SG Capital Research
Global Market Insights
Chart System

Date: 6th April 2015 (Tuesday) **SPX – BONDS - MARKET STRATEGY REPORT (SP)**

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Executive Summary.

	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
SPX- 500 **Announcement**	2060	Announced On 2/2 POM 14 Trigger @ 1997	Announcement POM 13 @ 2060 4/6	Bullish Rally this week	0% to 10% Net long	Initiating Net long at 2060 Stop @ 2040	Larger 1-3-5 Pattern @ 2110	Target ABC up to 2125- Exhausted	Pull back to PEC-D 2060 Met & retested double Bottom	Target ABC down to 2020 Eventually 1990 has Heavy volume	*Holding long position in Bullish top Instruments XLP, XLV, XLB. FB ,JNJ, Japan Remains for profit- Bull Market here*

ACTIONABLE IDEAS – Announcement Trigger POM 13 – Net long at 2060 today 4/6

For Bulls – pull back Target 2060 met , retested double bottom, now rally to 2110-2125.

For Bears – Wait for rally / bounce to Trigger at POM 15 for Net short at / around CZ 2110-2125 for Bearish Top.

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TLT (BONDS)	130.4	On 1/28 @ 135 Exited ½ & on 3/12 – POM 14, @126 Exited balance	NONE	NEUTRAL	0%	NONE	Target CZ 132-134 Failed	Target 135 to double top	pull back to CZ 127-128 in progress, should hold & rally back	CZ 123-125 Neutral Bottom	Consolidation between Trading range 133-124

ACTIONABLE IDEAS -

For Bulls –Pull back to CZ 127-128 and Rally up to PEC-D 135 Double top.

Alternatively For Bears – Await to wait the bounce to CZ 132-134 to fail with Bearish top.

We shall take position only when we have a trigger.

Portfolio – Overview & Update

SPX- Overall Portfolio is at "**POM 13 Net Long** triggered @ 2060, on 4/6.

NET LONG - **XLV, XHB, FB, JNJ , Japan** and **XLP.** Bullish Top Instruments remains in Bull Run. It should continue to move higher with +ve Spread relative to SPX.

GOLD- NET LONG – POM 12 @ 1165 entry announced on 3/19 for uptrend that is in progress.

BONDS – POM 14 - Neutral triggered @ 126 on 3/12

Portfolio Holdings …
Bearish BIAS EQUITY- NON LEVERAGED(1:1) ....Refer to Respective Reports for details

- **LONG at POM 13** ....**Total 58% Holding**
  Non- Equity (7.5%) - USD/JPY (2.5%) , UNG (2%), AUD (5%)
  Equity (20.5%) - XLV (5%) ,XHB (5%), XLP(5%), JNJ (1%), FB (1%), NIKKE (3.5%)
  GOLD(30.0%) – GOLD (15%), GDX(15%)

- **NET SHORT** ....**Total 0% Holding**

Market Overview SPX

SPX's - **POM 13 – Net Long** on 4/6 at 2060.

SPX pulled back to retest the lows of 2060 successfully for double bottom. The Trin and Tick reading with required volume test completed the ABC down. This should be rejected with powerful Eclipse cycle over the last weekend.

We are likely to see a rebound rally from a low planted this week to target 2110 which could last for couple of weeks. The rally could be fueled by Short selling and in option expiration week. The final blow off is still lacking in this market with last gasp of the uptrend.

 Cycle lows is on April 15th, which suggests that last week selling was tax-selling.

  Bonds   TLT 's - **POM 14 Neutral status** on 3/12 at 126. Eventually TLT and SPX should be reverse correlation post may But for now it is skewed.

TLT (Bond) – CZ- PEC- D Analysis - Daily
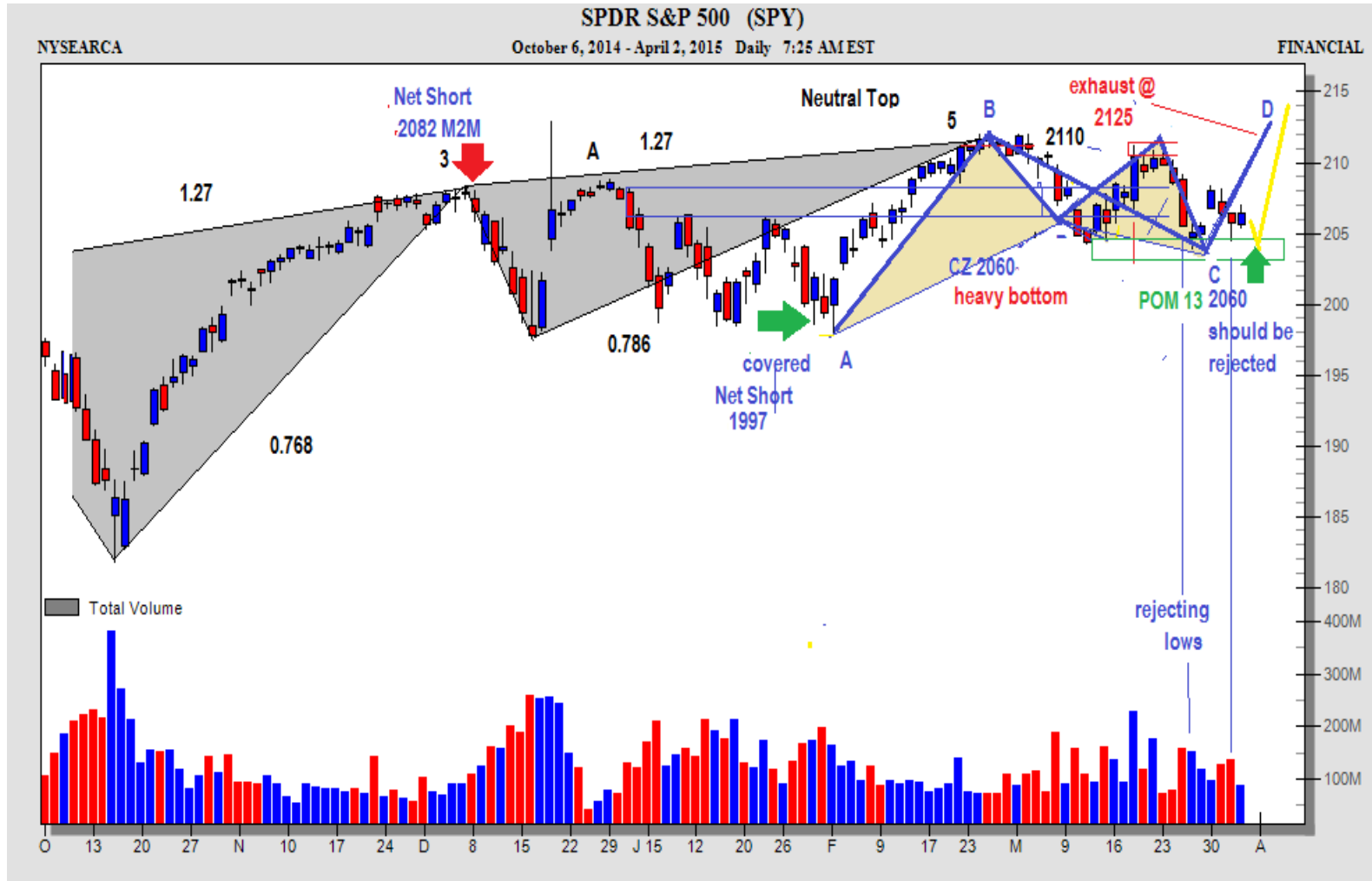
Downside –Pull back CZ 127-128 & rally up.

Upside – CZ 134-132 to fail but eventually Target 135 – Double top. .

iShares Barclays 20+ Year Treas Bond (TLT)
October 6, 2014 - April 2, 2015 Daily 7:25 AM EST
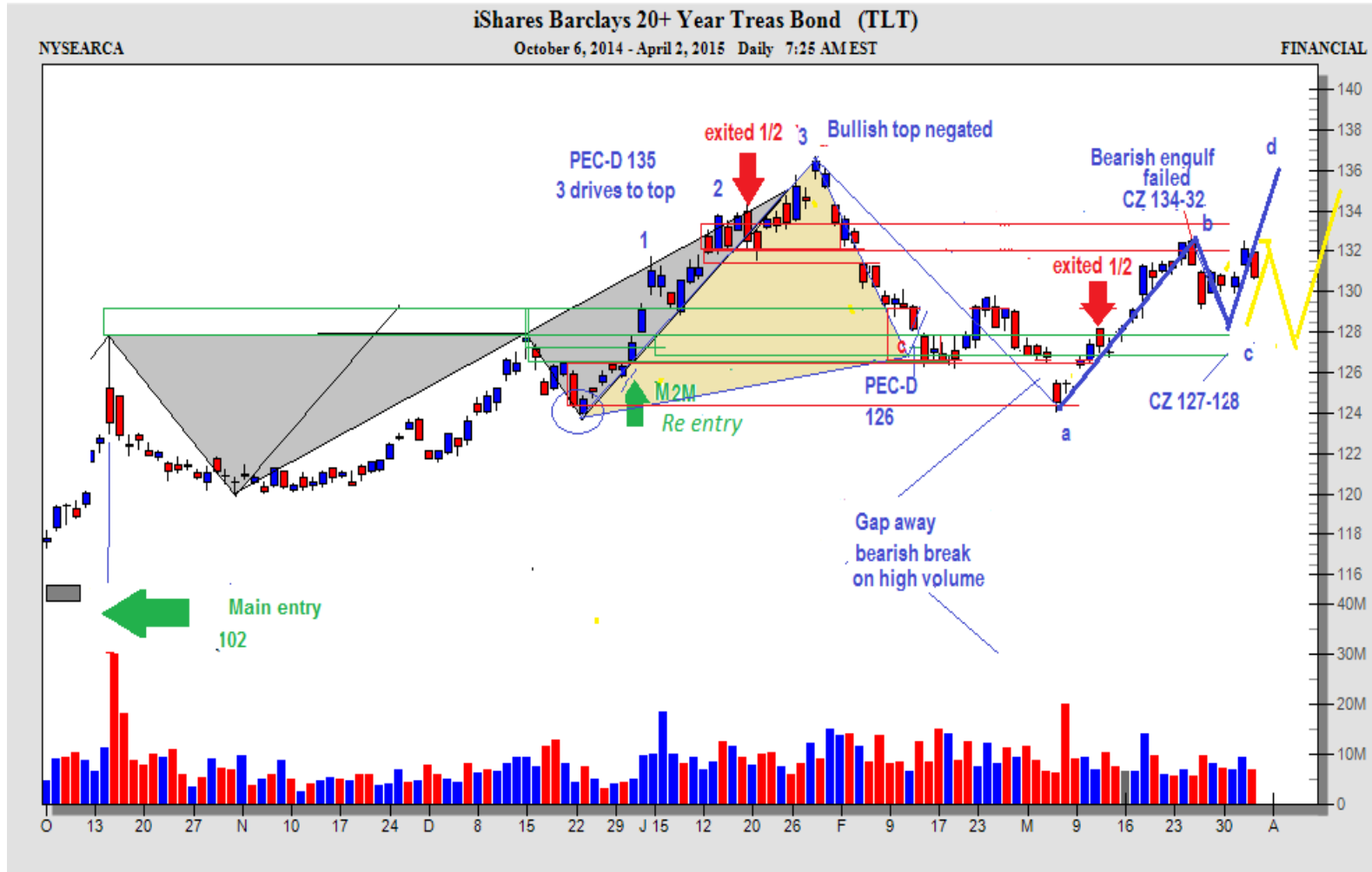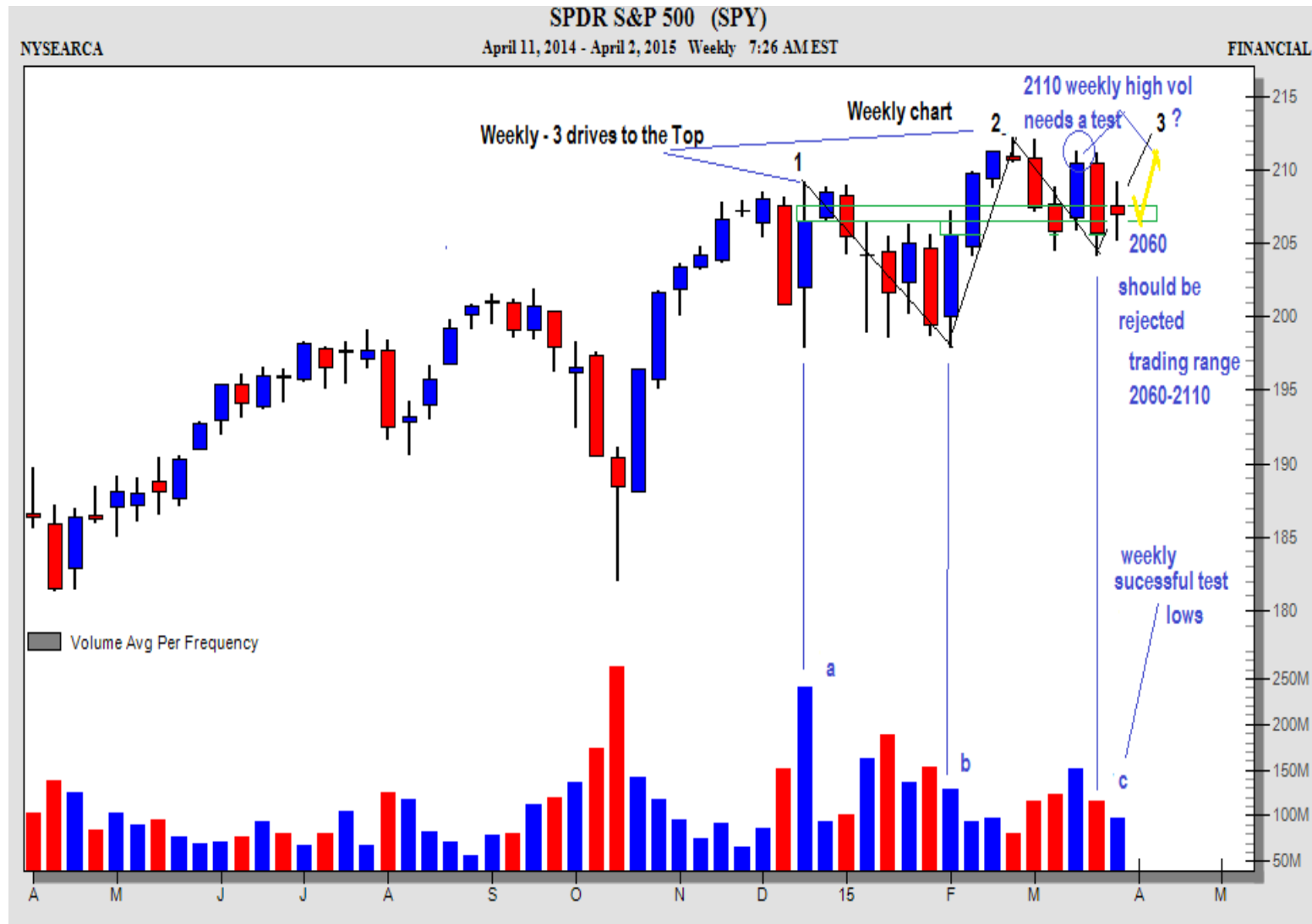
SPX- PEC- D Analysis - Daily

UPSIDE – Rally to target 2110 in progress & fail by 2125.

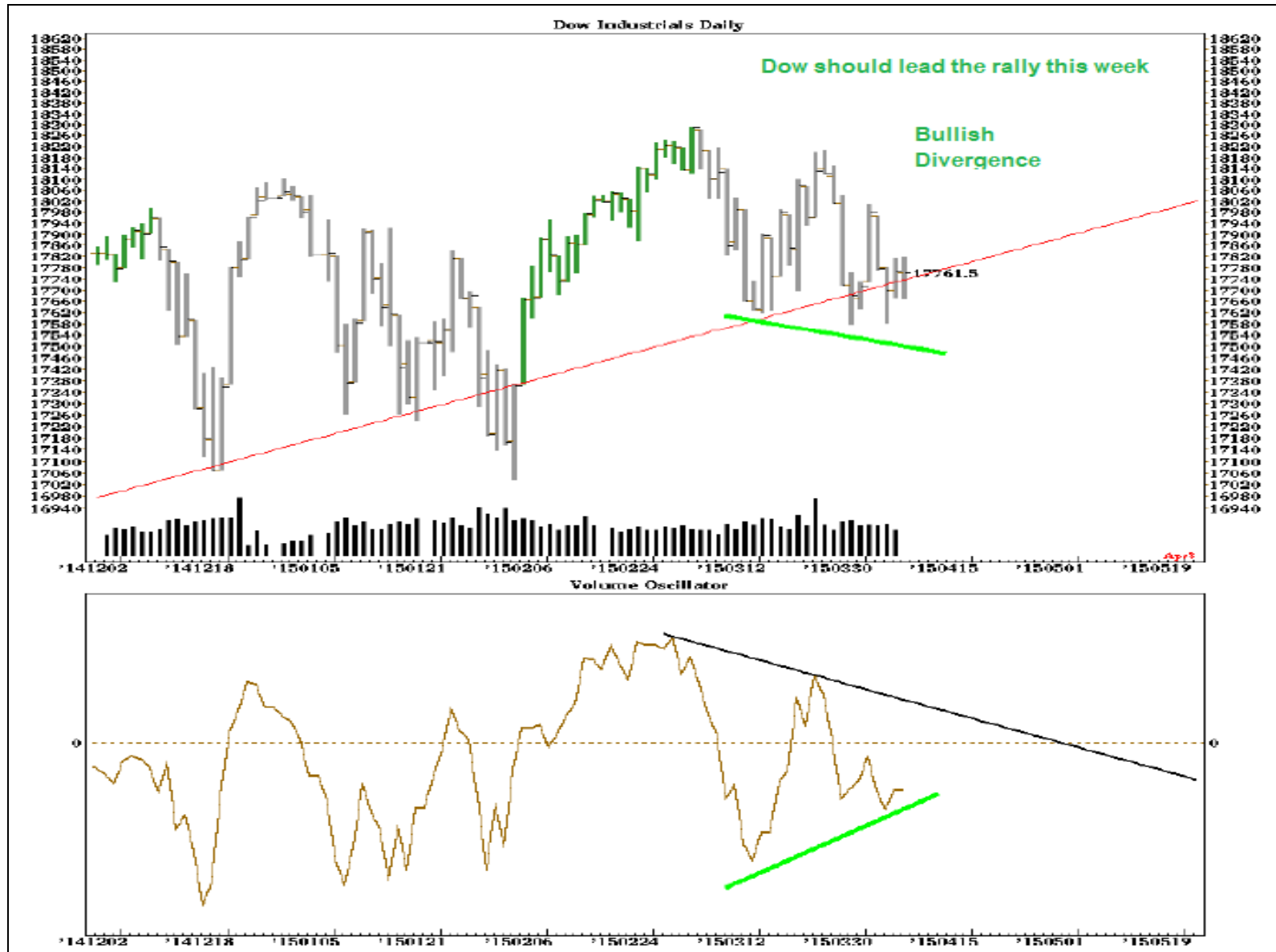**Downside** – Pull back to CZ 2060 met & tested successfully for rally

SPX- PEC-D   Analysis - Weekly

Notes in chart below –

SPDR S&P 500 (SPY)

NYSEARCA   April 11, 2014 - April 2, 2015 Weekly 7:26 AM EST   FINANCIAL

2110 weekly high vol needs a test

Weekly chart

Weekly - 3 drives to the Top

2060

should be rejected

trading range 2060-2110

weekly sucessful test lows

Volume Avg Per Frequency

DOW v/s OSC   Analysis -

SPX – Cyclical Model

- **SPX - Seasonality -**

JANUARY EFFECT – So goes January goes the rest of the year.

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

Bradley Model 3rd Top – 1st January

- **SPX - Sentiments Model**

AAII Weekly Sentiment Survey – NEUTRAL

SPX – Internals Model

Midterm - TICK / TRIN – NEUTRAL
AD Oscillator, Ratio's, - BULLISH

Appendix Content

- **2012 YTD – SPX - Position Summary**

- **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**

<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.*

(42) - INSTRUEMNTS COVERAGE SUMMARY

Re - STRATEGY & PROP ANALYSIS with – POM, CZ, PEC-D, PQV

GR 1 (13+2) Coverage in MS	GR 2 (9 +4) Coverage in SECTORS	GR 3 (8+1) Coverage in COMMODITY	GR 4 (5) Coverage in CURRENCY

US BROADER IDX

- **SPY (SPX 500)**
- **DIA (DOW 30**
- **QQQ (NASD100)**
- **IWM (Small Cap)**
- **IYT (Transports)**
- **NYA (NYSE)**

BOND IDX

- **TLT (Bonds)**
- **MUB (Muni). (SP)**

GLOBAL IDX

- **EEM (Emerg.)**
- **EWJ (Japan)**
- **FXI (China)**
- **EWZ (Brazil)**
- **FTSE (Europe Proxy)**
- **BSE (India)**
- **EWA (Aust) SP**

SP - Special situation

SECTORS IDX

- **XLF (Financials)**
- **XLV (Health)**
- **XLB (Materials)**
- **XLE (Energy)**
- **XLK (Tech) / QQQ - Proxy**
- **XLI (Industrial) –**
- **XLP (Staples)**
- **XLY (Discretionary)**
- **XHB (Home Builders)**
- **XLU (Utility) SP**
- **RTH (Retail) - SP)**
- **SMH (Sem.) SP**
- **BBH (Biotech) SP**

COMMODITY IDX

- **CRB /DBC**
- **GLD (Gold)**
- **SLV (Silver)**
- **GDX (Miners)**
- **OIL**
- **Copper**
- **DBA (Agro)**
- **UNG (Natural Gas)**
- **DBB (Base M) SP**

CURRENCY

- **USD / DXY**
- **EUR/USD**
- **AUD/ USD**
- **USD/JPY**
- **GBP/ USD**

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
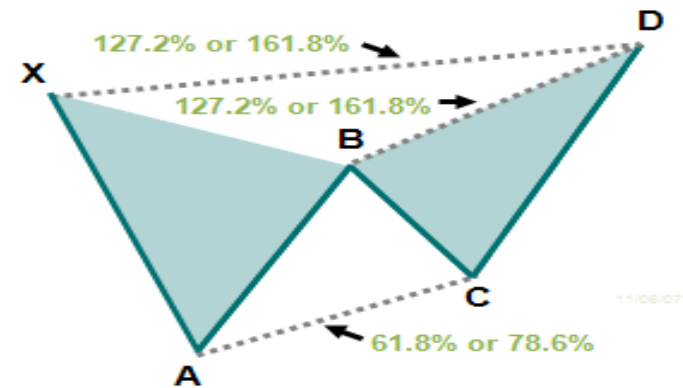
PYTHAGORAS EXPANSION / CONTRACTION —(PEC) Model

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

Buy Pattern (bullish) — Sell Pattern (bearish)