



by Eric S. Hadik

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

40-Year Cycle: Stock-flation 1974--2014

Inflationary Stock Index Cycle Peak

EXCERPT ONLY

An INSIIDE Track Special Report on 40-Year Cycle Analysis

40-Year Cycle: Stocks 1974-2014

Inflationary Stock Index Cycle Peak

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CONTENTS

Late-2014 Cycle Peak	1
Stock-flation 2014	2
32--33 Week Cycle	3-5
War/Stock Cycles	6
April 2015 Cycle	7

Late-2014 Cycle Peak...

October Blues

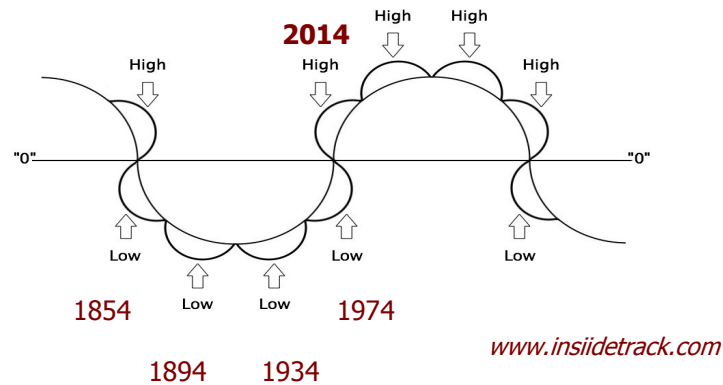
Oct. 2014 - The month of **October** has been a pivotal month in Stock Indices for many decades. That includes Black Friday in October 1929, Black Monday in October 1987, the mini-crash that followed in October 1989, the post-Kuwaiti invasion low of October 1990 (that ushered in the 1990's bull market and the notorious Tech Bubble), the ensuing low of October 2002 - that ushered in the next bull market and the real estate/sub-prime bubble of the 2000's - and even the peak that ended that bubble, in October 2007.

The funny thing is that **October** has represented the month of extremes. It has timed Major tops & crashes and it has pinpointed Major lows and opportune buying opportunities. So, *what about **October 2014**? What will it hold?*

In order to begin to address that question, it actually takes a significant gathering of analysis - much of it already published - to construct a possible scenario for **October 2014**... and beyond...

As this latest bull market has unfolded - from 2008/2009 and more so from Aug./Oct. 2011 - there have been corroborating cycles that helped hone this analysis. One of those has been the 15--16 month cycle that has governed the Indices since the March 2009 low. It has been discussed for several years and subsequently timed lows in June/July 2010 & Oct. 2011. After that, it arrived early - in Nov. 2012.

In retrospect (20/20 hindsight), that Nov. 2012 low was linked to the Aug. 2011 low in the Nasdaq 100 - which had arrived earlier than the Oct. 2011 lows in the DJIA & S+P 500 - creating two competing cycle lows. That 15-month low-low cycle (Aug. 2011--Nov. 2012) projected a subsequent low in **Feb. 2014** - that arrived on schedule. But, there was more...

Hadik's Cycle Progression & Stock-flation: 1974--2014

That Feb. 2014 cycle low had been corroborated by its half-cycle - an approximate 7.5 month cycle that helped pinpoint the late-June 2013 bottom (that was also discussed previously). And, a 7.5 *Month Cycle* from the early-Feb. 2014 low - and a 15 *-Month Cycle* from the late-June 2013 low - reached fruition in **late-September 2014**...

32--33 Week Cycle

The charts on page 4 are reprints of charts that were published in the June 2012 *INSIIDE Track* (along with corresponding analysis included on page 3) that reiterated this cycle - a cycle closely linked to the *11-Week Cycle* that had been a frequent topic of discussion in 2011.

The chart [on page 4] is the current action of the Nasdaq 100 and the *32--33 Week Cycle* that culminated on **Sept. 15--26, 2014**.

Actually, it has been a very precise, *32-Week Cycle* since Nov. 2012. The current NQ-100 peak of **Sept. 19, 2014** completed a precise, 32-week low-low-low-(high) *Cycle Progression* and closely followed the NYSE peak of **early-Sept.**

At the time, the NYSE & NQ-100 triggered daily

trend pattern sell signals (on **Sept. 19th/22nd** - see corresponding *Weekly Re-Lays*) and projected a sharp drop into **Oct. 6--10, 2014**.

Other indicators leave open the potential for that decline to stretch into **Oct. 13--17, 2014** (see Sept. 25, 2014 *Weekly Re-Lay* for a breakdown of multiple signals and objectives corroborating this analysis). So, *what does that mean for October?*

October Blues

For starters, the action of **Sept. 3rd/4th--Sept. 19th/22nd** built expectations for a sharp drop in the first part of **October**...

Once these Indices - and the DJIA & S+P 500 - confirmed that (at least) an intermediate *peak* had taken hold in **September**, it clarified expectations for cycles in the first half of **October** (see reprint of Sept. 2014 *INSIIDE Track* analysis on page 7), which could only be a *low*.

That would actually be a better affirmation of future cycles in **April 2015**.

As recounted on page 7, geometric cycles (90,
(Continued on page 6)

32--33 Week Cycle (2012 Analysis)**04/30/12 - 3-6 Month+ Outlook:**

Stock Indices remain positive and on track for an overall advance into **3Q 2012**. They completed their projected advance - from cycle *lows* in early-October into cycle *highs* in **March** - and have consolidated for the past 4 -6 weeks. As described last month, the NQ had multiple cycles peaking on **March 26--30th** - including a 22-week high-high cycle (following an 11-week rally) and an overall 33-week advance from Aug. 2011, 1/2 of the 66 -week cycle that has spanned major lows in the DJIA & SP.

It rallied into **March 27th**, fulfilled upside price targets and has not closed above that high since then...If a peak is seen in **early-May** - without turning the intra-month trend up - it would set the stage for a second, 2-3 week decline into **May 21--25th**.

That is the time frame when an intermediate low (either higher or lower than the April lows) is likely... 180 degrees from the November 25th low. It is also 33 weeks - the midpoint of the **66-Week Cycle** - from the October 3rd/4th, 2011 bottom. The daily & weekly trends and price action should help clarify this.

05/31/12 - 3-6 Month+ Outlook:

Stock Indices have turned neutral with the S+P 500 & Nasdaq 100 futures reversing their weekly trends to down...There is also a cycle argument for some near-term support...these larger-degree cycles focused on **May 21--25th**. This led to the following conclusion, detailed in the May 16, 2012 **Weekly Re-Lay Alert**:

"Stock Indices remain in the 'c' wave of an intermediate correction that began in late-March... and that has been projected to extend into May 21--25th - when a multi-month bottom is likely...at the next phase of a 32-33 week cycle (3xs the prevailing 11-Week Cycle & ½ of the 66-week cycle that has pinpointed 3 consecutive major lows).

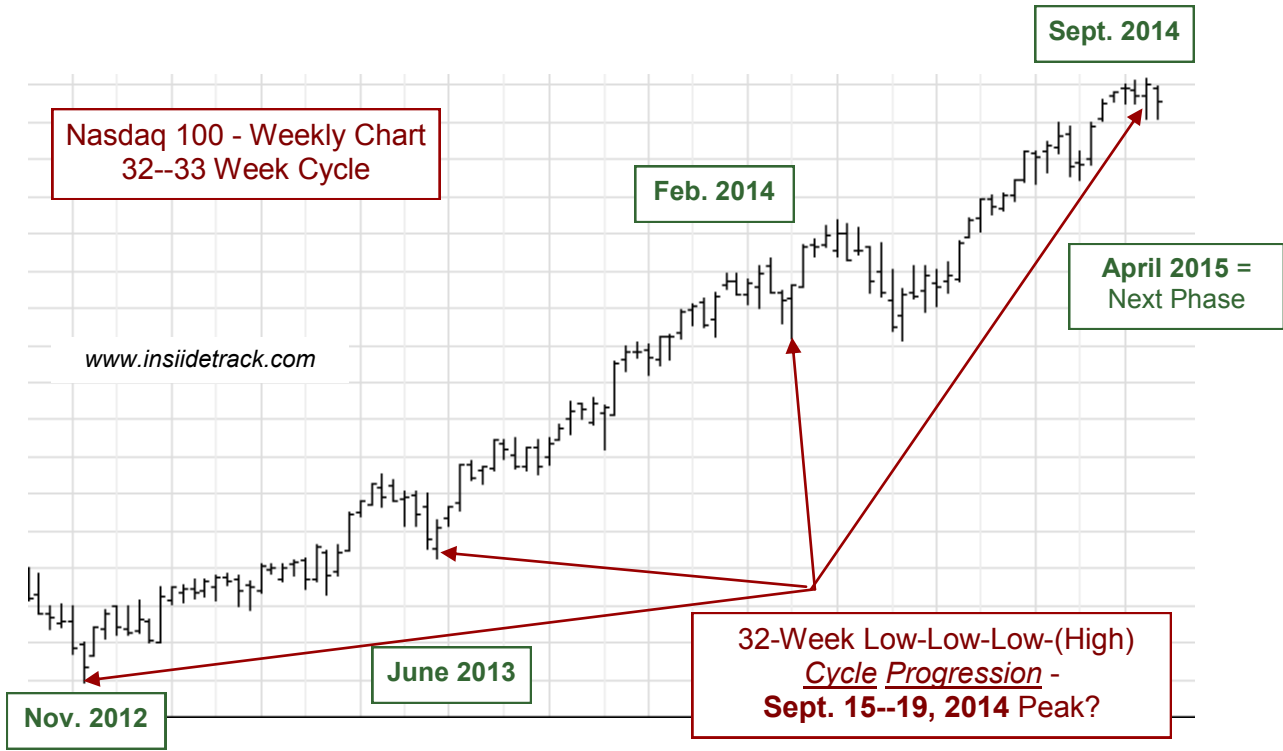
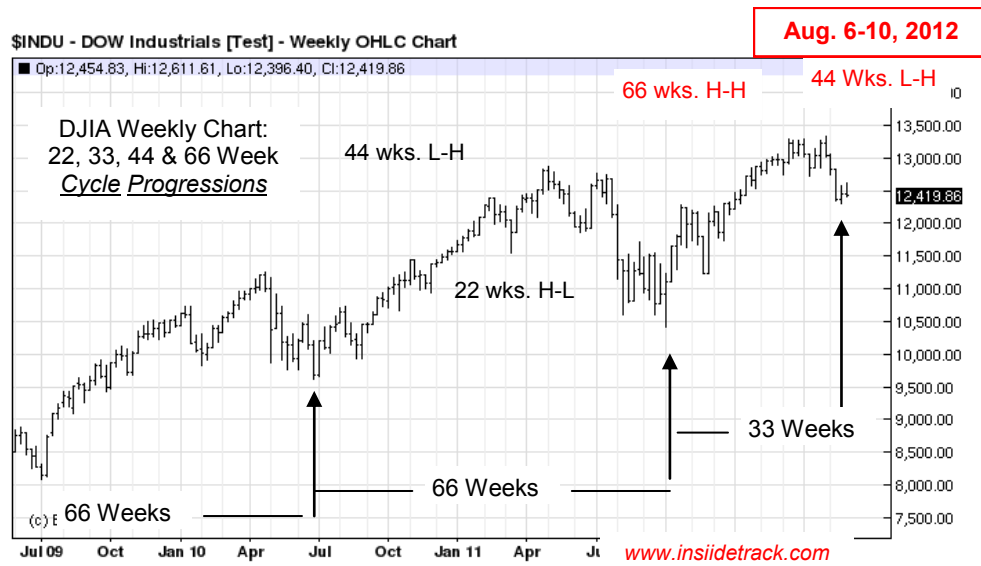
In the case of the S+P, this 32--33 week cycle has created a 32--33 week rally from the June/July 2010 low, followed by a 32--33 week decline... into the October 2011 bottom. That October low projects an ensuing low, 32--33 weeks later - on May 21--25th (potentially on May 14--18th).

...It is always important to keep the bigger picture in perspective, so as not to lose sight of what is most important...As long as they hold, the Indices should rally back to their March highs."

Oct. 2014 - The **32--33 Week Cycle** is a multiple of the **11-Week Cycle** (discussed throughout 2011, helping to pinpoint the July 2011 peak and Oct. 3--7, 2011 bottom) - a cycle that is also at the root of a **22--23 Week Cycle** & **44--45 Week Cycle**, discussed since 1999--2000. In 2012, it was forecast to pinpoint a low in late-May, which arrived right on schedule (see **11-Week Cycle** series at www.insiidetrack.com for preceding articles).

At the same time, an overlapping 32--33 week (~7.5 month) **Cycle Progression** formed - connecting the late-March/early-April 2012 high with the Nov. 2012 low... and then the late-June/early-July 2013 low. That was forecast to lead to a February 2014 low - which took hold as anticipated. The ensuing phase of both the **32--33 Week AND 66-Week (7.5 & 15-month) Cycles** came into play in **Sept. 2014** - on **Sept. 15--26, 2014**... the exact time the Nasdaq 100 just set a spike high...**April 2015** is the next phase! *IT*

**32--33 Week Cycle
Chart from 2012**



STOCK INDICES

08/29/14 - 2014 - most synergistic in **4Q 2014** - is not only when so many Stock Index cycles and timing indicators converge, it is also the completion/transition of multiple social/economic/financial cycles...

On a near-term basis, the Indices were expected to see a ~5% correction from intermediate cycle *highs* in July into cycle *lows* on **August 5--14th** (most synergistic on **August 8th/11th**) - at which point a new advance was projected to take hold. They did sell off; they did drop about 5%; and the Indices did bottom on **August 7th & 8th**... and a new advance has taken hold.

And that has reinforced at least one cycle in **4Q 2014**... As with every turning point, there is *current* significance and *future* significance... that could have a profound impact on a momentous cycle date in **2015**... The sequence involves the 90-degree cycle - but a different application of it. The DJIA set a pivotal low on **Oct. 9--13, 2013**, which was followed by an equally important S+P high in mid-Jan. - 90 degrees later (the DJIA set a high earlier and could not retest that high in mid-Jan.). On **April 11th/14th**, the DJIA & S+P set another decisive low... [**October 10--17th** is next].

However, it is 180 degrees later that really intrigues me... **Mid-April 2015**... overlaps a *40-Year & 240-Year Cycle* I have discussed previously. They stem from the original/initial American war (first shot of *Revolutionary War* fired on April 19, 1775) and the end of the last Major war - Vietnam - in April 1975...

As explained previously, **April 2015** will mark the completion of a *40-Year Cycle* of 'peace' - and by that, I simply mean the lack of any American wars on the scale of the Revolutionary, Civil, WWI, WWII & Vietnam Wars. **April 2015** will complete that cycle and usher in a new one... when things could change dramatically, from that point forward.

April 2015 is also EXACTLY 70 years from the defeat and death of Mussolini & Hitler in April 1945 (as well as Roosevelt, which led to the ascension of Harry Truman and the decision/events of early-August 1945). So, here again, it is the completion of a MAJOR cycle from the end of a momentous war...

The point of all this is simple. Of all the primary, major, multi-year cycles I follow (*11-Year, 17-Year, 40-Year, 70-Year* and even a *200- & 240-Year Cycle*) - and which have proven themselves accurate and consistent for centuries - ALL of them converge in **April 2015**, with respect to war and peace.

October 2014 - The lows of mid-Oct. 2013 & mid-April 2014 create a ~180-degree cycle that would be perpetuated with a low in **mid-Oct. 2014**... and project focus to the next phase in **mid-April 2015**. The implications and ramifications of that will be discussed in follow-up Reports and publications. *IT*

180, 360 degrees or days) converge on **Oct. 13--17th** and provide the perfect opportunity for a 'precursor cycle low'.

In other words, by fulfilling the potential for an intermediate low - and the culmination of a multi-week period of selling - **Oct. 13--17th** could provide an archetype of what to expect in **mid-April 2015**, 180 degrees in the future.

So, an intermediate bottom around **mid-October** could have very revealing *current* AND *future* ramifications...

So, could the market events of **October 2014** - and the ensuing months - shed some light on what to expect in **April 2015**? Absolutely. And that will be the topic of an ongoing discussion... IT

End of Excerpt of *INSIIDE Track* - 40-Year Cycle: Stock-flation 1974-2014.

The potential for a **mid-Oct.** low could reinforce related cycles in **mid-April 2015**. Immediately after that 90/180-degree sequence, an equally profound cycle - the **32--33 Week Cycle** - will come back into play, in **late-April/early-May 2015**.

Early-May 2015 will also be the next phase of the over-arching **66-Week Cycle** (15--16 months) that most recently pinpointed the Feb. 2014 low and before that, the Nov. 2012 low (and, before that, the Aug. 2011 NQ-100 low).

That **32--33 Week** low-low-low-high-(high) Cycle Progression AND ~**66-Week** low-low-low-(high) Cycle Progression could provide important clues as to what to expect in the **late-April** through **late-Sept. 2015** period that could be the 'undoing of the stock market' as just described in the Oct. 2014 INSIIDE Track (when a 20% decline becomes more likely). See publications for details... IT

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