SG Capital Research
Global Market Insights *Chart System*

Date : 15th June 2014 (Saturday)

_____

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

• Executive Summary

	Current Price	Triggered within CZ & date	Last Announcement Update For ST Trend Reversal & RM	Progress Status	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
$BSE MUMBAI	25200	**_BSE @ 20050_** _On 2/3 – COR –SPX Model Triggered POM 14 due to_ _Upcoming rally_	NONE	NEUTRAL Bearish Bias (pull back)	ABC up To 23400 Met Exact Neutral Top	Target ABC up CZ 26800-26400 With weekly Bullish Top	Pull back to CZ 24800-24400 In progress Bullish Bottom	ABC down to CZ 22800-22400 Weekly Bullish Floor	**BSE has rallied _5300 point since our last Main signal 2/3_**

 ACTIONABLE IDEAS -

For Bulls – Wait for pull back to CZ 24800-24400 with Bullish bottom & Participate in next rally to 26500 (provided 24800-24400 is not breached with volume)

For Bears - Wait for High volume fall to CZ 24800-24400 Bearish Bottom & let rally bounce to 26000 and fail with lighter volume Bearish top) to Trim back position ……..We are monitoring it .

- ## **SIGNALS. -** **Price Projection CZ , Trading / Investment Conclusion**

BSE Overview

In our last Global BSE Report 5/2, BSE was trading @ 22400 " *We had indicated pull back to CZ 22100-21900 . BSE pulled back to 21200 (almost close to Bullish bottom) and rallied back up . Due to Election results , we had mixed picture with CASE 1 & CASE 2 situation for the surrounding 3 days . However purely based on Normal Volume Indicators weekly Bullish top & Bullish Bottom in place , we suggested ABC up to 23400 a path of least resistance.* This projection was met and exceeded building large extended ABC up beyond to 26600 (during our 1 month absentee).

Next – We expect a pullback now to CZ 24800-24400 Bullish bottom and rally back to finish the upward projections . There is no sign of Bearish top . On weekly basis Bullish top remains.

The pull back to to CZ 24800-24400 would allow for a few more days of sideways action, Conditionally a break below this CZ with high volume be required to confirm the bearish turn to target 22500 which we don't think should happen this time around. Once CZ 24800-24400 is rejected with Bullish bottom, the Market would rally to 26600 . **(Refer chart 1)**

On weekly basis , the larger correction should come in after the PEC-D 26600 is completed with Bearish top and ABC down to CZ 22800-22400 **(Refer chart 2)** . This Market on volume basis since February 2nd (our main Trigger) did not even once had a Bearish top. The 3 days around election was a challenge but the volume ruled the direction of trend.
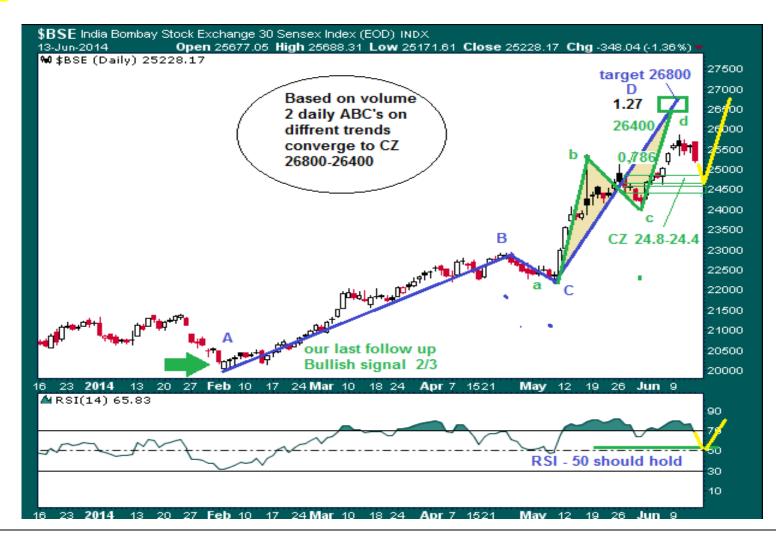
Note -

Charts below we do not indicate the volume bars but all our price projection is based on volume analysis done separately.

CHART 1-   BSE (Mumbai) – CZ/ PEC-D Top – Daily

Neutral Top   & Bullish bottom

DOWNSIDE – Pull back to CZ 24800-24400 Bullish bottom. Should hold

UPSIDE -   ABC up 23400 - Met with Neutral Top and exceeded to New ABC up in CZ 26800-26500.. (Refer notes within the chart)

CHART 2-   BSE (Mumbai) - Bigger picture- weekly

- **Texture – Bullish Top   & Bullish Bottom** .

UPSIDE -   . Our weekly   ABC up to PEC-D 26500 once completed and fails

DOWNSIDE -   ABC down to CZ 22800-22400 - Bullish Bottom.

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**

<u>note –</u> **This Analysis in BSE is <u>" STRICTLY</u> " with respect to SPX & POM . pinpoints the Tops and bottom. NOTE - POM 's of SPX are better actionable points. All other points CZ (noted) are moves within the move for Risk Management. Actionable point by this methodology is at SPX @ POM 14**

<u>Critical backdrop Notes –</u>

- 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.

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