



Date: March 19, 2017 (Sunday)

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	2375	POM 14 Triggered @2258 On January 1 st 2017	None	NEUTRAL	0%	None	3 Gap play on upside Completed @ 2350	Target 2400 Met Hit highs of 2397 (within 3 points)	Pull back to 2300-2280 & bounce up	1 st ABC down 2230-2210 & rally	2 nd ABC down to 2200-2180 <u>Best Risk/Reward for new longs</u>

- As expected in last week’s Report. Our projected Target of 2400 was met at 2397 (Within 3 points). This was a secondary failure test of PEC-D.
- Pre- Announcement:** SPY Close below 2360 this week with expanded volume (450k-500k) should trigger POM 15 (Stop loss at 2410). **Downside Target at 2300.** We plan to wait patiently for **Trading Net long** around 1st ABC down **CZ 2230-2210.**
- Pre- Announcement :** We will hedge our all Equity positions. Since Jan 2017 **JNJ up 12%, FB up 22% and MSFT up 5%.** We have owned these Equites for past 4-5 years.

	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)	118.6	POM 13 Triggered 11/20	3/13 Report Announcement reentry - ½ position Scale in @ 118.2 (if 116.5 tested and rejected)	BULLISH	Net Long Increased 0% to 15%	NONE	Rally to 120 Gap area	Rally to Retest 123.5 With Bullish Top	ABC down to 118	Lows of 117 is being tested and held	Target to PEC-D / Gap area 127

- **2nd attempt: Announcement** on 3/13 to step back in, previously exited ½ position ; initiated entry at 118.2
- **STOP LOSS AT 116.5**
- **1ST attempt failed : Prepositioned stopped out at 117** for 2 points loss (-1.6% loss)
- Caution: We recommend not chasing prices much away from our entry point CZ.

Market Overview SPX- BONDS

Pre- Announcement: SPY Closes below 2360 this week with expanded volume (450k-500k) should trigger POM 15 (Stop loss at 2410). **Downside Target at 2300**

SPX: As expected in last week's Report, our projected Target of 2400 was met at 2397 (Within 3 points). This was a secondary price failure test of PEC-D on contracting volume. This failure in price and volume of Exhaustion Climax Top has resulted in pull back on expanding volume. This is Bearish setup.

- Trim Tab reports Corporate Insider Selling and Individual Buying at its Highest since 2007
- TICK and TRIN tuned Bearish.
- *Mc Oscillator Turned Bearish below 0 at -20*
- Put / call ratio below 0.7 and Summation Index remained Bearish,
- *Advance / Decline line crossed over bearishly.*
- *VIX / SPY showing negative divergence*
- Open Interest keeps dropping while prices are rising which is distribution.

We plan to wait patiently for **Trading Net long** around 1st ABC down **CZ 2230-2210**.

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

As pre- announced in last week's Report; our prediction that TLT would reject the lows at 116.5, and rally, was proven *right on the money*. Our "scale- in" entry on Monday 3/13 close above 118.25 initiated our Net long Trade for previously exited ½ Net long position.

Past week's, Sign of Strength with expanding upside volume out of **CZ 117-118** rejection, in face of FOMC's higher yield and Hawkish tone should have Crashed the US Bonds. But it had exactly opposite reaction.

On weekly basis, TLT is building a cause to move higher towards the upside target of 123.5. TLT began its move higher with multiple "Signs of strength and escalated bullish. Our final target is PEC-D 127.

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

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)

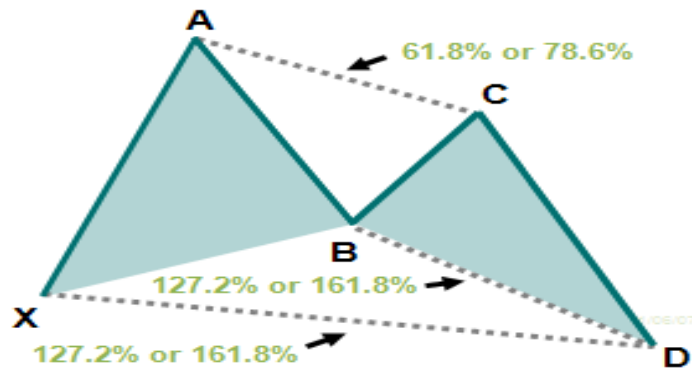
Pythagoras Expansion / Contraction – (PEC) Model

- 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

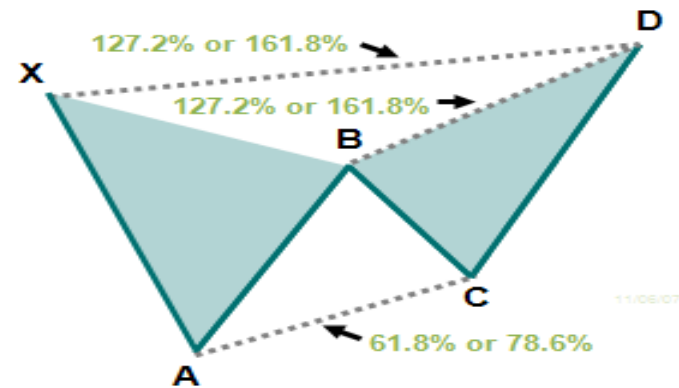
PYTHAGORAS EXPANSION / CONTRACTION –(PEC) Model

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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