



Date : 8th November 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)	116.7	POM 14 Triggered 107.2 SPX @1933 on 10/2	NONE	NEUTRAL	0%	NONE	3 Gap Play To 117 With exhaustion No Signal to Sell yet	Target PEC-D -119 Bearish Top Failed at previous POM 15	Pullback to 113 & rally up .	Earlier ABC down to PEC-D 103 Around POM 14 Met exact and rally began	Locked in 7.2 % net short profit On last decline

ACTIONABLE IDEAS IWM – POM 14 – Triggered on 10/2 @ 107.2 (covered Net Short for Profit)

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 - Wait for **PEC-D 119** to meet and fail with lighter volume Bearish top. Then participate in next SPX Signal POM 15.

	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)	101.5	POM 14 Triggered 96.5 SPX @1933 on 10/2	NONE	NEUTRAL	0%	NONE	3 Gap Play To 101 With exhaustion No Signal to Sell yet	Target PEC-D -104 Bearish Top Reverse 5 wave pattern	Pullback to 98.5 & rally up	<u>Earlier</u> ABC down to PEC-D 92.5 Just below POM 14 Met exact and rally began	

ACTIONABLE IDEAS [QQQ – POM 14 – Triggered on 10/2 @ 96.5](#)

For Bulls – Wait for pull back to **PEC-D 98.5** with Bullish bottom & Participate in next rally.

For Bears - Wait for **PEC-D 104** to meet and fail with lighter volume Bearish top. Then participate in next SPX Signal POM 15.

Broader Indices Overview -

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

IWM – has been best candidate for Net Short position during POM 15 . Let's wait for the failure at POM 15. We have successfully traded this several times profitably

QQQ - Our PEC-D Target has been meeting accurately although we have not traded this Index. , No Signal currently

QQQ is forming Reverse 5 wave pattern on –ve VTO .

On upcoming Monday's MS Report , SPX should give more clarity on overall market. SPX has been moving to our projected target of 2040 as indicated in last Monday's Report

BULLISH - **TLT-**

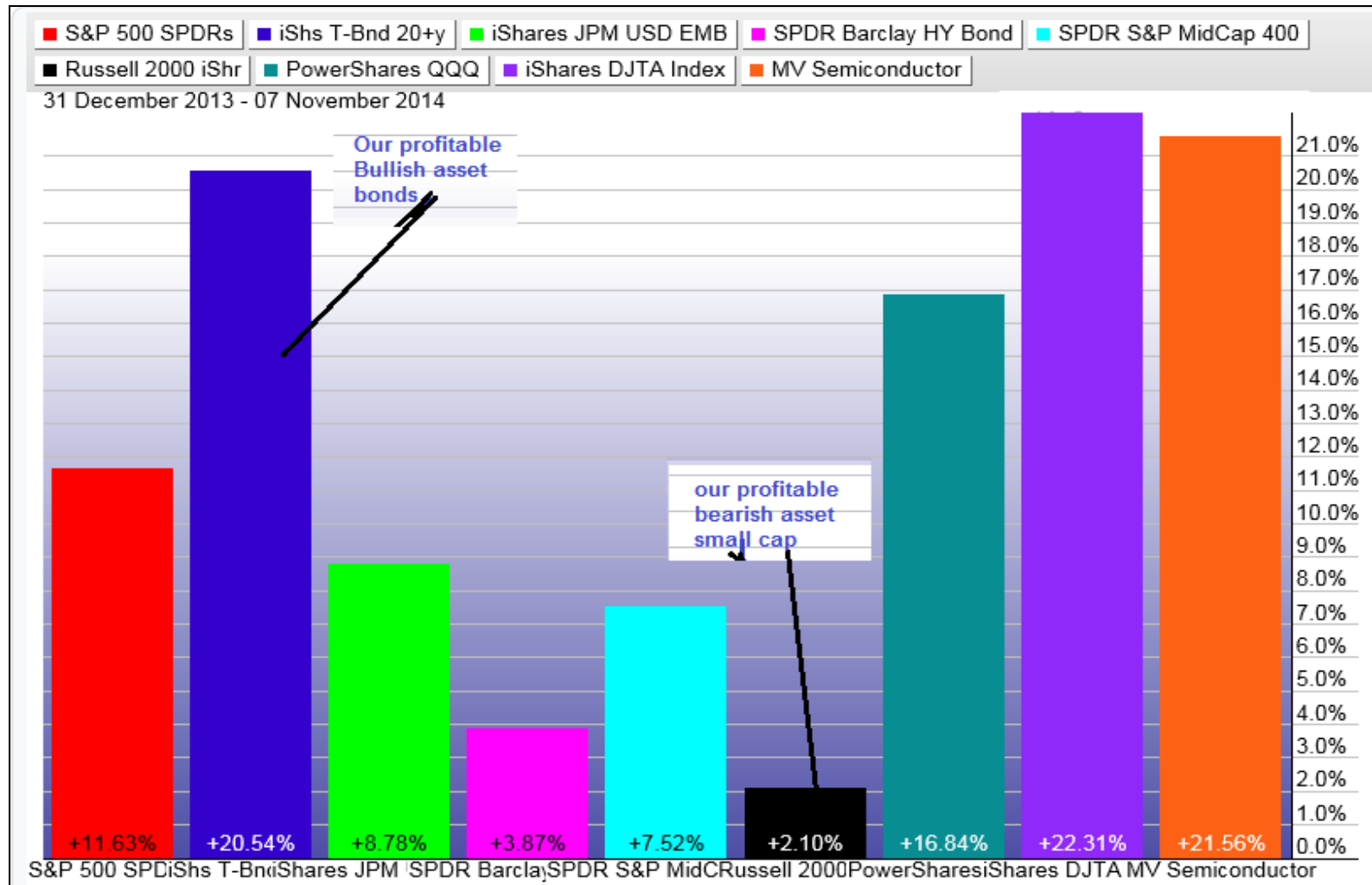
BEARISH - **IWM , QQQ**

NEUTRAL - **IYT, SMH ,**

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

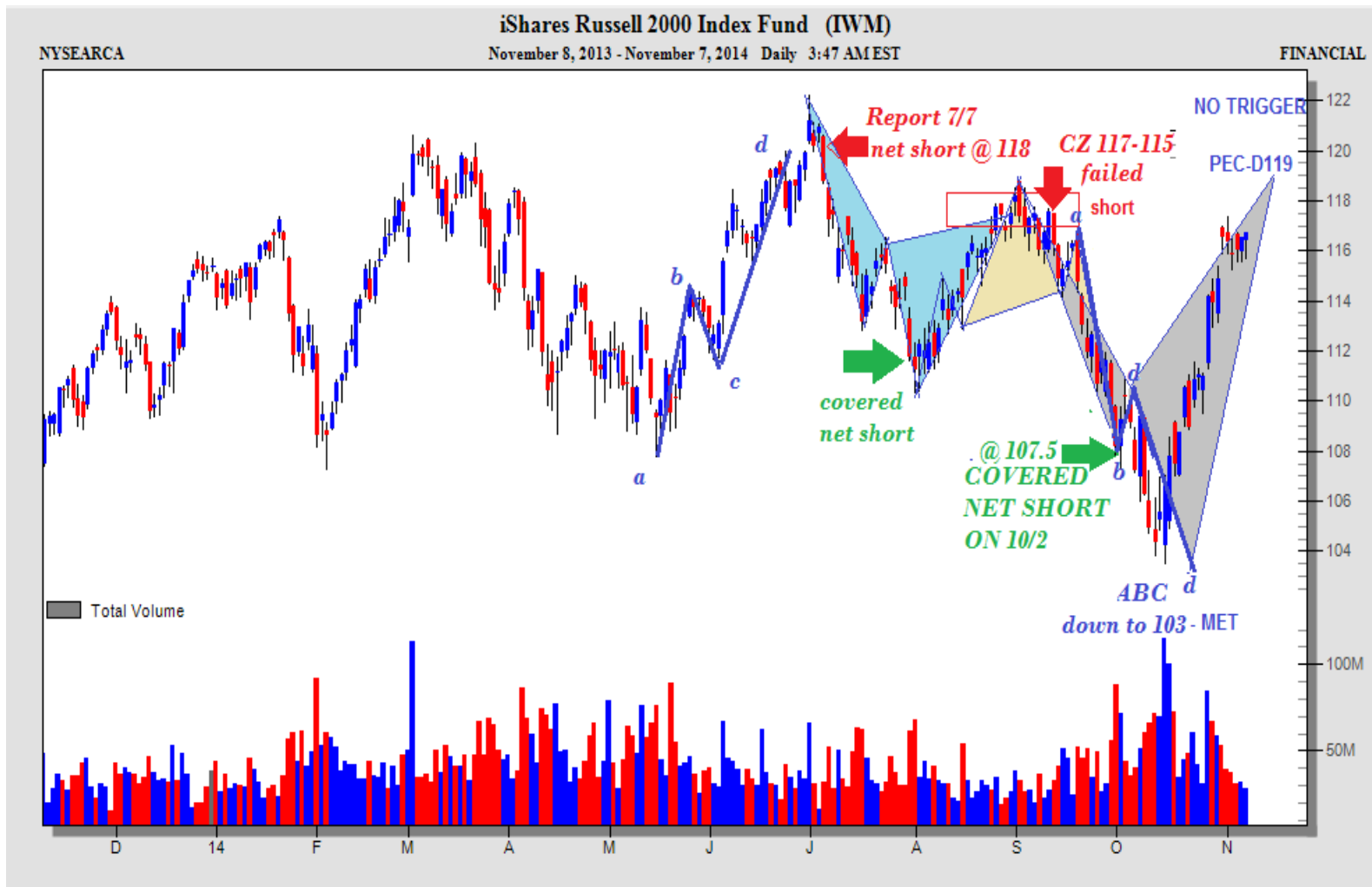
2014 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



IWM – PEC-D Analysis - Neutral

Upside – Target to PEC-D 119 Bearish top, wait for failure. (No Signal)

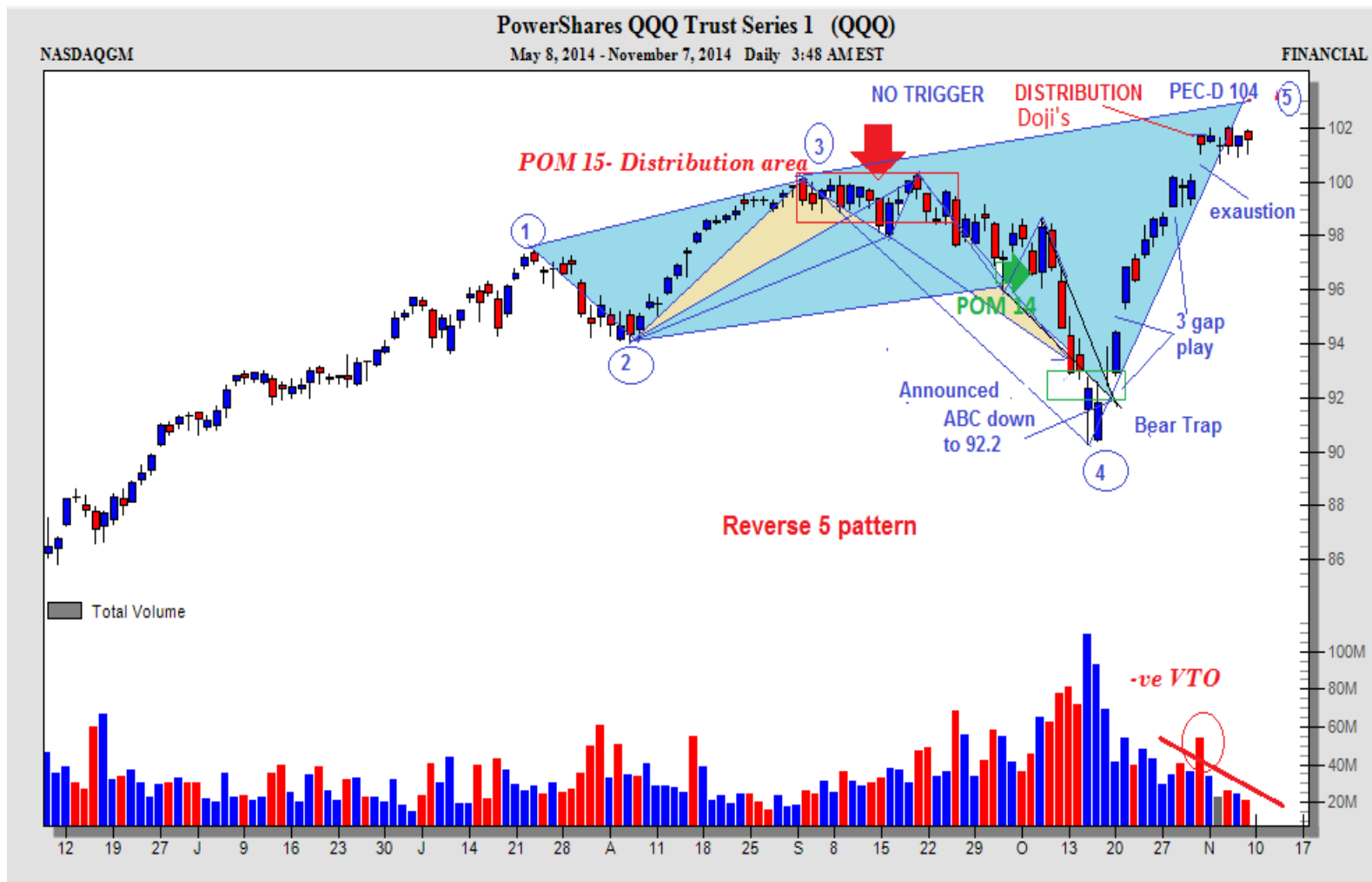
Downside - First pullback to 113 , we shall monitor the quality of decline



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

Upside – Target to PEC-D 104 Bearish top, wait for failure. (No Signal) – Reverse 5 wave pattern under completion
On –ve VTO

Downside - First pullback to 98 , we shall monitor the quality of decline



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)

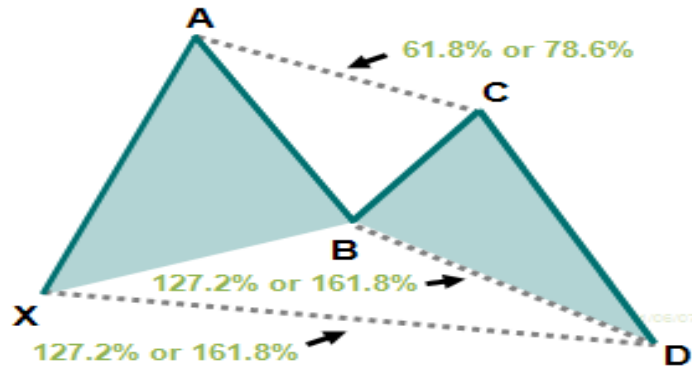
Pythagoras Expansion / Contraction – (PEC) Model

- **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**

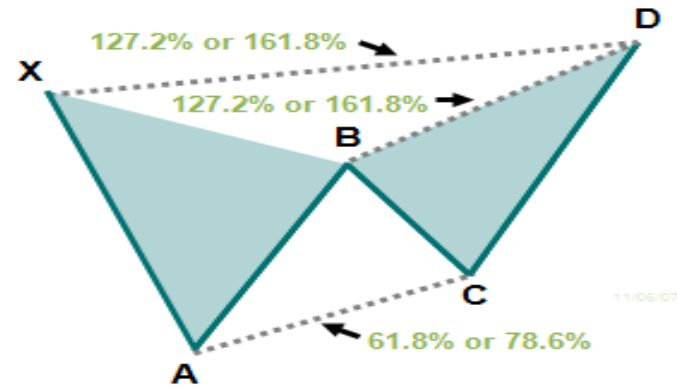
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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