



Date : 4th December (Thursday)

MS –GOLD – POM - MARKET STRATEGY REPORT (SP)

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● **Executive Summary**

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement Update</u> For Trend Reversal	Progress Status	Current Position / Exposure	<u>NEW ACTION</u> (Trigger to Watch))	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
GOLD	1212	POM 13 Re – Run Marked to Market on 1/01 start @1205	Triggered entry to scale in CZ 1190-1220 @1201 On 10/2	BULLISH	12% Net Long	NONE	1 st ABC Target 1220 Met Bullish Top	Target 2 ND PEC-D 1260 Bullish Top Weekly ABC to 1345 Bullish Top	Bear Trap - push to lows to 1140 Re- tested & Key reversed	CZ 1135-1130 rejected Bullish Bottom	Move below Weekly 5 year CZ 1190-1220 Is false break.

ACTIONABLE IDEAS - Our Current position is positive.

For Bulls – Hold the position entered on 10/2 @ 1201. The first rally to PEC-D 1220- Met . Target ABC up @ 1260 Bullish Top should be re tested.

For Bears – Heavy overhead CZ 1220-1190 on bounce is broken out Bullishly. Wait for Target PEC-D 1260 to fail This is not a candidate for Short Sell

GOLD – Overview & Update

POM 13 – @ 1204 – 1st Jan 2014 & Re run @ 1200, 10/2 .

Gold has made a very significant bottom . Past week contract was very volatile during the Swiss Regulatory Announcement. The re test of Bear Trap was repeated to 1145 and the Market key reversed immediately above the Bullish CZ 1135-1130.

A major sign of strength resulted in ABC up to our First Target of 1220 . The Gold is now moving above the false break creek. We expect to see Gold contract move higher to PEC-D 1260.

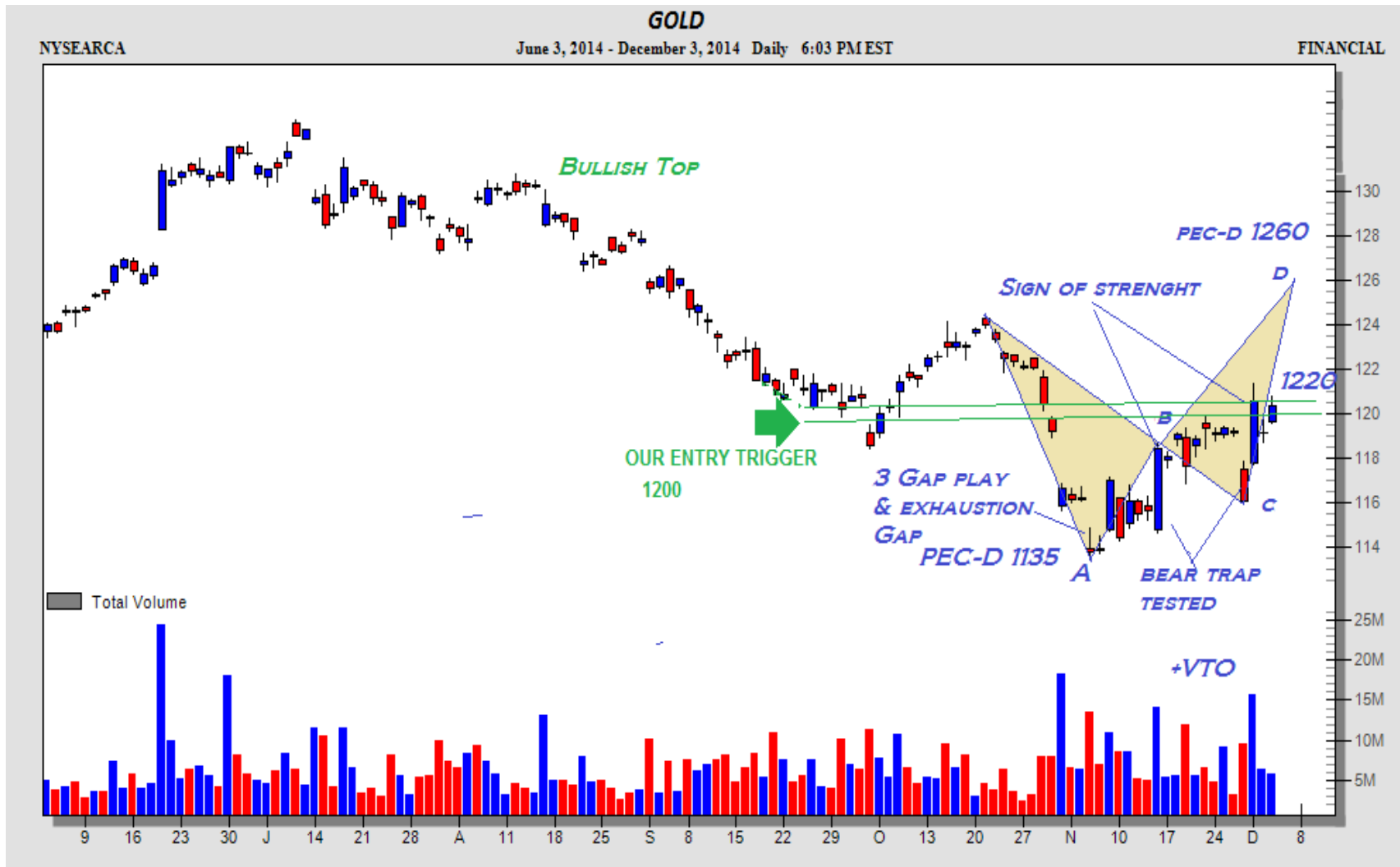
USD Target to 89 has completed its 2nd weekly ABC up . Currently it is exhausting itself after the highs are tested several times and failed on volume . The Retracement should fuel the move in Gold from 1200 to 1260(2nd ABC up target) .

On longer term basis we think the recent move below CZ 12020-1190 was a shake out on weekly / monthly basis.

GOLD- CZ/ PEC- D Analysis POM 13 - Daily chart – Chart 1

UPSIDE – 1st Target PEC-D 1220 – Met and 2nd target 1260 is in progress

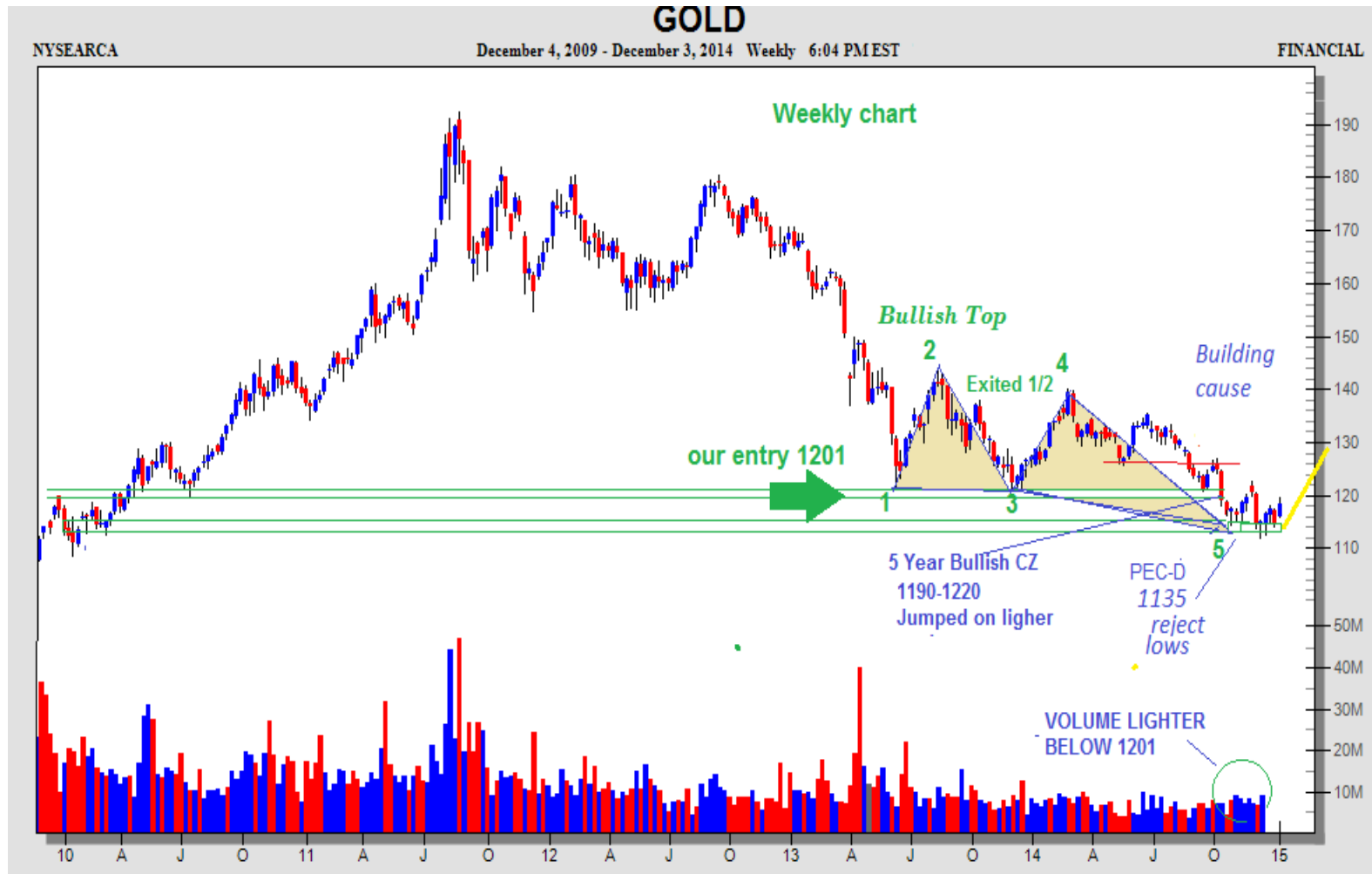
Downside - Massive rejection of 1145 Bear Trap and key reversed to rally back. (Notes within chart)



GOLD – Weekly – PEC –D / CZ Analysis - Chart 2

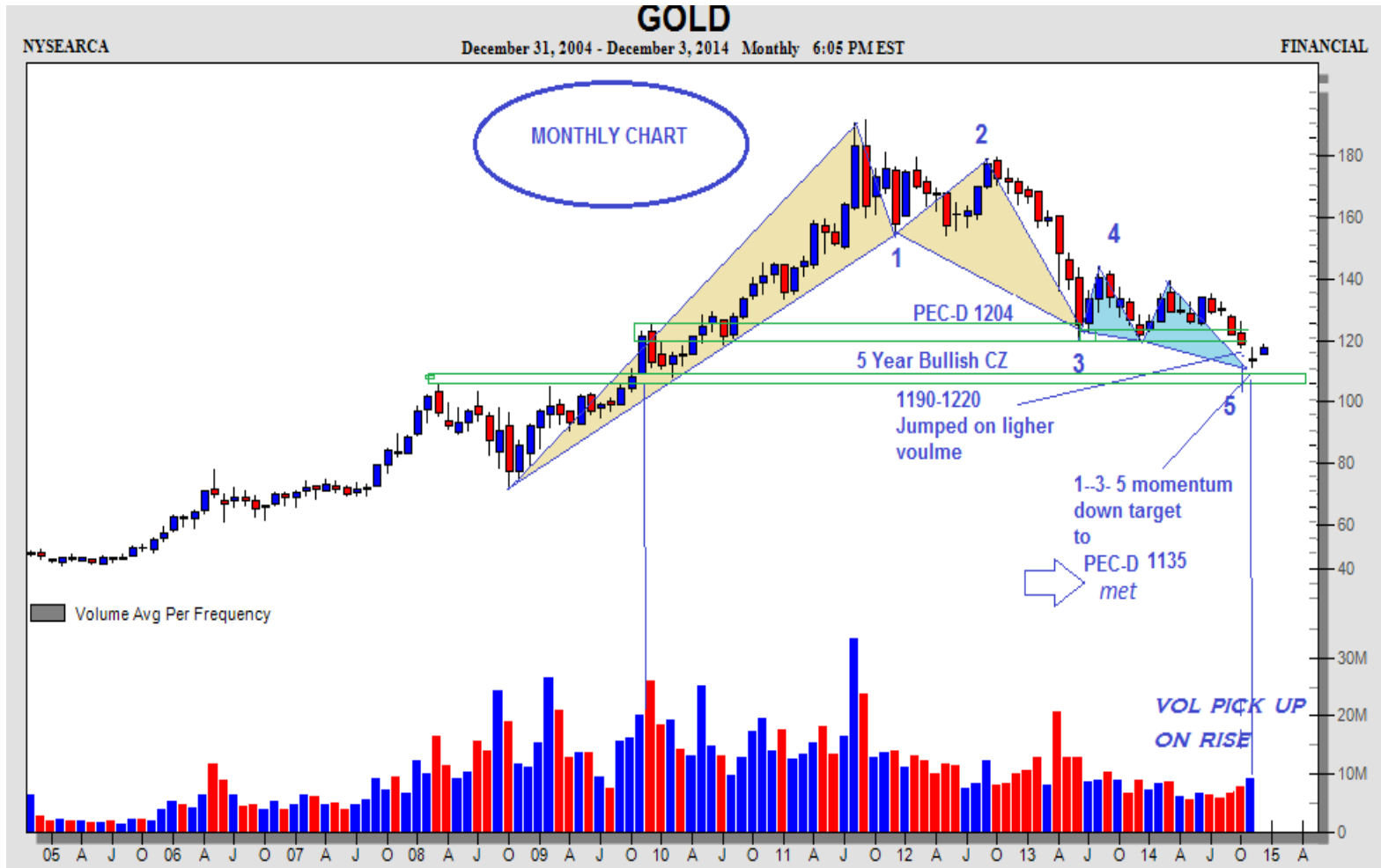
Downside – Bear Trap to 1140 proved its merit. Rejecting lows and completed Wave 1-3-5 pattern @ PEC-D 1135

Chart below indicates the volume is lighter on test.



GOLD – Monthly – PEC –D / CZ Analysis - Chart 3

Monthly 1-3-5 pattern of downside to PEC-D 1135- Met and rejected. This is Long term Monthly PEC- D



Appendix Content

- 2012 YTD – SPX - Position Summary
- 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

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.*

(42) - INSTRUEMNTS COVERAGE SUMMARY

Re - STRATEGY & PROP ANALYSIS with – POM, CZ, PEC-D, PQV

GR 1 (13+2) Coverage in MS	GR 2 (9 +4) Coverage in SECTORS	GR 3 (8+1) Coverage in COMMODITY	GR 4 (5) Coverage in CURRENCY
<p>US BROADER IDX</p> <ul style="list-style-type: none"> • SPY (SPX 500) • DIA (DOW 30) • QQQ (NASD100) • IWM (Small Cap) • IYT (Transports) • NYA (NYSE) <p>BOND IDX</p> <ul style="list-style-type: none"> • TLT (Bonds) • MUB (Muni). (SP) <p>GLOBAL IDX</p> <ul style="list-style-type: none"> • EEM (Emerg.) • EWJ (Japan) • FXI (China) • EWZ (Brazil) • FTSE (Europe Proxy) • BSE (India) • EWA (Aust) SP <p>SP - Special situation</p>	<p>SECTORS IDX</p> <ul style="list-style-type: none"> • XLF (Financials) • XLV (Health) • XLB (Materials) • XLE (Energy) • XLK (Tech) / QQQ - Proxy • XLI (Industrial) – • XLP (Staples) • XLY (Discretionary) • XHB (Home Builders) • XLU (Utility) SP • RTH (Retail) - SP • SMH (Sem.) SP • BBH (Biotech) SP 	<p>COMMODITY IDX</p> <ul style="list-style-type: none"> • CRB /DBC • GLD (Gold) • SLV (Silver) • GDV (Miners) • OIL • Copper • DBA (Agro) • UNG (Natural Gas) • DBB (Base M) SP 	<p>CURRENCY</p> <ul style="list-style-type: none"> • USD / DXY • EUR/USD • AUD/ USD • USD/JPY • GBP/ USD

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)

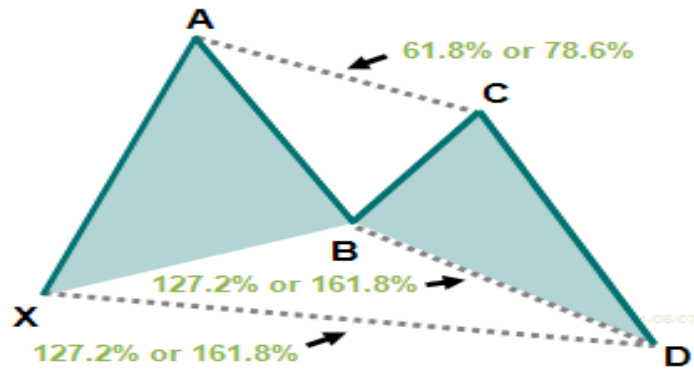
Pythagoras Expansion / Contraction – (PEC) Model

- 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 streams to achieve confluence point D coinciding with POM

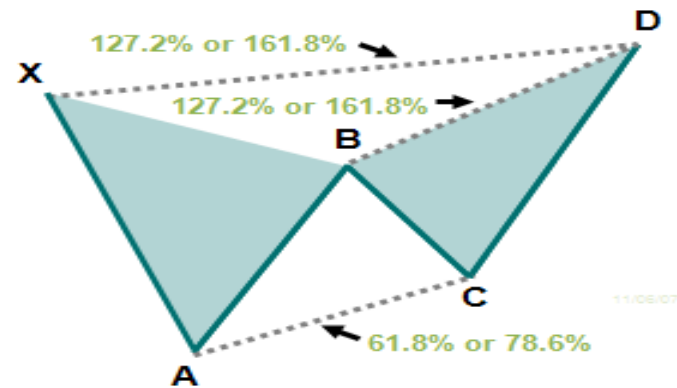
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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)



Sell Pattern (bearish)



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