

# Cycle Projections ETFs

DECEMBER 2007

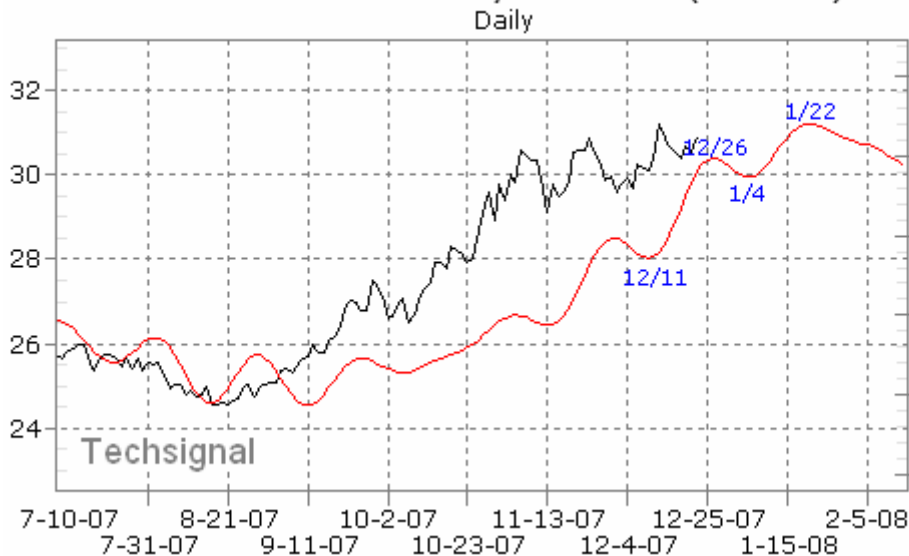
ETF'S - A Diversified Selection of Major Exchange Traded Funds

## Equities or Commodities, which Bull Market will last?

In this issue of Cycle Projections ETFs we present a selection of Exchange traded funds. We will have in each issue a double beta stock fund as well as a short stock fund. The other funds are typically funds with high one-year relative strength and give the reader a variety of areas of interest including agricultural, metals and international funds. The mix is designed for maximum returns. Our view of the market as a whole is mixed. Cyclically, the daily cycles indicate that the markets should rise over the next month; however, this must be tempered with the economic cycles which are decidedly bearish for stocks. The election year pattern and the decennial pattern also indicate strength over the next month but our outlook cannot overlook the problems of inflation brought on by higher commodity prices. For this reason we have included two PowerShares DB funds: DBA and DBC. They replicate commodities and are futures based. DBA is an agriculture fund and DBC tracks the Deutsche Bank Liquid Commodity Index. Both present an opportunity to take advantage of the bull market in commodities, which the

long cycles argue will continue for at least two more years. Typically commodity based bull markets last well over 10 years and often much longer than that. If we assume that this bull market began in 1999 or 2000, then we should anticipate at least a few more up years. Unfortunately, we cannot say the same about the equities bull market. Equities do not rally when commodity prices rally. We expect that the last period of strength in equities is about over.

### EXTRADED DB Commodity Ind Track(PowShr) DBC



Again, we have included some high relative strength ETFs in our selection and a short fund. One key to a short fund is buying below 49 at current levels and taking profits over 56.

## Cycle Projections

ISSN 1055-1700

Published Monthly by the Foundation for the Study of Cycles

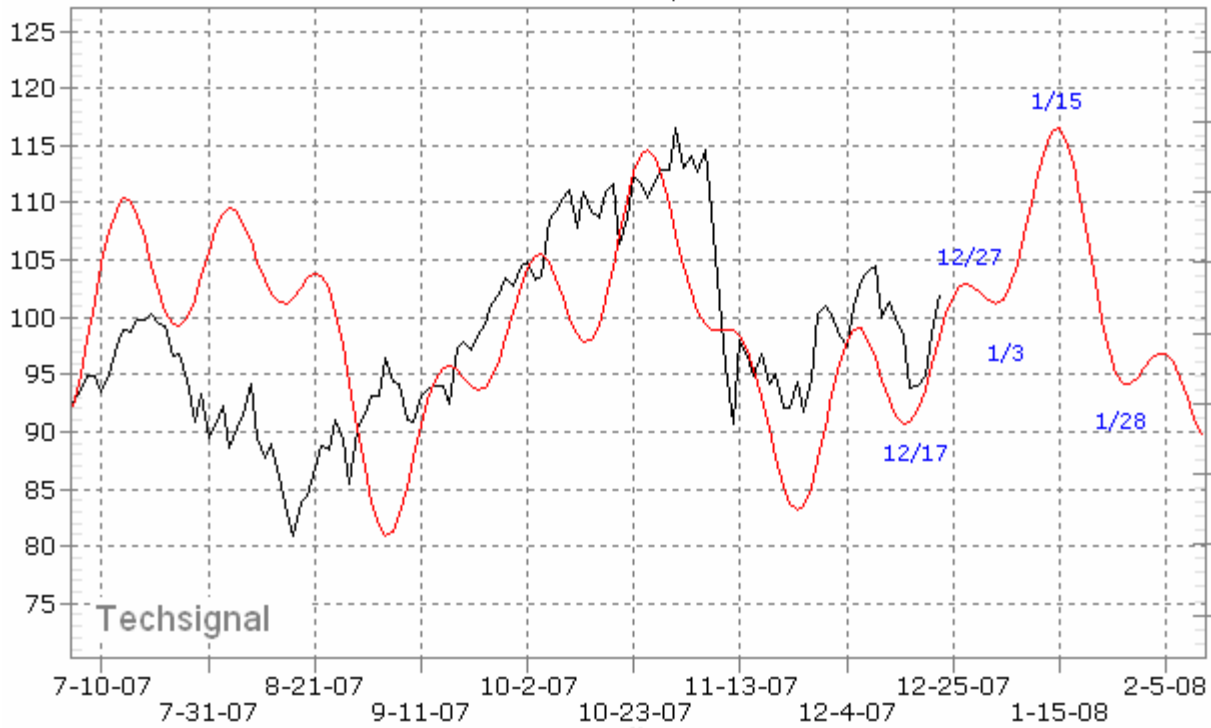
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## Stocks (2X) Double Beta

EXTRADED Ultra QQQQ(ProShr) QLD  
Daily



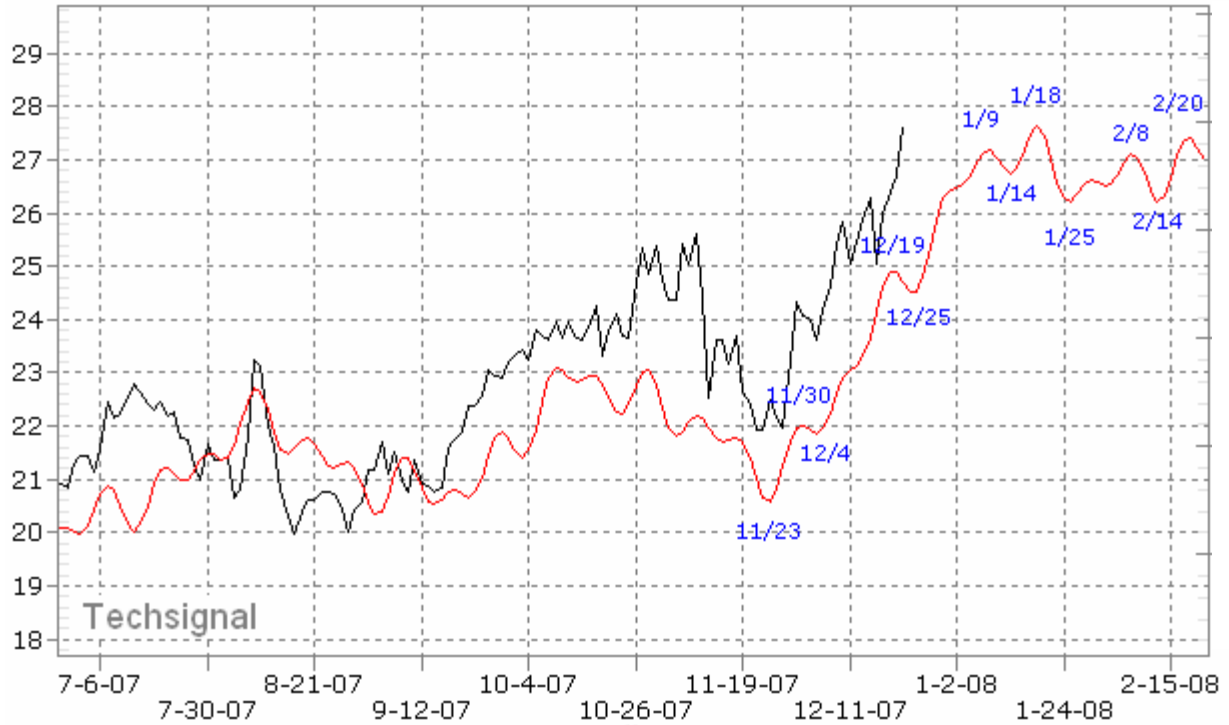
## Stocks (-2X) Double Beta Inverse

EXTRADED UltraShort S&P 500(ProShr) SDS  
Daily



## PBW Clean Energy

EXTRADED WilderHill Clean Energy(PowShr) PBW  
Daily



## OIH Energy Service

EXTRADED Oil Service(HLDRS) OIH  
Daily



# Gold

EXTRADED Gold(stTr) GLD  
Daily



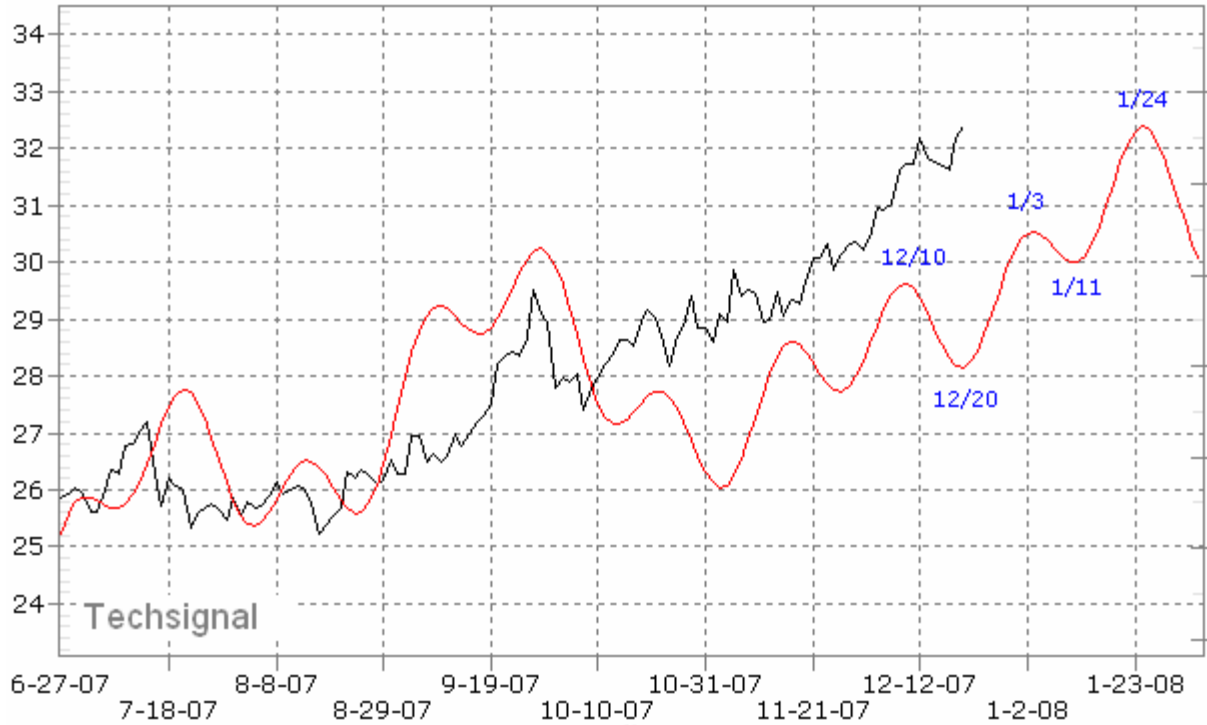
# Steel

EXTRADED Markt Vectr Steel(VanEk) SLX  
Daily



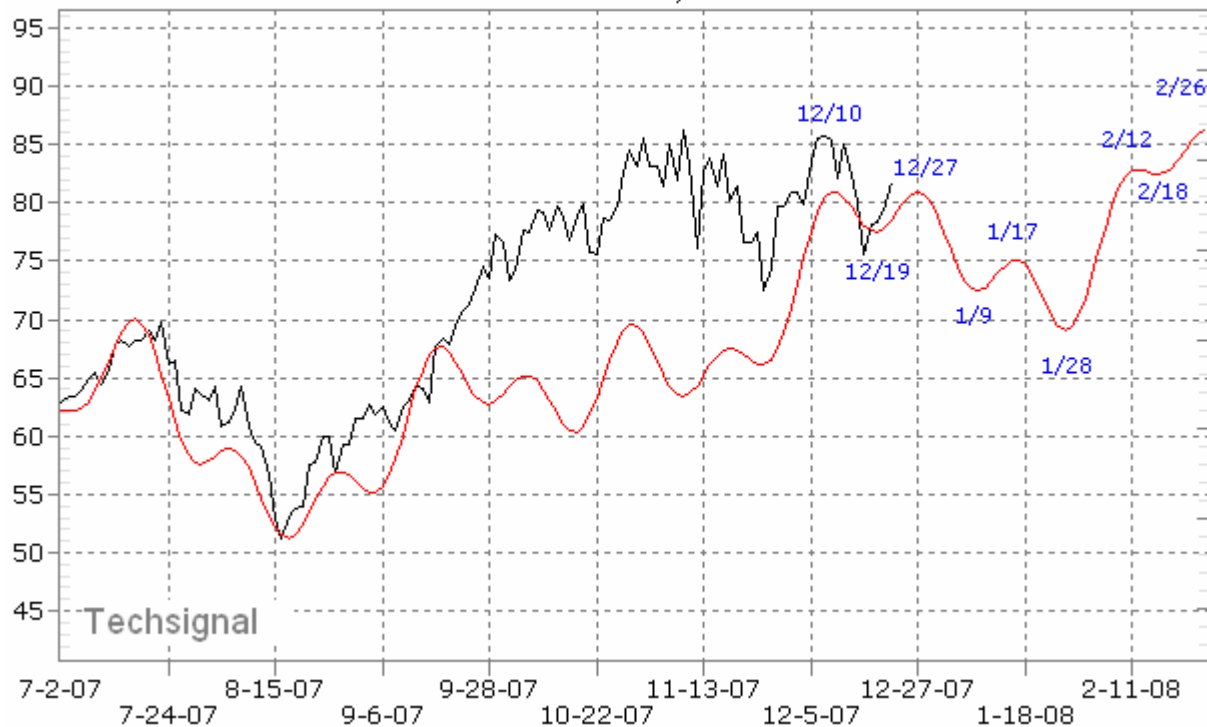
## DBA Agriculture

EXTRADED DB Agriculture Fund(PowShr) DBA  
Daily



## EWZ Brazil

EXTRADED MSCI Brazil(iS) EWZ  
Daily



## ADRE Emerging Markets

EXTRADED Emerging Mrkts 50 ADR(BLDRS) ADRE  
Daily



## PGJ China

EXTRADED Golden Dragon USX(PowShr) PGJ  
Daily

