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BROADER INDICES REPORT(Strategy & Prop Tech)

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Executive Summary

	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)	107.07	POM 13 – Re Run Marked to Market On 1/01 start @102	<u>Announced @ 108.28</u> on 2/3 to close ½ Net longs positions <u>due to</u> ST pull back	BULLISH	Net Long	NONE	Target – PEC-D 108 Met with Bullish Top	2 nd ABC PEC-D 112 Bullish Top	pull back to CZ106-105 Met exact, Held & then rallied back	CZ 102-104 retested rejected on low volume Bullishly	@ 109.25 on 2/4, closed ½ <u>Net long</u> position for <u>7 pts profit</u> 6.5%
IWM (SM CAP)	119.1	POM 14 Triggered on 2/3	<u>Announced @ 109.25</u> to close all Short positions <u>due to</u> Upcoming rally in progress	NEUTRAL Bounce in progress	(No Short positions) No signal	NONE	Momentum Thrust Target to 117 Met on this rally	Target Double to PEC-D 121 Neutral Top SPX Should turn POM 15 on failure	1 st ABC down to 114 – Neutral bottom Not ready to break yet	2 nd ABC down to 110 – heavy bottom	@ 109.2 , 2/3 closed all <u>Net Short</u> instated position at 115.5 for <u>profit</u> 5.5%

	Current Price	POM Triggered within CZ & Date	Follow up <u>Alert</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
QQQ (NASD)	90.29	POM 14 Triggered on 2/3	<u>Announced @ 84.29</u> to close all Short positions due to Upcoming rally in progress	NEUTRAL Bounce in progress	No Short positions) No signal	NONE	Momentum Thrust Target to 89 Met on this rally	Target Double to PEC-D 92 SPX Should turn POM 15 on failure	1 ST ABC down to 86 heavy bottom	2 ND ABC down to 84 heavy bottom	<u>@ 84.29</u> , 2/3 closed all Net Short instated position at 88.255 for profit 4.5%
SMH (SEMI) Pre-Announcement	45.36	POM 14 (SPX)	<u>Announced @ 40</u> within CZ 40.25-39.75, 2/5 to go net long	BULLISH Up 12.5% since our entry Trigger 2/5	Net Long	Close This position at SPX – POM 15 announcement	Target TO SPX POM 15 – Trigger		NONE	Pull back To CZ 40.25-39.75 Met exact & rally began	Good candidate to be long in the bounce since SPX 1735 Trigger
IYT (TRANS)	135.1	POM 14 (SPX)	NONE	NEUTRAL	NONE No signal	NONE	Till next POM 15 in SPX	TBA	TBA		

Broader Indices Overview -

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

Since last Report 2/05, Market has continued to rally as expected since our Trigger to Close Short position @ 1775.

In that Report – Announcement, Our Call to go LONG in SOX within CZ 40.25-39.75 has worked out very well in this rally SMH is up 12% since. We shall continue to be in the trade till POM 15.

QQQ and IWM – Has rally back to its bounce targets but No sign of final till POM 15 Triggers on SPX .

SMH – Rallied Bullishly with Bullish bottom Trigger at 40.0 and was good instrument to go long in last Report with Big upturn in money flow and has led this rally up.

IYT remains Neutral.

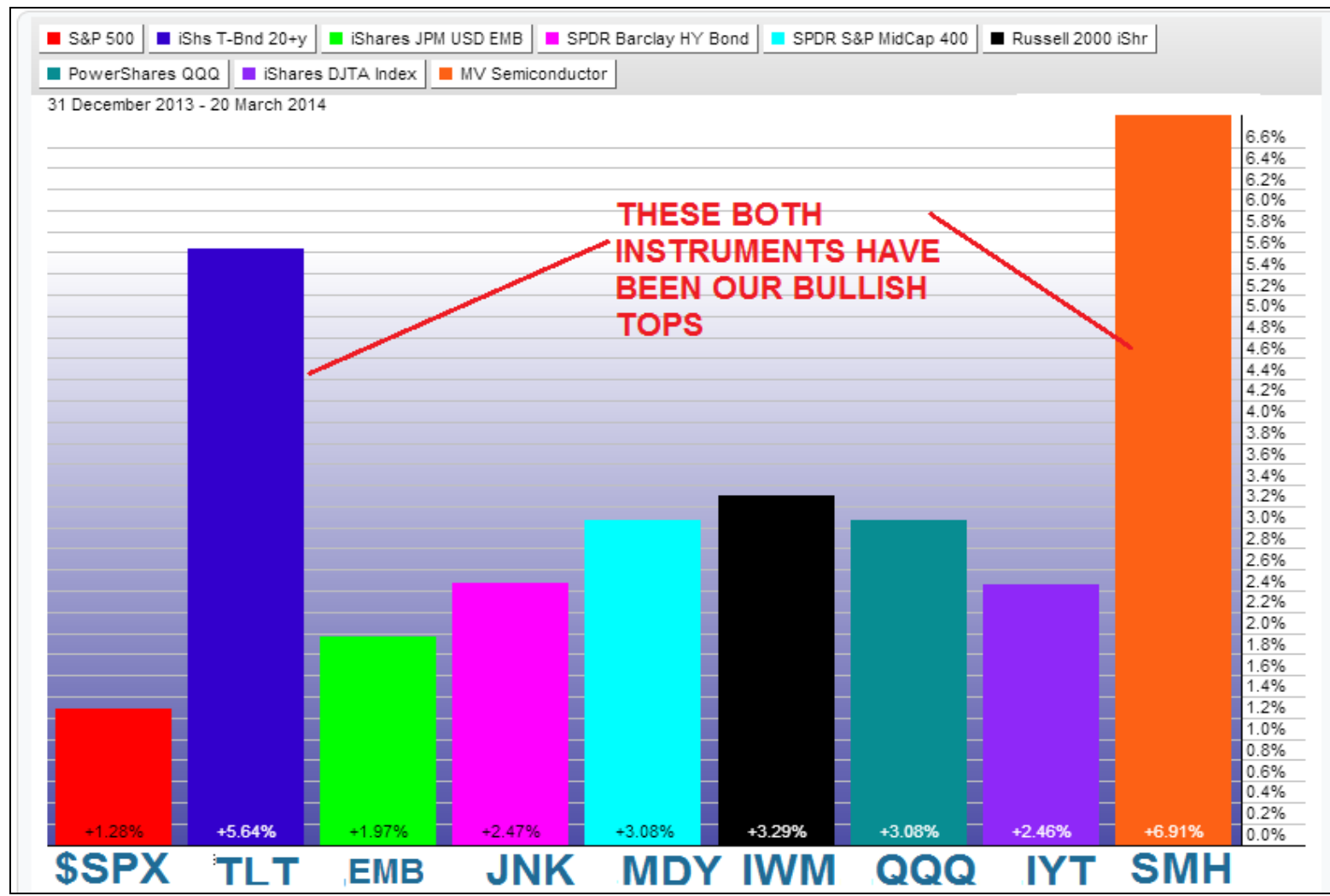
TLT Bond prices pulling back Bullishly from Short term Bullish Top. Rally in Bonds should coincide with Top in SPX .

- BULLISH - SMH, TLT- ST pull back
- BEARISH- NONE
- NEUTRAL - IYT, QQQ, IWM

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

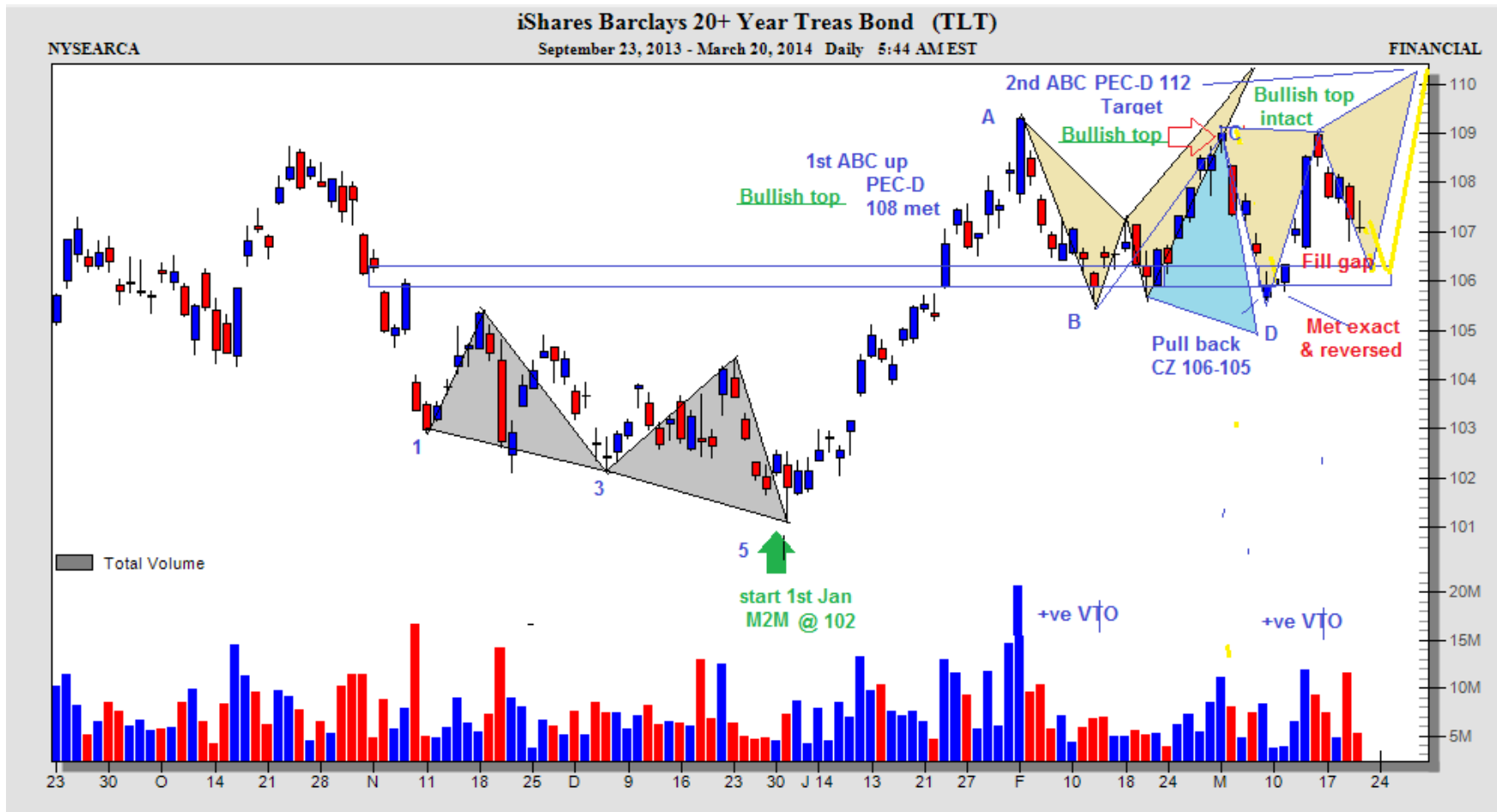
2014 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



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

Downside – CZ 106-105- in progress & then higher . Earlier Rejected with low volume in this CZ .

Upside - Target to PEC-D 108 - Met with Bullish Top suggests shallow pull back and then head higher to 2nd ABC up to PEC-D 112 .



SOX – Poly Trend Analysis -

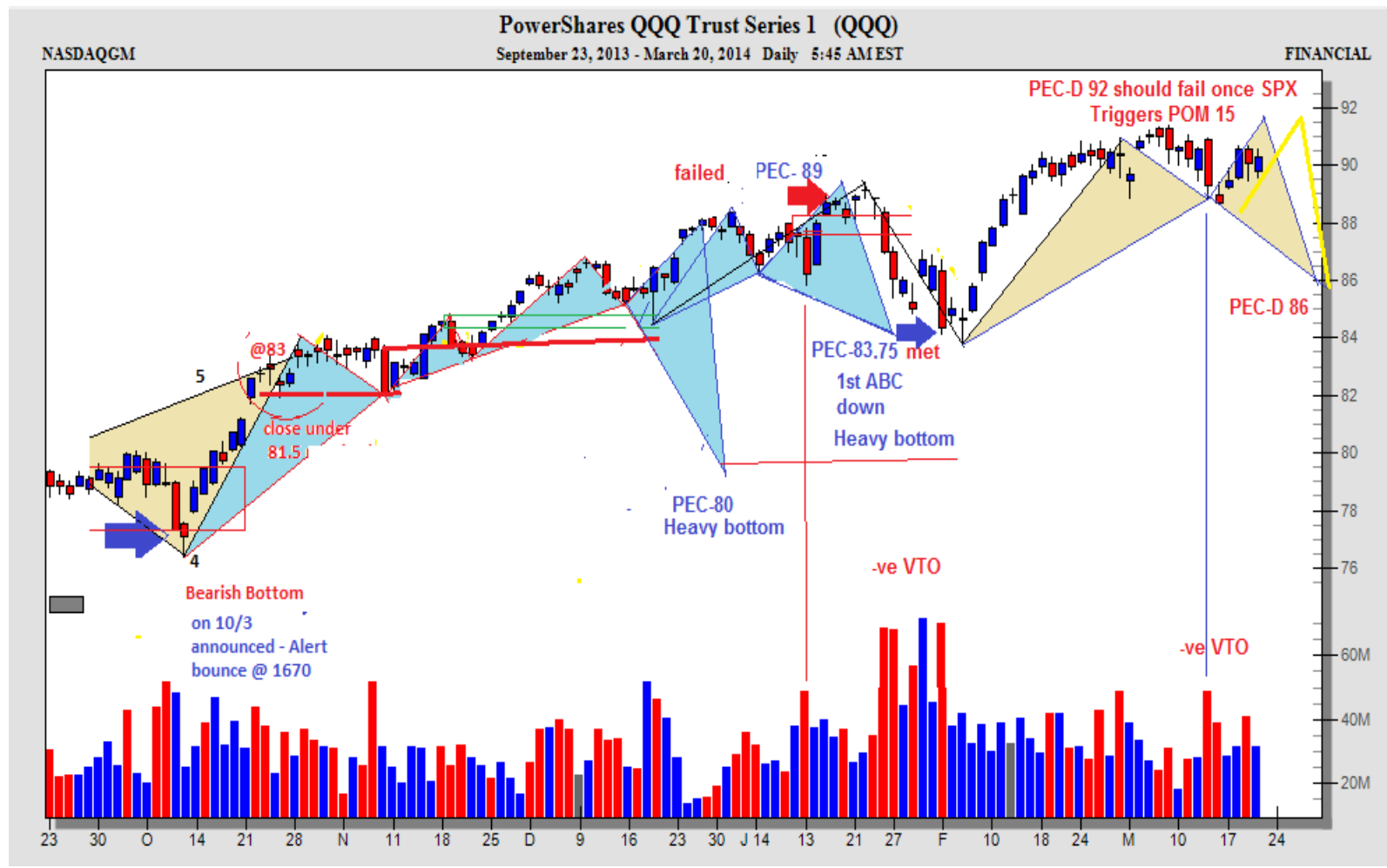
SMH initiated rally from Bullish bottom on 2/4 – Signal announced with Big upturn in money flow. SOX led the rally. Up 12% since entry Trigger.



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

Upside - Bearish Top- PEC-D 92 should fail on SPX – POM 15 Trigger

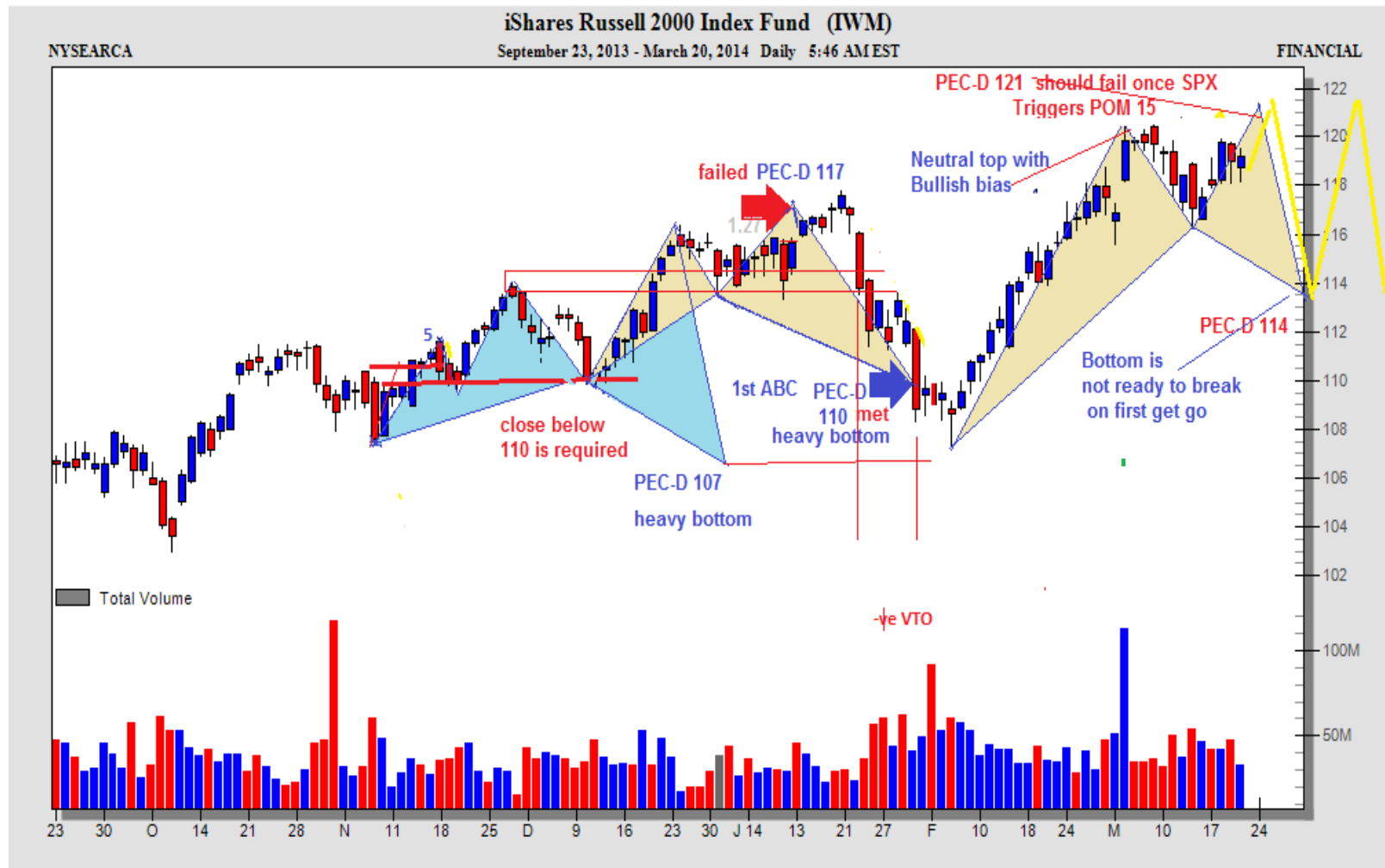
Downside - 1st ABC down to PEC-D 86- Heavy bottom,



IWM – CZ – PEC-D Analysis - Neutral

Upside - NEUTRAL top - PEC-D 121 should fail on SPX – POM 15 Trigger

Downside - 1st ABC down to PEC-D 114 Neutral Volume – This Not ready for 2nd leg down YET



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)

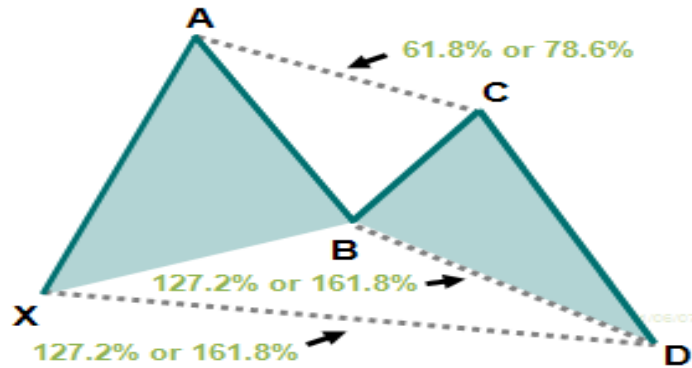
Pythagoras Expansion / Contraction – (PEC) Model

- **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**

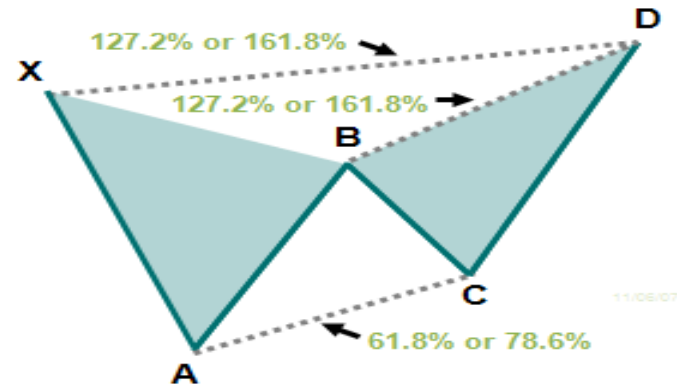
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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