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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	<b>NEW ACTION</b> (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
SPX- 500	2133	POM 15 Re Run Triggered @2120	NONE	BEARISH	Net Short 30% Non Leveraged	NONE	Bounce to 2150 should fail.	Momentum drive to 2185 Target failed	1 <sup>st</sup> ABC down to 2110 Bearish Gap 1	2 <sup>nd</sup> ABC down to 2000 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

1<sup>st</sup> ABC down to 2110. 2<sup>nd</sup> ABC don to Target 2000.

	Current Price	POM Triggered within CZ & Date	Follow up <u>Announcement</u> - Update For ST Trend Reversal & RM	Progress Status	Existing Position / Exposure	<u>NEW ACTION</u> (Trigger to Watch)	Upside CZ Near Term	Upside CZ Mid term	Downside CZ Near term	Downside CZ Mid term	Remark
<b>TLT (BONDS)</b>	134.7	<b>POM 14 Triggered 1/8</b>	NONE	<b>NEUTRAL</b> Bearish bias	0%	NONE	Bounce to 138 should fail	Target Momentum to 145 Bullish Top	<b>Pull back to PEC-D 133 Heavy volume</b>	ABC down to 130	CZ 128-127 Rejected Bullish bottom

### ACTIONABLE IDEAS -

For Bulls – Wait for pull back to 130 for next buy signal. Next Rally target to 145

For Bears – Wait for light volume bounce to 138 and Sell Short to target 130. .

## Market Overview SPX- BONDS

### SPX

In general the volatility has come back into the market and USD is rallying. This should put pressure on equity Markets and Commodity Market

This week is FOMC meeting. All global markets can be very volatile. Past week has been heavy volume week. We think the Bounces should once again be limited to 2150 and set up next leg down. Our 1<sup>st</sup> target of 2110 almost approached once but should be eventually broken. Weekly close below 2150 is suggesting 2<sup>nd</sup> ABC down to 2000 should be on cards.

The bigger problem appears to be Global rebound in long term yields causing the emerging market sell off. EM markets are especially vulnerable to rising bond yields and falling commodity prices.

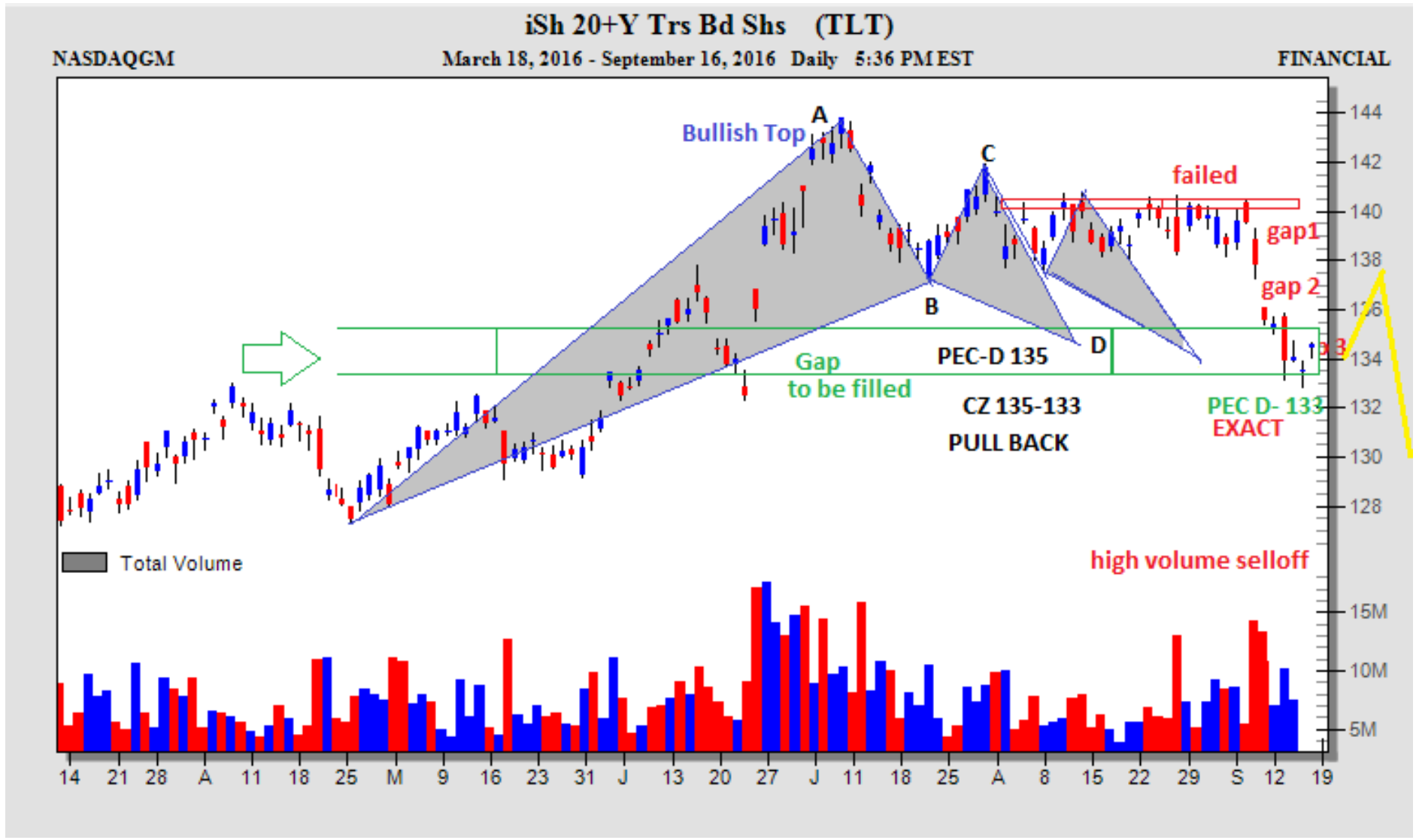
### TLT

Bond Market may have slightly deeper pull back. Since last week Bond Market finished 3 Gap Play to the downside projection to 133 (Exact) . However it appears after the bounce to 138, it wants to set up new ABC down to 130.

Yield is moving higher near terms. Feds will have to do catch up with Fed funds rate sooner rather than later.

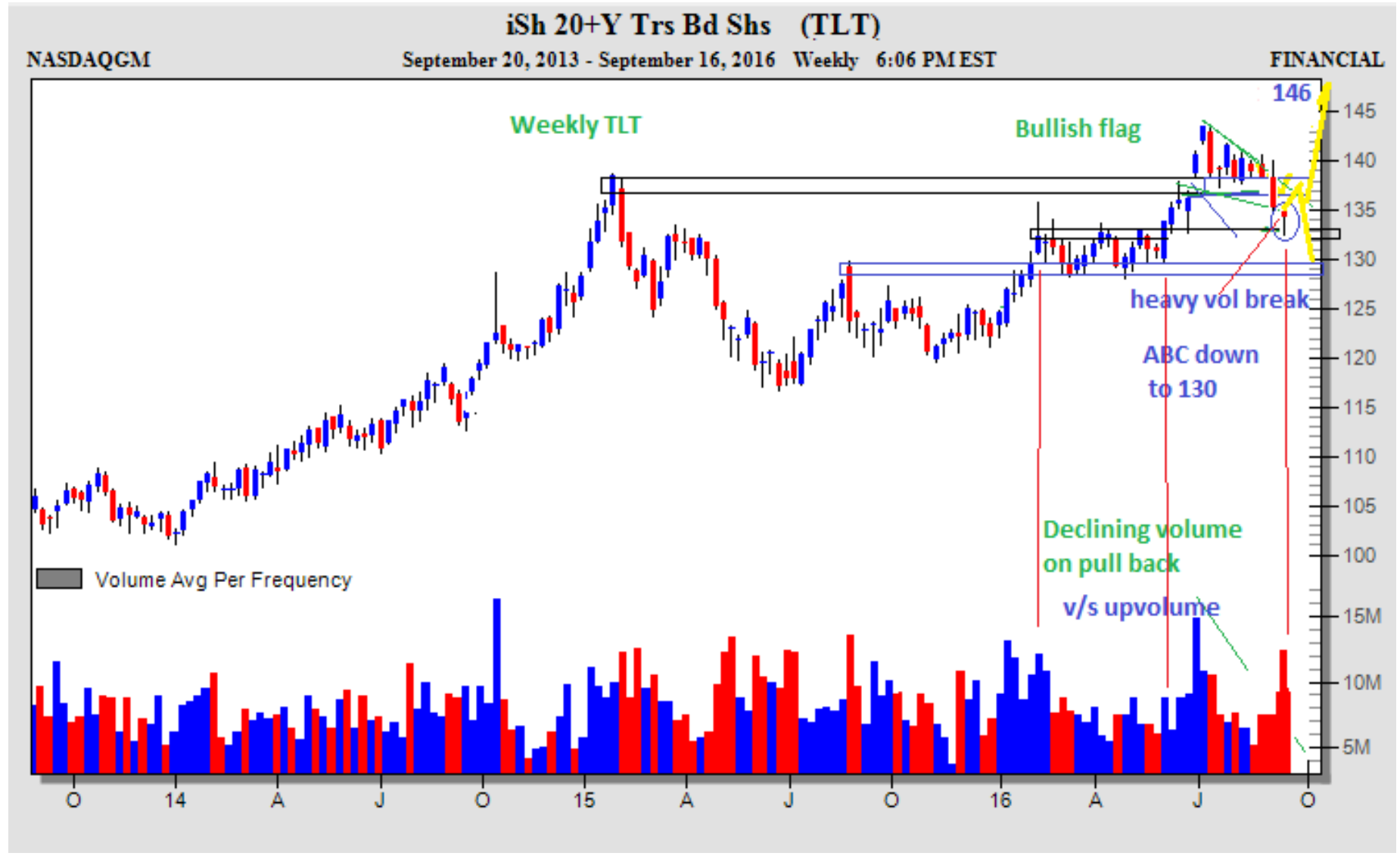
# TLT – C Z- PEC- D Analysis – Daily

ABC down to 133 met exact but volume is extremely heavy suggesting there is more downside. Bond Market may have slightly



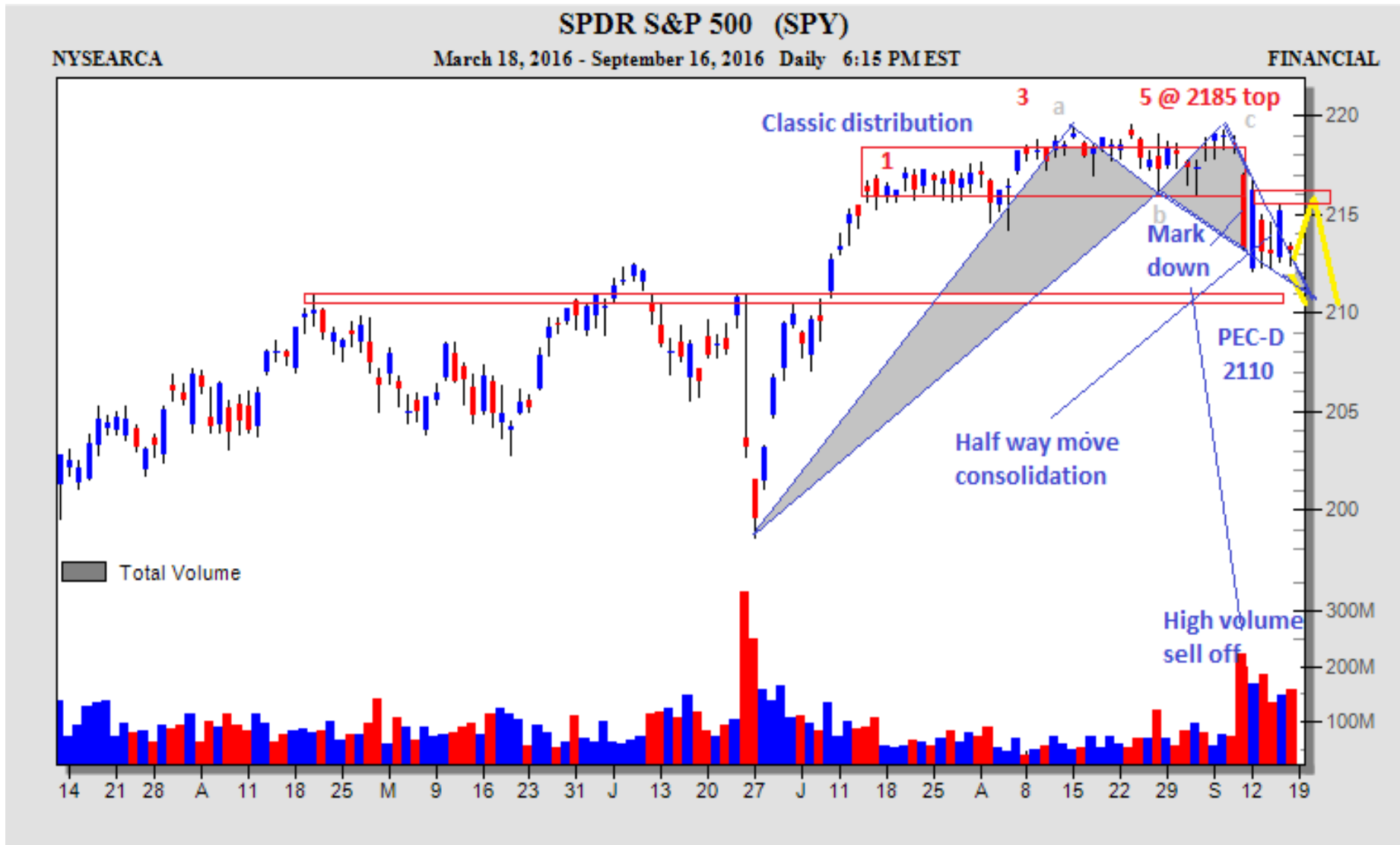
# TLT – C Z- PEC- D Analysis – Weekly

Midterm ABC up to 146 after the pull back is complete to 130



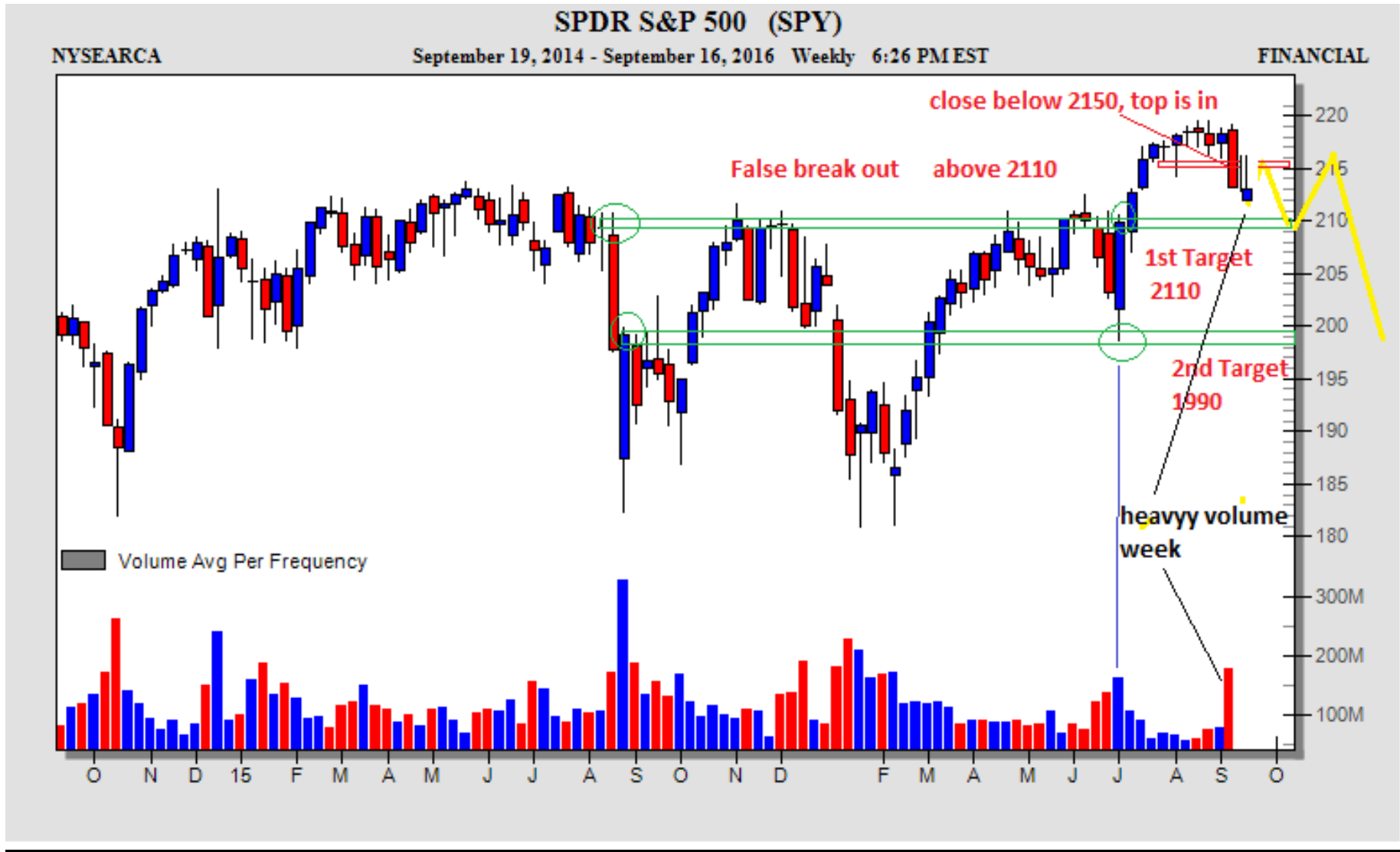
# SPY / Volume Analysis – C Z- PEC- D Daily

After heavy volume decline in SPX almost reach our target. Currently SPX is consolidating in ½ way move down for continuation of move later. 1<sup>st</sup> ABC down to 2110 & 2<sup>ND</sup> ABC down 2000.



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

Weekly close below 2150 has price target of 1990 on weekly basis. This may very well be the lows for this year.



## 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

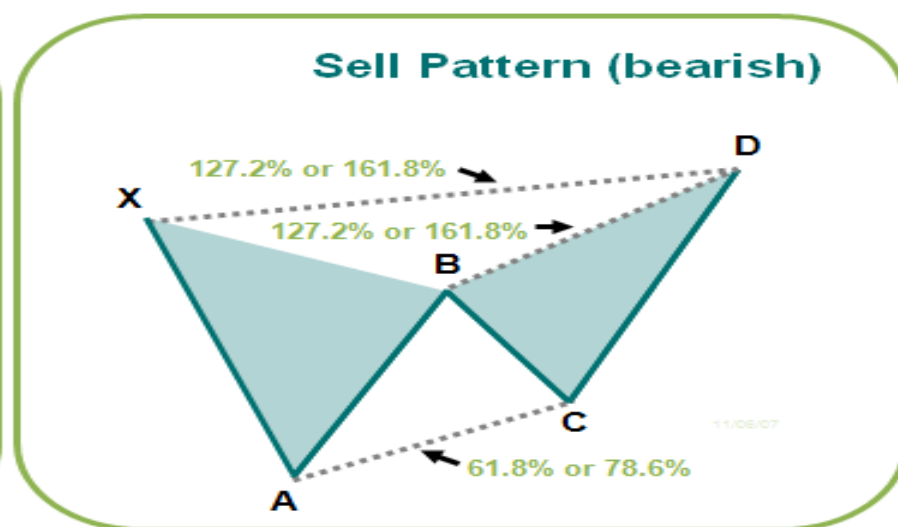
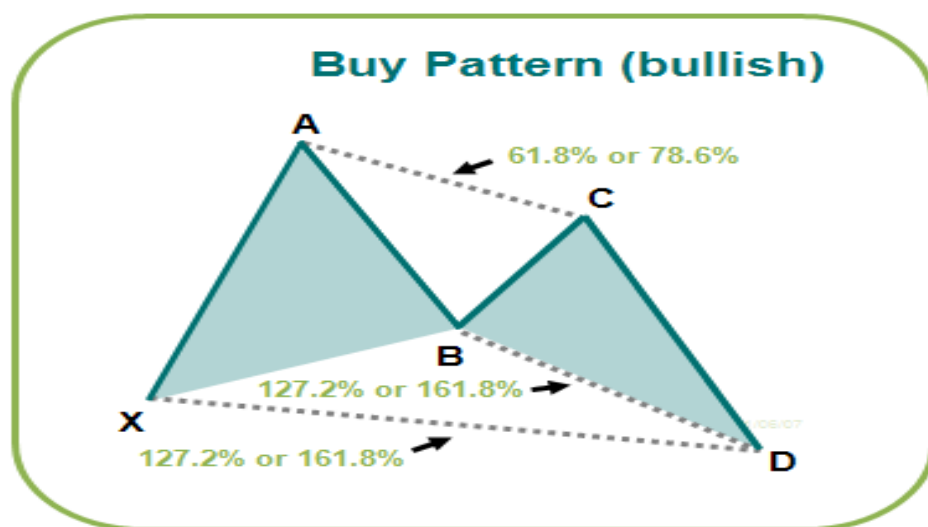
- POM is rated from 10 to 15
- POM 14 , 15 ( is Sell Signal) and 12 , 11 ( is Buy Signal ) both are the Actionable Area whereas POM 13 is A Neutral Signal for Risk management
- On way UP move, POM 13 signifies to STOP executing additional ‘New Buys’ that was initiated at POM 12 or POM 11 levels
- On 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 2<sup>th</sup> 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



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