

# INSIIDE Track

## “40YC & Currency War: Breakthrough Strategies”

“These absorbing interviews bring together the wisdom of 17 remarkable traders and investors who have each carved out a highly profitable trading niche and agreed to share what they have learned over the course of their careers...”

This is a chance to learn from those who have already developed winning systems and trading techniques... information that will make you a more profitable trader-investor.”

-- Breakthrough Strategies of Wall Street Traders  
(Published August 30, 2016)

**Sept 2022** - In the beginning of 2016, Eric Hadik was interviewed for an impending book on specific trading disciplines and strategies used by successful traders.

Not only did that author (Bill Bodri) want to know about Eric’s approach to trading, he also wanted to find out more about Eric’s ongoing forecast for 2016 to be *The Golden Year* (defined as the first major rally in Gold that would be part of an overall advance from late-2015 into late-2020/early-2021).

Related publications can be found at:

<https://www.insiidetracktrading.com/wp-content/uploads/2018/07/2016-the-golden-year.pdf>

<https://www.insiidetracktrading.com/wp-content/uploads/2018/07/2016-the-golden-year-ii.pdf>

<https://www.insiidetracktrading.com/wp-content/uploads/2020/04/2016-The-Golden-Year-III.pdf>

That early-2016 interview was published as part of



the book - *Breakthrough Strategies of Wall Street Traders* - in August 2016. The book has been repeatedly compared to ‘Market Wizards’.

### **Currency War Culmination: 2016 - 2021**

Never content to just provide theoretical analysis or approaches, Eric wanted to put his analysis and trading discipline to the test so he explained why 2016 (and 2016 - 2021) would produce the following:

-- A Major, multi-year bottom in Gold (forecast for late-2015) and the first substantial rally of the 2010’s (in 2016).

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[Corresponding buy signals were published in *INSIIDE Track* publications.]

He detailed how that would only be the start of a new bull market in Gold that should last into/through late-2020/early-2021 before a 2 - 3 year peak would likely take hold.

[Gold bottomed in Dec '15, surged over 30% in 2016, and ultimately rallied into late-2020 - gaining about 100% from its Dec '15 low. The next major advance has been forecast to begin in late-2022... *at any time!*]

-- A Major, multi-year top in the US Dollar Index in late-2016 followed by a sharp decline in 2017.

[The Dollar Index rallied into Dec 2016 and reversed lower in Jan 2017. It dropped sharply throughout 2017 and remained in a major corrective phase for over 5 years... until mid-2021 buy signals.]

-- An *80-Year Cycle of War* - linked to US wars of the past ~200 years and Europe-based wars of the past ~700 years - would return in late-2021 through late-2025 (80 years from Dec 1941 & WWII, which was 80 years from 1861 & Civil War, etc.) - and usher in a new multi-year period of War involving Europe and ultimately the US.

[Russia's invasion of Ukraine has powerfully validated that cycle and should lead to future phases in late-2023 - mid-2024 & late-2024 into late-2025.]

-- The final phase (2016 - 2021) of US Dollar global hegemony.

2022 would usher in a new *40-Year Cycle* when US Dollar supremacy would be attacked and when developing global unions (*BRICS* being a key one) would attempt to unseat the US Dollar as the global kingpin.

[Separate publications pinpoint when the Dollar's demise - following a projected final peak in 2022/23 - could be most significant... and when the first Major, multi-year low is most likely.]

The following are excerpts from that 2016 *Breakthrough Strategies of Wall Street Traders'* interview:

**B.B. - In terms of the predictions or projections I know you believe 2016 will be a big year for gold. This is a good time to ask you for your predictions for the larger macro trends for commodities like gold.**

E.H. - There is a consistent 40-year cycle that has been uncanny through the entire history of our country since the 1770s.

It even dates back well before that... a struggle between currency, gold, silver and economic panics and crises... I was looking for a major transition point... and then the big first phase stretching into 2021.

Within that, all of my work on yearly cycles and monthly cycles for gold was showing that we should be negative from 2011 down into the second half of 2015.

During that time, since 2012 and 2013 I've been talking about 2016 being the "golden year," but to clarify I'm not saying that gold is going to the moon in 2016.

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I am saying I thought 2016 would be the first year that gold would start to see some sustained rallies... When you look back on it later then it would be what they identified as the turning point in gold.

... as far as the longer-term projections... 2016 would be the big transition year... we would see an initial big advance and a decent pullback within that, and then 2017-2018 would be more when that third wave starts to take hold...

*“It was exactly forty years after that event that gold peaked in 2011 right to the month basically – August 2011 is forty years from the August 1971 gold shock.”*

[ITTC Note: See <https://www.insiidetracktrading.com/date-with-destiny/> & <https://www.insiidetracktrading.com/40yc-the-golden-years/> for related reports that published this outlook for Gold.]

**B.B. - You were saying you'd expect the up move until about 2021?**

E.H. - Yes.

**B.B. - Did you say the dollar is peaking now, or in 2017-2018, and afterwards is supposed to drop? Do you have any dates on the dollar trends that you could give?**

E.H. - The majority of my longer term is still showing that the dollar has got another wave up and ideally the peak... starting in 2017 you're looking more to the downside for the dollar.

Here again, it's uncanny how accurate this 40-year cycle has been as far as pinpointing these major seismic shifts in the dollar and in gold.

If you just take the most recent sequence of that 40-year cycle and look at the '70s, it started out with the gold shock in 1971 where Nixon shut the gold window for convertibility.

*It was exactly forty years after that event that gold peaked in 2011 right to the month basically – August 2011 is forty years from the August 1971 gold shock.*

In 1973 we had the collapse of Bretton Woods and by 1975 you had the dollar effectively being backed by oil.

The year 1975 was when OPEC agreed to price oil in dollars. To me 1976, even though it's a subtler lesser-known event, was the real defining one which was the *Jamaica Accord* that basically decoupled gold from any of the fiat currencies.

That 40-year cycle helped pinpoint 2016 as a major turning point. From July of '76 into early '80 is when gold saw the majority of its move.

So here we are forty years later with gold showing signs of getting ready for another strong advance.

As for the dollar, when you really look at the dollar compared to gold (pricing it in gold) that period from '76 to '80 was an all-out collapse in the dollar even though when it is just compared to other currencies that doesn't look nearly as serious.

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**B.B. - So if gold goes up it would do so from now through your 2020-2021 period, which is obtained by adding forty years to the 1976 to 1980 period? And it might come from individual cycles analysis as well?**

E.H. - When you go back to that sequence, there are very consistent things that happened at specific years, and in most cases the whole shift stretched into the year one of the next decade.

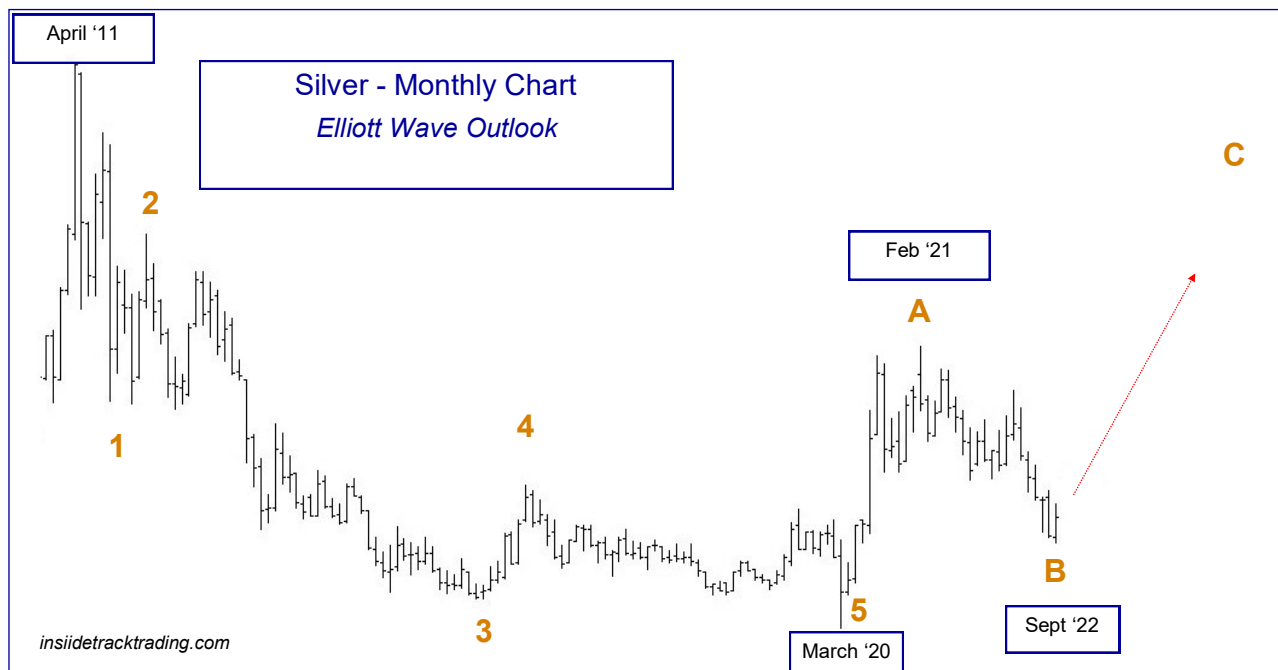
Even back in 1775, that was when we basically had our first experiment with fiat currency and the *Continental*s were issued. Almost out of the gate those *Continental*s started deteriorating in value and by 1781 (which is year “one” of the next decade) they were worthless and removed from circulation.

Then you went forward into the 1800s and you had the whole battle for the re-chartering of the *Second U.S. Bank*.

That came to its first culmination in 1816 when Jefferson, who was fighting against it, lost his battle. They re-chartered the bank and immediately went into financial and economic malaise and had a panic in 1819.

*By 1821 that cycle finally bottomed out.*

Forty years later in the 1850s, you had the government reducing the silver content in coins so it was basically devaluing the currency. By the mid-1850s you had silver being suspended and then *by 1861 gold was suspended.*



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Forty years later in 1896 you have probably one of the biggest political battles over gold, the gold standard, and the silver standard.

William Jennings Brian was supporting the silver standard and giving his speech about, “*You shall not crucify mankind upon a cross of gold.*”

Then there were two panics in the 1890s that led to 1901 when the gold standard was reestablished.

Again, you go forward to the 1930s and have gold confiscation, silver confiscation, a second panic, and second recession in 1937 which, if it weren’t for the events of 1929 and 1932, that recession is identified as the worst of the 1900s aside from the initial stock market crash and *Great Depression*.

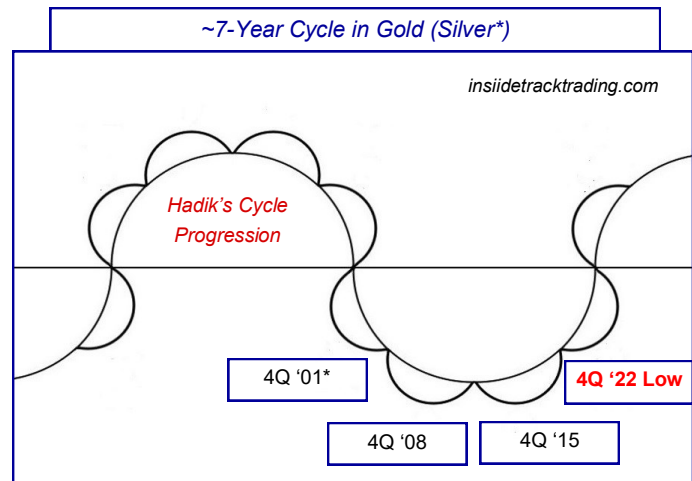
*1941 was when the whole sequence was ending.*

There is also an overriding 80-year war cycle to be aware of going all the way back to 1781, which was the culmination and end of the *Revolutionary War*.

The *Civil War* started eighty years later in 1861, and then we have our entrance into *World War II* at 1941, and next we have 2021.

There are multiple things that occur along with this 40-year cycle... I could also rattle off each of the droughts, famines, and food crises that occurred in that same time frame. I’m not saying necessarily that one is causing the other, but there is something very consistent that is creating this period of great turmoil...

I was reading more recently about a 40-year cycle they have identified in the sun call the *Great Conveyor*



*Belt* that influences the oscillations within the sun, sunspots, geomagnetic storms and the polarity of those storms.

It’s on a very consistent 40-year cycle, which would give you some rationale for the fact these periods of upheaval are occurring on a very consistent 40-year basis and like I said, they go back well before the 1770s...

When you look at 2013 and 2014 you have the *BRICS Bank* of the *BRICS* nations announcing and starting their new development bank.

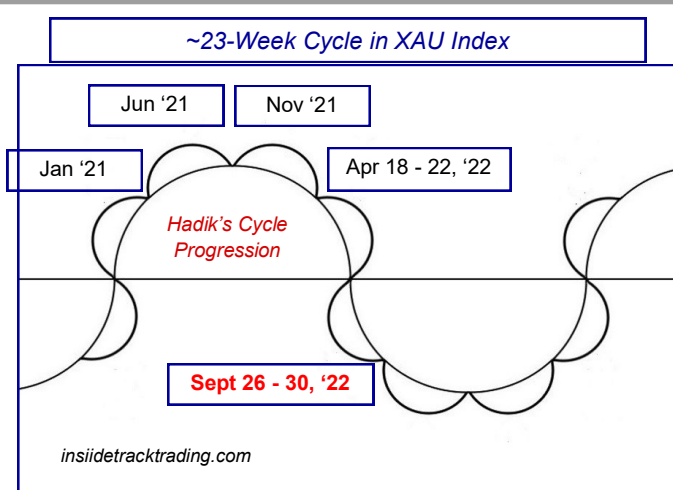
Then at the same time you have China getting together many of the Asian power and starting the *Asian Infrastructure Bank*.

At the same time Russia started the *Eurasian Economic Union*...

*You’ve got this steadily intensifying battle that is still far from its tipping point.*

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It doesn't really appear on a lot of people's radar, but there is also momentum there and a trend there. It's like a saucer bottom where it's slowly developing this bottom and you want to be ready for it if and when it enters that parabolic stage ...

**B.B. - Great. I was trying to get the dates for when you thought price inflation was big within that 2021 period. Is that within there as well?**

E.H. - The years of 2017-2018 are strong candidates for a pretty serious move up in price inflation for a lot of commodities and then there is another phase getting out closer to 2021.

A lot of that certainly becomes more specific and honed as time progresses ...”

[End of excerpt from *Breakthrough Strategies*]

Related analysis detailing a potential *Food Crisis* and Inflationary surge - for 2020 - 2022 - reinforced this discussion and the likely ramifications of a 'seismic shift' forecast for 2020 - 2022 (and beyond) as one *40-Year Cycle* transitions to the next.

[ITTC Note: Related reports that published this outlook for grains and inflation - as well as drought & deluge cycles - can be found at <https://www.insidetacktrading.com/40yc-food-crisis/>]

Please refer to latest issues of *INSIIDE Track* and *The Weekly Re-Lay* for Eric's update analyses and outlooks.

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Dec 2014 - 2016: *The Golden Year III Excerpt*

### 2016: THE GOLDEN YEAR III - SOLAR, WAR & DISEASE CYCLES; 2016 - 2021 PROGRESSION

**DEC 2014** - Gold & Silver remain on track for overall declines into 2015 - when a myriad of multi-month & multi-year cycles converge. That is expected to usher in **2016 - The Golden Year**, when Gold is forecast to experience its strongest advance in several years. It is also expected to usher in a multi-year advance in Gold - from **2016** into **2021**, coinciding with a steady progression (or deterioration) of related cycles involving everything from sunspots to war to disease (pestilence).

The following is a collection of corroborating analysis from recent months as well as from **2006 - 2010**, when some uncanny *Disease Cycles* were first discussed. Those cycles projected a spike in **2009/2010** (precisely when *H1N1* or *Swine Flu* emerged) and are now focused on the end of the decade when a higher synergy of related cycles converge (most synergistic in **2019/2020**).

Prior to that, geopolitical cycles project a major shift for Russia - with respect to their sometimes antagonistic relationship with the US and the West - in **2016/2017**. China is similar, pinpointing **2017 - 2021** as a potentially tumultuous time for US relations with both Russia & China. For now, the focus is on **2016** and 'The Golden Year'...

As discussed for over a decade, the outlook for the Dollar has to be viewed from two perspectives:

- 1 - The Dollar Index (a measure of the Dollar's value against other currencies).
- 2 - Gold (a measure of the Dollar's intrinsic and lasting value).

Depending on which perspective one takes, the interpretation of cycles can vary. In the end, however, the final result does not change. But, there are periods of serious discrepancy - often lasting a couple years... like 2008--2011.

The Dollar Index completed a 7-year decline in early-2008 - at the same time Gold was setting a 1-2 year peak. In theory, if the Dollar had bottomed then Gold had topped.

But, this is a perfect example of where the two perspectives diverge. Since its March/April 2008 low, the Dollar Index has never traded lower. In contrast, Gold's March 2008 high was an important peak - that held for about 18 months - BUT it was LESS than 50% of Gold's 1999--2011 overall gain.

The majority of Gold's gain - from a late-2008 bottom below \$700 to a Sept. 2011 peak at ~\$1920 - came in a 3-year period. During that period, the Dollar Index traded sideways to up, never setting new lows.

So, anyone viewing the Dollar's value via the Dollar Index saw a stable currency generating multiple 15-20% advances. Anyone viewing it through a *golden lens* saw the Dollar losing more value.

In other words, the Dollar has been the '*healthiest horse in the glue factory*'. And that metaphor might be more appropriate than is currently realized if the 'glue factory' is where all of the fiat currencies are being herded.

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Dec 2014 - 2016: The Golden Year III Excerpt

Another way of looking at it - through a cyclic lens - is that the Dollar Index, since 1985, has experienced two major 7-year 'droughts'. The biggest drop was from 1985--1992. The second was from 2001--2008. In the midst of those declines, the Dollar Index did experience a 50% gain in value during the ~7-year period from early-1995--early-2002 (when it set a double top).

And prior to 1985, the Dollar Index experienced a previous, ~7-year rally from 1978--1985. 1978--1980 was very much like 2008--2011 in which Gold saw its biggest, parabolic surge AFTER the Dollar Index had already bottomed.

### Gold's 40-Year Cycle

The Dollar Index is in the midst of what is expected to be its third, 7-year advance - from **2008--2015**... a precise *30-Year Cycle* from the 1978--1985 advance. The more intriguing factor is how this dovetails with the more significant *40-Year Cycle* in the *actual* Dollar... viewed through the golden lens.

1971--1976 was a momentous time for the relationship between Gold and the US Dollar. It was the final, tumultuous period immediately following the official divorce between the two. There had been multiple 'trial separations' but this one would stick! 1976 witnessed the certificate of divorce known as the *Jamaica Accord*.

40 years later, Gold was forecast to see a Major, multi-year peak in 2011 followed by a sharp drop into late-2013 and an overall decline into **mid-2015**. **2016** is expected to see a dramatic shift - the culmination of that *40-Year Cycle* - or '*period of testing*' from when the Dollar officially divorced Gold...

Gold remains on track for an overall decline into 2015 - when a multi-year bottom is expected. 2016 remains the year when the next major Gold advance is expected - the first stage of what should be a 3 - 5 year uptrend.

*What could trigger a multi-year surge in Gold?*

On the following pages, some overlapping analysis is reprinted - emphasizing the potential for a steady destabilization of natural, national & economic factors that could reinforce the expected move back into Gold. These factors should reach a crescendo in 2019 - 2021, in sync with ongoing *40-Year Cycle* analysis for this entire period of 2013 - 2021... That all hints at one or more surprising events to impact the globe at the beginning of the next decade.

Leading into that time frame, look for Russia/China/US relations to deteriorate and also impact Gold... The sunspot/disease link discussed in the 1/30/06 excerpt was precisely & profoundly fulfilled with the 'Swine Flu' outbreak of 2009 (3 years later, but right when projected) - now believed to have claimed about 300,000 lives.

And that projects focus to 2018/2019 - the next phase of Influenza's unique decennial pattern (a ~10-Year Cycle) and the time when the next Solar Cycle (25) should be turning back up.

130, 110, 100, 60, 50, 40, 20 & 10 years from all of these Flu outbreaks is 2017--2019, with 2018/2019 possessing the greatest synergy. But, that is just one particular 'disease'..." [End of Dec. 2014 excerpt]



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Sept 2022 *The Bridge* Excerpt

### September Shift (The Bridge)

**9-08-22** - “September 2022 could time a critical shift in the overall ‘Currency War Cycle’. While that does not necessarily imply it will mark an extreme high or low in any specific combatant (in this ‘war’), it could trigger some surprise counter-trend moves that begin to reshape perspectives.

One important factor, that could help trigger an intermediate shift, involves the US Dollar Index. It signaled a multi-year bottom in 1Q ‘21 and has been on track to surge above **110.0/DX** ever since. It just reached that upside target, ushering in the *potential* for a multi-month period of congestion. That might be all it takes to trigger serious reactions in other (inversely-correlated) markets. The same is true of interest rates and the movement of Bonds & Notes...

At the same time the Dollar is reaching a major upside target and interest rates are warning of an impending peak (or at least a peak in related bearish sentiment), Bitcoin is fulfilling its downside objectives... Bitcoin has already retraced .786 of its Mar ‘20 - Nov ‘21 advance - an extreme retracement for a market that has (previously) gone through a parabolic advance (‘bubble’).

That was fulfilled at **17,830/BTC** - so a major, 1 - 2 year downside target has been reached... Bitcoin has fulfilled enough of what has been projected (downside) - for the past 6 - 9 months - to set a multi-month bottom.”

**Sept 2022** - Multiple markets, cycles & indicators are corroborating the outlook for a global ‘seismic shift’ beginning in **2022/23** - in precise alignment with the onset of a new **40-Year Cycle of Currency War**. Gold & Silver are poised to lead that ‘shift’.



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Eric S. Hadik -- Editor

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