

INSIIDE Track

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

Outlook 2020/2021 Gold, Waves, & 90/10 Rule

01-04-20 - Throughout 2018 - 2019, one of the primary topics of cyclic focus for late-2019 involved the Middle East & the *40-Year Cycle*. More specifically, it involved an ominous collision of cycles for Turkey, Iran and Saudi Arabia.

Late-2019 was linked to events in late-1979 and portended - among other things - the onset of an extremely tense and tenuous time for US/Iran relations.

It appears as though the *40-Year Cycle* did not disappoint. In 1977 - 1980, Iran's upheaval was mostly from within. In 2017 - 2020, Iran's upheaval is mostly from outside the country. *Cycles rhyme but they do not repeat.* To give a quick recap...

In 1977/1978, tensions built *in* Iran - leading to the overthrow of the Shah. In 2017/2018, tensions built *on* Iran as Trump pushed for a rework of the Iran deal.

In Aug. 1978, Iranians crippled the economy with perpetual strikes and demonstrations. In Aug. 2018, Iran's economy was crippled with the onset of perpetual sanctions (and now some 'strikes').

In 4Q 1979, the US Embassy was attacked. In 4Q 2019, the US Embassy was attacked.

In 1979, that led to escalating tensions and attacks throughout 1980 (coinciding with onset of the 8-year *Iraq-Iran War* in 1980 - 1988).

In 1980, Qasem Soleimani began his military career as a commander in the Iran-Iraq War. In 2020, his career was ended... in Iraq.

There is a lot more to this intriguing *40-Year Cycle*, including the possibility that **2020 - 2028** might see

a unification of Iran & Iraq - both of whom now have a common enemy - the US.

Could that coincide with the 80-Year Cycle of War (2021)?

Could it play a role in Middle East Unification Cycles (2018 - 2021)?

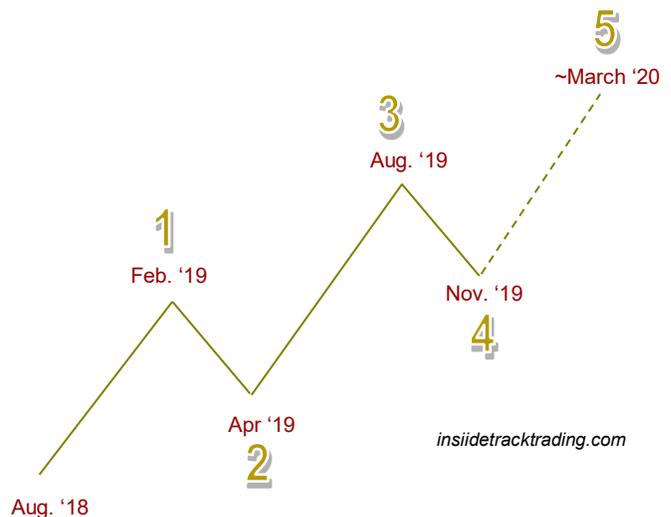
Golden Omens

As described in the excerpt on page 2, the Elliott Wave** structure in Gold has been arguing for accelerated advances... The latest signal came in mid-Dec. and - combined with the *90/10 Rule of Cycles* - pinpointed the most likely time for an accelerated advance to be **Jan. or Feb. '20**.

On Dec. 9 - 13, Gold & Silver provided several intermediate signals that began to clarify the outlook for the final weeks of 2019 and early weeks of 2020.

At that time, Silver spiked to new lows and fulfilled

Gold Wave Structure: Nov. '19 Low = '4th Wave'



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multiple weekly cycles (including 28-week & 7-week low-low-low *Cycle Progressions*) as Gold was signaling it had a larger multi-week rally to come.

The previous week, focus had begun to turn to the first 10 days of **Jan. 2020** that could end up completing a new rally in Gold.

As explained in the Dec. 7 **Weekly Re-Lay**, Gold needed to rally on Dec. 9 - 13 and close higher to signal an inversion of a 36-week low-low-low-low-(high) *Cycle Progression* and project a continued advance into **early-Jan.**

It did just that and triggered a new multi-week buy signal on Dec. 16 (see 12/14/19 **Weekly Re-Lay**). Soon after, Energy markets also signaled an extension to their latest advance - projecting more upside into/through January.

When markets like Gold pinpoint the most likely time for an accelerated advance - even if only a 2 - 4 week surge - fundamental events of-ten corroborate.

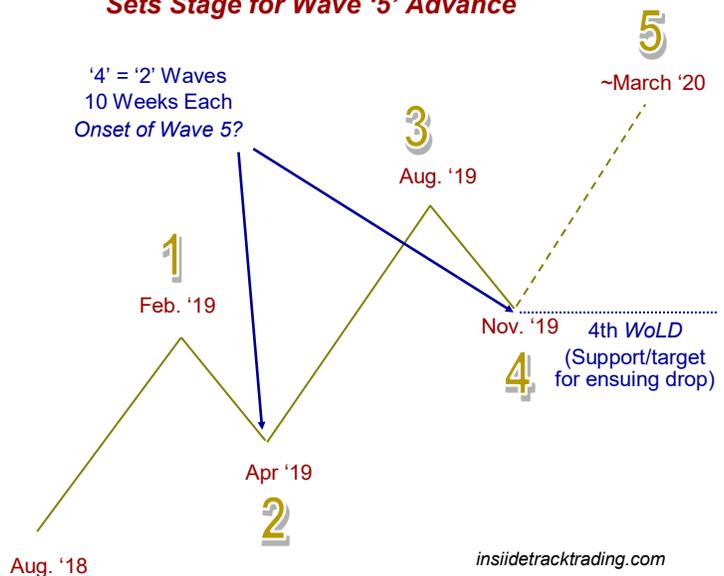
Such was the case with the recent escalation of tensions between the US & Iran - intensifying the conflicts that emerged in Dec. All of this reinforces the focus on **2021** - the next phase of the *80-Year Cycle of War. Stay tuned... IT*

INFLATION MARKETS - METALS

01/04/20 - GOLD & SILVER spiked higher into Dec. 4 and then sold off into Dec. 9 - with Silver spiking to new multi-month lows and right to its major support (~**16.50/SI**) while fulfilling its weekly trend pattern as Gold set its lowest weekly close without dropping below its Nov. '19 low.

In the case of Gold, that left intact the likelihood that its successive 10-week corrections - in Feb. -

Gold Wave Structure: Nov. '19 Low = '4th Wave' Sets Stage for Wave '5' Advance



April '19 and Aug. - Nov. '19 - were the '2' and '4' waves of an overall 5-wave advance while reinforcing multiple monthly cycles (that bottomed in Nov. '19). The only thing left - which the XAU had already signaled - was a '5' wave advance.

"11/09/19 - "Gold & Silver have the potential to set a secondary (higher) low in Nov. '19 - 1 year (360 degrees) from Silver's major low in Nov. '18. That would also perpetuate ~6-month/~180-degree low (Nov. '18) - low (May '19) - low (Nov. '19) Cycle Progressions - most obvious in Silver.

*From a price/wave perspective, Silver's test of its **16.50 - 16.80/SI** downside target means it is attacking the highs of Jan. '19 - a pivotal level of 6 - 12 month 'resistance turned into support'...Silver could still see additional downside (perhaps reaching **16.50/SIZ**) before a final low takes hold...*

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In the case of Gold, there are multiple timing indicators that could produce an intermediate low in the coming week...

They include the potential for successive, 10-week corrections (late-Feb. - early-May and early-Sept. - Nov. 11 - 15) - a potential '4th wave = 2nd wave (duration)' prior to a '5th wave advance."

The action of early-Dec., and how quickly Silver made it to new lows and down to **16.50/SI**, accelerated intermediate cycles and ushered in the potential for key cycles to invert and time a high in **early-Jan**. That was already being projected by an intervening 18-week low-high-(high) *Cycle Progression*. Gold needed to rally on **Dec. 9 - 13** to confirm that potential and project an accelerated advance:

“12-07-19 - “That is the latest phase of a 35 - 36 week low (Dec. 11 - 15, '17) - low (Aug. 18 - 22, '18) - low (Apr. 22 - 26, '19) - low? (Dec. 30 - Jan. 10, '20) Cycle Progression.

...if Gold spiked lower and reversed higher in the coming week, that cycle could invert and time a new 1 - 2 month peak (that would also fulfill an ~18-week/~4-month low-high-(high) Cycle Progression).”

The 12/14/19 **Weekly Re-Lay** updated that and explained why Gold should surge from there - likely exceeding **1520.0/GCG** in the ensuing two weeks.

The weekly 21 MARC was increasing that possibility and it was becoming more likely that the *90/10 Rule of Cycles* was going to subsequently come into play and trigger an even more accelerated advance in **Jan. '20... an omen of things to come.**

12-21-19 - “In many cases, Gold sees its biggest surge in the weeks leading into a multi-month cycle high (90/10 Rule of Cycles, reinforced with the Au-

gust '19 surge in Gold - leading into the latest phase of uncanny cycles) so the majority of the next advance could still wait longer (into Jan. or Feb. '20)...

On Dec. 30, the weekly 21 High MARC will jump to 1528.1/GCG... the coming week is 'do or die' for Gold.”

Gold & Silver are fulfilling all of this as they enter a pivotal week on **Jan. 6 - 10, 2020**. They have surged into this time frame when cycles, weekly trends and weekly *LHRs* argue for an initial peak with January's monthly *LHR* at **1604.9/GCG**.

A high on **Jan. 6 - 10** would fulfill a 36-week low (Dec. 11 - 15, '17) - low (Aug. 18 - 22, '18) - low (Apr. 22 - 26, '19) - high (**Jan. 6 - 10, '20**) *Cycle Progression* as well as an ~18-week/~4-month low-high-(high) *Cycle Progression*.

The action of the first couple days of January is also (already) fulfilling the likelihood for an accelerated advance in **Jan. '20** - reaffirming the *90/10 Rule of Cycles* (90% of a price move occurs during the final 10% of a cycle).

Silver's weekly trend pattern and weekly *LHR* indicator are also arguing for a surge into **Jan. 6 - 10**.

A high, however, be short-lived. If Gold & Silver pull back for 2 - 3 weeks, and Gold holds key support around **1520.0/GCG**, it would leave open the potential for additional upside (still part of the '5' wave advance) into **March 2020**. As reiterated throughout 2019, all of these cycle highs are expected to be a sequence of higher highs...

The **XAU** has steadily rallied since precisely fulfilled its downside objectives in Oct., completing the projected drop to **86.00 - 86.80/XAU** while perpetuating an 18 - 19 week low-low-low-(low) *Cycle Progression*.

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In contrast to Gold & Silver, the XAU neutralized its weekly uptrend multiple times but did NOT turn that trend down.

That was/is the ideal scenario for a multi-month low and a subsequent rally back to its late-Aug. high and ultimately up to ~**110.0/XAU**. The XAU is tracing out a textbook Elliott Wave formation (like Gold) with the Oct. low representing the '4th' wave low of an overall 5-wave advance.

The XAU's recent '4th' wave decline almost perfectly matched the magnitude of the previous '2nd' wave decline - providing additional corroboration to this wave interpretation. [Feb. - May '19 decline ('2nd' wave) from 80.76 to 65.85 = drop of 14.91 points. Aug. - Oct '19 decline ('4th' wave) from 102.29 to 86.84 = drop of 15.41 points.]

Platinum remains on track for a rally back above **1000/PL**. It has powerfully confirmed that outlook and is still expected to extend this advance into **late -Jan./early-Feb. '20** - the latest phase of a 21 - 22 week high-high-high-(high) *Cycle Progression*. A 2-Year Cycle, and the potential for equal-duration advances, project a similar outlook.

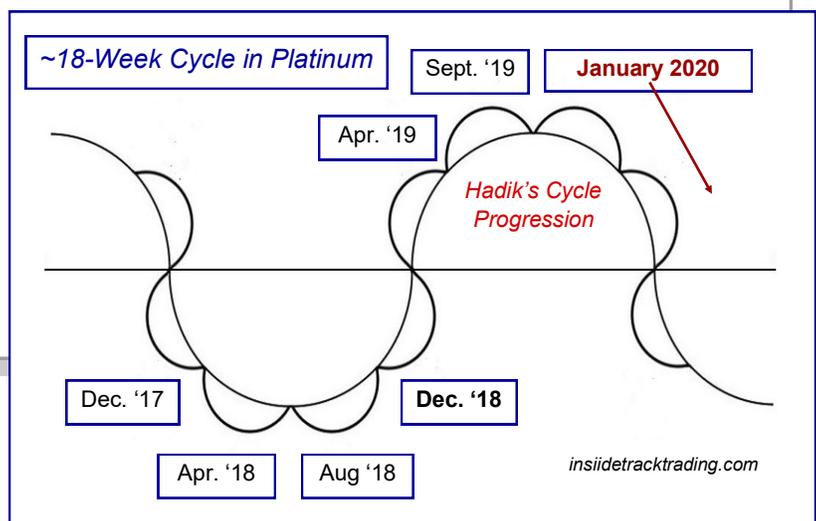
The preceding analysis is taken directly from the Jan. 2020 *INSIIDE Track* and is re-printed to update newer readers on the outlook for Gold, Silver, Platinum, Palladium and the Gold/Silver Index (XAU) to extend their multi-year uptrends (stemming from the late-2015/early-2016 lows) into **1Q '20** before a very significant peak is expected.

Gold, Silver and the XAU are all signaling the developing Wave #5 advances - expected to peak in **1Q 2020** (Gold cycles are focused on early-March '20 as the ideal time for a multi-month peak) and complete the overall 5-wave structure from the late-2018 lows. That should usher in the sharpest decline seen in the last couple years.

(That does NOT signal the end of the overall uptrend, just the culmination of this phase of it. It would then portend a sharp drop back to at least the '4th wave of lesser degree' - the Nov. '19 low in Gold.)

The primary 1 - 2 year upside target for the XAU remains at **110.0/XAU** - a level that is expected to usher in a 3 - 6 month peak. Gold stocks and mining shares remain far weaker than Gold, relatively speaking, and are expected to peak below their 2016 high before another sharp sell-off emerges.

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.



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Excerpt from 12/11/19 **Weekly Re-Lay Alert**

Cycle Fractals: 2-Month, 2-Year & 4-Year Parallels

12-11-19 - Fractals unfold in both timing and price indicators... The Oct. 2017 *INSIIDE Track* delved into this when discussing the multi-year outlook for Gold... It had been forecast to see a 6+-month advance in 2016 - signaling a multi-year bottom and what was projected to be a 3 - 5 year uptrend.

Gold's surge into 3Q '16 was forecast to lead to a sharp drop into late-2016 - after which it should unfold in a *fractal-like* manner in 2017 and/or 2018... before a convincing uptrend could take hold in 2018/2019. To reiterate:

09-28-17 - *'The whole is greater than the sum of its parts'*, so astutely observed Aristotle. That simple statement sums up the principle of synergy - describing the *combined* effect of multiple collaborative factors or components and their holistic impact. In very simplistic terms, $2 + 2 + 2 + 2 >$ (greater than) 8 - when each of those '2s' is working in concert with the others...

Archetypes & Fractals

There is another form of synergy that might not always be recognized as such... *fractals* - where the whole mimics the pattern of its parts, often on multiple levels. Conversely, the smallest observable increment of that item or cycle mimics the pattern of its composite entity that is still being developed. Google dictionary describes fractal in this manner:

"a curve or geometric figure, each part of which has the same statistical character as the whole. Fractals are useful in modeling structures (such as eroded coastlines or snowflakes) in which similar patterns recur at progressively smaller scales..."

One of the most common examples of a fractal is a head of broccoli in which the pattern of the overall head (*single stem, breaking into multiple stems & topped with florets*) is mimicked by each of the main stems (*single stem, breaking into multiple stems & topped with florets*) & ultimately repeated in each small bite-sized piece (*single stem, breaking into multiple stems & topped with florets*)...

Market & Wave Movement

That fractal principle is at the core of at least one form of technical analysis - the *Elliott Wave Principle*. In that approach, the larger macro-economic 'waves' (up and down movement) break down into interim waves, which break down into intermediate waves that break down into minor waves that even break down into minute & minuet waves - all of which follow the same pattern. One of the market applications of this principle involves the outlook - and the confirming action - of Gold in 2017.

In the years leading up to 2016, that future year was described as *'The Golden Year'* - with a very specific definition attached. It was described as the year when Gold should signal a multi-year bottom by experiencing its largest & longest advance of the preceding 3 - 4 years (ideally, exceeding 6 months in duration).

At the same time, it was repeatedly warned that that advance would - if unfolding as expected - soon yield to a contrasting decline into late-2016, when a secondary (higher) bottom was likely."

On a larger-magnitude basis, Gold traced out a I and II wave with its 2016 advance and subsequent decline.

(Continued on page 6)

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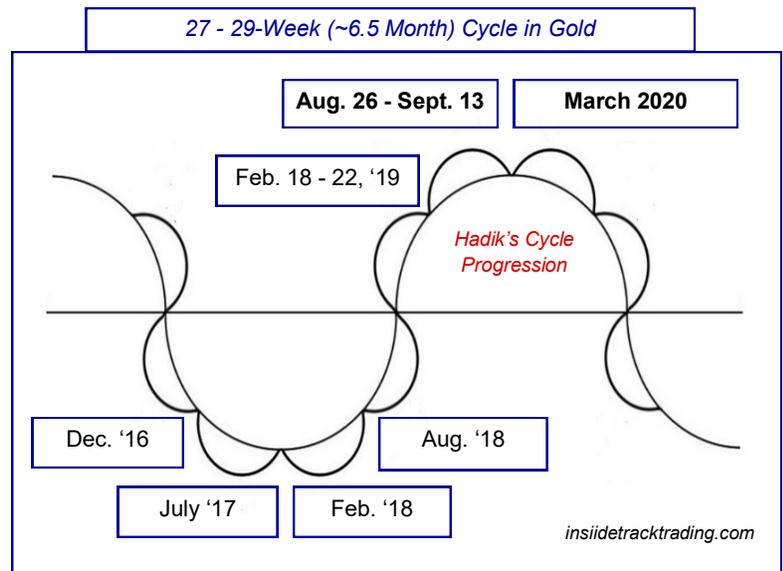
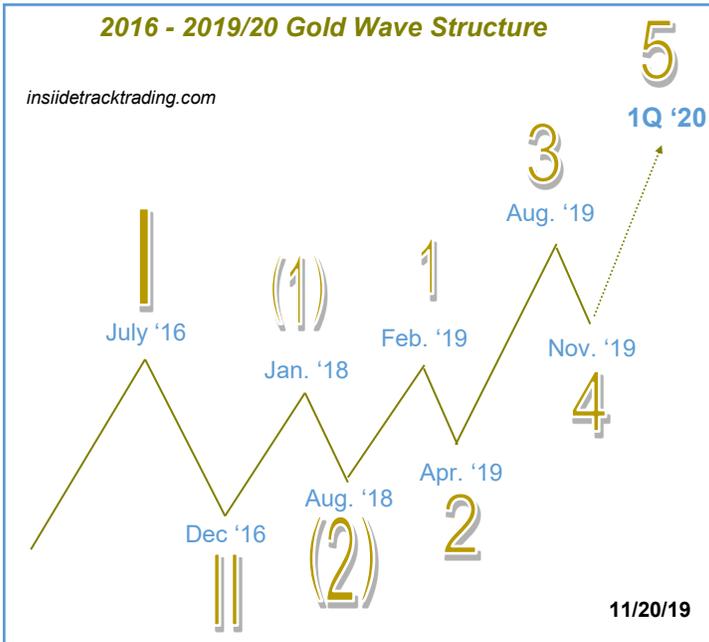
Excerpt from 12/11/19 **Weekly Re-Lay Alert**

(Continued from page 5)

From Dec. '16 into Aug. '18, it traced out a similar (fractal) (1) and (2) wave on one lower-magnitude basis... from Aug. '18 into Feb. '19, it traced out an even lower-magnitude 1 wave that was followed by a 2 wave decline into late-April '19. In Elliott-speak, that sequence of progressively smaller and smaller rally-and-correction patterns is also known as a '1-2, 1-2, 1-2' - the ideal setup when anticipating an accelerated '3' wave advance.

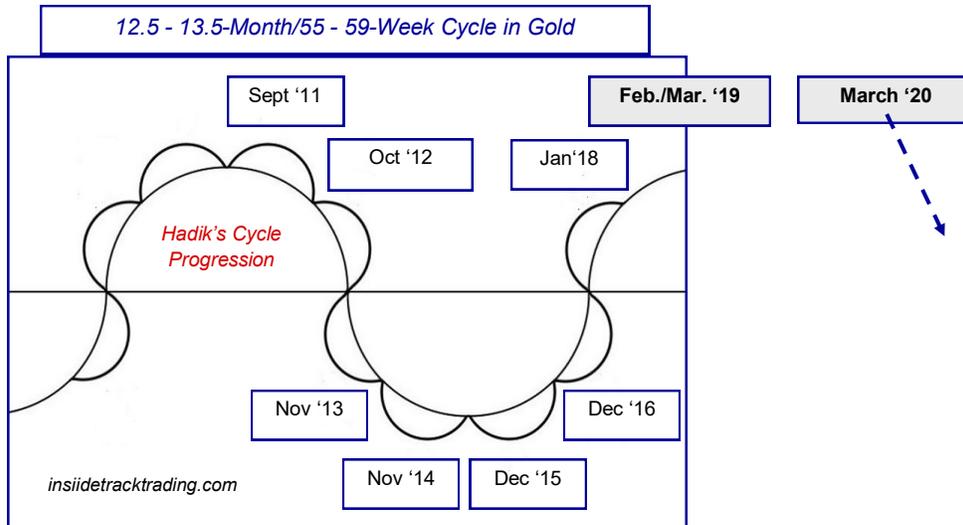
The reason is that a III wave has been unfolding since the II wave bottom (late-2016) and a (3) wave has been unfolding since the (2) wave bottom (Aug. '18). So, the establishment of the 2 wave low (late-April '19) ushers in the 3 of (3) of III wave rally - typically a dynamic and accelerated move... at least two more multi-month advances are likely.” **IT** -- End 12/11/19 analysis.

01-03-20 - This Dec. 11 analysis updated the multi-year Elliott Wave structure in Gold and explained why an imminent advance could take Gold higher into ~**March 2020**. Subsequent analysis explained why the corresponding **90/10 Rule of Cycles** would likely delay an accelerated advance until **Jan. 2020**. Recent events have triggered that accelerated surge (or at least part of it), leading into **Jan. 6 - 10** - when multiple weekly cycles could time an *initial peak*. **IT**



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