

Cycle Projections ETFs

FEBRUARY-MARCH 2009

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

It is time to start nibbling!

In the last issue we asked the question is it time to start nibbling. We concluded that it was and we recommended SSO. We still think it is time to continue to add to positions on pullbacks. We have expected a retest of the November lows and indeed we have gotten one and continue in that structure at this writing. When the retest is complete we expect a tradable rally but not a bull market. We anticipate a rally into late March and then another retest ending in April or May. We expect this retest to make new lows. It is interesting that Martin Armstrong's Economic Confidence Model has a turn on April 20. This model has coincided with some amazing market turns. So we continue to want to buy ETFs such as SSO, a double beta long fund; but remember this is not the beginning of a bull market; it

is still a bear market rally.

Domestic Equities: We are buying some ETFs such as SSO. We still are wary of individual stocks due to our desire to want as much diversification as possible.

International Stocks: We are neutral on International Equities with the exception of China.

Energy: Energy is likely bullish, but we do not want to play the supply and demand side. The energy complex is bullish but be aware that most highs in heating oil come before March.

Gold and Precious Metals: We are now bearish on metals. Usually gold has double tops and we have had that now and it is not likely in the next month that we will see a major run up in the metals barish economic catastrophe. **Commodities/Agriculturals:** We continue bearish on Ags and growing commodities until February when we should see a seasonal rally.

Natural Resources: We will need better economic activity to get me bullish on natural resources.

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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

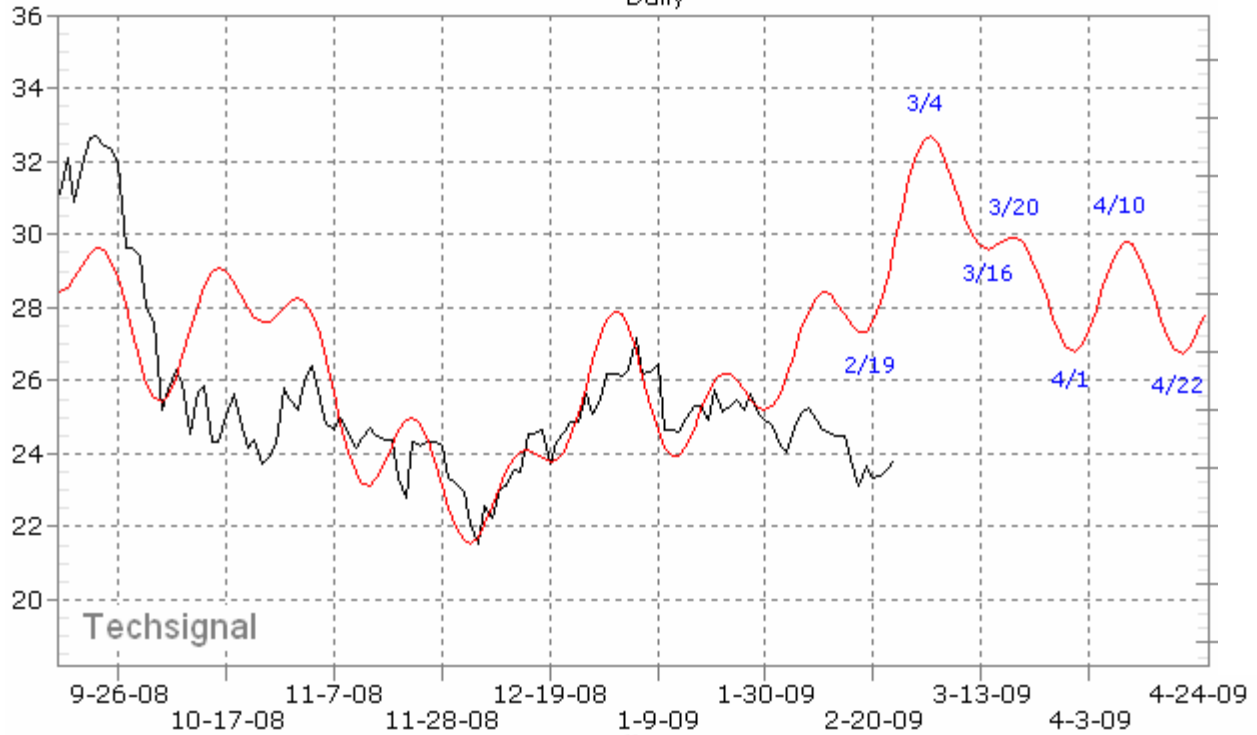
Daily



DBA Agriculture

EXTRADED DB Agriculture Fund(PowSh) DBA

Daily



XLF Financial (SPDR)

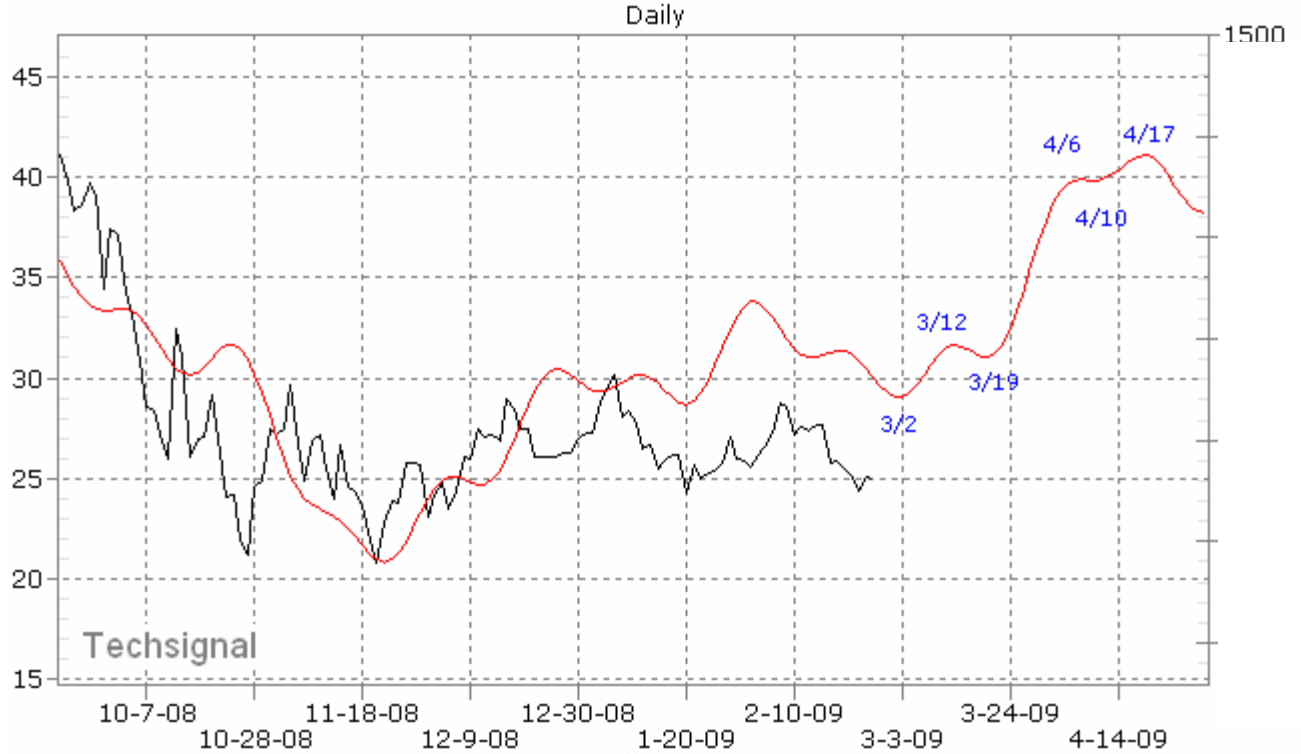
EXTRADED Financial Select Sector(SPDR) XLF

Daily



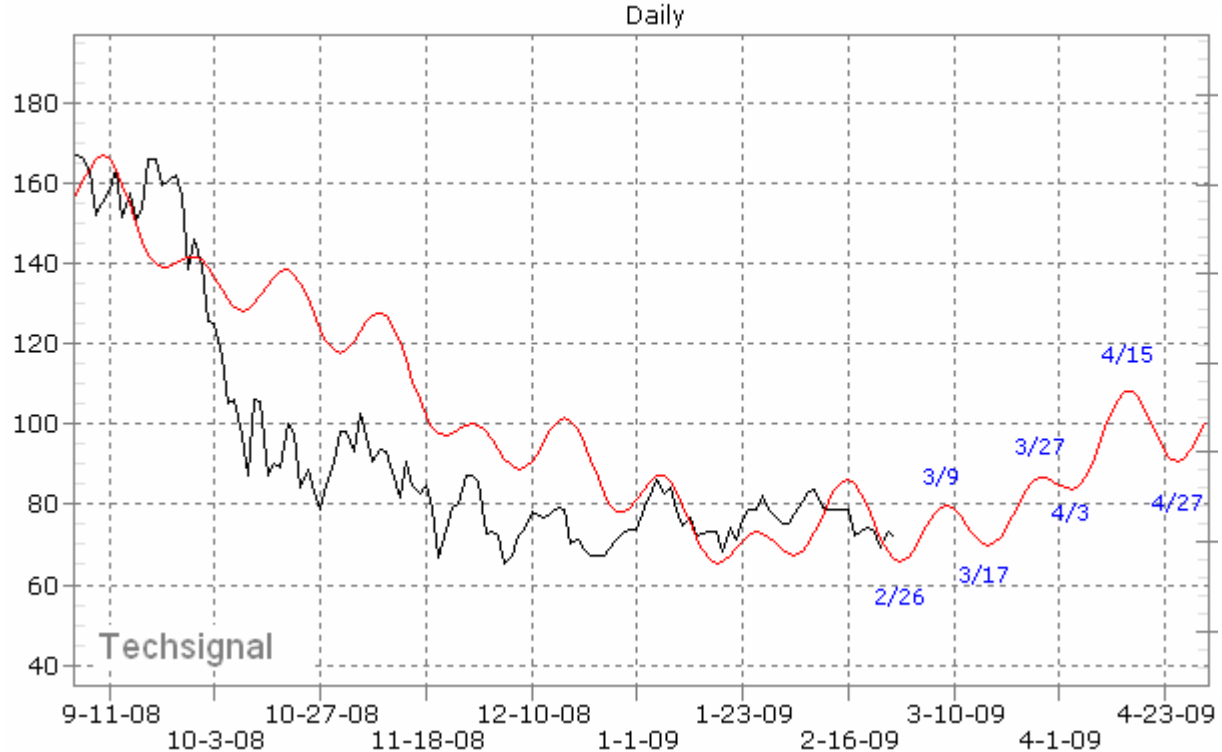
ADRE Emerging Markets

EXTRADED Emerging Markets 50 ADR(BLDRS) ADRE



OIH Oil Services

EXTRADED Oil Service(HLDRS) OIH



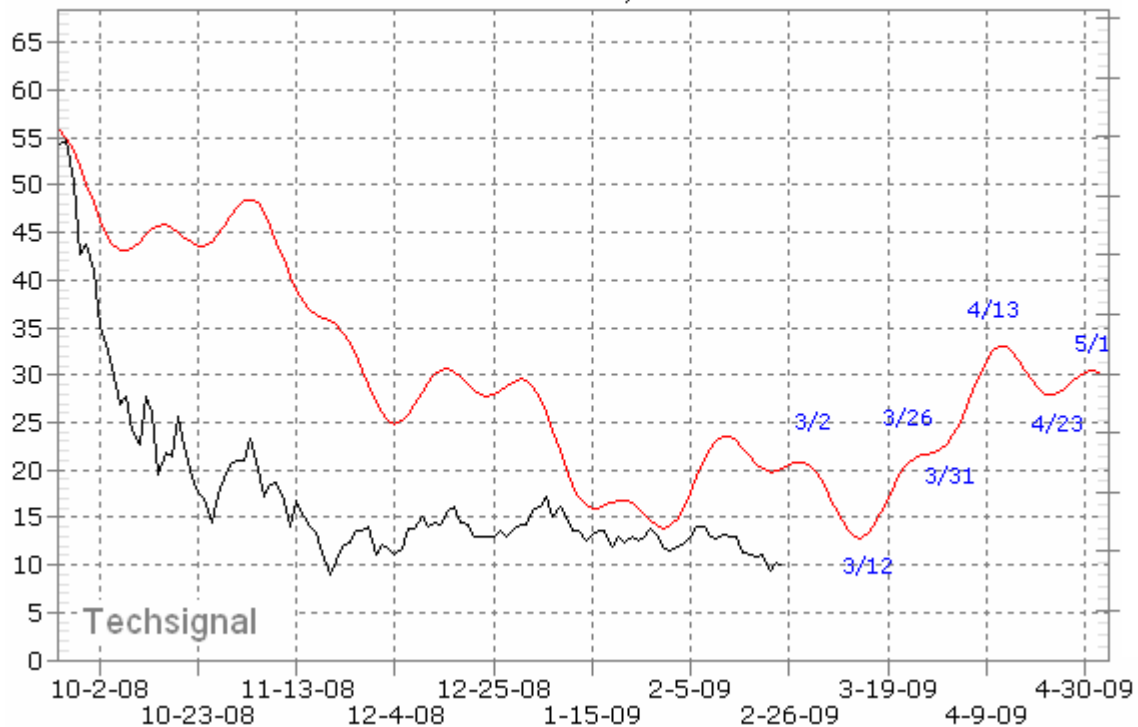
DGL Gold

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

