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Summary

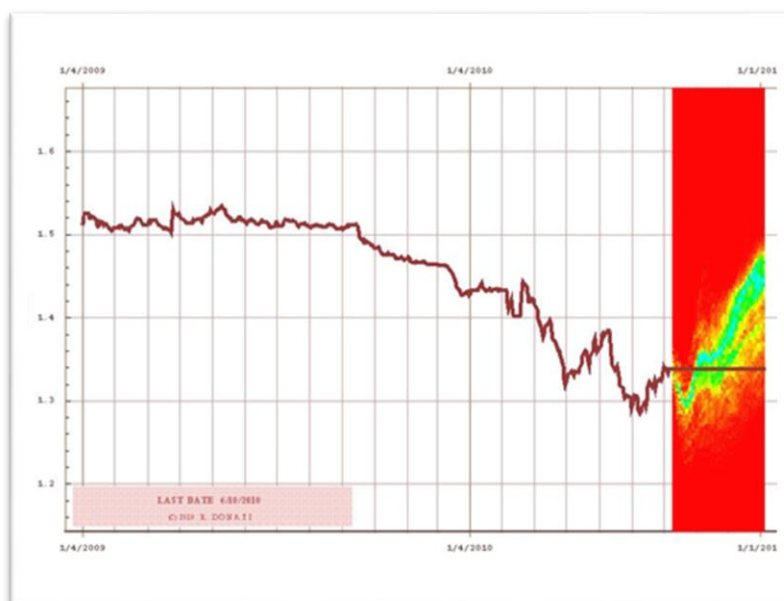
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1 THE MODEL

*eXtreme*TM is a proprietary data analysis model, developed by Redexe, that aims to identify potential price-reversal points in multiple time frames. It leverages Pareto-Lévy Stable statistics¹ to conveniently estimate price reversal probability.

The analysis is fully represented with a chart.

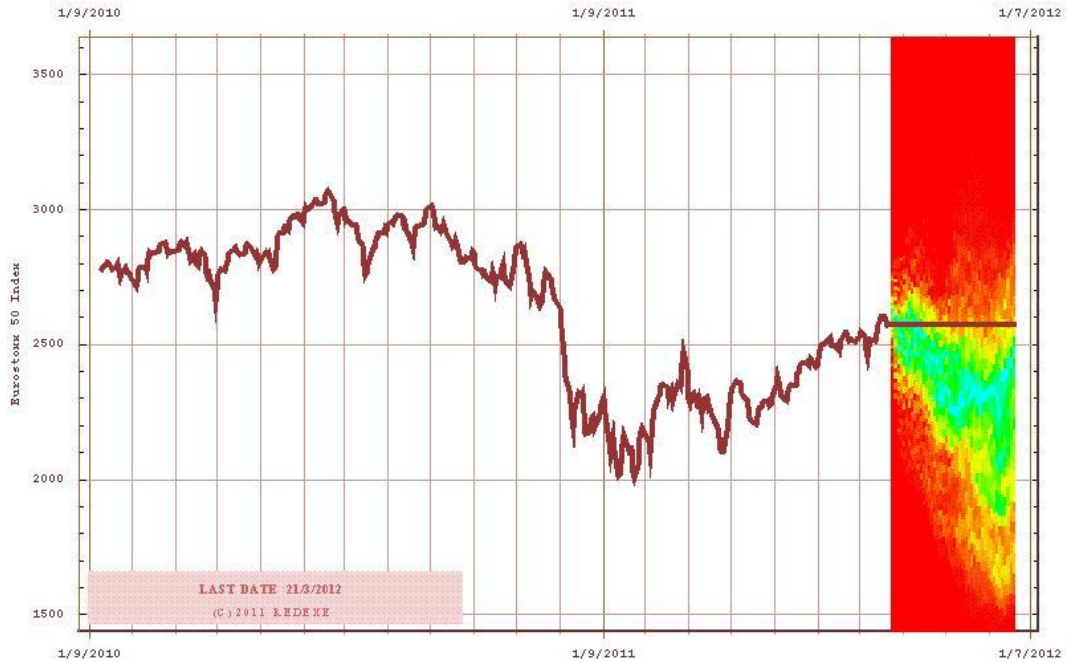
- We draw the price time series in brown.
- The distance between the vertical separators is one month.
- We then consider a 3 months' time window afterward the last available date.
- In this time window, we extend the last available price, getting a straight line.
- In such time window, we draw a coloured field, too. As you can imagine, this is the core of the analysis. *It is very important to carefully read what follows*, to fully understand the meaning of the coloured field.
- Let's move across the straight line (the right extension of the last price).
 - The time distance between your position in the straight line and the last available date represents the time frame of the analysis. For example, 2 months.
 - The colour of the field of your position in the straight line has this meaning:
 - red colour indicates that there is an oversold/overbought condition in the selected time frame and a high reversal probability;
 - yellow colour indicates a moderate reversal probability;
 - green and light blue colours do not tell us any information.
- Looking at the coloured field, you may sometimes identify a kind of “most probable path” in the future, but this is not the intended meaning of this analysis.



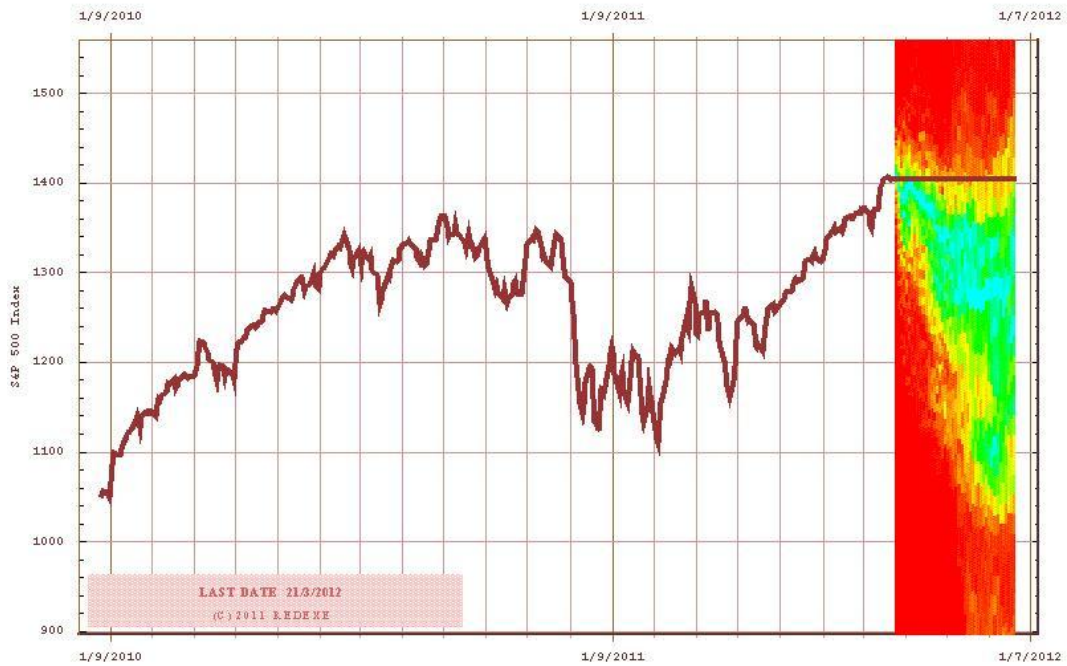
¹ See for example the [workshop](http://www.redexe.net/riskmanagement/workshopStableStatistics): www.redexe.net/riskmanagement/workshopStableStatistics and www.redexe.net/riskmanagement/workshop2011, particularly the [video](#): [Italian] Marco Corazza, *Introduzione Teorica. Distribuzioni PL Stabili e RedES(tm)*, Cà Foscari University 2011, www.youtube.com/watch?v=SMpK mLQ5hm8

2 INDICES

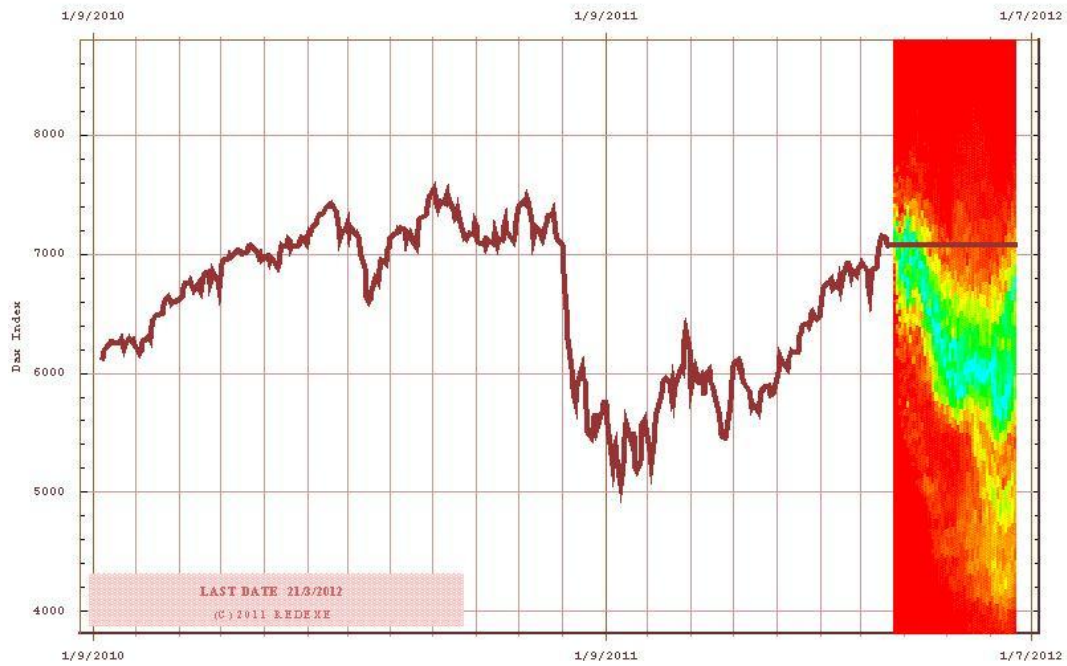
2.1 EUROSTOXX 50



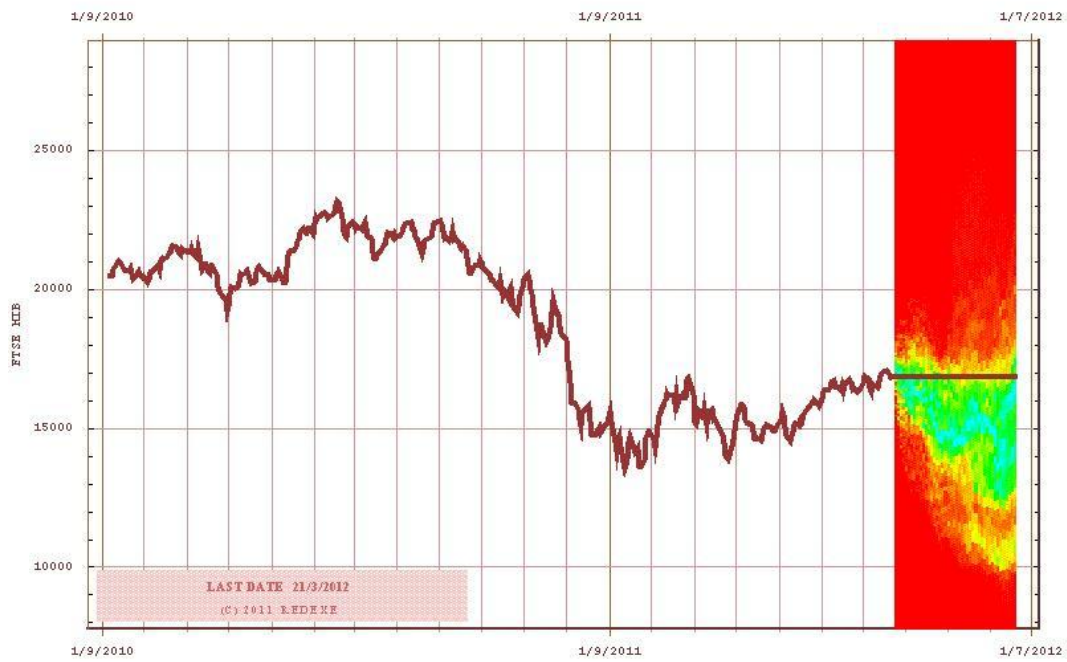
2.2 S&P 500



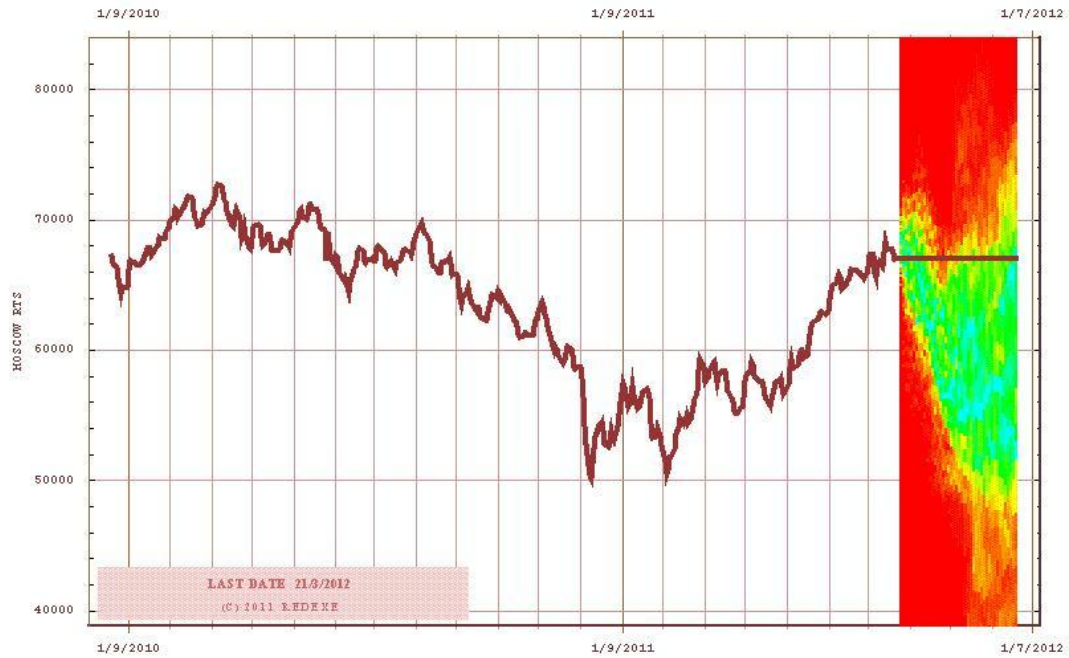
2.3 DAX



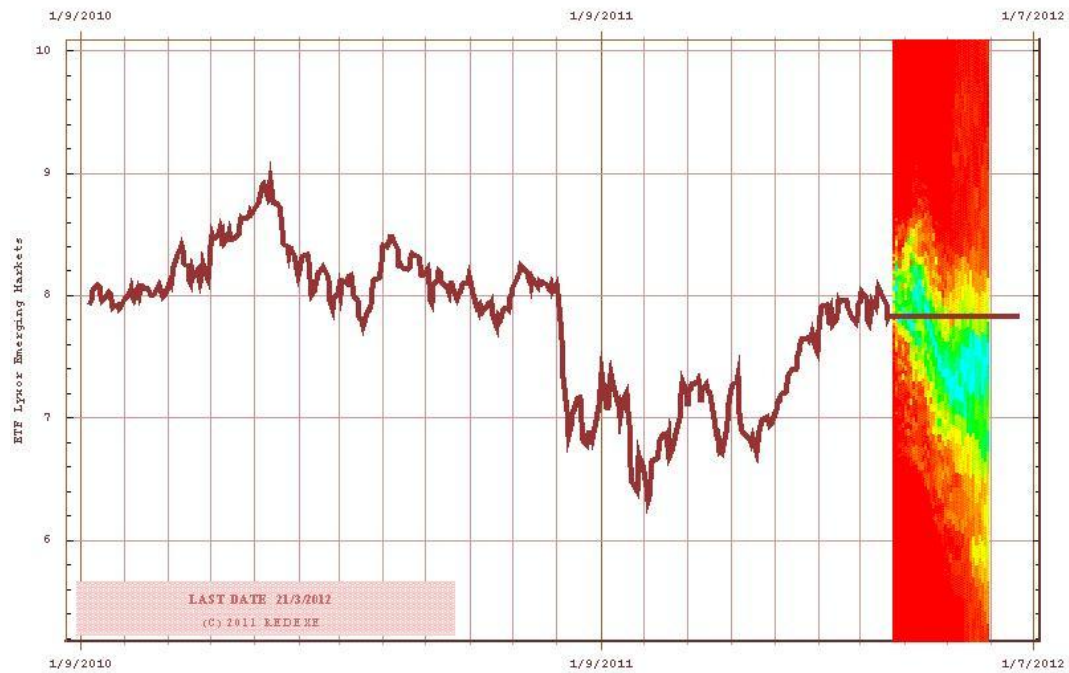
2.4 FTSE MIB



2.5 BRAZIL BOVESPA

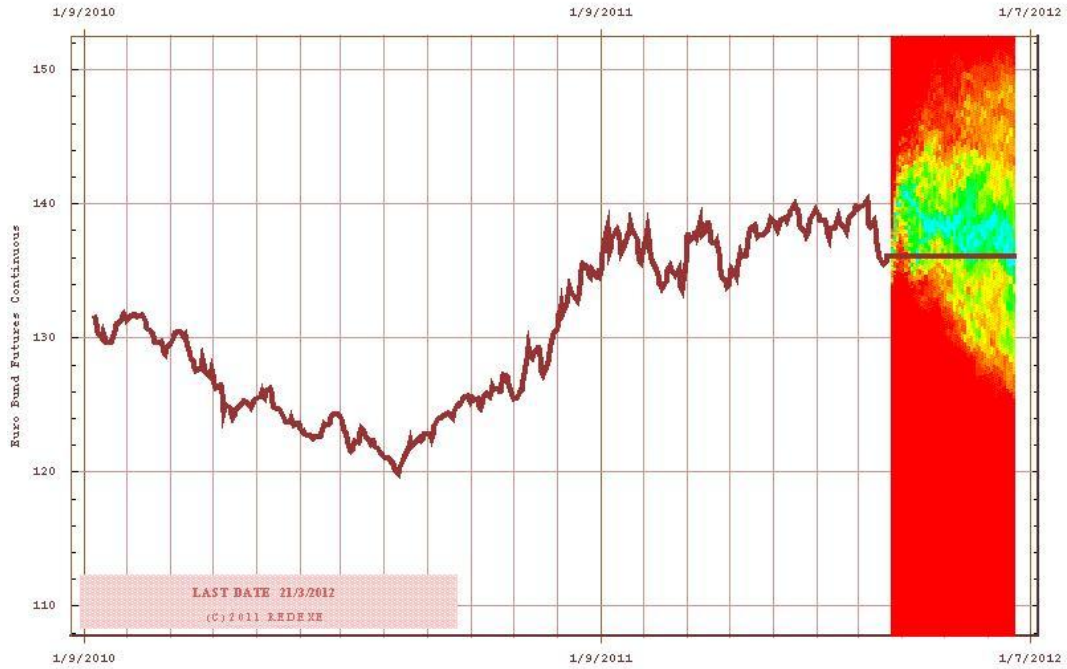


2.6 ETF LYXOR EMERGING MARKETS

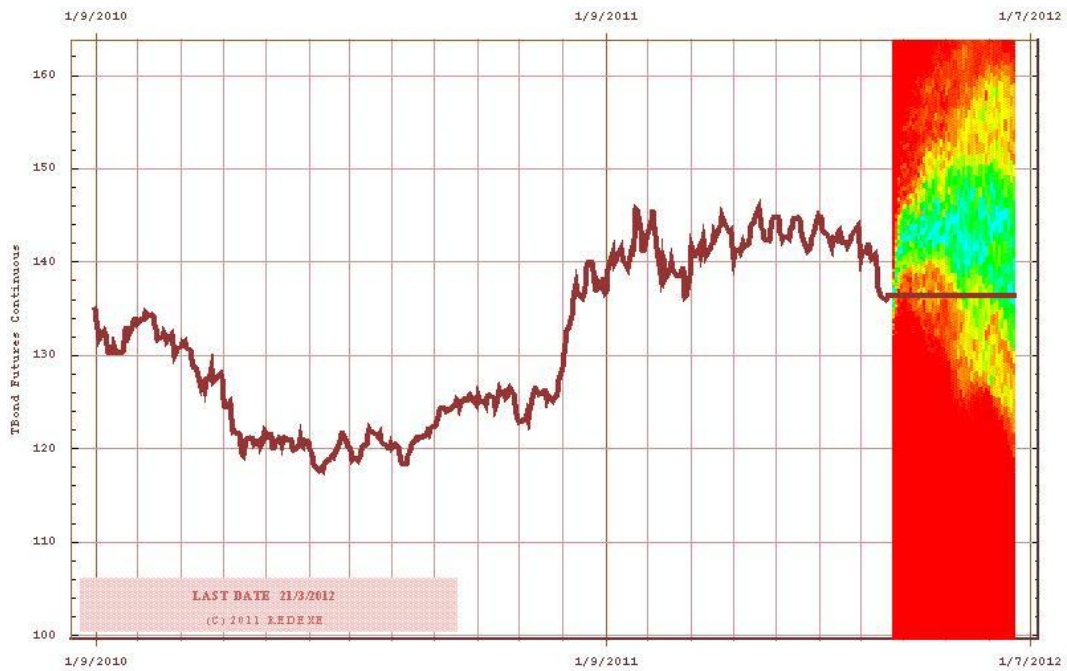


3 INTEREST RATES AND FOREX

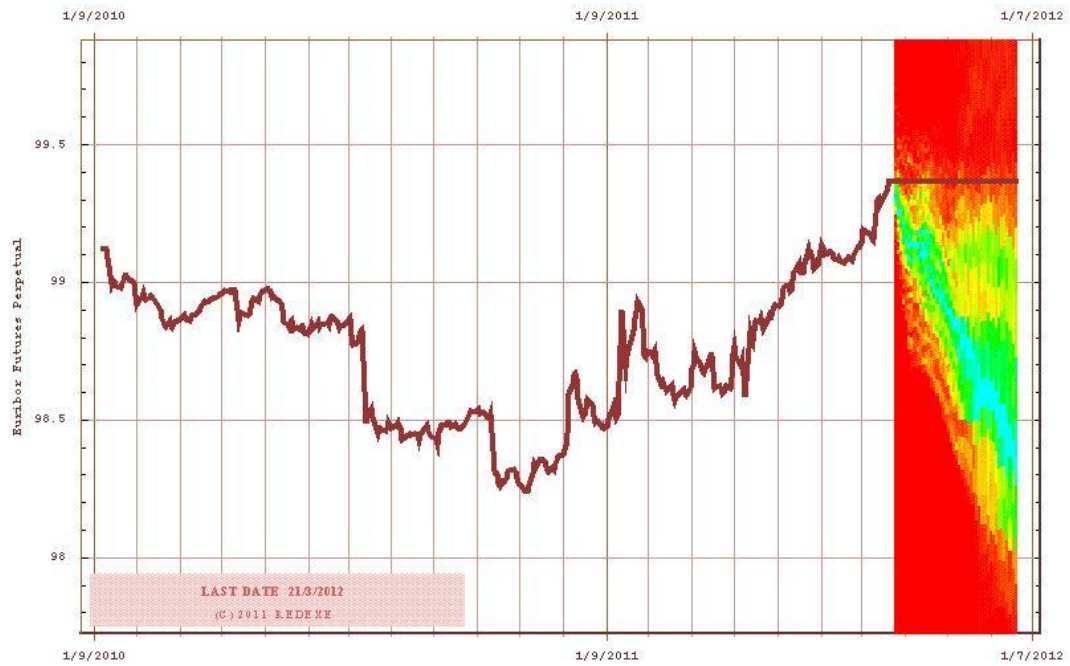
3.1 EURO BUND FUTURES PERPETUAL



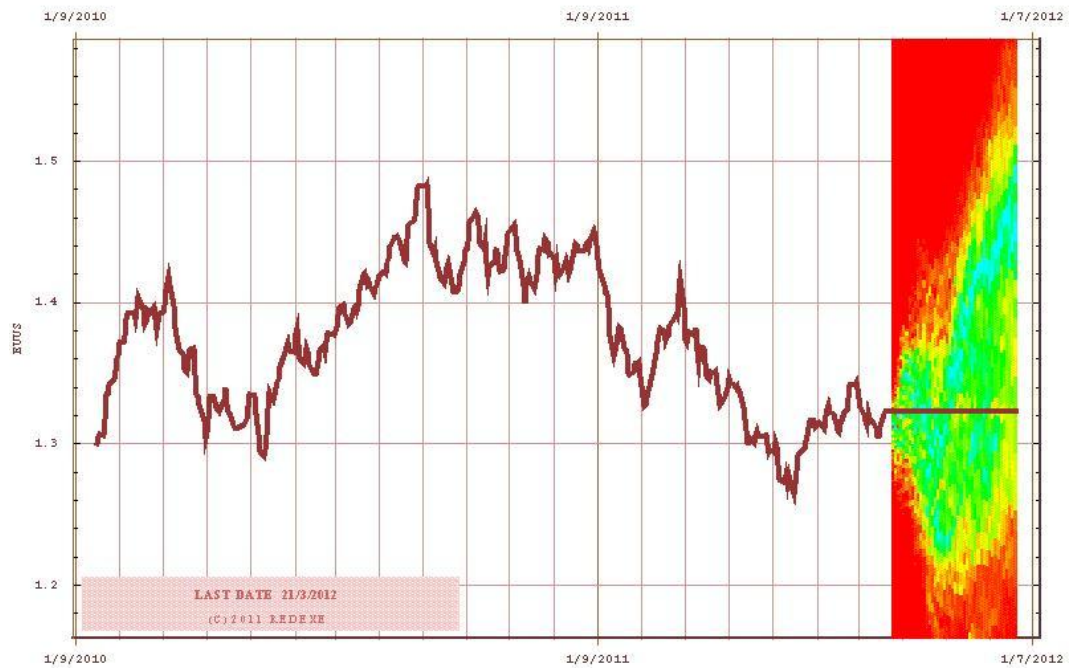
3.2 T-BOND FUTURES PERPETUAL



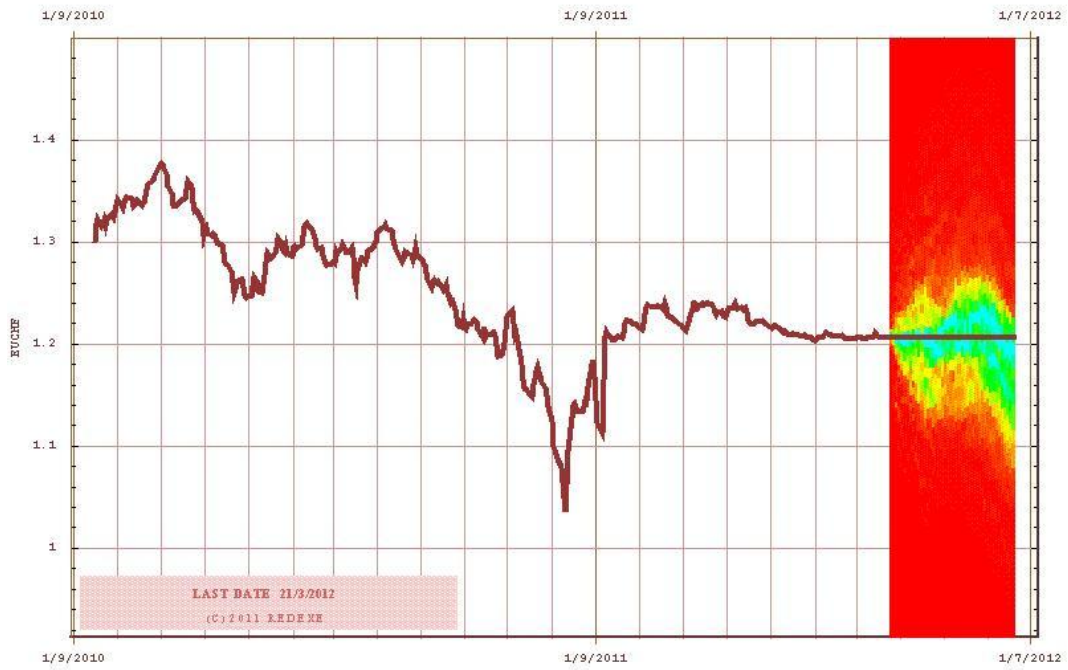
3.3 EURIBOR PERPETUAL



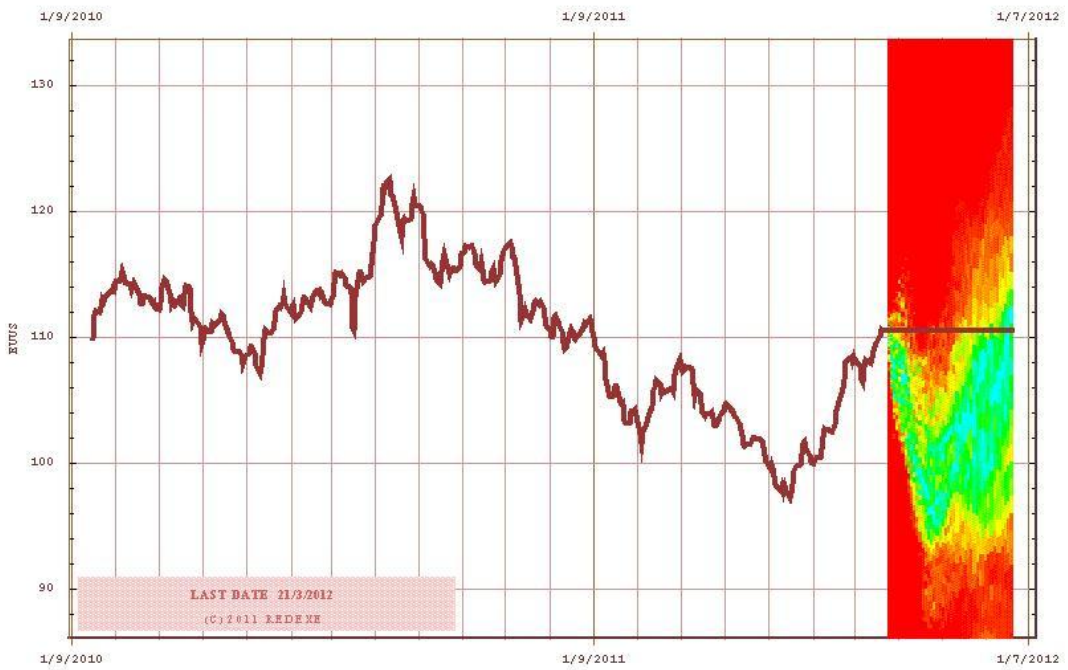
3.4 EURUSD



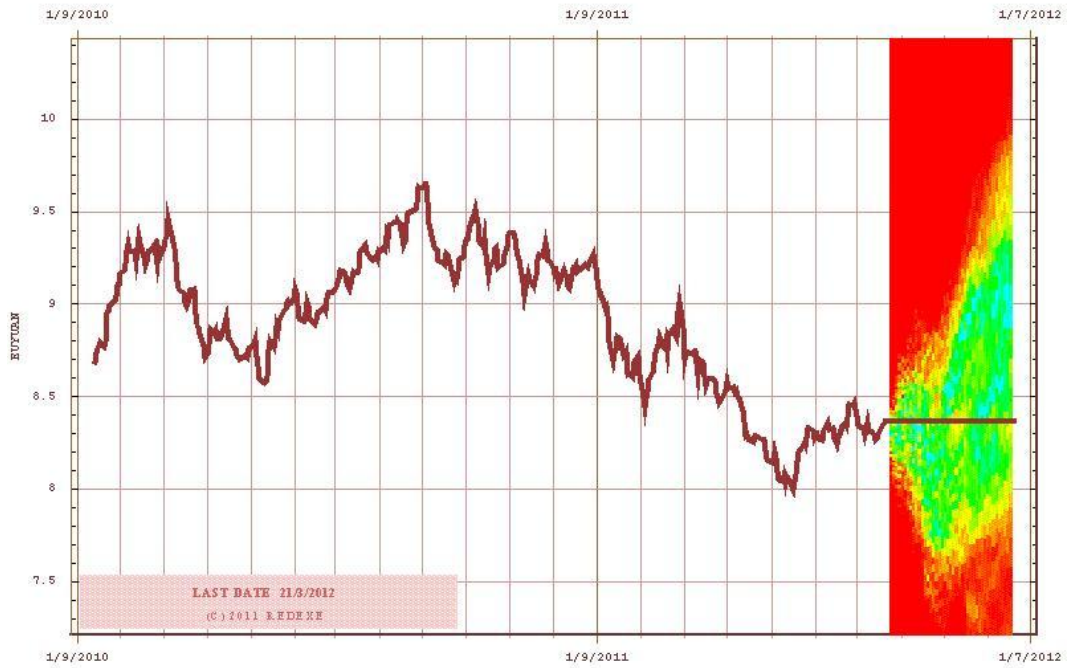
3.5 EURCHF



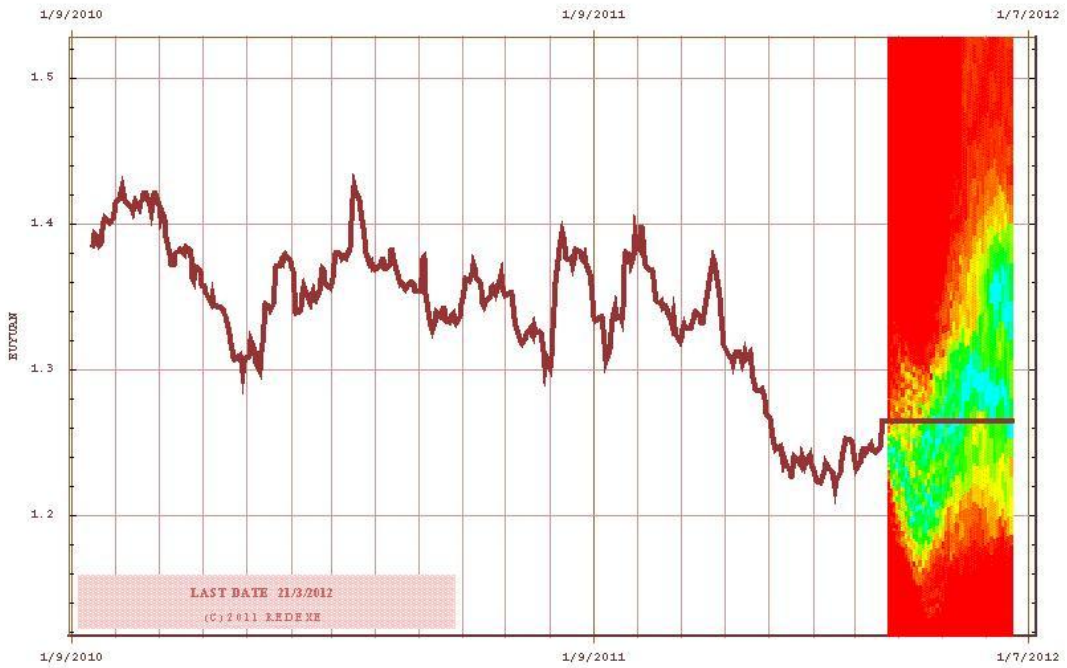
3.6 EURJPY



3.7 EURCHY

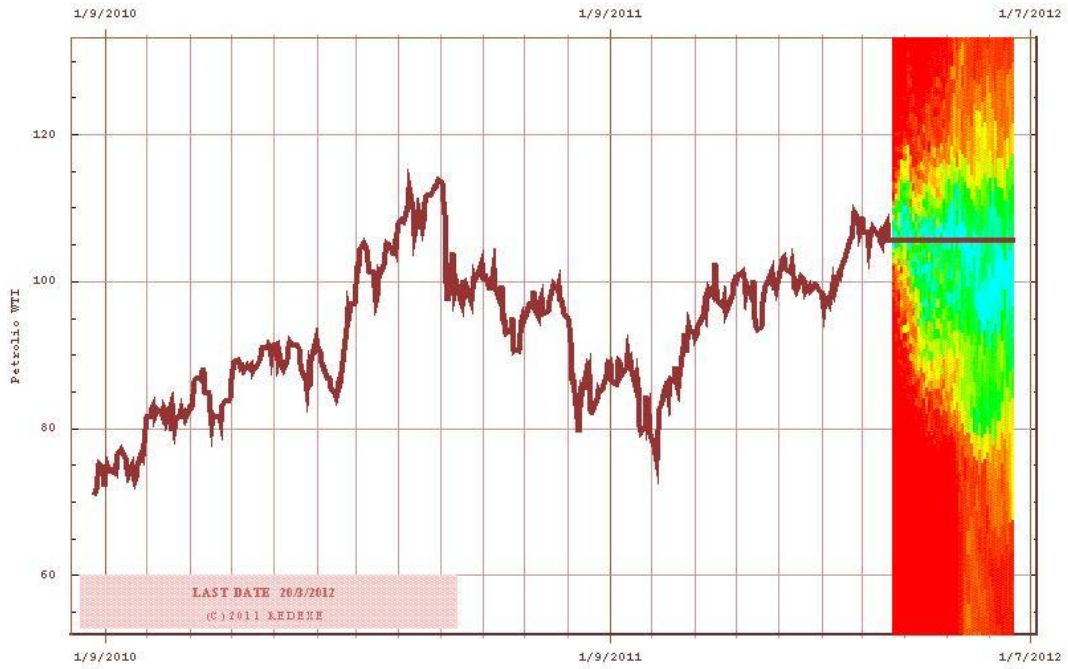


3.8 EURAUD

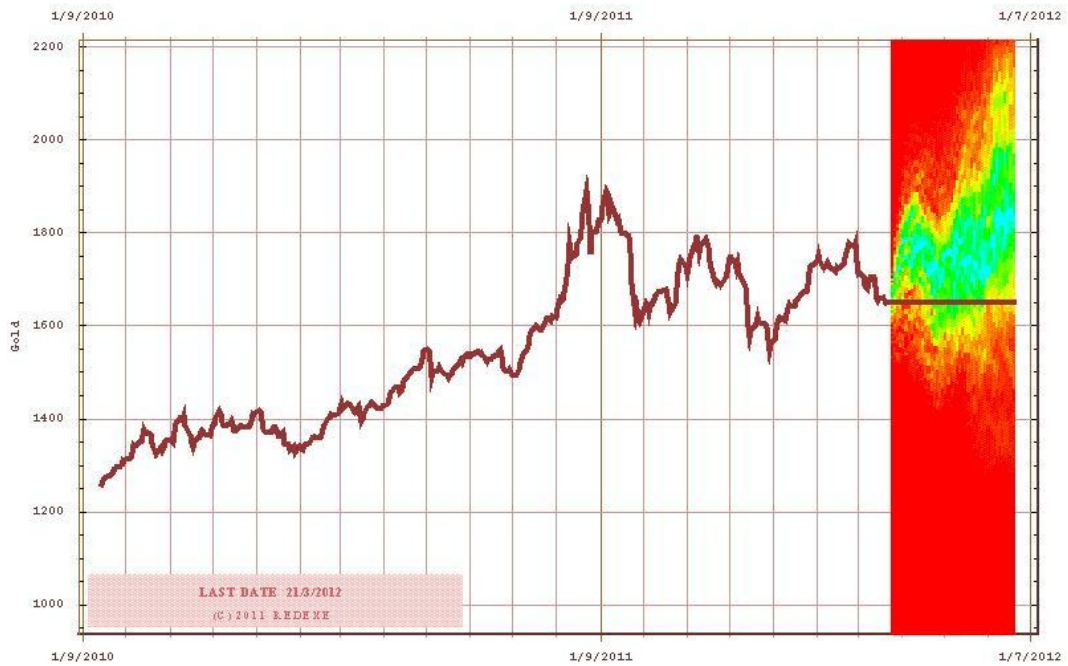


4 BASIC MATERIALS

4.1 WTI

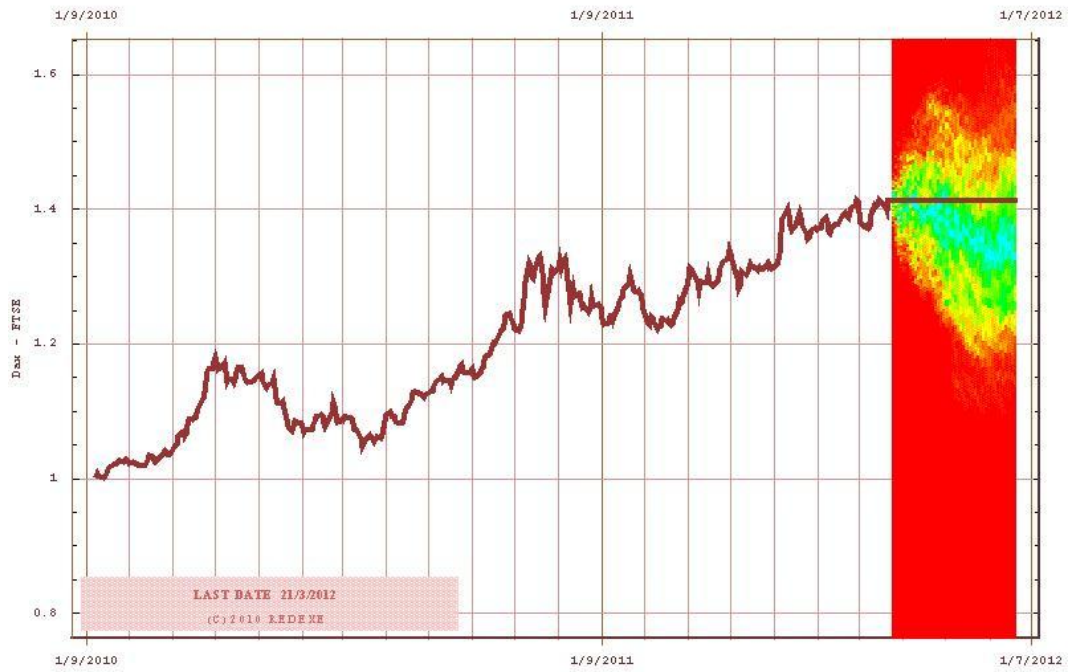


4.2 GOLD

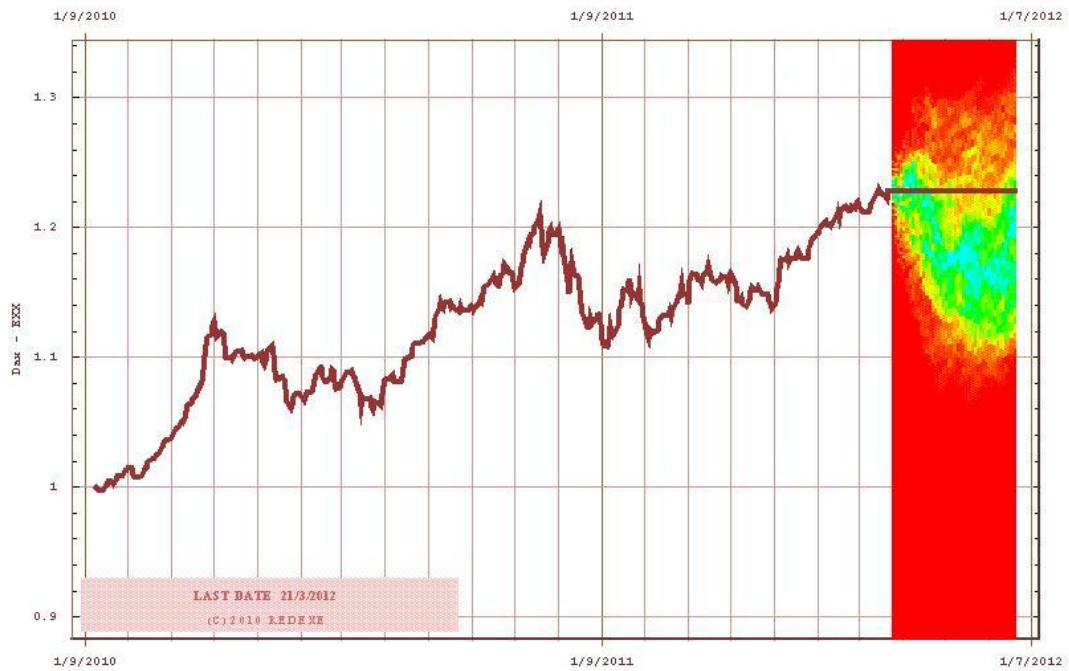


5 SPREAD ANALYSIS

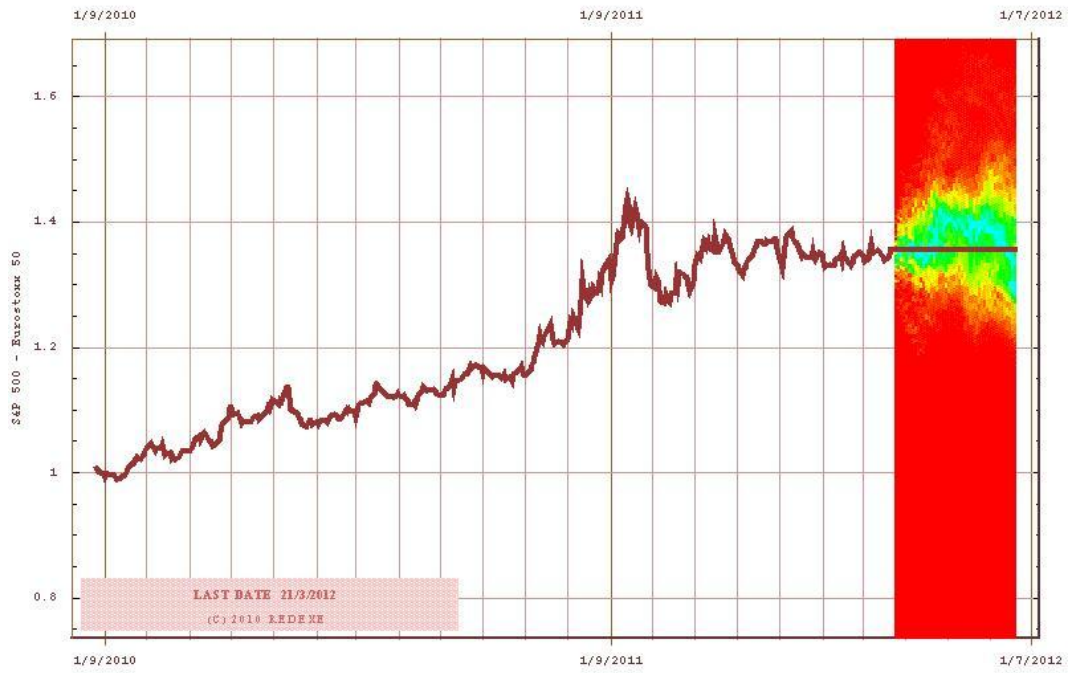
5.1 DAX vs FTSE MIB



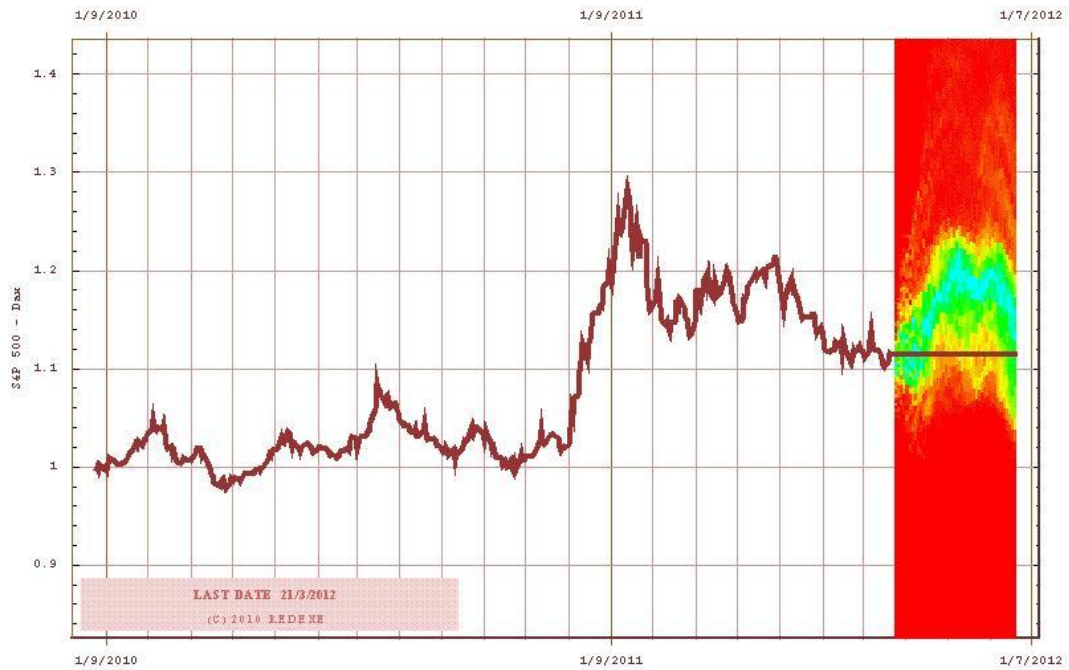
5.2 DAX vs EUROSTOXX 50



5.3 S&P 500 vs EUROSTOXX 50



5.4 S&P 500 vs DAX



5.5 ETF LYXOR EMERGING MARKETS VS EUROSTOXX 50

