SG Capital Research
Global Market Insights
Chart System

Date: Sept 25, 2016 (Monday)   **www.sgcr.us**   **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	2158	POM 15 **Re Run** Triggered @2120	NONE	BEARISH	Net Short 30% Non Leveraged	NONE	Bounce to 2150 Failed .	Momentum drive to 2185 Target failed	1st ABC down to 2110 Bearish Gap 1	2nd ABC down t0 2000 Bearish Gap 2	Projection to re test of lows CZ 1995-1985 Bearish Bottom

For Bears – Bounce to 2150 failed. 1st ABC down to 2110. 2nd ABC don to Target 2000.

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	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)	136.7	POM 14 Triggered 1/8	NONE	NEUTRAL Bearish bias	0%	NONE	Bounce to 138 should fail	Target Momentum to 145 Bullish Top	Pull back to PEC-D 133 on Heavy volume	Target ABC down to 130	CZ 128-127 Rejected Bullish bottom

ACTIONABLE IDEAS -

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

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

Market Overview SPX- BONDS

SPX

FOMC meeting past week put in volatility under this market once again with inconclusive data. Market Rates have been creeping higher, Federal reserve will have to do catch up very quickly to come in sync with the Yield.

Any bounces in SPX should be limited towards 2150 and set up next leg down. Our 1st target of 2110 (almost approached once) but Should be eventually broken. 2nd ABC down to 2000.
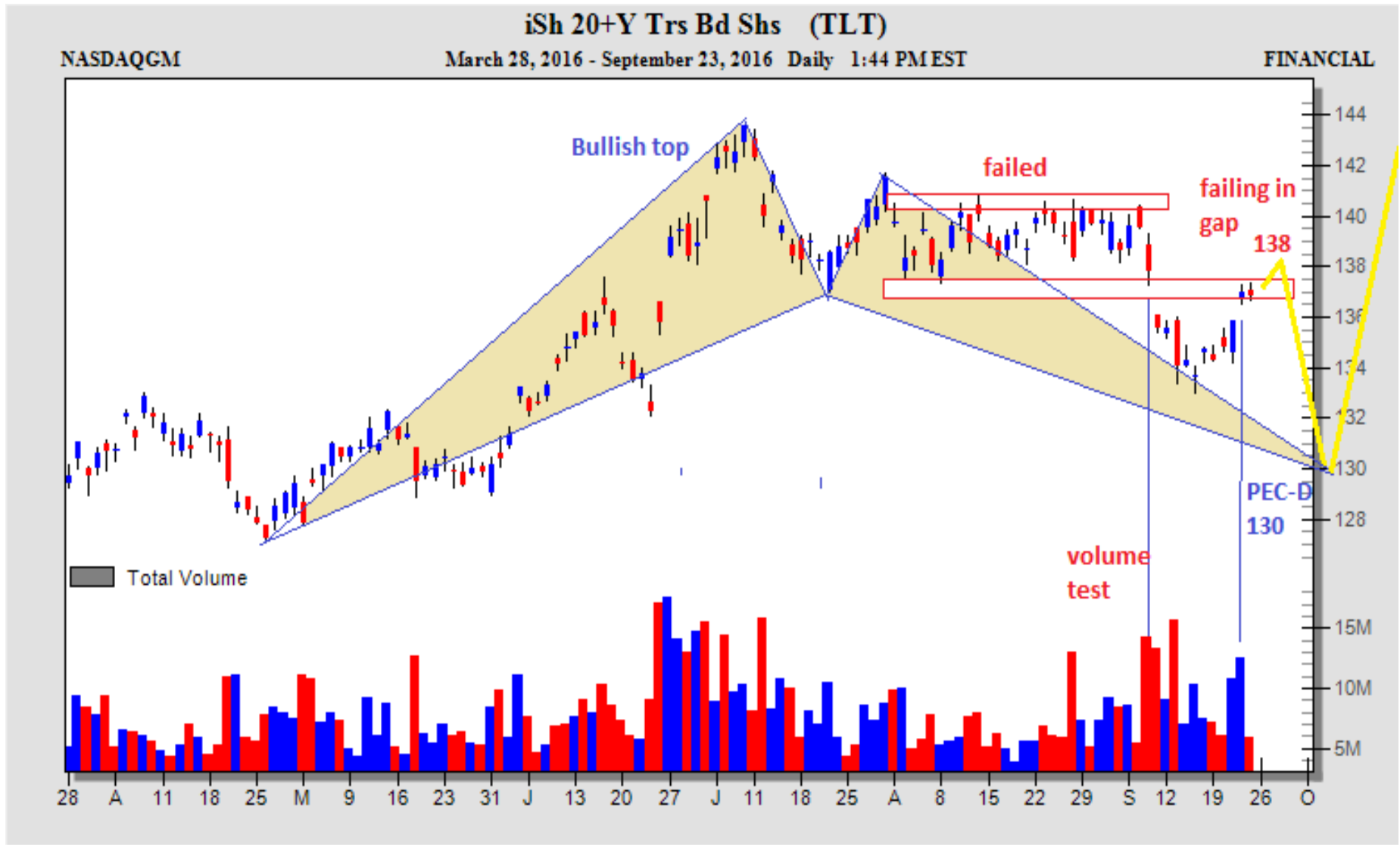
TLT

Bond Market on short term basis looks weak. The heavy bottom at 133 suggests, Bounces should be limited to 138.
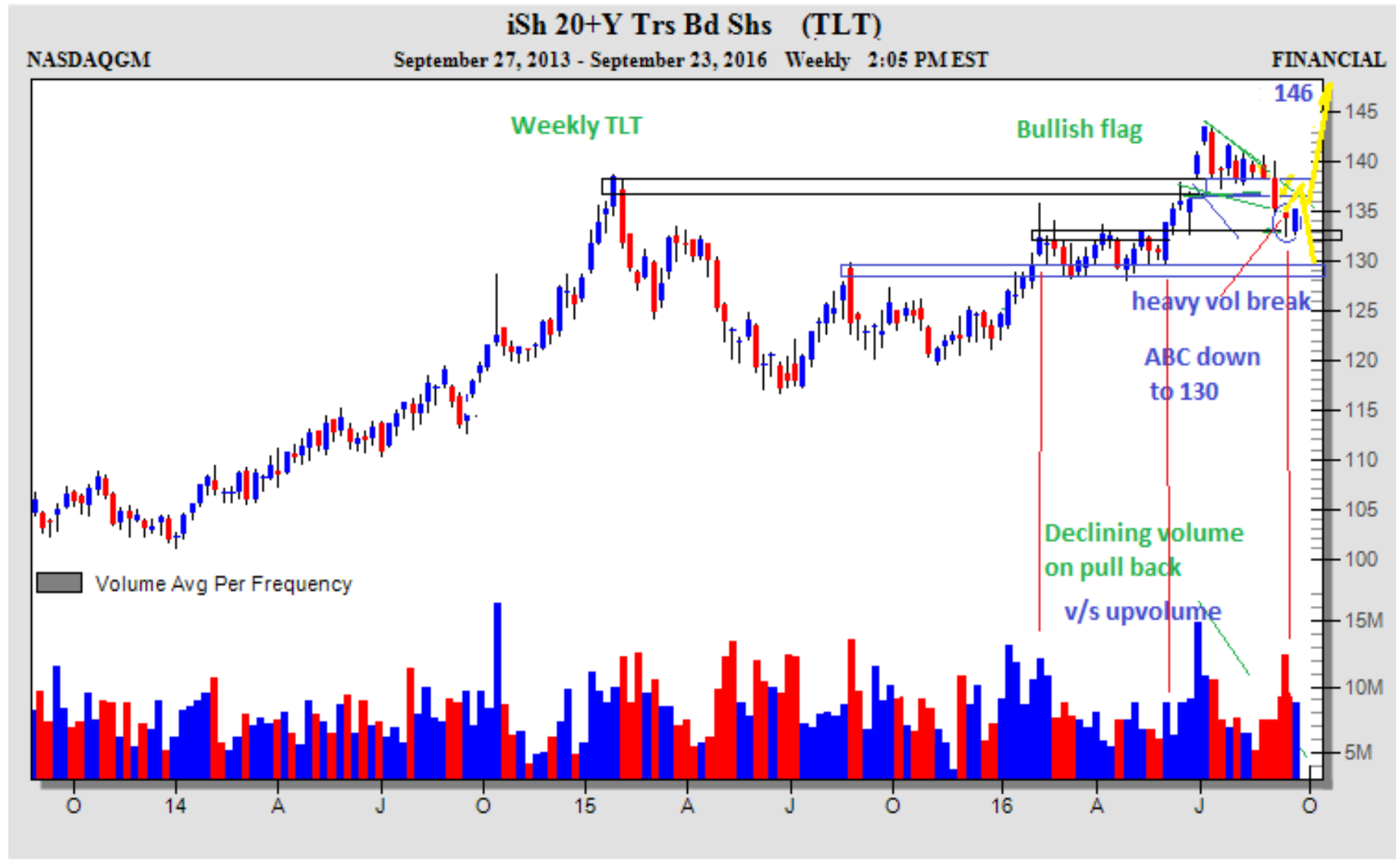
TLT set up new ABC down to 130.

TLT – C Z- PEC- D Analysis – Daily

Bounce should be limited to 138 . ABC down to 133 met but volume is extremely heavy suggesting there is more downside. ABC down target to 130
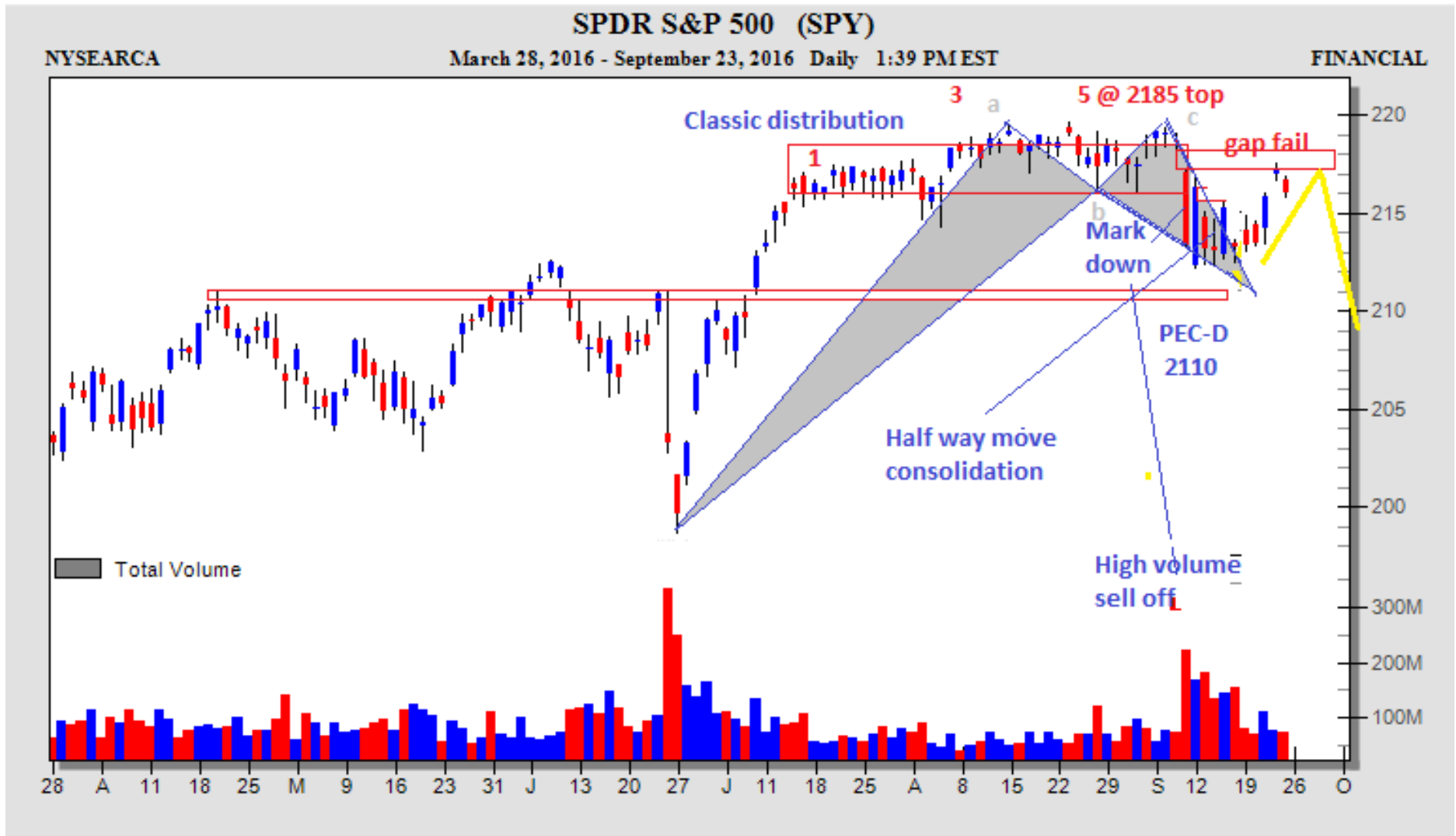
TLT – C Z- PEC- D Analysis – Weekly

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

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

Bounce into 2150 is on low volume into the gap. Currently SPX is consolidating in ½ way move down for continuation of move later.   1st ABC down to 2110 & 2ND ABC down 2000.
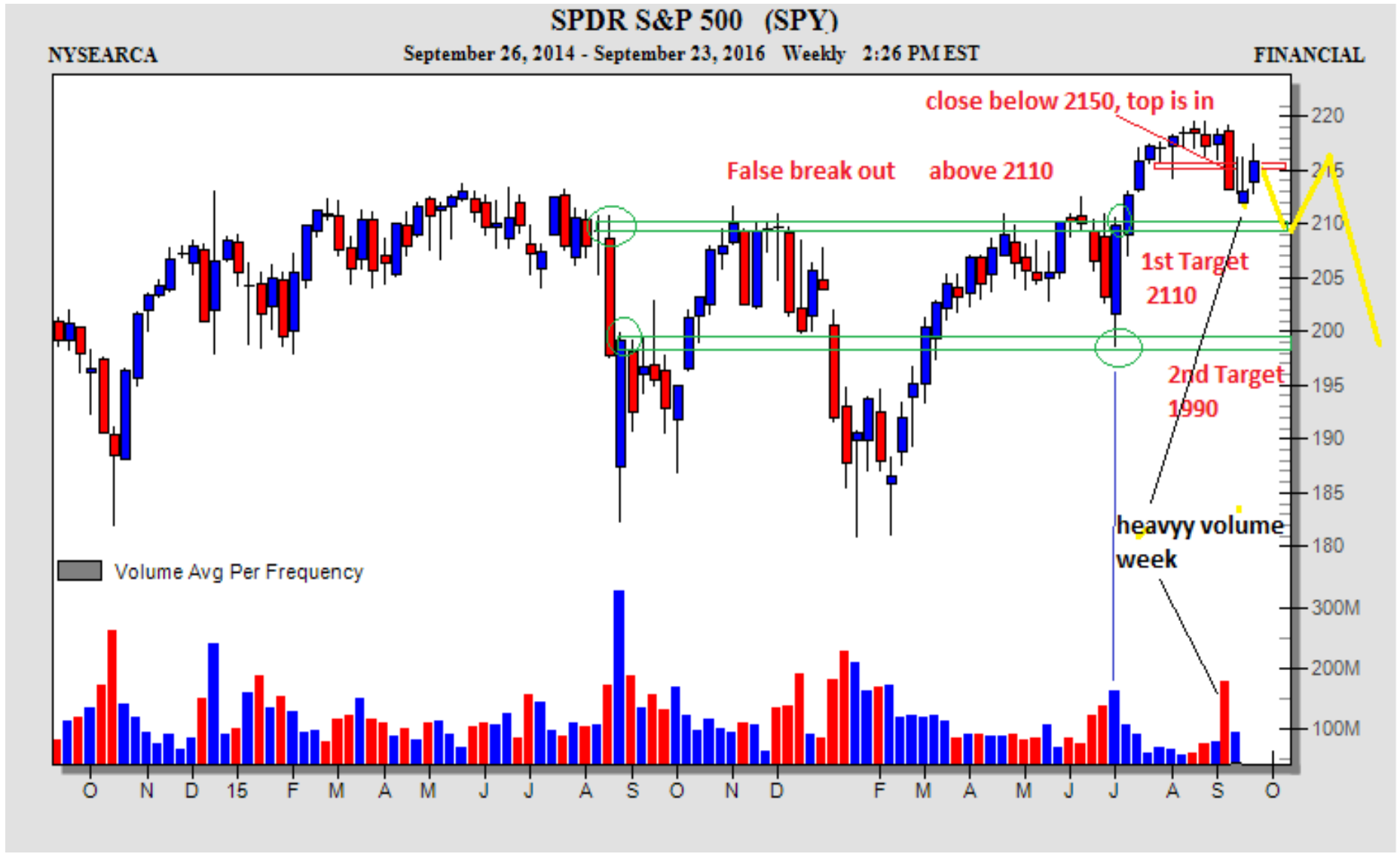
SPY / VIX/ MC - Oscillator – C Z- PEC- D Daily

We are watching for divergences between the VIX and the SPY. Previous highs in the SPY, the VIX made higher lows as the SPY made higher highs, this is Bearish condition. Mc- Oscillator is below 0- Bearish condition

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

Weekly close below 2150 has price target of 1990 on weekly basis.

SPDR S&P 500 (SPY)
September 26, 2014 - September 23, 2016 Weekly 2:26 PM EST

NYSEARCA

FINANCIAL

close below 2150, top is in

False break out   above 2110

1st Target
2110

2nd Target
1990

heavyy volume
week

Volume Avg Per Frequency

SPX – Cyclical Model

- **SPX - Seasonality**

  EFFECT – , MAY - OCT – NEGATIVE.

- **SPX - Geomagnetic / Lunar Cyclic Model**

  None

- **SPX - Sentiments Model**

  AAII Weekly Sentiment Survey – Bullish

SPX – Internals Model

Midterm - TICK / TRIN -   Bearish
AD Oscillator, Ratio's – Bearish

Appendix Content

- **Objectives & POM /CZ / PEC –D Guidelines – <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**

<u>Critical backdrop Notes –</u>

- *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
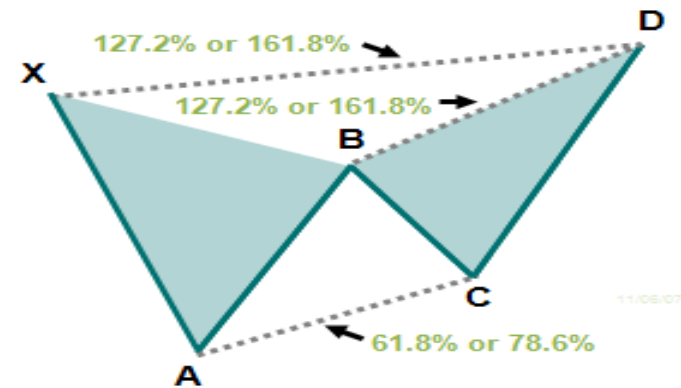
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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)

A
61.8% or 78.6%
C
B
127.2% or 161.8%
X
127.2% or 161.8%
D

Sell Pattern (bearish)

D
127.2% or 161.8%
X
127.2% or 161.8%
B
C
61.8% or 78.6%
A