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by Eric S. Hadik

"...Let us run with patience the race that is set before us." Hebrews 12:1

40-Year Cycle: 2014--2017 III

Acceleration & Culmination

An INSIIDE Track Reprint of 40-Year Cycle Analysis

40-Year Cycle: 2014-2017 III

Acceleration & Culmination

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August 2014 - Throughout **2013** & **2014**, the focus has been on expectations for a crescendo in the *40-Year Cycle* of *'Stock-flation'* - an inflationary advance in equity prices amplified by a declining Dollar. As observed in mid-2013, the Indices were all giving signs of an impending accelerated advance (see excerpt from July 2013 ***S.I. 2013 II*** on page 6).

The charts that accompanied that ***Report*** provided a very general illustration of how the remaining waves were expected to unfold - with a continuing 5 of (3) wave taking the Indices higher into late-2013… to be followed by a (4) wave drop into **Feb. 2014** and then a (5) wave advance (that should be roughly comparable to the (1) wave advance of late-2008/early-2009 into April 2010).

At the same time - in mid-2013 - the DJIA was already revealing some extreme upside targets for the expected advance into **late-2014**. As 3Q & 4Q 2013 unfolded, the Indices powerfully validated that analysis and accelerated higher after the Nasdaq 100 broke out of a 12--15 month trading range.

At the same time, the DJIA was reinforcing its extreme upside targets for the final stages of its advance (expected to accelerate higher into **late-2014**). All along, cycles were pinpointing **April 2015** as the time when the first signs of trouble should emerge (see ***40-Year Cycle: 2014--2017 II*** for a detailed examination of the *40-Year Cycle of War & Peace*).

So, the period between late-2014 and **April 2015** is the transition phase. It is periods like that when price action is so important for filtering cycles and pinpointing exactly when a top is most likely… and when an initial reversal signal (lower) has been triggered. And that segues into one of the reasons for this publication - in order to bring newer readers up to speed on the upside price objectives for these advances.

The following is a compilation of pertinent & corresponding analyses - from mid-2013 into **Aug. 2014** - that highlight expectations for *'Acceleration & Culmination'* of a *40-Year Cycle of Stock-flation*… leading into **late-2014**. A key reason for highlighting this is to help determine if/when a Major top is most likely...

Outlook 2014… and Beyond

70-Year Cycle III

08-04-14 - *"Seventy years, the span of a king's life"* is one way the Bible describes that ancient & unique cycle. According to King David - a powerful leader of ~3,000 years ago - a human's life/days *"come to seventy years, or eighty, if our strength endures…"*.

70 years is a 'life cycle'. It represents the (average) life of an individual… of a king… of a leader.

As detailed previously, 70 years represents the span between similar extremes - like the US stock market peak of late-1929 and that of early-2000 (70 years and 2 months later).

The late 1929 peak completed a 70-year cycle from the 1859 economic trough, following the *Panic of 1857*.

And, as described in the June 2014 *INSIIDE Track*, 70 years *'govern's man… and man's government.'*

When you consider that control of money & finances is the ultimate power over a population - nationally or globally - the governance of currencies is linked to all these *70-Year Cycles* (humans, kings, nations, governments, etc.).

So, is it any surprise that in **July 2014** - exactly 70 years from the *Bretton Woods Agreement* of July 1944 - a new agreement and a new global, financial entity emerged on the scene?!

Dollar Dismantling...

BRIC by BRIC

It does not take a rocket scientist to see where the fate of the US Dollar is heading… or who is pushing hardest to get it there. A recurring chorus of *protagonists* - or are they *antagonists* - are doing everything possible to accelerate the momentum in the global push *away from* the US Dollar (as the reserve currency).

When it is an isolated, third-world country - or second-rate power - they are quickly silenced or marginalized…

Saddam Hussein repeatedly demanded payment for oil in Euros in late-2000… an attempt to drive a wedge between the US and the rest of the world. *We know where that got hi*m.

Then there are those powers that are a little better connected and have a developing nuclear capability that cannot be silenced as easily...

Iran - before & during the reign of Mahmoud Ahmadinejad - vocalized the same desire and built Iran's own Oil Bourse for the trade of oil in Euro, Yen & Iran's Rial. Its first official trade took place on Feb. 17, 2008, even though previous reports of Euro transactions had surfaced. Those included a March 2007 *New York Times* article that reported China had paid for Iranian Crude in Euros in late-2006.

Finally, there is the 'third column' - those nations that are more powerful than most others, posing the greatest threat to US hegemony. And, when they team up together - and proclaim the same objective - the US pays close attention.

Jekyll Island Redux

2010 ushered in a dramatic shift when Russia & China agreed to allow their currencies trade against each other, thereby facilitating bilateral trade - in currencies other than the US Dollar - between these two world powers. No longer would each nation have to buy Dollars before purchasing goods from the other.

In another intriguing application of cycles, this event came 100 years after a precursor event...

In late-November 1910, two powerful US politicians (Sen. Nelson Aldridge & US Treasury Sec'y A. Piatt Andrew) - along with five leading financiers

(Continued on page 4)

BRICS Development Bank (New Development Bank)

Just another BRIC in the wall???

03-26-13 Bloomberg: *"The biggest emerging markets are uniting to tackle under-development and currency volatility with plans to set up institutions that encroach on the roles of the World Bank and International Monetary Fund. The leaders of the so-called BRICS nations -- Brazil, Russia, India, China and South Africa -- are set to approve the establishment of a new development bank during an annual summit that began today... "The deepest rationale for the BRICS is almost certainly the creation of new Bretton Woods-type institutions that are inclined toward the developing world...There's a shift in power from the traditional to the emerging world...*

The BRICS nations, which have combined foreign-currency reserves of $4.4 trillion and account for 43 percent of the world's population, are seeking greater sway in global finance to match their rising economic power. They have called for an overhaul of management of the World Bank and IMF, which were created in Bretton Woods, New Hampshire, in 1944, and oppose the practice of their respective presidents being drawn from the U.S. and Europe...

The U.S. has failed to ratify a 2010 agreement to give more sway to emerging markets at the IMF, while it secured Jim Yong Kim, an American, as head of the World Bank last year over candidates from Nigeria and Colombia. Finance ministers and central bank governors from the BRICS nations, who met in Durban today, agreed to set up currency crisis fund of about $100 billion, Brazilian Finance Minister Guido Mantega told reporters today. He didn't give details of proposed funding for the new bank, which Brazil wants established by 2014."

07-17-14 *washingtonpost.com*: *"As World Cup fever recedes, this week in Fortaleza heads of state from Brazil, Russia, India, China, and South Africa (the so-called BRICS countries) agreed to establish a New Development Bank (NDB) at their summit meeting…What is the purpose of this BRICS bank? Why have these countries created it now? And, what implications does it have for the global development-finance landscape?*

…the rising economic strength of the BRICS countries has outpaced increases in their voice at the World Bank and the International Monetary Fund (IMF). South-South economic cooperation has expanded dramatically in recent years…China has become Africa's most important trading partner. The value of South-South trade now exceeds North-South trade by some $2.2 trillion—over one-quarter of global trade. Low-income countries have also seen unprecedented growth in "South–South" foreign aid—with China, Brazil, and India all becoming larger donors.

In the meantime, long-standing dissatisfaction with Bretton-Woods institutions has also pushed BRICS towards a developing-country alternative to global development finance…"

8-04-14 - Since 2010, we have been discussing these developments and the steady move toward overthrowing the US Dollar as the 'kingpin' of global finance. It is easy to see why these other nations want to supplant the Dollar and the power & influence that come with being the world's reserve currency. Russia & China have steadily built this coalition and steadily undermined the US Dollar and have been content to gradually whittle away the foundation of America's wealth & prestige.

However, when that decisive 'BRIC' is yanked out from under the US Dollar (**2016**?), this shift will accelerate - suddenly and dramatically! *Bretton Woods* - in July 1944 - ushered in the time of the Dollar as 'king'. *Fortaleza BRICS* - in **July 2014** (exactly 70 years later) announced the impending end of that reign. *IT*

> "*And, as described in the June 2014 INSIIDE Track, 70 years 'govern's man… and man's government.'*
>
> *When you consider that control of money & finances is the ultimate power over a population - nationally or globally - the governance of currencies is linked to all these 70-Year Cycles (humans, kings, nations, governments, etc.).* "

- met at Jekyll Island (off the coast of Georgia) and paved the way for a dramatic shift in the course for the US Dollar.

They laid out the plan for the Federal Reserve, which would ultimately wrestle control (or have that control meekly handed over) of the US currency away from Congress… as stipulated in the US Constitution. That then paved the way for 100 years of steady inflation in the US… and the steady degradation & deterioration of the US Dollar.

Exactly 100 years later, in late-November 2010, two powerful global politicians (President Medvedev of Russia & Premier Wen Jiabao of China) met outside of Moscow and paved the way for a 'global reserve' that would ultimately replace the US Federal Reserve and the global Dollar reserve (status).

[Note: Both of these major currency shifts were precipitated by major financial crises, panics & collapses. In October 1907, a failed attempt at cornering a stock - of *United Copper* - led to the *Panic of 1907* and a 50+% drop in the stock market in less then two years.

100 years later, in Oct. 2007, the stock market peaked and again ushered in a bear market with the DJIA & other major Indices losing over 50% in less than two years. The global repercussions of that crash - and the ensuing monetary policy - played a pivotal role in the development of the *New Development Bank*. Coincidence? Or Cycles??]

Rather than five *individual* financiers (as in 1910), the 2010 agreement was ultimately backed by five *national* financiers (the *BRICS* nations).

At the same time, there were repeated rumors of other nations signing on to the same idea and pushing for a basket of currencies as the global reserve. They were building a powerful fortress around the US Dollar (to rein it in), *BRIC by BRIC*.

In January 2012, the 'I' in BRIC (India) held talks in Tehran to figure out an alternative method for paying for Iranian Crude, the result of US sanctions against Iran. As in the case of China (the 'C' in BRIC), India is a major importer of Iranian crude.

Two months later, in March 2012, Iran announced that the Iranian Oil Bourse would no longer trade in US Dollars, opting instead to trade in Euros, Rupee, Yen & Yuan… or a basket of various currencies.

Momentum continued to build into **July 2014**, when the BRICS initiated the formation of the *New Development Bank* - a quasi-*World Bank* that was first agreed to on March 27, 2013.

This new global entity will attempt to offset the influence of the *IMF* & *World Bank*, and increase the influence of China & Russia in world economic affairs. It has an initial funding of $50 billion that should quickly grow to $100 billion - with equal contributions from Brazil, Russia, India, China & South Africa. The Bank is based in Shanghai, China.

P.I.T. (Period of Inflationary Testing)

1973--1976 - when first Saudi Arabia and eventually all of OPEC - agreed to price oil in Dollars (and when the Dollar was ultimately de-linked from Gold via the *Jamaica Accord*) - ushered in an inflationary bonanza for the US Dollar (as the result of its reserve currency status).

From that point forward, America was able to print Dollars with reckless abandon and frequently inflate its way out of debt… *at least to a certain degree*.

Of course, as has been the case for millennia, this was also clearly - particularly in retrospect - the onset of a ubiquitous, 40-year *period of testing*. Although I don't want to belabor this point, since it has been discussed so frequently, it is important to review it:

A *40-Year Cycle* has been - for almost all of recorded human history - a decisive period of time that ushers in MAJOR changes. It is a period of preparation or 'testing' prior to those changes and is repeatedly documented in the ancient history of the Middle East, as detailed in the Bible and other ancient writings.

In many cases, it is also a final opportunity to turn away ('repent') from destructive actions - whether they be moral, social, financial… or all of the above. Unfortunately, in the majority of those cases recounted, little or no changes were enacted. Instead, the affected (or 'infected') society accelerated headfirst into a date with destiny.

2013--2016 is the culmination of that *40-Year Cycle* for America.

Just as 100 years prior - in 1913 - and just as 40 years prior, in 1973, **2013** ushered in this decisive period with the agreement to create the *BRICS Development Bank* (now, the *NDB*). That fortuitous decision in **2013** came 40 years after the first stage of Dollar hegemony (1973) - exactly when it was anticipated & projected - and tolled the bell for its ultimate demise.

Just as the move towards Dollar reserve status took a few years to reach fruition, the move toward replacing the Dollar as the world's reserve currency is also likely to take a few years… *at least until **2016 or 2017***… and possibly until **2021**.

2015 is the culmination of a 30-Year period/ cycle from the 1985 *Plaza Accord* that triggered a massive, multi-decade decline in the US Dollar… *Could **2015** usher in a new Dollar decline… when the realization of this impending shift takes hold??*

In the meantime, many inflationary markets are hinting at the culmination of a *40-Year* - and a *70-Year* - period of inflationary expansion. Livestock is poised for a MAJOR peak in **2014/2015**… potentially in **3Q 2014**!

Gold & Silver are poised for a rebound peak in the same time frame. And, Stock Indices are expected to complete a *40-Year Cycle* of inflationary growth in **late-2014**.

Is the Dollar seeing the proverbial *'handwriting on the wall'*? Has it been weighed… and found wanting?? **2014--2016** could seal its fate! *IT*

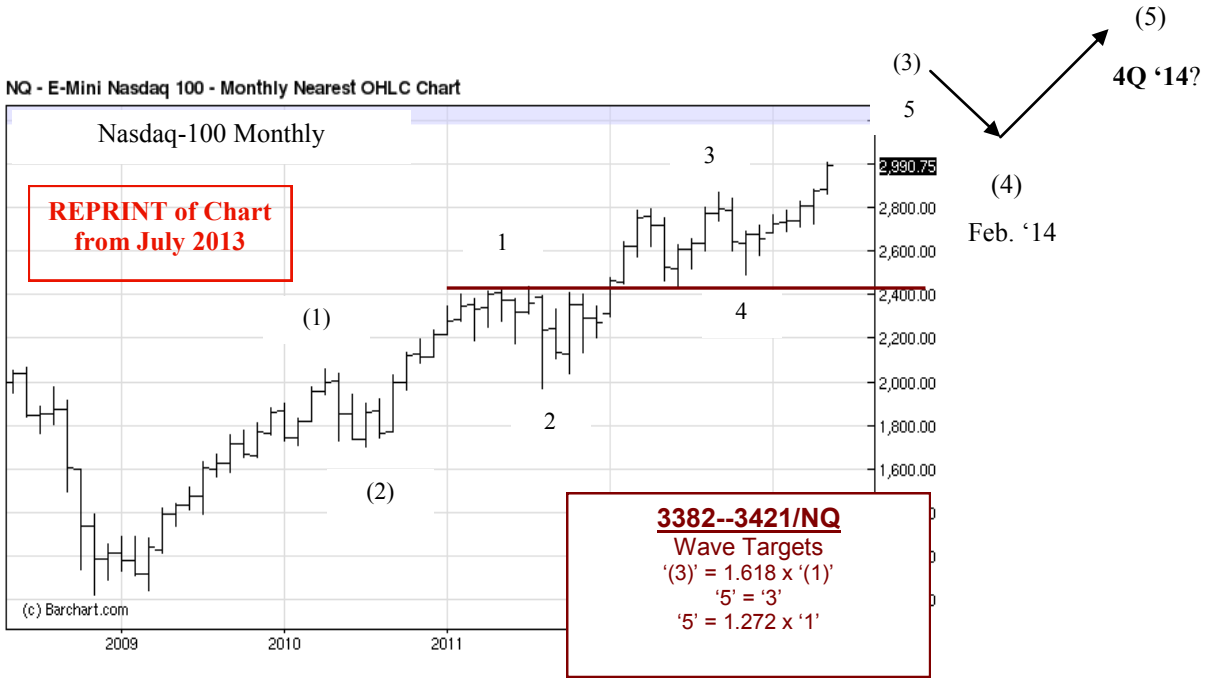
Aug. 2014 - This excerpt - from the Aug. 2014 *INSIIDE Track* - provides a small sample of the recently published analysis, detailing how the *70-Year Cycle* is converging with the *40-Year Cycle* - in **2014--2018** (and potentially beyond).

It pinpoints **2015** as the culmination of various cycles of 'prosperity' dating back to 1945, the culmination of *World War II*. As detailed in recent years, **2015** is also when the Dollar is expected to complete a multi-year advance (potentially lasting into **late-2015**) and then begin to fade under 'attack' from other nations & currencies.

The *70-Year Cycle* - the 'cycle of kings' (and governments, etc.) - could time the span between when America became the kingpin of the globe in 1945 - militarily & economically - and when she begins to rapidly lose that status.

Interestingly enough, the *70-Year Cycle* - from the stock market 'crash' of 1946 - dovetails with related *'Crash Cycles'* (*7-year*, *14-Year* & *42-Year*) that come into play in **2015**… and more acutely in **2016** (when Gold could shine again).

More on that in the following pages… But, first, a reprint from the July 2013 ***Stock Indices 2013 II*** Report is included on the following pages - reiterating the analysis & illustration for projected acceleration higher into **late-2014**. *IT*



Excerpt from July 2013 *Stock Indices 2013 II Report*...

Stock Indices Confirming Low

07/09/13: Stock Indices - on a 3-6 month & 6-12 month basis - remain on course. In the past two weeks, they have provided a couple textbook signals that an intermediate low has taken hold - in line with intermediate cycles, signals and indicators that projected (on **June 13/14th**) another quick 1-2 week sell-off and a corresponding, intermediate bottom within that 1-2 week period (by **June 28th**).

The most important - and usually-reliable - signal was that of the weekly trend pattern, which turned neutral twice and then back to up. This overall pattern has been described many times and is the ideal scenario for an intermediate correction within a larger uptrend.

This signal is the same one that identified the mid-November 2012 low in the S+P 500 - when it failed to reverse its weekly trend to down after giving two neutral signals. That projected a rally to new highs in the weeks/months that followed.

Also in the past two weeks, the daily trends, daily *21 MAC*s and then the intra-month trends also turned back up. These short-term signals projected higher prices in the **first half of July**, whereas the weekly trend signal simply projects a rally back to the highs (*time* is not a factor in this indicator, as it could be fulfilled in 2-3 weeks… or in 20-30 weeks - as long as the pattern has not changed in the interim).

Another positive factor about the recent correction was its structure. It was a simple a-b-c structure that involves two declines and an intervening bounce (often retracing .500--.618 of the initial decline). The 'b' wave bounce followed normal protocol and was followed by 'c' wave declines that dropped right to their respective targets.

In addition, that correction held above the '*4th wave of lesser degree*' - the primary support level for a correction of this magnitude. That *'4th wave'* low - as described in **May** & **June** - was the mid-April lows… the low just before the terminal advance. In the case of the DJIA, the lowest weekly close - set on **April 19th** - was **14,547** (see chart on page 2).

On **June 24th**, while testing monthly support, fulfilling the need for a 2nd week of downside, and

Excerpt from July 2013 *Stock Indices 2013 II Report*...

setting the stage for an intermediate bottom on **June 24--28th**, the DJIA set an intraday spike low of **14,551** - just 4 points above this key support level...

Time for Acceleration?

In many cases, when a market pulls back to these previous highs - and holds them - it ushers in an accelerated advance… the final phase of this multi-step process:

1 - The market spent ample time developing and then subsequently breaking above a trading range;

2- It then gave an initial surge to intermediate objectives and/or extremes (possibly luring break-out traders to buy near the highs).

3 - The market then pulled back to test the significance & staying power of those previous highs (and to try and scare break-out traders out of their new, weak long positions).

4 - With this *'test of strength'* completed - and a strong level of support validated - the market is then free to accelerate higher.

Of course, there are other factors favoring this (at least in the DJIA & S+P 500; the Nasdaq 100 is a little different and will be addressed after this)...

Incredible Shrinking Dips

The DJIA & S+P 500 have been tracing out a sequence of shrinking corrections - a bullish omen that can also precede an accelerated advance - for the past 3 years.

Since July 2010, each successive decline (1-2 months or longer) has become smaller in magnitude. On an approximate basis (since it varies slightly, depending on contract or continuous basis and cash or futures basis), the S+P 500 has experienced the following:

1 - May--Oct. 2011 decline = 305 points.

2 - March--June 2012 decline = 157 points.

3 - Sept.--Nov. 2012 decline = 134 points.

4 - **May-June 2013** decline = 132 points.

This type of pattern is often seen in a market that is *trying* to enter a sharper rally. (The Nasdaq 100 - in its latest decline - exceeded the magnitude of its preceding decline. This is a type of *'yellow flag'* that often warns of larger corrections in the near future - often *after* a final surge.)

There are other factors that need to corroborate the potential for an accelerated advance. [Some of these could be seen as soon as **July 12th**.] So, this is not a call to *'throw caution to the wind'* and buy more stocks with reckless abandon.

But, it is/was a signal to add to long positions and look for quick confirmation to the upside. [That is why equity investors were advised to be getting back on the long side in the second half of **June**.]

After all, if the Indices are going to accelerate higher, they should *accelerate higher*. And, *acceleration* is not a slow-moving process...

And this is just another example when multiple factors are swinging the technical & cyclical 'odds' in the favor of the bulls. So, it is a time to be *assertive* but not *careless*. ***IT***

This reprint from the July 2013 INSIIDE Track ***Stock Indices 2013 II*** *Report (that was also included in* ***40-Year Cycle 2014--2017****) explains why Stock Indices were expected to see acceleration higher from mid-2013 through* ***2014****. The wave structure - illustrated & updated in the accompanying chart from July 2013 - shows how a pullback into Feb. 2014 would produce a '(4)' wave low and then usher in a '(5)' wave advance. From a purely Elliott Wave standpoint...*

That '(5)' wave advance is expected to be related to the '(1)' & '(3)' wave advances - lasting at least 8-9 months (half of 17-month advance) and possibly as long as 17 months. Other indicators will clarify.

Now that a large chunk of that has taken place, it should be price objectives that help hone the likely time for a final peak. The extreme upside objectives for this multi-year advance (stemming from 2009, 2011 & 2013) are discussed in the ***Weekly Re-Lay*** *excerpts on the following pages. IT*

Excerpt from Aug. 2014 *INSIIDE Track*...

STOCK INDICES

08/05/14 - Stock Indices remain positive and on track for an overall advance into **4Q 2014**. As long as the weekly trends do not turn down in **August**, the Indices should rally to new highs into (at least) **Oct. 2014** - the culmination of a myriad of monthly, quarterly & yearly cycles. [See diagrams on pages 5 & 6.]

2014 - most synergistic in **4Q 2014** - is not only when so many Stock Index cycles and timing indicators converge, it is also the completion/transition of multiple social/economic/financial cycles. A stock market peak in **4Q 2014** would complete a 40-year inflationary advance in Stock Indices (and many other markets) - originating from the 4Q 1974 bottom.

As discussed in the preceding pages, this is FAR MORE than just a market discussion or a market cycle. It is the culmination of a unique fractal of related *40-Year Cycles* that deal with peculiar societal 'experiments' - spanning the entire history of America.

The latest 'experiment' involves supporting the US Dollar/Federal Reserve Note - and by default, everything priced in those Dollars - with nothing but debt and the world's need to use Dollars to buy everything else. While there is good reason to argue that the US earned that privilege, there is equally good reason to argue that the US has grossly abused that privilege.

Our *40-Year 'Period of Testing'* is reaching fruition and other powerful nations are vying to knock us off the top of the proverbial (economic) mountain.

After 40 years of relative global blindness, somebody is yelling *'the Emperor has no clothes'*… and the rest of the global population is squinting their eyes and starting to recognize the obvious.

It may be that the BRICS are successful and ultimately overtake the West as the global financial leader.

Or, it may be that the West sees the handwriting on the wall and takes the very difficult & painful steps toward curbing this inflation and backing the Dollar with something more than just debt. If that were the case, it would corroborate analysis for a major inflationary peak and transition in **2014--2016**.

Intermediate Outlook

On a near-term basis, the Indices were deemed *'overdue for a reasonable (5% or more) correction - a necessary component of a healthy uptrend'* heading into **July**. The NYSE was again providing some technical leadership and identifying **July 3rd/7th** as the ideal time for a peak.

That stemmed from a 7-9 week cycle that has governed that Index since April 2012 (discussed repeatedly throughout **2014**) and which helped pinpoint tops in early-Jan. & early-March. As stated in the last issue

> **7-01-14** - *"The next phase of the ~9-week cycle is approaching - on **July 7--11, 2014** (possibly **June 30--July 3rd**, since it averaged 8 weeks or ~60 degrees in duration) - and should tell the tale. **July 7--11, 2014** is also when a higher-degree, 27-week low (June 24--28,*

Stock Indices: 2014/4Q 2014

Ideal Time For Multi-Year Peak

-- 3-year low-low-(high) *Cycle Progression*.
-- 6-year low-low-(high) *Cycle Progression*.
-- 12-year low-low-(high) *Cycle Progression*.
-- 7-year high-high-(high) *Cycle Progression*.
-- *40-Year Cycle* from late-1974 low.

2015/2016 = Crash Cycles

-- 7-year crash ('01) -crash ('08) -(crash? **'15**).
-- 14-year crash ('73) -crash ('87) -crash ('01) -(crash? **'15**).
-- 42-year crash ('30--32) -crash ('73--'74) -(crash? **'15--'16**).

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2016 = Multi-Year (Blow-off) Low?

-- 42-year low ('32)-low ('74)-(low?) *Cycle Progression*.
-- 14-year low ('74)-low ('88*)-low ('02)-(low?) *C. P.*.
*Select Indices; Others = late-'87
-- 7-year low ('02)-low ('09)-(low?) *Cycle Progression*.
-- 40-Year *Dollar Revolution Cycle* Culmination

*2013)--high (Dec. 30--Jan. 3, 2014)--high Cycle Progression comes into play. (That also means that **June 30--July 3, 2014** is exactly 26 weeks or 180 degrees from the late-Dec. '13 high.)*

*Another reason this intermediate cycle could still have validity has to do with parallels to 2011 & 2007...In 2007, the Indices had critical cycles in **July** and again in October (an exact 17-Year Cycle from the Oct. 11, 1990 bottom). The Indices set 2-3 month highs in **July** 2007 and then spiked to new highs on Oct. 11, 2007 - setting multi-month, and what would become multi-year, highs.*

*In the case of 2007, the Indices were completing a ~5-year advance from 2002… just as they are doing in **2014** (from 2009). In **2014**, the Indices have advanced for 11 quarters since the Oct. 2011 (4Q '11) low. That low came 11 quarters from the March 2009 (1Q '09)… so there is a little bit of symmetry building within this ~5 -year advance.*

*Based on longer-term expectations - for a final peak in **4Q 2014** - I would expect the Indices to trade a little more like they did in 2007 than in 2011 (quick, sharp drop followed by retest of **July** highs - in **Oct**. - as opposed to an overall decline into **October**)… but not an exact replica.*

*It should also be remembered that in 2011, the Nasdaq 100 bottomed earlier than the other Indices, setting its correction low - after a sharp drop - in **early-August**. Could **2014** look anything similar?*

*With (unrelated) cycles anticipating a low in **early-August 2014**, there could be at least some similarities to **July/August** 2011. And, with the Indices producing progressively smaller corrections for the past 3 months, they are due for a sharper drop."*

The NYSE set its peak on **July 3rd** - the same time the S+P registered its highest weekly close - and quickly turned several trends & indicators down…

The DJIA edged higher into **July 17th** (when multiple daily cycles converged & still within the normal 1-week margin of error for the 7--9 week cycle) and then both Indices gave decisive sell signals on **July 24th/25th**. Just as important, the DJIA provided yet another corroborating factor to what could be its ultimate upside objective. To reiterate:

*7-05-14 **Weekly Re-Lay**: "While it maintains most of its **2014** upside objectives around **18,223** (**2014** Raw SPR)--**18,427/DJIA**, this Index could see another moderate correction before the next convincing impulse wave takes hold. From a cycle perspective, the ideal time for an intervening low is still in **early-August**."*

*7-19-14 **Weekly Re-Lay**: "For the past couple years, long-term wave & Golden Ratio targets have been forming between **~18,150--18,550/DJIA**, with timing not being a factor. This range includes the point at which the advance since Oct. 2011 would equal 1.272 (2DGR) times the magnitude of the preceding advance from March 2009--May 2011.*

*It is also where the advance since 2009 would equal 1.618 times the decline of 2007--2009 (when using weekly & monthly closes; if using intraday high & low, that target stretches up to **18,974/DJIA**).*

*As **2013** drew to a close - and **2014** began to unfold - several more objectives corroborated this upside target range…*

*The yearly Raw SPR for **2014** formed at **18,223/DJIA**. Then, as the Feb. 2014 low took hold (a low that was - and still is - expected to hold for most or all of **2014**, based on a recurring 15-16 month cycle), monthly wave objectives formed at **18,154--18,274/DJIA**… again, having no time constraint since they are just a price target.*

*At the same time, however, the quarterly LHR for **1Q 2014** was at **18,416/DJIA**.*

*After the 1st quarter was complete, the quarterly LHR for **2Q 2014** was at **18,427/DJIA**.*

*And, once the 2nd quarter was complete, the quarterly LHR for **3Q 2014** was at **18,616/DJIA**.*

*Considering that these are quarterly LHRs, the range of **18,416--18,616/DJIA** is a fairly tight and synergistic range of upside extreme targets for either **3Q** or **4Q 2014**… overlapping many other upside wave & price targets.*

*Since **4Q 2014** is when a Major, multi-year peak is cyclically most likely, there is a chance that this pattern could perpetuate itself once more... So, what would it take to create a 4th consecutive quarterly LHR - for **4Q 2014** - in this tight range of **18,416--18,616/DJIA**?*

*A **3Q 2014** high at **17,215--17,315/DJIA**."*

With the DJIA's **July** high of **17,151**, it has initially created a **4Q 2014** *LHR* at **18,287/DJIA** - reinforcing the overall, multi-year upside objective range at **~18,150--18,550/DJIA**.

It did this while completing successive multi-month advances of near-exact magnitude (both advances equaling just over 1,800 points (~14,700--16,500 & ~15,300--17,100).

Of course, the latter of these two took much longer to unfold - reflecting some underlying weakness and ushering in the potential for a sharper correction.

Since the Indices have already stretched this multi-year bull market into **3Q 2014** (and well into 2014), they are already in the time frame when a MAJOR top *could* take hold (**4Q 2014**, + or - 1 Q would be normal range of error).

This does not mean that a multi-year top is taking hold… but that it *could* take hold at any time. When a market is a little weaker than anticipated, it will often turn just before the ideal cycles. *When it is stronger, it will stretch to the extreme… and then some*.

This is only pointed out to advise investors to begin preparing for a major shift. If the current correction holds above **16,000/DJIA**, there could still be another surge to **18,150/DJIA** or higher. But, nothing should be taken for granted... *IT*

Aug. 2014 - This excerpt - from the Aug. 2014 *INSIIDE Track* & preceding July 2014 ***Weekly Re-Lays*** - zeroes in on the ultimate (extreme) upside objective for this advance. The DJIA is expected to surge to **18,150--18,550** before this advance is considered mature. In the interim, a pullback into **Aug. 4--15th** was projected and that is now reaching fruition.

Already, corroborating calculations are increasing the synergy of extreme upside objectives at **18,150--18,550/DJIA**… and more could soon emerge. That price target should help pinpoint *when* the time for a Major peak is at hand. Until this advance has reached that price range, there will remain the *potential* for further upside. *As always, price filters cycles!*

Key cycles come into play in the first half of **October** and in **November**. The price action at those times should also help to hone expectations and pinpoint the time for a top. Ultimately, the first bearish rumblings are expected in/around **April 2015**. *So, a top should take hold before then. IT*

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