



SG Capital Research

Global Market Insights

Research Note – Currency Analysis (B)

MAEG- CURRENCY ANALYSIS- PEC- SG 2010 # SEPT 08

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Currency Analysis

Analysis of Currency includes “PEC & POM” Overlays as it approaches D point of ABCD price projections along with POM 12 / POM 14 Inflection points. This overlays gives a Confluence Price Zone with higher Risk / Reward. We have picked up charts that has some distinct characteristics and values as the pattern gets completed based on our assessment:

- Attached is Chart list & Charts (below)
- Selected Currency have up to (5) Analytic Charts as Titled below
 1. Weekly – 3 Year with 11 W / 40 W SMA with RSI, CCI, MACD
 2. Daily – 3 Year with 11D / 55D SMA with RSI, CCI, MACD
 3. POM Analysis
 4. PEC Analysis
 5. PPP Reversion & Standard Deviation Analysis – Long Term
- Highlighted Charts 3,4 (above) articulates special situation coverage for that specific CURRENCY highlighted in the list below

Currency List

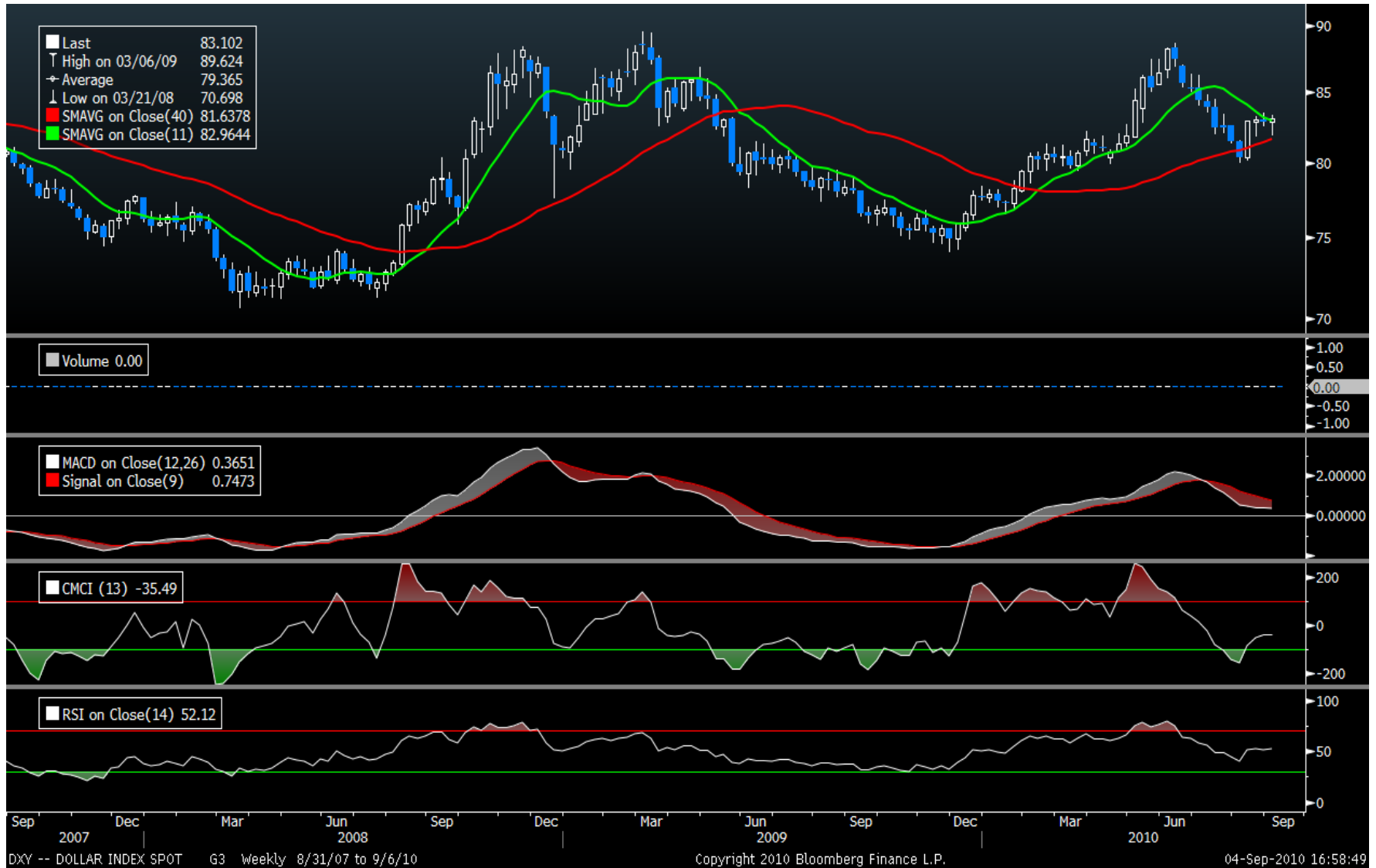
- DXY
- EUR/USD
- JPY/USD
- GBP/USD
- AUD/USD
- CHF /USD

Currency – “ Signals & Projections”

- **On 12th Aug Currency Report** – *Our Signals* pinpointed the highs in essentially all of the **major foreign currencies** as it approached (**POM 14 & D point of ABCD projections**) and the corresponding low in the **US dollar** (**POM 12 & D point of ABCD projections**) as both coincided . Below are the Signals of each.
 - DXY - **POM 12 / PEC D @ 80**then it rose to 83, now is in the middle of the retracement move
 - EUR/USD – **POM 14 / PEC D @ 133**then it declined to @ 127, now is in the middle of the retracement move
 - JPY/USD - **POM 14 / PEC D @ 85**Failed but (**New Inflection point soon**)
 - GBP/USD - **POM 14 / PEC D @ 159**then it declined to 154, now is in the middle of the retracement move
 - AUD/USD - **POM 14 / PEC D @ 92**then it declined to 88, now is in the middle of the retracement move
 - CHF / USD - (**Inflection point soon**)
- *Currently after such a large price moves from D point, in the direction of the predicted move , there do not seem to be any obvious low-risk entry points in the currencies at this moment as they are going through the smaller and larger retracements.*

Currency Insights - (See attached Charts)

1- DXY - Weekly & Daily – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



2- DXY - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



3 - DXY – PEC Analysis - Intermediate term

POM 12 / PEC D@ 80then it rose to 83, now is in the middle of the retracement move



1- EURO / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



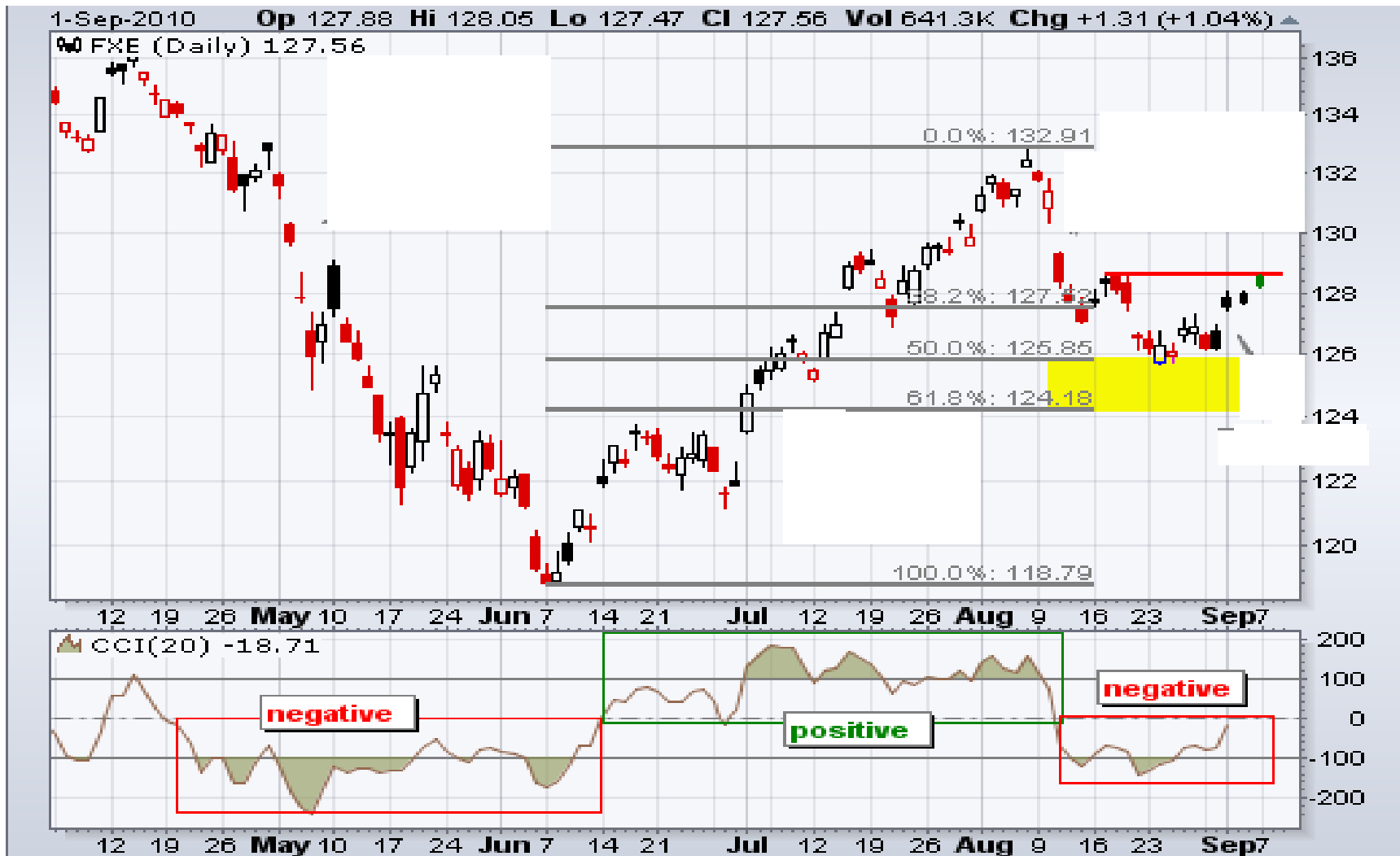
2- EURO / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



2 - EURO / USD – POM Analysis

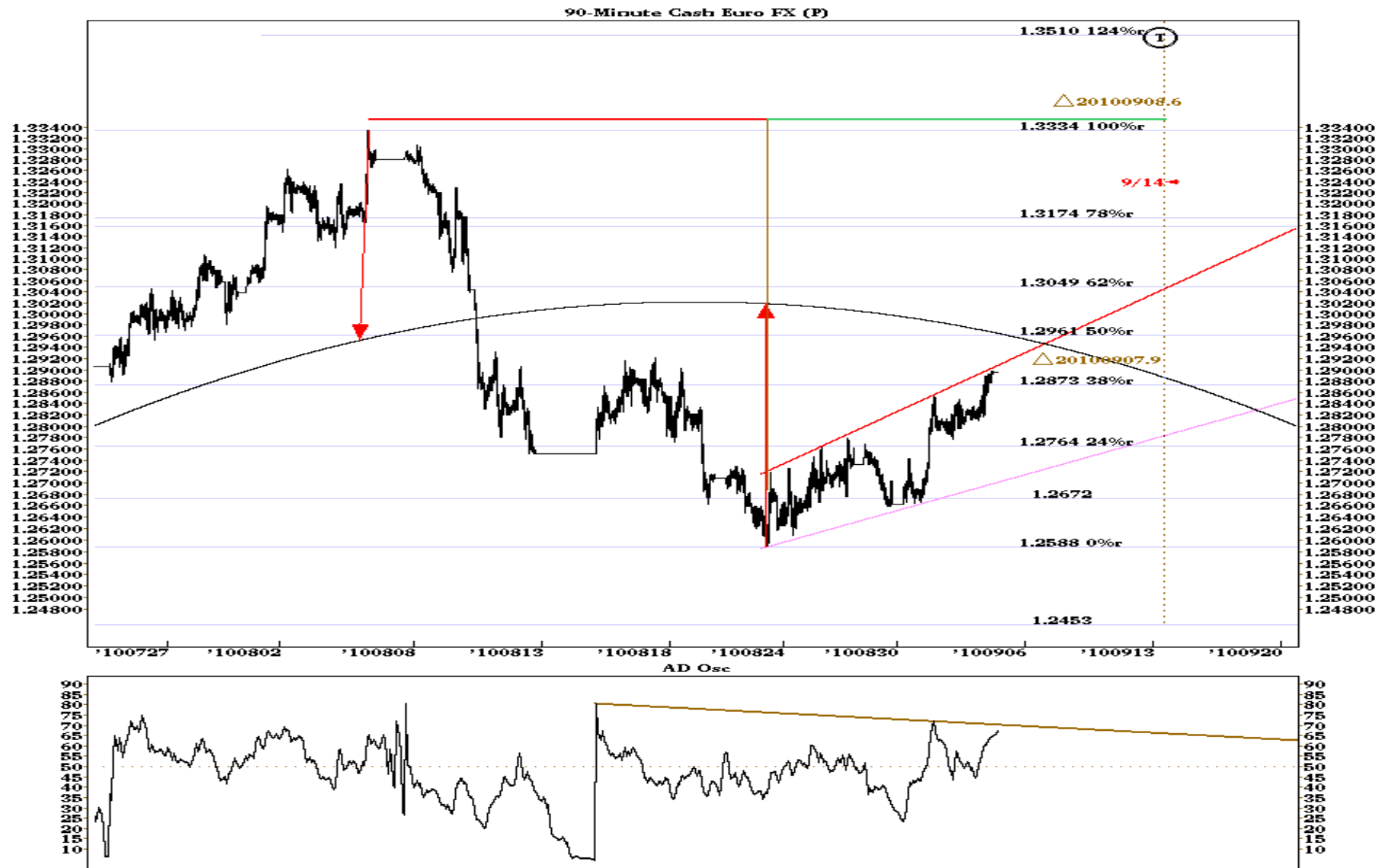
POM 14 / PEC D @ 133then it declined to @ 127, now is in the middle of the retracement move

FXE found support near the 50% retracement but remains short of a breakout and the Commodity Channel Index (CCI) remains in **negative territory**. (see below, 2nd window in chart).



2 - EURO / USD – POM Analysis - Short term

We've been expecting that retest to happen underneath the polytrend line, at which time the euro should resume its downward trend. As you can see, the euro is still fighting its way upstream.



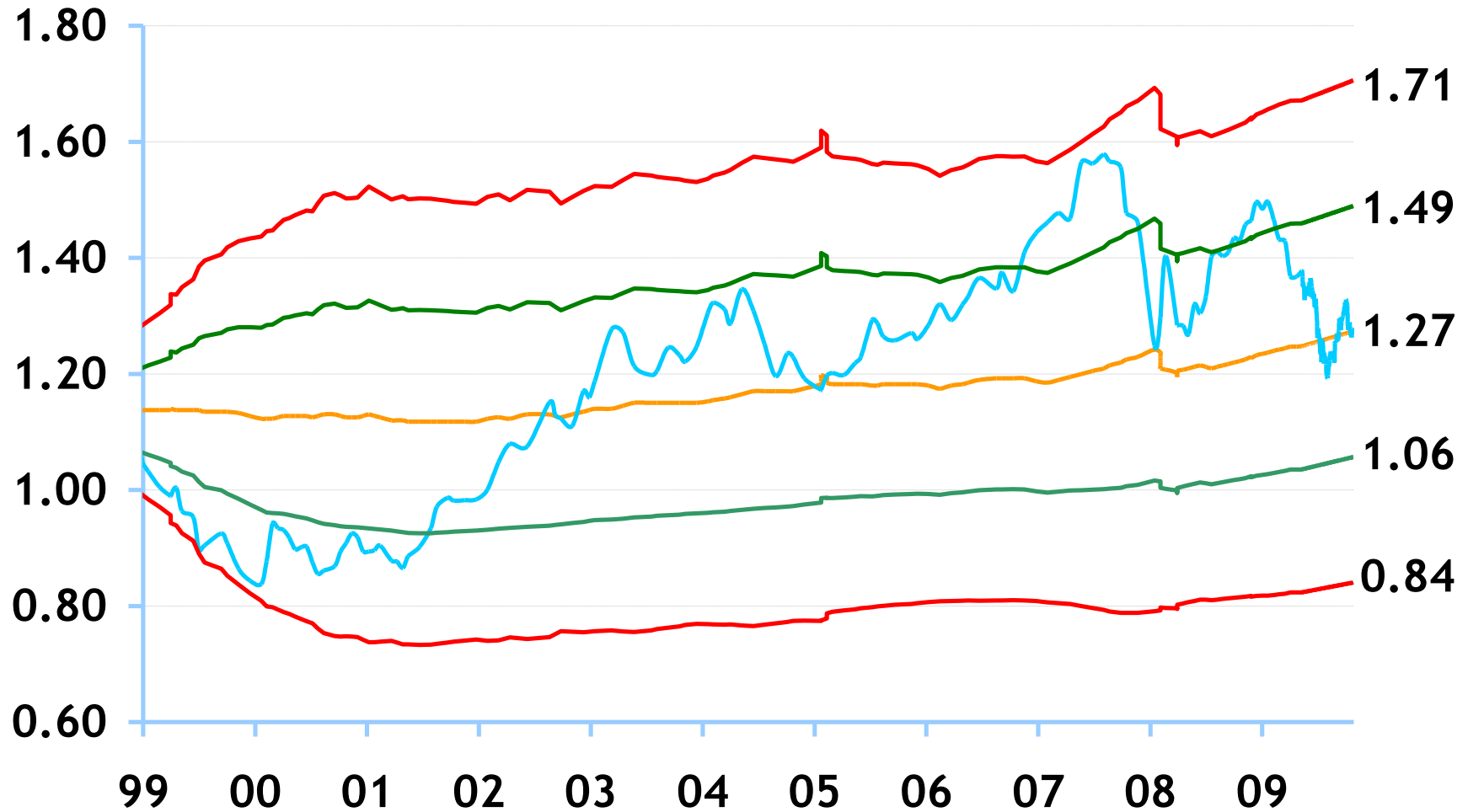
3 - EURO / USD – PEC Analysis - Intermediate term

- EUR/USD – **POM 14 / PEC D @ 133**then it declined to @ 127, now is in the middle of the retracement move



4 - EURO / USD – PPP Reversion & Standard Deviation Analysis – Long Term

EURUSD



1- JPY / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



2- JPY / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)

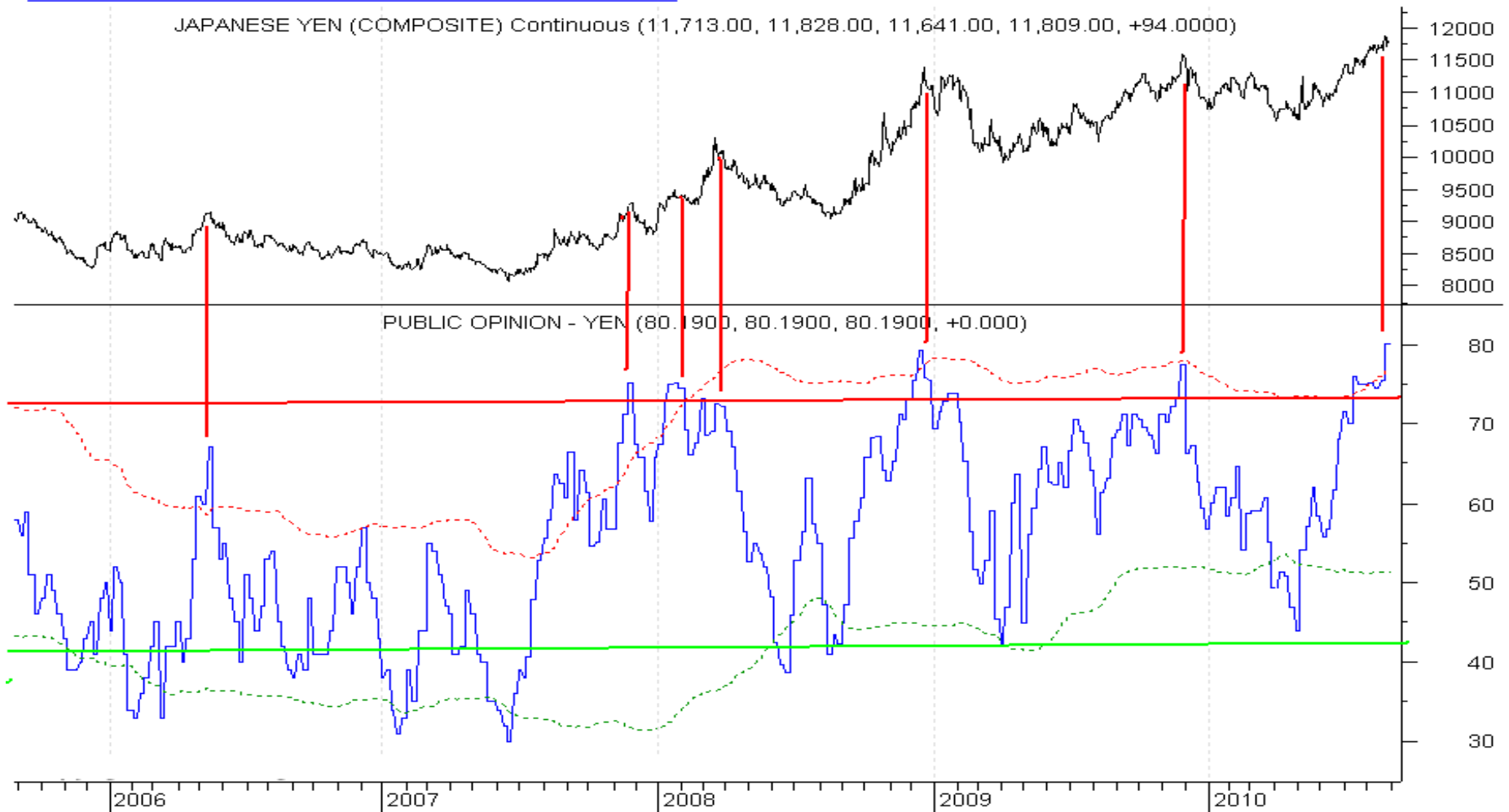


2 - JPY / USD – POM Analysis

Sentiments getting very bullish at levels in past has caused time out . We are watching very carefully.

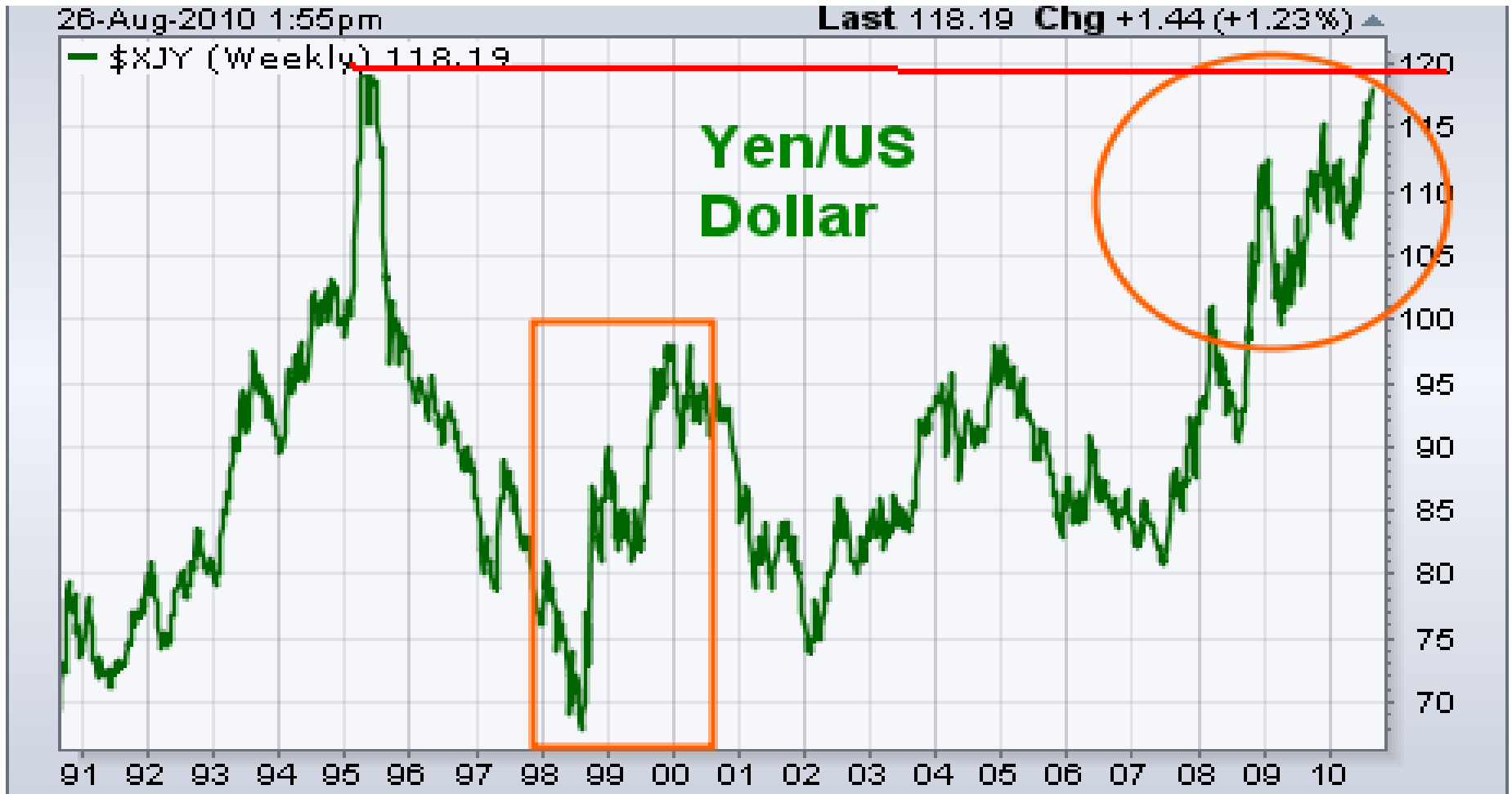
PUBLIC OPINION – JAPANESE YEN

LAST UPDATED: August 31, 2010



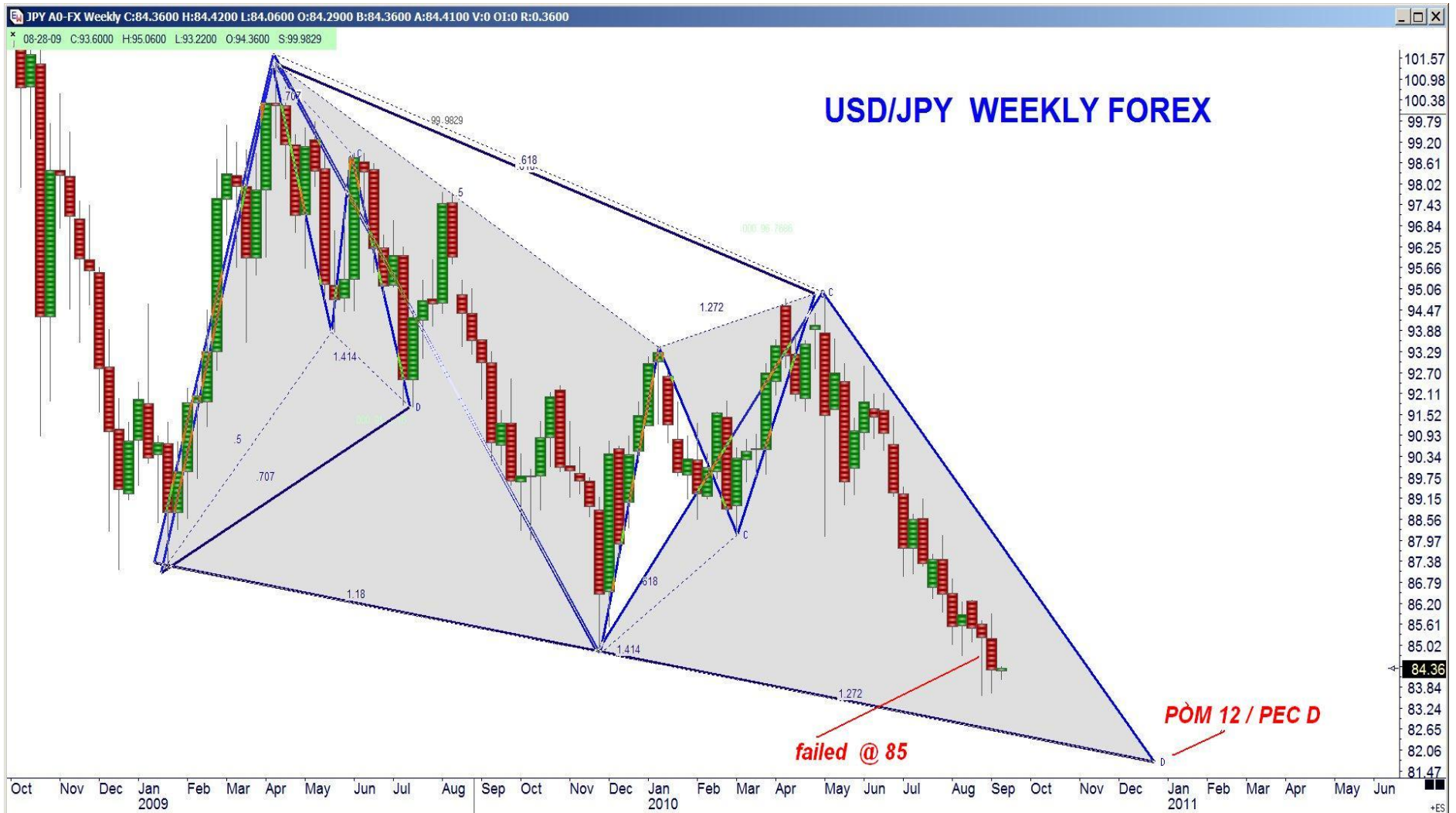
2 - JPY / USD – POM Analysis - Short term

YEN trying to test the old highs, now its so near to it . It looks like it doesn't want to give up till it visits its old friend.



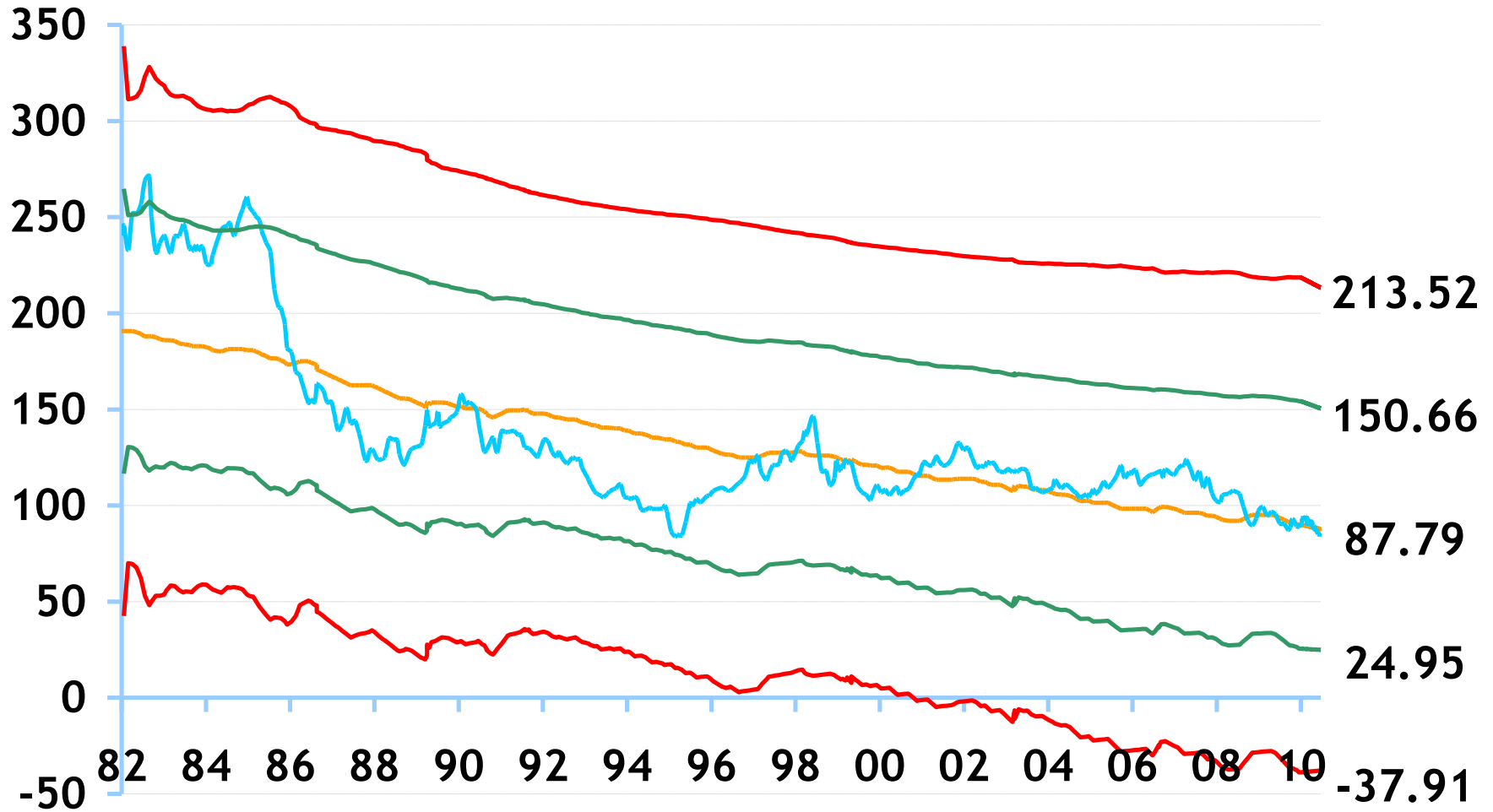
3 - JPY / USD – PEC Analysis - Intermediate term

This deserves attention on risk reward if confirmed by other methods, the YEN v/s USD , a 3-drive pattern has formed on the weekly chart (near the 81 level). This is definitely worth monitoring as it shows a high degree of symmetry, not to mention that nearly everyone is on one side of this market (long Yen and short USD). (See the sentiment chart above)



4 - JPY / USD – PPP Reversion & Standard Deviation Analysis – Long Term

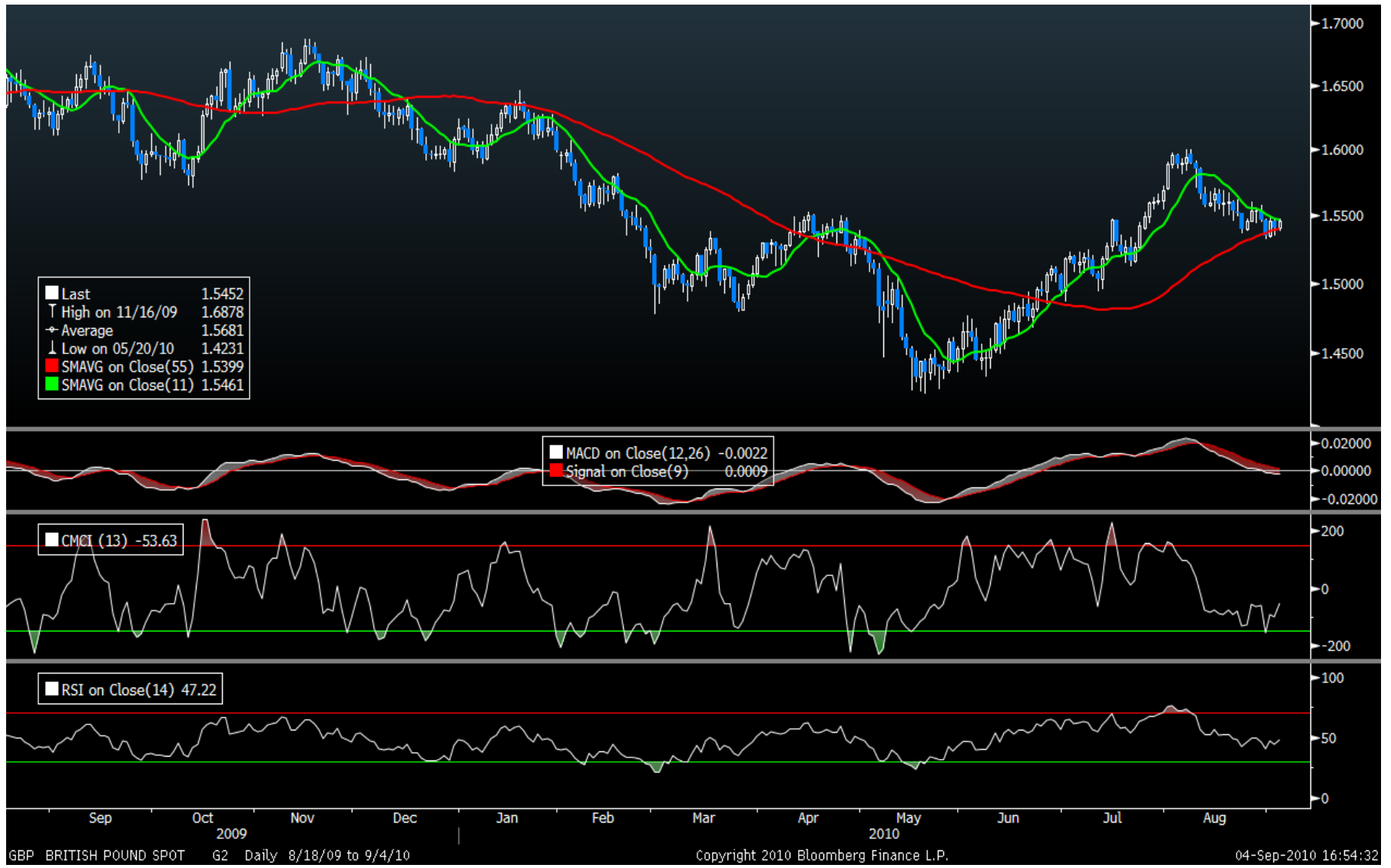
USDJPY



1- GBP / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)

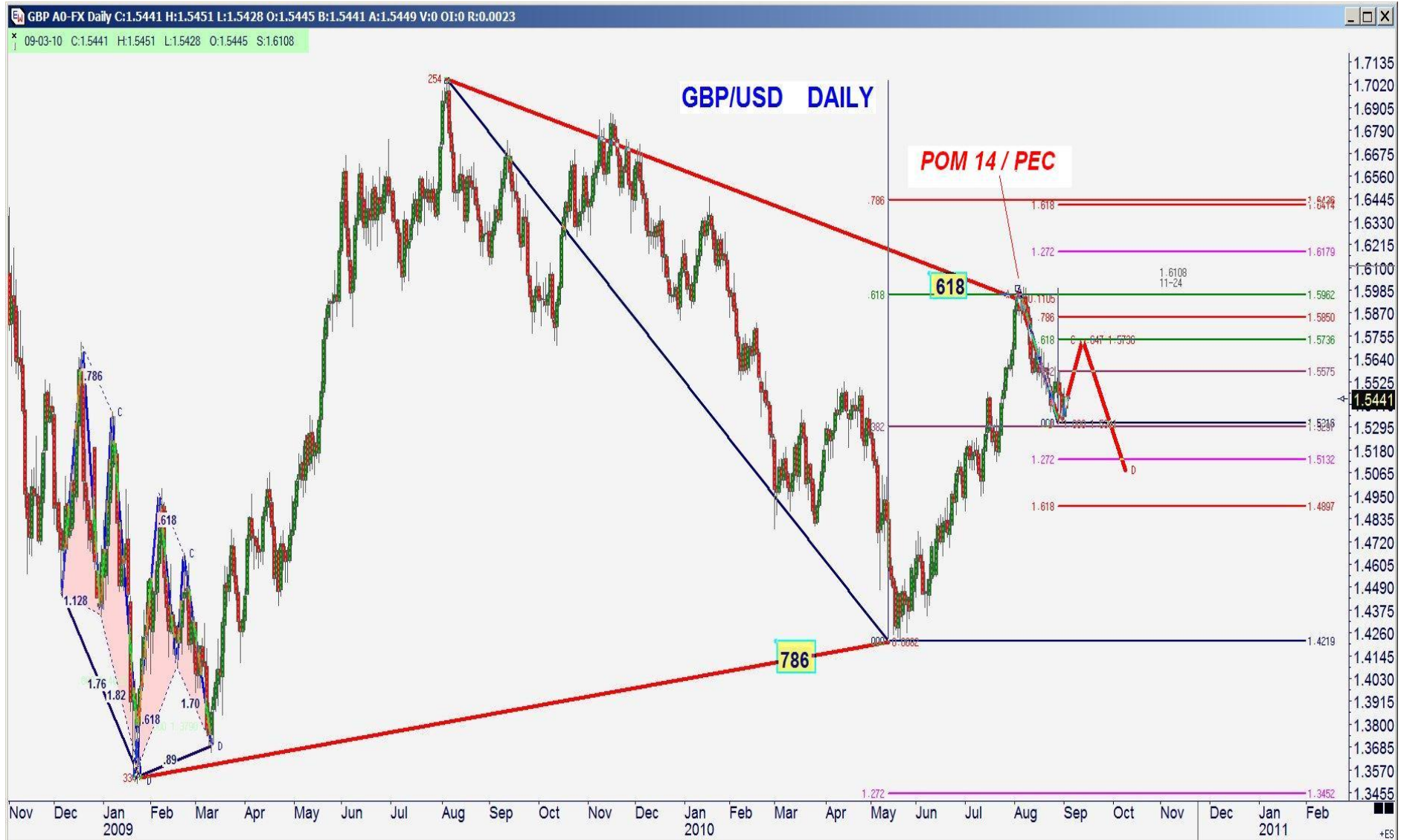


2- GBP / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



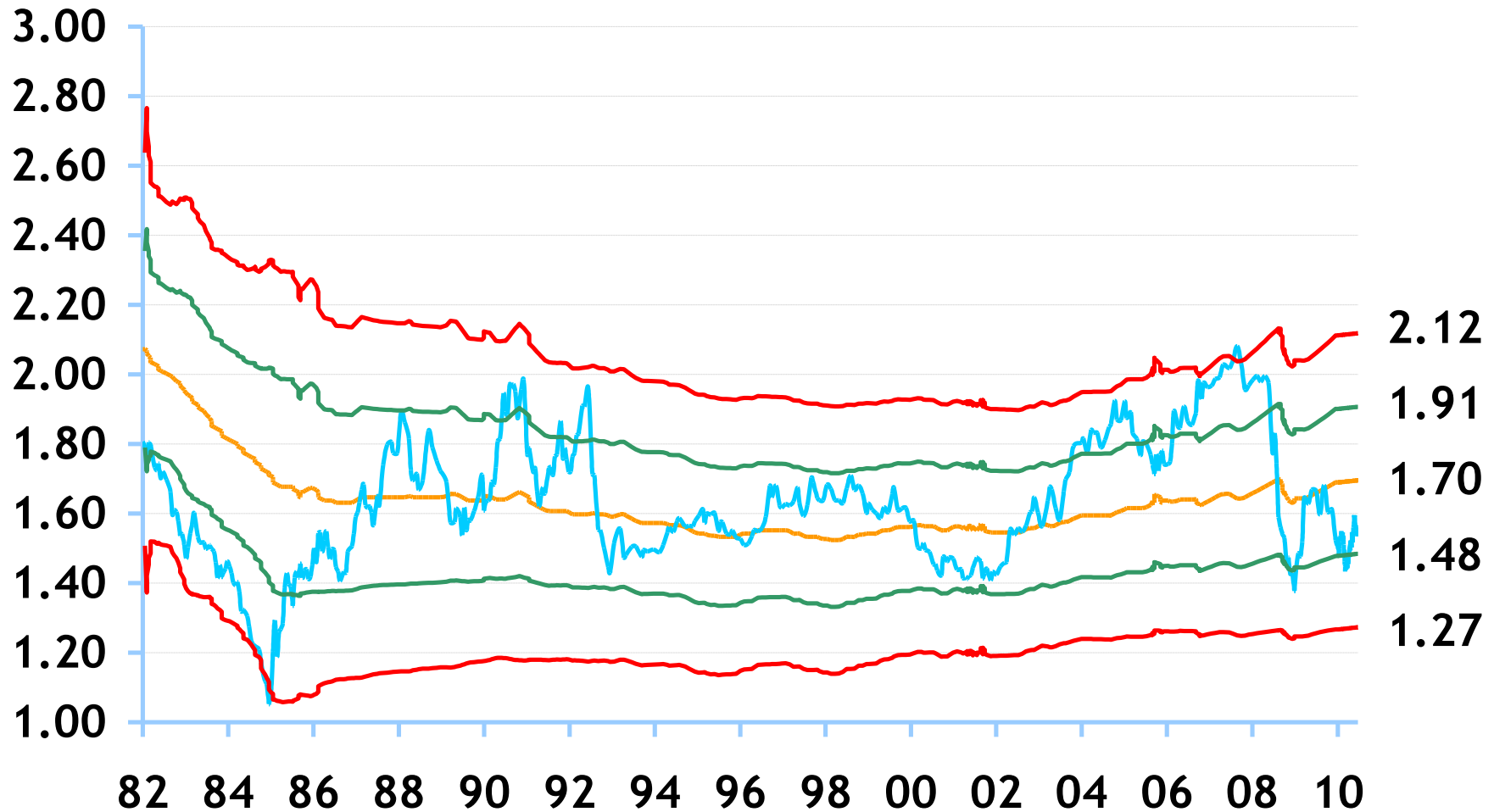
3 - GBP / USD – PEC Analysis - Intermediate term

POM 14 / PEC D @ 159then it declined to 154, now is in the middle of the retracement move



4 - GBP / USD – PPP Reversion & Standard Deviation Analysis – Long Term

GBPUSD



1- AUD / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD

(11 W / 40 W SMA)



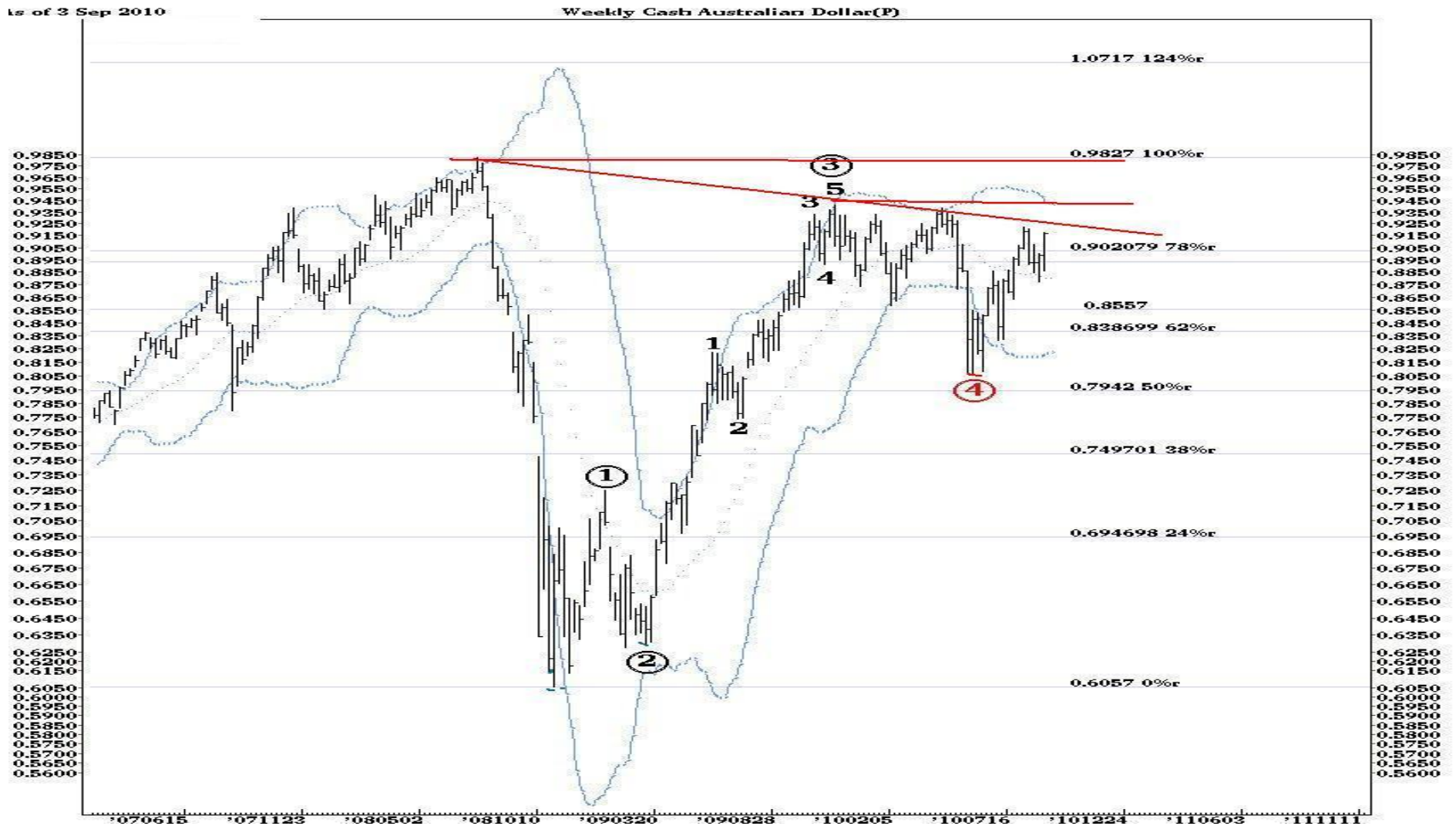
AUD / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



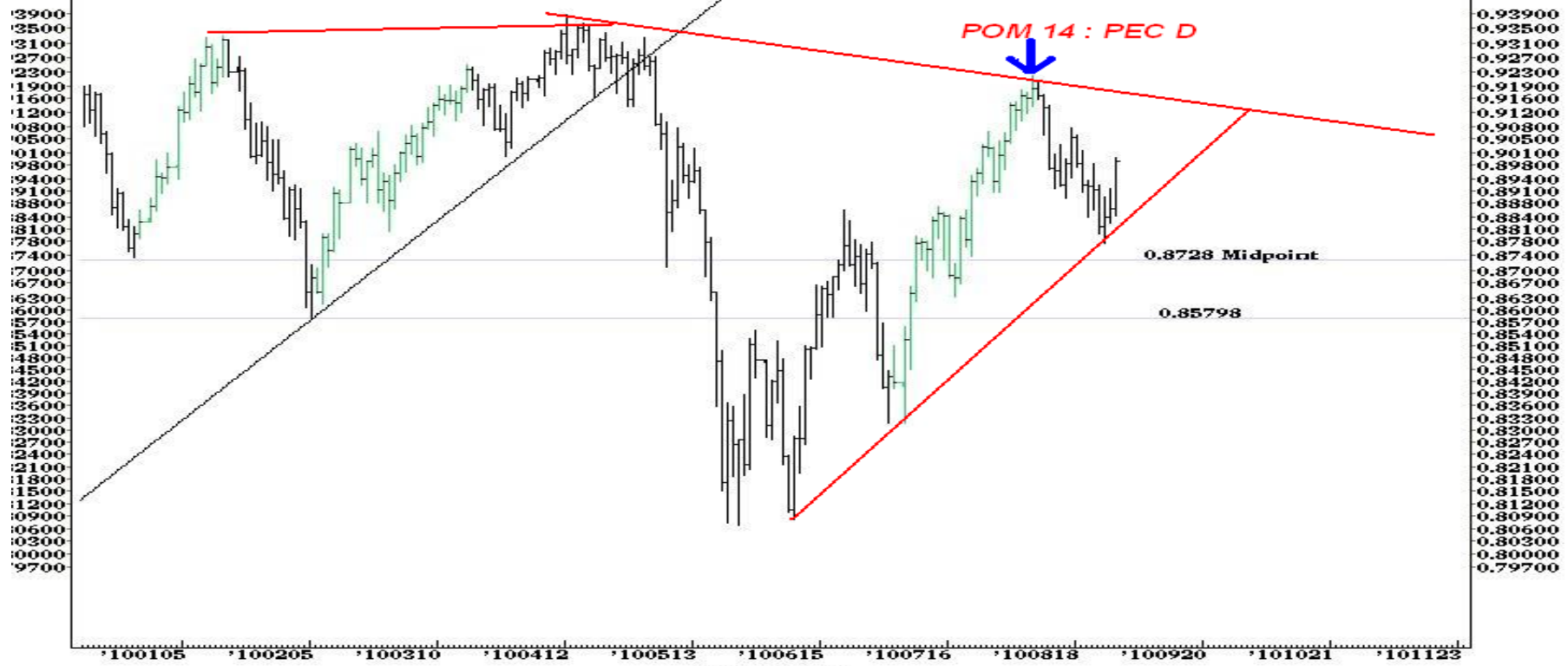
2 - AUD / USD – POM Analysis - Short term

- **POM 14 / PEC D @ 92**then it declined to 88, now is in the middle of the retracement move

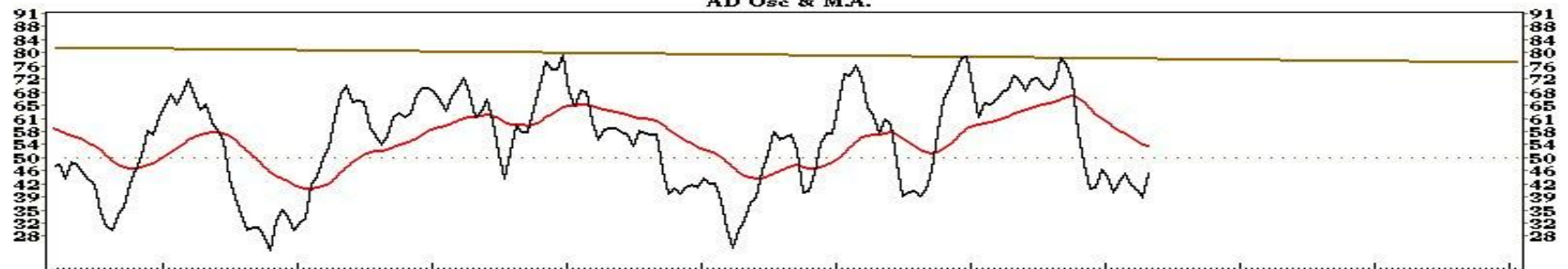
The AUD is heading for its fifth and final wave up, which appears to be a diagonal triangle. This pattern is very weak and confirms the likelihood of a larger decline once this fifth wave up is complete



Cash Australian Dollar(P) Daily

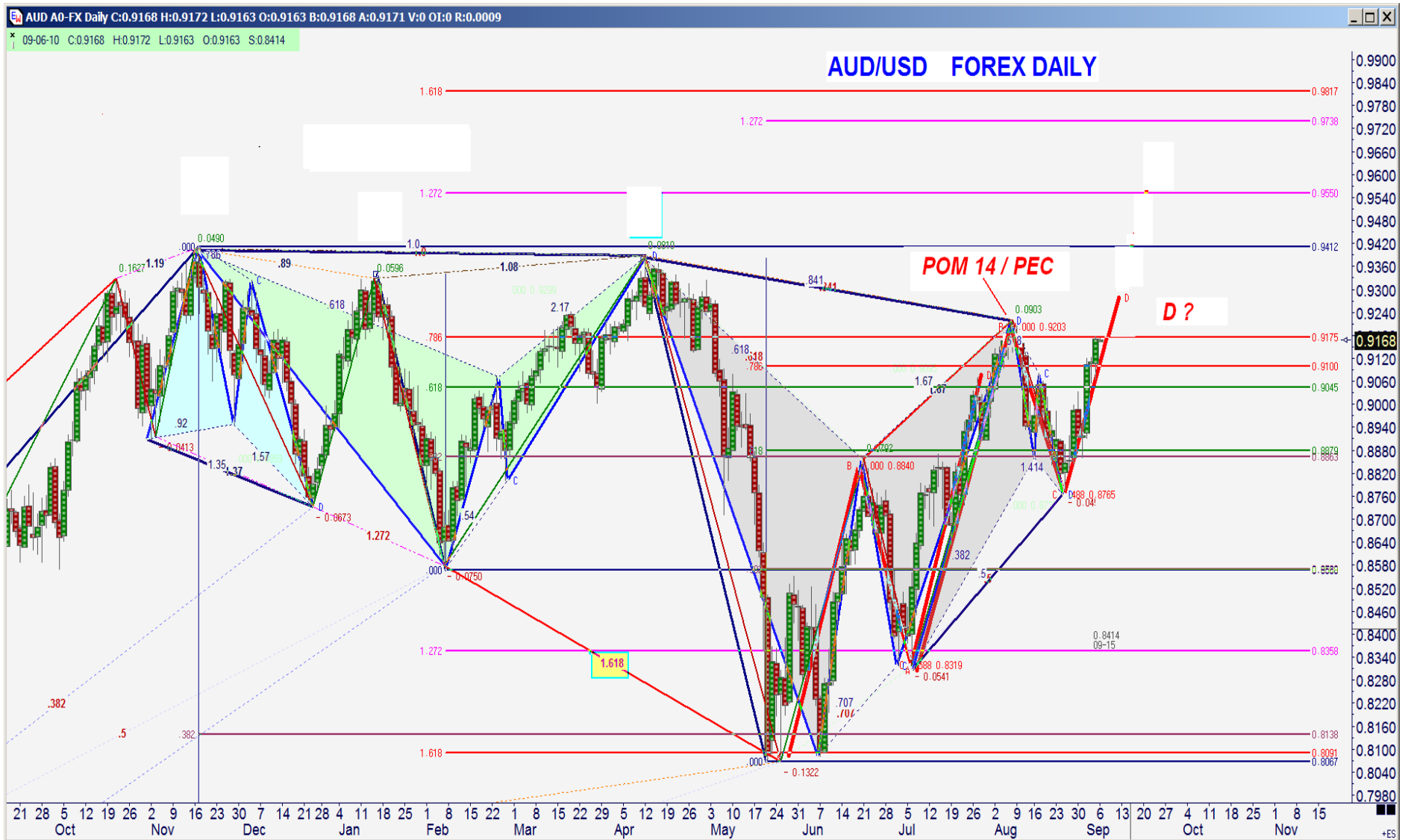


AD Osc & M.A.



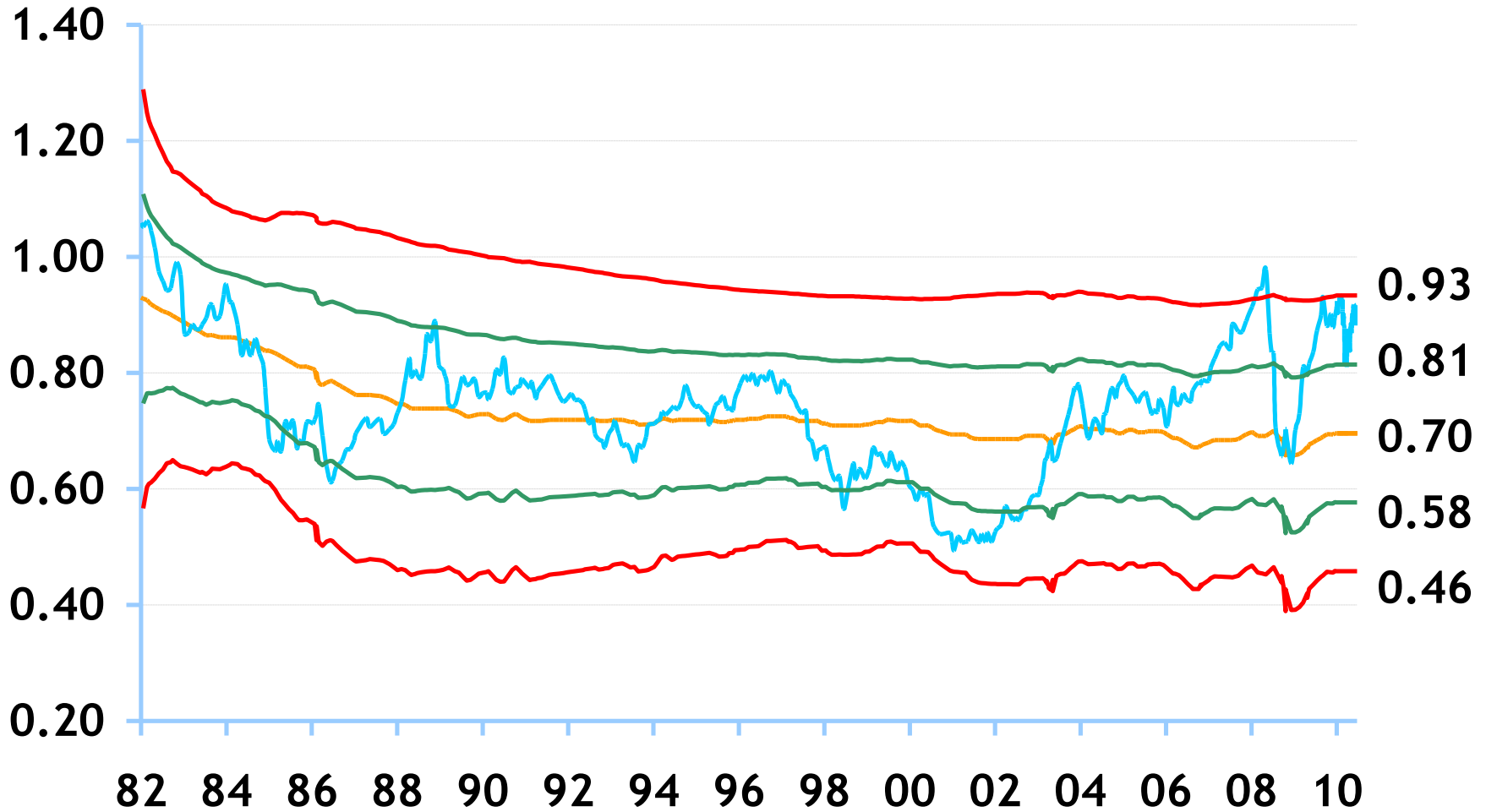
3 - AUD / USD – PEC Analysis - Intermediate term

- . **POM 14 / PEC D @ 92**then it declined to 88, Quick . Now is in the middle of the retracement move, **This needs attention on risk management , although the pattern is weak. The D point projection is outside previous D point of 92**
- **May be better to wait if missed out the previous POM 14 / PEC D at 92**



4 - AUD / USD – PPP Reversion & Standard Deviation Analysis – Long Term

AUDUSD



1- CHF / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11 W / 40 W SMA)



2- CHF / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



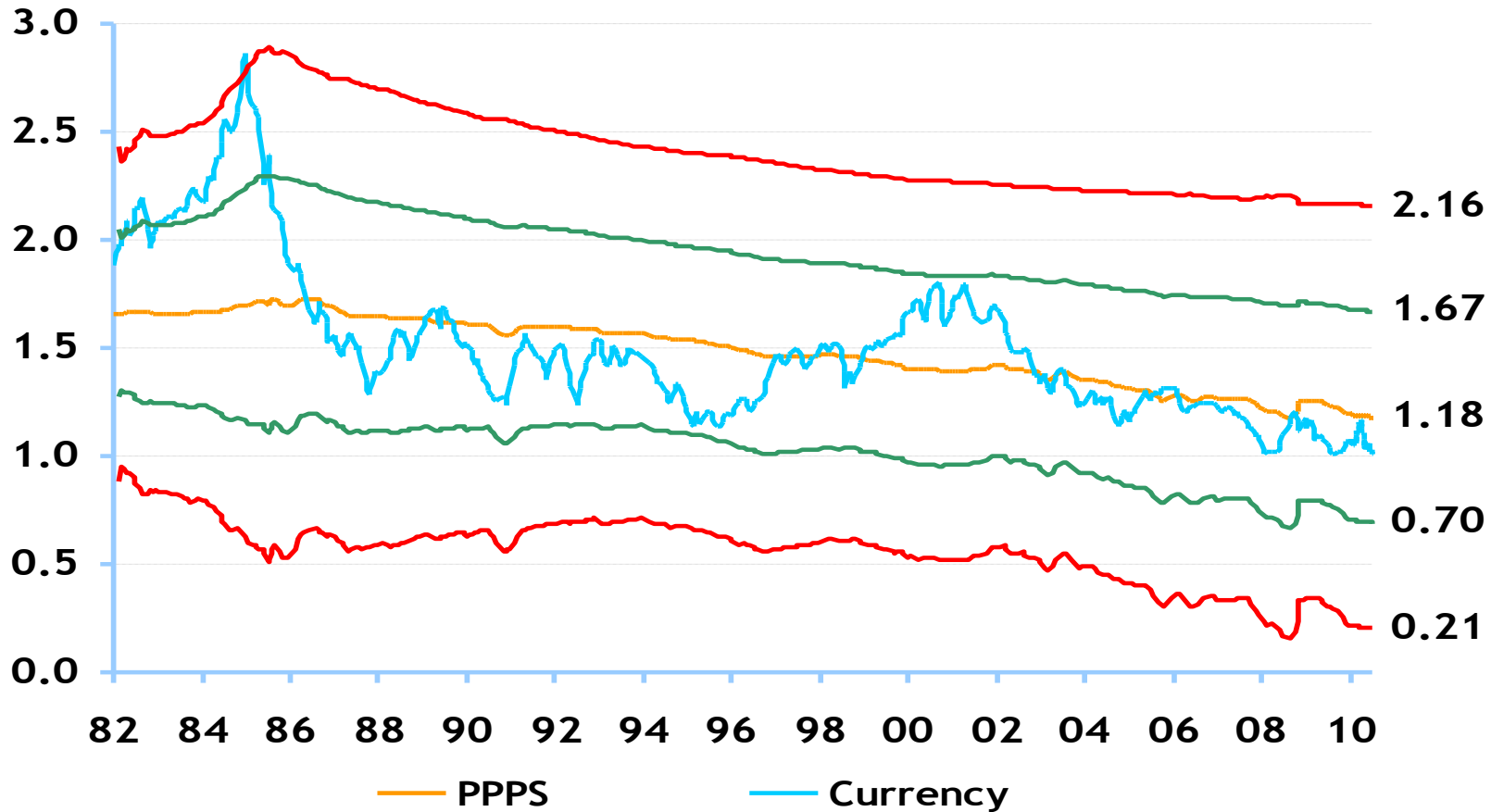
3 - CHF / USD – PEC Analysis - Intermediate term

The 0.618 is at 1.01, there is a support here on PEC Projections and very well could be D point if confirmed by other methods then risk reward could be favorable soon.



4 - CHF / USD – PPP Reversion & Standard Deviation Analysis – Long Term

USDCHF



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