

# Cycle Projections

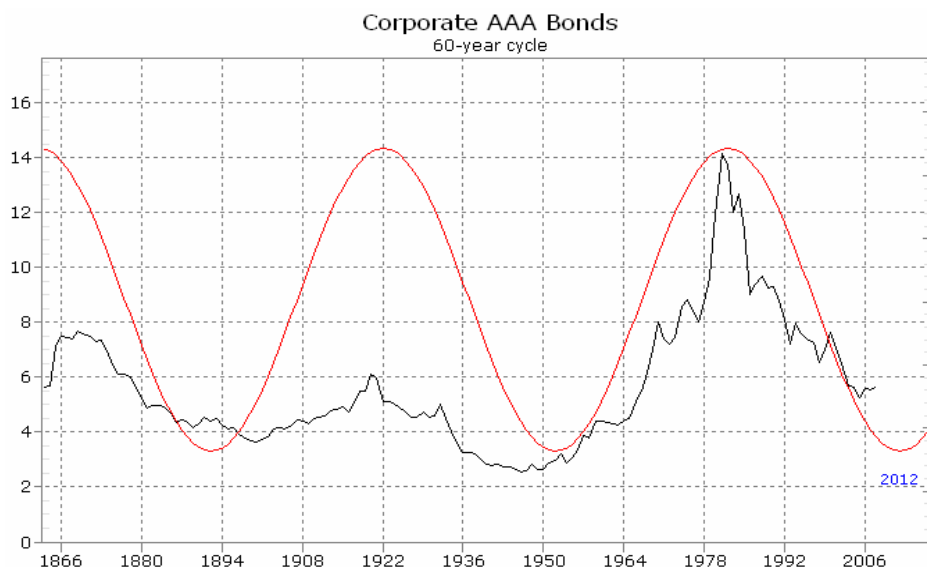
July 2009

*“Long Term Projections in Major Markets and the Economy”*

## Major Changes are coming!

From a perusal of the following pages of charts one thing becomes clear. All the series are approaching significant tops and bottoms depending on the series and the cycles are pointing to 2011 or 2012. This argues that despite the claim that things are improving it is likely the eye of the hurricane and we likely will feel the full force of the hurricane once again. Let's review each of the charts.

**Bonds** Corporate AAA Bond yields are dominated by a 60-year cycle pictured in the chart below.



Whenever this cycle bottoms we have horrible economic times and brutal changes which we are experiencing now. This cycle will bottom in approximately three years. **Stocks** The Dow Jones Industrials have risen about 40% from the March Lows. At this point we do not consider this the beginning of a new bull market. Our projections show a February 2010 high, a low in November of 2010, then

one last rally and an important move down in 2012 to new lows. The FTSE shows a decline into 2011. The decline is likely to have some major counter trend rallies that should follow the Dow.

**Precious Metals** Gold and Silver have not likely completed their rallies. The cycles point to higher prices well above \$1500 an ounce in gold by 2011. All assets that increase in price as the US dollar declines should see higher prices as further weakening takes place in the US dollar.

**Forex and the US dollar** The US dollar is in the process of making a major 15-year low. Lows in the US dollar have not been sharp “V” lows but rather have been characterized by lengthy trading ranges that have averaged about 7 years. The current trading range of the 15-year cycle bottom began in 2004 and we assume it will continue for several more years with minor rallies and declines. The Swiss Franc should follow the same pattern. **Commodity Prices** Commodity prices, like all contra-dollar assets, will rally when the US dollar falls; but it is not clear that we will make new all-time highs in the CRB or crude oil. Rallies yes, but new highs not likely. **The Economy** There are strong 20-year cycles in the economy as can be seen in the GDP and retail sales. With consumption such a dominant part of our economy it is not surprising. Every third 20-year bottom forms a deeper low and that is what is due in 2012. Investors beware!

*Written July 1, 2009*

All data used in *Cycle Projections* provided by Genesis Financial Technologies, Inc.  
800 808-3282

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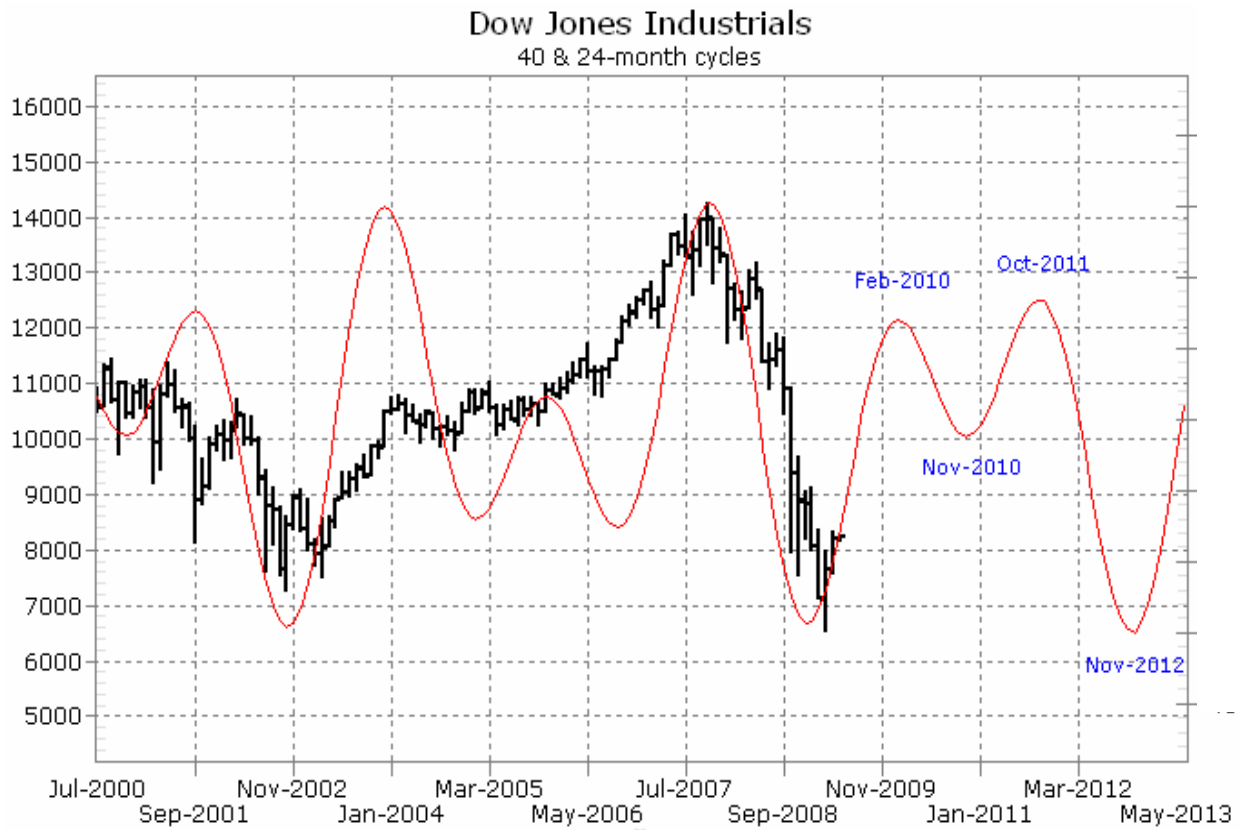
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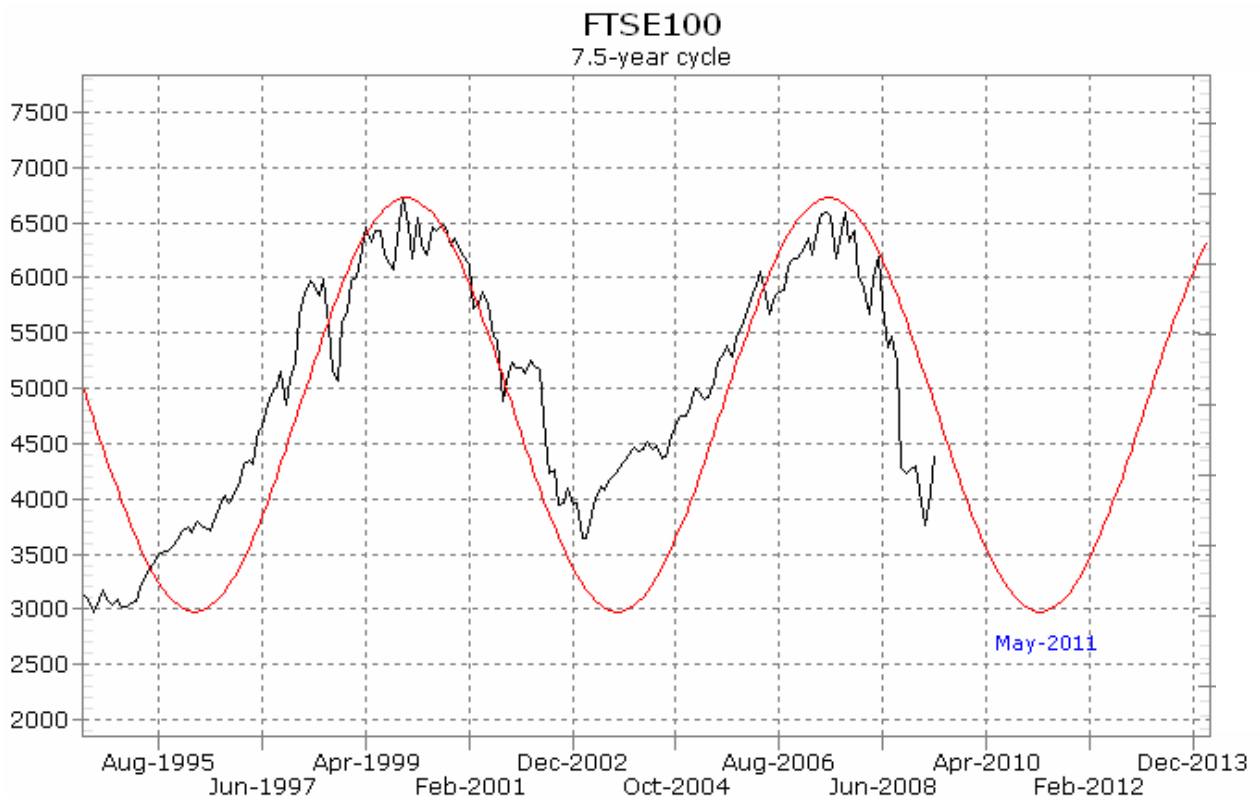
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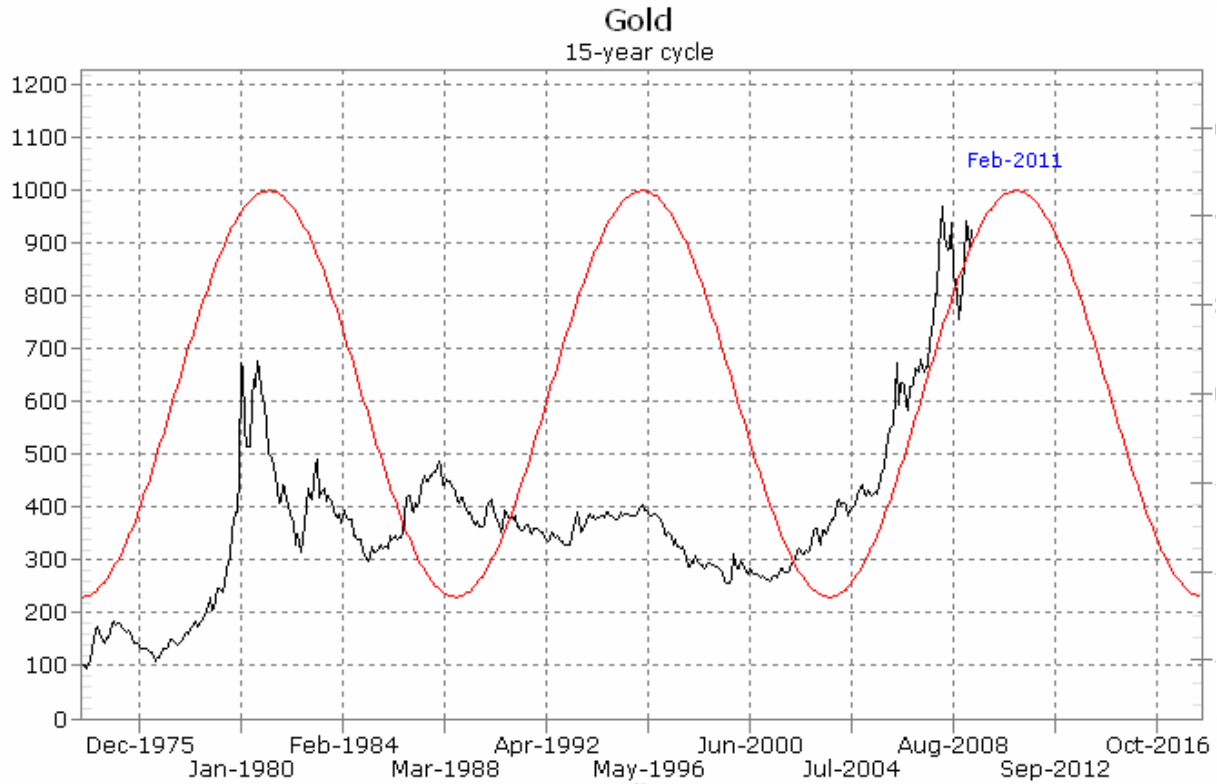
# Monthly Dow Jones Industrials Averages



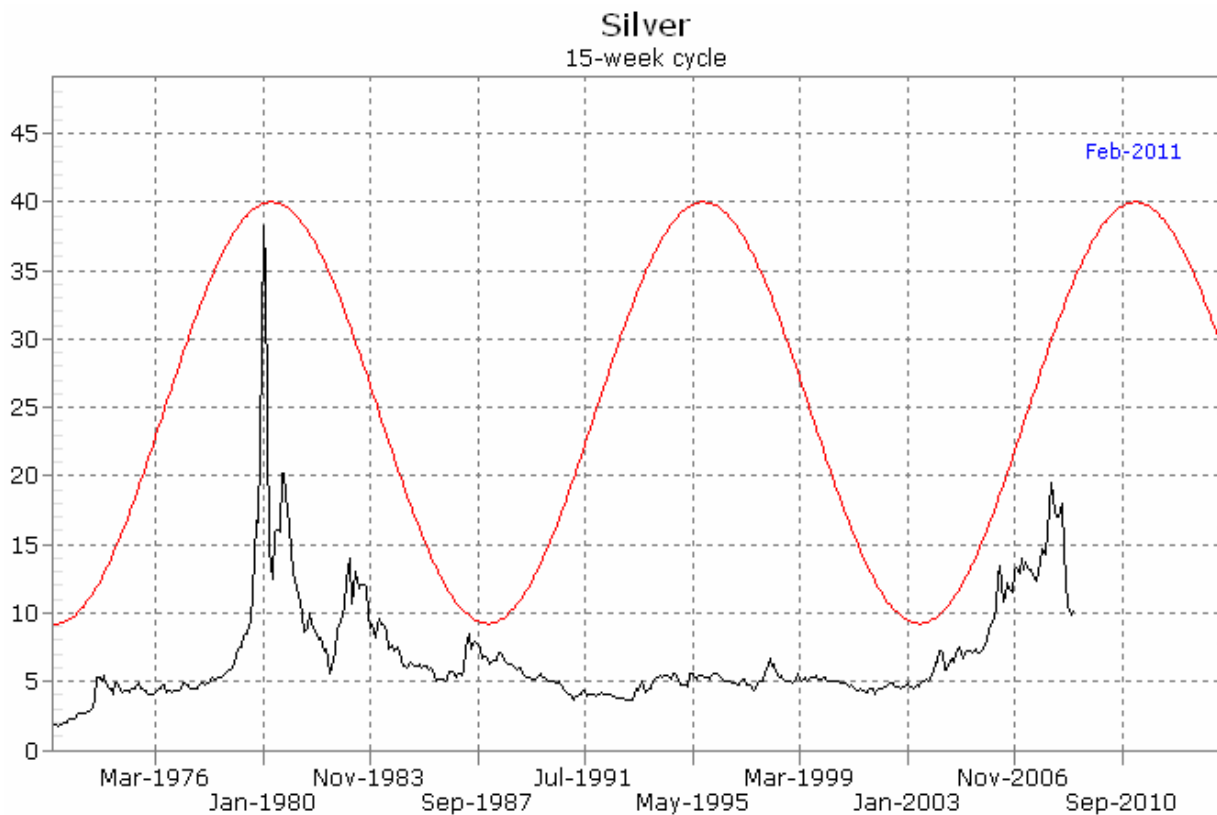
# Monthly FTSE 100 Index Averages



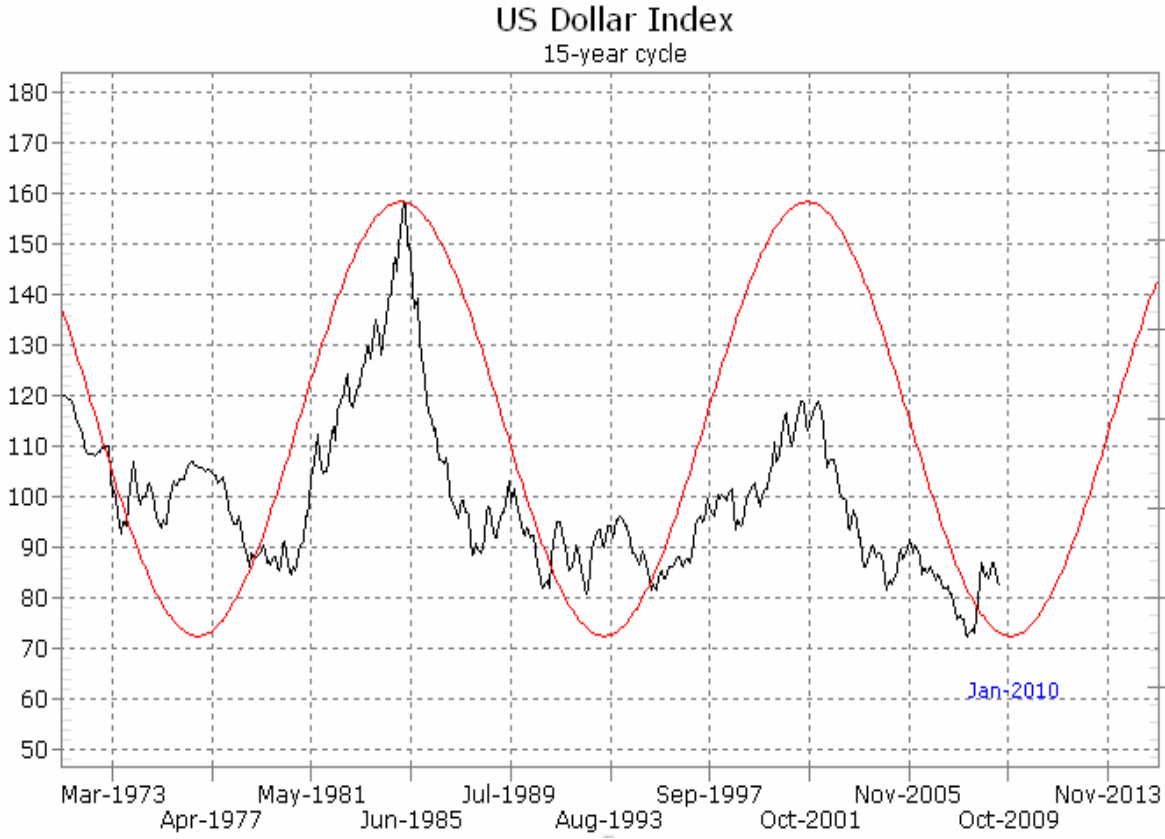
## Monthly Gold Cash Averages



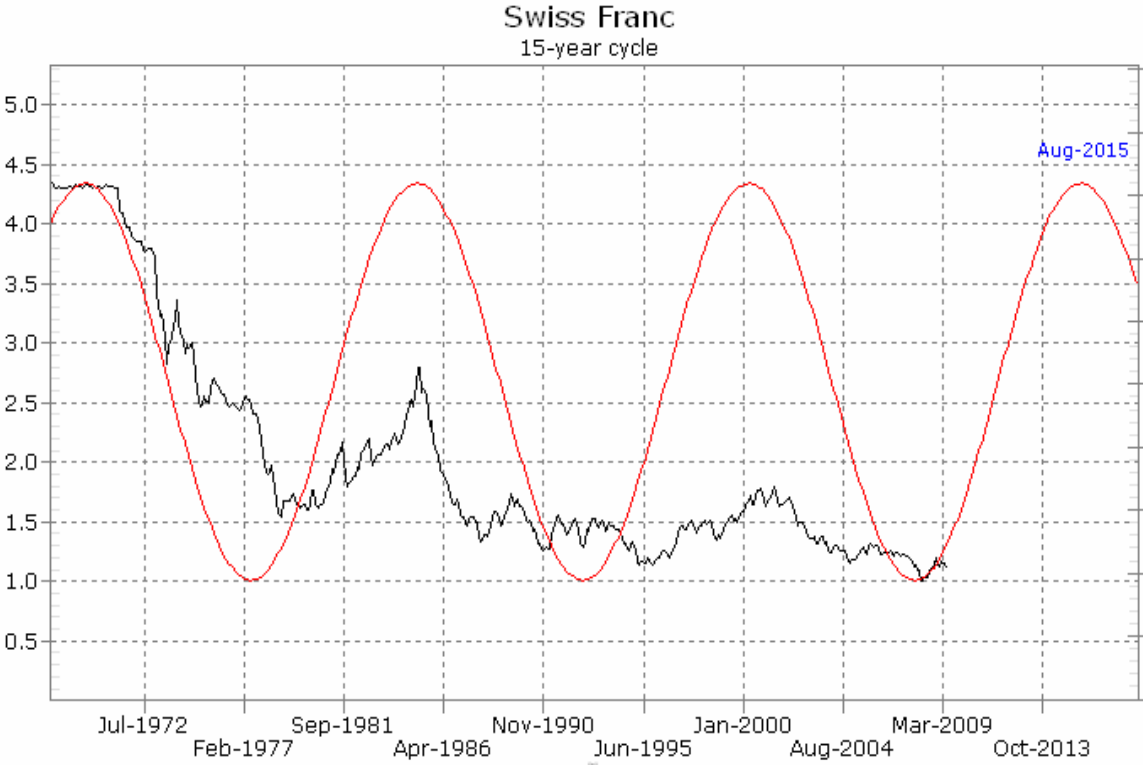
## Monthly Silver Cash Averages



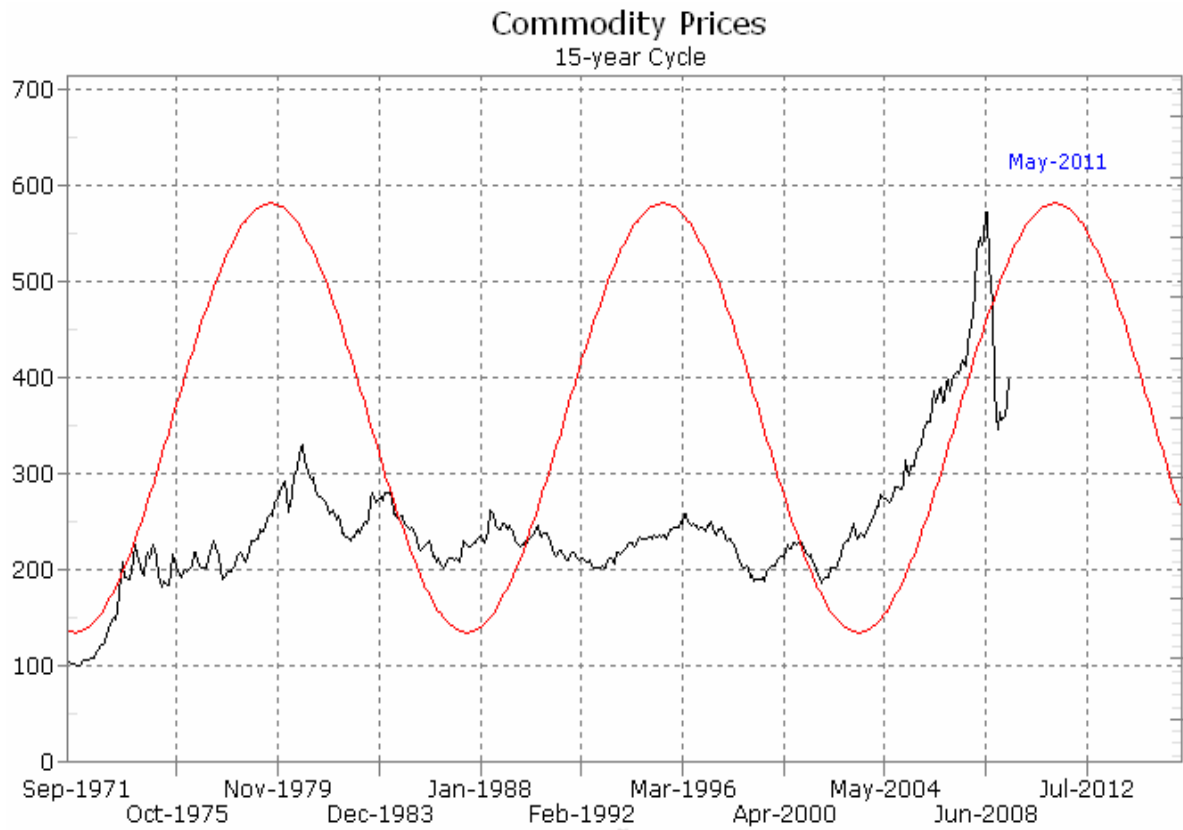
# Monthly Finex U.S. dollar Index Cash Averages



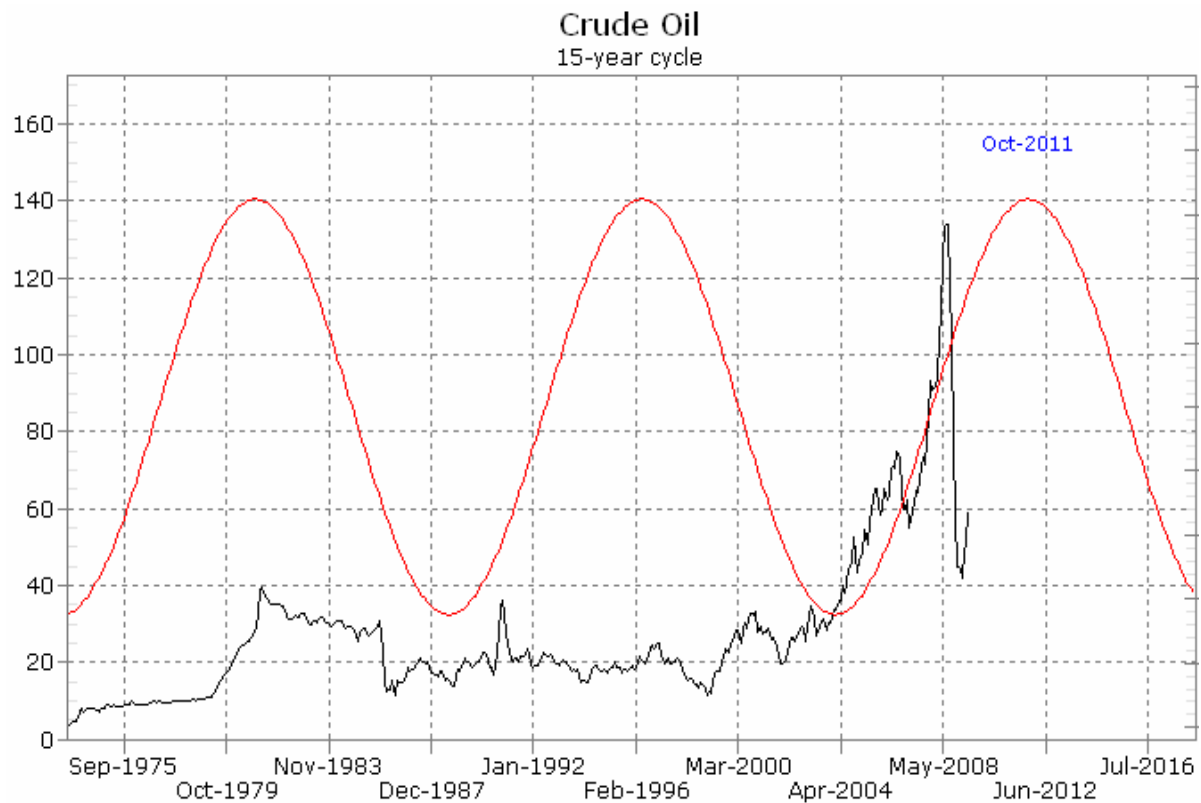
# Monthly Swiss Franc Cash Averages



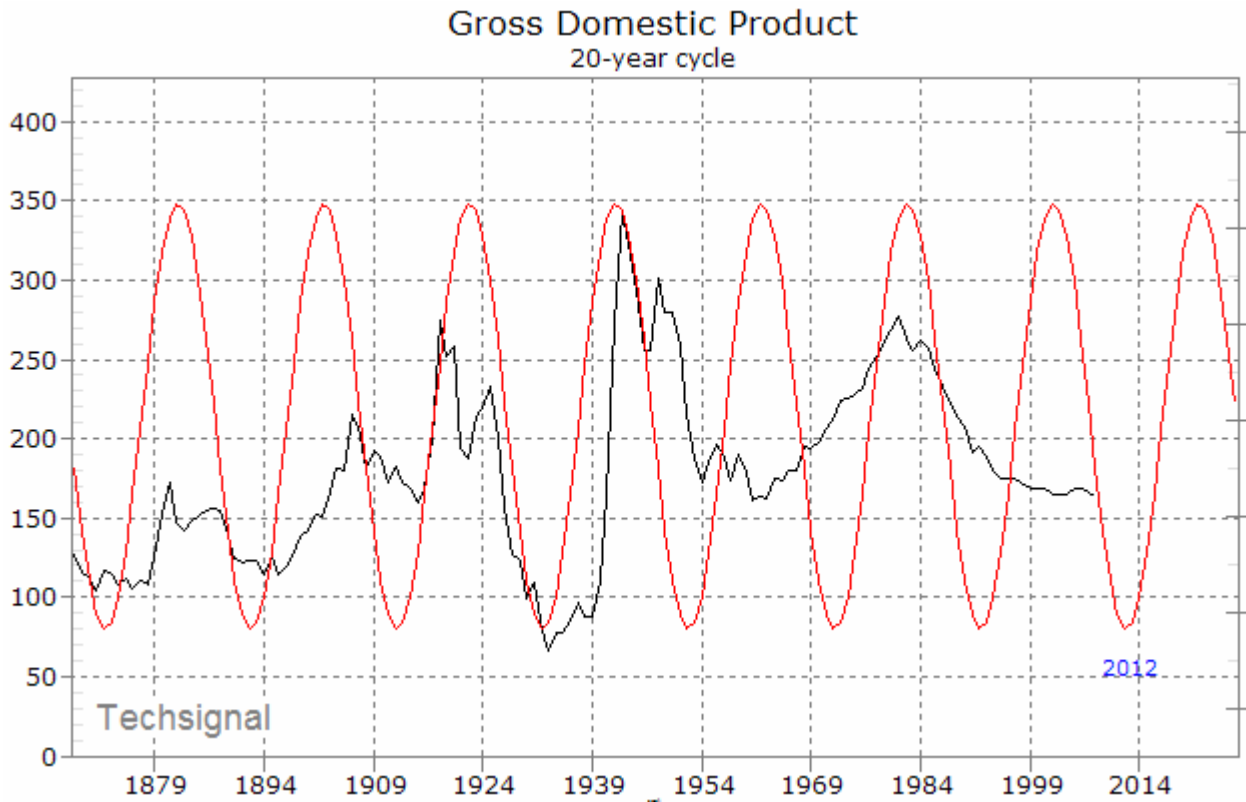
## Monthly Commodity Prices Cash Averages



## Monthly Crude Oil cash Averages



# Yearly Gross Domestic Product - 10 yr. Rate of Change



# Yearly Retail Sales - 10 yr. Rate of Change

