

*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(v) 630-637-0971(fx) INSIIDE@aol.com www.insiidetrack.com

08/15/09 SYSTEM TRADE(S) UPDATE: Stock indices are consolidating but still expected to rally into early-September and at least test 9,700/DJIA (possibly 10,300-10,600/DJIA). Bonds & Notes are giving mixed signs and creating some ambiguity with regard to the 2-4 week outlook. The Dollar reversed its daily trend to up while the Euro reversed its daily trend to down and both currencies are poised to confirm 'c' wave breakouts. The Yen rebounded to 1-2 week resistance and is at a decisive point. Traders should have exited JYU 1.1100 call options w/avg. losses of about \$350/option. Traders should have entered Dollar Index long positions - and be holding them w/avg. open gains of about \$550/contract -

and also entered Euro put options. Gold & Silver are diverging a little with both metals showing signs of a developing 1-2 week (or longer) top. Soybeans, Corn & Wheat are now all signaling more downside in the coming weeks. Energy markets are also signaling further declines. Sugar surged to its upside target. Traders should have exited the second ½ of long positions w/avg. gains of about \$6,150/contract, resulting in an overall avg. gain of about \$4,075/ contract for the entire position. New positions in Live Cattle futures were exited w/avg. losses of about \$450/contract while Cotton put options remain intact.

08/08/09 SYSTEM TRADE(S) UPDATE: Stock indices further corroborated expectations for the next phase of a projected, 6-12 month advance. A rally to 9,700/DJIA is possible in the coming week... and to 10,300--10,600/DJIA in the coming month. Bonds & Notes dropped further, reversing the weekly trend to down in Bonds... and altering the intermediate outlook. Traders should have exited long positions in Sept. 10-Year Note futures w/avg. gains of about \$450/contract. The Dollar (initially) bottomed and the Euro (initially) topped in line with near-term expectations. Both could confirm 1-2 week reversals as early as Monday. The Yen dropper further, casting some doubt on the intermediate outlook. Traders

should have realized avg. losses of about \$325/option in JYQ 1.0700 calls and be holding JYU 1.1100 call options. Gold & Silver rallied further, reinforcing the potential for an overall advance into October. Soybeans, Corn & Wheat are showing serious divergence that could alter expectations leading into early-September. Energy markets fulfilled most of near-term expectations and could see a correction. Sugar continues to surge. Traders should have exited ½ of long positions w/avg. gains of about \$2,000/ contract and be holding the other ½ w/avg. open gains of about \$4,000/contract. New positions were initiated in Live Cattle futures & Cotton put options.

08/01/09 SYSTEM TRADE(S) UPDATE: Stock indices confirmed the onset of the next phase of a projected, 6-12 month advance. A rally to 9,700/ DJIA is possible in the coming weeks... and to 10,300--10,600/DJIA in the coming months. Bonds & Notes fulfilled the potential for a correction into July 24/27th and a reversal higher from there. The weekly trend pattern in Bonds & Notes projects a rally back to the early-July highs... and into Aug. 10--14th. Traders should have entered long positions in Sept. 10-Year Note futures and be holding these w/avg. open gains of about \$1,550/contract. The Dollar has dropped to new lows and turned its monthly trend back to down, in the process. The Euro fulfilled its

potential for a rally into July 31st but is still expected to spike to new highs - above 1.4327/ECU. The Yen did set a low and could now embark on a new multi-week advance. Traders should have entered JYQ 1.0700 & JYU 1.1100 call options. Gold & Silver are giving more signs that a new, intermediate advance is underway. Soybeans, Corn & Wheat are starting to validate the potential for a bottom at this time. Energy markets are confirming the onset of a new advance, which could carry them higher into October. Sugar is confirming strength and could extend this rally into August 6th. Traders should be holding long positions w/avg. open gains of about \$1,550/contract. www.insiidetrack.com

07/25/09 SYSTEM TRADE(S) UPDATE: Stock indices surged to new highs, signaling the onset of the next phase of their projected advance. It also validates the 18/36/71-73 week cycle that came into play during the week of July 6--10th. Ultimately, this is still expected to take the Indices up to 10,300--10,600/DJIA. An initial peak could be seen in the coming week. Bonds & Notes are fulfilling the potential for a correction into July 24/27th. The weekly trend pattern in Bonds corroborates this and sets the stage for a bottom in the coming week. The Dollar has spiked to new lows and the Euro has the potential to spike to new highs - above 1.4327/ECU. The Yen is poised to set a low in the coming week, which could

usher in an advance into November. Traders should have exited Aug. Euro 1.3800 put options w/avg. losses of about \$150/option. Gold & Silver provided some additional validation to the potential for intermediate lows... and the onset of a rally into October. Soybeans, Corn & Wheat have fulfilled most of their downside potential and could see a bottom in the next 1-2 weeks. Energy markets are signaling the onset of a new advance, which could carry them higher into October. Sugar is confirming strength and should extend this rally into the coming week. Traders should be holding long positions w/avg. open gains of about \$1,350/contract.

07/18/09 SYSTEM TRADE(S) UPDATE: Stock indices reversed higher after completing their expected decline into July 6--10th and fulfilling the need for a 3-5 week correction before the next advance. In the process, they reversed their short-term trends back up, removing the potential for an additional wave down. Traders should have exited short e-mini SP futures positions w/avg. gains of about \$1,175/contract. Bonds & Notes reversed lower from their July 6--10th cycle high and could extend this correction into July 24/27th. The Dollar is fulfilling the potential for a retest of its recent lows. The Euro rebounded back to its month-opening highs while the Yen was pulling back. Traders should have exited Aug. Euro

1.3400 put options w/avg. losses of about \$300/option but be entering Aug. Euro 1.3800 put options. Gold & Silver reversed higher and could be setting intermediate lows. Traders should have exited Aug. Gold put options w/avg. gains of about \$100/option. Soybeans, Corn & Wheat have fulfilled most of their downside potential and could see a reversal higher at any time. Energy markets are reversing higher. Sugar could enter a new wave higher, which could carry it up into early-August, but needs confirmation of this in the coming days. Traders should have entered long positions and be holding them w/avg. open gains of about \$150/contract.

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07/11/09 SYSTEM TRADE(S) UPDATE: Stock indices completed their expected decline into July 6--10th... but are also expected to extend this decline into July 21--23rd. Traders should be short e-mini SP futures and holding these w/avg. open gains of about \$2,500/contract. Bonds & Notes rallied enough to turn the weekly trend to up in Bonds. This could prompt additional upside into mid-month. The Dollar has maintained the *potential* for an intermediate - and possibly major (6-12 month) - bottom at this time. However, it is opening up the possibility for a retest of its recent lows in the coming week(s). The Euro is giving

negative signs while the Yen was able to rally far enough to reverse its weekly trend to up. Traders should have exited long positions in Dollar Index futures w/avg. losses of about \$200/contract and be holding Aug. Euro put options. Gold & Silver continued to drop and are still expected to extend this decline into mid-July. Traders should be holding Aug. Gold put options w/avg. open gains of about \$450/option. Soybeans, Corn & Wheat declined further and are still expected to see an overall drop into late-July/early-August. Sugar could not confirm a top and is poised to enter a new wave higher, which could carry it up into early-August. www.insidetrack.com

07/04/09 SYSTEM TRADE(S) UPDATE: Stock indices completed their intervening bounce and entered what is perceived to be the 'c' wave of an overall 'a-b-c' decline. This drop is fulfilling expectations for a decline into July 6--10th... but is increasing the potential for additional downside into July 21--23rd. Traders should have sold SP futures and be holding these w/avg. open gains of about \$1,600/contract. Bonds & Notes rallied further but are expected to set an initial peak in the coming week. The weekly trend in Bonds could be decisive, with regard to the 2-3 month outlook. The Dollar has maintained the potential for an intermediate - and possibly major (6-12 month) - bottom at this time. If confirmed in the coming days, the initial rally could carry the Dollar higher - and

the Euro lower - into July 20--24th. The Yen has opened the potential for a *rally* into July 6/7th before a new decline takes hold. Traders should be holding long positions in Dollar Index futures w/avg. open gains of about \$600/contract and entering Aug. Euro put options... and have exited July Euro & July Yen put options w/avg. losses of about \$250/option and \$375/option, respectively. Gold & Silver are signaling that this decline could extend into mid-July. Traders should have entered Gold put options. Soybeans, Corn & Wheat increased the potential for a larger-degree correction into late-July. Traders should have exited short positions in July Cotton futures - w/avg. gains of about \$750/contract. www.insidetrack.com

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System Trade Updates from Weekly Re-Lay (Page 2)...

06/27/09 SYSTEM TRADE(S) UPDATE: Stock indices spiked lower and then signaled an intervening bounce, which is expected to peak in the coming 1-2 days. A 2nd decline ('c' wave of an overall 'a-b-c' decline) is still likely to push the Indices lower into July 6--10th. Bonds & Notes rallied further with Bonds giving added indications that (at least) an intermediate bottom is taking hold. The action of the next two days - leading into month-end - needs to corroborate this. The Dollar has removed/delayed the potential for a '3' of '3' wave rally, but could still enter a new advance in the coming week. If confirmed, this could not only push the Dollar higher into July 6/7th but could extend this rally into July 20--24th, when geometric cycles come into play. The Euro & Yen, conversely,

could see declines into July 6/7th and - at least in the case of the Euro - into July 20--24th. Traders should be holding long positions in Dollar Index futures w/avg. open losses of about \$100/contract and holding July Euro & July Yen put options. Gold & Silver are signaling that this decline could extend into mid-July, but only if new lows are seen soon. Soybeans, Corn & Wheat declined further and triggered what should be a larger-degree correction into late-July. Traders should have exited short positions in July Sugar futures - w/avg. losses of about \$700/contract - and be holding short positions in July Cotton futures w/avg. gains of about \$1,500/contract.

06/20/09 SYSTEM TRADE(S) UPDATE: Stock indices did decline into this past week with the SPU attacking its weekly *HLS* and then bouncing. However, a 2nd decline ('c' wave) could take hold by mid-week...and last into July 6--10th. Traders should have exited June SP 900 put options w/avg. losses of about \$150/option. Bonds & Notes turned their daily trends up, giving the first indication that (at least) an intermediate bottom is taking hold. The Dollar could be poised to enter a 1-2 week, '3' of '3' wave rally. If confirmed, this could/should trigger an accelerated advance. The Euro & Yen, conversely, could see sharp declines...into July 6/7th. Traders should be holding long positions in Dollar Index futures w/avg. open

gains of about \$400/contract and have just entered Jly Euro & Jly Yen put options. Gold & Silver dropped into the week of June 15-19th & could set an intermediate bottom at any time. Soybeans, Corn & Wheat declined further and could trigger a larger-degree correction into late-July. Cattle & Hogs are trying to bottom while Coffee, Cotton & Sugar remain negative. Traders should have exited August Live Cattle futures short positions w/avg. losses of about \$200/contract and be holding short positions in July Sugar futures and July Cotton futures w/avg. gains of \$450/contract & \$2,000/contract, respectively.

06/13/09 SYSTEM TRADE(S) UPDATE: Stock indices have consolidated since fulfilling near-term analysis for a rally into June 3--5th. They maintain the possibility for a quick decline into June 18/19th... although this is now far less likely to identify an intermediate bottom. The DJIA continues to test its 3-6 month upside objective - and resistance - at 8,576--9,088, which should remain a negative factor. Traders should have entered June SP 900 put options. Bonds & Notes reversed higher, giving the first signs that an intermediate bottom is taking hold - during a critical 1-2 week period... and very close to major support. The Dollar validated its recent bounce and could be set to enter a new advance - on both a

short-term basis and on a 6-12 month basis. The Euro & Yen are the opposite with the Yen now signaling a decline into July 6/7th. Traders should have entered long positions in Dollar Index futures and be holding them w/avg. open gains of about \$350/contract. Gold & Silver reinforced analysis for a pullback into June 18/19th. Soybeans, Corn & Wheat could see similar corrections. Cattle & Hogs remain negative while Coffee, Cotton & Sugar are each showing signs of turning down. Traders should be holding August Live Cattle futures short positions and have just entered short positions in July Sugar futures and July Cotton futures.
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06/06/09 SYSTEM TRADE(S) UPDATE: Stock indices rallied into June 3--5th, fulfilling the near-term scenario and leaving open the possibility for a quick decline into June 18/19th. However, the action of the coming days must validate this. The DJIA has finally neutralized its intra-year trend while it continues to test its 3-6 month upside

objective - at 8,576--9,088. Bonds & Notes declined further and are expected to see an intermediate bottom take hold in either of the next 2 weeks. This could set the stage for a 2-3 month rebound and potentially a 6-12 month advance. The Dollar tested 3-6 month support and is initially rebounding. A rally - with a corresponding

decline in the Euro & Yen - is expected into June 15--19th. Traders should have entered and exited long positions in the Yen w/avg. losses of about \$950/contract. Gold & Silver spiked higher into early-June and initially signaled a reversal lower. If confirmed, this should trigger a pullback into June 18/19th. Soybeans, Corn & Wheat also rallied into geometric

cycles in early-June and could see a 1-2 week correction if the intra-month trends can turn down. Cattle & Hogs declined. Traders should be holding August Live Cattle futures short positions w/avg. open gains of about \$250/contract (as part of an overall trade that began in June futures & is ahead by about \$850/contract).

05/30/09 SYSTEM TRADE(S) UPDATE: Stock indices could not add more corroboration to their recent reversals lower and could - as a result - see a retest of the May 6/7th highs. The DJIA continues to trade below its year-opening range (*support turned into resistance* and the upside *price* objective for this 2-month surge), reinforcing the 2-3 month outlook. However, the indices have not been able to follow-through to the downside, invalidating (or at least delaying) the *short-term* outlook. Traders should have exited ESM short positions w/avg. losses of about \$1,050/contract. Bonds & Notes declined further

and could see an overall drop into June 15--19th, in line with daily, weekly, monthly and even year-to-year cycles. The Dollar continues to decline and could still see a spike as low as 78.77/ DX, leading into mid-June. The Euro rallied further - reaching its primary upside objective - while the Yen corrected. Gold & Silver extended their gains but could see a pullback into June 18/19th. The action of the next 2-3 days needs to clarify. Soybeans, Corn & Wheat rallied further while Cattle & Hogs decline. Traders should be holding Live Cattle futures short positions w/avg. open gains of about \$600/contract.

05/23/09 SYSTEM TRADE(S) UPDATE: Stock indices are slowly validating their reversals lower, but still need more corroboration. The fact that the DJIA has twice tested its year-opening range (*support turned into resistance* and the upside *price* objective for this 2-month surge) and immediately turned down (each time) could be a very bearish sign. Traders should have exited NQM short positions w/avg. losses of about \$200/contract and sold June e-mini SP futures and be holding these short positions w/avg. open gains of about \$550/ contract. Bonds & Notes turned back down and negated the potential for an immediate advance. Traders should have exited long positions in 10-Year Note futures w/avg.

losses of about \$200/ contract. The Dollar dropped below its Dec. '08 bottom and could see a spike as low as 78.77/DX, leading into mid-June. The Euro & Yen rallied further. Traders should have exited remaining JYM 1.0500 call options, resulting in an overall avg. gain of about \$750/option for this position. Gold & Silver completed rallies into May 18--22nd with Silver reaching its 1456.0/SIN target. Traders should have exited GCM 900 put options w/avg. losses of about \$270/option. Soybeans, Corn & Wheat rallied into an ongoing 4-week cycle in Soybeans. Cattle & Hogs consolidated. Traders should be holding Live Cattle futures short positions w/avg. open gains of about \$200/contract.

05/16/09 SYSTEM TRADE(S) UPDATE: Stock indices reversed lower after the DJIA tested its year-opening range (*support turned into resistance* and the upside *price* objective for this 2-month surge). The NQM has already turned its daily & intra-month trends down while the DJIA & SPM need to do more work. Traders should have exited SPK 800 put options w/avg. losses of about \$900/option & sold NQM futures and be holding these short positions w/avg. open gains of about \$950/contract. Bonds & Notes provided the first signals of a 2-4 week (or longer) bottom. Traders should have entered long positions in 10-Year Note futures and be holding these w/avg. open gains of about \$1,000/contract. The Dollar bounced and Euro corrected while the Yen surged.

Traders should have entered JYM 1.0500 call options and exited ½ w/avg. gains of about \$1,175/option. The other ½ are being held w/avg. open gains of about \$1,200/ option. Gold & Silver rallied further but are poised for a pullback. Traders should have exited Silver call options w/avg. gains for the overall trade of about \$1,000/option... and should be buying GCM 900 put options at current levels. Soybeans, Corn & Wheat are expected to correct, as are Energy markets. Cattle & Hogs turned back down. Traders should have sold Live Cattle futures and be holding them w/avg. open gains of about \$200/contract. Traders should have exited Sugar long positions, w/avg. overall gains of about \$2,100/contract.

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

05/09/09 SYSTEM TRADE(S) UPDATE: Stock indices have surpassed the optimum *time* for an initial peak but remain on course for an overall rally into July. This has allowed the DJIA to test its year-opening range - and the upside *price* objective for this 2-month surge - at which point an intermediate top is still expected. Traders should be holding SPK 800 put options w/avg. open losses of about \$900/option. Bonds & Notes declined further, with Notes remaining above their February lows and now setting the stage for a 2-4 week (or longer) bottom. The Dollar reversed its weekly trend to down, increasing the potential for a drop to its Dec. 2008 low.

The Euro rallied while the Yen sold off into May 4--6th ... and is trying to reverse higher. Gold & Silver headed higher, confirming that an intermediate bottom is intact. Traders should have entered Silver call options and then exited ½ of them w/avg. gains of about \$1,575/option. The other ½ are being held w/avg. open gains of about \$1,400/option. Soybeans, Corn & Wheat remain strong. Energy markets are fulfilling projections for a rally into May 11--15th. Cattle & Hogs are trying to bottom. Coffee, Sugar & Cotton remain strong. Traders should be holding long positions in Sugar, w/avg. open gains of about \$1,900/contract.

05/02/09 SYSTEM TRADE(S) UPDATE: Stock indices did see some additional gains, allowing key, 2-month price objectives for this advance to be met (most notably, 880.0 /SPM). This also allowed the Nasdaq to extend its gains to a 7th week, matching the duration of its previous (Nov. '08--Jan. '09) advance. Traders should be entering SPK 800 put options at current levels. Bonds & Notes declined further, allowing Bonds to fulfill the first stage of an 'ideal' scenario that could resolve the discrepancy between these two markets. The Dollar & Euro consolidated, while the Yen fulfilled its potential to sell off into May 4--6th. The next 1-2 weeks should be decisive

in currencies. Gold & Silver turned back down but are still showing signs that an intermediate bottom is intact. Soybeans, Corn & Wheat are fulfilling potential for additional upside and could still see additional strength in the coming week. Energy markets remain on track for a rally into May 11--15th. Cattle & Hogs confirmed weakness and could see more downside. Coffee, Sugar & Cotton were the opposite, exhibiting new strength. Traders should be holding long positions in Sugar, w/avg. open gains of about \$1,650/contract.
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04/25/09 SYSTEM TRADE(S) UPDATE: Stock indices consolidated during the past week and are still capable of seeing some additional gains before key price objectives for this advance are met (most notably, 880.0/SPM). If a spike high is seen on Monday, it could mark the end of this advance. Bonds & Notes have continued to drift lower as they remain in opposing trends. There is one particular scenario, however, that could resolve the discrepancy between these trends. The Dollar did give a spike high and then reversed lower. Conversely, the Euro gave a spike low and reversed higher, while the Yen continued to rebound from its April 6th cycle low. Traders should have exited short positions in Dollar

Index futures w/avg. losses of about \$350/contract. Gold & Silver began the week lower, in line with Gold's weekly trend pattern, and then rallied sharply. Soybeans, Corn & Wheat are capable of seeing some additional upside before all three could see declines into early-June. Energy markets spiked lower but probably set multi-week bottoms. A rally into May 11--15th is expected. Cattle & Hogs could not confirm new signs of strength and have begun to turn back down, while Coffee, Sugar & Cotton showed new strength. Traders should have exited Hogs - w/avg. losses of about \$300/contract - and be holding long positions in Sugar, w/avg. open gains of about \$650/contract.

04/18/09 SYSTEM TRADE(S) UPDATE: Stock indices are entering the 6th - 7th week of this advance (depending on which index is in focus), the ideal week for an initial high. This is also corroborated by the weekly trend pattern and the weekly 21 MAC. Before a top is set, however, the indices are expected to see some additional gains. Bonds & Notes could begin their expected '*new rally in the second half of April*' on Monday. Notes remain positive - and are still projecting a retest of their high -

while Bonds are more bearish. The Dollar dropped on Monday but then recouped all of its losses in the ensuing 4 days. A spike high is possible on Monday. Conversely, the Euro could see a spike low in the coming days. The Yen has important cycles coming into play on April 20th and could see a secondary top. Traders should have sold the June Dollar Index futures near current levels (but exit them as soon as trading resumes) and exited May Yen .9700 put options w/avg. losses of about

\$50/option. Gold & Silver fulfilled analysis for declines into mid-April and are poised to set a low in the coming week, in line with Gold's weekly trend pattern. Soybeans rallied farther while Corn & Wheat gave additional signs

of weakness. Energy markets consolidated but should still rally to new rebound highs. Cattle & Hogs are showing new signs of strength and could rally into May 1st.

04/11/09 SYSTEM TRADE(S) UPDATE: Stock indices pulled back into mid-week and then signaled a rally back to the highs. They fulfilled this on Thursday, allowing the DJIA & SPM to reverse their weekly trends to up. This should be enough to trigger an intermediate peak in the coming 1-2 weeks. Bonds & Notes remain divergent and could see a new rally in the second half of April. Notes are still projecting a retest of their high. The Dollar bounced but remains in a daily downtrend and under the negative influence of its March, monthly 2 Close Reversal lower. Another wave down should take hold in the coming week. Conversely, the Euro completed a bullish month in

March and should see a new advance, leading into late-April. The Yen continued to drop and should decline - on balance - into mid-May. A preliminary low could be seen on April 17/20th. Traders should be selling the June Dollar Index futures at current levels and be holding May Yen .9700 put options w/avg. open gains of about \$350/option. Gold & Silver remain on track for declines into mid-April. Soybeans fulfilled their upside potential and - along with Corn & Wheat - could see new declines. Energy markets are rallying into Crude's 8-week cycle on April 13--17th. Cattle & Hogs are reversing higher.

04/04/09 SYSTEM TRADE(S) UPDATE: Stock indices gave a brief pullback but then rallied into April 3/6th. As a result, a larger pullback could be seen, beginning in the coming days. The weekly trend is now crucial. Bonds & Notes continue to consolidate and could set intermediate bottoms as early as Monday. The Dollar turned back down at the same time it was completing an outside-month/2 Close Reversal lower. This could prompt a retest of the December lows. Conversely, the Euro completed a bullish month in March and a bullish week, this past week. More upside could be seen into late-April. The Yen confirmed a new wave down that could ultimately last into mid-May. However, an initial low

could be seen in the coming days. Traders should have exited April Yen 1.0000 put options w/avg. losses of about \$150/ option and have entered May .9700 put options and be holding these w/avg. open gains of about \$675/option. Gold & Silver dropped a little more than expected and could see declines into mid-April. Traders should have entered & exited May Silver futures w/avg. losses of about \$1,300/contract. Soybeans, Corn & Wheat spiked down and then reversed higher. Energy markets continue to rally. Cattle & Hogs are whipsawing. Traders should have exited long positions in April Live Cattle futures w/avg. gains of about \$350/contract. www.insidetrack.com

03/28/09 SYSTEM TRADE(S) UPDATE: Stock indices have reached initial, upside targets and are trying to set an 'a' wave peak. A subsequent correction ('b' wave) could stretch into April 3/6th before giving way to a second advance into late-April/early-May. A new buy signal could be triggered late in the coming week. Bonds & Notes have consolidated and are giving mixed signals with regard to the intermediate trend and outlook. The coming week should help clarify 1-2 month expectations. The Dollar has rebounded since fulfilling projections for a correction into March 18-20th. The Euro has simultaneously corrected, as has the Yen. The Yen is expected to see a new wave down into (at least) early-

May. Traders should have entered April Yen 1.0000 put options and be holding these near break-even. May put options might also be entered. Gold & Silver gave at least one new sign (Silver's daily trend turning up) that a new advance is slowly unfolding. Traders should be entering May Silver futures at current levels. Soybeans, Corn & Wheat reached near-term objectives and altered the outlook, leading into early-April. Energy markets continue to rally. Cattle & Hogs pulled back but did not reverse their daily trends down. New rallies are possible. Traders should be holding long positions in April Live Cattle futures w/avg. open gains of about \$800/contract.

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HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

System Trade Updates from Weekly Re-Lay (Page 4)...

03/21/09 SYSTEM TRADE(S) UPDATE: Stock indices rallied to monthly resistance levels and pulled back. A secondary ('b' wave) low is likely before month-end and should give way to a second advance into late-April/early-May. Bonds & Notes surged on Fed news but need to show new strength in order to signal that an intermediate advance is underway. Otherwise, a drop to new lows could be seen quickly. Traders should have exited TYJ 124-00 call options w/avg. losses of about \$100/option. The Dollar fulfilled projections for a correction into March 18-20th while the Euro completed its expected surge into this time frame. The Yen also rebounded but could soon enter a new wave down.

Traders should have exited April Euro 1.3200 call options w/avg. overall gains of about \$3,600/option. Gold & Silver dropped to new lows and then rebounded sharply. However, they need to turn their daily trends up to signal any additional upside. Soybeans, Corn & Wheat could see continued rallies into early-April after Soybeans reached their near-term upside target. Energy markets are also poised to rally into early-April. Sugar reversed back up, in contrast to what was expected. Traders should have entered & exited short futures positions in Sugar - w/avg. losses of about \$650/contract - and be holding long positions in April Live Cattle futures w/avg. open gains of about \$1,150/contract.

03/14/09 SYSTEM TRADE(S) UPDATE: Stock indices reversed higher, immediately after fulfilling the DJIA's 14-15 week Cycle Sequence low. They have already reversed their daily & intra-month trends to up, initially validating projections for a rally into late-April/early-May. Bonds & Notes are slowly rolling around to the upside, but need to trigger some breakout closes in the coming days. Traders should have entered TYJ 124-00 call options and be holding them w/small gains. The Dollar is confirming analysis for a correction into March 18-20th while the Euro has been expected to rally into the same time. The Yen has consolidated after fulfilling its downside projections - in time and price - but could see a

new wave down in the second half of March. Traders should have entered April Euro 1.3200 call options and be holding these w/avg. open gains of about \$525/option. Gold & Silver are trying to confirm a bottom that could lead to a rally into April. Soybeans, Corn & Wheat are giving mixed signals, indicating that congestion is in place. Energy markets are still expected to continue rebounding into the coming week. Sugar is confirming an intermediate top while Cattle & Hogs are signaling intermediate bottoms. Traders should have entered long futures positions in April Live Cattle and be holding these w/avg. open gains of about \$900/contract.

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03/07/09 SYSTEM TRADE(S) UPDATE: Stock indices declined into the end of the DJIA's 14-15 week cycle low even though the SPM & NQM could not turn their new intra-month trends down. This shows a little bit of resilience but they must trigger intra-month uptrends - in the next 1-3 days - to signal that an intermediate bottom is taking hold. Bonds & Notes could not confirm new weakness and reversed higher. This could delay any further declines. Traders should have exited USJ 115 put options w/avg. losses of about \$300/option. The Dollar spiked to new highs, fulfilling its weekly trend pattern, but did not close above its previous peak. This increases the likelihood for a correction into March 18-

20th. The Euro spiked to a new (recent) low but did not close below its Feb. 18th low, increasing the potential for a quick surge (that could take it back above 1.3400/ECM). The Yen fulfilled its downside projections - in time and price - and could now see a rebound. Traders should have exited the second ½ of their March Yen put options w/avg. gains - for the overall position - of about \$2,750/option. Traders should be entering April Euro 1.3200 call options near current levels. Gold & Silver may have just set a low and are still likely to rally into March 16--20th. Soybeans, Corn & Wheat are at an important juncture. Energy markets are expected to rebound into at least March 16--20th.

02/28/09 SYSTEM TRADE(S) UPDATE: Stock indices declined further with the Nasdaq 100 finally succumbing to the weakness seen in the DJIA and closing below its January low. Traders should have exited March mini-Nasdaq 100 futures positions w/avg. losses of about \$1,550/contract. Bonds & Notes are beginning to signal the onset of a new wave down, but still need some additional confirmation. Traders should be holding USJ

115 put options w/avg. open gains of about \$150/option. The Dollar rallied to new highs but did not close above its previous peak, keeping open the potential for a correction into mid-March (March 18-20th = ideal date for intervening low). The Euro gave a new weekly 2 Close Reversal lower that could prompt a spike down on Monday. The Yen is reinforcing that this decline could take it down to .9995/JYH and could extend into early-

March. Traders should have exited 1/2 of their March Yen put options w/avg. open gains of about \$2,600/option - after a surge of almost 700% - and should be holding the other 1/2 w/avg. open gains of about \$3,400/option. Gold & Silver did confirm that an initial high was taking hold.

However, a 2-3 month peak is not expected to take hold until March 16--20th. Soybeans, Corn & Wheat are still poised for a bounce into March 6/9th. Energy markets are rebounding and could see a rally into April.

02/21/09 SYSTEM TRADE(S) UPDATE: Stock indices continue to render conflicting signals, a sign that congestion is intact. The Nasdaq 100 has remained the strongest index - signaling that it should see another rally after Feb. 19/20th and into March 5/6th - while the DJIA signaled and completed a drop to new lows. Traders should have bought March mini-Nasdaq 100 futures near current levels. Bonds & Notes did see another rally but may have already completed their rebound. Traders should be entering USJ 115 put options near current levels. The Dollar did see a quick spike high while the Euro did see a spike low and both quickly reversed, thereafter. A 2-4 week correction is possible in the

Dollar. The Yen is reinforcing that this decline could take it down to .9995/JYH and could extend into early-March. Traders should have purchased March Yen put options and be holding these w/avg. open gains of about \$425/option. Gold & Silver are fulfilling expectations for advances into the first half of March. However, Gold is showing that an initial high could be seen in the coming week. Soybeans, Corn & Wheat are confirming the potential for a multi-month decline, but could bounce into March 6/9th. Energy markets are rebounding and could see a rally into April. Traders should have exited long May Sugar positions w/avg. losses of about \$350/contract. www.insiidetrack.com

02/14/09 SYSTEM TRADE(S) UPDATE: Stock indices are giving conflicting signals, one of the clearest signs that congestion is intact. In addition to conflict within each index - from week to week - there is also conflict (of signals) from one index to another. The Nasdaq 100 has been the strongest index and traders should be buying March mini-Nasdaq 100 futures near current levels. Bonds & Notes bounced and then sold off but could see another rally in the coming days. Aggressive traders could have entered & exited USH put options w/avg. losses of about \$100/option. The Dollar could see a quick spike high in the coming week, while the Euro sees a spike low, and then the Dollar could see a 2-4 week

correction. The Yen is poised to drop to 1.0360/JYH in the coming week(s). Traders should have purchased March Yen put options near current levels. Gold & Silver are poised to extend their current advances into the first half of March when 3-6 month & 6-12 month cycles converge. An intervening correction is likely. Soybeans, Corn & Wheat are slowly confirming the potential for a multi-month decline. Energy markets are retesting their lows and could see a rally into April, once a bottom is signaled. Traders should have exited March Coffee futures w/avg. losses of about \$950/contract and be holding long Sugar positions w/avg. open gains of about \$300/contract.

02/07/09 SYSTEM TRADE(S) UPDATE: Stock indices have given the first confirming signs of a 'c' wave advance from their Nov. 2008 low. If confirmed, this could prompt a quick rally above 8,600/DJIA & 940.0/SPH. Bonds & Notes are in the period when a consistent 16-18 week cycle portends an intermediate low. If this is validated in the coming weeks, Bonds & Notes could see an ensuing rally into June 2009. The Dollar is set for a minor 'c' wave decline while the Euro could see a rally above 1.3350/ECH. The Yen is confirming expectations for a quick, sharp drop that could test .9995/JYH. Traders should have realized avg. losses of about \$550/option in

Feb. Yen put options & have entered March Yen put options that are being held w/avg. open gains of about \$350/option. Gold & Silver could extend their current advances into the first half of March when 3-6 month & 6-12 month cycles converge. Soybeans, Corn & Wheat are giving mixed signals but could all see a multi-month decline. Energy markets are trying to signal a bottom after fulfilling 3-6 month downside targets - in price and time. Traders should have bought March Coffee futures & be holding long positions w/avg. open gains of about \$1,700/contract.

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