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

by Eric S. Hadik

Destiny 2011:

A.G.E. to A.G.E. II

An INSIIDE Track 2011 & Gold Analysis Recap

Destiny 2011 II

2011/Gold Analysis Recap

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A Glorious End (?)... to A Golden Era

2011 Projected to Pinpoint MAJOR Top in Gold

Sept. 2011 - The following is a collection of analysis that has been published in INSIIDE Track in **July & August 2011**, following up on the May 2011 ***A.G.E. to A.G.E.*** & focusing on one (of several) primary conclusions: **2011** is a ***Date with Destiny*** and will mark the culmination of a *12-Year* period of commodity price inflation, most salient in the price of Gold & Silver, Energy Markets and the CRB Index.

Some of the Commodity markets are already confirming tops, as is Silver - which peaked in precise alignment with cycles and long-term resistance/upside targets in **May 2011**. As discussed in the following excerpts, Gold is expected to join these markets and set (or have recently set) a MAJOR peak at this time - the culmination of a *12-Year* (and *40-Year*) bull market and a perfect, Golden-Ratio division of the ***Cycle of Time*** - that projected this 12-year long bull market back in 1999.

This is compiled to bring new readers up to speed on what should be a momentous time that has been expected to include a Major top in Gold & Silver, a bottom in the Dollar and the culmination (at least for a couple years) of Middle East pressures that have helped support Oil & Precious Metals prices for the past decade. For over a decade, I have emphasized the cycle significance of **2011** and projected bull markets - in Gold, Silver, Crude, Unleaded Gas, CRB Index, various Commodities & the Euro - to last into this decisive year. Some of these bull markets date back to 1998/1999 with the rest beginning in 2001. All, however, are expected to set multi-year peaks in **2011**!

September 2011 is an uncanny alignment of all of these cycles… and more. It has been discussed all year and arrives just a couple weeks after the *40-Year Period of Testing* for Gold - linked to the August 1971 slamming shut of the Gold window. *So, what is anticipated in this time frame? ...*

Outlook 2011...

Date With Destiny VII

07-29-11 - While all appears quiet on the Eastern Front (Middle Eastern Front, that is), there are several brewing storms that could intensify as we near the decisive **September 2011** time frame. As reiterated in recent months, **September 2011** is one of two cyclically-significant time frames within the cyclically-significant year of **2011**… with respect to the Middle East, to Israel, and ultimately to Jerusalem.

With that as a backdrop, the continued plans of the PLO to seek national recognition at the UN - based on pre-1967 borders (the same borders that President Obama recently cited in his bid to kick-start peace negotiations between Israel & the Palestinians) - are sure to trigger diverse responses around the globe. Many of those responses could be quite animated… or dogmatic. In other words, it is not the sort of thing that is likely to be 'taken, lying down'.

No matter which side of this debate you choose, it is hard to imagine **September 2011** coming and going without a debate… a heated debate. And, heated *debates* are sometimes just one irrational step away from heated *conflict*. The insert on page 3 provides an example of one perspective on this discussion.

Beginning with a notorious date from history - Tisha b'Av (the 9th day of the month of Av) - that falls on **August 9th** this year, my attention will be again focused on the Middle East for new validation(s) of the big-picture expectations.

The Thing That Hath Been...

There are a few things I would like to clarify, with regard to last month's discussion on shells and bubbles and manias and crashes…

-- The first one is a conclusion that I did not spell out as clearly as I would have liked. It had to do with the cycle application to ETFs. In that discussion, I outlined the two ***11-Year Cycles*** that have unfolded in ETFs - the first beginning in 1989 and the second in 2000.

In an intriguing parallel to the ***11-Year Sunspot Cycle*** - and the ***22-Year Solar Polar Cycle*** - ETFs are reaching a kind of crescendo in **2011**. The first phase was their Stock Index phase. It culminated with the 2000 peak in Stock Indices and particularly the 2000 peak in the Nasdaq 100 (QQQs), from which this Index has never fully recovered (or even recovered 50%).

The second phase began in 2000 and is culminating in **2011**. This phase involved the introduction of - and continued acceleration of - commodity & Gold/Silver ETFs.

I believe that this phase will see a significant culmination in **2011** and that it will also coincide with important tops in the underlying markets (Gold, Silver, many commodities).

The big question is whether this will be an orderly culmination… or a not-so-orderly culmination. If commodities enter an accelerated decline (assuming that they are peaking, as expected), it could place a strain on related ETFs. And, as has been theorized with regard to Stock Index derivatives, the tail could ultimately wag the dog.

In other words, a sharp drop in commodity prices (possibly triggered by a rising Dollar as is projected for the months following **July 2011**), could trigger a rush for the exits in some underlying ETFs (and ETCs).

These redemptions could trigger increased selling of related futures contracts, many of which now form the majority of these ETFs. And, this selling of commodity futures could trigger more panic and more selling of underlying ETFs… and so on. This is how these bubbles work. And, almost no one calls them a bubble before they burst.

Instead, they give all these wonderful reasons why the dramatically increased prices are justified (like the prices for Internet stocks in 1998/1999 and the prices for real estate in 2005/2006… and the prices for Japanese stocks in 1988/1999 and the price for Gold/Silver in 1978/1979, etc.).

And, they explain why these prices are spurring increased demand - which is accurate *up to a point - the point of diminishing return*. Once that point is reached, the reverberations are usually swift and severe.

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These redemptions could trigger increased selling of related futures contracts, many of which now form the majority of these ETFs. And, this selling of commodity futures could trigger more panic and more selling of underlying ETFs… and so on. This is how these bubbles work. And, almost no one calls them a bubble before they burst."

It is also important to note that this particular phase - of any market advance - is the one when emotions (fear of missing out on the greatest investment opportunity of a lifetime, etc.) take over the majority of participants. And, once these irrational emotions are exposed to the light of day, the market falls back as quickly as it surged (during that culminating phase).

It is a little bit like Wily Coyote racing off a cliff and suddenly looking beneath him and realizing that he should not still be supported by nothing but air - even though his legs are still going a mile-a-minute. All of a sudden, reality takes hold… and down he plummets (and off goes the Road Runner to live another day).

The point is that these vehicles are likely to enter a new phase in/after **2011**. This is primarily a cyclic observation and should not be interpreted as anything more… at least not yet.

And, just because the *culmination* takes place in **2011** (if it actually does), that does not mean that a meltdown will immediately follow (this is my second clarification). So, for now, investors should just be on the lookout for any signs of this type of transition.

And, as I suggested in recent months, this type of 'correction' in commodities - which appears to already be taking hold - could be spurred by diverse fundamental events… and potentially a combination of many of them. They include:

-- Dollar rally (which could be spurred by a removal of the debt-ceiling fears once a resolution is achieved).

-- Peace - or the illusion of peace - in the Middle East (this could be spurred by Israel & the PLO getting precariously close to a new conflict… and/or ramifications from the Hariri Tribunal in Lebanon…)…

-- China's economic bubble bursting… or at least rapidly losing air. Since many commodity prices - like the proverbial pendulum - have swung far beyond what the current fundamentals justify (based on a linear or even parabolic extrapolation of what has transpired until now… just like U.S. real estate prices were supposed to keep moving into the stratosphere after 2006), they are prone to 'overswing' to the downside once some of these expectations are tempered… or eliminated.

-- Another factor - that has not yet been discussed in this context - is the ongoing PIIGS-fest in Europe. As many of these nations come closer to defaulting, their underlying economies - and their citizens' ability to purchase goods - weaken. Ultimately, commodity prices will have to return to a range of normalcy when speculators realize that the world is not continuing on a path of unimpeded, never-ending, always-expanding prosperity.

While I may discuss fundamentals like this as a backdrop, the cycles and technicals need to time these signals and corroborate these suspicions. And, on those topics (cycles and Europe), another discussion warrants an update...

INFLATION MARKETS

07/29/11 - 3-6 Month+ Outlook:

Gold & Silver rallied into the latest convergence of intermediate cycles on **July 18--29, 2011**. This creates a high 180 degrees from the late-January low, 360 degrees from the late-July 2010 low & 540 degrees from the early-2010 bottom. These three lows created a 25-26 week low-low-low -(high) *Cycle Progression* that came into play on **July 18--29, 2011**.

When Gold & Silver peaked in early-May, there was a good chance - from a cycle perspective - that it would be the high for the year… and that the first decline would last into **late-July**. Silver gave some confirmation of that but Gold was unable to do so.

As discussed and reiterated since May, Gold had to turn its weekly trend down in order for the **May 2nd** high to be considered anything more than a 2-3 month peak. Gold was never able to do this, which allowed for this recent rally to new highs. At the same time, however, Silver has only rebounded about 50% of its May 2011 decline.

This kind of divergence is indicative of a more convincing peak in the making. And, it comes at - cyclically-speaking - the ideal time. However, this is based on a much larger cycle that I have been watching - and discussing - for over a decade...

It is a 40-Year period of testing from when the U.S. slammed shut the Gold window in **August 5--15, 1971**. **August 5--15, 2011** is 40 years later and could be the time when the Dollar/Gold relationship sees a sharp turnabout… at least for the next year.

I am NOT projecting anything similar to August 1971 (at least not in the coming year). However, **August 2011** could provide another dramatic turnaround in this Dollar/Gold relationship.

3-6 month, 6-12 month and even 1-2 year traders & investors should begin to lighten up on long positions in Gold & Silver, looking for a sharp correction in the coming months...

The **Continuous CRB Index** is getting closer and closer to confirming analysis for a major peak in commodity prices - in 2011 - and the onset of a 6-12 month (or longer) bear market. After reversing its weekly trend to down, the CRB rallied long enough - and far enough - to twice neutralize its weekly trend.

This created expectations for a secondary peak this past week, which appears to have taken hold. If the CRB can give a weekly close below **613.49**, it would turn its intra-year trend down and signal that at least a 3-6 month peak is in place.

This price level is doubly significant since its previous multi-year *top* - from July 2008 - was at **615.04**. This is a key level of *'resistance turned into support'*. If/when this support is broken, it would be a clear sign that the CRB - and commodities as a whole - have confirmed the onset of a larger-degree decline.

US DOLLAR/INT'L CURRENCIES

07/29/11 - 3-6 Month+ Outlook:

The **Dollar Index** has seen an extended period of consolidation since its March 2008 low and appears to be in the latter stages of a major '2' or 'B' wave decline (since March 2009) that broke down into a 3-wave, a-b-c drop.

The overall outlook is that the Dollar will enter a new multi-month advance from near current price levels… regardless of whether or not a new spike low - or even a retest of the recent lows - is seen (which is still possible).

The weekly trend - which was unable to turn up during the Dollar's recent advances - argues for a retest of the May 2nd low. If that takes place in the coming week (**August 1--5, 2011**), it would also come 90 degrees from the preceding bottom.

August 1--5th is the next in a series of 90-degree/3-month lows in the Dollar. This dates back to the August 2--6th, 2010 low, which was followed by lows during the weeks of Nov. 1--5, 2010, Jan. 31--Feb. 4, 2011 & May 2--6, 2011.

This near-term scenario is reinforced by the fact the Dollar just tested and held its weekly *HLS*, (on **July 18--22nd**) projecting an intermediate low in the ensuing 1--3 weeks. The Euro rallied up to its weekly *LHR*, providing the corresponding/ contrasting signal as well.

The **Euro** remains on track for a new decline and is unfolding in a sequence of (4) progressively lower highs. This could be a very bearish setup if the Euro can give a weekly close below **1.3811/ ECU** before giving a weekly close above **1.4652/ ECU**.

Many factors - technical, cyclical & fundamental - show that the Euro (and Europe in general) could be in for some challenging times over the next 1-2 years...

3-6 month, 6-12 month & 1-2 year traders, hedgers and/or investors should begin to enter the long side of the Dollar, looking for a substantial rally into **2012**.

ENERGY

07/29/11 - 3-6 month+ outlook:

Energy markets turned their weekly trends down, confirming the peaks set during the convergence of monthly cycles (**April/May 2011**) and inter -year anniversary cycles (**early-May 2011**).

Crude Oil, **Unleaded Gas** & **Heating Oil** followed through to the downside with Crude dropping the sharpest. It was able to give a weekly close below the *low* of its year-opening range - the January *low* of **91.78/CLQ** - turning the intra-year trend down and confirming a 3-6 month (or longer) peak.

The weekly trend pattern - combined with a 7-week low-low-low-(low) *Cycle Progression* - projected an initial *low* this past week, which has been validated with the rebound of the past few days.

Based on the daily trend pattern - and geometric, 30/60-degree cycles - another (lower) *high* could be seen on **July 1st**.

Early-August is a more significant cycle that is also likely to produce a high. The action of **early-July** should clarify where that (anticipated) **early-August** high is most likely. ***IT***

Outlook 2011...

Date With Destiny VIII

08-31-11 - **August 2011** emphatically reinforced geophysical & geopolitical expectations for **2011**. In a year that was expected to see major earth disturbances in Japan and then North America, the **August 23rd**, 5.8 earthquake in Virginia - that rattled most of the East Coast and then some - could not have been timed more appropriately. (A swarm of quakes struck Colorado on the same day.)

This *'historic East Coast earthquake'* introduced millions of Americans to the instability that has plagued much of the globe in recent years. At the same time, *Hurricane Irene* began her steady march toward the same area of the country - an event that has also been described with many superlatives, including *'historic'*.

While I would *not* classify the Virginia earthquake as fulfillment of my **2011/2012** expectations, it might be an important *precursor*...

With respect to the **August 23rd** quakes (180 degrees/6 months from the **late-February** period), I will be focusing on the future period from **late-February into early-March 2012** - that will arrive 180 degrees from this recent quake. It will also arrive 360 degrees from the devastating March 11, 2011 Japanese earthquake and 720 degrees from the late-Feb. 2010 Chilean earthquake and March 2010 Iceland volcanic eruption.

You might recall that these 2010 events were part of the reason I projected a major earth disturbance for **February/March 2011** - in the midst of the period (**December 2010--January 2012**) when a major Japanese earthquake had been projected for several years.

The **March 2011** Japanese quake powerfully fulfilled both of these cycles and projections… and projected focus on to **March 2012** for another 'event'...

COMMODITIES (SOFTS, GRAINS, LIVESTOCK ETC.) *www.insiidetrack.com*

07/29/11 - Cotton did sell off sharply on **July 5--8th**, as its weekly *21 MAC* reversed lower. And, it did ultimately give a weekly close below **110.00/CTV** - the intra-year low - to signal that a 6-12 month peak is intact. That level was doubly important since **110.85/CT** is the late-November 2010 low - on the continuous weekly chart - that also represents the *'4th wave of lesser degree'*.

Cotton has now retraced over 75% of its May '10--March '11 rally and more than .618 of its multi-year advance. As a result, some consolidation could soon be seen. This is one of many commodities already confirming projections for a major peak in **2011**.

Coffee is another commodity that has signaled a 3-6 month, possibly 6-12 month, peak after perfectly fulfilling ongoing projections for a surge into **May/June 2011**. Coffee needs to give a weekly close below **240.0/KC** - the low of the year-opening range - in order to signal that a larger-degree top is in place.

To review, **2011** is the culmination of a ***17-Year Cycle**** that created a major peak near **337.0/KC** in 1977 (***34 years*** ago) and a secondary peak in 1994 (***17 years*** ago)… as well as lows in 1975, 1992 & 2009. Monthly & weekly cycles - including a 7-month/30--33 week cycle - projected this peak to take hold in **May 2011**. **May 2011** was also the 14-Year anniversary of the **May** 1997 peak - at **318.0/KC**.

Coffee fulfilled intermediate cycles by peaking during the week of **May 2--6th** - the last phase of an 8-week low-high-high-(high) *Cycle Progression* - and then set a secondary peak in **early-July**, in line with this cycle. As explained previously, Coffee could ultimately drop back to near **160.0/KC**.

Sugar (World #11) rallied sharply after fulfilling the potential for *timing* symmetry between its declines in 2010 and in **2011**. In 2010, Sugar peaked in the opening days of **February**. In **2011**, Sugar peaked in the opening days of **February** - 360 degrees from this previous top. In 2010, Sugar dropped into the opening days of **May** - a reinforcement of the ongoing geometry in Sugar (a 90-degree decline). In **2011**, Sugar dropped into the opening days of **May** (**May 6th**) - another 90-degree decline… and 360-degree cycle.

It then turned its weekly trend up, allowing Sugar to surge to new highs. In accord with the same 90-degree cycle, Sugar could see a pullback into **early-August** - when a secondary bottom could be seen (a 90-degree high-low-low *Cycle Progression*). A drop into **early-August** would project a subsequent, 90-degree rally into **early-November** - when a 9-month (270 degrees) low-high-(high) *Cycle Progression* also comes into play. ***IT***

Sept. 2011 -- Cotton has powerfully confirmed the top it set in **March 2011** while Coffee peaked in **May 2011**. Sugar peaked in **February** but then set a secondary top in recent weeks. All three are in the beginning of what has been projected to be a major bear market with **2011** pinpointing MAJOR tops in these and many other commodities. As repeatedly discussed, this would corroborate multi-year and/or multi-decade cycles that have projected a bull market in commodities and price inflation… *from* 1998--2001 and *into/until* **2011**. These Major tops would reinforce the expected *'Date with Destiny'*. ***IT***

Middle East Cycles in 2011

August 2011 also saw the next domino fall - or almost fall - in fulfillment of *Arab Unity Cycles* that culminate/transition in **2011**. This almost assures that dramatic changes - in *perspectives* as well as in *reality* - are in store for the primary focus in the Middle East… ***Jerusalem***.

That is why these cycles were expected to trigger massive upheaval throughout the Middle East, immediately prior to a crescendo in *Kingdom of Jerusalem Cycles* in **2011**.

Much of the previous analysis - explaining these cycles - is posted on our website (*www.insiidetrack.com*). However, for the sake of newer subscribers, let me give a brief recap…

1 - Based on cycles spanning most of recorded history, the year **2011** pinpoints the time when a major transition was/is expected to take hold in the Middle East. At the center of this focus is the city of *Jerusalem*… which is expected to grow in significance in the coming months and coming years.

I called these cycles *'Kingdom of Jerusalem Cycles'* due to the fact that many phases - of the 360-year cycle that is the foundation of this analysis - are directly linked to Jerusalem and/or Jews and/or Israel… and to battles for its control.

One of the most salient of these is what is commonly termed *'the Battle for the Kingdom of Jerusalem'* that culminated in 1291 with the *Fall of Acre*. This was a crescendo in the Crusader-led battles for the Holy Land… and the time when defeat of the Crusaders was complete.

720 years later - or 2 revolutions of a 360-year cycle - is **2011**.

These battles raged from 1258--1291. In an ironic twist, the 'battle' for a peace accord (a form of control) in the Middle East began in 1978 (720 years after 1258) and could culminate in **2011** (if a new type of 'peace' is acknowledged). This would usher in what is already expected to be a dramatic period - from **2011** into **2018**.

It is, however, the *synergy* of cycles - particularly 360-year cycles - that makes **2011** the most significant. 360 years after 1291, Jews were suffering one of the worst holocausts against them - in 1648--1651. This period included the Chmielnicki Massacres and is part of a decade - from 1648--1658 - that was devastating for Jews.

360 years later is **2011** (**-2018**).

Prior to 1291, there is also a series of 360-year & 720-year cycles that maintain a direct *link* (via this ongoing 360-degree sequence) and a direct *application* (dealing with both sides in the battle for the heart & soul of Jerusalem) to **2011** and the years that follow.

The *720-year Cycle* is the most noteworthy. 720 years prior to 1291 is 571 AD… and the birth of Mohammed (and, as a result, the birth of Islam). I think the link between that event and today's struggles is fairly clear.

720 years prior to 571 AD is the time that involved the desecration of the Jewish Temple - by Antiochus Ephiphenes - and the Macabeen Revolt.

720 years prior to then was the time when Omri - and then his son Ahab - ruled Israel. Omri rejected Jerusalem and set up Israel's capital in Samaria (Israel became known as '*Omriland*' during this time) while the majority of the people rejected *YHWH* (*Yahweh*; *God*… *'I Am'*), leading to the extinction of Israel as a nation.

A 1,440-year cycle connects this ancient time in Israel - when they rejected Jerusalem while rejecting *YHWH* (and, consequently lost their identity as a nation and were spread around the globe as a people) - with the birth of Mohammed/Islam and then with the period that begins in **2011**.

And, as just demonstrated, this 1,440-year cycle breaks down into 720-year cycles & 360-year cycles… all of which point to **2011** as the beginning of a watershed time for Israel/Jews. This immediately ushers in **2012** - when an *11-Year Cycle of Middle East/Israel-related Wars* recurs.

[Not surprisingly, some Jewish scholars describe a cycle of 144 that equates to a seah and the *'measure of a Mikvah'* (a purification rite in Judaism). 144 is also an important number in the Fibonacci Sequence and in Gann's work.]

However, before the *Battle for the Kingdom of Jerusalem* reached fruition, *Arab-Unity Cycles* were projected to create the overthrow of multiple Middle East nations in **2010/2011**… and set the stage for a new attempt at an *Arab Union* in the Middle East.

As explained previously, this was necessary so the individuals - who ruled these nations with a rod of iron and pursued certain goals for their own individual existence (like Egypt's *Camp David Accord* with Israel) - would be taken out of the way to allow the religious fervor of the people to flare up. Over time, this could turn into a raging inferno that would ultimately be directed at Israel.

2011 has powerfully validated and fulfilled these cycles and these projections, with the fall of Libya providing the latest example. Saudi Arabia is still expected to be the biggest - and most salient - fall, but (previously-discussed) cycles project **2013** as the most likely time for that to take place…

Inflation Markets

08/31/11 - 3-6 Month+ Outlook:

Gold & Silver have just passed through what could be the most cyclically-significant period in many years. As stated last month…

August 2011 is a 40-Year *period of testing* from when the U.S. slammed shut the Gold window in **August 5--15, 1971**. **August 2011** - 40 years later - could be the time when the Dollar/Gold relationship sees a sharp turnabout… at least for the next year.

As also emphasized (so that this analysis is not taken out of context), I am NOT projecting anything similar to August 1971 (at least not in the coming year). However, **August 2011** could provide another dramatic turnaround in this Dollar/Gold relationship.

Not only is this time frame the culmination of a 40-year cycle, it is also the most important point within Gold's current 19-year cycle. This cycle was described in 1998 & 1999 when forecasting a major, multi-year low for Gold in 1999 - 19 years from its 1980 peak.

As explained then (in *INSIIDE Track* & ***Cycle of Time*** Reports), Gold was expected to enter a major bull market that should last for at least .618 (12 years) of the next 19-year cycle. ***2011** is that 12th year!*

In synch with this 12-year cycle, Gold previously bottomed in July/**August** 1999 - setting a double -bottom during those months. So, **August 2011** was exactly 12 years from the start of Gold's bull market.

Of course, all of this only means so much. Price action needs to validate and confirm. At the very least, Gold & Silver need to give daily closes below **1725.8/GCZ** & **3702.5/SIZ** in order to turn their daily trends down and to give even the smallest signal that a top is taking hold.

Gold & Silver remain divergent, with Silver only rebounding about .618 of its **May 2011** decline. So, as of now, the **early-May 2011** peak remains the highest level that Silver has attained - a peak that was set during a very consistent 37-month cycle.

3-6 month, 6-12 month and even 1-2 year traders & investors should begin to lighten up on long positions in Gold & Silver, looking for a sharp correction in the coming months.

3--5 year (or longer) investors can still stay focused on the long side, accepting the possibility that Gold might not set new highs - once a top is confirmed - for as long as 1-3 years.

Copper - after retesting important resistance in July (around **455.0/HGU**) did see a quick drop in **August** and set a low during the week of **August 8--12th**, extending a 90-degree/3-month cycle - that already created the mid-Nov., mid-Feb. & mid-May turning points - and was expected to create another low.

This did trigger a new advance, in line with the ideal scenario. However, this August low briefly spiked below the level of its predecessor (the May 9--13, 2011 low), altering the wave structure and indicating that the next phase of this cycle is more likely to be a *low*… and potentially a lower *low*.

A 13-week high-low-low-(low?) *Cycle Progression* comes into play on **November 7--11, 2011**, when this next bottom is most likely.

This could alter expectations for longer-term cycles that appear in **Novermber/December 2011**. That is when an 18-month low-low-(?) *Cycle Progression* and a 10-month high-high-(?) *Cycle Progression* converge.

November/December 2011 is exactly 3 years from the December 2008 *low* and is the 10-Year Anniversary of the November 2001 major *bottom*. Since Copper did NOT turn its intra-year trend up and did NOT give a weekly close above the February 2011 peak, it has turned its 2-3 month & 3-6 month outlook bearish and could drop into **late-2011**.

Copper has just rebounded to retest its year-opening low (*support turned into resistance*) - at **419.8--426.0/HGZ** - and should reverse lower if a new decline is taking hold.

The **Continuous CRB Index** spiked to a new low - in fulfillment of its weekly trend pattern - and then rebounded. It could see a similar pattern if it extends this latest bounce into **September 12--16th**.

These rebounds are not unusual, considering that the CRB keeps testing the most important support level of the year - the range of the first week of **2011**.

It would take a weekly close - and then a monthly close - below this range (below **613.49**) to turn the intra-year trend down & confirm projections for a major peak in commodity prices in **2011** ...and the onset of a 6-12 month (or longer) bear market.

This price level is doubly significant since the CRB's previous multi-year *top* - from July 2008 - was very close by - at **615.04**. This is a key level of '*resistance turned into support*'.

If/when this support is broken, it would be a clear sign that the CRB - and commodities as a whole - have confirmed the onset of a larger-degree decline.

US DOLLAR/INT'L CURRENCIES

08/31/11 - 3-6 Month+ Outlook:

The **Dollar Index** has seen an extended period of consolidation since its March 2008 low and appears to be in the latter stages of a major '2' or 'B' wave decline (since March 2009) that broke down into a 3-wave, a-b-c drop.

The overall outlook is that the Dollar will enter a new multi-month advance from near current price levels. This could be what reigns in excessive bullishness in commodities and precious metals. It could also be what leads to - or is in reaction to - a serious decline in the Euro.

The **Euro** remains on track for a new decline and is poised to turn its weekly *21 MAC* down - on **September 6--9th** - if it can drop below **1.4307/ECU**. (Though not as likely, it could even turn this channel down during the current week if the Euro drops below **1.4097/ECU**.)

The Euro has already triggered 1-4 week & 1-2 month sell signals that were described in the August 20, 2011 ***Weekly Re-Lay***. These sell signals were activated at **1.4489--1.4553/ECU** on **August 23--29th** and are expected to lead to a sharp drop from now (**August 29th** was the daily cycle high) into late-**November 2011**.

There are many reasons why the Euro is expected to begin a significant decline… now. Many of these have already been conveyed. The **August 23--29th** sell signals are the latest corroboration.

Looking ahead, there are almost as many reasons why an important, initial *low* could be seen in **late-November 2011** (after a serious decline). These will be elaborated in the coming months, but a few of the more salient ones are listed below:

1 - .618 retracement in time (47 weeks up/29 weeks down).

2 - Back-to-back, 6.5 month declines (wave equivalence; 'c = a').

3 - 2 years (720 degrees) from **late-November** 2009 peak / 3 years from **November** 2008 low / 6 years from **November** 2005 low.

4 - 3-year low-low-(low) *Cycle Progression* (**Nov**. 2005 low--**Nov**. 2008 low--**Nov. 2011** low?)

And to reiterate, many factors - technical, cyclical & fundamental - show that Europe & the Euro could be in for some challenging times over the next 1-2 years (potentially longer). The Euro could lead the way with a sharp decline in **September through November 2011**.

The **Japanese Yen** remains in a weekly, monthly & intra-year uptrend but has been unable to exceed the peak it set on **August 1st**. It would take a daily close below **1.2886/JYZ** to show any signs of weakness.

3-6 month, 6-12 month & 1-2 year traders, hedgers and/or investors should have begun to enter the long side of the Dollar (around **74.00--74.50/DX**), looking for a substantial rally into **2012**. This can still be accomplished in the coming weeks.

1-3 month traders can buy the Dec. Dollar Index futures at current levels and average in down to 73.20/DXZ. Risk two consecutive daily closes below 72.65/DXZ.

ENERGY

08/31/11 - 3-6 month+ outlook:

Crude Oil, **Unleaded Gas** & **Heating Oil** did drop to new lows, reinforcing analysis for the early-April & early-May 2011 highs - which occurred on the anniversaries of the 2010 peaks - to hold for several months and to spur a larger-degree decline. Crude retraced .786 of its year-long advance while testing and holding crucial wave support. As a result, some consolidation is likely (before another decline - into **November/December 2011** - takes hold). *IT*

Sept. 2011 - Precious Metals are powerfully fulfilling ongoing expectations (from the past decade) for a major crescendo in **2011** - in the markets and in the Middle East.

If Gold sets a peak now, it would complete a sequence that began with Copper topping in **Feb. 2011**, Silver peaking in **May 2011** and now Gold reaching a (divergent) crescendo in **August/Sept. 2011**, along with the convergence of multi-month, multi-year & multi-decade cycles. This is expected to usher in a 2-3 year correction in Gold & Silver.

Gold is triggering a sell signal - the first in many years - for 1-2 year traders, in line with sell signals in the Euro and buy signals in the Dollar Index. Ultimately, this is expected to trigger powerful, contra-trend moves (down in Gold & Euro, up in Dollar) into **2013**.

As explained in the preceding excerpts, a crash in Commodities (and possibly Silver) and a sharp drop in Gold could trigger a crash - that might ultimately be viewed as a *'bursting bubble'* - in related ETFs & ETCs... similar to what occurred in QQQs in 2000--2002.

Please refer to current/future issues of *INSIIDE Track* & the ***Weekly Re-Lay*** for updated analysis on this decisive & momentous ***Date with Destiny***. *IT*

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