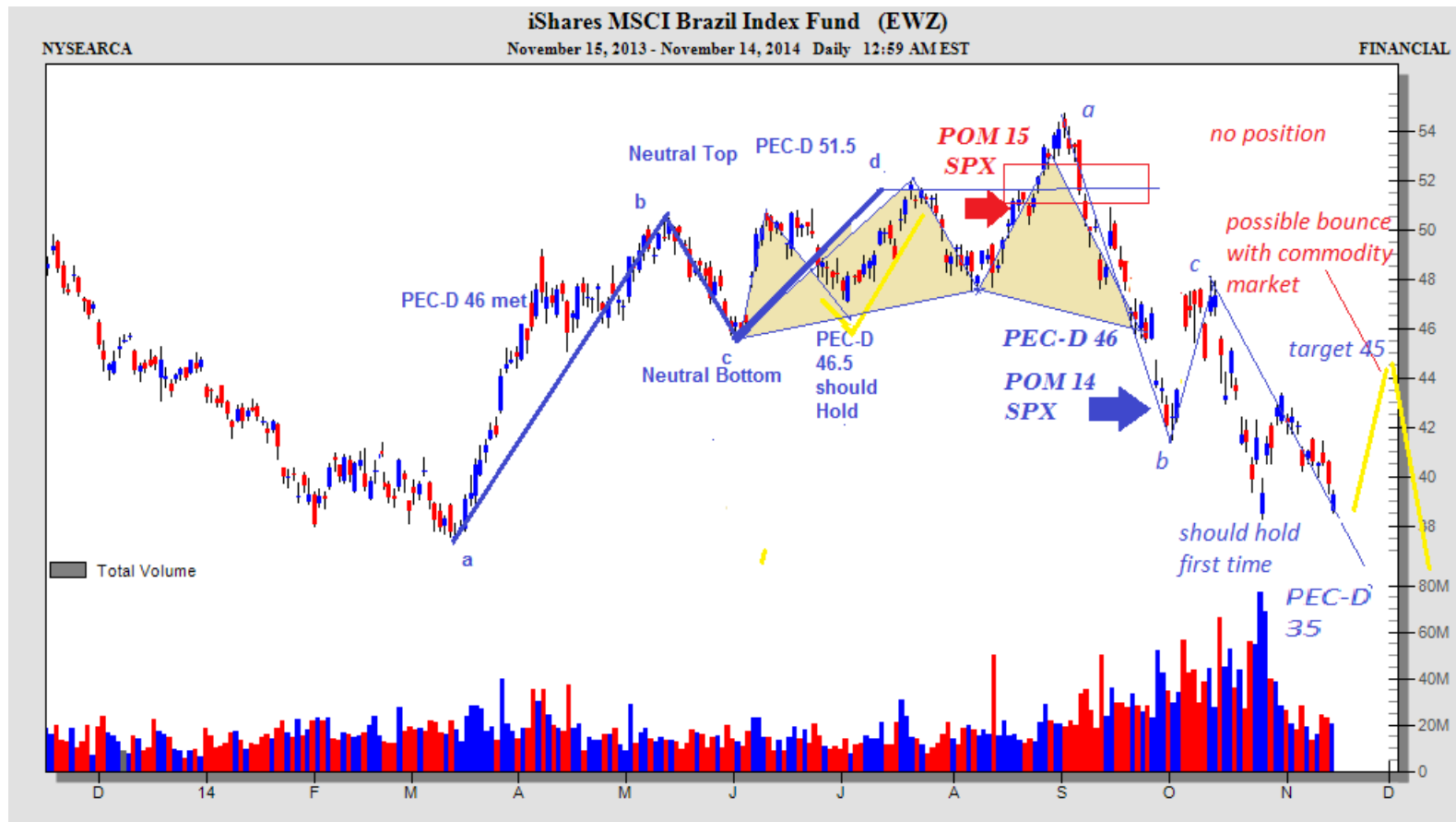**FXI entry / exit to follow $ SSEC Trigger**

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 – –- Bounce to PEC-D 45 – No clear signal

DOWNSIDE – PEC-D 40 should hold for bounce But PEC-D – 35 (is not complete yet even if bounces) .

iShares MSCI Brazil Index Fund (EWZ)
November 15, 2013 - November 14, 2014 Daily 12:59 AM EST

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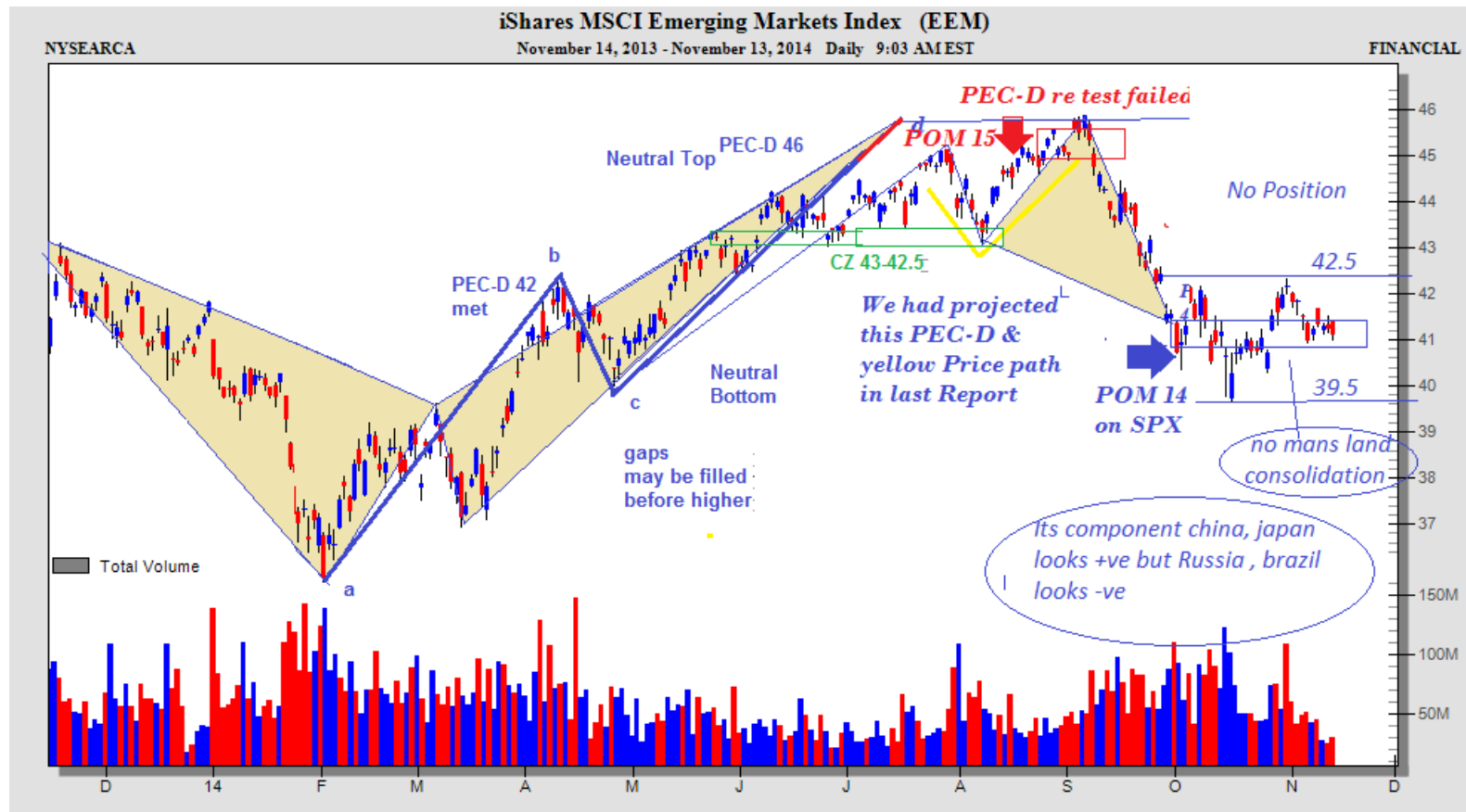
EEM (EMMEG) – CZ / PEC-D / Ratio Analysis – Daily – Neutral

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

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

DOWNSIDE – pull back to 39.5 .

UPSIDE – –- Bounce to 42.5 – No clear signal

iShares MSCI Emerging Markets Index   (EEM)
November 14, 2013 - November 13, 2014 Daily 9:03 AM EST

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*

<u>Critical backdrop Notes –</u>

- *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

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

- <u>(Bull Markets)</u> 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 <u>**(Rear event)**</u>

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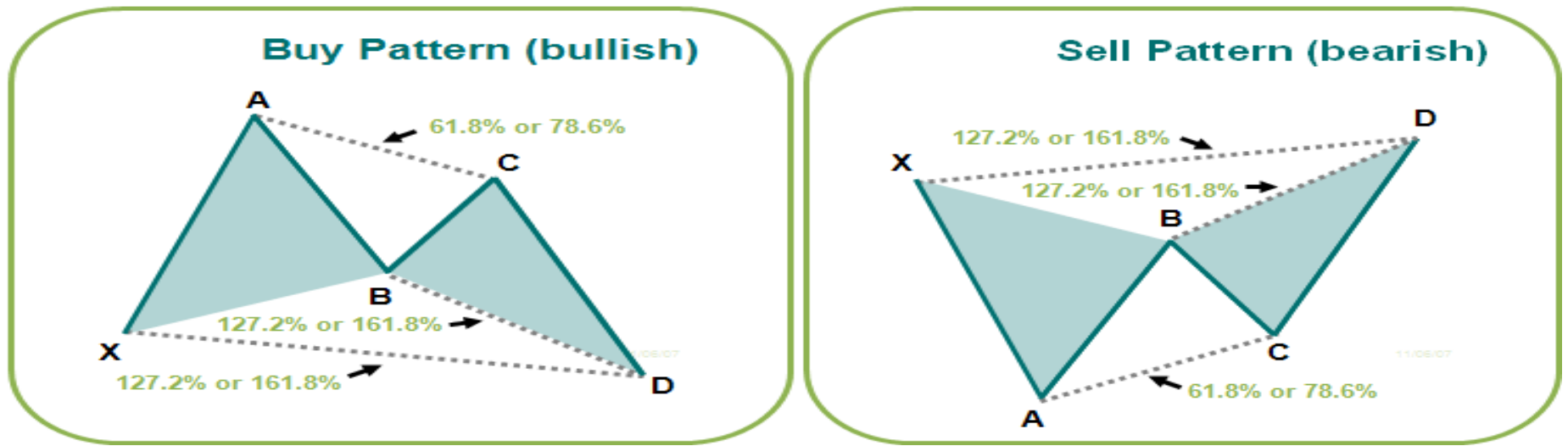
The <u>Neutral Top IDX's</u> are in CONSOLIDATION , with Force equally balanced. Upon building cause it should be resolved in direction of " New pick up in force in one direction" to decide the Trajectory of Path.

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)

D

127.2% or 161.8%

X

127.2% or 161.8%

B

C

A

61.8% or 78.6%