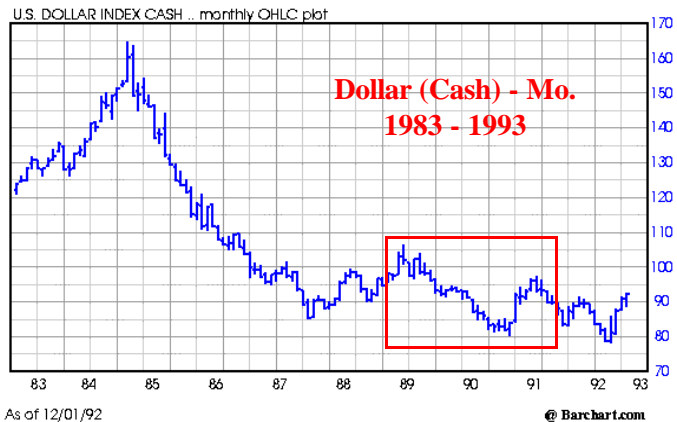


“...Let us run with patience the race that is set before us.” Hebrews 12:1

by Eric S. Hadik

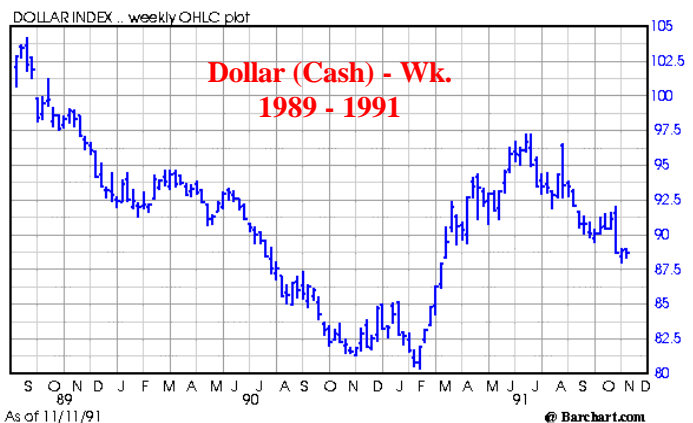
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**Dollar**

**12/01/08** - The Dollar has repeatedly displayed its close adherence to the same **17-Year Cycle** (and a myriad of other converging cycles). Most recently (in late-May through early-July 2008), it was projected to bottom in mid-July - around 71.00/DX - and then surge into mid-November, attacking 90.00 - 92.50/DX.

It bottomed on July 15, 2008 - at 71.55/DXU - and then surged to 89.74/DXH on Nov. 19, 2008. For all intents and purposes, it has fulfilled this analysis with great precision. However, there is more to the picture and its potential ramifications...

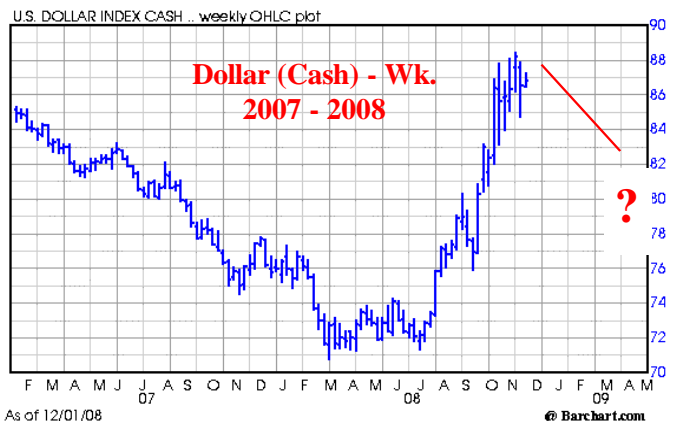


**US DOLLAR / INT'L CURRENCIES**

**12/01/08 - Long-term (3 months+) Outlook:**

The **Dollar** has fulfilled most aspects of analysis for a 6-12 month advance from its March, major low and a multi-month rally from its mid-July, secondary low - into November. It

(Continued on page 2)



surged to its monthly *LHR* in October (87.99/DXZ) and held, indicating that a 3-6 month peak could take hold by January... if not sooner. The Dollar Index reached 89.74/DXH in Nov., less than a basis point shy of its upside target at 90.00 - 92.50/DX. *So, an intermediate top could be forming.*

The year of 2009 is a BIG year with regard to cycles that impact the Dollar, directly & indirectly. From a *17-Year Cycle* basis, 2009 is *17 Years* from the Dollar's last major low in 1992. It is also *17 Years* from the *Maastricht Treaty* of 1992. There are many factors pointing to 2009 as the time when a new push toward further currency union is likely.

This does not mean that it will reach fruition in 2009. 2013 is a more likely year for that. But, it does mean that cycles project 2009 as the year when this type of move will begin to gain more traction. This could initially come in the form of a North American Currency Union ('Amero'), a NATO-type currency union or something a bit more unexpected. (I will be detailing these cycles more in a forthcoming *Special Report*.)

Leading into this, the Dollar could see a final decline (which might even be the impetus for the US

to start contemplating its options) - similar to what took place... *17 Years* ago.

As highlighted in the first two charts, the Dollar saw a 6-year decline - from 1985 into 1991 - and then rebounded about 18 basis points from its 1991 low. After this surge, it fell to new lows - in 1992 - before a major bottom took hold.

*17 Years* later, the Dollar peaked in 2002 and fell for 6 years, into 2008 (*17 Years* from the 1991 low). It then rebounded about 18 basis points (deja vu?). This rebound is pictured in the 3rd chart above, a chart that has uncanny similarity to the one directly above it... from *17 Years* earlier. This brings us to the present. *Could a similar drop to new lows - in 2009 - be seen in the Dollar?* **IT**  
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[Please refer to the full version of the December 2008 *INSIIDE Track* monthly newsletter for additional analysis on other currencies... and all other covered markets.]

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