



Date: 10TH January 2015 (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)	117.5	POM 15 Triggered 116 & 119 on 12/11 & 12/23 Scale in	Announced Mark to Market 1st Jan @ 119.62	BEARISH	5% Net Short Reduced On 1/6 - email 5% @ 115.3 For profit As RM	NONE We shall Re instate 5% back On next failure	Bounce to CZ 118-119 should fail	PEC-D -119 Met & failed Bearish Top	Pullback to 114 Heavy bottom	Target ABC down to 112	

ACTIONABLE IDEAS IWM – POM 15 – Triggered – Market to Market 1st Jan @ 119.6

For Bears – Hold on to M2M Position- Net Short position @ 119.6 for next ABC down to 112. (Last week's decline we took profit on ½ position during nasty decline as Risk Management)

For Bulls – Wait for pullback to PEC-D -114, if Bullish bottom (which we don't think so) , then Participate in next rally. (BUT THIS IS NOT A CANDIDATE FOR LONG)

	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)	102.65	POM 15 Triggered 2070-2040-SPX 12/11 & 12/23 Scale in	Announced Mark to Market 1st Jan @ 103.25	NEUTRAL Bearish bias	0%	NONE (No Trade)	Bounce to PEC-D 105.5	Target PEC-D -105, met Bearish Top Reverse 5 wave pattern completed	Pullback to 101 Important low Neutral Bottom	ABC down to PEC-D 98	

ACTIONABLE IDEAS QQQ – POM 15 – Triggered – Market to Market 1st Jan - SPX @ 2080

For Bulls – Wait for pull back to **PEC-D 101** with Bullish bottom & Participate in next rally.

For Bears – Bounce to **PEC-D 105-** , If fails on Bearish top Then next **ABC down to 98.**

Broader Indices Overview -

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

IWM – has been best candidate for Net Short position during POM 15 . Bearish Top and Bearish Bottom.

We have core Net short position of 5% - M2M @ 119.6 . We have traded ½ position out in last quick decline last week for profit.

QQQ - Our PEC-D Target has been meeting accurately, **completing Reverse 5 wave pattern at 105.**

We have not traded this Index. , No Signal currently since Bearish Top BUT Neutral bottom.

TLT- Our TLT position has made great start this year with 4% gains . We continue to ride it up on core position.

BULLISH - **TLT-**

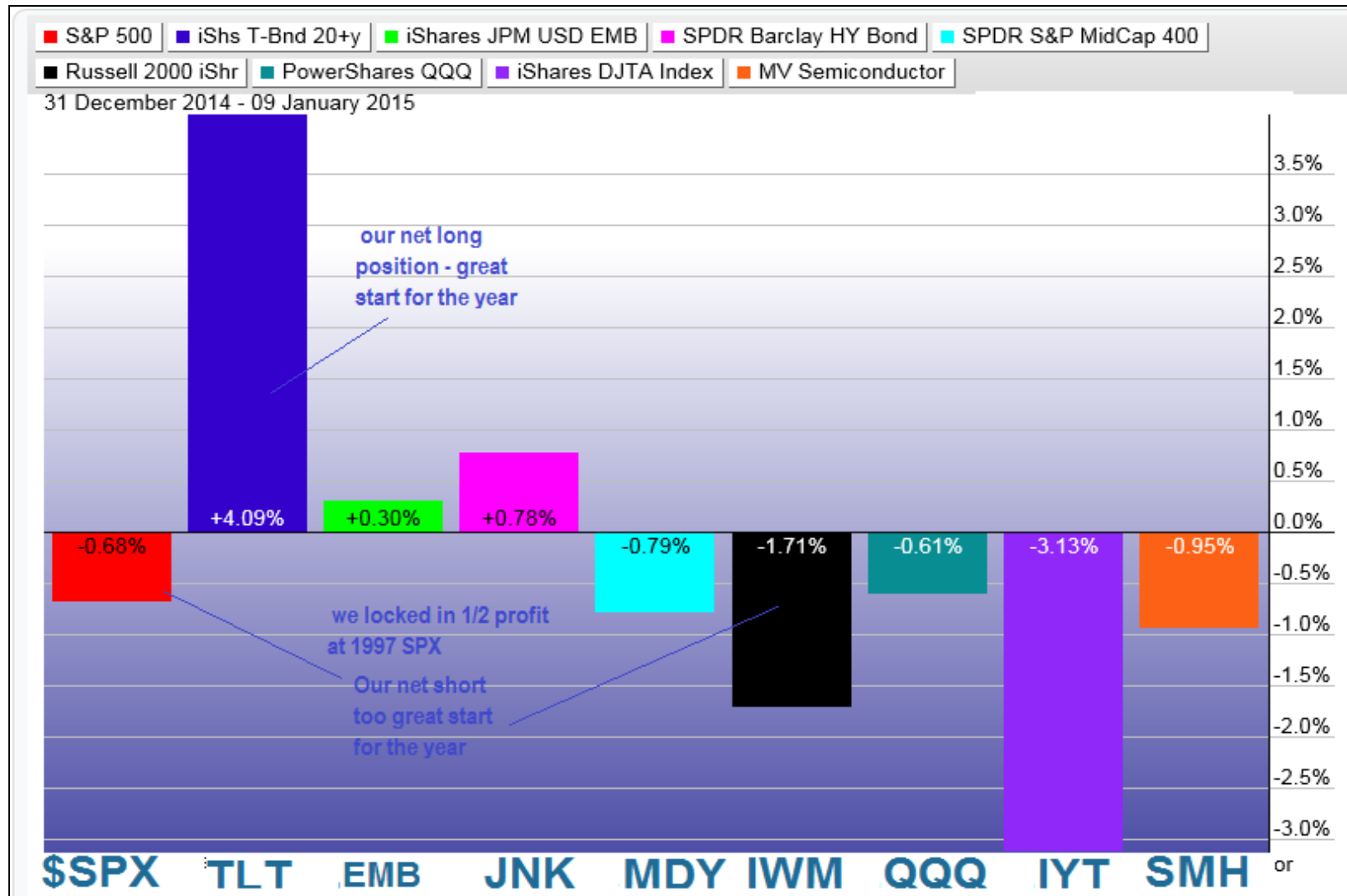
BEARISH - **IWM ,**

NEUTRAL - **IYT, SMH , QQQ (Bearish bias)**

YTD – Broader Indices performance v/s SPX

Weakest and strongest Indices for PAIR TRADES

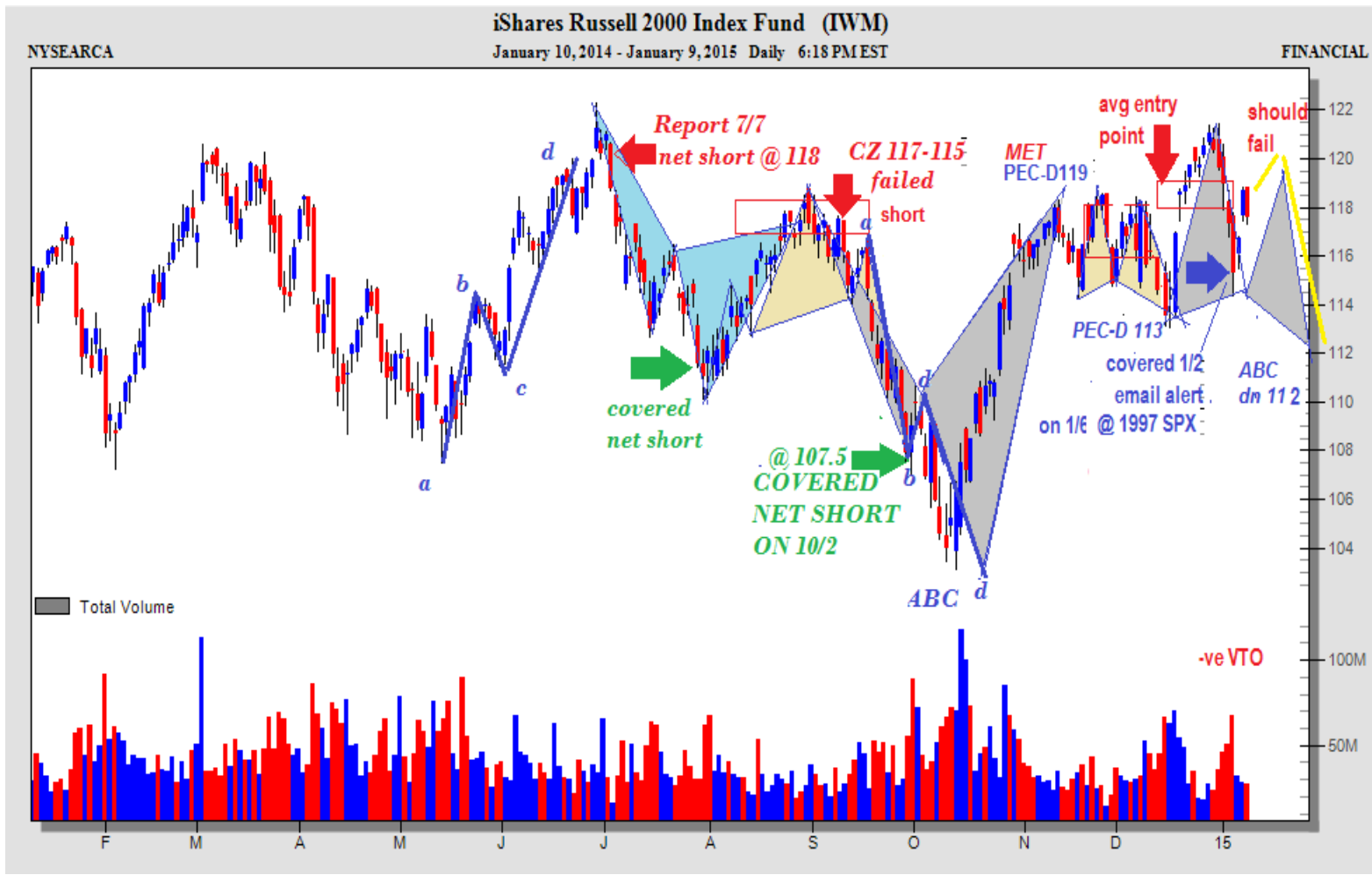
2015 - Strength / weakness in these market . Chart below is our Inter market Analysis Model with Ratio Relative performance v/s SPX .



IWM – PEC-D Analysis - Bearish

Upside – Target to PEC-D 120 Bearish top should fail with –VE VTO

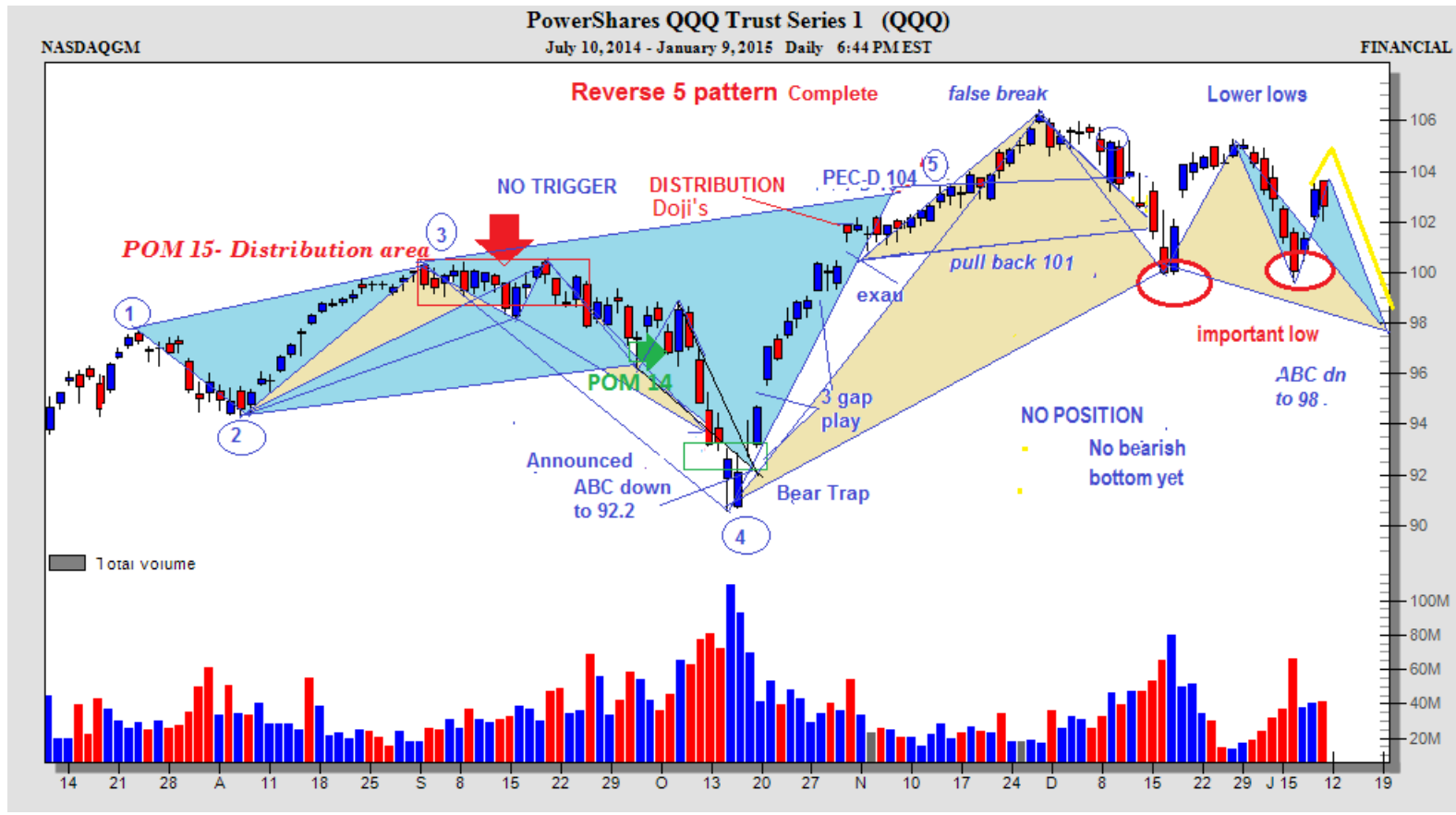
Downside - First pullback to 114, ABC down is at 112.



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

Upside – Target to PEC-D 105- , needs a failure however it's been forming lower tops (No Signal)

Downside - First pullback to PEC-D 101- Important low , ABC down is at 98.



QQQ v/s SPY – Relative strength Analysis

(QQQ) relative to the (SPY)- 5-day EMA of the QQQ:SPY ratio. QQQ led from early May to mid-December, but lagged over the last few weeks (risk negative). Relative weakness in QQQ is a negative, but so far it is a short-term negative. A move below the November low might turn it into a long-term negative.



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.*
 - *Externe 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)

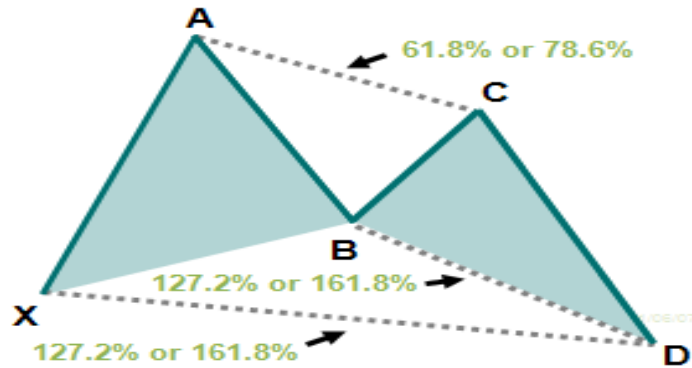
Pythagoras Expansion / Contraction – (PEC) Model

- **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**

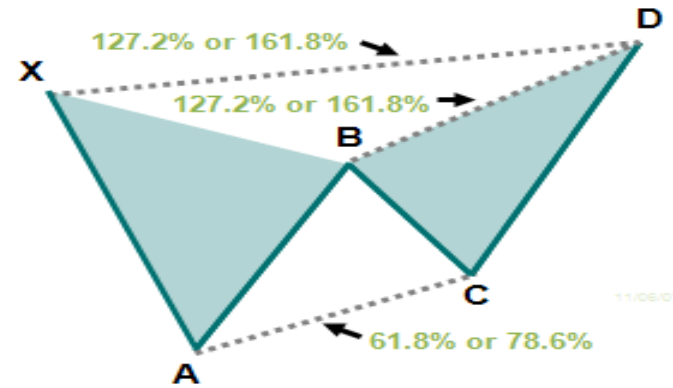
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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