



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

by Eric S. Hadik

# The 17-Year Cycle & Energy II

## An INSIIDE Track Report EXCERPT

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INSIIDE Track Report EXCERPT ONLY

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*“When you hear of wars and revolutions, do not be frightened. These things must happen first, ...‘Nation will rise against nation, and kingdom against kingdom.*

*There will be great earthquakes, famines & pestilences in various places and fearful*

*events and great signs from heaven.*

*...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. - www.ibs.org)*

**May 2008** - The last week has seen major reinforcements of the **17-Year Cycle**. On May 1st, a major volcanic eruption in Chile occurred, reinforcing the escalating earth-disturbance cycles projected for 2008. More recently, a 6.8 magnitude earthquake rocked Japan, just 100 miles from Tokyo. As stated in the May 7th **Alert**:

*“Though these events are significant, they are not of the magnitude that would make me believe they have fulfilled the potential for major earth disturbances in this period.”*

So, more is expected.

#### Atmospheric Energy

Last weekend saw another reinforcement with the tragic cyclone in Myanmar. This storm (which adheres to all the related climate and hurricane/storm cycles that have been previously discussed) came just days after the **17-Year** anniversary of one of the most deadly storms of recent history:

The April 29/30, 1991 *Bangladesh Cyclone*, in which 138,000 were killed. Though they are stating that 5,000-10,000 lives have been lost in Myanmar, other estimates say it could reach 50 - 100,000.

2008 is the **17-Year** anniversary of several other major storms. One was a rare, April 10, 1991 cyclone in Angola... the only S. Atlantic cyclone (the end of the Winter season - and before the Hurricane Season - in the Northern Hemisphere) in the Eastern Atlantic. Another was a storm that has entered our current vernacular and was the title of a 2005 **INSIIDE Track Special Report...**

#### The Perfect Storm

1991 was the year of *The Perfect Storm...* the one immortalized in the movie by the same name, starring George Clooney. October 28 - November 2, 1991 was the Halloween Nor'easter that was actually the convergence of 3 separate storms in the Atlantic (*'a cord of three strands is not easily broken'*)... a perfect example of synergy on a meteorological basis.

Interestingly, the late-1991 *Perfect Storm* came **17 Years** after the 4th deadliest Atlantic Hurricane - *Fifi* - in 1974.

It was also **17 Years** from the most compact cyclone on record, the December 1974 Australian Cyclone - *Tracy*. According to at least one writer, Tracy was a "disaster of the first magnitude ... without parallel in Australia's history." ...late-2008 could see some other meteorological surprises... This is why I want to spend some time and review what was written in January - April 2005, with respect to 2008.

As stated repeatedly then - and as far back as 1995 - 1998 - the year of 2008 was/is expected to see major developments, including earthquake, volcano & storm events. The following are some excerpts from the April 2005, 16-Page **INSIIDE Track Report: The Perfect Storm**:

*"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..."*

*On an annual basis, we refer to Spring as 'coming in like a lion and leaving like a lamb'. This appears to be true on a larger scale as well... Within the 100-year cycle, the Warm-Wet Maxima - as Raymond Wheeler described it - is like the 'peak of Spring'. Over the past 1,000 years, the span between these Warm-Wet Maxima has averaged 98 years.*

*However, I have noted even more consistency between each subsequent pair of 100-year cycles (thus creating a 200-year cycle). So, I have chosen to focus on the 200-year cycle because it is more reliable... and predictable... and precise.*

*There has been a very consistent 200-year pattern, with these warm/wet peaks being seen in 1020 AD (this instance was actually the secondary maxima - almost like a 'double-top' on price charts), 1215, 1420, 1610 & 1805 AD.*

*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. The latest 100-Year 'Spring' may have begun in 1989 with Hurricane Hugo or in 1992 with Andrew."*

**17 Years** from Hurricane Andrew - in 1992 - is 2009. The current period is a volatile transition period with respect to *multiple* climate cycles. As such, it was/is expected to produce even more storms - and related earth disturbances - than any one of the cycles to which it is related. The recent cyclone is an example of this. Getting back to the April 2005 **The Perfect Storm**:

*"...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.*

*Reinforcing the 50--60-Year Cycle (from Cold-Wet Maxima to Warm-Wet Maxima) is the fact that out of only 7 Category 4 Hurricanes to make US landfall during the 1900's, 4 of them (57%) occurred between 1954--1961 (8% of the overall period of time). 2004 has begun this pattern anew... and we could see more of this devastation leading into 2011 or 2012..."*

I have already discussed a similar period\*\* of 50 years ago, with respect to *earthquakes*. [**\*\*1957 - 1965** saw 5 earthquakes of magnitude 8.5 - 9.5. See previous **17-Year Cycle Reports** for details.] Coincidentally (?), 1954 - 1961 represents an important peak in *storms*... 3 x **17 Years** (51 years) from this period is 2005 - 2012... and was/is expected to be a very stormy time, when a great deal of *Energy* is released and/or restructured.

xxxxxxxxxxxxx **[Omitted Portion]** xxxxxxxxxxxxxxxx

An additional link between sunspots and climate (and also to earthquakes) was discussed in **The Perfect Storm**:

*"It has long been known that the world is colder during sunspot maxima and warmer during sunspot minima. This does not mean that temperatures invariably fall everywhere on earth at maxima, or invariably rise at minima, but discounting local con-*

*ditions, the sunspot rhythm has global effects.”*  
[Quoting Raymond Wheeler analysis.]

*...an increase in solar activity is linked with geomagnetic disturbances within the Earth (primarily due to the bombardment of the earth with charged particles when solar flares and storms erupt). These geomagnetic disturbances trigger earthquakes and volcanoes, as well as weather extremes. So, the sunspot cycle is yet another corroborating factor in my focus on 2007 - 2008 as when to expect a VERY UNSETTLED time on (& around) earth...”* [Copyright April 2005]

Sure enough, the climate swings of the past 12 months have initially validated speculation that climate would begin to cool in 2007. The entire Southern Hemisphere experienced one of its coldest winters of the past century...Along with this climate change, a rise in earth-disturbances was forecast for 2007/2008. To repeat from 12/30/04 (quoted in **The Perfect Storm**):

*“The early part of the last century was very similar. Climate cycles were transitioning - with a peak in the 100-year warming/cooling cycle - and the earth experienced a shaky and deadly time frame. A 7-year period - from 1902 - 1908 - saw 9 MAJOR earthquakes and volcanoes - killing about 200,000 (known & documented) humans. A similar period has just begun...”*

*All of these factors and cycles reinforce analysis I have repeatedly published for over 10 years - that earthquake/volcano/tsunami cycles would see surges in late-2004 through 2005 and again in 2007-2008. In other words, by my calculations we just entered a VERY shaky and unstable period.”*

The latest sunspot cycle waited until early-2008 to turn back up. And not long after, the earth started quaking, with a significant quake in Illinois, a 2-month period of quakes in Nevada, volcanic eruptions in Chile and now a 6.8 quake in Japan. This volatile time has just begun.

xxxxxxxxxxxxx [Omitted Portion] xxxxxxxxxxxxxxxx

*“...late-2007 until late-2008 was and still is expected to see a marked increase in earth instability. The 9.0 earthquake and devastating tsunami of*

*December 26, 2004 powerfully validated this analysis and should be viewed as the ‘warning shot across the bow’ - NOT the culmination of anything. This period is expected to continue into 2015 - 2017, when massive earth changes could be seen... or could be complete.”* [Copyright Feb. 2005]

With respect to earth events expected for 2008 - 2017, I could write almost the same thing as I wrote in July 2007, with regard to expectations for the Energy markets to take off in September 2007 (“much higher levels are in store during the next 12--24 months...a much bigger storm could be brewing...”)...an accelerated advance is only just beginning. The conclusion of **The Perfect Storm** provided the following summation, which is now reaching fruition:

*“There is far more to this discussion. However, I hope I have been able to convey some of the urgency regarding 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.”* (Copyright April 2005)

This analysis was again repeated in early-April (2008) in **The 17-Year Cycle & Energy**:

*“If the 17-Year Cycle is valid, we can expect to see some serious earthquakes and volcanoes...”*

### **Culmination of ‘Energy’ II**

A couple of key factors from The **17-Year Cycle & Energy Report** require an update. The first has to do with the timing for an initial high (in what could turn out to be a new 3-5 year bull market)...Unleaded Gas has the majority of its cycles aligning in this month - May 2008. The accompanying charts illustrate the following:

xxxxxxxxxxxxx [Omitted Portion] xxxxxxxxxxxxxxxx

There is one other Energy market that has not been given as much recent attention, since it tends to trade on a different cycle than the others. This is the Natural Gas market. In order to set the stage for future expectations, it is best to first return (again) - to July 2007 - and the following analysis:

**7/28/07 Weekly Re-Lay** - "Unleaded Gas & Heating Oil unfolded in what appears to be a major 'flat' correction from late-2005 into January 2007. If this is the correct perception, it means that much higher levels are in store during the next 12--24 months...a much bigger storm could be brewing..."

**Natural Gas** did drop to new lows - fulfilling the daily trend pattern - and is giving signs that a low is taking hold...Natural Gas has the potential for this to be an important low, which perpetuated a 43-week/10-month low-low-low-low Cycle Progression..."

Natural Gas perpetuated this cycle in 2007 ...If the 10-month cycle continues - and traces out a 10-month low-low-low-low-high Cycle Progression - it will set a peak in May or June 2008...With regard to all these cycles, it is CRUCIAL to remember that they are only cycles. Price action MUST validate these cycles. As reiterated in the April 19, 2008 **Weekly Re-Lay**:

"Keep in mind, however... The attaining of these upside objectives does NOT guarantee an immediate top. As described many times in late-2006 through mid-2007, the energy markets were projected to enter a new bull market in late-2007, at about the same time the momentous Jewish Year of 5768 began.

Crude broke out of consolidation - and validated this longer-term analysis - at the precise time this new period began (in September 2007). This initiated the expected advance. Since this overall bull market was projected to last into 2011, we are only in the early stages of it...As a result, top-picking is a dangerous venture and is not advised at this time."

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**May 19th Editor's Note:** The recent 7.9 earthquake in China is another validating factor that we are in a very unsettled time that will manifest itself in diverse ways, including the projected, parabolic surge in Oil prices from late-2007 into 2011. Many more earth disturbances are expected in the coming months.

From a market perspective, Unleaded Gas still has the potential for another 40 cent rise (.4000/RB) before it will reach its primary 1-2 year wave and upside-breakout targets. This could be seen before a top is intact. Much more to come... IT

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