



INTER-ISSUE UPDATE

PLAN 3

Friday August 30th, 2013

TRIGGER\$

Economic & Technical Analysis for the Active Trader

www.triggers.ca

click arrows in the index to go to chart
 click arrows in charts to return to index

WEEKLY DAILY HOURLY

| | | | |
|---|--|--|--|
| \$USD | | | |
| EUR:JPY | | | |
| EUR:USD | | | |
| MACRO DRIVERS MACRO TRIGGERS | | Additional Info/Charts | |
| ECONOMIC & EVENT CALENDARS TA Glossary | | | |
| Understanding the Analysis | | | |
| TRIGGER\$ Trading Methodology Performance Update | | | |

Updated!

Aug 30/2013

MACRO DRIVERS

The situation across Asia worsens daily as RISK-OFF deleveraging becomes forced selling. Taiwan, South Korea, Indonesia and the Philippines have initially been hit the hardest but now India and the Rupee are under intense pressures. This is a direct result of Emerging Markets funds being repatriated to shore up EU Banking Capital Ratios.

MACRO TRIGGERS

The Dollar-Yen Cross appears to be completing a Triangle Consolidation pattern. This suggests that the Yen will soon begin to continue weakening against the US\$.

DISCLAIMER: Inter-Issue UPDATES is not a Trade Advisory Service. This is a Technical Analysis service supplementing the monthly analysis found in our monthly publications. The point of the Updates is to provide a more fluid, stable and up-to-date analysis - more so than could be delivered in just a monthly publication alone. TRIGGER\$ & TARGETS are markers that can be used in measuring / determining trend movement and changes. **They are Not trading signals or calls.**



The current weekly bar has gone from red last update to green this update. Finding support and resistance from trend channel s/r's, the overall movement so far this week, although up, has remained within the previous weeks (last 3 weeks) range. The W%R looks to be moving up from the -80 level and with room to go to reach the opposite extreme suggests the market may be starting a lift.

US\$ DAILY



MATA DRIVER\$



| | | | |
|----------------------|-------------|--------|-----------------------------|
| SUPPORT / RESISTANCE | grey zone | 82.789 | 83.935 solid blue trend s/r |
| SUPPORT / RESISTANCE | red-dash | 82.159 | 82.666 solid grey trend s/r |
| SUPPORT / RESISTANCE | red channel | 81.789 | 80.576 red channel |



Lifting out of the solid red channel it had been bouncing around in, the market found resistance at the top of the grey s/r zone and the red dashed trend s/r. The W%R has lifted over the -20 level and indicates positive pressure on the market. Current resistances and the solid grey trend line just above the market offer TC if the market continues to lift.

US\$ 60 MIN



MATA
DRIVER\$



TRIGGER

HPTZ

| | | | |
|----------------------|-------------|--------|-----------------------------|
| SUPPORT / RESISTANCE | grey zone | 82.789 | 83.935 solid blue trend s/r |
| SUPPORT / RESISTANCE | red-dash | 82.159 | 82.666 solid grey trend s/r |
| SUPPORT / RESISTANCE | red channel | 81.789 | 80.576 red channel |



The previous red channel top and bottom of the grey s/r zone offer TC's if the market resumes the larger down trend. Although the W%R is falling to the -80 level, note the last down move from the indicator failed to make it all the way. This suggests a positive trend and we should watch for the indicator to turn at or before the -80 level again.



The market has moved sideways since last update; no change on the weekly level. Even the W%R is nearly in the same place. Watching for a break of the consolidation / sideways movement.

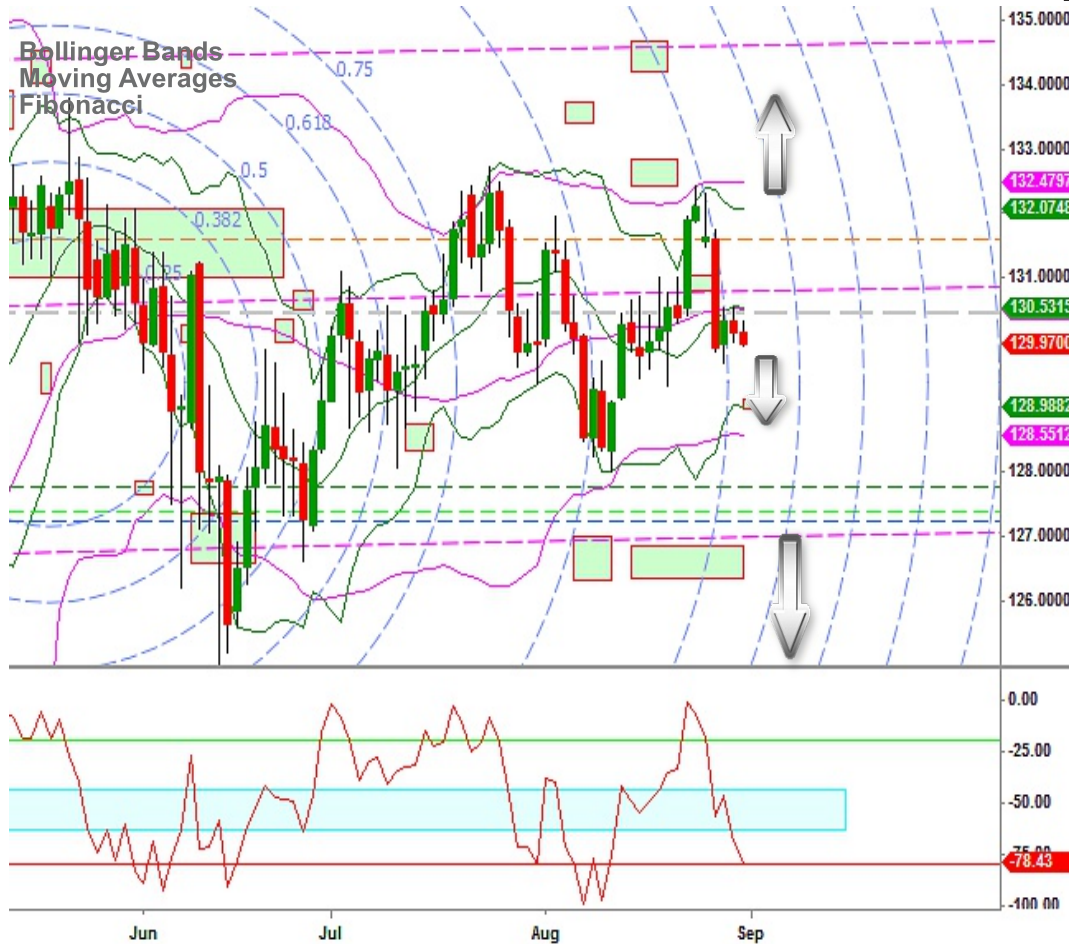
EUR:JPY DAILY



MATA DRIVERS



| | | | |
|--------------------|--------------|----------|----------------------------|
| SUPPORT/RESISTANCE | solid green | 132.2356 | 133.6017 grey s/r zone top |
| SUPPORT/RESISTANCE | solid yellow | 129.0486 | 127.7658 grey s/r zone |



Consolidating since last update, the market has moved sideways. The W%R however has dropped from inside the blue s/r zone on the indicator to the -80 level. IF the market continues to fall, we will see a break of the -80 level on the indicator (TC) with a target of the yellow trend support. IF the market bounces at current levels it may be emulating the other side of the lift, suggesting we could see more of the same as the market puts in time.

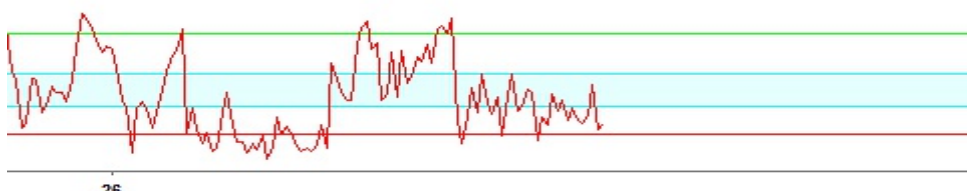
EUR:JPY 60 MIN



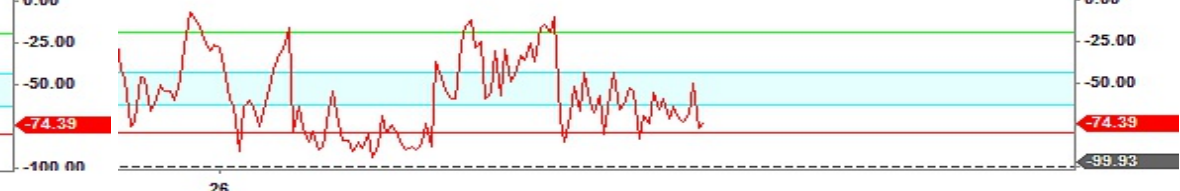
MATA DRIVER\$



Bollinger Bands
Moving Averages
Fibonacci



| | | | |
|--------------------|--------------|----------|----------------------------|
| SUPPORT/RESISTANCE | solid green | 132.2356 | |
| SUPPORT/RESISTANCE | channel | 130.5519 | 133.6017 grey s/r zone top |
| SUPPORT/RESISTANCE | channel | 129.6299 | 127.7658 grey s/r zone |
| SUPPORT/RESISTANCE | solid yellow | 129.0486 | |



Some channels add perspective to the recent move and also give us more technical TC's for consideration. Last update I had marked a potential 5 count. The market needs to stay inside the larger channel and drop for a 5th wave. Breaking through the larger channel and continuing sideways in the smaller horizontal, or lifting significantly, would mean the count is not correct. The horizontal channel offers TC when broken out of, up or down. The W%R is bouncing around the -80 level and the blue s/r zone, staying low and indicating a negative trend.



The EUR/USD has dropped since the last update; current weekly bar is red. The W%R has dropped below the -20 level and suggests then next wave may be starting and the market could move back to previous support.

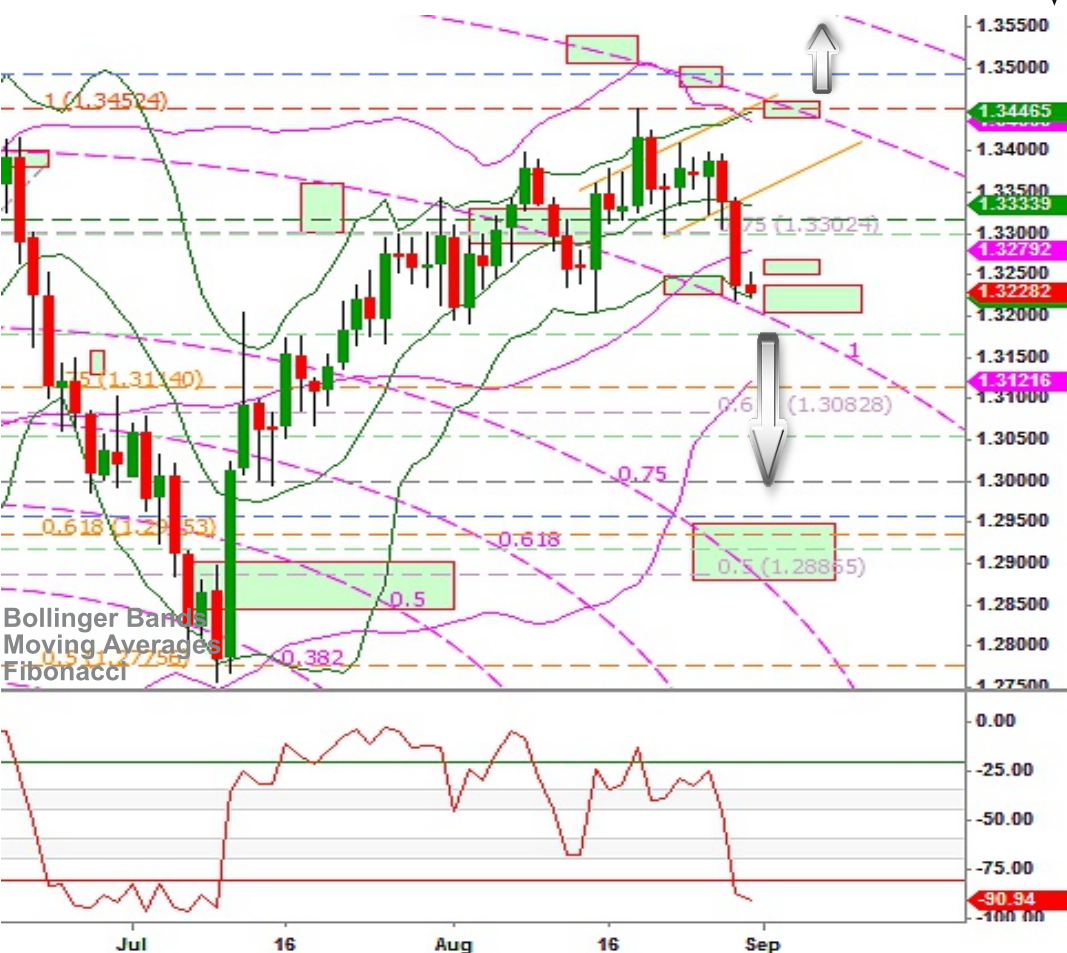
EUR:USD DAILY



MATA DRIVERS



| | | | | |
|----------------------|--------------|---------|---------|-------------------|
| SUPPORT / RESISTANCE | solid purple | 1.32509 | 1.33882 | grey s/r zone top |
| FIBONACCI LEVEL | pink circle | 1.31981 | 1.31352 | grey s/r zone |
| | | | 1.27910 | previous lows |



Dropping since last update the market has found support from multiple technicals. Note the move and stop on the pink Fib level. Potential divergence was occurring last week and we were watching for the market to drop off. This may be underway, take note of the technical triggers (s.r's).

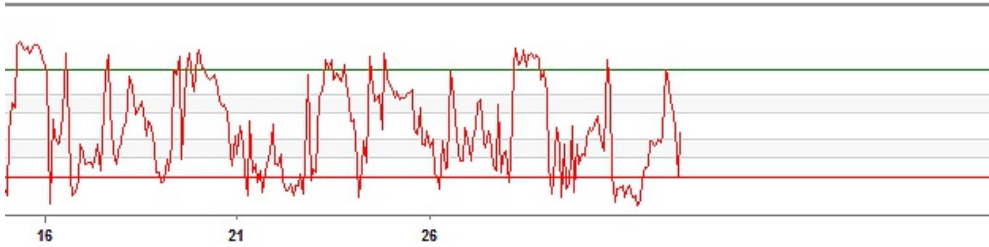
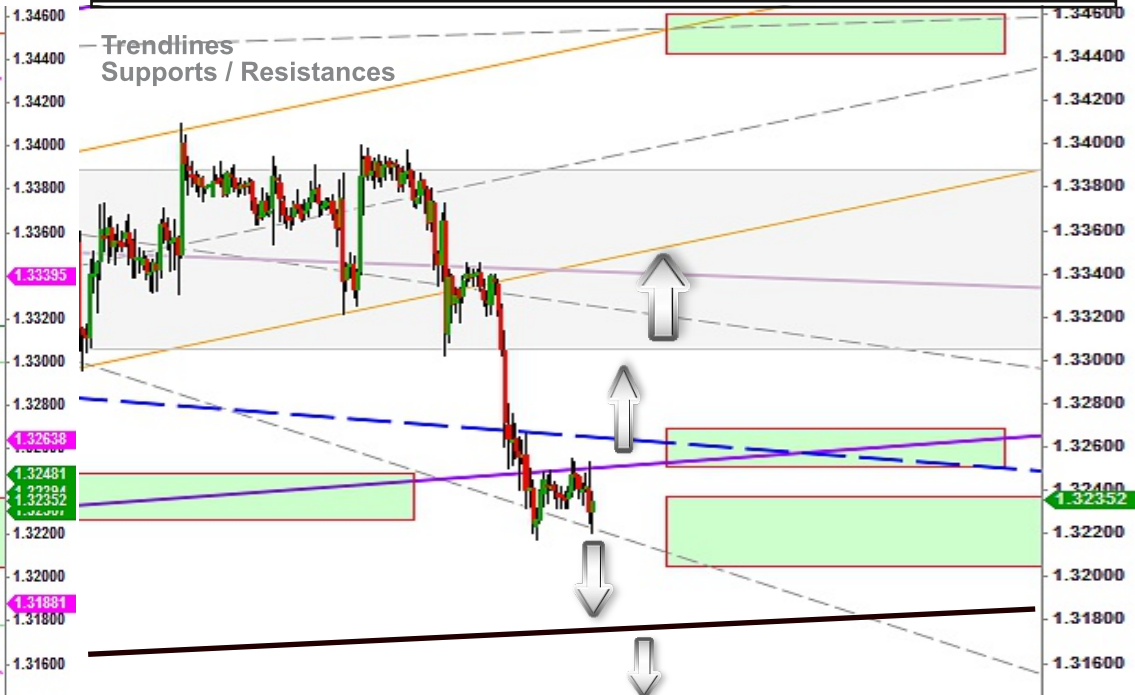
EUR:USD 60 MIN



MATA DRIVER\$



| | | | |
|----------------------|--------------|---------|---------------------------|
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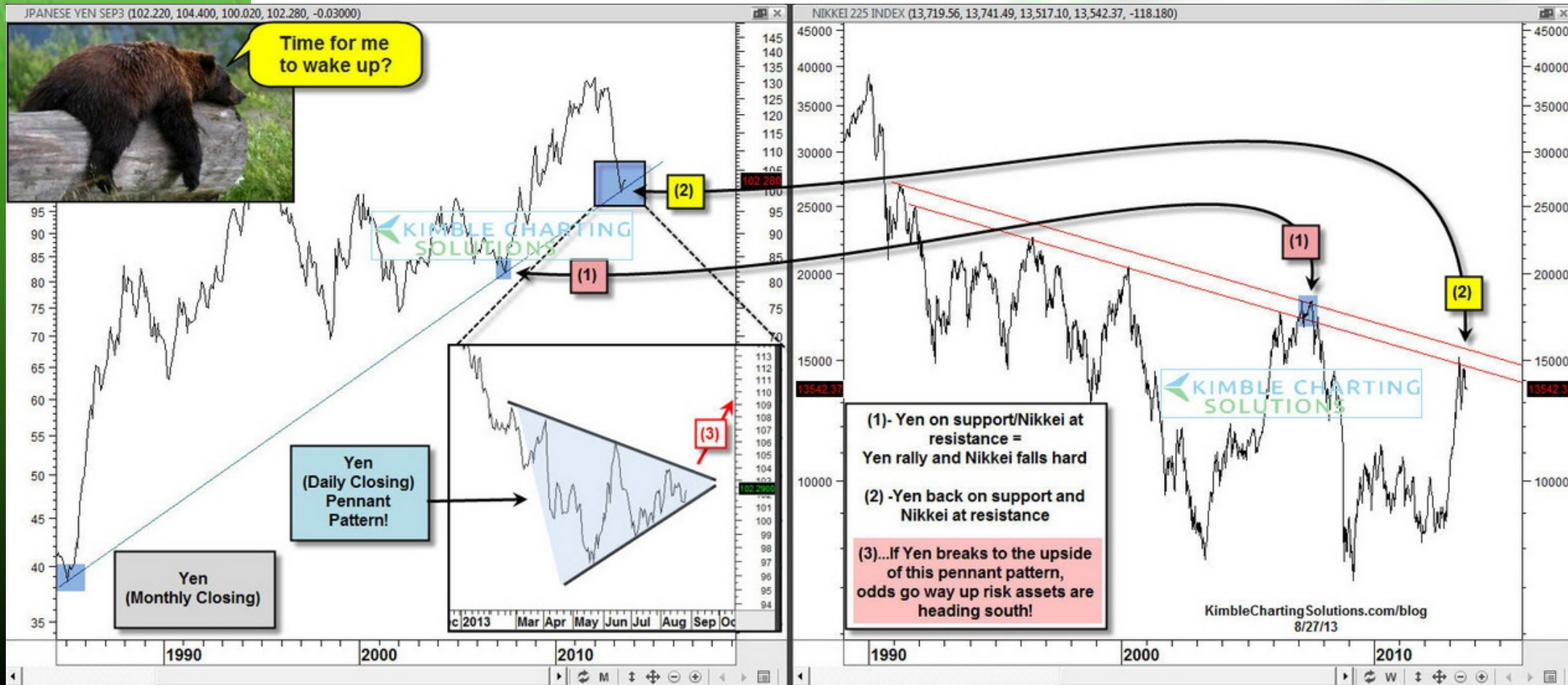


Of note on the hourly is the W%R lifting and has just broken out of a grey s/r zone. Suggests there may be some lift from the market in the immediate future. Multiple s/r's nearby offer TC to follow along with the market when it makes its next move.

DOLLAR-YEN CROSS: Consolidation May Be Completing

The Yen has a decent track record in helping investors construct their portfolios towards the "Risk On" or "Risk Off" trade. The Yen is on a 20-year support line right now (monthly basis) at (2) in the chart below.

On a daily basis the Yen has formed a pennant pattern at (3). If the Yen breaks to the upside of this pennant pattern, the message would be the "Risk Off" trade is at hand and investors should underweight their portfolios towards risk assets.



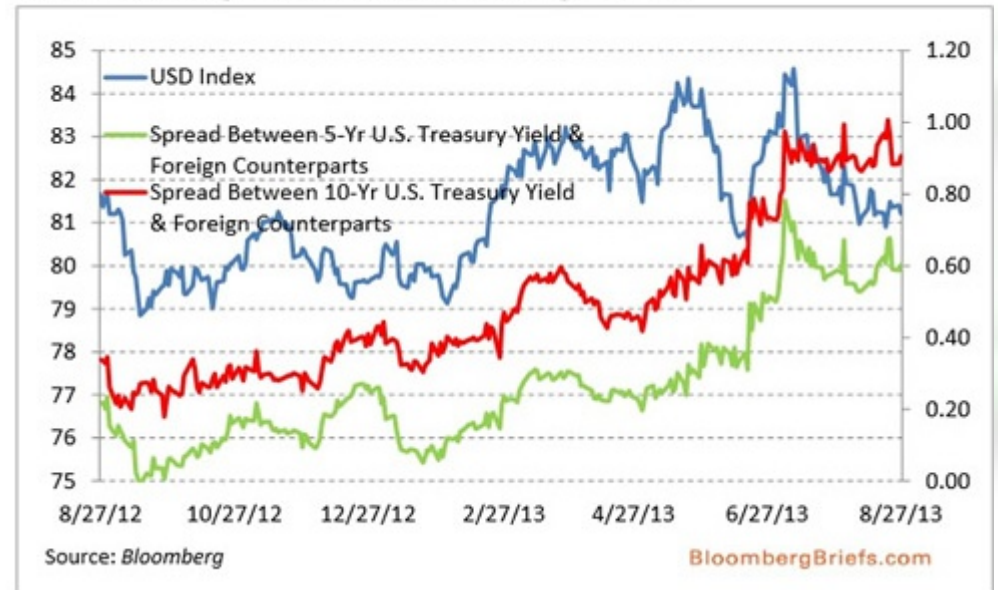


For the past 3 months, **USDJPY** has been confined to a well defined contracting range. Now that range is just about complete and **NEAR TERM WEAKNESS MUST BE BOUGHT**. Upside targets are seen to 106.00/105.80, potentially 109.80.

U.S. Dollar Being Influenced by Longer-Term Interest Rates

Currency traders should be paying more attention to the middle and the long end of the U.S. Treasury curve than the short end. The U.S. dollar index appears to have been most greatly influenced by those intermediate and long-term interest rates.

USD Lifted by Increase of Treasury Yields



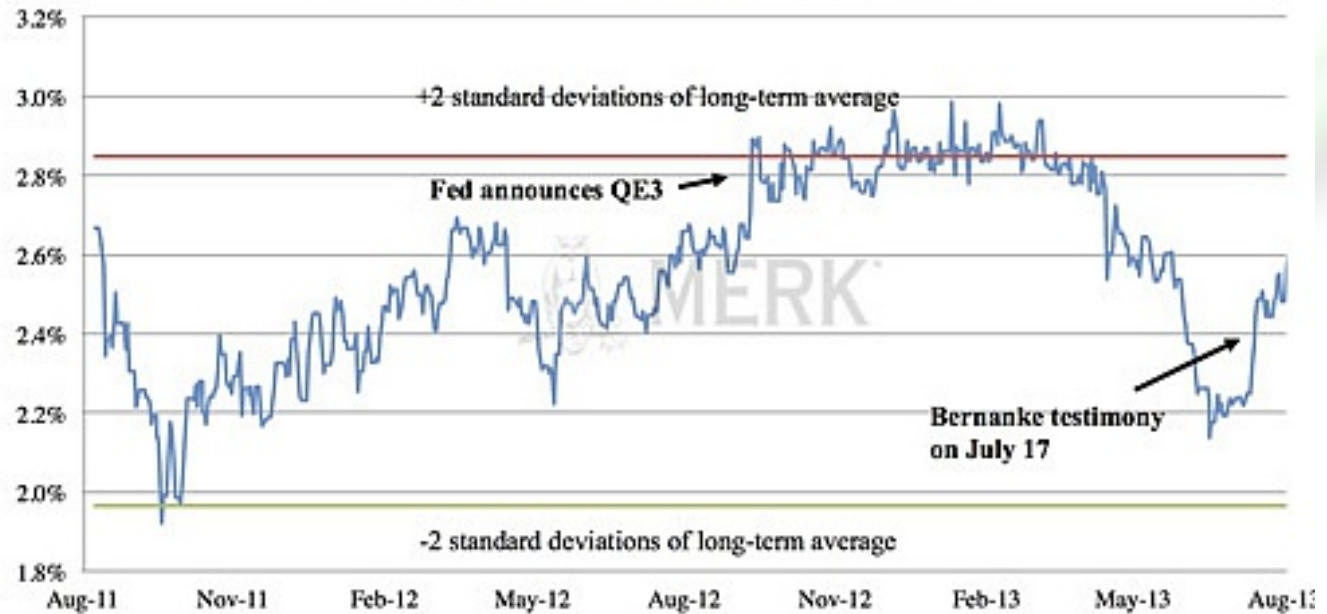
USD Becomes More Correlated With 5-Year Treasury Yield



REMEMBER: In the the August TRIGGER\$ we pointed out:

The coupon on the nation's \$13.22 trillion debt averages 1.88 percent with an average maturity of 5.4 years.

5-Year Forward, 5-Year Inflation Expectations



Source: Merk Investments, Bloomberg, U.S. Treasury
Calculations based on constant maturity treasury yields sourced from the U.S. Treasury
Long-term average based on data from Jan. 2003 to Oct. 2012, excl. aberration during crisis Sep. 2008 to Mar. 2009

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ECONOMIC CALENDARS

Bloomberg

U.S. Markets

<http://www.bloomberg.com/markets/economic-calendar/>

TRADING
ECONOMICS **.com**

Global

<http://www.tradingeconomics.com/country-list/calendar>

Longer Term Dates of Interest

| | |
|------------|------------------------------------|
| Aug 20th | Phi Cluster (+/- a couple of days) |
| Aug 21st | FOMC Minutes |
| Sept. 18th | FOMC Meeting |
| Sept. 20th | Quadruple Witch |
| Sept. 22nd | German Election |
| Sept 30th | Government Shutdown Deadline |
| Oct. 8th | Bradley Turn |

TRIGGER\$ Charts Powered by

eSignal
smarter trading tools



TA Glossary *(list of TA abbreviations)*

| | |
|-----------|------------------------------|
| HPTZ\$ | High Probability Target Zone |
| Fib | Fibonacci |
| ma | Moving Average |
| p/t | Price / Time Graph |
| s/r | Support & Resistance |
| TA | Technical Analysis |
| TC | Trigger Consideration |
| 13ma & BB | Green |
| 34ma & BB | Pink |

UNDERSTANDING THE ANALYSIS

You will notice that 2 charts are given for the Daily and Hourly time frames. Each chart is identical but shows different technical studies. This is done so that the charts are easier to read and less cluttered. Both charts should be taken in to consideration. Targets given are located in the exact same position on each chart and you can see which tools are aligning across both perspectives.

1 Instrument / Market

2 Time Scale

3 Trend

General overall trend based on the technical analysis. Although a market may have had a few down days, it may still be in an up-trend - technical parameters determine direction, i.e. channel.

4 Driver

The market that is having the most influence on, and has a relationship with, the current market.

5 Trigger & HPTZ

Green and Red arrows divide the chart from top and bottom representing the TA above and below the current market. Triggers are the technical tools that need to be violated to reach the HPTZ location.

6 HPTZ

Green boxes are identified target locations. Red boxes are missed targets. Yellow boxes are targets hit. Box size is determined by (1) the time scale the target was placed on - weekly target viewed on hourly chart appears large (2) not all technical tools cross at an exact point but in a general area.

7 Arrows

The base of the arrow sits at a significant technical tool that is a trigger consideration. The arrow points to the next significant technical and is where the market should move to once the initial trigger at the base of the arrow is crossed. These identify the significant technical triggers and where the market is likely to move to once crossed. Coloured arrows (green/red) represent the bias, grey arrows represent other possibilities. FOLLOW THE TRIGGERS regardless of the bias, ours or anyone elses.

8 W%R Indicator

Consistent indicator used with HPTZ and technical triggers. Aids in identifying trends and pivots.

9 Analysis

What occurred since last update; significant technicals, triggers and targets. Also: education & explanation of the TA and methods, using targets and technical triggers as the backbone of a personal trading strategy.

1
S&P 500

2
DAILY

3

4
MATA DRIVER

\$USD

| | TRIGGER | HPTZ | |
|----------|------------------------------------|-------------|----------------------------------|
| 5 | SUPPORT / RESISTANCE purple dashed | 1,649.00 | 1,681.49 next purple s/r, circle |
| | FIBONACCI LEVEL circle | 1,645.78 | 1,663.84 pink Fib lvl |
| | SUPPORT / RESISTANCE lt. red | 1,608.00 | 1,560.00 red dash s/r, prev low |
| | | | 1,514.67 red s/r |



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Still have questions? email goldenphi@triggers.ca

TRIGGER\$

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Methodology Performance

as of Friday March 1st, 2013

TRIGGER\$ Updates are part of a Trading Methodology that uses the identification of High Probability Target Zones (HPTZ).

These targets are derived from the assimilation of several Technical tools and methods.

Through the application of the tools to determine HPTZ, they also set up trigger considerations for potential entry and exit placement.

Our Updates give the HPTZ that we have found as well as the most obvious technical triggers that have set up. There are usually several trigger considerations for each HPTZ and the traders own risk tolerances and trading strategy must decide for themselves which are appropriate. As noted in our disclaimer, this is not a trade advisory service. The updates outline and use a methodology *that can be used as the base for an individuals personal trading strategy.*

The trading methodology entails identifying the HPTZ **both above and below** the current market position. While we generally have a bias on market direction, we are not infallible. Identifying the HPTZ on either side of the market, and using the technical tools as trigger considerations, the trader eliminates all bias and psychological pitfalls and trades what the market actually does, as opposed to what is believed to potentially occur.

This sets up a purely technical trading system. Regardless of market

direction, the trader has a plan and method for successfully navigating the market.

You will note throughout the updates we post that the Methodology remains constant. That is, it does not change, shift or modify depending on market conditions. **Regardless of trending or non-trending markets, the methodology is applicable in all situations.**

While the methodology has been in development for several years, it is only recently that we have started to keep a track record of its progress. Through the publication of these updates, we have a real-time record of the success or failure of the method and identification of HPTZ, or a proof of concept. In July of 2012 we expanded our updates to include several markets and it is from this point that we have started collecting data from our methodology. For the moment, the sampling size is admittedly small. However it grows monthly and should soon enough begin to establish an acceptable statistic.

As we locate HPTZ on either side of the market, only those that are activated are included in the calculations. HPTZ are activated when the market makes a move in that direction (i.e. new wave), exceeding the current market boundaries (i.e. channels, pattern s/r's etc.). HPTZ identify targets for the next wave. If the next wave becomes apparent and moves outside current boundaries but does not make it to the HPTZ, then it is a miss.

Hits on price level, but misses at the exact location (time) are only counted as a hit if the call could reasonably be considered "close". That the market at some point reaches the price level is not enough to be considered as a hit – the p/t must "just miss" the time target to be counted as a hit on price but miss on time.

| July 2012–Mar 1st 2013 HPTZ Forecast Multiple Markets Combined Totals | Totals / % All Markets |
|--|---------------------------|
| Total # of HPTZ\$ Forecasted | 391 |
| # Targets Hit: Both Price & Time* | 332 |
| # Targets Hit: Price Level Only* | 26 |
| TOTAL # ALL TARGETS HIT** | 358 |
| # Targets Missed | 33 |
| Hit % : Both Price & Time Only* | 85% |
| HIT%: ALL TARGETS HIT** | 92% |

| July 2012–Mar 1st 2013 HPTZ Forecast | SPX | USD | EUR/JPY | EUR/USD | VIX | GOLD | OIL |
|--------------------------------------|-----|-----|---------|---------|-----|------|-----|
| Total # of HPTZ\$ Forecasted | 46 | 76 | 76 | 67 | 38 | 48 | 40 |
| # Targets Hit: Both Price & Time* | 39 | 64 | 61 | 58 | 34 | 40 | 36 |
| # Targets Hit: Price Level Only* | 1 | 5 | 9 | 4 | 2 | 4 | 1 |
| Total # All Targets Hit** | 40 | 69 | 70 | 62 | 36 | 44 | 37 |
| # Targets Missed | 6 | 7 | 6 | 5 | 2 | 4 | 3 |

* **Both Price & Time:** exact location for both price & time was achieved

* **Price Level Only:** price level was reached, but occurred outside of specified time frame. Only those price levels reached where the time element could be reasonable counted as "close" count as a Hit.

** **Total Combined** number of the Price & Time Targets Hit and the Price Level Only Targets Hit.