Research Note – "POM" ANALYSIS – Special Commentary

MASG SP UPDATE 2010 # AUG 05
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POM Analysis – Process Summary

POM (Price oscillation Model)

Top down approach for Market Analysis and Technical Strategy.

POM is a Proprietary Timing Tools on core broader Market which identifies the turning point, for Tops and Bottoms on "Short & Intermediate term" Trend in the market.. Methodology is based on Inter Market Analysis, Global Market Correlations & Mathematical Pattern Recognition with high probability for greater accuracy on Price projections. It has been utilized over a decade on ongoing basis in US markets.

In order to assess a creative outcome, the input signals are from tracking approximately 25 -30 Indicators provided in public domain and implemented on charts of various Asset classes. The edge comes from interpreting the base signals with 2nd or 3rd derivative numbers and statistical data for our assessment. Our Price Oscillation Model has integrated these analysis into 15 data point indicators via its Market calculus to get the desired signals. **POM's are designated from POM 10 to POM 15.**

Since the POM method focuses on various market segments for Inter Market Analysis & Global Market Correlations, as a bi products it assists in Identifying the turning points of those tracking Asset classes as well.

POM implementation criteria

- *POM 14 , 15 (Sell Signal) and 12 , 11 (Buy Signal) are the Actionable Area whereas POM 13 is A Neutral Signal for Risk management*
- *On way UP move, POM 13 signifies to <u>STOP</u> executing additional 'New Buys" that was initiated at POM 12 or POM 11*
- *On way DOWN move, POM 13 signifies to <u>STOP</u> executing additional " New Short Sells" that was initiated at POM 14 or POM 15*
- *POM 15 is for Net Short & POM 14 is for Hedge Long position*
- *POM 12 & 11 is for Net Long*
- *POM 10 is Climatic Crash low Buy Signal (A rear event)*

Objective – It critical to be analytical with your own Indicators that works. Not necessary they are perfect but if has high probability then the surrounding elements then worthwhile for risk management.

Focus on our Methodology and process which is a combination of Analysis mentioned below:

- Price Projections
- Historical Pattern recognition
- Inter – Market Correlation with Sectors & Currencies
- Internal Market component Analysis for Energy
- Price and Volume, T – Terminations & Poly Trend
- Time Cycles, Astros Cycles, Calendar Seasonality & Sentiments
- Program Trading landmines Triggers. Etc

Complete focus is to determine the "Turing points" in the Market with no consideration to in-between noise. and not depend on one stand alone idea or case study.

1) Price Projections – Methodology focuses on finding a CONFLUNECE with (6) Variables input from Fib #'s and (6) Variable for Waves # , (Daily & Weekly) if the Mean reading of Projection is at 70%, that becomes our focus point.

2) Pattern Recognition – Our effort is to determine the pattern much earlier then the crowd and therefore we usually focus on the first half of the pattern (which usually fulfils our expectation), we are not concern on the 2nd half of the pattern as crowd jumps on bandwagon, This is the point in time we move on the new pattern on dime which is not noticed by crowd. However the validity of the pattern is based on our other Indicators.

3) Inter-market Correlation- Our effort is to determine a Leader and lager outside the core market either via Sector, Currency or Country specific and follow the Price profile with complete Analysis for Heads up or Heads down. Outside the Market is something crowd does not focus on as much as it requires intense study.

Critical Aspect here we use is Rule of Alternation – Always look for new partner to dance with the Market

4) Internal Market component for Energy Buildup – Mathematical and Numerical progression series of Market is key to define the solid series of regression, so the Odometer read is very critical at the build up process of Trend lines. This is complete Physics with Force, Distance and Amplitude

5) <u>Price & Volume , T – Terminations & Poly Trend –</u> This Analysis is our proprietary and most trusted tool although it is subset of all above

6) <u>Time Cycles, Astros Cycles, Calendar Seasonality & Sentiments</u> . The purpose of this is just a overlay to our entire Analysis to get a conviction

7) <u>Program Trading " Landmines" –</u> These are external " behavior factors" , that exaggerates the move and we are constantly in search of these for Exhaustions and Whipsaws.

8) <u>Macro & Monitory Fundamental Analysis –</u> We are constantly in search of these for " UNPRICED NEWS". These are external " behavior factors" , that triggers the trend reversals. Mostly as a contra view

The conclusion of above POM Analysis for SPX on real time basis from April 2010 to July 2010 as follows.

Introduction of The Author - EXECUTIVE PROFILE

Suneil Ramakant Pavse,- Currently serving as Advisor. The most recent position held **(2006-2010**) as **Co-Chief Investment Officer of Aletheia SG Capital (MA)** USA, a private fund. With 20 years of Global financial market experience in United States. Mr. Pavse in his recent role, Heading Top Down Market Analysis and Technical Strategy for Investments, draws on his expertise with successful track record in crafting High Level Structured Portfolio with a Multi-Strategy Investment Model with Risk Management.

His Analysis has build a Proprietary "Price Oscillation Model" *(POM*) and Timing Tools based on Inter Market Analysis, Global Market Correlations & Mathematical Pattern Recognition with high accuracy that has been utilized by large International Investment Bank for its Proprietary "Absolute Return Strategy" Trading desk at **Deutsche Bank in NY** as Advisor And for the Bottoms up Diversified Growth Style Stock Research Model for "**US State's Pension Fund Research" in United States**.

Past decade, his *POM* Model Predicted and Forecasted some of the significant and historical Inflection points in the world financial markets at critical juncture that have been articulated in his frequent "Live Appearances" prior to price shifts and events on various Media such as CNBC, CNNFN Radio, FOX, Business Week etc. as a Special Guest on Global capital markets. He has been a frequent speaker on investment-related Topics at Top Academic Institutions. He has served on Investment Committees for Global Investments & Risk Management Advisory and Presented various Seminars on Market Calculus.

  In 2007/08 Bear Market, His Model's *POM* Performance predicted the " The Crash of 2008" that has been recognized as a Top rated Interview on " Market Forecast " Jan 2008 and also Bull Market in Gold in July 2004.

Mr. Pavse's previous past positions include **Asst Head of Research and Global Market Strategist at Harris Inc. PSH Fund (MA) (1992-2005**). In that role, as Sr. Analyst & Asst. Portfolio Manager, his Dynamic Diversified Investment Growth Style and as Senior Research Analyst , he developed a Equity Selection with quantitative Analysis and Proprietary Market Timing Model implemented at strategic level across the Fund. Prior to Harris Inc. Mr. Pavse held several Senior Management, Business Development and Engineering positions within United states and Internationally **(1986-1992) at Carrier Corporation-UTX (NY), Division of United Technologies (NY) & Charles HA (NY).**

Mr. Pavse (46), Indian born, U.S .Citizen, Married and has one son. He has a Masters in Business & Finance, UMAS,(Massachusetts) USA, Certified PE, State of New Hampshire(NH) USA and Bachelors in Mechanical Engineering (India). During his Academic Career, He has won several higher education Scholarships and has consistently Ranked among the Top academically.

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