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COMMODITY REPORT (Strategy & Prop Tech)

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- ## Executive Summary

	C. Price	Main CZ Triggered & Date	Follow up Announcement Update For Trend Reversal	Progress Status	Current Position / Exposure	NEW ACTION - Position (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
OIL ($ WTIC)	48.48	NONE	No Signal Getting ready to bounce	NEUTRAL	CASH	NONE No Position	Bounce to 59 Should fail For next ABC down	NONE		Target – CRASH PEC-D CZ 41-38 55	Oil Needs bottoming process
COPPER - COR)	2.65	NONE	No Signal	NEUTRAL	CASH	NONE No Position	Bounce to 2.80 Should fail	NONE	1-3-5 3 Drives to bottom Is at play to 2.78 broke decisively	Back to retest the lows of 2.50	No Risk Reward

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UNG (NATGAS) Pre announcement	15.70	CZ -17.75-17.50 @ 17.50 *Triggered* On 10/23	M2M 1st Jan @ 14.50	NEUTRAL	2% Net long	Limit Sell to Exit @ 117-17.50	1st ABC PEC-D 17.50		Pull back to 15.50 and rally up		Cold winter should play role in bounce

Commodity Overview -

We are seeing sign of counter Trend rally soon in Commodity CRB Index including Oil.

This year Commodities have been decimated due to rally in DXY. We have pretty much stayed out of commodity camp.

USD - Currently it looks very toppy after completing 3 ABCs up with –ve divergence on long term and well as short term chart. Retracement here would initiate rally in commodity

NATGAS (UNG) – **M2M @ 14.5 Currently at 15.7. We shall hold it for cold winter rally.**

OIL –   **No Position**

Oil has moved down from 95 to 48 (47 points drop) . We had sell signal at 95 for decline to 82 (drop of 13) , this was met and decline continued. We did not get any Crash Signal by our model however once the trend got going , in last Report, Oil at 65 we had price target of 55 (10 points drop) for total decline of 23 points drop out of total drop of 47 points. We had no position in Oil. Volume wise the counter trend rally should be very close to happening but the rally should fail for next leg down.

COPPER – No Position. 1-3-5 pattern target to 2.79 on downside exceeded by 15 cents broken decisively .

- **BULLISH INDICES –**   **NONE**

- **BEARISH INDICES-**   **NONE**

- **NEUTRAL INDICES -**   **$WTIC , COPPER, UNG - Bullish bias**

- # YTD – Commodities & SPX performance v/s CRB

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 CRB .
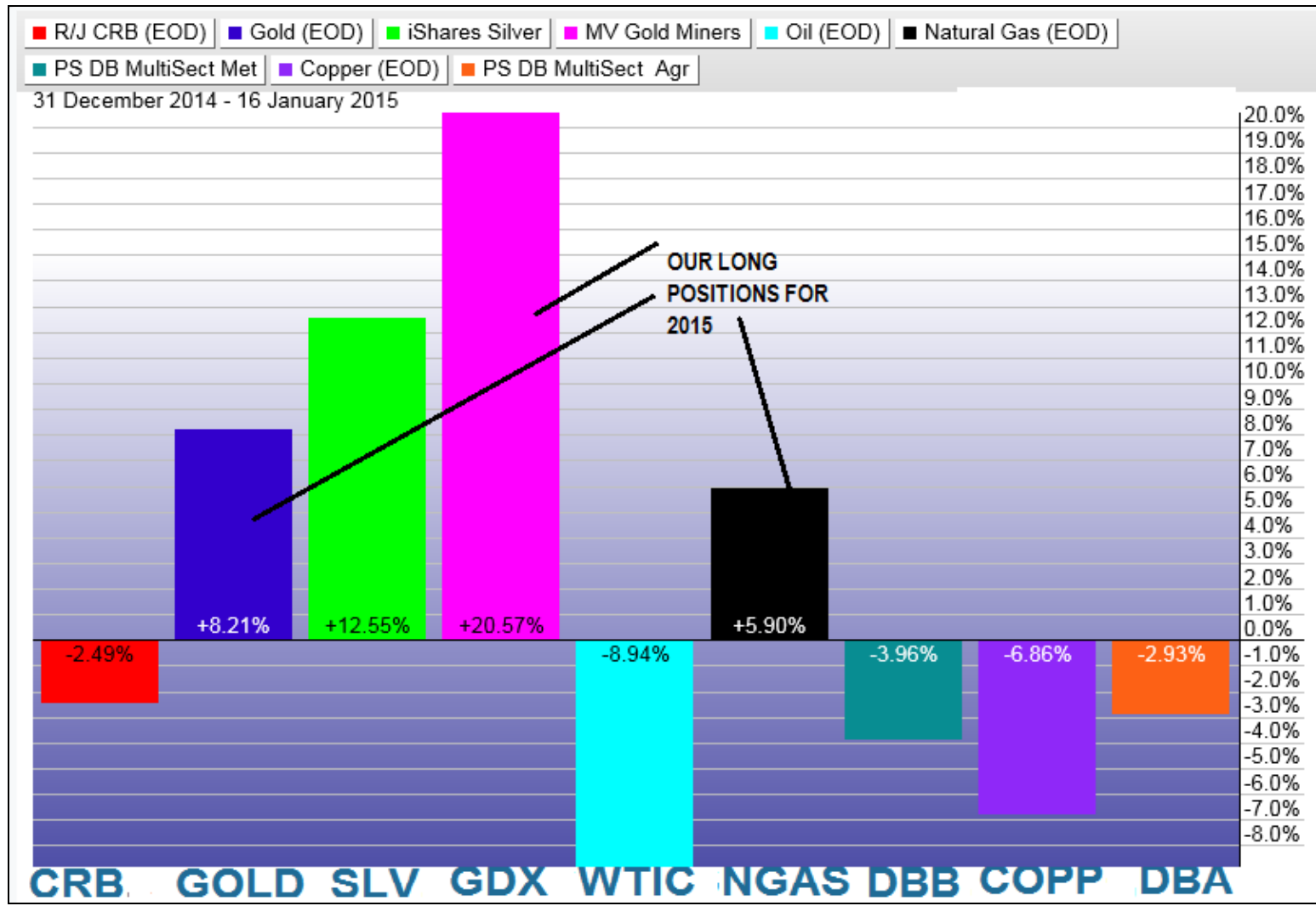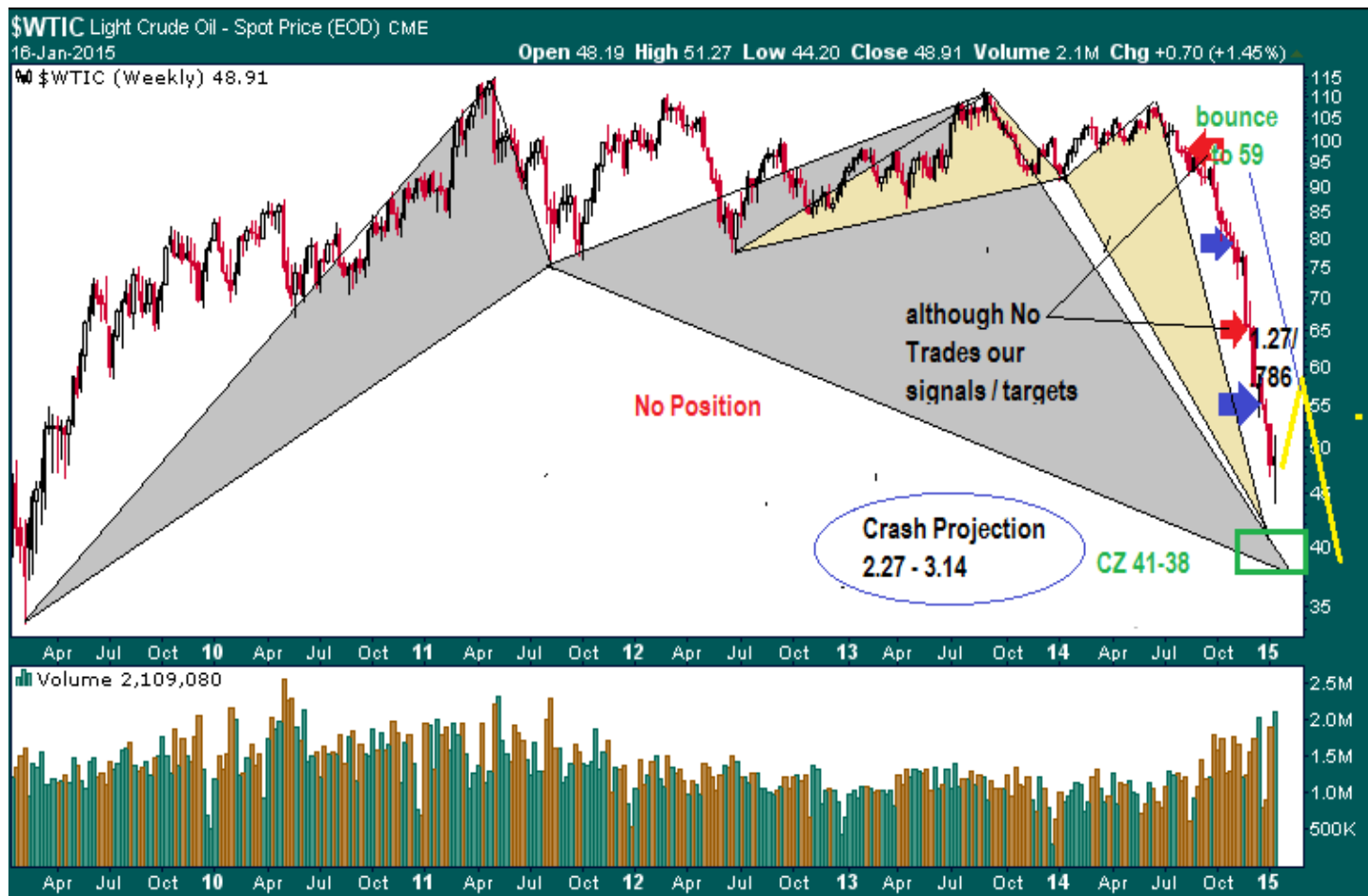
OIL – Weekly CZ / PEC –D / Oscillator Analysis - Neutral

 NEUTRAL TOP &   BEARISH BOTTOM

No Signal / No Position .

UPSIDE - Bounce to 59

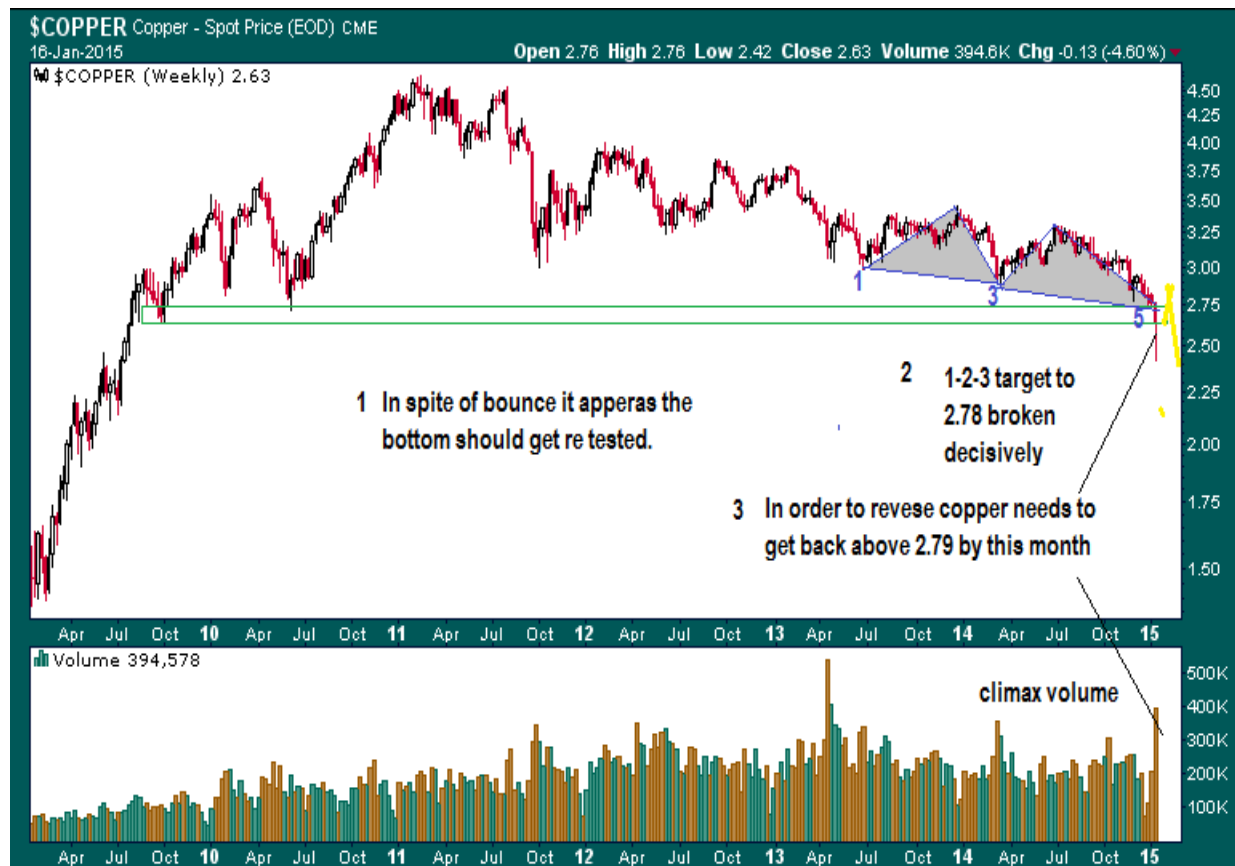 DOWNSIDE - - Larger ABC down CZ 41-38 – CRASH PEC D'S .

COPPER - CZ/ PEC –D Analysis - Neutral-

NEUTRAL TOP & Bearish Bottom

No Signal / No Position – No Risk Reward .

Upside – bounce to 2.78 & back down to retest the lows 2.50

Downside - 1-3-5 , 3 drives to bottom at play to 2.78 Brocken decisively .

Appendix Content

- **2012 YTD – GOLD, GDX, CRB - 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**

- **Chart Analysis**
    - *Trend & Oscillator Analysis,*
    - *PEC –D Analysis,*
    - *Poly- Trend Analysis,*
    - *Pattern / CZ – Price & Volume Analysis.*
    - *Exterme Indicator Analysis .*

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.*

- ## EXTREAME Sentiment Analysis GOLD & Currencies
- ## (3rd Party Data) - Courtesy : SENTIMENT TRADERS

- ## CORRELATION RATIO ANALYSIS - Inter market Analysis

 GOLD v/s GDX (XAU)
  - **None @ EXTREMES**

GOLD v/s SLV
  - **None @ EXTREMES**

- ## CORRELATION RATIO ANALYSIS - Inter market Analysis

 CRB v/s SPX

  - **Direct Correlation continues in Current Trend**

CRB v/s USD

  - **Inverse Correlation continues in Current Trend**

OIL v/s SPX
  - **None @ EXTREMES**

COPPER v/s SPX
  - **None @ EXTREMES**

POM criteria for Implementation

- *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