

# Cycle Projections ETFs

JUNE 2008

ETF'S - A Diversified Selection of Major Exchange Traded Funds

## Is it time to buy domestic equity ETFs?

The S&P 500 and the Dow have made new lows for the year with the Russell 2000 close behind with the NASDAQ 100 still above the early year lows. We now expect a reflex rally and at least 800 Dow points. We are now looking at domestic equities along with a few international equities. As long as the US dollar continues in the current trading range and doesn't break down we should see at least 6 weeks of higher prices. We want to ease up on natural resource based ETFs until at least the Chinese Olympics are finished and then we will take another look. The US Dollar and Energy will be

the key. If the US Dollar can rally, even a little, and crude continue to pull back we will get our rally. **Energy:** Although the highest relative strength ETFs are in the energy sector, we remain short-term bearish on crude oil and as long as the US Dollar continues to strengthen we wish to be out of the energy sector.

**Gold and Precious Metals:** We are now neutral on the precious metals. The metals will

not stage a significant rally without the dollar falling. Look for a summer rally in the US Dollar and then be prepared to go long the metals after the Dollar pulls back. **Commodities/Agriculturals:** For the first time in a year we wish to lighten our positions in commodities and agriculturals or simply be out of this sector for now. We still look for prices to stay high but we don't see the same level of growth. It is now time to play these seasonally and individually and not as a group. DBA is no longer a hold. **Natural Resources:** We are no longer bullish short-term on natural resource ETFs including Steel, Coal and Copper. This will likely change in the fall. **International Stocks:** The current correction has brought domestic equity ETFs to significant lows and is beginning to make them look attractive. International ETFs from natural resource economies has been our market of choice but we wish to lighten up on all international funds. **Domestic Equities:** We are no longer negative on domestic equities and wish to buy long ETFs such as QLD and SPY.

Written 7/8/08

## Cycle Projections

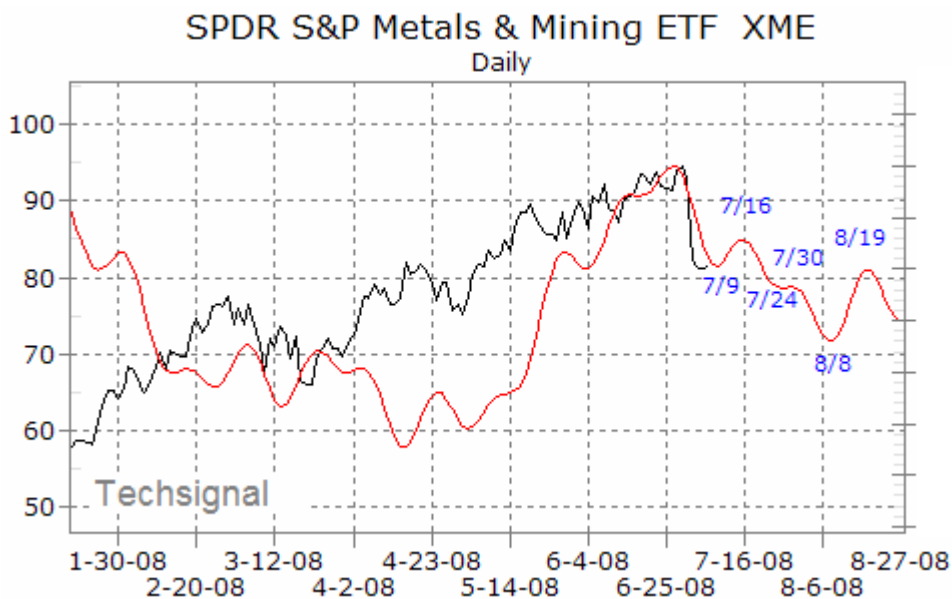
ISSN 1055-1700

Published Monthly by the Foundation for the Study of Cycles

2929 Coors Blvd NW Suite 102-D

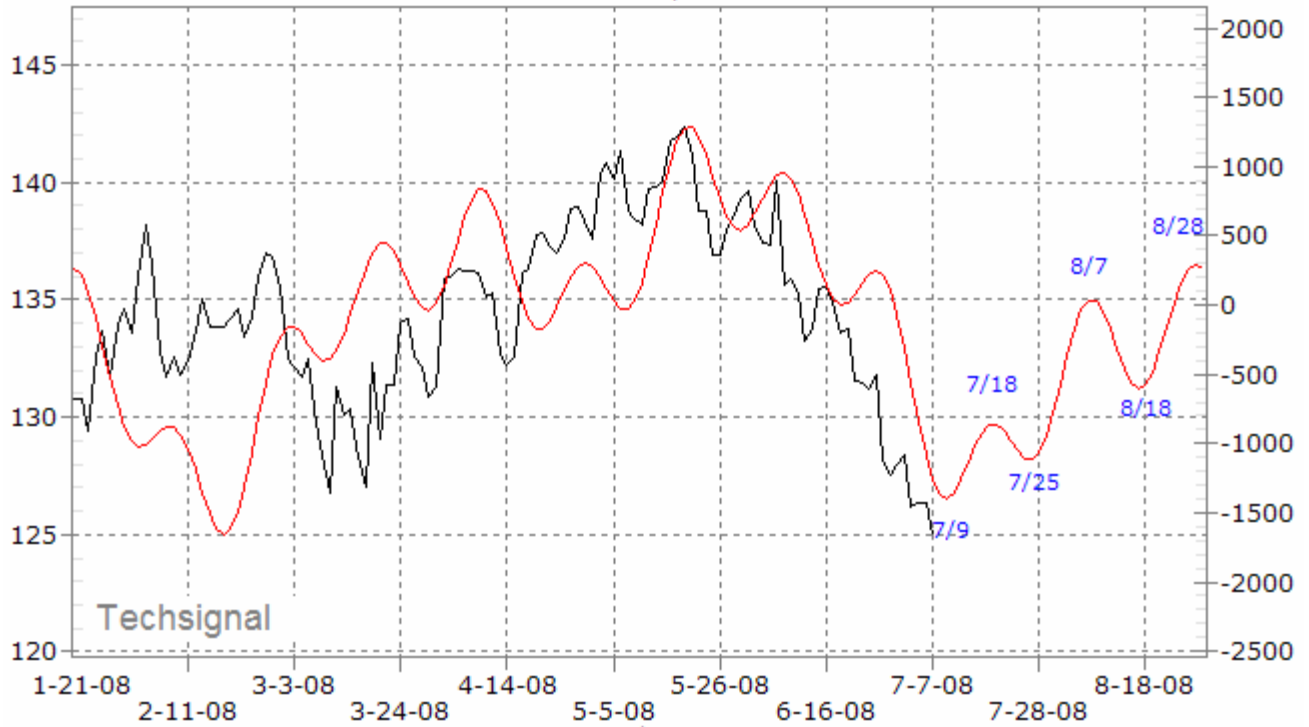
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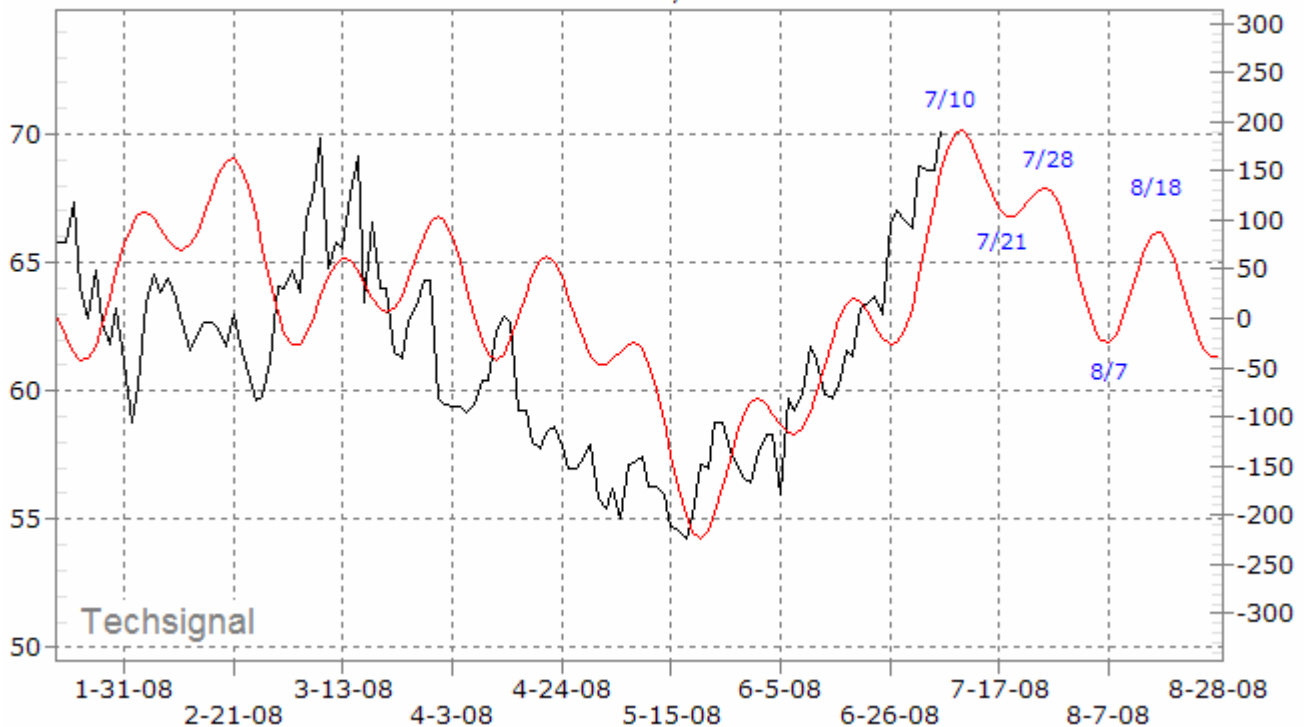
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EXTRADED S&P 500(SPDR) SPY  
Daily



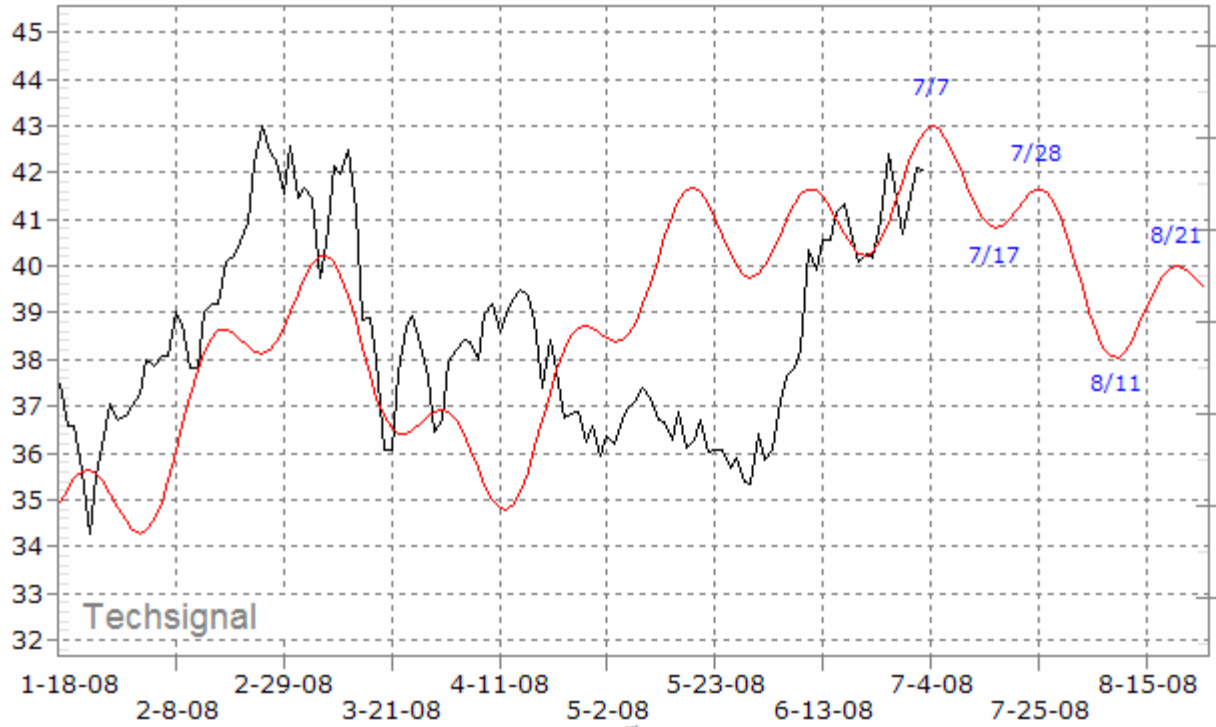
# SDS (-2X) Double Beta Inverse

EXTRADED UltraShort S&P 500(ProShr) SDS  
Daily



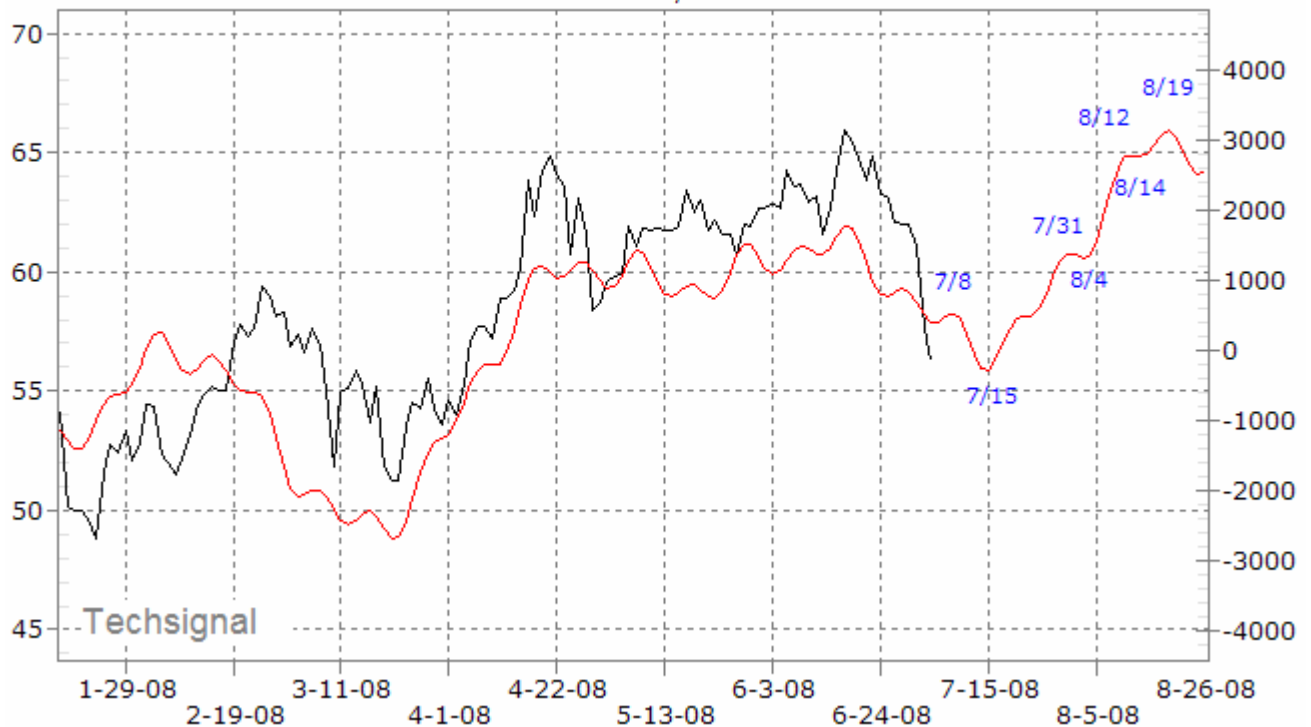
## DBA Agriculture

EXTRADED DB Agriculture Fund(PowShr) DBA  
Daily



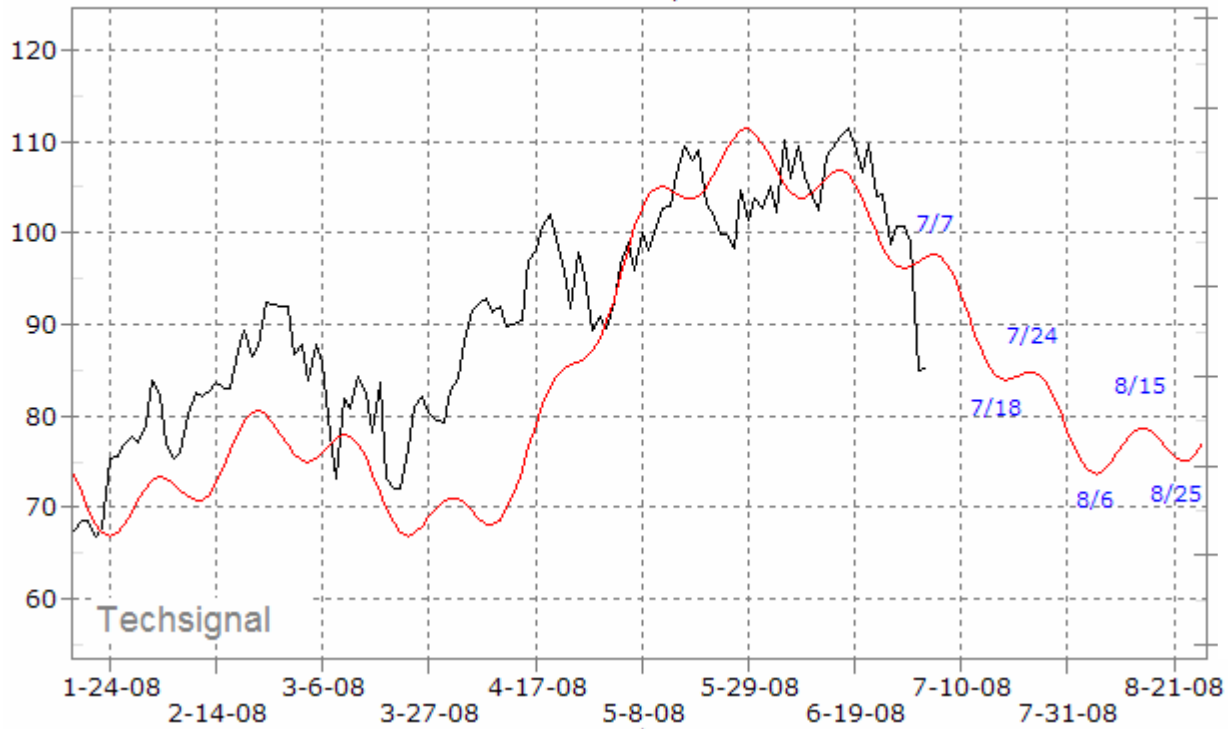
## MOO Agribusiness

Market Vectors Agribusiness ETF MOO  
Daily



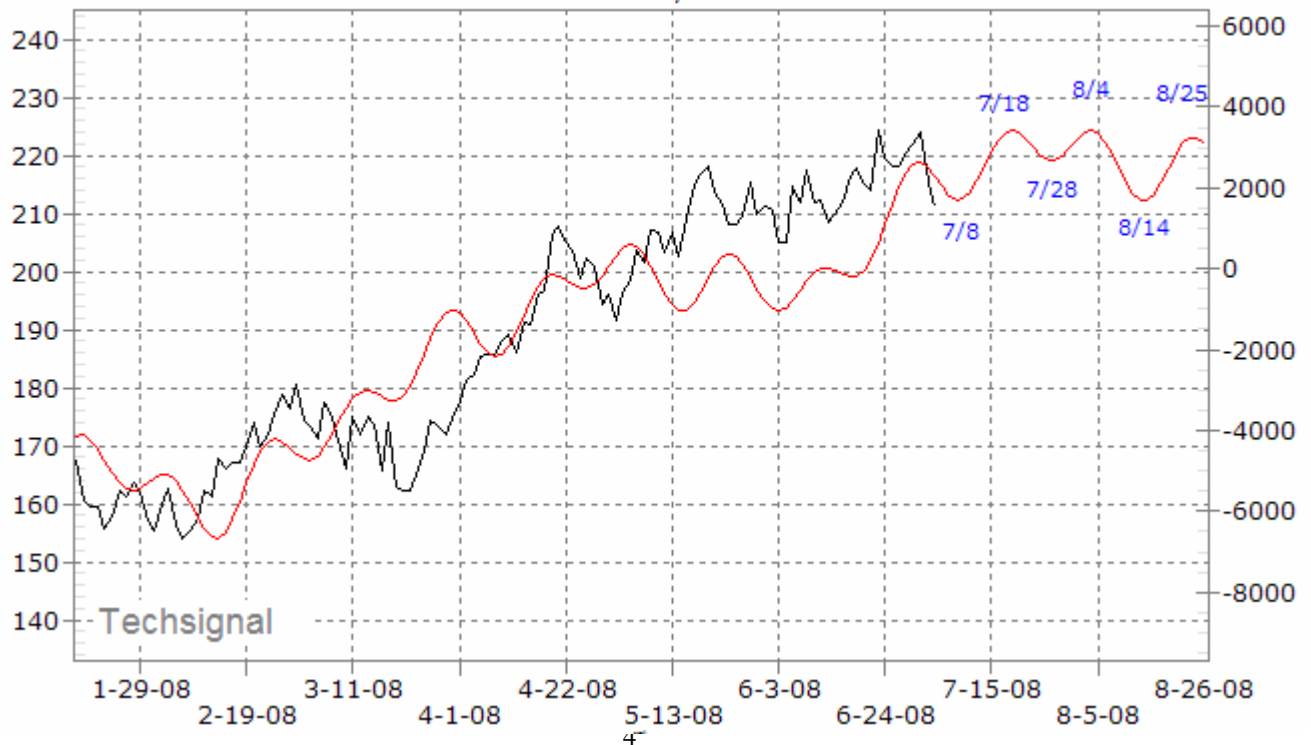
## UYM Basic Materials Double Beta

EXTRADED Ultra Basic Materials(ProShr) UYM  
Daily



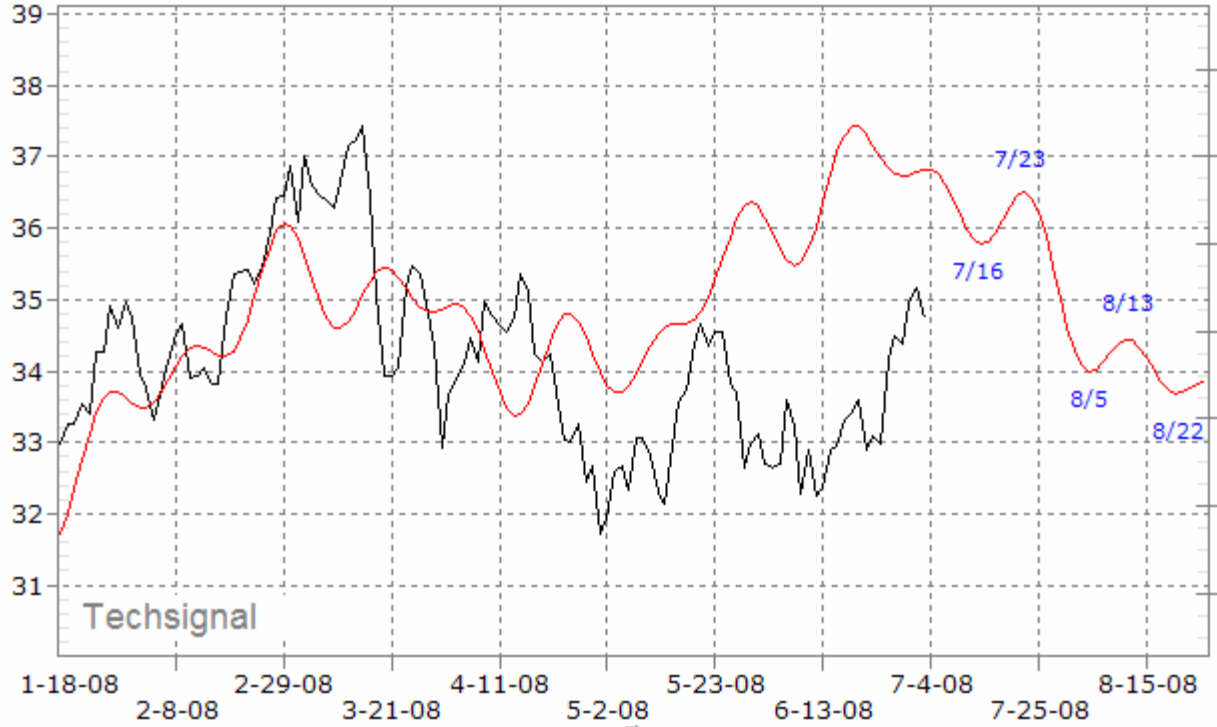
## OIH Oil Service (HLDRS)

EXTRADED Oil Service(HLDRS) OIH  
Daily



## DGL Gold

EXTRADED DB Gold(PowShr) DGL  
Daily



## SLX Steel

EXTRADED Steel Markt Vectr(VanEk) SLX  
Daily



## EWZ Brazil

### EXTRADED MSCI Brazil(iS) EWZ

Daily



## RSX Russia

### EXTRADED Russia Markt Vectr(VanEk) RSX

Daily

