



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

by Eric S. Hadik

The 17-Year Cycle

An INSIIDE Track Report EXCERPT

17-Year Cycle

INSIIDE Track Report EXCERPT

CONTENTS

The Trap.....2

17-Year Cycle in Stocks.....3

17-Year Armies on the Move.....6

11-Year Sunspot Cycle.....7

17-Year Armies Gearing Up..... 11

Burdensome Stone Geo. Cycle...12

17-Year CA Earthquake Cycle..... 14

17-Year Shake-ups.....15

17-Year Earth Swarm Cycle..... 16

“The sun rises and the sun sets, and hurries back to where it rises. The wind blows to the south and turns to the north; round and round it goes, ever returning on its course.

...What has been will be again, what has been done will be done again; there is nothing new under the sun. Is there anything of which one can say, "Look! This is something new"? It was here already, long ago;

it was here before our time.

There is no remembrance of men of old, and even those who are yet to come will not be remembered by those who follow.”

Ecclesiastes 1:5-6 & 9-11 (New Int'l Vers. ©1986)

The following is a compilation of INSIIDE Track analysis from April through July 2007, detailing one of the many cycles converging in the second half of 2007. In order to understand its context - and its synergy - a brief synopsis of previous analysis is necessary...

#1 - For over 10 years, focus has been on the momentous period beginning in September 2007 (the Jewish Year of 5768). This date ushers in a 1-year period (Sept. 2007 - Sept. 2008), a 4-5 year period (late-2007 through late-2012) and a 10-year period (late-2007 through late-2017), with unprecedented cycle significance. Turmoil in the Middle East is just one of the ramifications expected.

#2 - Coinciding with this, long-term Stock Index cycles have forecast a bear market beginning in 2007, with a quick 20% correction expected... and the potential for much greater declines in the ensuing years.

#3 - Similarly, intermediate-to-long-term cycles have forecast a sharp stock market drop into cycle lows in Sept./Oct. 2007. This could be a multi-

week or a multi-month decline. In either case, an intermediate low - following a significant decline - is expected in Sept./Oct.

This Report discusses both geopolitical cycles & expectations, as well as market cycles & expectations for this period. One of those is that stock indices could top in mid-July and see (at least) a 20% correction into mid-October, very similar to what took place... exactly 17 years ago!

2007 – 2008: The Trap...

No-Win Situation...

04-30-07 - From all appearances, the trap is set. The 'West' - in particular the U.S. - are being lured into a no-win situation. No, I am not discussing Iraq. In fact, since before March 2003, I have conveyed my belief that one of the biggest incentives for going into Iraq (shortly after going into Afghanistan) was... [\[See Full Report for Details.\]](#)

2007 – 2008: 17-Year Armies on the Move...

...Armies of Stock Investors...

...In 1990, armies of stock investors made a steep climb and then came raining down... while armies of soldiers converged on the Middle East, following Saddam Hussein's invasion of Kuwait.

1973 & 1956 were similar, with significant stock market peaks, sharp declines & Middle East Wars.

1939 was also similar.

Many investors are well aware of stock market cycles that encompass approximately 2, 4 & 8-years. These were obvious in the market moves from 1966--1974--1982--1990. In reality, these cycles are... [\[See Full Report for Details.\]](#)

...*Market cycles* - that turned in 1999 - 2001 and were projected to continue new trends into 2009 - 2011 - are ready to enter their most active phases. These include energy and precious metals, currencies, commodities & stocks.

Earthquake cycles are also converging, most notably in the period from late-2004 until 2008 (with a second surge expected soon after)... [\[See Full Report for Details.\]](#)

2007 – 2008: 17-Year Armies Gearing Up... and Dieing Off...

Armies Marching Up...

06-27-07 - Last month, we revisited an intriguing cycle in the markets, in the earth, and in the Middle East. It is the **17-year cycle...**

...Similar to 17 years ago (1990) and 17 years before that (1973) and 17 years before that (1956) and 17 years before that (1939), the DJIA could be heading for a 20 - 50% correction in the next 1-3 years.

The 1973 & 1990 tops occurred 10-15% above the previous record highs in the DJIA.

In 2007, the DJIA has exceeded its record high (of 2000) by 15%.

If history is any indicator [xxxxxxx]... [\[See Full Report for Details.\]](#)

This EXCERPT is just a tiny sampling of the FULL 17-Page Report that delves into a very unique cycle, which pinpoints multiple (future) periods to watch for dramatic moves in the markets. Details and related Trading Strategies are reserved for the text of that full Report. The Table of Contents - on page 1 - also provides a small taste of what can be found in this Report.

In addition, a detailed description of earthquake cycles - that re-emerge beginning in mid-July 2007 - explains why the next few years could be shaky. Although this may not have a clear, direct impact on the markets (to most observers), it has coincided with 'shaky' times in the stock market MANY times before.

Mid-July, mid-August, early-September and mid-to-late October are CRUCIAL times to watch for surprises in various markets. IT

17-Year Cycle in Stocks:

1939 - 1956 - 1973 - 1990 - 2007

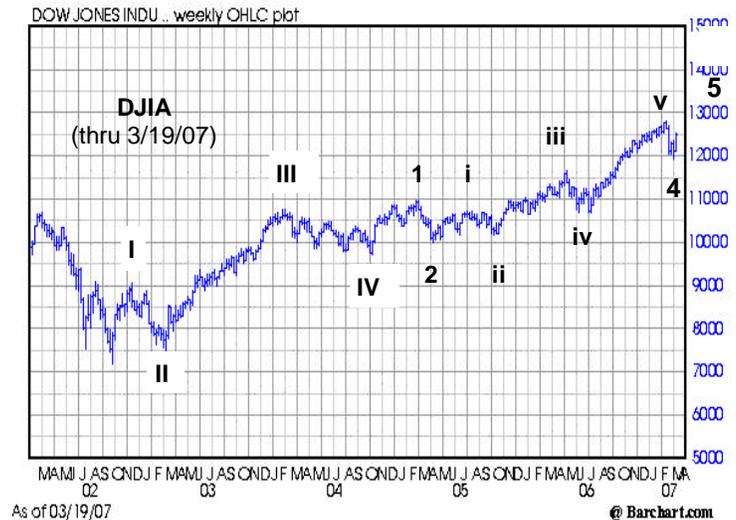
STOCK INDICES

04/30/07 -

Long-term (3 months+) Outlook:

Stock indices have rallied to new intra-year highs, with the expected leader - the Nasdaq 100 - spiking about 20 points (1%) above its January 2007 peak. It needs to give a monthly close above 1888/NQM, however, to show any signs of triggering a new wave higher. Otherwise, the intra-year trend will remain neutral.

The other indices have rallied to new highs, as well, fulfilling the weekly trend pattern. This also initially fulfills the 5-wave structure illustrated in the DJIA chart from *'Bring on the Bear'* (see right column).



In contrast, the S+P 500 & Nasdaq 100 (and OEX & Russell 1000) remain below their 2000 highs. It has taken them almost twice as long (*time*) to recoup what was lost (*price*) in the 30.5 months following that peak.

In the case of the Nasdaq, it has only managed to recoup about 25% of those losses. Overall, this is not the sign of euphoric strength that financial commentators would have investors believe.

Once again, it prompts a review of a parallel I have cited over the past 7 years.

It involves a comparison between the period beginning in *2000/2001 and extending into 2007/2008* - with the period between *1966--1974*.

This was based on a myriad of cycles, including the 11-year sunspot & *Middle East War Cycle* (1956, *1967*, 1978/79, 1990, *2000/01*, 2011/2012). Here is a sampling of the similarities...

Jan/Feb 1966 saw a MAJOR stock market top followed by a nearly 40% drop in the DJIA.

Jan/Mar 2000 saw a MAJOR stock market top (DJIA) followed by a nearly 40% drop in the DJIA. *Hmmm*.

1967 saw an Israeli/Middle East War (*Six Day War*) at the same time America was entering a prolonged battle (Vietnam) that polarized the nation.

2000/2001 saw a renewed battle involving Israel (intifada) and America entering a prolonged battle (starting with 9/11) that has polarized the nation. *Hmmmmmm*.

1970 - 1973 saw a 31-month culminating surge that brought the DJIA back up to - and about 10% above - its Jan. '66 high.

(Continued on page 5)

11-Year Sunspot Cycle: Reinforcing the 17-Year Cycle

03-29-07 - Just as a small sequence of waves in the ocean parallels a larger sequence (ask R.N. Elliott), so too do small progressions of climate seasons (on an annual basis) parallel larger progressions (10-year, 100-year & 1,000-year sequences) in our world. In many cases, the influence of larger cycles will override smaller ones... and distort the picture.

The same appears to be true in the Sun. Not only does it have a unique cycle between the peaks and valleys in the number of *annual* 'storms' *within each* sunspot cycle (about 11 years) but there appears to be a similar cycle on a larger basis (*between* the peaks & valleys of *overall* sunspot cycles)...

So, whereas some sunspot cycles peak with over 150 sunspots per year and others peak with less than 100 sunspots per year, there is ALSO a noticeable *cycle between these cycles* - of higher and lower-peaking sunspot cycles.

Not surprisingly, one of these 'cycles of cycles' is a progression of 8 sunspot cycles (8 x 11.2 years, totalling a period of roughly **90** geometric years). There is also a noticeable sequence of 4 sunspot cycles (**45** years) and 16 sunspot cycles (**180** years).

The diagram below shows the 90-year peaks ('X') and the intervening 45-year peaks ('Y'), as well as the larger-degree 180-year peaks ('Z'). And, there is a strong correlation to climate.

For instance, the 3 periods of lowest solar activity (encompassing at least 3 sunspot cycles

each) were 3 of the coldest periods of the past 500 years.

In stark contrast, the last 3 sunspot cycles combined are *greater* than any other combination of 3 successive cycles in the past 400 years.

Similarly, a grouping of the last 5 or 6 sunspot cycles generates a *larger* number of sunspots than any other grouping of 5 or 6 successive sunspot cycles in the past 400 years. In other words:

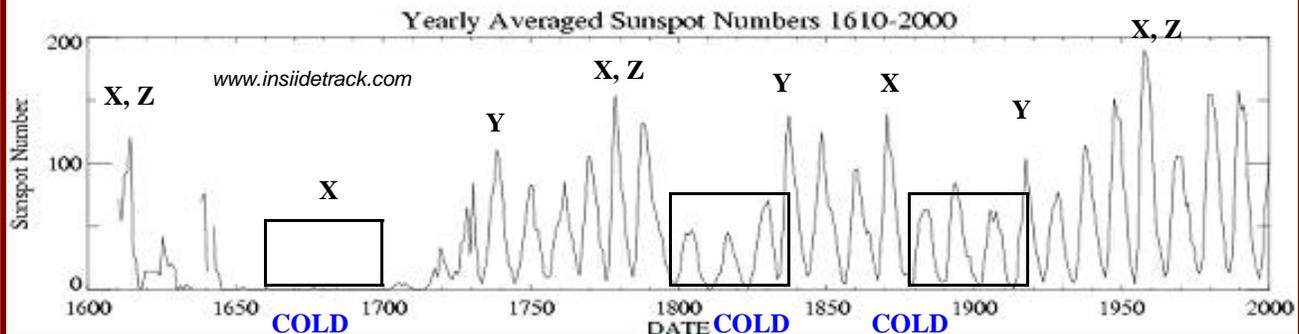
Solar Activity has been on a dramatic rise since the early 1900's!

Well, isn't that a coincidence?!?! So, have earth's temperatures! We are about to enter the 7th sunspot cycle in this sequence... and scientists are projecting it to be a 'doozy'.

...Earth's temperatures have risen and fallen with solar activity for hundreds of years. Are we to believe that *'this time is different'*?

April 19th is approaching and could produce new surprises. However, just as I stated in 1999 with respect to 2000 & 2001, I believe events in 2007 will pale in comparison to those in 2008. *IT*

The period of 2007/2008 could see the start of an unprecedented surge in sunspots, reinforcing the unstable nature ushered in by the 17-Year Cycle. 2007 is also 17 years from a 180-year occurrence called Solar Retrograde (April 1990) that has historically had a dramatic impact on the earth in the decades that follow. IT



(Continued from page 3)

2004 - 2007 has seen a culminating 30-month surge (May is the 31st month) that brought the DJIA back up to - and about 10% above - its **Jan. 2000** high. *Hmm-mmmm.*

1973 - 7 years (1 'week' of time) from the **1966** stock market top - saw the DJIA trade above its **1966** high for a brief period of time and then enter a 2-year bear market and lose 50% of its value.

1973 also saw another Middle East War (*Yom Kippur War*) in the fall of that year.

Will 2007 repeat the pattern with the start of a 2-year bear market in stocks?

Will Fall 2007...usher in another Middle East War? (**April 18/19th** revelations that Iran is now enriching uranium have dramatically shortened the time frame in which Israel & the US feel they can prevent Iran from obtaining a nuclear bomb.)

The indices are living on borrowed time and this is expected to be more apparent in late-2007...Longer-term traders & investors should now... **[See Full Report for Details.] IT**

www.insiidetrack.com

05/30/07 -

...all of this just serves to reinforce the similarities to the period of 1973-1974, when the markets climbed a wall of worry... only to come sliding back down rather quickly...For over a decade, my primary focus has been on Sept. 2007 to usher in a unique period in history. As this time frame has neared, more and more cycles have corroborated it and more price action has validated it. Coincidentally, stock market cycles show that... **[See Full Report for Details.]**

...Although I usually resist speculating on 'causes' for market moves, there is at least one strong possibility for a stock market correction that should be watched closely. If nothing more, it might give a brief warning signal *before* the masses recognize the danger.

Many cycles and indicators point to... **[See Full Report for Details.] IT**

INSIIDE Track continues to update market analysis and applicable trading strategies, not only for Stock Indices but also for the Dollar, Gold & Silver, Energy Markets and many other markets or market complexes. July - October 2007 is a vulnerable time in the markets, with mid-August pinpointing a critical transition point.

...Please refer to current/recent publications for the most up-to-date analysis. *IT*

Information is from sources believed to be reliable, but its accuracy cannot be guaranteed. Due to futures' volatility, recommendations are subject to change without notice. Readers using this information are solely responsible for their actions and invest at their own risk. Past performance is no guarantee of future results. Principles, employees and associates of *INSIIDE Track Trading Corporation* may have positions in recommended futures or options. No part of this publication may be reproduced or re-transmitted without the editor's written consent. All *Tech Tips*? (*underlined* and *italicized*) -- as well as the term *Tech Tips*? -- are trademarks of *INSIIDE Track Trading Corporation* and all unauthorized reproduction is strictly prohibited.

Copyright 2007 *INSIIDE Track Trading Corporation*

*INSIIDE Track*TM newsletter is published monthly with periodic Special Reports. Copyright © 2007 ITTC. Eric S. Hadik -- Editor

SUBSCRIPTION RATES:

Monthly newsletter with periodic Special Reports:

• \$179 per yr. (12 issues)

Monthly newsletter plus intra-month Updates **package***:

• \$199 for 6 mos. (6 issues & 6 months)

Monthly newsletter plus intra-month Updates **package***:

• \$297 per yr. (12 issues & 12 months)

- **Eric Hadik's Tech Tip Reference Library* is available for \$249 (included as a FREE bonus with either 'package' subscription)

Make checks payable to *INSIIDE Track Trading*. Credit Card payments can be made via www.PayPal.com (to '*INSIIDE@aol.com*')

PO Box 2252 • Naperville IL 60567 • 630-637-0967 (voice) • 630-585-5701 (fax) • *INSIIDE@aol.com* • www.insiidetrack.com

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS & THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY A PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK & NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE MANY OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF A SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS -- ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.