**Date : 4rd October 2014 ( Saturday )**

# 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 Near Term | Upside CZ Mid term | Downside CZ Near term | Downside CZ Mid term | Remark |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **$NIKK (JAPAN)** **Or DXJ** | 15650 | Main CZ @ 8500 *Triggered 10/10/ 2012- Open* | **@ 14300** *Announced* **Secondary** *to entry Add Position on 2/7* | BULLISH | Net Long 7.5% | NONE | Target PEC-D 16000 Bullish Top Met exact & pulled back | 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 80%* Entry / Exit to EWJ based on NIKK Trigger |

| | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **SSEC ( CHINA)** | 2375 | NON COR With -SPX | On 7/4 Report @ 2050, **We Missed Pre-announc entry Trigger ( rallied 12%)** | NEUTRAL Bullish Bias | CASH **No Position** | NONE | Target ABC up 2190 Bullish Top Met exact | 2<sup>nd</sup> ABC up PEC- 2390- approaching | SSEC- PEC-D 2050- Rejected low | CZ 2050-1950 Is solid floor | Entry / Exit to FXI based on SSEC Trigger |
| **EEM (EMRG)** | 41.28 | POM 15 -SPX *On 8/15* | Announced POM 14 @ 1933 To cover Shorts | NEUTRAL Bullish Bias | CASH **No Position** | NONE | Bounce to 44-44.5 ( Not clear the quality of bounce ) - | Target PEC-D 46- met exact & nasty decline started | ABC down to CZ 43-42.5 MET | Triggered POM 14 on SPX @40.5 | No Risk / Reward at Current levels |
| **EWZ (BRZL)** | 43.38 | POM 15 -SPX *On 8/15* | Announced POM 14 @ 1933 To cover Shorts | NEUTRAL Bullish Bias | CASH **No Position** | NONE | Bounce to 46-47 ( Not clear the quality of bounce ) - | Target PEC-D 52- met exact , extended & nasty decline started | ABC down to PEC-D 46 MET | Triggered POM 14 on SPX @42 | No Risk / Reward at Current levels |

# Global  Indices  Overview -

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

**NIKKE – Japan** –  Weakness in YEN is helping our Bullish Net long position .  We do not believe this bull market is over and buy on dips into CZ for Net long positions  to target higher levels.  This is long term Bull Market to hold the position .

**EEM & EWZ** – These are Neutral Tops and Neutral bottoms  with Bullish bias – But *No signal,* however
Both met projected upside targets and downside target exactly as expected along with POM 15 & POM 14 announcements lately . (Refer the charts)

**$SSEC–China-**    We have *No Position*.
Last Global Report 7/4 , we had <mark>Pre-announced Trigger</mark> for entry on Bullish Net long @ 2050 <mark>but it did NOT materialize.</mark>

- **BULLISH  -    NIKKE  ( EWJ)**

- **NEUTRAL -  with Bullish bias. - FXI (China),   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.**
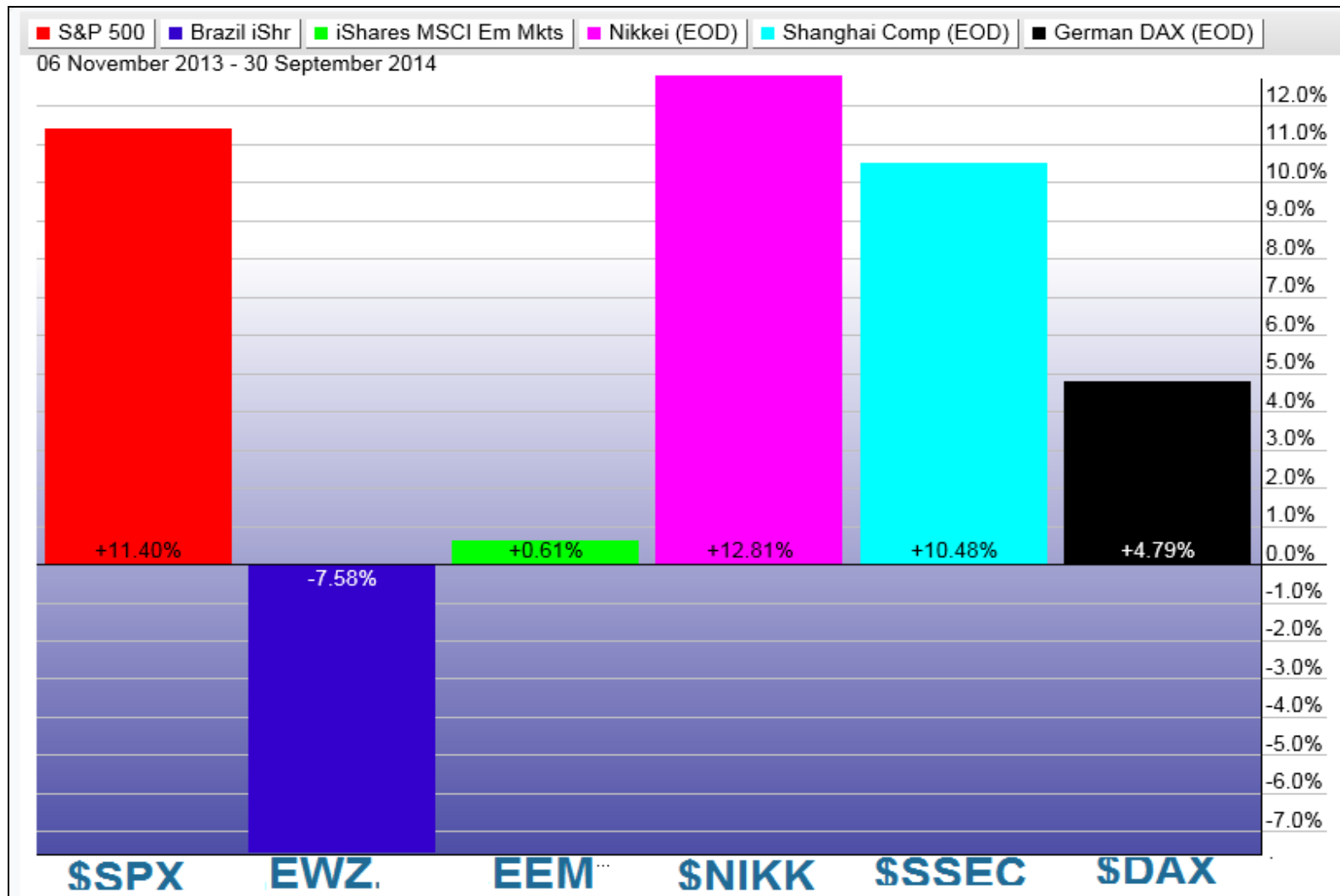
# NIKKE ( JAPAN)– CZ / PEC-D / Ratio Analysis – Weekly Bigger picture – Bullish

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

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

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

**EWJ entry / exit to follow $ NIKK Trigger**

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

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

UPSIDE –PEC-D - 2190—Met exact. , Moving toward 2nd ABC up PEC- D @ 2350.

DOWNSIDE - At 2050 – last Report, we the pre announced entry **( No Position)**
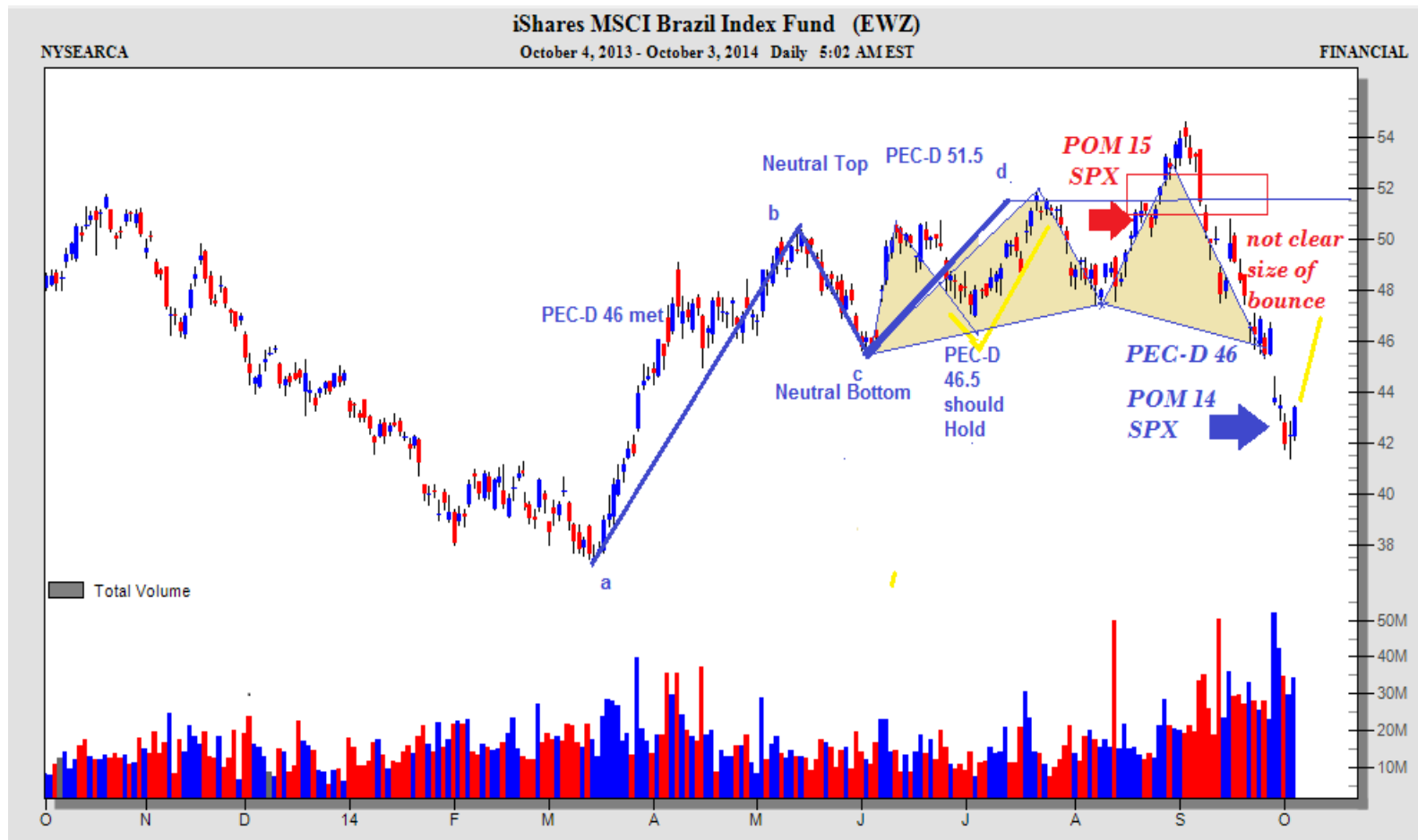
**FXI entry / exit to follow $ SSEC Trigger**

# 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  .

 **DOWNSIDE –** PEC-D – 46 ,  Met exactly & extended . Soon SPX Triggered POM 14 @ 42   .
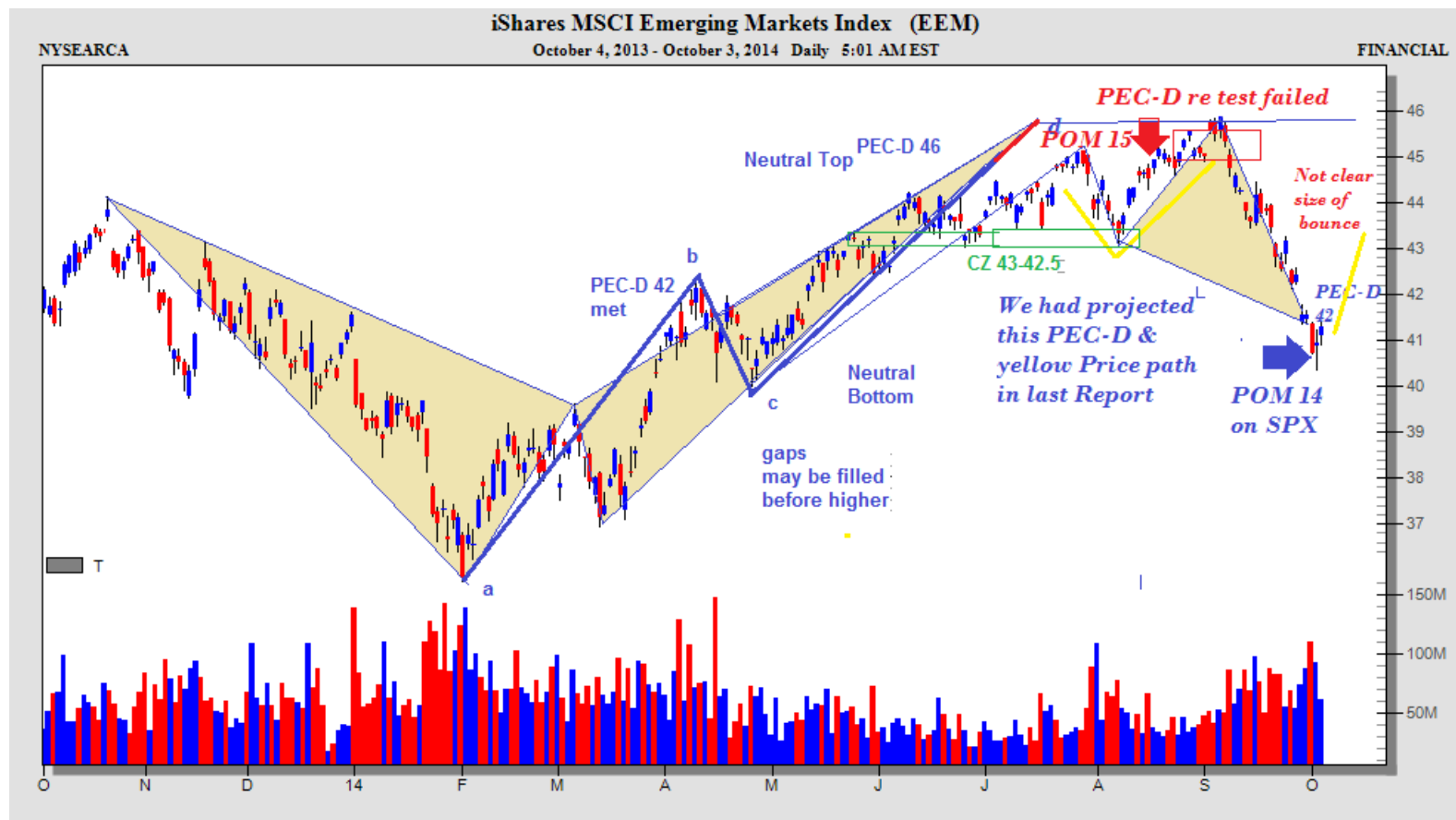
**UPSIDE – –-**  Bounce to 46-47 – No clear signal



iShares MSCI Brazil Index Fund   (EWZ)
October 4, 2013 - October 3, 2014  Daily  5:02 AM EST

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# 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 –** CZ 43-42, Met exactly and soon SPX Triggered POM 14 @ 40.5.

**UPSIDE – –-** Bounce to 44 – 44.5 – No clear signal



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# 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*

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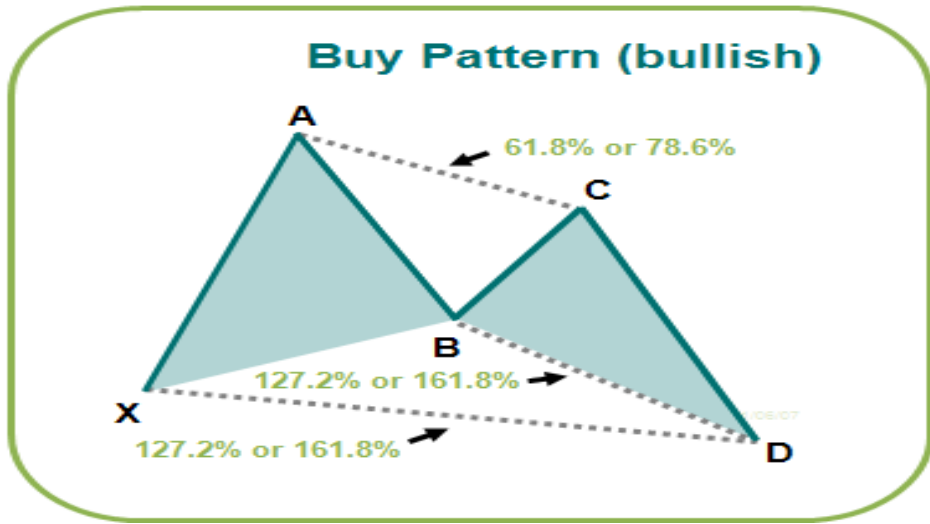
*The <u>Neutral Top IDX's</u>  are in CONSOLIDATION , with Force equally balanced. Upon building cause  it  should be resolved in direction of " New pick up in force in one direction" to decide the Trajectory of Path.*

## Pythagoras Expansion / Contraction — (PEC) Model

- PEC Model is a $2^{th}$ 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)**

127.2% or 161.8% — D

X — 127.2% or 161.8% — B

C

A — 61.8% or 78.6%