



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

# A Gold Retreat

**An INSIIDE Track Special Report**

by Eric S. Hadik

*“Blessed is the man who finds wisdom, the man who gains understanding, for she is more profitable than silver and yields better returns than gold. She is more precious than rubies; nothing you desire can compare with her...My Son, preserve sound judgment and discernment, do not let them out of your sight, they will be life for you, an ornament to grace your neck.*

*Then you will go on your way in safety, and your foot will not stumble; when you lie down, you will not be afraid; when you lie down, your sleep will be sweet. Have no fear of sudden disaster or of the ruin that overtakes the wicked, for the Lord will be your confidence and will keep your foot from being snared.”*

*Proverbs. 3:13-15, 21-26  
(New Int’l Version ©1986)*

**January 2004** - Because it has been almost 3 years since ‘A Gold Watch’ was published - and because understanding the 7 - 10 year outlook for Gold & Silver (from 1999 on) is key to placing current analysis in the proper perspective - this report is the combination of a reprint of the April 2001 report, a distilling of recent analysis AND the addition of new and up to date analysis.

Since this is more an attempt at formulating a conclusion and course of action - based on 5 years of action and analysis - there will be far more reprinted analysis than new. This is also why it will be much longer than if I just provided the new comments. Since Jan. 12 -16, 2004 is a very likely time for a very important top/reversal in Gold & Silver, it is necessary to bring all the analysis together for the sake of continuity and being comprehensive.

I have attempted to distinguish the various reprints to lessen any confusion. Separate fonts, font sizes, shading

and other tools have been implemented to help discern which portion was written when. I admit that some of this could initially seem confusing and might demand a second look. However, it is crucial to understand what the ongoing outlook and analysis has been in order to understand the juncture at which Gold & Silver now find themselves.

So, I encourage you to spend a little time and go back over this report more than once. This should help you place everything in its proper perspective and in its proper time frame. Much of what was forecast in 1998 & early 1999 - as well as in late-2000 through mid-2001 - is still applicable. A complete comprehension of it is critical for understanding where we are at in the bigger scheme of things.

For those that want or need to get right to the point, here it is:

**Gold & Silver have fulfilled everything necessary - from a price and time perspective - to set a 6 - 12 month (and possibly 1-2 year) peak and reverse lower during the week of January 12 - 16, 2004!**

**This coincides with a high likelihood for the Dollar - the true key to the movements of Gold - to see a multi-quarter, and possibly multi-year, low in mid-January 2004.**

**It also coincides with our ongoing expectations for stock indices to continue higher into mid-2004... with a moderate chance of this advance stretching all the way into October 2004 (although that scenario has not yet been triggered).**

**As of January 9th, all these factors are in place for some decisive turning points in many markets.**

Now, some supporting evidence... Since this is an *INSIIDE Track* report, it is important to bring *IT*-only subscribers up to date on the most current analysis. (We will review older and longer-term analysis in a moment.)

To repeat from the current 1/10/04 *Weekly Re-Lay*:

**"Gold & Silver remain in blow-off advances after strongly reinforcing their multi-year bull markets with surges above their late-1990's peaks.**

Gold is hesitating at a powerful synergy of upside targets and resistance levels (424.9--430.5/ GCG) while Silver could surge to its yearly raw SPR at 682.0/SI....Gold is entering the 26<sup>th</sup> week (180 degrees/ days) from its July 16<sup>th</sup> low and the 13<sup>th</sup> week (90 degrees/days) from its Oct. 17<sup>th</sup> low. It is just exiting the 39<sup>th</sup> week (270 degrees/days) from its April 8<sup>th</sup> low.

Not only are these mid-sized weekly cycles and Cycle Progressions (low-low-low-high) reaching fruition but so is a much longer-term Cycle Progression described in the January 2004 *INSIIDE Track*. The coming week completes a 76-week low-low-low-high Cycle Progression in Gold, which encompasses the entire advance from the Feb. 2001 secondary low and even extends back to the double bottom low in August 1999.

At the same time, Silver is completing a 111-week advance, the exact duration of its Oct. 1999-Nov. 2001 decline from 595--401.0/SI. Friday's peak makes this advance exactly 1.272 (2DGR) times the magnitude of this previous decline. In other words, time and price are coming together for a potential peak on the longer-term monthly charts as well as the weekly charts.

Platinum remains on target for a potential major peak in January 2004. It is now within \$4.00 of its 'ideal' upside target (852.0/PLJ) for this phase of its overall bull market. As repeatedly stated, if Platinum does set a peak in January, I expect to see it work gradually lower into October 2004.

Copper has fulfilled its potential to surge into January 2004 and to reach 107.50/HG. It has spiked a little higher - testing its monthly resistance at 110.35--113.50/HGH - and could see a significant pullback begin at any time.

*The daily trend remains up in both Gold & Silver...at least a little more upside action is likely. With the combination of inter-year, monthly & weekly cycles and Cycle Progressions coming together in the next two weeks, each day should be watched closely for signs of a spike high and reversal lower."*

**[End excerpt from 1/10/04 *Weekly Re-Lay*]**

To place this in a little broader perspective, stepping back in time a little over a week - it is important to go back and re-read the analysis from the 1/03/04 January 2004 *INSIIDE Track*. To reiterate:

*"Gold & Silver remain in multi-year bull markets and are expected to continue these into 2006 - 2007. In the interim, a multi-month correction or period of consolidation is likely in the first half of 2004.*

***This is about as far as this market should go before seeing a very significant correction. If certain criteria are met in the coming months, it could turn out to be a 1-2 year period of consolidation before the next breakout higher is expected.***

***End of year/beginning of year bullishness could create some carry-over strength into mid-January before a final peak is intact.*** The entire advance from February 2001 is reaching fruition and completing a 75-76 week low-low-high Cycle Progression

(connecting the Feb. 2001 low, July/August 2002 low and potential Jan. 2004 peak).

If a peak is seen in January, it could be the high for the entire year... or at least for the first 6-9 months of 2004. For this - and other technical reasons - we are finally advising the first (partial) profits to be taken on long-term holdings of Gold & Silver (see **Trading Strategy**)... but only if new highs are seen on Jan. 5 - 9th or Jan. 12 - 16th. These longs have been intact since 2001 and have reached an 'extreme' level for this phase of the overall bull market.

The price potential for a spike high was discussed in the 12/30/03 *Weekly Re-Lay* & comes into play at 424.9 - 428.8/GCG. This coincides w/January monthly resistance at 426.4/GCG. Silver's monthly SPR is at 630.0/SIH.

#### **Intermediate #2 (1-3 months) Outlook:**

Gold & Silver did rally in the first half of December but failed to give any weekly patterns that would indicate a high was forming. As a result, they are likely to extend this advance ***into the first half of January***. In order to reinforce the long-term bullish scenario, Gold should spike above its early 1996 peak of 419.6 and Silver needed to spike above its 1998/1999 dual peak at 580.0. Silver has already done this and Gold is poised to follow suit in the opening days of January. ***If monthly resistance (just cited) is tested before mid-January, it could set the stage for a reversal***

**lower.**

**TRADING STRATEGY:** Long-term investors should be holding physical Gold & Silver from near the lows (early Sept. & early Dec. 2001 - approximate entry price of 270.0 in Gold & 425.0 in Silver) w/gains. Take profits on 1/3 of these positions at 424.0 in Gold and 625.0 in Silver."

[Emphasis added]  
[End excerpt from 1/03/04  
Jan. 2004 **INSIIDE Track**]

Gold has reached its target of 424.9 - 428.8/GCG and tested its monthly raw SPR of 430.5/GCG. Initial profit-taking - on 2 1/2 year old long positions - should be taken in this range. Silver has just shot up to 679.5/SIH, attacking its yearly raw SPR of 682.0 and entering its yearly resistance range at 669 - 694.0/SI.

This is about as far as this market should go before seeing a very significant correction. If certain criteria are met in the coming months, it could turn out to be a 1-2 year period of consolidation before the next breakout higher is expected. However, this is NOT yet the case and the underlying bull market should NOT be underestimated. So, although a top is very likely this week, the magnitude of that peak will not be ascertained for several months. It needs to be taken one step - and one week - at a time.

Now that the immediate outlook has been repeated, I want to step back a few years and lay the groundwork for the next 3-5 years with the prevailing, long-term analysis. Since Gold & Silver are in the midst of multi-year bull markets, it is of paramount importance to understand where they came from and where they are heading (or at least expected to head).

It began in 1998-1999 with a discussion on the Jewish Year of 5760 - which began on Sept. 10, 1999 - and explained how this was a culmination of a multi-millennial sequence of 360-year cycles. 5760 was expected to usher in a new 360-year global cycle and focus was placed on the first 7 & 12 years of that cycle for momentous changes.

Three of the most significant changes forecast for the year of 5760 (Sept. 1999 - Sept. 2000) were the start of a multi-year bull market in Crude Oil, a major peak in stock indices and the **end** of a 19-year (**Cycle of Time**, from which the 360-year cycle also gains significance... or vice-versa) bear market in Gold and the **start** of a 7 - 12 year bull

**August 2001 INSIIDE Track**

7/30/2001 - Throughout this year, I have described why Gold & Silver should bottom this year and then see a strong surge in the end of 2001 and the beginning of 2002. This has been based on a plethora of intermediate-to-longer term cycles, encompassing the past 20 years. However, if we take another couple steps back - and look at even larger cycles - we see an argument for the very same thing... and more.

**In the last 100 years, Silver set 10 important (what would be termed 'major') lows. 4 of these lows (40%) occurred in the '01' year of the respective decade. Another 3 of these lows (30%) occurred in the '02' year of the respective decade. In other words, 70% of the major lows in Silver of the last century occurred in the '01' or '02' year of the decade (1902, 1921, 1932, 1941, 1971, 1982, & 1991).**

**2001 - 2002 fits within this ongoing sequence. 2001 is also both 30 & 60 Gann/geomeric years from the 1941 & 1971 lows. It is a Cycle of Time 19 years from the 1982 low.**

...Since this also coincides perfectly with analysis for a sharp Dollar decline - as well as with analysis for a 2-year bull market in Soybeans - the time is ripe for a sharp surge in Silver.

As conveyed in past months, Gold should hold above 257.3/GC while Silver is still expected to test 415.0 or lower. There is a small chance Silver could briefly spike down to 380 - 395.0/SI, but this seems unlikely at present (and is expected to be very temporary IF it does occur). Longer-term cycles still portend a large advance into at least April 2002, with the sharpest moves likely to be closer to the end of this cycle, beginning in November 2001. Silver is still with in striking distance of its major downside objective (411 - 415.0/SI). Long-term investors should average into physical Gold & Silver and hold into 2002. [Emphasis added]

[End excerpt from 7/30/01 August 2001 INSIIDE Track]

market in precious metals.

In the year that followed, another longer-term cycle (a decennial one) was detailed in Silver and used to forecast a major low in Silver during 2001 (this has been posted on our website since 2001 and can be viewed in the box on this page). It is important to recognize this cycle since it will still influence Silver - bullishly AND bearishly - from now until 2011 - 2012. This is why I have emboldened the middle two paragraphs.

The following reprint of the April 2001 'A Gold Watch' recounts some of this analysis as well as what was the prevailing analysis in 2001.

For those that were not reading *INSIIDE Track* in 2001, the entire year of 2000 & first 7 months of 2001 were spent focusing on long-term war cycles that were forecast to come alive in August - October 2001 (this, too, has been available at [www.insiidetrack.com](http://www.insiidetrack.com) since 2000).

As you read the April 2001 report, notice the constant focus on cycles in late-2001, expected surges into October 2001, etc. While events like those on 9/11/01 are usually a surprise *event*, their timing is not always a surprise... and is often very predictable (to reiterate, the *event* was NOT predictable just the emergence of war cycles in that exact, narrow window of *time*).

This was expected to assist Gold & Silver in their developing bull markets... although I am NOT of the mindset that war (or inflation, for that matter) is the ultimate force behind Gold's rises and falls. Before delving further into current observations, here is the majority of the April 2001 Report: **A Gold Watch**...

---

### **A Gold Watch excerpt**

**4/03/01** - Market analysis and meteorology have a lot in common. Neither is an exact science. Both rely heavily on probabilities as well as measuring risk and reward. With the markets, risk and reward is measured in monetary terms.

With meteorology, it can apply to loss of life, property, possessions or merely convenience (i.e. whether or not to take a trip to the beach). Anyone that has spent time in the Midwest is familiar with tornadoes... or at least the threat of them. There are at least two parallels in the markets: stock indices and precious metals. Let me explain:

In the Midwest, when conditions are right/ripe for a tornado, a 'watch' is issued for a general area. This watch informs residents to prepare - at least mentally - for the threat of a tornado. There is no guarantee that one will strike. However, enough variables have converged to make it a real and recognizable possibility.

The next level of preparedness is far more serious. It is a 'warning' and indicates that a tornado or funnel cloud has been spotted in the affected vicinity. In other words, at least a small tornado has already taken hold.

The final stage is when a tornado is in the

immediate area. Sirens blare, the sky is often green, dirt and debris are flying at dangerous speeds and every one is exhorted to take all available precautions.

The gold & silver markets are similar. They often do not trade in as consistent and predictable of a manner as most other markets... they are usually sudden and somewhat unexpected. One of these spurts is possible in this new quarter, reinforced by yesterday's buy signal in Silver. A second, larger surge is likely leading into October 2001...

This compilation of previously published analysis is intended to bring new readers up to speed on what we are looking for in the precious metals for the coming year... With that said, let me give a broad-stroke viewpoint of what is expected.

#1 - Major Gold cycles bottomed in mid-1999 and were expected to trigger a multi-year bull market at the same time a centuries-old cycle (360-year cycle in the Jewish Calendar) rolled over. September 1999 marked the beginning of the Jewish Year 5760 and was forecast to coincide with this new trend in Gold.

#2 - Secondary cycles were forecast to bottom in late-January 2001 and mark the bottom of wave '(2)' of a developing bull market. The period between February 2001 and April 2002 was projected to mark the '(3)' wave of this bull market (or at least the '3' of '(3)').

#3 - Early April (now) is expected to mark the bottom of the '2' of '(2)' wave in Gold. This should pave the way for a rally in Gold from now until April 2002. Silver is in a different formation and has not yet confirmed a low even though a buy signal was triggered on yesterday's decline - basis the April *INSIIDE Track* - at 431 - 432.5/SIN.

As the second wave - of a slowly-evolving bull market in Gold - nears a low, it pays to place this market in long-term perspective. To do so requires going back a couple years and examining a few 'big-picture' forecasts.

The longest-term forecasts originate in two *Cycle of Time* Reports and explained how 1999 completed a 19-year *Cycle of Time* in Gold since its 1980 peak and why 1999 would also complete the bear market in Gold. 1999 was also 12 years (.618 of 19 and one of the two measures of 'completion' - '7' & '12' - that combine to create the '*Cycle of Time*') from the secondary peak of December 1987, the last time Gold traded above \$500/oz.

More important - from an 'extra-market' perspective - was the critical Jewish Year of 5760 (360 times 16) that was beginning in September 1999. Much of the Cycle of Time V (10/98) was devoted to the fact that I believed major transitions would begin slowly taking hold during the transition into and out of 5760 and during the years 1999/2000.

This should then lead to an acceleration in the years that follow (where we find ourselves currently) until 2005.

This period - beginning in September 1999 - was expected to usher in a bull market in Gold, Crude Oil & inflation. Soon after, stocks were projected to peak in January 2000 & begin a multi-year bear market. As is almost always the case, the initial years of a major transition only give isolated signs that a forecast like this is intact.

Crude was the first adherent, beginning a massive bull market (expected to resume in late 2001 and continue into 2002) after its low of Decem-

ber 1998. Gold began its first surge at the exact time the year of 5760 began... in September 1999. The July 2000 INSIIDE Track addressed some of these longer-term cycles & forecasts, concluding the following (see bottom of page):

The first forecast, which included several quotes from previous updates, dealt with the expectations for a parabolic move higher in Crude Oil during 1999 and 2000. It is relatively safe to say that this forecast has been fulfilled...

The second forecast dealt with the topic of this report: Gold. It was projected to complete its bear market and set a low in 1999. This is a forecast that has remained valid for the past 18 months and could be setting up for the most dynamic phase in late-2001 and early-2002.

As is usually the case with a market that is 'basing', it will see an initial surge to wipe out weak and late-coming shorts... but then drift lower for an

### **6/28/00 July 2000 INSIIDE Track**

*"What probably intrigues me most remains the cyclic significance of the period we are about to enter... and the one we are in the process of exiting. Consider the following forecasts (some already fulfilled) and observations made over the last 18-24 months and what they mean for the future..."*

**FORECAST #1** - *The first involved the crude oil market that was forecast to see a bull market through most of 1999 and throughout the current year of 2000. ..*

*Crude did surge higher throughout the remainder of 1999 and is likely to see higher prices in 2000. This analysis fit within the broader outlook for the years of 5759 - 5760 (9/98 - 9/2000) to usher in inflation beginning with Crude...*

*...I consider this entire move not only a response to near-term fundamentals but also **an omen of something bigger on the horizon...***

**FORECAST #2** - *Another important - and potentially related - projection (from 1998) that has seen early fulfillment - but still has the majority of fulfillment ahead - deals with the precious metals market....**5759 ended on September 10, 1999 & 5760 began... at the EXACT time Gold exited its 19-year (Cycle of Time) bear market!**"*

*...Gold rallied 33% in three weeks' time at the precise transition of this **Cycle of Time** cycle, giving an important omen of things to come. **Gold (& Silver) still have a long way to go and are only in the early stages of a new bull market.***

*As a result, **I cannot help but conclude that both political (a future oil shock or other inflationary crisis) and economic (Euro demise or loss of faith in the Dollar after cycles peak in October of this year) surprises are in store.**"*

[Emphasis Added]

[End of quote from 6/28/00 INSIIDE Track.]

This was originally included in **A Gold Watch**

inordinate amount of time to squash the hopes of any premature bulls.

This is why the '3' wave is usually dynamic since both bulls and bears are either lulled into complacency or whipped into confusion.

When they finally believe that a bull market is in force, everyone runs to get in (or out, if short) at the same time... and the panic begins!

This is also why it is typically more reward-

ing to enter at the low of the '2' wave rather than at the ultimate low of a move... unless you are a long-term investor looking to hold positions for at least a few years.

Since we have likely seen the low of wave '(2)' and are at the time when wave '2' of '(2)' is expected to bottom, the following is current analysis from last week (3/29/01) in the April 2001 INSIIDE Track:

### **3/29/01 April 2001 INSIIDE Track**

*"Gold set a major low in July 1999 and has since traced out a sharp 1st wave rally and an extended 2nd wave decline. This is very common for the early stages of a bull market. It allows for a lot of pressure to build up before the dynamic '3' wave takes hold. **As conveyed in several prior issues, this phase is not expected to take hold until later this year.**"*

*...Although I only place minor emphasis on Fibonacci numbers (with greater emphasis reserved for the actual Golden Ratio instead of the 'numbers'), the pattern aligning this year is worth reviewing from last month:*

*2001 is 21 years from the January 1980 major high, 13 years (and 1 month) from the December 1987 \$500+ secondary peak, 8 years from the 1993 peak, 5 years from the 1996 peak and 3 years from the January 1998 low. If any year is poised for major turning point, 2001 is it...*

*February 2001 was also an exact 60 months - or 5 years - from the February 1996 peak. This - along with the proclivity of many markets to trade one way in January and then reverse course in February - force the cyclist in me to place significance on the February low.*

*However, reality (the more important trader side of me) - and a strong geometric weekly cycle occurring April 2-6th - force me to leave wide open the potential for an early-April spike low. This still fits with my intra-year outlook, expecting that **"the real surge is likely to be later in 2001..."***

*From a 3-6 month perspective, the weekly trend remains down in Gold & Silver and has extended past original expectations. Now that the first quarter of the year is complete, the potential for a multi-month rally increases as Gold & Silver have the potential for an intra-quarter X-X higher and an intra- [semi-annual/6 month period] V pattern if a low takes hold in early April.*

*Silver is approaching its intra-year raw SPS at 413.5, which should be viewed with great scrutiny. Long-term investors should average into Gold & Silver (NOT futures) and hold into at least next year.*

*...Since March 5th, the hotline has been advising a buy signal in Silver once it gets down to key support. This support encompasses several calculations, all of which range from 419 - 429.0/SIK. The most significant, from an intermediate perspective, is 424.0/SIK - where both the HHL of this 2+ month decline and the monthly HHS coincide.*

*The first week of April should be used as a determinant of what to expect in the weeks/months that follow. Once the range of April 2-6th is established, traders should watch for a weekly close beyond either extreme (high or low) to indicate the likely direction of the ensuing 2-4 weeks."*

[Emphasis Added]

[End 3/29/01 April 2001 INSIIDE Track]

Consistent with this analysis, an early-April low is a very likely scenario in Gold. Price action will have the strongest say in this matter. However, consider the geometric cycles - particularly in Gold - converging in the current period, extending into April 6th.

Geometric cycles, as our readers know, are those cycles that coincide with the important divisions of a circle (90/180/270/360 degrees as well as other multiples of 30 & 45 degrees).

In the April *INSIIDE Track*, I cited geometric cycles as one of the factors favoring an imminent low in Gold. Here is how they break down:

Gold declined for exactly 180 weeks from its highest weekly close of 2/02/96 to its lowest weekly close of 7/16/99.

90 weeks from the low weekly close of 7/16/99 is **4/02 - 4/06/01**.

270 weeks from the 2/02/96 peak is **4/02 - 4/06/01**.

45 weeks from the 5/26/00 intervening low - which was 45 weeks from the 7/16/99 low - is **4/02 - 4/06/01**.

60 weeks from the 2/11/00 secondary peak in Gold is **4/02 - 4/06/01**.

Gold has also seen an intra-year geometry, turning at 180, 360 & 540 degree intervals (equating to 26, 52 & 78 weeks, respectively). In April 1998, Gold saw the final peak in its major downtrend. A secondary peak occurred 26 weeks later. This led to a final decline and then a sharp rally into October 1999 - exactly 52 & 78 weeks later.

An additional 78 weeks from this major high-high pattern aligns on...

...you guessed it: **April 2-6th, 2001**.

The lows of this final decline - since the peak of October 1999 - are also tracing out a consistent pattern...

The distance separating the 12/10/99, 5/26/00 & 10/27/00 lows was 24 & 22 weeks... an average of 23 weeks.

22 - 24 weeks from the 10/27/00 low is March 26 - April 13th. 23 weeks is... yet again... **April 2-6th, 2001!**

If a low is set during the current week,

traders can expect a minimum 26 week rally from it - leading into longer-term cycles in October 2001. This is not expected to be a final top, merely one in a sequence of higher highs expected into 2002... and potentially later.

...Stayed tuned as it may soon be time to graduate this 'Watch' into a 'Warning' when a Gold whirlwind nears. *IT*

**[END April 3, 2001 *INSIIDE Track* Recap:  
A Gold Watch.]**

---

I have tried to distinguish the various reports cited in this previous reprint. The text of each of these other publications was included in the April 3, 2001 *IT Re-Cap*, which is why there are reprints (in this report) of prior analysis from 1998, 1999, 2000 & 2001.

Although potentially confusion on the surface, I felt it important to demonstrate how this overall move has evolved within the confines of long-term analysis dating back to 1998.

Now to head 'Back to the Future' (and present)...

Recent analysis has explained how the week of January 12 - 16, 2004 is an important time frame (1 of 3 or 4 in 2004) when an intermediate peak is likely.

Since Gold & Silver have now reached their next objectives - and what are considered multi-year extreme resistance levels - and have spiked above their late-1990's peaks (a very important step in confirming a long-term bull market), the mid-January cycle becomes a MUCH higher likelihood to produce a 'III' wave peak.

This should usher in a multi-month, *potentially* multi-quarter and *possibly* multi-year 'IV' wave correction (although IV waves are often not as drug out as their preceding II wave corrections).

At a very minimum, Silver is expected to see an 18-week, and more likely a 29-30-week, correction AFTER a top has been confirmed.

Gold is likely to see a 26 - 28 week correction, in line with the most predominant cycle during its 2001 - 2004 bull market. This is also a 1/2-year (180 degree) cycle, so it has synergy working in its favor.

If the January 6th spike to 431.5/GCG (a test of its monthly resistance at 430.5/GCG) turns out to be the final high of this phase of Gold's overall advance, a 26 -

28 week correction would also land Gold right in the middle of its most synergetic intra-year cycle aligning between mid-July and early-August 2004 (similar to the geometric cycles that pinpointed the April 2 - 6, 2001 low in Gold). This could provide the intra-year low in Gold for 2004. More on this later.

Before a top is signaled, Gold MUST generate a weekly close below 412.8/GCG and Silver MUST generate a weekly close below 599.5/SIH.

I would be remiss if I did not reiterate that these expectations remain in the context of a much bigger scenario in which Gold & Silver are still expected to extend their overall bull market into 2006 - 2008.

This continues to align with global political cycles and war/peace cycles that converge in 2007 - 2008.

It also dovetails with cycles in the Dollar (bear market into 2006, possibly 2008 - 2009 but with a multi-quarter rebound expected to begin after cycles bottom on January 12 - 16th), Euro (bull market into 2006 or even 2009), stock indices (resumption of bear

market after 2004) and inflation-related commodities (bull market into 2007 - 2008).

On a more esoteric level, it coincides with earth cycles (earthquakes, volcanoes, etc.) that magnify in intensity leading into 2005 and again into 2007 - 2008.

**...we are only in the middle of this 7 - 10 year cycle (that is taking place at the tail-end and the onset of 360-year cycles)... and that more excitement is likely in the coming months and years.**

So, although this is NOT intended to alarm investors or sensationalize this analysis, it is meant to place it in proper

perspective and to remind readers that we are only in the middle of this 7 - 10 year cycle (that is taking place at the tail-end and the onset of 360-year cycles)... and that more excitement is likely in the coming months and years.

This analysis will continue to be updated in future issues of *INSIIDE Track* and - when appropriate - in the *Weekly Re-Lay*. IT

[www.insiidetrack.com](http://www.insiidetrack.com)

Information is from sources believed to be reliable, but its accuracy cannot be guaranteed. Due to futures' volatility, recommendations are subject to change without notice. Readers using this information are solely responsible for their actions and invest at their own risk. Past performance is no guarantee of future results. Principles, employees and associates of *INSIIDE Track Trading Corporation* may have positions in recommended futures or options. No part of this publication may be reproduced or re-transmitted without the editor's written consent. All *Tech Tips*? (underlined and *italicized*) - as well as the term *Tech Tips*? - are trademarks of *INSIIDE TRACK Trading Corporation* and all unauthorized reproduction is strictly prohibited. **? 1998 - 2004 INSIIDE Track Trading Corporation**

*INSIIDE Track*<sup>TM</sup> newsletter is published monthly with periodic Special Reports. Copyright © 2004 ITTC. Eric S. Hadik -- Editor

**SUBSCRIPTION RATES:**

- Monthly newsletter with periodic Special Reports\*: • \$179 per yr. • • \$297 for 2 years (24 issues)
- Intra-month e-mailed Hotline (toll-free phone access available in U.S.):\* • \$249 per yr. • • \$399 for 2 years
- Monthly newsletter plus intra-month Hotline package\*: • \$297 per yr. • • \$497 for 2 years

• *\*Eric Hadik's Tech Tip Reference Library* is available for \$199 (but is included as a bonus with each of the above subscriptions)

Make checks payable to *INSIIDE Track Trading*. Credit Card payments can be made via [www.PayPal.com](http://www.PayPal.com) (to '*INSIIDE@aol.com*')

PO Box 2252 • Naperville IL 60567 • 630-637-0967 (voice) • 630-585-5701 (fax) • *INSIIDE@aol.com* • [www.insiidetrack.com](http://www.insiidetrack.com)

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS & THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY A PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK & NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE MANY OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF A SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS - ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.