Date: 13th December 2014 (Saturday)   **US BROADER INDICES REPORT (Strategy &Prop Tech)**

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• Executive Summary

	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
IWM (SM CAP)	114.7	POM 15 Triggered 116 SPX @2040 *on 12/11*	Email Alert 12/11 **Announcement- for entry**	NEUTRAL To BEARISH	5% Net Short	Scaled in @ mkt open 116.1 On 12/12 Scale in Another 5% on Bounce in CZ116-118	Bounce to CZ 116—118 should fail	Target PEC-D -119 Met & failed Bearish Top	Pullback to 113 & rally up .	Target ABC down to 110	

ACTIONABLE IDEAS IWM – POM 15 – Triggered on 12/11 @ 116 (Added Net Short)

For Bulls – Wait for pullback to PEC-D -113 with Bullish bottom & Participate in next rally. (**BUT** THIS IS **NOT A CANDIDATE FOR LONG**)

For Bears – Initial position taken @ 116.1, Scale in on bounce to CZ 116-118 which should fail with Bearish top. Then next ABC down to 110.

	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)	102.65	POM 15 Triggered 116 SPX @2040 on 12/11	Email Alert 12/11 Announcement	NEUTRAL Bearish bias	0%	NONE (No Trade)	Bounce to PEC-D 105.5 should fail	Target PEC-D -104, met Neutral Top Reverse 5 wave pattern completed	. Pullback to 101 & rally up	ABC down to PEC-D 98	

ACTIONABLE IDEAS QQQ – POM 15 – Triggered on 12/11

For Bulls – Wait for pull back to PEC-D 101 with Bullish bottom & Participate in next rally.

For Bears – Bounce to PEC-D 105 should fail with Bearish top. Then next ABC down to 98.

Broader Indices   Overview -

IWM – has been best candidate for Net Short position during POM 15 . Bearish Top and Bearish Bottom.

We have taken our Position on 12/11.

QQQ - Our PEC-D Target has been meeting accurately, **completing Reverse 5 wave pattern at 105.**

We have not traded this Index. , No Signal currently. Neutral Top and Neutral bottom with Neutral Bottom.

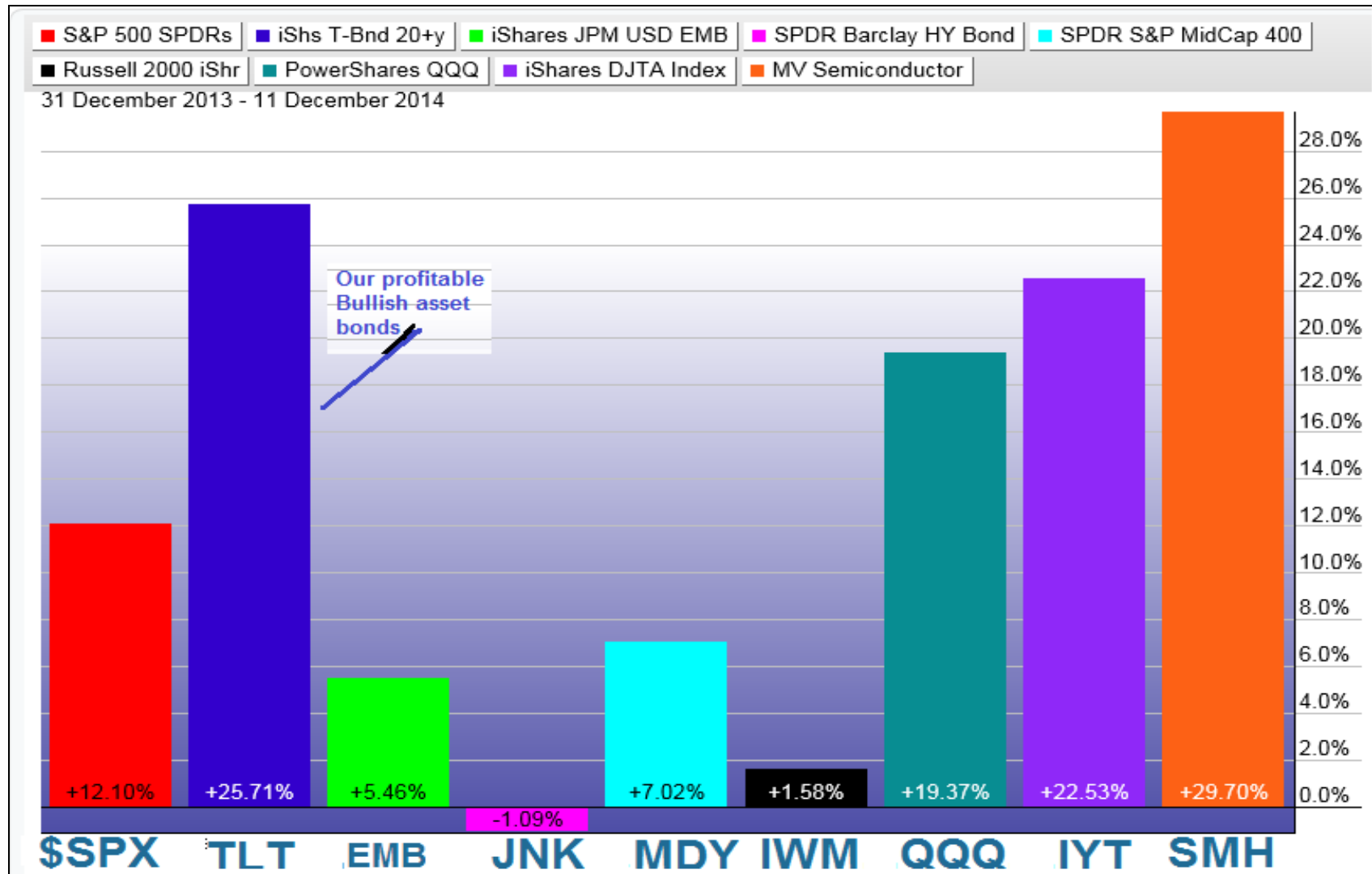**TLT-** Our TLT position has done great up 25% . We continue to ride it up.

BULLISH   -   TLT-

BEARISH -   IWM , QQQ

NEUTRAL -   IYT, SMH ,

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES
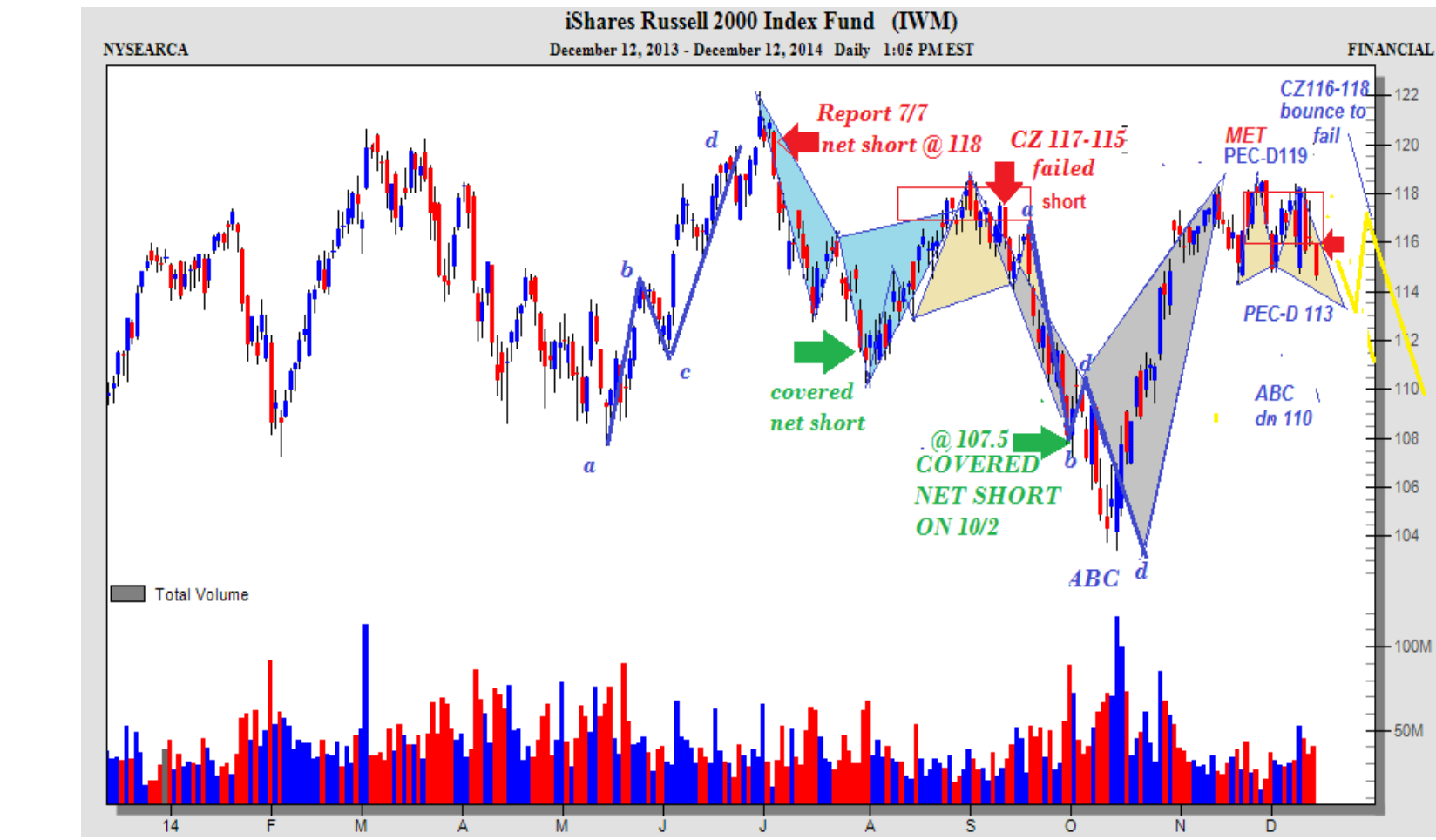
2014 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .

IWM – PEC-D Analysis - Bearish

Upside – Target to PEC-D 119 Bearish top failed and decline began. At 116, triggered entry. The bounce back to CZ 116-118 should fail. Currently –VE VTO
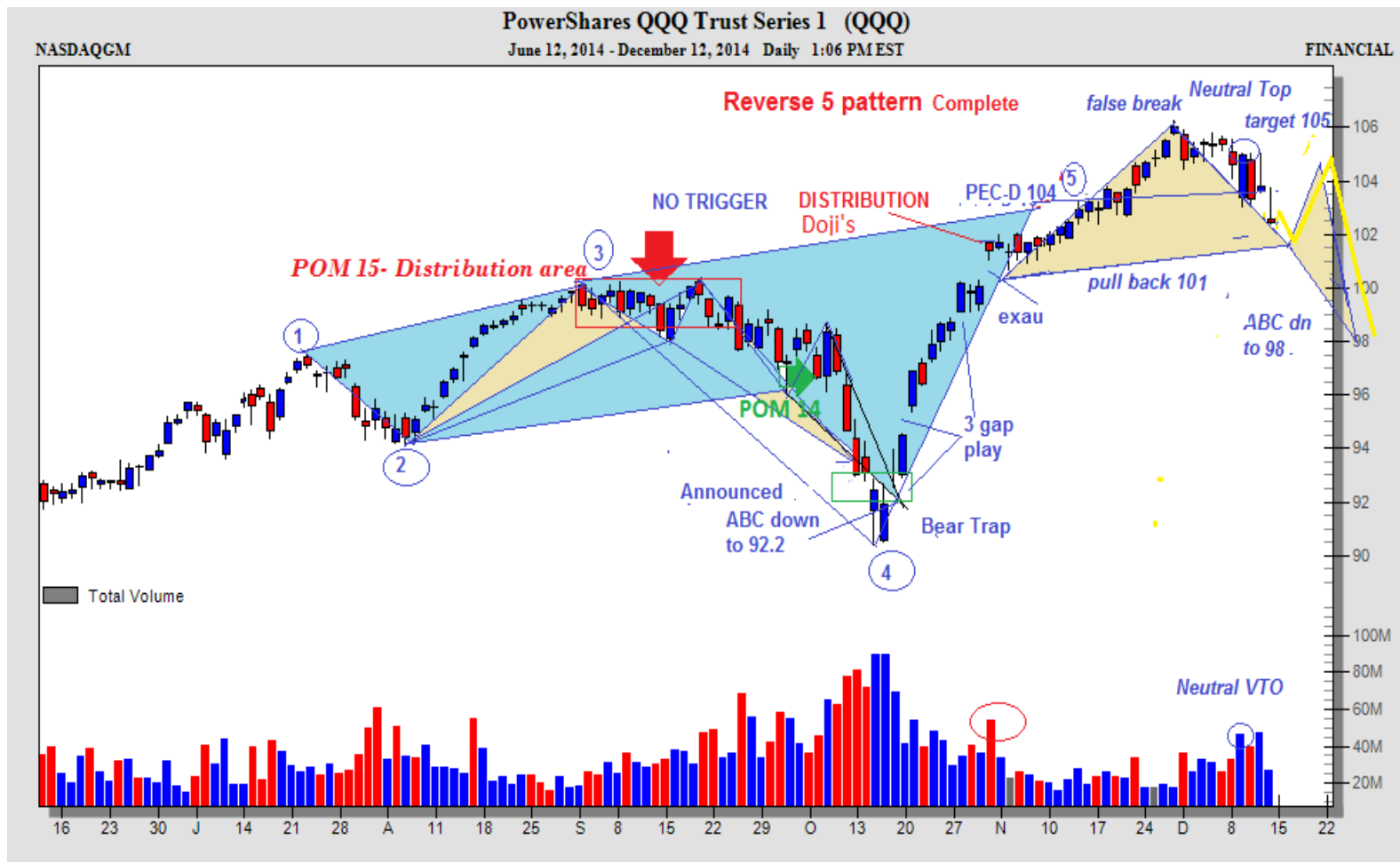
Downside - First pullback to 113, ABC down is at 110.

QQQ (NASD 100) - CZ – PEC-D Analysis - Neutral – Bearish bias

Upside – Target to PEC-D 105- Met with Neutral Top decline began. No position . The Bounce back to PEC-D 105 should fail.

Downside - First pullback to PEC-D 101, ABC down is at 98.

PowerShares QQQ Trust Series 1 (QQQ)
June 12, 2014 - December 12, 2014 Daily 1:06 PM 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*

CORRELATION RATIO ANALYSIS

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

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

Inter market Analysis – TLT v/s USD

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

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

None @ EXTREMES

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>
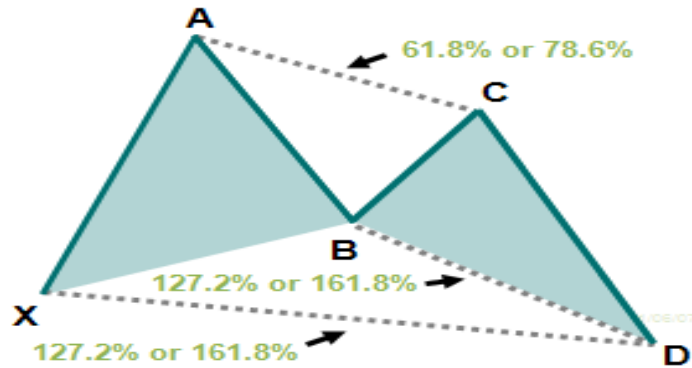
Pythagoras Expansion / Contraction – (PEC) Model

- 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
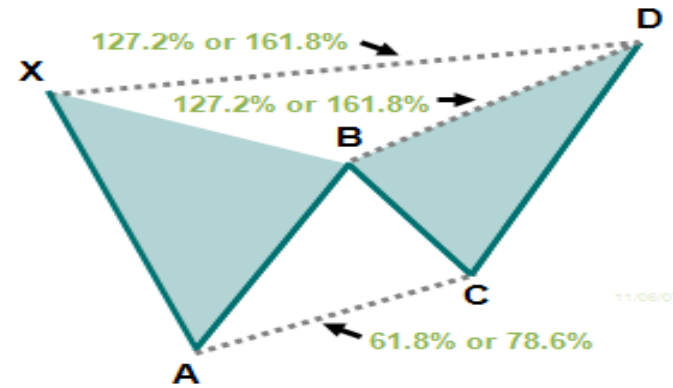
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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%