

Cycle Projections ETFs

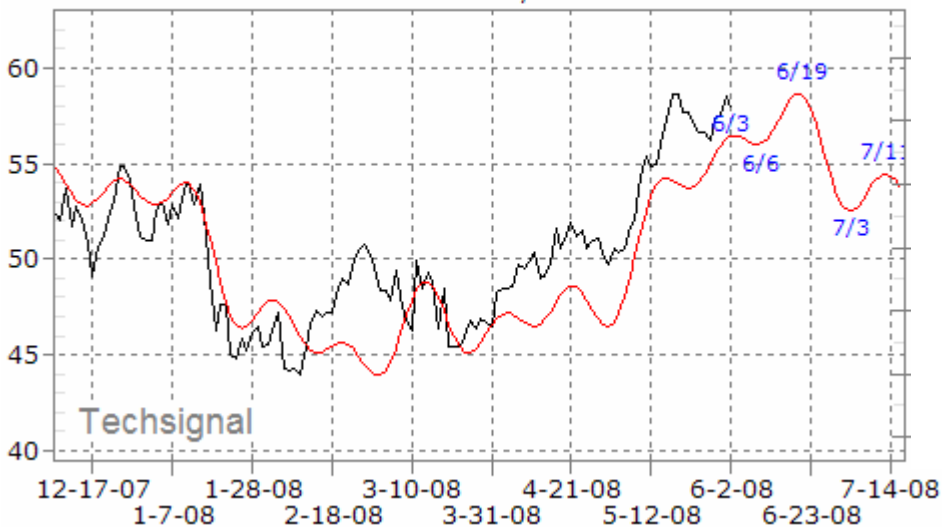
MAY 2008

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

Which ETFs in this kind of a market?

One look at the stock market and one can yawn. Since April the markets have managed a slight 5% gain which is not exactly what bull markets are made of and they have struggled with resistance at 1430, although intraday they popped above it once. This then brings us to the question of where should we invest in relationship to recent moves of the US dollar. We have been following US dollar sensitive ETFs including gold, crude, agriculture, and international ETFs. If the US dollar makes a major reversal most of these areas will be put under some pressure. We will summarize these areas below in the light of the US dollar.

EXTRADED Russia Markt Vectr(VanEk) RSX
Daily



Energy: We are bearish on crude oil and natural gas over the next month but bullish on coal; but we must be careful with this sector because the picture for crude oil remains very volatile and is not likely to get more help from the US Dollar since it is likely we have seen the low.

Gold and Precious Metals: We remain bullish on these ETFs but we do not expect a significant rally until August when gold

makes its seasonal lows; but how high can Gold go with the US dollar not falling significantly? There has been only one minor rally in gold when the Dollar was rising, so we will have to watch the dollar carefully. **Commodities/Agriculturals:** These sectors will be under some pressure this summer and we do not expect another year like last year, but we do expect good moves in DBA and DBC, although DBC will come under more pressure. **International Stocks:** This is the sector we feel the best about, especially the Russian and Brazilian markets. We have been nervous about China and India and continue to be worried. We continue to like the steel sector and especially the international steels. The US dollar will play only a small part of these sectors and we do not expect any potential recession to have a major impact at this time. **Domestic Equities:** We are negative on the Domestic markets but there is so little energy either to the upside or downside we do not think there is much potential either up or down.

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Cycle Projections

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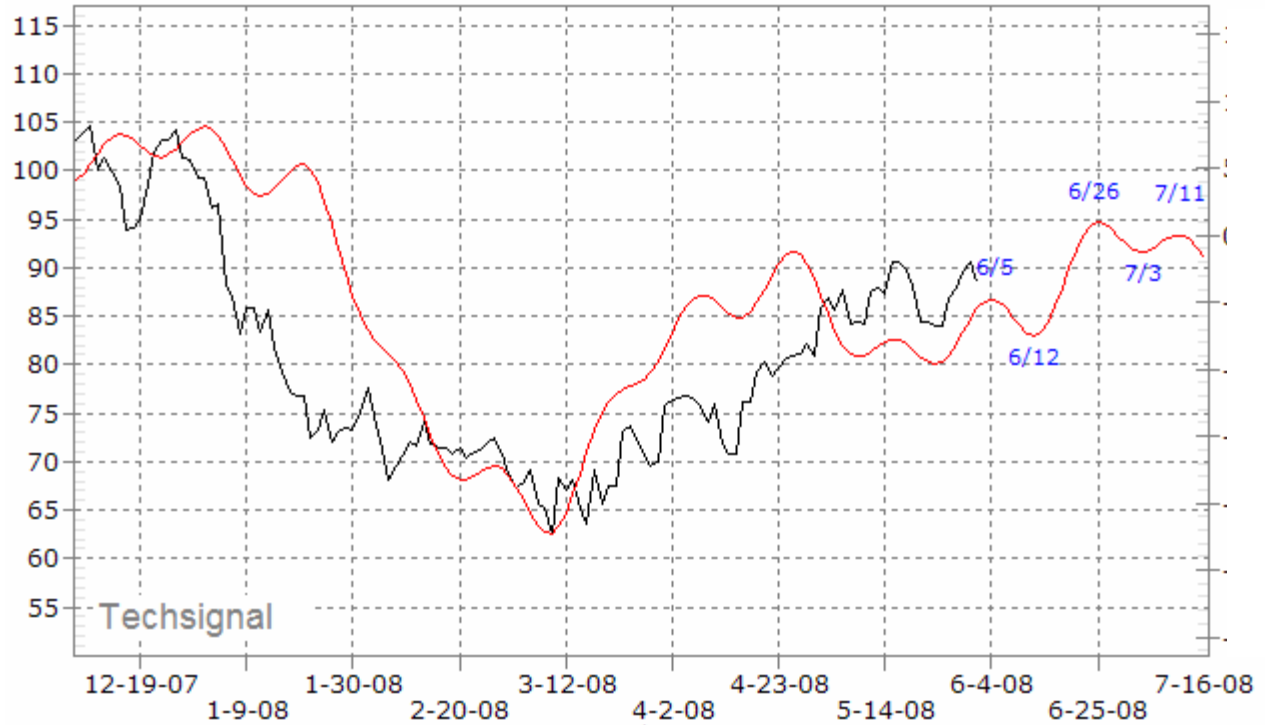
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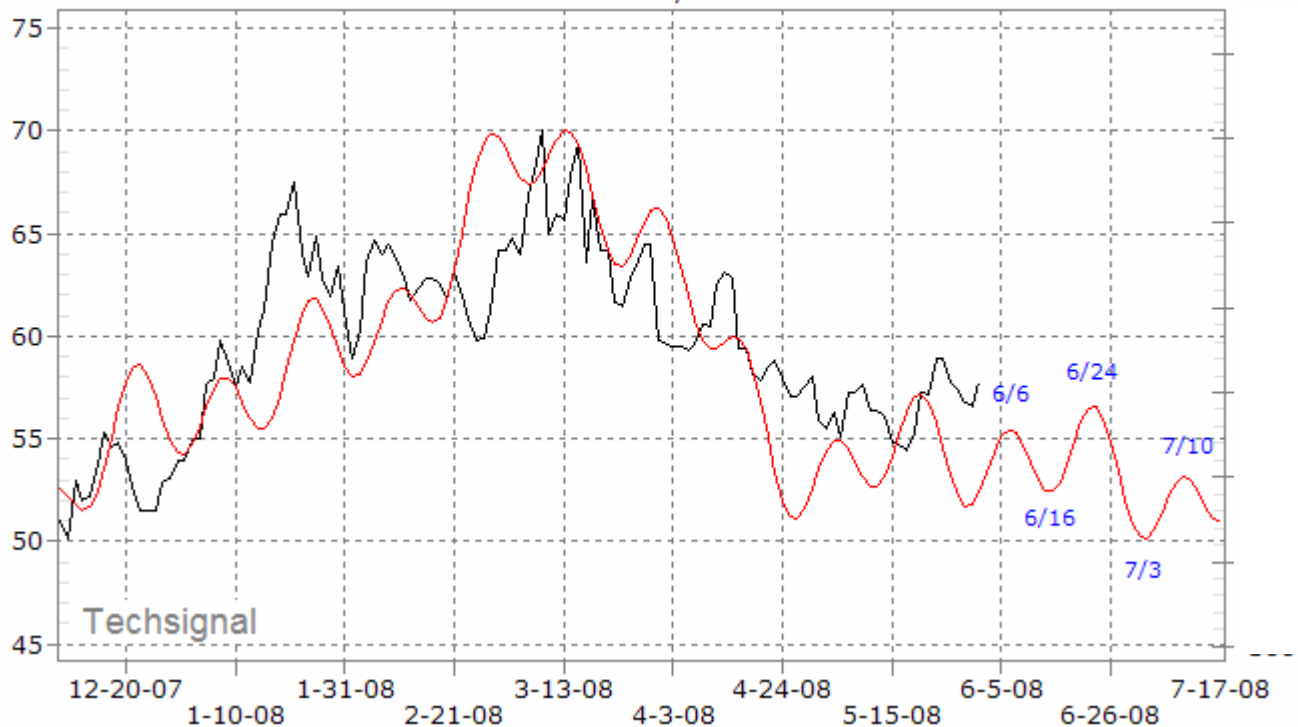
QLD (2X) Double Beta

EXTRADED Ultra QQQQ(ProShr) QLD
Daily



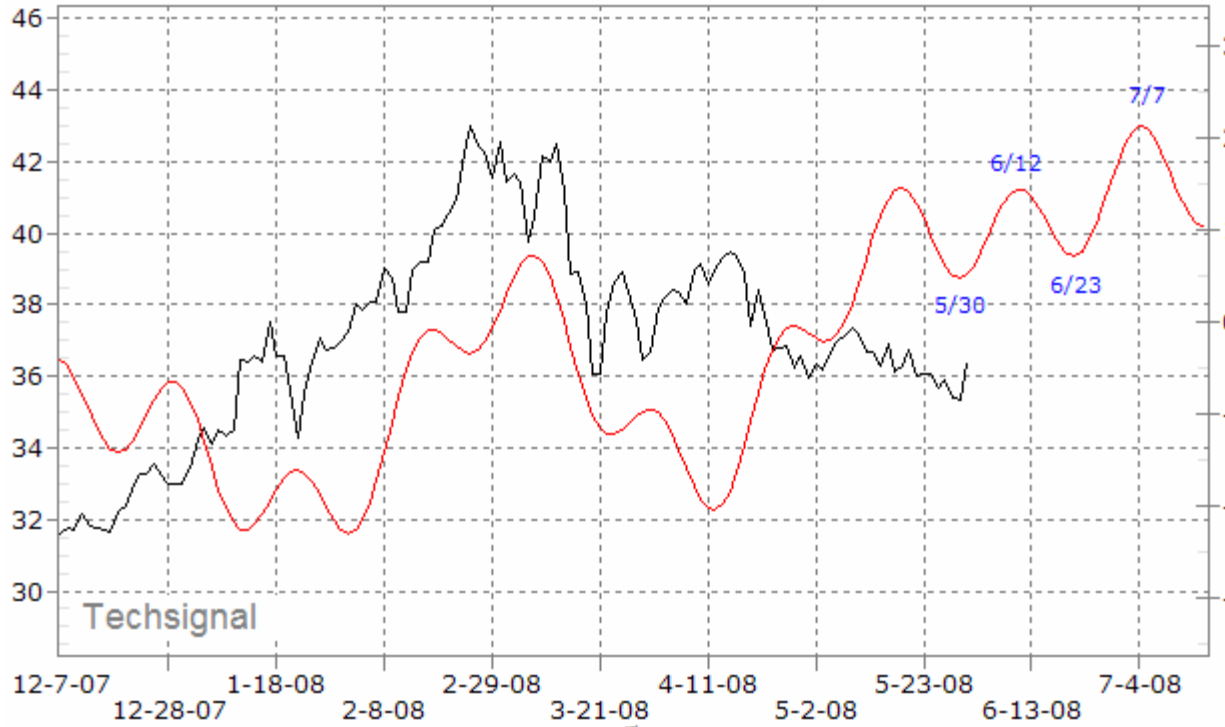
SDS (-2X) Double Beta Inverse

EXTRADED UltraShort S&P 500(ProShr) SDS
Daily



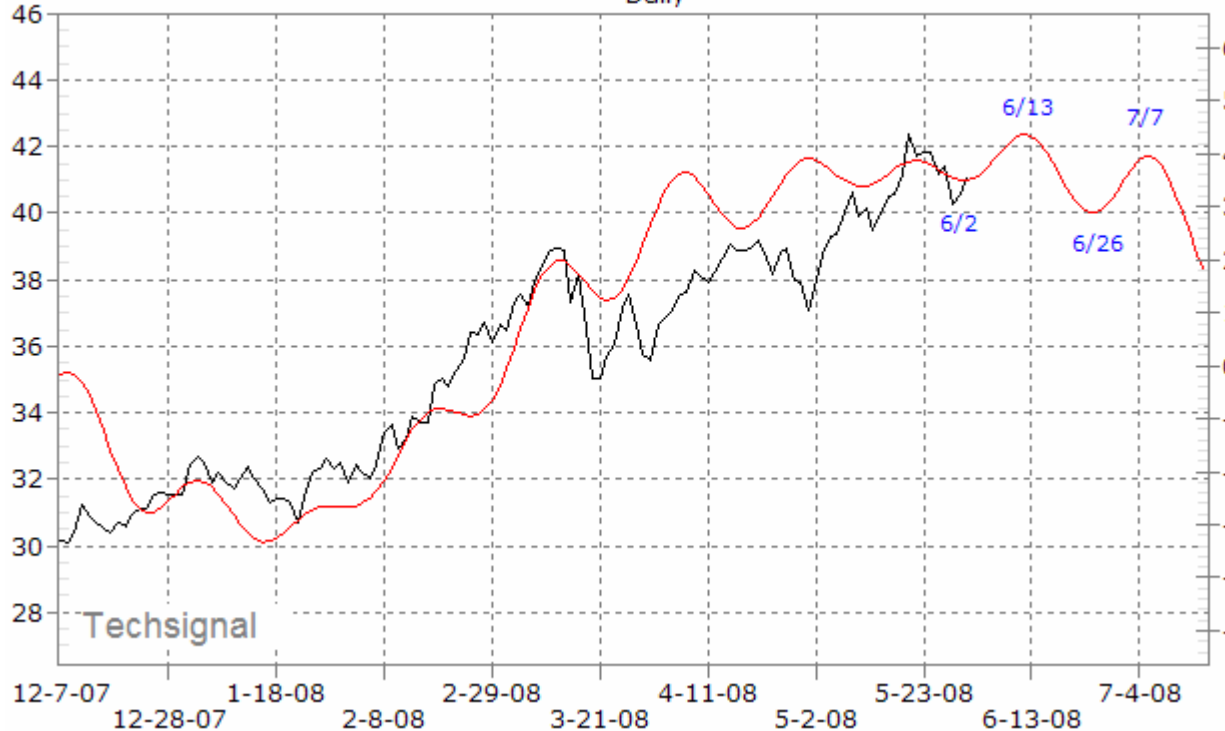
DBA Agriculture

EXTRADED DB Agriculture Fund(PowShr) DBA
Daily



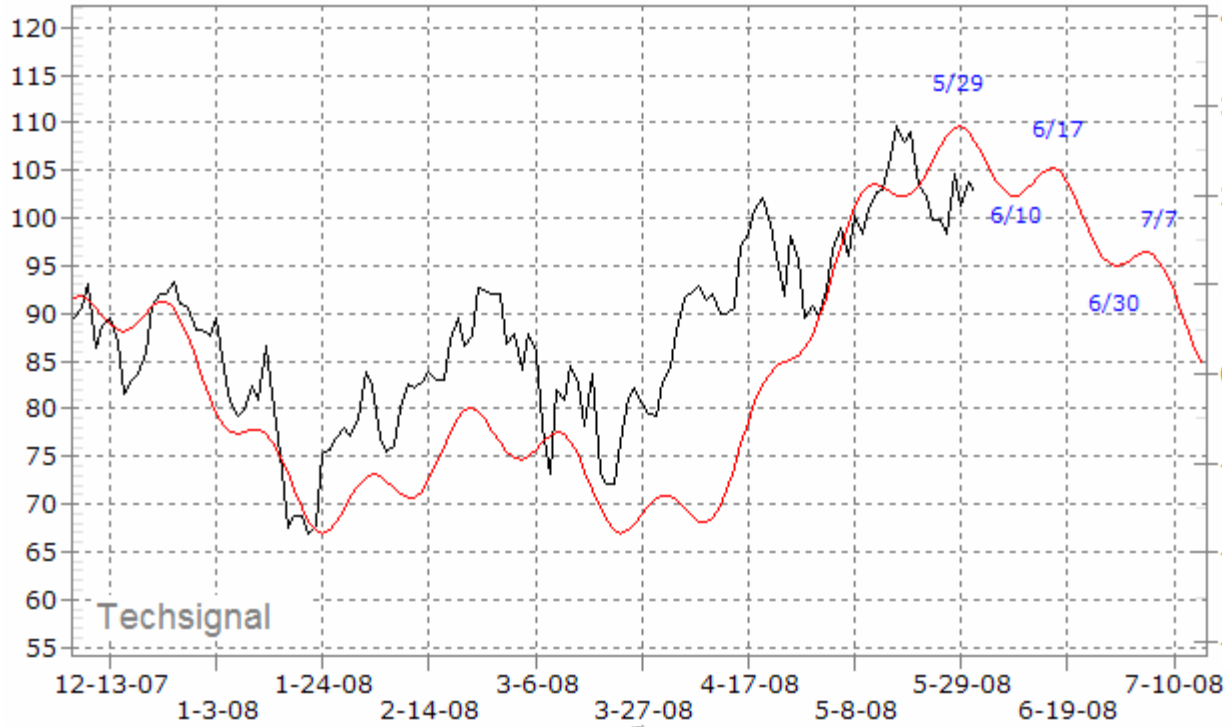
DBC Commodities

EXTRADED DB Commodity Track(PowShr) DBC
Daily



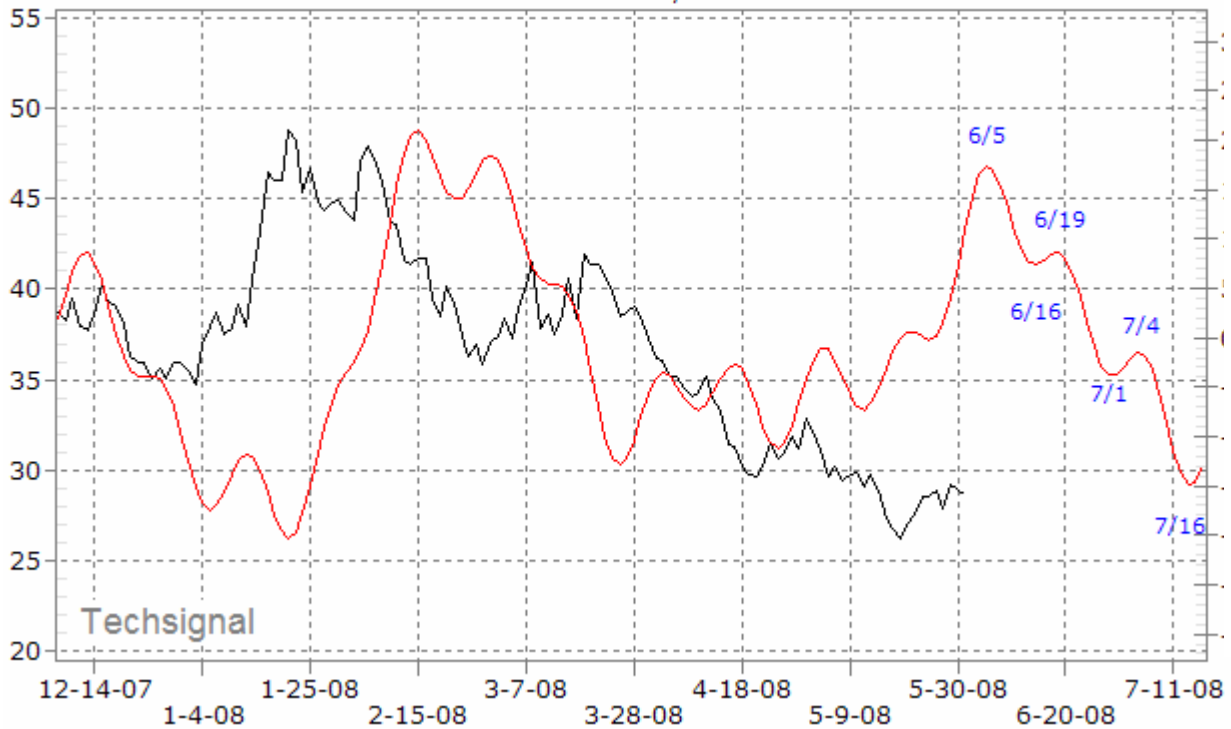
UYM Basic Materials Double Beta

EXTRADED Ultra Basic Materials(ProShr) UYM
Daily



DUG Ultra Short Oil & Gas Double Beta

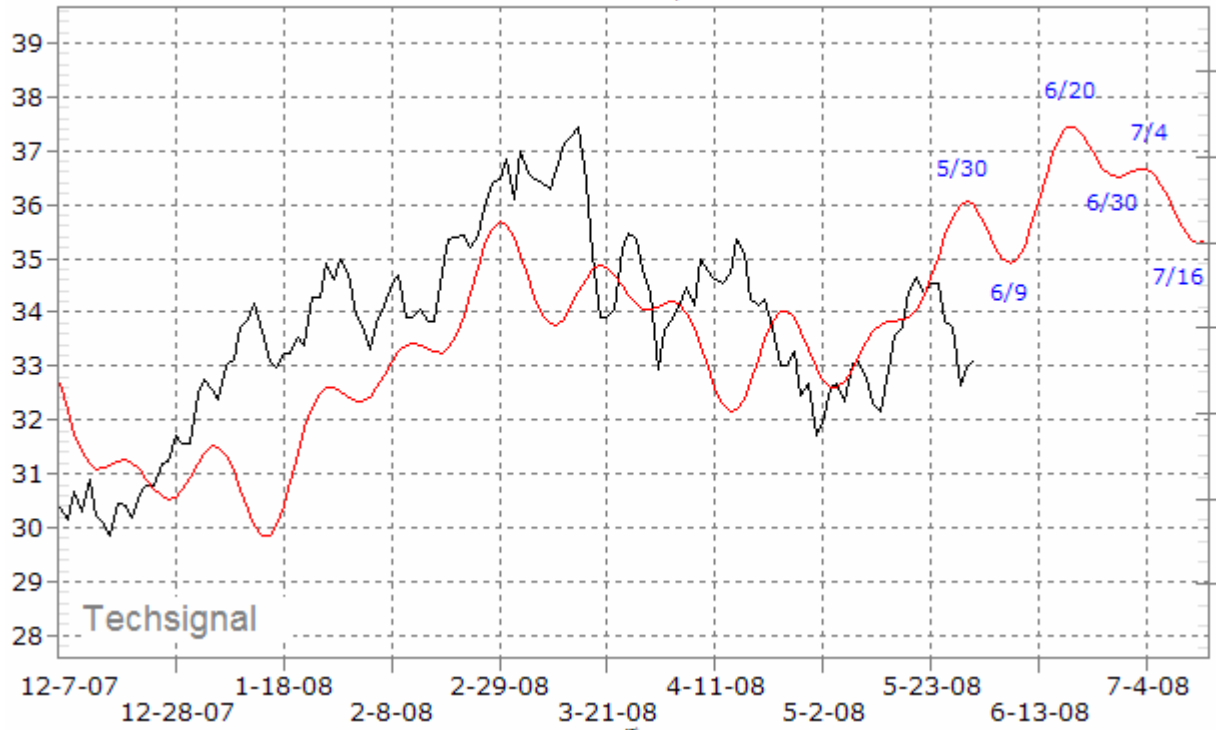
ProShares UltraShort Oil & Gas ETF DUG
Daily



DGL Gold

EXTRADED DB Gold(PowShr) DGL

Daily



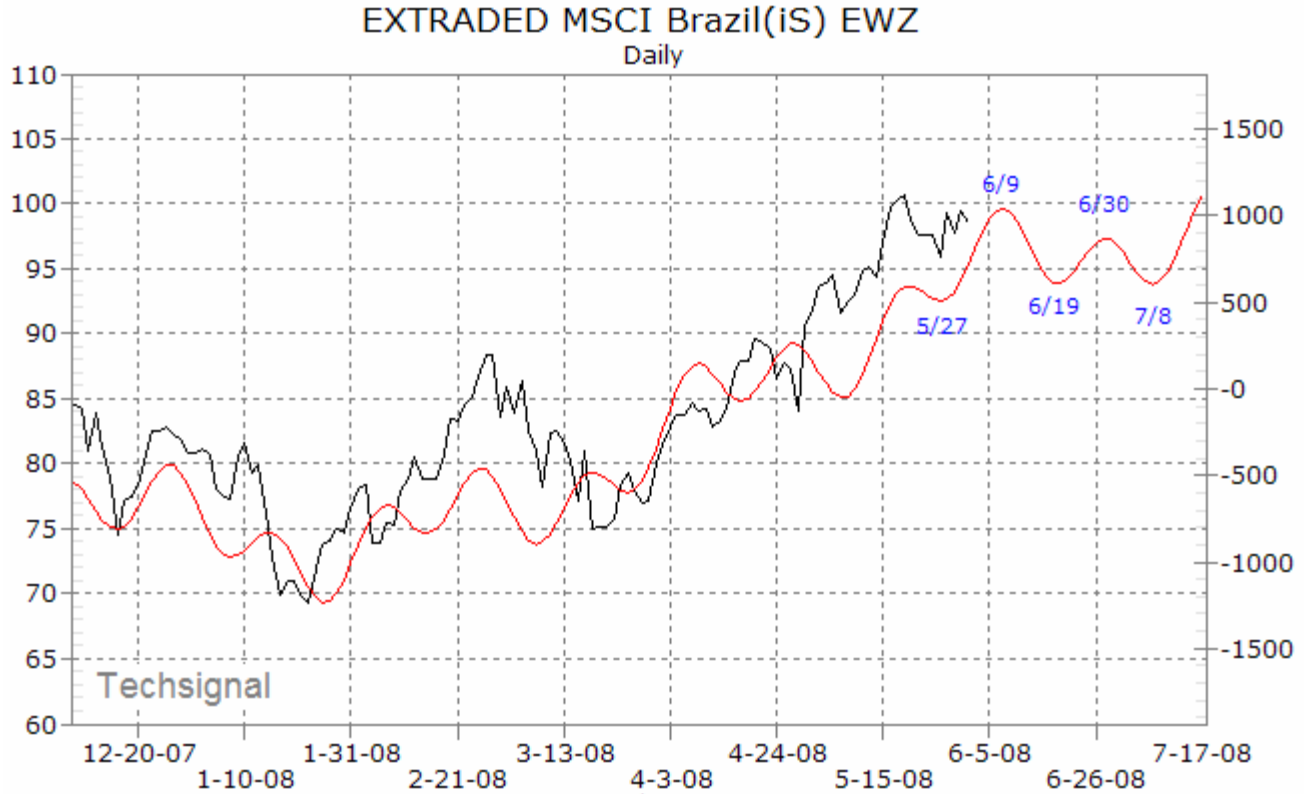
SLX Steel

EXTRADED Steel Markt Vectr(VanEk) SLX

Daily



EWZ Brazil



ADRE Emerging Markets 50 ADR Index

