

Cycle Projections ETFs

OCTOBER-NOVEMBER 2008

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

Should we buy this market now?

We may have a bottom in the stock market at significant lows but is a bottom always the beginning of a bull market? The simple answer is no. Not all price lows bring about bull markets. In 1987 it took almost two months to begin a new bull market and this year we expect the volatility to continue until 2009. Although the daily cycles are more bullish, the weekly cycles are down into November and the 24 and 40-month cycles are due to bottom in December.

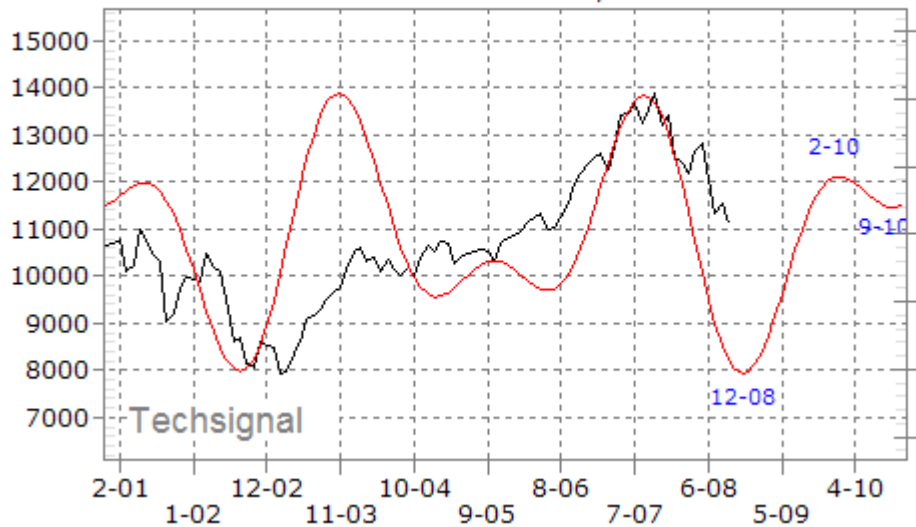
There are few ETFs that we wish to invest in at the moment and that includes short funds. It is best to let the markets settle down over the next month or so and then look to buy. The strongest relative strength sectors are the most washed out and the least desirable, including regional banks and Reits. We will await an evaluation of the depth of the current recession. If it is prolonged we will remain

neutral longer.

Domestic Equities: We are neutral on domestic equities but are looking at selective stocks such as ABT, GMCR and AXSYS. It is important to be well diversified and major buying should come after the markets settle down. We can not rule out another decline.

International Stocks: We are bearish on International Equities. We will wait for international markets to settle

Dow Monthly Averages
24 and 40-month Cycles



down perhaps early next year.

Energy: Energy ETFs should be avoided as the energy and commodities markets settle down. The US dollar is due for a correction and this should provide some support for this sector.

Gold and Precious Metals: We are bearish on gold now but if the US dollar falls again, which is expected, we should see a decent rally in gold, but we need to wait on a dollar decline. But with Europe in a shambles it is hard to say when the US dollar will fall.

Commodities/Agriculturals: We continue to be bearish on Ags and growing commodities but do expect a rally in 2009.

Natural Resources: We are no longer bullish on natural resources in the intermediate term but remain bullish long term. We will need the help of China and India to help support prices.

Written 10/14/08

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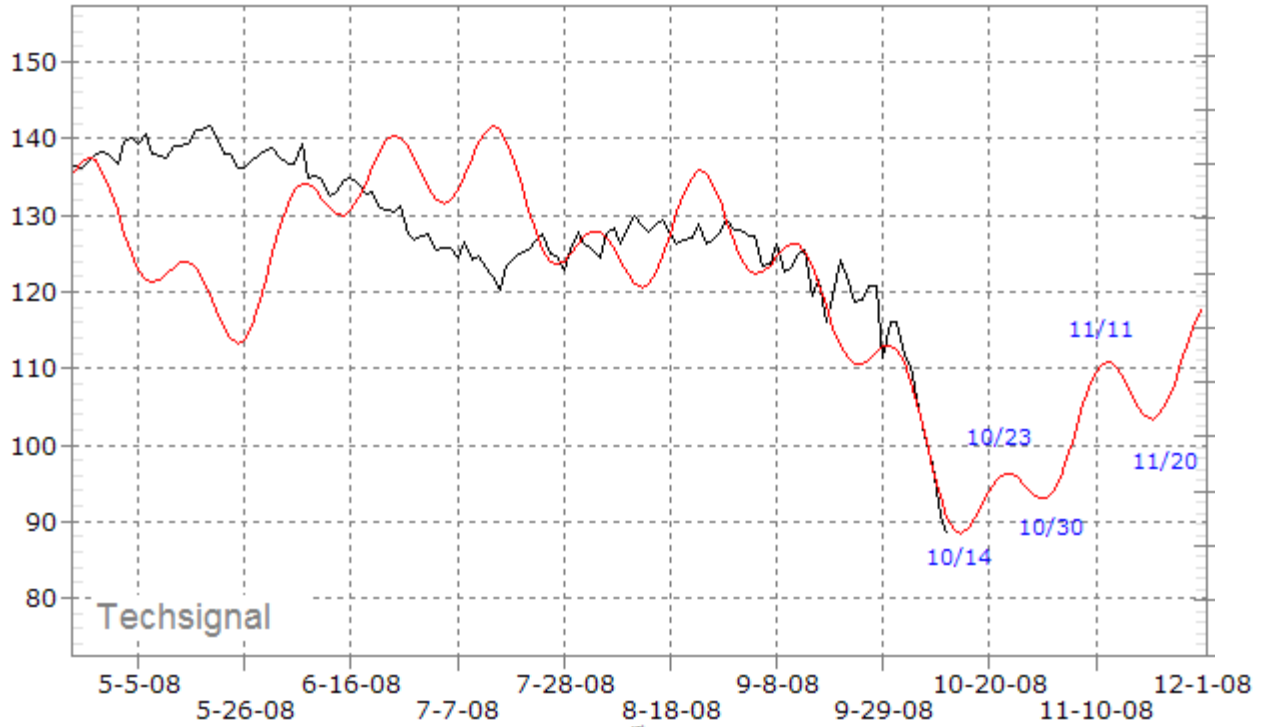
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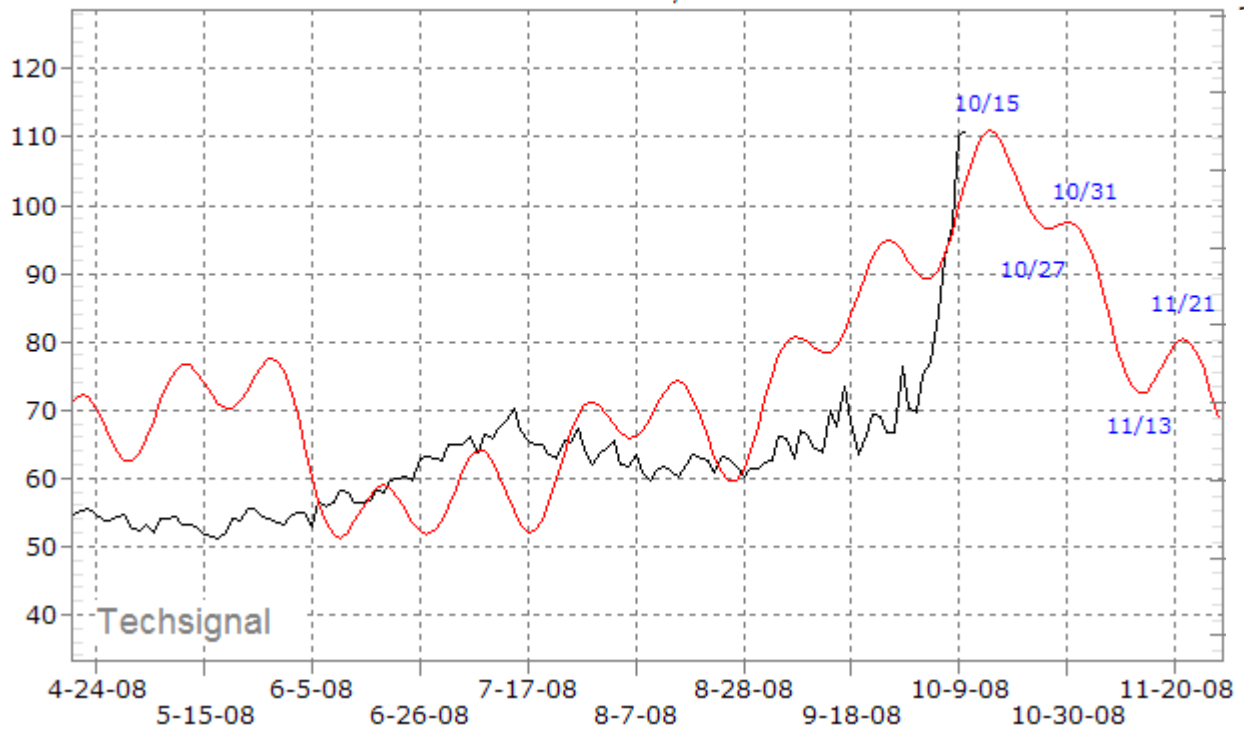
SPY S&P 500

EXTRADED S&P 500(SPDR) SPY
Daily



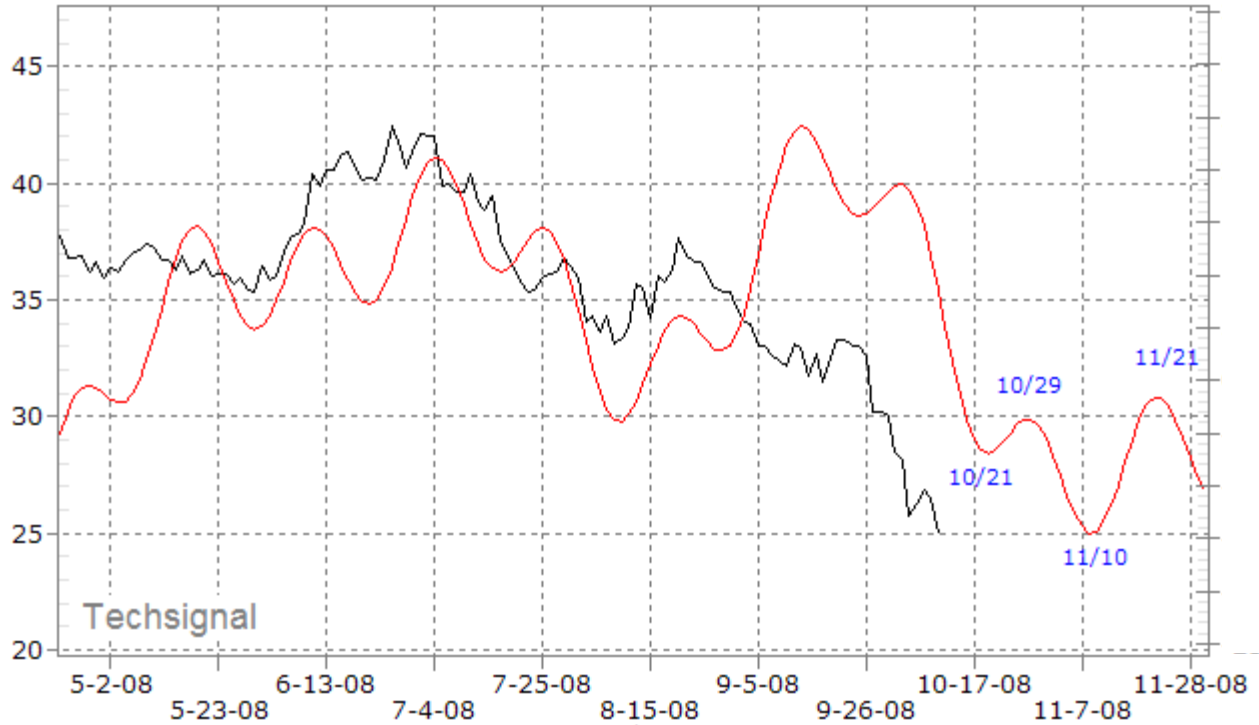
SDS (-2X) Double Beta Inverse

EXTRADED UltraShort S&P 500(ProShr) SDS
Daily



DBA Agriculture

EXTRADED DB Agriculture Fund(PowSh) DBA
Daily



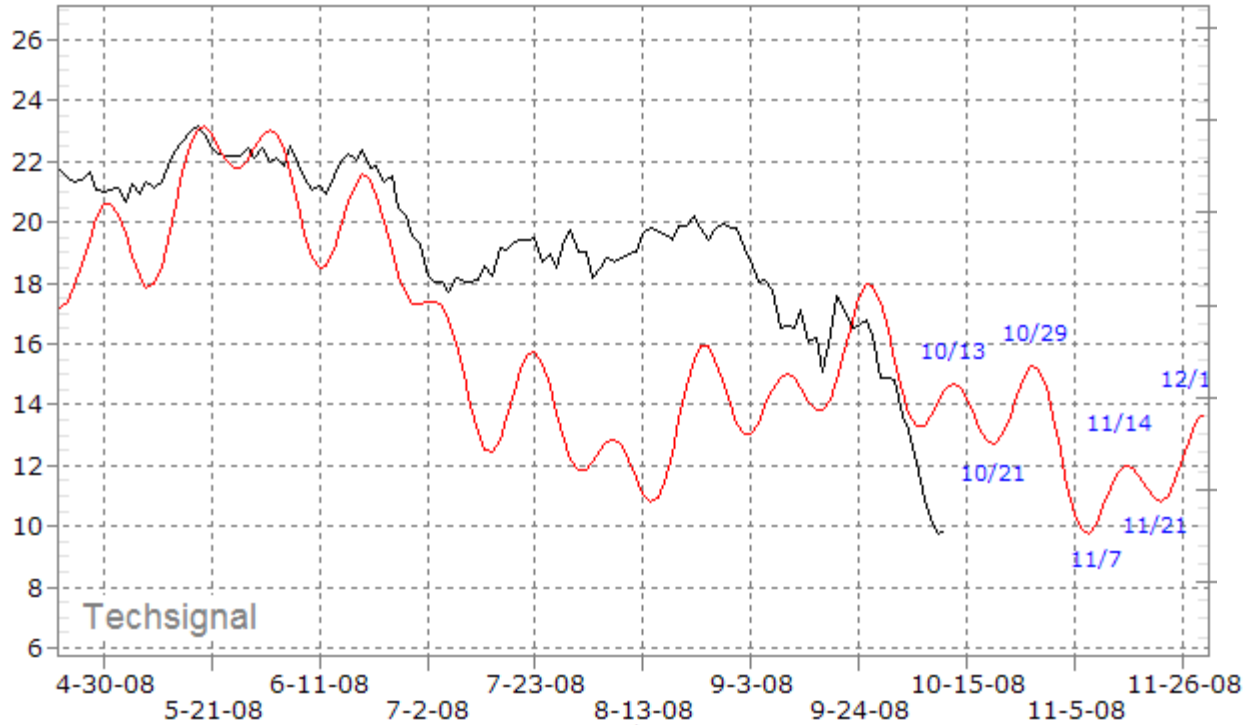
XLFFinancial (SPDR)

EXTRADED Financial(SPDR) XLF
Daily



PBW Clean Energy

EXTRADED Energy WilderHill Clean(PowSh) PBW
Daily



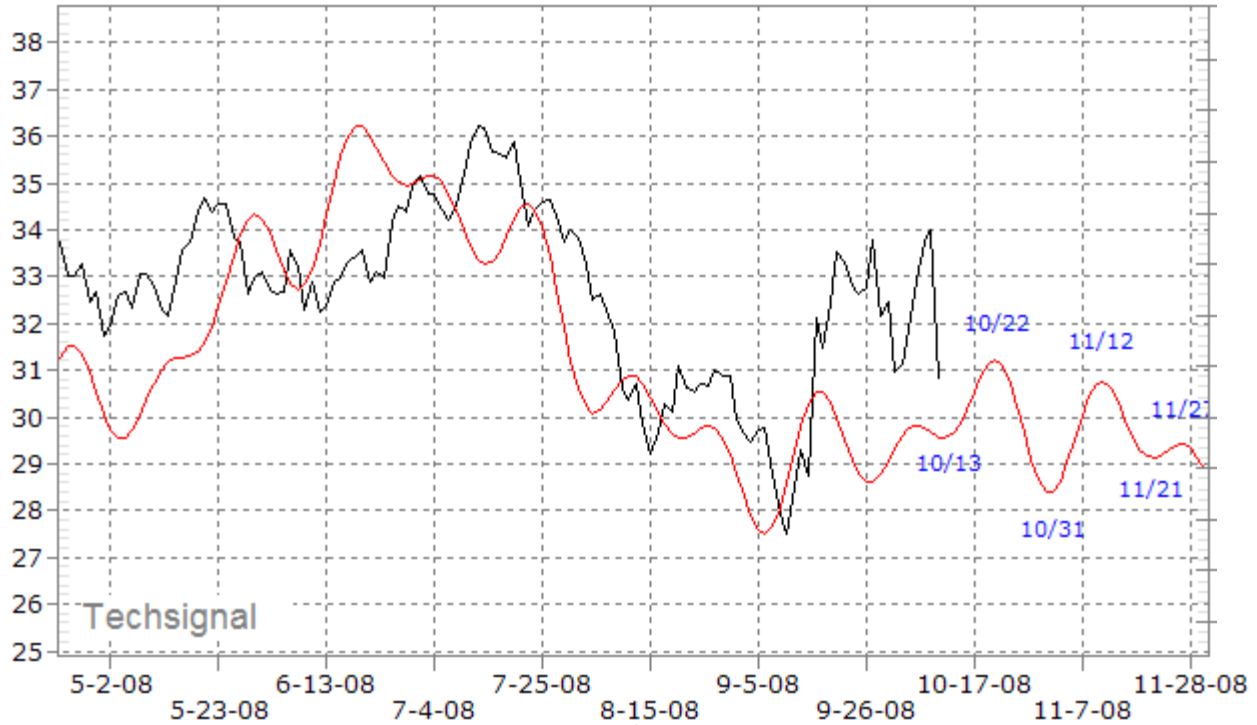
OIH Oil Services

EXTRADED Oil Service(HLDRS) OIH
Daily



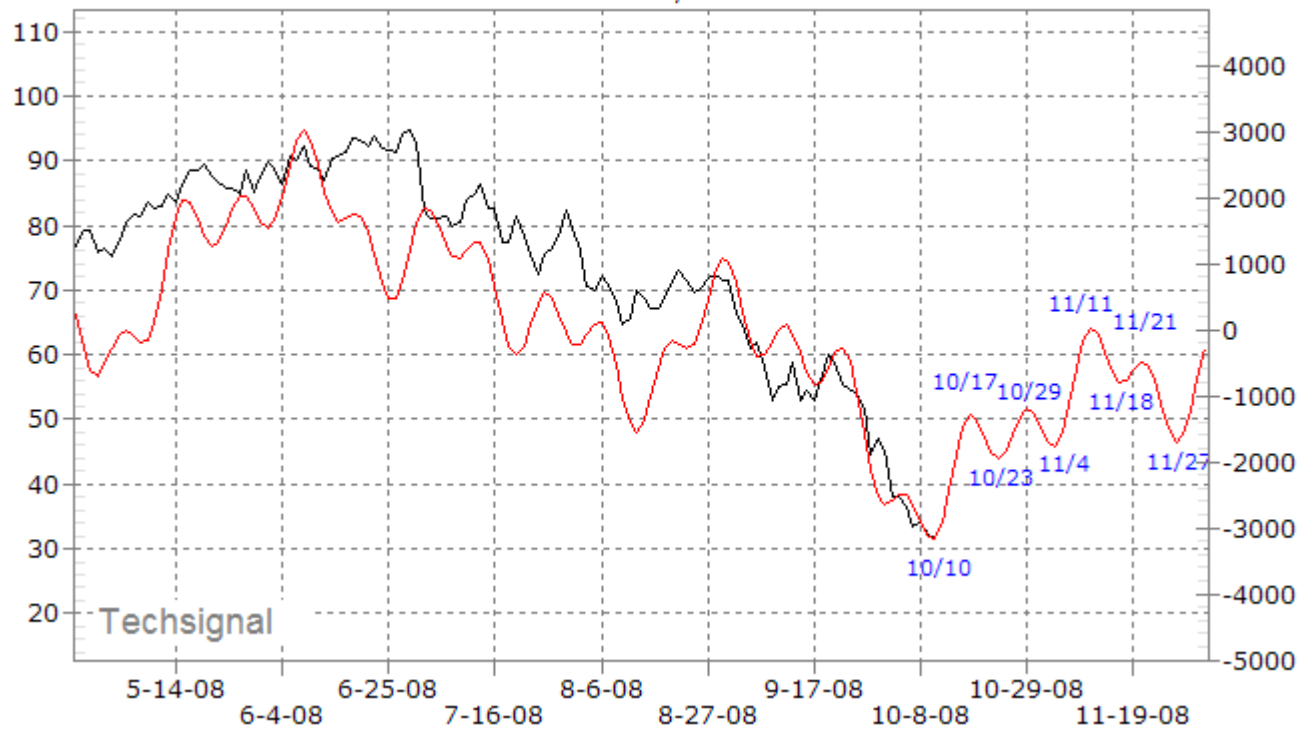
DGL Gold

EXTRADED DB Gold(PowSh) DGL
Daily



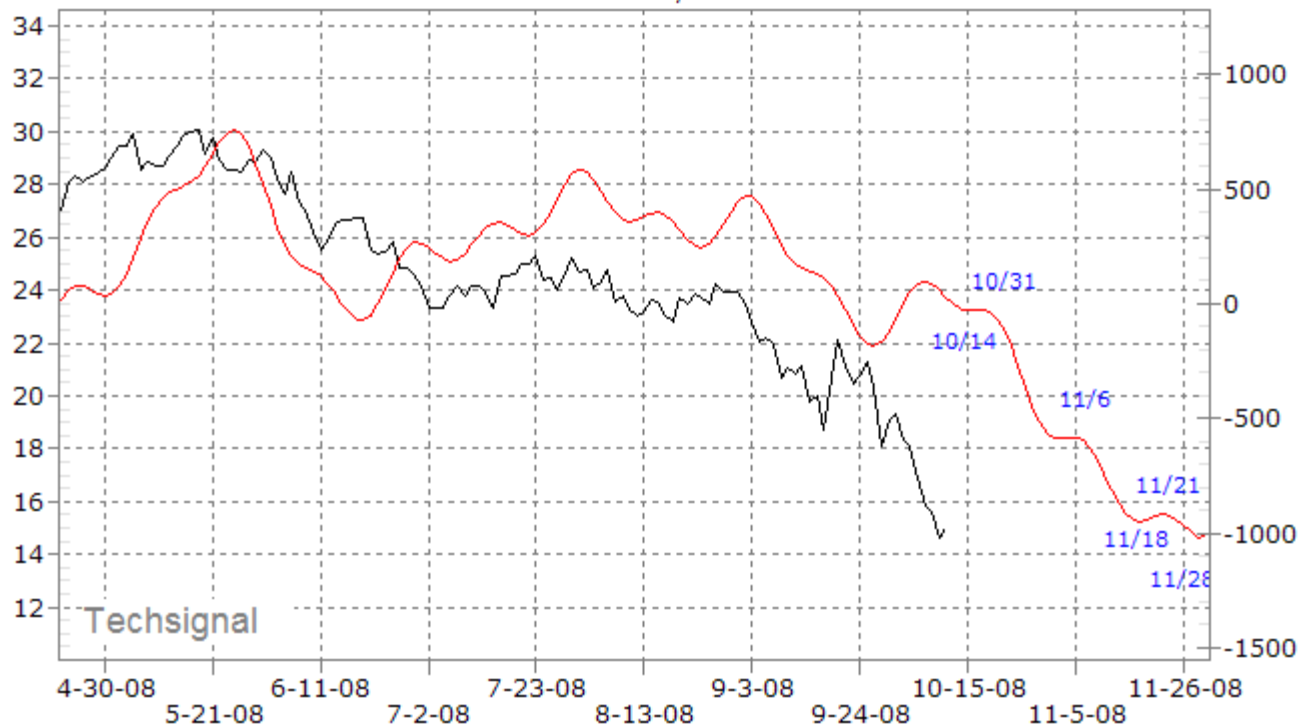
XME S&P Metals & Mining

SPDR S&P Metals & Mining ETF XME
Daily



PGJ China

EXTRADED Golden Dragon USX(PowSh) PGJ
Daily



RSX Russia

EXTRADED Russia Markt Vectr(VanEk) RSX
Daily

