

## **War Cycles Surge in August - December 2001**

*...Add'l Peaks in 2003, mid-2005 & 2007--2008*

*October 2001 = 84 year anniversary of the 'bloody revolution' in Russia. August 2001 = 56 years from Nagasaki/Hiroshima, end of WWII. October 2001 = 28 years from Yom Kippur War. December 8-11 2001 = 84 year anniversary of liberation of Jerusalem. December 7, 2001 = 60 year anniversary of Pearl Harbor."*

The following excerpt explains what to expect beginning in late 2001 as a result of this unique war cycle:

*"28 years later is 2001...It could be similar to the period between 1967--1973 and would culminate (in 2007) exactly 40 years of testing after Israel first repelled the attacks from Egypt, Syria & Jordan in 1967...If this is the case, the final 6 years (approximately 1/7<sup>th</sup>) of this 40-year cycle could culminate in similar fashion to how the first 6 years (1967--1973) began." [©ITTC - July 1999 **Cycle of Time VII**]*

The focus on 2001 corresponds with an 11+-year sunspot cycle that pinpointed Middle East wars in 1945, 1956, 1967, 1979, 1990 & converges in 2001. There still are many other cycles that corroborate this analysis and reinforce the conclusion that late-2001 will usher in a very dangerous short-term time frame (August - October), a very dangerous intermediate time frame (late-2001 into 2003), and a very dangerous longer-term period (2001--2008). Consider the following analysis from November 2000:

*"...Much has been made and discussed of the approximately 11-year sunspot cycle. **I like this cycle since it fits with a key longer-term Cycle of Time cycle of 133 months (which equals 11 years and 1 month and also equals 7 x 19 months). It has pinpointed many critical wars in the recent history of the Middle East and their impact on America...and is back to haunt us from now until late-2001.** [© ITTC - November 2000 **INSIIDE Track**]*

**133 months (7 x 19) from Iraq's August 1990 invasion of Kuwait is September 2001!**

*"This latest pronouncement...sets the stage for dramatic developments...**a Middle East war seems likely in 2001.**" [© ITTC - August 1999 **INSIIDE Track**]*

*"All my long-term cycles still point to the year 2001 as being more significant than 2000...events in 2000 **could pale by comparison to what will occur in 2001.**" [© ITTC - November 1999 **INSIIDE Track**]*

*"The ensuing year of 5761 begins a new chapter in Middle East history...2001 also completes the 28- and 84-year cycles that have impacted Israel...**There is also an intriguing religious(Christian & Jewish) cycle reaching fruition in September 2001** that I will discuss separately.*

***2001 is 60 years from the last giant surprise to hit America's shores in Dec. 1941.** 60 years is recognized by cyclists - including W.D. Gann - as a crucial 'Grand Cycle'. **Could another surprise occur in 2001?***

*...As for the stock market, there is a sequence of 19's that is a harbinger of transition. The weeks of January 3rd to March 3rd were exactly 19 weeks from the prior correction and were forecast to usher in a new correction. What did the market do? It mirrored this decline, exactly 19 weeks later.*

*1982 was recognized as the final low of the old bear market. It occurred 9 1/2 years from the 1973 high (1/2 of a 19-year cycle). **2001 is 19 years from this last major low and is destined to provide a major turning point...will it peak in mid-2000 and then correct (for 19 months??) into 2001.***

*The first warning shot has been fired across the bow of the US economy and bull market. This does not mean they will immediately go sour. **It does, however, reveal a weak point that will be attacked at a more vulnerable and opportune time. 2001 is the year to watch, but 2000 should have some dynamic moves - in both directions - as the first stages of a major transition take place.**" [© ITTC - April 2000 **INSIIDE Track**]*

**While all looks calm on the Middle Eastern Front, many signs point to a brewing storm that is likely to supersede anything seen in the last decade or two...** [© ITTC - July 2000 **INSIIDE Track**]

This cycle is reinforced by a smaller 7-year stock market cycle described in this 9/28/00 excerpt:

**“5761 - A New Cycle Begins...**As of September 30, 2000, a new 360-year cycle begins...**this time it is poised to be more dramatic than ever...A 19-year Cycle of Time cycle in the stock market matures in 2001** (1982 was the last occurrence). A recurring **7-year cycle in the stock market will also take hold in 2001** (dating back to 1959 & 1966 and consistently identifying critical tops and/or bottoms during EVERY occurrence since).

...2001 is the latest occurrence of an ongoing **Cycle of Time** 19-year cycle (from the 1982 low) in the stock market. Normal cycle theory would tell you it will be a low and we should see a sharp correction between now and sometime next year. That low should/would then hold for many years.

...A more consistent, ongoing 7-year cycle concludes the same thing. This cycle dates back to 1966 (and 1959, when an intermediate high occurred and held for almost two years). In 1966, the DJIA saw both a high (that held for 7 years) and a low (that held for 3 1/2 years). 7 years later - in 1973 - the DJIA created a high that subsequently held for 10 years. 7 years later - in 1980 - the DJIA set a 5+ year low that was retested 2 years later but never violated. In 1987 - 7 years after this important low - the DJIA again created both a high (that held for 2 years) and a low that has held ever since. 7 years later - in 1994 - the market traded sideways for almost the entire year until the November ‘Republican Revolution’ sparked a new surge that has continued ever since.

2001 is the next occurrence of this very consistent 7-year cycle.” [© ITTC - October 2000 **INSIIDE Track**]

Reinforcing the topic of stock market action acting as a filter and/or an omen of things to come, this 11/30/00 quote deserves special attention:

**“Weekly trends remain down confirming that cycles point lower into January and potentially into September 2001...the stock market best reflects the uncertainty and the expectations of the political climate...Stock Indices could decline into September 2001 if the October 18<sup>th</sup> lows are taken out in the coming months. This is due to several distinct combinations of cycles and would represent an even closer parallel to 1973--1974 when the market lost almost 50% in just under 2 years.**

The Nasdaq 100 has already bested (or should I say ‘worsted’) its ‘73-’74 decline so there is already one parallel to that infamous period.

...Another parallel to the 1973 - ‘74 period is Presidential uncertainty...A third parallel to the 1973-’74 period is the Middle East. In 1973, Israel was attacked on Yom Kippur and the Russian-backed Arab alliance set an oil embargo against the US for our support of Israel...Suffice it to say **there are some eerie parallels to 1973 - ‘74... and the stock market is reflecting this anxiety while also discounting more trouble on the horizon.**” [© ITTC - December 2000 **INSIIDE Track**]

### **Updated Analysis: August - October 2001 Market & War Cycles:**

“Throughout this year, I have described why Gold & Silver should bottom this year and then see a strong surge in the end of 2001 and the beginning of 2002...In the last 100 years, Silver set 10 important (what would be termed ‘major’) lows. 4 of these lows (40%) occurred in the ‘01’ year of the respective decade. Another 3 of these lows (30%) occurred in the ‘02’ year of the respective decade. In other words, 70% of the major lows in Silver of the last century occurred in the ‘01’ or ‘02’ year of the decade (1902, 1921, 1932, 1941, 1971, 1982, & 1991).

2001 - 2002 fits within this ongoing sequence. 2001 is also both 30 & 60 Gann/geometric years from the 1941 & 1971 lows. It is a Cycle of Time 19 years from the 1982 low.

Another important, longer-term cycle is now reaching fruition in Silver. Between the aforementioned major low of February 1991 (350/SI) and the ensuing top of February 1998, Silver rallied for 363 weeks... just 3 weeks more than a perfect 360-degree advance. On July 16-20th, Silver had declined for exactly 180 weeks from its February 1998 peak.

The two ensuing weeks, July 23 - 27th and July 30 - August 3rd, represent an exact 50% retracement in time (181--182 wks). On a monthly basis, the month of August represents a 50% retracement in time from the 7-year/84 month rally between Feb. '91 - Feb. '98. The 3.5 year/42-month drop from the February 1998 peak represents some well-documented (as well as Biblical) cycles of significance.

So, between late-July & early-August, 2001, Silver will have entered the 540<sup>th</sup> week from its Feb. 1991 low and the 180<sup>th</sup> week from its Feb. 1998 peak. Silver also just completed the 90<sup>th</sup> week from its September 1999 secondary ('B' wave) peak, 135 weeks (3 x 45) from its December 1998 'A' wave low and is at 210 weeks from its July 1997 low.

So, there are strong decennial ('01 or '02 year of each decade), yearly (30/60/19/7/3.5-years), monthly (84 & 42 months) & weekly arguments for Silver bottoming in late-July or early-August. It is also interesting that the month of August is the perfect contrast (180 degrees on a calendar from the Feb. 1998 peak & Feb. 1991 low) for a low. Since this also coincides perfectly with analysis for a sharp Dollar decline - as well as with analysis for a 2-year bull market in Soybeans - the time is ripe for a sharp surge in Silver.

Silver is still within striking distance of its major downside objective (411 - 415.0/SI), and the HLS of the current week coincides at 411.5/SIU." [© ITTC - August 2001 **INSIIDE Track**]

“...an eerie parallel to the intra-year action of the DJIA in 1987...these similarities should be monitored **as we enter a historically dangerous time of year.** With Gold & Silver signaling they could see a big surge in the 4<sup>th</sup> quarter, it would not be surprising to see a Dollar breakdown be the trigger.”

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