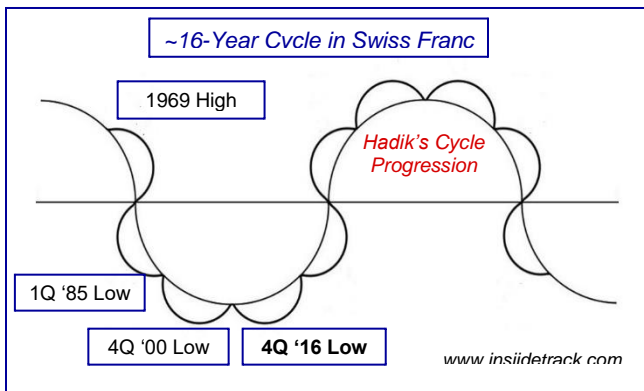
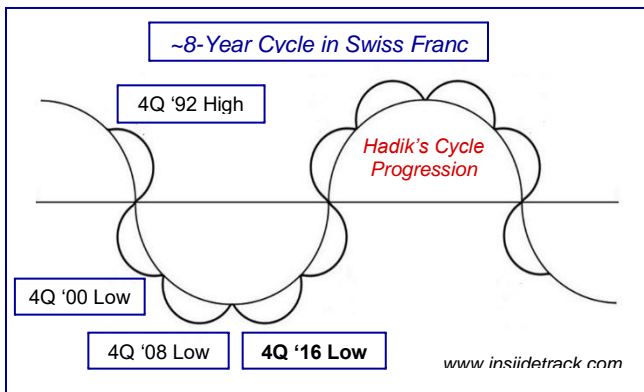
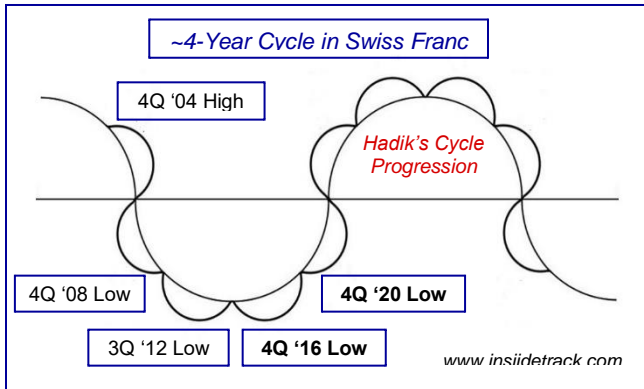


Intra-Week ALERT for Wednesday – Jan. 24, 2018

**“Dollar Dilemma in Davos” [Excerpt]**



The *Currency Wars* - that triggered a sharp advance in Gold and a corresponding sell-off in Bitcoin - have taken a new, but hardly unexpected turn in the past week.

Acknowledging & advocating what has been observed & expected since early-2016, this Republican Administration has gone the way of its predecessors and is openly advocating a weaker Dollar. Treasury Secretary Mnuchin *thrilled* the crowds at Davos by enumerating the benefits for the American economy of a weaker Dollar.

President Trump is due to speak tomorrow and no one is quite sure what to expect. But, rather than focusing on unknown fundamentals, it is still best to consider the technicals first. The following are just a few of the published forecasts, laid out in the first half of 2016 (or earlier) - that are now reinforced:

-- Dollar would peak in late-2016/early-2017 and begin an initial 1 - 2 year decline.

-- Dollar cycles were projecting a Republican Administration in 2017.

-- Gold cycles projected a multi-year low in late-2015 and secondary low in late-2016.

-- Swiss Franc cycles projected a multi-year low for late-2016, followed by an advance into **3Q 2018**.

The May 2016 **INSIDE Track** updated the combination of factors (including British Pound & Canadian Dollar cycles) projecting a late-2016/early-2017 peak in the Dollar - highlighting the Swiss Franc forecast for a multi-year bottom in Dec. 2016:

*“Election Cycles continue to demand scrutiny during what is probably the most contentious & unorthodox primary season in a generation (or longer).*

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### **“Dollar Dilemma in Davos” [Excerpt]**

While there are many important aspects to this analysis - that are front and center screaming for attention - it could be the secondary, behind-the-scenes, unintended consequences that ultimately fulfill multi-generational cycles...

**Gold & Silver** have fulfilled the potential for a multi-quarter (possibly multi-year) bottom after Gold reached its secondary 3--5 year downside target - and its primary downside target for the year of **2015** - at **1033--1045.0/GC**. That is where a Major bottom was considered most likely.

That low coincided with Silver fulfilling Major, multi-year cycles, wave projections & retracement levels in **Dec. 2015** - and projecting an overall advance into **2018** (with a secondary/higher low expected - after a 3--6 month surge - in **late-2016**)...

...the **Swiss Franc** has Major cycles converging in - and bottoming during - **4Q 2016**. These actually stretch out from **3Q 2016** until **1Q 2017**, but the greatest synergy of those cycles converge in **4Q 2016**.

That is when an 8-year low (Oct./4Q 2000)-- low (Nov/4Q 2008)--low Cycle Progression comes into play. That 8-year cycle even dates back to Oct. 1992 - 8 years before the Oct. 2000 low - when the Swiss Franc set its penultimate high.

That cycle has broken down (in half), creating a ~4-year low (4Q '00)--high (4Q '04)--low (4Q '08)--low (3Q '12)--low (**3Q/4Q '16**) Cycle Sequence.

Of course, there is also a larger-degree version of both those cycles - adding credibility to each facet & factor of it. That is a ~16-Year low-low-low Cycle Progression that connects Major lows in 1Q 1985 (MAJOR low)--4Q 2000 and to a potential/projected low in **3Q 2016--1Q 2017**.

That cycle has also spanned multi-year peaks in 4Q 1978, 2Q 1995 & 3Q 2011 (reinforcing its validity).

Intermingling both of those sequences (low-low & high-high), the Franc saw a spike high in 1969 - 16 years before its eventual 1985 low. So, it is actually a ~16-year high-low-low-low Cycle Progression - projecting a low for **late-2016/early-2017**.

A major time retracement calculation yields the same target. From the Oct. 2000 low to the Aug. 2011 high, the Swiss Franc rallied for 43 quarters/130 months. A 50% 'retracement' in time projects a decline (from Aug./3Q 2011) into **4Q 2016--1Q 2017** (21--22 quarters down), more precisely into **Jan. 2017** (130 months up/65 months down).

Though it is very premature to be looking out this far, the Swiss Franc has maintained a consistent ~3.5 year/13--14 quarter high (4Q '04)--high (1Q '08)--high (3Q '11)--high (1Q '15) Cycle Progression that next comes into play in **3Q 2018**... when the next multi-year peak is most likely.

**3Q 2018** is also one complete 7-Year Cycle from the 3Q 2011 peak (which was just shy of another 7-Year Cycle from the 4Q '04 peak).

**3Q 2018** is also one complete 40-Year Cycle from the 3Q 1978 peak - a peak that held for over 9 years and spurred a 6+-year decline in which the Swiss Franc plummeted over 50% (dropping ~.3500/SF).

That was the largest percentage decline in the past 40 years though it was nearly matched - in duration & magnitude (though not in proportion) - when the Franc dropped .3500/SF & 6+ years from 1995 into July 2001. And speaking of that 3Q 2001 low, **3Q 2018** is one complete 17-Year Cycle from that...

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### **“Dollar Dilemma in Davos” [Excerpt]**

The **British Pound** has neutralized its 3--6 month trend but would not turn it up until a weekly close above **1.4800/BPM**. As long as that does NOT occur, the Pound could still see a drop into **May/June 2016** and to **1.3500/BP**.

The **Canadian Dollar** has rallied sharply after fulfilling its multi-year downside price objective (spike below **.7000/CD**) and Major cycle lows in **1Q 2016**. **.8400/CD** is 12--18 month resistance & the 6--12 month upside objective.” [End of May '16 IT excerpt.]

Even though the *final* lows & highs occurred at different points in time (Dec. '15 Gold & Silver lows, Jan. '16 Canadian Dollar low, Dec. '16 Swiss Franc low, Dec. '16 secondary low in Gold & Silver, Jan. '17 peak in US Dollar and Jan. '17 low in British Pound & Euro), the overall movements were similar - all setting the stage for a new Dollar decline beginning in 2017.

And that analysis, as discussed in early-2016 (before Trump was even the nominee), was strongly favoring the election of a Republican in Nov. 2016.

As a frequent proxy for Gold, the Swiss Franc was reinforcing the multi-year outlook for precious metals as it set its major low while Gold provided positive divergence and set a higher low in Dec. 2016.

That ushered in the expected rally into **3Q 2018**, with **~1.xxxx/SF** as the primary upside objective and **xxxxx 2018** as the month with the greatest synergy of cycles.

The Swiss Franc has just retested its July & Aug. 2017 (and April 2016) continuous highs near **1.0650/SF** - a key level of 2 - 3 year resistance that should ultimately be broken.

With daily & weekly cycles converging on **xxxxx**, the Swiss Franc could give a quick spike above that resistance & then enter some consolidation. And that could provide some clues as to what to expect from related markets. Before getting to them...

**STOCK INDICES** remain bullish as they near the culmination of 5-month AND 10-month low-low-low-low-(high) *Cycle Progressions* - projecting a multi-month peak between **mid-Jan. - mid-Feb. 2018**.

The primary indexes surged into mid-week, spiking above weekly resistance levels before closing today at or below those levels. The Nasdaq 100 generated an outside-day reversal lower, missing a corroborating 2 *Close Reversal* lower by less than 1 basis point. In order to signal anything more than a 2 - 3 day peak, these indexes would need to **[reserved for subscribers only]**...

The **DOLLAR INDEX** remains bearish and on track for an overall decline into **May 2018**. After dropping into mid-month and consolidating for a week, the Dollar has seen an additional spike down - nearly reaching its monthly *HLS* (extreme monthly downside target) at **88.84/DXH**.

While it could still set a secondary high in **early-Feb.**, the Dollar has not yet signaled an intervening low.

The **Euro** consolidated for a week, without neutralizing its daily uptrend, before generating a daily 2 *Close Reversal* higher on Jan. 22. It has since broken out to new highs and nearly reached the convergence of weekly & monthly *LHRs* at **1.2477 - 1.2510/ECH**.

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**“Dollar Dilemma in Davos” [Excerpt]**

The **Yen** is fulfilling expectations for a rally into **Jan. 22 - 26**, when a 20-week high-high-(high) *Cycle Progression* projects a 2 - 4 week peak. It has reached initial resistance but could spike as high as **.9264/JYH** (monthly *LHR*) before setting a peak.

**GOLD & SILVER** surged to new highs with Silver showing signs of breaking out of the consolidation it began on Jan. 3/4...

They began the week with Silver spiking down to its daily *HLS* (**16.76/SIH**) while testing weekly support & the weekly *21 Low MAC* (**16.73/SIH**) as it corrected almost 40% of its initial advance.

That coincided with the daily trend pattern in the XAU, which signaled the likelihood for an additional spike high. [See Jan. 22, 2018 *Update*.]

Silver then rallied on the heels of Gold. Gold is nearing its weekly trend pattern objectives - a rally back to & above **1365.8/GCG**...

The **XAU** twice neutralized its daily uptrend and then gave an outside-day/2 *Close Reversal* buy signal on Jan. 22 - projecting a spike to new highs and up to its January objective at **93.04** (monthly *LHR*) - **93.06** (monthly *21 High AMAC*).

It then spiked to a new low, tested & held its weekly *21 Low MARC* support, and gave another, overlapping outside-day/2 *Close Reversal* buy signal on Jan. 23 - powerfully reinforcing the first signal.

Today's action fulfilled those signals, producing a surge to its daily *LHR* and to within a few ticks of the Jan. upside targets.

Daily cycles could stretch a final high into **[reserved for subscribers only]**.

**SOYBEANS, CORN & WHEAT** remain bullish, on a 2 - 4 week basis, with Soybeans expected to rally into **Jan. 25 - 31** - the latest phase of a 54 - 58 day low-high-high-(high) *Cycle Progression* that helped pinpoint the early-Dec. peak.

Corn corroborated that while setting the 5<sup>th</sup> consecutive intra-month low on the **12 - 16<sup>th</sup>** and perpetuating a 30-degree low-low cycle while testing monthly support & its weekly *HLS*.

Soybeans are likely to attack monthly resistance while Corn could surge as high as **[reserved for subscribers only]**.

1 - 4 week traders could have bought March Corn futures down to 346.0/CH (avg. entry around 349.5/CH) and be **[reserved for subscribers only]**.

**CRUDE OIL, UNLEADED GAS & HEATING OIL** could be in the final stage (or have just completed the final stage) of projected rallies from mid-July & early-Oct. - both of which were forecast to ultimately accelerate into **Jan. 2018**, when monthly & yearly cycles converge.

Crude has reached & exceeded the primary convergence of 1 - 2 week, 1 - 2 month & 3 - 6 month upside price targets and is fulfilling expectations for a culminating spike up to its monthly *LHR* at **66.77/CLJ**.

A 7 - 8 week low-low-low-low-(high) *Cycle Progression* could produce a top in the coming week while also signaling an inversion of its larger-degree 31 - 32 week *Cycle Progression*.

Heating Oil maintains the potential for a final spike high closer to its 2 - 3 year resistance at **2.xxxx - 2.xxxx/HO**.

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## **“Dollar Dilemma in Davos” [Excerpt]**

**Natural Gas** spiked above **3.600/NGG** - fulfilling much of its upside potential as it surges into cycle highs in **Feb. 2018**. ~**3.900/NG** is the level of the Dec. 2016 peak and the highest point of the past 3+ years. That continues to be major, multi-year resistance...

**The preceding is an excerpt of the complete Jan. 24, 2018 Weekly Re-Lay Alert - provided to give a view of what was provided to subscribers in real**

**time. However, any impending targets, cycles and developing trading strategies are reserved for subscribers only and omitted from this excerpt.**

**Please refer to the complete Jan. 24, 2018 Weekly Re-Lay Alert and to corresponding Weekly Re-Lay & INSIIDE Track publications for these and other specifics.**



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