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SPX – BONDS – Institutional Report

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Executive Summary.

	Current Price	POM Triggered within CZ & Date	<u>Announcement</u> - 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	2170	POM 15 Re Run Triggered @2090 5/7	Avg entry price 2120	BEARISH	Net Short 30% Non Leveraged	NONE	Target 2115 and failed On volume	Momentum drive to 2185 target	1 st ABC down to 2050 Bearish Gap 1	2 nd ABC down to 2020 -00 Bearish Gap 2	Projection to re test of lows CZ 1995-1985 Bearish Bottom

For Bears – Average entry price for Net Short: POM 15 Re Run is 2120 , Move above is false break . SPX failed on top side on

low volume. 1st ABC down to 2050 towards Bearish Gap 1.

For Bulls- Wait for the ABC down to 2020 To Bearish Gap 2 to add Net long position if it is rejected on price & lighter volume.

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement</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
TLT (BONDS)	139	POM 14 Triggered 1/8	NONE	NEUTRAL Bounce in Progress	0%	NONE	Momentum to 144 Bullish Top	TBA	Pull back to CZ 134-132 & rally UP	CZ 128-127 Rejected Bullish bottom	

ACTIONABLE IDEAS -

For Bulls – Rally extended past our target 136 to 144 with Bullish Top. Wait for pull back to 136 for next signal.

For Bears – Wait for heavy volume decline to 136 and Sell Short the next bounce to 144 with Bearish top.

Market Overview SPX- BONDS

Timeline wise 7/18 top did not materialized past week. Momentum continued. We have drawdown of 40 points. SPX has false break above 2100 with no expansion in volume. SPX should re- visit 2100 once the momentum is over.

SPX Short term –

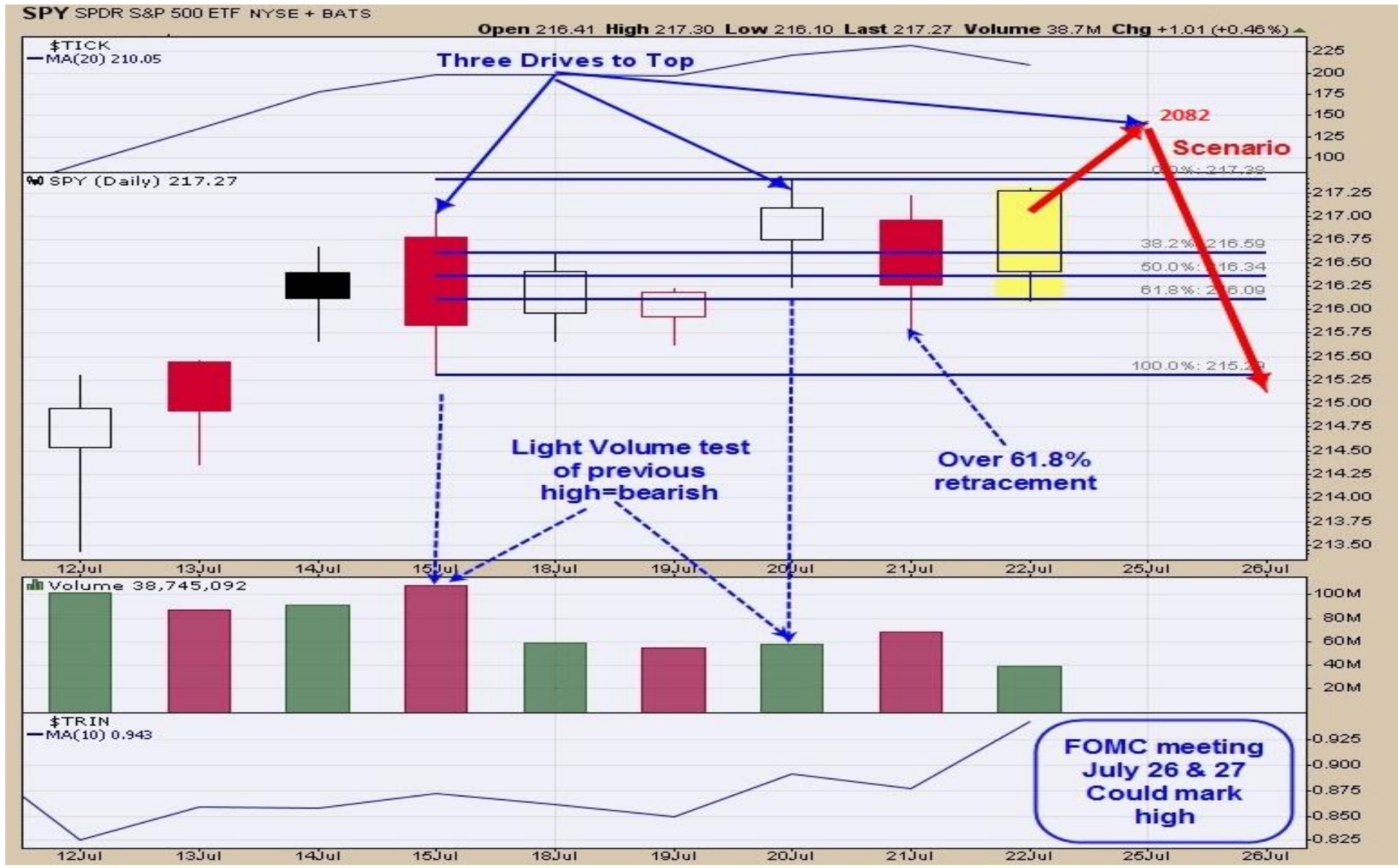
There may be one more blow off spike left in the market on completion of 3rd momentum top. FOMC meeting next week may mark the highs. VIX has been bottoming. Greed fear Index is at extreme high with ultra-bullish sentiments.

Mid Term –

Our pull back target is to GAP 1 @ 2050 and GAP 2 @ 2020. Those GAPS will be tested and our downside target. If SPY is tested 2020-00 on lighter volume will suggests another bounce.

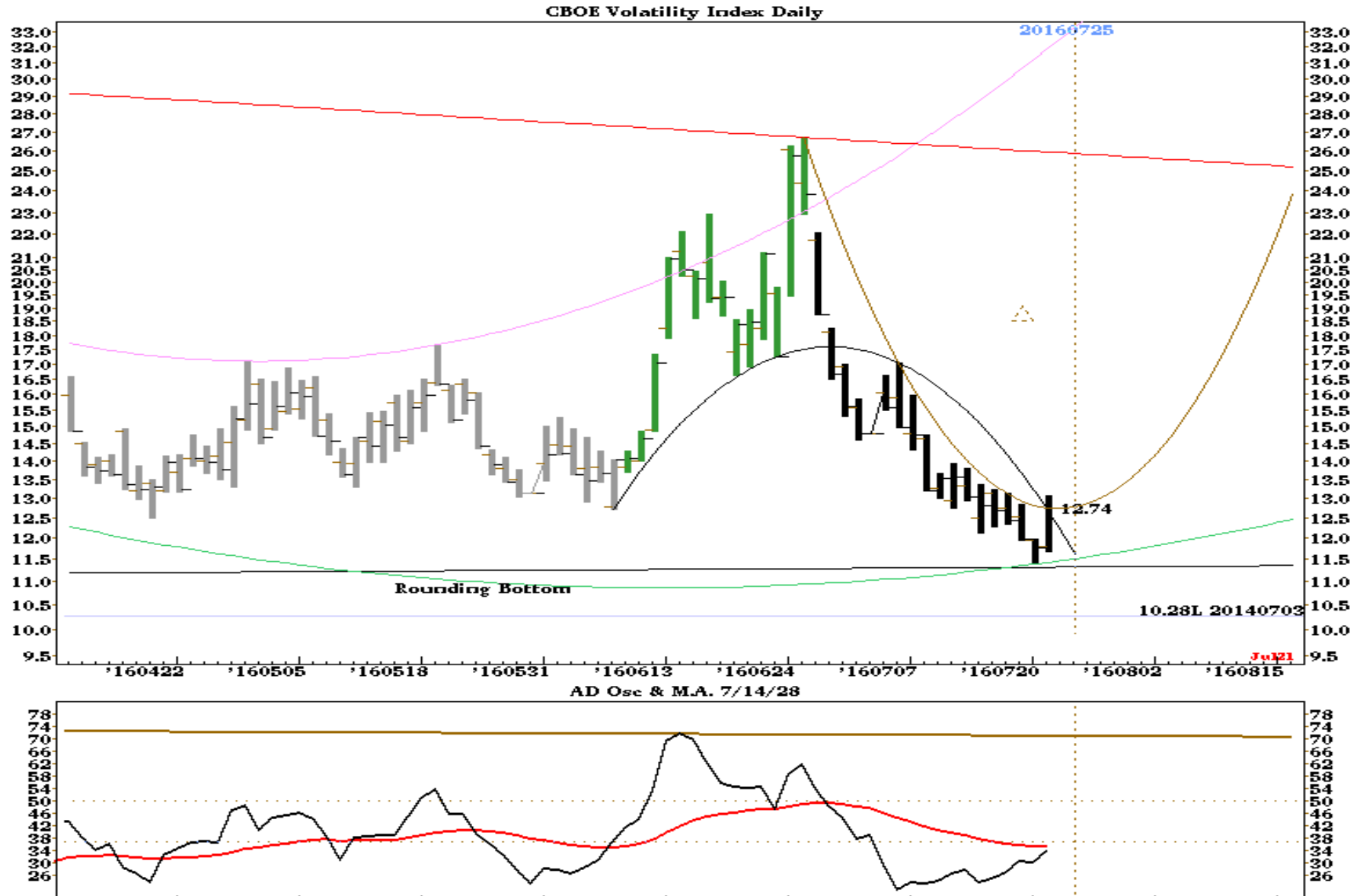
SPY – C Z- PEC- D Analysis – Daily

Notes within the chart.



VIX – Daily charts

VIX has been bottoming



SPY / PUT CALL Ratio Analysis – Daily

The bottom window is the 10 day average of the Put Volume/Call Volume ratio. When this ratio reaches below .90 (current reading is .84) the market is at highs. It appears the upside is limited here.

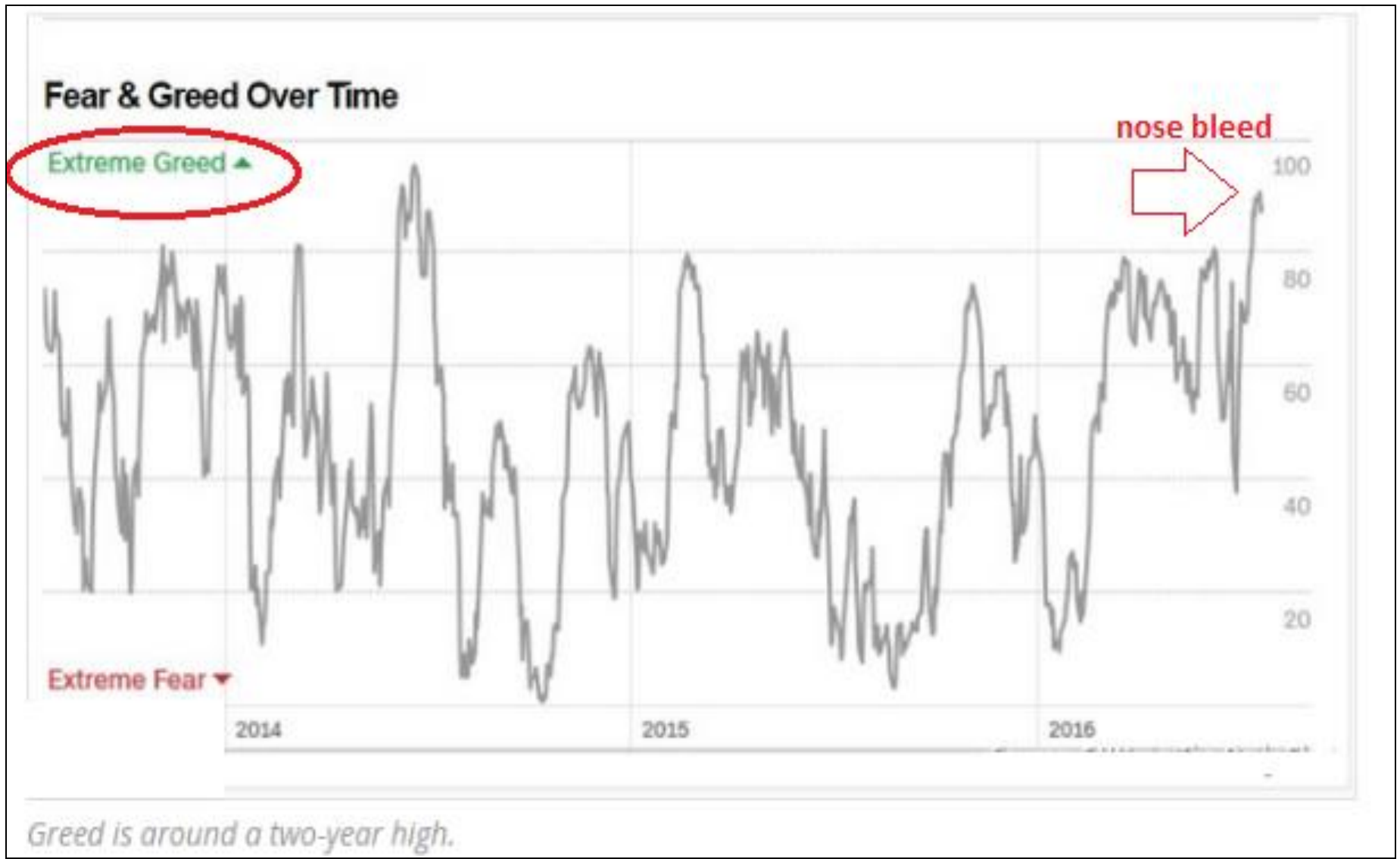


SPY / VIX Ratio Analysis

The bottom window is the VIX/VXZ ratio. A bearish divergence is present for the market when the SPY makes higher highs and the VIX/VXZ makes lower highs (pointed out with blue arrows). The recent new highs on the SPY was not confirmed the VIX/VXZ ratio.



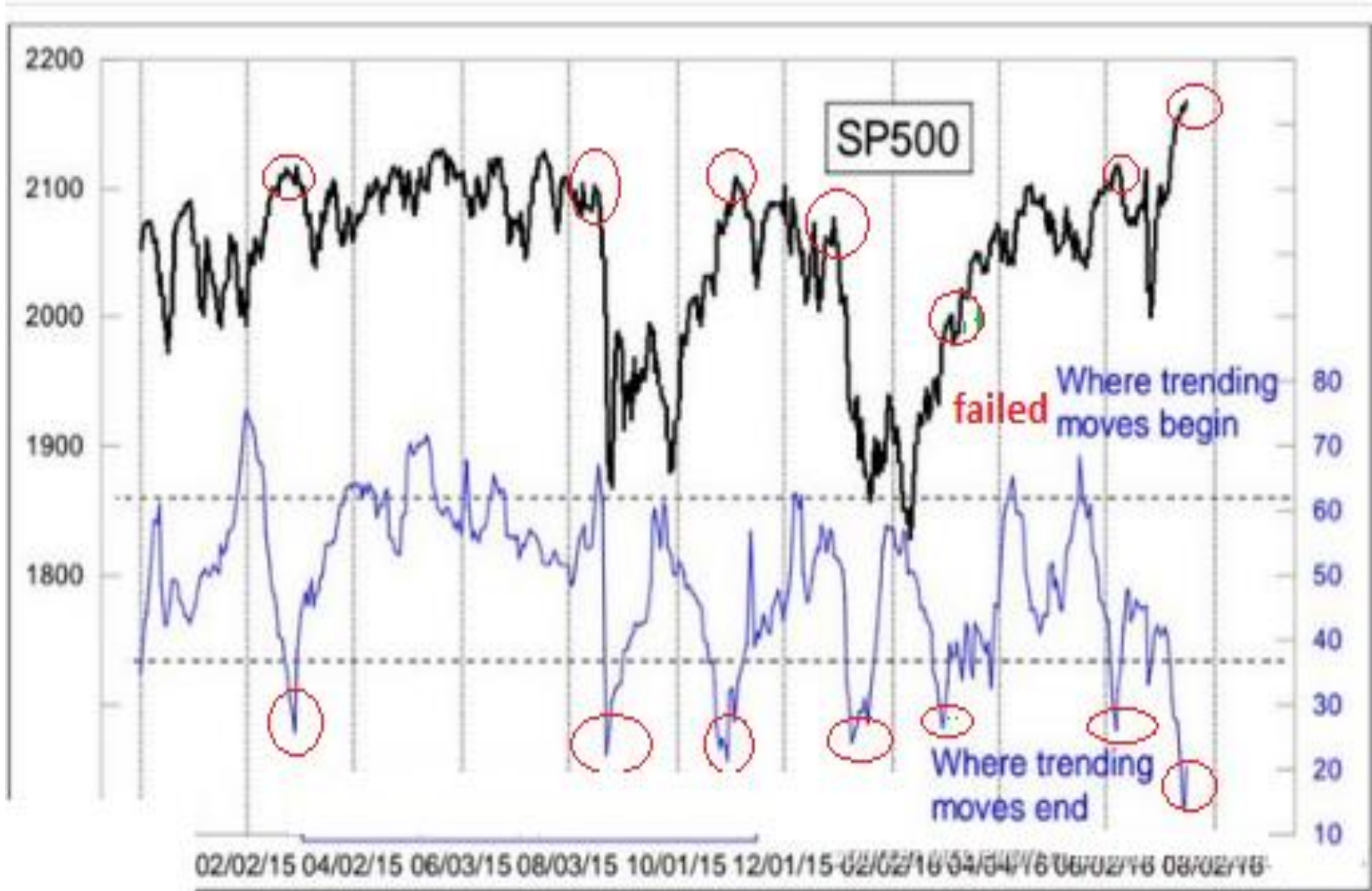
Sentiment data



Sentiment data – options market



Sentiments Data – AIA



SPX – Cyclical Model

- SPX - Seasonality

EFFECT – , MAY - OCT – NEGATIVE.

- SPX - Geomagnetic / Lunar Cyclic Model

None

- SPX - Sentiments Model

AAll Weekly Sentiment Survey – Bullish

SPX – Internals Model

Midterm - TICK / TRIN - Bearish

AD Oscillator, Ratio's – 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)

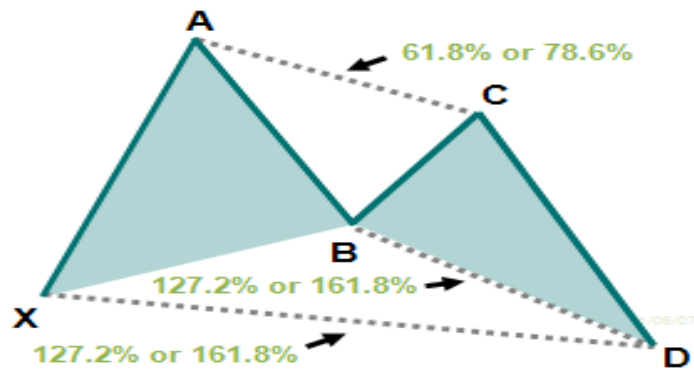
Pythagoras Expansion / Contraction – (PEC) Model

- 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

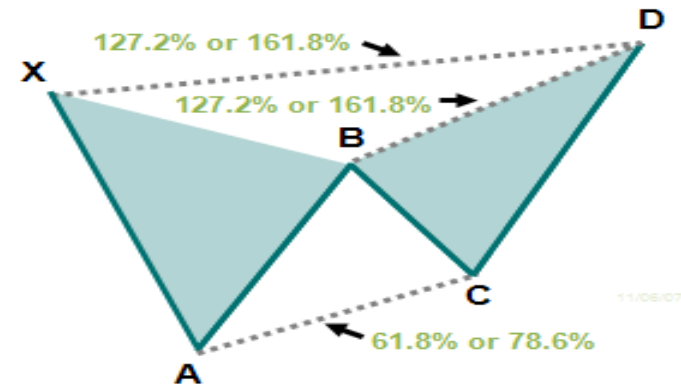
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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

Buy Pattern (bullish)



Sell Pattern (bearish)



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