

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Outlook 2019

Aggression II

04-29-19 - The first month of the *Natural Year* (March 20/21 - April 19/20) - or *Month of Aggression* - produced multiple demonstrations of 'aggression' - including another synagogue attack in the US - on the final day of Passover.

The culmination of the *Month of Aggression* brought a new wave of terror attacks - this time in Sri Lanka, specifically targeted at Christians in houses of worship. While those attacks were horrific, another series of events - spread out over the *Month of Aggression* - perpetuated the steady drumbeat of aggressive moves evolving over the past decade (leading into the *80-Year Cycle of War* in **2021**).

In late-March, the US conducted a successful test of its 'Ground-based Midcourse Defense system' - developed to defend against ICBM's in a nod to China's growing development of a wide variety of land-based missiles. China was quick to warn against this development and highlight its potential ramifications.

China culminated the *Month of Aggression* with a test of a new hypersonic, anti-ship missile that is targeted to destroy the missile defense systems of US warships. (Keep the *South China Sea* on your radar over the next 2 - 3 years. And, remember it was exactly a year ago when China initiated war games in the *Taiwan Strait* on the *Date of Aggression* 2018.)

In the midst of that month-long period, renewed and heightened focus was placed on the growing superiority of China's offensive missile force (part of the *Rocket Force* 'branch' of their military initiated by Xi Jinping in 2015). While the accuracy and precision of those Chinese missiles is not certain, the sheer number of them is the greatest concern.

As the US has been banned from developing intermediate-range missiles - a result of the *INF Treaty* with Russia - China has been developing all classes

and categories of missiles at breakneck speed. The result is a growing disparity (to China's favor) between the US & China's arsenal of offensive missiles.

That has not gone unrecognized.

In Feb. 2019, President Trump announced a US withdrawal (Aug. 2019) from the *INF Treaty*, blaming Russia's cheating on the treaty while also citing China's ~1,000 missiles of the variety that the US is banned from developing.

So, the rhetoric is heating up... and turned increasingly more aggressive (with corresponding actions and tests) over the past month.

This corroborates discussions of long-term conflict cycles related to China. **2019** is a complete *40-Year Cycle* from the last time China fought a war (1979) when it attacked and invaded Vietnam - as punishment for Vietnam's attack against Cambodia - while threatening the USSR not to come to Vietnam's aid.

China amassed troops along its northern border with the Soviet Union in a massive display of force aimed at deterring the USSR from becoming involved (even though the Soviet Union had just signed a 25-year defense pact with Vietnam). While the primary conflict was short-lived, the resulting China/Vietnam conflicts played out over the ensuing decade.

2019 - 2021 is the latest phase of the *40 Year Cycle* that has impacted China and related conflicts, including the *First Sino-Japanese War* in the 1890's and the ensuing *Boxer Rebellion* (1899 - 1901) - targeted at Western colonial powers in China.

40 years later, in 1937 - 1945, China was in the *Second Sino-Japanese War* - in which Western powers would again play a key role. After a string of Japanese victories, China halted further Japanese gains in 1939 when that war effectively reached a stalemate. The Japanese attack on Pearl Harbor, and resulting US entry into WWII in 1941, turned China's fortunes around and led to her ultimate 'victory'

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

1899 - 1901 was a direct conflict between China and the West - resulting in a low point for China in 1901.

1939 - 1941 was another time of great conflict, with China's prognosis turning brighter in 1941.

1979 triggered another period of conflict, when China flexed her might against the USSR and saw her fortunes take a turn for the better from 1981 forward.

Could 2019 - 2021 see renewed conflict between China and her neighbors, China and Western powers, or both?

Watch the South China Sea (as well as the East China Sea and Taiwan Strait).

[That 40-Year Cycle dates back before the 1899 - 1901 Boxer Rebellion, incorporating the events of 1859 - 1861, when the *Second Opium War* - between China and Western powers - overlapped the major turning point of the *Taiping Rebellion*.

Once again, it was the result of European aid that allowed the ruling Qing Dynasty to defeat the Taiping Rebellion. 40 years earlier, in 1819 - 1820, the first US military ship visited China.]

October 2019 is the 70th Anniversary of the *People's Republic of China*. The *70-Year Cycle*, as described numerous times before, is what I consider the *Cycle of Kings & Cycle of Governments*.

As China's economy continues to struggle, and the effects of the US/China Trade War are felt, Xi Jinping is increasingly backed into a corner. *What is always the 'go-to' response in times of domestic struggles and economic challenges?*

Divert focus to an external enemy. Rally the masses around a perceived threat from the outside.

On April 19, 2019, China's *Shanghai Composite* stock index set its highest daily close - after recovering about 75% of its 2018 decline. It has since sold off.

At the same time, the *Mueller Report* was made public, highlighting a different form of aggression (from Russia toward US elections).

*Will either of these **Date of Aggression** events have a future impact???* **IT**

04-30-19 - Stock Indices - Equity markets have rebounded strongly since dropping sharply in 4Q '18 and fulfilling multiple cycles. The late-Dec. lows were projected to spur an overall rally into **May 2019**, which is now nearing fruition. That should trigger another significant decline - with focus on **3Q 2019**.

STOCK INDICES

04/30/19 - Stock indexes remain strong, on a 3 - 6 month basis, and have extended their advances into **May 2019** - the ideal time for a multi-month peak and culmination of the projected late-Dec. - May advance. This has been the overall outlook for the first half of 2019 and is now nearing fruition.

As illustrated in the accompanying diagram, key indexes have been focused on **May 2019** for the next 3 - 6 month peak. Many global indexes are similar. Based on some equity indexes, a peak could come at any time - even as soon as **May 1 - 3, 2019**.

The Russell 2000, makes a strong case for a peak to occur at any time. It could be the proverbial *canary in the coal mine*. That is based on its weekly trend pattern and a 9-week low-high-(high) *Cycle Progression* coming into play on **April 29 - May 3**.

April 29 - May 3 is also the fulfillment of a 32-week low-high-(high) *Cycle Progression* in corresponding indexes - all projecting a multi-month peak.

From a price & wave perspective, the Russell just retested but has not yet exceeded its late-Feb. high. It keeps bumping up against its monthly **21 High**

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

MAC (~1606 - 1612 in current time period) and could see that channel begin to flatten in the coming months. *That is a textbook topping formation.*

Another yellow flag is emerging in the NYSE.

An index that incorporates over 2,000 common stocks, the NYSE Index gives a broad, more encompassing assessment of the overall equity markets. It was the lead index in 2018, signaling a correction sooner than the other indices and setting a lower high in Sept. '18 - as cycles in almost all indexes were turning down.

The monthly trend turned down in Dec. and has rebounded long enough for the NYSE to generate two neutral signals against that monthly downtrend. That pattern, along with an 8-month high-high-(high) *Cycle Progression* and an over-arching 15 - 16 month low-low-high-high-high-high *Cycle Progression*, project a multi-month peak in **May 2019**.

Then there are the Transports, which so often lead reversals in the markets. The DJTA triggered a weekly *2 Close Reversal* lower on **April 26**, signaling that (at least) a multi-week top is taking hold.

That came after it peaked on **April 24** - 4 months (120 degrees) from its Dec. 24 low, completing a ~2-month/~60-degree low-high-(high) *Cycle Progression*.

If that peak is confirmed - with the weekly trend turning neutral and then down - it would project an overall decline into **late-June 2019** - 6 months/180 degrees from the late-Dec. low. A low in **late-June** would fulfill a ~13-week/~90-degree low-low-(low) *Cycle Progression* and a 50% retracement in time.

3 - 5 year equity traders & investors could have lightened up (liquidated) 10 - 20% of long positions in early-2018, again in the first half of Oct. '18 and then again in Dec. '18. Hold remaining long positions until

[see latest publications for updated trading strategies].

Global Indices

04/30/19 - China's **Shanghai Composite** is fulfilling analysis for a rally into **April/May 2019**, with its monthly trend failing to reverse up in April.

On **April 19, 2019** (*Date of Aggression*), this index set its highest daily close - after recovering about 75% of its 2018 decline. Weekly & monthly cycles project an ensuing drop into **July 2019**.

Hong Kong's **Hang Seng Index** remains near its highs and is still likely to extend this advance into **May/June 2019** - the latest phase of a 16 - 17 month high - high cycle (that timed the late-Jan. '18 peak).

Japan's **Nikkei 225 Index** corrected in March after fulfilling analysis for a rally into late-Feb. - when intermediate cycles initially peaked. At the time, it also tested its descending weekly *21 High MAC*.

The **Nikkei** turned its weekly trend up, corroborating analysis for an overall advance into **July 2019** - matching the duration of its 2018 advance AND fulfilling a related ~9-month high-high-(high) *Cycle Progression*. (See April 2019 *INSIIDE Track* for details on longer-term outlook.)

The next important cycle low is around **Oct. 2019** - the latest phase of a 44-month low-low-low-(low) *Cycle Progression*. That is also when several indexes would fulfill a 10-month low (Feb. '18) - low (Dec. '18) - low (**Oct. '19**) *Cycle Progression*.

The Euro **STOXX 50 Index** remains on track for an overall advance into **May 2019** - the latest phases of ~4-month & ~8-month high-high cycles AND the latest phase of a ~2-year high (Apr./May '13) - high (Apr./May '15) - high (Apr./May '17) - high (**May '19**) *Cycle Progression*. That has also created a ~1-year

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

high-high cycle when the May 2018 high is added...

The German **DAX Index** exceeded pivotal resistance near **11,700** - clarifying some of its wave structure and ushering in the potential for a rally to ~**12,600**, where its monthly *21 High MAC* resides.

Along with most other indexes, it is likely to peak in **May 2019** and could still see its next 2 - 3 month low in **July 2019** - the latest phase of a ~7-month high-high-low-(low) *Cycle Progression*.

The **CAC-40** remains on track for an advance into, and peak during, **mid-April - mid-May '19**. That would complete a .618 rebound in time (of its 31-week decline from May - Dec. '18) and perpetuate an annual pattern - since the 2015 peak - of setting an intra-year high in **April/May** every year.

Canada's **TSX 60 Index** is surging to new highs and remains capable of extending this advance into **May 2019**. Since Feb. '17, this index has whipped back and forth in an expanding triangle (successive higher highs and lower lows), with this latest rally forming the 7th swing point in that sequence.

A spike above **1020.0** is likely before a peak becomes more likely. In contrast, its next 3 - 6 month low is most likely between **mid-Dec. '19 and mid-Jan. '20**.

ENERGY

04/30/19 - Crude Oil, Unleaded Gas & Heating Oil set initial highs in the first half of April and then pulled back into mid-month, the same time that Crude's weekly *21 MAC* was expected to turn up.

That spurred the latest phase of an overall advance that is still expected to culminate in **May 2019** - when a 2 - 3 month (or longer) peak is most likely.

That dovetails with analysis in stock indexes, reinforcing the ongoing *Energy/Equity Connection* that was again addressed in the 4/24/19 **Alert** (see page 4). On a price basis, Crude surged to its weekly **LHR (66.26/CLM)** on April 23 - for the second time in three weeks - fulfilling multiple upside extreme targets and setting the stage for a top.

That peak (which might be *the peak*) could contain a final rally in May.

Natural Gas remains weak and could wait until **4Q 2019/1Q 2020** - the next phase of a consistent ~3.75-Year *Cycle* and corroborating cycles - to set a major bottom. It turned its intra-year trend down in April and dropped sharply, reinforcing this overall outlook. It would show no signs of an intermediate bottom until a weekly close above **2.6700/NGM**.

The preceding is analysis from the recently-published May 2019 *INSIIDE Track*. It details what has unfolded up to this point and what is expected for 2019.

Energy & equity indexes are projected to set multi-month peaks now and see an initial sell-off in June. That should be the first part of an overall corrective period, expected to last (and/or intensify) in **Aug./Sept. 2019**.

Some corroborating excerpts are reprinted on the following pages, highlighting the multi-year cycles (in particular, the ~11-Year *Cycle*) and multi-week cycles that portend some important shifts to begin now and escalate in the coming 12 - 18 months.

The **Weekly Re-Lay** will continue to update short & intermediate trends, strategies and outlooks. The longer-term & higher magnitude analysis will be elaborated in future issues of *INSIIDE Track*.

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Reprint of March 2019 *INSIIDE Track*

Outlook 2019

The ~11-Year Cycle

02-27-19 - The Sun has at least three intriguing cycles that repeatedly emerge in the markets, in geopolitics, in military conflict, and in most aspects of life. The biggest (of these three, although there are also longer-term cycles as well) is the ~40-Year Cycle of the Great Conveyor Belt of the Sun.

To summarize it, this is the plasma flow that circumvents the Sun, moving from its equator out toward one of the poles and then - after sinking lower - back toward its equator.

It takes approximately 40 years for that to transpire... and then it occurs toward the opposite pole and back.

So, a total circuit would take roughly 80 years (perfectly coinciding with the 80-Year Cycle of War that comes back into play in **2021**, linked to the US entry into WWII in 1941, into the Civil War in 1861 and out of the Revolutionary War in 1781. In the colonies, England and Europe, that has been documented for a few hundred years before 1781.).

If I understand the process correctly, the initial phase - flowing from equator to pole - goes along the surface of the Sun and 'sweeps' up decaying sunspots and their related magnetivity and then drops them off at the poles.

As a result, it greatly impacts the magnetic force of the Sun... which impacts subsequent sunspots and the magnetic barrages periodically flung at Earth (CMEs)... which could have an exponentially greater impact as Earth converts to a digital world.

As a result, it would stand to reason that the fluctuations of the *Great Conveyor Belt of the Sun* dramatically influence the other two primary cycles in this discussion.

To and Away

The second solar-related cycle is the 17-Year Cycle that impacts some form of magnetic interplay between the Sun and Earth (the 'to and away' interaction as described by David Junkett at <https://link.springer.com/article/10.1023/A:1005075703810>).

This has also been repeatedly discussed over the past two decades. It has its strongest impact at the 34-year point (two full cycles), when it coincides with three of the following solar-related cycles...

Cause and Effect

Perhaps the best-known solar cycle is the one that governs the ebb and flow of sunspots or solar storms. It is an ~11-Year Cycle (averages out to 11.2 years) that has an uncanny knack for also linking monetary and military events of *cause and effect*. Perhaps a better way of describing that would be the *Cycle of Unintended Consequence*.

Events during one phase of this cycle often have a distinct and irrefutable link to events during the next phase. In many cases, those phases also link similar players or similar events. (I have often documented an overlapping 11-Year Cycle that impacts Middle East conflict and recurs in **2021/2022**.)

Most recently, the last two phases began with the events of 1997 - 1998 (11 years after the stock market crash of 1987) when the economic world was rocked by a pair of crises - the *Asian Financial Crisis* and the *Russian Ruble Crisis* - in 1997 & 1998.

US & Western stock markets were able to mount a final surge before a worldwide stock malaise took hold in 2000 - 2002.

However, it was 11 years after the events of 1997 - 1998, in 2008 - 2009, when a larger global collapse ensued.

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Reprint of March 2019 *INSIIDE Track*

As time has unfolded, it has become clear that the Western financial and economic collapse of 2008/ 2009 drove countries like China & Russia into closer cooperation with one another, as an alternative to the US & Europe (see previous discussions on multiple unions spearheaded by China & Russia).

This cycle comes back into play in 2019 - 2020 and is likely to perpetuate/foster that alignment.

However, the intriguing part to me continues to be the coinciding recurrence of unrelated - *but potentially related* - cycles in Saudi Arabia (see page 3) and even in Turkey. Not surprisingly, the two most predominant cycles in those discussions are the *40-Year Cycle* and an *~11-Year Cycle*.

East vs West

One of the reasons for addressing these synergistic cycles is to highlight the recent phases and how they have timed this dramatic evolution of powerful (antagonistic) competitors to US/Europe.

First, there was WWII in which the US & USSR fought against Germany and Japan (who had invaded China, loosely aligning China & USSR).

11 years later, it was the Korean Conflict coming on the heels of the Chinese Civil War. The US/UN were ultimately pitted against the Soviets and Chinese - a division that is back in vogue now (even as North Korea is in the headlines 66 years after the 1953 'end' to that war).

In the early-1960's (see 1963 - 1964 phase), the US was pushed to the brink of war with the USSR over the *Cuban Missile Crisis* (late-'62) a little before the *Gulf of Tonkin* incident - the escalator of US involvement in Viet Nam. Ultimately, it was China & the USSR on the side of N. Viet Nam.

The next two phases saw similar events (including those related to Nixon and to the rise of major economic reforms in China) but it wasn't until the 1997 - 1998 & 2008 - 2009 phases - of this particular *~11-Year Cycle* - that economic events pushed both nations to the edge of a financial abyss... and led to the developments in recent years.

So, what could 2019 - 2020 have in store? Stay tuned. IT

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Reprint of March 2017 **INSIIDE Track**

2019 & Saudi Arabia's 11-Year Cycle (Reprint from 2/27/17 - March 2017 **INSIIDE Track**)

1920 - 1921 - Ibn Saud (founder of Saudi Arabia & powerful advocate of *Wahhabism*) conquered Rashidi dynasty - backed by Ottomans - and retook majority of current Saudi Arabia. [The *Rashidi Dynasty* had overtaken Riyadh, the Saudi capital, in 1865 - 55 years or 5 x *11-Year Cycle* - earlier.]

1931 - 1932 - Kingdom of Saudi Arabia established.

1941 - 1942 - Aramco develops first oil fields in Saudi Arabia.

1953 - Death of Ibn Saud; Ascension of King Saud

1964 - King Saud deposed; King Faisal takes power. (*Arab League* - founded by Saudi Arabia - creates PLO at *Palestinian National Council* in E. Jerusalem in 1964... the first summit of the Arab League. **March 2017** is the 34th summit.)

1975 - King Faisal assassinated; King Khalid in power.

1986 - Oil price crashes. King Fahd, who ascended in 1982, declares himself '*Custodian of the Two Holy Mosques*'.

1997 - *Greater Arab Free Trade Area* (GAFTA)

2008 - *Israeli-Gaza War* sidelines *Arab Peace Initiative*. King Abdullah convenes interfaith conference in Spain. Oil peaks.

2019 - ????

2019 is 40 Years from the 1979 seizure of the *Grand Mosque* in Saudi Arabia (Mecca) & the push for an overthrow of the Saud-family dynasty. The attackers also announced the arrival of the *Mahdi* - Islam's long-awaited messiah. That came slightly more than 40 years after the 1938 discovery of oil in Saudi Arabia - the source of Saudi Arabia's power.

2019 is also one *17-Year Cycle* from March 28, 2002 when Saudi Arabia proposed the *Arab Peace Initiative* - a peace plan for the Arab-Israeli conflict.

2019 is also 50 years from founding of *OIC - Organization of Islamic Cooperation* (57 members).

2019 represents Saudi power shifts AND Arab Unity. *Hmmm*.

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Reprint of March 2019 *INSIIDE Track*

~11-Year Cycle of Global-Shaping Events

Reaction begets action begets reaction...

2019 - 2020 ?????? China economy decline lead to conflict? S China Sea. Russia/China alliance.

2008 - 2009 - Financial and real estate meltdown (triggers shift in global faith in US and West; China and Russia initiate multiple financial, economic and military alliances to compete with the West); Formalization of BRIC (later BRICS) exemplifies these alliances.

1997 - 1998 - Asian and then Ruble Crisis; final parabolic rise in stocks and then crash leads to unending interest rate declines... leads to real estate bubble.

1986 - 1987 - 18 month interest rate rise... leads to stock market crash

1974 - 1975 - Watergate, Nixon, stock crash, end of Viet Nam war (1976 = death of Mao, ushers in economic reforms in China - triggering a 40-Year Cycle that is now reaching fruition.)

1963 - 1964 - Aftermath of *Cuban Missile Crisis*, Krushchev's demise; assassination of JFK; *Gulf of Tonkin* incident, and resulting *Resolution*, leading to massive buildup of US troops in Viet Nam by LBJ (...and that led to China & Russia re-establishing relations after a decade-long split - a recurring pattern in this cycle).

1952 - 1953 - Culmination of Korean War; Soviet assistance to Chinese on side of N. Korea.

1941 - 1942 - Entry into WWII; Culmination of *Great Depression*; End of second multi-year stock decline (1942).

1929 - 1930 - Stock Crash and *Great Depression*.

1917 - 1918 - WWI, Bolshevik Revolution

1906 - 1907 - *Panic of 1907* - also rescued by J.P. Morgan (see below); led to forming of Federal Reserve;

1895 - 1896 - Gold reserve of US Treasury saved with 65 million loan from JP Morgan and Rothschilds; Gold Rush (Yukon); Election of 1896; Cross of Gold; Gold v Silver standard. (End of First Sino-Japanese War, with Korea changing hands.)

1884 - 1885 - Depression of 1882 - 1885; third longest recession in past 160 years. Panic of 1884 - lasting from July 1884 - July 1885 was culmination of that recession/depression.

1873 - 1874 - *Panic of 1873* (known as Great Depression until 1930's; see 1862 - 1863 for triggering events); *Coinage Act* of 1873 (demonetizing Silver);

1862 - 1863 - Civil War, Lincoln, (End of *Civil War* led to boom in railroad construction... that led to over-expansion - similar to the housing crisis of the mid-2000's... that led to the collapse of Jay Cooke & Co., when they were unable to market millions in Northern Pacific Railway bonds in Sept. 1873... *Panic of 1873*). *IT*

The preceding list is just the tip of the iceberg, with respect to how this cycle has evolved throughout US and world history... and how events triggered in one phase often reach fruition in the next and then shift events moving forward. For example, in 1862 - 1863 - the *Civil War* and its after-effects led to a boom in railroad construction. As the pendulum swung way too far in the early-1870's (much like the housing bubble & the beginning of its bursting in 2008 - 2009), the Sept. 1873 collapse of Jay Cooke & Co. - which previously planned on constructing a second cross-country railroad (the Northern Pacific Railway) - ushered in the *Panic of 1873*, depression of 1873 - 1879 and an even longer depression in parts of Europe... that lasted ~two decades... *There is much more...*

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Reprint of April 24, 2019 **Weekly Re-Lay Alert**

The 15 - 17 Week & 32 - 34 Week Cycles Revisited (April 24, 2019 **Weekly Re-Lay Alert**)

04-24-19 - The 'Energy/Equity Connection' remains in force - most recently timing the late-Sept. peaks and late-Dec. lows in both complexes. Both have been projected, since mid-to-late-2018, to see their next multi-month peaks set in **May 2019**. As a result, it is a beneficial time to revisit these cycles, their significance, and what they have been portending for 2019...

Since confirming the late-Dec. lows (expected to be 6 - 12 month bottoms), these two complexes have been projected to move progressively higher into that **May 2019** cycle peak... One of the prevailing cycles that has been reinforcing this outlook is the **32 - 34 Week Cycle**. That equates to a roughly ~8-month cycle. As described since early-2018, indexes like the Euro STOXX had a consistent ~4-month (**15 - 17 Week**) and ~8-month (**32 - 34 Week**) cycle that was projecting decisive peaks in Sept. '18 and **May '19**, each followed by significant sell-offs.

The DJ Comp Average had a similar cycle that was also forecast to usher in a mid-Sept. '18 peak and 10 - 20% sell-off to follow. At the same time, Crude had similar cycles - as well as over-arching **5-Year & 10-Year Cycles** - all projecting a (minimum) 1 - 2 year peak in Sept. 2018. Those cycles were discussed throughout 2018 and revisited in the Oct. 17, 2018 **Weekly Re-Lay Alert**, an excerpt of which is included below:

"One of the most common intermediate cycles in the markets is a 15 - 17 Week Cycle. At times, it shortens to 15 - 16 weeks and adheres to that rhythm through multiple phases. At other times, it lengthens slightly - to 16 - 17 weeks, and repeats at that interval. When it is holding to that latter frequency, it is roughly a 4-month - or 120-degree - cycle. At times, there are even competing ~4-month cycles within a single market - governing opposing highs and lows or even timing staggered highs & lows that overlap each other.

*When doubled, this becomes a 7.5 - 8-month cycle. That has been cited in numerous markets, including certain equity indexes that produced lows in Feb. '16, Oct. '16, June '17 & early-Feb. '18 before an ~8-month rally into **early-Oct. '18**. Doubled again, it produces a 15 - 16-month cycle.... that has been repeatedly observed and discussed in equity markets, energy markets, interest rate and currency markets and even several commodities.*

*A perfect example is the ~16-month low-low-(high) Cycle Progression that has unfolded in Crude - timing lows in Feb. '16 & June '17 followed by a ~16-month advance into **early-Oct. '18**. That ~16-month advance broke down into an ~8-month low (June '17) - low (Feb. '18) - high (Oct. '18) Cycle Progression." -- 10/17/18*

The (obvious) reason for reiterating this is that the next phase of that **32 - 34 Week Cycle** comes back into play in the coming weeks. Not only is that so for Crude Oil, but also for so many equity indexes...

STOCK INDICES continue to fulfill the 3 - 6 month outlook for an overall advance from late-Dec. into **May 2019** - when a host of weekly & monthly cycles peak (in domestic and global equity indexes). Not only does that include the aforementioned index cycles, but also multiple distinct cycles in key proxy stocks. One of those was discussed last July - when it presaged a major top in the entire market and produced a textbook 'a' & 'b' wave decline and rebound leading into late-Sept. 2018... that stock (NFLX) was repeating a **14 - 15 Week Cycle** that pinpointed its secondary high in late-Sept. '18.

That same stock helped time the late-Dec. low and projected a sharp rally into mid-Jan. - the ensuing phase of that **14 - 15 Week Cycle**. The subsequent phase is coming back into play on **April 22 - May 6** - portending an intermediate top. That is reinforced by the 19-week & 38 - 39 week **Cycle Progressions** - both of which pinpointed the Dec. 24 - 28 low and portend an intermediate peak on **May 3 - 17**. So, to reiterate, the equity markets are approaching (or some have even entered) a pivotal time that has been in focus since last Sept. It is the ideal time for a multi-month peak and potentially the high of 2019." [Excerpt from 4/24/19 **Weekly Re-Lay Alert**.]

INSIIDE Track

40-Year Cycle: Stocks in 2019 - 2021 II

Reprint of Jan. '17 '40YC - Stocks in 2017 - 2021'

4-Year Cycle Projects 3Q 2019 Sell-off

1-19-17 - "Finally, there are slightly larger-degree cycles arguing for a low in **Aug./Sept. 2017** - as a precursor to a more important low in **3Q 2019**. This is related to the 16-Month Cycle, as discussed in the preceding 5/31/16 analysis (see top of page 10). Three of those 16-Month Cycles combine to create a ~4-Year Cycle - one half of one of the most consistent multi-year cycles in Stock Indices - the ~8-Year Cycle.

In July/August 2007, the Indices suffered a moderate decline that was ultimately recognized as an important precursor to what was to follow. In some Indices (those that peaked in July 2007), that was the first decline in an infant bear market. In most, it was the final decline in an aging bull market... that was about to die a violent death.

4 years later, in July/August 2011 (NQ-100) or July--Oct. 2011 (DJIA, SP, others), the Indices suffered a serious setback - the last one before a multi-year surge to new highs.

In July/August 2015, 4 years later, the Indices suffered an even greater sell-off with some (like China's Shanghai Composite) undergoing an all-out crash - providing early fulfillment to Crash Cycles. In each case, the Indices bottomed in **August** or **September** (with a few waiting until Oct. in 2011).

This 4-Year Cycle projects focus on **July--Sept. 2019** - for another important decline & bottom. In the interim, there is a growing potential for an intervening low at the ~2-year point (from the **Aug. 2015** bottom) - surrounding **August 2017**. That is reinforced by a growing synergy of weekly & monthly cycles that will be elaborated later."

Information is from sources believed to be reliable, but its accuracy cannot be guaranteed. Due to volatility in markets, 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 & associates of INSIIDE Track Trading Corporation may have positions in related markets. The discussion and/or analysis of any future, stock, ETF or Index is strictly for educational purposes and is not an offer to buy or sell securities nor a recommendation to do so. Please check all information before making an investment. No part of this publication may be reproduced or re-transmitted without the editor's written consent. All **Tech Tips®** - and the term **Tech Tips®** - are trademarks of INSIIDE TRACK Trading Corporation and all unauthorized reproduction is strictly prohibited.

Eric S. Hadik -- Editor

Copyright 2019 INSIIDE Track Trading Corporation

SUBSCRIPTION RATES:

- #1 - Monthly newsletter with periodic Special Reports (no *Intra-Month Updates*): _____ \$179 per yr. (12 issues)
 #2 - Monthly newsletter plus *Intra-Month Updates*: _____ \$297 per yr. (12 issues & 12 months)

Order online at www.insiidetracktrading.com. (For mailed orders, make checks payable to INSIIDE Track Trading.)

PO Box 2252 • Naperville IL 60567 • 630-637-0967 • 630-637-0971 (fx) • INSIIDE@aol.com • insiidetracktrading.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 AND 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 AND 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.