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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	2082	POM 15 Re Run Triggered @2120-50	Announcement : Trigger POM 14	BEARISH To NEUTRAL	Net Short 30% to 0%	Exiting Net Short Position.	Bounce to 2135-50 should Fail		1 st ABC down to 2100- met and exceed To 2080	2 nd ABC down to 2040-20 Bearish Gap 2	Projection to re test of lows CZ 1995-1985 Bearish Bottom

Announcement:

SPX has reached our Price 1st downside target of 2000 and extended beyond to 2082. Our Net Shot position scaled in within CZ 2120-2160 (avg 2140) has resulted in **60 points or 2.6% Profit**.**We are exiting this position and staying on sidelines in Cash for next Trump / Clinton move as charted below for announcement.**

SPX has triggered POM 14 Neutral Position.

	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)	132.0	POM 13 Triggered 10/22 CZ 133-130	None	BULLISH	Net Long 20%	None	PEC-D 138	Target Momentum to 145 Bullish Top	Retest of CZ 133 -30 Rejected lows Bullish Bottom		CZ 128-127 Rejected Bullish bottom

For Bulls –

Our 1st ABC down target to 138., Stop loss 130. .

Note : FYI- Year to date SPX has been up + 40 points (1.8% gains); During the same time frame, We locked in.....

- 160 points gains on Net short side in January / February correction.
- 90 points of gains on Net Long side in February / March bounce rally.
- 70 points of gains in Net Short side in June Brexit decline
- 60 points of gains from Net Short in October ; Pre election decline
- Total of 380 points while staying in market only 100 days

Market Overview SPX- BONDS

SPX

Price path and Target to 2100 in SPX met exactly. During this decline of 60 points move in SPX, VIX and TVIX has rallied 60% from its lows. We have no reason to stay Net short in this market after great profit for the Portfolio from the downside move in past 10 days. We are closing all the Net Short and Staying on sidelines for potential Hillary / Trump scenario.

In Short term :

- Market has reached the 1st Target and is oversold with volume drying up. Market may be ready to bounce.
- Bradley turn date is on Monday. It can trigger furious move in either direction.
- **Trump Victory** : Any break below 2080 should be false break below to target 2040-20 with huge Gap down on Tuesday night or Wednesday AM for 2-4 days selloff to complete the decline . **This will set up great entry point for Net Long position** to target back up to 2150.

In Mid Term :

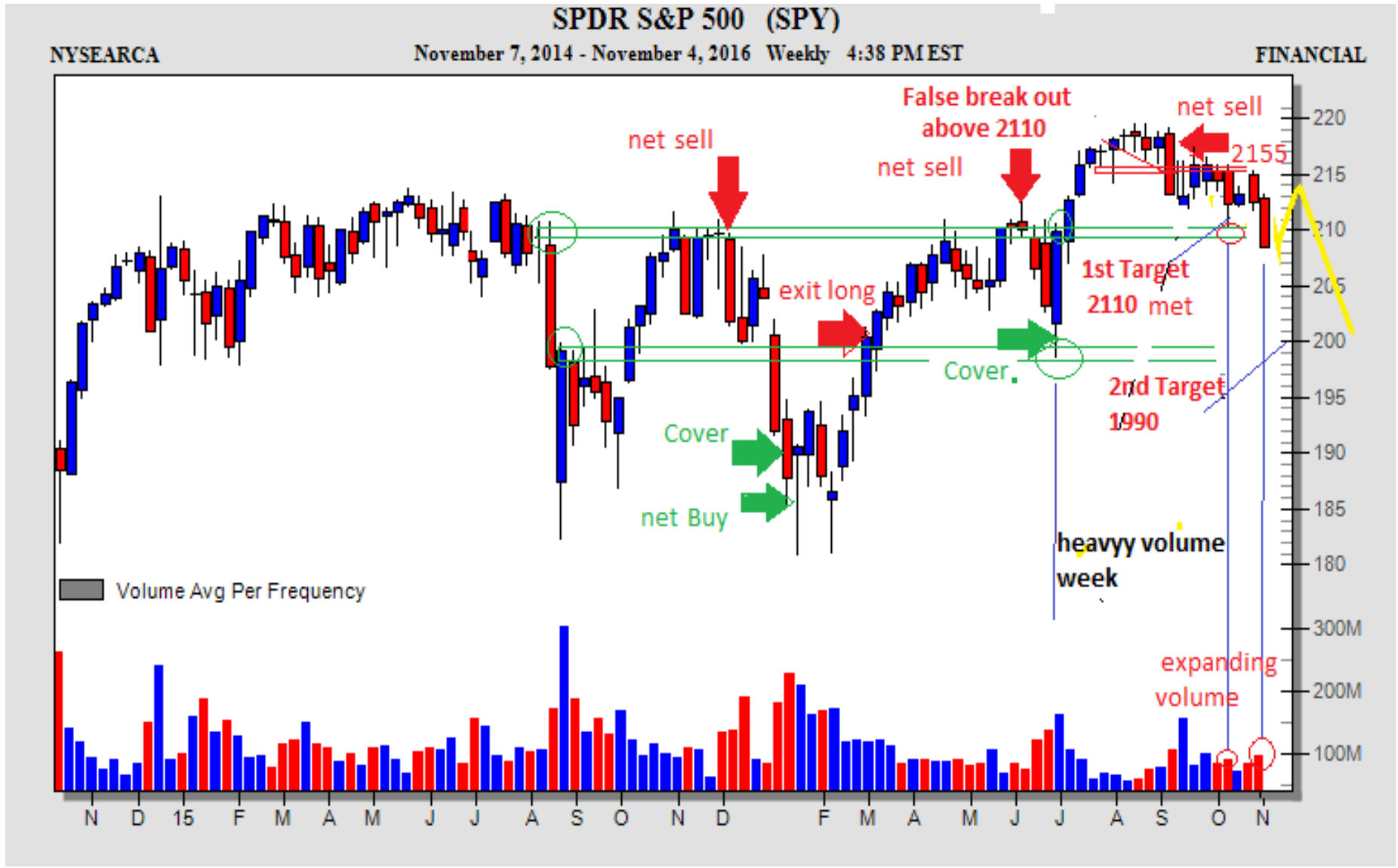
- Increased buying of puts during declining of market is Midterm Bearish.
- SPX has formed Head and shoulder Top and Neckline is broken to Target 2000.
- The McClellan Oscillator remains below "0" in a bearish manner
- **Hillary Victory** : Any huge Gap up on Tuesday night or Wednesday AM, May result in 2-4 days of rally to target 2150 and fail . **This will set up great entry point for Net Short position** to target back up to 2150.
-

TLT

Lows at CZ 133-130 was retested with Bullish bottom. Upside Target to PEC-D 138.

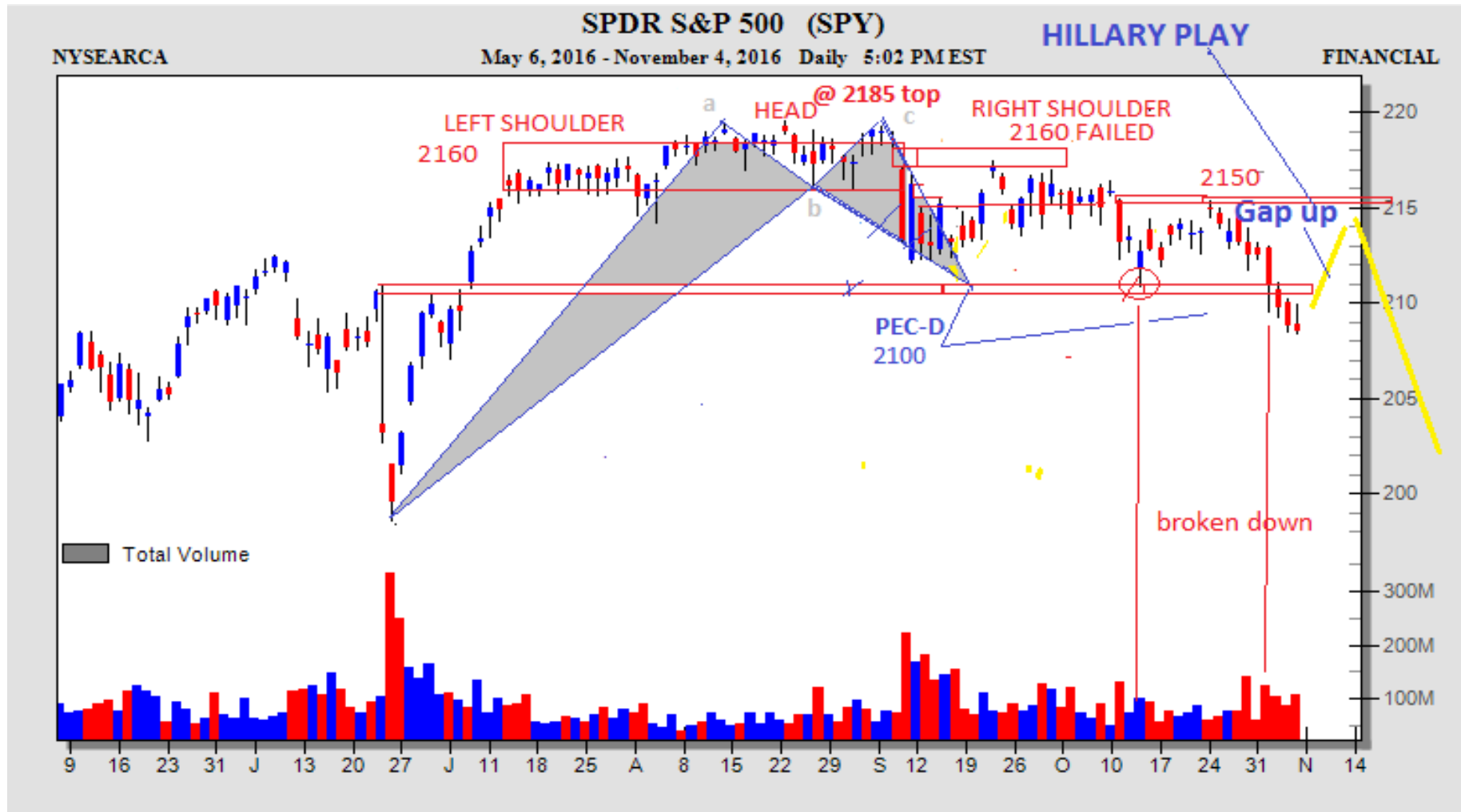
SPY / Volume Analysis – C Z- PEC- D Weekly

Weekly charts suggest another bounce to 2135-55 and then ABC down to 1990.



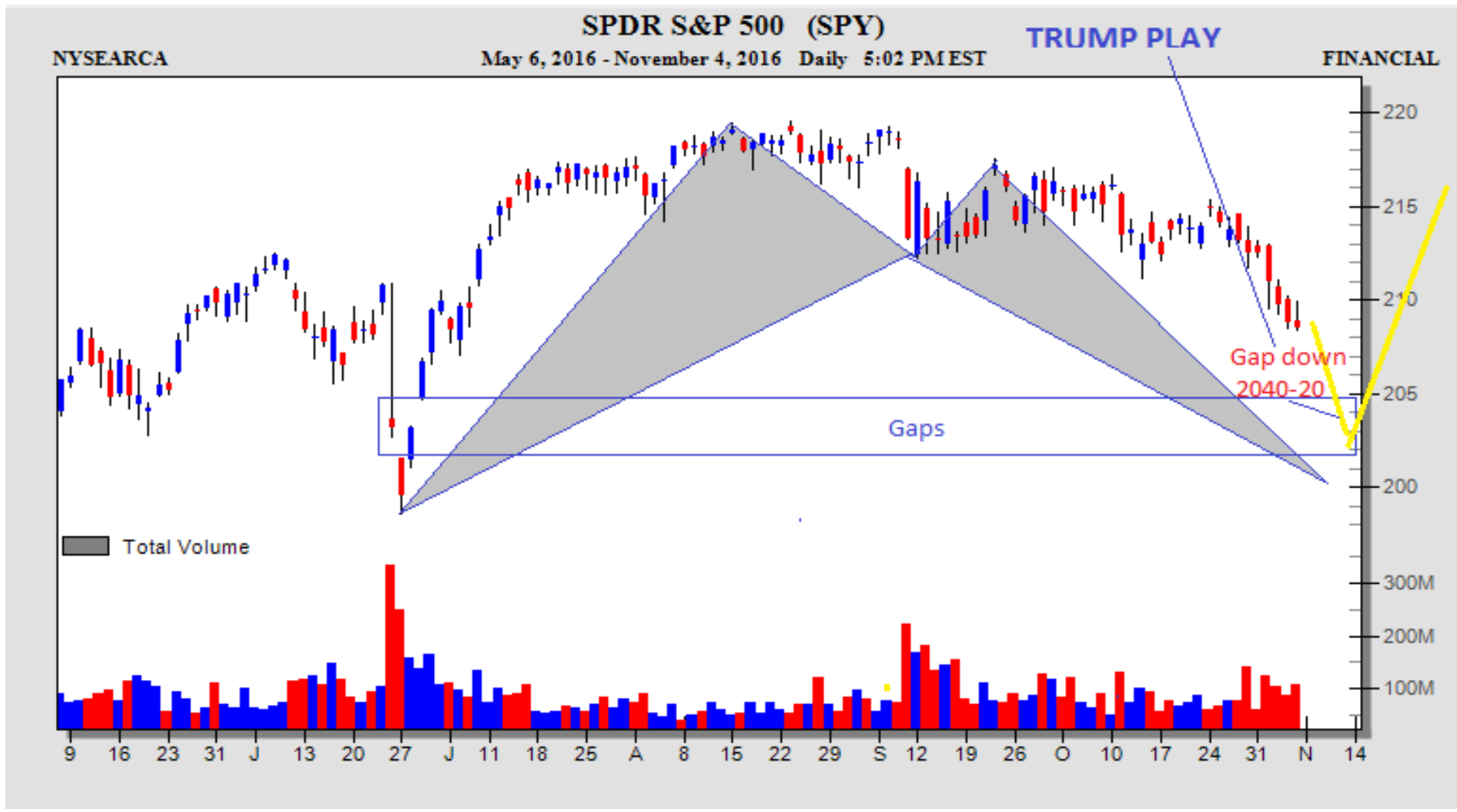
HILLAY PLAY : SPY / Volume Analysis – C Z- PEC- D Daily

- Any Gap up on Tuesday night or Wednesday AM, May result in 2-4 days of rally to target 2150. **This will set up great entry point for Net Short position** to target back up to 2150.
- SPX has formed Head and shoulder Top and Neckline is broken to Target 2000.



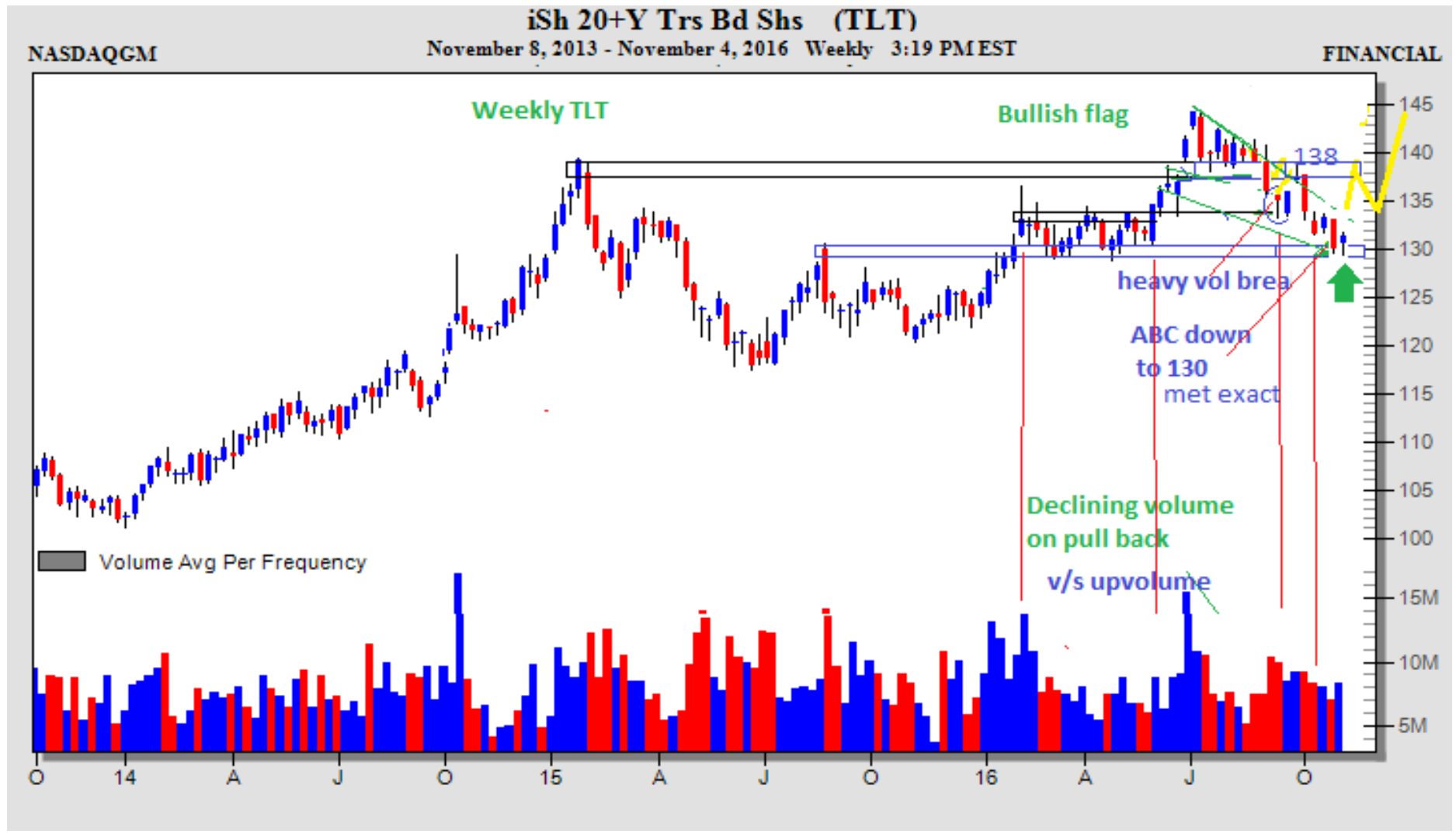
TRUMP PLAY : SPY / Volume Analysis – C Z- PEC- D Daily

- Any break below 2080 should be false break below to target 2040-20 with Gap down on Tuesday night or Wednesday AM for 2-4 days selloff . **This will set up great entry point for Net Long position** to target back up to 2150.



TLT – C Z- PEC- D Analysis – Weekly

1st ABC up to 138.



SPX – Cyclical Model

- SPX - Seasonality

Fourth Quarter “Power Periods”

Power Period 1 (4 Days)

Last 2 trading days of October

First 2 trading days of November

Power Period 2 (9 Days)

Last 6 trading days of November

First 3 trading days of December

Power Period 3 (7 Days)

Last 7 trading days of December

Total Trading Days: 20

- 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)

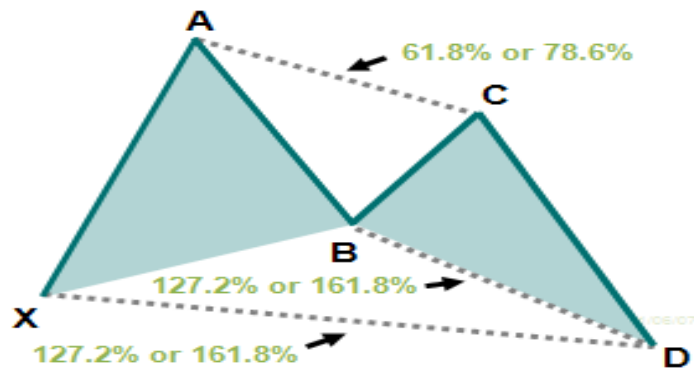
Pythagoras Expansion / Contraction – (PEC) Model

- 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

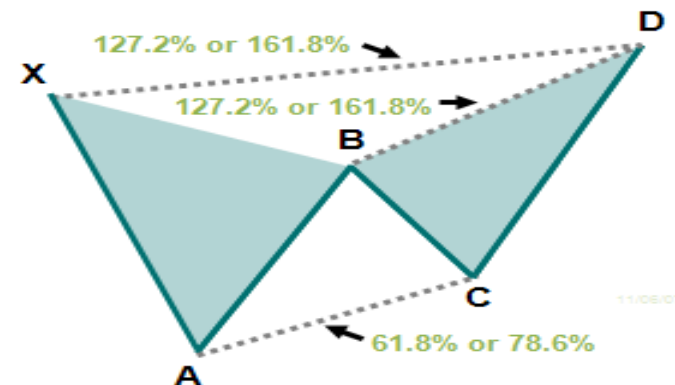
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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