SG Capital Research
Global Market Insights
Chart System

Date: 22th February 2014 (Saturday)

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• 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	29200	*SPX- COR On 2/2 SPX Triggered POM 14 – Neutral @ 1997*	At 28250 SPX @ 1997 Triggered POM 14 Neutral	NEUTRAL	bounce target of 28600-28400 Met & extended. It negated Bearish Top	Target to CZ 29.9-29.4 **Last Engulfing** has high volume to be tested The highs Neutral Top	Pull back to 28.6-28.4 Breakout area and then rally up Neutral Bottom	Target to Gap area 27700-27400 Neutral Bottom	**Weekly ABC down to PEC-D** CZ 25.7-27.3 Bullish Floor

ACTIONABLE IDEAS -

For Bears – To add Bearish position, wait for Bearish Engulf 29.9-29.4 to test and fail along with Triggering of POM 15 in SPX.

Alternatively for Bulls – Pull back to 28.6-28.4 breakout area, with successful rejection and then take Bullish view.

• __SIGNALS.__ - Price Projection CZ , Trading / Investment Conclusion

BSE Overview

In our last BSE Report,   BSE was trading @ 28000; we *had indicated ' The bounce would carry to CZ 28600-28400 & pull back to 27800 . "* However we continued to rally past that target of 28,600 to 29,900 during enthusiasm of Obama's visit to India and then sold off to 28,000. The key reversal upside at 28000 came in BSE on 2/2 when we triggered POM 14 in SPX @ 1997. This was purely due to __COR of 0.8__ & below between BSE & SPX.

__Next -__
__SHORT TERM -__ SPX has not Triggered POM 15 as yet in spite of 100 points rally which suggests that BSE has some residual strength in spite of bouncing 1200 points during same time frame. BSE's current top is still Neutral at Last engulfing highs between 29900-29400 which appears it wants to test the highs.   Pull back target of CZ 28600-28400 remains for another rally up .

 __MID TERM__ - Bearish Top at 28600-28400 __was negated__ due to high volume at CZ 29900-29400
 On weekly basis, the 2nd ABC down target to PEC-D 25500 Bearish bottom within CZ 25600-25300 is pretty much intact. But should be activated only once the Bearish top has been formed

__SPX - COR Note from SPX Report - Our BSE Analysis is partly based on SPX COR__

On 2/2 – SPX @ 1997, we covered all our Net Short position for 90 points profit and Triggered of POM 14 – Neutral . BSE has been following that bounce since 2/2. __BSE should start to correlate more closely in coming months based on COR reading of 0.8 and below.   *We have target of 2125 on SPX , initiated at 1997*__

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

Neutral Top & Neutral Bottom   (Note within the charts)

UPSIDE - Target of 29800-29400 Last Engulfing, re test required on top.

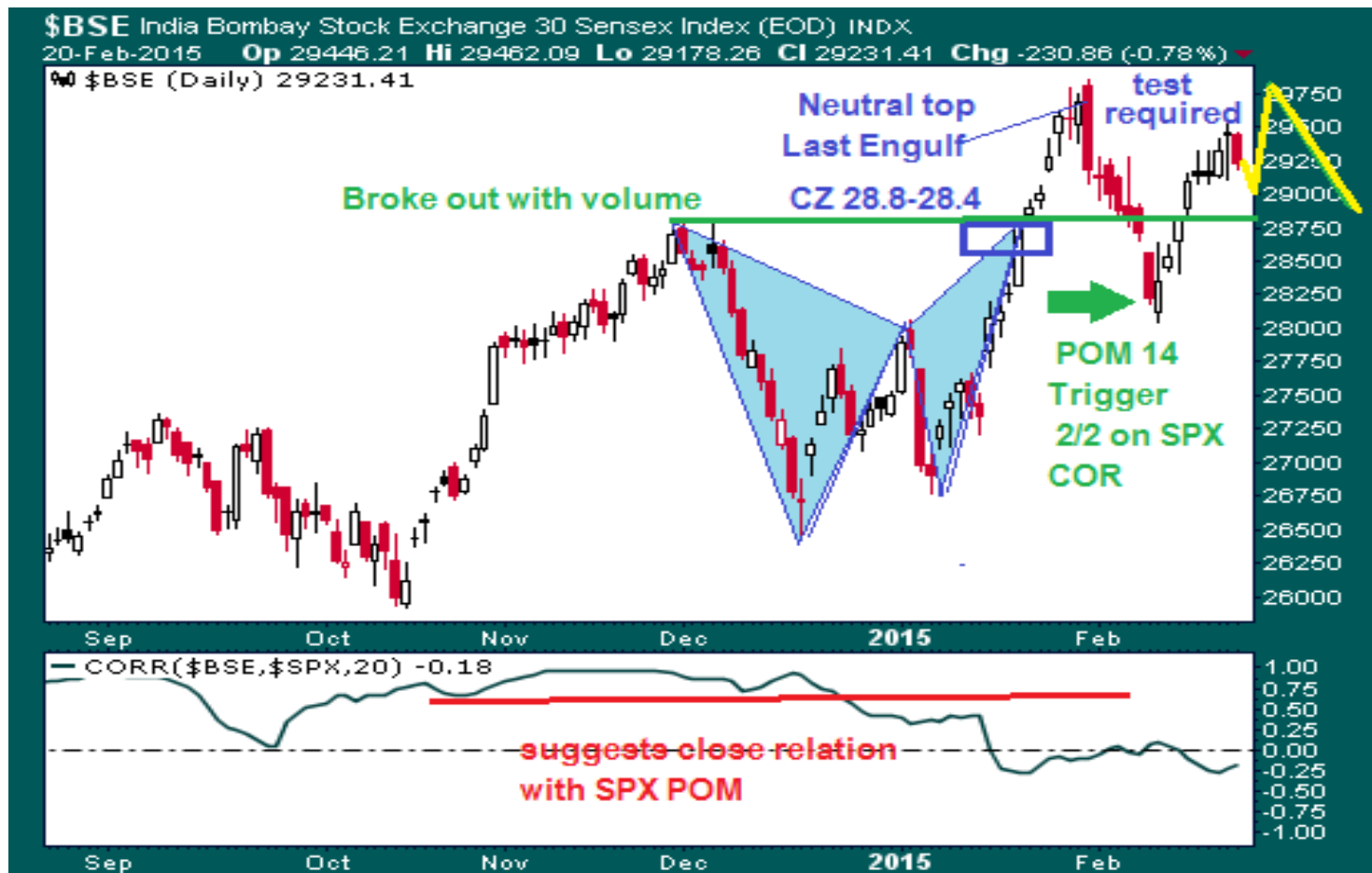**DOWNSIDE** - The pullback to Breakout area of CZ 28600-28400. Then rally up.

CHART 2-   BSE (Mumbai) – CZ/ PEC-D Top – Weekly

Neutral Top & Neutral Bottom

UPSIDE -   Re test of shooting star @ 29900 . Weekly COR is dropping below 0.8 with SPX. SPX - POM is more relevant

DOWNSIDE – ABC down into CZ 27700-27400.

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**

Critical backdrop Notes –

- 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