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

Destiny 2011: A.G.E. Regression
An INSIIDE Track 2011 & Gold Analysis Recap

Almost all of these are validating this analysis and setting the stage for major declines into 2013. The May 2011 peak in Silver and August/Sept. 2011 peak in Gold (as well as Feb. - May 2011 peaks in Copper, Cotton, Sugar, Coffee, CRB, etc.) have powerfully validated that analysis and set the stage for an ultimate drop in Gold to 1308/GC & in Silver to 1943--1981/SI.

These should be viewed as the primary, 1-2 year downside objectives, although additional downside could be signaled by intervening price action. That would be addressed in future publications. The purpose of these targets is to let traders know when this decline has run a normal course, allowing the potential for a 1-2 year bottom to take hold. There are key cycles when this could take hold - as early as 1Q 2012 or as late as 2014 - but price action, as always, must validate. Until these downside objectives are met, the correction will likely remain in force.

The following is some of the recent analysis, detailing these price targets...

09/28/11 Weekly Re-Lay Alert - Gold & Silver remain negative and on track for declines into early-October, 90 degrees from the early-July lows. In the case of Gold, it could also retest the price level (1481.0/GCZ) of the July 1st low.
Silver has nearly reached its primary downside objective - the 4th wave of lesser degree (and intra-year low) at 2630.0/SI - and could see some consolidation once this is tested.”

10/01/11 Weekly Re-Lay:

"Gold & Silver dropped further, reinforcing the scenario - and wave pattern - that has been unfolding in Silver. Since completing a 5-wave advance in May 2011, Silver has been in a corrective mode with 3-6 month support at the 4th wave of lesser degree’ - the late-January 2011 low of 2630.0/SI (2641.0/SIZ).

After giving its initial, ‘A’ wave decline in May 2011, Silver rebounded .618 of that drop and set its ‘B’ wave peak in late-August. From that point, Silver’s first downside objective was a 1/1 ratio in comparison to the ‘A’ wave decline. In other words, the new wave down - from the late-August peak - should be at least the same magnitude of the May 2011 decline.

This projected a drop to 2698.0/SIZ.

Then, there is the analysis that Silver was setting a major peak and should see at least a 6-12 month correction. The best validation of this scenario would be a drop to new intra-year lows, creating an Intra-year Inverted V and potentially triggering an intra-year downtrend.

In order to accomplish this, Silver would need to drop below 2641.0/SIZ (and ultimately give a weekly close below this intra-year low).

Silver just spiked down to 2615.0/SIZ, fulfilling all these key objectives and initially holding this critical level of support. In doing so, Silver reaffirmed cycle analysis for an overall decline into late-January/early-February 2012 - the next convergence of monthly & weekly cycles.

While the recent low does reinforce the support found near 2630.0/SI, most of my longer-term work (1-2 year & 3-5 year expectations) anticipates further downside at some point in the coming year. So, this level is likely to be broken at some point in the coming months.

This could be showing that the recent decline is only the first wave of a larger ‘C’ wave down. This means that Silver could bounce from this support and consolidate for several weeks - or even a couple months - before the next sharp decline. Ultimately, Silver should spike below 2000.0/SI, with important support at 1943--1981.0/SI.

Gold has twice neutralized its weekly uptrend, while dropping back to its previous (May 2011) peak - a critical level of resistance turned into support.

Gold needs to turn its weekly trend down, which would confirm a 3-6 month top and project a continued decline to 1308/GC - the corresponding ‘4th’ wave of lesser degree’/late-January 2011 low.”

10/08/11 Weekly Re-Lay:

“Gold & Silver have traded sideways following the steep drop that allowed Silver to reach 3-6 month support at the ‘4th wave of lesser degree’ - the late-January 2011 low of 2630.0/SI (2641.0/SIZ).

This drop also allowed Silver to reach a primary wave target and the intra-year low. All of this corroborated ongoing analysis that Silver had reached a major peak in May 2011… and would likely decline for 1-2 years… Ultimately, Silver should spike below 2000.0/SI, with important support at 1943--1981.0/SI.

Gold has neutralized its weekly uptrend multiple times, but has congested since dropping back to its previous (May 2011) peak - a critical level of resistance turned into support. This also had Gold testing its weekly 21 High MARC - a key level of weekly 21 MAC support.

Gold needs to turn its weekly trend down, which would confirm a 3-6 month top and project..."
a continued decline to 1308/GC - the corresponding '4th wave of lesser degree'/late-January 2011 low. It would take a weekly close below 1535.0/GCZ to reverse the weekly trend to down and to take this correction to the next level.

...In the near-term (2-4 weeks), Gold has the potential to wait until late-October and then enter another decline... that could force it down to 1481.0/GCZ."

10/12/11 Weekly Re-Lay Alert:

"Gold & Silver have traded sideways following the steep drop that allowed Silver to reach 3-6 month support at the '4th wave of lesser degree' - the late-January 2011 low of 2630.0/SI (2641.0/SIZ).

Gold has neutralized its weekly uptrend multiple times, but has congested since dropping back to its previous (May 2011) peak - a critical level of resistance turned into support. It remains in a daily downtrend - as does Silver - so a secondary peak could take hold at any time.

Gold needs to turn its weekly trend down - with a weekly close below 1535.0/GCZ - to confirm a 3-6 month top. In the near-term (2-4 weeks), Gold has the potential to wait until late-October and then enter another decline... that could force it down to 1481.0/GCZ."

10/12/11 Weekly Re-Lay Alert:

"Gold & Silver have traded sideways following the steep drop that allowed Silver to reach 3-6 month support at the '4th wave of lesser degree' - the late-January 2011 low of 2641.0/SIZ.

However, they are beginning to roll over to the downside (again)...If Gold & Silver confirm a reversal lower - with daily closes below their Sept. 26th lows - it would project a continued, overall drop into mid-to-late-December.

...Gold has neutralized its weekly uptrend multiple times, but has congested since dropping back to its previous (May 2011) peak - a critical level of resistance turned into support. This is typical action for Gold, which usually reverses its weekly trend in a different manner than most other markets (one of its unique nuances).

...Gold (& Silver) have more of a panic tendency in the way they trade. They will often give an initial, accelerated move (like the one between September 6 & 26th) and then congest for an extended period of time.

The ensuing move - in this case, the second decline - will again be accelerated and often occur in just a few short weeks. This allows it to reverse its weekly trend and then quickly enter another
extended period of consolidation.

This is why I have previously explained that Gold & Silver often see 80% of their trending moves in 20% of the time (in which that trend is unfolding) - a unique manifestation of the ‘80/20 Rule’. Sometimes, it is even closer to a 90/10 relationship.

…All of this is in the context of an evolving decline - particularly in Silver, which was expected to reach a major peak in May 2011 and then decline for at least 6-12 months and potentially for 1-2 years.” IT

Nov. 2011 - Gold joined Silver & Copper in confirming ongoing expectations (from the past decade) for a major bull market into - and a serious decline out of - a Date with Destiny in 2011.

On a near-term basis, the November 2011 INSIDE Track explained how a secondary high was/is likely in the first two weeks of November. This should usher in another decline into late-Dec.. Depending on what levels are reached at that time, Gold & Silver should begin to clarify what to expect out of cycles in 2012 & 2013.

With expectations for some big surprises leading into - or through - 2013 (bear markets in Gold, Silver & Copper, the Euro and many commodities... and a strengthening Dollar), price action will be VERY important... and revealing.

Depending on when Gold & Silver reach these downside targets (1308.0/GC & 1943--1981.0/SI), it will help gauge how much longer these bear markets continue beyond then (and if they can make it down to secondary targets, including 1185.0/GC).

As described earlier this year, the culmination of this commodity decline could burst the bubble in related ETFs & ETCs... similar to what occurred in QQQs in 2000--2002.

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