

Cycle Projections ETFs

APRIL 2008

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

Time to return to long equity ETFs?

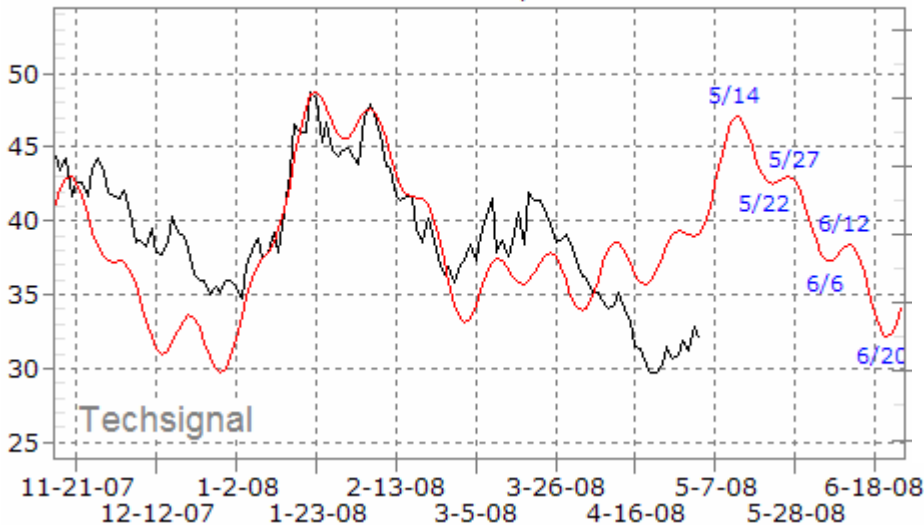
Since January we have been favoring commodity, short domestic equity ETFs and international equity ETFs over domestic equity ETFs. Are we now ready to reverse? The answer is not quite, although we need to look carefully at the commodity ETFs.

For agricultural ETFs such as DBA we have been bullish with warnings since March that a seasonal correction was due. We definitely have had a correction but is it seasonal? We think that there is a high probability that it is and the commodity markets will rally for at least another year and perhaps more.

Gold has also had its correction and now sits near important support, so we are currently a buyer of DGL, the gold ETF at these levels. Again the assumption here is that the US dollar will be in a trading range and that commodity prices will rally after the seasonal correction.

Crude Oil has not followed any kind of cyclic or seasonal pattern. It has continued to stay strong and pullbacks last not weeks, like expected,

ProShares UltraShort Oil & Gas ETF DUG
Daily



but days. We picture DUG, the ultra short oil and gas ETF. It is hovering near its 52-week lows which is hardly surprising given the price of crude oil. Rallies in DUG have averaged only two to three weeks at most, so any purchase of DUG is for the short-term. If we are to have any correction then it must come soon and if so then DUG is a buy for a short play. We have also included an energy services ETF, but remember energy services is not a one to one proxy for crude oil.

We have also included another commodity ETF, the UYM double beta fund of the Dow Jones Basic materials index. This is a very broad index including more than 500 stocks not all of which are bullish. The overall index does show the rising prices but not like our preferred DBC, a more focused and futures oriented ETF. The bottom line is that commodity prices are leading the way and basic materials will follow. We have also included SLX, a steel ETF. We are bullish on steel and raw materials like it but we warn investors to look at the capitalization and volume of all ETFs. Liquidity is important and SLX and UYM are relatively new.

Cycle Projections

ISSN 1055-1700

Published Monthly by the Foundation for the Study of Cycles

2929 Coors Blvd NW Suite 102-D

Albuquerque New Mexico 87120

(505) 217-3867 FAX (877) 799-0309 editor@techsignal.com

QLD (2X) Double Beta

EXTRADED Ultra QQQQ(ProShr) QLD
Daily



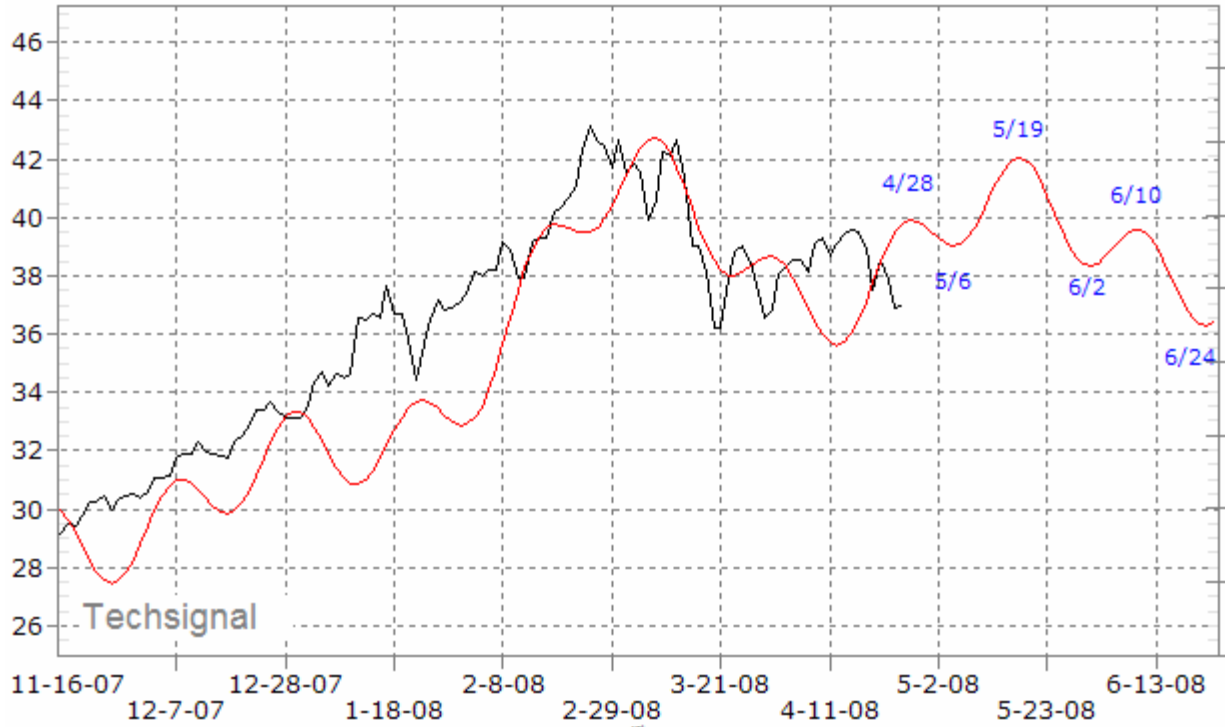
SDS (-2X) Double Beta Inverse

EXTRADED UltraShort S&P 500(ProShr) SDS
Daily



DBA Agriculture

EXTRADED DB Agriculture Fund(PowShr) DBA
Daily



DBC Commodities

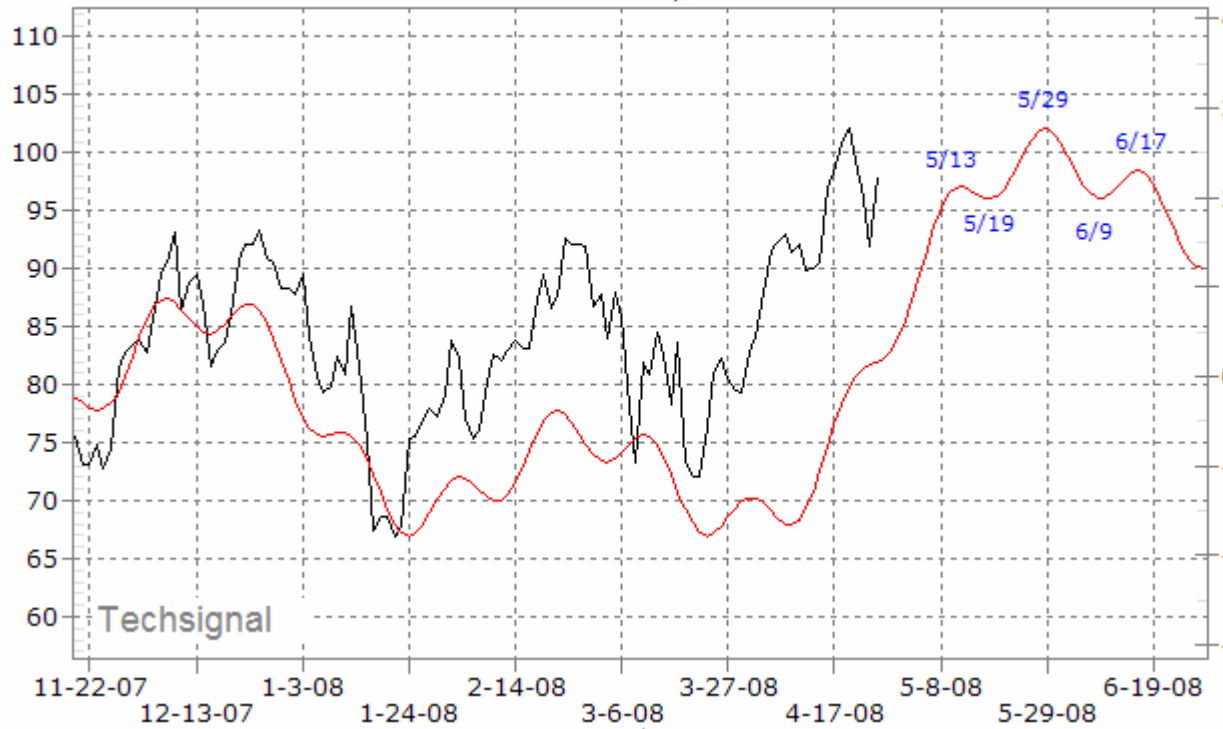
EXTRADED DB Commodity Track(PowShr) DBC
Daily



UYM Basic Materials Double Beta

EXTRADED Ultra Basic Materials(ProShr) UYM

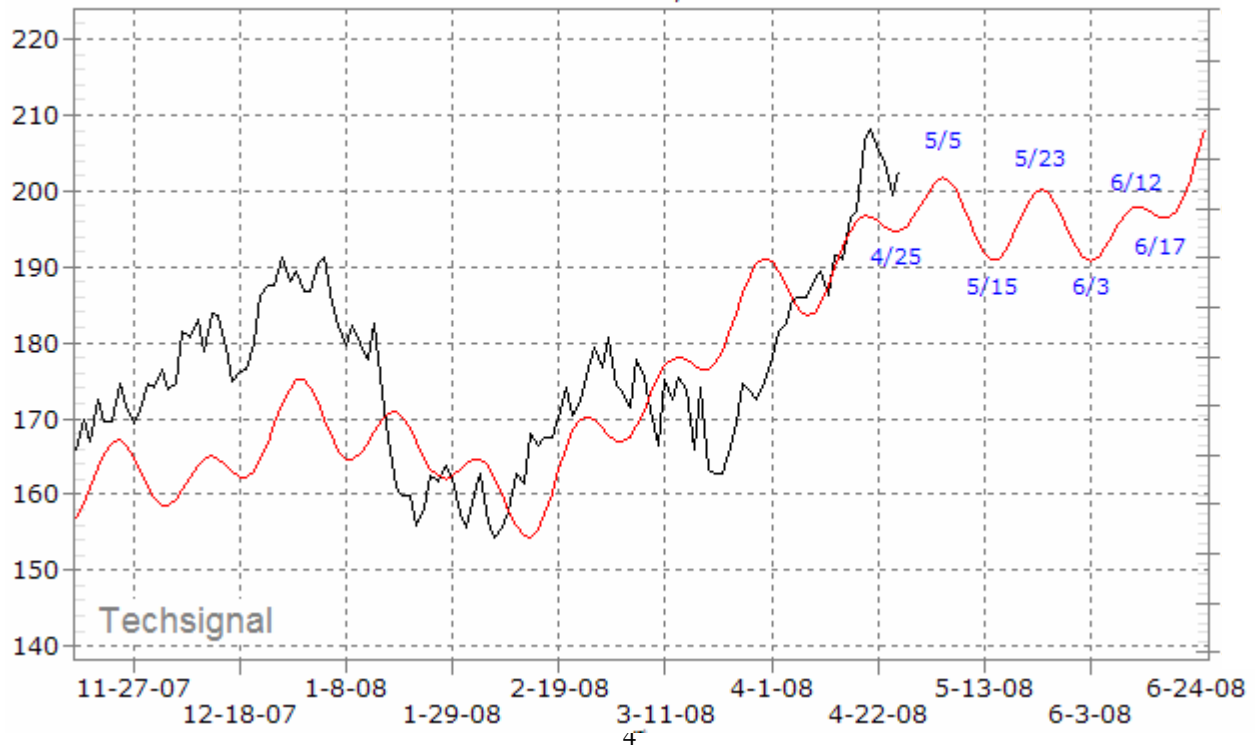
Daily



OIH Energy Services

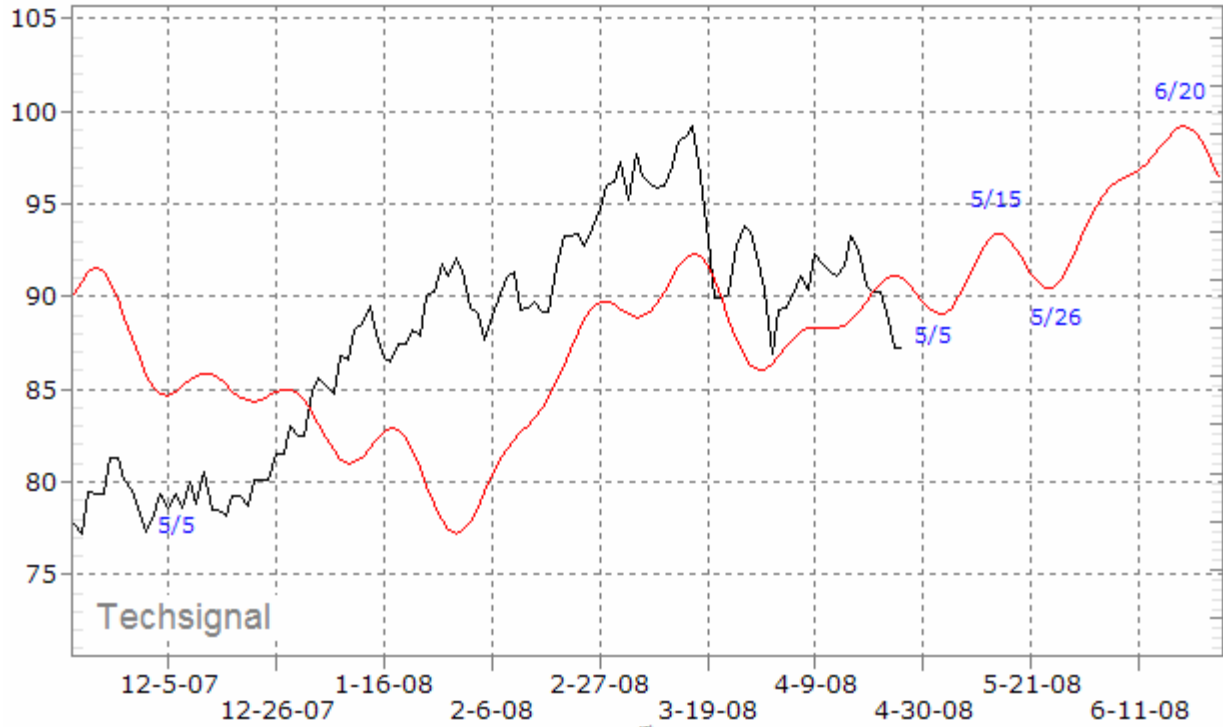
EXTRADED Oil Service(HLDRS) OIH

Daily



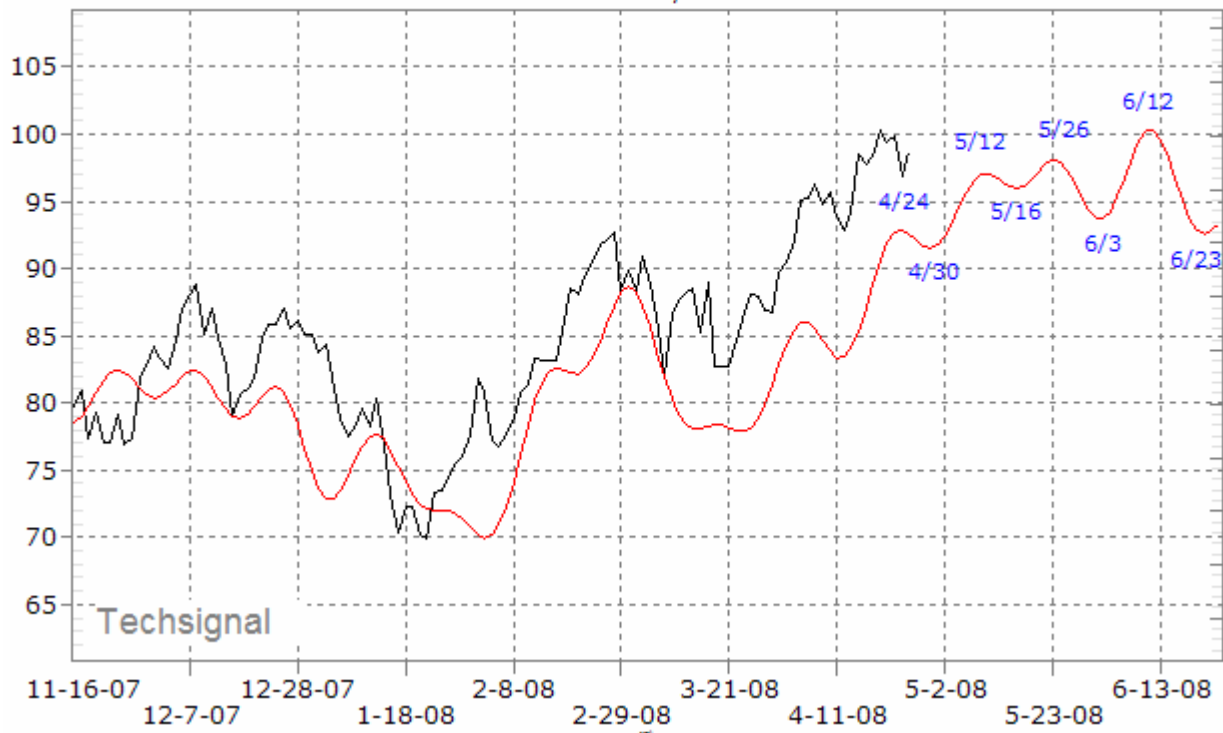
GLD Gold

EXTRADED Gold(stTr) GLD
Daily



SLX Steel

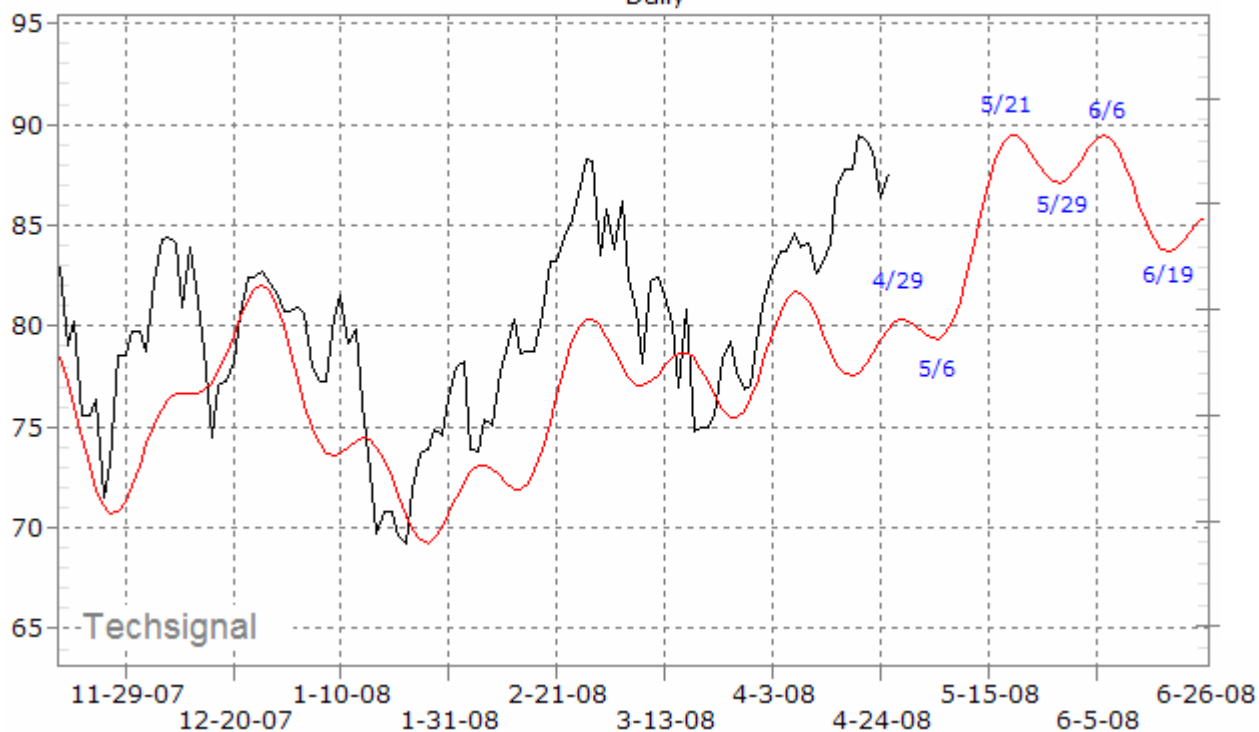
EXTRADED Steel Markt Vectr(VanEk) SLX
Daily



EWZ Brazil

EXTRADED MSCI Brazil(iS) EWZ

Daily



EEB BRIC

EXTRADED BRIC BNY(Claym) EEB

Daily

