



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

by Eric S. Hadik

CYCLE OF TIME: GOLD AN INSIIDE TRACK REPRINT

**Cycle of Time:
Gold**
INSIIDE Track Reprint

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"The sun rises and the sun sets, and hurries back to where it rises. The wind blows to the south and turns to the north; round and round it goes, ever returning on its course.

...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.

There is no remembrance of men of old, and even those who are yet to come will not be remembered by those who follow."

Ecclesiastes 1:5-6 & 9-11
(New Int'l Vers. ©1986)

Gold & The 18-19 Month Cycle

March - June 2007 - The **Cycle of Time Reports** were the ones to initially publish analysis for a MAJOR low in Gold in 1999 (19 Years - or a full 'Cycle of Time' from the 1980 peak) and to project a subsequent 7-12 year advance. This was forecast to coincide with major, multi-year bull markets in Crude and ultimately the CRB. The following is a quote from October 1998 that gives a taste of this:

"1998/99 is 19 years since 1979/80. 1979--1980 is the period that included the Iranian hostage crisis, rise of Saddam Hussein, the Camp David peace accord & the final aggressive move of the Soviet Empire... the invasion of Afghanistan.

1998 is a full Cycle of Time in the Middle East...1998-99 is a full Cycle of Time in the Gold & Silver markets...1998-99 is a full Cycle of Time for inflation."

Reports like '**A Gold Watch**' and '**A Gold Retreat**' updated this long-term view and provided - among other things - the following conclusions:

- 1 - Gold would begin a second surge - along with Silver - in 2001.
- 2 - Gold would rally into 2003, 2006 - 2008 and ultimately into 2011.
- 3 - Gold would see a retreat in 2003 and then create a new surge into 2006.

As Gold has progressively risen - since its 1999 & 2001 lows - it has provided corroboration to the overall outlook for a bull market into 2011 (19 years down/12 years up). Among these have been an approximate 2-year & 4-year Cycle Progression (low-low-low...).

At the same time, Gold has provided a corresponding 37-month Cycle Progression that is twice the 18-19 month Cycle Progression, which exists in Soybeans and is projecting a major advance into April 2008. There is a similar 18-19 month Cycle Progression in Crude Oil.

This 37-month Cycle Progression has been repeatedly discussed in **INSIIDE Track** and is reiterated here for the sake of newer readers. As concluded in these excerpts, this cycle projects a multi-year low in June 2007 followed by a surge to 'new, multi-decade highs'...

February 28, 2007 **INSIIDE Track** - "Gold & Silver remain below major upside targets (722 - 737.0/GC & 1500.0/SI) and below their cycle tops of May 2006. This should continue to spur volatility with the potential for a final drop into May 2007 (possibly extending into late-June/early-July). Now that metals have rallied into weekly cycles (late-Feb./early-March... see Feb. **IT**), this decline could take hold.

...**Platinum** is in a wide range of consolidation and still vulnerable to a drop into April (or May) 2007 as part of a 6-12 month - or longer - correction.

Copper - in Sept/Oct. 2006 (and trading around 360.0/HG) - was forecast to plummet into February 2007 and ultimately reach 220.0/HG. It fulfilled much of this - plummeting into February 2007 and testing 238.5/HGH - before bouncing. It is testing its year-ending and year-opening levels and could see a new decline - into May 2007 - if it fails to close above 288.65/HGK.

The **CRB** did bounce from critical support (292.00) and has consolidated for several more weeks. It has important resistance at 320.00 - 322.65 and could see a new decline begin from near that level. A drop into May - and possibly July - 2007 is expected.

March 29, 2007 **INSIIDE Track** - "Gold & Silver remain below major upside targets (722 - 737.0/GC & 1500.0/SI) and below their cycle tops of May 2006. This should continue to spur volatility with the potential for a final drop into May - July 2007.

The ideal scenario could be a drop into mid-to-late-June (mid-year), which would set a low 1 year (360 degrees) from the June 2006 low AND complete a 37-month low-low-low Cycle Progression, connecting the April 2001 & May 2004 (and June 2007) lows.

Intermediate #2 (1-3 months) Outlook:

Gold & Silver did set an intermediate top when weekly cycles converged (late-Feb./early-Mar.), as discussed in last month's issue. However, they need weekly closes below 641.2/GCM & 1249.0/SIK to reverse their weekly trends to down and validate the potential for a drop into mid-to-late-June. Early-May provides an intervening cycle that should be monitored closely."

April 30, 2007 **INSIIDE Track** - "Gold & Silver remain below major upside targets (722 - 737.0/GC & 1500.0/SI) and below their cycle tops of May 2006. This should continue to spur volatility with the potential for a test of these highs and then another drop. There is still the potential for a cycle low in mid-to-late-June (360 degrees from the June 2006 low completing a 37-month low-low-low Cycle Progression between the April 2001 & May 2004 lows).

However, price action has NOT been able to validate this so I am forced to consider the alternative... Gold & Silver could extend these rallies into June 2007 and provide a retest of their highs. This would not change analysis for a prolonged consolidation/correction following the May 2006 highs. Nor would it alter the longer-term analysis for another bull market. However, it would change the structure of the (current) intervening consolidation.

Intermediate #2 (1-3 months) Outlook:

Gold & Silver could not give weekly closes below 641.2/GCM & 1249.0/SIK and, therefore, did not validate the potential for a drop into mid-to-late-June. As a result, it has become more likely that the current **advance** will continue into that time frame. Not only would this fulfill the monthly Cycle Progression just discussed, but it would also complete a 54-week low-low-high Cycle Progression, connecting the late-May 2005 & mid-June 2006 lows... and a 180-degree rally from the 2007 year-opening low.

In many ways, the current (2-week) correction in Silver looks like a 1/2 scale image of the 2006 year-end decline. If this analogy continues, it would also project a rally to a new (intra-year) high. As long as Silver does not close below 1310.0/SIN in the first two weeks of May, the 4 - 8 week outlook will remain positive.

Platinum & Copper have the potential to extend their advances into June 2007, as well. Copper powerfully validated the Sept/Oct. 2006 analysis for a sharp drop into February 2007 and an important low in Feb. Since then, it has surged back to the levels of last Fall."

May 30, 2007 **INSIIDE Track** - Gold & Silver remain below major upside targets (722 - 737.0/GC & 1500.0/SI) and below their cycle tops of May 2006. This should continue to spur volatility in the coming months. Now that this major cycle top has held for over a year, it is time to start focusing on upcoming cycle lows and/or highs that could lead to an ultimate breakout to new highs...

There is still the potential for a cycle low in June (360 degrees from the June 2006 low, completing a 37-month low-low-low Cycle Progression between the April 2001 & May 2004 lows). Price action was beginning to cast some doubt on this scenario but the action in May reinforced it.

The 3-6 month trend will not turn down, however, until weekly closes below 647.2/GCQ & 1262.0/SIN. As long as Gold & Silver do NOT close below these levels, the wave structure will be such that they could be building a base - at a higher plateau - preparing for a surge to new multi-decade highs.

Intermediate #2 (1-3 months) Outlook:

Gold & Silver did ultimately validate the potential for a drop into June. However, since both of their declines were slower & less convincing than anticipated it could show underlying strength that might prompt a cycle low sooner than expected (at any time).

The 1-3 month outlook will not turn positive until weekly closes above 683.5/GCQ & 1394.0/SIN. Both metals have tested their year-opening ranges (support) and could be primed to reverse higher and begin a new multi-month advance.

***Platinum** & **Copper** have entered consolidation and need daily closes above 1293.0/PLN & 345.60/HGN to re-enter their overall uptrends.*

*The **CRB** did see an intervening spike low on May 7 - 11th and is now retesting that low. It has the potential for a new rally - into July - but only if it does NOT close below 307.05."*

END REPRINT OF EXCERPTS FROM THE MARCH 2007 - JUNE 2007 INSIIDE TRACK NEWSLETTERS. THIS ANALYSIS DOVETAILS WITH ONGOING FORECASTS FOR SEPTEMBER/OCTOBER 2007 TO USHER IN A PERIOD OF GREAT UNCERTAINTY AND VOLATILITY. PRECIOUS METALS AND ENERGY MARKETS COULD GIVE IMPORTANT CLUES IN THE COMING MONTHS.

PLEASE REFER TO CURRENT PUBLICATIONS FOR UPDATED ANALYSIS AND REFER TO THE ONGOING SERIES: **FOCUS 5768** FOR INFORMATION CONCERNING CYCLES THAT CONVERGE IN THE COMING MONTHS... AND YEARS. WWW.INSIIDETRACK.COM

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