



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

by Eric S. Hadik

The 17-Year Cycle VI

An INSIIDE Track Report

17-Year Cycle VI
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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)

Stock Indices continue to reinforce the **17-Year Cycle** and have recently validated an intervening cycle. December 11th was forecast to be a secondary high - and the culmination of an 800-900 pt. DJIA surge - and lead to a sharp decline into mid-January (January 11th or later). This surge is almost precisely what took place, lending further credence to future cycles & analysis looking forward.

The following is a compilation of **Weekly Re-Lay & INSIIDE Track** analysis detailing expectations leading into December 11th. This is a critical, intermediate cycle that could reinforce **17-Year Cycle Validation Points** in 2008. This latest action - once again - reinforces the scenario outlined in the original **17-Year Cycle** Report and

discussed throughout 2007. It focuses attention forward - to cycles in mid-January & mid-April 2008... as well as December 2008.

This analysis has already been published for subscribers and is being reprinted here for the benefit of new readers and/or subscribers. The **Weekly Re-Lay** and **INSIIDE Track** will continue to update this very unique cycle. For more insight on what to expect in the coming months and years - please refer to the original **17-Year Cycle** Report.

December 11, 2007:

An Intervening Cycle...

11/24/07 **Weekly Re-Lay:** “Stock indices provided additional signs of culmination to their initial decline and maintain the potential for a rebound into early-Dec...Stock indices reached their monthly HLS levels and are bouncing, increasing the potential for a quick, contra-trend rebound. Reinforcing this scenario is the action of the Nasdaq 100, which remained above its 1990/NQZ support and above its

Nov. 13th low. It is building a base, from which a 1-3 week rally could be seen.

From a cycle perspective, the Nov. 20--23rd turning point (a low) should yield to a counter-move into Dec. 6--11th, the next convergence of daily cycles. This is corroborated by the following technical signals:

1 - The DJIA & SPZ are entering the 3rd week after reversing their weekly trends down. This indicator usually signals the culmination (within 1-2 weeks) of an initial leg down. So, the Nov. 20--23rd low would be expected to hold.

2 - The NQZ created the largest decline since Jan.--June 2006 and is likely to see a multi-week bounce before a new wave down.

3 - The NQZ has failed to reverse its weekly trend to down. This ushers in the possibility of a rally back to its highs. This signal will not be triggered, however, until a weekly close back above 2127/NQZ.

From a price-objective basis, the upside targets for the DJIA & SPZ are reduced since they spiked to new lows during the Nov. 20--23rd cycle. However, the NQZ continues to build a case for a rally to 2160--2173 into early-Dec.

From a pattern (weekly trend pattern, Elliott Wave structure, etc.) perspective, the action that would best corroborate a longer-term bearish outlook would be for the DJIA & SPZ to rally long enough to give two neutral signals to their new weekly downtrends. This would be followed by a reversal lower. Currently, Dec. 7th is the earliest this pattern could be triggered."

11/28/07 **Weekly Re-Lay Alert: Next Stop: December 6--11th**: "**Stock Indices** have just strengthened the likelihood for a surge into December 6--11th. The NQZ remained above its November 12/13th low while the SPZ & DJIA dropped to within ½% of their respective downside targets, testing weekly support and fulfilling multiple daily Cycle Progressions in the process.

All of this reinforces what has been discussed since the NQZ spiked below 1990: The indices were close to completing their initial waves down

and were/are likely to see a sharp bounce, with the next top expected around Dec. 6--11th.

This rebound - if it does extend into Dec. 6--11th - is likely to be volatile, with an initial top ('a' wave peak of an upward 'a-b-c' correction) in the next 2-3 days.

The 3-5 day upside objectives are at 13,377/DJIA, 1491.2--1493.3/SPZ & 2160--2165/NQZ. Coinciding/overlapping this, the next levels of corroboration will come on daily closes above 13,446/DJIA, 1494.5/SPZ & 2101/NQZ."

12/01/07 **Weekly Re-Lay**: "Stock indices fulfilled their potential for a sharp rebound in late-Nov. and could see another advance into Dec. 10/11th ...

Stock indices - with the continuing reinforcement of the Nasdaq 100 remaining at or above 1990/NQZ - solidified the potential for a sharp 1-3 week rally from the Nov. 20--23rd cycle low.

At the same time, these indices gave preliminary signs that a secondary top is likely before mid-December (which corroborates the analysis for a surge into - and high during - Dec. 6--11th).

From a longer-term basis, this means that the 3-6 month outlook remains intact and that a second decline - beginning in the second half of December and carrying through into early-2008 - is still on track.

The primary signals that reinforced 1-3 week bullishness were/are:

1 - The DJIA & SPZ giving outside-week/2 Close Reversals higher after bottoming when weekly trend patterns anticipated and within 0.5% of their respective downside targets.

2 - The NQZ retesting but refusing to close below 1990, a key support level that has been discussed the past 3 weeks.

3 - The NQZ failing to reverse its weekly trend to down and, consequently, turning back up exactly when this pattern dictated.

4 - The NQZ continuing to focus - and reinforce - attention on 2160--2173 as an upside target

for early-Dec.

5 - The DJIA & SPZ reversed their daily trends to up.

The primary signals that reinforced the potential for an intermediate top within 3 weeks were/are:

1 - The DJIA & SPZ neutralizing their weekly downtrends.

2 - The DJIA & SPZ rallying right to their weekly LHR levels and closing the week below these points.

3 - The DJIA, SPZ & NQZ all surging to their confirmation points (13,446/DJIA, 1494.5/SPZ & 2101/NQZ) but failing to close above these levels on the Nov. 30th close.

4 - The NQZ developing a short-term, low-low-high Cycle Progression focused on Dec. 10th.

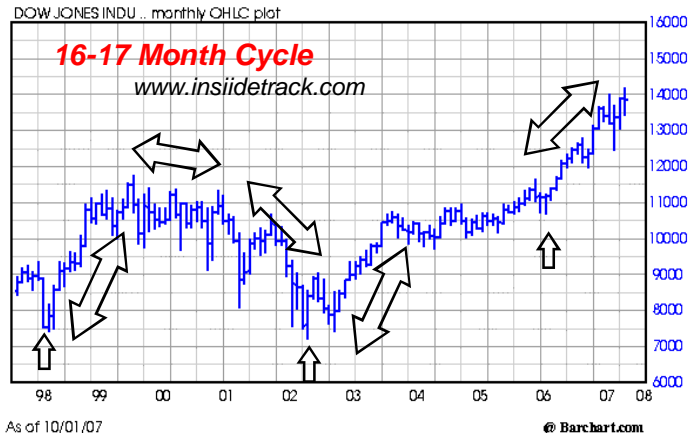
5 - The DJIA rallying 700--800 points - the minimum expected magnitude for this advance - that was described as able to transpire "in as little as 1 week or as much as 3 weeks."

...The fact that a new intra-month trend will soon be setting up reinforces this potential. Stock indices could pull back for 1-3 days without turning their new intra-month trend down. This would set the stage for a rally into the second week of December."

12/03/07 **INSIIDE Track:** "Stock indices have fulfilled multiple cycles - on multiple levels - in multiple (diverse) arenas, setting the stage for a more prolonged bear market.

The most recent came from the Nasdaq 100, which set a new 5-year high in November, fulfilling not only the **17-Year Cycle** (as all the indices have done) but also the 16 -- 17-Month (see chart in column 2) and 16-17 Week (within a standard 1-week margin of error) cycles outlined in last month's issue.

While this was taking place - creating another divergent top in synch with the 8/31/07 comments - the DJIA & S+P 500 were reinforcing their Octo-



Aug./Sept. 1998 - January 2000 rally = **16-17 mos.**

January 2000 - May 2001 high-high = **16 mos.**

May 2001 - October 2002 decline = **17 mos.**

Jan. 2000 - October 2002 decline = **33 mos.**

October 2002 - February 2004 rally = **16 mos.**

June/July 2006 low - Oct. - Dec. 2007 = **16-17 month rally**

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ber 11th and July 17-19th peaks (which came EXACTLY 17 years from the mid-July 1990 peak and Oct. 11, 1990, multi-year low).

As stated before, this intra-year double-top is similar to 1956 when the stock indices topped in April and then again in July/August - 3-4 months later. They then declined for almost 2 years. It also has similarities to 1939. Both of these time frames are linked to 2007 via the **17-Year Cycle**.

The DJIA & SPZ reversed their weekly trends to down, validating the October 11th peaks, while the Nasdaq 100 has not been able to accomplish the same thing. This leaves open the possibility for a retest of its highs. However, it first needs to give a weekly close above 2127/NQZ to signal this.

Though it may be a little premature (until the monthly trends at least turn neutral) to be discussing this, the 8-10 year wave structure calls for a 31-33 month decline once a multi-year top is confirmed.

This would match the duration of the Jan./ March 2000 - October 2002 declines. However, there is another correlation that I am watching. It is the time-lapse between when the financial markets first warn of impending trouble... and when real trouble finally emerges...

In the first part of this decade, that time frame was a geometric 540 degrees from March 2000 (peak in S+P 500 & Nasdaq 100 indices) to September 2001.

A similar, 18-month lead time focuses some attention on April - July 2009 (projected from the July, October & November index peaks).

This is intriguing since it fits perfectly with Russian/Iranian/nuclear cycles and with a recurring, post-U.S. election attack cycle (think 1993 WTC bombing and 2001 WTC attacks). More on this later.

Longer-term traders & investors (3-5 year or longer) should have exited another 5-10% of longs in early-November, reducing the current equity market investment down to about 15 - 40% (having exited 60 - 85% at an avg. of about 13,000/DJIA). Use a daily close below 12,724/DJIA to exit additional longs (5 - 10%).

Intermediate #2 (1-3 months) Outlook:

Stock indices quickly broke below 13,407/DJIA, 1492.6/SPZ & 2127/NQZ in early November and signaled a decline into Nov. 20-23rd (covered in the **IT Update** and **Weekly Re-Lay**).

For those readers that do not take either of those services, the indices were projected to see a subsequent surge - of at least 700-800 DJIA points - in the ensuing 1-3 weeks (Nov. 26-30th and Dec. 3-14th).

The indices have already fulfilled this minimum objective and the next few days are critical. A final high - at least in some of the indices - could extend into Dec. 10/11th.

This would set the stage - based on cycles, the weekly trend pattern and the intra-year pattern - for a potential decline between mid-December and mid-January."

12/05/07 Weekly Re-Lay Alert: "Next Stop: December 11-13th: Stock Indices are reinforcing ongoing analysis for a rally into December 11th. New, shorter-term daily Cycle Progressions leave open the potential for this to stretch into Dec. 12 or 13th. This is reinforced by the early, intra-month

action that will likely trigger an intra-month uptrend on a new rally.

Stock indices began the week with a couple days of consolidation and are now entering what is expected to be this culminating rally. It will take daily closes above 13,460/DJIA, 1488.7/ SPZ & 2108/NQZ to turn the intra-month trends up and corroborate the cycle outlook.

The upside targets for this rally are at 13,669--13,811/DJIA, 1517--1538.5/SPZ & 2236--2266/NQZ."

12/08/07 **Weekly Re-Lay:** "Stock indices have fulfilled most of the upside expectations and are expected to set a top around Dec. 11th.

Stock indices have fulfilled almost everything expected of them following the Nov. 20--23rd cycle low. The first projection was for a quick 800-point surge in the DJIA. This was described as being likely in as little as 1 week or as much as 3 weeks (but no longer).

The DJIA surged 740 points during the ensuing week (Nov. 26--30th) and has rallied 645 points from the weekly close of Nov. 23rd to the weekly close of Dec. 7th. So, for all intents and purposes, this analysis has been fulfilled.

A coinciding expectation, based solely on cycles, was for a rally into - and top on - Dec. 6--11th. At least the first stage of this (a rally into Dec. 6/7th) has been seen.

Another significant expectation - this one based on price patterns, in particular the weekly trend pattern - was just fulfilled with Friday's close. To repeat from the November 24th, 2007 **Weekly Re-Lay:**

"From a pattern (weekly trend pattern, Elliott Wave structure, etc.) perspective, the action that would best corroborate a longer-term bearish outlook would be for the DJIA & SPZ to rally long enough to give two neutral signals to their new weekly downtrends.

This would be followed by a reversal lower. Currently, Dec. 7th is the earliest this pattern could be triggered."

The action of the past week - and the weekly close of Dec. 7th - was in lockstep with this scenario and accomplished everything it needed to... for the second week.

Other signals that have been triggered have corroborated either the forecast for a surge into Dec. 11th or the potential for an intermediate top around Dec. 11th - or both - are the following:

1 - The DJIA & SPZ gave outside-week/2 Close Reversals higher on Nov. 30th after bottoming within 0.5% of their respective downside targets.

2 - The NQZ spiked below 1990 but failed to reverse its weekly trend to down in the process.

3 - The NQZ gave repeated signals - beginning from the time it was spiking below 1990 - that a subsequent bounce should take it back up to 2160--2173 by/in early-Dec.

4 - The DJIA & SPZ rallied to - and held on the close - their weekly LHR levels on Nov. 30th.

5 - The NQZ developed a short-term, low-low-high Cycle Progression focused on Dec. 10th.

6 - The indices turned their new intra-month trends up.

7 - The DJIA & SPZ have come within a couple points of their upside targets for this rally. These levels come into play at 13,669--13,811/DJIA & 1517--1538.5/SPZ.

8 - The indices are rallying toward their weekly 21 High MACs and 21 High MARCs.

Now that all of this has transpired, the obvious conclusion is that the indices are now entering a VERY decisive week."

The **17-Year Cycle** is just one of MANY cycles that kicked in in September/October 2007. Although December 11th is not directly linked to this (**17-Year**) cycle, it could provide corroboration to several future (**17-Year**) cycles, including 'Validation Point #3' on January 15/16, 2008 & Russian 'Bear' **17-Year Cycles** converging 360 degrees later - in December 2008 (see **17-Year Cycle V**).

Focus 5768 I-V & The Grand Illusion I & II detail many other cycles that also converge in this time frame. **Bring on the Bear** also details unique cycles that come into play in April (of multiple years)... and were/are expected to influence events in April 2008. More to come... IT

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