



Date : 15th January (Wednesday)

BROADER INDICES REPORT(Strategy & Prop Tech)

By : Suneil R. Pavse, E : apavse@aol.com

Executive Summary

	Current Price	POM Triggered within CZ & Date	Follow up Announcement - 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)	104.4	POM 13 –Re Run Marked to Market On 1/01 start @102	NONE	BULLISH	Net Long	NONE	Target – PEC-D 108-	1 ST ABC PEC-D 112 Bullish Top	PEC-D 104 retesting & rejecting on low volume Bullishly	False below Extended to 102	Best Risk / Reward to go long
IWM (SM CAP) Pre announcement	115.34	POM 15 Marked to Market on 1/01 start @ 115.36	@ 104.6 announced to Reduce Net Short On 10/3	BEARISH	Add -Net Short Upon Trigger For Bearish bias Portfolios	Initiate touch of 117 & close below 115.5 Stop loss At 118	Double top to 116	Momentum Thrust Target to 117 Should fail	Pull back to 110 Met & rallied	1 ST ABC down to 110 2 ND ABC down to 107, at later date heavy bottom	False break abv 106 with _3 drives to top Close below 110.2 wkly with high volume would Trigger Mid term Sell

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QQQ (NASD) Pre announce ment	87.65	POM 15 Marked to Market on 1/01 start @ 87.96	@ 77.23 announced to Reduce Net Short On 10/3	BEARISH	Add -Net Short – Upon Trigger For Bearish bias Portfolios	Initiate touch of 89 & close below 87.5 Stop loss At 90	Double top to 88	Momentum Thrust Target to 89 Should fail	Pull back to 84 Met & rallied	1 ST ABC down to 83 2 ND ABC down to 79, at later date heavy bottom	False break abv 78 with _1-3-5 Pattern Close below 83.50 wkly with high volume would Trigger Mid term Sell
SMH (SEMI)	42.67	POM 15 (SPX)	NONE	NEUTRAL	CASH No signal	NONE	ABC up to 41.5 Complete	TBA	TBA	CZ 35-36 Best Risk Reward to enter Net long	Good candidate to be long after the correction.
MDY (MID CAP)	244.79	POM 15 (SPX)	NONE	NEUTRAL	CASH No signal	NONE	POM 15	TBA	TBA		Ditto
IYT (TRANS)	133.68	POM 15 (SPX)	NONE	NEUTRAL	NONE No signal	NONE	POM 15	TBA	TBA		Ditto

Continued.....

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EMB (EMG B.	108.95	NONE	NONE	NEUTRAL Bullish bias	NONE	NONE <i>No signal</i>	CZ 110.7-109.7 Met & broken out Bullishly	Target to CZ 114.5-113.75	Pull back to CZ 108-107 Met & rejected Bullish breakout area	PEC-D 104.5, floor CZ 103-101 Climax lows	<i>Best Risk Reward for Net long @ 102.5 PEC-D</i>

Broader Indices Overview -

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

After Monday's drop Market is now trying to re test to put in double top . PEC-D's based on last decline is set up slightly higher than the double top . It is option expiration week may have slight positive bias . After very long awaiting patiently since 10/3, We have Triggers for failure on IWM & QQQ for Bearish bias Portfolios . SPX failed at 1848 as indicated on Monday's MS

Since last Broader Indices Report 12/19, the volume dried up on upside on NASDAQ v/s pick up in volume downside declines . But NASD has time termination peak around 18th January . This should be lead dog on counter trend bounce on failure. NASD & Russell have met all long term weekly targets in Mid term time frame. Both are good candidates to add Net Short. Overall on Mid term basis , the weekly and Monthly Pattern of WAVE 5 & 3 DRIVES-PEC-D's are completed.

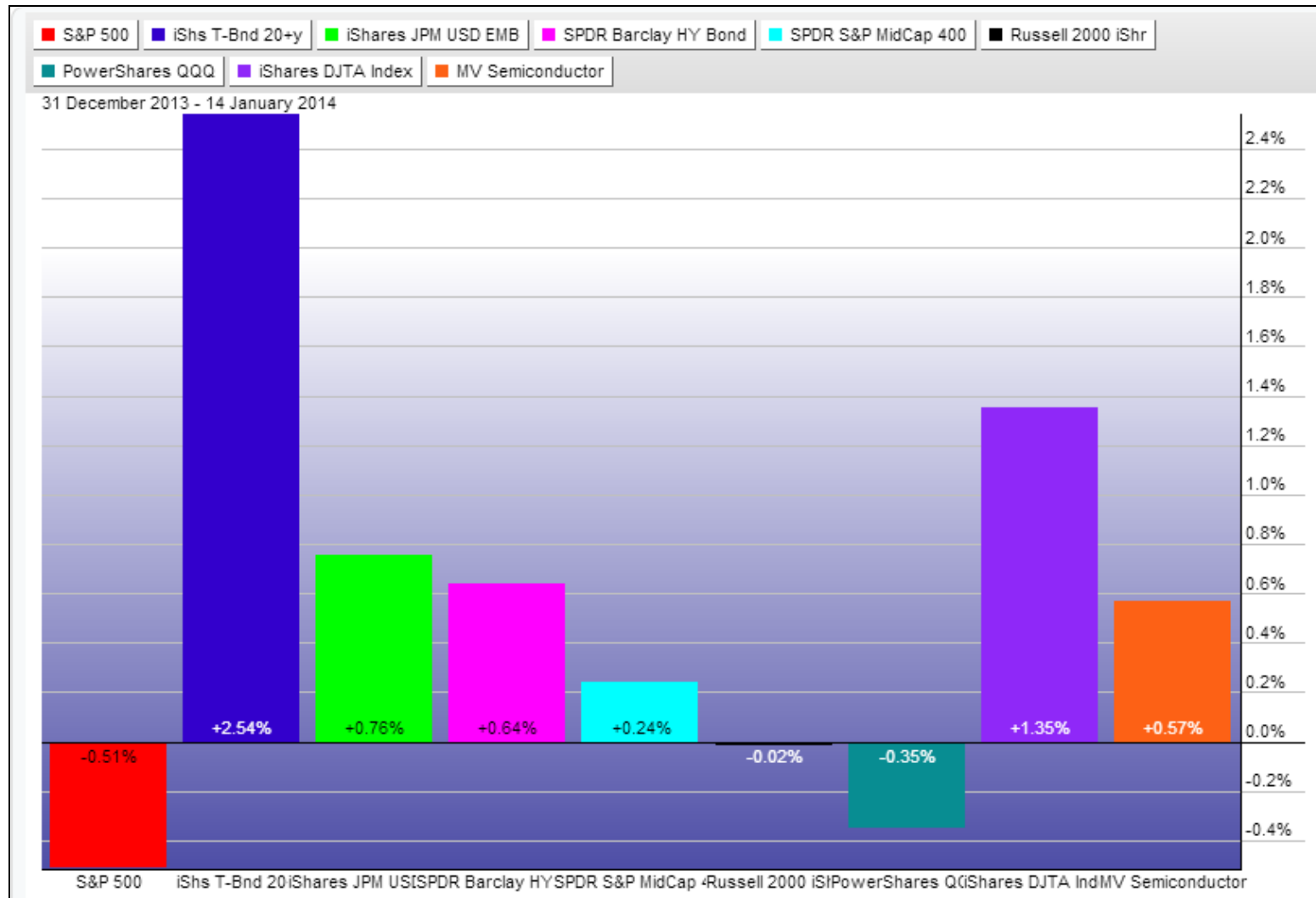
Bond prices is finding bottom as bonds rally especially once selling pressure in the stock market intensifies . The Money flow is showing +ve divergence with accumulation.

- BULLISH - TLT-
- BEARISH- QQQ, IWM,
- NEUTRAL- EMB, MDY, IYT, & SMH - No SIGNAL. - Neutral Top & Neutral Bottom

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

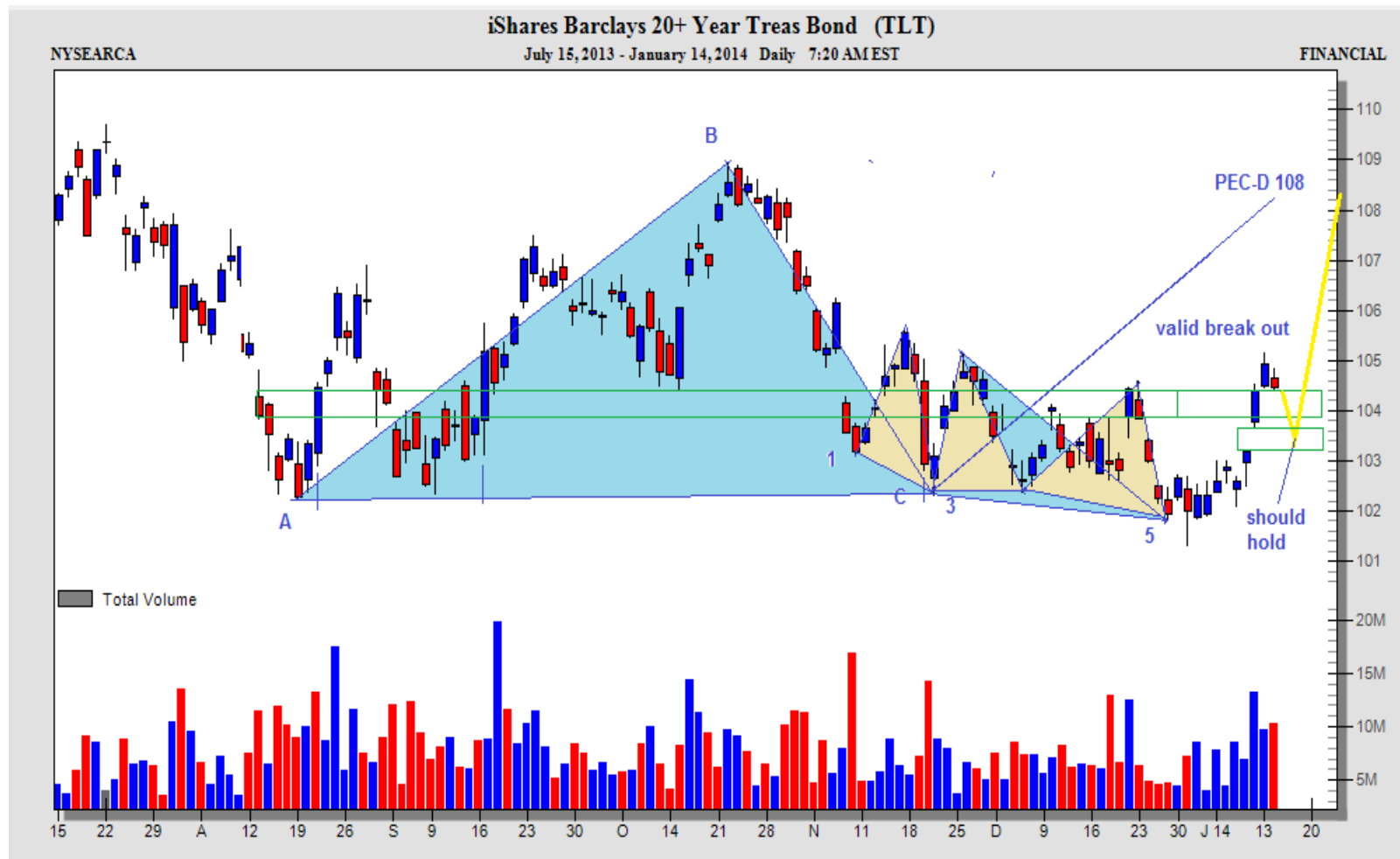
2014 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



TLT (Bond) – CZ- PEC- D Analysis – Daily - Bullish

Upside - , Broke out from the cap of CZ 104-105 with volume . Now should set the leg to to PEC-D 108 .

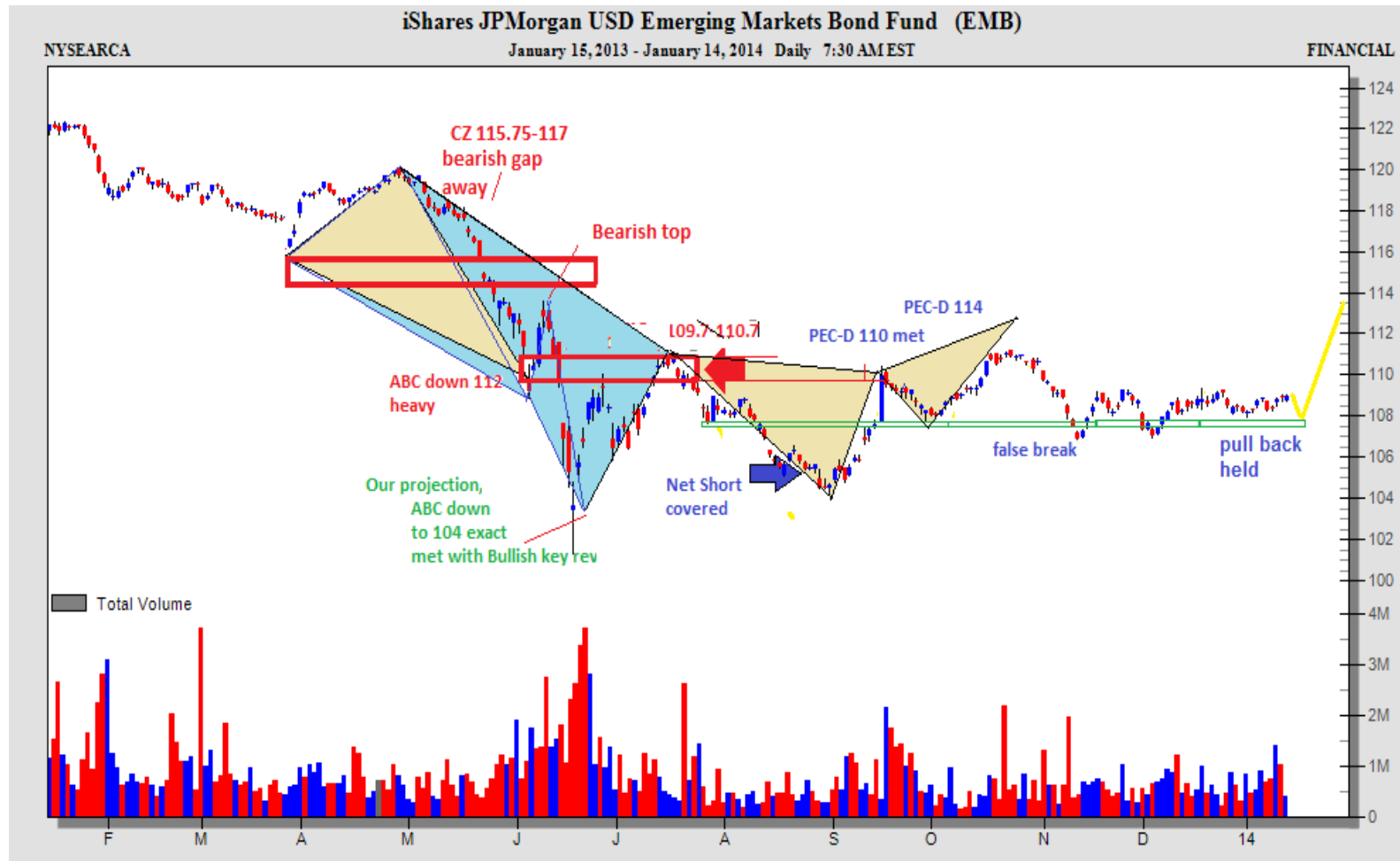
Downside – Pull back into the break away gap at 103 with lighter volume and then head higher.
PEC-D 104 is tested successfully. We would like to see close above 105 on weekly .



EMB (EMG Bonds) – CZ / PEC-D / Ratio Analysis – Daily – Neutral with Bullish bias

DOWNSIDE – Pull back to CZ 107-108 – Met & rejected lows . Bullish breakout area . **NO SIGNAL**

UPSIDE – CZ 114.5-113.75

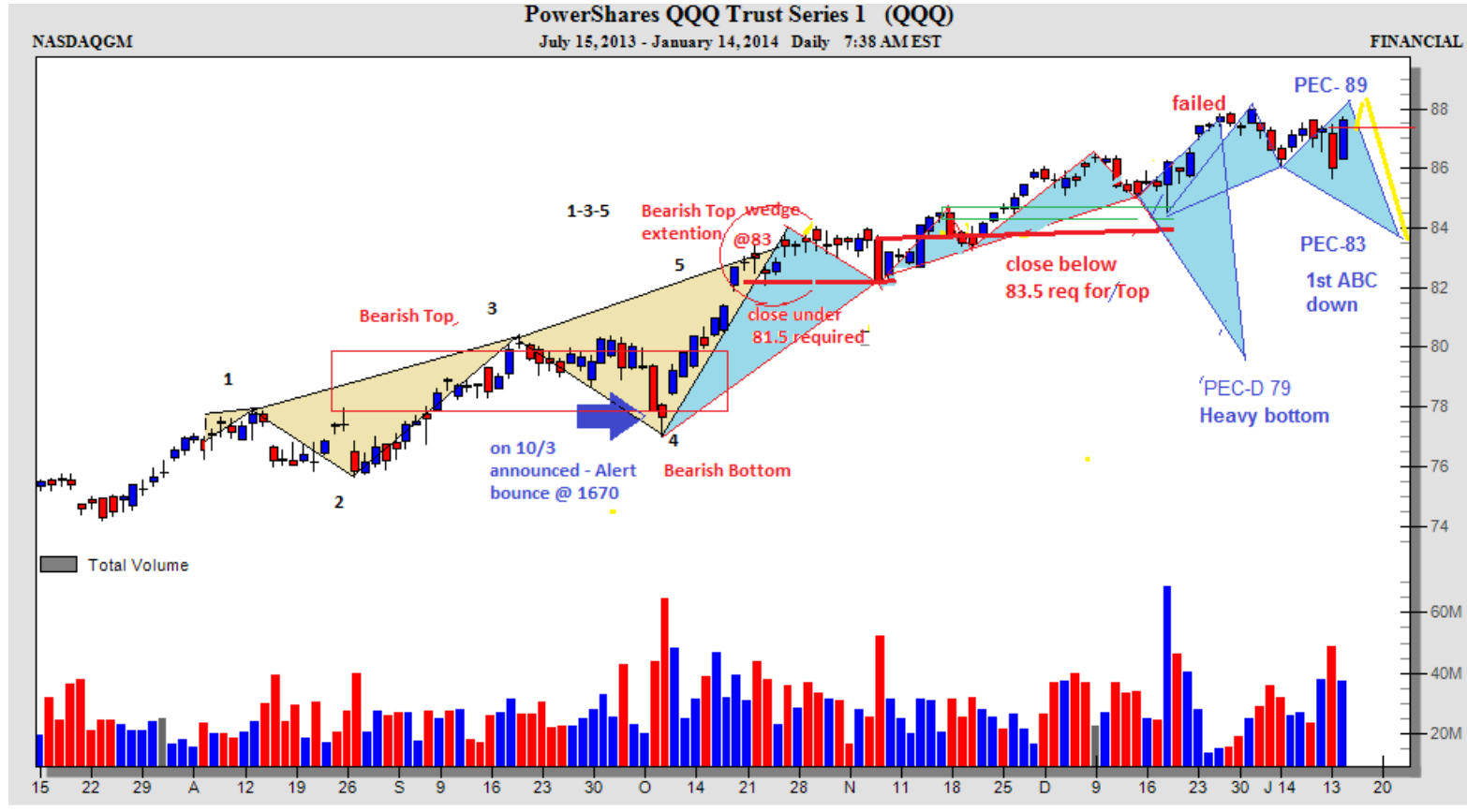


QQQ – (NASD 100) - CZ – PEC-D Analysis - BEARISH

- **Texture – Texture - TOP BEARISH CZ. & TOP BEARISH CZ . - 1-3-5 pattern with –ve VTO**

Upside - Bearish Top- PEC-D 88 met & failed with –ve VTO , **Trigger to Watch** – Touch of 89 and close under 87.5

Downside - Pull back to PEC-D 83 and then **ABC down_PEC-D @ 79 Heavy bottom**,

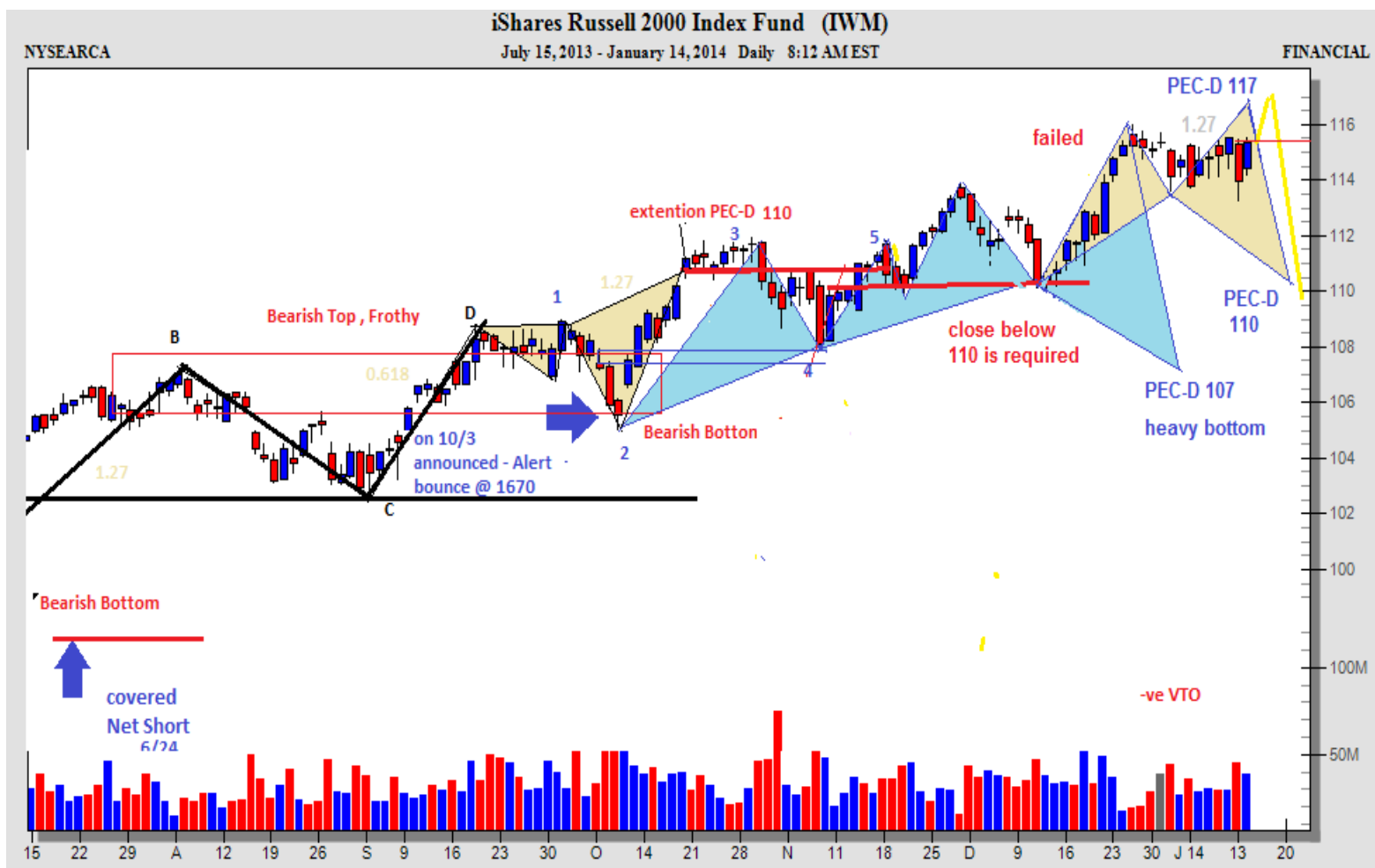


IWM – CZ – PEC-D Analysis - “BEARISH”

- **Texture - TOP BEARISH CZ. & TOP BEARISH CZ) - 3- Drives to the top with -ve VTO**

Upside - Bearish Top- PEC-D 116 met & failed . **Trigger to Watch** – Touch of 117 and close under 115.5

Downside - Pull back to PEC-D 110 and then **ABC down_PEC-D @ 107 Heavy bottom,**



IWM - CZ – PEC-D Analysis - BEARISH

Five Wave 1-3-5 completion with Bearish divergence in Money Flow



Appendix Content

- 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
- Chart Analysis
 - *Trend & Oscillator Analysis,*
 - *PEC –D Analysis,*
 - *Poly- Trend Analysis,*
 - *Pattern / CZ – Price & Volume Analysis.*
 - *Externe Indicator Analysis*

CORRELATION RATIO ANALYSIS

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

- *Direct Correlation continues in Current Trend*

Inter market Analysis – TLT v/s USD

- *Inverse Correlation continues 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 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)

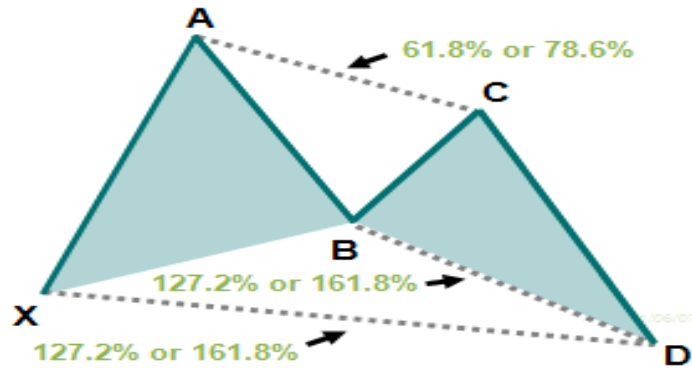
Pythagoras Expansion / Contraction – (PEC) Model

- **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**

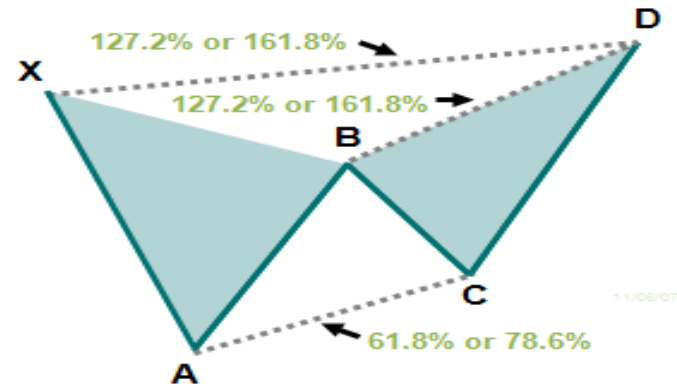
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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