REDEXE
MATRIX™

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1 THE MODEL

MatriX™ is a proprietary data analysis model, developed by Redexe, that aims to generalize the very basic principle of "Technical Analysis", i.e., the history repeat itself.

According to this principle, Technical Analysis has identified some "price patterns" that, in the past, had frequently predicted future price movements, such as "head and shoulders", "double minimums", "flags", and so on. By the way, it is believed that this characteristic may come from constancy in human psychology.

Instead of looking for a specific price pattern, *MatriX™* focuses on the last price movement, whatever it is, and scans the whole price time series to find out similitudes.

In order to correctly measure such similarities, we have developed a custom metric, coming from Physics, able to report what happened afterwards.

Finally, we have measured the "dispersion" of the results, so we get an idea of the analysis strength.

For each time frame, we will include the following elements.

- **Price chart**

In this chart, we plot the price time series together with all the similar price patterns we have found in the past. Furthermore, we draw in the chart "what's happened later".

- **Metric chart**

This chart represents the before mentioned metric.

- **Comment**

In this section we report the details, such as the date of each selected low, the dispersion and the average performance achieved afterwards.

> In this way, the Asset Manager can have a look at every selected date and see what happened in the past: if there were similarities in macroeconomics, inflation, interest rates and so on. Finally, he may compare the past scenario with the present one and make his conclusions.

2 S&P 500

2.1 Summary

We studied the time series from 03/01/1928 to 01/05/2013. Considering the pattern drawn in the last 500 sessions, we looked for similar price movements through the past.

We found 5 occurrences and calculated what happened 20 sessions after:

```
date           projection %   metric

01/05/1945     -0.608519       0.934262
04/04/1973     1.33309         0.963536
11/05/1992     -2.01439        0.843359
24/03/2006     0.396024        0.951732
21/05/2007     0.563897        0.965497
```
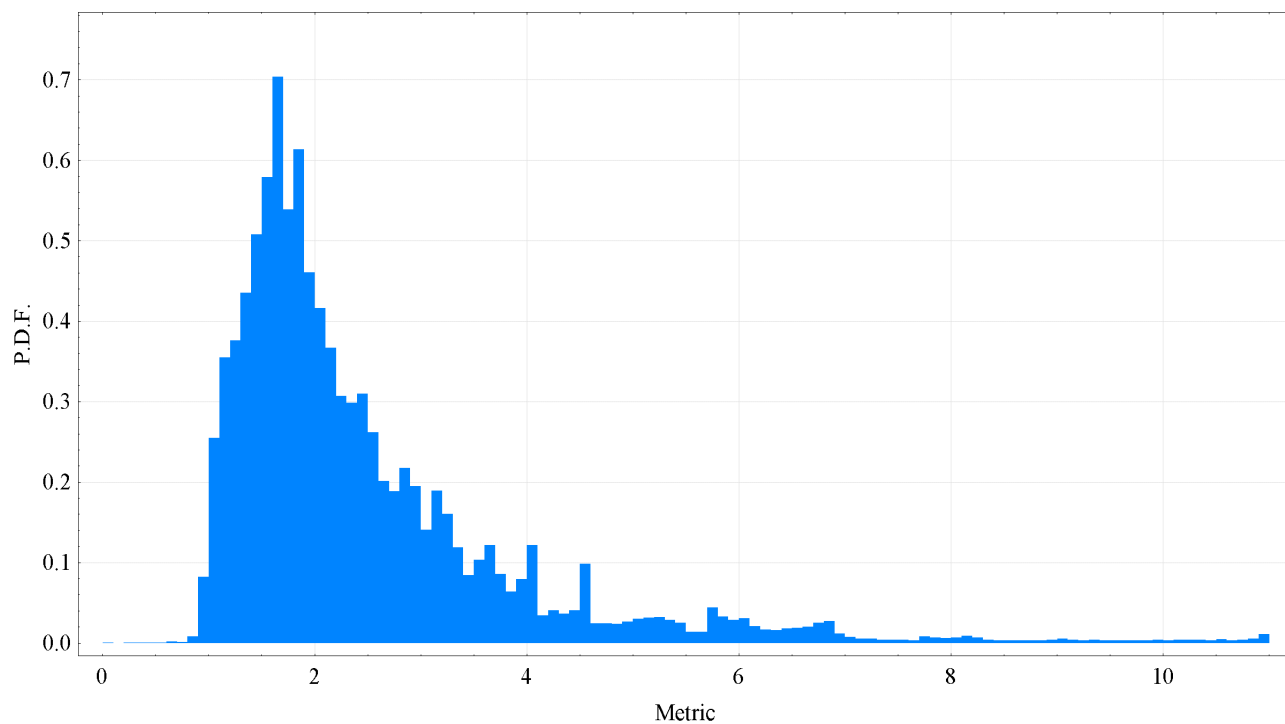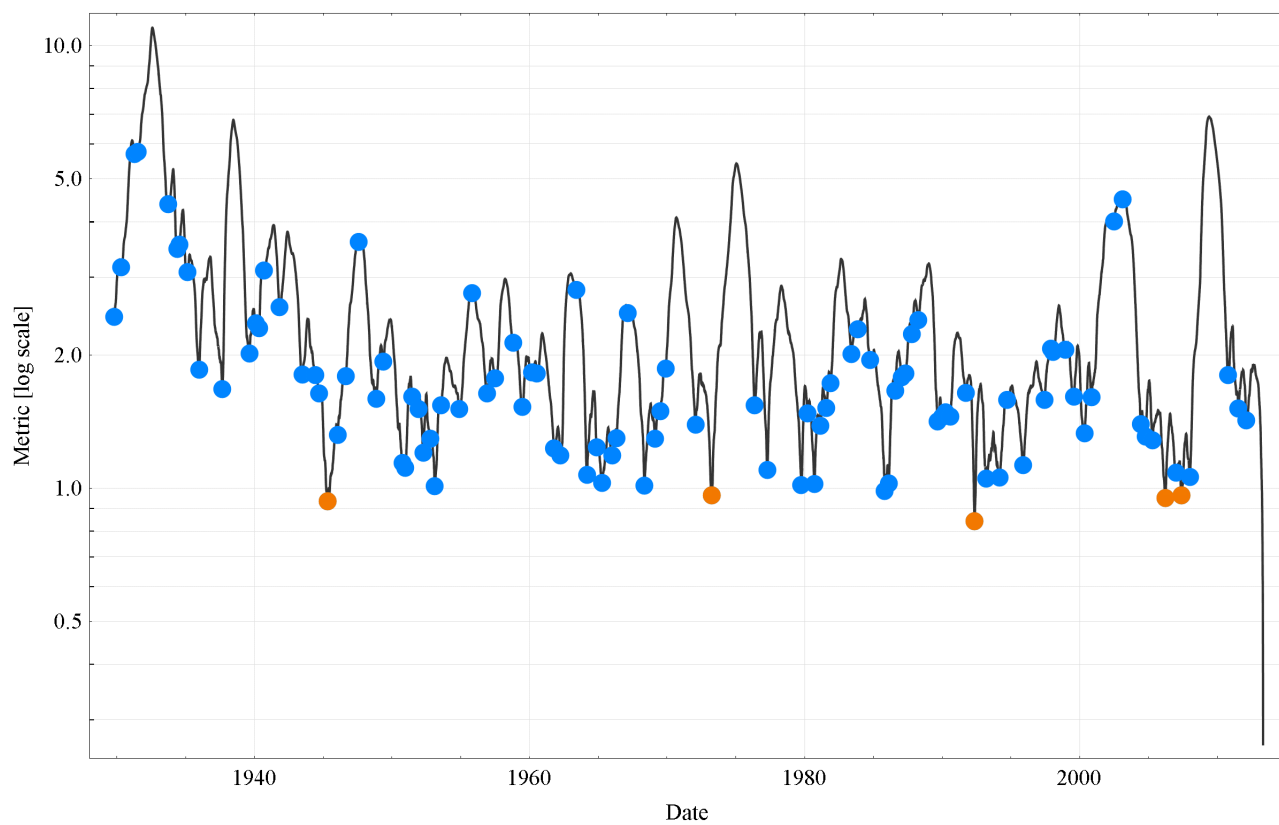
The average price projection was -0.07% ± 1.29% and the average metric was 0.93..

2.2 Metric

The lower the metric, the closer the pattern.

Metric + mins (blue) + selected mins (orange), from 03/01/1928 to 01/05/2013

2.3 Projections

Price time series + windows + projections, from 03/01/1928 to 01/05/2013
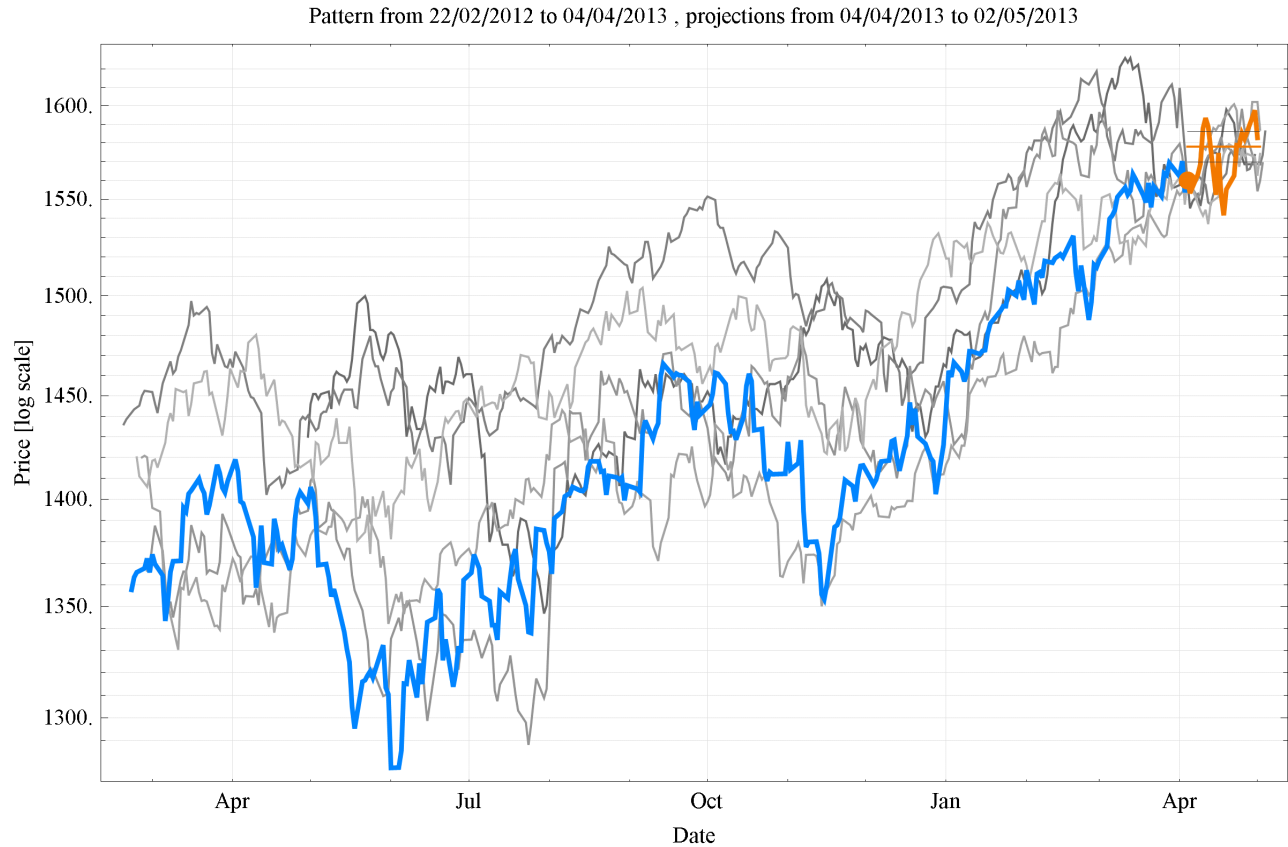

Pattern from 05/05/2011 to 01/05/2013 , projections from 01/05/2013 to 30/05/2013

2.4   MatriX™ Ago

Is MatriX™ effective? See what it said 1 month ago and what really happened later, in orange.

Pattern from 22/02/2012 to 04/04/2013 , projections from 04/04/2013 to 02/05/2013