



*RE*viewing the previous week & *LAY*ing the groundwork for the week ahead

System Trade Updates Taken from Corresponding Issues of Weekly Re-Lay...

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POB 2252 NAPERVILLE IL 60567 630-637-0967(vc) 630-637-0971(fx) INSIDE@aol.com www.insidetrack.com

05/18/02 SYSTEM TRADE(S) UPDATE: Stock Indices rallied to initial objectives. Traders should have entered SPM 1100 call options & be holding them w/average gains of \$3,500/option. Bonds & Notes are likely to spike lower in the coming week. Traders should be holding July 99 put options w/average open gains of about \$700/option. The Dollar is poised for an additional spike low while the Euro could rally to 93.10/ECM. The Yen finally reversed its weekly trend to up but is poised to pull back to

76.50/JYM in the coming weeks. Traders should be holding ECM 87.00 put options w/average losses of \$150/option. Gold & Silver still need confirmation of recent peaks. Traders should be long SIN 450 puts & holding w/avg. open losses of about \$200/option. Soybeans & Crude appear close to tops. Traders should be holding CTN 42.00 calls, have rolled into HGU 72.00 puts & be long Sugar & Coffee futures w/avg. open gains of \$600/ contract, each.

05/11/02 SYSTEM TRADE(S) UPDATE: Stock Indices retested their 5/01 highs but could not break through & are likely to spike lower into mid-month. Traders should have entered & exited ESM longs w/average gains of \$250/ contract. Bonds & Notes reversed lower but have not yet confirmed a top. Traders should have entered put options & be holding with gains. The Dollar is poised for a spike low while the Euro could give a spike high. Reactions are then likely to carry into late-May. The Yen

is poised to drop to 76.25/JYM. Traders should be holding ECM 87.00 put options w/average open losses of \$150/option. Gold could still spike to 316.0/GCM while Silver could hit 474.0/SIN. Traders should be long SIN 450 puts. Soybeans just tested monthly resistance and may have seen a top. Crude could still advance into May 20--24th. Traders should be holding CTN 42.00 calls, HGN 72.00 puts & long Sugar futures.

05/04/02 SYSTEM TRADE(S) UPDATE: Stock Indices reversed higher after spiking below their intermediate downside objectives. There is a *chance* that a final low could be unfolding now. Bonds & Notes rallied up to near-term resistance and peaked exactly on May 1st. A reversal lower is expected in the coming week. The Dollar reinforced recent bearish signals while the Euro & Yen added to longer-term bullish potential. An intervening reaction is likely. Traders should be holding

June Euro 87.00 put options w/average open losses of about \$100-150/option. Gold could still spike to 316.0/GCM while Silver may have already seen its high. Traders should be long SIN 450 puts. Soybeans reversed their daily trend to down and are likely to work lower in the coming weeks. Crude could still advance into late May. Traders should also be holding CTN 42.00 calls & HGN 72.00 puts. www.insidetrack.com

04/27/02 SYSTEM TRADE(S) UPDATE: Stock Indices reversed lower and reached their intermediate downside objectives. Bonds & Notes could not confirm a reversal lower and subsequently rallied to new near-term highs. Traders should have exited put options with average losses of about \$100/ option. The Dollar, Euro & Yen are all entering a crucial week that should have a strong impact on the next 2-3 months. Traders should be entering June Euro 87.00 put options. Gold triggered a

new breakout reinforcing longer-term bullish analysis while Silver remains within congestion. Traders should be buying SIN 450 puts. Soybeans retested their highs and reversed back down. Crude reversed its daily trend back up and could advance into late May. Traders should have exited Wheat longs with average losses of \$275/contract and be entering or holding CTN 42.00 calls and HGN 72.00 put options.

04/20/02 SYSTEM TRADE(S) UPDATE: Stock Indices are rebounding and likely to continue higher in the coming week(s). Bonds & Notes are poised to confirm a reversal lower in the coming week and trigger selling into mid-June. The Dollar gave some new *bearish* signs while the Euro gave only one new *bullish* sign. Traders should have exited May Euro 86.00 puts with average losses of \$100/option. Gold & Silver need to trigger a breakout higher or risk seeing a decline into September. Traders

should have entered SIN 450 puts and be holding with small gains. Soybeans bounced to resistance after reversing their daily trend to down. Crude also bounced, after testing its downside objective. Copper is setting up for a 'b' wave top while Cotton & Wheat broke to new recent lows. Traders should be holding CTN 42.00 calls and long Wheat futures positions. www.insidetrack.com

04/13/02 SYSTEM TRADE(S) UPDATE: Stock Indices spiked down to their monthly support levels and are in the ideal position to rebound (if they fail to, watch out below). Bonds & Notes are entering the two-week period that has been projected to provide an intermediate top. If they reverse lower in the coming week, it will portend selling into mid-June. The Dollar, Euro & Yen are all very ambivalent, giving very few clear signs for the near-term trend. Consequently, I have to rely on the weekly trends

for direction. Traders should be holding May Euro 86.00 puts. Gold & Silver need to trigger a breakout higher or risk seeing a decline into September. Soybeans reached support & bounced. Crude dropped sharply after testing important resistance. Copper could bounce before a second decline. Cotton tested support twice and rebounded once. Traders should be buying July 42.00 call options.

04/06/02 SYSTEM TRADE(S) UPDATE: Stocks failed to rebound enough to trigger new short positions but are poised for at least a 1-3 day bounce and potentially a 3-5 day rally. Bonds & Notes reinforced analysis for a 3-6 week advance & are capable of rallying into mid-April. The Dollar pulled back while the Euro advanced. Both need to generate new signals to trigger a final Dollar advance/Euro decline into late April. The Yen rebounded to its near-term resistance. Traders should have entered

& exited Dollar longs w/average losses of \$260/contract & Euro puts w/average losses of \$50--\$60/option & also entered - and be holding - other Euro puts. Gold & Silver pulled back and are at a decisive juncture. Soybeans dropped but did not reach support. Crude tested important resistance. Copper remains in a very precarious position. Cotton is likely to pull back farther before a new rally & potential upside breakout. www.insidetrack.com

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System Trade Updates from Weekly Re-Lay (Page 3)...

03/30/02 SYSTEM TRADE(S) UPDATE: Stocks appear to be in the 'b' wave portion (an intervening bounce) of their overall correction lower. Traders should have exited short mini-S+P futures positions with w/average gains of \$800/contract & long S+P puts with average losses of \$250--\$500/option. Bonds & Notes need to hold above their 3/15 lows to mount a new advance. The Dollar reinforced potential for a final rally while the Euro added bearish signs. April 12/15th will be watched closely.

The Yen could see a spike low in April. Gold & Silver rallied into minor cycle highs. Traders should have exited Silver puts w/losses of \$200--\$250/ option. Soybeans reached their target of 479--481.0/SK and are now poised for a downward correction. Crude is closing in on important resistance. Copper remains in a very precarious position. Cotton is likely to pull back before a new rally and potential upside breakout.

03/23/02 SYSTEM TRADE(S) UPDATE: Stocks began their anticipated descent into early April. Traders should be short the mini-S+P futures and holding w/average open gains of about \$850/contract & also long S+P puts with average open gains of about \$450/option. Bonds & Notes traded in a narrow range but need to rally in the coming week if consolidation is to remain intact. The Dollar gave an initial sign of mounting a final rally while the Euro still has some bearish signs. The Yen could see

a spike low in April. Gold rebounded while Silver consolidated, focusing attention on the next 2-3 days. Traders should have exited Gold puts w/losses of \$150--\$200/ option. Soybeans are capable of testing 479--481.0/SK by month-end. Crude reversed its weekly trend to up and is now poised for a reaction lower. Copper spiked higher but remains in a very precarious position. Cotton is setting the stage for an upside breakout.

03/16/02 SYSTEM TRADE(S) UPDATE: Stocks remained below resistance & below their recent highs. A retracement - particularly in the NQM - is still likely into April. Bonds & Notes dropped sharply and are at a critical decision point. The Dollar retested its low and is holding, reinforcing the potential for a final surge to a new multi-year high while the Euro should drop to new intra-year lows. The Yen rebounded to 78.60/JYM & then sold off.

Traders should have exited April 78.00 call options with gains of 550+% or \$1,300/ option. Gold & Silver are consolidating and likely to remain in a trading range for several weeks to come. A new decline could soon be signaled. Soybeans are approaching important resistance at 479--481.0/SK. Crude is testing previous support while weekly cycles are converging. Copper is in a very precarious position. www.insidetrack.com

03/09/02 SYSTEM TRADE(S) UPDATE: Stocks rallied through near-term resistance but not through key intra-year and yearly levels. As a result, a new pullback is likely. Bonds & Notes dropped sharper than expected, triggering traders into and out of long positions with average losses of \$650/ contract & \$300/option. The Dollar gave a quick, sharp correction and is now capable of mounting a final surge to a new multi-year high while the Euro should drop to new intra-year lows. The Yen

fulfilled projections for a sharp surge to 78.00/JYH or higher by March 11th. Traders should have exited ½ of April 78.00 call options with gains of 500% or \$950/option and should be holding the remaining ½ w/open gains of \$1,050/option. Gold & Silver are consolidating and likely to remain in a trading range for several weeks to come. Soybeans finally reversed their weekly trend to up while Crude surged into cycles on March 6/7th.

03/02/02 SYSTEM TRADE(S) UPDATE: Stocks are capable of setting a minor top in the coming days. However, the level of this peak will determine whether or not it holds for more than 1-2 weeks. Bonds & Notes are retracing - instead of edging to a slight new high - into cycles on March 4--8th. Traders should have exited longs with average gains of \$400/contract. Currencies are showing mixed signs leading into this crucial time frame. The Dollar is still expected to set a new multi-year high in

March while the Euro should hold above its lows. The Yen is still expected to rally to 78.00, possibly by March 11th. Traders should have entered April 78.00 call options and be holding. Gold & Silver are consolidating and likely to remain in a trading range for several weeks to come. After legging out of long Silver futures positions with gains of \$1,650/contract, traders should have exited put options near break-even.
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02/23/02 SYSTEM TRADE(S) UPDATE: Stocks fulfilled analysis for an added 1-2 day decline before beginning a 3-5 day (or longer) rally. Short-term traders were triggered into & out of longs w/average losses of \$650/contract. Bonds & Notes are expected to extend this advance into March 3/4th. Bonds provided the other short-term trade & longs are still being held w/average open gains of \$950/ contract. Currencies are showing mixed signs leading into this crucial time frame. Some

intermediate indicators are turning down in the Dollar & up in the Euro. The Yen is still expected to rally to 78.00, but is likely to take 1-2 weeks longer than expected. Traders should have exited call options w/average losses of \$200/option. Gold & Silver are poised for a drop into March. Traders should have exited long positions w/average gains of \$1,650/contract & be holding puts w/open gains of \$350/option.

02/16/02 SYSTEM TRADE(S) UPDATE: Stocks are poised for another 1-2 day decline and then a potential 3-5 day rally... before a multi-week decline becomes most likely. Bonds & Notes are still within a window of opportunity for confirming an intermediate low. Currencies remain on track for a final Dollar surge/Euro decline into mid-March. However, the next two weeks are decisive. The Yen is reinforcing signs that a low is unfolding. Traders should

be holding call options near break-even. Gold & Silver are poised for a drop into March. Long positions remain intact w/average open gains of \$2,000/ contract while put options are being held w/open gains of \$50/option. Traders should have exited Cotton calls w/average losses of \$50-\$100/option & exited Soybean shorts w/ average losses of \$275/contract.
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02/09/02 SYSTEM TRADE(S) UPDATE: Stocks extended their declines and *again* rebounded. This bounce is expected to ultimately give way to an even sharper decline. Bonds & Notes are approaching a time when they could also turn sharply lower. Currencies remain on track for a final Dollar surge/Euro decline into mid-March. The Yen is reinforcing signs that a low is at hand. Traders should be holding call options w/average open

losses of about \$150/option. Gold & Silver are poised to spike higher in the coming week. Long positions remain intact w/average open gains of \$1,600/contract while corresponding put options are being held w/open gains of \$350/ option. Traders should also be holding Cotton calls w/average gains of \$500/option and have just entered Soybean short positions and be holding with small gains.

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System Trade Updates from Weekly Re-Lay (Page 5)...

02/02/02 SYSTEM TRADE(S) UPDATE: Stocks extended their declines and again rebounded. This bounce is likely to carry into Feb. 8/11th. Bonds & Notes are fulfilling analysis for a new rally and have the potential to set new intra-year highs in the coming week. Currencies remain on track for a final Dollar surge/Euro decline into mid-March. The Yen is reinforcing signs that a low is at hand. Traders should have entered call options & be holding

w/average open gains of about \$100/option. Gold & Silver are poised to spike higher in the coming week. Long positions remain intact w/average open gains of \$900/ contract while corresponding put options are being held w/open gains of \$700/option. Crude, Copper & Cotton surged at week's end while Soybeans dropped. Traders should be holding Cotton calls w/average gains of \$250/option. www.insidetrack.com

01/26/02 SYSTEM TRADE(S) UPDATE: Stocks reached their downside objectives and rebounded. Traders should have entered & exited short S+P positions w/ gains between 0 and \$150/contract. Bonds & Notes pulled back and are at an important juncture. A new rally could soon take hold. The Dollar & Euro finally gave the awaited reinforcement to analysis for a final Dollar surge/Euro decline into mid-March. The Yen is showing

signs a minor, perhaps intermediate low are at hand. Silver & Gold continued lower & are close to confirming a decline into March/April. Long-term long positions remain intact w/average open gains of \$850/ contract while corresponding put options are being held w/open gains of \$750/option. Crude & Copper rebounded. Soybeans dropped. Cotton call buying is still in force.

01/19/02 SYSTEM TRADE(S) UPDATE: Stocks followed through on their anticipated decline and are likely to set an intervening low in the coming week. Traders should be out of SPF 1125 puts with average losses of \$1,300/option. Bonds & Notes edged higher but still have room for further (slight) gains. The Dollar, Euro & Yen have important daily cycles in the coming week that could trigger a multi-week reaction. Silver & Gold pulled

back and are signaling the potential for a new decline into March. Long-term long positions remain intact w/average open gains of \$1,050/contract while corresponding put options are being held w/open gains of \$750/ option. Crude continued to drop while Copper also turned lower. Traders should have exited longs w/average gains of over \$800/contract. Cotton call buying was also triggered. www.insidetrack.com

01/12/02 SYSTEM TRADE(S) UPDATE: Stocks began to turn down in what is anticipated to be the second multi-week decline. Traders should be long SPF 1125 puts and holding. Bonds & Notes surged to their weekly LHR levels, fulfilling near-term expectations but allowing room for further gains. The Dollar & Euro are vacillating within ranges while the Yen spiked to a new low. Silver (&

Gold) rallied further, reinforcing long-term long positions being held w/average open gains of \$2,800/contract. Traders should have entered put options to hedge part of these gains. Crude dropped back to month-opening lows while Copper surged. Traders should be long at an average price of 66.50/HGH and holding w/ average gains of over \$1,000/contract.

01/05/02 SYSTEM TRADE(S) UPDATE: Stocks rallied to a divergent high, fulfilling the daily trend pattern in the DJIA & SPH. Traders should be entering SPF 1125 puts and have entered & exited mini-SP futures w/losses of \$875/contract. Bonds & Notes spiked to near-term support & held. The Dollar pulled back while the Euro surged right to its monthly resistance. Silver rallied

further, reinforcing long-term long positions being held w/average open gains of over \$2,500/contract. Traders should have exited long Crude futures w/average gains of over \$1,300/contract & have averaged into long Copper futures positions down to 65.65/ HGH (average entry of 66.50/HGH) and be holding w/average gains of \$200/contract. www.insidetrack.com

12/29/01 SYSTEM TRADE(S) UPDATE: Stocks edged higher but have not broken out to the upside. Bonds pulled back in line with near-term analysis and are now poised for a second bounce. The Dollar & Euro are giving conflicting signals, indicating that continued consolidation

might be in store. Silver edged higher, reinforcing long-term long positions being held w/average open gains of \$1,700/contract. Traders should be holding long Crude futures w/average open gains of over \$1,900/contract & long Copper futures w/gains of \$100/contract.

12/22/01 SYSTEM TRADE(S) UPDATE: Stocks bounced into Dec. 19-21st and altered the near-term outlook. Traders should have exited SPZ 1125 puts w/average gains of \$200 & exited SPF 1080 puts w/average losses of \$500/option. Bonds hit major support & rebounded. The Dollar gave an outside-week/2CR higher, reversing the 2CR lower of the prior week. Short-term traders were

triggered in & out of Euro longs & Dollar shorts w/average losses of \$1,100/contract. Silver reversed its weekly trend up, reinforcing long-term long positions being held w/average open gains of \$1,600/ contract. Traders should be holding long Crude futures w/average open gains of \$1,200/contract & long Copper futures w/gains of \$300/contract. www.insidetrack.com

12/15/01 SYSTEM TRADE(S) UPDATE: Stocks reinforced the potential for a drop into Dec. 19-21st. Traders should be long and holding SPZ 1125 & SPF 1080 puts with average open gains of \$1,900 & 1,350/option, respectively. Bonds & Notes are likely to set a low by mid-week and then enter a 2-4 week period of consolidation. The Dollar provided an outside-week/2

Close Reversal lower while the Euro did the opposite. The Yen spiked to new multi-month lows. Gold, Silver & Crude added to recent gains. Traders should have entered long Crude positions and be holding with average open gains of over \$1,000/ contract... and also entered long Copper positions & be holding with small gains.

12/08/01 SYSTEM TRADE(S) UPDATE: Stocks started the week lower, opening a small window for a rally to new SPH highs. As this was taking place, traders should have entered SPZ 1125 & SPF 1080 puts and be holding these with small gains (\$150-300/option). Bonds & Notes spiked higher to start the week and quickly reversed. They are approaching important intermediate support but

remain negative into late-January. The Dollar traded sideways while traders were triggered out of Euro longs with average gains of \$400/contract & Yen calls (expiration) w/average losses of \$300/contract. Gold, Silver & Crude are attempting to add to recent gains. Soybeans & Wheat are in limbo while Copper & Cotton are pulling back from recent highs. www.insidetrack.com

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System Trade Updates from Weekly Re-Lay (Page 7)...

12/01/01 SYSTEM TRADE(S) UPDATE: Stocks began dropping, but then rebounded. A 'c' wave decline is likely in the coming week. Traders should have entered & exited put options with average gains of about \$400/option. Bonds & Notes extended selling into cycles on Nov. 27th before giving a 2CR buy signal and surging late-week. The Dollar began its anticipated 2-3 week

decline. Euro traders were triggered long futures at 88.48 and should be holding with open gains of \$1,300/contract while also holding Yen calls with average open losses of \$250/contract. Gold, Silver & Crude rebounded from their lows. Soybeans rebounded, stopping out shorts w/ open gains of \$350/contract. Wheat longs were exited with gains of \$225/contract.

11/24/01 SYSTEM TRADE(S) UPDATE: Stocks are expected to begin dropping in the coming week. Bonds & Notes have fulfilled initial expectations for a sharp decline from Nov. 1/2nd into Nov. 19-23rd. They are capable of extending this into Nov. 27th before a substantial rally takes hold. The Dollar reversed its weekly trend to up, confirming ongoing analysis but also setting the stage for

a quick 2-3 week decline. The Euro & Yen are poised to bounce. Traders should be holding long Yen call options w/average open losses of about \$250/ contract. Gold, Silver & Crude are close to important lows. Soybeans are testing strong resistance & triggering shorts. Traders should be holding long Wheat positions w/open gains of \$475/contract.
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11/17/01 SYSTEM TRADE(S) UPDATE: We have just entered a very tenuous time frame... *with a bang* (see page 6). Stocks are close to signaling a top while Bonds & Notes have confirmed that the Nov. 1st projected high is a very important top. The Dollar, Euro & Yen are reinforcing their longer-term trends while reversing some short-term ones. Traders should have exited long Yen

positions with average losses of about \$525/ contract and be in new call positions. Gold, Silver & Crude are under pressure. Soybeans are testing strong gap resistance overhead and just triggered shorts. Wheat is bouncing from support. Traders should have entered new longs & be holding w/open gains of \$500/contract.

11/10/01 SYSTEM TRADE(S) UPDATE: Stock Indices rallied to new highs, allowing the DJIA to fulfill its upside objective for this 2-month advance but stopping out new mini-S+P shorts with losses of \$500/contract. Bonds & Notes still need to confirm the completion of the 5th wave rally that began 5 months ago. The Dollar, Euro & Yen are plotting divergent paths. Traders should have bought

long Yen positions around 82.89/JYZ and be holding with average gains of over \$600/contract. Gold & Silver are poised for additional selling before a major low is probable. Crude rebounded sharply from its early-Nov. cycle lows. Soybeans reversed their daily trend to up but have strong gap resistance overhead. Wheat is capable of seeing additional selling in the coming weeks.

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