



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

by Eric S. Hadik

# DOLLAR DICHOTOMY: 2013

AN INSIIDE TRACK REPRINT

***\$\$ Dichotomy:  
2013***  
*INSIIDE Track Reprint*

**Contents**

*\$\$ Dichotomy .....1*  
*\$\$ Charts .....2*

*"...What has been will be again, what has been done will be done again; there is nothing new under the sun. Is there anything of which one can say, "Look! This is something new"? It was here already, long ago; it was here before our time.*

*There is no remembrance of men of old, and even those who are yet to come will not be remembered by those who follow."*

*Ecclesiastes 1:9-11  
(New Int'l Vers. ©1986)*

## Dollar Dichotomy: 2013

**February 2009** - Attention on the momentous year of **2013** continues to grow... at least when it comes to the Dollar & US Banking. That is the year when a seismic shift is likely to begin taking hold in the US Dollar. *Ironically, it is also the time when most cycles will turn bullish.*

As discussed in recent months, long-term fundamental cycles (*25-Year, 50-Year & 100-Year Cycles*) converge in **2013** and presage a dramatic turnabout in the Dollar's role. Most likely, that will be the *beginning of the end* for the Dollar's reign as global reserve currency. That could be a sudden event or, more likely, a drawn-out one. One of the reasons it is more likely to be drawn out is the 'flip-side' of the Dollar's 'dichotomy'...

**2013** is also the time when any remaining negative technical cycles will turn positive... and usher in a potentially bullish, multi-year period. Many cycles bottomed in 2008 and ushered in the recent Dollar surge. Others bottom in **2009 & 2011**. The final ones bottom in **2013**. So, similar to the early-1990's - one *17-Year Cycle* ago (1992--**2009**) - there could be a succession of lows before a definitive bull market really takes hold. The following recent excerpts explain some of this...

**09/30/08 - Long-term (3 months+) Outlook:**

The Dollar is adhering to analysis for a 6-12 month advance from its **March**, Major low and a 3-6 month rally from its mid-July, secondary low. This could extend into **November**, when all kinds of key cycles converge. This could be a very precarious time in many markets... and in many global regions.

Looking out further, **2013 - 2014** is the culmination of Major cycles for the US Dollar & the US Banking Industry that have been cited before... and should be kept in perspective... I will elaborate in the coming months.

**12/01/08 - Long-term (3 months+) Outlook:**

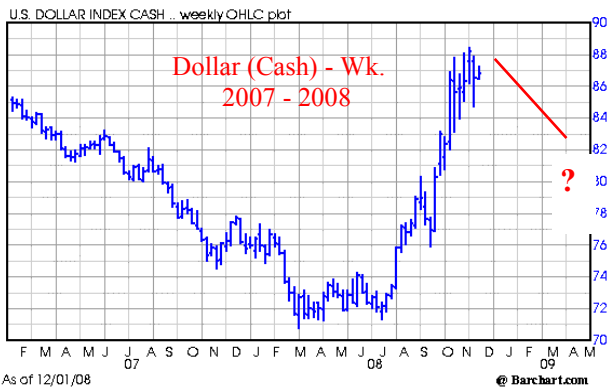
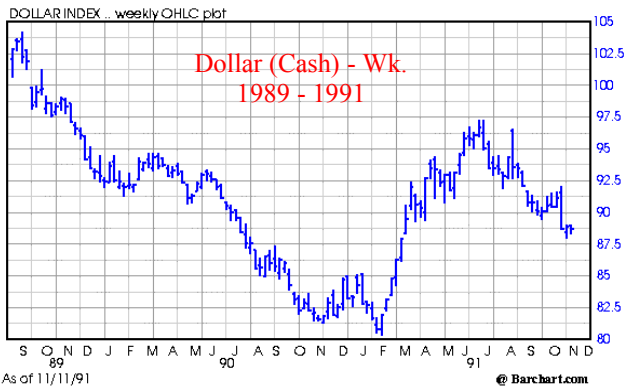
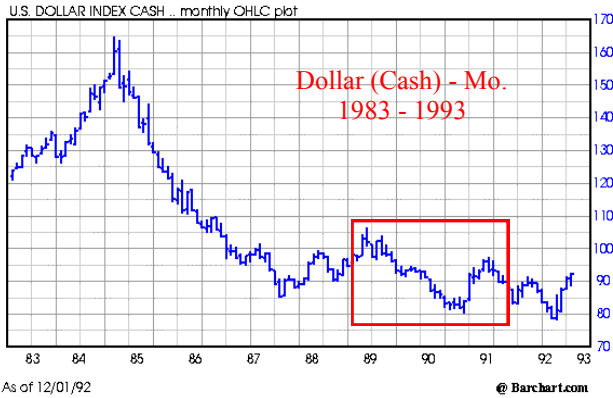
The Dollar has fulfilled most aspects of analysis for a 6-12 month advance from its March, major low and a multi-month rally from its mid-July, secondary low - into **November**.

It surged to its monthly LHR in October (**87.99/DXZ**) and held, indicating that a 3-6 month peak could take hold by January... if not sooner. The Dollar Index reached **89.74/DXH** in **Nov.**, less than a basis point shy of its upside target at **90.00 - 92.50/DX**. So, an intermediate top could be forming.

The year of **2009** is a **BIG** year with regard to cycles that impact the Dollar, directly & indirectly. From a 17-Year Cycle basis, **2009** is 17 Years from the Dollar's last major low in 1992. It is also 17 Years from the Maastricht Treaty of 1992...

Leading into this, the Dollar could see a final decline (which might even be the impetus for the US to start contemplating its options) - similar to what took place... 17 Years ago.

As highlighted in the first two charts, the Dollar saw a 6-year decline - from 1985 into 1991 - and then re-



*bounded about 18 basis points from its 1991 low. After this surge, it fell to new lows - in 1992 - before a Major bottom took hold.*

*17 Years later, the Dollar peaked in 2002 and fell for 6 years, into 2008 (17 Years from the 1991 low). It then rebounded about 18 basis points (deja vu?).*

*This rebound is pictured in the 3rd chart above, a chart that has uncanny similarity to the one directly above it... from 17 Years earlier. This brings us to the present.*

*Could a similar drop to new lows - in 2009 - be seen in the Dollar?"*

*"The year of 2009 is a BIG year with regard to cycles that impact the Dollar, directly & indirectly. From a 17-Year Cycle basis, 2009 is 17 Years from the Dollar's last major low in 1992. It is also 17 Years from the Maastricht Treaty of 1992..."*

*Leading into this, the Dollar could see a final decline..."*

*[Will the Dollar turn Bullish after 2009?... Or wait until 2013?? The 1990's low took years to unfold - with three lows in 1991--1995, before a multi-year advance took hold... into 2001/2002. Will the 2010's look anything similar?]*

**01-02-09 -**

**USA 2013/2014:**

### **A Cycle Convergence of Major Proportions!**

*"...The Geopolitical topic that hits closest to home for about 80% of readers, however, is one that I have mentioned several times before. In 2009, I am going to elaborate on this topic and provide a myriad of cycle evidence that points to an economic/banking/currency finale in 2013 and a political cycle crescendo in 2013 - 2014... for the USA.*

*The Dollar could/should continue to provide corroborating signals for this analysis. If it can rebound (a second time) into mid-2009 and then turn back down, this would add another level of reinforcement to Dollar cycles converging in 2013.*

*Of course, a 1-2 year low - in **mid-2009** - would either a high-high-high-low or a high-high-low-low Cycle Progression focused on **2013**). So, the intermediate outlook and analysis will be critical in determining the most likely course for the next 6 months.. but not likely alter the longer-term cycles.*

*China has its own convergence of economic & political cycles converging in **2012 - 2014**, which will be a topic of a future discussion. Coincidence?"*

*[Fundamental shift expected in Dollar beginning in **2013**; Will China play a role in this? Could a **2009** low could precede lows in **2011 & 2013** before larger advance?? See current publications for updated analysis.]*

**02/02/09 - Outlook 2009 (1-12 months):**

*The Dollar is expected to consolidate during much of 2009. It fulfilled 3-6 month expectations by surging into **mid-November** and then fulfilled 1-3 month analysis for a drop into mid-December.*

*Since it did not reverse its weekly trend to down, in the process, the benefit of the doubt has to remain with the upside.*

*Contrasting this is the monthly LHR pattern that was fulfilled in October and projected an ensuing, 3-6 month peak by January. The combination of these and other indicators augurs more two-sided action (congestion) in the coming months.*

*As for the 1-3 month outlook, **mid-March** is a critical time for the Dollar and could represent another peak. The action of the next two weeks should clarify. The Dollar Index (similar to - but offset from - Bonds & Notes) has seen a very consistent 4-month/120-degree low-low-low-high Cycle Progression."*

**Feb. 2009** - This *Reprint* only scratches the surface of analysis regarding a potentially tumultuous time beginning in **2013** (if not sooner). While *technical* cycles project a multi-year bottom by then - and the onset of a multi-year advance after that point - *fundamental* cycles hint that something ominous could be simultaneously taking place beneath the surface.

Please refer to current INSIIDE Track & Weekly Re-Lay publications for the most updated - and specific - analysis. **IT**

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