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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	2430	POM 15 Triggered @2375 3/19	None	BEARISH	Net Short to Fully Hedge long positions	None	Momentum 3 rd drive to the Top complete at 2445	Double Top Not complete	Pull back to 2360-90 and rally up	1 st ABC down -2280-2300	<u>Best Risk/ Reward for new longs</u>

- **POM 15 – Net Short Signal Triggered at 2375 on 3/19 Announcement:** Hedge all Net Long positions (FB,MSFT,JNJ)
- Weekly close **below 2425** to Trigger decline
- Pull back target to **CZ 2390-60** and rally up
- 1ST ABC downside Target at **CZ 2280-2300**.
- For next Net long opportunity, we plan to wait patiently for best Risk / Reward.

	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)	124.40	POM 13 Triggered 3/13 @ 118.25 Within CZ 117-118	Stop loss at 118.25	BULLISH	Net Long	None		Target to PEC-D / 127 Fell short by 1.20 Cents.	Pull back to CZ 124.5-123.5 On lighter volume	Pull back to CZ 121-122 Rejected lows – Exact. Bullish Bottom	Lows of 116.5 tested and Rejected Bullish Bottom

- **POM 13 – Net Long Signal Triggered at 118 on 3/13 Announcement:**
- Since our Trigger, projected Rally to 2nd ABC up 127.0 .
- Pull back to CZ 121-122 Rejected with Bullish Bottom.
- Protect your position with Stop Loss
- **TLT up 5.5% Profit. Not the time to add fresh capital**

TLT: Triggered POM 13 - Net long. CZ 117-118: on 3/13 at 118.25.

Rally in Bond Market suggests that we are in negative rate of returns adjusted for Inflation.

Last rally up has been on Bullish volume. The decline has filled up the Gap at 124 with lighter volume. RSI is positive. After the current pull back TLT to move higher

We are Net Long within CZ 117-118, on weekly basis TLT began its move higher with multiple “Signs of strength and increased bullish volume. **Our final target is PEC-D 127.**

Market Overview SPX- BONDS

SPX: POM 15 Triggered – Net Short @ 2375 on 3/19. Our Net long positions in FB, MSFT and JNJ are fully hedged with protective downside decline. We still remain bearish on SPX since 2375. Price move above 2380 is not a real validated ABC up.

Past week was very interesting especially on Friday. AMZN flash Crashed to lows of 920 (in Nano seconds 10% decline and recovered). NASD and tech stocks got hammered. ETF sponsored Technology stocks accelerated on downside. This may very well be the preview of what is to come next in general market once the unwinding in ETF products begins in this market.

In our Report last week, we had highlighted short term 3 drives to the Top Pattern within larger 3 drives to the Top completed at 2445 but it did not complete the Double Top.

Next: FOMC meet next Tuesday and Wednesday.

Friday's action was indecisive day with high volume exhaustion with deep highs and lows. Both Highs of 2445 (Double top) and lows of 2420 will be tested before SPX begins the decline.

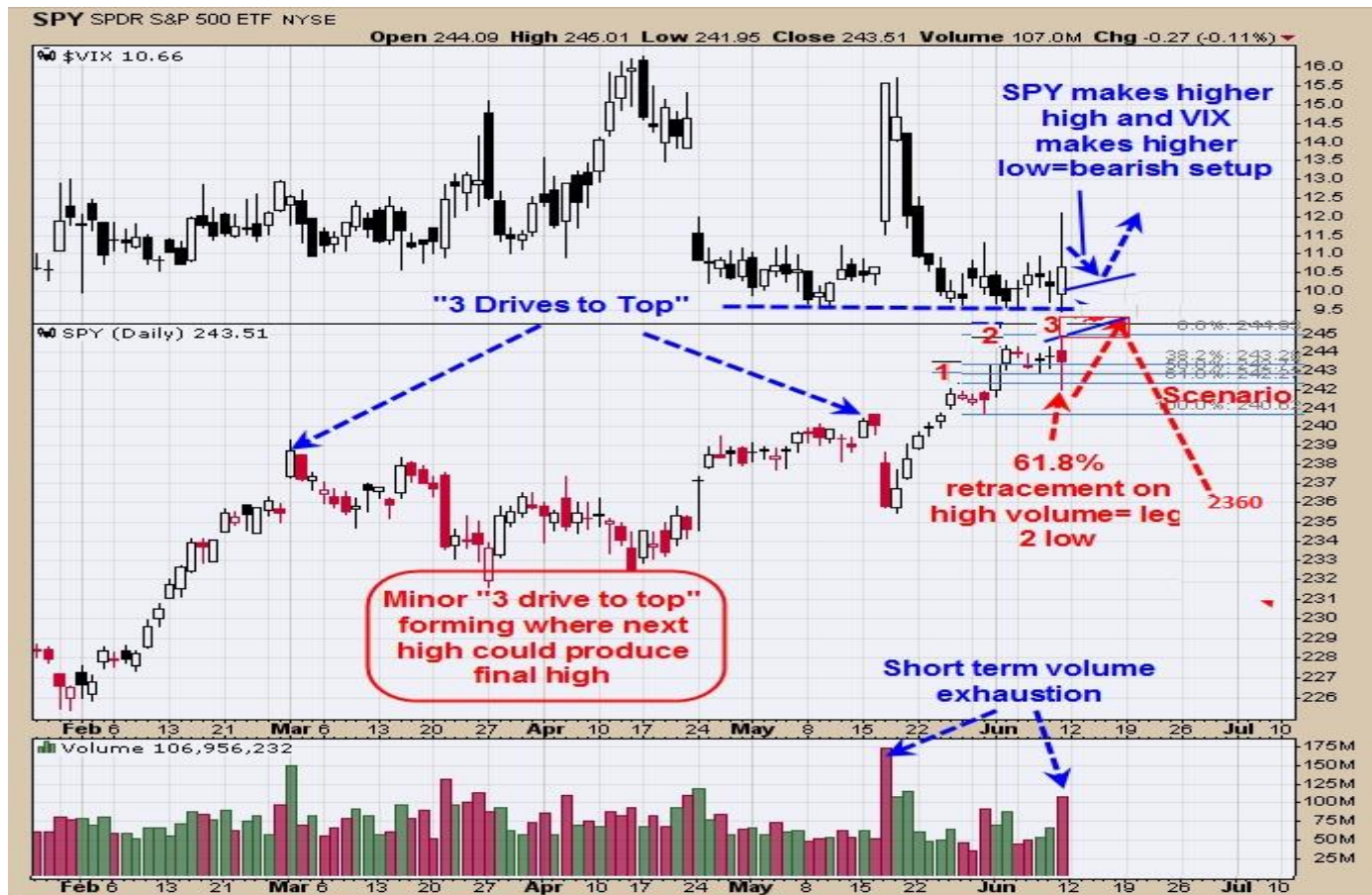
In terms of seasonality, May 31st is the beginning of low volume Vacation Trading. June has been down 60% of the time past 20 years. We definitely think there is pain to come in this market with rising equity prices and bond yields falling is concerning particularly discounted Federal Reserve hike coming up next week. This is not a good forecast.

MC – Oscillator below 0 which is bearish and VIX diverging negatively vs SPX. On weekly basis, **SPX** is building a distribution pattern to move lower with multiple “Signs of weakness and escalated bearish volume.

If SPX close below 2425 on weekly to target CZ 2360-90

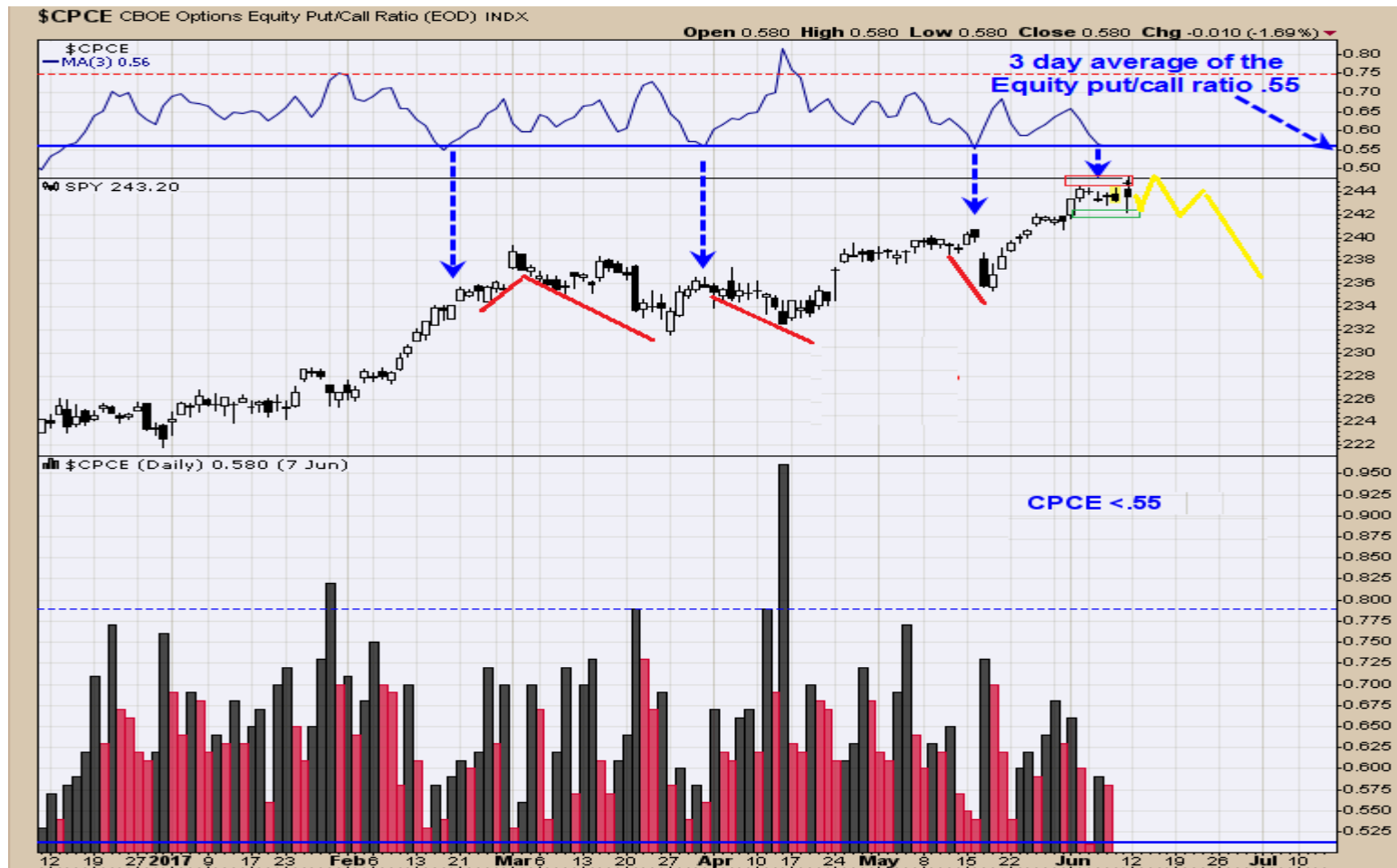
SPY / Volume Analysis – C Z- PEC- D Daily –

3 drives to the Top Pattern within larger 3 drives to the Top completed at 2445 but it did not complete the Double Top.
Friday's action was indecisive day with high volume exhaustion with deep highs and lows. Both Highs of 2445 (Double top) and lows of 2420 will be tested before SPX begins the decline. VIX diverging negatively vs SPX.
If SPX close below 2425 on weekly to target CZ 2360-90.



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

Equity put/call ratio (CPCE) when is near .55 and lower the market is near a short term high. The MA reached .55 and lower suggests that the up side is limited. Development of “Three Drives to Top and Double top” to be completed. Friday’s action was indecisive day with high volume exhaustion with deep highs and lows. Both Highs of 2445 (Double top) and lows of 2420 will be tested before SPX begins the decline



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

Price may fluctuate between highs and lows of Friday's bar to diffuse the Exhaustion volume.



BONDS - TLT / Volume Analysis – C Z- PEC- D Weekly

Last rally up has been on Bullish volume. The decline has filled up the Gap with lighter volume. RSI is positive. After the current pull back TLT to move higher . **Our final target is PEC-D 127.**



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)

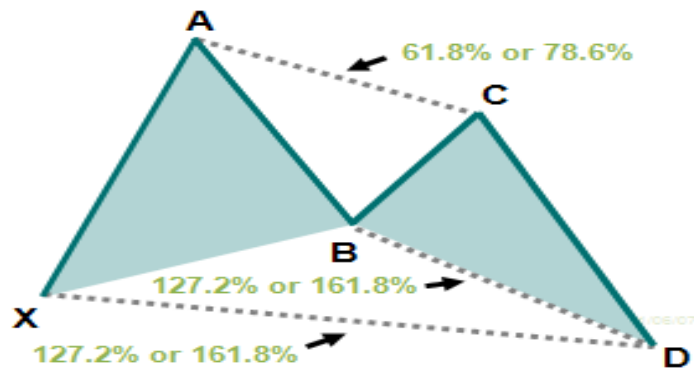
Pythagoras Expansion / Contraction – (PEC) Model

- 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

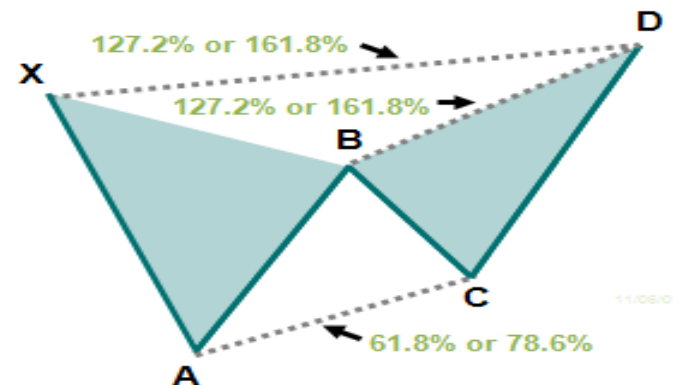
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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