SG Capital Research
Global Market Insights
Chart System

Date : 15th November 2014 (Sunday)

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SPECIAL REPORT- GLOBAL - BSE

• Executive Summary

	Current Price	Triggered within CZ & date	Last Announcement Update For ST Trend Reversal & RM	Progress Status	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
$BSE MUMBAI	28000	*On 9/14 @27000 Change from Bullish To Neutral with Bearish bias* target to 25.5	COR *On 10/2 @26000 Triggered POM 14 on SPX To cover net shorts For next rally*	NEUTRAL	False break above 26800	Bearish wedge under formation **To target 28.4**	Pull back to 27250 Beginning on Bearish wedge pattern	PEC-D 25600 Almost met but Fell short by 250 points & rallied with POM 14-SPX Neutral Bottom	Market is forming top Between 28.4-25.6 gyration **Weekly ABC down to PEC-D 23700** CZ 23.6-23.8 Bullish Floor Next major rally

ACTIONABLE IDEAS -

Bulls – We had suggested last Report , Pull back to CZ 25.6-25.3 for entry point to Participate in short term rally which is in progress . Be Cautious above PEC-D 26800. Now wait for Bearish wedge to get diffused to 27250 for next rally.

Alternatively for For Bears - Rally to CZ 26800-26400 with lighter volume Bearish top. Bearish wedge under formation to target 28400. OR POM 15 on SPX should be a good trigger as well.

• <u>SIGNALS.</u> - Price Projection CZ , Trading / Investment Conclusion

BSE Overview

In our last Global BSE Report ,   BSE was trading @ 27000, *We had indicated ' ABC down should target be PEC-D 25500 within CZ 25600-25300. Below this CZ , high volume is required for the bearish turn to 2nd ABC down - PEC-D 23700 (* <u>***Bullish bottom).***</u> *In order for sustainable decline , we need a Bearish bottom in place to begin a leg down. So far we have only Bearish Top and Neutral bottom".* We witnessed the decline with Neutral bottom but fell 250 points short of target and Market rallied back. The criteria for sustainable decline did not trigger at PEC-D 25600 "

<u>Next -</u>   Move above 26800 has resulted in another momentum ABC up via formation of Wedge. This should target 28400 as its apex. The pullback would be where the pattern began @ 27250.

<mark><u>Important Note</u></mark> - In spite of Bearish Top, If sustainable decline has to begin, we need a Bearish bottom in place to begin a leg down. So far we have only Bearish Top and Neutral bottom" Till such time market should gyrate between 28.4-25.6 in wide trading range.   However if market needs to go higher meaningfully at least the Bearish wedge has to get diffused to 27250 before the next rally.

CHART 1- BSE (Mumbai) – CZ/ PEC-D Top – Daily

Bearish Top & Neutral Bottom

UPSIDE - Move above 26800 has resulted in another momentum ABC up via formation of Wedge. This should target 28400 as its apex. So far we have only Bearish Top and Neutral bottom" Till such time market should gyrate between 28.4-25.6 in wide trading range.

DOWNSIDE – Earlier Pull back to CZ 25600-25300 materialized but missed the target by 250 points .

$BSE India Bombay Stock Exchange 30 Sensex Index (EOD) INDX
14-Nov-2014   Open 27949.54 High 28093.23 Low 27912.90 Close 28046.66 Chg +106.02 (+0.38%)
$BSE (Daily) 28C

Our Target   Larger - PEC-D @ 26700 Target
Smaller - PEC-D @ 26400 Target - Met
Pull back target CZ 25.6-25.3 missed by 250 point on pull back
our last follow up Bullish signal 2/3
RSI(14) 71.65

CHART 2- BSE (Mumbai) - CZ/ PEC-D Top – Daily

Bearish Top & Neutral Bottom

UPSIDE - Formation of Bearish Wedge. This should target 28400 as its apex. The pullback would be where the pattern began . Based on COR , since POM 14 on SPX , rally in BSE has indicated divergence (window 2 in chart below)

DOWNSIDE - The pullback would be where the pattern began @ 27250. (Note within the charts)

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14-Nov-2014   Open 27949.54 High 28093.23 Low 27912.90 Close 28046.66 Chg +106.02 (+0.38%)
$BSE (Daily) 28046.66

28.4

Gasp to 28.4 to finish the wedge false break

last Report called for Bearish bias & pull back

Bearish wedge

PEC-D 25.5 missed by 300 points on pull back

announced POM14 on 10/2 on SPX to cover all short

$BSE:$SPX 13.75

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>note</u> **– This Analysis in BSE is <u>" STRICTLY</u> " with respect to SPX & POM . pinpoints the Tops and bottom. NOTE - POM 's of SPX are better actionable points. All other points CZ (noted) are moves within the move for Risk Management. Actionable point by this methodology is at SPX @ POM 14**

<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.

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