Date : 30th April 2014 (Wednesday)

BROADER INDICES REPORT(Strategy &Prop Tech)

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• <u>Executive Summary</u>

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement-</u> Update For ST Trend Reversal & RM	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
TLT (BONDS)	110.6	POM 13 – Re Run *Marked to Market* On 1/01 start **@102**	*Announced @ 108.28* on 2/3 to close ½ Net longs positions *due to* ST pull back	BULLISH ST pull back	Net Long	NONE	First target PEC-D 108 Met with Bullish Top	Target to 2nd PEC-D 112 *Approached Exact Bullish Top*	pull back to CZ 109-108 should hold & rally up	CZ105-106 retested rejected on low volume Bullishly	*@ 109.25 on 2/4, closed ½ Net long position for 7 pts profit 6.5%*
IWM (SM CAP)	111.2	POM 15 Triggered EMIAL Alert SPX On 3/25 118.0	NONE	BEARISH bounce in progress but weak	Net Short	NONE	Another Bounce to 114 Should fail Lower tops	Bounce to Cap into CZ 116-115 – met Exact & failed	2nd ABC down to 110 – Met heavy bottom	Re test of 110 is required & perhaps break the lows due To heavy bottom	*IWM has declined 6.0% since POM 15*

Notes - Refer to Overview below , price path volatility on FOMC meeting day , but direction of volume should prevail

	Current Price	POM Triggered within CZ & Date	Follow up Alert Update For ST Trend Reversal & RM	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
QQQ (NASD)	87.16	POM 15 Triggered EMIAL Alert SPX On 3/25	NONE	BEARISH bounce in progress but weak	Net Short	NONE	Another Bounce to CZ 88-89 Should fail Again Double head & Double shoulder Topunder completion	Bounce to Cap into CZ 88-89 – met Exact & failed	2nd ABC down to 83 – Met heavy bottom	Re test of 83 is required & perhaps break the lows due To heavy bottom	*QQQ has declined 3.50% since POM 15*
SMH (SEMI)	44.44	POM 15 (SPX)	NONE	NEUTRAL	NONE *No signal*	NONE	Upside Target TO SPX POM 15 – Triggered @ 45.2	NONE	NONE	Pull back To CZ 40.25-39.75	*@ 45.2 , 3/25 closed Net Net Long for profit 12.5%*
IYT (TRANS)	136.2	POM 15 (SPX	NONE	NEUTRAL	NONE *No signal*	NONE	Upside Target TO SPX POM 15 – Triggered	TBA	TBA		

Broader Indices   Overview -

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

Today is FOMC announcement , on short term market may be volatile . If we get a POP up on FOMC meet , it should move sides & then fail by 10th of May . If decline begins sooner rather the later, it should go back and Re test the heavy volume Bearish CZ lows . Perhaps break it after 10th of May .

Since last Report 4/09, the **HIGHLIGHT** has been **QQQ and IWM** has hit its downside 2nd ABC down EXACT on the DOT since – SPX – Triggered POM 15 on 3/25. NASD & SMALL CAP continues to be weak with Money flow not picking up and it has continued to be weak.

SMH & **IYT** remains Neutral.

TLT Bond prices pulling back Bullishly to CZ from Short term Bullish Top. Rally in Bonds should coincide with Top in SPX .
TLT has performed well since our POM1 3 Trigger

- **BULLISH   -**   **TLT- ST pull back**

- **BEARISH-**   **QQQ, IWM**

- **NEUTRAL -**   **IYT, SMH**

YTD – Broader 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 .
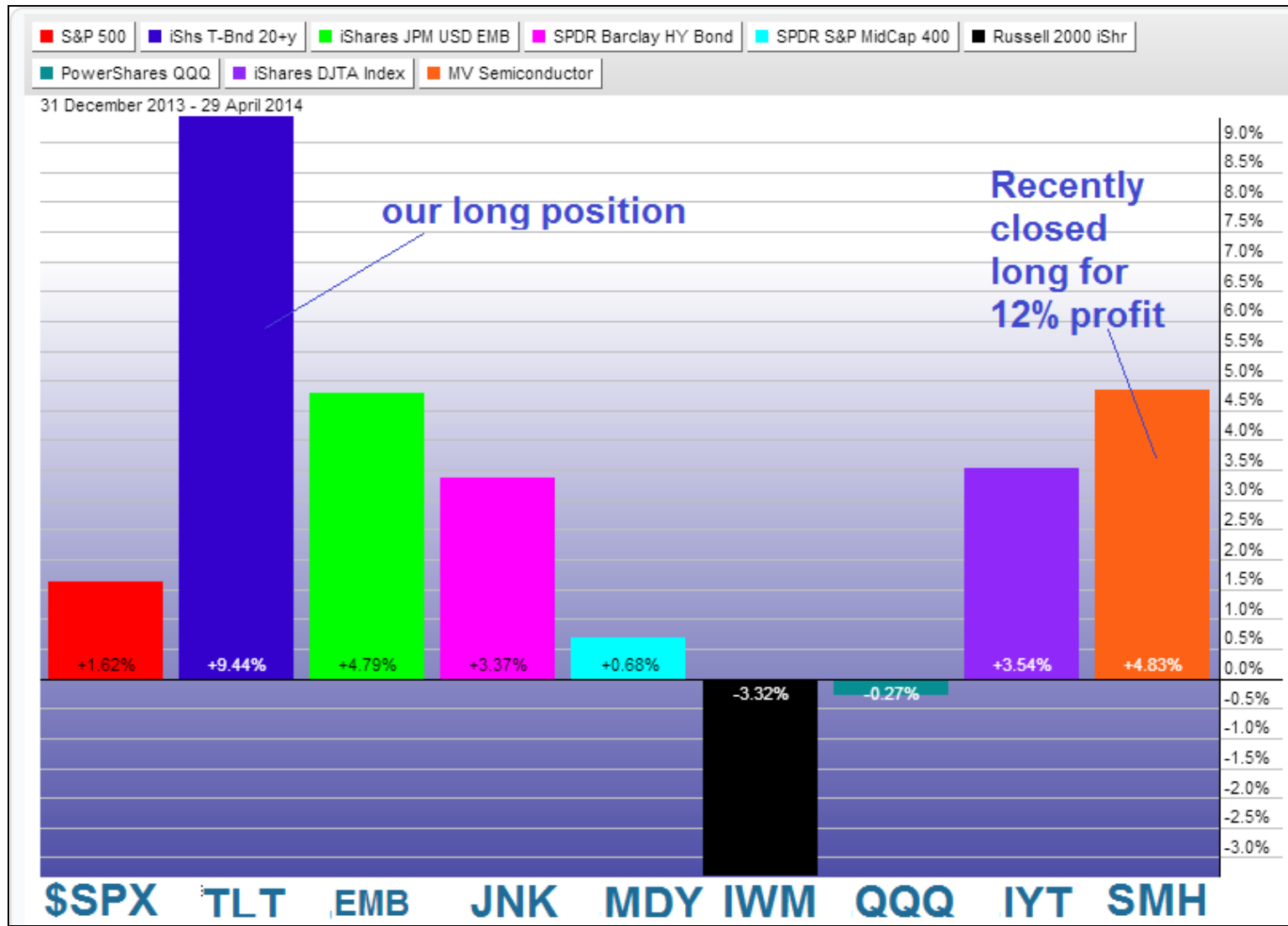
TLT (Bond) – CZ- PEC- D Analysis – Daily - Bullish – ST Pull back

Upside -   Target to 2nd ABC up to PEC-D 112 - met – Exact and TLT pulled back Bullish Top, suggests shallow pull back and then head higher.

Downside – Pull back to CZ 109-108 should Reject with low volume.
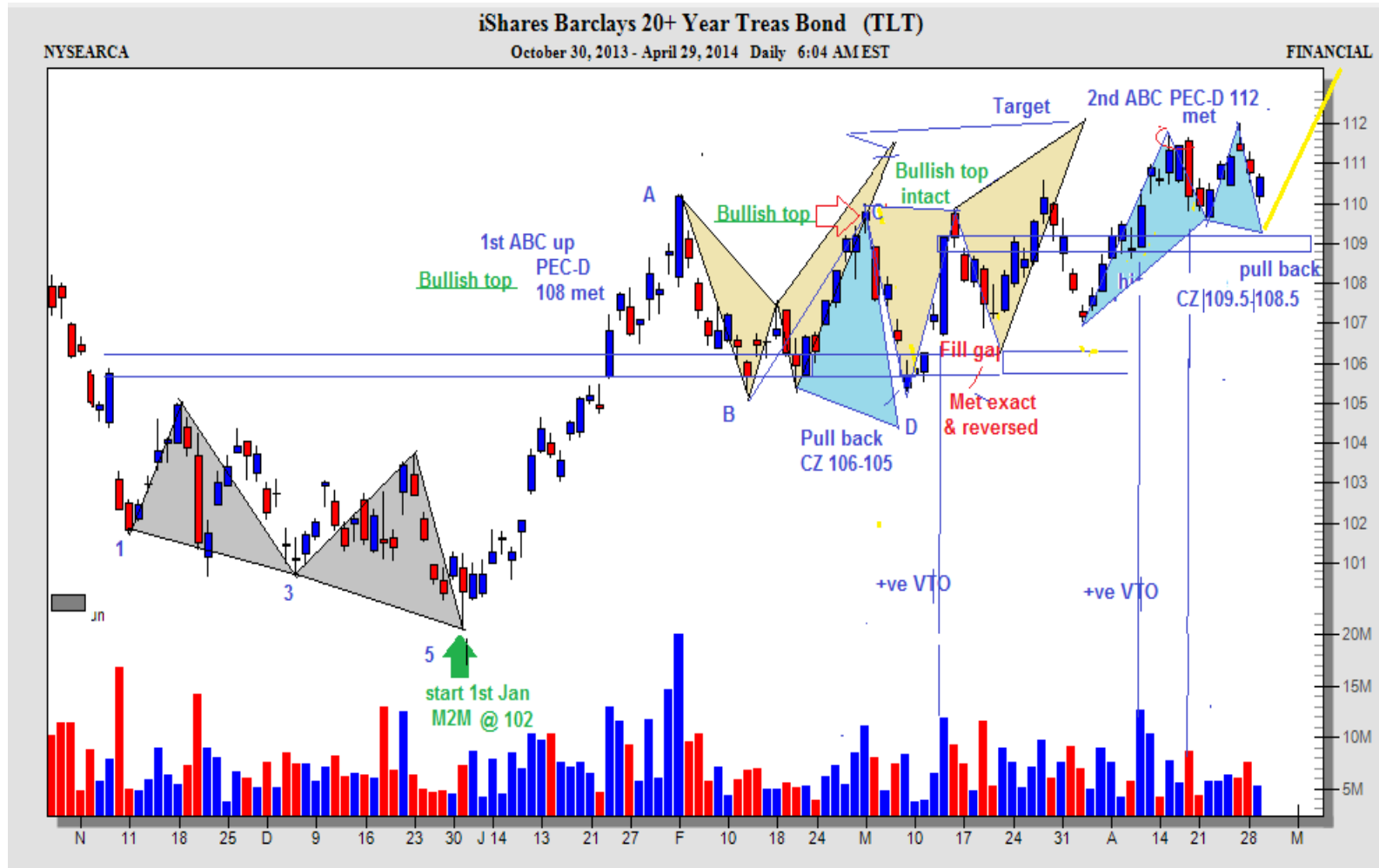
QQQ (NASD 100) - CZ – PEC-D Analysis - Bearish – Bounce in progress

Downside - , - Met exact …..2nd ABC down to 83 - Heavy bottom . This needs a Re test & perhaps break lower

Upside - Bounce to cap into CZ 88-89 Bearish Top should fail again
 PEC-D 91 failed   on SPX – POM 15 Trigger
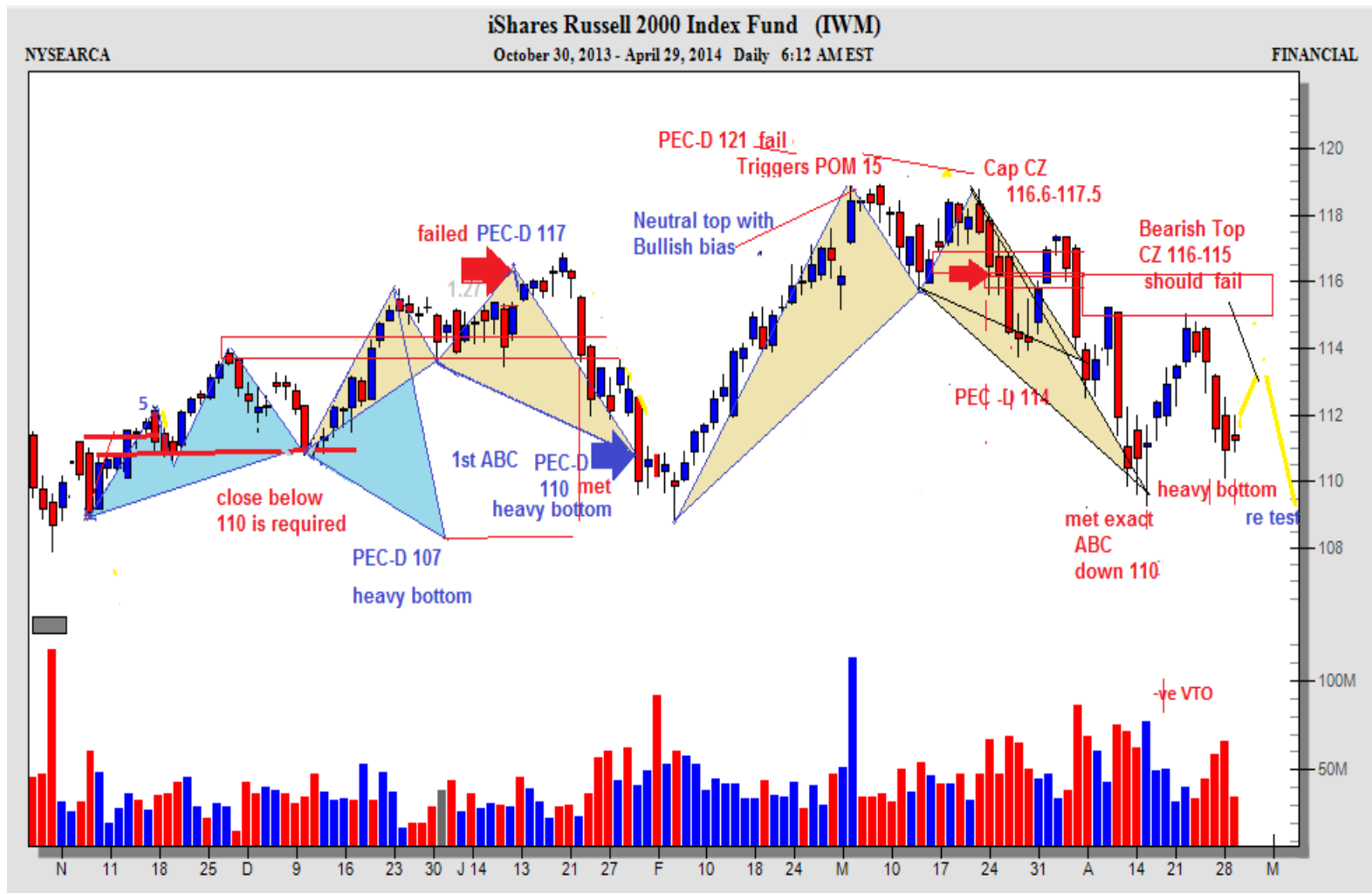
Double head & Double Shoulder in progress
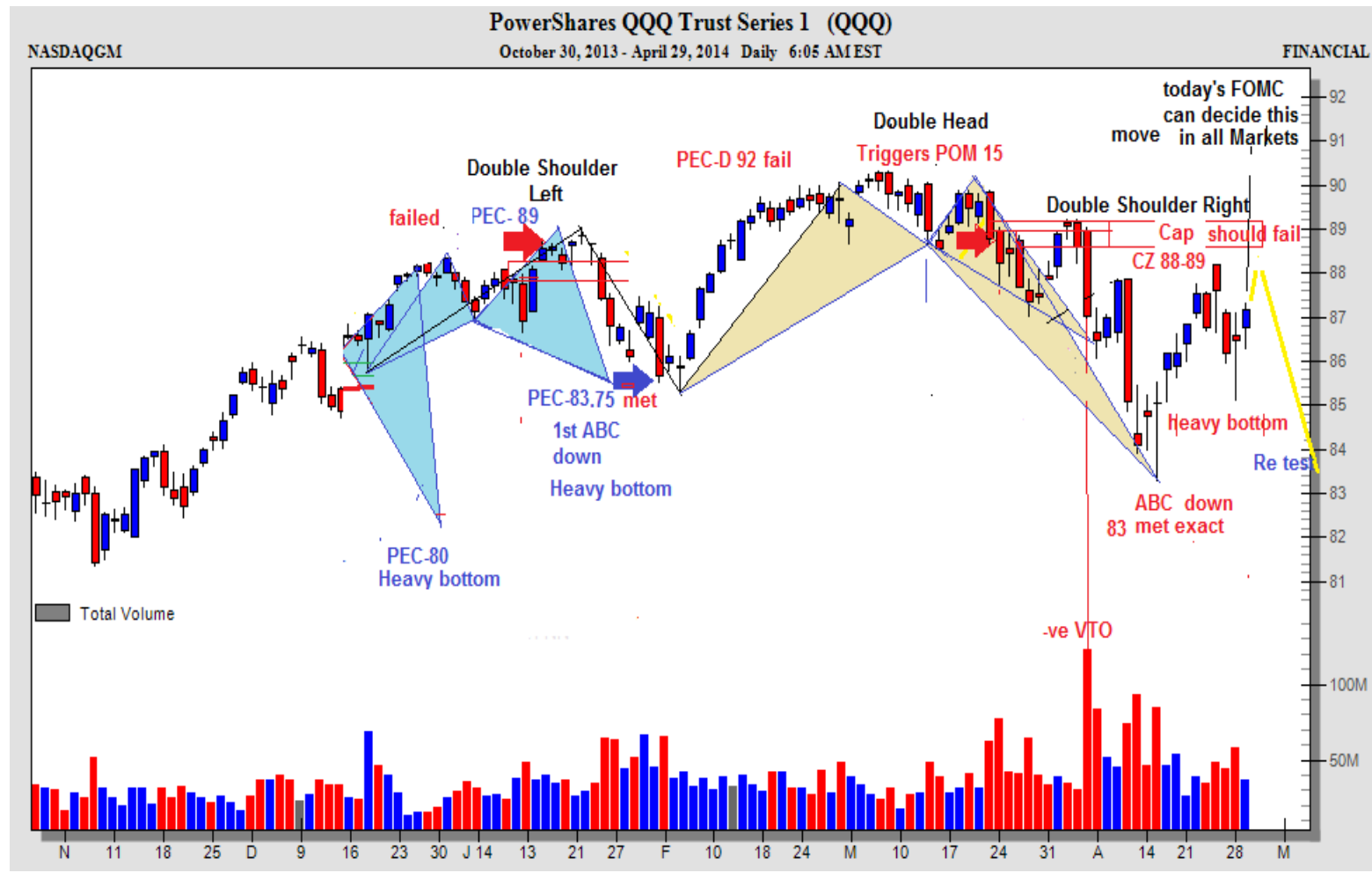
IWM – CZ – PEC-D Analysis - Bearish Bounce in progress

Downside - , - Met exact …..2nd ABC down to 110 - Heavy bottom . This needs a Re test & perhaps break lower
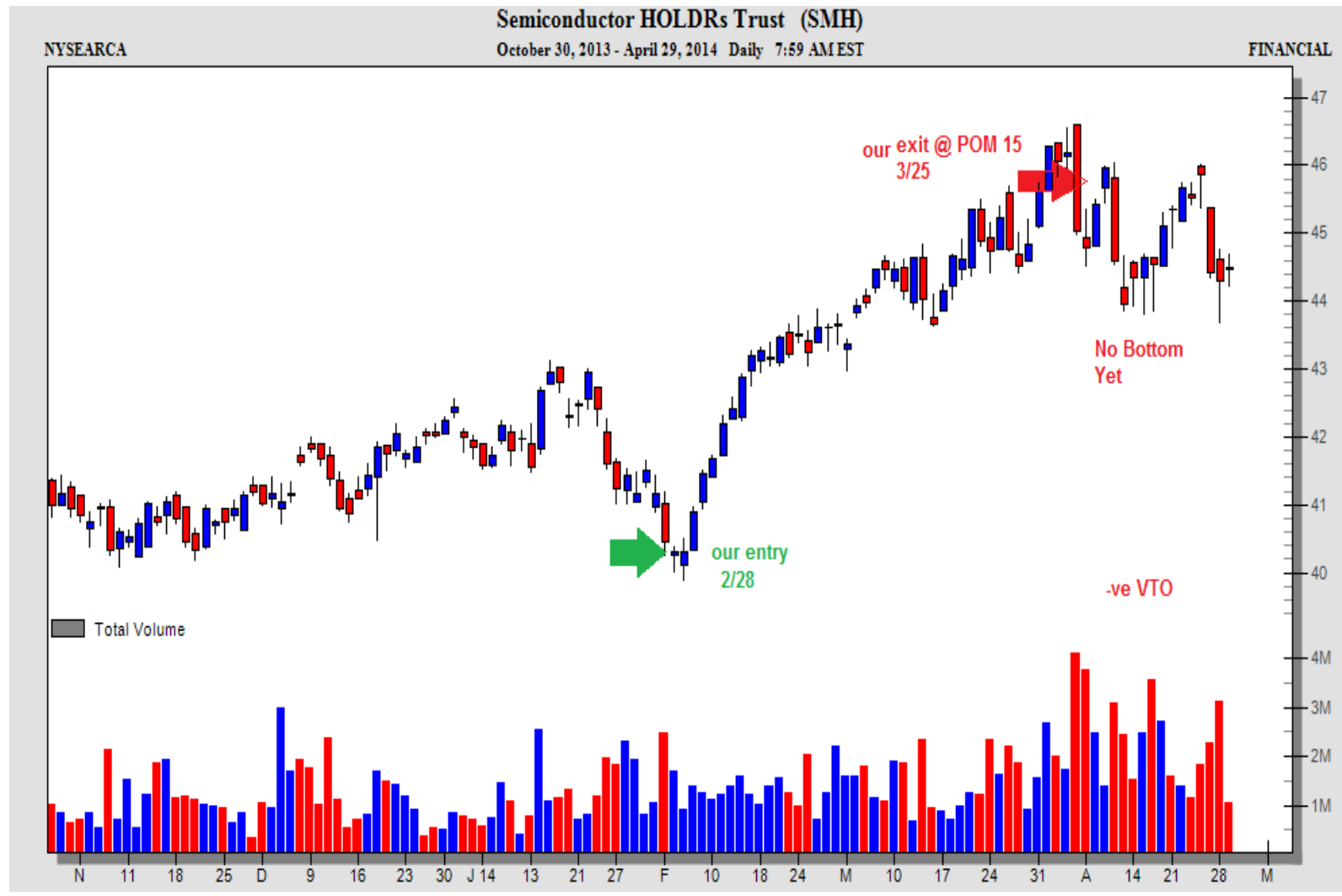
Upside - Bounce to cap to 114 – Lower lows below CZ 116-115 Bearish Top should fail again
PEC-D – 121 failed on SPX – POM 15 Trigger

SMH – CZ – PEC-D Analysis - Bearish Bounce in progress (FYI)

FYI – Notes within the chart – No Signal.

Semiconductor HOLDRs Trust (SMH)

NYSEARCA   October 30, 2013 - April 29, 2014 Daily 7:59 AM EST   FINANCIAL

our exit @ POM 15
3/25

No Bottom
Yet

our entry
2/28

-ve VTO

Total Volume

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*

CORRELATION RATIO ANALYSIS

Inter market Analysis – <u>TNX (Yield) v/s SPX</u>

- *Direct Correlation <u>continues</u> in Current Trend*

Inter market Analysis – <u>TLT v/s USD</u>

- *Inverse Correlation <u>continues </u>in Current Trend*

- ## EXTREAME Sentiment Analysis
- **(3rd Party Data) -** Courtesy : SENTIMENT TRADERS

None @ <u>EXTREMES</u>

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 steams to achieve confluence point D coinciding with POM
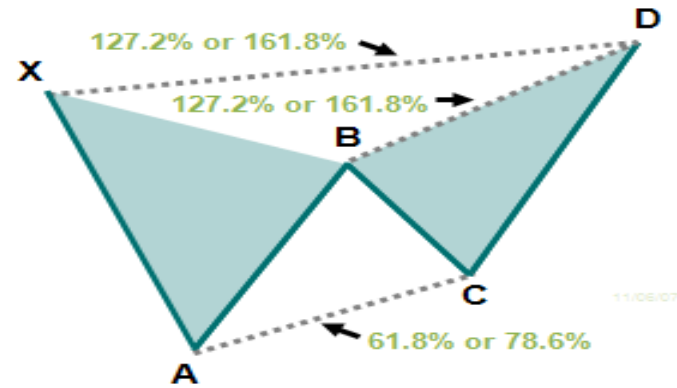
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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%