

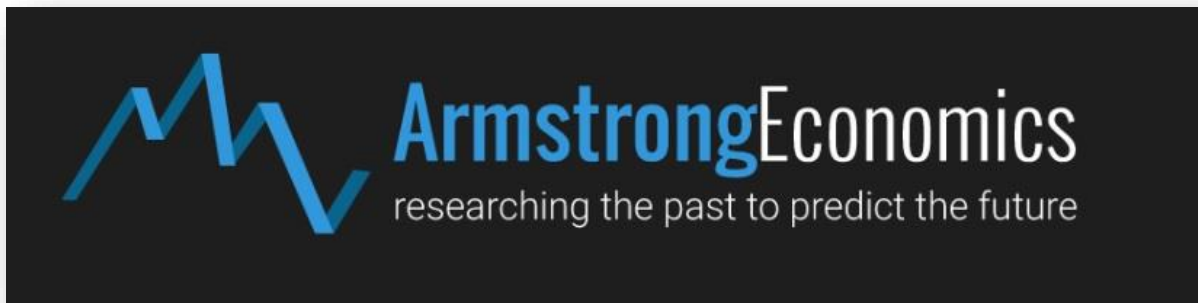
The Australa- Asian Outlook



A Crisis in the Making

By Martin Armstrong

November 2022



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Contents

Introduction 1

China Financial Crisis..... 9

Commentary 31

The Socrates Generated Commentary for US DOLLAR V CHINESE YUAN CASH..... 33

The Socrates Generated Commentary for Japanese Yen Futures..... 51

The Socrates Generated Commentary for Hong Kong Dollar Spot..... 69

The Socrates Generated Commentary for Shanghai Composite 87

The Socrates Generated Commentary for Shenzhen Composite..... 105

The Socrates Generated Commentary for Hong Kong Cash Share Index 123

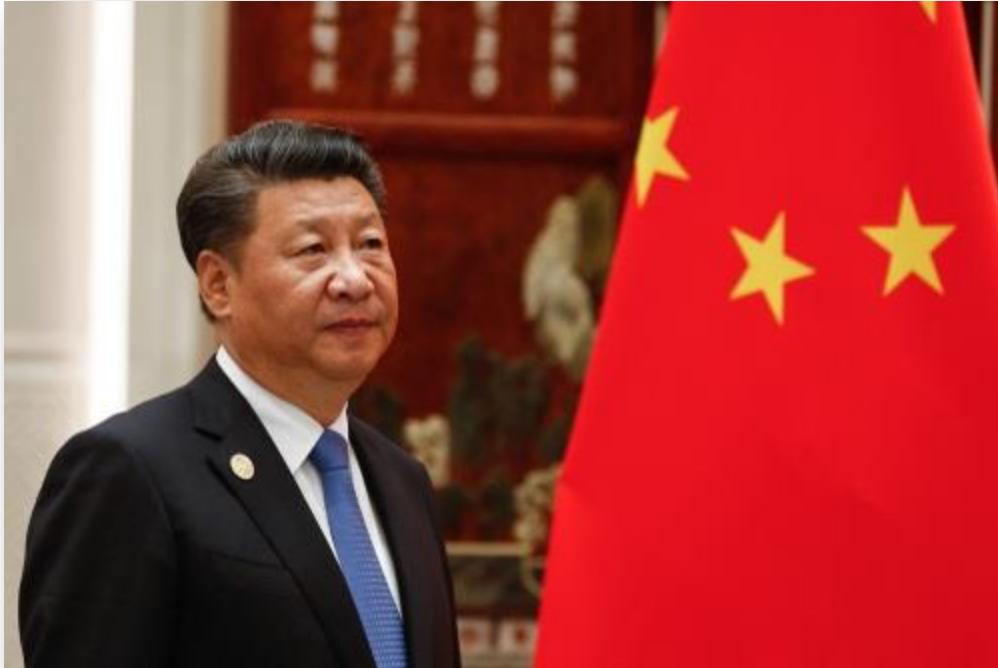
The Socrates Generated Commentary for Nikkei Tokyo Index Cash..... 139

The Socrates Generated Commentary for Kospi 200 Index Cash 155

The Socrates Generated Commentary for Singapore Cash Share Index..... 171

The Socrates Generated Commentary for Taiwan Stock Index Cash 189

Introduction



In 2016, the President of China Xi Jinping made a statement that reveals much more than people suspect. Xi Jinping said:

"The world is on the verge of radical change. We see that the European Union is gradually falling apart, how the US economy is crashing, and that all this will end with a new rearrangement of the world. In 10 years we can expect a new world order in which the key factor will be the alliance between China and Russia."

There is no question that Xi Jinping understands the game the West is playing with this Great Reset and he is fully aware that the West intends to overthrow Russia and then China would be next. The United States under the Biden Administration appears to have done ABSOLUTELY everything they could to ensure that President Xi Jinping would be delivered a mandate to potentially rule for life.

China approved the removal of the two-term limit on the presidency, that effectively allows Xi Jinping to remain in power for life. That is no surprise as the West becomes arrogant and under the Biden Administration seeks confrontation

Introduction

and war rather than peace. The constitutional changes in China were passed by the annual sitting of parliament, the National People's Congress. The vote saw two delegates voting against the change and three abstained, out of 2,964 votes removing the two-term limit that copied the United States since the 1990s. There is an undertone that they know war with the United States may be indeed inevitable post-2024.



With Biden claiming the US will defend Taiwan and Pelosi hopping on flights to Taiwan to assure the US will defend them ahead of the conference in China, was either a deliberate effort to ensure that Xi Jinping would be handed perpetual rule, or it was the most brain-dead political decision ever made.

The approval of this landmark announcement in a communique was established not since Mao Zedong and Deng Xiaoping had China authored a so-called historical resolution. It is hard to imagine that Washington could have been that stupid to allow Pelosi to travel to Taiwan just before the China conference.

What the Biden administration has been doing is deliberately showing no respect for the dignity of China or Russia. Instead, those writing the cue cards for Biden have been deliberately insulting both nations, their culture, and their people. This has been an open invitation to war and it appears designed to further this Great Reset with a new world order controlled by the United Nations.

Introduction

China directly addressed that very agenda calling this “the great rejuvenation of the Chinese nation.” That was a direct response to the way they view the Biden administration which seems to be on a mission to screw the entire world at the behest of Klaus Schwab and his World Economic Forum. Never in international relations do you EVER insult the opposition, or call people like Putin a war criminal when a war criminal can never be applied to a leader based upon actions of those in battle. Xi Jinping has been watching the actions taken in this manner and realizes that they will do the same to him.



Sources at the ICC have revealed a shocking account that all the lawyers there are trying to just talk trash to justify charging Putin with war crimes. First of all, they have no jurisdiction over ANY head of state. In addition, Neither the United States nor Russia signed the agreement that would allow any of their citizens to be charged in that court.

Worst still, these absolute morons are GUARANTEEING World War III cannot possibly be avoided. When you start accusing your adversary like this, you have guaranteed there will now NEVER be any peace negotiations. So just get ready. Our computer, unfortunately, has never been wrong. I have tried my best to speak out against this war and all the propoganda that fills the air. We just have to resolve that those in power want war as a diversion from the meltdown in government bonds. They think this war would be conventional and so what if a billion people die – there are too many of us anyway from their perspective.

Some say we deserve it for voting in people like Biden, Trudeau, and all the other incompetent world leaders. Maybe they are right. Even Macron of France called Biden's Armageddon Speech insane. The ICC has lost all credibility as they try to pretend to be tuff all to justify NATO's intended invasion of Russia.



Looking at this objectively, China was pushed into a corner by the constant rhetoric from the Biden Administration that China is an enemy – not a friendly nation. This not only imposes serious risks to Taiwan in the months ahead but also to Hong Kong. A closing in the Hong Kong share index below 13319 for 2022, will war of a major further crash probably into the 3rd quarter of 2023 if not into 2024.

Our computer has projected that in the end, China will become the financial capital of the world. That forecast should not be taken that all is well in China and it must be viewed in the context of the entire world.

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EXCLUSIVE: NIH-funded report on pregnant prison inmates is slammed for referring to women as 'people who want to provide milk' and 'birthing parents'

- Experts told DailyMail.com it was another sign of 'progressive jargon' creeping in
- The research looked at how pregnant women in female prisons are being treated
- But excerpt on NIH website curiously does not use the terms 'women' or 'female'
- Refers to them as 'people who give birth' and 'people who want to provide milk'

You have to understand that the decline in the West being the United States and Europe aided by the insanity of Wokeness benefits China's rise. Women no longer exit simply because a man can be altered to appear to be a woman. So, a real woman is not just a birthing person who gives milk. The number of people who identify as transgender in the USA is about 1.6 million out of 331.9 million (2021). We must change all our terminology for such a tiny minority.

Introduction

Civilization is the coming together of everyone for their mutual benefit. You destroy civilization by promoting individual groups. Yugoslavia functioned well despite the ethnic differences, but once the central government began to weaken following the death of Tito, that was all she wrote. The nation immediately broke up along the old ethnic lines and the hatred of centuries reemerged.

The Democrats have promoted total chaos which in the long-run will destroy the United States just as Yugoslavia broke apart. This LGBT movement has only led to many turning against them for changing everything. That is not the way to build a nation that is coherent.



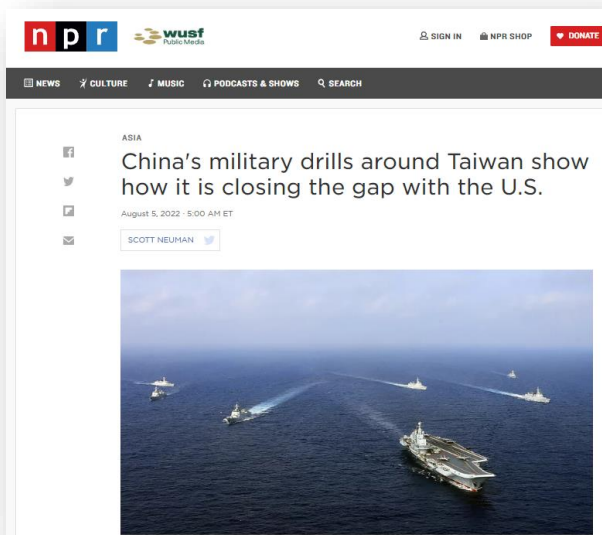
As far as Nancy Pelosi's recent trip to Taipei, it demonstrated the comprehensive lack of international expertise that has engulfed Washington. There appears to be a complete lack of intelligence, and that is by no means confined to just Democrats. Anyone who supported her trip is totally incompetent in international politics. The trip was supposed to demonstrate US confidence in Taiwan's leadership, but instead, it provoked a reaction from China that undermined the entire region. Beijing has apparently emerged with much more confidence than ever before that it could retake Taiwan by force if necessary.

There were some people in the White House and the US Defense Department who told Pelosi to postpone her trip. Pelosi had announced her trip on her own and then faced political pressure not to back down once her plans became public.

Introduction

On July 31st, 2022, Xi Jinping, general secretary of the Communist Party of China (CPC) Central Committee, attended a reception to celebrate the 95th founding anniversary of the People's Liberation Army (PLA), which fell on August 1. Her sheer stupidity was a slap in the face to Jinping, showing her total ignorance of international politics.

The Biden Administration was then forced to downplay the trip's significance. In the process, the Biden Administration was forced to reaffirm its commitment to the United States' long-standing "**One China**" policy, which recognizes Beijing as "**the**



sole legal government of China," while the US just ignores any claims to rule Taiwan. The Biden Administration has been forced to try to tell China that nothing has changed despite the stupidity of Pelosi.

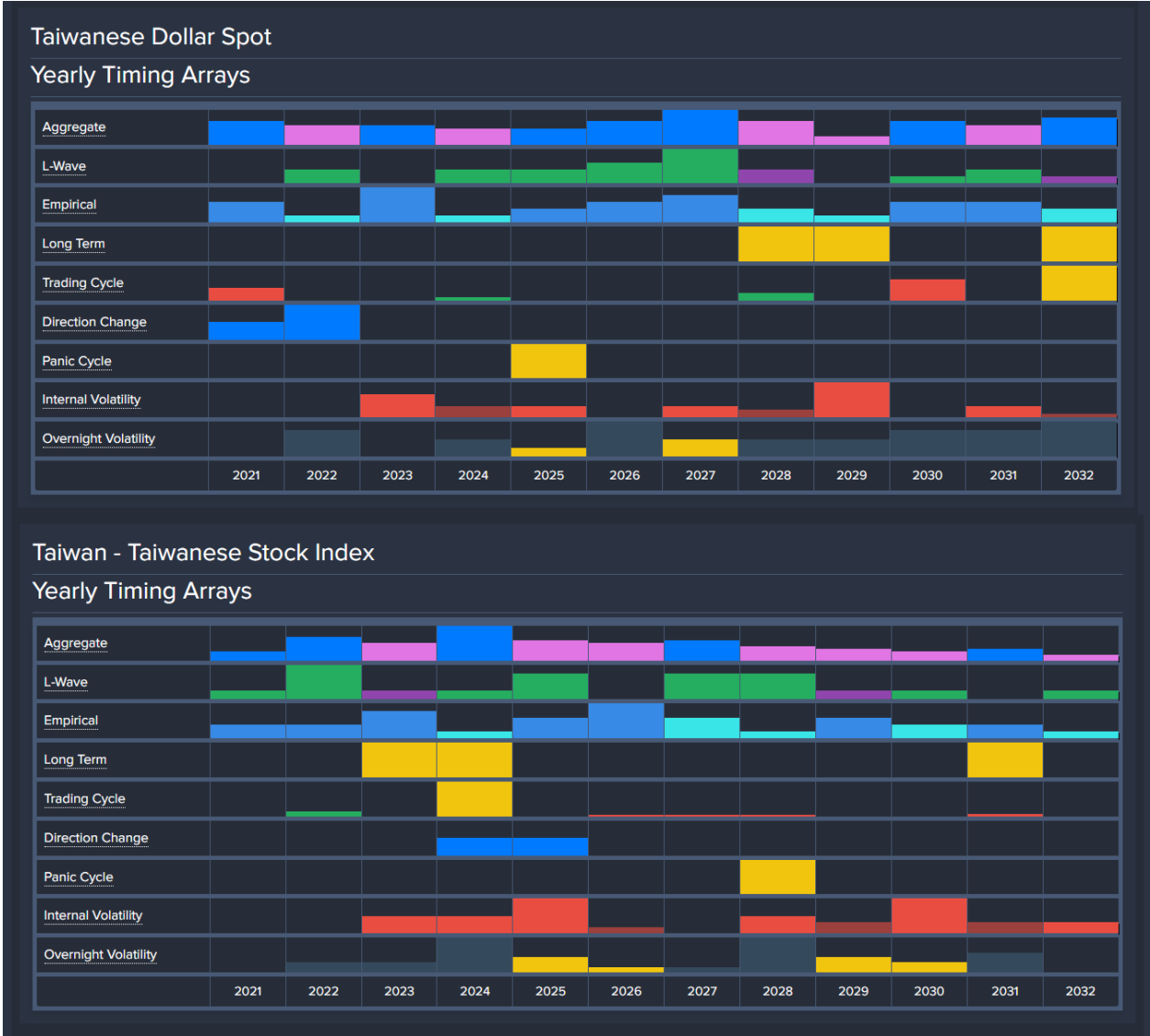
China dramatically put on an expert show of military force that was awesome. Beijing, within hours after Pelosi left Taipei, showed to the world that China's military spectacle was without precedent in scope and scale. Beijing is

merely waiting for the right moment to take Taiwan.

Beijing no longer trusts that the American policy of "**One China**" is in play with all the war drums beating over Taiwan. Biden has stated that the United States has a "**commitment**" to aid Taiwan in the event of a Chinese invasion. Even NATO has joined in the rhetoric against China. The timing of Pelosi's trip merely reinforced the support for Jinping in the coming Chinese Communist Party leadership.

This demonstration showed the world just how far China has progressed militarily since the poor performance during the 1996 Taiwan missile crisis. They can take Taiwan with air and sea assets. China conducted, for the first time, simulated attacks on Taiwan in the actual airspace and territorial waters. China is trying to demonstrate that Taiwan should surrender rather than see its people die and its infrastructure destroyed, as is taking place in Ukraine.

Introduction



In addition, China has confirmed to the entire world that it could, at any time it chooses, severely disrupt or more likely outright block critical global air and sea trade routes. That would cut off all Taiwanese-produced semiconductors while starving them out from imports. Pelosi's trip has backfired completely, and instead of showing support and confidence in Taiwan, she has illustrated its vulnerability.

If we look at the Timing Arrays for Taiwan using both the share market and the currency, it appears that we are looking at a geopolitical crisis that could start as soon as 2024. If anything, the Pelosi trip has only emboldened China and any basis military strategy that would use Ukraine to draw in NATO, North Korea to attack Japan and/or South Korea, and Iran to stir up trouble in the middle east, would certainly open the door for China to walk into Taiwan without fear of US interference.

Country Risk & Capital Flows

Worse still, the Biden Administration's sanctions on Russia have destroyed globalization. Attacking the Russia oligarchs claiming they are holding money for Putin is not only nonsense, but it crossed the line taking sanctions from a governmental level to private citizens. Any investor from China has to look upon the entire West as a Country Risk for any dispute with China would justify the confiscation of personal assets of Chinese citizens in the West. That introduces shifting the capital flows to contract back to China and as a consequence for China to begin selling off all Western debt holdings warning that war is inevitable.



The Biden Russian Sanctions have also forged a hardline alliance between China, Russia, North Korea, and many more states swinging to their side against what many call the arrogance of the United States. This reminds me of the Peloponnesian War over the arrogance of Athens, and many joined their enemy, Sparta, and Athens lost. Not only has China created its CIPS system to compete with SWIFT, but Russia and China are indeed planning the alternative to even the US dollar in addition to undermining SWIFT.

China Financial Crisis



China's financial crisis is getting worse. China has its domestic threats such as the Henan cash crisis on the one hand, but it is also faced with now also guarding against financial risks from abroad because of rising interest rates and the escalation of inflation thanks to the mismanagement of the Biden Administration on the economic front. China's economic and financial authorities certainly have their hands full to say the least.

The Henan cash crisis involved banks that were taking money and using it for investment schemes without fully disclosing the risk or that this was money outside of the security of a bank deposit. Financial authorities in Henan and Anhui provinces have announced a fourth round of repayments to victims of the rural banking scandal, although many customers are still waiting for previously promised compensation. Savers with deposits of up to 250,000 yuan (US\$37,000) at four rural banks in Henan province and one in Anhui will receive compensation. Meanwhile, Chinese regulators also confirmed on another two Henan officials are under investigation for disciplinary offences.



During the 1980s, we had to do a lot of crisis management in Australia. Companies were told to borrow in Swiss francs to save on interest. Then the Swiss franc rallied and the debt defaults began. The same thing happened when the Swiss Peg to the Euro broke. Tens of thousands of people in Europe had been sold Swiss franc mortgages to once again save on interest.

Here we are once again and behind the headlines of China's Evergrande Group in financial trouble unable to make their debt payments, the crisis is always the same. Evergrande borrowed heavily in US dollars to save money. They barely made an overdue interest payment to international bondholders, which was an unexpected move that allowed the property company to stave off a default.

In this latest phase, Chinese banks, are now anticipating huge loan losses. Consequently, they have taken dramatic steps to enhance their loan loss reserves, tapping into China's bond markets for in general a 30% increase in funds. This in fact just another step in the ongoing banking crisis that began over a year ago when the huge property developer, Evergrande, announced that it could no longer support some \$300 billion in liabilities.

China Financial Crisis

Back then, Beijing clearly failed to comprehend what was going to happen and refused to act promptly or completely enough to stop the spreading series of failures that has since characterized Chinese finance. The ripple effect is by no means over. It will still require Beijing to act even more decisively.

China is experiencing their first text-book economic decline from mismanagement and decision in the banking sector that historically tend to buy the high followed by the typical financial crisis as the USA experienced during the S&L and Lehman Brothers Crises and Japan in the bursting of their real estate bubble in 1990.

Failures in one place will lead to failures elsewhere in a contagion as confidence declines and the associated fears spread making the system as a whole unable to function effectively or support economic growth nationally. The people, lacking confidence in the future, contract in their spending helping the economy to enter a recessionary phase.

Chinese President Xi Jinping in January 2022 requested the Federal Reserve not raise interest rates during the virtual Davos meeting. Clearly, he saw the crisis of the future.

"If major economies slam on the brakes or take a U-turn in their monetary policies, there would be serious negative spillovers. They would present challenges to global economic and financial stability, and developing countries would bear the brunt of it,"

The failure of Evergrande instigated the financial crisis. Immediately, any firm or financial institution that counted on Evergrande's ability to fulfil its obligations became vulnerable to loss and smart investors were in search of the susceptible. Evergrande set off a domino effect. The financial causalities also included indirect connections to Evergrande. It raised the question of all Chinese businesses just as the Japanese banking crisis cast a shadow over the entire banking community.

Evergrande Group's electric vehicles (EV) unit also became embattled simply because the property developer moved to prioritize the growth of its nascent EV business over its troubled core real estate operations.

This contagion about other companies might be in similar trouble spread still further to Chinese mortgage lenders when Chinese borrowers, worried that these developers would never complete the contracted projects, threatened to stop paying on their mortgages. Since most banks were involved, this threat made Chinese depositors worry about the security of their funds, a fear that became especially acute when the Bank of China unilaterally limited withdrawals.



The Chinese real-estate developer sent \$83.5 million to the trustee for the dollar bonds, and that financial institution will in turn pay bondholders. Back in September 2021, the editor-in-chief of state-backed Chinese newspaper Global Times who warned debt-ridden property giant Evergrande Group that it should not bet on a government bailout on the assumption that it is “too big to fail”. Many have equated it with the fall of Lehman Brothers or Long-Term Capital Management. They totally fail to grasp this is a FOREX crisis. The dollar bottomed against the yuan in January 2014 and peaked in September 2019 after a 68-month run up just as the COVID crisis was beginning behind the curtain.



Nevertheless, what is similar to Lehman Brothers is the failure to understand the business cycle even exists combined with a lack of restraint and corporate

China Financial Crisis

management. Perhaps the major symbol of Evergrande is the rows of residential towers often stretching some 26 stories into the sky, standing unfinished around China. In various provincial cities around China, there are many uncompleted buildings that now stand as monuments to the mismanagement.



In Lu'an, there are golden Pegasus statues that stand guard over an uncompleted \$9 billion theme park that was supposed to be bigger than Disneyland. This was envisioned that's to this new world order of "green" that was to accompany a \$4 billion electric-vehicle plant. That too remains unfinished and overgrown with weeds that are now the stomping grounds for nature's creatures. Yet the problem is more profound. Much of the economic boom outside of Shanghai and Beijing was driven by massive real estate development. In addition to the empty towers goes unemployment which still stands at around 5% according to official numbers for urban centers. This does not take into account the rural regions. The Unemployment rates rose by more than 50% during 2020.

Then in Guangdong province, there has been power rationing. The surge in orders for products coming from the West has been 30% over last year. The surge in orders coming from the West are exceeding the capacity to produce. Any serious attempt to move to a "green" economy in China would result in massive job losses which could ignite civil unrest once again.

The Evergrande Group is by no means the ONLY Chinese company to borrow in dollars. This was a serious problem that was a potential threat to the long-term that the central bank warned them about several years ago. Back of October 9th, 2014, I posted on the blog:



"Numerous countries and foreign companies borrow in dollars for rates have been cheap. This trend has masked the decline in China for Chinese companies were borrowing dollars at 1% in Hong Kong and depositing in Beijing collecting 5%. However, because world trade is measured simply by capital movement, this carry-trade masked the fact that real trade was declining matching the performance of the Shanghai Index."

Indeed, the dollar debt rose sharply as bankers pitched dollar loans to save on interest. The outstanding borrowing in dollars began to exceed that in yuan. This was

presenting a serious crisis that we are now watching as it unfolds in Evergrande Group.

People do not understand that the more the dollar rises, the greater the risk of defaults around the world. US rates fell so low that it was cheap to borrow dollars during the post-2007 Financial Crisis. The borrowers are now starting to realize that they also had a foreign exchange risk attached with lower interest rates.

However, there has been another incentive to borrow in dollars – they relieve the lender of their foreign exchange risk shifting it to the borrower. China used to also issue debt in British pounds before World War I, back then to attract foreign investment in the world's reserve currency – the British pound.



China Financial Crisis



Following World War I when the US dollar began to emerge as the world's reserve currency, then we see Chinese bonds issued more prominently in US dollars. We also see bonds issued in Belgium francs. These issues demonstrate where the foreign capital resides for investment. They would issue bonds in foreign currency to attract foreign capital.

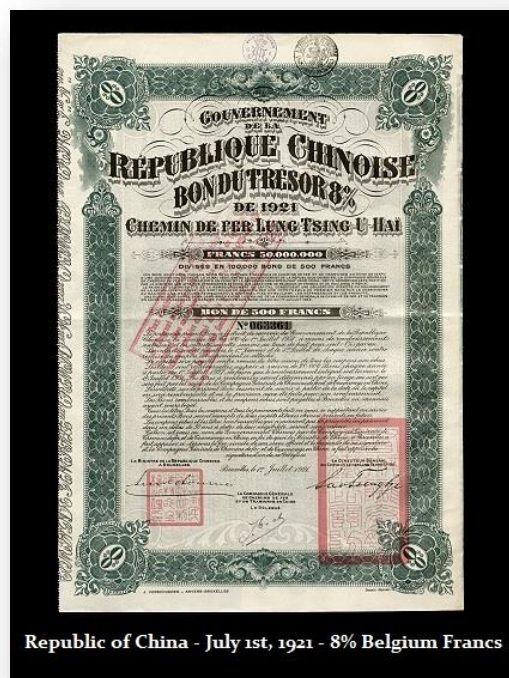
Indeed, people generally seem to focus only on how the US debt is owned by the Chinese government. It is much smaller than most believe. China holds about \$1.1 trillion of the U.S. national debt. That's a large portion of the \$7 trillion in Treasury bills, notes, and bonds held by foreign countries. However, the rest of the \$28.4 trillion

national debt is owned by either people in the U.S. or by the U.S. government itself such as Social Security is 100% invested in government debt.

China has the second-greatest amount of U.S. debt held by a foreign country. Japan consistently tops the list, owning about \$1.3 trillion as of July 2021. But this hides the real issue of private debt in China denominated in good old U.S. dollars.

The Chinese government has been buying global market share by also lending to foreign markets. According to a report by the Institute of International Finance report published in January 2021, China's outstanding debt claims on the rest of the world rose from some US\$1.6 trillion in 2006 to over US\$5.6 trillion by mid-2020, making China one of the biggest creditors to low income countries.

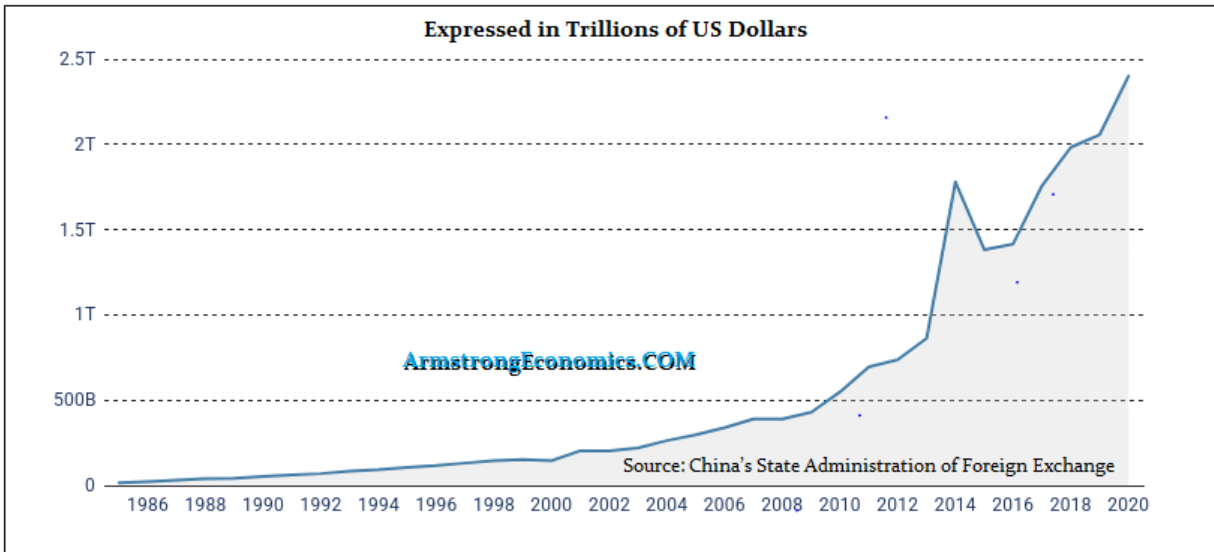
However, China's overseas lending has slowed down significantly since 2018, which coincides with growing concerns over debt sustainability in low income countries and rising China and US trade tensions, as well as criticism of China's overseas



China Financial Crisis

lending practices that have benefited highly carbon-intensive sectors, the IIF report said.

China External Debt



“Although lack of transparency in Chinese cross-border lending makes it difficult to quantify the full scope of the retrenchment in 2020, anecdotal evidence suggests that new lending commitments by Chinese policy banks were significantly lower than those made by the World Bank,” the IIF report said.

China’s foreign debt in currencies other than the yuan includes private sector firms’ borrowing from foreign banks, trade-related credit to Chinese firms from foreign trading partners, and debt securities issued by Chinese state-owned and private sector firms to foreign investors in non-yuan denominations.

China has also been expanding its overseas projects financed by state-backed loans under the Belt and Road Initiative. This has been an ambitious infrastructure investment plan to build rail, road, sea and other routes stretching from China to Asia, Africa and Europe. The problem below the surface is that third world countries have been seriously impacted by the COVID restrictions and their ability to sustain debt has now come under question. This is a risk to China that most have not bothered to even look at right now.



China's outstanding debt claims on the rest of the world increased from about US\$1.6 trillion in 2006 to more than US\$5.6 trillion as of mid-2020, making China one of the biggest creditors to low-income countries. This is the devil in the details. Combine this with the fact that China's debt levels also rose significantly during 2020 as a result of looser fiscal policy in an effort to help revive the coronavirus-hit economy. Interestingly, the Chinese government has since said debt reduction is now a priority in preventing more bad debt from building up. What we have to understand is that most of the people in the central bank actually have experience rather than just academic degrees. My meetings with the People's Bank of China were a real eye-opener contrary to the West which is plagued by academics has only increased the risk for the years ahead.

Household debt to GDP declined for the first time on a quarterly basis since 2012. This is also warning that we have a trend toward stagflation thanks to COVID regulations worldwide that ensures costs will rise faster than economic growth. The peak in 2020 reached 62.2% at the end of that year. The decline began during the first quarter of 2021. Within the household debt category, consumer loans rose from 13.4% in late 2020 to 13.9% during the first quarter of 2021. This is again warning that we are expecting a decline in real economic growth even in China.

China Financial Crisis

Public debt to GDP fell the most in the first quarter of 2021 which was the sharpest decline of all debt sectors declining from 25.6% at the end of 2020 to 24.7% during the first quarter of 2021. When we look at the outstanding foreign debt, which includes US dollar debt, this reached the staggering level of US\$2.4 trillion at the end of 2020. This was a sharp increase of 4% compared with the total at the end of September 2020. Once again, we see debt rising sharply with economic growth decline.



Most of China's local government debt is held by state-owned or state-controlled financial institutions as is the case in the United States. China's local governments have relied on off-balance-sheet borrowing through local government financing vehicles (LGFVs) which most of these are not reported lacking any transparency. Even Standard & Poor's ventured an estimate back in 2018 that this might be in the area of 30 to 40 trillion yuan which would be about \$ 6.265 trillion approaching the level of the U.S. national debt by itself. Nonetheless, according to the Ministry of Finance, outstanding local government debt totaled 26.6 trillion yuan at the end of April 2021, or about \$4.1 trillion.

Chinese sovereign debt is normally held by domestic institutional investors such as policy banks and commercial banks that are typically state-owned. This is a similar situation in the West where reserves of banks must be held in government bonds. However, in China, these banks' investment and lending practices support government policies.

China Financial Crisis

Foreign investors have been attracted to China's bond market because of the negative interest rates in Europe. They were buying China's bonds issued by the national government, local governments and private companies, along with mortgage-backed securities and other asset-backed securities, which included the real-estate developer Evergrande Group.

Only since March 2021 has there been a decline in holdings of China's government debt for the first time in two years by foreign institutions. The decline in buying China came as their yield premium over U.S. Treasuries narrowed and authorities announced plans for more debt sales.

Foreign investors held 2.04 trillion yuan (\$312 billion) of Chinese government bonds as of the end of March 2021. That recorded a decline of 16.5 billion yuan from the record high reached in February 2021. Once again, this is showing a trend of stagflation unfolding with a decline in economic growth amid rising costs.



China managed to cash in on the fears that the West's faltering economic recovery will keep interest rates near record lows for a long time indefinitely. This combines with rising concern over corporate debt in China such as the Evergrande Group, has led to a shift in debt and public confidence in China which is more akin to the Great Depression where people had more faith in the federal government than they did in private debt or local government debt.

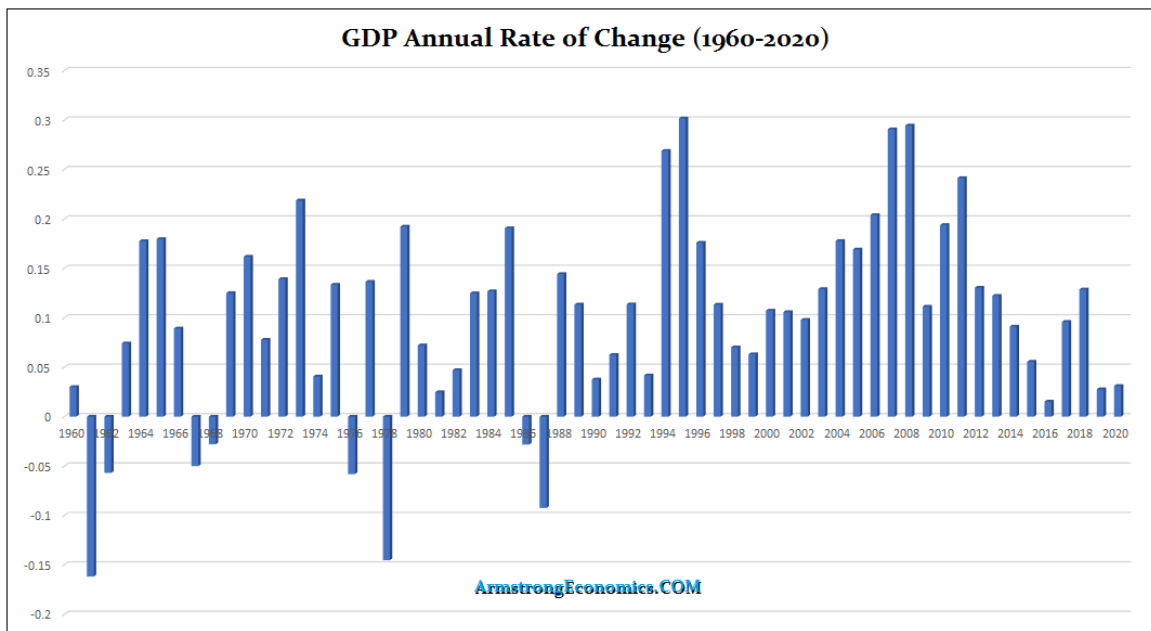


The Chinese government issued debt at a negative interest rate for the first time in November 2020 in a bond sale that attracted significant investor interest. Deutsche Bank (DB) was one of the banks that helped arrange the transaction. Interestingly, European investors bought the bulk of the Chinese sovereign debt as they seek to gain exposure to the only major global economy expected to grow this year.

The Chinese sale, which attracted final orders of about €16 billion (\$18.9 billion) for the €4 billion (\$4.7 billion) worth of bonds on offer, included 5-year debt priced with a yield of minus 0.152%. China also sold 10-year and 15-year bonds with yields below 1%. The buyers were central banks, sovereign wealth funds, and global asset managers trying to diversify out of Europe. European investors accounted for 85% of the 15-year debt and about two thirds of the shorter-dated bonds, according to Deutsche Bank.

European investors seized the opportunity to invest in debt at yields higher than what's available in Europe, where the central bank has slashed interest rates to record lows and pumped over one trillion euros into financial markets to cushion the blow from the pandemic. Yields on five-year German government bonds fell to around a negative 0.75%. The deep concerns rising in the Eurozone over the decline in human rights and the forced lockdowns have severely damaged the future expectations of any economic recovery before 2024.

China GDP in US Dollars



Because the West has decided to commit suicide economically to push Klaus Schwab's Great Reset and destroy the economy in order to **BUILD BACK BETTER**, they are fulfilling precisely what our model has been forecasting – that China will become the Financial Capital of the World post-2032. It is not that China is so great, it is that they are not as insane as Europe and the United States.

China has surpassed the United States for the first time as the #1 place for direct foreign investment. We warned at the start of 2021 that our capital flow models were picking up capital pouring out of Europe to China with much of it investing in their bonds paying 3% compared to negative yields. But the negative yield on 5-year debt also reflected the shift in capital seeking to increase their exposure to China's economy, which is recovering from the pandemic at a quicker pace than Europe and the United States. China's GDP has been declining from the surge into 2007/2008. It is unlikely to return to those levels of growth before 2036.

Obviously, the shift in capital to China has shown that international investors have more confidence in China's strong economic rebound and its future developments despite the lingering global Covid-19 pandemic that Europe appears to be transforming into a hybrid version of the Soviet Union. The protests among people in Europe is for FREEDOM, not for higher wages or lower taxes. They are demonstrating for FREEDOM not seen since the fall of the Soviet Union.

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NEW NORMAL Singapore to become one of first nations to STOP counting Covid cases as it plans to treat virus 'like the flu'

Katie Davis
13:08 ET, Jul 4 2021 | Updated: 20:19 ET, Jul 4 2021

Asia's economies are bouncing back while the West is headed in the exact opposite direction. Following a historic contraction in the first quarter of 2020, China's economy has rebounded rapidly, with industrial production and retail sales increasing strongly. Meanwhile, restrictions in Europe with restricting movement and demanding there is to be a COVID pass when in fact being vaccinated neither prevents getting COVID nor spreads it. There is no medical logic behind this restriction and it appears that the objective is to simply to further the destruction of the economy as set forth by Klaus Schwab's World Economic Forum Agenda 2030 to build back better.

The United States has a more difficult time for the President lacks the same level of power that is taking place in Europe. Hence, Biden cannot mandate for the entire country.

China Financial Crisis

The Chinese bond market is now the second-largest behind that of the United States. Since 2016, China has become accessible to foreign investors through government-controlled schemes such as the Bond Connect program and the Qualified Foreign Institutional Investor scheme.

Foreign investors, including wealth managers, mutual funds, family offices and hedge funds, held 3.62 trillion yuan worth of Chinese bonds at the end of April, making up around 3.4% of all bonds traded in the interbank market of which 58% are federal and just less than 30% were policy bank bonds, according to data from the People's Bank of China.

China's domestic debt has been growing faster than GDP and to counter that trend during the Great Financial Crisis of 2007–2009, Beijing unleashed a 4 trillion-yuan (US\$586 billion) stimulus package in 2008 to boost its economy. That only led to a surge in borrowing by local governments and state-owned firms. By 2016, China was trying to reduce financial risks promoted by its central bank. The 2020 COVID Pandemic sharply reduced world trade which only sent its debt to GDP rising once again.

Since COVID, China renewed its efforts to control domestic debt levels, targeting the speculative property market which was why they have not bailed out Evergrande. A series of defaults in bonds sold by state firms controlled by local governments began to unfold during late 2020, raising fears that it could trigger a financial crisis in China's state-dominated banking sector. However, the real significance of Evergrande has been to undermine the confidence of both the borrowers and the lenders.



China National Petroleum Corporation (CNPC) was created on September 17, 1988, when the government decided to create a state-owned company to handle all Petroleum activities in China and disbanded the Ministry of Petroleum. We also find airlines were also created in the reform that began in

1988. This is moving to an economic debt crisis emerging in 2022.

China Financial Crisis



China's external debt level is tied to its foreign policy objectives under the Belt and Road Initiative. Yet China's increasing overseas lending has raised questions about whether it should continue to receive loans from the World Bank as a developing country.

The United States, as the largest shareholder of the World Bank, has objected to lending anything to China. The World Bank has criticized China's lending efforts to fund its belt and road infrastructure projects, saying the loans leave weaker countries with "excessive debt and low-quality projects".

Just this past April 2021, China's finance minister, Liu Kun, Malpass stressed that it was important to find "lasting solutions to the unsustainable debt burdens of the world's poorest countries", urging China to focus on "debt transparency and the need for full participation in debt treatments by bondholders and private creditors, as well as all official bilateral creditors".

Therefore, the Debt Crisis emerging in China has a two-prong problem. As they have lent to third world countries to create their new modern version of the silk road, such countries are unable to sustain those debts. Then there has been the extensive dollar denominated debt taken on by Chinese companies assuming the low US rates were a bargain without understanding FX risk.



This is what I have been warning about. As Europe continues to lose GDP because it is following the 2030 Agenda of Schwab, there is little hope that the European economy will reach bottom before 2038. The long-term damage is significant and it will not be easy to rebuild.

Those who constantly harp about the dollar and U.S. debt being the worst by size while ignoring the ability to service that debt, the risk of a dollar rally remains intact and that presents FX risk to China.

A rise in the dollar means trade friction, protectionism, and emerging market crisis of debt defaults all combine to create the worst-case scenario into the future. As the defaults mount, the dollar will be sent even higher. Add the instability of the Eurozone, and you end up with dollar vertigo!!!!

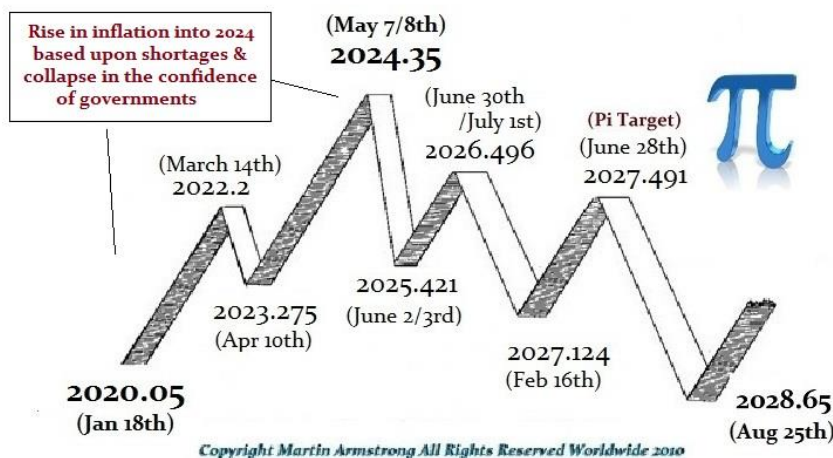
The financial problems have had clear economic effects. Weakness is already evident in China's economy, which, despite still more government infrastructure spending that never creates lasting jobs, threatens to come in well under this year's already reduced real growth target of 5.5%. Many blame the economic shortfall on the severe lockdowns and quarantines imposed by Beijing in response to Covid outbreaks. No doubt these have played a role. Yet they have also help to quell the civil protests.

Nevertheless, the financial crisis, though underplayed by both Beijing and western media, has had a profound effect. When people fear for the security of their bank deposits, they slow or stop spending. When lenders fear the viability of business and individual borrowers, they stop the provision of capital to otherwise promising projects. When those involved in business arrangements fear the viability of their associates, projects stop. As has become increasingly evident, all this slows the wheels of commerce and development.

The fate of Chinese steel is a perfect illustration. Because real estate developers have stopped their projects and because of a lack of credit, some 29 percent of the industry has announced that it is near bankruptcy. This is a steep decline from last year when the Chinese steel industry profitably sold billions of tons, about half the world's output, in fact. The entire sector is losing money at this point in time. This is further spreading the recessionary sentiment in China.

Economic Confidence Model

Wave 935 (2020.05 - 2028.65)



What is interesting is that the 8.6-year cycle currently in motion, besides the 2020.05 marketing the high for the COVID Crash, the next target will be 2022.2 which is March 14th, 2022 when Russian troops allowed civilians in the city of Mariupol for the first time, to leave the city recognizing this was a humanitarian concession. While we see inflation caused by shortages and the war in Ukraine continuing to rise into 2024, the next turning point will be April 10th, 2023 which will be 31.4 years from the fall of the Soviet Union.

The 1989 Tiananmen Square protests took place April 15th, 1989 through June 4th, 1989 (1989.424). In the case of China, 31.4 years targeted 2020.824 (October 27th, 2020). The day before October 26th, 2020, US Secretary of State Antony Blinken issued a statement regarding Taiwan setting in motion a new cold war knowing the confrontation he would be creating. It read:

"Taiwan's meaningful participation in the UN system is not a political issue, but a pragmatic one" and the US encourages "all UN Member States to join us in supporting Taiwan's robust, meaningful participation throughout the UN system and in the international community, consistent with our 'one China' policy, which is guided by the Taiwan Relations Act, the three Joint Communiques, and the Six Assurances."



Antony John Blinken
(born April 16, 1962)
71st United States Secretary of State
since January 26, 2021

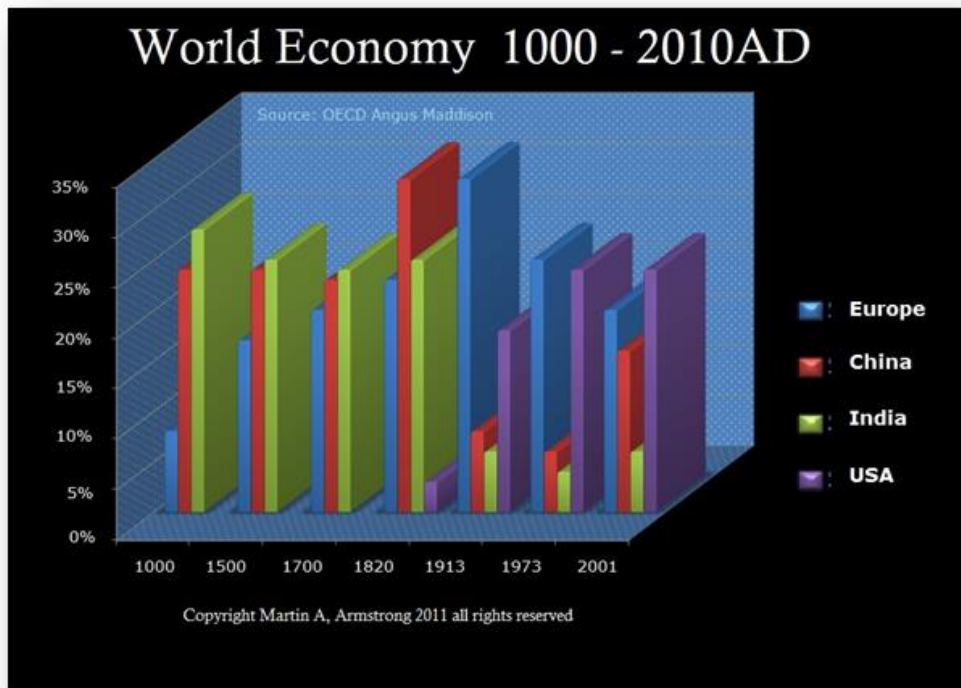


Foreign Ministry Spokesperson Zhao Lijian

Foreign Ministry Spokesperson Zhao Lijian at a Press Conference held on October 27th, 2021 precisely 31.4 years to the day from Tiananmen Square June 4th, 1989 event, saw the US deliberately set in motion the Taiwan confrontation. Lijian made it clear that the US statement seriously violated the **one-China** principle and the stipulations of the three China-US joint communiqués.

The Biden Administration was clearly rejecting all previous agreements inviting war with Taiwan as they did regarding the Minsk and Belgrade Agreements with Russia concerning Ukraine. This intentionally violated the promise prior US Administrations had made. He also made it clear that Blinken was violating the basic norms governing international relations, and was sending seriously wrong signals to the "Taiwan independence" forces. Lijian made it very clear that China strongly opposed the Biden Administration abandoning all previous agreements.

He urged on behalf of the government that the US to abide by its commitment, the **one-China principle**, the stipulations of the three China-US joint communiqués and **UNGA Resolution 2758**, stop making irresponsible erroneous remarks, stop assisting Taiwan in expanding the so-called "international space", avoid sending wrong signals to "Taiwan independence" forces, and safeguard the political foundation for China-US relations with concrete actions. The Biden Administration rejected everything he said and has encouraged war.



There is still no question that China is on its way to reaching the title of the Financial Capital of the World post-2032 and it is becoming self-evident that the West is on its way to create economic suicide, The Financial Capital of the World has always migrated with the rise and fall of empires, nations, and city states. After the fall of Rome in the West, Byzantine survived as the financial Capital of the World until it too committed economic suicide. Then it passed to Asia moving to India, the source of the spice trade. It moved from there to China until it was taken by the British.

Meanwhile, in Europe, the French began to rise under Charlemagne and with the fall of France, there was the rise of the Holy Roman Empire. When the New World was discovered by Columbus, Spain rose to the Financial Capital of the World. The entire reason why Columbus set sail was to find a quicker route to the Financial Capital of the World which was perceived to be India. But Spain became a serial defaulter in 1557 followed by 1570, 1575, 1596, 1607, and 1647 ending in a 3rd world status. The collapse of the Hungary-Austrian Empire took place in 1683 with the Arab siege.

The Financial Capital moved to Germany with the Protestant Reformation and then to the Dutch. They eventually handed that to the British who then in turn lost that title following World War I as it passed to the United States.

THE HILL

John Kerry reveals Biden's devotion to radical 'Great Reset' movement

BY JUSTIN HASKINS, OPINION CONTRIBUTOR — 12/03/20 11:30 AM EST
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

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Now, despite all the resistance, the United States is simply up to bat for it is its turn now to commit economic suicide. The Biden Administration has been absorbed also by Klaus Schwab and his World Economic Forum. The United States is not in Schwab's full control as that of Europe. It has deliberately set in motion future wars with both Russia and China all to carry out this vision of a one-world government headed by the United Nations.

These people are deliberately trying to destroy the economy to rebuild it from scratch. Biden even had outrageously demanded anyone in the military who refused to be vaccinated, which was 46%, were to be dishonorably discharged, stripping them of all pensions and benefits. The Republicans rushed in a bill to protect the soldiers. It was disgraceful that they would even have to take such an action. Then Biden warns China that it will defend Taiwan with boots on the ground?

We face the most illogical ideas coming from those in power throughout the West. History warns that Rome fell only when it first fell internally weakening its economy and that set the stage for the barbarians to invade for, they smelled blood.

Biden Orders Dishonorable Discharge for 46% of Troops Who Refuse Vaccine

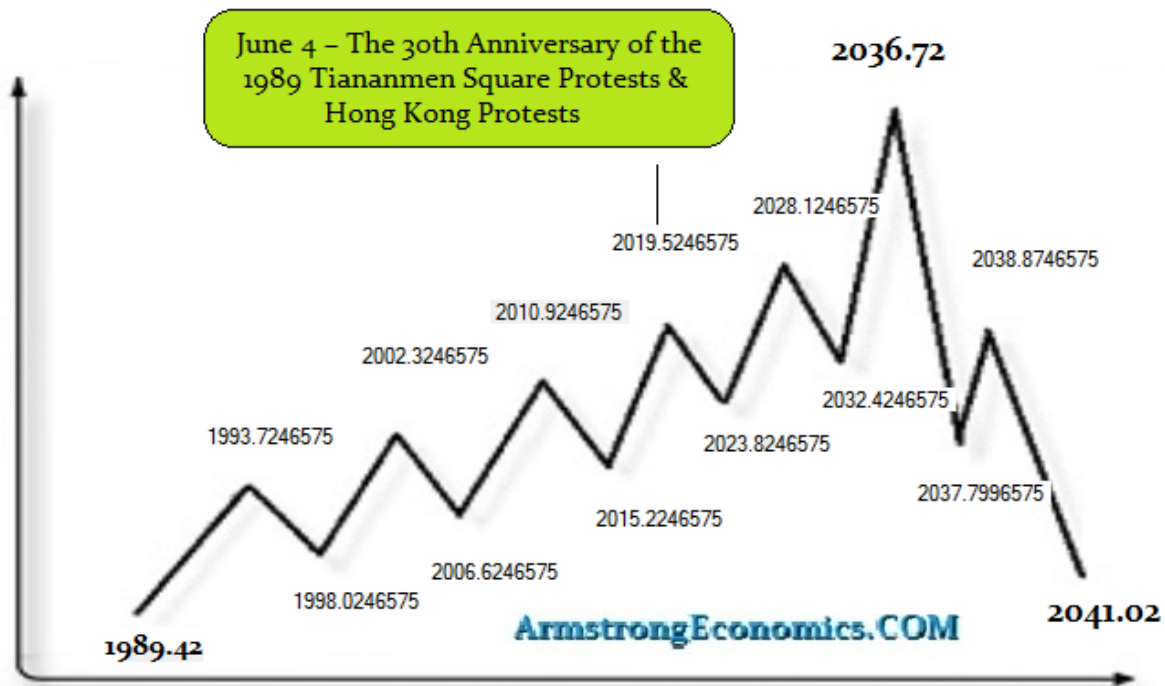
Thursday, September 23, 2021



SDI Productions / E+

The Biden administration is seeking dishonorable discharges for 46% of troops who refuse to get the Covid-19 mRNA vaccine.

China - Political Perspective



Just in the United States, whatever the Biden Administration has done is to fuel the division of the nation. He has not ruled from the middle as he promised, but from the extreme left and it is debatable if he is the one even writing these executive orders and making these policy decisions. Hence, what has unfolded even politically is in line with our model's forecast.

The new Financial Capital of the World will still be China because the West is committing economic suicide.

Our model on China from the Tiananmen Square incident on June 4th, 1989, projects that the last three waves are always intense. China will also have its crisis, but the Chinese people know what Marxism is really about. Those in the United States and Europe still think it is utopia. Unfortunately, it is just now 31.4 years since the fall of Communism. It is now time for the fall of Socialism in the West.



Commentary



The following sections have been entirely written by Socrates. It is my hope that the analysis which Socrates is able to do will survive me. I have sought to teach it everything I have learned with respect to how to analyze markets as an international hedge fund manager who had to pay attention to everything taking place globally.

In addition, I programmed Socrates to allow it to do its own analysis on a global level and to learn from the world economy as it evolves over the centuries. Unlike opinions offered by human analysts, Socrates actually relies upon history and leaves no stone unturned. This is something human analysts simply cannot do because we are not machines and we make mistakes.

This has been my life's work. There are those who have done everything possible to try to discredit me or to try to ensure people will not pay attention to what I have created. They have gone to such extremes because they do not want something which actually provides unbiased analysis. They prefer the human analysis which can be bought and paid for if the price is right.

Commentary

Indeed, following the DOT.COM crash, the top brokerage houses paid huge fines for putting out fake research to profit from their own clients. My company became the top FOREX advisor in the world because the analysis was unbiased. When I was going to open an office in Europe, I went to lunch with the head of one of the Swiss banks in Geneva. I asked him what name we should use and I gave him a few examples all with the European flavor. He asked me to name on European analyst. I was embarrassed because I could not. He laughed and said there were none. He then explained that they all used my firm because we did not care if the dollar went up or down.

In Europe, after World War II, the politicians used the rise in their currency against the dollar as proof they did a good job. Thus, no professional analyst working for an institution was ever allowed to forecast a decline. Analysis in Europe to this day remains plagued by politics.

Socrates is not something many want to see in public use. They want to be able to feed misinformation to the public to support their own position be it political power or profits from trading. The one thing you can count on is that the analysis offered by any of the major institutions will never be in the interest of the public when it conflicts with their own positions.

Hence, it is my sincere hope that we will one day embrace unbiased analysis to better manage the world economy and, in the process, create a far better world for our posterity than we received from the last generation.

The Socrates Generated Commentary for US DOLLAR V CHINESE YUAN CASH

This market made a bull run from the low of 15264 made in 1981 for 13 years into a high established in 1994 at 87409. Since that high, this market has declined for 27 years prior to this year. At this point in time, we have made a low last year at 63364. However, the major low since that high took place in 2018 at 62410. Therefore, the market has been primarily consolidating between the major high of 1994 and the key low in 2018. temporary low since the market is trading above the previous Year's closing. Maintaining a closing above our Momentum Projection resting at 63682 will signal that the market is still with broader trend support right now. However, a lower closing could still leave 2022 as a temporary low and the next turning point will be 2023. Yet, this market is trading ABOVE our Momentum Resistance level resting at 64467, indicating the broader declining trend has been negated at this moment. This turning point also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2024 for a turning point ahead, at least on a closing basis. There are 2 Yearly Directional Change targets starting from 2021 to 2022 warning of a potential choppy swing period for these few Years. It does appear we have a choppy period starting 2021 until 2024 with each target producing the opposite direction for that 4-year period. Thereafter, we see the next target coming into play as 2027 until 2031, but we do have a key target arriving also 2029 with again each target producing the opposite direction for that 5-year period.

However, the important target during that period will be 2029.

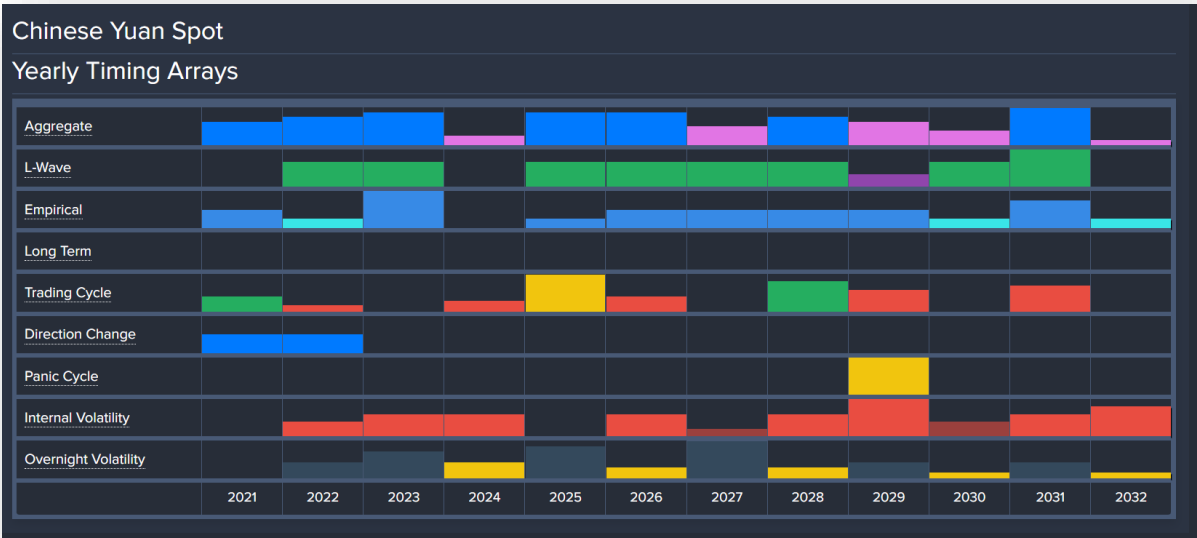
The Socrates Generated Commentary for US DOLLAR V CHINESE YUAN CASH

Keep in mind that given the sharp decline of 11% from the last high established during 2019, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 2 Bearish Reversals from the last high thus far to date.

The US Dollar v Chinese Yuan Cash has continued to make new historical highs over the course of the rally from 2018 moving into 2022. Distinctly, we have elected three Bullish Reversals to date.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a protracted bearish trend since the major high took place back in 1994 with the low forming during 2014. Since that low, the market has consolidated for 7 years. During this period, we did see a rally into 2016 making a 2-year rally. We did elect 1 Bearish Reversal from that event implying that a retest of support was likely. Even so, we have elected two short-term Yearly Bullish Reversals to date from the turning point of 2014.

The last major low took place during 2014 which was 8 years ago. However, the last near-term low took place just 1 years ago in 2021.



YEARLY ANALYSIS PERSPECTIVE

Factually, in US Dollar v Chinese Yuan Cash, the last important low formed back in 2018, there was a rally into the important high established during 2019 which was only a bullish reaction for one year. Since the major high in this market, we have seen a post high consolidation period for the past two years. We have elected two Yearly Bearish Reversals from that high of 2019 warning that the trend has shifted to strategically test support underlying this market. During the post high correction period, we did make a correction low during 2021.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 73090 intraday in the dollar and we are still trading above 65790 right now with a positive undertone. From a trading perspective, this market has made an outside reversal to the upside suggesting this is a bullish technical pattern. This market came to test the Yearly Bearish Reversal at 62930 bottoming at 63364 but failed to close below it.

Right now, as stated, the market is trading above last year's high of 65790. From that major high, we have elected 2 Yearly Bearish Reversals. However, we have seen a correction from that high for 2 years forming the low during 2021. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 71840.

Examining the yearly time level, we can now see that there is a 13% risk on the upside, where we also show a clear downside risk factor at 13%. From a risk perspective, resistance on a closing basis stands at 82770 whereas the risk on the downside begins at 62930.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	55089	75115	75593	80447
2023/01/01...	54058	75652	75171	82663
2024/01/01...	53028	76189	74749	84878
2025/01/01...	51997	76725	74327	87094
2026/01/01...	50967	77262	73905	89309
2027/01/01...	49936	77799	73483	91525
2028/01/01...	48905	78336	73061	93740

YEARLY TIMING ANALYSIS

Searching the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2024, 2027, 2029 and 2031. Considering all factors, there is a possibility of a decline moving into 2022 with the opposite trend thereafter into 2024. This pattern becomes a possibility if the market closed back below last year's high of 65790 at a minimum. Closing this year above last year's high warns that a cycle inversion is possible with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Dissecting the volatility models suggest we should see a rise in price movement during January 2029. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle target, for the next period to watch is during 2031. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

THE BROADER LONGER-TERM VIEW

Discernably, the far-reaching analysis looking forward in US Dollar v Chinese Yuan Cash remains in a bearish trend since we have penetrated last year's low of 63364. This market has declined for the past 28 years since establishing its intraday high back in 1994. There is a long-term risk of a decline extending into 2025 which remains possible in real terms adjusted for inflation. Unquestionably, there remains a risk that we could see a monetary reform beginning as early as this year going into 2023/2024. This is being caused by a broader expanding Sovereign Debt Crisis as central banks are fighting to prevent short-term interest rates from rising. While

the peripheral economies begin to move into economic chaos, the main central banks are experiencing pressure on short-term rates due to inflation to rise and concerns unfolding with respect to credit risk. Keep in mind that as short-term interest rates rise in the free markets, the costs of sustaining the sovereign debts of nations will explode and this will result in contributing to the monetary crisis overall going into the conclusion by 2032. We are looking at a split in private v public rates which will become more drastic post-2022. This is also leading to the pressure to cancel paper currencies and adopt digital currencies to track spending and income.

YEARLY OUTSIDE COMMENT

The US Dollar v Chinese Yuan Cash opened within last year's trading range which was 65790 to 63364. Right now, the market is still trading above last year's high while we have an outside reversal this year with the last print at 73015. The last time such a similar pattern took place was 2018. Nonetheless, the market is still trading above the opening print for the year which was at 63521. As long as this market remains trading above 68058 yet above the opening print on a closing basis, then a similar year-end closing in this posture will warn that we could have a knee-jerk low in place this year.

INDICATING RANGE STUDY

Looking at the indicating ranges on the Yearly level in the US Dollar v Chinese Yuan Cash, this market remains moderately bearish position at this time with the overhead resistance beginning at 64528 and support forming below at 62410. The market is trading closer to the resistance level at this time.

Yearly Indicating Ranges

Immediate Trend bearish
Short-Term Momentum neutral
Short-Term Trend bearish
Intermediate Momentum bearish
Intermediate Trend bearish
Long-Term Trend bearish
Cyclical Strength bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 63521

Envelope Top... 75137

Internal AvgL.. 64391

Internal AvgH.. 69047

Envelope Btm... 55411

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1995 whereas the actual market high in price unfolded back in 1994. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

REVERSAL COMMENTARY

On our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 73090. These Tentative Hypothetical Bearish Reversals would rest at 62420, 65160, 65897, and 82911, whereas a close below the previous low 63364 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2019 HIGH:

Sat. 01/01/2022
Mon. 01/01/2024
Fri. 01/01/2027
Thu. 01/01/2032
Sun. 01/01/2040
Wed. 01/01/2053
Mon. 01/01/2074
Mon. 01/01/2108
Sun. 01/01/2163

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 71840

23% | 54886
38% | 44397
61% | 27443
78% | 15374

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/01/01
5% | 2024/01/01
8% | 2027/01/01

The Socrates Generated Commentary for US DOLLAR V CHINESE YUAN CASH

13% | 2032/01/01

21% | 2040/01/01

34% | 2053/01/01

55% | 2074/01/01

89% | 2108/01/01

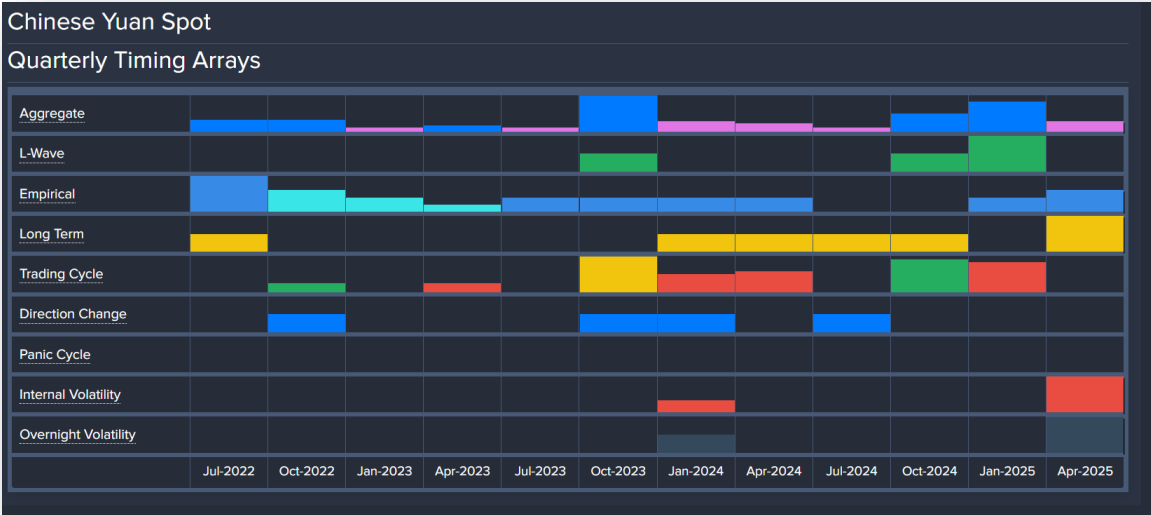
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in US Dollar v Chinese Yuan Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2018 and 2002. The Last turning point on the ECM cycle high to line up with this market was 1994.

YEARLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, our first target for a turning point is The Fourth Quarter 2022, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into the First Quarter 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2022 to the First Quarter 2024 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Fourth Quarter 2022 until the Fourth Quarter 2023 with each target producing the opposite direction for that 5-quarter period. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2022 to the First Quarter 2024 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 63870 with the next Quarterly Major Bullish Reversal standing at 80930. The next Quarterly Minor Bearish Reversal resides at 62970 whereas the next Quarterly Major Bearish Reversal is to be found at 66820.

Meanwhile, our technical resistance stands at 72917 which we have already exceeded and are currently trading above this level warning some strength has resurfaced in this market. This level can now offer technical support during any attempt to fall back in this market. Nevertheless, our technical support lies at 64273 which is still holding at this time.

QUARTERLY INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Quarterly level in the US Dollar v Chinese Yuan Cash, this market remains in a bullish position at this time with the underlying support beginning at 69350.

Quarterly Indicating Ranges

Immediate Trend bullish
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bullish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength bullish
Broadest Trend bullish

More specifically in this market the immediate trend indicating range is bullish with the short-term momentum indicating range being bullish and the short-term trend coming in as bullish. On the intermediate level momentum is bullish with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 71135

Envelope Top... 76745

Internal AvgL.. 64178

Internal AvgH.. 66535

Envelope Btm... 57911

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are rising at this time with the previous low made 1stQ/2022 while the last high formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 3rdQ/2022 warning that this market remains strong at this time on a correlation perspective as it has moved higher with the Momentum Model.

QUARTERLY STOCHASTICS

The Stochastics on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the First Quarter 93 whereas the actual market high in price unfolded back during the Second Quarter 94. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model has just turned positive after being negative warning that this market is likely to enter a rather strong rally.

Utilizing our Tentative Hypothetical Models, we see that we have Quarterly Bearish Reversals that would be generated if we see another new high penetrating 72502. These Tentative Hypothetical Bearish Reversals would rest at 63026, 64275, 64567, and 68320, whereas a close below the previous low 66835 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to

make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 07/01/2022 HIGH:

Sat. 04/01/2023
Sun. 10/01/2023
Mon. 07/01/2024
Wed. 10/01/2025
Fri. 10/01/2027
Wed. 01/01/2031
Tue. 04/01/2036
Sat. 10/01/2044
Mon. 07/01/2058

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracement from the previous HIGH at 72502

23% | 55392
38% | 44806
61% | 27696
78% | 15515

Fibonacci Percentage Golden Ratio Movements:

3% | 2023/04/01
5% | 2023/10/01
8% | 2024/07/01
13% | 2025/10/01
21% | 2027/10/01
34% | 2031/01/01
55% | 2036/04/01
89% | 2044/10/01

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	27390	47175	63017	65683	86336
2023/01/01...	25630	46817	62731	65826	87032
2023/04/01...	23870	46458	62445	65970	87728
2023/07/01...	22110	46100	62158	66114	88424
2023/10/01...	20350	45742	61872	66258	89120
2024/01/01...	18590	45383	61586	66401	89816
2024/04/01...	16830	45025	61300	66545	90513

QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, our first target for a turning point is The Fourth Quarter 2022, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into the First Quarter 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2022 to the First Quarter 2024 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Fourth Quarter 2022 until the Fourth Quarter 2023 with each target producing the opposite direction for that 5-quarter period. There

are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2022 to the First Quarter 2024 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Second Quarter 2022 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 66820. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 07/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

On a broader perspective, this market remains in an uptrend posture on all our indicators looking at the monthly level. We see here the trend has been moving up for the past 8 months. The previous low of 63025 made during February on the Monthly level has held and only a break of 68921 on a closing basis would warn

of a technical near-term change in trend. The previous high made during October on the Monthly level at 73090 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. We have generated a buy signal so some caution is required.

MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2023 and April 2023, August 2023. Centering on the patterns unfolding, I do see a prospect of a decline moving into November with the opposite trend thereafter into January 2023. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Dissecting the volatility models suggest we should see a rise in price movement during January 2029. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

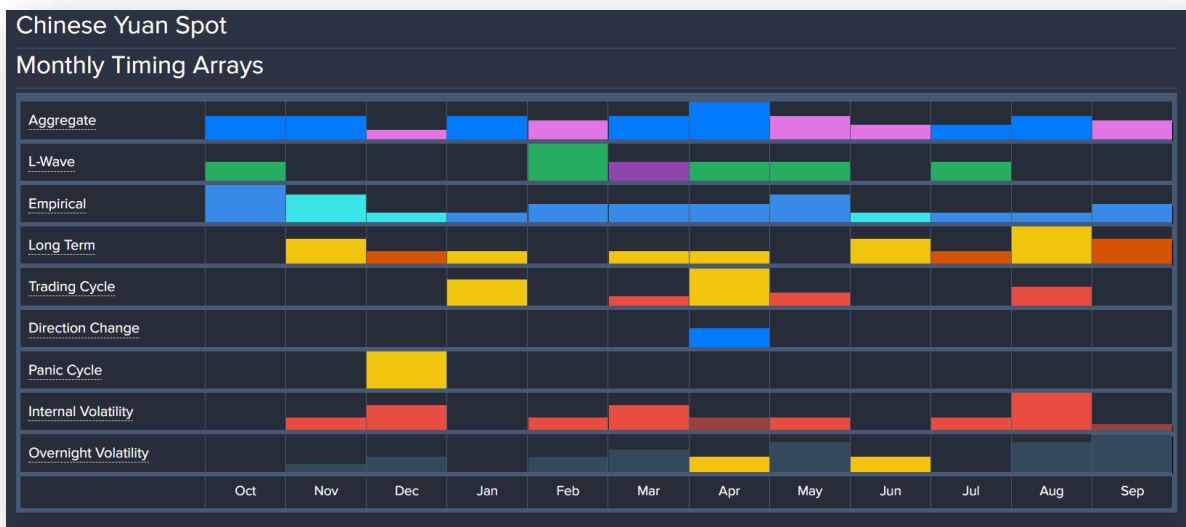
Focusing on the potential for sharp movement, our Panic Cycle target, for the next period to watch is during 2031. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 74100. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 76050.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 68400. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 65880.



MONTHLY ANALYSIS PERSPECTIVE

At the moment, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 8480 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

On our Monthly Hedging Model Reversal System, we are currently long since April on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis above the next Bearish Reversal on this level 68400. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Socrates Generated Commentary for US DOLLAR V CHINESE YUAN CASH

The Stochastics are all in a bullish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, our first target for a turning point is November with the opposite trend implied thereafter into December (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is April 2023 for a turning point ahead, at least on a closing basis. We have a Monthly Directional Change target due in April 2023. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well. It does appear we have a choppy period starting October until February 2023, but we do have a key target arriving also on January 2023 with each target producing the opposite direction for that 5-month period. We have a Monthly Directional Change target due in April 2023. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description... Trend

Immediate Trend	BULLISH
Short-Term Momentum	BULLISH
Short-Term Trend	BULLISH
Intermediate Momentum	BULLISH
Intermediate Trend	BULLISH
Long-Term Trend	BULLISH
Cyclical Strength.....	BULLISH
Broader Trend	BULLISH
Long-Term Cyclical Trend ..	BULLISH

MONTHLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 03/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 09/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 03/01 before the high in terms of a basket of currencies which came on 05/01 suggesting that that this immediate rally is purely in currency terms.

MARKET RISK FACTOR

US Dollar v Chinese Yuan Cash Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ----

MONTHLY.....	74100		1.485%		68400		6.32%	
QUARTERLY.....	77307		5.878%		66820		8.484%	
YEARLY.....	82770		13.36%		62930		13.81%	

The Socrates Generated Commentary for Japanese Yen Futures



The Japanese Yen Futures has continued to make new historical highs over the course of the rally from 2021 moving into 2022. Clearly, we have not elected any Bullish Reversals to date. Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play. This is especially true since we are facing an outside reversal to the downside by penetrating the previous year's low as well.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a bullish trend since the major low took place back in 1932 with the high forming during 2011 amounting to a 79-year bull market. Following that high, the market has consolidated for 10 years. Nevertheless, we have elected two short-term Yearly Bearish Reversals to date from the turning point of 2011.

The Socrates Generated Commentary for Japanese Yen Futures

The last major low took place during 2015 which was 7 years ago. There is a very good probability that this year will form at least a temporary high being up seven years.

YEARLY ANALYSIS PERSPECTIVE

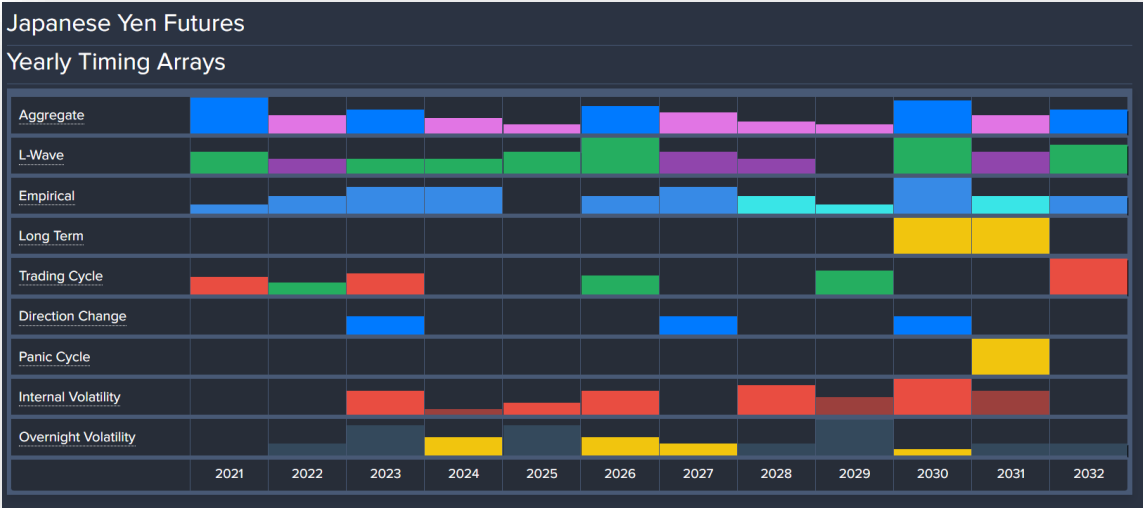
On the yearly level in Japanese Yen Futures, the last important low was established during 2021 at 86565, which was down 10 years from the high made back during 2011 at 132650. This was a key year for at least a temporary low on a normal trading cycle.

Right now, the market is trading below last year's low of 86565. Overall, the market has been in a long-term bearish trend. At this time, the market is trading in a bearish position below our yearly momentum indicators warning resistance starts at 89255.

Examining the yearly time level, we can now see that there is a 42% risk on the upside, where we show a clear downside risk factor at -.21%. From a risk perspective, resistance on a closing basis stands at 96150 whereas the risk on the downside begins at 82100.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	34996	49092
2023/01/01...	33619	49506
2024/01/01...	32241	49920
2025/01/01...	30864	50335
2026/01/01...	29487	50749
2027/01/01...	28110	51163
2028/01/01...	26732	51577



YEARLY TIMING ANALYSIS

Diving into the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2025, 2028 and 2032. There is a likelihood of a decline moving into 2023 with the opposite trend thereafter into 2025. This pattern becomes a possibility if the market closed back below last year’s high of 8541 at a minimum. Closing this year above last year’s high warns that a cycle inversion is possible with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

The most critical model, the Directional Change Model targets are during 2030, during 2031 and during 2032. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Probing into the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

THE BROADER LONGER-TERM VIEW

Detectably, the broader investigation outlook view recognizes that the current bearish progression in Japanese Yen Futures reflects a major low may be forming at this time. We have elected a Yearly Bearish Reversal from the major high of

The Socrates Generated Commentary for Japanese Yen Futures

2011 suggesting that we have entered a change in long-term trend. There remains a long-term risk of a decline extending into 2028 or as far out as 2030 in real terms adjusted for inflation. Unquestionably, there remains a risk that we could see a monetary reform beginning as early as this year going into 2023/2024. This is being caused by a broader expanding Sovereign Debt Crisis as central banks are fighting to prevent short-term interest rates from rising. While the peripheral economies begin to move into economic chaos, the main central banks are experiencing pressure on short-term rates due to inflation to rise and concerns unfolding with respect to credit risk. Keep in mind that as short-term interest rates rise in the free markets, the costs of sustaining the sovereign debts of nations will explode and this will result in contributing to the monetary crisis overall going into the conclusion by 2032. We are looking at a split in private v public rates which will become more drastic post-2022. This is also leading to the pressure to cancel paper currencies and adopt digital currencies to track spending and income.

INDICATING RANGE STUDY

The perspective using the indicating ranges on the Yearly level in the Japanese Yen Futures, this market remains moderately bearish position at this time with the overhead resistance beginning at 87675 and support forming below at 81925. The market is trading closer to the resistance level at this time.

Yearly Indicating Ranges

Immediate Trend bearish
Short-Term Momentum bearish
Short-Term Trend neutral
Intermediate Momentum bullish
Intermediate Trend bearish
Long-Term Trend bearish
Cyclical Strength bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 86980

Envelope Top... 125682

The Socrates Generated Commentary for Japanese Yen Futures

Internal AvgL.. 87448

Internal AvgH.. 95556

Envelope Btm... 71444

STOCHASTICS

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1995 whereas the actual market high in price unfolded back in 2011. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model continues to rally suggesting that a strong rally is likely.

REVERSAL COMMENTARY

Turning to our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 66235 holds. These Tentative Hypothetical Bullish Reversals would stand at 91760, 96145, 98880, and 124660, whereas a close above the previous high 97545 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 LOW:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 86565

23% | 106994

38% | 119633

61% | 140062

78% | 154605

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01

5% | 2026/01/01

8% | 2029/01/01

13% | 2034/01/01

The Socrates Generated Commentary for Japanese Yen Futures

21% | 2042/01/01

34% | 2055/01/01

55% | 2076/01/01

89% | 2110/01/01

144% | 2165/01/01

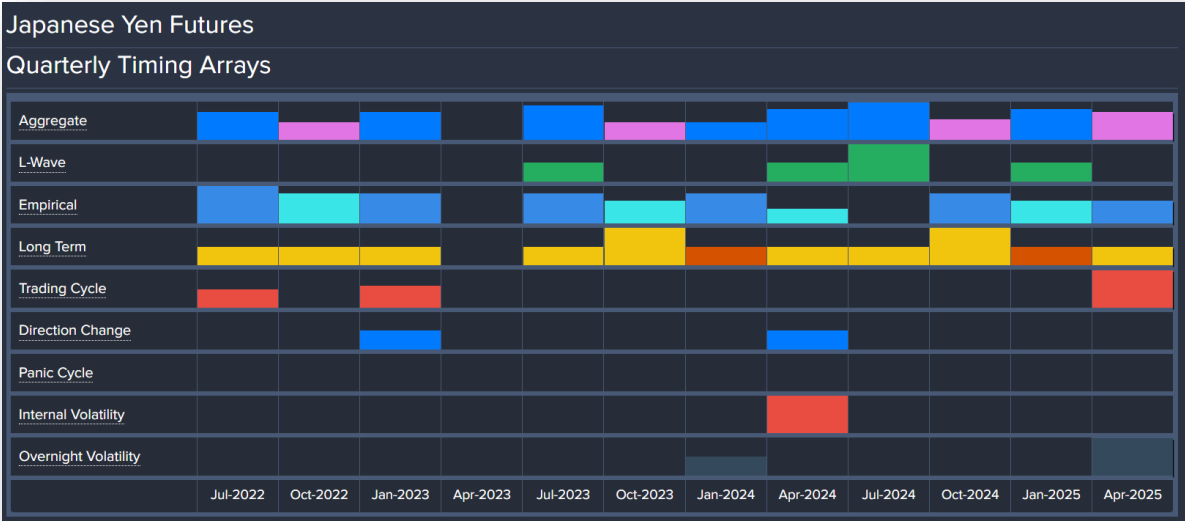
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Japanese Yen Futures, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2015 and 2007 and 2002 and 1998. The Last turning point on the ECM cycle high to line up with this market was 2011 and 2005.

YEARLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

outside reversal forming this the Third Quarter 2022 given it is a potential turning point and we have exceeded the previous quarter’s high and broken last quarter’s low. Indeed, we are trading below last quarter’s settlement warning this can prove to be a cycle high. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Third Quarter 2024 for a turning point ahead, at least on a closing basis. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the First Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the First Quarter 2023 with each target producing the opposite direction for that 3-quarter period.

Keep in mind that given the dramatic decline of 30% from the last high established the First Quarter 2020, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the First Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don’t

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forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 82090 with the next Quarterly Major Bullish Reversal standing at 97900. The next Quarterly Minor Bearish Reversal resides at 68900 whereas the next Quarterly Major Bearish Reversal is to be found at 68060.

This market on the quarterly level has been making a reaction high retesting the previous high over the past 11 quarters. We have not elected any Bullish Reversals thus far. We have not elected any Bearish Reversals to date from this recent high. Meanwhile, our technical resistance stands at 111219 and it will require a closing above this level to signal a breakout of the upside is unfolding. Nevertheless, our technical support lies at 105643 which the market is now trading beneath illustrating technical weakness.

QUARTERLY INDICATING RANGE STUDY

Looking at the indicating ranges on the Quarterly level in the Japanese Yen Futures, this market remains in a bearish position at this time with the overhead resistance beginning at 81925.

Quarterly Indicating Ranges

Immediate Trend bearish
Short-Term Momentum bearish
Short-Term Trend bearish
Intermediate Momentum neutral
Intermedia Trend bearish
Long-Term Trend bearish
Cyclical Strength bearish
Broadest Trend bullish

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bearish. On the intermediate level momentum is neutral with trend showing it a bearish posture. The long-term trend is bearish while the key Cyclical Strength is registering bearish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

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Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 69635

Envelope Top... 99452

Internal AvgL.. 79636

Internal AvgH.. 88624

Envelope Btm... 76930

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 3rdQ/2021 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2020 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Third Quarter 95 whereas the actual market high in price unfolded back during the Fourth Quarter 2011. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

The Socrates Generated Commentary for Japanese Yen Futures

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 HIGH:

Thu. 10/01/2020

Thu. 04/01/2021

Sat. 01/01/2022

Sat. 04/01/2023

Tue. 04/01/2025

Sat. 07/01/2028

Sat. 10/01/2033

Tue. 04/01/2042

Sat. 01/01/2056

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 98870

23% | 75537

38% | 61102

61% | 37768

78% | 21158

Fibonacci Percentage Golden Ratio Movements:

3% | 2020/10/01

5% | 2021/04/01

8% | 2022/01/01

13% | 2023/04/01

21% | 2025/04/01

34% | 2028/07/01

55% | 2033/10/01

89% | 2042/04/01

QUARTERLY TECHNICAL ANALYSIS

After the historical high was established during 2011, a major low was created during the Second Quarter 2015 at 79450 which was 29 quarters from that major high. The Uptrend Line in this market has been broken significantly and right now it stands well above the market at 97075. This provides important overhead technical resistance moving forward. In order to reverse this decline, this market must rally back above this technical Uptrend Line and convert it to support thereafter.

Meanwhile, the Downtrend Line from that major high of 2011 to the subsequent reaction high of 101310 formed 18 quarters thereafter resides at 56042. This line has provided technical support which the market has been trading above. As long as this Downtrend Line holds, then the market remains at least in a consolidation to bullish posture. The post high low was established at 79450. We have not elected any Bullish Reversals from that important post high low on the quarterly level.

The more recent Downtrend Line constructed from the last high of 98870 to the subsequent reaction high of 97545 stands at 95227 while drawing a channel provides us with support at 82379. The market has already penetrated intraday this support provided by the bottom of the channel. However, the market has bounced back and closed above it warning that it is holding right now.

The perspective from our Energy Models, the market is making new intraday lows in price while our Energy Models are still making higher highs. This implies that any correction may hold important underlying support rather than a change in the broader trend on this level.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	48686	58900	84324
2023/01/01...	47981	57900	84492
2023/04/01...	47276	56900	84660
2023/07/01...	46571	55900	84827
2023/10/01...	45866	54900	84995
2024/01/01...	45161	53900	85162
2024/04/01...	44456	52900	85330

QUARTERLY ANALYSIS PERSPECTIVE

outside reversal forming this the Third Quarter 2022 given it is a potential turning point and we have exceeded the previous quarter's high and broken last quarter's low. Indeed, we are trading below last quarter's settlement warning this can prove to be a cycle high. (NOTE: this can be intraday or on a closing basis). The strongest target in the Quarterly array is the Third Quarter 2024 for a turning point ahead, at least on a closing basis. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the First Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the First Quarter 2023 with each target producing the opposite direction for that 3-quarter period.

Keep in mind that given the dramatic decline of 30% from the last high established the First Quarter 2020, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the First Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

By means of our Quarterly Hedging Model using only the Reversal System, we are currently short since during the Fourth Quarter 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 100590. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high

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in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 07/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during August 2021 on the Monthly level at 92000 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 66235 made during October on the Monthly level. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

My primary targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2023, March 2023 and June 2023, August 2023. There is a likelihood of a rally moving into November with the opposite trend thereafter into January 2023. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model targets are during 2023, during 2027 and during 2030. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

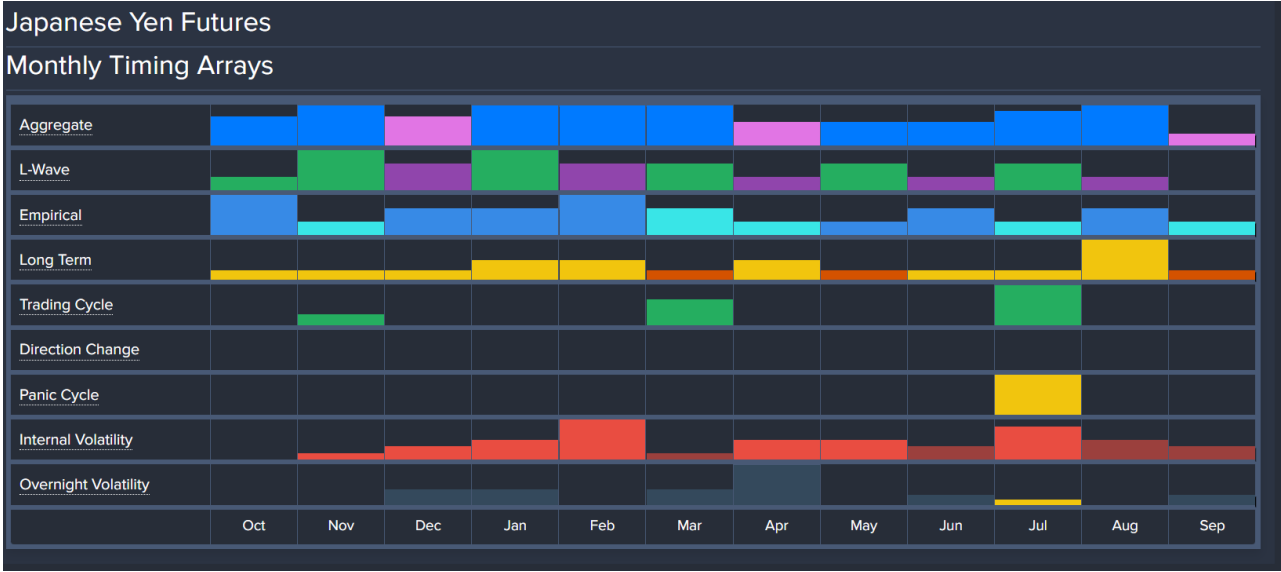
Searching the volatility models suggest we should see a rise in price movement during January 2030. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 75750. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 79200.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 66260. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 65970.



MONTHLY ANALYSIS PERSPECTIVE

At the moment, we have broken below last month’s low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 8480 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since March 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 75750. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, our first target for a turning point is November with the opposite trend implied thereafter into December (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is January 2023 for a turning point ahead, at least on a closing basis. It does appear we have a choppy period starting October until March 2023, but we do have a key target arriving also on January 2023 with each target producing the opposite direction for that 6-month period. However, given that January 2023 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as May 2023 until August 2023, but we do have a key target arriving also on June 2023 with again each target producing the opposite direction for that 4-month period.

Keep in mind that given the significant decline of 28% from the last high established August 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date.

Monthly Level

<u>Indicator Description...</u>	<u>Trend</u>
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Immediate Trend	(Bearish)
-----------------------	-----------

Short-Term Momentum	(Bearish)
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Short-Term Trend	(Bearish)
------------------------	-----------

Intermediate Momentum	(Bearish)
-----------------------------	-----------

Intermediate Trend	(Bearish)
--------------------------	-----------

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Long-Term Trend (Bearish)
Cyclical Strength..... (Bearish)
Broader Trend (Bearish)
Long-Term Cyclical Trend .. (Bearish)

MONTHLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 03/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 09/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 03/01 before the high in terms of a basket of currencies which came on 05/01 suggesting that that this immediate rally is purely in currency terms.

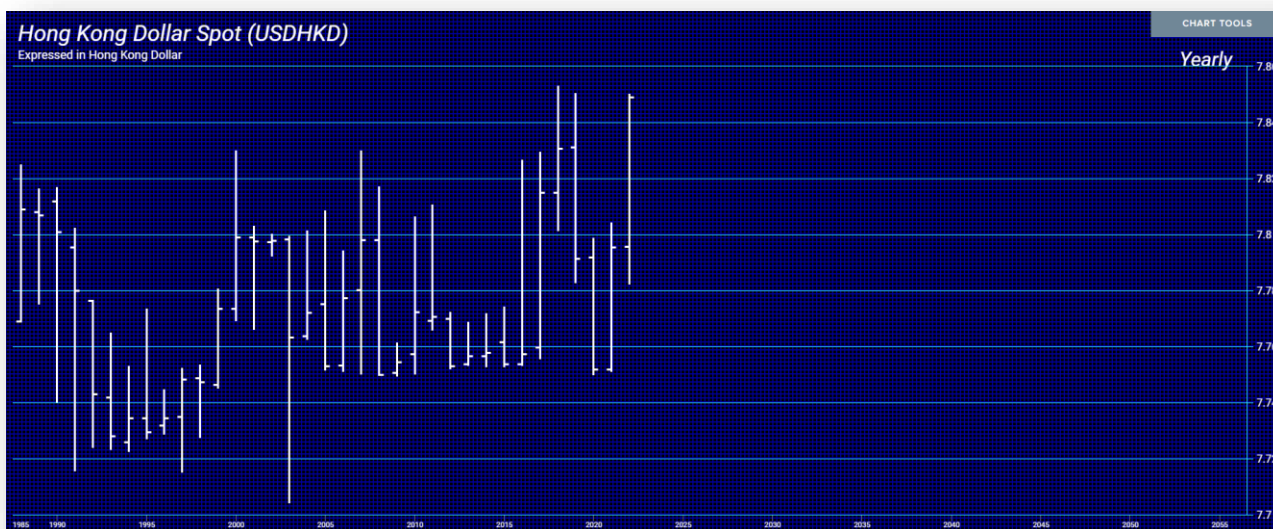
MARKET RISK FACTOR

Japanese Yen Futures Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ----

MONTHLY.....	75750		11.95%		67630		0.044%	
QUARTERLY.....	99100		46.46%		68900		-1.83%	
YEARLY.....	96150		42.1%		82100		-21.3%	

The Socrates Generated Commentary for Hong Kong Dollar Spot



This market made a bull run from the low of 770400 made in 2003 for 15 years into a high established in 2018 at 785299. Since that high, this market has declined for 3 years prior to this year. At this point in time, we have made a high last year at 780440. However, the major high since that low took place in 2018 at 780130. Therefore, the market has been primarily consolidating between the major high of 2003 and the key high in 2018. Presently, this market has rallied exceeding last year's high of 780440 reaching 785030 while holding last year's low of 775100. On the Yearly Level, considering all timing factors, there was a possibility of a turning point which was 2021, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead given that the previous session was a low which also closed weak below the former low. However, a higher open above 777430 will imply that the Directional Change may point to a rally instead of a decline. A

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close above 779890 will tend to warn of a rally unfolding into the next target or beyond with the market moving into the next Directional Change/Turning Point Target on the top line (NOTE: this can be intraday or on a closing basis). So far this year, the market has exceeded the 2021 high of 780440 and it remains above that level on a closing basis. To date, we have not elected any Monthly Bearish Reversals from the May high. The next Monthly Bearish Reversal to focus on lies at 778789. While the next target in time will be 2024, our Long-Term Empirical Model and a Directional Change suggest that a possible turning point may form early during 2023. The failure to exceed this year's high would imply that the next target could unfold as a low in 2024.

At this moment in time, we are still trading above last year's high. So far, we have not elected any Monthly Bearish Reversals from the high made during last May. Maintaining a closing above our Momentum Projection standing at 778821 will signal that the market is still with broader trend support right now. However, since this year has exceeded last year's high, then a closing at year-end below this momentum number could warn of a temporary high and the next turning point could be a low in 2024.

The strongest target in the Yearly array is 2024 for a turning point ahead, at least on a closing basis. There are 5 Yearly Directional Change targets starting from 2021 to 2024 warning of a potential choppy swing period for these few Years. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of 2032. This highlights the importance of this target as an event on the horizon.

There are 5 Yearly Directional Change targets starting from 2021 to 2024 warning of a potential choppy swing period for these few Years. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of 2032. This highlights the importance of this target as an event on the horizon. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

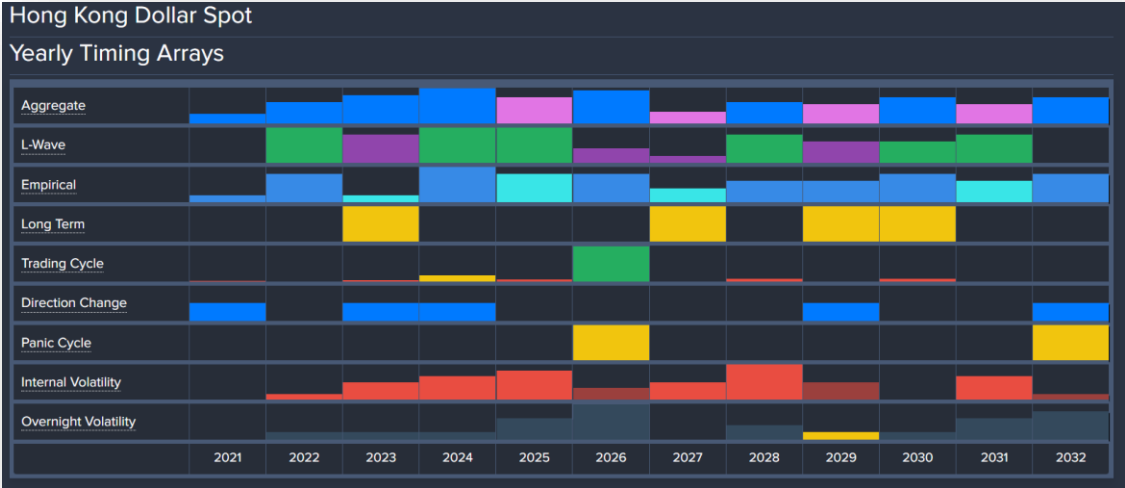
While the historical perspective of the of this market included a decline from the major high established back in 2018 moving into a major low in 2020, the market has bounced back for the last 2 years. The last Yearly Reversal to be elected was a Bullish at the close of 2021. However, where there were 2 reversals elected, there was also a Super Position which took place with 1 Bearish Reversal elected warning

The Socrates Generated Commentary for Hong Kong Dollar Spot

that this immediate signal has been suppressed by the opposite force warning we may not see immediate follow through.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a bullish trend since the major low took place back in 2003 with the high forming during 2018 amounting to a 15-year bull market. Following that high, the market has consolidated for 3 years. Nonetheless, we have elected two short-term Yearly Bearish Reversals to date from the turning point of 2018.

The last major low took place during 2020 which was 2 years ago.



YEARLY ANALYSIS PERSPECTIVE

On the yearly level in Hong Kong Dollar Spot, the last important low was established during 2020 at 774970, which was down 2 years from the high made back during 2018 at 785299. To date, we have a 2-year reaction low in place as of 2020, so we have consolidated for the past 1 year since that event. The highest the market has reached took place last year at 780440. The market has generated a moderate sell signal from this reaction high signaling caution ahead. We have rallied above last year’s high of 774970 and are currently trading above last year’s close at 784970.

Right now, as stated, the market is trading above last year’s high of 780440. Examining the yearly time level, we can now see that there is a -.00% risk on the upside, where we show a clear downside risk factor at 1.23%. From a risk

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perspective, resistance on a closing basis stands at 783000 whereas the risk on the downside begins at 775313.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	777582	784776	785809	787927
2023/01/01...	777960	785533	785937	788584
2024/01/01...	778338	786290	786065	789241
2025/01/01...	778716	787046	786193	789898
2026/01/01...	779094	787803	786320	790555
2027/01/01...	779472	788560	786448	791212
2028/01/01...	779850	789316	786576	791869

YEARLY TIMING ANALYSIS

Scrutinizing the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2024, 2026, 2028, 2030 and 2032. Considering all factors, there is a possibility of a decline moving into 2024 with the opposite trend thereafter into 2026. This pattern becomes a possibility if the market closed back below last year's high of 780440 at a minimum. Closing this year above last year's high warns that a cycle inversion is possible with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model targets are during 2023, during 2024, during 2029 and during 2032. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Glancing at the volatility models suggest we should see a rise in price movement during January 2025. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle targets for the period ahead to watch are during 2026 and during 2032. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch

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the Stochastics and the reversals to determine the best indication of the potential direction.

THE BROADER LONGER-TERM VIEW

Detectably, the broader investigation study in Hong Kong Dollar Spot remains positive since we are trading above last year's high. Presently, we have made a reaction low in 2020 which was a 2-year decline. Since that reaction low of 2020, this market has bounced for 2 years with this year exceeding last year's high. This makes this up to now a 3-year reaction. To continue this trend, we need to see this market make new highs beyond this year to imply a broader bull market is unfolding with the potential to rise into 2027 before reversing back into a bearish trend. This market has entered a bearish consolidation phase on the yearly level by closing below 775314 on an annual basis. Support now lies on a closing at 775139. However, overhead key resistance on a closing basis for a bull market stands at 782963.

INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Yearly level in the Hong Kong Dollar Spot, this market remains neutral with resistance standing at 780130 and support forming below at 777350. The market is trading closer to the resistance level at this time. An opening above this level in the next session will imply a bounce is unfolding.

Yearly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum bearish
Short-Term Trend neutral
Intermediate Momentum bullish
Intermedia Trend neutral
Long-Term Trend bullish
Cyclical Strength neutral

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 779550

The Socrates Generated Commentary for Hong Kong Dollar Spot

Envelope Top... 787755

Internal AvgL.. 776805

Internal AvgH.. 781959

Envelope Btm... 767033

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2019 whereas the actual market high in price unfolded back in 2018. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to decline turning negative but the market bottomed 32 years ago and is holding. This is warning that this low may hold at least temporarily for now.

REVERSAL COMMENTARY

Looking at our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 785030. These Tentative Hypothetical Bearish Reversals would rest at 771600, 774980, 775020, and 780140, whereas a close below the previous low 775100 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 LOW:

Sun. 01/01/2023
Wed. 01/01/2025
Sat. 01/01/2028
Sat. 01/01/2033
Tue. 01/01/2041
Thu. 01/01/2054
Tue. 01/01/2075
Wed. 01/01/2109
Mon. 01/01/2164

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 774970

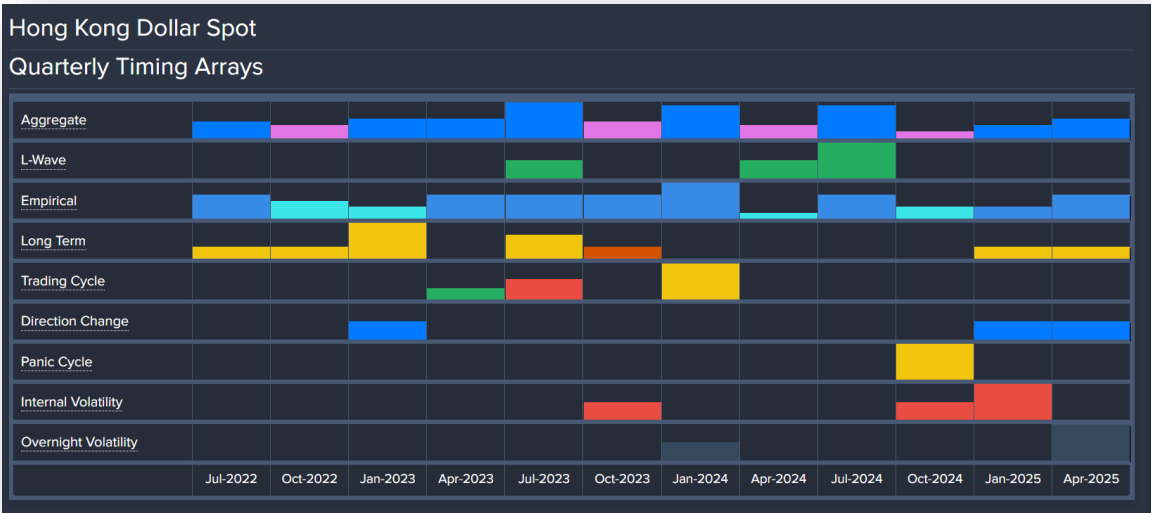
23% | 957863
38% | 1071008
61% | 1253901
78% | 1384096

Fibonacci Percentage Golden Ratio Movements:

- 3% | 2023/01/01
- 5% | 2025/01/01
- 8% | 2028/01/01
- 13% | 2033/01/01
- 21% | 2041/01/01
- 34% | 2054/01/01
- 55% | 2075/01/01
- 89% | 2109/01/01
- 144% | 2164/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Hong Kong Dollar Spot, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009. The Last turning point on the ECM cycle high to line up with this market was 2018 and 2011 and 2007 and 2000.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market has reached our first Quarterly target being The Third Quarter 2022. Maintaining a closing above our Momentum Projection residing

The Socrates Generated Commentary for Hong Kong Dollar Spot

at 784573 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Third Quarter 2022 as a temporary low, but this must hold to see a bounce into the next turning point come the Fourth Quarter 2022. Yet, this market remains below our Momentum Resistance standing at 786520. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. There are 3 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2025 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period. Thereafter, we see the next target coming into play as the First Quarter 2024 until the Second Quarter 2024 with again each target producing the opposite direction for that 2-quarter period. There are 3 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2025 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 785000 with the next Quarterly Major Bullish Reversal standing at 785103. The next Quarterly Minor Bearish Reversal resides at 780249 whereas the next Quarterly Major Bearish Reversal is to be found at 773649.

This market on the quarterly level has been consolidating and moving higher since the low established during the Third Quarter 2020. However, we have not elected any Bearish Reversals from high made during the Second Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Third Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Quarterly level in the Hong Kong Dollar Spot, this market remains moderately bullish currently with underlying support beginning at 782656 and overhead resistance forming above at 785040. The market is trading closer to the resistance level at this time. An opening above this level in the next session will imply a bounce is unfolding.

Quarterly Indicating Ranges

The Socrates Generated Commentary for Hong Kong Dollar Spot

Immediate Trend neutral
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bullish
Intermedia Trend neutral
Long-Term Trend bullish
Cyclical Strength bullish
Broadest Trend bullish

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being bullish and the short-term trend coming in as bullish. On the intermediate level momentum is bullish with trend showing it a neutral posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 784980

Envelope Top... 789188

Internal AvgL.. 779514

Internal AvgH.. 781364

Envelope Btm... 768962

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are rising at this time with the previous low made 2ndQ/2022 while the last high formed on 3rdQ/2022. However, this market has

The Socrates Generated Commentary for Hong Kong Dollar Spot

declined in price with the last cyclical low formed on 3rdQ/2020 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bullish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Third Quarter 84 whereas the actual market high in price unfolded back during the Third Quarter 83. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to rally suggesting that a strong rally is likely.

Employing our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 782730. These Tentative Hypothetical Bullish Reversals would stand at 777424, 779470, 783430, and 784880, whereas a close above the previous high 785000 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 07/01/2020 LOW:

The Socrates Generated Commentary for Hong Kong Dollar Spot

Thu. 04/01/2021

Fri. 10/01/2021

Fri. 07/01/2022

Sun. 10/01/2023

Wed. 10/01/2025

Mon. 01/01/2029

Sat. 04/01/2034

Wed. 10/01/2042

Sat. 07/01/2056

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 774970

23% | 957863

38% | 1071008

61% | 1253901

78% | 1384096

Fibonacci Percentage Golden Ratio Movements:

3% | 2021/04/01

5% | 2021/10/01

8% | 2022/07/01

13% | 2023/10/01

21% | 2025/10/01

34% | 2029/01/01

55% | 2034/04/01

89% | 2042/10/01

144% | 2056/07/01

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	778021	783880	785010	788834
2023/01/01...	778122	783890	785098	789175
2023/04/01...	778222	783900	785185	789516
2023/07/01...	778322	783910	785272	789857
2023/10/01...	778422	783920	785359	790198
2024/01/01...	778523	783930	785446	790539
2024/04/01...	778623	783940	785534	790880

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market has reached our first Quarterly target being The Third Quarter 2022. Maintaining a closing above our Momentum Projection residing at 784573 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Third Quarter 2022 as a temporary low, but this must hold to see a bounce into the next turning point come the Fourth Quarter 2022. Yet, this market remains below our Momentum Resistance standing at 786520. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. There are 3 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2025 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period. Thereafter, we see the next target coming into play as the First Quarter 2024 until the Second Quarter 2024 with again each target producing the opposite direction for that 2-quarter period. There are 3 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2025 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

By means of our Quarterly Hedging Model using only the Reversal System, we are currently long since during the First Quarter 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 780249. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The London IPE Gas Oil Futures did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

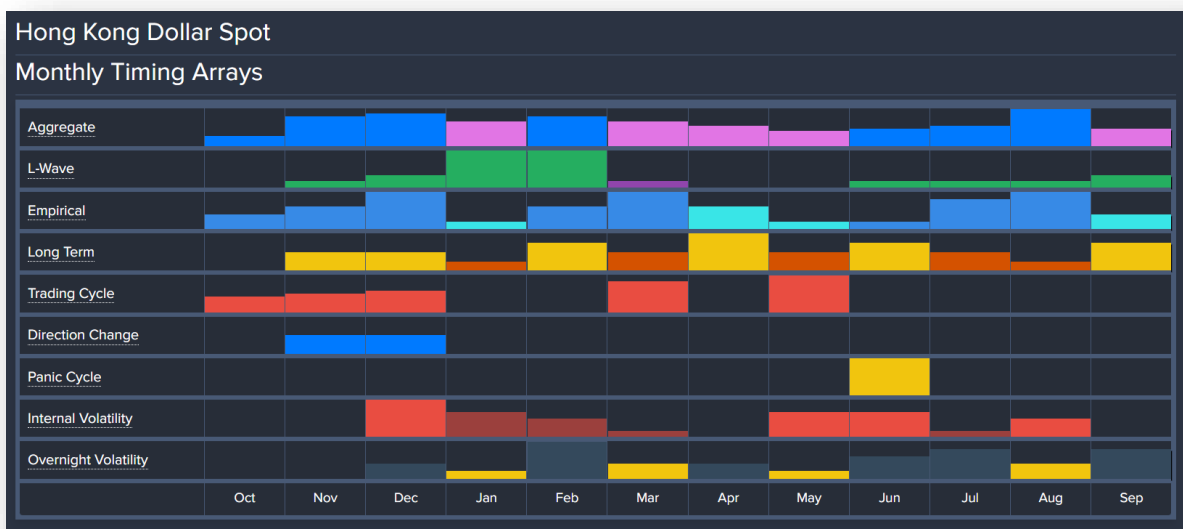
MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Looking at a broader time horizon, this market is in an uptrend position on all our monthly indicators for the near-term trend. We see here the trend has been moving up for the past 25 months. The previous low of 774970 made during September 2020 on the Monthly level has held and only a break of 784590 on a closing basis would warn of a technical near-term change in trend. The previous high made during May on the Monthly level at 785030 remains significant technically and only exceeding that level on a closing basis would suggest a

The Socrates Generated Commentary for Hong Kong Dollar Spot

reversal in the immediate trend. We have generated a buy signal so some caution is required.



MONTHLY TURNING POINTS

My primary targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, April 2023 and June 2023, August 2023. There is a likelihood of a decline moving into December with the opposite trend thereafter into April 2023. Looking ahead at December, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model targets are during 2023, during 2024, during 2029 and during 2032. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Glancing at the volatility models suggest we should see a rise in price movement during January 2025. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle targets for the period ahead to watch are during 2026 and during 2032. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 785030. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 785299.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 778789. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 778709.

MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 16226 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

Using our Monthly Hedging Model based on the Reversal System exclusively, we are currently long since January on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis above the next Bearish Reversal on this level 778789. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Socrates Generated Commentary for Hong Kong Dollar Spot

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, our first target was October with a possible further decline thereafter into December (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is August 2023 for a turning point ahead, at least on a closing basis. There are 2 Monthly Directional Change targets starting from November to December warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting April 2023 until August 2023 with each target producing the opposite direction for that 5-month period. There are 2 Monthly Directional Change targets starting from November to December warning of a potential choppy swing period for these few Months. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description... Trend

Immediate Trend	- Neutral -
Short-Term Momentum	- Neutral -
Short-Term Trend	- Neutral -
Intermediate Momentum	BULLISH
Intermediate Trend	BULLISH
Long-Term Trend	BULLISH
Cyclical Strength.....	BULLISH
Broader Trend	BULLISH
Long-Term Cyclical Trend ..	BULLISH

MONTHLY CURRENCY CORRELATION

The London IPE Gas Oil Futures did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 03/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

The Socrates Generated Commentary for Hong Kong Dollar Spot

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 03/01 before the high in terms of a basket of currencies which came on 05/01 suggesting that that this immediate rally is purely in currency terms.

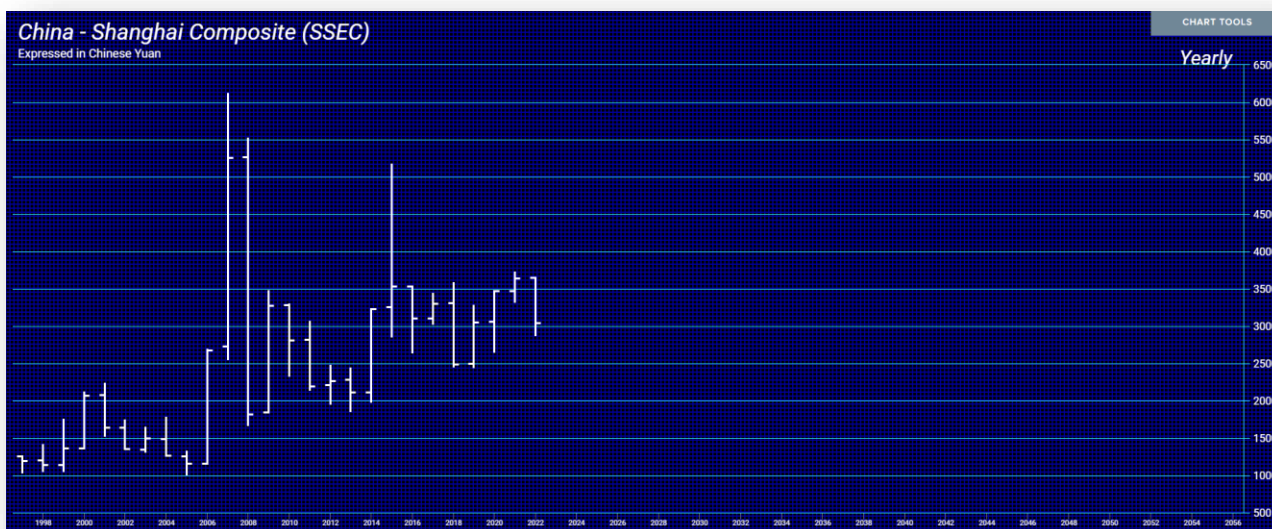
MARKET RISK FACTOR

Hong Kong Dollar Spot Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ----

MONTHLY.....	784990 0.002%	778789 0.787%
QUARTERLY.....	785040 0.008%	780249 0.601%
YEARLY.....	783000 -.25%	775313 1.23%

The Socrates Generated Commentary for Shanghai Composite



The historical perspective in the Shanghai Composite included a rally from 2008 moving into a major high for 2021, the market has pulled back for the current year. The last Yearly Reversal to be elected was a Bullish at the close of 2020 which signaled the rally would continue into 2021. However, the market has been unable to exceed that level intraday since then. This overall rally has been 2 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 2005, there have been 2 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2008 with the high forming during 2007. This decline has thus been 1 year. We have penetrated the previous low of 2021, which was 3312720 warning that a lower closing at year end would signal a possible continued

The Socrates Generated Commentary for Shanghai Composite

decline. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2007.

The last major low took place during 2005 which was 17 years ago. However, the last near-term low took place just 3 years ago in 2019.

YEARLY ANALYSIS PERSPECTIVE

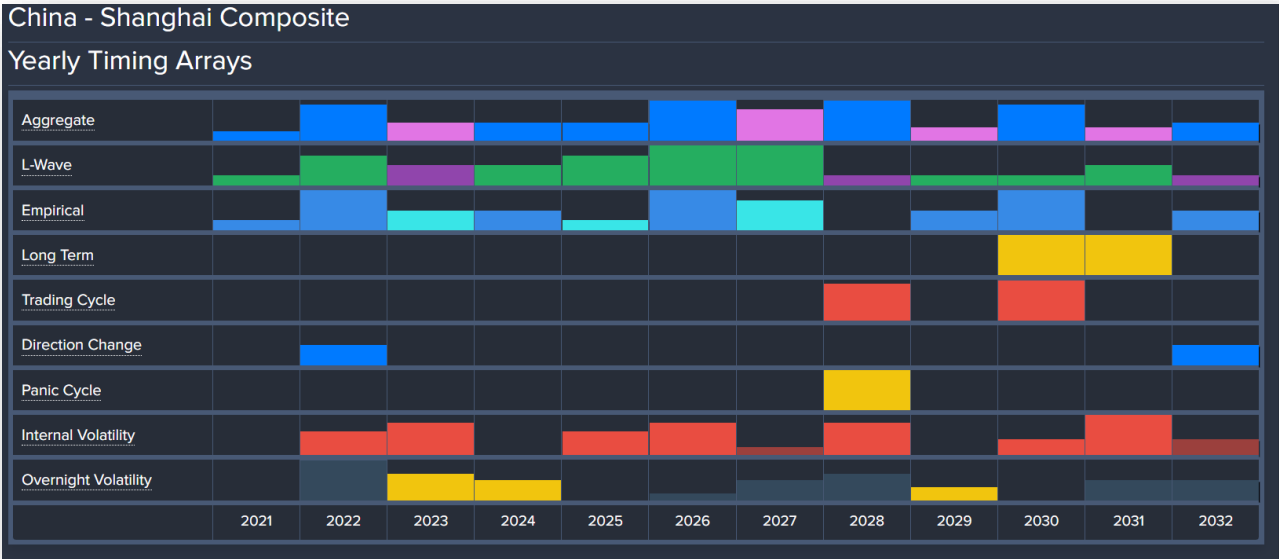
On the yearly level in Shanghai Composite, the last important high was established during 2021 at 3731687, which was up 13 years from the low made back during 2008 at 1664925.

Right now, the market is trading below last year's low of 3312720. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high.

Examining the yearly time level, we can now see that there is a 78% risk on the upside, where we show a clear downside risk factor at -.04%. From a risk perspective, resistance on a closing basis stands at 5179001 whereas the risk on the downside begins at 3016530.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	1465487	1552817	2807506	4350570	4731891
2023/01/01...	935101	1519835	2913934	4232338	5003266
2024/01/01...	404714	1486853	3020362	4114107	5274642
2025/01/01...	1453871	3126790	3995875	5546018	
2026/01/01...	1420890	3233218	3877644	5817393	
2027/01/01...	1387908	3339646	3759412	6088769	
2028/01/01...	1354926	3446074	3641180	6360145	



YEARLY TIMING ANALYSIS

Searching the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2024, 2027, 2029 and 2031. Considering all factors, there is a possibility of a decline moving into 2022 with the opposite trend thereafter into 2024. This pattern becomes a possibility if the market closed back below last year’s high of 65790 at a minimum. Closing this year above last year’s high warns that a cycle inversion is possible with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Dissecting the volatility models suggest we should see a rise in price movement during January 2029. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle target, for the next period to watch is during 2031. This is beyond the peak in the next Economic

The Socrates Generated Commentary for Shanghai Composite

Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

THE BROADER LONGER-TERM VIEW

Distinguishably, the expanded prospective in Shanghai Composite remains in a bearish trend since we have penetrated last year's low of 3312720. This market has declined for the past 15 years since establishing its intraday high back in 2007. There is a long-term risk of a decline extending into 2024 which remains possible in real terms adjusted for inflation. Keep in mind that we have been a very broad consolidation pattern since the major low of 2008 for the past 14 years. This market has been unable to make new historical highs during this period.

INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the Shanghai Composite, this market remains in a bullish position at this time with the underlying support beginning at 3450495.

Yearly Indicating Ranges

Immediate Trend bullish
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bearish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength neutral

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 3639780

Envelope Top... 3638213

Internal AvgL.. 2773232

Internal AvgH.. 3748611

Envelope Btm... 2277581

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2018 whereas the actual market high in price unfolded back in 2007. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to decline turning negative but the market bottomed 11 years ago and is holding. This is warning that this low may hold at least temporarily for now.

REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 2863650 holds. These Tentative Hypothetical Bullish Reversals would stand at 2125724, 3288453, 5178191, and 6124045, whereas a close above the previous high 3731687 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

The Socrates Generated Commentary for Shanghai Composite

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3731687

23% | 2851009

38% | 2306182

61% | 1425504

78% | 798581

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01

5% | 2026/01/01

8% | 2029/01/01

13% | 2034/01/01

21% | 2042/01/01

34% | 2055/01/01

55% | 2076/01/01

89% | 2110/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Shanghai Composite, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains

The Socrates Generated Commentary for Shanghai Composite

Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2005. The Last turning point on the ECM cycle high to line up with this market was 2015 and 2007 and 2001.

QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, our first target for a turning point is The Fourth Quarter 2022, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into the Second Quarter 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Second Quarter 2025 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. It does appear we have a choppy period starting the Second Quarter 2023 until the First Quarter 2024 with each target producing the opposite direction for that 4-quarter period.

Keep in mind that given the sharp decline of 19% from the last high established the First Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 3016530. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 3417011 with the next Quarterly Major Bullish Reversal standing at 4088883. The next Quarterly Minor Bearish Reversal resides at 1991054 whereas the next Quarterly Major Bearish Reversal is to be found at 3016530. Caution is now required for this market is starting to suggest it may rally further on a quarterly level.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2019. However, we have not elected any Bearish Reversals from high made on during the First Quarter 2021. Nonetheless, we have not elected any Bullish Reversals from the last low established during the

The Socrates Generated Commentary for Shanghai Composite

Second Quarter 2022, yet we have seen at last a knee-jerk reaction upward thus far, this past quarter. We not need to close above this quarter's high to infer a retest of resistance.

QUARTERLY INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Quarterly level in the Shanghai Composite, this market remains neutral with resistance standing at 3301213 and support forming below at 3014620. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum bearish
Short-Term Trend neutral
Intermediate Momentum neutral
Intermedia Trend bullish
Long-Term Trend neutral
Cyclical Strength bullish

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being bearish and the short-term trend coming in as neutral. On the intermediate level momentum is neutral with trend showing it a bullish posture. The long-term trend is neutral while the key Cyclical Strength is registering bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 3024390

Envelope Top... 4233726

Internal AvgL.. 3134008
Internal AvgH.. 3612501
Envelope Btm... 2264090

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 4thQ/2021 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Fourth Quarter 2007 whereas the actual market high in price unfolded back during the Fourth Quarter 2007. Immediately, our model continues to decline turning negative but the market bottomed 86 quarters ago and is holding. This is warning that this low may hold at least temporarily for now.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Fri. 10/01/2021
Fri. 04/01/2022
Sun. 01/01/2023
Mon. 04/01/2024
Wed. 04/01/2026
Sun. 07/01/2029

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Sun. 10/01/2034

Wed. 04/01/2043

Mon. 01/01/2057

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3731687

23% | 2851009

38% | 2306182

61% | 1425504

78% | 798581

Fibonacci Percentage Golden Ratio Movements:

3% | 2021/10/01

5% | 2022/04/01

8% | 2023/01/01

13% | 2024/04/01

21% | 2026/04/01

34% | 2029/07/01

55% | 2034/10/01

89% | 2043/04/01

QUARTERLY TECHNICAL ANALYSIS

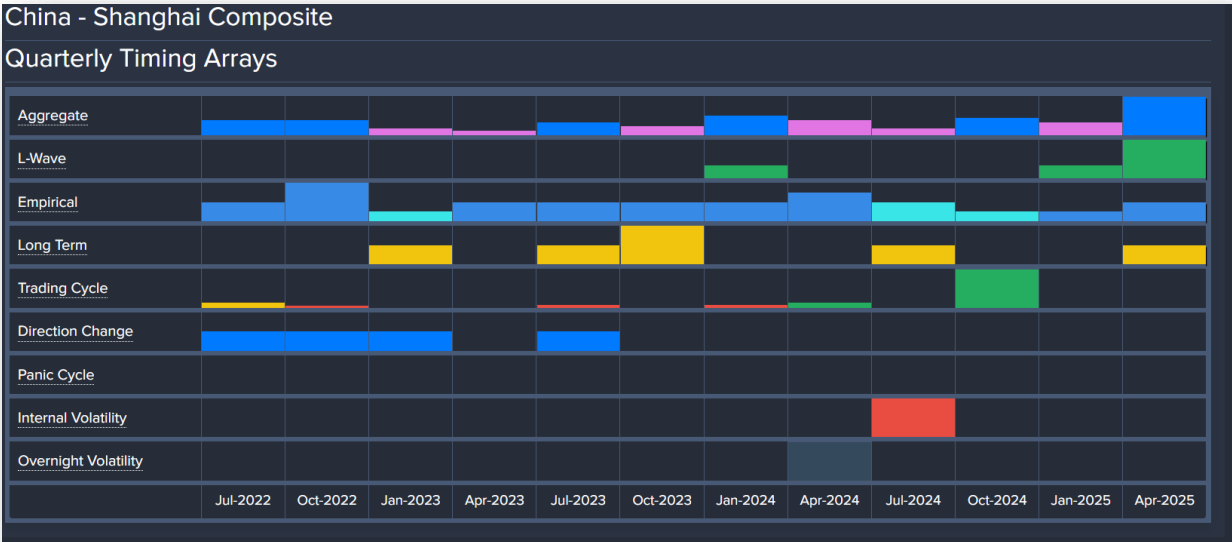
After the historical high was established during 2007, a major low was created during the Fourth Quarter 2008 at 1664925 which was 55 quarters from that major high. The Uptrend line resides at 2724802 providing the technical underlying support. The top of the Uptrend Channel stands at 3870922 which provides the general overall trading channel and only exceeding that on a closing basis will signal a real breakout to the upside while a break of the bottom defined by the

The Socrates Generated Commentary for Shanghai Composite

Uptrend Line will signal a move to the downside thereafter. Meanwhile, the Downtrend Line from that major high of 2007 to the subsequent reaction high of 5178191 formed 30 quarters thereafter resides at 4232338. This is providing the visual technical resistance which we have remained below at this moment in time. The more recent Downtrend Line constructed from the last high of 3731687 to the subsequent reaction high of 3723850 stands at 3704258 while drawing a channel provides us with support at 2382137. A break of this support with a closing below it will suggest a correction is unfolding. However, an intraday penetration of this support with a close back above would suggest that market could pause briefly. Utilizing our Energy Models, the market is making new intraday highs in price and our Energy Models are flipping from negative to positive. The low on our Energy Model took place 04/01/2022. Therefore, this immediate rally may prove to be short-term unless this model begins to create new highs.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	2031525	2778547	2860720	3432982	4232338
2023/01/01...	2004233	2735995	2887327	3374809	4200810
2023/04/01...	1976940	2693443	2913934	3316635	4169282
2023/07/01...	1949648	2650891	2940541	3258461	4137753
2023/10/01...	1922356	2608339	2967148	3200288	4106225
2024/01/01...	1895064	2565787	2993755	3142114	4074696
2024/04/01...	1867772	2523235	3020362	3083940	4043168



QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, our first target for a turning point is The Fourth Quarter 2022, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into the Second Quarter 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Second Quarter 2025 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. It does appear we have a choppy period starting the Second Quarter 2023 until the First Quarter 2024 with each target producing the opposite direction for that 4-quarter period.

Keep in mind that given the sharp decline of 19% from the last high established the First Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 3016530. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a

choppy coiling period for 3 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Using our Quarterly Hedging Model based on the Reversal System exclusively, we are currently long since during the Fourth Quarter 2020 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 3016530. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Shanghai Composite did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined while in nominal terms, it has rallied. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 04/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during July on the Monthly level at 3424840 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 2863650

made during April on the Monthly level. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2023 and June 2023, August 2023. Centering on the patterns unfolding, I do see a prospect of a decline moving into November with the opposite trend thereafter into January 2023. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Studying the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

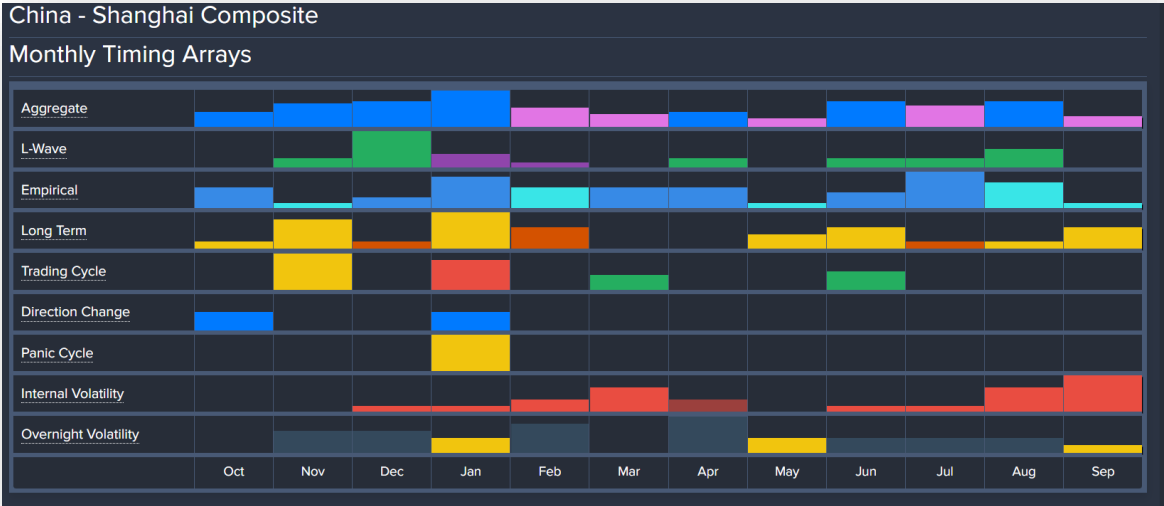
Nevertheless, our Panic Cycle target, for the next period to watch is during 2030. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 3417011. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 3501001.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 2891539. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 2802469.



MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month’s low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 940000 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since January on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 3417011. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

The Socrates Generated Commentary for Shanghai Composite

On the Monthly Level, our first target for a turning point is November with the opposite trend implied thereafter into December which is also a Panic Cycle. However, a break of this current month's trading range of would warn of a possible cycle inversion given we have a target this month. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is January 2023 for a turning point ahead, at least on a closing basis. We have overall 2 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of January 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting October until January 2023 with each target producing the opposite direction for that 4-month period.

Keep in mind that given the sharp decline of 15% from the last high established July, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. We have overall 2 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of January 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description... Trend

Immediate Trend	(Bearish)
Short-Term Momentum	(Bearish)
Short-Term Trend	(Bearish)
Intermediate Momentum	- Neutral -
Intermediate Trend	(Bearish)
Long-Term Trend	(Bearish)
Cyclical Strength.....	(Bearish)
Broader Trend	- Neutral -

Long-Term Cyclical Trend .. - Neutral -

MONTHLY CURRENCY CORRELATION

The Shanghai Composite did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 09/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 09/01 before the high in terms of a basket of currencies which came on 12/01 suggesting that that this immediate rally is purely in currency terms.

MARKET RISK FACTOR

Shanghai Composite Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ---

MONTHLY.....	3417011		18.09%		2891539		0.067%	
QUARTERLY.....	3458792		19.53%		3016530		-4.25%	
YEARLY.....	5179001		78.98%		3016530		-4.25%	

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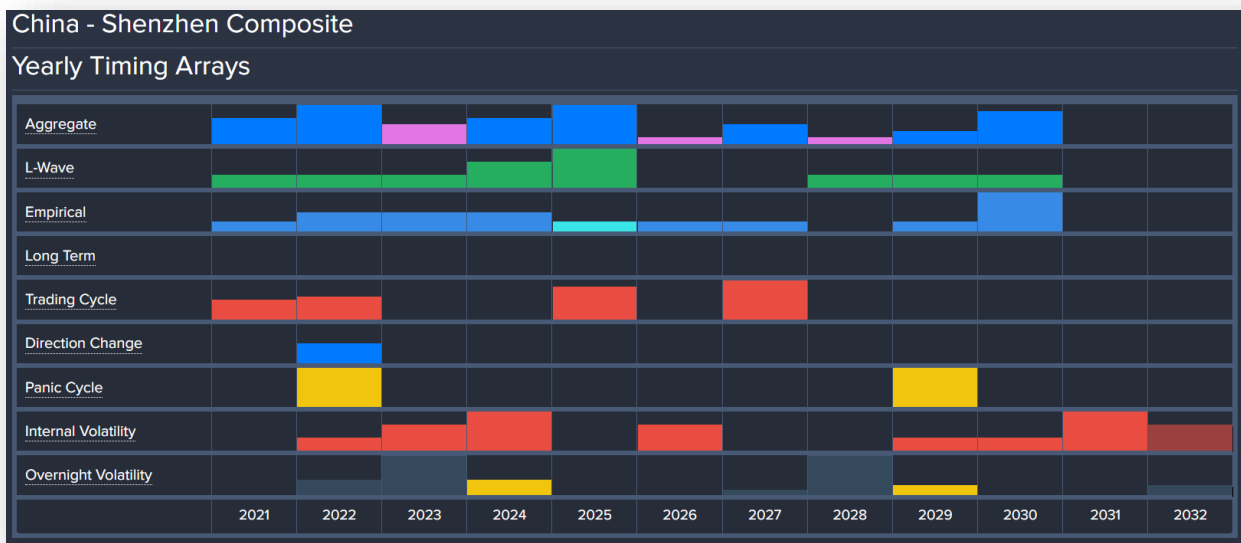
The historical perspective in the Shenzhen Composite included a rally from 1994 moving into a major high for 2015, from which the market has been in a bearish trend since then moving into the low in 2018 forming a reactionary trend of 3 years bottoming at 121223. On the other hand, we have not elected any Yearly Bearish Reversal to date from the turning point of 2015, which tends to warn that the 2015 high could still be challenged until we elect a Yearly Bearish Reversal. Nonetheless, the bounce since the 2018 low has been unable as yet to make any new high. Distinctly, we have elected three Bullish Reversals to date. . The last Yearly Reversal to be elected was a Bullish at the close of 2019. However, the market has been unable to exceed that level intraday since then. This overall rally has been 3 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a protracted bullish trend since the major low took place back in 1994 with the high forming

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during 2015. On the other hand, we have not elected any Yearly Bearish Reversal to date from the turning point of 2015.

The last major low took place during 1994 which was 28 years ago. However, the last near-term low took place just 4 years ago in 2018.



YEARLY ANALYSIS PERSPECTIVE

On the yearly level in Shenzhen Composite, the last important high was established during 2015 at 315696, which was up 21 years from the low made back during 1994 at 9656. To date, we have a 3-year reaction low in place as of 2018, so we have consolidated for the past 3 years since that event. The highest the market has reached took place last year at 257127. At the very least, we need to maintain an annual closing above 196615 to imply a sustainable recovery.

Right now, the market is trading below last year's low of 213009. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. However, we have seen a correction from that high for 3 years forming the low during 2018.

Examining the yearly time level, we can now see that there is a 77% risk on the upside, where we show a clear downside risk factor at 7.05%. From a risk perspective, resistance on a closing basis stands at 335743 whereas the risk on the downside begins at 175340.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	106337	146355	167092	273902
2023/01/01...	102615	153578	175075	294790
2024/01/01...	98893	160801	183058	315679
2025/01/01...	95172	168024	191041	336567
2026/01/01...	91450	175247	199024	357455
2027/01/01...	87728	182470	207007	378344
2028/01/01...	84006	189693	214990	399232

YEARLY TIMING ANALYSIS

Searching the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2024, 2027, 2029 and 2031. Considering all factors, there is a possibility of a decline moving into 2022 with the opposite trend thereafter into 2024. This pattern becomes a possibility if the market closed back below last year's high of 65790 at a minimum. Closing this year above last year's high warns that a cycle inversion is possible with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Dissecting the volatility models suggest we should see a rise in price movement during January 2029. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle target, for the next period to watch is during 2031. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging projection in Shenzhen Composite remains in a bearish trend since we have penetrated last year's low of 213009. This market has declined for the past 7 years since establishing its intraday high back in 2015. There remains a long-term risk of a decline extending into 2028 or as far out as 2034 in real terms adjusted for inflation.

INDICATING RANGE STUDY

Solely focusing on only the indicating ranges on the Yearly level in the Shenzhen Composite, this market remains in a bullish position at this time with the underlying support beginning at 205402.

Yearly Indicating Ranges

Immediate Trend bullish
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bearish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength neutral

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 253014

Envelope Top... 195852
Internal AvgL.. 157613
Internal AvgH.. 231327
Envelope Btm... 122606

STOCHASTICS

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2016 whereas the actual market high in price unfolded back in 2015. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to decline turning negative but the market bottomed 2 years ago and is holding. This is warning that this low may hold at least temporarily for now.

REVERSAL COMMENTARY

On our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 172492 holds. These Tentative Hypothetical Bullish Reversals would stand at 65621, 156774, 179920, and 315696, whereas a close above the previous high 257127 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2015 HIGH:

Mon. 01/01/2018

Wed. 01/01/2020

Sun. 01/01/2023

The Socrates Generated Commentary for Shenzhen Composite

Sat. 01/01/2028

Tue. 01/01/2036

Fri. 01/01/2049

Wed. 01/01/2070

Wed. 01/01/2104

Tue. 01/01/2159

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 315696

23% | 241192

38% | 195100

61% | 120596

78% | 67559

Fibonacci Percentage Golden Ratio Movements:

3% | 2018/01/01

5% | 2020/01/01

8% | 2023/01/01

13% | 2028/01/01

21% | 2036/01/01

34% | 2049/01/01

55% | 2070/01/01

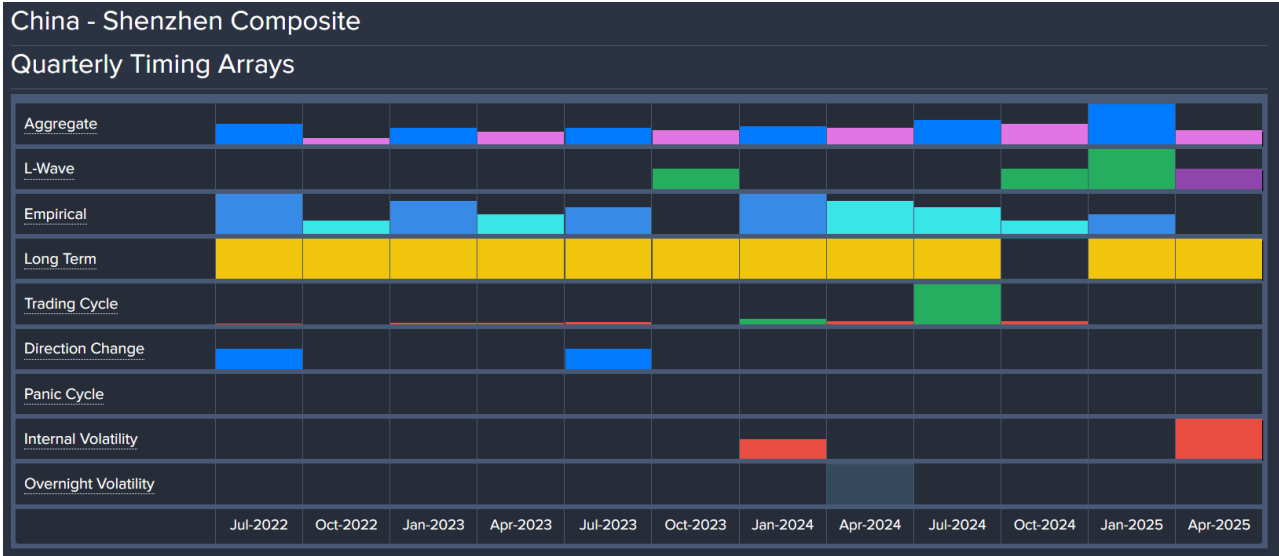
89% | 2104/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Shenzhen Composite, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this

The Socrates Generated Commentary for Shenzhen Composite

market was 2018 and 2005 and 1994. The Last turning point on the ECM cycle high to line up with this market was 2015 and 2001.



QUARTERLY ANALYSIS PERSPECTIVE

outside reversal forming this the Third Quarter 2022 given it is a potential turning point and we have exceeded the previous quarter’s high and broken last quarter’s low. Indeed, we are trading below last quarter’s settlement warning this can prove to be a cycle high. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the First Quarter 2025 for a turning point ahead, at least on a closing basis. We have overall 2 Quarterly Directional Change targets ahead which align with a main turning point on the top line of the Array. Therefore, the targets of the Third Quarter 2022 and the Third Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the First Quarter 2025 with each target producing the opposite direction for that 11-quarter period. Keep in mind that given the significant decline of 25% from the last high established the Fourth Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 1 Bearish Reversal from the last high thus far to date. We have overall 2 Quarterly Directional Change targets ahead which align with a main turning point on the top line of the Array. Therefore, the targets of the Third Quarter 2022 and the Third Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the

The Socrates Generated Commentary for Shenzhen Composite

main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 169300 with the next Quarterly Major Bullish Reversal standing at 271595. The next Quarterly Minor Bearish Reversal resides at 155580 whereas the next Quarterly Major Bearish Reversal is to be found at 184520.

This market on the quarterly level has been consolidating and moving higher since the low established during the Third Quarter 2019. However, we did elect 1 Bearish Reversal from the high formed on during the Fourth Quarter 2021 which provided the decline into during the Second Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Second Quarter 2022, yet we have seen at last a knee-jerk reaction upward thus far, this past quarter. We not need to close above this quarter's high to infer a retest of resistance.

QUARTERLY INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Quarterly level in the Shenzhen Composite, this market remains moderately bearish position at this time with the overhead resistance beginning at 194214 and support forming below at 163443. The market is trading closer to the resistance level at this time.

Quarterly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum bearish
Short-Term Trend bearish
Intermediate Momentum neutral
Intermedia Trend bullish
Long-Term Trend bearish
Cyclical Strength bullish

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being bearish and the short-term trend coming in as bearish. On the intermediate level momentum is neutral with trend showing it a bullish posture. The long-term trend is bearish while the key Cyclical Strength is registering bullish.

The Socrates Generated Commentary for Shenzhen Composite

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 191200

Envelope Top... 312436

Internal AvgL.. 204182

Internal AvgH.. 244586

Envelope Btm... 106756

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 4thQ/2021 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 4thQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the First Quarter 2016 whereas the actual market high in price unfolded back during the Second Quarter 2015. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to decline turning negative but the market bottomed 110 quarters ago and is holding. This is warning that this low may hold at least temporarily for now.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 10/01/2021 HIGH:

Fri. 07/01/2022
Sun. 01/01/2023
Sun. 10/01/2023
Wed. 01/01/2025
Fri. 01/01/2027
Mon. 04/01/2030
Sun. 07/01/2035
Fri. 01/01/2044
Mon. 10/01/2057

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracement from the previous HIGH at 257127

23% | 196445
38% | 158904
61% | 98223
78% | 55025

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/07/01
5% | 2023/01/01

8% | 2023/10/01
13% | 2025/01/01
21% | 2027/01/01
34% | 2030/04/01
55% | 2035/07/01
89% | 2044/01/01

QUARTERLY TECHNICAL ANALYSIS

After the historical high was established during 2015, a major low was created during the Fourth Quarter 2018 at 121223 which was 15 quarters from that major high. The Uptrend line resides at 179816 providing the technical underlying support. The top of the Uptrend Channel stands at 264451 which provides the general overall trading channel and only exceeding that on a closing basis will signal a real breakout to the upside while a break of the bottom defined by the Uptrend Line will signal a move to the downside thereafter. Meanwhile, the Downtrend Line from that major high of 2015 to the subsequent reaction high of 257127 formed 26 quarters thereafter resides at 248117. This is providing the visual technical resistance which we have remained below at this moment in time.

The more recent Downtrend Line constructed from the last high of 257127 to the subsequent reaction high of 254299 stands at 245815 while drawing a channel provides us with support at 109042. A break of this support with a closing below it will suggest a correction is unfolding. However, an intraday penetration of this support with a close back above would suggest that market could pause briefly. Utilizing our Energy Models, the market is making new intraday highs in price and our Energy Models are flipping from negative to positive. The low on our Energy Model took place 04/01/2022. Therefore, this immediate rally may prove to be short-term unless this model begins to create new highs.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	107375	140657	162264
2023/01/01...	106510	142361	157149
2023/04/01...	105644	144065	152035
2023/07/01...	104779	145769	146920
2023/10/01...	103913	147473	141806
2024/01/01...	103048	149177	136691
2024/04/01...	102182	150881	131577

QUARTERLY ANALYSIS PERSPECTIVE

outside reversal forming this the Third Quarter 2022 given it is a potential turning point and we have exceeded the previous quarter's high and broken last quarter's low. Indeed, we are trading below last quarter's settlement warning this can prove to be a cycle high. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the First Quarter 2025 for a turning point ahead, at least on a closing basis. We have overall 2 Quarterly Directional Change targets ahead which align with a main turning point on the top line of the Array. Therefore, the targets of the Third Quarter 2022 and the Third Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the First Quarter 2025 with each target producing the opposite direction for that 11-quarter period. Keep in mind that given the significant decline of 25% from the last high established the Fourth Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 1 Bearish Reversal from the last high thus far to date. We have overall 2 Quarterly Directional Change targets ahead which align with a main turning point on the top line of the Array. Therefore, the targets of the Third Quarter 2022 and the Third Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Second Quarter 2022 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 184520. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Shenzhen Composite did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 10/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined while in nominal terms, it has rallied. This market peaked in both nominal terms and in terms of a basket of currencies on 10/01 implying that we do have a bullish trend in sync with international capital flows.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during July on the Monthly level at 225743 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 172492 made during April on the Monthly level. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

My key targets in time on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for February 2023 and May 2023, July 2023. Regarding the various factors, I see a strong potential of a decline moving into February 2023 with the opposite trend thereafter into May 2023. Looking ahead at February 2023, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Searching the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

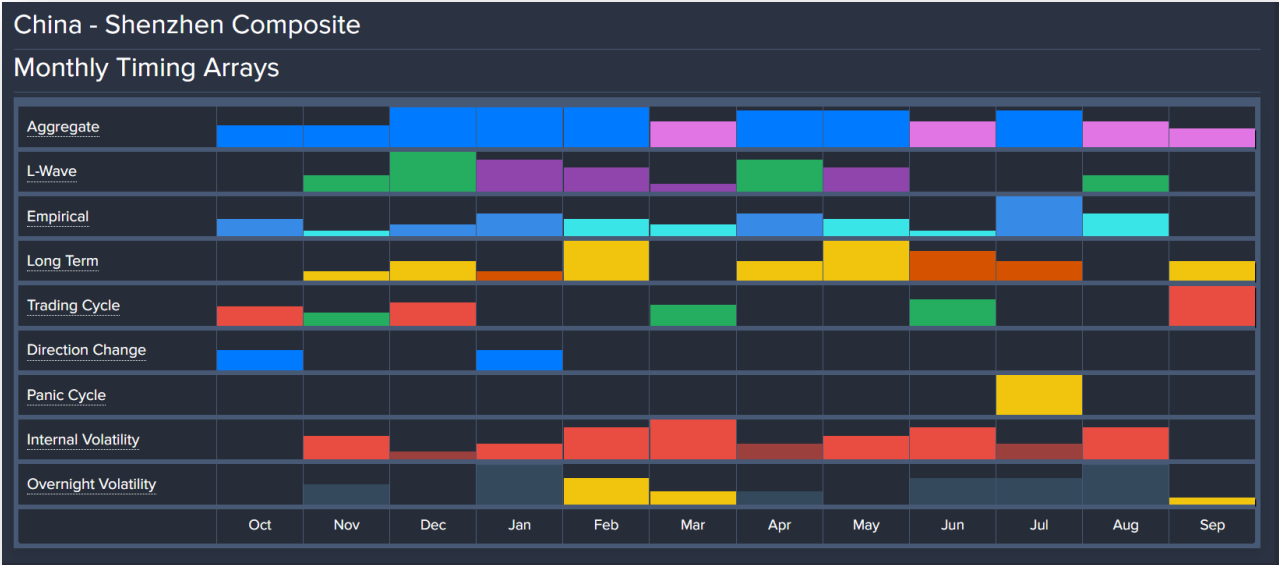
Focusing on the potential for sharp movement, our Panic Cycle targets for the period ahead to watch are during 2029. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 224620. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 233870.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 174000. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 165020.



MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month’s low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 940000 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since July on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 224620. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, regarding the timing, there was a reasonable potential of a outside reversal moving into October, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change

The Socrates Generated Commentary for Shenzhen Composite

due in the next session given that the previous session was a low which also closed weak below the former low. However, a higher open above 202146 will imply that the Directional Change may point to a rally instead of a decline. A close above 213094 will tend to warn of a rally unfolding into the next target or beyond with the market moving into the next Directional Change/Turning Point Target on the top line (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is December for a turning point ahead, at least on a closing basis. We have Monthly Directional Change targets due in October and January 2023. It does appear we have a choppy period starting February 2023 until March 2023 with each target producing the opposite direction for that 2-month period. Thereafter, we see the next target coming into play as May 2023 until July 2023 with again each target producing the opposite direction for that 3-month period.

However, the important target during that period will be July 2023, yet the key target will be May 2023.

Keep in mind that given the sharp decline of 17% from the last high established July, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. We have Monthly Directional Change targets due in October and January 2023. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description... Trend

Immediate Trend (Bearish)
Short-Term Momentum (Bearish)
Short-Term Trend - Neutral -
Intermediate Momentum - Neutral -
Intermediate Trend (Bearish)
Long-Term Trend (Bearish)
Cyclical Strength..... (Bearish)
Broader Trend BULLISH
Long-Term Cyclical Trend .. - Neutral -

MONTHLY CURRENCY CORRELATION

The Shenzhen Composite did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 12/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. This market peaked in both nominal terms and in terms of a basket of currencies on 12/01 implying that we do have a bullish trend in sync with international capital flows.

MARKET RISK FACTOR

Shenzhen Composite Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ----

MONTHLY.....	224620	19.07%	174410	7.543%
QUARTERLY.....	233340	23.69%	184520	2.184%
YEARLY.....	335743	77.97%	175340	7.05%

The Socrates Generated Commentary for Hong Kong Cash Share Index



The Hong Kong Cash Share Index has continued to make new historical highs over the course of the rally from 2011 moving into 2022, which has been a run of 11 years warning that timing wise a pause remains possible.

Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play. This is especially true since we are facing an outside reversal to the downside by penetrating the previous year's low as well.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1967, there have been 4 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2011 with the high forming during 2018. This decline has thus been 7 year. We have penetrated the previous low of 2021, which was 2266525

The Socrates Generated Commentary for Hong Kong Cash Share Index

warning that a lower closing at year end would signal a possible continued decline. Nonetheless, we have not elected any Yearly Bearish Reversal to date from the turning point of 2018.

The last major low took place during 1998 which was 24 years ago. However, the last near-term low took place just 2 years ago in 2020.

YEARLY ANALYSIS PERSPECTIVE

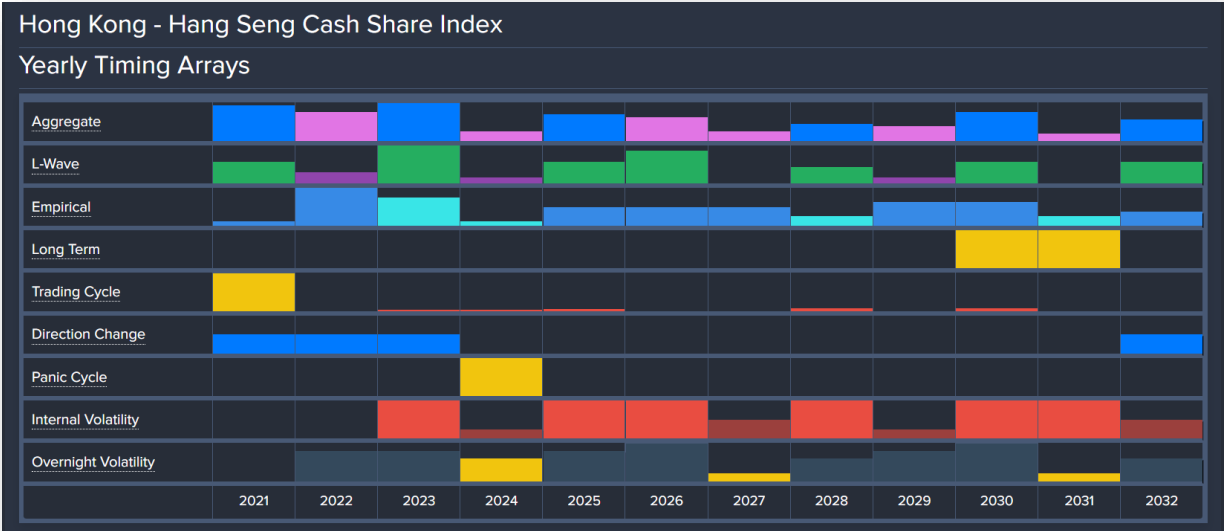
On the yearly level in Hong Kong Cash Share Index, the last important high was established during 2018 at 3348408, which was up 7 years from the low made back during 2011 at 1617035. However, the highest closing was during 2017 at 2991915 whereas the intraday high formed in 2018.

Right now, the market is trading below last year's low of 2266525. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. However, we have seen a correction from that high for 2 years forming the low during 2020. At this time, the market is trading in a bearish position below our yearly momentum indicators warning resistance starts at 2454063.

Examining the yearly time level, we can now see that there is a 105% risk on the upside, where we show a clear downside risk factor at -32% . From a risk perspective, resistance on a closing basis stands at 3019970 whereas the risk on the downside begins at 1942620.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	1512277	1905898	2563987	3194191
2023/01/01...	1548019	1545270	2521863	3255757
2024/01/01...	1583760	1184642	2479740	3317322
2025/01/01...	1619502	824015	2437616	3378887
2026/01/01...	1655243	463387	2395493	3440452
2027/01/01...	1690985	102759	2353369	3502018
2028/01/01...	1726727	2311245	3563583	



YEARLY TIMING ANALYSIS

Glancing at the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2026, 2028 and 2032. Considering all factors, there is a possibility of a decline moving into 2023 with the opposite trend thereafter into 2026. This pattern becomes a possibility if last year's low of 283204 is penetrated even intraday or the market closes below last year's close of 312368. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY VOLATILITY

Searching the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

THE BROADER LONGER-TERM VIEW

Perceptibly, the long-term outlook view recognizes that the current bearish progression in Hong Kong Cash Share Index reflects only a temporary reaction within a broader bull market trend at this time. We have elected a Yearly Bearish Reversal from the major high of 2018 suggesting that we have entered a change in long-term trend. There remains a long-term risk of a decline extending into 2023 or as far out as 2031 in real terms adjusted for inflation.

INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Yearly level in the Hong Kong Cash Share Index, this market remains moderately bullish currently with underlying support beginning at 2188382 and overhead resistance forming above at 2411155. The market is trading closer to the resistance level at this time.

Yearly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum neutral
Short-Term Trend neutral
Intermediate Momentum bearish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 2339767

Envelope Top... 2945614
Internal AvgL.. 2302517
Internal AvgH.. 2961067
Envelope Btm... 1844002

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2018 whereas the actual market high in price unfolded back in 2018.

The Socrates Generated Commentary for Hong Kong Cash Share Index

Immediately, our model continues to decline turning negative but the market bottomed 46 years ago and is holding. This is warning that this low may hold at least temporarily for now.

REVERSAL COMMENTARY

Looking at our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 1459731 holds. These Tentative Hypothetical Bullish Reversals would stand at 1839757, 2858852, 3028013, and 3195841, whereas a close above the previous high 3118336 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2018 HIGH:

Fri. 01/01/2021
Sun. 01/01/2023
Thu. 01/01/2026
Wed. 01/01/2031
Sat. 01/01/2039
Mon. 01/01/2052
Sun. 01/01/2073
Sun. 01/01/2107
Sat. 01/01/2162

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3348408

23% | 2558184

38% | 2069316

61% | 1279092

78% | 716559

Fibonacci Percentage Golden Ratio Movements:

3% | 2021/01/01

5% | 2023/01/01

8% | 2026/01/01

13% | 2031/01/01

21% | 2039/01/01

34% | 2052/01/01

55% | 2073/01/01

89% | 2107/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Hong Kong Cash Share Index, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2011 and 1998. The Last turning point on the ECM cycle high to line up with this market was 2018 and 2015 and 2010 and 2007 and 2000 and 1994.

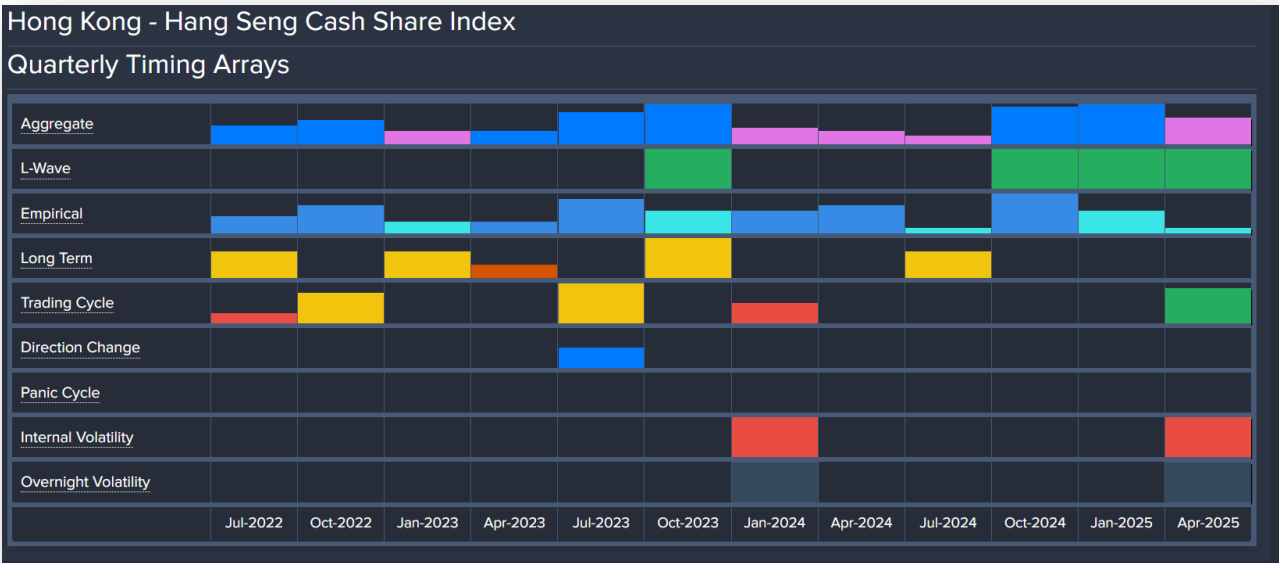
YEARLY CURRENCY CORRELATION

The Hong Kong Cash Share Index did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01,

The Socrates Generated Commentary for Hong Kong Cash Share Index

a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, our first target for a turning point is The Fourth Quarter 2022 with the opposite trend implied thereafter into the Fourth Quarter 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. We have a Quarterly Directional Change target due in the Third Quarter 2023. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the dramatic decline of 45% from the last high established the First Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We

have elected 4 Bearish Reversals from the last high thus far to date. We have a Quarterly Directional Change target due in the Third Quarter 2023. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 3093576 with the next Quarterly Major Bullish Reversal standing at 4262495. The next Quarterly Minor Bearish Reversal resides at 1718580 whereas the next Quarterly Major Bearish Reversal is to be found at 1332040.

Meanwhile, our technical resistance stands at 3634992 and it will require a closing above this level to signal a breakout of the upside is unfolding. Nevertheless, our technical support lies at 2925814 which the market is now trading beneath illustrating technical weakness.

QUARTERLY INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Quarterly level in the Hong Kong Cash Share Index, this market remains in a bearish position at this time with the overhead resistance beginning at 2148882.

Quarterly Indicating Ranges

Immediate Trend bearish
Short-Term Momentum bearish
Short-Term Trend bearish
Intermediate Momentum neutral
Intermedia Trend bearish
Long-Term Trend bearish
Cyclical Strength bearish
Broadest Trend bullish

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bearish. On the intermediate level momentum is neutral with trend showing it a bearish posture. The long-term trend is bearish while the key Cyclical Strength is registering bearish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 1722283

Envelope Top... 3625930

Internal AvgL.. 2017347

Internal AvgH.. 2650581

Envelope Btm... 1290120

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Second Quarter 2018 whereas the actual market high in price unfolded back during the First Quarter 2018. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Fri. 10/01/2021

Fri. 04/01/2022

Sun. 01/01/2023

Mon. 04/01/2024

Wed. 04/01/2026

Sun. 07/01/2029

Sun. 10/01/2034

Wed. 04/01/2043

Mon. 01/01/2057

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3118336

23% | 2382409

38% | 1927132

61% | 1191204

78% | 667324

Fibonacci Percentage Golden Ratio Movements:

3% | 2021/10/01

5% | 2022/04/01
8% | 2023/01/01
13% | 2024/04/01
21% | 2026/04/01
34% | 2029/07/01
55% | 2034/10/01
89% | 2043/04/01

QUARTERLY TECHNICAL ANALYSIS

After the historical high was established during 2018, a major low was created during the First Quarter 2020 at 2113926 which was 10 quarters from that major high. Currently, the market has yet to retest this low during the past ten sessions. Meanwhile, the Downtrend Line from that major high of 2018 to the subsequent reaction high of 3118336 formed 12 quarters thereafter resides at 2984128. This is providing the visual technical resistance which we have remained below at this moment in time.

The more recent Downtrend Line constructed from the last high of 3118336 to the subsequent reaction high of 2949061 stands at 1933411 while drawing a channel provides us with support at 251901. A break of this support with a closing below it will suggest a correction is unfolding. However, an intraday penetration of this support with a close back above would suggest that market could pause briefly.

Utilizing our Energy Models, the market is making new intraday lows in price

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	965196	1566830	2130904	2984128
2023/01/01...	933244	1576236	2066824	2964955
2023/04/01...	901293	1585641	2002745	2945782
2023/07/01...	869342	1595047	1938666	2926610
2023/10/01...	837391	1604453	1874587	2907437
2024/01/01...	805439	1613858	1810508	2888264
2024/04/01...	773488	1623264	1746428	2869092

QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, our first target for a turning point is The Fourth Quarter 2022 with the opposite trend implied thereafter into the Fourth Quarter 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. We have a Quarterly Directional Change target due in the Third Quarter 2023. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the dramatic decline of 45% from the last high established the First Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. We have a Quarterly Directional Change target due in the Third Quarter 2023. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently short since during the Third Quarter 2019 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 2948620. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Hong Kong Cash Share Index did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during June on the Monthly level at 2244931 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 1823548 made during March on the Monthly level, has now been broken in the recent decline here during October but the market is trading back above that low presently. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

Looking at timing, I see the key targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for January 2023, March 2023, May 2023 and July 2023. Considering all factors, there is a possibility of a decline moving into January 2023 with the opposite trend thereafter into March 2023. Looking ahead at January 2023, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

The significant timing model, the Directional Change Model targets are during 2022, during 2023 and during 2032. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Scrutinizing the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

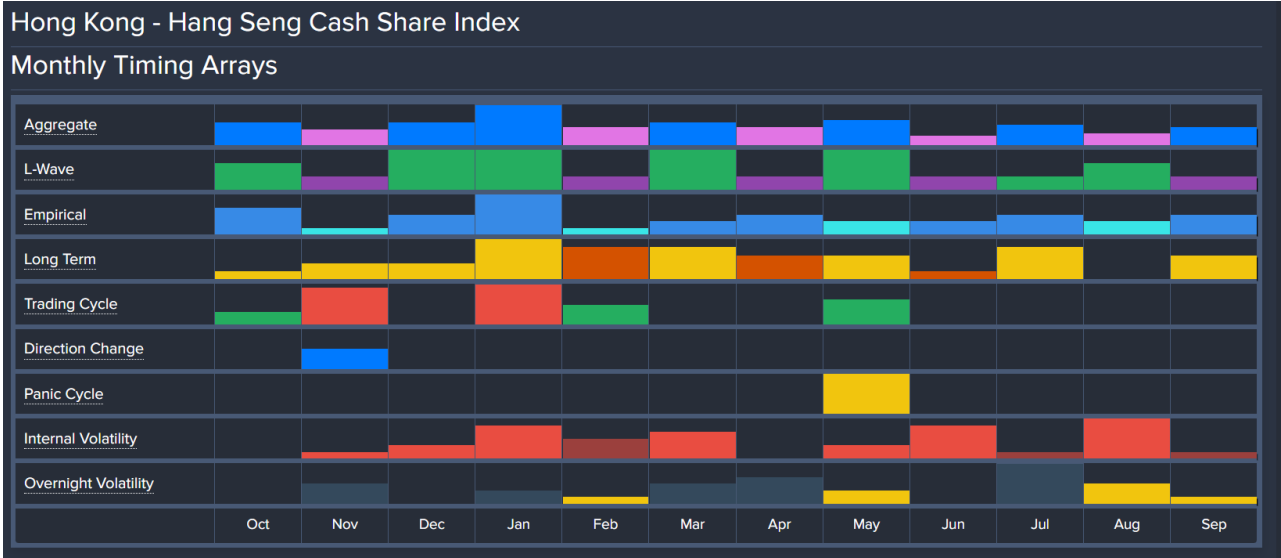
Respectfully, our Panic Cycle target, for the next period to watch is during 2026. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal is well above the immediate trading level standing at 2485550. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 2885903.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 1181470. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 1134440.



MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month’s low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 940000 warning that this decline has still not

punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

On our Monthly Hedging Model Reversal System, we are currently short since July 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 2485550. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, regarding the timing, there was a reasonable potential of a outside reversal moving into October with the opposite trend implied thereafter into November which is a Directional Change (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is January 2023 for a turning point ahead, at least on a closing basis. We have a Monthly Directional Change target due in November. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well. It does appear we have a choppy period starting October until November with each target producing the opposite direction for that 2-month period.

Keep in mind that given the dramatic decline of 34% from the last high established June, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. We have a Monthly Directional Change target due in November. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description... Trend

- Immediate Trend (Bearish)
- Short-Term Momentum (Bearish)
- Short-Term Trend (Bearish)
- Intermediate Momentum (Bearish)
- Intermediate Trend (Bearish)
- Long-Term Trend (Bearish)
- Cyclical Strength..... (Bearish)
- Broader Trend (Bearish)
- Long-Term Cyclical Trend .. (Bearish)

MONTHLY CURRENCY CORRELATION

The Hong Kong Cash Share Index did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 02/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 02/01 after the high in terms of a basket of currencies which came on 04/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

Hong Kong Cash Share Index Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ---

MONTHLY.....	2485550	69.23%	1213160	17.39%
QUARTERLY.....	2948620	100.7%	1718580	-17%
YEARLY.....	3019970	105.6%	1942620	-32.2%

The Socrates Generated Commentary for Nikkei Tokyo Index Cash

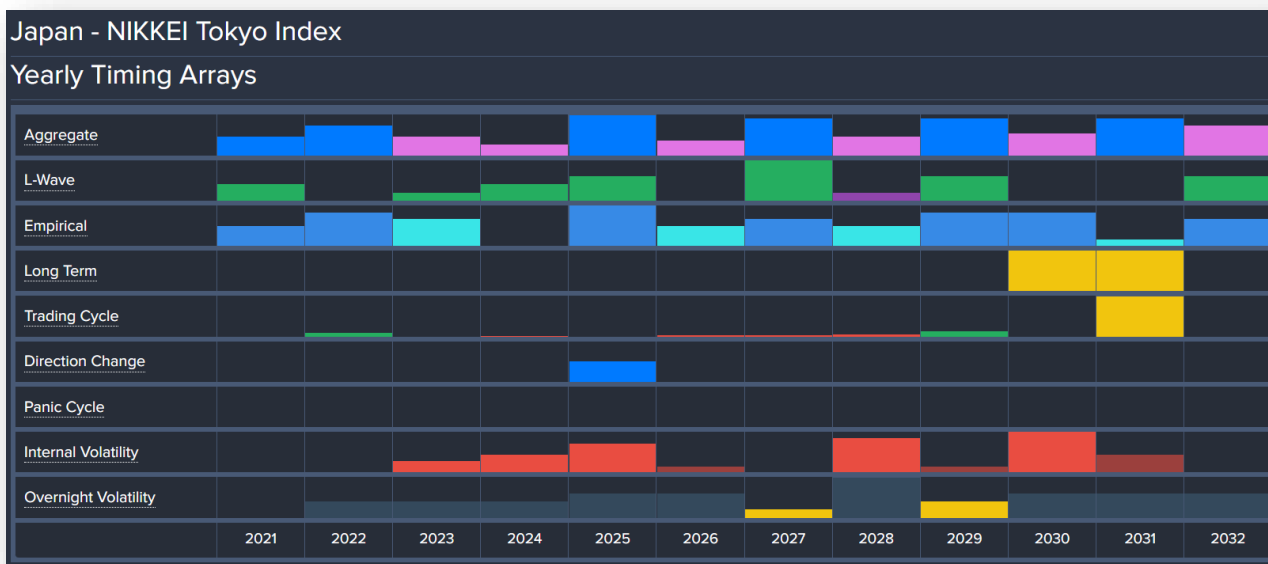


The historical perspective in the NIKKEI Tokyo Index Cash included a rally from 2011 moving into a major high for 2021, the market has pulled back for the current year. The last Yearly Reversal to be elected was a Bullish at the close of 2021. However, the market has been unable to exceed that level intraday since then. This overall rally has been 1 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a bullish trend since the major low took place back in 1965 with the high forming during 1989 amounting to a 24-year bull market. Following that high, the market has consolidated for 32 years. Nonetheless, we have elected one short-term Yearly Bearish Reversal to date from the turning point of 1989.

The Socrates Generated Commentary for Nikkei Tokyo Index Cash

The last major low took place during 2008 which was 14 years ago. However, the last near-term low took place just 2 years ago in 2020.



YEARLY ANALYSIS PERSPECTIVE

On the yearly level in NIKKEI Tokyo Index Cash, the last important high was established during 2021 at 3079578, which was up 10 years from the low made back during 2011 at 813579.

Currently, the market is trading neutral within last year's trading range of 3079578 to 2695481. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 2444807.

Examining the yearly time level, we can now see that there is a 9.70% risk on the upside, where we show a clear downside risk factor at 33%. From a risk perspective, resistance on a closing basis stands at 3026440 whereas the risk on the downside begins at 1822450.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	2748787	2814386	2873959	3561636
2023/01/01...	2810037	2860884	2985201	3611120
2024/01/01...	2871287	2907382	3096442	3660603
2025/01/01...	2932537	2953880	3207683	3710086
2026/01/01...	2993786	3000379	3318924	3759570
2027/01/01...	3055036	3046877	3430166	3809053
2028/01/01...	3116286	3093375	3541407	3858536

YEARLY TIMING ANALYSIS

Glancing at the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2025, 2027, 2029 and 2032. Considering all factors, there is a possibility of a decline moving into 2023 with the opposite trend thereafter into 2025. This pattern becomes a possibility if last year's low of 63972 is penetrated even intraday or the market closes below last year's close of 73845. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model targets are during 2023 and during 2025. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Searching the volatility models suggest we should see a rise in price movement during January 2030. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

THE BROADER LONGER-TERM VIEW

Obviously, the broader-term expectation in NIKKEI Tokyo Index Cash remains in a bearish trend since we have penetrated last year's low of 2695481. This market has declined for the past 33 years since establishing its intraday high back in 1989. There is a long-term risk of a decline extending into 2023 which remains possible in real terms adjusted for inflation. Keep in mind that we have been a very broad consolidation pattern since the major low of 2008 for the past 14 years. This market has been unable to make new historical highs during this period.

INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Yearly level in the NIKKEI Tokyo Index Cash, this market remains in a bullish position at this time with the underlying support beginning at 2338215.

Yearly Indicating Ranges

Immediate Trend bullish
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bullish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 2879171

Envelope Top... 2692347

Internal AvgL.. 1994553

Internal AvgH.. 2440932

Envelope Btm... 910549

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1990 whereas the actual market high in price unfolded back in 1989. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is

indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to rally suggesting that a strong rally is likely.

REVERSAL COMMENTARY

Looking at our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 2468174 holds. These Tentative Hypothetical Bullish Reversals would stand at 1830040, 2083322, 2095272, and 2409113, whereas a close above the previous high 3079578 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3079578

23% | 2352798

38% | 1903179

61% | 1176399

78% | 659030

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01

5% | 2026/01/01

8% | 2029/01/01

13% | 2034/01/01

21% | 2042/01/01

34% | 2055/01/01

55% | 2076/01/01

89% | 2110/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

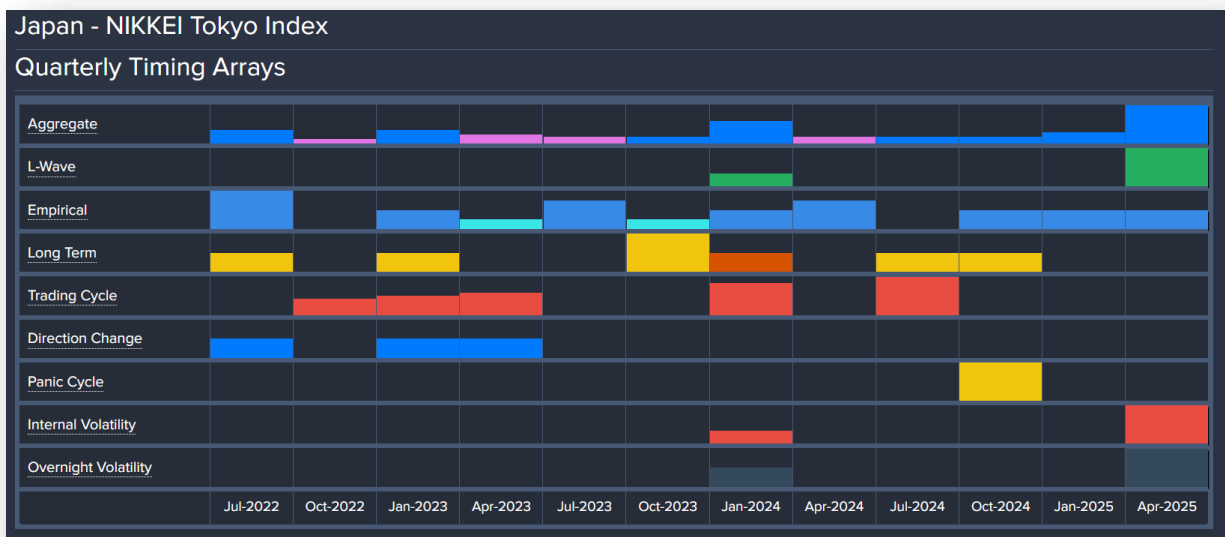
Here in NIKKEI Tokyo Index Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2011 and 1998. The Last turning point on the ECM cycle high to line up with this market was 2018 and 2015 and 2010 and 2007 and 2000 and 1996.

YEARLY CURRENCY CORRELATION

The NIKKEI Tokyo Index Cash did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

The Socrates Generated Commentary for Nikkei Tokyo Index Cash

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

outside reversal forming this the Third Quarter 2022 given it is a potential turning point and we have exceeded the previous quarter's high and broken last quarter's low. Nonetheless, the market has bounced and trading more towards the resistance level. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Second Quarter 2025 for a turning point ahead, at least on a closing basis. There are 2 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2023 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Third Quarter 2022 until the First Quarter 2023 with each target producing the opposite direction for that 3-quarter period.

Keep in mind that given the sharp decline of 16% from the last high established the Third Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 2170900. There are 2 Quarterly Directional

The Socrates Generated Commentary for Nikkei Tokyo Index Cash

Change targets starting from the First Quarter 2023 to the Second Quarter 2023 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 3313011 with the next Quarterly Major Bullish Reversal standing at 3915961. The next Quarterly Minor Bearish Reversal resides at 1510640 whereas the next Quarterly Major Bearish Reversal is to be found at 2170900.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2020. However, we have not elected any Bearish Reversals from high made on during the Third Quarter 2021. Then we did manage to elect 0 Bullish Reversals which gestured the rally after the low of during the Second Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

The perspective using the indicating ranges on the Quarterly level in the NIKKEI Tokyo Index Cash, this market remains moderately bullish currently with underlying support beginning at 2428610 and overhead resistance forming above at 2695481. The market is trading closer to the resistance level at this time.

Quarterly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum bearish
Short-Term Trend bullish
Intermediate Momentum neutral
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength bullish
Broadest Trend bullish

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being bearish and the short-term trend coming in as bullish. On the intermediate level momentum is neutral with trend showing it a bullish posture. The long-term trend is bullish while the key

Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish. Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 2593721

Envelope Top... 3099306

Internal AvgL.. 2605120

Internal AvgH.. 2981154

Envelope Btm... 2037436

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 3rdQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the First Quarter 90 whereas the actual market high in price unfolded back during the Fourth Quarter 89. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to decline

The Socrates Generated Commentary for Nikkei Tokyo Index Cash

turning negative but the market bottomed 234 quarters ago and is holding. This is warning that this low may hold at least temporarily for now.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 07/01/2021 HIGH:

Fri. 04/01/2022
Sat. 10/01/2022
Sat. 07/01/2023
Tue. 10/01/2024
Thu. 10/01/2026
Tue. 01/01/2030
Sun. 04/01/2035
Thu. 10/01/2043
Sun. 07/01/2057

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3079578

23% | 2352798
38% | 1903179
61% | 1176399
78% | 659030

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/04/01
5% | 2022/10/01
8% | 2023/07/01
13% | 2024/10/01
21% | 2026/10/01
34% | 2030/01/01
55% | 2035/04/01
89% | 2043/10/01

QUARTERLY TECHNICAL ANALYSIS

The Downtrend Line from the major high of 1989 to the subsequent reaction high of 3079578 formed 127 quarters thereafter resides at 3047446. This is currently providing quarterly technical overhead resistance and as long as this market maintains a closing below it, then it remains in a bearish consolidation phase on this level. After the historical high was established during 1989, a major low was created during the Fourth Quarter 2008 at 699490 which was 55 quarters from that major high. The Uptrend line resides at 1231905 providing the technical underlying support. The top of the Uptrend Channel stands at 1559125 which we have exceeded at this point in time.

The perspective from our Energy Models, the market is making new intraday highs in price and our Energy Models are flipping from negative to positive. The low on our Energy Models took place 2 quarters ago. Therefore, this immediate rally may prove to be short-term unless this model begins to create new highs.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	1231905	2834300	2929580
2023/01/01...	1241412	2850503	2957390
2023/04/01...	1250920	2866707	2985201
2023/07/01...	1260427	2882910	3013011
2023/10/01...	1269935	2899113	3040821
2024/01/01...	1279442	2915316	3068631
2024/04/01...	1288949	2931520	3096442

QUARTERLY ANALYSIS PERSPECTIVE

outside reversal forming this the Third Quarter 2022 given it is a potential turning point and we have exceeded the previous quarter's high and broken last quarter's low. Nonetheless, the market has bounced and trading more towards the resistance level. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Second Quarter 2025 for a turning point ahead, at least on a closing basis. There are 2 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2023 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Third Quarter 2022 until the First Quarter 2023 with each target producing the opposite direction for that 3-quarter period.

Keep in mind that given the sharp decline of 16% from the last high established the Third Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 2170900. There are 2 Quarterly Directional Change targets starting from the First Quarter 2023 to the Second Quarter 2023 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

By means of our Quarterly Hedging Model using only the Reversal System, we are currently short since during the Second Quarter 2022 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 3020890. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The NIKKEI Tokyo Index Cash did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 07/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high

in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined while in nominal terms, it has rallied. This market peaked in both nominal terms and in terms of a basket of currencies on 07/01 implying that we do have a bullish trend in sync with international capital flows.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during August on the Monthly level at 2922277 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 2468174 made during March on the Monthly level has held and only a break of 2580559 on a closing basis would warn of a technical near-term change in trend. However, we still remain above key support 2605104 on a closing basis.

MONTHLY TURNING POINTS

My key targets in time on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2023 and April 2023, July 2023. Regarding the various factors, I see a strong potential of a decline moving into November with the opposite trend thereafter into January 2023. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

The most critical model, the Directional Change Model target is during 2025. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

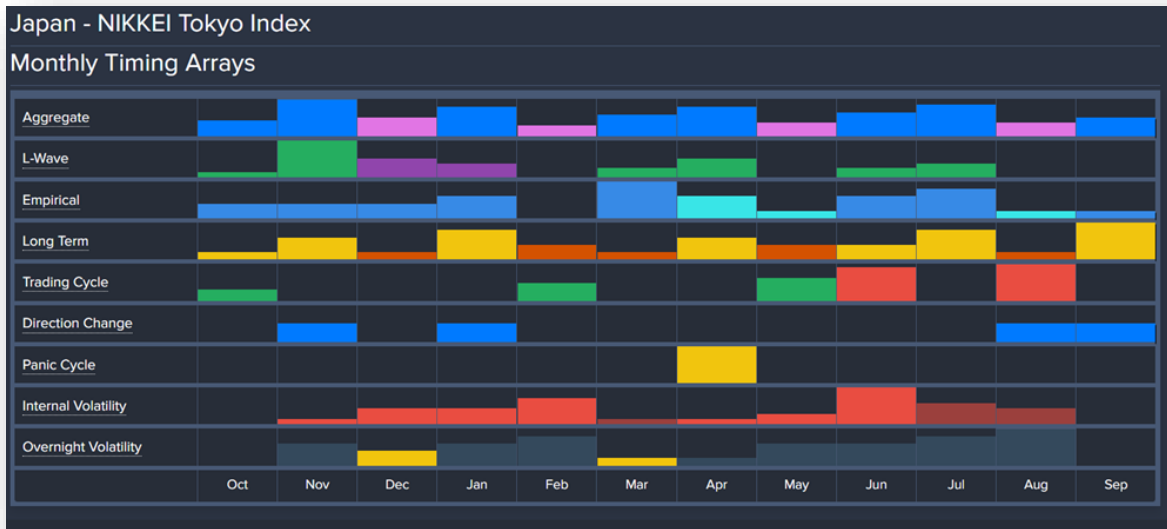
Probing into the volatility models suggest we should see a rise in price movement during January 2030. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 2838980. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 2938820.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 2309660. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 2287860.



MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 940000 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

On our Monthly Hedging Model Reversal System, we are currently long since October on that close when we reversed our hedge position in this market. This

The Socrates Generated Commentary for Nikkei Tokyo Index Cash

position should be maintained provided this market remains on a Monthly closing basis above the next Bearish Reversal on this level 2309660. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

On the Monthly Level, our first target for a turning point is November, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into December (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is November for a turning point ahead, at least on a closing basis. There are 4 Monthly Directional Change targets starting from November to September 2023 warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting October until February 2023, but we do have a key target arriving also on November with each target producing the opposite direction for that 5-month period. However, given that November is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as April 2023 until May 2023 with again each target producing the opposite direction for that 2-month period. Keep in mind that given the sharp decline of 12% from the last high established August, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 3 Bearish Reversals from the last high thus far to date. There are 4 Monthly Directional Change targets starting from November to September 2023 warning of a potential choppy swing period for these few Months. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator Description... Trend

Immediate Trend - Neutral -
 Short-Term Momentum - Neutral -
 Short-Term Trend BULLISH
 Intermediate Momentum - Neutral -
 Intermediate Trend (Bearish)
 Long-Term Trend BULLISH
 Cyclical Strength..... BULLISH
 Broader Trend BULLISH
 Long-Term Cyclical Trend .. BULLISH

MONTHLY CURRENCY CORRELATION

The NIKKEI Tokyo Index Cash did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 09/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has rallied while in nominal terms, it has declined. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 09/01 before the high in terms of a basket of currencies which came on 08/01 suggesting that that this immediate rally is purely in currency terms.

MARKET RISK FACTOR

NIKKEI Tokyo Index Cash Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ----

MONTHLY.....	2838980	2.908%	2309660	16.27%
QUARTERLY.....	3020890	9.502%	2170900	21.3%
YEARLY.....	3026440	9.703%	1822450	33.93%

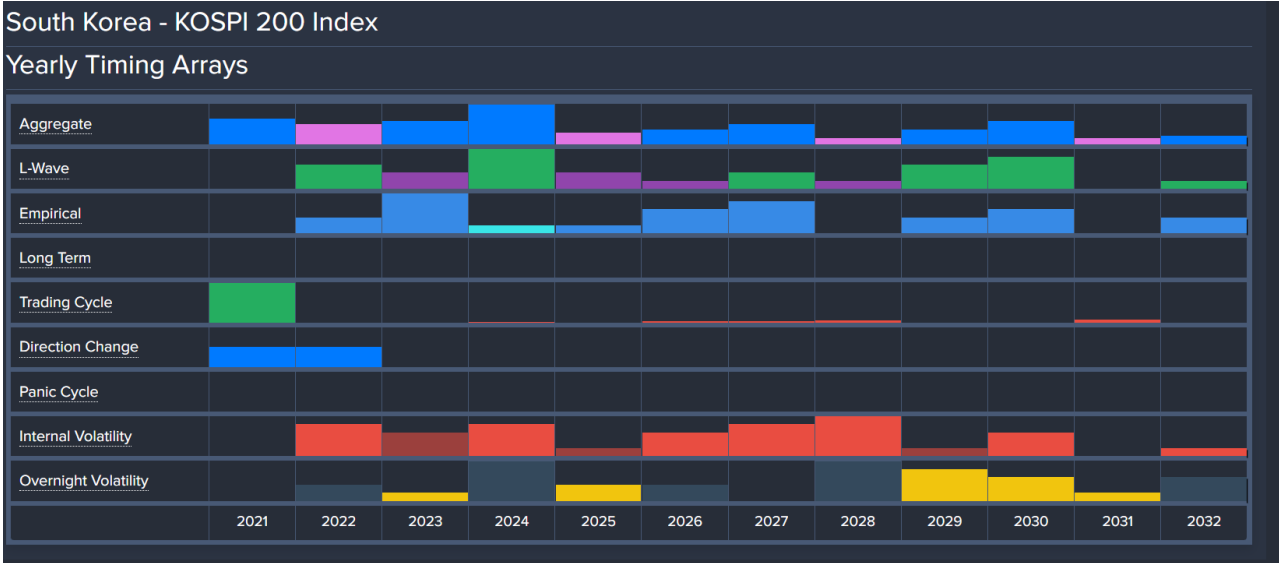
The Socrates Generated Commentary for Kospi 200 Index Cash



The historical perspective in the KOSPI 200 Index Cash included a rally from 1998 moving into a major high for 2021, the market has pulled back for the current year. The last Yearly Reversal to be elected was a Bullish at the close of 2020 which signaled the rally would continue into 2021. However, the market has been unable to exceed that level intraday since then. This overall rally has been 1 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a protracted bullish trend since the major low took place back in 1998 with the high forming during 2021. Nonetheless, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

The last major low took place during 1998 which was 24 years ago. However, the last near-term low took place just 2 years ago in 2020.



YEARLY ANALYSIS PERSPECTIVE

On the yearly level in KOSPI 200 Index Cash, the last important high was established during 2021 at 44904, which was up 23 years from the low made back during 1998 at 3196.

Right now, the market is trading below last year’s low of 37086. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high.

Examining the yearly time level, we can now see that there is a 37% risk on the upside, where we show a clear downside risk factor at 12%. From a risk perspective, resistance on a closing basis stands at 41321 whereas the risk on the downside begins at 26070.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	19175	31713	36532	38241	41746
2023/01/01...	19841	33136	37580	39031	42770
2024/01/01...	20506	34559	38628	39821	43793
2025/01/01...	21172	35982	39676	40611	44817
2026/01/01...	21838	37405	40724	41401	45841
2027/01/01...	22504	38828	41772	42191	46864
2028/01/01...	23170	40251	42820	42981	47888

YEARLY TIMING ANALYSIS

Scrutinizing the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2026. Considering all factors, there is a possibility of a decline moving into 2023 with the opposite trend thereafter into 2026. This pattern becomes a possibility if last year's low of 148518 is penetrated even intraday or the market closes below last year's close of 198786. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY VOLATILITY

Glancing at the volatility models suggest we should see a rise in price movement during January 2020. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

THE BROADER LONGER-TERM VIEW

Obviously, the broader-term outlook view recognizes that the current bearish progression in KOSPI 200 Index Cash reflects only a temporary reaction within a broader bull market trend at this time. We have elected a Yearly Bearish Reversal from the major high of 2021 suggesting that we have entered a change in long-term trend.

INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Yearly level in the KOSPI 200 Index Cash, this market remains in a bullish position at this time with the underlying support beginning at 33959.

Yearly Indicating Ranges

Immediate Trend bullish
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bullish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength neutral

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 39419

Envelope Top... 34702

Internal AvgL.. 26743

Internal AvgH.. 33635

Envelope Btm... 21724

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2011 whereas the actual market high in price unfolded back in 2021. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter.

REVERSAL COMMENTARY

Employing our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 27839 holds. These Tentative Hypothetical Bullish Reversals would stand at 13476, 26391, 27511, and 29695, whereas a close above the previous high 44904 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 44904

23% | 34307

38% | 27751

61% | 17153

78% | 9609

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01

5% | 2026/01/01

8% | 2029/01/01

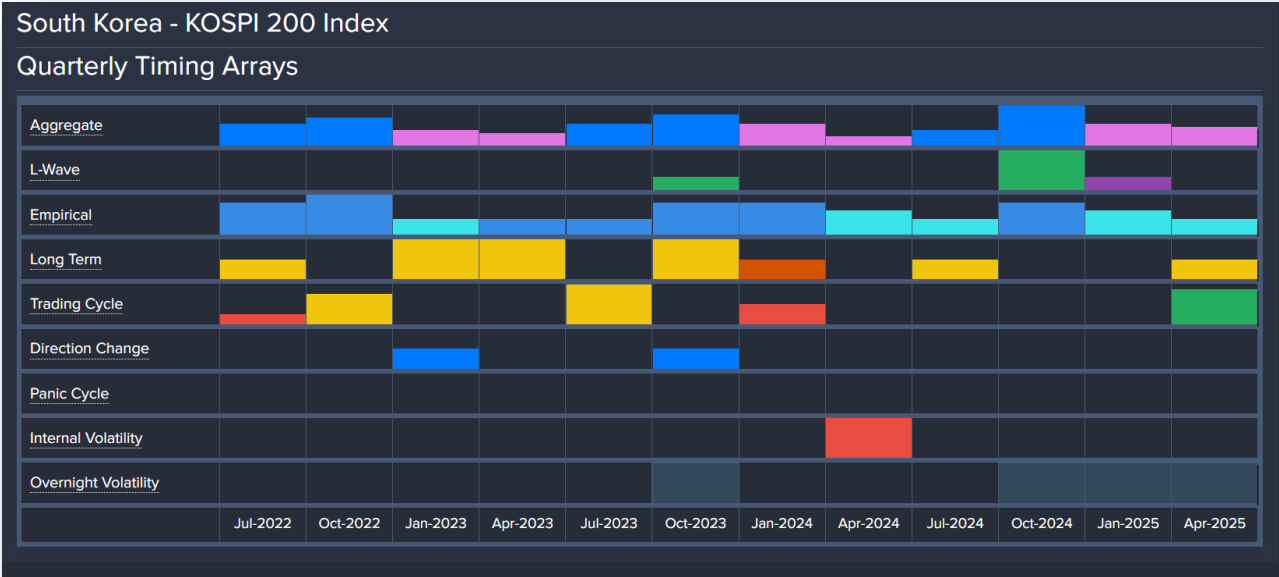
13% | 2034/01/01

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- 21% | 2042/01/01
- 34% | 2055/01/01
- 55% | 2076/01/01
- 89% | 2110/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in KOSPI 200 Index Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2001 and 1998. The Last turning point on the ECM cycle high to line up with this market was 2017 and 2007 and 2000 and 1994.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 24757 will signal that the market is still with broader trend support right now. However, a lower closing could still leave The Fourth Quarter 2022 as a temporary low and the next turning point will be the Second Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 31017. (NOTE: this can be intraday or on a closing basis).

The Socrates Generated Commentary for Kospi 200 Index Cash

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the Fourth Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the dramatic decline of 38% from the last high established the First Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 26070. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the Fourth Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 32395 with the next Quarterly Major Bullish Reversal standing at 46303. The next Quarterly Minor Bearish Reversal resides at 23410 whereas the next Quarterly Major Bearish Reversal is to be found at 26070. Caution is now required for this market is starting to suggest it will decline further on a quarterly level.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2020. However, we have not elected any Bearish Reversals from high made on during the First Quarter 2021. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Third Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

The perspective using the indicating ranges on the Quarterly level in the KOSPI 200 Index Cash, this market remains moderately bearish position at this time with the overhead resistance beginning at 28542 and support forming below at 27944. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

Immediate Trend bearish
Short-Term Momentum bearish
Short-Term Trend neutral
Intermediate Momentum neutral
Intermedia Trend bearish
Long-Term Trend bullish
Cyclical Strength bullish

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as neutral. On the intermediate level momentum is neutral with trend showing it a bearish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 28136

Envelope Top... 41505

Internal AvgL.. 33940

Internal AvgH.. 40500

Envelope Btm... 25983

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Third Quarter 2021 whereas the actual market high in price unfolded back during the First Quarter 2021. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

Turning to our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 27839. These Tentative Hypothetical Bullish Reversals would stand at 28450, 30198, 39005, and 40338, whereas a close above the previous high 33347 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Fri. 10/01/2021

Fri. 04/01/2022

Sun. 01/01/2023

Mon. 04/01/2024

Wed. 04/01/2026

Sun. 07/01/2029

Sun. 10/01/2034

Wed. 04/01/2043

Mon. 01/01/2057

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 44904

23% | 34307

38% | 27751

61% | 17153

78% | 9609

Fibonacci Percentage Golden Ratio Movements:

3% | 2021/10/01

5% | 2022/04/01

8% | 2023/01/01

13% | 2024/04/01
21% | 2026/04/01
34% | 2029/07/01
55% | 2034/10/01
89% | 2043/04/01

QUARTERLY TECHNICAL ANALYSIS

The major high that took place was established during the First Quarter 2021 at 44904. Following the major high, this market has made a new reaction low at 27839 which did not penetrate the previous reaction low of 19627 made back on 01/01/2020. Consequently, until this market begins to make lower lows, then, technically speaking, the trend has not been reversed on this time level.

Nonetheless, this new reaction low has held above the Uptrend Line connecting the two previous lows made before the high at 25455 and 19627 which rested at 3600. Currently, this pre-high Uptrend Line rests at 3600 which we are trading above as of the close today.

Using the Energy Models, the market is making new intraday lows in price while our Energy Models are still positive but declining right now.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	32450	34248	37349	39933
2023/01/01...	32819	32726	37519	40159
2023/04/01...	33188	31203	37688	40385
2023/07/01...	33557	29681	37858	40611
2023/10/01...	33926	28159	38027	40836
2024/01/01...	34295	26636	38197	41062
2024/04/01...	34664	25114	38367	41288

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 24757 will signal that the market is still with broader trend support right now. However, a lower closing could still leave The Fourth Quarter 2022 as a temporary low and the next turning point will be the Second Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 31017. (NOTE: this can be intraday or on a closing basis).

The Socrates Generated Commentary for Kospi 200 Index Cash

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the Fourth Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the dramatic decline of 38% from the last high established the First Quarter 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 26070. We have overall 2 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of the Fourth Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

On our Quarterly Hedging Model Reversal System, we are currently long since during the Second Quarter 2020 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 26070. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The KOSPI 200 Index Cash did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high

in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 before the high in terms of a basket of currencies which came on 04/01 suggesting that that this immediate rally is purely in currency terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. Investigating the direction of this trend, we had been moving down for 9 months. Subsequently, the market has consolidated for the past Monthly session. The previous high made during December 2021 on the Monthly level at 40337 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 27839 made during September on the Monthly level has held and only a break of 27839 on a closing basis would warn of a technical near-term change in trend. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

My primary targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, April 2023 and June 2023, August 2023. There is a likelihood of a decline moving into December with the opposite trend thereafter into April 2023. Looking ahead at December, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model target is during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

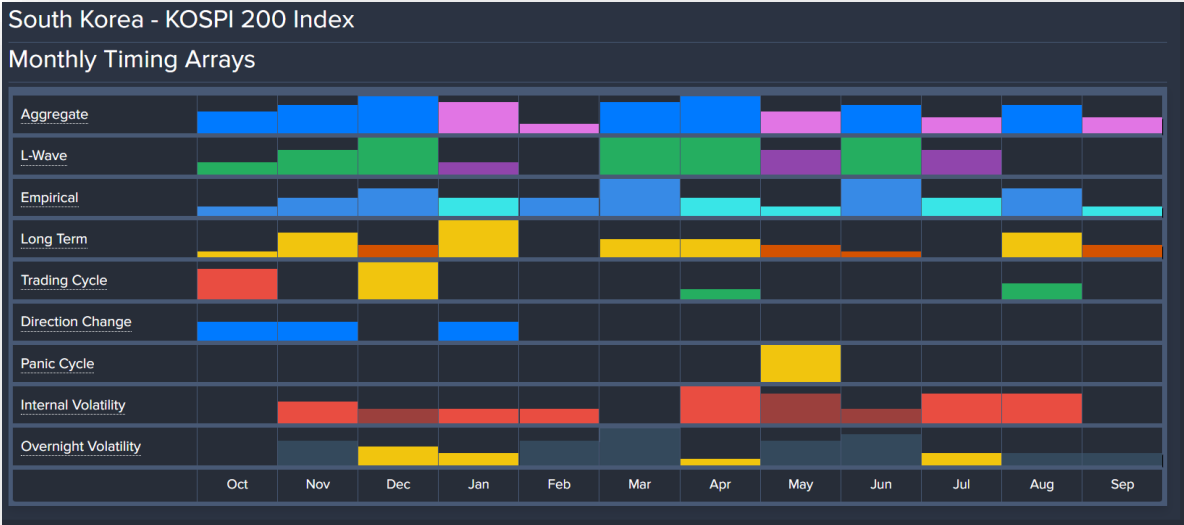
Exploring the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 32140. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 39940.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 27385. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 25740.



MONTHLY ANALYSIS PERSPECTIVE

Factually, we have broken below last month’s low and that means we have generated a new What-If Monthly Bullish Reversal which lies below the present trading level at the general area of 92889 and a month end closing above this level will be a buy signal for now.

HEDGING MODEL

By means of our Monthly Hedging Model using only the Reversal System, we are currently short since December 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 32140. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a breakout mode suggesting we may see a rally unfold.

On the Monthly Level, our first target was October, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead given that the previous session was a low which also closed weak below the former low. However, a higher open above 29888 will imply that the Directional Change may point to a rally instead of a decline. A close above 31937 will tend to warn of a rally unfolding into the next target or beyond with the market moving into the next Directional Change/Turning Point Target on the top line (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is December for a turning point ahead, at least on a closing basis. There are 3 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting April 2023 until August 2023, but while we have a target arriving also on June 2023, the key target remains April 2023 with each target producing the opposite direction for that 5-month period.

Keep in mind that given the dramatic decline of 3% from the last high established December 2021, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 4 Bearish Reversals from the last high thus far to date. There are 3 Monthly Directional Change targets starting from October to November warning

The Socrates Generated Commentary for Kospi 200 Index Cash

of a potential choppy swing period for these few Months. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Monthly Level

Indicator	Description...	Trend
Immediate Trend	- Neutral -	
Short-Term Momentum	(Bearish)	
Short-Term Trend	(Bearish)	
Intermediate Momentum	(Bearish)	
Intermediate Trend	(Bearish)	
Long-Term Trend	(Bearish)	
Cyclical Strength.....	- Neutral -	
Broader Trend	BULLISH	
Long-Term Cyclical Trend ..	BULLISH	

MONTHLY CURRENCY CORRELATION

The KOSPI 200 Index Cash did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has rallied while in nominal terms, it has been neutral. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 before the high in terms of a basket of currencies which came on 06/01 suggesting that that this immediate rally is purely in currency terms.

MARKET RISK FACTOR

KOSPI 200 Index Cash Risk Table

	----- UPSIDE RISK -----		----- DOWNSIDE RISK -----	
MONTHLY.....	32140	7.283%	27385	8.588%
QUARTERLY.....	30260	1.008%	26070	12.97%
YEARLY.....	41321	37.92%	26070	12.97%

The Socrates Generated Commentary for Singapore Cash Share Index



This market made a bull run from the low of 117085 made in 2003 for 4 years into a high established in 2007 at 383119. Since that high, this market has declined for 14 years prior to this year. Presently, this market has rallied exceeding last year's high of 327354 reaching 346623 while holding last year's low of 283204. However, we are still trading above last year's settlement. To date, this have been a 2-year reaction from the last low of 2020. We need to make new highs beyond 2023 to imply a sustainable uptrend ahead. Nonetheless, the market has bounced and trading more towards the resistance level. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2023 for a turning point ahead, at least on a closing basis. We have a Yearly Directional Change target due in 2021. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. It does appear we have a choppy period

The Socrates Generated Commentary for Singapore Cash Share Index

starting 2023 until 2024 with each target producing the opposite direction for that 2-year period.

Keep in mind that given the significant decline of 22% from the last high established during 2018, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 1 Bearish Reversal from the last high thus far to date. We have a Yearly Directional Change target due in 2021. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The historical perspective in the Singapore Cash Share Index included a rally from 2009 moving into a major high for 2018, from which the market has been in a bearish trend since then moving into the low in 2020 forming a reactionary trend of 2 years bottoming at 220842. Nonetheless, we have elected one short-term Yearly Bearish Reversal to date from the turning point of 2007, which tends to warn that the 2018 high will stand. Notwithstanding, we have a reactionary rally in play since the 2020 low, which tends to imply the market would at least hold temporarily only above that low. Presently, we have elected 2 Bullish Reversals suggesting that this reaction low will hold at least provisionally for now.

Curiously, the market has been only consolidating since that 2020 low and has been unable to exceed the high of that year while holding the low. The last Yearly Reversal to be elected was a Bullish at the close of 2021.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 2003, there have been 2 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2009 with the high forming during 2007. This decline has thus been 2 years. We have exceeded the previous high of 2021, which was 327354 implying we may have at least a temporary low in place for now and we have not exceeded the previous major high of 383119. Nonetheless, we have elected one short-term Yearly Bearish Reversal to date from the turning point of 2007.

The last major low took place during 2020 which was 2 years ago.

The Socrates Generated Commentary for Singapore Cash Share Index

YEARLY ANALYSIS PERSPECTIVE

Factually, in Singapore Cash Share Index, the last important low formed back in 2009, there was a rally into the important high established during 2018 which has exceeded the pure reactionary phase with a bull market run do far for nine years. Since the major high in this market, we have seen a post high consolidation period for the past three years. We have elected one Yearly Bearish Reversal from that high of 2018 warning that the uptrend has shifted at least into a confirmed consolidation phase. During the post high correction period, we did make a correction low during 2020 and we have elected two Bullish Reversals from that low implying the market is showing some strength.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 346623 intraday. Since the post-high correction low made during 2020, the market has rallied for one year which means we are still in a reactionary phase back up. To date, we have a 2-year reaction low in place as of 2009, so we have consolidated for the past 12 years since that event. This implies that we have exceeded a plain reaction period with the high forming at 364165 during 2018. The market has generated a moderate sell signal from this reaction high signaling caution ahead. We have rallied above last year's high of 220842 and are currently trading above last year's close at 314113. However, the highest closing was during 2017 at 340292 whereas the intraday high formed in 2018.

Currently, the market is trading neutral within last year's trading range of 327354 to 283204. From that major high, we have elected one Yearly Bearish Reversal at 295300. However, we have seen a correction from that high for 2 years forming the low during 2020.

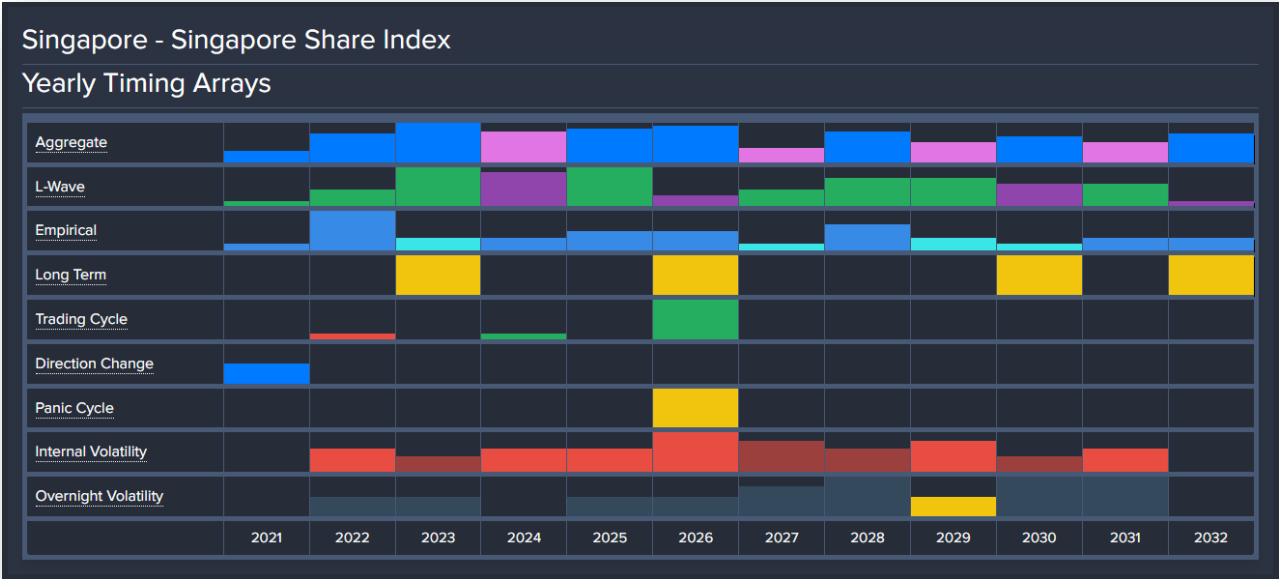
Examining the yearly time level, we can now see that there is a 1.74% risk on the upside, where we show a clear downside risk factor at 19%. From a risk perspective, resistance on a closing basis stands at 319580 whereas the risk on the downside begins at 252180.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	207214	249843	315084	330368	357273
2023/01/01...	211958	249343	302814	326851	355550
2024/01/01...	216702	248842	290543	323335	353827
2025/01/01...	221445	248342	278273	319818	352104

The Socrates Generated Commentary for Singapore Cash Share Index

2026/01/01...	226189	247842	266003	316301	350381
2027/01/01...	230933	247342	253732	312784	348658
2028/01/01...	235676	246841	241462	309268	346935



YEARLY TIMING ANALYSIS

Searching the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2026, 2028, 2030 and 2032. Considering all factors, there is a possibility of a decline moving into 2023 with the opposite trend thereafter into 2026. This pattern becomes a possibility if last year’s low of 283204 is penetrated even intraday or the market closes below last year’s close of 312368. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY VOLATILITY

Dissecting the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle target, for the next period to watch is during 2026. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging outlook in Singapore Cash Share Index remains somewhat neutral at this present moment trading within last year's range of 327354 and 283204. Presently, we have made a reaction low in 2009 which was a 2-year decline. Since that reaction low of 2009, this market has bounced for 13 years. We have entered a consolidation phase on the yearly level by closing below 202060 on an annual basis. Support on a closing basis now lies at 117070. However, overhead key resistance on a closing for a bull market stands at 319580.

INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the Singapore Cash Share Index, this market remains moderately bullish currently with underlying support beginning at 299068 and overhead resistance forming above at 346479. The market is trading closer to the support level at this time.

Yearly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum neutral
Short-Term Trend neutral
Intermediate Momentum bearish
Intermedia Trend bullish
Long-Term Trend neutral
Cyclical Strength neutral

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 312368

Envelope Top... 377129

Internal AvgL.. 277184

Internal AvgH.. 337346

Envelope Btm... 236089

STOCHASTICS

The Stochastics are all in a bullish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2016 whereas the actual market high in price unfolded back in 2007. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

REVERSAL COMMENTARY

On our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 346623. These Tentative Hypothetical Bearish Reversals would rest at 183869, 274037, 289166, and 299342, whereas a close below the previous low 283204

The Socrates Generated Commentary for Singapore Cash Share Index

would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

YEARLY FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2018 HIGH:

Fri. 01/01/2021
Sun. 01/01/2023
Thu. 01/01/2026
Wed. 01/01/2031
Sat. 01/01/2039
Mon. 01/01/2052
Sun. 01/01/2073
Sun. 01/01/2107
Sat. 01/01/2162

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 364165

23% | 278222
38% | 225054
61% | 139111
78% | 77931

Fibonacci Percentage Golden Ratio Movements:

3% | 2021/01/01
5% | 2023/01/01
8% | 2026/01/01
13% | 2031/01/01
21% | 2039/01/01
34% | 2052/01/01
55% | 2073/01/01
89% | 2107/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Singapore Cash Share Index, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009. The Last turning point on the ECM cycle high to line up with this market was 2018 and 2015 and 2007 and 2000.

QUARTERLY ANALYSIS PERSPECTIVE

We closed the previous quarter at 313024. Immediately, the market is somewhat bullish on our indicating range models. The next Quarterly Minor Bullish Reversal stands at 323530 with the next Quarterly Major Bullish Reversal standing at 344600. The next Quarterly Minor Bearish Reversal resides at 199240 whereas the next Quarterly Major Bearish Reversal is to be found at 283203. Caution is now required for this market is starting to suggest it will decline further on a quarterly level.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2020. However, we did elect 1 Bearish Reversal from the high formed on during the First Quarter 2022 which provided the decline into during the Second Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Second Quarter 2022, yet we have seen at last a knee-jerk reaction to the upside thus far this past

quarter. We not need to close above this quarter's high to infer a retest of resistance.

QUARTERLY INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Quarterly level in the Singapore Cash Share Index, this market remains moderately bullish currently with underlying support beginning at 310273 and overhead resistance forming above at 320799. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

Immediate Trend neutral
Short-Term Momentum neutral
Short-Term Trend bullish
Intermediate Momentum bearish
Intermedia Trend neutral
Long-Term Trend bullish
Cyclical Strength neutral

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being neutral and the short-term trend coming in as bullish. On the intermediate level momentum is bearish with trend showing it a neutral posture. The long-term trend is bullish while the key Cyclical Strength is registering neutral.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

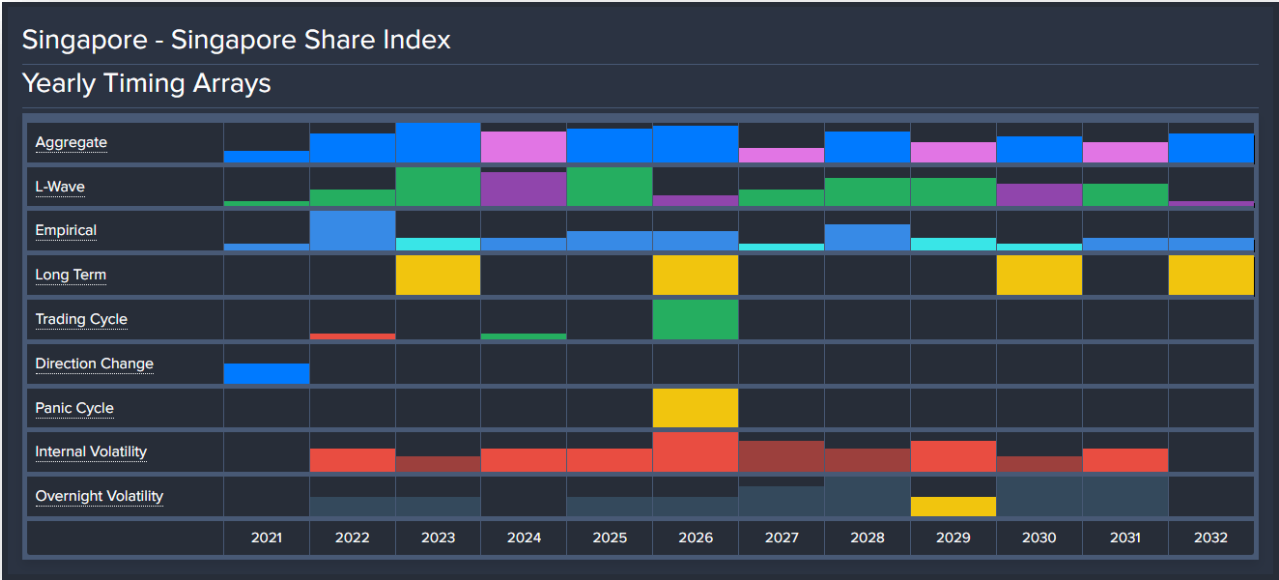
QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 313024

The Socrates Generated Commentary for Singapore Cash Share Index

Envelope Top... 337347
 Internal AvgL.. 307345
 Internal AvgH.. 330606
 Envelope Btm... 260677



QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bullish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Fourth Quarter 2007 whereas the actual market high in price unfolded back during the Fourth Quarter 2007.

Looking at our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 308825. These Tentative Hypothetical Bullish Reversals would stand at -295900, -283940, 323730, and 364170, whereas a close above the previous high 330729 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2022 HIGH:

Sat. 10/01/2022
Sat. 04/01/2023
Mon. 01/01/2024
Tue. 04/01/2025
Thu. 04/01/2027
Mon. 07/01/2030
Mon. 10/01/2035
Fri. 04/01/2044
Tue. 01/01/2058

The Socrates Generated Commentary for Singapore Cash Share Index

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 346623

23% | 264820
38% | 214213
61% | 132410
78% | 74177

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/10/01
5% | 2023/04/01
8% | 2024/01/01
13% | 2025/04/01
21% | 2027/04/01
34% | 2030/07/01
55% | 2035/10/01
89% | 2044/04/01

QUARTERLY TECHNICAL ANALYSIS

After the historical high was established during 2007, a major low was created during the First Quarter 2009 at 145547 which was 54 quarters from that major high. The Uptrend line resides at 239665 providing the technical underlying support. The top of the Uptrend Channel stands at 382986 which provides the general overall trading channel and only exceeding that on a closing basis will signal a real breakout to the upside while a break of the bottom defined by the Uptrend Line will signal a move to the downside thereafter.

The Socrates Generated Commentary for Singapore Cash Share Index

Meanwhile, the Downtrend Line from that major high of 2007 to the subsequent reaction high of 364165 formed 42 quarters thereafter resides at 283192. This had provided the original technical resistance which has been exceeded and can potentially become support going forward. The post high low was established at 145547. We have not elected any Bullish Reversals from that important post high low on the quarterly level.

The more recent Downtrend Line constructed from the last high of 346623 to the subsequent reaction high of 344590 stands at 340524 while drawing a channel provides us with support at 198479. A break of this support with a closing below it will suggest a correction is unfolding. However, an intraday penetration of this support with a close back above would suggest that market could pause briefly.

Using the Energy Models, the market is making new intraday highs in price and our Energy Models are flipping from negative to positive. The low on our Energy Models took place 4 quarters ago. Therefore, this immediate rally may prove to be short-term unless this model begins to create new highs.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	210772	249468	356042	358345
2023/01/01...	211958	249343	355591	362252
2023/04/01...	213144	249218	355140	366160
2023/07/01...	214330	249093	354688	370067
2023/10/01...	215516	248968	354237	373975
2024/01/01...	216702	248842	353786	377882
2024/04/01...	217887	248717	353335	381790

QUARTERLY HEDGING MODELS

HEDGING MODEL

On our Quarterly Hedging Model Reversal System, we are currently short since during the Second Quarter 2022 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level

323730. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

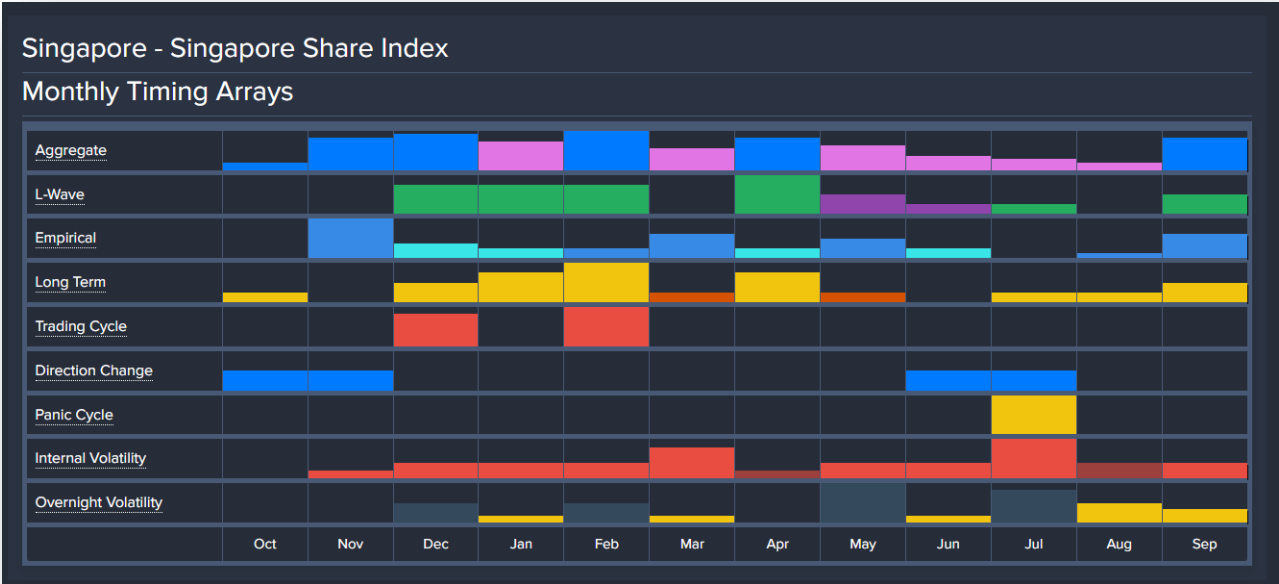
The Singapore Cash Share Index did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during August on the Monthly level at 330729 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 220842 made during March 2020 on the Monthly level. We have generated a sell signal, so some caution is required.



MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, February 2023 and April 2023, June 2023. Centering on the patterns unfolding, I do see a prospect of a decline moving into December with the opposite trend thereafter into February 2023. Looking ahead at December, a continued advance becomes possible if this month’s high is penetrated intraday.

MONTHLY VOLATILITY

Dissecting the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

Focusing on the potential for sharp movement, our Panic Cycle target, for the next period to watch is during 2026. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 346630. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 322806.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 304500. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 244700.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since August on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 322806. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Socrates Generated Commentary for Singapore Cash Share Index

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, our first target was October, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead given that the previous session was a low which also closed weak below the former low. However, a higher open above 319792 will imply that the Directional Change may point to a rally instead of a decline. A close above 329759 will tend to warn of a rally unfolding into the next target or beyond with the market moving into the next Directional Change/Turning Point Target on the top line (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is February 2023 for a turning point ahead, at least on a closing basis. There are 4 Monthly Directional Change targets starting from October to July 2023 suggesting a choppy coiling period for 3 Months. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of July 2023. This highlights the importance of this target as an event on the horizon. It does appear we have a choppy period starting December until April 2023, but we do have a key target arriving also on February 2023 with each target producing the opposite direction for that 5-month period. However, given that February 2023 is a very strong target, this can produce an important event.

Keep in mind that given the sharp decline of 10% from the last high established August, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 2 Bearish Reversals from the last high thus far to date. There are 4 Monthly Directional Change targets starting from October to July 2023 suggesting a choppy coiling period for 3 Months. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of July 2023. This highlights the importance of this target as an event on the horizon. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The Socrates Generated Commentary for Singapore Cash Share Index

Monthly Level

Indicator	Description...	Trend
Immediate Trend	(Bearish)
Short-Term Momentum	- Neutral -
Short-Term Trend	(Bearish)
Intermediate Momentum	(Bearish)
Intermediate Trend	- Neutral -
Long-Term Trend	BULLISH
Cyclical Strength	BULLISH
Broader Trend	(Bearish)
Long-Term Cyclical Trend	..	- Neutral -

MONTHLY CURRENCY CORRELATION

The Singapore Cash Share Index did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 02/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 08/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has rallied. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 02/01 after the high in terms of a basket of currencies which came on 08/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

Singapore Cash Share Index Risk Table

----- UPSIDE RISK ----- DOWNSIDE RISK ----

MONTHLY.....	322806		2.767%		308930		1.65%	
QUARTERLY.....	323730		3.061%		283203		9.84%	
YEARLY.....	319580		1.74%		252180		19.71%	

The Socrates Generated Commentary for Taiwan Stock Index Cash



This market made a bull run from the low of 12591 made in 1972 for 49 years into a high established in 2021 at 1829125. At this point in time, we have made a high last year at 1829125. However, the major high since that low took place in 2021 at 1472025. temporary high since the market is trading below the previous Year's closing after making a new 14 year high. A closing below our Momentum Projection standing at 2063160 is suggesting that the upward momentum is encountering resistance and a pullback is possible into the next turning point due in 2023 especially if we close below 1212590 leaving 2022 as perhaps the highest closing and this year as a key intraday cyclical high. Yet, this market is in the throes of serious correction and if it closes below 1649343, then this will be confirmed. This turning point also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The Socrates Generated Commentary for Taiwan Stock Index Cash

The strongest target in the Yearly array is 2024 for a turning point ahead, at least on a closing basis. There are 2 Yearly Directional Change targets starting from 2024 to 2025 warning of a potential choppy swing period for these few Years. It does appear we have a choppy period starting 2021 until 2025, but we do have a key target arriving also 2024 with each target producing the opposite direction for that 5-year period. However, given that 2024 is a very strong target, this can produce an important event. This is particularly true since the next interval is also a Directional Change. Thereafter, we see the next target coming into play as 2030 until 2031 with again each target producing the opposite direction for that 2-year period.

The Taiwan Stock Index Cash has continued to make new historical highs over the course of the rally from 2008 moving into 2022. Clearly, we have elected four Bullish Reversals to date. Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play. This is especially true since we are facing an outside reversal to the downside by penetrating the previous year's low as well.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1974, there have been 3 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2008 with the high forming during 2021. This decline has thus been-13 year. We have exceeded the last year's high of 1829125 and are currently trading below it closing currently at 1294975 imply an outside reversal to the downside on a yearly level. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

The last major low took place during 2001 which was 21 years ago. There is a very good probability that the a major high is in place as of this year at 1861961 and thus far the market has also penetrated last year's low. If we this year closes below 1472025 then we should be entering a bear market.

YEARLY ANALYSIS PERSPECTIVE

Factually, in Taiwan Stock Index Cash, the last important low formed back in 2008, there was a rally into the important high established during 2021 which was a

The Socrates Generated Commentary for Taiwan Stock Index Cash

broad bull market run for thirteen years warning from a long-term perspective cyclically, there is a risk of a temporary pause in the uptrend become possible.

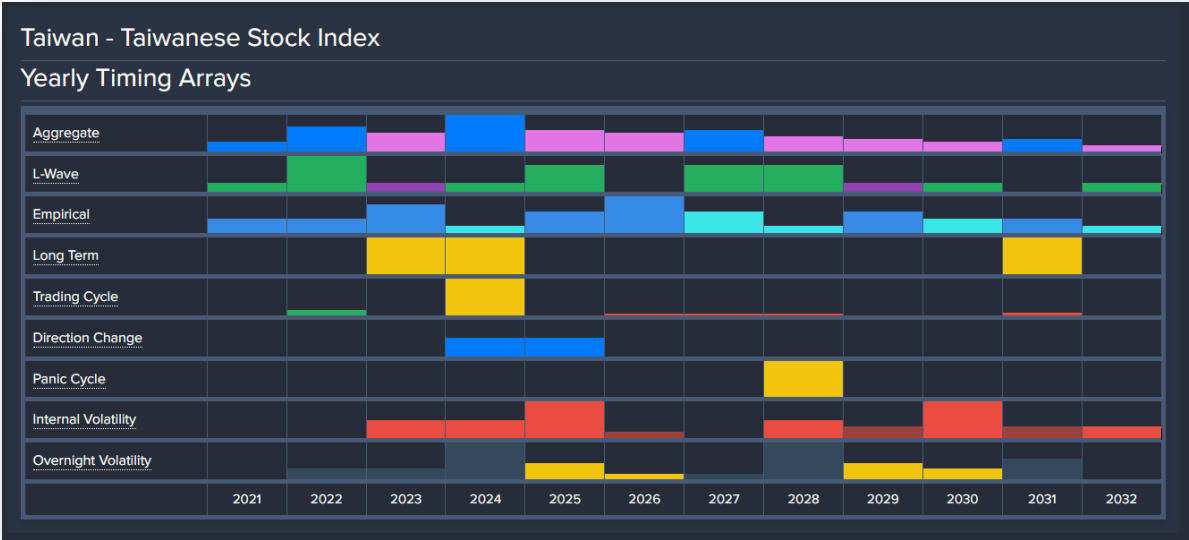
Recently on the yearly level, the market has rallied exceeding last year's high reaching 1861961 intraday. The market has fallen back from the high rather sharply by 30%. From a trading perspective, this market has made an outside reversal to the downside warning this a negative technical pattern.

Right now, the market is trading below last year's low of 1472025. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 1127018.

Examining the yearly time level, we can now see that there is a 69% risk on the upside, where we show a clear downside risk factor at 28%. From a risk perspective, resistance on a closing basis stands at 2188706 whereas the risk on the downside begins at 923580.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	928499	1467289	1711125	1847218
2023/01/01...	966568	1514695	1805095	1865311
2024/01/01...	1004636	1562102	1899065	1883404
2025/01/01...	1042704	1609509	1993035	1901497
2026/01/01...	1080773	1656915	2087006	1919590
2027/01/01...	1118841	1704322	2180976	1937683
2028/01/01...	1156909	1751729	2274946	1955776



YEARLY TIMING ANALYSIS

Diving into the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2024, 2027, 2029 and 2031. There is a likelihood of a decline moving into 2022 with the opposite trend thereafter into 2024. This is a realistic potential since we have already penetrated last year’s low of 1472025.

YEARLY DIRECTIONAL CHANGES

The most critical model, the Directional Change Model targets are during 2024 and during 2025. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

YEARLY VOLATILITY

Probing into the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

However, our Panic Cycle target, for the next period to watch is during 2028. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

THE BROADER LONGER-TERM VIEW

Obviously, the broader-term outlook view recognizes that the current directional movement since the low made back in March 2020 has been a long-term Bullish trend in Taiwan Stock Index Cash. This trend remains in motion as long as we hold above 1214476 on a monthly closing basis. It is incredibly important to identify the broader trend for that is the underlying tone. It is wise to take position counter-trend only with this understanding of what you are doing. We need to see a monthly closing back above 1469544 to confirm the uptrend will recommence.

YEARLY OUTSIDE COMMENT

The Taiwan Stock Index Cash opened within last year's trading range which was 1829125 to 1472025. Right now, the market is still trading while we are trading below last year's low with the last print at 1294975. The last time such a similar pattern took place was 2015. Nonetheless, the market is trading below the opening print for the year which was at 1826023. As long as this market remains trading below 1562454 on a closing basis, then a similar year-end closing in this posture will warn that we could have a knee-jerk low in place this year.

INDICATING RANGE STUDY

The Socrates Generated Commentary for Taiwan Stock Index Cash

Looking at the indicating ranges on the Yearly level in the Taiwan Stock Index Cash, this market remains in a bullish position at this time with the underlying support beginning at 1088265.

Yearly Indicating Ranges

Immediate Trend bullish
Short-Term Momentum bullish
Short-Term Trend bullish
Intermediate Momentum bullish
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 1821884

Envelope Top... 1349854

Internal AvgL.. 1023996

Internal AvgH.. 1238714

Envelope Btm... 691934

STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1998 whereas the actual market high in price unfolded back in 2021. When Energy peaks BEFORE the price high, this is indicative of a major important high is

The Socrates Generated Commentary for Taiwan Stock Index Cash

forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model continues to rally suggesting that a strong rally is likely.

REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 1861961. These Tentative Hypothetical Bearish Reversals would rest at 455591, 720305, 730608, and 931928, whereas a close below the previous low 1472025 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

YEARLY FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

The Socrates Generated Commentary for Taiwan Stock Index Cash

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 1829125

23% | 1397452
38% | 1130399
61% | 698726
78% | 391433

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01
5% | 2026/01/01
8% | 2029/01/01
13% | 2034/01/01
21% | 2042/01/01
34% | 2055/01/01
55% | 2076/01/01
89% | 2110/01/01

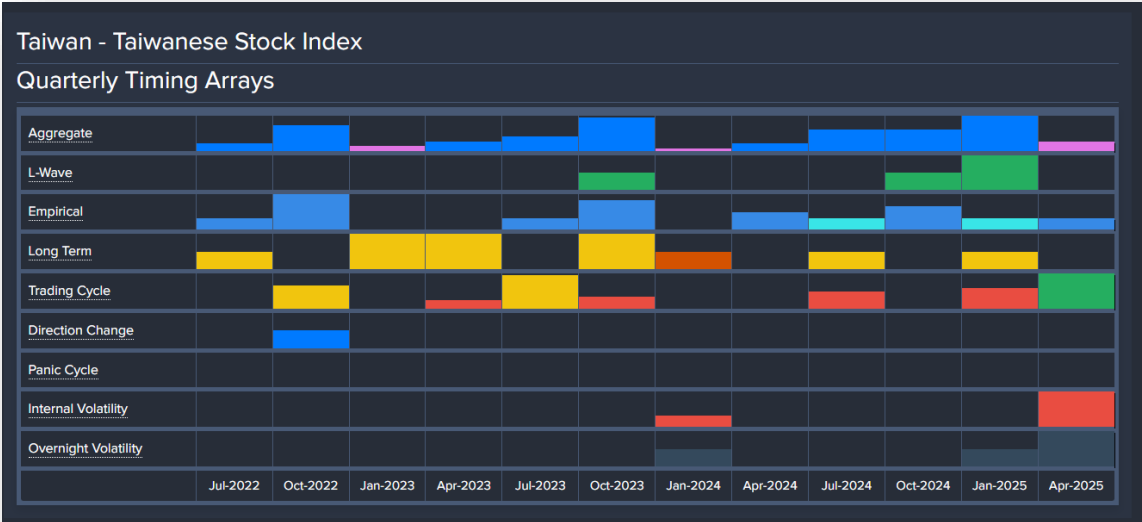
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Taiwan Stock Index Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2001. The Last turning point on the ECM cycle high to line up with this market was 2018 and 2007 and 2000.

YEARLY CURRENCY CORRELATION

The Taiwan Stock Index Cash did make a high in conjunction with the British pound on 0 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 0, a high in the Canadian dollar was established on 0, a high in the Japanese yen was established on 0, a high in the Swiss franc was established on 0, a high in the Euro was established on 0, and a high in the Chinese yuan was 0.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 0 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

The next Quarterly Minor Bearish Reversal resides at 807030 whereas the next Quarterly Major Bearish Reversal is to be found at 1248050.

Meanwhile, our technical resistance stands at 2094469 and it will require a closing above this level to signal a breakout of the upside is unfolding. Nevertheless, our technical support lies at 1704896 which the market is now trading beneath illustrating technical weakness.

QUARTERLY INDICATING RANGE STUDY

Looking at the indicating ranges on the Quarterly level in the Taiwan Stock Index Cash, this market remains moderately bullish currently with underlying support beginning at 1303170 and overhead resistance forming above at 1624808. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

Immediate Trend bearish
Short-Term Momentum bearish
Short-Term Trend bullish
Intermediate Momentum neutral
Intermedia Trend bullish
Long-Term Trend bullish
Cyclical Strength bullish
Broadest Trend bullish

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bullish. On the intermediate level momentum is neutral with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 1342458

Envelope Top... 1765617

Internal AvgL.. 1545510

Internal AvgH.. 1748159

Envelope Btm... 1105305

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Third Quarter 91 whereas the actual market high in price unfolded back during the First Quarter 2022. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2022 HIGH:

Sat. 10/01/2022
Sat. 04/01/2023
Mon. 01/01/2024
Tue. 04/01/2025
Thu. 04/01/2027
Mon. 07/01/2030
Mon. 10/01/2035
Fri. 04/01/2044
Tue. 01/01/2058

Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 1861961

23% | 1422538
38% | 1150692
61% | 711269
78% | 398460

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/10/01
5% | 2023/04/01
8% | 2024/01/01
13% | 2025/04/01
21% | 2027/04/01
34% | 2030/07/01
55% | 2035/10/01
89% | 2044/04/01

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	1069123	1164474	1343953	1355631	1728170
2023/01/01...	1081151	1165849	1355370	1364193	1745322
2023/04/01...	1093180	1167224	1366788	1372754	1762473
2023/07/01...	1105208	1168599	1378206	1381316	1779624
2023/10/01...	1117236	1169974	1389623	1389878	1796775
2024/01/01...	1129264	1171349	1401041	1398440	1813926
2024/04/01...	1141293	1172724	1412458	1407001	1831078

QUARTERLY HEDGING MODELS

HEDGING MODEL

On our Quarterly Hedging Model Reversal System, we are currently long since during the Second Quarter 2020 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 1248050. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

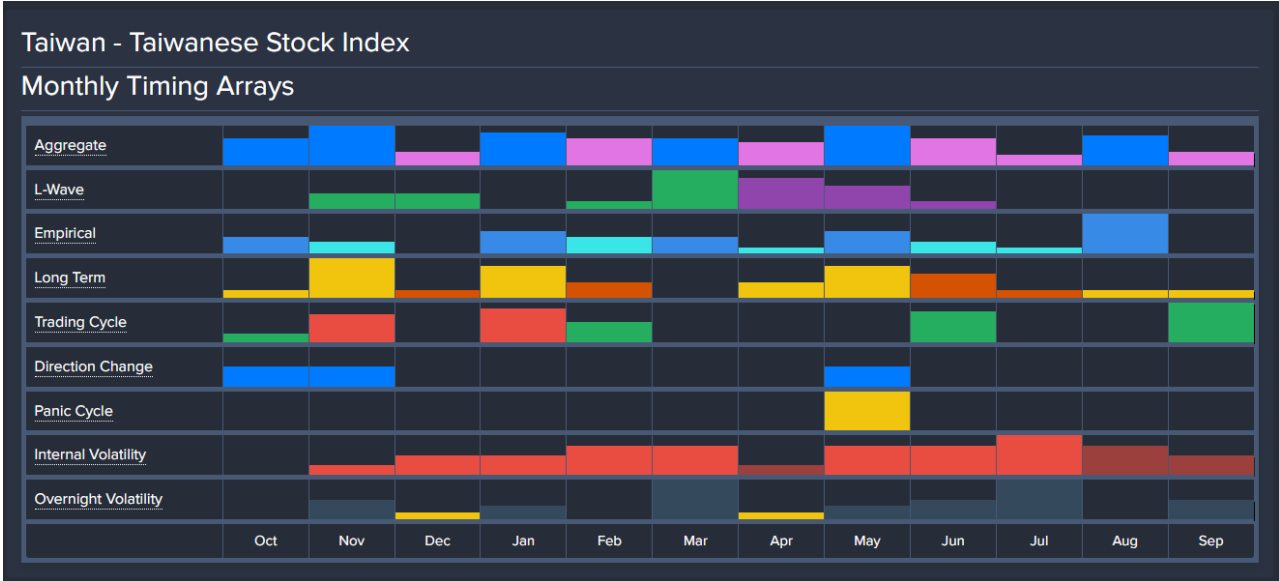
The Taiwan Stock Index Cash did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has rallied. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during August on the Monthly level at 1547589 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 1392866 made during July on the Monthly level, has now been broken in the recent decline here during October but the market is trading back above that low presently. We have generated a sell signal, so some caution is required.



MONTHLY TURNING POINTS

My primary targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2023, March 2023 and May 2023, August 2023. There is a likelihood of a decline moving into November with the opposite trend thereafter into January 2023. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

The most critical model, the Directional Change Model targets are during 2024 and during 2025. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

MONTHLY VOLATILITY

Probing into the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

However, our Panic Cycle target, for the next period to watch is during 2028. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal is well above the immediate trading level standing at 1657920. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 1798620.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 1214970. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 1214460.

HEDGING MODEL

From the Monthly Hedging Model employing only the Reversal System, we are currently short since August on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 1657920. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Socrates Generated Commentary for Taiwan Stock Index Cash

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Monthly Level, our first target for a turning point is November, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session with the opposite trend implied thereafter into December. However, a break of this current month's trading range of would warn of a possible cycle inversion given we have a target this month. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is May 2023 for a turning point ahead, at least on a closing basis. There are 3 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of May 2023. This intensifies the importance of this target as an event on the horizon. It does appear we have a choppy period starting October until January 2023, but we do have a key target arriving also on November with each target producing the opposite direction for that 4-month period. Thereafter, we see the next target coming into play as March 2023 until May 2023 with again each target producing the opposite direction for that 3-month period. Additionally, we have a choppy period beginning July 2023 until August 2023 with each target producing the opposite direction for that 2-month period. The key target during this period will be August 2023.

Keep in mind that given the sharp decline of 18% from the last high established August, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 3 Bearish Reversals from the last high thus far to date. There are 3 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of May 2023. This intensifies the importance of this target as an event on the horizon. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The Socrates Generated Commentary for Taiwan Stock Index Cash

Monthly Level

Indicator	Description...	Trend
Immediate Trend		(Bearish)
Short-Term Momentum		(Bearish)
Short-Term Trend		(Bearish)
Intermediate Momentum		(Bearish)
Intermediate Trend		(Bearish)
Long-Term Trend		- Neutral -
Cyclical Strength.....		- Neutral -
Broader Trend		BULLISH
Long-Term Cyclical Trend ..		BULLISH

MONTHLY CURRENCY CORRELATION

The Taiwan Stock Index Cash did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 08/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has rallied. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 08/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

Taiwan Stock Index Cash Risk Table

	----- UPSIDE RISK -----	----- DOWNSIDE RISK ----
MONTHLY.....	1657920 28.02%	1248050 3.623%
QUARTERLY.....	1898696 46.62%	1248050 3.623%
YEARLY.....	2188706 69.01%	923580 28.67%