SG Capital Research
Global Market Insights
Chart System

Date : 19th January 2014 (Monday)

• 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	28100	*On 11/15 @28000 announced target to 28.4 and then pull back to 27.3 with Ultimate target to 25.5*	**SPX- COR** *On 1/16 SPX Triggered Short term bounce @ 1992*	BEARISH ST bounce	Our bounce target of 27400 Exceeded with gap up.	Double top to 28400-28600 Should get re tested Bearish Top .	Pull back to Gap area to 27700-27400	Target- PEC-D 26800 Neutral Bottom **Weekly ABC down to PEC-D** CZ 25.7-27.3 Bullish Floor	Market is forming top Between 28.4-25.6 gyration

ACTIONABLE IDEAS -

For Bears - For additional Bearish position wait for 28500 double top to fail on secondary Bearish top

Alternatively for Bulls – Pull back to 27700-27400 Gap area , with successful test take any Bullish view.

• SIGNALS. - Price Projection CZ , Trading / Investment Conclusion

BSE Overview

In our last BSE Report, BSE was trading @ 27300; we *had indicated ' The bounce would carry to CZ 27800-2740 0 on completion of 3 gap Play as January effect continues. "* We hit the highs of 28000 and decline began but decline took BSE down to 26800 (around our 1st ABC down @ 27000 – Heavy Bottom) & rallied back to highs of 28000 once again at current level .

Next -

ON MID TERM BASIS- Bearish Top at 28400-28600 still remains. On weekly basis, the 2nd ABC down target to PEC-D 25500 within CZ 25600-25300 is pretty much intact.

ON SHORT TERM BASIS - 1st ABC down at 27000 held with Neutral Bottom and market bounce. The extend of the bounce past 2 days was little more than we expected . This is purely due to SPX – COR we pointed out last week being below 0.8 . SPX bouncing from lows of 1992 (our Trigger 1/16) . The BSE Target for the bonce should be 28400-28600 for double top. failure area . **If it breakout from that area with volume than it is something more in upcoming potential positives in budget which we don't know.**

SPX - COR Note from SPX Report

-Last week , on 1/16 – SPX @ 1992, we covered ½ of Net Short position of POM 15 – M2M – SPX Trigger at 2082. This was in anticipation of bounce which is in progress. BSE has been following that bounce 1/16.
BSE should start to correlate more closely in coming months based on COR reading of 0.8 and below.

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

Bearish Top & Neutral Bottom   (Note within the charts)

UPSIDE -   Target of 28400 -28600– Double top (Bearish Top) .

DOWNSIDE - The pullback @ 27700-27400 – Gap area then rally up and decline to next ABC down to 26800

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

Bearish Top & Neutral Bottom

UPSIDE - Double Top to CZ 28400-28600 to fail .

DOWNSIDE – ABC down into CZ 25600-25300 .

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