

RE-VIEWING THE PREVIOUS WEEK & **LAY-**ING THE GROUNDWORK FOR THE WEEK AHEAD

FOR THE PERIOD OF: **Oct. 10--14, 2016**

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10/08/16 OVERALL OUTLOOK & SYSTEM

TRADE(S) UPDATE: Stock Indices bounced into daily cycles on **Oct. 6/7th**... and are poised to head lower as they enter *Danger Period #2*. Several Indices remain in daily downtrends after trying to neutralize them for the past 10 days. That could trigger an accelerated move lower. Traders should have sold Stock Indices near recent highs & be holding DJIA & ESZ short positions. Bonds &

Notes dropped into **early-Oct.**, quickly fulfilling the weekly trend pattern in Bonds & ushering in the potential for a multi-week low. The Dollar rallied as the Euro & Yen declined. That could continue into **Oct. 17--21st**. Gold & Silver fulfilled projections for another sharp drop into **early-Oct.** & to key targets. Traders should have exited remaining longs (from **mid-Dec.**), w/avg. gains of about \$19,000/contract (GC) & ~\$18,000/contract (SI).

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STOCK INDICES

	<u>Dec e-mini SP (ESZ)</u>	<u>DJIA (Cash)</u>	<u>Dec Mini Nd-100 (NQZ)</u>
Mo Resistance:	2201.7--2210.2	18,588--18,668	4968.0--5003.0
Mo Support:	2092.7--2119.2	17,946--18,028	4625.0--4737.0
Weekly Trend:	Up/Neut (2+)	Up/Neut (2+)	Up
Wk Resistance:	2160.5--2168.2	18,341--18,369	4886.0--4917.0
Wk Support:	2132.5 / 2103.7	18,139 / 17,863	4783.0--4832.0
Daily Trend:	Down	Down	Up

10/08/16 – 1-4 WEEK OUTLOOK:

Stock Indices set divergent peaks on **Oct. 3--7**, perpetuating a consistent 24-week high-high-high-(high) *Cycle Progression* as well as a ~7-week low-high-(high) *Cycle Progression* (that next comes into play on **Nov. 21--25, 2016**).

At the same time, the DJTA spiked to a new multi-month high (still much lower than its Nov. 2014 Major peak) and completed a .618 rebound in time (60 weeks down/37 weeks up) while also completing the 4th consecutive rebound of 13--14 weeks duration.

All of this coincides with the expected onset of *Danger Period #2* - that should drive prices lower into **late-Nov**.

The S&P has expanded its level of extreme intra-week support - combined with the weekly 21 Low AMAC - to **2092.75--2103.75/ESZ**.

If broken in the coming week, it would turn the weekly trend down, trigger a bearish 21 MAC signal and a bearish HLS signal... all at once.

The key level - for all of **October** - comes into play at **xxxx.xx/ESZ**... If a serious decline emerges, as I suspect it will, that would be an *extreme* objective for the coming weeks - closely coinciding with **xxxx.xx/ESZ**...

SHORT-TERM (1-5 DAY) OUTLOOK:

Stock Indices consolidated this past week, allowing the NQZ to retest its high while the DJTA spiked to a new multi-month peak. It would take daily closes below **18,116/DJIA, 2136.0/ESZ & 4836/NQZ** to turn the intra-month trends down.

If the **Oct. 6/7th** minor peak holds, it would perpetuate a 14--15 day high-high-high-(high) *Cycle Progression* and project a quick drop into **Oct. 21/24th**... the same time a ~6-week low-low-low-(low) *Cycle Progression* recurs.

1--3 month & 3--6 month traders & investors should have sold Stock Indices on Aug. 29--Sept. 7th (~18,400--18,550/DJIA & ~2161--2182/ESZ) and be holding these shorts. Risk/exit on a weekly close above **[reserved for subscribers only]**.

INTEREST RATES

	<u>Dec Bonds (USZ)</u>	<u>Jun Euro\$ (EDM)</u>	<u>Dec 10-Yr Note (TYZ)</u>
Mo Resistance:	171-22--172-14	99.08--99.14	132-03--132-12
Mo Support:	164-13--164-20	98.91--98.94	129-26--130-05
Weekly Trend:	Down	Down	Down
Wk Resistance:	167-05--167-21	98.98--99.01	130-26--131-04
Wkly. Support:	162-21--163-04	98.86--98.90	128-29--129-10
Daily Trend:	Down	Down	Down

10/08/16 – 1-4 WEEK OUTLOOK:

Bonds & Notes initially fulfilled expectations for a rally into **late-Sept./early-Oct.** and have sold off sharply since then. That also coincided with Bonds having enough time to twice neutralize their weekly downtrend - pinpointing the week of **Oct. 3--7th** as a pivotal one when a reversal lower was more likely.

They turned their intra-month trends down, projecting a test of monthly support (**164-13--164-20/USZ & 129-26--130-05/TYZ**) - where a short-term low would become more likely. Bonds & Notes have both tested those levels and (barely) spiked to new correction lows in the process.

That spike low has already fulfilled the weekly trend pattern signal in Bonds while completing a ~90-degree decline in both. As a result, Bonds & Notes could be (unexpectedly) seeing a dual fulfillment of this intermediate cycle - with a multi-week *high* set in **late-Sept.** & a (potential) multi-week *low* set on **Oct. 7th**.

If Friday's low holds, it would also perpetuate the previously-described, ~30-degree cycle that

already timed the July **6--8th** high, Aug. **8th** low & **Sept. 7th** high (and set the stage for a subsequent low - higher or lower - around **Nov. 7th**).

Eurodollars remain weak & in a weekly downtrend, even as their intra-year trend has turned neutral. They could not turn their daily trend up and need to give a weekly close above **99.05/EDM** to signal an intermediate reversal.

The one positive sign is that they remain above their **late-Sept.** low - set ~90 degrees from the late-June low. The next intermediate high is expected on **Oct. 31--Nov. 4th**, the latest phase of a 19-week high-high-high-(high) Cycle Progression that has timed the last 3 multi-month peaks.

SHORT-TERM (1-5 DAY) OUTLOOK:

Bonds & Notes dropped sharply on the heels of their **Sept. 30th** outside-day/2 Close Reversals lower. That quickly removed any lingering possibility for a final spike high and resulted in the daily & intra-month trends turning down. It would take daily closes above **[reserved for subscribers only]** to give the first sign of bottoming.

CURRENCIES

	<u>Dec Dollar (DXZ)</u>	<u>Dec Yen (JYZ)</u>	<u>Dec Euro (ECZ)</u>
Mo Resistance:	96.34--96.83	1.0089-1.0116	1.1382--1.1476
Mo Support:	93.74--94.42	.9630--.9691	1.1084--1.1172
Weekly Trend:	Dn/Neut (1)	Up	Down
Wk Resistance:	97.56--97.76	.9870--.9910	1.1285--1.1320
Wkly. Support:	95.38--95.74	.9584--.9612	1.1079--1.1135
Daily Trend:	Up	Down	Down

10/08/16 – 1-4 WEEK OUTLOOK:

The **Dollar Index** broke out to the upside (on an intermediate basis)... the expected rally into **Oct. 17--21st** - the latest phase of a 12-week low-low-high-(high) *Cycle Progression* and a ~90-degree move from the high weekly close of **July 18--22nd**.

The daily trend pattern remained positive, allowing the Dollar to rally to new 6-week highs.

The Dollar spiked above **96.83/DXZ** - the weekly *LHR* (*intra-week extreme upside objective*) - and attacked monthly resistance before closing off those levels.

That *LHR* pattern projects a multi-week peak in the coming weeks, reinforcing the focus on **Oct. 17--21st**.

The **Euro** remains in a weekly downtrend and turned its daily *21 MAC* back down early in the week, reinforcing the overall bearish outlook. It then re-entered its daily downtrend while turning its intra-month trend down, validating that outlook.

This could/should drive the Euro lower into **October 21/24th**, the next phase of a ~90-degree cycle that includes the April 22nd & July 22nd lows AND the next phase of a 34--35 day high-high-low-(low) *Cycle Progression*.

The **Yen** followed through on its **late-Sept.** sell-off, spurring an early-month drop to monthly support & the weekly *HLS* (**.9669/JYZ** - the *intra-week extreme downside objective*).

It closed the week above that level, holding the weekly *HLS* and projecting an intermediate low in the next 1--3 weeks. That coincides with geometric cycles converging around **Oct. 21st**...

[Short-term analysis & strategy reserved for subscribers only.]

INFLATION MARKETS

	<u>Dec Gold (GCZ)</u>	<u>Dec Silver (SIZ)</u>	<u>Nov Sybns (SX)</u>	<u>Dec Crude (CLZ)</u>
Mo. Resistance:	1343.1--1363.6	20.010--20.635	984.0--994.0	51.44--52.30
Mo. Support:	1284.2--1290.5	17.805--18.420	907.7--924.0	44.76--46.20
Weekly Trend:	Up/Neut (2)	Up/ Neut (1)	Down	Dn/Neut (2+)
Wk. Resistance:	1291.7--1299.1	18.510--18.840	971.0--978.2	51.61--51.94
Wk. Support:	1212.1--1223.4	16.250--16.465	936.7--942.5	48.82--49.27
Daily Trend:	Down	Down	Down	Up

10/08/16 – GC/SI: 1-4 WEEK OUTLOOK:

Gold & Silver have powerfully fulfilled the latest phase of the 3--6 month outlook, which called for another drop (the third since early-July) into **early-October**.

This latest decline was projected to reach **~1260.0/GCZ** by/in **early-October**... on its way to an ultimate downside target - for the entire correction - around **1220.0/GC**. In between the two is the monthly **HLS** at **~1238.0/GCZ** (*extreme intra-month downside objective for October*).

Gold has fulfilled its **early-October** objective as Silver has broken below **18.50/SIZ** and remains on track for an intermediate drop to **~16.00/SIZ** (although that could wait until larger-degree cycles converge on **Nov. 7--18, 2016**).

Both turned their new intra-month trends down, reinforcing this weakness. As a result, they could see lower lows in **late-October**.

In the interim, a secondary (rebound) high could be seen in **mid-October**, the next phase of

the 14--15 week low (Sept. '15)--low (Dec. '15)--low (late-Mar. '16)--high (early-Jly. '16)--(high) **Cycle Progression** that most recently pegged the **mid-2016** peak.

The 3--6 month outlook - stemming from the **mid-2016** cycle high - remains for lower prices into **Nov. 7--18, 2016**.

3--6 month & 6--12 month traders and investors should have exited the final 25% of long positions in Gold & Silver (from mid-Dec. - around ~1046--1076/GC & 13.62--13.88/SI) on Friday's close w/avg. gains of ~\$19,000/contract in Gold & ~\$18,000/contract in Silver.

The **XAU** fulfilled its **early-Oct.** downside objective (**78--83.00/XAU**) and turned its weekly trend down, as it plummeted into the recurrence of a 16--19 week high-high-low-low-low-(low) **Cycle Progression** AND an over-arching, ~36-week high-low-(low) **Cycle Progression** that projected an intermediate low by **Oct. 7th**.

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INFLATION MARKETS (con't from pg. 5):

That weekly trend reversal signals that more downside is likely, even though an *intervening* bounce could be seen. Until a daily close above **84.25/XAU**, however, this Index is in a downtrend that should be respected.

Platinum remains negative but has now reached its 1--2 month downside target at **~970.0/PLF**. At the same time, it has fulfilled analysis for an overall decline into **early-Oct.** and could trigger a quick bounce in the coming week.

If so, it should set a subsequent (lower) high around **Oct. 14/17th** - the latest phase of a 67--68 day low-low-low-high-(high) *Cycle Progression* that timed the **Aug. 10th** peak.

Palladium has consolidated after pulling back long enough to twice neutralize its weekly uptrend. That signal was expected to spur a new rally that could propel Palladium up to **~770.0/PAZ** - its intermediate *LLH* objective. That remains the prevailing outlook.

Copper pulled back after turning its weekly trend up and confirming an intermediate bottom. That low precisely fulfilled projections for an intermediate (or larger) bottom on **Sept. 12--16th** - the culmination of a ~30-degree high-low-(low) *Cycle Progression* and corresponding 90, 180 & 360-degree cycles & *Cycle Progressions*.

The bottom that was set in the month of **Sept. 2016** perpetuated an ~8-month high (May '15)--low (Jan. '16)--low (**Sept. 2016**) *Cycle Progression*.

From a price perspective, Copper bottomed near the high of its year-opening range (intra-year *resistance turned into support*), reinforcing the potential for a new wave up.

Early-Nov. 2016 is the convergence of multiple cycles & upside wave objectives, providing the best potential for the next multi-month peak.

SHORT-TERM (1-5 DAY) OUTLOOK:

Gold & Silver did spike lower in the early days of **October**, fulfilling cyclic & price analysis as Gold attacked its **early-Oct.** downside target of **~1260.0/GCZ**.

Just as the **1308.0/GC** target in late-August, this is just another stepping stone on Gold's ultimate drop to *at least* **1220.0/GC** (with Silver projected to reach *at least* **16.000/SI**).

A brief bounce could be seen now - into **mid-October** - but the decline is expected to resume after that.

GRAINS:

Soybeans, Corn & Wheat remain bearish on a multi-month basis with Soybeans & Corn still cyclically likely to wait until **late-2016** to bottom. Wheat is a little different story and had the highest potential for setting a low in **Sept. 2016**... which has initially taken hold.

All three grains are hovering above their recent lows but it would take daily closes above **994.0/SX, 349.25/CZ & 414.5/WZ** to signal signs of near-term strength.

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ENERGY:

Crude Oil, Unleaded Gas & Heating Oil continued higher on the heels of last week's news of a proposed OPEC production cut (for **Nov. 30th**) by Saudi Arabia. Crude, however, failed to turn its weekly trend up and still needs a weekly close above **50.59/CLZ** to do so... and to show signs of new strength on a larger-degree basis.

This rally is validating monthly cycles in Heating Oil that converge in **Oct. (& Nov.) '16** and project a multi-month high. That would perpetuate a 33--34 month high (Sept. '05)--high (July '08)--high (April '11)--high (Jan. '14) Cycle Progression.

Daily cycles could produce an *initial* high now, with **Oct. 7th** representing the completion of successive advances of equal duration in Heating Oil. However, a larger-degree peak could wait until **Oct. 24--28, 2016**, the next phase of a 20-week low-high-(high) & a related ~10-week low-low-high-high-(high) Cycle Progression.

Natural Gas validated its daily & intra-month uptrend signals, surging to new highs and fulfilling its overall weekly trend signal. **3.650--3.720/NGZ** is 12--18 month resistance and the 3--6 month upside objective that could be tested soon.

SPECIAL SITUATION MARKETS:

Cotton continues to consolidate after fulfilling 1--3 month cycles calling for a *peak* in **early-August** (~90 degrees from its early-May high & ~180 degrees from its early-Feb. high) & 3--6 month cycles projecting a *low* in **Sept. 2016** (mid-way between March 2016 low & **March '17** cycle convergence - when a peak is expected).

It is showing new signs of near-term weakness but has not yet turned its weekly trend down, after neutralizing the prevailing weekly uptrend multiple times. It would take a weekly close below **66.88/CTZ** to do so.

Until that occurs, the 1--2 month trend is neutral. On a near-term basis, it would take a daily close above **70.00/CTZ** to show the slightest sign of new strength.

Coffee remains negative - on a 2--4 week basis - after fulfilling its daily & weekly trend patterns while rallying to new highs & perpetuating a 9--10 week low-low-high-(high) Cycle Progression... and then retreating sharply.

The weekly trend remains positive, and Coffee has tested & held the corresponding neutral point, so it could be preparing to begin a new rally. A daily close above **151.00/KCZ** is needed to validate that potential.

Sugar has rebounded after turning its daily trend down. It remains below the recent high, set while fulfilling projections for a rally into **late-Sept.** - ~90, ~180, & ~270 degrees from the late-June, late-March & late-Dec. '15 highs - and for an attack on 2--3 year resistance (**23.20--24.10/SB**). Until a daily close above **24.10/SBH**, the 2--4 week trend is neutral & could spur a new sell-off.

Live Cattle spiked back down to 3--5 year support - and the primary downside objective for this latest leg down - at **99.50--102.25/LC**... and is trying to bounce. This support could still hold, in the near-term (reinforced IF Cattle can give a daily close above **103.22/LCZ**), but Cattle remains on track for an overall drop into **late-2016**.

Lean Hogs remain weak and would not show even the slightest sign of a (short-term) bottom until a daily close above **46.75/LHZ**.

Hogs are attacking their multi-year **HHL** objective at **40--45.00/LH** as they continue to fulfill long-term projections bursting bubble following late-2014, when multi-year cycles peaked in Livestock markets. A Major bottom is expected near **40.00/LH**...

DANGER PERIOD #2 & THE US ELECTION:

While it is dangerous to speculate too much - or too extreme - there is also value in considering some unusual or unprecedented possibilities in those rare times when they look *less unusual* or *less extreme*... to try and minimize impulsive reactions IF something comes out of left field.

The latest Trump revelations present the growing likelihood for one of two (very different) extremes: 1 - Trump exits and creates complete disarray (not very likely). 2 - Trump pulls out all stops and attacks Clinton with everything he's got.

In the latter (more likely) scenario, it is also likely that *Wikileaks* 'piles on' as well.

Regardless of what the Election brings, it is growing more likely that the coming weeks will bring growing uncertainty... something the markets loathe... just as *Danger Period #2* kicks in. That could be validated as soon as the coming week. *Be prepared*...

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Please refer to complete October 8, 2016 **Weekly Re-Lay** for additional details & expectations, including key confirmation points linked to analysis that **Oct. 10--24th** will see the next shoe drop in equity markets.

That would reinforce projections that *Danger Period #2* would kick in immediately after the **Oct. 6th/7th** minor cycle high.

WATCH OCT. 10--14TH FOR CRITICAL VALIDATION TO THIS SCENARIO!!!

System Trade Strategies provide a small sample of corresponding action, seeking to choose the perceived lowest risk/highest probability trades based on specific patterns - with strict money management being first priority. They do not imply the only action to corresponding analysis, are not always directly linked to the published analysis, and should be viewed/traded as a whole (portfolio). They represent just one particular approach that should be understood and implemented in its proper context and in the context of treating trading as a business. There are many other applications for the analysis and readers should seek to integrate it with their own trading approach, utilizing our proprietary indicators, identification of daily & weekly trends, cycles & resistance/support zones. Always use synergy & prudent money management (see *Tech Tip™ Reference Library*).

'Degrees' is used interchangeably with 'days' (or, when specified, with weeks or years) - an extension of the concept that time is geometric in nature. A year involves a 360-degree movement - of the Earth around the Sun - and is measured by a similar (though not exact) number of *days*. The primary divisions of a circle are 90 & 180 degrees and equate to the primary divisions of a year - 90 degree seasons and 180 degrees between opposing solstices and/or equinox. '30 degree movements' can be viewed as an exact 30-day period or a 1-month movement (i.e. from the 18th of one month to the 18th of the ensuing month). The same is true of all 30-degree multiples.

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