SG Capital Research
Global Market Insights
Chart System

Date: 7th December 2015 (Monday) www.sgcr.us **SPX – BONDS – Institutional Report**

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Executive Summary.

	Current Price	POM Triggered within CZ & Date	Announcement- ST Trend reversal & Risk management	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
SPX- 500	2096	POM 14 Triggered 9/16	Cautioned Top @ 2100 On 11/9 for decline to Target 2020	NEUTRAL	0%	NONE	Bounce to 2100 is in progress	Target - Seasonality rally to 2150 On low volume	Pull back to 2070-	Target to 2020- met exact and then rallied up	ABC down to CZ 1955-1940

ACTIONABLE IDEAS – Best Risk / Reward -

Bulls – for Traders, SPX should continue till year end and perhaps early part of Jan 2016 . Pull back pull back to 2020 was met within 1 point with Bullish bottom and SPX has rallied back to 2100. Target 2150

Bears – For Investors, the distribution pattern on low volume is in progress under 2100. This has been Triple top. 2150 Should be failure point early Jan 2016

	Current Price	POM Triggered within CZ & Date	Follow up Announcement- 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)	121.	**POM 13 Triggered 10/29 @ 121**	NONE	BULLISH	**17% Net long**	NONE	PEC-D 126 Should be tested Bullish top	Target PEC-D 128.5	Pull back to CZ 120-122 Should hold and rally up.	PEC-D 118 Rejected Bullish bottom	

ACTIONABLE IDEAS - Best Risk / Reward

For Bulls – **Triggered POM 13 "Net Long"** within CZ 120-122 Bullish Bottom.

For Bears – Wait for bounce to PEC-D 128 with Bearish Top to fail and Trigger Sell Short (POM 15) .

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Market Overview SPX- BONDS

Back drop – In our last Report 11/9, SPX @ 2100, we had projected the top and failure due to various Bearish indicators in NASD, RUSS, NYA and Foreign market. This followed by decline to 2020 then bounce back to 2100. ……..this is exactly what has happened as indicated in our price path.

Next – Bullishness for **Traders**, buy the dips should continue till year end and perhaps early part of Jan 2016. SPX to target 2150. Mid of next week should start with a pullback followed by rally during the week of December 19th with surge of money flowing into mid cap.

For Investors, the distribution pattern on low volume is in progress under 2100 for triple Top. Target to 2150 Should be failure point early Jan 2016. This could be completion of momentum thrust Wave 1-3-5 . Positive seasonality Should hold the market up from major selling. The Bearish top formation takes slightly longer to form. The prospect of a long term top becomes a likely event for 2016 which is Ideal place to Hedge position. The target price for decline would be PEC-D 1950.

Thursday's close and Friday's rally has initiated a short term pattern recognized "pennant" or "symmetrical triangle" which is defined by two converging trendlines. That's usually a continuation pattern and increases the odds for an upside breakout. That would fit with the seasonal tendency for stocks to end the year on a high note. The 14-day RSI ended above its 50 line. Daily MACD lines look poised to turn positive. Friday's surge was the strong jobs report and increased expectation for higher rates with a big jump in bond yields.

DXY initiated the plunge in the dollar and big jump in gold and gold stocks. We should see another rally to 99 in USD followed by roll over to 96 in USD in 2016.

BONDS – We had the initial big rally from the bullish bottom as expected followed by one day nasty decline. Bonds seem to continue to want to go to higher prices despite the short term top. This does not change our Bullish picture. Previous ABC ups on TLT ended at 129 and 126 with Bullish top. These levels should be tested at some point.

DXY (USD) v/s GDX – Gold Miners Analysis - Daily

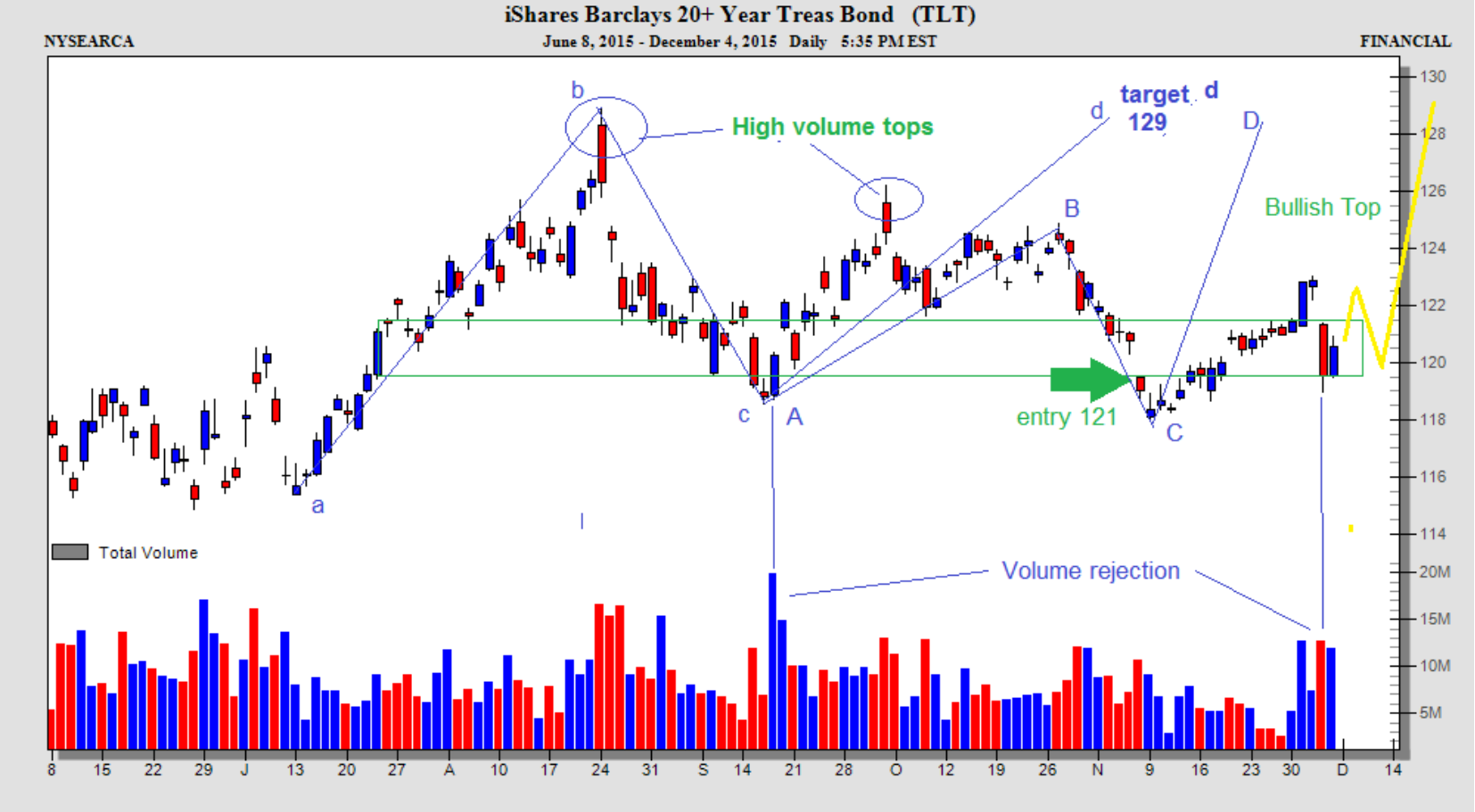
TLT – CZ- PEC- D Analysis - Daily

Notes within the chart –

We had the initial big rally from the bullish bottom as expected followed by one day nasty decline. Bonds seem to continue to want to go to higher prices despite the short term top

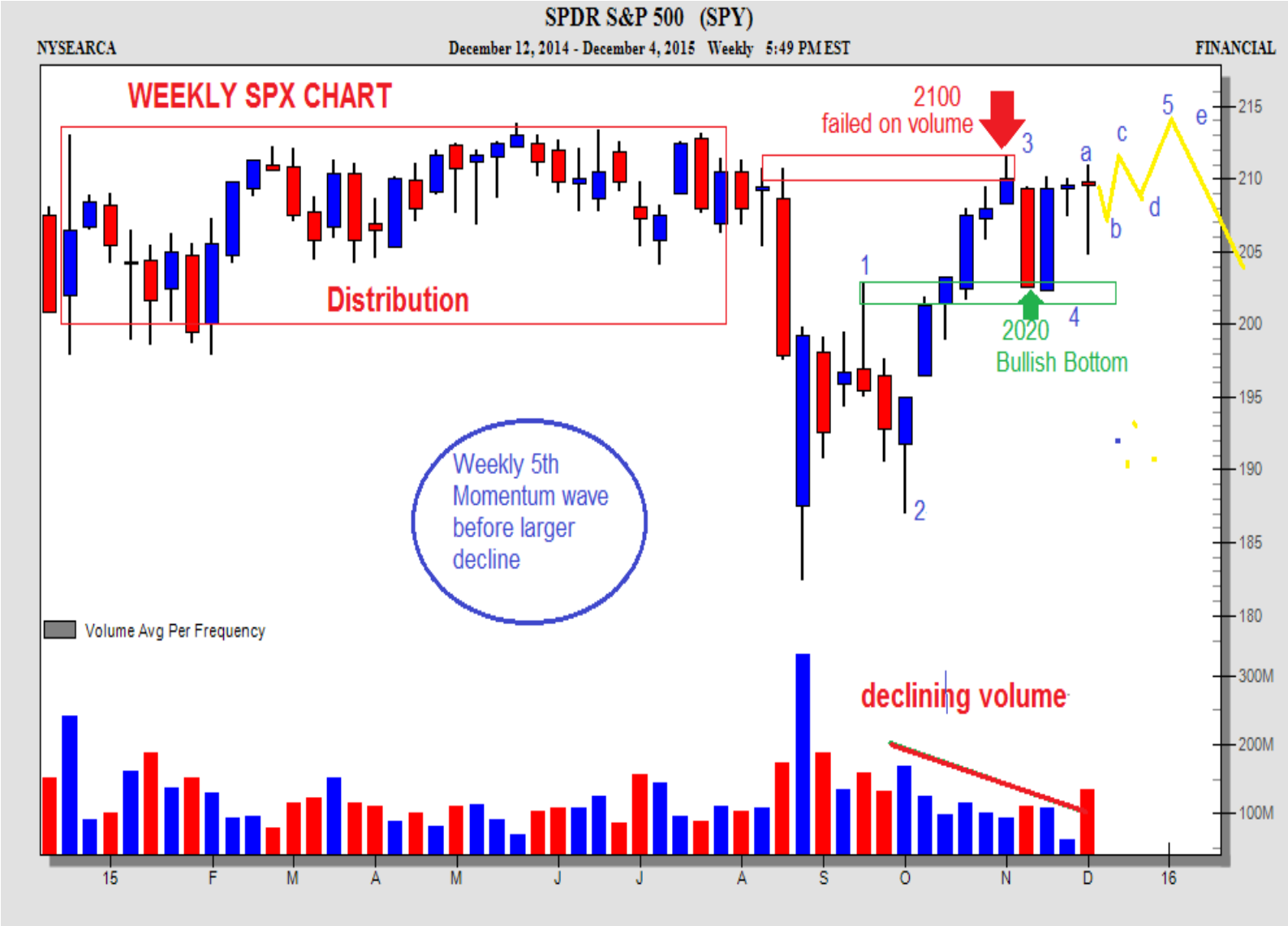
Downside –CZ 120-122 – has approached with Bullish Bottom for another rally.

Upside – PEC-D 126 – Bullish Top should be tested. TARGET PEC-D 128.5.



SPY - CZ- PEC- D Analysis – Weekly

Notes within the chart



SPY - CZ- PEC- D Analysis - Daily

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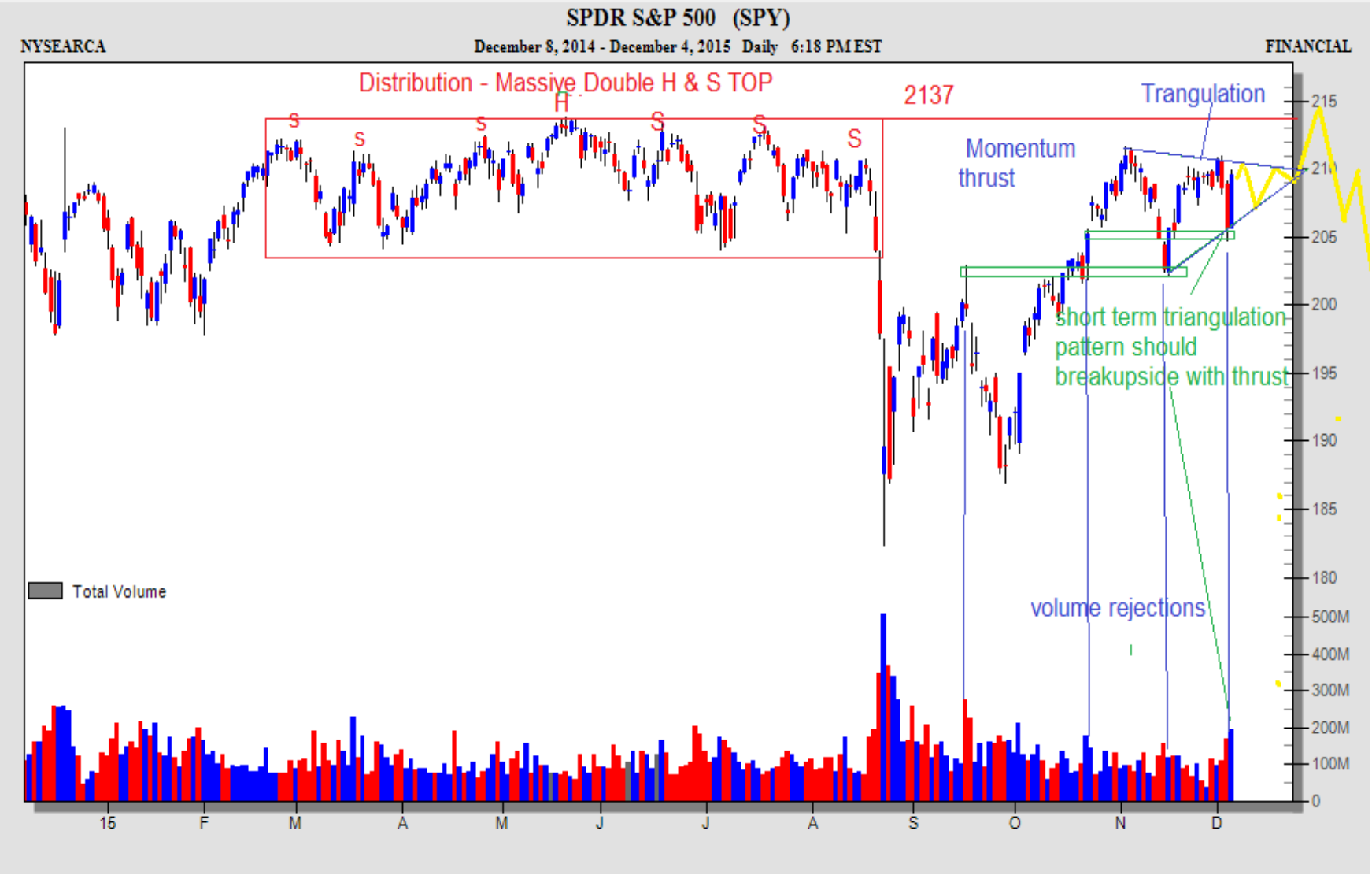

NYSE – AD line via – stocks above 200DMA Analysis - Daily

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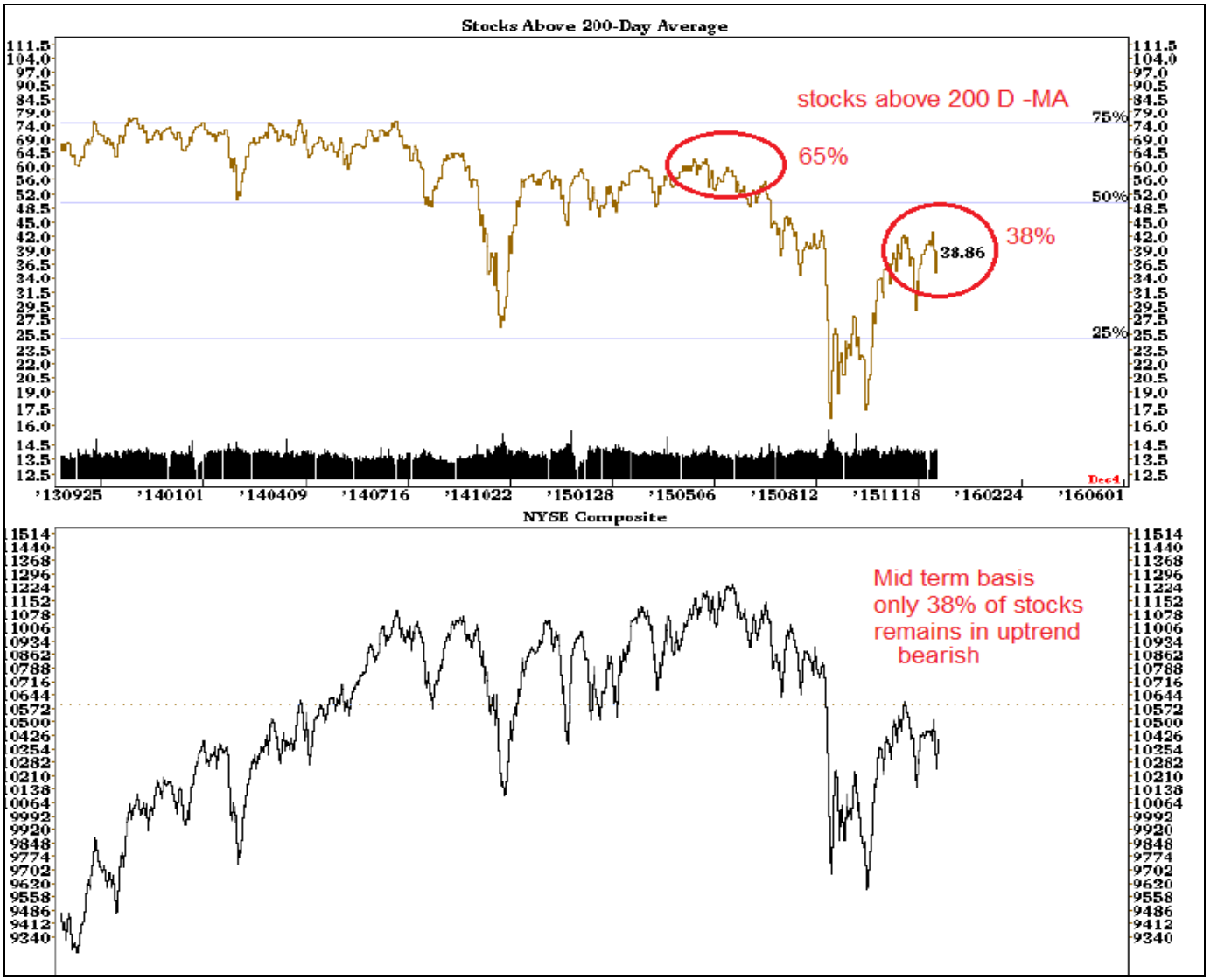


SPX – Cyclical Model

- **SPX - Seasonality**

EFFECT – , NOV – APRIL - POSITIVE .

- **SPX - Geomagnetic / Lunar Cyclic Model**

Bradley Model – Turn 8th October.

- **SPX - Sentiments Model**

AAII Weekly Sentiment Survey – NEUTRAL

SPX – Internals Model

Midterm - TICK / TRIN – Short term Bearish.
AD Oscillator, Ratio's – Short term Bearish.

Appendix Content

- **Objectives & POM /CZ / PEC –D Guidelines – Refer to detail Annexure**
- **POM – " Price Oscillation Model " Criteria**
- **PEC –D " Pythagoras – Expansion & Contraction Criteria**
- **CZ- Confluence Zone Criteria**
- **TEXTURES – Bullish , Bearish , Neutral**

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.*

POM criteria for Implementation on SPX

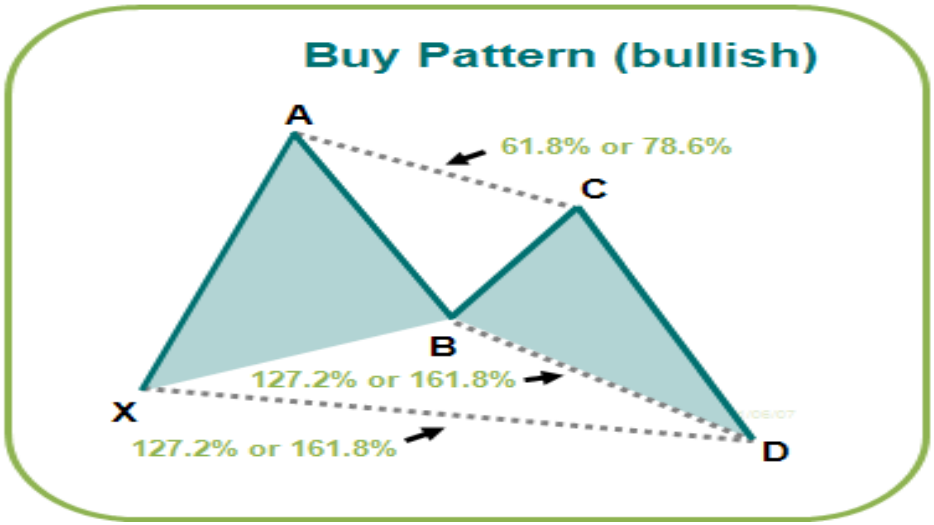
- ***POM is rated from 10 to 15***
- *POM 14 , 15 (is Sell Signal)* and *12 , 11 (is Buy Signal)* both are the Actionable Area whereas *POM 13* is A *Neutral Signal* for Risk management
- On way *UP* move, *POM 13* signifies to *STOP* executing additional 'New Buys" that was initiated at *POM 12 or POM 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)***

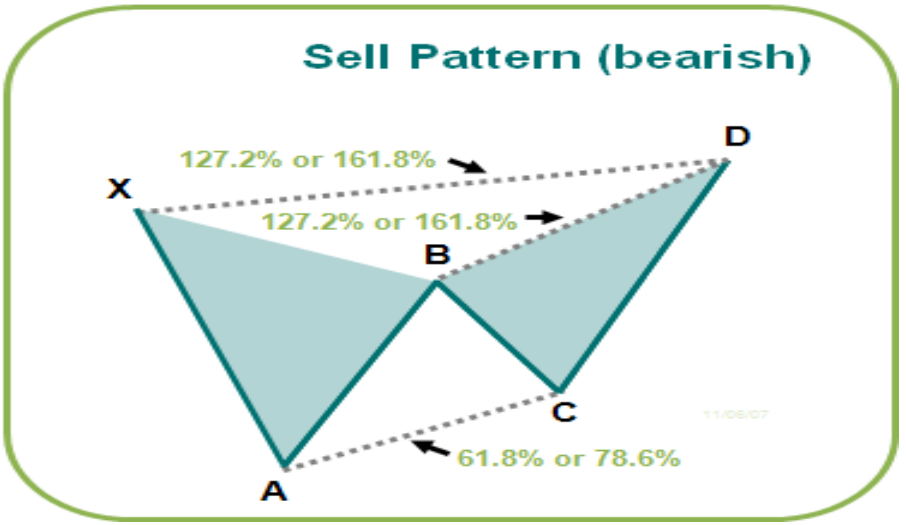
Pythagoras Expansion / Contraction – (PEC) Model

- 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 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





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