

Cycle Projections ETFs

SEPTEMBER-OCTOBER 2009

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

Where should we be invested?

With the market firmly higher supported by the monthly cycles we now have to look at where to put our money and where not. Although a correction is now due we assume it will be a sideways correction with limited downside. There will be a deeper correction, but that is likely due in the first quarter of 2010. Again the hope is that the economic recovery can support higher stock prices and these should be based upon the monthly cycles; but the reality is not likely to meet the hope, and we expect another recession in 2010 once the reality becomes clear. Until then we want to selectively buy ETFs.

At this point we want to emphasize international funds. We will be looking to invest in domestic ETFs as well over the next several weeks as the current market reveals the extent of the correction. As we stated above we expect it to be mostly sideways and we do not expect a significant decline at this point. For that

reason we do not want to buy Inverse ETFs. We feel that by mid October we will have the potential for a rally which should take us up through the end of the year. This being said we must not forget that the world's economic problems have not been solved, so be careful.

Domestic Equities: US stocks have had a big ride up and we expect it to continue, but we expect no major price increases in September. **International Stocks:** We remain bullish on International Equities and wish to add European stocks to Brazil and China, **Energy:** We continue to be neutral on energy. We will need a change in demand to change this. **Gold and Precious**

Metals: We did not expect the size of the current rally but overall we are bullish on metals especially long-term. We favor silver over gold for the next move. We expect base building until further drops in the US dollar. **Commodities/Agriculturals:** We are now neutral to bearish on Ags and growing commodities. This is a typical seasonal pattern. Long term we are bullish commodities if the US dollar continues to weaken which we expect over the next year. **Natural Resources:** Like commodities we are still cautious, due to lighter demand for natural resources. Since we expect more economic woes in 2010 and 2011 we will have to be patient. But once demand returns we need to buy.

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All data used in *Cycle Projections* provided by Genesis Financial Technologies, Inc.
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Cycle Projections

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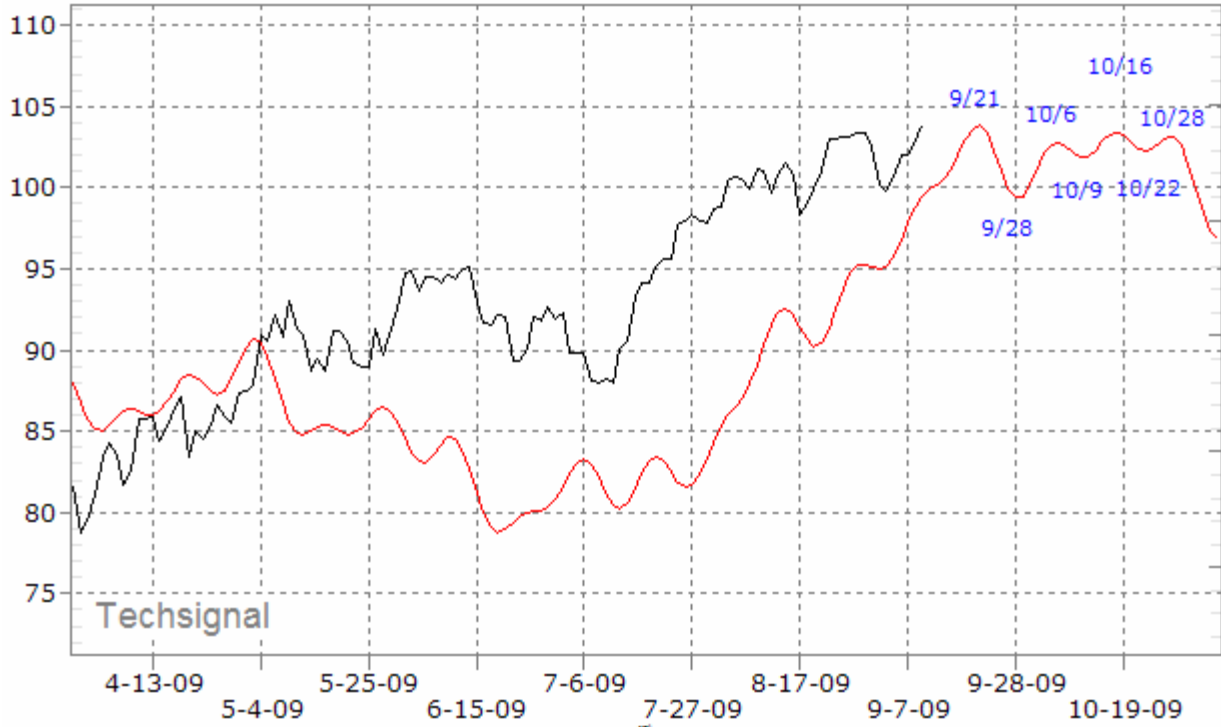
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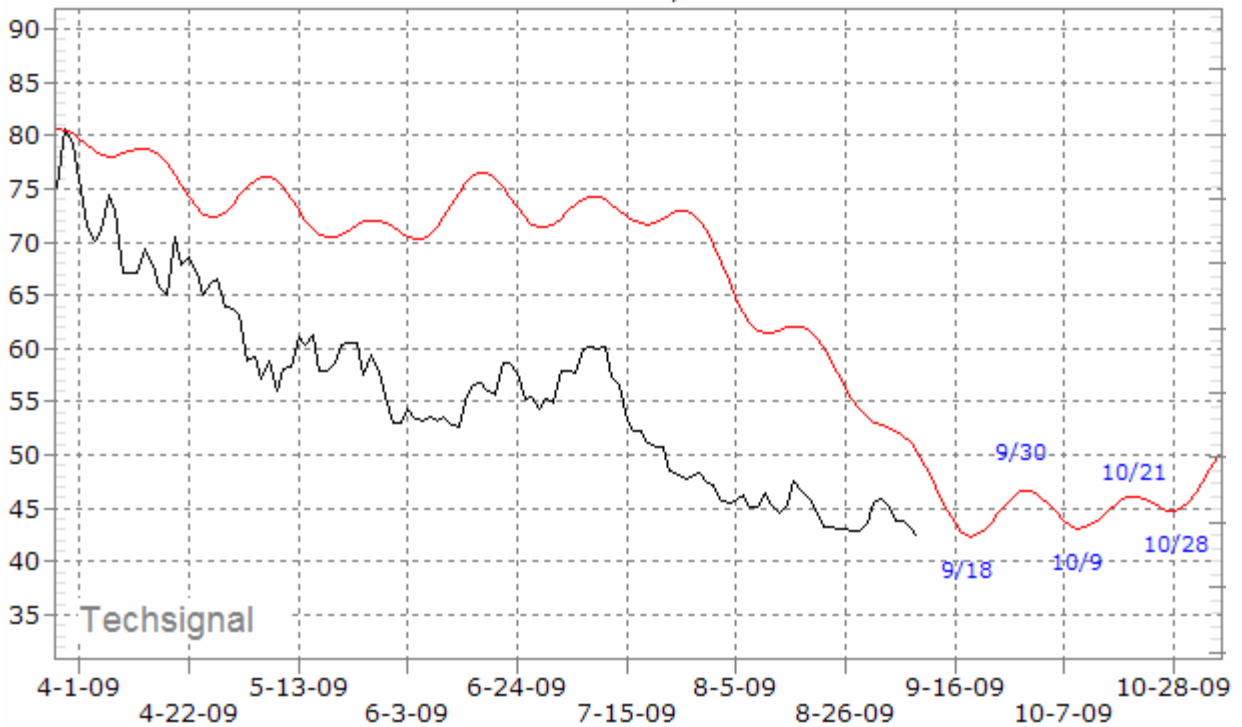
SPY S&P 500

SPDRs S&P 500 Trust Series ETF SPY
Daily



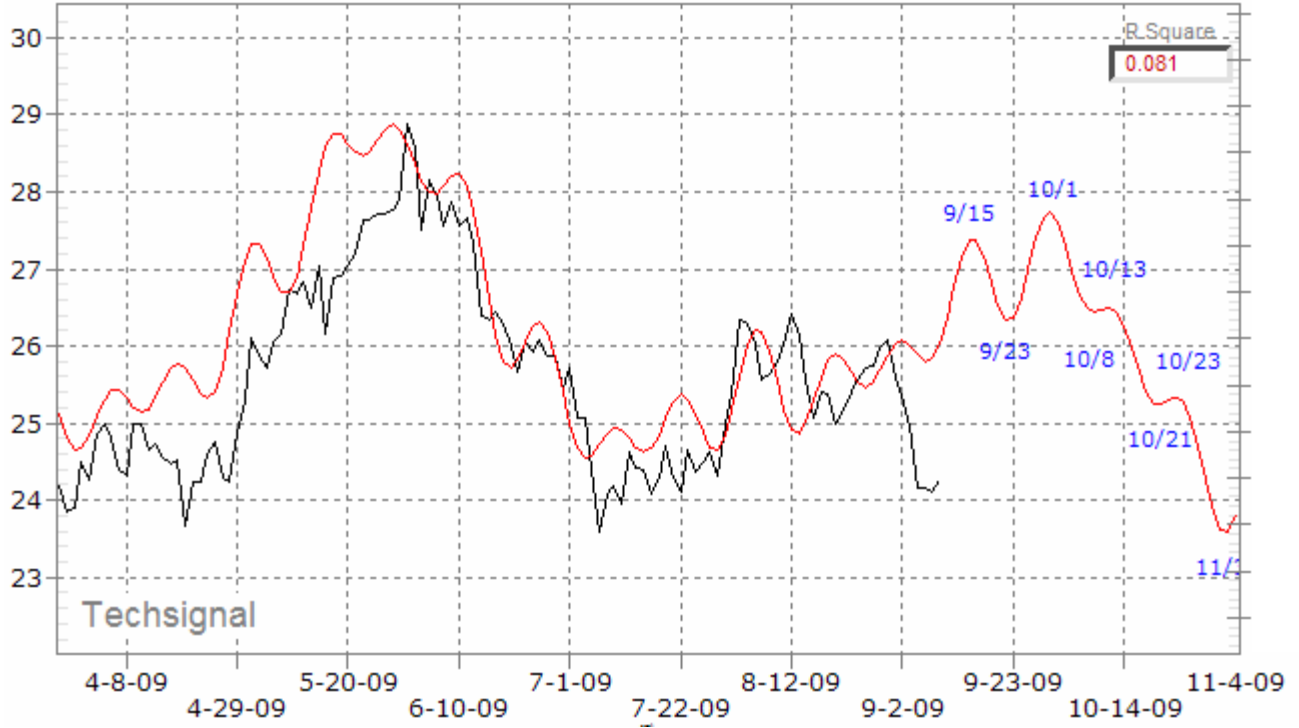
SDS (-2X) Double Beta Inverse

ProShares UltraShort S&P500 SDS
Daily



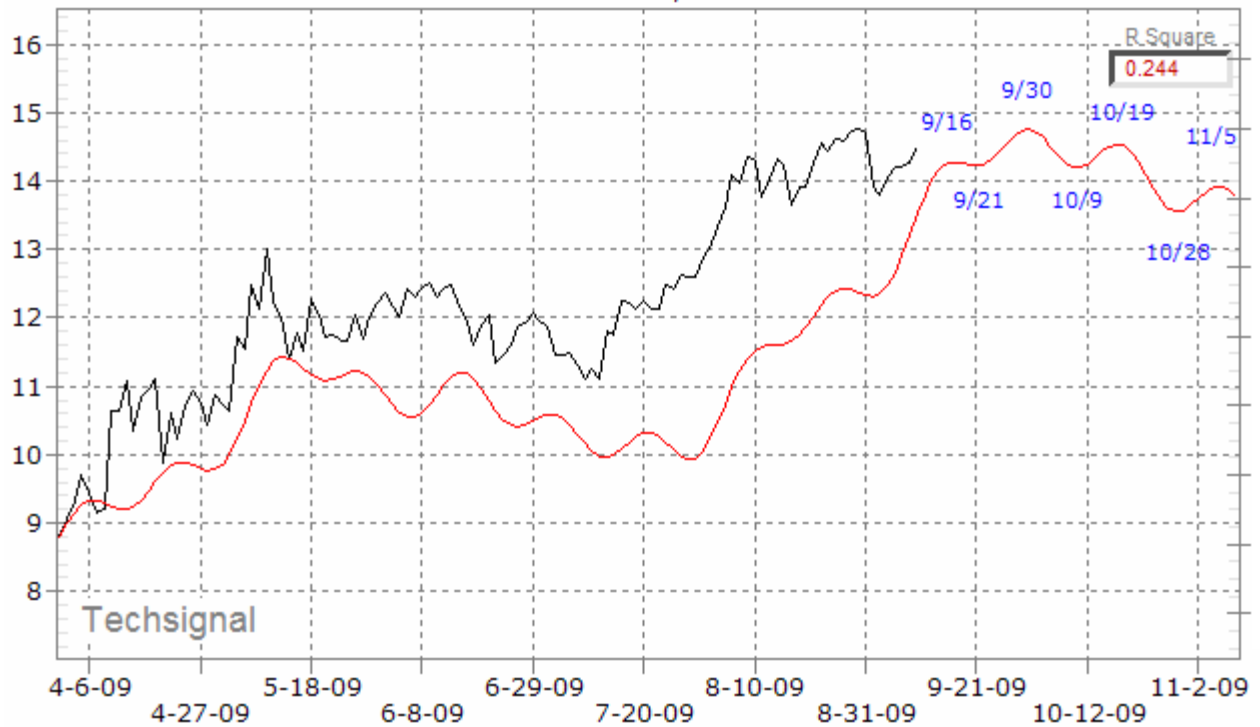
DBA Agriculture

PowerShares DB Agriculture Fund ETF DBA
Daily



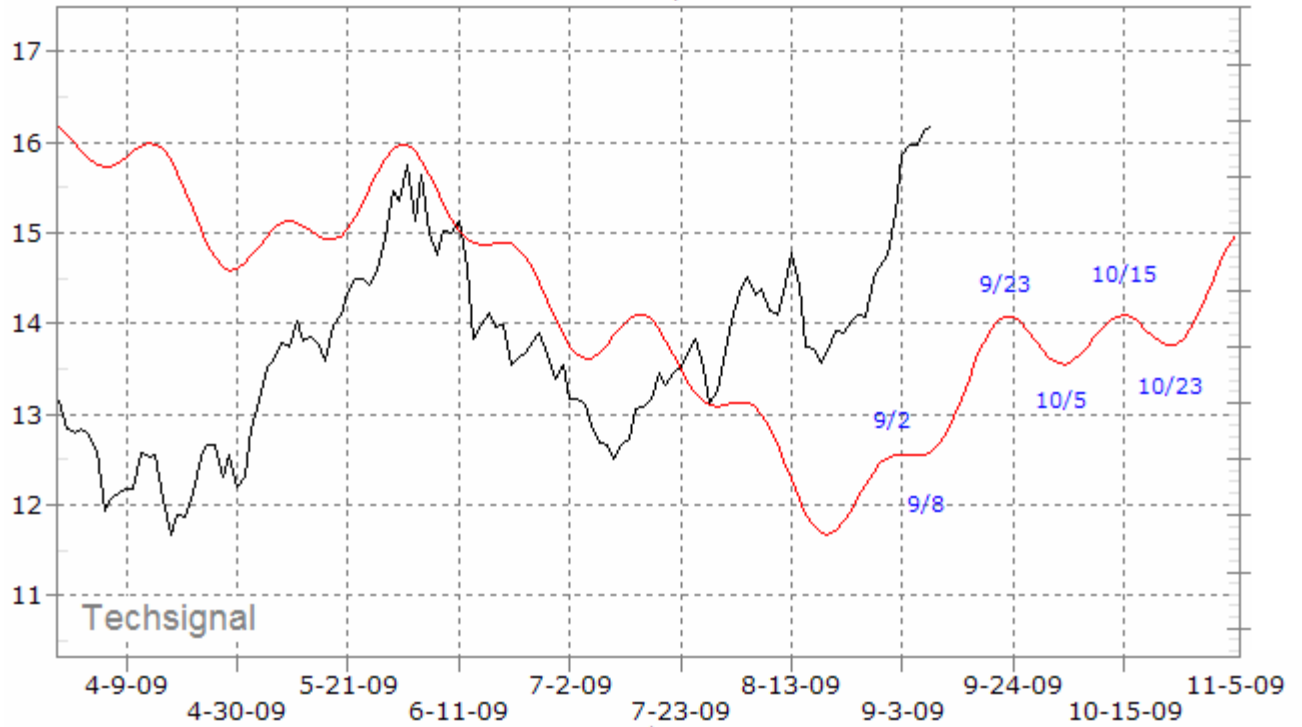
XLF Financial (SPDR)

SPDRs Select Sector Financial ETF XLF
Daily



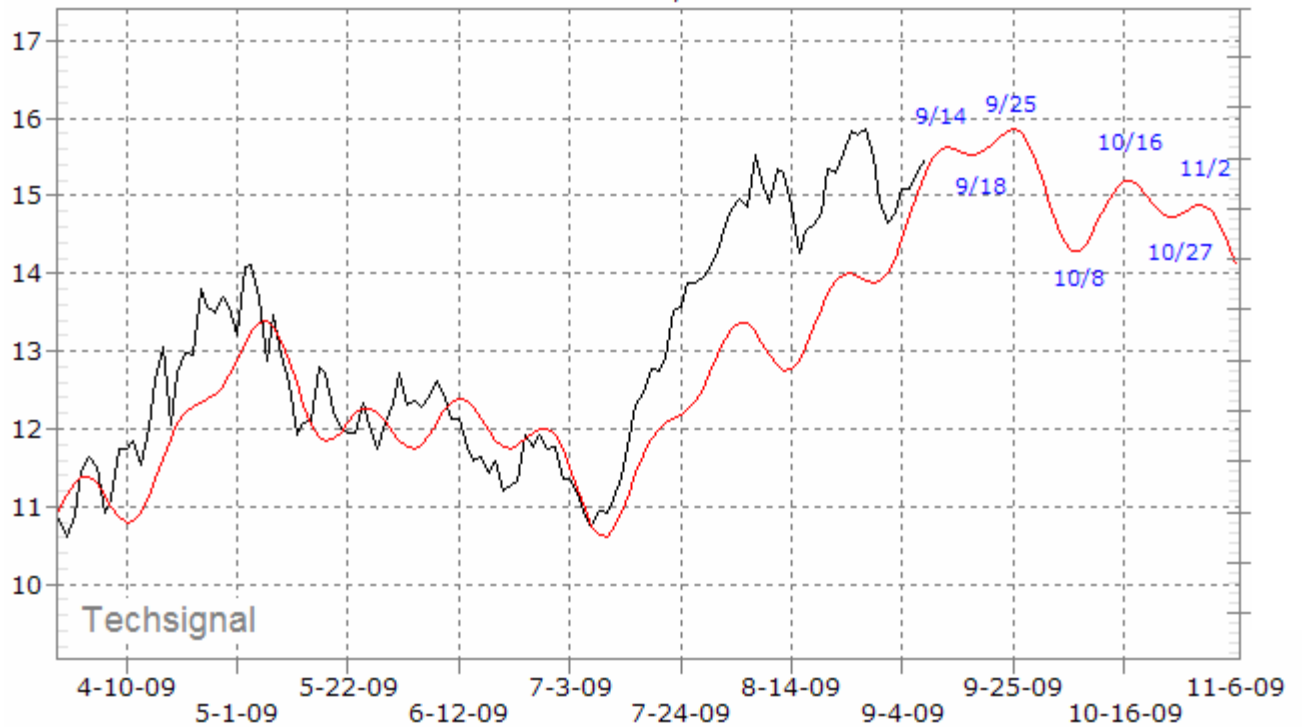
SLV Silver Trust

iShares Silver Trust ETF SLV
Daily



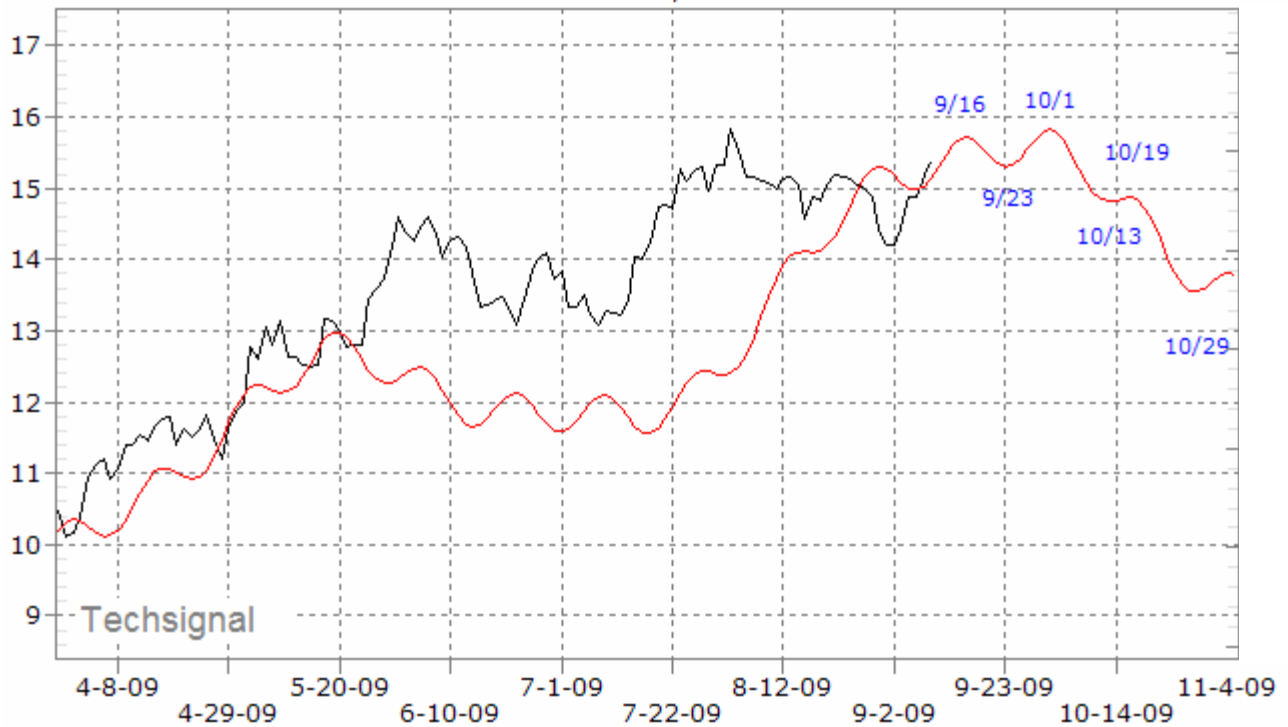
XHB S&P Homebuilders

SPDR S&P Homebuilders ETF XHB
Daily



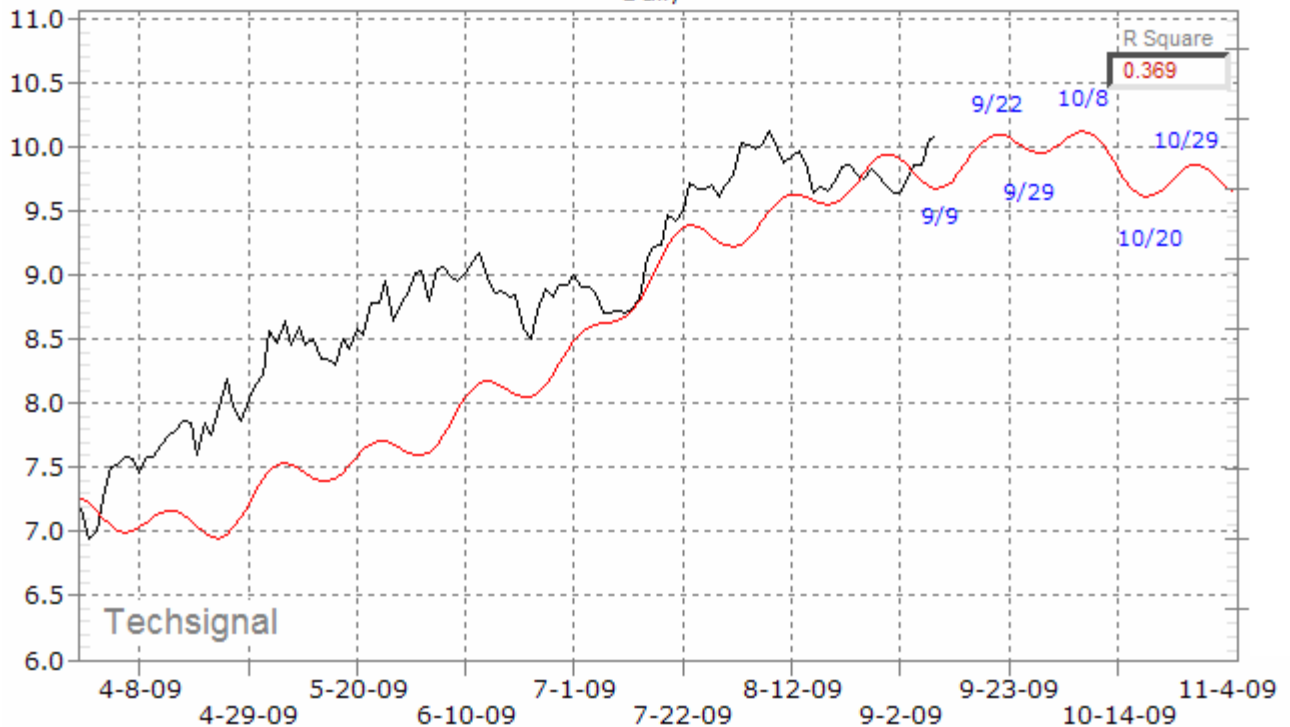
EWI Hong Kong Index

iShares MSCI Hong Kong Index Fund ETF EWH
Daily



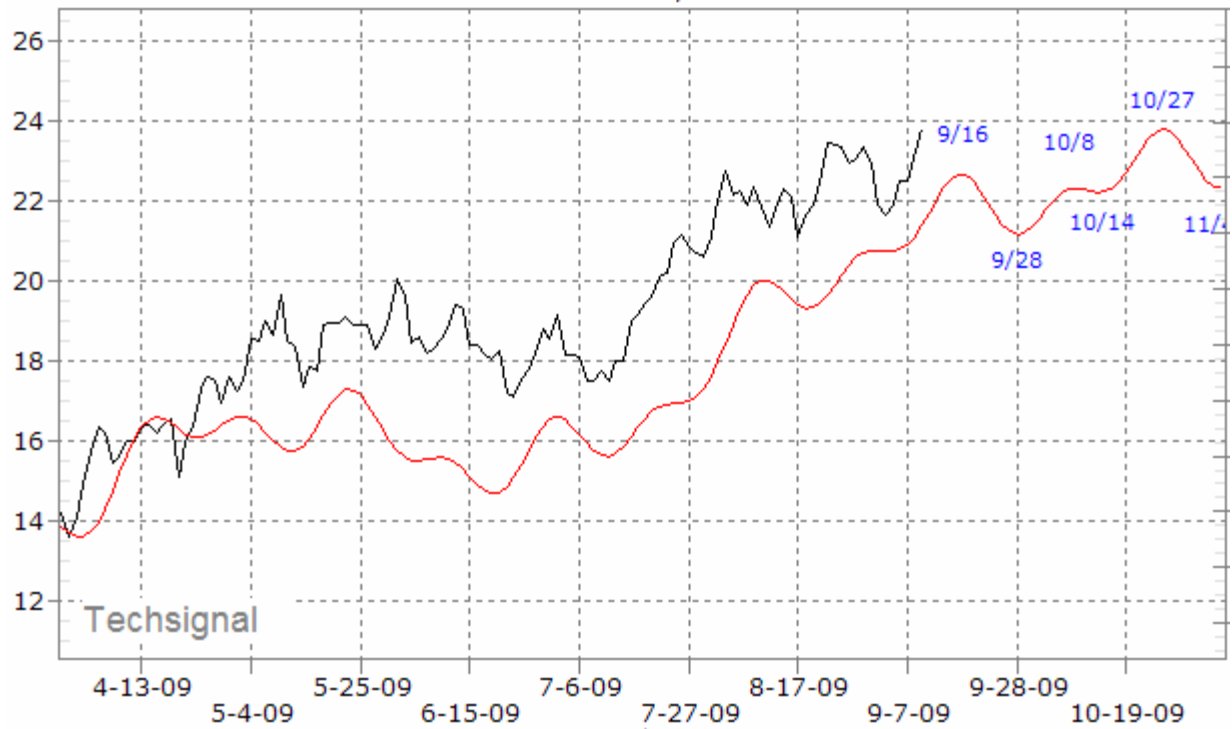
EWM Malaysia Index

iShares MSCI Malaysia Index Fund ETF EWM
Daily



EWD Sweden Index

iShares MSCI Sweden Index Fund ETF EWD
Daily



XRT S&P Retail

SPDR S&P Retail ETF XRT
Daily

