



REviewing the previous week & LAYing the groundwork for the week ahead

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

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09/17/11 SYSTEM TRADE(S) UPDATE: Stock Indices remain on course for a rebound to their (descending) weekly 21 Low MAC. **11,742/DJIA** is a critical, intra-year resistance point that is very near the weekly 21 Low MAC in the coming week. Bonds & Notes fulfilled the daily trend pattern by rallying to new highs, but did not turn their intra-month trends up. Combined with intermediate cycles, this could prompt a pullback into month-end. The Dollar & Euro consolidated after giving powerful confirmation to expectations for an intermediate Dollar rally (from **August 29th** into **late-November**) and for a 6-

12 month Dollar advance from the early-May lows. This still appears to be the early stages of what could be a major transition. Traders should have exited October Euro put options w/avg. gains of about \$1,925/option. The Yen could see a rally to new highs. Gold & Silver are showing subtle signs of reversing lower, but more confirmation is needed. Soybeans, Corn & Wheat continued lower. Energy markets are in a 2-4 week period of congestion but could be turning back down.
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09/10/11 SYSTEM TRADE(S) UPDATE: Stock Indices have not turned their daily trends & intra-month trends back down so additional upside is still possible. **11,742/DJIA** is a critical resistance point in the coming week(s). Bonds & Notes fulfilled the daily trend pattern by rallying to new highs. They could see a spike to new highs followed by a pullback into **Sept. 19--23rd**. The Dollar & Euro gave powerful confirmation to expectations for an intermediate Dollar rally (from **August 29th** into **late-November**) and for a 6-12 month Dollar advance

from the early-May lows. This still appears to be the early stages of what could be a major transition. Traders should be holding October Euro put options w/avg. open gains of about \$1,850/option. Sept. Euro put options should have been exited w/avg. gains of between \$1,400-\$4,200/option. The Yen could see a rally to new highs. Gold & Silver have not turned their daily trends down, so new highs are possible. Soybeans, Corn & Wheat are turning negative. Energy markets are in a 2-4 week period of congestion but could be turning back down.

09/03/11 SYSTEM TRADE(S) UPDATE: Stock Indices rebounded into **September 1/2nd** - in line with 1-2 week analysis & trends - and quickly reversed lower. However, they have to turn their daily trends & intra-month trends back down (neither is possible until the **Sept. 7th** close, at the earliest) to project a new wave down. Bonds & Notes fulfilled expectations for pullback into **September 1/2nd** and for a subsequent rally - based on the daily trend pattern - to new highs. Watch the new intra-month trends for further clues. The Dollar & Euro did give spikes and

reversals on **August 29th** and are validating the early stages of what could be a major transition. Traders should be holding Euro put options w/avg. open gains of about \$200/option. The Yen remains in congestion near its highs. Gold & Silver have not turned their daily trends down, so new highs are likely. Soybeans, Corn & Wheat are fulfilling expectations for advances into **early-September**. Energy markets are in a 2-4 week period of congestion and could see additional upside.

08/27/11 SYSTEM TRADE(S) UPDATE: Stock Indices continue to validate cycle highs from **July 18--22nd** and the 2-3 month outlook for a sharp decline into **October 3-7th**. The current rebound could stretch into **September 1/2nd** before a new decline takes hold. Bonds & Notes remain bullish but are showing signs of a short-term top. A pullback into **September 1/2nd** is possible. The daily trend will determine if any additional downside is likely. The Dollar & Euro are in congestion and could stretch prevailing trends into **August 29th**. The Yen retested its

recent high, multiple times, but has not signaled a breakout. Traders should be entering Euro put options at current levels. Gold & Silver corrected but need to turn their daily trends down to confirm a top. Traders should have exited Silver put options w/avg. losses of about \$300/ option. Soybeans, Corn & Wheat are fulfilling expectations for advances into **early-September**. Energy markets are in a 2-4 week period of congestion and could spike higher in the coming week.

08/20/11 SYSTEM TRADE(S) UPDATE: Stock Indices continue to validate cycle highs from **July 18--22nd** and the 2-3 month outlook for a sharp decline into **October 3-7th**. A secondary high was seen on **August 15--19th** - in line with shorter-term cycles - and should prompt a drop to new lows. Bonds & Notes remain bullish and surged higher than what was expected in the short-term. This reinforced the 3-6 month bullish outlook and reached primary upside targets, initially fulfilling two different degrees of 5th wave rallies. The Dollar & Euro are in congestion and could stretch prevailing trends into

August 22--26th. The Yen retested its recent high, multiple times. Gold & Silver surged further, showing some signs of a blow-off advance. Traders should have entered Silver put options. Soybeans, Corn & Wheat are poised to see additional upside into **early-September**. Energy markets are bouncing after Crude fell to important 3-6 month support. A rebound - potentially ushering in a 2-4 week period of congestion - is unfolding. Cotton, Coffee & Sugar are rebounding and could see further gains.

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08/16/11 SYSTEM TRADE(S) UPDATE: Stock Indices continue to validate cycle highs from **July 18--22nd** and the 2-3 month outlook for a sharp decline into **October 3-7th**. Bonds & Notes surged higher than what was expected in the short-term but reinforced the 3-6 month bullish outlook and reached primary upside targets. The Dollar & Euro are in congestion and could stretch prevailing trends into **August 22--26th**. The Yen retested

its recent high. Gold & Silver diverged with Silver validating **late-July** cycles while Gold extended its rally into a *40-Year Cycle*. Soybeans, Corn & Wheat were mixed but could see additional upside. Energy markets dropped sharply, in line with Crude cycles, allowing Crude to test important 3-6 month support. A rebound - potentially ushering in a 2-4 week period of congestion - is becoming likely.

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08/06/11 SYSTEM TRADE(S) UPDATE: Stock Indices powerfully validated cycle highs from **July 18--22nd** - with the DJIA & SPU turning their intra-year trends down. Bonds & Notes surged into **August 5th** and could now see a pullback. Traders should have exited remaining call options w/avg. gains of about \$950/option. The Dollar & Euro are in congestion and could stretch prevailing trends into **late-August**. The Yen fulfilled projections for a retest

of its mid-March high and quickly pulled back. Gold & Silver set new intermediate peaks and began to reverse lower. Soybeans, Corn & Wheat were mixed. Traders should have exited short Wheat positions w/avg. losses of about \$1,300/ contract. Energy markets dropped sharply, in line with Crude cycles. Traders should have exited long positions in Natural Gas futures w/avg. losses of about \$2,500/contract.

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

07/30/11 SYSTEM TRADE(S) UPDATE: Stock Indices fulfilled analysis for a reversal lower after **July 18--22nd**. They fell into **July 29th** (1 of 2 days when multiple daily cycles converge) with the DJIA & SPU giving confirming signals. The Nasdaq 100, however, has not shown the same negative signs and could be poised for a rally to new highs. Bonds & Notes did enter a new advance but are expected to see another peak in the coming days. Traders should have entered call options in 10-Year Notes and already exited ½ of them w/avg. gains of about \$500/option. The Dollar & Euro are in congestion with

new 6-12 month moves (up in Dollar/down in Euro) expected to take hold at any time, most likely in **early-August**. The Yen fulfilled projections for a retest of its mid-March high and could see a new peak at any time. Gold & Silver set new intermediate peaks and are expected to reverse lower in the coming week. Soybeans, Corn & Wheat appear to have entered new declines. Energy markets turned back down. Traders should have entered long positions in Natural Gas futures & exited long positions in September Cocoa futures w/avg. losses of about \$1,350/contract.

07/23/11 SYSTEM TRADE(S) UPDATE: Stock Indices fulfilled analysis for a rally into **July 18--22nd**, when a recurring 11-week & 22-week cycle came back into play. The Nasdaq spiked to new highs while the DJIA and/or SPU could do the same in the coming day(s). Bonds & Notes are consolidating but could enter a new advance a little earlier than originally expected. The Dollar & Euro are in congestion with new 6-12 month moves (up in Dollar/down in Euro) expected to take hold at any time, most likely in **early-August**. The Yen is still poised for a

retest of its mid-March high. Traders should have entered & exited Euro options w/avg. losses of about \$250/option. Gold & Silver are poised to set new intermediate peaks in the coming days. Soybeans, Corn & Wheat are diverging with new declines poised to take hold after final rallies in the coming 1-2 weeks. Energy markets are at a decisive juncture. Traders should have entered long positions in September Cocoa futures and be holding these w/avg. open losses of about \$650/contract. www.insidetrack.com

07/16/11 SYSTEM TRADE(S) UPDATE: Stock Indices remain on track for a rally into **July 18--22nd**, when a recurring 11-week & 22-week cycle (that has influenced the Nasdaq 100 for a decade) comes back into play. The weekly trend pattern is corroborating this and portends an intermediate top at any time. Bonds & Notes retested their peak, creating some uncertainty for the near term. A correction into **late-July** is still possible. The Dollar & Euro are in congestion with new 6-12 month moves (up in Dollar/down in Euro) expected to take hold at any time.

The Yen is still poised for a retest of its mid-March high. Gold & Silver rallied but are poised to set new intermediate peaks in the next two weeks. Soybeans, Corn & Wheat are validating projections for a new advance into **early-August**. Energy markets rebounded - in line with weekly cycles - and could wait until **early-August** to set a secondary high. Traders should have entered long positions in September Cocoa futures and be holding these w/avg. open gains of about \$200/contract.

07/09/11 SYSTEM TRADE(S) UPDATE: Stock Indices remain on track for a rally from their **June 13--17th** cycle lows into **July 18--22nd**, when a recurring 11-week & 22-week cycle (that has influenced the Nasdaq 100 for a decade) comes back into play. Multiple indicators just corroborated this and portend an intermediate top in the next 1-2 weeks. Bonds & Notes validated expectations for an initial *peak* in **June** (that could hold for 1-2 months) and an ensuing drop into - and important *low* in - **July**. However, the timing for the low could stretch into **late-**

July. The Dollar & Euro are in congestion with new 6-12 month moves (up in Dollar/down in Euro) expected to soon take hold. The Yen is consolidating but remains in a positive, overall trend that could spur a retest of its high. Gold & Silver are rebounding, adjusting expectations for the next two weeks. Soybeans, Corn & Wheat are validating projections for a new advance into **early-August**. Energy markets rebounded - in line with weekly cycles - and could wait until **early-August** to set a secondary high.

07/02/11 SYSTEM TRADE(S) UPDATE: Stock Indices reversed higher - after a spike down on Monday - and remain on track for a rally from their **June 13--17th** cycle lows into **July 18--22nd**. Multiple indicators just corroborated the significance of **July 18--22nd**. Bonds & Notes validated expectations for an initial *peak* in **June** (that could hold for 1-2 months) and an ensuing drop into - and important *low* in - **July**. The week of **July 11--15th** provides the optimum time for this anticipated low. The Dollar & Euro are in congestion and just reinforced the

potential for a retest of the Dollar lows/Euro highs before a multi-month reversal. The Yen is consolidating but remains in a positive, overall trend. Gold & Silver fulfilled analysis for a sharp, 2-3 day drop from **June 22nd**... but are expected to spike to new, multi-month lows before any substantial rebound is likely. Soybeans, Corn & Wheat consolidated and could see a new advance - into **early-August**. Energy markets rebounded - in line with weekly cycles - after Crude turned its intra-year trend down. www.insiidetrack.com

06/25/11 SYSTEM TRADE(S) UPDATE: Stock Indices could see another spike down - based on the daily trend patterns - before a 2-4 week low takes hold. Several timing indicators converge on **June 28th** and could pinpoint a low. Bonds & Notes rallied to new highs but are still likely to see an initial *peak* in **June** and their next important *low* in **July**. Aggressive-only traders should have realized avg. losses of about \$250/option in July 10-Year Notes puts. The Dollar & Euro are in congestion with conflicting weekly & daily trends and signals. A 6-12

month reversal is expected from near current *price* levels and from near the current *time* frame. The Yen is also consolidating as it enters a week when multiple cycles align. Gold & Silver fulfilled the 7-week cycle in Gold and validated analysis for a sharp, 2-3 day drop from **June 22nd**. Add'l selling is expected. Soybeans, Corn & Wheat declined into important cycles and could see a new advance - into **early-August** - take hold in the coming week. Energy markets confirmed a reversal lower with Crude turning its intra-year trend down.

06/18/11 SYSTEM TRADE(S) UPDATE: Stock Indices have turned most of their trends down with the Nasdaq 100 leading the way and even generating an intra-year downtrend. All of this reinforces the likelihood for an *initial* low and reversal higher at this time. Bonds & Notes are consolidating and could still see their next important low in **July**... with an intervening peak in **June**. Aggressive-only traders should be holding July 10-Year Notes put options. The Dollar & Euro could not complete extended weekly 2 Close Reversal signals so the Dollar

remains in an intermediate downtrend with the potential to retest its lows. The Yen could/should spike higher in the coming week. Gold & Silver have failed to turn their weekly trends down, creating some doubt with regard to the 2-4 week outlook. Soybeans, Corn & Wheat declined but remain in a wider range of consolidation. Energy markets are beginning to confirm a reversal lower. Cotton & Coffee are at decisive levels for their 3-6 month & intra-year trends.

06/11/11 SYSTEM TRADE(S) UPDATE: Stock Indices are turning more negative, with all three Indices now turning their weekly trends down and the Nasdaq 100 turning its weekly 21 MAC down. The DJIA & SPU could do the same thing in the coming week. This action does, however, identify the most likely time (next 1-2 weeks) for an initial low and reversal higher. Bonds & Notes are consolidating and could still see their next important low in **July**. Aggressive-only traders should be holding July 10-Year Notes put options. The Dollar & Euro reversed,

with the Dollar rebounding and Euro (& Yen) correcting. The daily & intra-month trends still need to validate these initial reversals. Gold & Silver may have completed their expected rebounds into **early-to-mid-June**. Soybeans, Corn & Wheat remain in congestion, but could see near-term rallies. Energy markets are consolidating after peaking on the 1-year anniversary of their **May 3rd & 4th**, 2010 highs. They must generate additional selling to confirm this reversal. Cotton & Coffee are at decisive levels for their 3-6 month trends.

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

06/04/11 SYSTEM TRADE(S) UPDATE: Stock Indices are turning more negative, particularly the Nasdaq 100. The DJIA & SPM need to corroborate this by turning their weekly trends down. If this fails to occur, they could still retest their highs before a multi-month peak takes hold. Bonds & Notes rallied into the combination of intermediate (8-week) and longer-term cycles that converged on **May 31--June 3rd**. This makes Monday's action critical. Aggressive-only traders should be holding July 10-Year Notes put options. The Dollar & Euro

followed-through on their recent weekly Double-Key Reversal signals. The Yen remains positive and could retest its mid-March peak. Gold & Silver keep validating expectations for a rebound into **early-to-mid-June**. Soybeans, Corn & Wheat remain in congestion, which should continue. Energy markets are consolidating after peaking on the 1-year anniversary of their **May 3rd & 4th**, 2010 highs. They must generate additional selling to confirm this reversal. Cotton & Coffee are at decisive levels for their 3-6 month trends.

05/28/11 SYSTEM TRADE(S) UPDATE: Stock Indices continue to show mixed signs - indicating that they could take a few weeks longer to reach a multi-month peak. This could stretch this overall advance into **mid-year**, when diverse timing/cycle indicators converge. Bonds & Notes remain bullish but have reached their primary upside price targets for the month of **May**. This increases the potential for a 1-2 week correction. Aggressive-only traders should have entered July 10-Year Notes put options. The Dollar & Euro have re-entered their intra-

year trends and could see a few weeks of consolidation. The Yen is similar but could see a rally to new, 4-6 week highs. Gold & Silver are validating expectations for a rebound into **early-June**. Soybeans, Corn & Wheat remain in congestion, which should continue. Secondary tops could be seen at any time. Energy markets fulfilled expectations for an important peak on the 1-year anniversary of their **May 3rd & 4th**, 2010 highs, but must generate additional selling to confirm this reversal. Coffee remains at decisive support.

05/21/11 SYSTEM TRADE(S) UPDATE: Stock Indices are showing mixed signs as they enter the 2-week period when an important top is expected. Bonds & Notes pulled back but have not signaled a 1-2 week reversal lower, yet. Aggressive-only traders should have entered & exited June 10-Year Notes put options w/avg. losses of about \$100/ option. The Dollar & Euro have corrected as long and as far as they can... without reversing their intermediate trends. As a result, the coming week should be decisive. The Yen remains below its **May 6th** high, but

has not confirmed a reversal lower. Gold & Silver could see a rebound in the coming week(s) though the **May 2nd** high remains a very important cycle top. Soybeans, Corn & Wheat are in congestion, which should continue. Secondary tops - in Corn and potentially all three of these grains - could be seen at any time. Energy markets fulfilled expectations for an important peak on the 1-year anniversary of their **May 3rd & 4th**, 2010 highs, but must generate additional selling to confirm this reversal. Coffee is has reached decisive support.

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