

Cycle Projections ETFs

VOLUME III, ISSUE 7

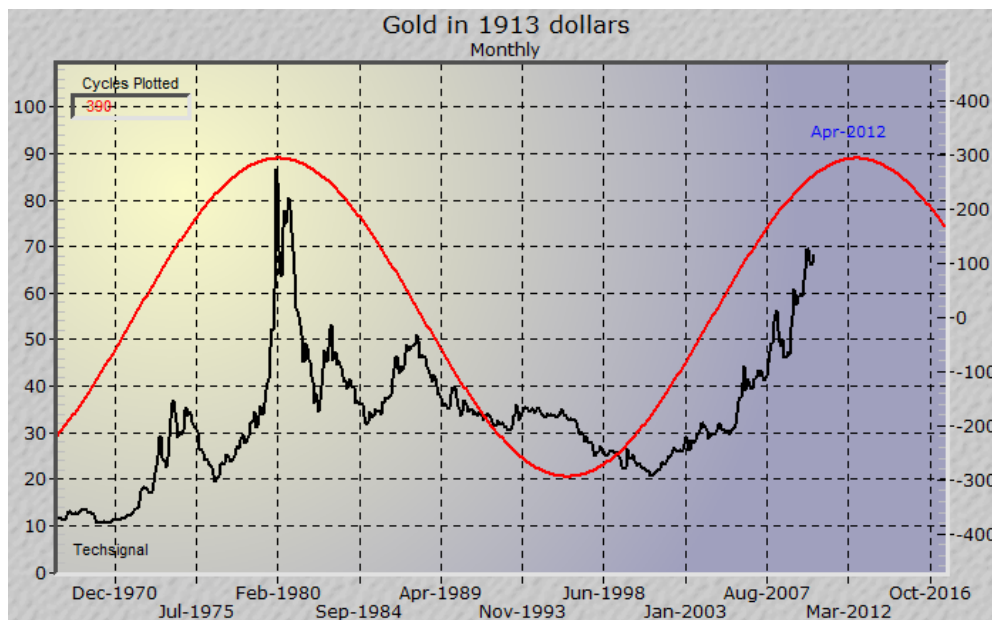
ETF'S - A Diversified Selection of Major Exchange Traded Funds

Getting ready for the next big moves

In equities, the 17-week correction ended in early July on time and the market rallied. But this cycle needs to be seen in the context of the 24-month cycle which argues that we are in a bear market. That means we need to have lower highs and lower lows. Thus when we look at the current 17-week cycle rally, which took the S&P 500 from 1010 to 1128, a gain of almost 118 points, it becomes obvious that there isn't much more to go if we are to have lower highs. That being said, if this is a bear market then the market needs to stay at least lower than 1219, the high of the year; and hopefully less than 1171. With us half way through the 17-week cycle it means that there needs to be a lot of sell offs and sideways action to take up the time that remains in this cycle. Thus we are now heading toward the time we can begin putting on positions in inverse ETFs

such as SDS or SH. We prefer the double beta at this point. If this is the bear market we believe it to be then SDS should at least double.

The next important mover is gold. We want to have 30 to 40% of our portfolio in gold. Many say how can gold keep going up? Shouldn't there be a significant correction? Yes there should, but the 30 plus year cycle is bullish and should take gold to over \$2000 an ounce by 2012. This can be seen in the chart of gold in 1913 dollars. We don't anticipate any major correction until the pattern development to the left side of move stops, as it did in 1979. A smooth up trend is a sign of a blow off and that is where



we are headed. As you can see in 2010 there is plenty of this smooth pattern development. We currently favor IAU, GLD and SGOL. We do not recommend mining stocks. For example, GLD has returned 21% since early 2008 and GDX, Market vectors Gold Miners, lost 8.13%.

In general, we want to avoid most ETFs outside of inverse S&P 500 funds and select gold funds. Pay attention to which you choose; as mentioned, there are major differences in performance in the gold ETFs.

Domestic Equities: We want to begin to put on Inverse ETFs either double or single beta. **International Stocks:** We are bearish on international funds and here inverse funds can be purchased; but pay attention to the forex issues. **Gold and Precious Metals:** We want to have at least 30% of our portfolio in gold for the next several weeks. **Commodities/ Agriculturals:** We remain neutral until economic activity improves. **Natural Resources:** No change. Long-term bullish, but now neutral.

August 11, 2010

All data used in *Cycle Projections* provided by Genesis Financial Technologies, Inc.
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Cycle Projections

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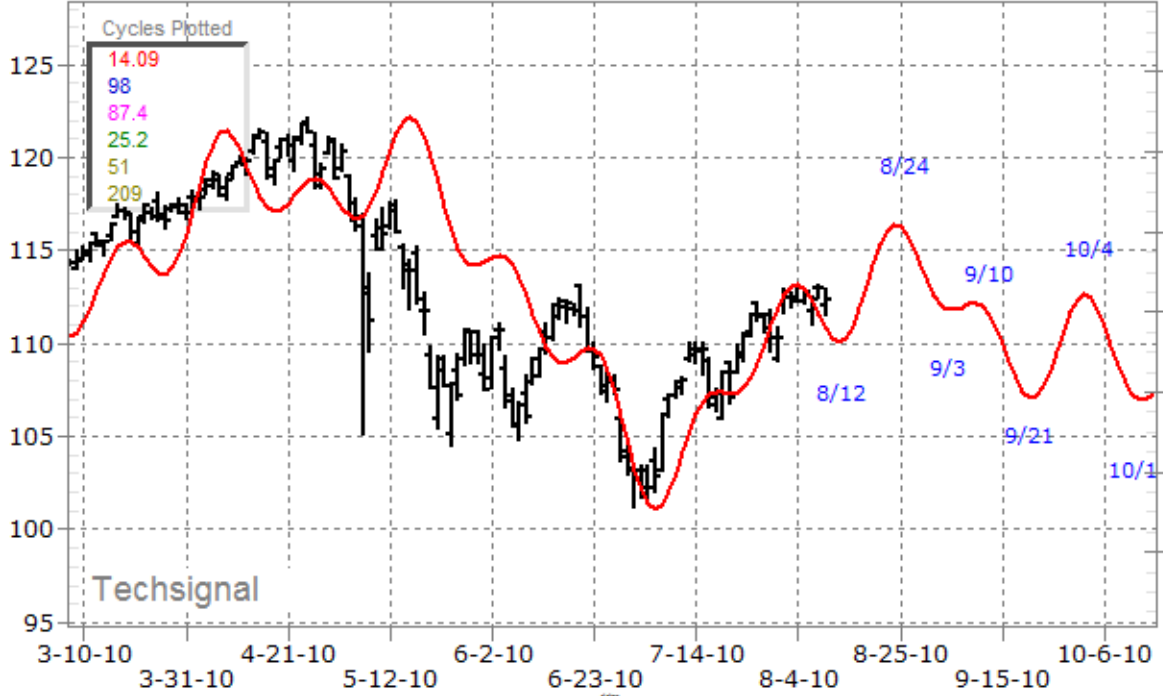
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SPY S&P 500

SPDRs S&P 500 Trust Series ETF SPY
Daily



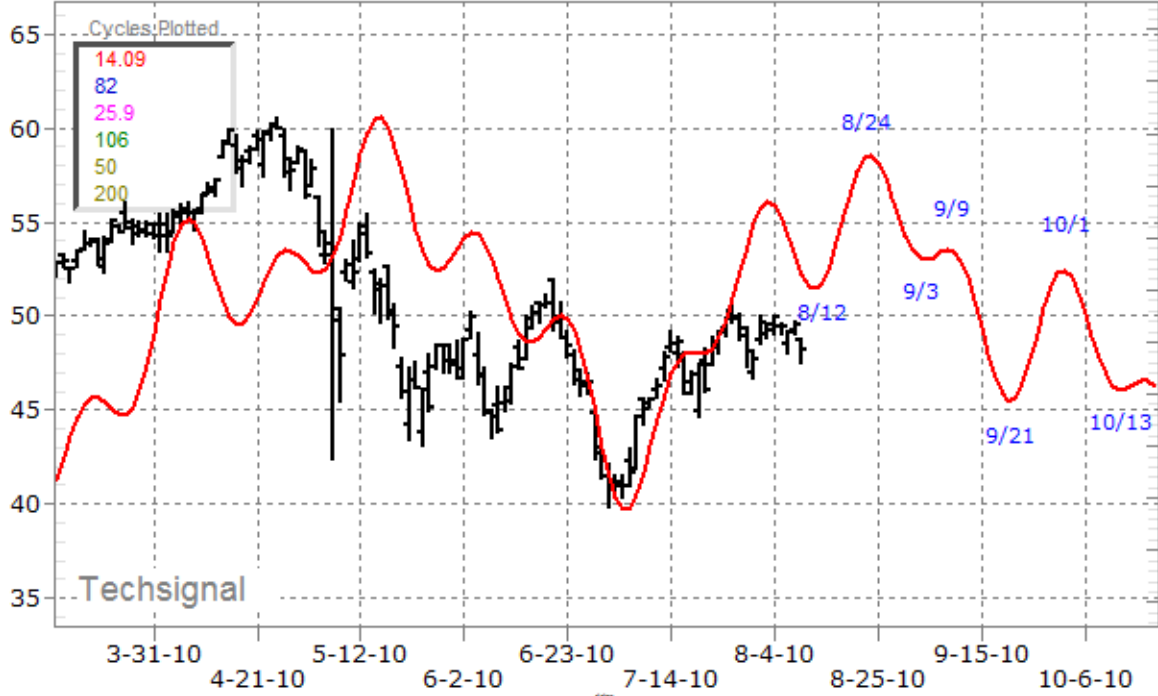
SDS (-2X) Double Beta Inverse

ProShares UltraShort S&P500 SDS
Daily



ROM ProShares Ultra Technology (2X)

ProShares Ultra Technology ROM
Daily



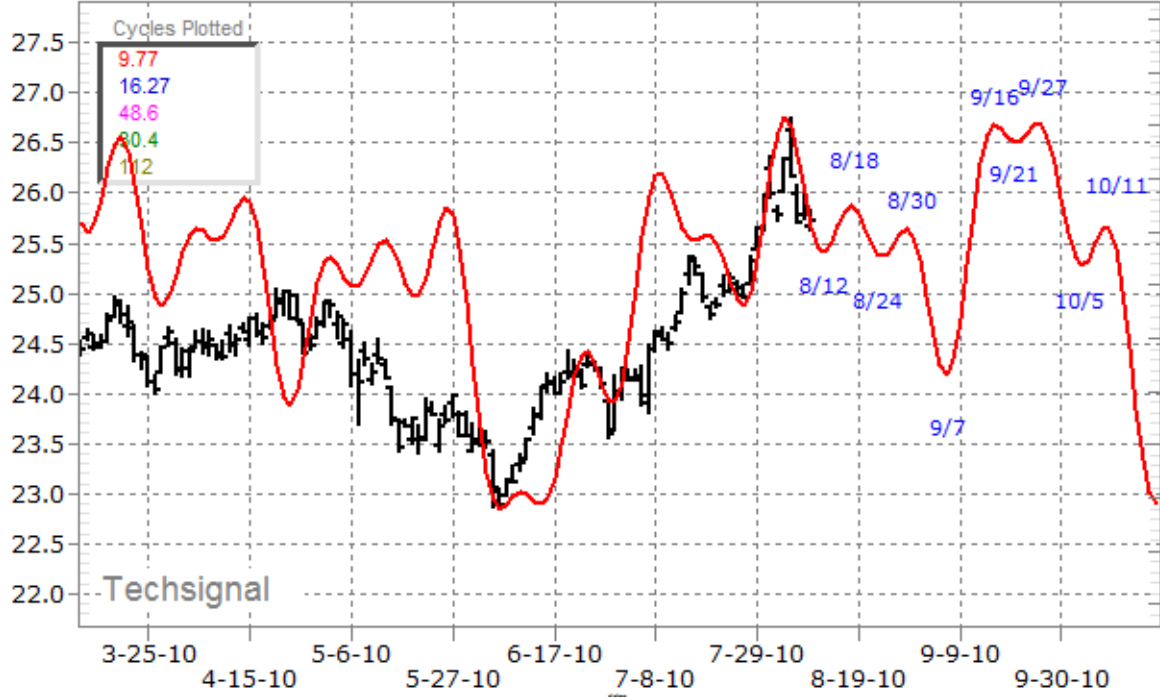
DGL PowerShares DB Gold Fund

PowerShares DB Gold Fund DGL
Daily



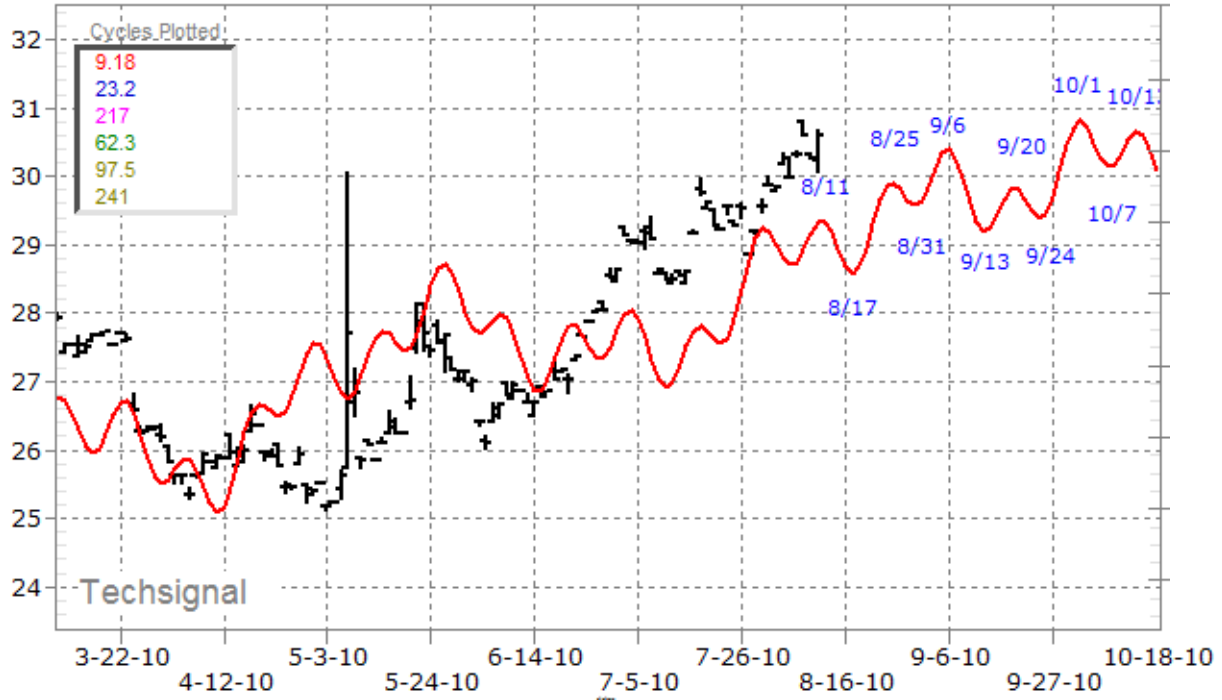
DBA Agriculture

PowerShares DB Agriculture Fund ETF DBA
Daily



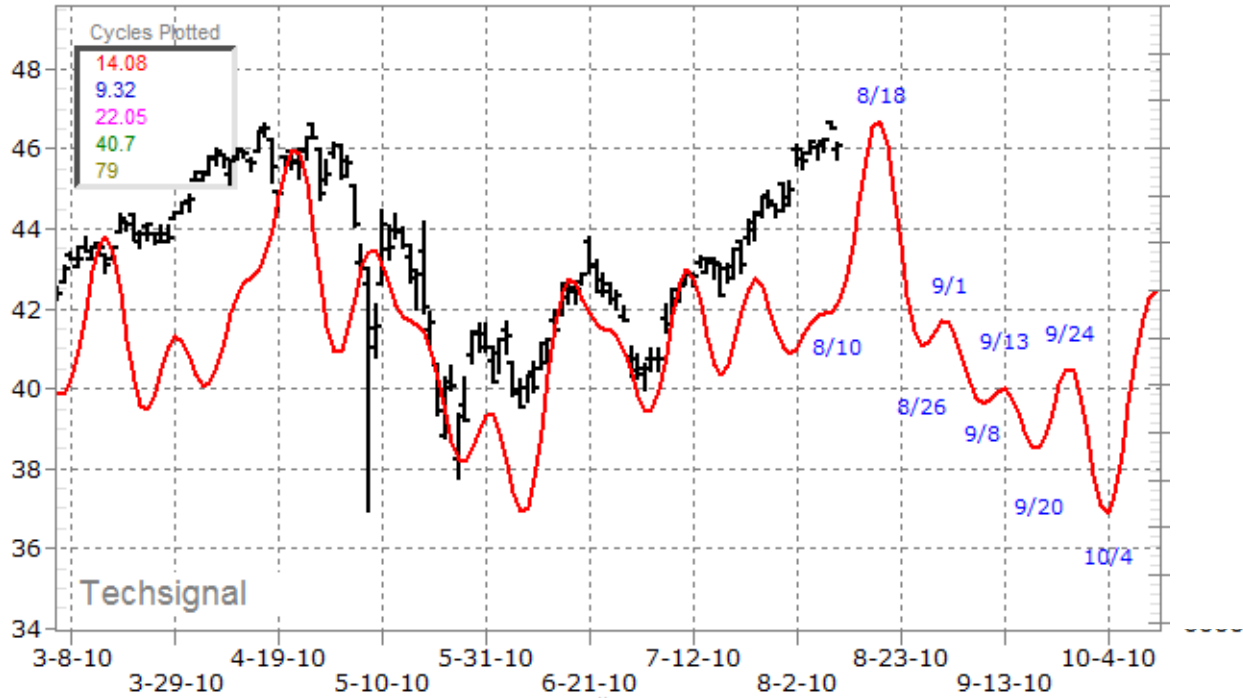
YCL ProShares Ultra Yen

ProShares Ultra Yen YCL
Daily



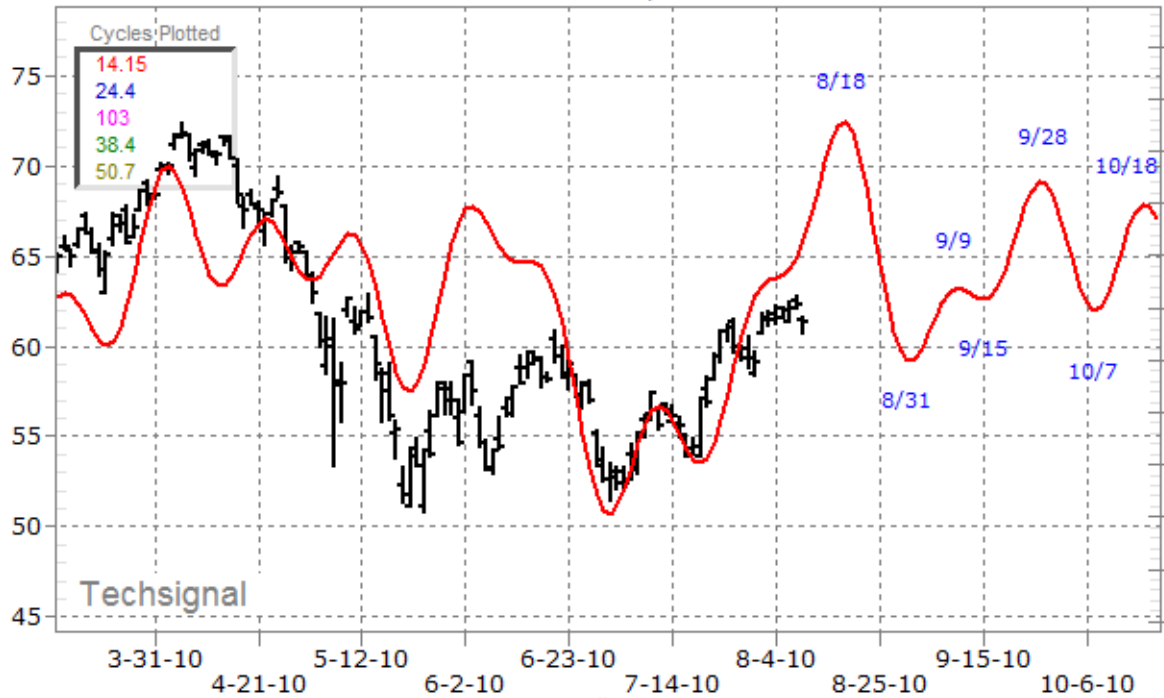
DGS Wisdom Tree Emerging Markets

WisdomTree Emerging Markets Small Cap Dividend Fund ETF DGS
Daily



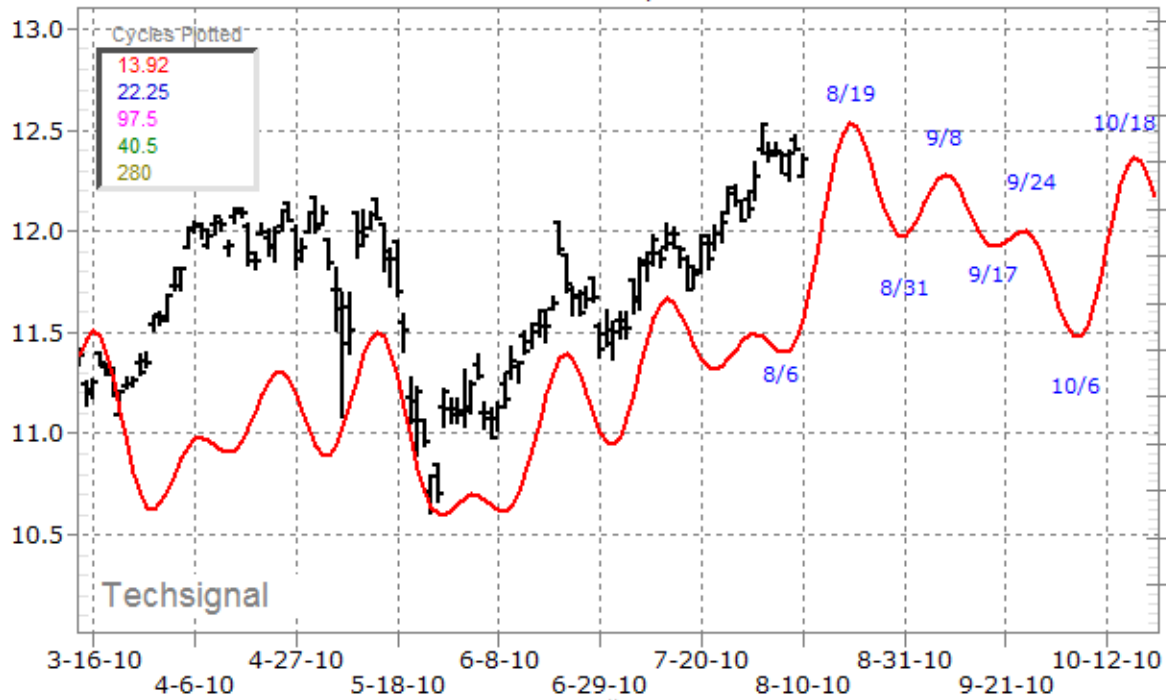
SLX Steel

Market Vectors Steel ETF SLX
Daily



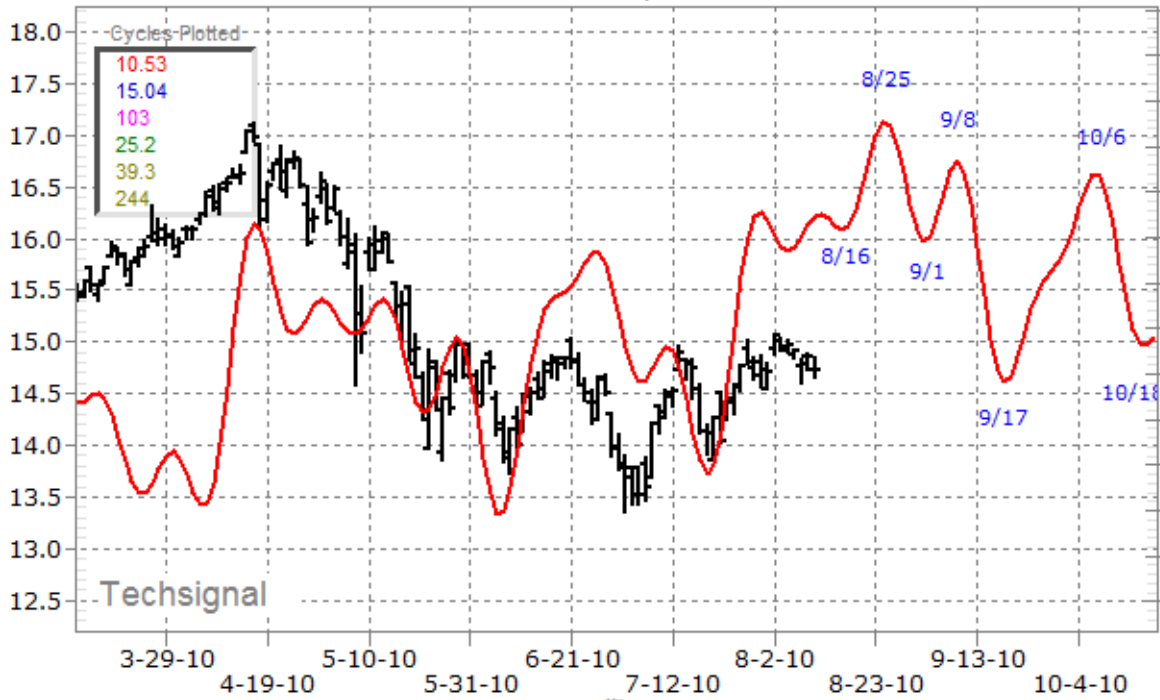
EWM Malaysi Index

iShares MSCI Malaysia Index Fund ETF EWM
Daily



XLF S&P Financial

SPDRs Select Sector Financial ETF XLF
Daily



Notice to Subscribers

Beginning with this publication we have created a new analyses for all individual markets covered. Next month and for the following months we will be adding a feature called “How It Came Out” showing how each projection turned out compared to the market itself for the most recent month or two. In situations where time or market conditions warrant a new analysis we will not include a “How It Came Out” section until the following month. We will also let you know that we have conducted a new analysis. Our goal is to create a tracking of how well the analysis used performs through time. Also for this and all following issues we include a window listing the cycles used in our synthesis as well as presenting prices in the high, low close format..