



“...Let us run with patience the race that is set before us.” Hebrews 12:1

THE PERFECT STORM (EXCERPT ONLY)

by Eric S. Hadik

The Perfect Storm

INSIIDE Track Report EX-CERPT (Full Report for Subscribers only.)

When you hear of wars and revolutions, do not be frightened. These things must happen first, but the end will not come right away.

Then He said to them, ‘Nation will rise against nation, and kingdom against kingdom. There will be great earthquakes, famines and pestilences in various places and fearful events and great signs from heaven.

When you see Jerusalem being surrounded by armies, you will know that its desolation is near...

There will be signs in the sun, moon and stars. On the earth, nations will be in anguish and perplexity at the roaring and tossing of the sea. Men will faint from terror, apprehensive of what is coming on the world for the heavenly bodies will be shaken.”

Luke 21: 9-11, 20, 25-26
(New Int’l Vers. ©1986)

The Perfect Storm

9-30-04 - *“And then there are earth cycles. I have previously described the correlation between earth disturbance cycles and political upheaval/war & peace cycles. However, there is another related topic that I have intended to discuss in greater detail. With its beginning to take center stage again - in the election debate - now is as good a time as any...”*

The topic is that of global warming. *This incorporates all aspects of climate and is NOT a discussion on greenhouse gases. I do believe the earth has seen a warming trend in recent decades and in recent centuries. However, I do NOT believe this is man-made.*

*There is ample evidence to confirm it is **very cyclic** and has occurred many times in the recent AND ancient past. This is NOT how many of today’s politicians view it, choosing instead to see it as a perfect opportunity to forge ahead with an already-developed agenda (a*

perfect example of the Hegelian Dialectic).

Leaving aside the political debate, here are a few conclusions drawn in the **first half of the twentieth century** (long before the current debate took hold) by Raymond H. Wheeler after studying millennia of climate cycles and projecting these cycles into the 21st century. His work drew from a team of several hundred researchers, working over a period of more than 20 years.

Among his observations were that:

- 1 An approximate 1,000 year cycle of warming/ cooling had bottomed (cold maxima) around 1475 (meaning that temperatures began warming in the centuries that followed and should continue warming into about 2000).
- 2 The 500-year cycle should bottom around 1975 and begin to turn up (warm) leading into the 21st century. This new warming trend could be similar to the 1000's when it was so 'warm that trees grew in Greenland' and when the Vikings crossed the Atlantic.
- 3 The 100-year cycle showed a cold/dry maxima (the equivalent of winter on a long-term basis) due to occur around 1965, after which temperatures should warm for 40-50 years.

Perhaps you notice a pattern here. These cycles - which have been very consistent through at least the last 2,500 years (based on Wheeler's and others' research) - show a 1,000-year cycle reaching a warming climax around 2,000, a 500-year cycle beginning to warm after 1975 and a 100-year cycle poised to warm from about 1965 to 2005-2015.

Guess what? Temperatures have done almost EXACTLY what was to be expected - with or without the Industrial Revolution - during a period when all three cycles were

pointing the same direction (Up... as in warming).

Nothing could validate this stronger than this quote from the March 5, 2004 Chicago Tribune:

Study Says Europe Hit 500-year heat mark
by Paul Recer - AP

"Last year's deadly summer in Europe probably was the hottest on the continent in at least five centuries...The average winter and annual temperatures during the three decades from 1973 - 2002 were the warmest of the half-millennium...

Starting in 1977, the record shows 'an exceptionally strong, unprecedented warming' the researchers report, with average temperatures rising at the rate of about 0.36 degrees per decade."

Notice something? Wheeler's work - from over 50 years ago - estimated turning points in 1965 & 1975. This means that after 1975, all three cycles would be in warming phases of one degree or another. So, is it any great surprise that temperatures have risen - since 1977 - as a result?

The potential problem is that the 1,000 year cycle should soon be turning down (cooling) AND the 500- & 100-year cycles are due for at least a 3-5 year dip in the coming decade.

There is much, much more to this discussion, but a more pressing matter needs to be re, re, re-addressed...With the 500 & 1,000 year cycles at crucial transition points and the 100-year cycle likely to shift in the next few years, an increase in earth disturbances seems very likely.

My overall earth-disturbance cycles projected an increase in both earthquakes and volcanoes beginning in mid-2004 into 2005. This has been published many times over the past 5-7 years."

The preceding excerpt is from the Octo-

ber 2004 INSIIDE Track and ushered in the latest phase of our discussion on impending climate change and earth disturbances projected to accelerate higher in late-2004 through late-2005 (and into 2008).

There is far more to this discussion - and more excerpts to review - but first an examination of Wheeler's work is needed:

Climate Seasons

In Raymond Wheeler's book: ***Climate: The Key to Understanding Business Cycles***, he explains how there is a sequence of four climate 'seasons' on many different levels of time (not just in each solar year). He uses basic terms to describe these seasons:

- 1 Cold/Dry (Winter)
- 2 Warm/Wet (Spring)
- 3 Warm/Dry (Summer)
- 4 Cold/Wet (Fall)

Throughout history, there has been a sequence of these 4 seasons on many diverse time periods, including:

- 1 1,000 Years
- 2 500 Years
- 3 100 Years
- 4 10 Years
- 5 1 Year

... and there are likely others.

One way to picture this is by looking at a solar year and the 4 Seasons we go through.

Another way is to view a 24-hour day and the evolving periods of warming/cooling and moisture/aridity. Though Wheeler does not give this breakdown, I am offering my approximate breakdown of a 24-hour day:

- 1 4:00 AM - 10:00 AM - Warm/Wet
- 2 10:00 AM - 4:00 PM - Warm/Dry
- 3 4:00 PM - 10:00 PM - Cold/Wet
- 4 10:00 PM - 4:00 AM - Cold/Dry

This is the same progression in which these 'seasons' unfold on a grand scale, as well.

On an approximate 100-year basis (although it does not have to start at the turn of each century), the earth moves through successive periods of cold/dry, warm/wet, hot/dry and then cold/wet. These periods last about 20-30 years each. And, then the cycle begins anew.

Climate Fractals

Within these 20-30 year 'seasons', there are smaller 'seasons' - in the same sequence - that account for variations within each bigger 'season'. And, once this 100-year cycle - or 'year' - is complete, it blends into a larger cycle of these 'seasons' (and might only make up part of one larger 'season').

Just as R. N. Elliott described in his Elliott Wave Theory, this sequence of seasons is another example of fractals where the make-up of some smaller entity is a parallel to - and a part of - the make-up of a larger entity (like a head of broccoli).

Ironically, Raymond Wheeler was discovering this pattern in climate cycles at about the same time Elliott was discovering it in stock market action.

And W.D. Gann was re-discovering a similar principle, which he reiterated during the same era. (He was merely repeating what Solomon observed almost 3,000 years prior.):

“What has been will be again, what has been done will be done again; there is nothing new

under the sun. Is there anything of which one can say, "Look! This is something new?" It was here already, long ago; it was here before our time." (Ecclesiastes 1:9-10 NIV)

There is a related observation in Ecclesiastes 3:1, which many readers might associate with a 1960's rock group named The Byrds:

"There is a time for everything and a season for every activity under heaven." (...Turn, Turn, Turn, Turn, Turn...")

Both of these verses address a similar phenomenon. Solomon recognized that there were repeating cycles to all of life and seasons for everything. Therefore, *'the thing that has been is that which shall be'*.

One of those is a season for hurricanes, which adds more fulfillment to our ongoing analysis for MAJOR earth changes & surprises during this 10-20 year period.

This period of earth/climate change & disturbance began in 1998 and has been projected to last into at least 2012.

In order to better understand why this period (and the most synergetic period from late-2004 through 2008) has been pinpointed for MAJOR earth 'disturbances' (including earthquakes, volcanoes, tsunamis, climate extremes, sunspot extremes and celestial influences/events), one good place to start is the 100-year climate cycle...

...If this pattern holds true, the period around 2005--2010 should see a Major Warm-Wet Maxima. This is exactly the conditions needed for hurricanes - warm & wet.

...2004 began a secondary surge (probably leading into the actual 'Maxima' within 2-4 years) with 16 named storms.

2005 is a convergence of so many

diverse earth-disturbance cycles and should be monitored closely. The more recent record of 19 storms in a season (1995) and the 100-year record of 21 storms in a season (1933) are the benchmarks for whether or not this will be considered an extreme storm season.

The Perfect Storm

Within the approximate 100-Year cycle of Warm/Wet Maxima, there is another cycle of approximately 50-60 years that demands equal attention. It assists in understanding - and corroborates - this pattern.

...In a possible repetition of this 50--60-Year Cycle (Gann students should recognize the significance of a 60-year cycle), the two decades from 1991--2010 or 2001--2020 could see a repeat of this pattern. Either way, the current decade - from 2001--2010 - falls into this cycle and is the most likely for the specific warm/wet maxima.

Unfortunately, this time the maxima was/ is expected to be even more intense since it falls during either the warming phase - or the 'peak-in-warming' phase - of the 1,000 Year, 500-Year AND 100-Year Climate cycles... **a climatic Trifecta.**

...2004 has begun this pattern anew... and we could see more of this devastation leading into 2011 or 2012 (based on a plethora of related and unrelated cycles).

...Currently, we are in the middle of a 25-year pattern of more active storm seasons. It should continue through 2005 and into 2006, possibly stretching into 2008.

***From a Climate-Cycle perspective,
we are in the midst of;***

'The Perfect Storm'.

Sunspot Cycles

There is another important cycle that has been discussed repeatedly and which takes this study down to the next 'degree'...

Even within the 100-Year Cycle and within the individual 20-30-year cycles, there are smaller cycles - as Raymond Wheeler pointed out. One of the most consistent - & sometimes possessing the greatest impact - is the approximate 11-year Sunspot Cycle.

This cycle impacts all kinds of weather phenomenon...One of the interesting patterns between hurricanes and sunspots is that the most noteworthy hurricane seasons and/or intense landfalls frequently occur during the downswing in the sunspot cycle - often just before the nadir - or low point - in this cycle.

Among the storms/hurricanes or hurricane seasons that corroborate this are:

- 1 1780 - Deadliest Hurricane on record, killing about 22,000 in the Caribbean
- 2 1900 - Galveston Hurricane - Deadliest US storm on record - 8,000--12,000 dead.
- 3 1933 - Busiest Hurricane Season on record - 21 storms
- 4 [January 31--February 1, 1953: *The Great North Sea Flood* with hurricane force winds, devastating parts of the British Isles and Netherlands and killing over 2,000.]
- 5 1954--1955 - 1-2 Punch of Hurricanes Carol & Edna following same path and causing major damage in NE US, followed by Hazel (all in 1954) and subsequent 1-2 Punch of Connie & Diane hitting NC in 1955.
- 6 1974 - Fifi kills 10,000 in Honduras

7 1995 Season of 19 named storms

8 2004 Season of 16 named storms

The Sunspot Cycle is expected to bottom in 2006--2008, reinforcing this pattern and corroborating projections for major climate upset during this time period. So, the current period of increasing storm activity is not over yet.

...Again, 2005--2010 is expected to be a VERY shaky time, which has already been corroborated by major earthquakes and major storm seasons... 50--60 years later. It could also be very stormy!

...climate and earth-disturbance cycles that could be entering a parabola in 2005 - 2008. Many extremes - in weather, earthquakes, volcanoes, etc. - are bound to impact the markets. They could and should influence grain and livestock markets as well as the energy complex.

This brings us back to our original question about whether these events are something new or not...

www.insiidetrack.com

NOTE: This document is ONLY a collection of some quotes and excerpts from the full 16-page report: The Perfect Storm. There are **MANY omitted portions (...) and discussions that need to be read to understand - in context - the potential for extreme earth/climate events in 2005 - 2008. The full report is available to current subscribers. **IT****

INSIIDE Track Terminology

Daily/Weekly 'Trend' – A LAGGING indicator – based on a proprietary indicator – & used in three primary roles. The first is to confirm an evolving trade. The second is to identify the most likely time (within 1-3 periods) for the end of the first wave of a new move. The third is to alert a trader when to prepare for an upcoming 3rd wave move – usually the most dynamic and extensive.

2 Close ReversalTM – A market sets a new high above the previous day's/week's high and subsequently closes below both of the 2 previous closes... or vice-versa (new low and close above both of the 2 previous closes).

Extended 2 Close ReversalTM – A market sets a new high above the previous day's/week's high and closes below the previous day's close (key reversal) but waits an additional 1-3 periods to close below the original 2nd Close... or vice-versa.

2nd Close Resistance/SupportTM – The closing price of two days/weeks prior to the current period and/or the confirmation level of a key reversal that has not yet closed beyond the 2nd Close (in an Extended 2 Close ReversalⓄ).

2 Step ReversalTM – A pattern encompassing at least 3 trading days/weeks but no more than 7 days/weeks in which two corresponding 2 Close Reversals occur in the same direction with consolidation in between (but NO conflicting 2CRs in the interim). www.insiidetrack.com

Double-Key ReversalTM – A key reversal (new low and higher close or new high and lower close) followed by a second key reversal in the SAME direction. In other words, back to back days/weeks of new highs & lower closes or new lows & higher closes.

Turn-Key ReversalTM – A key reversal (new low and higher close or new high and lower close) followed by a second key reversal in the OPPOSITE direction. In other words, back to back days/weeks where the market makes a new low and closes higher, only to make a subsequent new high and lower close... or vice-versa.

Intra-month VTM – A month in which a market trades lower into mid-month, then reverses higher (ideally between the 13th & 18th), then rallies and sets new (intra-month) highs before the end of the month. www.insiidetrack.com

Intra-month Inverted VTM – A month in which a market trades higher into mid-month, then reverses lower (ideally between the 13th & 18th), then declines and sets new (intra-month) lows before the end of the month.

Intra-month X-X (Extreme-Extreme)TM – A month in which a market begins at one extreme (high/low) and trades in the opposite direction the remainder of the month – setting the opposite extreme (high/low) in the final days of the month.

MAC, AMAC & MARCTM – Moving Average Channel calculations based on highs or lows of a specified time period.

More detailed and diagrammed descriptions can be found in **Eric Hadik's Tech TipTM Reference Library**.

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