



Date : 25th July 2014 (Friday)

US BROADER 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 & 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) | 115.6 | POM 13 – Re Run Marked to Market On 1/01 start @102 | Announced @ 115.5 on 7/21 to exit ½ Net longs Position entry @ 111 | BULLISH | ½ Net Long | NONE | Target ABC PEC-D 116 Met Bullish Top | | Pull back to 112- Not clear how deep | pull back to CZ 111.5-109 Rejected twice Bullish Bottom | |

ACTIONABLE IDEAS - POM 13 is intact. – **No change**

For Bulls – Rally from **CZ 111.5-109** Bullish bottom to **ABC up to 116** met with Bullish Top – **complete & exited ½** - Risk Management

For Bears - Rally to **116 reached but NOT failed** with lighter volume Bearish top . (**NOT A CANDIDATE FOR SHORT SELL**)

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|-------------------|---------------|---|--|--------------------------------------|------------------------------|--------------------------------------|---|---|--|--|---|
| QQQ (NASD) | 96.60 | POM 15 Triggered On 6/24 SPX @ CZ 1975-1958 | NONE | Neutral <i>No failure Yet</i> | NONE | NONE | Target ABC up to 93.5- met & exceeded | 3 Gap play (3 rd pending Highs to 98 Momentum | Pull back to PEC-D 92.5 and rally back up to 96.0 highs to fail | ABC down to 89.5 Close below 92.5 with high Volume Should target 87 Heavy bottom | No Position in QQQ since 4/30 Report |

ACTIONABLE IDEAS QQQ –

For Bulls – Wait for pull back to **PEC-D 92.5** with Bullish bottom & Participate in next rally to **97.5** and Beyond (provided 92.5 is not breached with volume)

For Bears - Wait for High volume fall to **PEC-D 92.5** Bearish Bottom & let QQQ bounce to **96** and fail with lighter volume Bearish top

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|---------------------|---------------|---|--|-----------------|------------------------------|---------------------------------------|----------------------|-------------------------------|--|----------------------|--------|
| IWM (SM CAP) | 113.4 | POM 15 Triggered On 5/23 SPX @ CZ 1975-1958 | Triggered @118 – Report 7/7 | BEARISH | Net Short | NONE | Bounce to 116 failed | PEC-D -118 Met exact & failed | ABC down to 112- met With Heavy bottom - | ABC down to 110 | |

ACTIONABLE IDEAS IWM –

For Bulls – Wait for pull back to **PEC-D 110** with Bullish bottom & Participate in next rally to **116** and Beyond (provided 110 is not breached with volume)

For Bears - High Volume decline to **112 reached** Bearish bottom . ABC down to **PEC-D 110** (**NOT A CANDIDATE FOR LONG**)

Broader Indices Overview -

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

BONDS - NET LONG exposure – Marked to Market @ 102 – 1st Jan 2014 . Reduced ½ @ 115.5 – 7/21 for 4% profit

TLT Bond – TLT Net long has been better trade then trying to Short the SPX Market.

Since our last Report 7/21 , the bonds followed price path correctly with continuation of rally. Met Bullish **Target at 116** & sold off . TLT has performed well since our POM1 3 Trigger . We are looking **to add** our position back in – re entry **at CZ 111-109.**

QQQ - Since last Report 4/30, We did not have any position in these however **QQQ . It has been in strong Momentum run.** 3 GAP PLAY.

SMH – Semis are beginning to crack (refer chart below) . SMH, one of our lead dog completed ABCD at 50 in its projected uptrend into July 7th and was leading the way up. Past 3 days cracks are building up. We were long on it from 2/4 to 3/23 from 40 to 45

IWM – We had warned , IWM would be better Net Short candidate . Since it Triggered @ **PEC-D 118, 7/7** each Monday's Report has IWM preview.

BULLISH - **TLT- ST pull back**

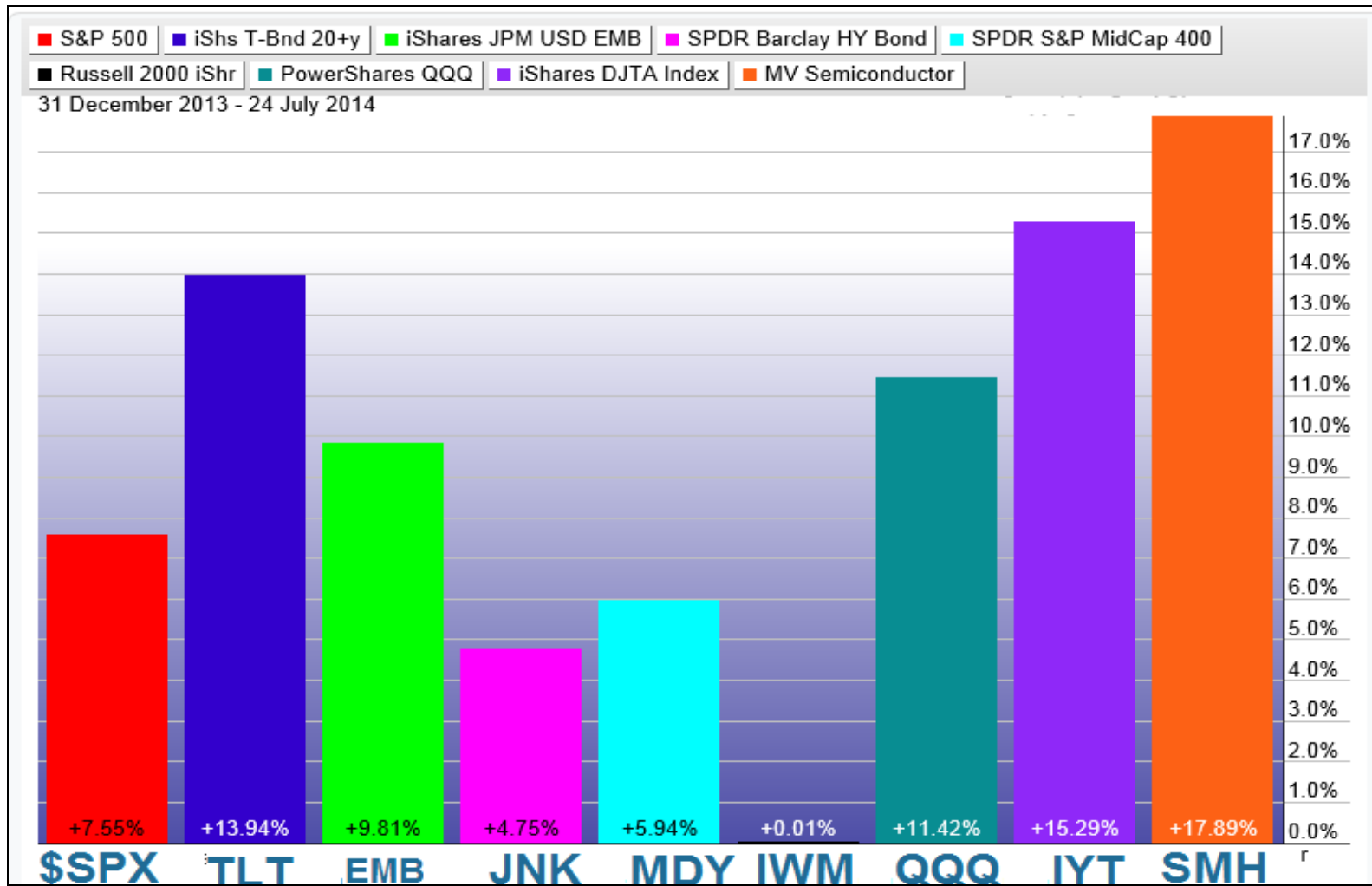
BEARISH - **IWM – since PEC-D 118 failed ,**

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

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

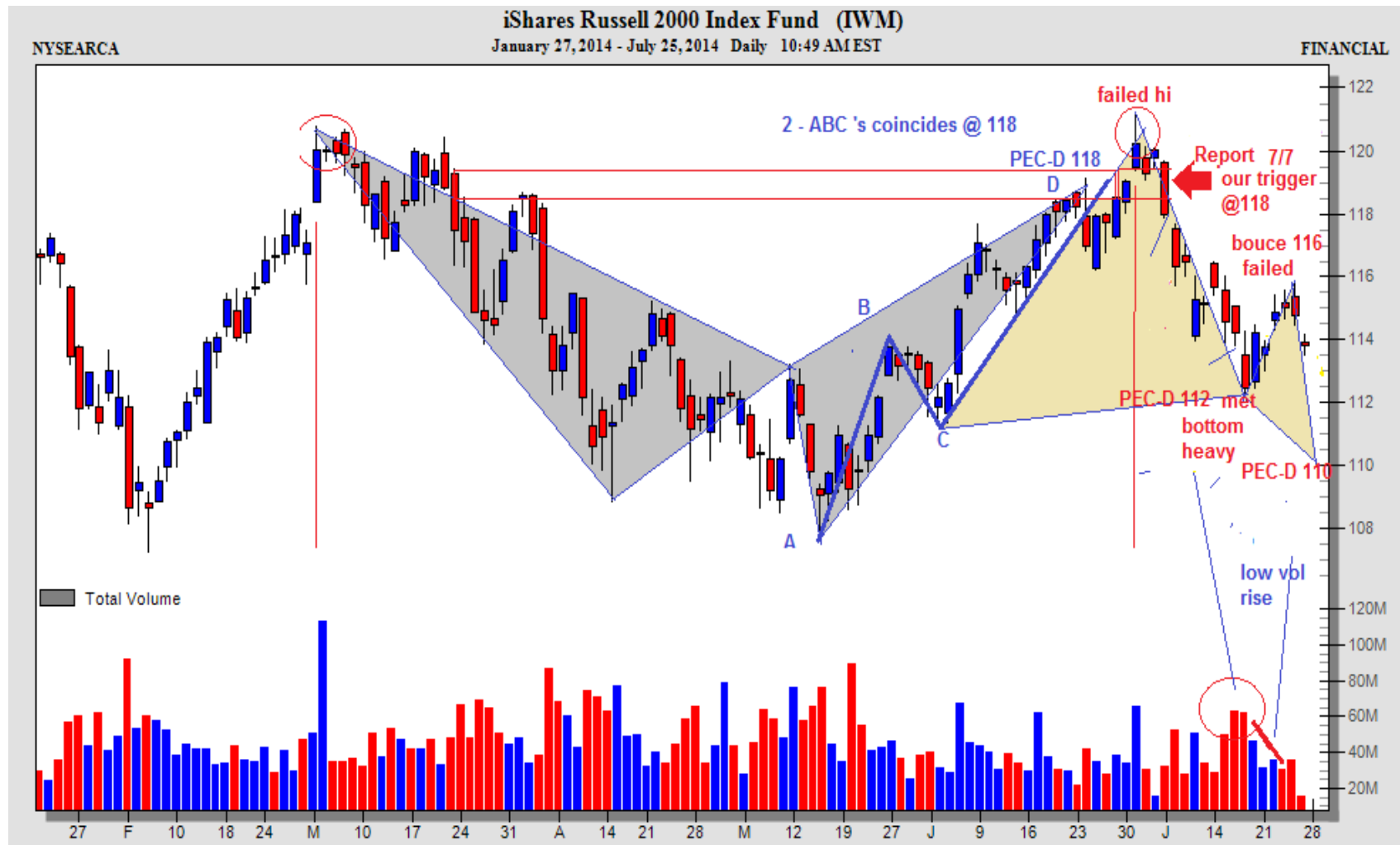
2014 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



IWM – PEC-D Analysis - Bearish

Upside - PEC-D 118 Bearish Top – Met proved it merit & Triggered Report 7/7 . (Notes within the charts)

Downside - . ABC Down to 112 met with Heavy bottom. Target 2nd ABC down to 110 - Needs a test to sustain the market eventually.



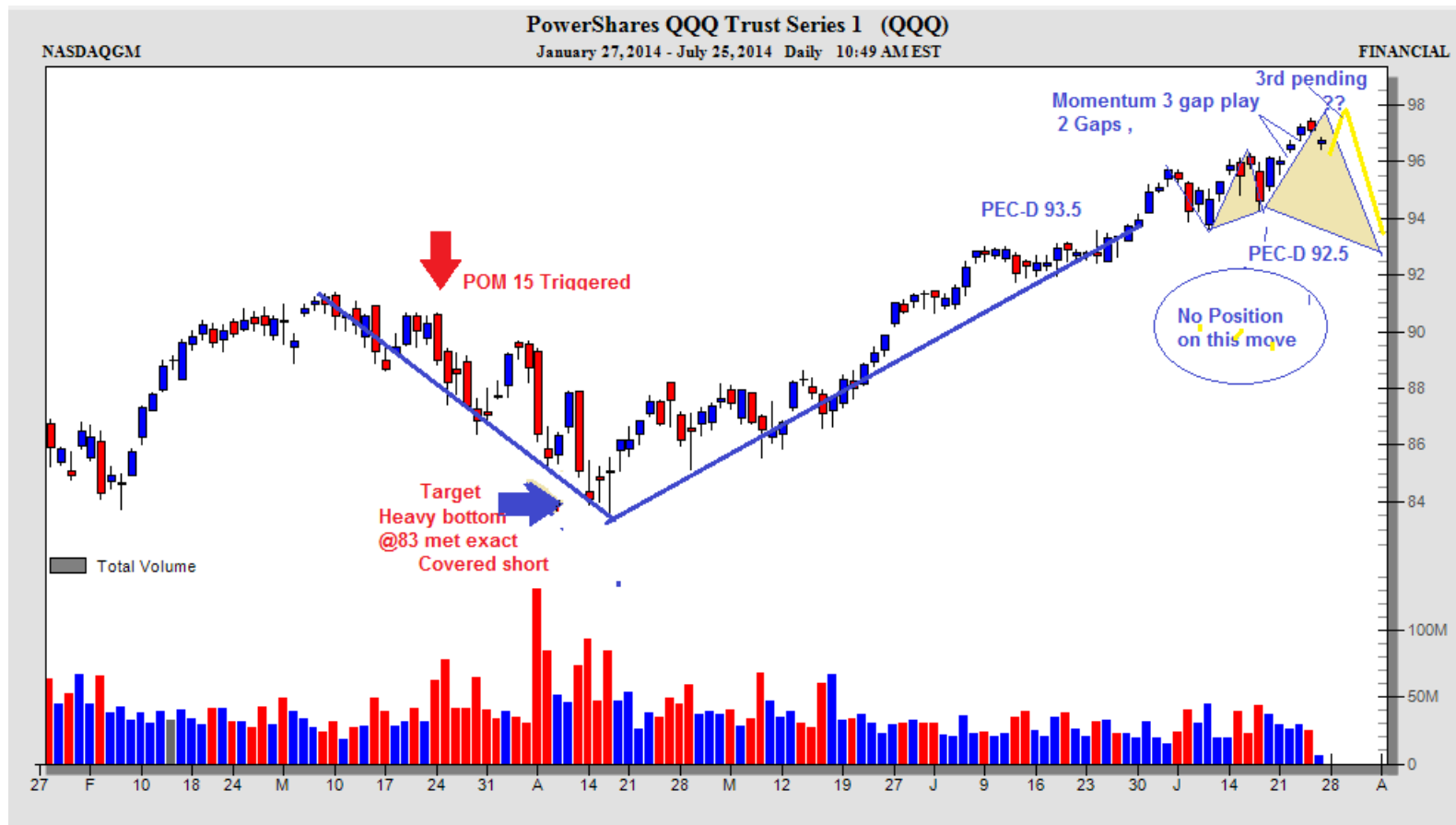
QQQ (NASD 100) - CZ – PEC-D Analysis - Neutral

No Signal / No Position

UPSIDE – 3 Gap play – 3rd Gap pending to wards 98

Downside – Pull back into the PEC-D 92.5 & Rally back to 96 and fail .

ABC Down to 89.5 Heavy bottom

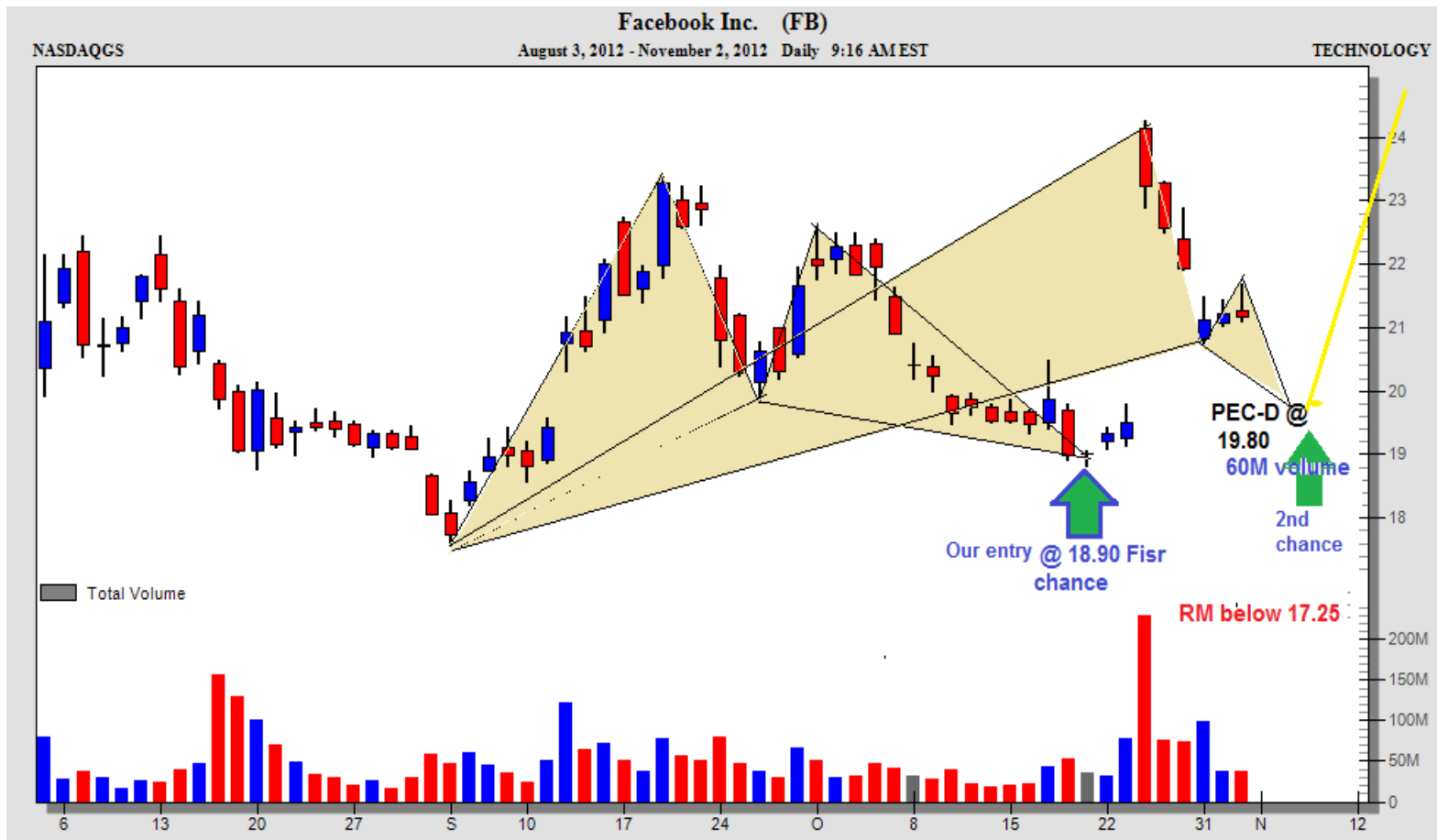


FB – PEC-D / CZ- PRICE & VOLUME ACTION - SPECIAL UPDATE- ARCHIVED SLIDE FROM 11/2012

Slide below is from Nov 2013- PQV Report on FB @ 19.00 for our entry at the bottom . This is one of the 4 stocks we still own till today from 2012 lows HD, JNJ.

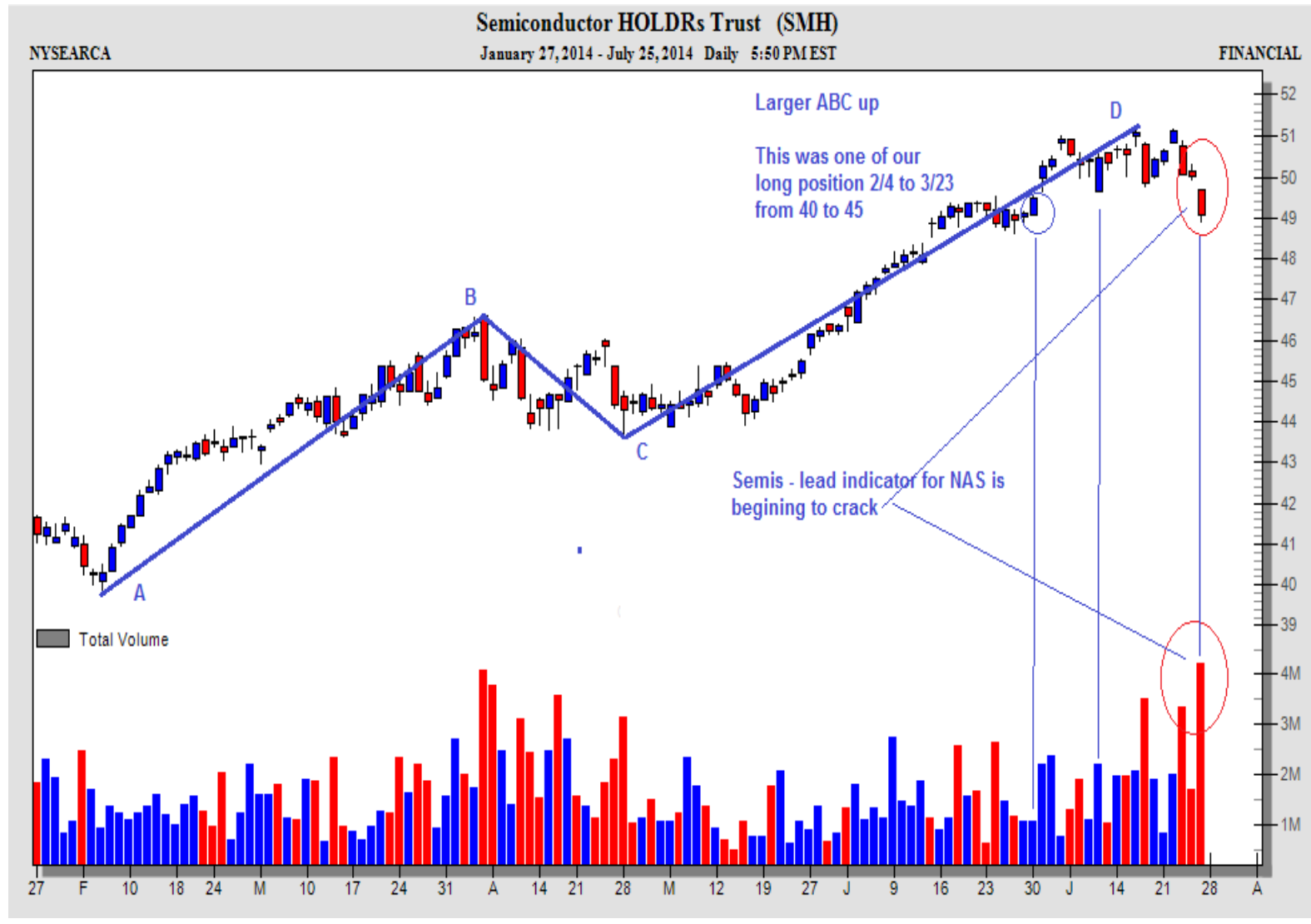
We stated “ *FB lovers – After 60% correction from highs – lock out is already expiring for Block shares, residual lock out should take it to 19.80 to complete the projection . FB – PQV validation . Accumulation is going on seem to be going on.* ”

We previewed FB as very very long term buy and hold for 4 bagger . Currently stock is Trading just about 78.



SMH - CZ – PEC-D Analysis

Notes within the chart



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.*
 - *Exterme 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)

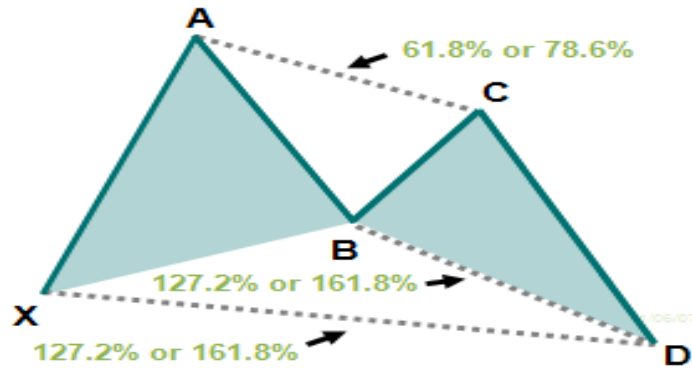
Pythagoras Expansion / Contraction – (PEC) Model

- **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**

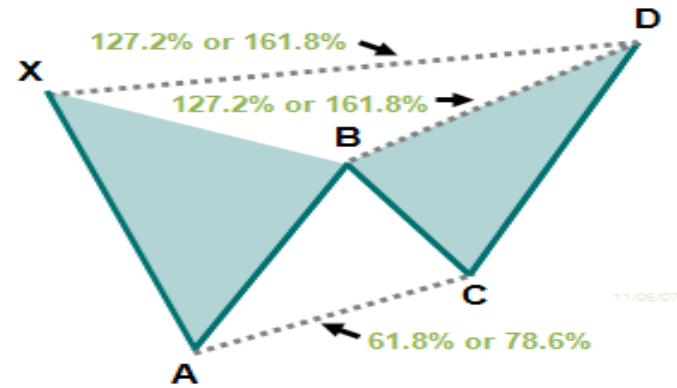
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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