

Cycle Projections ETFs

NOVEMBER-DECEMBER 2008

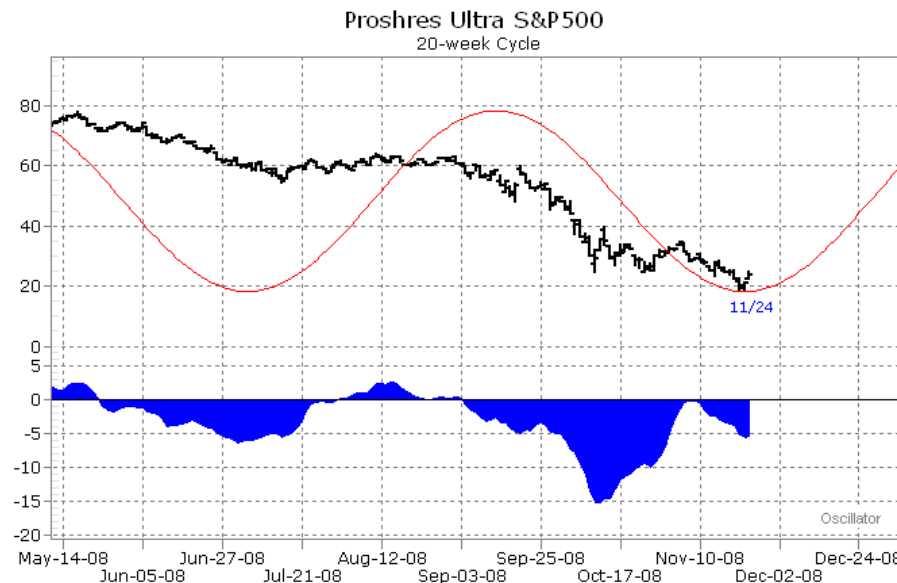
ETF'S - A Diversified Selection of Major Exchange Traded Funds

It is time to start nibbling!

In the last issue we wondered if it was time to buy and we felt the answer was no. Now we think that it is time to nibble; but the trouble is not over, and the so-called bailout may not even work despite the government's best efforts. Our current strategy is to buy 200% long ETFs such as SSO. We are only 45% in equities and wish to slowly commit to the market. We recommend a 50% position at the current time. The other issue is a potential retest in a month or two. Consequently this is a short-term position. Our strategy is own index ETFs and eschew sector related ETFs until the tide turns. We have pictured SSO on the cover with the 20-week cycle and a moving average oscillator that is very oversold and showing a major divergence. We are close to the December monthly low and it is

now time to nibble. The economy is in trouble but we do expect that it will turn in the next three quarters

Domestic Equities: We are nibbling on the long side in SSO. We are avoiding individual stocks at this time. We want as much diversity as possible given current conditions. We can not rule out more downside.
International Stocks: We are bearish on International Equities and



want no exposure yet..

Energy: We wish to avoid all energy ETFs. If the US dollar Index falls below 81 basis the cash we will reconsider.

Gold and Precious Metals: We are neutral on precious metals. If th US dollar continues to fall we will change our mind. The 15-week cycle is the US dollar is down.

Commodities/Agriculturals: We continue bearish on Ags. and growing commodities until February when we should see a seasonal rally.

Natural Resources: We continue to be bearish on natural resources until the economy begins to improve, and that will be the summer of 2009 at the earliest. We will monitor India and China to see if a turn around has begun.

Written 11/25/08

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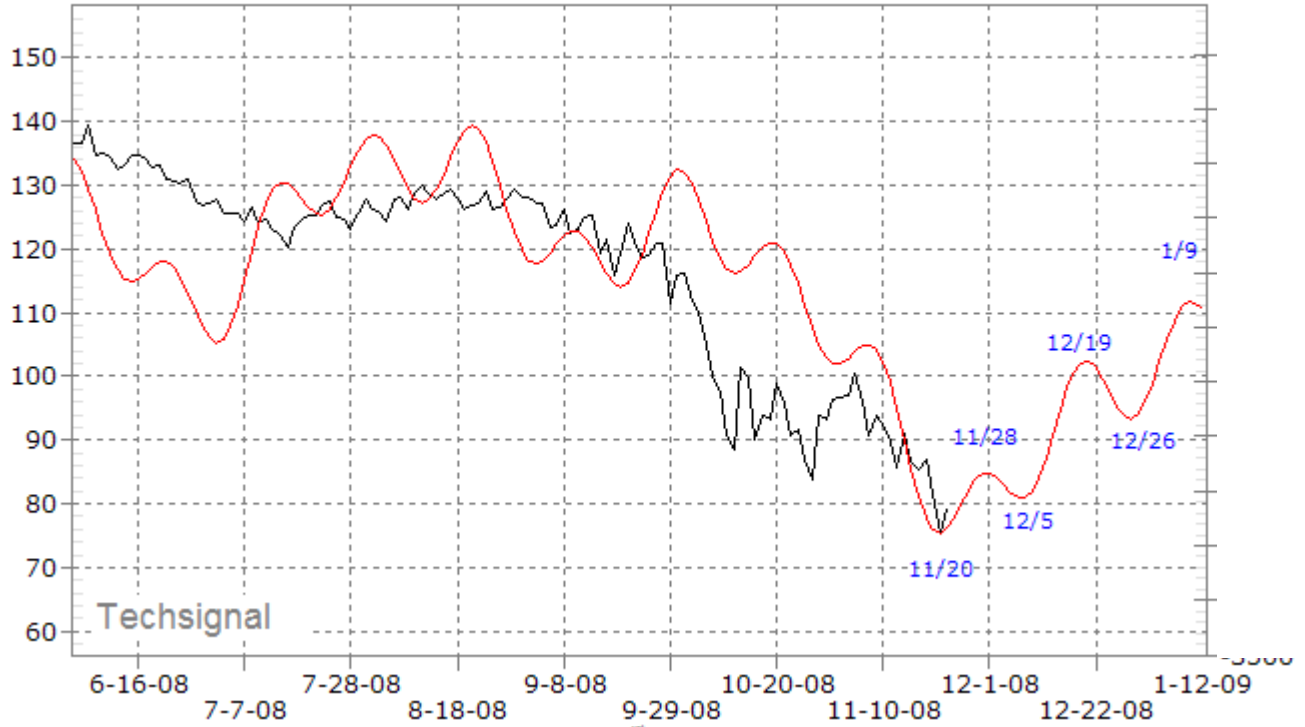
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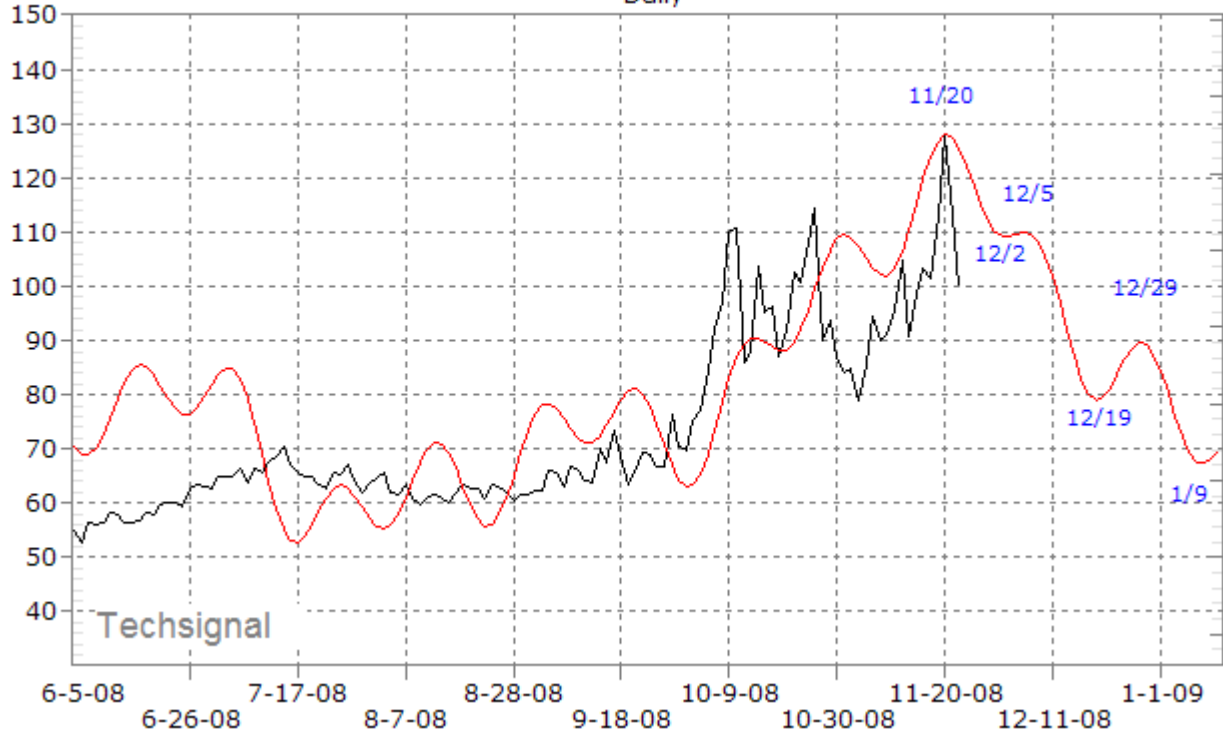
SPY S&P 500

EXTRADED S&P 500(SPDR) SPY
Daily



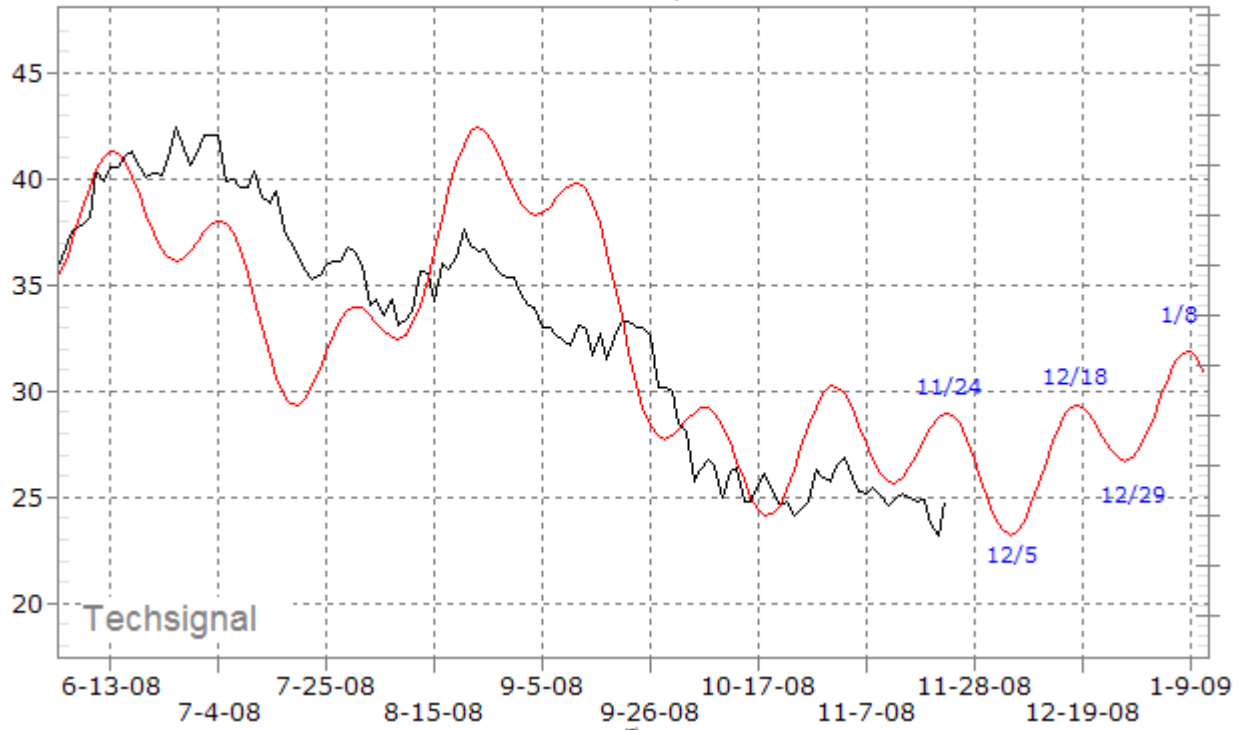
SDS (-2X) Double Beta Inverse

EXTRADED UltraShort S&P 500(ProShr) SDS
Daily



DBA Agriculture

EXTRADED DB Agriculture Fund(PowSh) DBA
Daily



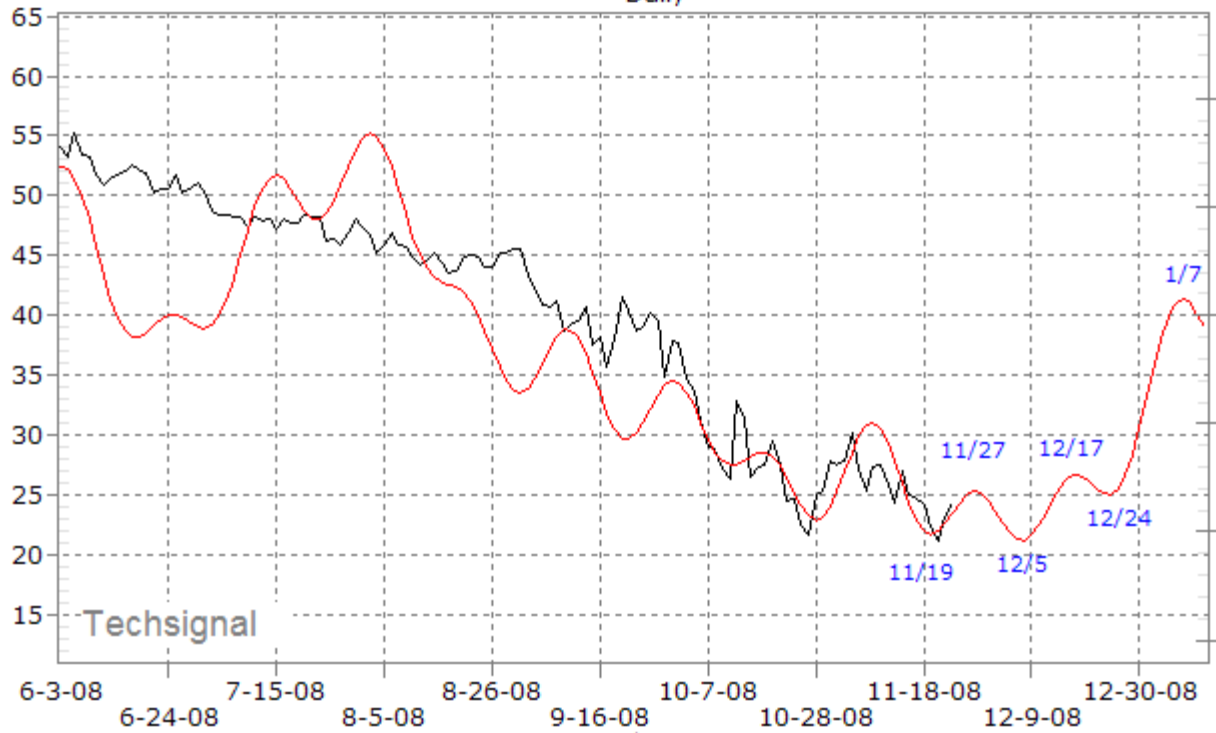
XLF Financial (SPDR)

EXTRADED Financial(SPDR) XLF
Daily



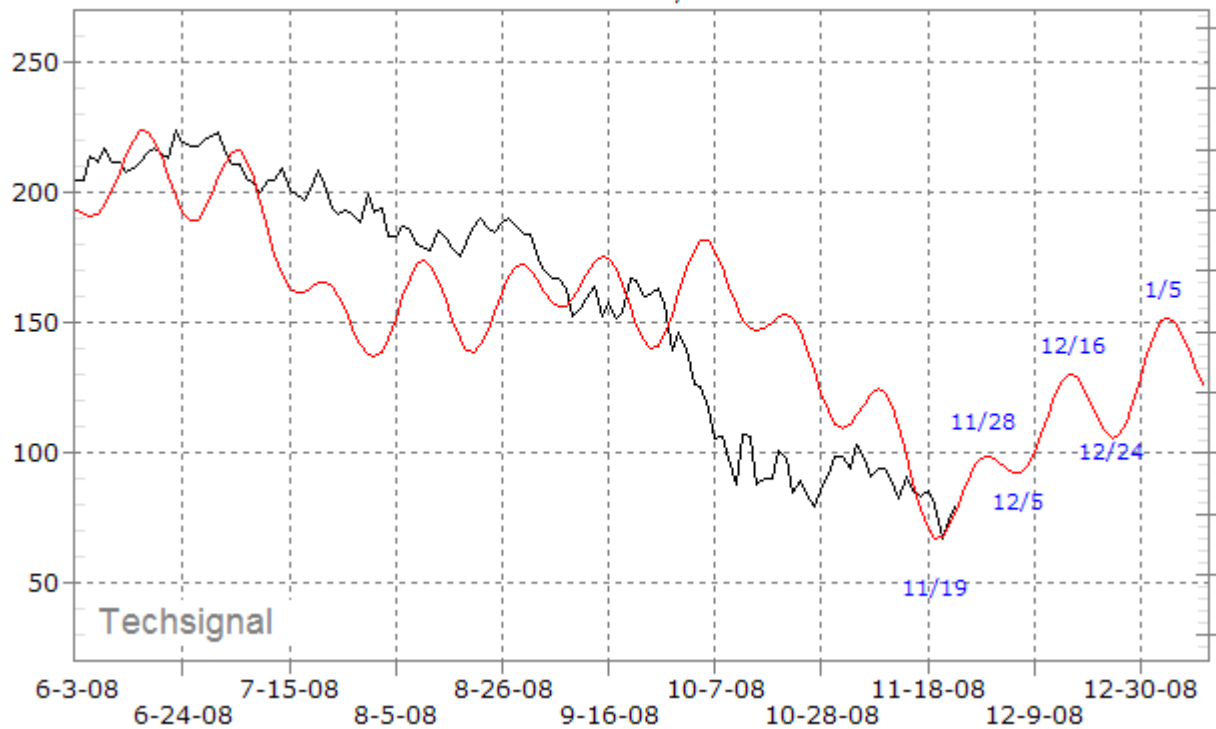
ADRE Emerging Markets

EXTRADED Emerging Mkt 50 ADR(BLDRS) ADRE
Daily



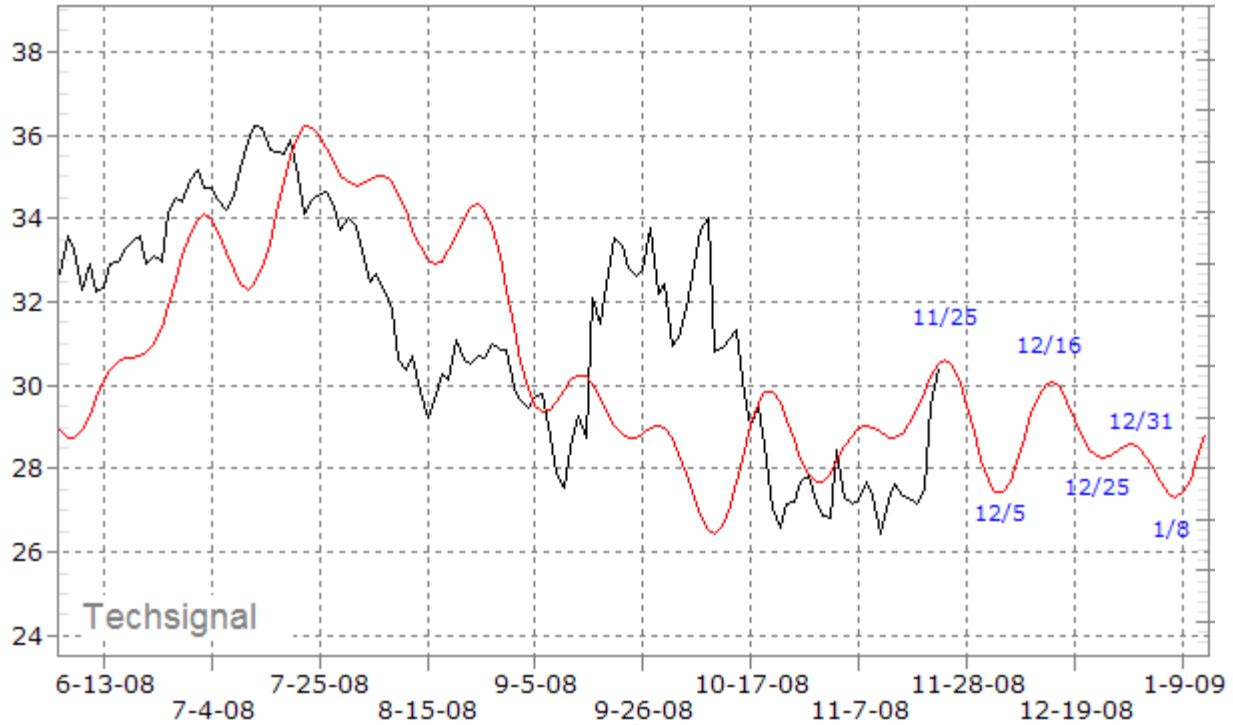
OIH Oil Services

EXTRADED Oil Service(HLDRS) OIH
Daily



DGL Gold

EXTRADED DB Gold(PowSh) DGL
Daily



UYM (+2X) Double Beta Basic Materials

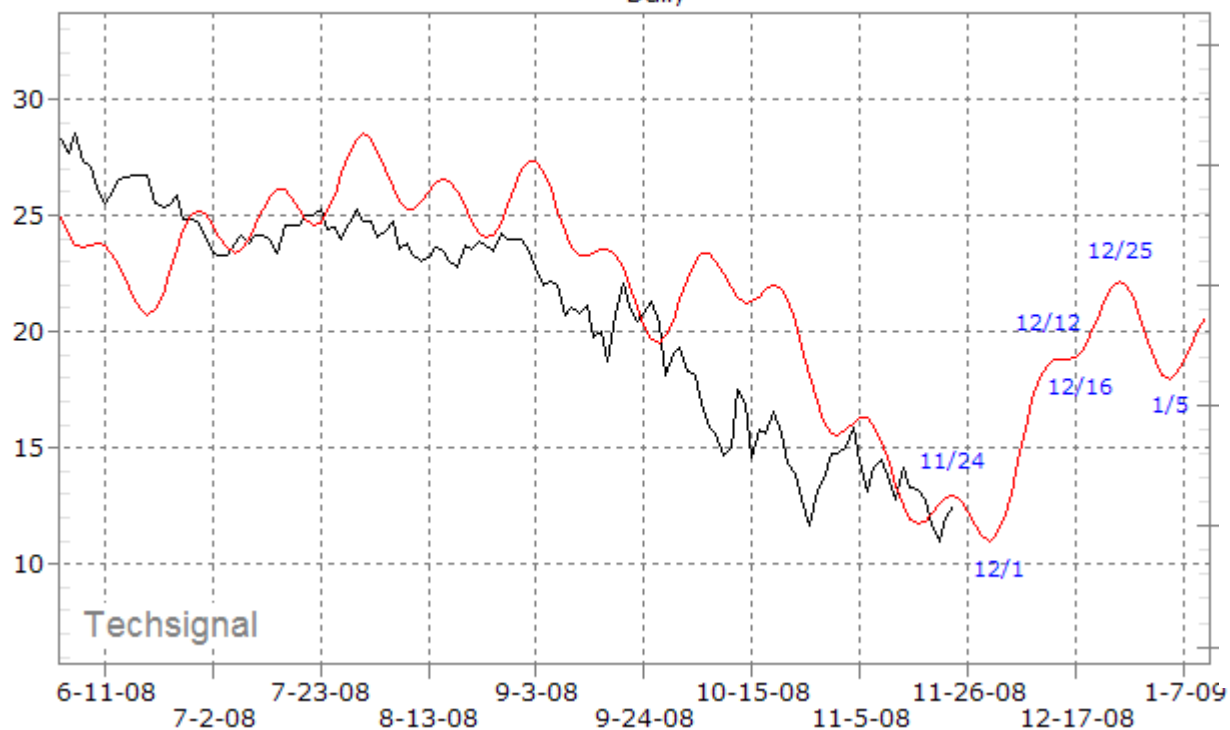
EXTRADED Ultra Basic Materials(ProShr) UYM
Daily



PGJ China

EXTRADED Golden Dragon USX(PowSh) PGJ

Daily



EWZ Brazil

EXTRADED MSCI Brazil(iShr) EWZ

Daily

