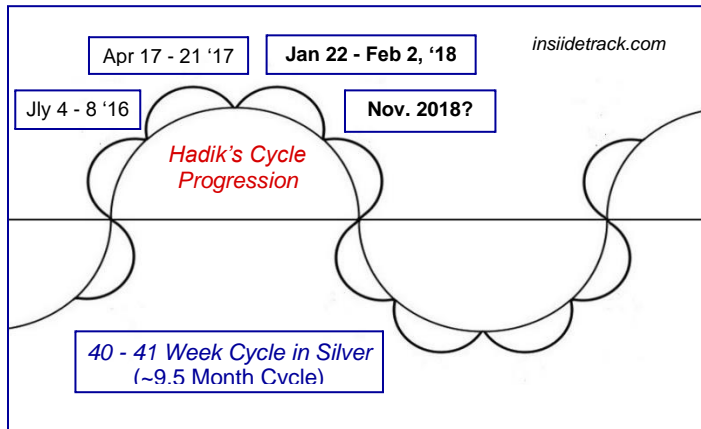


Intra-Week ALERT for Wednesday – May 16, 2018

“Dollar Drives Deflationary Dip” [Excerpt]



MARCs - led to the conclusion that a new sell-off would be seen this week after Silver rallied into daily cycle highs on May 11. The XAU was similar, rallying right to its 1 - 2 week upside target and intra-year resistance before reversing lower...

This sell-off is occurring as Silver nears the mid-point of a decisive cycle that helped pinpoint the late-Jan. 2018 peak. That cycle - a 9.25 - 9.5 month or 40 - 41 week cycle - was cited multiple times in Dec. & Jan. and projected focus to **Nov. 2018**, when a subsequent high is expected. (This could also create an *Intra-Year V Reversal* - with a high at the start of the year, a low around mid-year and then another high at or near the end of 2018.)

The Dollar, after neutralizing its daily uptrend but failing to turn that trend down, rallied back to retest its high and its monthly (and weekly) resistance. In the process, that spurred a quick sell-off in currencies & commodities - including grains, livestock and metals. With Energy cycles still in a peaking phase, they were not impacted as much.

Best reflecting that, the *Goldman Sachs Non-Energy Commodity Index* has corrected since rallying into April 19 (*Date of Aggression* & culmination of initial phase or 'month' of *Natural Year*) and spiking to new 21-month highs while fulfilling a weekly trend buy signal from late-March/early-April. The Dollar's latest rally sent that Index down again.

One noteworthy aspect of all this is how it aligns with monthly & intra-year cycles - and weekly indicators - in Gold, Silver and the XAU. Leading into this week, Gold had rebounded to its daily trend resistance and held as Silver twice neutralized its daily downtrend.

Both patterns - combined with daily & weekly 21

At the same time that is occurring, Gold has a combination of 22-week low-low and 11-week low-low *Cycle Progressions* converging on **May 14 - 18**. And that coincides with when the XAU was expected to set its next multi-month low based on a closely-related ~5-month (~22-week) cycle.

As stated in the Jan. 3, '18 **Weekly Re-Lay Alert - Gold & Oil Set 2018 on Intriguing (Initial) Course**:

“Gold & Silver have surged after dropping into the first half of Dec. and fulfilling multiple (yearly, monthly & weekly) cycle lows. They have since rallied sharply with Gold producing an outside-month 2 Close Reversal higher as Silver completed a corresponding monthly 2 Close Reversal higher in December...”

On an intermediate basis, Gold has the next phase of an ongoing 18 - 21 week cycle - that could produce a multi-week peak - coming into play between mid-Jan. & early-Feb...

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The **XAU** has continued to surge since fulfilling its 2 - 3 month outlook & 6 - 12 month outlook by dropping to new multi-month lows in Dec. 2017 & perpetuating an 11 - 12 month low-low-low Cycle Progression as it was testing & holding extreme support at **75.77/XAU**.

That low fulfilled a 21 - 22 week high-low-(low) Cycle Progression and next comes into play in **May 2018** - when another low is more likely...

Multiple monthly targets, extreme targets & key resistance projections group at **92.87 - 93.06/XAU** in **January** and could be tested before month-end.”

The **Euro** spiked to new lows during the third week after testing and holding its weekly **HLS** (a signal that portends a multi-month bottom within 3 weeks). If it is to avoid turning its weekly trend down, the Euro needs to **[reserved for subscribers only]**...

The **Yen** dropped to new lows during the third week after testing and holding its weekly **HLS** (a signal that portends a multi-month bottom within 3 weeks). In doing so, it has almost matched the magnitude AND duration of its Sept. - Nov. decline while nearing monthly support. A final spike lower could precede an intermediate bottom taking hold in this time frame.

GOLD & SILVER sold off in line with daily cycles (peak on May 11) and the daily & weekly 21 **MARCs**, particularly in Silver.

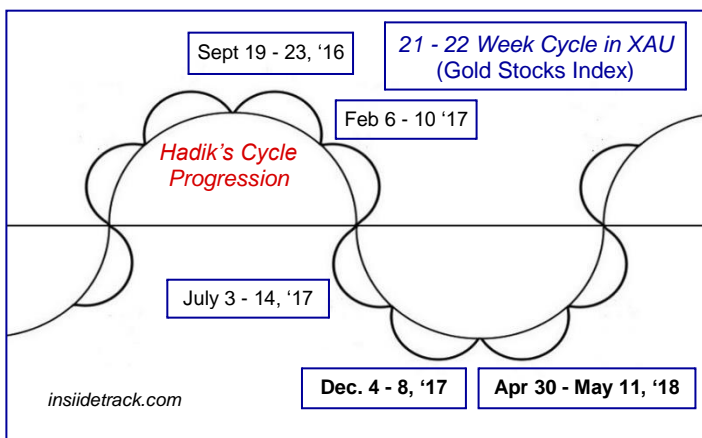
That does not alter the potential for Gold to set its next intermediate high on **June 11 - 15** (+ or - 1 week) - the latest phase of a 20-week high-high-high-(high) Cycle Progression. The weekly trend, however, will help dictate what to expect from that.

Since the Jan. '18 peak, Gold has been expected to set subsequent peaks in mid-June and then **Nov. 2018**, with the **Nov. 2018** peak expected to be higher than the Jan. '18 peak. *That remains the case.*

Gold has taken a sharp dive during the final days of an 11-week and a 22-week cycle - reinforcing the **90/10 Rule of Cycles** - in which the sharpest part of a move often occurs at the very end of a cycle. This could still produce a multi-week low on **May 14 - 18**.

That same principle was cited in Nov. & Dec. 2017 - explaining why the majority of Gold's, Silver's & the XAU's projected surge should take hold in Jan. 2018 - leading into a multi-month peak to begin the year.

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STOCK INDICES remain in intra-month uptrends, rallying into mid-month and up to monthly resistance.

While that would normally increase the odds for an intra-month peak, daily cycles could still extend a high into **[reserved for subscribers only]**...

The **DOLLAR INDEX** extended its advance after failing to turn the daily trend down. It is again testing monthly resistance... while doubling the mid-Jan. through mid-April trading range, a multi-week upside objective.

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It has also been cited when discussing the focus on the next cycle peak (of one higher-degree magnitude) - in **Nov./Dec. 2018**. This is a principle that is worth continually emphasizing, in order to prevent expectations from rising too much, too soon. Here is an excerpt of what was stated in Nov. & Dec. 2017:

10-30-17 - As many markets vacillate through 2017 - showing the potential for a significant shift - it is a perfect time to review how these transitions often unfold. In many cases, it is an application of the 90/10 Rule - a more extreme variation of the 80/20 Rule... describes how 80 or 90% of an overall move often occurs during the final 20 or 10% of the cycle.

If a cycle is 4 - 5 months in duration, the majority of the move often occurs in the final ~4 weeks...

80/20 (90/10) Rule in 2017/2018

When discussing the outlook for Gold & Silver, much focus has been on expectations for a lengthy (18 - 24 month) bottoming process - in an attempt to prevent traders from getting too bullish too fast.

The primary focus was on monthly cycles anticipating a series of (ascending) lows in late-2015, late-2016 & mid-2017. Much like the bottoming process of 1999 - 2001 (a complete 17-Year Cycle ago), Gold has steadily reinforced signs of a multi-year bottom BUT not yet broken out to the upside. When that does happen, it is likely to coincide with significant moves in other markets ...So, when is that more likely?

...It is near the end of an opposing cycle. In other words, if Gold is slowly & steadily building a base, an accelerated move to the upside is more likely just before an ensuing cycle high (the final 10% of that cycle).

*With several monthly cycles converging in **late-2017/early-2018** (see Gold & Silver analysis of recent*

*months), that is a more likely time for one of those breakout moves. Culminating Silver cycles in **1Q 2018** may be pinpointing the most likely time...*

*And, it dovetails with Stock Index analysis that has projected **March 2018** to be the culmination of an initial leg down. Could **Jan./Feb. 2018** trigger acceleration?"*

*11/30/17 - Gold & Silver remain in a 1 - 2 year bottoming process... if **Feb. 2018** is going to set the next multi-month peak, Gold's sharpest advance is likely to take hold in the weeks leading into **Feb. '18** - another example of the 90/10 Rule of Cycles...*

*The **XAU** remains in a much weaker (relative) position than Gold...portending a multi-month top in early-Sept. The XAU fulfilled that potential and reversed lower in early-Sept...That reinforced the monthly cycle outlook for an overall drop into **Nov./Dec. 2017** - when monthly cycles converge...the month of **Dec.** could still witness a spike to new lows before a bottom takes hold. Geometric daily cycles focus on **Dec. 4 - 8.**"*

The reason for reiterating this analysis and this principle is to explain why moves like the recent sell-off in Gold are often the *culmination* of a trend, not the *inception* of one. Just as metals were expected to see an accelerated advance between mid-Dec. and mid-Jan. '18 - the culmination of 6 - 12 month cycles - they have recently experienced sharp 1 - 2 week drops at the culmination of multi-week cycles.

That continues to reinforce the likelihood that Gold & Silver will see their largest advance of 2018, in the 1 - 2 months leading into the culmination of 1 - 2 year cycles - projected for **Nov./Dec. 2018**...

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Silver sold off - in sync with the collection of daily & weekly indicators & cycles described in the May 12, 2018 **Weekly Re-Lay** - but remains above the low it set on May 1, the fulfillment of back-to-back 14-week declines. It dropped right to its weekly 21 Low MARC (16.195/SIN) but should not close below 16.07/SIN if it is to maintain some resilience during this period.

Silver has not turned its intra-month trend down, leaving open the potential for the May 1 low to hold.

1 - 3 month traders **[reserved for subscribers only]**.

The XAU...dropped to its weekly 21 Low MAC (81.23) while remaining above its weekly 21 Low MARC (80.77)...Corroborating that, the XAU dropped to - and held - daily HLS levels on two successive days. That increases the potential for an impending, 1 - 2 week low **[reserved for subscribers only; see current publications for corresponding trading strategy]**.

CRUDE OIL, UNLEADED GAS & HEATING OIL have surged into cycles that portend an intermediate peak - ideally on **May 14 - 18**. Crude could still spike as high

as **73.00/CLM** while the products have already reached their primary upside targets.

The preceding is an excerpt of the May 16, 2018 Weekly Re-Lay Alert that reiterated the intra-year outlook for Gold & the XAU to set important lows in May - ideally on May 14 - 18.

The 2018 outlook has continued to call for two accelerated advances - one leading into a late-Jan. '18 multi-month peak and the other leading into a Nov./Dec. '18 multi-month peak. In the interim, a lot of two-sided action was projected - with important cycles converging on May 14 - 18 and June 11 - 15 (when the next intermediate high is expected.)

Out of loyalty to current subscribers, specific targets & trading strategies have been redacted from this excerpt.

Please refer to complete May 16, 2018 Weekly Re-Lay Alert and to corresponding Weekly Re-Lay & INSIDE Track publications for these and other specifics.



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