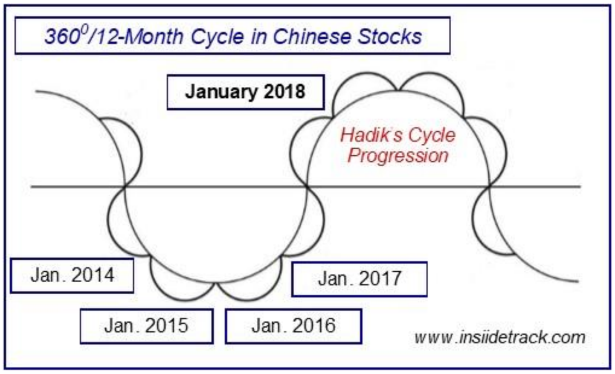
Weekly Re-Lay™

www.insiidetrack.com

Intra-Week *ALERT* for Wednesday – Feb. 14, 2018

“Dollar Setup & Yen Breakout” [Excerpt]



Cycles continue to provide a critical backdrop to expectations for the Dollar and other currencies during this decisive period. On a multi-decade basis (a VERY broad & general perspective), the Dollar was expected to move higher from 2013 into late-2016/early-2017 and then turn back down.

That has taken place with the Dollar projected to extend its primary decline into **2Q 2018**, ideally **May 2018**. Since peaking in Jan. 2017, the Dollar has repeatedly corroborated that outlook. (That also had a geopolitical aspect, anticipating the election of a Republican President in 2016 - to usher in that Dollar downturn in line with past Republican administrations.)

It was, however, the intervening technical action that validated and then confirmed developing facets of this analysis. That began with the Dollar reversing tis weekly trend down in Jan. 2017 (confirming a multi-month peak) and ultimately turning its monthly trend down in June 2017 (confirming a multi-quarter/multi-year peak).

The Dollar's accelerated decline - in April - Nov. 2017 - began precisely as it turned its weekly *21 MAC* down while closing below the low of that channel.

At the end of June 2017, as the Dollar Index was turning its monthly trend down, it also turned its monthly *21 MAC* down while closing below the low of that channel. That triggered the accelerated drop into early-Sept. 2017. All that, however, was just the first leg down - when normally correlated markets ignore potentially negative action in a form of denial.

Following that, the Dollar went through a normal corrective period (an upside correction to the existing downtrend) - rebounding for 2 months with a prevailing & published upside target of **95.20 - 95.50/DX**. It attacked that rebound target in late-Oct. - while also reaching its weekly *LHR*. That extreme weekly target coincided perfectly with the 1 - 2 month upside target and set the stage for a peak in the ensuing weeks.

The Dollar Index retested that high on Nov. 7 and then began its next wave down, triggered by an outside-week/*2 Close Reversal* sell signal on Nov. 10. [During that entire rebound, the Dollar's weekly *21 MAC* remained in a convincing downtrend that began to apply new (negative) pressure in Nov. & Dec.]

Daily & weekly indicators have continued to reinforce this analysis, validating the overriding cycles with price action repeatedly confirming those signals. The reason for recounting this activity is to provide crucial context for what is currently unfolding in the Dollar… and what it could mean for other markets.

As warned before, it is the second breakdown - when a market like the Dollar then drops to new multi-year lows (instead of just multi-week or multi-month lows) that normally-correlated markets begin to pay closer attention. On a large-scale (much higher degree than current standing), the same thing was described in 3Q 2007 - warning that when the Dollar finally dropped to new lows it would be panic-inducing.

(continued on page 2)

POB 2252 NAPERVILLE IL 60567 630-637-0967 630-637-0971 (fx) *INSIIDE@aol.com* *www.insiidetrack.com*

Weekly Re-Lay™
www.insiidetrack.com

Intra-Week *ALERT* for Wednesday – Feb. 14, 2018

“Dollar Setup & Yen Breakout” [Excerpt]

That was because it would mean the Dollar was spiking to new multi-decade lows - even if that final decline was only 2 or 3 basis points - and the psychological impact would be exponentially greater.

Sure enough, the Dollar dropped to new 40-year lows in late-Sept. 2007. Within two weeks, equity markets set major, multi-year peaks and began the most devastating decline of (at least) the preceding 30+ years. It was the Dollar reaching an extreme (and a lot of other corroborating fundamentals) that suddenly triggered a negative correlation - in MANY markets.

On a lesser-degree basis, the same has been forecast for the second wave down of the Dollar’s current ~13-month bear market. When the Dollar breaks below its Sept. low, it would then be hitting new multi-year lows AND confirming at least a 1 - 2 year bear market (instead of just hitting new multi-month lows in a 6 - 9 month bear market, as had previously been the case).

On Jan. 19, 2018, the Dollar triggered that breakdown - giving a weekly close below its Sept. low. Less than a week later, equity markets across the globe peaked and entered their sharpest declines in at least a year (for some, it was the sharpest drop since 2015).

The Dollar has since rebounded from that spike low without being able to turn its daily trend up. That is a decisive price tool that signals the termination of a 1 - 2 week contra-trend move and projects a drop to new lows.

At the same time, the Dollar & Euro perpetuated ~90-degree/3-month cycles that projected a Dollar rebound peak around **Feb. 9**. And, their corresponding daily *21 MAC*s remained in sync with the daily trends (down in Dollar / up in Euro) - applying negative pressure on the Dollar and timing a Euro low.

The Dollar has begun to validate that peak and is expected to enter an intensifying sell-off in the coming weeks - potentially culminating in **May 2018**. However, between now & then, new Dollar weakness could wreak havoc on global equities… which then pressure domestic stock markets - similar to 3Q 2015.

Rising interest rates (declining Bonds & Notes) are exacerbating that - increasing the potential for another significant stock sell-off into **March 2018**. More on the Dollar in its specific section. As for equity markets…

STOCK INDICES are honing the near-term outlook after setting double bottoms on Feb. 9, holding pivotal wave support and projecting a quick rebound to key, 3 - 5 day resistance zones (and rebound targets)…

Stocks are currently fulfilling analysis for *‘a quick bounce to the convergence of daily trend points, daily LHRs, 50% rebound levels & year-opening ranges (support turned into resistance) at ~**24,880 - 25,100/ DJIA**, ~**2685 - 2712/ESH** & ~**6610 - 6670/NQH**.’*

That followed sharp 2 - 3 week sell-offs, in almost all major indices, that fulfilled weekly trend patterns & weekly reversal signals from late-Jan.

As conveyed on Feb. 10, that *‘weekly trend action pinpoints the next 1 - 2 weeks as a pivotal time when an initial low & reversal higher are more likely.’*

(continued on page 3)

POB 2252 NAPERVILLE IL 60567 630-637-0967 630-637-0971 (fx) *INSIIDE@aol.com* *www.insiidetrack.com*

Weekly Re-Lay™
www.insiidetrack.com

Intra-Week *ALERT* for Wednesday – Feb. 14, 2018

"Dollar Setup & Yen Breakout" [Excerpt]

And that was corroborated by other price action, with the three primary indices attacking critical 1 - 2 month support zones and initially fulfilling textbook wave action (a drop to the *4th wave of lesser degree support* - the low that immediately preceded the final surge) with the early-Feb. sell-offs.

That is why any subsequent low was more likely to only be a retest of the recent lows and it is why the testing & holding of the mid-Nov. 2017 lows was expected to *'produce a slightly larger bounce'*…

The test of these targets could produce **[Reserved for subscribers only. The Feb. 14, 2018 *Alert* elaborates on the outlook for equity markets, now that an initial low has been set. It expounds on the next important daily cycle and on what should unfold before another drop takes stock indexes back down - into a decisive cycle in March 2018!]**

Some continuing consolidation would then be expected before another drop into **March 2018**. In the coming weeks, however, the most decisive indicator will be the weekly trend indicator.

The indexes have generated multiple neutral signals against their prevailing weekly uptrends but need weekly closes below **[reserved for subscribers only]** to reverse those trends to down.

If those weekly closes fail to materialize in the coming weeks, equities could head back and retest their highs before the next wave down. As always, this type of price action, and price indicator, is the governing filter for any cycle analysis.

The Dow Transports again provided some additional clarity and leading action for the recent sell-off. They peaked first and turned their 2- 4 week trends down earliest, projecting a decline into **Feb. 7 - 14**. While culminating that initial decline, they dropped right to their weekly *HLS* (extreme weekly downside target) on Feb. 9 and held that support.

At the same time, the DJTA was perpetuating an 11 - 12 week cycle that has governed it since its Jan. 2016 low. That multi-year (Jan. '16) low was followed by subsequent lows - 11, 12 & 11 weeks later (low-low-low-low *Cycle Progression*) before rallying for 12 weeks and then setting a subsequent high, 12 weeks after that - in Feb. 2017.

The cycle reset, with the Transports declining and then setting a subsequent low (high-low-low) in Aug. 2017. 12 weeks later, they set another low in Nov. 2017. 12 weeks after that Nov. low was **Feb. 5 - 9, 2018** - exactly when the latest low was set, overlapping the price/time indicators focused on **Feb. 7 - 14**.

The weekly trend (which requires a weekly close below **9806/DJTA** to turn down) will determine what to expect from the next phase of that ~12-week *Cycle Progression* - in **early-May 2018**.

Global equities are powerfully validating the early-2018 outlook with the STOXX 50 Cash Index dropping right to its crucial, 1 - 2 year support zone at **2940 - 2970** as it was turning its weekly *21 MAC* back down. It spiked to a new 13-month low, erasing all the gains of 2017 in a mere 12 trading days.

That exhausted the latest wave of selling but increased the likelihood for a break below that support in the first half of **2018**.

(continued on page 4)

POB 2252 NAPERVILLE IL 60567 630-637-0967 630-637-0971 (fx) *INSIIDE@aol.com* *www.insiidetrack.com*

Intra-Week *ALERT* for Wednesday – Feb. 14, 2018

"Dollar Setup & Yen Breakout" **[Excerpt]**

If/when that occurs, it could create some panic throughout European equity markets (or occur as a result of some other form of stress hitting those markets). **[reserved for subscribers only]** has been a dangerous period in Europe, as described in previous *Date of Aggression* analysis.

Chinese equities are similar, plummeting back to their Jan. 2017 lows in a mere two weeks' time. To put that in perspective, the *Shanghai Composite* took an entire year (52 weeks) to gain ~600 points and only 2 weeks to lose all those gains.

And, to place that in a slightly larger context, the *Shanghai Composite* completed a 2-year advance of ~1,000 points - broken down into a very precise, 360-degree low (Jan. '16) - low (Jan. '17) - high (**Jan. '18**) *Cycle Progression* that also includes preceding lows in Jan. '15 & Jan. '14 - and corrected ~60% of that 2-year, 105-week advance… in ONLY 2 weeks.

This action reinforces that there is serious, underlying (relative) weakness in significant global equity markets - that could again create a *'tail wagging the dog'* scenario (international equities ultimately weighing on domestic equities) as they did in mid-2015 through early-2016.

If the duration of a developing correction is anything like then (which is NOT a given), it could last 8 - 10 months with serious sell-offs surrounding extended rebounds and/or periods of congestion.

BONDS & NOTES remain negative with the potential to trigger **[reserved for subscribers only]…**

Notes are attacking a convergence of support levels - with weekly & monthly support overlapping at **120-04 - 120-07/TYH**…

1 - 2 week traders can buy March 10-Year Notes **[reserved for subscribers only]…**

The **DOLLAR INDEX**, as discussed earlier, is validating cycle analysis for a peak around Feb. 9. However, it is the daily trend & daily *21 MAC* indicators that are providing confirmation to that.

The Dollar could see a spike down to its weekly *HLS* (**88.26/DXH**), which is also right at its January low.

It would not surprise me if that leads to a subsequent, 1 - 2 week low within days - particularly if the Yen reaches its upside extreme around **.9480/JYH**.

That coincides with an ongoing, 21 - 25 day high-high-high-high-low-low-(low) *Cycle Progression* that has governed the Dollar Index since early-Oct. It comes into play on **Feb. 15 - 20**, 21 - 25 days from Jan. 25…

The **Yen** is validating *'the likelihood for a breakout higher'* and a *'surge to .**9480/JYH** in the next 1 - 2 weeks'*. That is where the latest two weekly *LHR*s converge with the upper extreme of monthly resistance.

It triggered a new buy signal on Monday and quickly validated that, surging to new multi-month highs. A surge above **.9400/JY** would have it setting the highest levels since Nov. 2016.

(continued on page 5)

POB 2252 NAPERVILLE IL 60567 630-637-0967 630-637-0971 (fx) *INSIIDE@aol.com* *www.insiidetrack.com*

www.insiidetrack.com Weekly Re-Lay™

"Dollar Setup & Yen Breakout" [Excerpt]

GOLD & SILVER have rallied sharply, with Gold leading the way after both metals bottomed in lockstep with expectations for a low around **Feb. 9**, the latest phase of a ~60-degree/2-month high-high-low-low-low-(low) *Cycle Progression*.

Gold dropped right to its projected retracement target - a decisive range of support & downside targets at **1309.3 - 1316.3/GCJ** - that included a myriad of pivotal levels arguing for a bottom. Most importantly, it included the 2017 low - the determining factor for the intra-year trend - at **1309.3/GCJ**.

Gold dropped right to that support, fulfilling its 1 - 2 week downside targets and rendering a positive weekly trend signal (uptrend turning neutral twice but not turning down) - maintaining its 2 - 3 month uptrend and projecting a rally to new highs.

A test of **[reserved for subscribers only]** is likely and could be part of a rally to monthly resistance.

Silver, in contrast, is likely to rebound to a lower high. Its weekly *LHR*, month-opening high & intra-year trend resistance combine to create a near-term target AND resistance zone at **[reserved for subscribers only]…**

The **XAU** is also rallying after dropping to its 1 - 2 month downside target and reaching it sooner than expected (but in line with cycles projecting a multi-week low on **Feb. 8 - 9**). It could also reach its weekly *LHR* - at **86.17/XAU** - this week. It would not turn positive, on a 2 - 4 week basis, until…

[Reserved for subscribers only. The Feb. 14, 2018 *Alert* elaborates on the outlook for precious metals, which have closely adhered to expectations for several months, triggering 1 - 2 month buy signals in early-Dec. & then subsequently surging precisely to their 1 - 2 month upside targets before fulfilling projections for a sharp sell-off into Feb. 9.

That was forecast to usher in a 1 - 2 week bottom, and an intervening 3 - 5 day rally, which is nearing fruition. Another significant sell-off could take hold VERY soon, particularly if they follow a specific scenario on Feb. 14 - 15.]

SOYBEANS, CORN & WHEAT rallied with Soybeans re-entering an intermediate uptrend after dropping to within a couple points of their downside target. Corn remains relatively strong and could still surge as high as **372.0/CH** after turning its intra-year trend up on Jan. 26.

Corn needs a weekly close above **362.5/CH** to turn its weekly trend up while Wheat needs a weekly close above **464.5/WH** to do the same. An initial peak remains likely on **Feb. 14 - 16** - in line with the intra-month uptrends and a 30-degree cycle in Corn.

1 - 4 week traders could be long a 1/2-sized position in March Corn futures from an avg. of 349.5/CH and holding these w/avg. open gains of about $900/contract. The other 1/2 should have been exited on Monday's open - around 365.0/CH - w/avg. gains of about $750/contract. Move remaining sell stops to 363.75/CH. Exit if/when 370.75/CH is hit.

CRUDE OIL, UNLEADED GAS & HEATING OIL have dropped sharply since completing projected rallies into **Jan. 2018**.

Since then, they have fulfilled initial downside targets with Unleaded Gas & Heating Oil reaching their Dec. '17 lows as Crude held support at the level of multiple (a series of 4) previous highs - *resistance turned into support* - at **58.27 - 58.66/CLJ**.

With a ~2-month/~60-degree low-low-low-low *Cycle Progression* coming into play this week (**Feb. 12 - 16**), that increases the potential for a bounce from these levels. ~**62.50/CLJ** is short-term target.

POB 2252 NAPERVILLE IL 60567 630-637-0967 630-637-0971 (fx) *INSIIDE@aol.com* *www.insiidetrack.com*

Weekly Re-Lay™

www.insiidetrack.com

Intra-Week *ALERT* for Wednesday – Feb. 14, 2018

"Dollar Setup & Yen Breakout

Natural Gas is also fulfilling multi-month & multi-year cycles and reversing lower. It has turned back down and could decline into **April/May 2018**.

The preceding is an excerpt of the complete Feb. 14, 2018 *Weekly Re-Lay Alert* - provided to give a view of what was provided to subscribers in real time. It elaborates on, among other things, the outlook for stock markets to undergo a tumultuous period beginning in late-Jan./early-Feb. and stretching into/through March 2018.

However, any impending targets, cycles and developing trading strategies are reserved for subscribers only and redacted from this excerpt.

At the same time, Gold, Silver & Gold stocks were forecast to undergo a sharp rally from early-Dec. into late-Jan. before Gold stocks experienced another sharp sell-off - initially into Feb. 9 but ultimately into a specific period in March 2018.

Oil markets were also forecast to accelerate higher in Dec. & Jan., leading to a decisive peak in Jan. 2018. That has since taken hold.

Meanwhile, Bonds & Notes entered the latest phase of what is now an ~18-month decline - reinforcing the longer-term outlook for 2018 - 2019.

Please refer to the complete Feb. 14, 2018 *Weekly Re-Lay Alert* and to corresponding *Weekly Re-Lay* & *INSIIDE Track* publications for these and other specifics.

Please refer to the Feb. 10, 2018 ***Weekly Re-Lay*** for more detailed analysis & trading strategies on all covered markets.

POB 2252 NAPERVILLE IL 60567 630-637-0967 // 630-637-0971 (fx) *INSIIDE@aol.com* *www.insiidetrack.com*