



SG Capital Research

Global Market Insights

## **Research Note – Currency Analysis (B)**

**MAEG- CURRENCY ANALYSIS- PEC- SG 2010 # SEPT 21**

**For Immediate Release – *Tuesday AM (EST)***

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## **Currency Analysis ( B)**

- JPY/USD
- AUD/USD
- CHF /USD
- DXY
- EUR/USD
- GBP/USD
  
- Attached, the Chart list & specific Charts (below). *We have picked up charts that has some distinct characteristics and values as the pattern gets completed based on our assessment:*
- 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. Sentiments ( if Extreme character)
  6. PPP Reversion & Standard Deviation Analysis – Long Term
  
- Charts 3,4,5 (above) articulates special situation coverage for that specific CURRENCY highlighted in the list below

- **Objective**

*Focus is on the turning point of the Currency via Integrated Methodologies of POM's and PEC's overlay. PEC is derived with ABCD Price projections, where D price point to be validated via POM 12 / POM 14 inflection point. POM conclusions is derived with binary dimension input / output. This overlays gives a Confluence Price Zone "D Zone" ( within +/- 1.5% variation ) which is **ACTIONABLE ZONE** ( Inflection zone) on scale in entry for better Risk / Reward only If confirmed by RA /RI Matrix with Risk Management parameters and stops if required on other side of confluence with margin of volatility safety & Risk tolererance*

- **Trading & Investment Conclusions**

**ACTIONABLE ZONE** ( REFER TO THE CHART for exact zone)

- EUR/USD – POM 14 / PEC D @ 1.33 ( declined to 1.27), rallied back to 1.30 + / - for Re Run (**New Inflection zone** ).
- JPY/USD - POM 14 / PEC D @ 81 ( Hit a low of 81.50), rallied back to 85, now will pull back to 83.5 +/- for Re run (**New Inflection zone**)
- AUD/USD - POM 14 / PEC D @ 92 .( declined to 88) rallied back to 95 (**New Inflection Zone 95.8 to 97.5 for Re run**)
- . CHF / USD - POM 12 / PEC D@ 100.8 – 98.2 (**Inflection zone**)

## • Currency – “ Signals & Projections”

- **On 12<sup>th</sup> Aug Currency Report** – Our Signals pinpointed the highs in essentially all of the **EURO,GBP, AUD** as it approached ( **POM 14 & D point of ABCD projections** ) and the corresponding low in the **DXY** ( **POM 12 & D point of ABCD projections** ),  
**These were the actionable Areas ( Inflection Zone) .**

- 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 @ 1.33** ....then it declined to @ 1.27, **rallied back to 1.30 +/- and is at Inflection zone.**
- GBP/USD - **POM 14 / PEC D @ 1.59** ....then it declined to 1.54, now is in the middle of the retracement move.
- AUD/USD - **POM 14 / PEC D @ 92** .....then it declined to 88,

**Currently after such a large price moves from D point in the direction of the predicted move, they are going through the smaller and larger retracements**

- **On 14<sup>th</sup> Sept Currency Report** – Our Signals pinpointed the highs in **AUD, CHF** as it approached ( **POM 14 & D point of ABCD projections** ) and the corresponding low in the **JPY** ( **POM 12 & D point of ABCD projections** ),  
**These were the actionable Areas ( Inflection Zone) .**

- JPY/USD - **POM 14 / PEC D @ 81 ( Hit a low of 81.50)** rallied back to 85 ( **Awaiting for retracement to 83.5 +/- Re Run**)
- AUD/USD - **POM 14 / PEC D @ 92** .( declined to 88) , now rallied back to 95 ( **New Inflection Zone 95.8 to 97.5 for Re run**)
- CHF / USD - **POM 12 / PEC D @ 100.8 – 98.2** ..... ( **Inflection Zone** )

# 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

\$ XJY / YEN trying to tested the old highs and entered in our confluence zone, ( Proved its merit) we had warned you last week that Internal momentum had decreased as its both double topping with lower relative strength. ( especially the strength of last 3 yrs, see the green line below) .then had a massive fall



## 2 - JPY / USD – POM Analysis - Short term

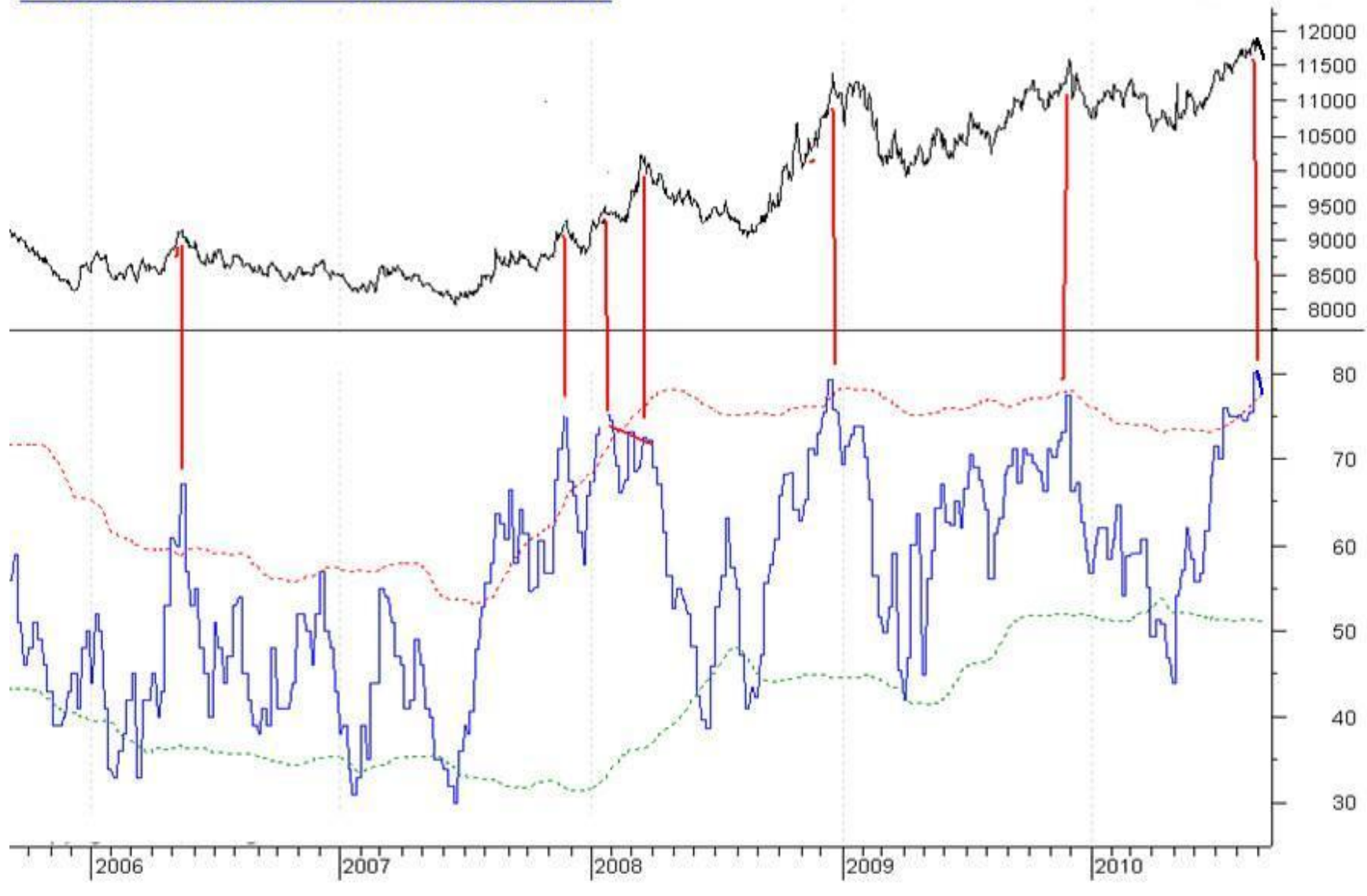
\$ XJY / FXY In shorter time frame did the same thing . entered the red area of confluence for test of 119 – 120 ( we hit 119.5) area, we had warned last week the test was failing. Earlier 09 tested the 08 highs on lighter volume as indicated and then retraced back to 105 , then put in the lows at 105 with high volume and signaled this lows will be tested at some point. Then it rallied back to current with lighter volume.



## 2 - JPY / USD – POM Analysis - Short term

This was good one for nail in coffin

### PUBLIC OPINION – JAPANESE YEN





### 3 - JPY / USD – PEC Analysis - Intermediate term

Those area above 119.5 coincided with YEN v/s USD , a 3-drive pattern has formed on the weekly chart (near the 81 level). We hit a low of 81.5 , not to mention that nearly everyone is on one side of this market (long Yen and short USD). ( See the sentiment chart above) . The trigger was Japanese government intervention.

After the initial bounce there will be retracement. That could give a second chance to enter. ( See chart below for those levels)



## 2 - JPY / USD – POM Analysis - Short term

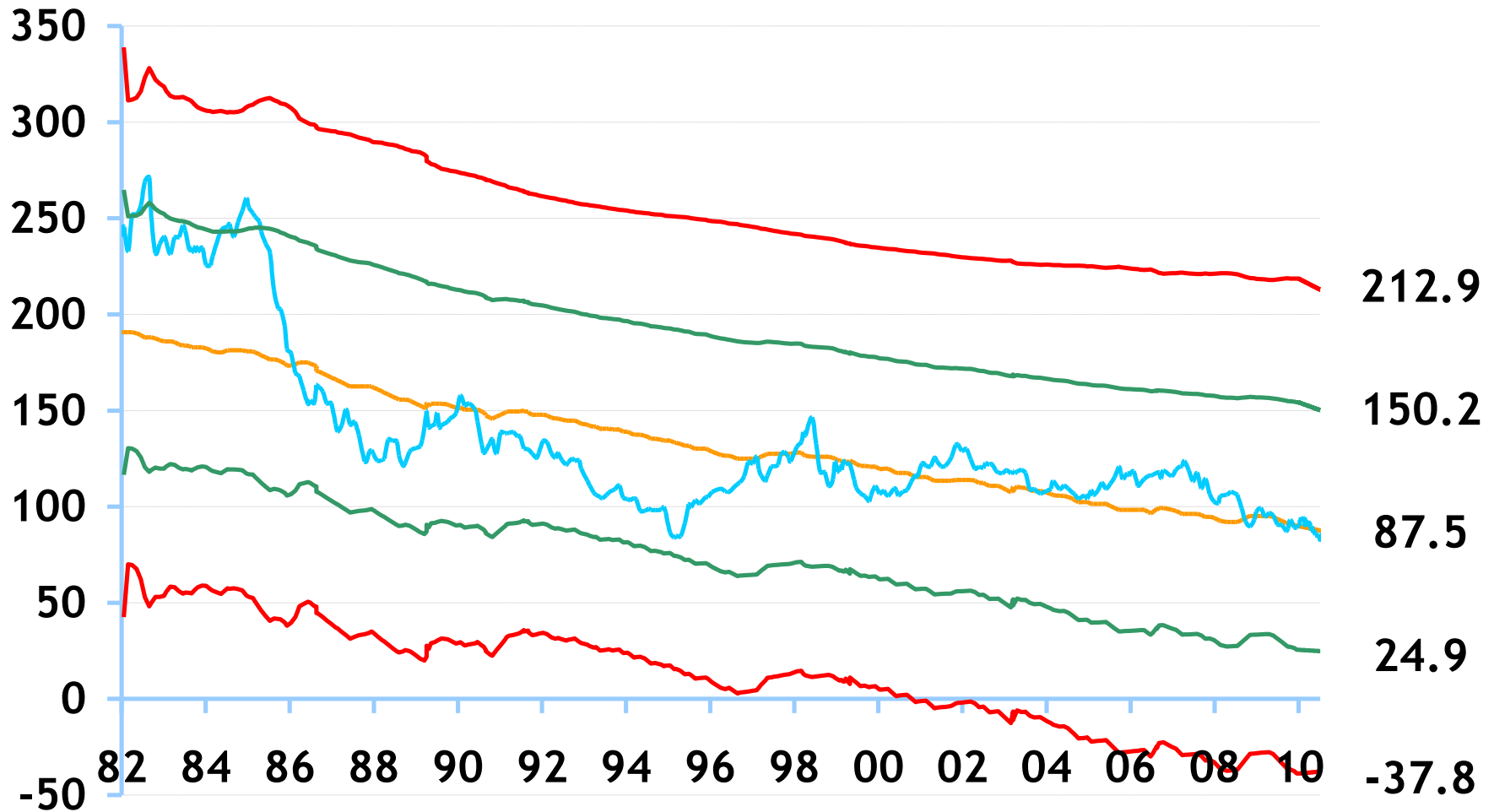
The Yen is one of the most overvalued currencies in the world. The government has every reason to weaken its currency therefore this is a long term buy . **A retest of the broken support line would represent the best opportunity to buy , preferring to wait for the inevitable rebound to retest the broken trend line 1.185 ( 83.5 +/- ) and then to enter a position.**

Currently showing strength to bounce divergence marked in green



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

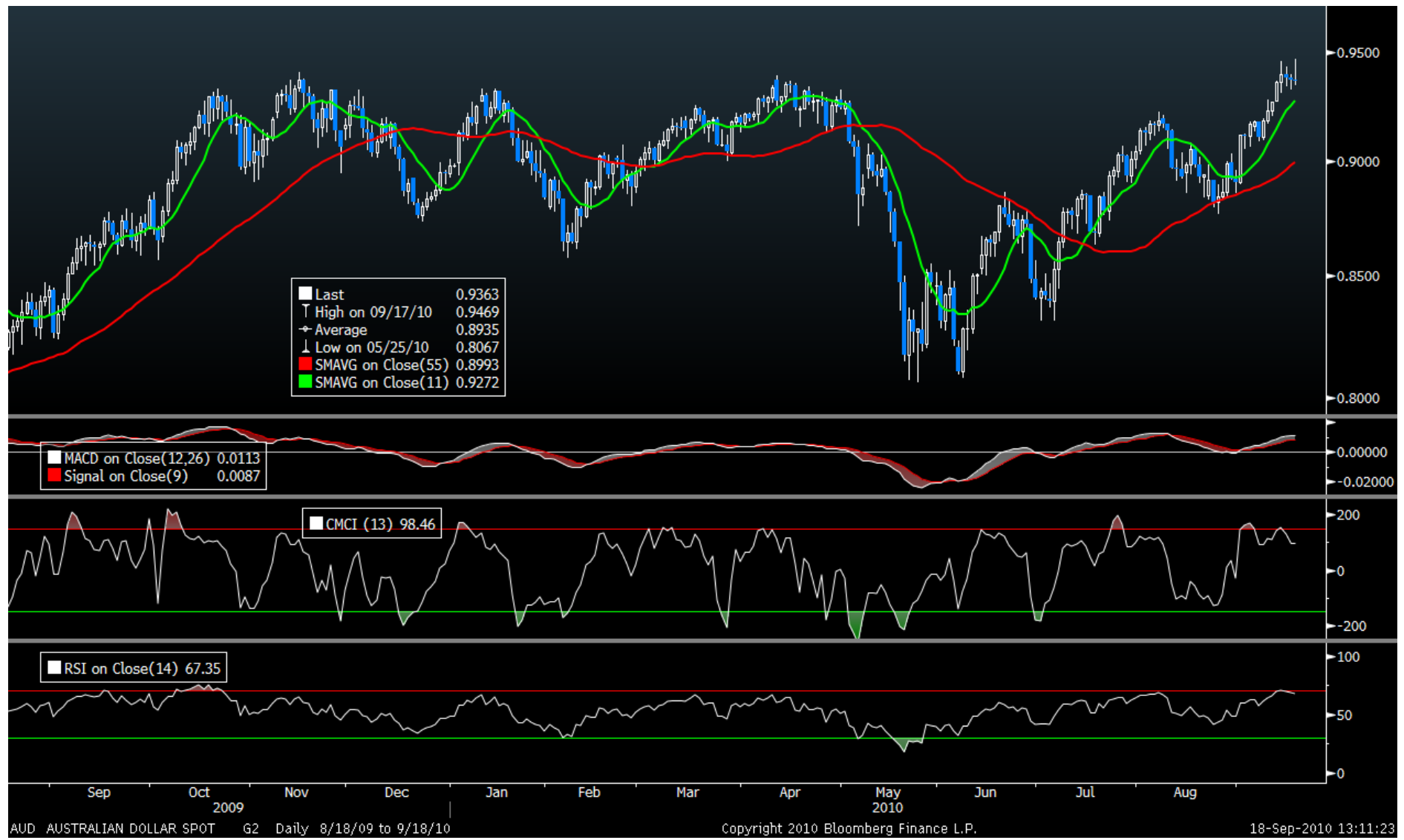
USDJPY



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

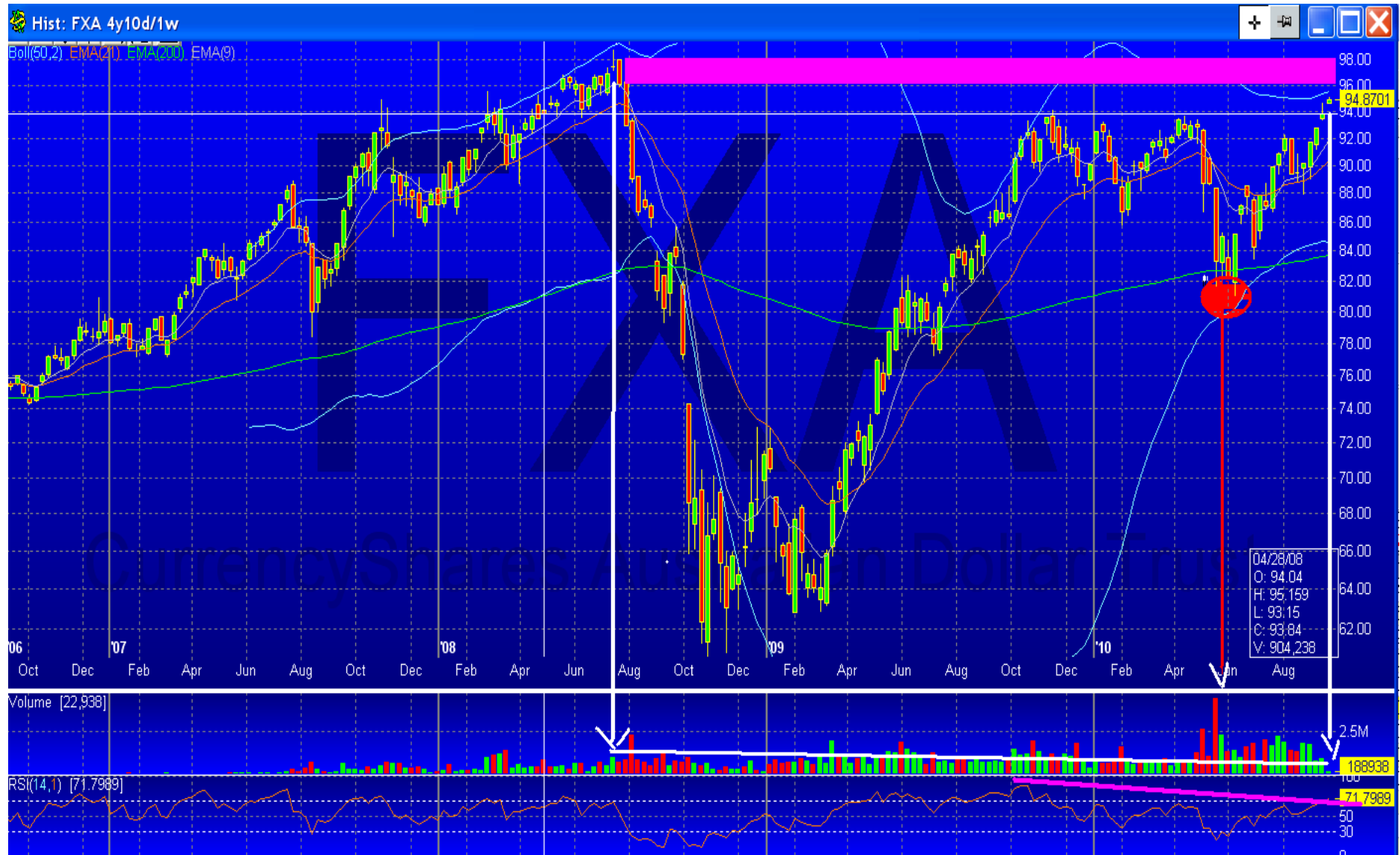


# AUD / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



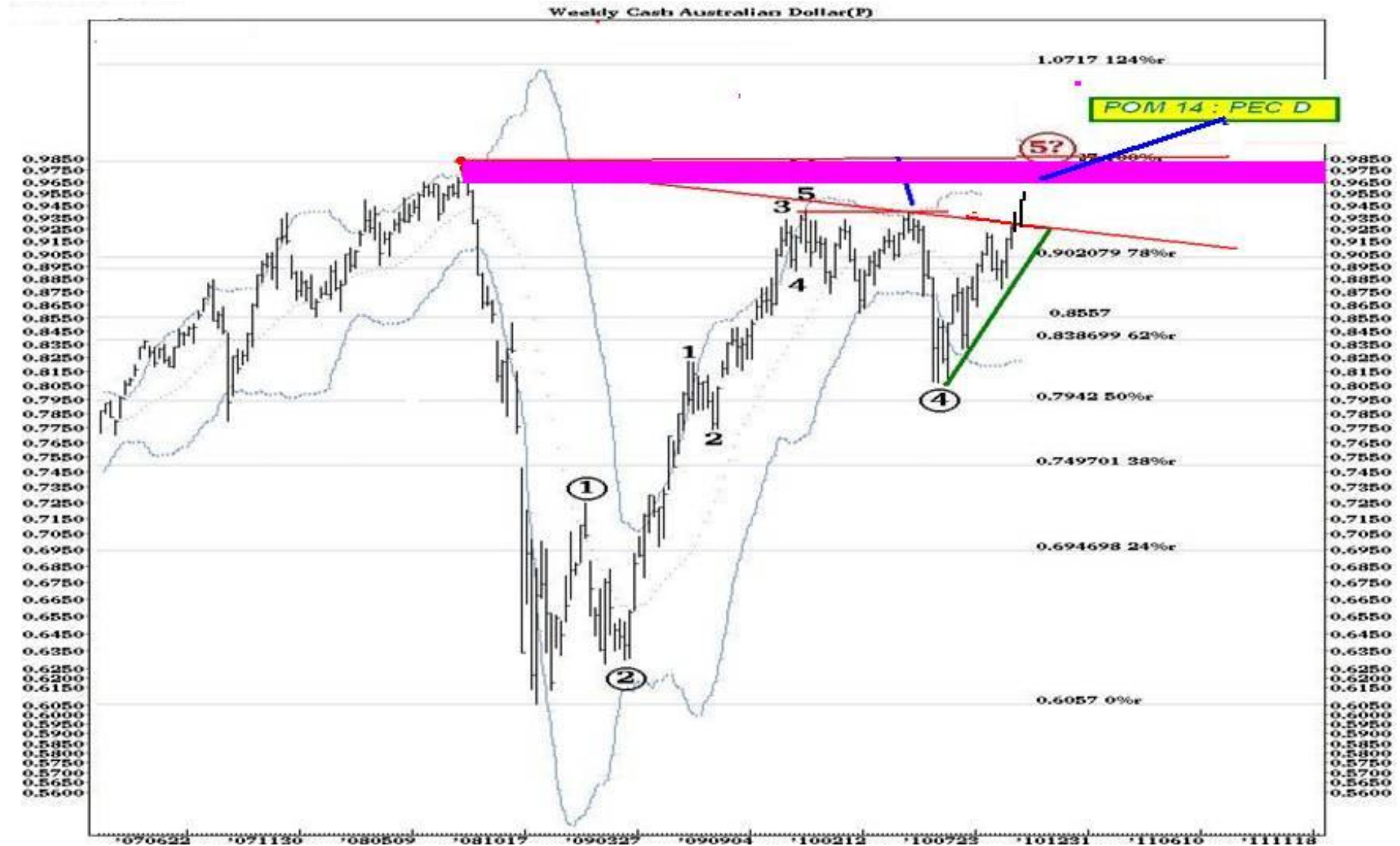
## 2 - AUD / USD – POM Analysis - Short term

\$ XAD / FXA - In 09 & twice in 010 tested the 08 highs, each time on diminishing volume as indicated and then in 010 retraced back to 80, it put in the lows at 80 with high volume and signaled this lows will be tested at some point. Then it rallied back to current with lower volume. **Now its entering the pink area of confluence for test of 95.8 to 97.50 could stop anywhere in between**



## 2 - AUD / USD – POM Analysis - Short term

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. (last mile) Aussies remain extremely overvalued and we think that a return to the bottom of trading range is in order.



### 3 - AUD / USD – PEC Analysis - Intermediate term

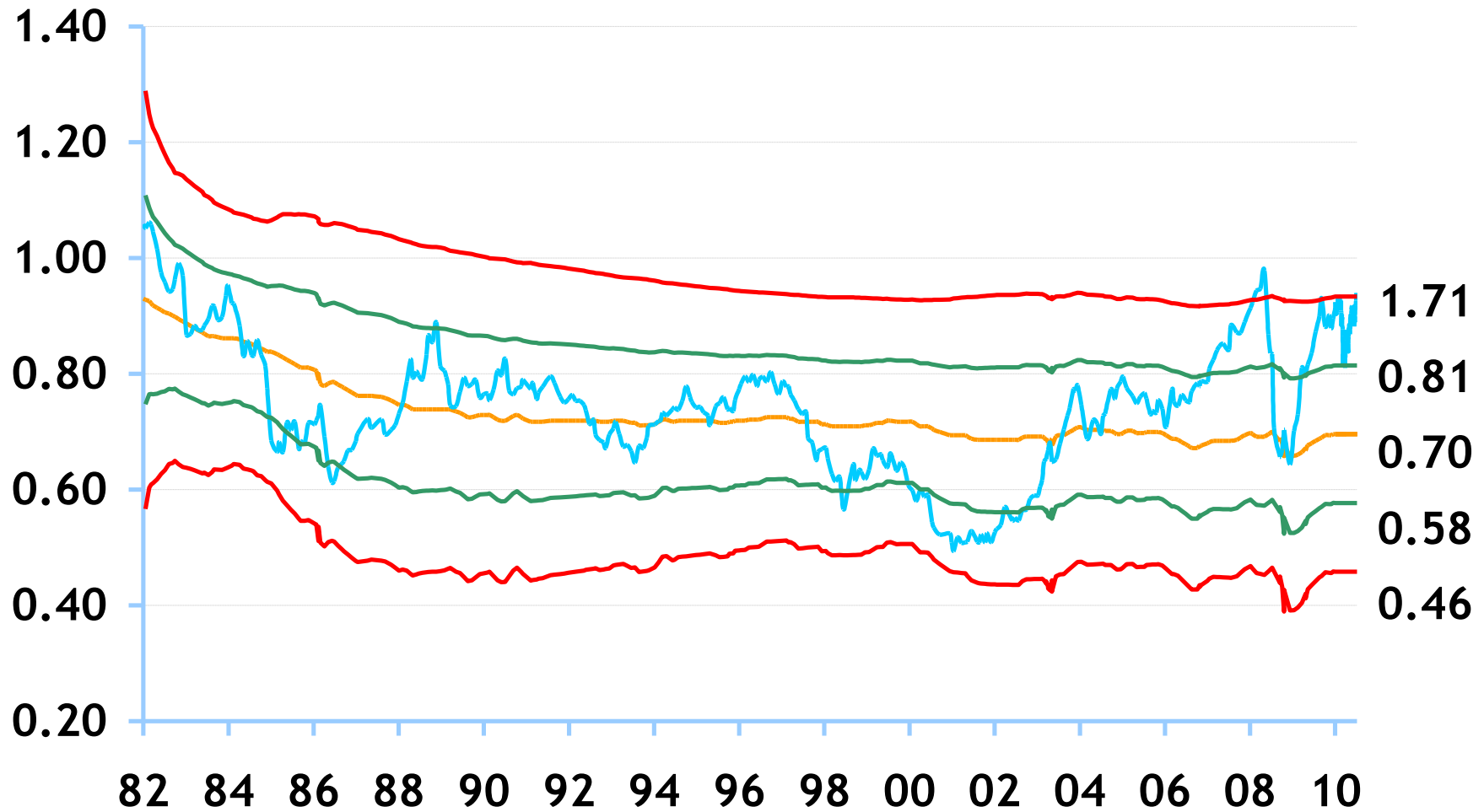
- **. POM 14 / PEC D @ 92** .....then it declined to 88, Quick . **Now D point projection is 95.8 to 97.5 could fail any time**



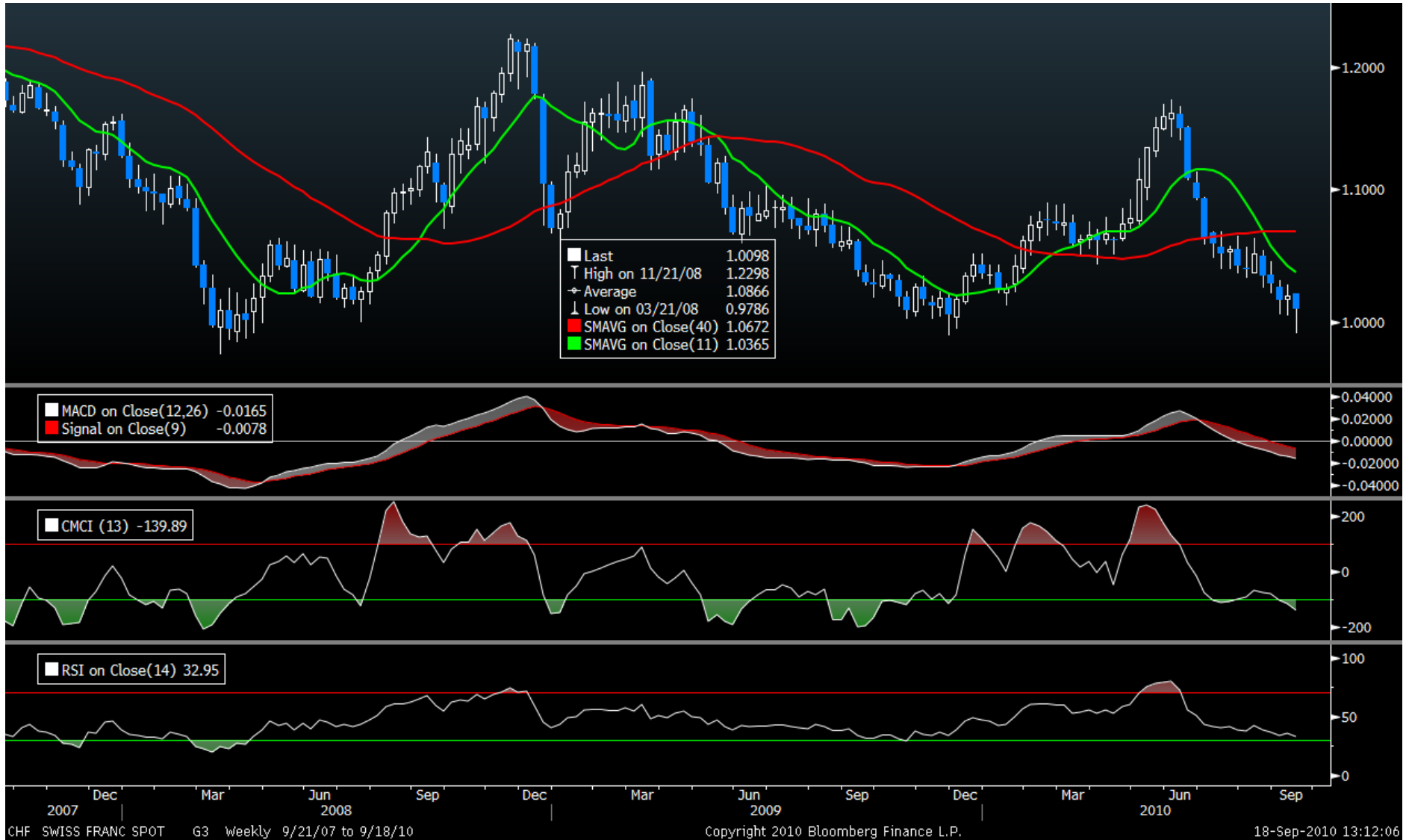


# 4 - AUD / USD – PPP Reversion & Standard Deviation Analysis – Long Term

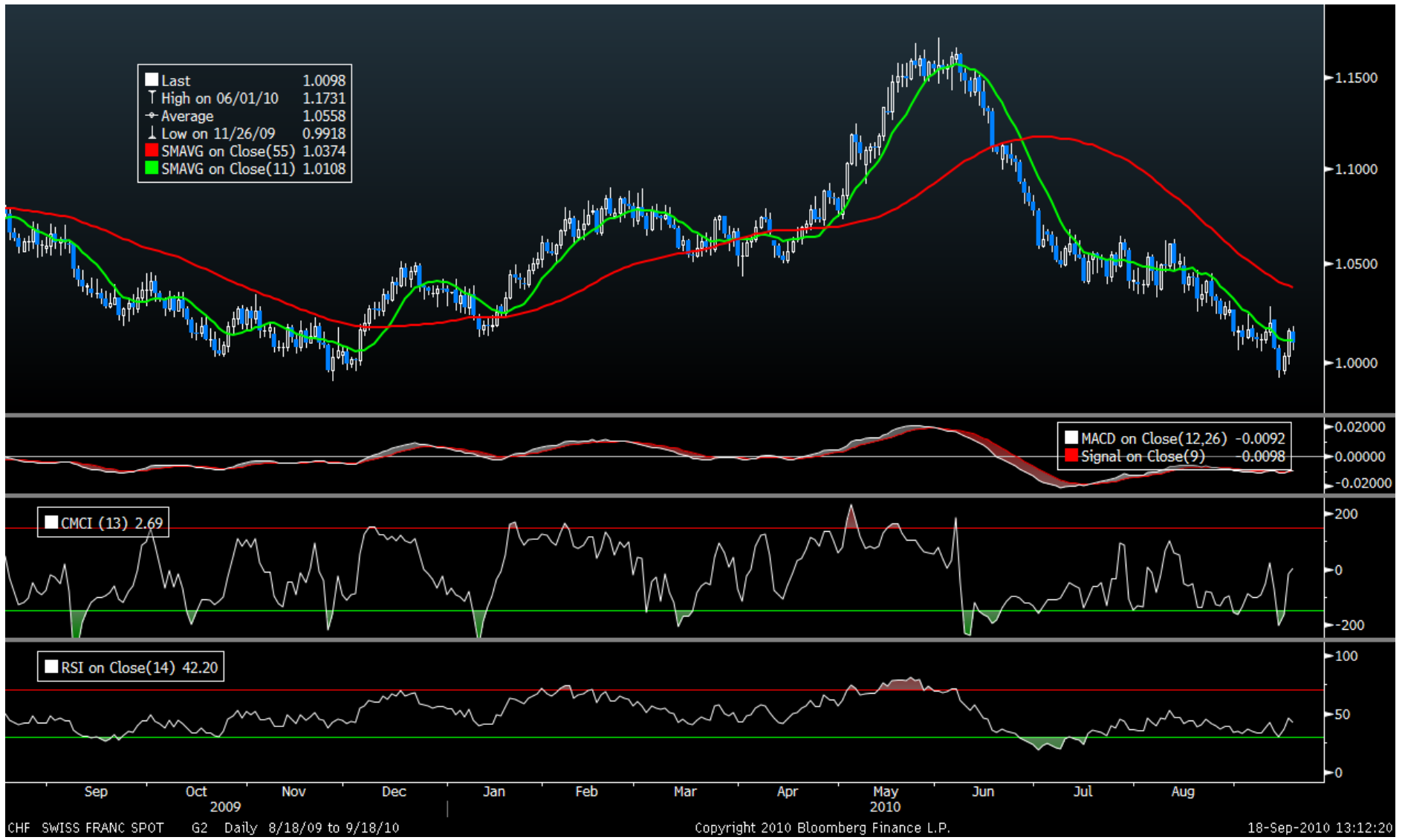
AUDUSD



# 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)



## 2 - CHF / USD – POM Analysis - Short term

**\$ XSF / FXF - Now its entered the red area of confluence for test of 99 -101 area on lighter volume and could fail anywhere within the confluence zone .**

In 09 tested the 08 highs, each time on diminishing volume as indicated and then in 010 retraced back to 85 , it put in the lows at 85 with high volume and signaled this lows will be tested at some point. Then it rallied back to current with lower volume.

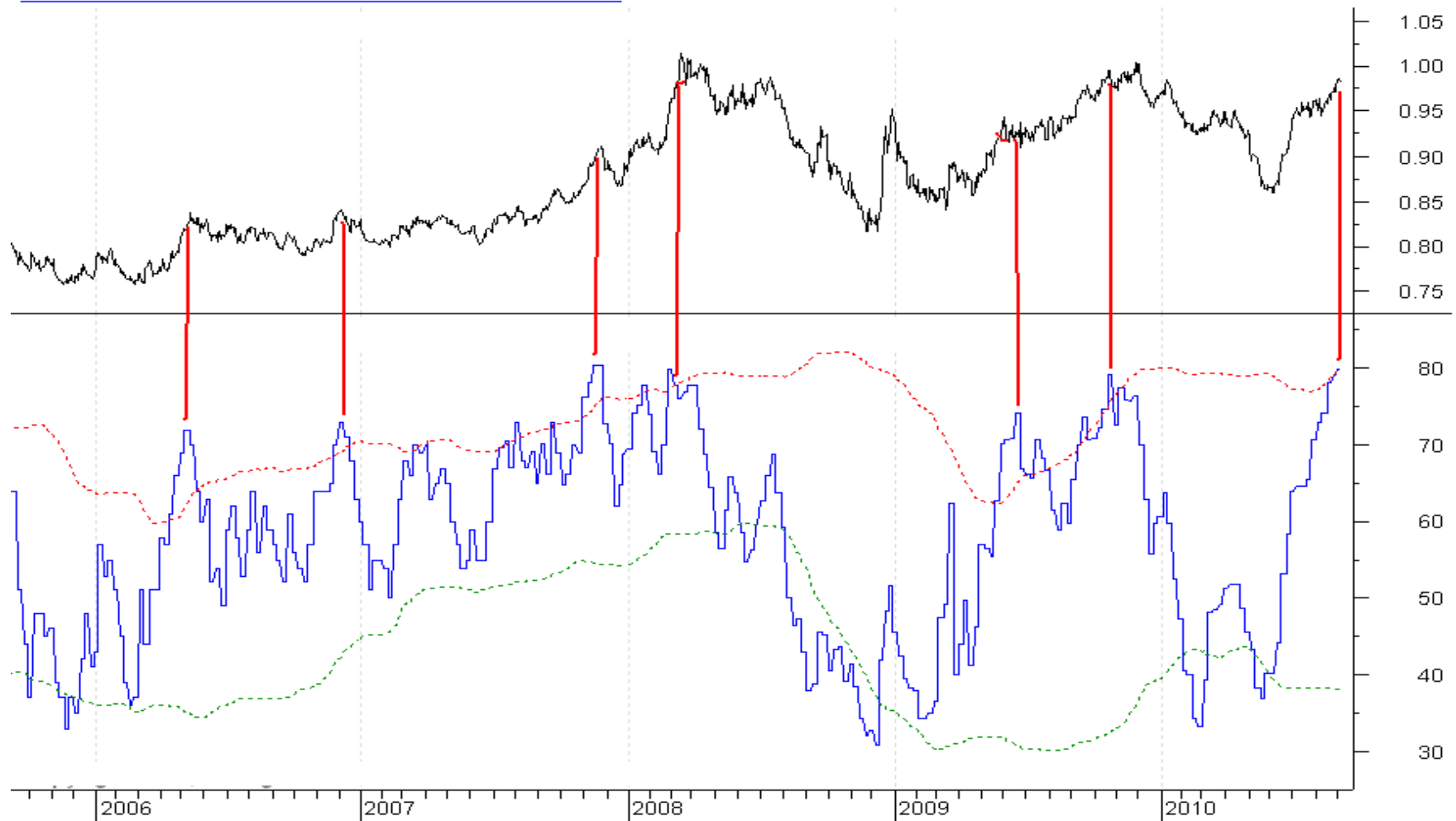


## 2 - CHF / USD – POM Analysis - Short term

Sentiments getting very bullish at levels in past has caused time out . .

### PUBLIC OPINION – SWISS FRANC

September 7, 2010

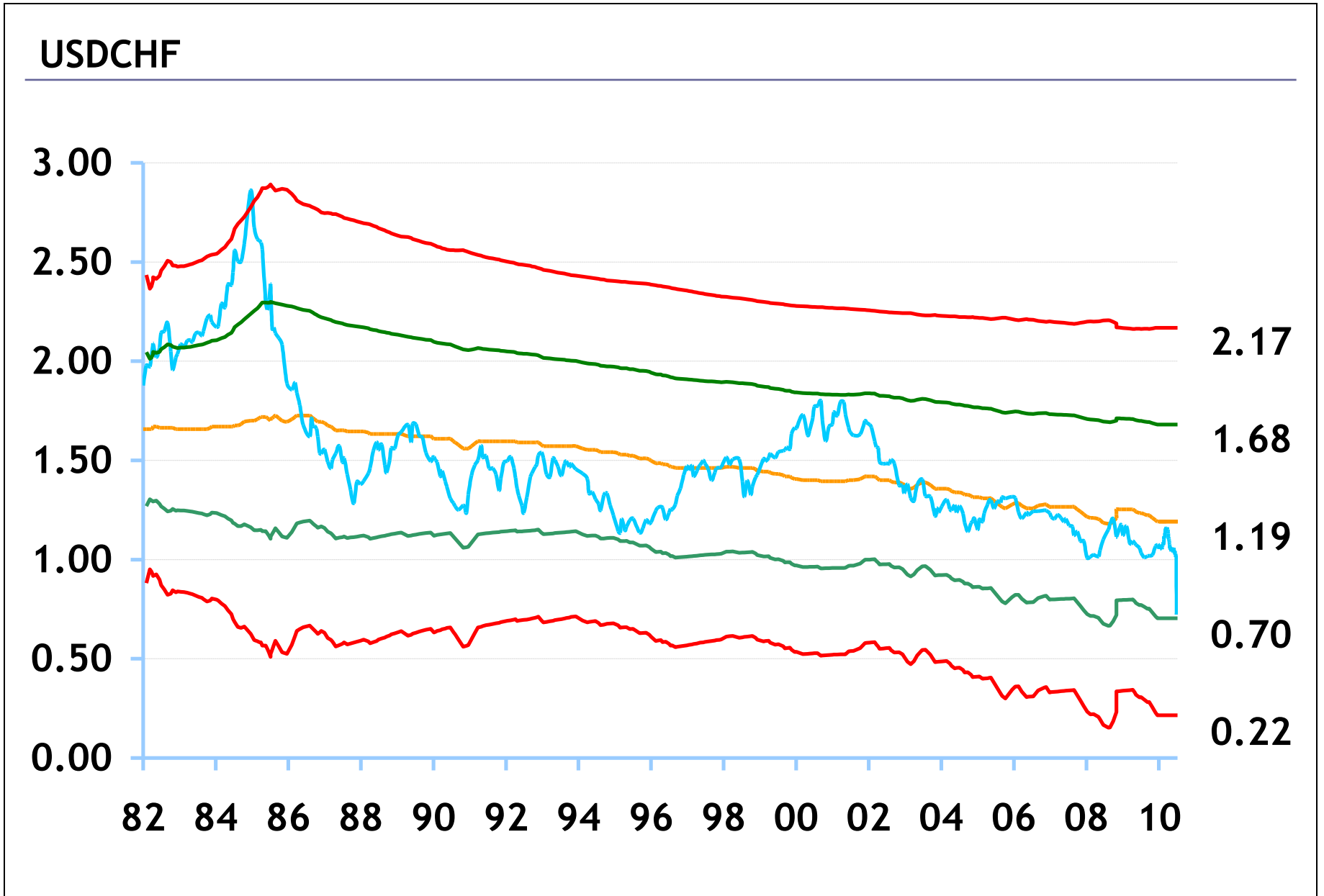


### 3 - CHF / USD – PEC Analysis - Intermediate term

The 0.618 is at 1.01, there is a support here on PEC Projections at D point, POM 12 if confirmed by other methods then risk reward could be favorable soon This zone is inflection point 101 to 98

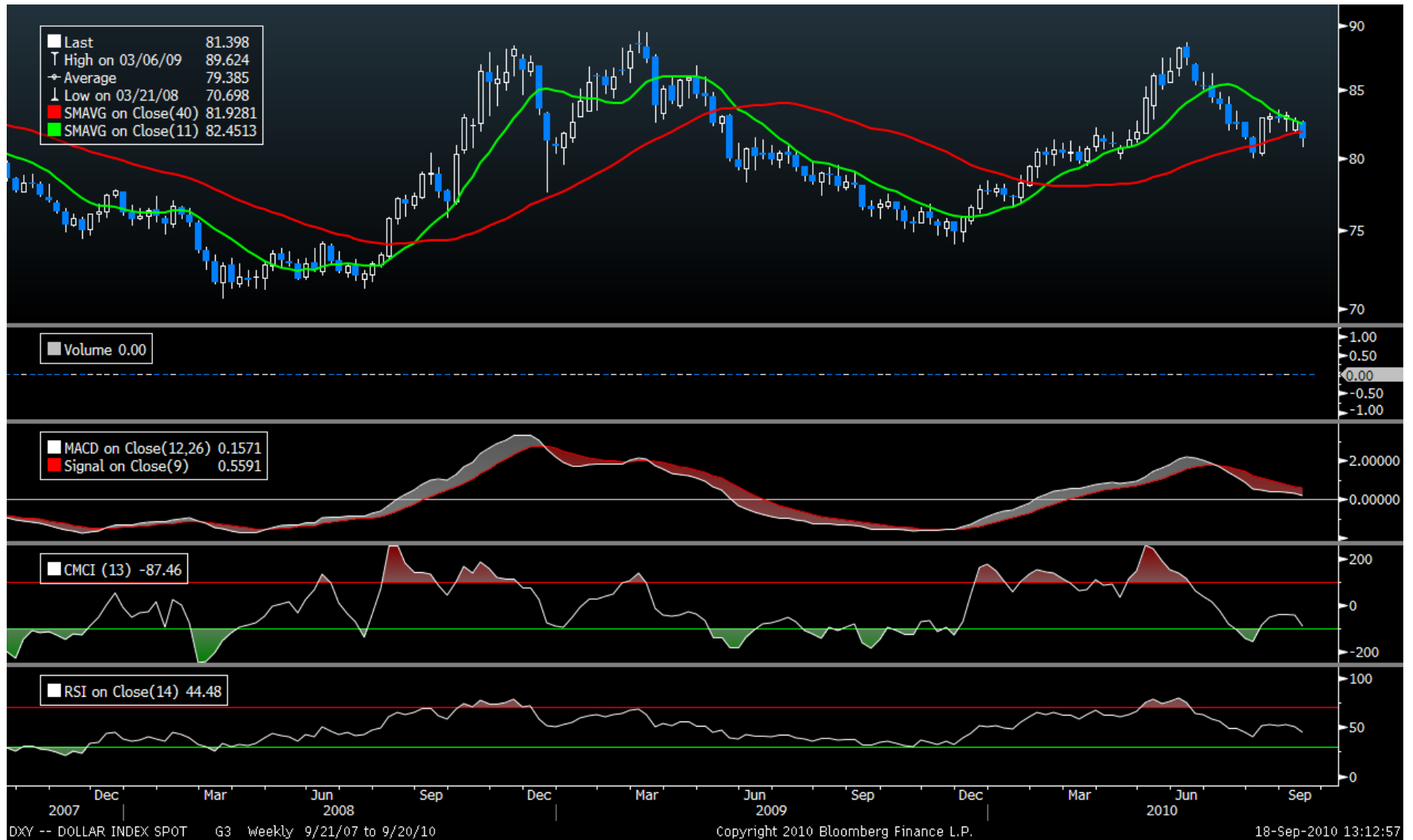


# 4 - CHF / USD – PPP Reversion & Standard Deviation Analysis – Long Term



# DXY - Weekly & Daily - 3 Year with RSI, CCI, MACD

**( 11 W / 40 W SMA )**





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



### 3 - DXY – PEC Analysis - Intermediate term

**POM 12 / PEC D@ 80** .....then it rose to 83, now is in the retracement move should be around current level and move in contra with EURO



## 2 - USD - POM Analysis - Short term



## 2 - USD – POM Analysis - Short term

The Dollar Index DXY is forming a low here and getting ready for a big run to the upside, bullish divergence after filling up the gap a 81.5



# 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 @ 133** ....then it declined to @ 127, found support near the 50% retracement but remains . Then rallied back small ABC to 1.30 ( negative divergence) , very soon euro should resume its downward trend. As you can see, the euro is still fighting its way upstream. The major trend down remains while the short term trend is in the process of reversing to down as well



### 3 - EURO / USD – PEC Analysis - Intermediate term

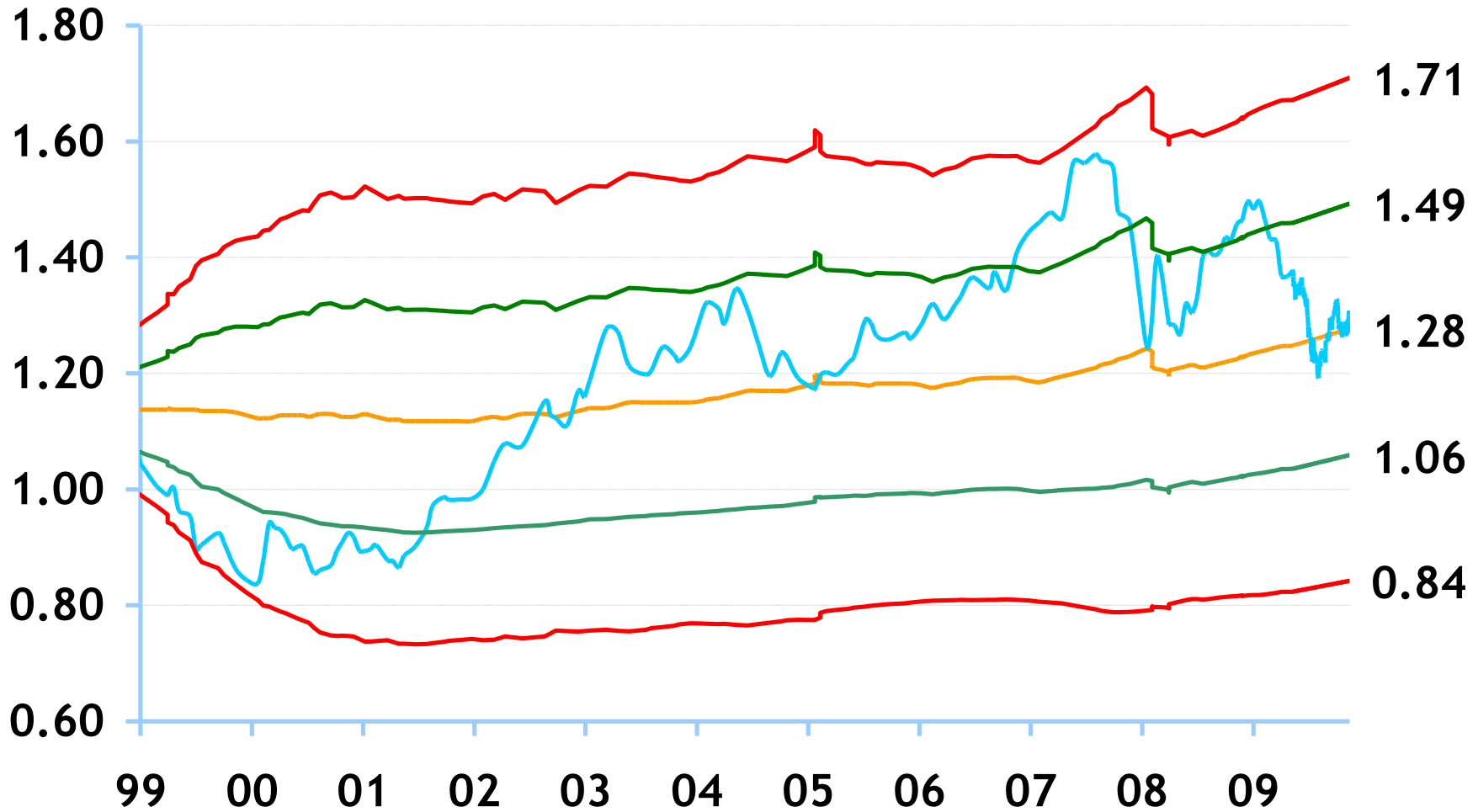
**POM 14 / PEC D @ 133** ....declined to @ 127, rallied back small ABC to 1.30, it entered in confluence zone we gave you last week. **PEC- D method D point is at 1.30 as indicated in Red**





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

EURUSD



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



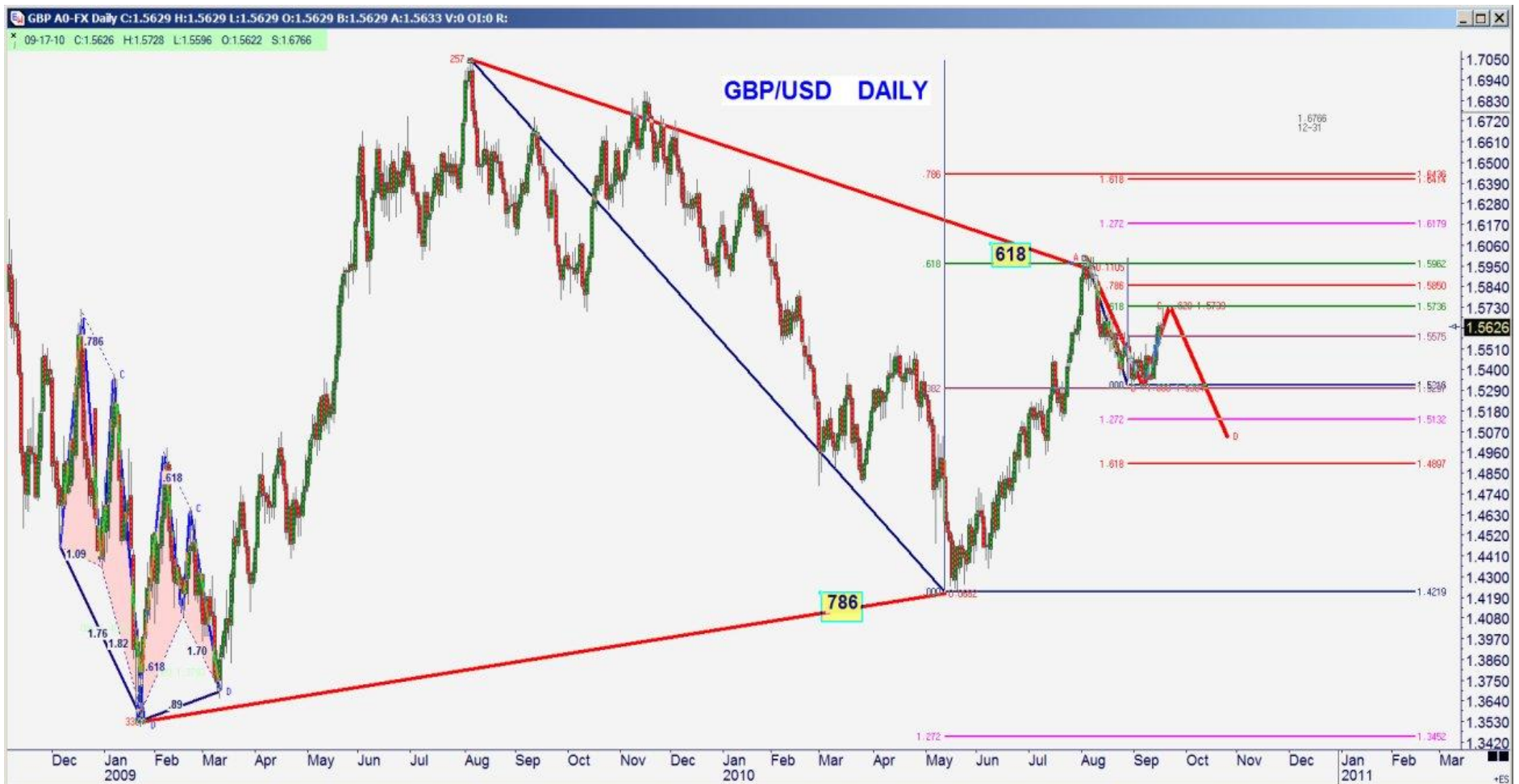
# GBP / USD - Weekly & Daily – 3 Year with RSI, CCI, MACD (11D / 55D SMA)



### 3 - GBP / USD – PEC Analysis - Intermediate term

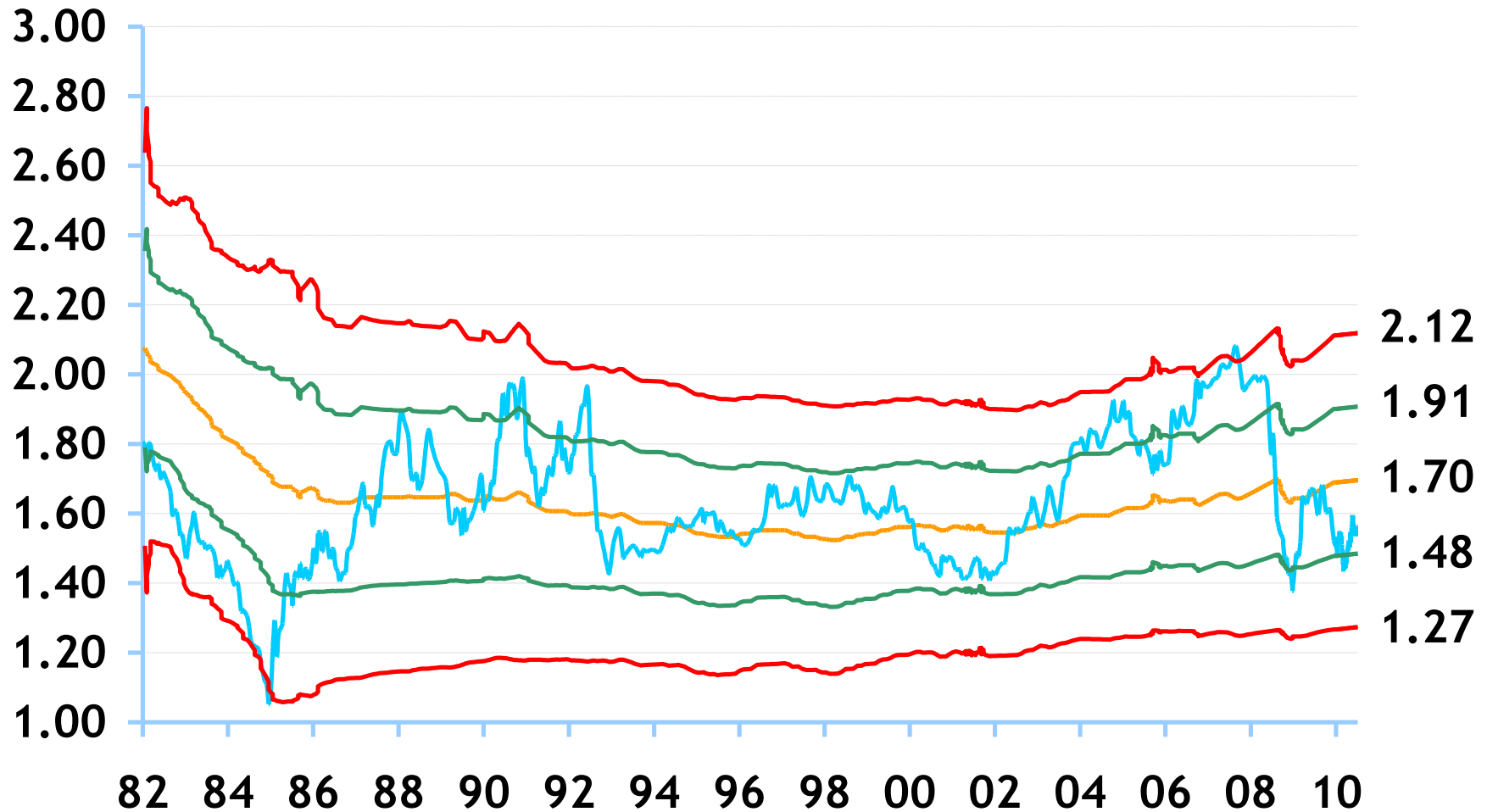
**POM 14 / PEC D @ 159** ....then it declined to 154, now is in the middle of the retracement move. completed a 0.618 retracement of the most recent high.

It has been fluctuating within a narrow trading range for the last eight days. The long-term trend for the pound to follow along with EURO



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

GBPUSD



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