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Immediate Release- 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	2358	POM 15 Triggered @2375 Announcement On March 19, 2017	Stop at 2410	BEARISH	15%	None	Possible retest of 2375 and fail	Target 2400 (2397) Met & failed.	Pull back to 2330-20- Met & bounced backup	1 st ABC down 2300-2280	2 nd ABC down to 2230-2180 <u>Best Risk/ Reward for new longs</u>

- **POM 15 – Net Short Signal Triggered at 2375 (EXACT) on 3/19 Announcement:** (All Long Positions Hedged)
- Since our Trigger, projected pullback CZ of 2330-20 was met (EXACT) and SPX bounced.
- Our 1ST ABC down Target at **CZ 2200-2180.**
- (15%) -Pair Trade XLE (@ 69.0) and SPY (2375) is in effect.
- For Trading Net long, we plan to wait patiently at around 2st ABC down **CZ 2230-2210.**

	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)	121.0	POM 13 Triggered 3/13 @ 118.25 Within CZ 117-118	Stop at 118.25	BULLISH	Net Long 30%	None	1 st ABC up Rally to Re test 123 Within 50C MET EXACT	Target to PEC-D / Gap area 127	Expect pull back from Friday's key reversal	Lows of 116.5 tested and held	

- **POM 14 – Net Long Signal Triggered at 118 on 3/13 Announcement:**
- Since our Trigger, projected Rally to 1st ABC up 123.0 met (EXACT within 50 C)
-

Market Overview SPX- BONDS

SPX: Our POM 15 Trigger – Net Short, hit right on the money after our announcement at 2375 (MET **EXACT**) and SPX had a good decline of 50 points. Our pull back target was at 2330-20 (MET **EXACT**) and rally back up was as expected. *For full disclosure we covered our very short term Trading net short (TVIX) at 2330 a day before the turn once target was hit.*

Rally towards the upside bounce to 2375 should fail. We think the Top is in for the market at 2400. (Stop at 2410).

Next week is option expiration. Expect volatility. Month of April has very complex Astro Cycles. (5) Planets are changing direction. (3) Retrograde and (2) Direct. This may trigger some major changes in Market directions. Fiscally, monetarily and politically the news are out. Only the surprise element would move the market in the direction of our Indicators.

In recent decline from 2375 to 2325, the decline did not produce panic on “TRIN and TICK” Reading. It suggests the market should move lower until panic forms with these indicators.

XLF – Financials are acting quite bearishly. **XLE- Energy** has taken off quite bullishly from our CZ Trigger at 68.0 for Long Pair Trade v/s SPX short.

On weekly basis, SPX is building a distribution pattern to move lower with multiple “Signs of weakness and escalated bearish volume.

TLT: Triggered POM 13 - Net long. CZ 117-118

Our “scale- in” entry on 3/13 at 118.25 initiated our Net long Trade for previously exited Net long position.

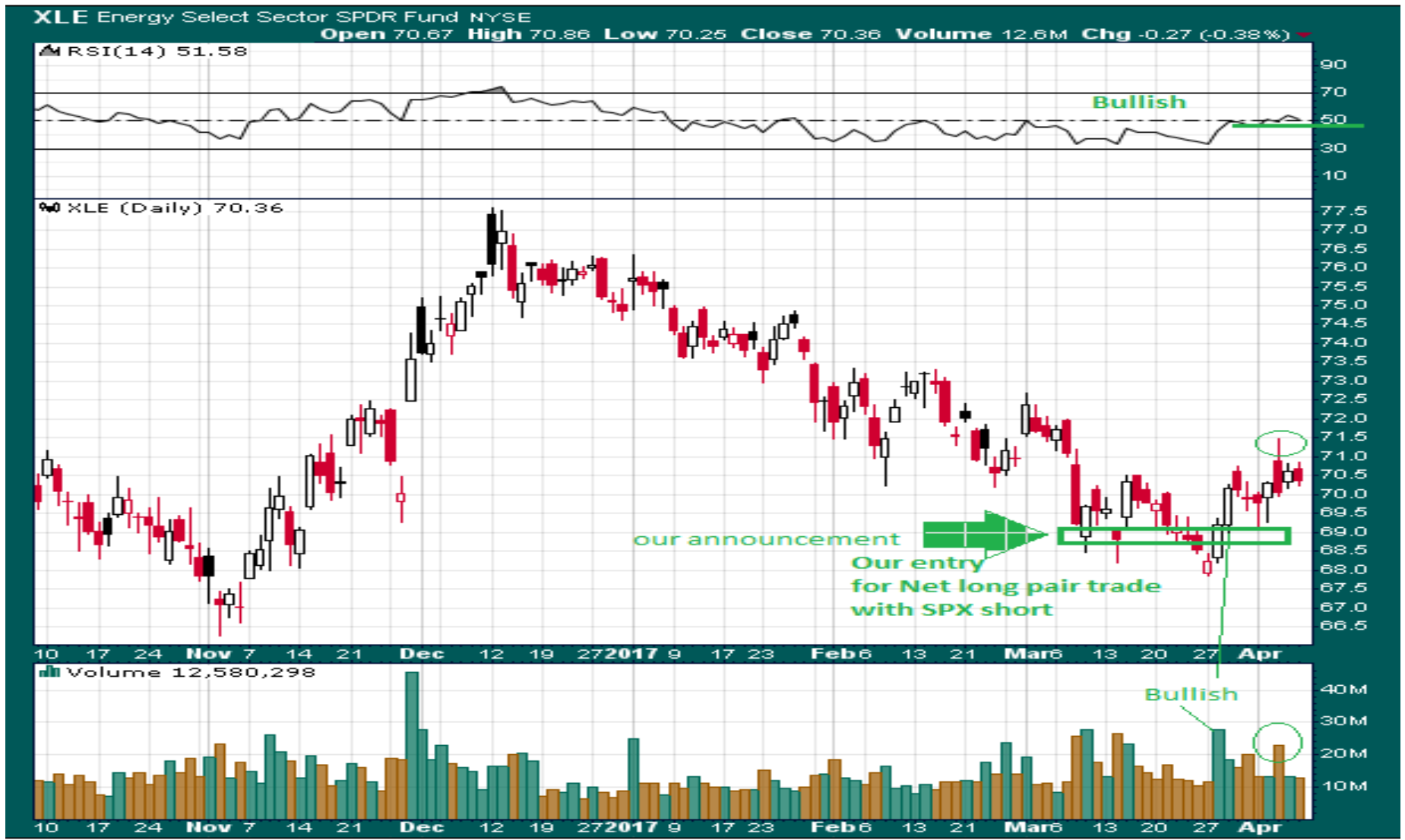
Continued Sign of Strength with expanding upside volume out of **CZ 117-118** rejection, has been setting up towards our **1st ABC up target at 123.0 (EXACT within 50 cents)** . This move has defied all FOMC announcements and Interest rate polices of past 3 months.

We “made and stood” by our call in Bonds against all the mightiest on Wall Street and Washington. And once again realized that the Market indicators are more powerful than “HOT GAS” blown by “XOXO”

On weekly basis, TLT is building a cause to move higher. TLT began its move higher with multiple “Signs of strength and escalated bullish volume. Our final target is PEC-D 127.

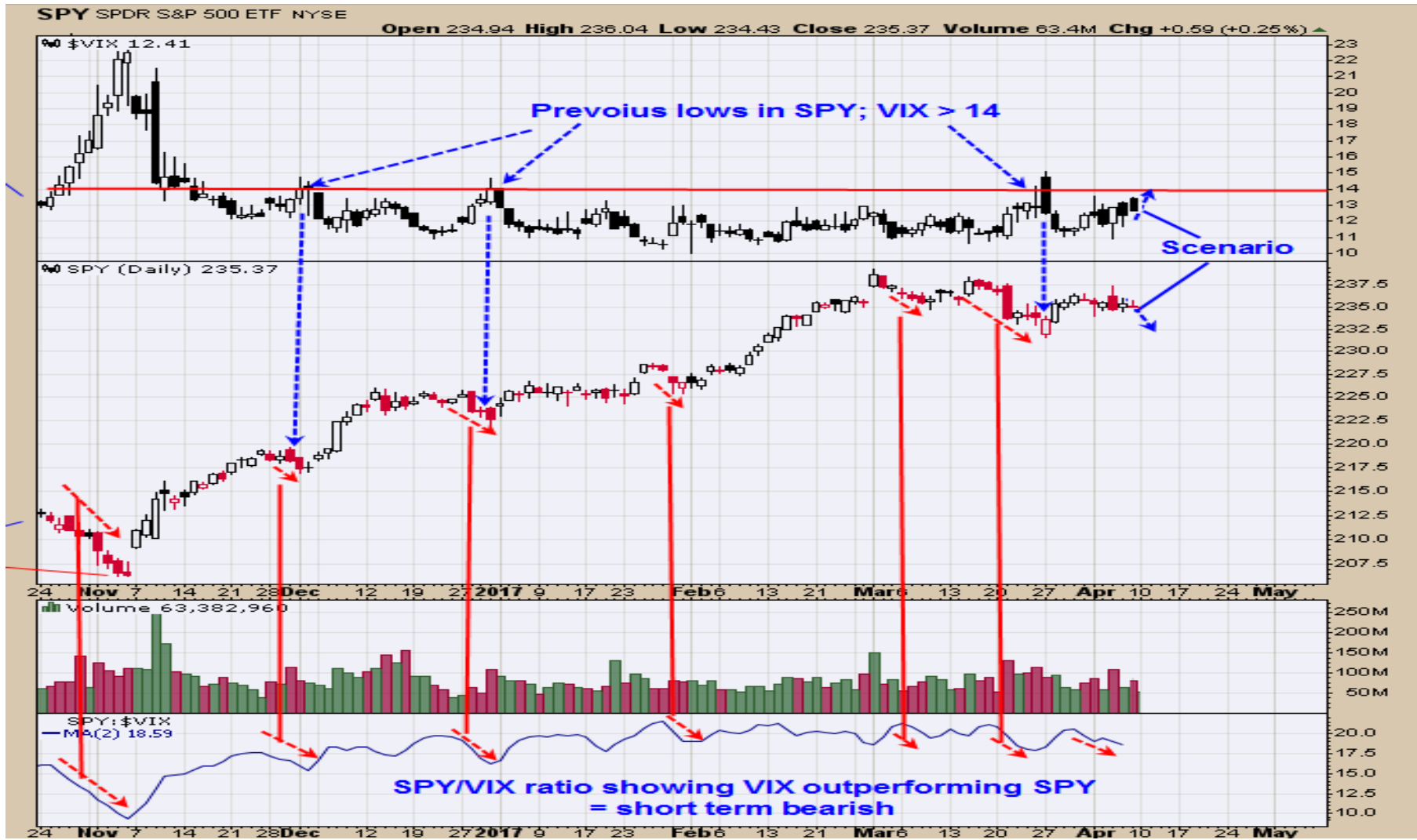
XLE / SPY – Pair Trade - Volume Analysis – C Z- PEC- D Daily

Refer notes inside the chart



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

TICK and VIX did not reach panic levels suggesting the pull back is not done. At previous lows over the last several months the VIX reached near the +14 level. SPY/VIX ratio is falling it shows that VIX is outperforming the SPY and a bearish condition for the market and decline is not done.



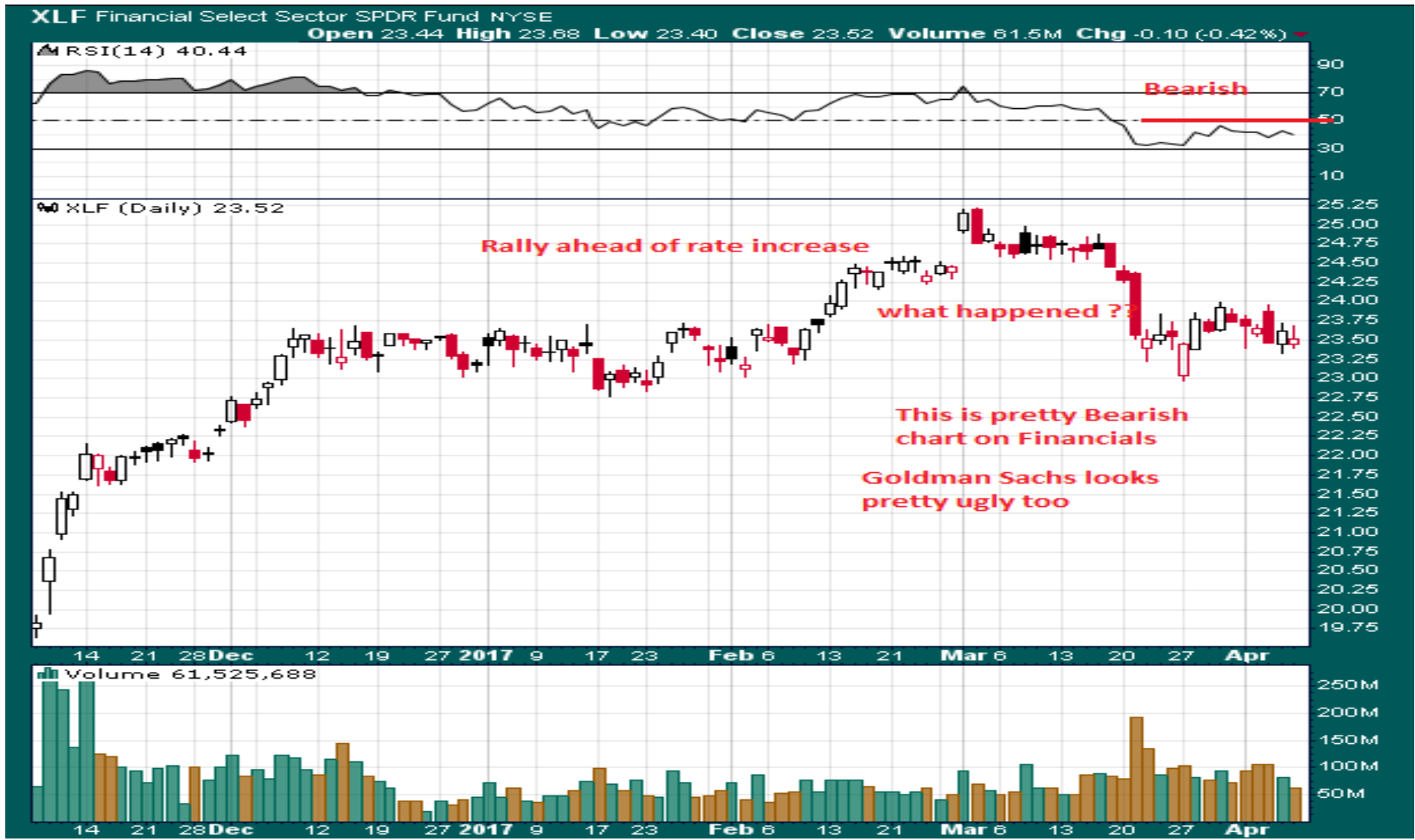
SPY / Volume Analysis – C Z- PEC- D Daily

SPX produced an RSI below 50 and pushed the McClellan Oscillator below "0". These are Bearish but will need to see panic in the TRIN; Ticks and VIX to establish the next bullish setup.



XLFF – Pair Trade - Volume Analysis – CZ- PEC- D Daily

Refer notes inside the chart



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

Refer notes inside the chart



SPX – Cyclical Model

- SPX - Seasonality

Negative- Post Presidential Cycle.

- SPX - Geomagnetic / Lunar Cyclic Model

Negative

- 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 – 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)

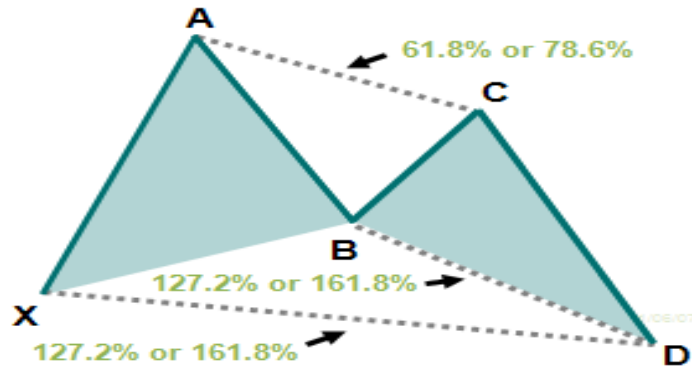
Pythagoras Expansion / Contraction – (PEC) Model

- 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

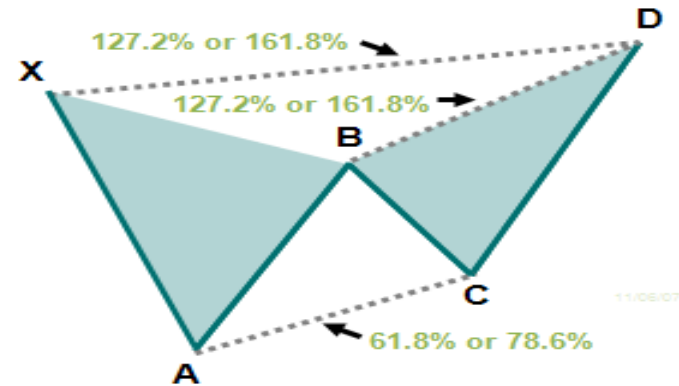
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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