

Cycle Projections ETFs

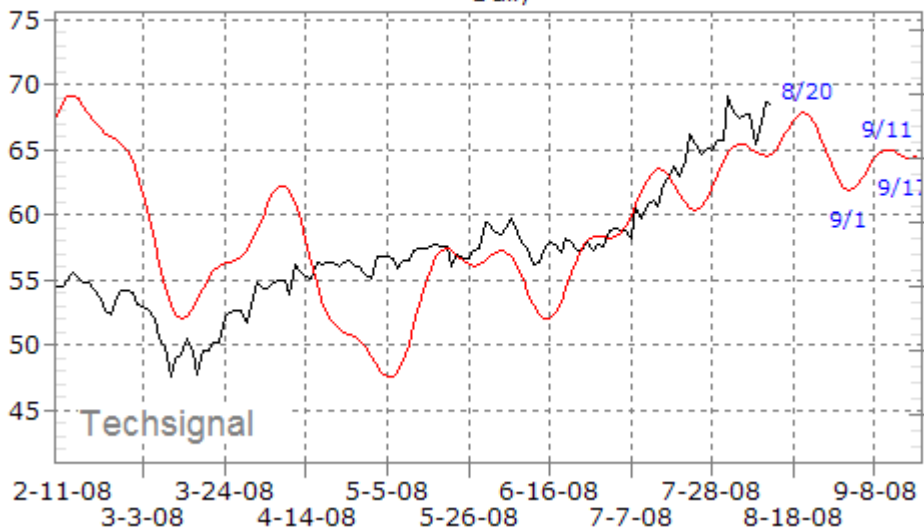
JULY-AUGUST 2008

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

What sector should you be in?

We finally have a bottom in the stock market; at least for now. The monthly cycles argue that this is a bear market rally and it feels and looks like it.. We currently are overweighed in domestic equities and favor the higher cap ETFs, biotech and technology. It is important to be very nimble since this is likely a bear market rally. The key will be the US dollar. The US dollar needs to rally for the stock market to finally take off. The problem is that the US dollar is making a 15-year bottom, which

EXTRADED Biotechnology S&P(SPDR) XBI
Daily



should mean that the US dollar should be in a trading range for the rest of the year and hence no bull market rallies until the bottom is in. We do not expect the US dollar to break 70 basis the Finex Index cash.

Domestic Equities: We were negative on domestic equities but we are now overweighed on domestic equity .

International Stocks: We are no longer overweighed in International Equities. We still feel

that there are opportunities in many international markets such as Brazil and Russia, especially if Putin can shut his mouth..

Energy:Energy ETFs remain with high relative strength numbers but low desirability ratings. As long as the US dollar rallies this sector will not rally. We expect the US dollar to fall again in September.

Gold and Precious Metals: We can basically repeat the above section on energy for precious metals but we won't. Gold is even more highly correlated to the US dollar inverse than is crude. We will be bullish on gold when the US dollar turns.

Commodities/Agriculturals: We have been bearish on Ags and growing commodities for the month and now that wheat has been harvested, the US dollar rallying and beans and corn closer to harvest we are not bullish on most commodity ETFs.

Natural Resources: We remain bullish on coal over the next several years and consider pullbacks buying opportunities. We are bullish on steel but are neutral on copper until real estate turns around.

Written 8/12/08

Cycle Projections

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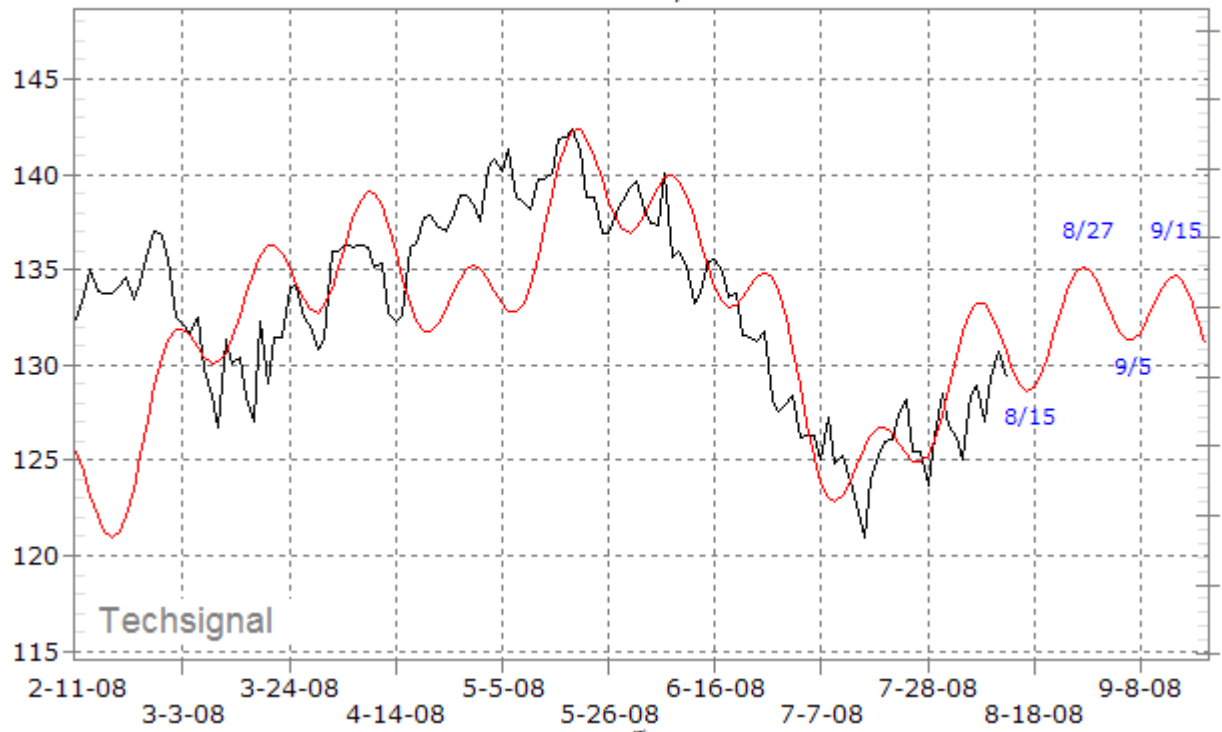
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SPY S&P 500

EXTRADED S&P 500(SPDR) SPY

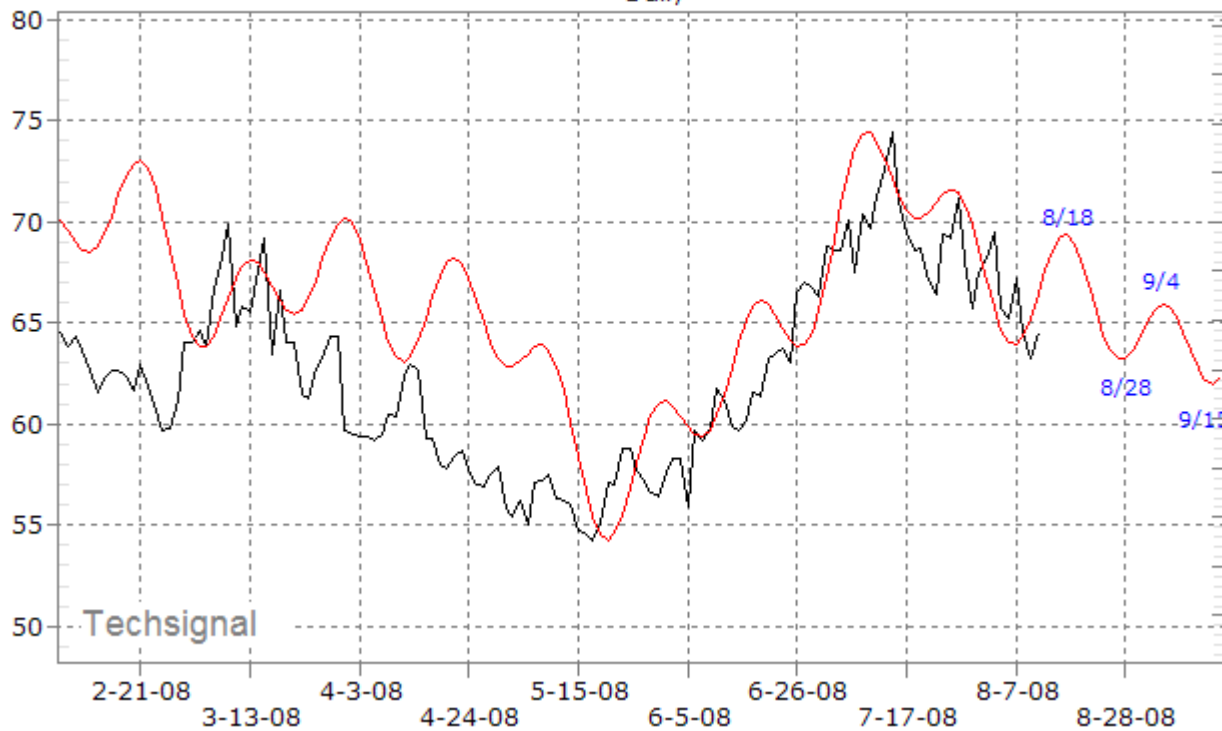
Daily



SDS (-2X) Double Beta Inverse

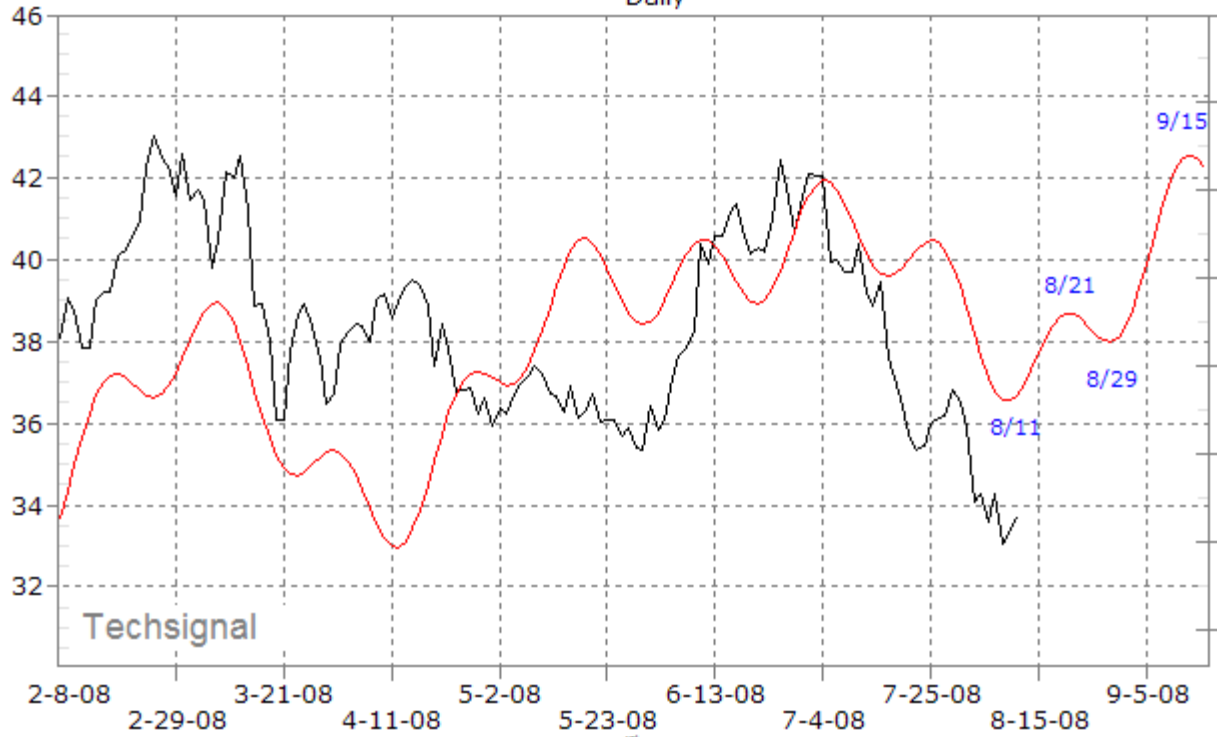
EXTRADED UltraShort S&P 500(ProShr) SDS

Daily



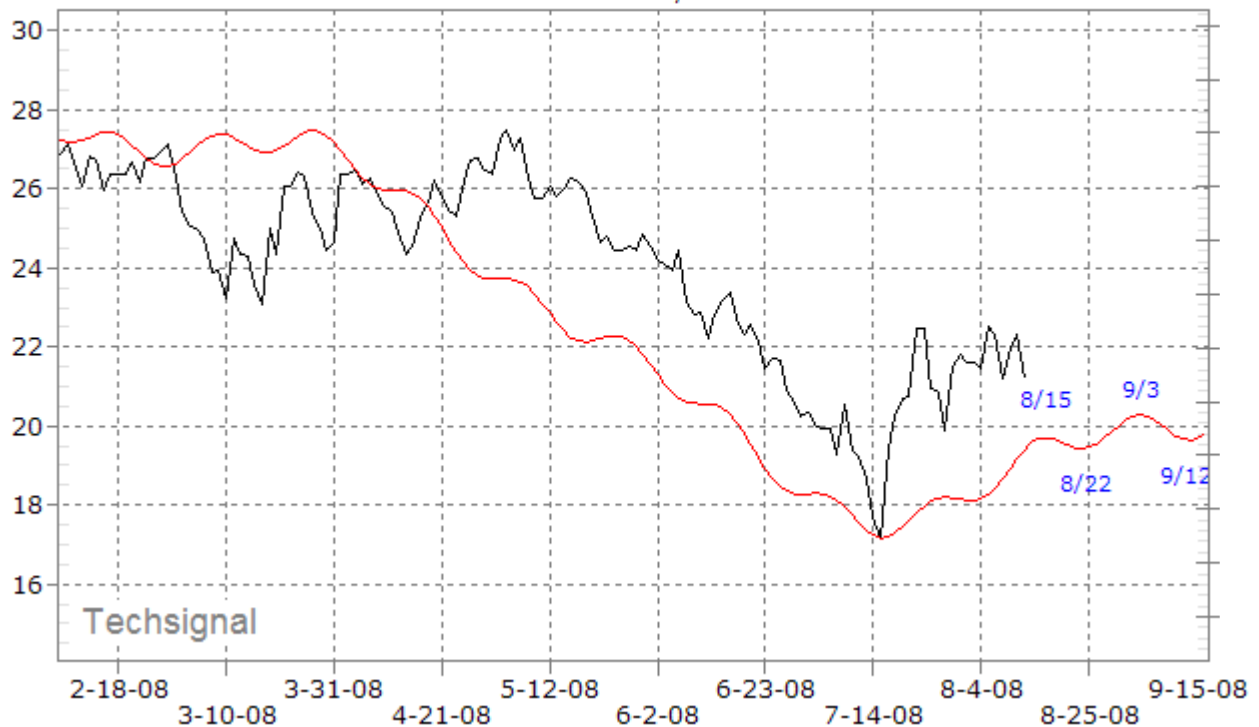
DBA Agriculture

EXTRADED DB Agriculture Fund(PowShr) DBA
Daily



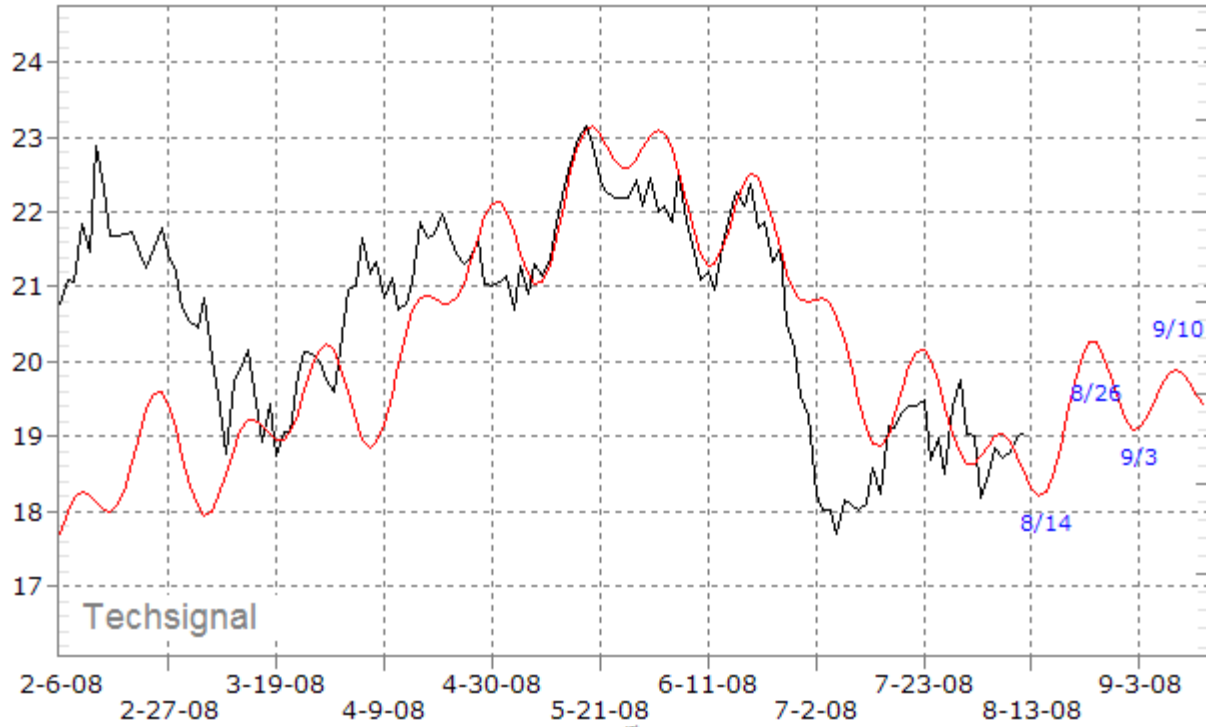
XLF Financial (SPDR)

EXTRADED Financial(SPDR) XLF
Daily



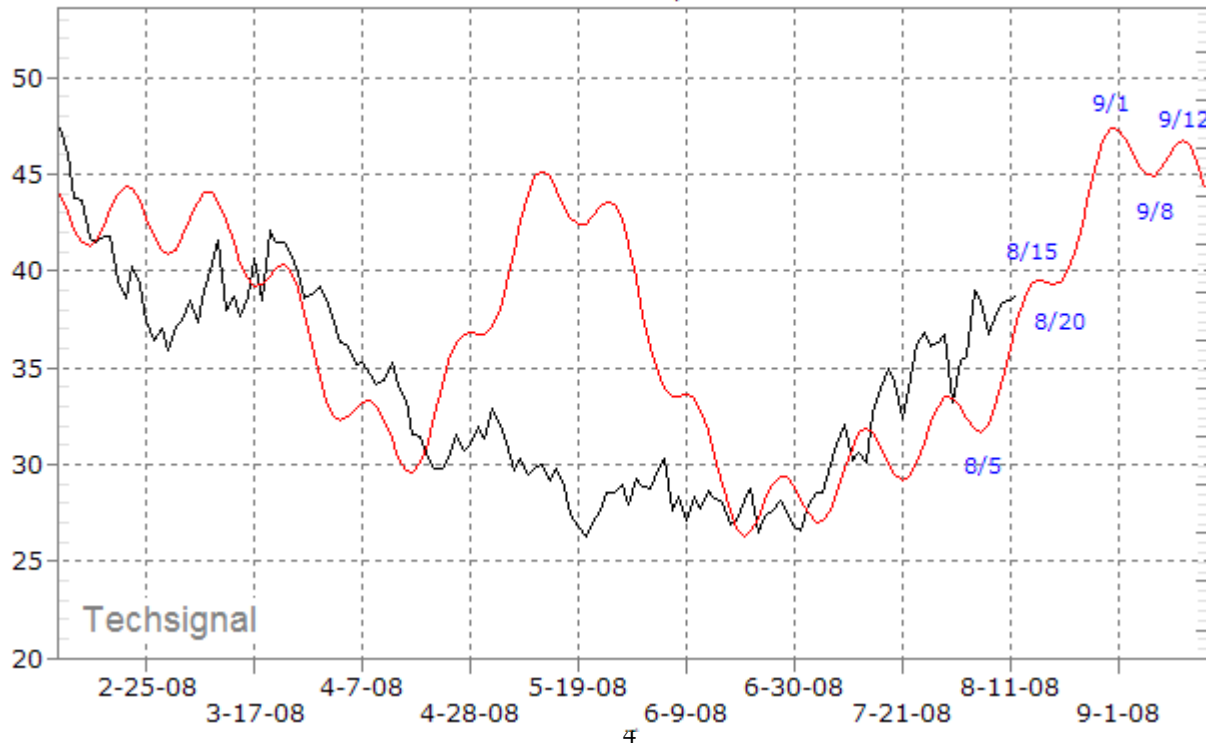
PBW Clean Energy

EXTRADED Energy WilderHill Clean(PowShr) PBW
Daily



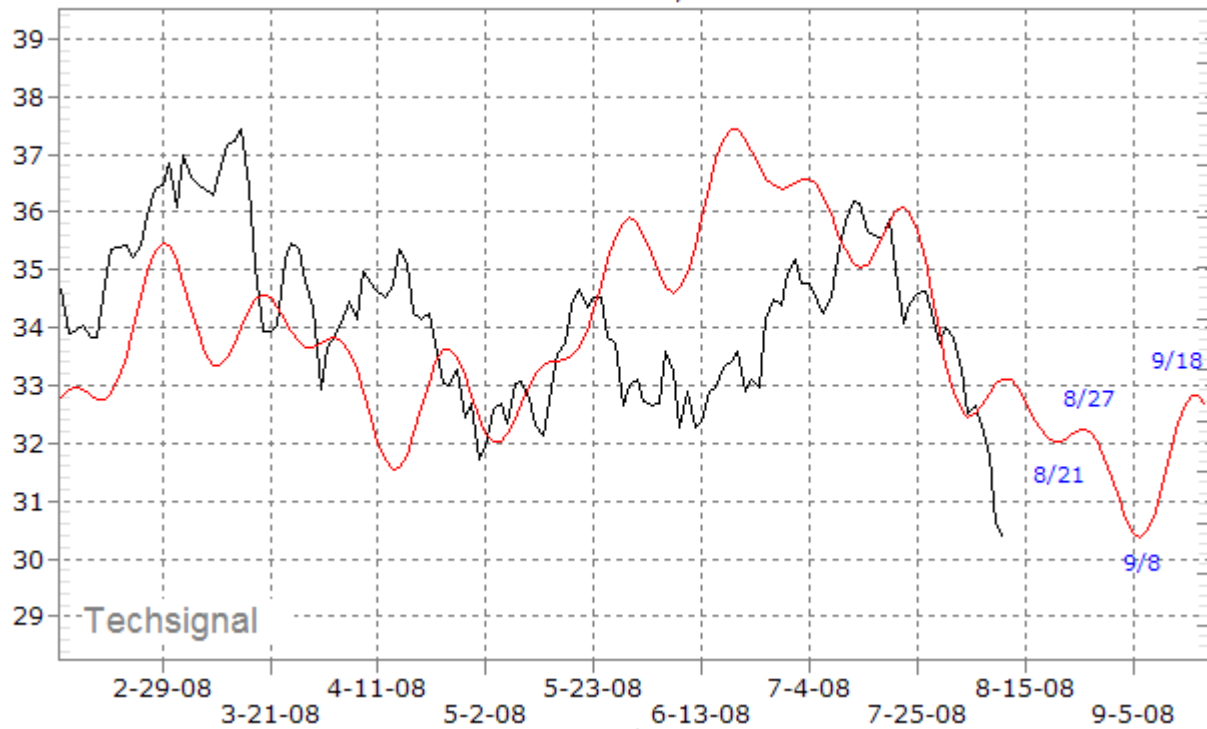
DUG Ultra Short Oil & Gas

ProShares UltraShort Oil & Gas ETF
Daily



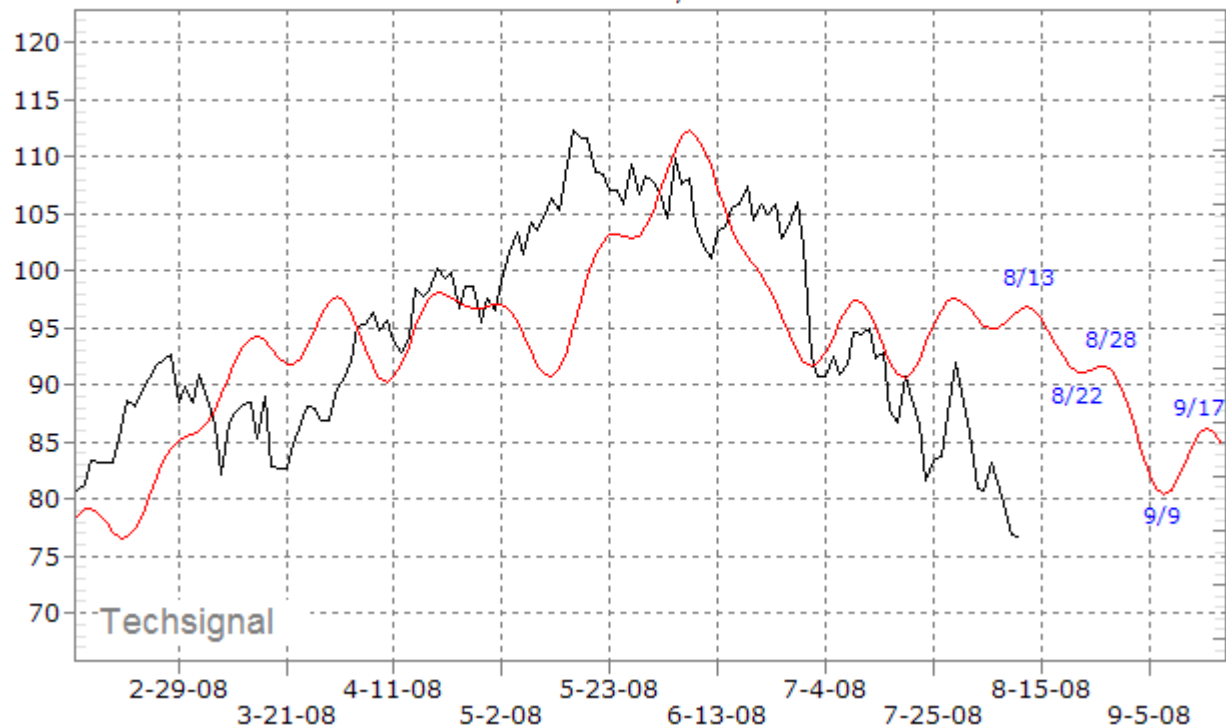
DGL Gold

EXTRADED DB Gold(PowShr) DGL
Daily



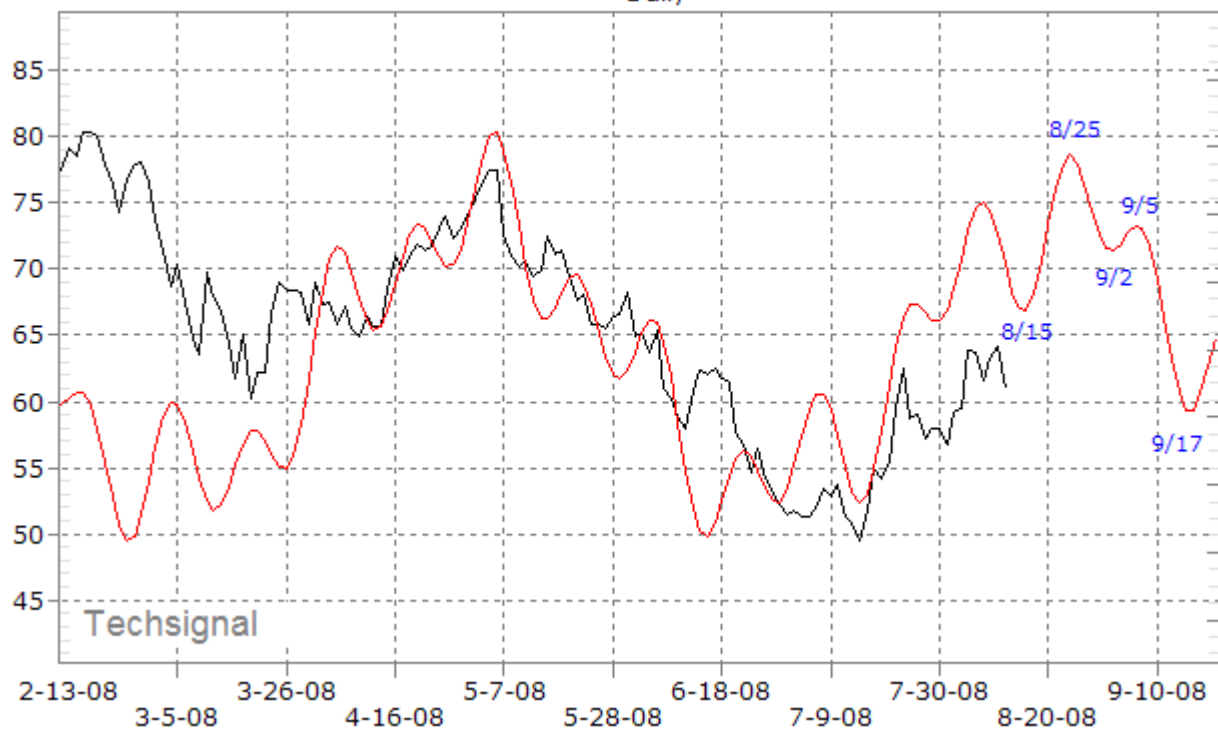
SLX Steel

EXTRADED Steel Markt Vectr(VanEk) SLX
Daily



INP India

EXTRADED MSCI India IndexSM ETN(iPath) INP
Daily



RSX Russia

Market Vectors Russia ETF
Daily

