

# INSIIDE Track

## "Gold & Middle East: 11-Year Cycle in 2019/20"

### Outlook 2019/2020 The ~11-Year Cycle - Part II

**09-30-19 - Late-Aug./early-Sept. '19** ushered in a transition phase on so many levels, its significance should not be underestimated...

For starters, there was the stock market. Since 2017, a primary focus has been on 3Q '19 - ideally on late-Aug. '19 - for the culmination of another sharp sell-off...

Leading stocks and stock indexes corroborated that in the first half of July - triggering intermediate sell signals - and were quickly followed by the primary indexes. Combined with some uncanny weekly cycles (see diagrams on page 5), they forecast a sharp drop into late-Aug...

Then there were precious metals. They surged into **late-Aug./early-Sept.** with Gold perpetuating an extremely unique web of weekly cycles (~14-week, ~28-week, ~56-week and even ~112-week cycles) that has governed its action since 2011.

That action ushered in what should be a multi-month peak and projected an initial, intermediate sell-off to **1460 - 1470/GC & 16.50 - 16.80/SI**.

Overlapping that, Bitcoin & Cryptocurrency - which had already signaled a 3 - 6 month peak in late-June '19 - declined into late-August, reinforcing intermediate analysis and cycles.

After a bounce into early-Sept., Bitcoin generated another sell signal and projected a new plunge into **late-Sept.** and ultimately into **late-Oct. '19**. Its *4th wave of lesser degree* (~7,500; the early-June low) is the most decisive level of 3 - 6 month support that must hold, if a new impulse wave is to follow.

Grain markets sold off into **early-Sept.**, setting secondary lows while completing 'b' or '2' wave pull-backs. That was/is expected to spur a new multi-

month rally, with Soybeans projecting rallies that could easily reach new year-long highs. (Soybeans & Corn generated intermediate buy signals in mid-to-late-Sept., validating this analysis and projecting new surges into **Oct. '19**; see **Weekly Re-Lay**.)

Other commodities concurred, with Cotton, Coffee & Sugar triggering intermediate buy signals - reinforcing the transitional nature of late-Aug./early-Sept.

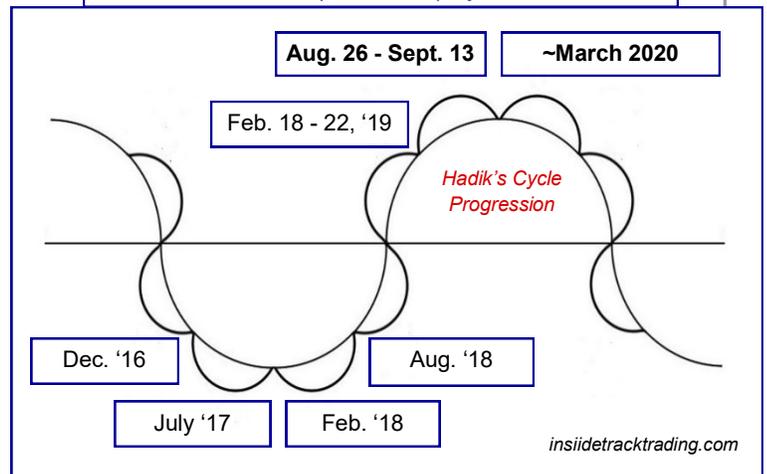
All of these could also be hinting of an impending correction in the US Dollar (into **Jan./Feb. '20** - when a consistent ~2-year cycle recurs??).

There is another overriding cycle that could also be playing a role, even though it is considered more general and abstract. It does, however, govern the explosive nature of the Sun which *does have* a measurable impact on Earth...

### 11-Year Cycle

The Sun goes through an approximate *11-Year Cycle* (11.2 years is the most recent average) that envelopes its activity peaks to troughs and back to peaks again. So, the lowest levels of solar activity

27 - 29-Week (~6.5 Month) Cycle in Gold



# INSIIDE Track

## “Gold & Middle East: 11-Year Cycle in 2019/20”

Excerpt from March '19 *INSIIDE Track*

**2-27-19** - “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...

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...

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*.”

(solar storms/sunspots and the resulting electromagnetic storms that are often hurled toward Earth) are divided by about 11 years and the most active phases are also divided by about 11 years.

In a strong parallel to Earth's *17-Year Cycle* - and its overlapping and more consistent *34-Year Cycle* - the Sun possesses a *22-Year Cycle* that is able to filter out some of the 'white noise' and demonstrate a stronger correlation between sunspot peaks or troughs and coinciding events.

It is that *22-Year Solar Polar Cycle* that is a more precise or consistent cycle, partially due to how the Sun's magnetic oscillations evolve. During each *~11-Year Cycle*, the Sun alternates the polarity of its sunspots - basically from northern-oriented to southern-oriented... and then back again.

So, it takes a full *~22-Year Cycle* to return to a similar phase (with similar polarity) as its predecessor.

In the past, I have shown how events like volcanic

activity (which is expected to spike in **2019/2020**) move in a very similar periodicity. Previously, I made reference to another moderate link that now deserves some added attention and reiteration...

The reason I refer to it as a 'moderate link' is due to the small number of data points involved. However, it has maintained a 100% correlation - with those data points - so it should not be ignored.

The data points all involve the time when the Sun is exiting its lowest point of solar activity - when few or no sunspots are detected for many months - and then begins to enter its next Solar Cycle with an intensification of these solar storms. Like so many cycle transitions, this shift is often when the most abrupt reactions are witnessed in our world.

As is always important with analysis like this, I view it from an imprecise-enough perspective to be realistic. In other words, I am not foolish enough to expect related events to occur every ~11.2 or ~22.5

# INSIIDE Track

## “Gold & Middle East: 11-Year Cycle in 2019/20”

years on the dot. Instead, I view this cycle as an approximate 2-year period when the trough and subsequent surge in solar storms occurs.

With that said, see if you notice anything similar to the following time frames - each of which represent the same start of a new *Solar Cycle* - when a sudden burst of solar storms begins after a prolonged dormant period:

**1867 - 1869, 1974 - 1976 & 1996 - 1998**

Now add in **2019 - 2021**, the expected transition into *Solar Cycle 25*. If you haven't noticed the common thread yet, let's throw in a few names: Johnson, Nixon, Clinton & Trump. In the history of the United States, the only four attempts or movements toward impeachment happened in lockstep with this volatile solar cycle transition.

*Admittedly, that is a small data set.* But it is 100% accurate (assuming that *Solar Cycle 25* begins within the next 1 - 2 years) and occurs in sync with the other discussions already centering around the ~11-Year Cycle and the upheaval it has timed.

### ‘Explosions’ Imminent?

**Late-2019** times momentous cycles in Iran, Saudi Arabia, Turkey & China. It is also 11 years from the start of a previous price-inflationary period from late-2008/early-2009 into 2011/2012. It marks the convergence of major seismic cycles.

And it times a unique cycle of US geopolitical upheaval. Perhaps even more important, it is the time when the Sun could finally come back to life! *Could we see some fireworks (begin) in 4Q '19? IT*

### INFLATION MARKETS - METALS

**09/30/19 - GOLD & SILVER** peaked in **late-Aug./early-Sept.** - fulfilling and perpetuating an uncanny web of weekly cycles that has governed Gold since

Analysis from March '17 **INSIIDE Track**

### 2019 & Saudi Arabia's 11-Year Cycle

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 first summit of the Arab League.)

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** - ??? Major shift? (Acceleration of demise/irrelevance?)

**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. 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*.

**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

## “Gold & Middle East: 11-Year Cycle in 2019/20”

before its 3Q 2011 peak. This web of cycles has been discussed repeatedly, including in Jan. '18 & Feb. '19 when it was projecting multi-month peaks.

The peak Gold set on **Aug. 26/Sept. 4** (double top) perpetuated several of these cycles and added another powerful cyclic force that validates the focus on **~March 2020** for the next multi-month peak. That is the next phase of the *27 - 29 Week Cycle* as well as the ubiquitous *55 - 59 Week Cycle*.

All of these cycles are higher-multiple variations of the *7-Week & 14-Week Cycles* described repeatedly in 2019. In its most basic form, this is a web of

cycles that includes *7, 14, ~28, ~56 & ~112-Week Cycles* - all multiples of a *7- and 14-Week Cycle*.

The *~112-Week Cycle* timed the two major phases of the descent from Sept. 2011 into Dec. 2015, creating a related high-high-low *Cycle Progression* that encompassed a total of 222 weeks (just 2 weeks shy of two 112-week cycles).

If the subsequent advance lasts the same duration (222 weeks), it would peak in **~March 2020**.

Gold subsequently rallied from Dec. '15 into Jan.

*(Continued on page 5)*

### ~11-Year Cycle of Global-Shaping Events

**2019 - 2020** ?????? Impeachment? China economic decline leads to conflict? S China Sea? Russia/Ukraine?

2008 - 2009 - Financial and real estate meltdown; Formalization of *BRIC* (later BRICS) to combat West.

1997 - 1998 - Asian and then Ruble Crisis.

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

1974 - 1975 - Watergate, Nixon, stock crash.

1963 - 1964 - Aftermath of *Cuban Missile Crisis*; assassination of JFK; *Gulf of Tonkin* incident (Vietnam War).

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*; led to forming of Federal Reserve.

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

1884 - 1885 - Depression of 1882 - 1885; third longest recession since 1850. *Panic of 1884* (July '84 - July '85).

1873 - 1874 - *Panic of 1873* (AKA Great Depression until 1930's); *Coinage Act* of 1873 (demonetizing Silver);

1862 - 1863 - Civil War, Lincoln, (railroad boom that ultimately led to *Panic of 1873*). *IT*

# INSIIDE Track

## "Gold & Middle East: 11-Year Cycle in 2019/20"

'18, a precise 112-week rally. 112 weeks in the future - a 112-week low-high-(high) *Cycle Progression* - portends a future peak in **~March 2020**.

Even if this overall advance lasts longer than that, which is the current expectation, **March 2020** would be a textbook time for a multi-month peak to take hold and make some traders think the bull market is complete (similar to what was projected for late-Feb. '19 and then for 3Q '19).

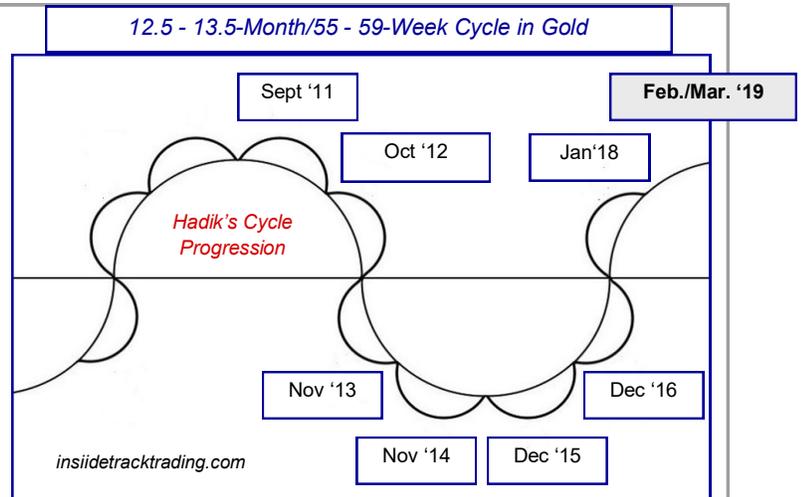
There is also the chance that **March 2020** could set a 3 - 6 month peak that is only retested in **late-2020/early-2021** (when XAU cycles pinpoint the ideal time for a multi-year peak). That is where price action needs to be the final arbiter, honing what to expect from cycles.

That *112-Week Cycle* broke down into a *~56-Week Cycle* (with the timing of successive turning points ranging from 54 - 59 weeks) that helped pinpoint a multi-month peak in late-Feb. '19 - projecting future focus to **March/April '20** and to the midpoint (27 - 29 weeks) in **late-Aug./early-Sept. '19**.

[That *54 - 59 Week Cycle* timed a series of lows in 4Q '13, 4Q '14, 4Q '15 & 4Q '16 - at intervals averaging 56 weeks each - and then projected future highs for late-Jan. '18, late-Feb./early-March '19 & **March/April 2020**.]...

The **Sept. 4** spike high also perpetuated a *~2-month/~60-degree low* (March 5) - low (May 2) - low (July 1) - high (**Sept. 3/4**) *Cycle Progression\*\**. As conveyed in the **Weekly Re-Lay**, that peak quickly projected an initial sharp drop to **1460 - 1470/GC & 16.50 - 16.80/SI**...

3 - 6 month & 6 - 12 month traders & investors should be out of long positions and waiting for a new opportunity to get back on the long side.



The **XAU** surged into what was/is expected to be a multi-month peak in **Aug. 2019**. That was the latest phase of an overall advance projected to reach **110.0/XAU** (1 - 2 year target) and ultimately to **140.0/XAU** (2 - 3 year target).

Its late-Aug. peak also completed back-to-back advances of 14 weeks each (Nov. '18 - Feb. '19 & May 20 - 24 -- **Aug. 26 - 30, '19**). *It peaked on Aug. 28, '19*.

From a broader perspective, the XAU turned its monthly trend up, a lagging/confirming indicator that usually signals an initial peak and ushers in the time when a reactive, 1 - 3 month pullback becomes most likely.

Since late-Aug., the intermediate outlook has been for a drop to at least **86.00 - 86.80/XAU**... From a timing perspective, the XAU is also likely to set a multi-week low on **Oct. 1 - 4** - perpetuating an 18 - 19 week low-low-low-(low) *Cycle Progression*.

(Continued on page 7)

# INSIIDE Track

## “Gold & Middle East: 11-Year Cycle in 2019/20”

**05-29-19 - Palladium** continues to lead the other metals. In Aug. & Sept. '18, *INSIIDE Tracks, Weekly Re-Lays* and the 9/18/18 *The Bridge - Metals & Miners: What's Ahead?* explained how Palladium had completed a major 'a-b-c' correction (a '2' wave that retraced 50% of the two-year '1' wave advance from Jan. '16 into Jan. 18) and was ready to lead the other metals higher into **2020**.

Palladium was entering a type of '3' wave advance - on one and possibly two magnitudes of impulse waves - the rally that is usually the most dynamic.

Multi-year cycles corroborated the likelihood for a 1 - 2 year (or longer) bottom, fulfilling the latest phase of a ~2.5 year/~31-month high (Feb. '11) low (June '13) - low (Jan. '16) - low (**July/Aug. '18**) *Cycle Progression* that next comes into play in **1Q 2021**.

Considering the wave and cycle structure of that expected bottom, Palladium is likely to invert its ~31-month cycle and ultimately extend its rally into a 1 - 2 year peak in **1Q 2021**. (That dovetails with what was

### Excerpt from June 2019 *INSIIDE Track*

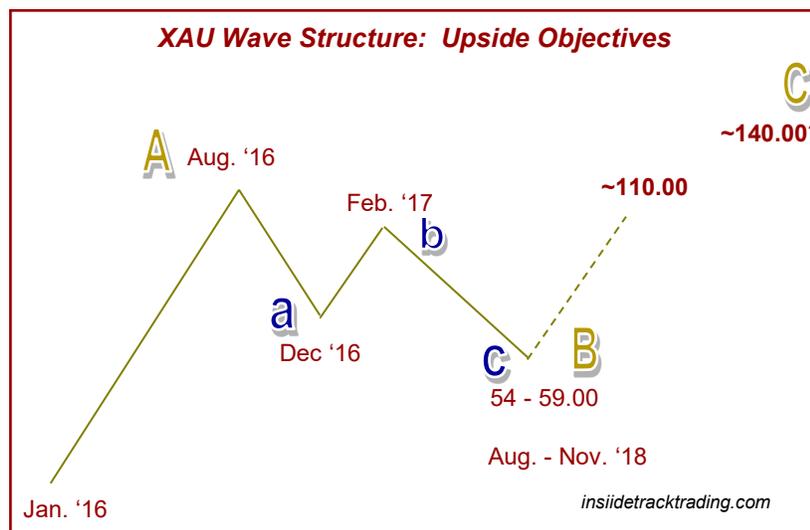
also discussed for the XAU in that same Sept. '18 *The Bridge*.)

A multi-year peak in **1Q '21** would also perpetuate a 10-year high (Jan/Feb. '01) - high (Feb. '11) - high (**Jan./Feb. 2021**) *Cycle Progression*...

In the interim, Palladium surged into the latest phase of a 29 - 31 week high-high-high-high-high-low-high *Cycle Sequence* - perpetuating a ~7-month cycle that dates back to Oct. 2015 - as well as an over-arching ~14-month/59 - 61 week high-high-high-(high) *Cycle Progression*, both of which project a multi-month peak in the middle half of **March '19**.

It fulfilled that while spiking above **1550.0/PAM** - the minimum wave objective (3 = 1) - where some initial profit-taking is common. That does not, however, signal that the '3' wave is complete. From this point forward, the Jan. '19 peak of **1133.0/PAM** should be viewed as powerful support.

[End of excerpt from June 2019 *INSIIDE Track*.]



# INSIIDE Track

## “Gold & Middle East: 11-Year Cycle in 2019/20”

**Platinum** also peaked in **early-Sept.** after fulfilling a 17 - 19-week low-low-low-low-high-(high) *Cycle Progression*. It reached its highest level in ~16 months - breaking out above 6 - 12 month resistance as it completed its projected surge.

Based on several indicators, **Sept. 27 - Oct. 4** is a dangerous period for Platinum when it could easily drop to **~890.0/PLF** - its initial downside target.

**Palladium** has rallied to new highs after failing to turn its weekly trend down during its correction into early-Aug. In contrast to Gold, Palladium has a consistent 30 - 31-week cycle that projects the next peak for **late-Oct.** A 12-week low-low-(high) *Cycle Progression* corroborates that outlook.

The preceding analysis is taken directly from the Oct. 2019 *INSIIDE Track* and is reprinted to update

newer readers on the outlook for Gold, Silver, Platinum, Palladium and the Gold/Silver Index (XAU) to resume their multi-year uptrends (stemming from the late-2015/early-2016 lows) and continue moving higher into **late-2020**.

Based on market cycles, geopolitical cycles, Middle East cycles and solar cycles, the period of **late-2019 through late-2020** should be an ‘explosive’ time - likely supporting Gold through key phases of that *Game-Changer* cycle (Gold and Middle East). Ultimately, this should usher in *War Cycles* in **2021**.

*INSIIDE Track* will continue to update the longer-term trends and cycles while the **Weekly Re-Lay** will address the short and intermediate-term cycles, trends and trading strategies throughout this potentially volatile and uncertain period.



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](http://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](mailto:INSIIDE@aol.com) • [insiidetracktrading.com](http://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.