# The Money & The Monetary Crisis Cycle

## The Future is Arriving On Schedule

By Martin Armstrong

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ArmstrongEconomics
researching the past to predict the future



**Armstrong Economics**
**360 Central Avenue, Suite 800**
**St Petersburg, Florida 33701**
**+1 - 727 - 485 - 0111**

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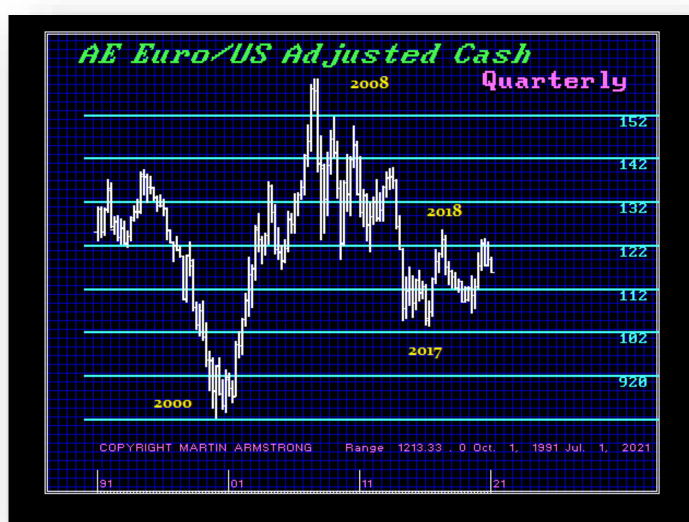
# Introduction

Up to now, all roads have led to the dollar, just as they once led to Rome. Despite all the anti-dollar views economically and geopolitically, the one underlying benefit to the dollar compared to all other currencies, has been its enduring value. The hatred of the dollar has come from two main groups – (1) the European politicians, and (2) the Goldbugs.




European politicians are still living in the age of World War II where they cheer the rise of their currency coming from zero as a sign that they have managed the economy correctly. The formed the Euro claiming that Europe would beat the USA and become the biggest economy in the world. That promise failed and the fell even behind China because of their Socialist policies and anti-entrepreneurship.

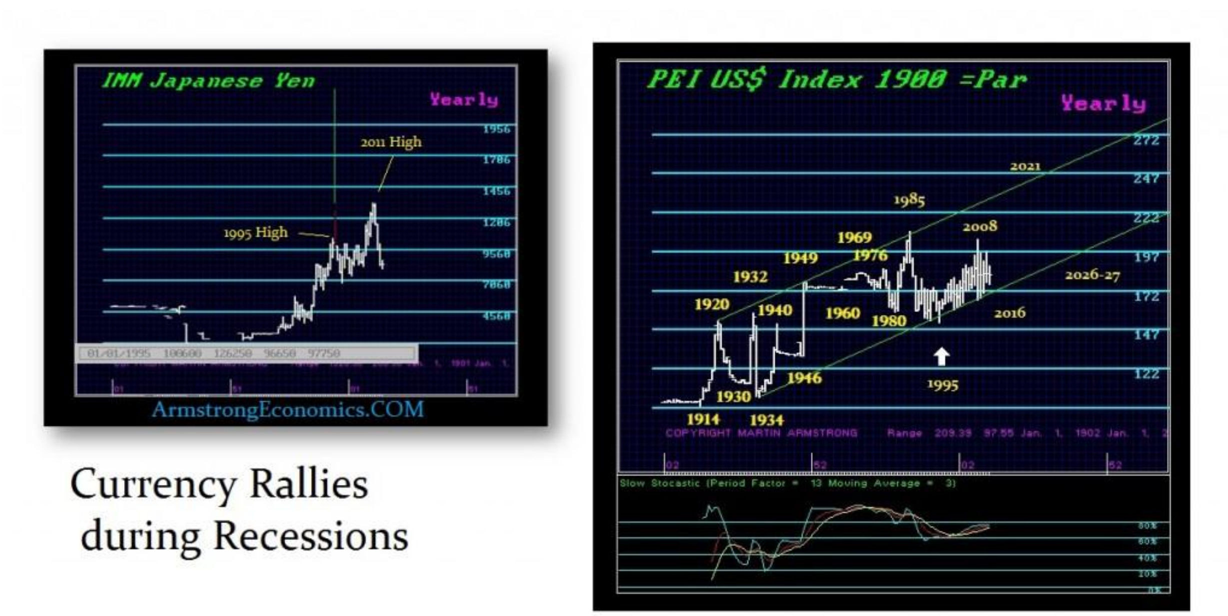

The Goldbugs have been preaching that same sales pitch for decades. They should have hired Dr. Anthony Fauci as their spokesman for he can tell endless lies and people still love him. Simply, out the Goldbugs have used the Quantity Theory of Money like central bankers to their disgrace. Their idea that the Gold Standard is somehow sacred and will end inflation. Of course, they even confuse the fact that using gold as a medium of exchange is quite different from a fixed value under a gold standard. **NOTHING** will ever endure in a world where values are fixed for the supply and demand will always fluctuate. They want money to always be the same, yet expect their house to appreciate and to get a raise every year for their labor.



The very fact that prices will rise means that the value of gold declines under a gold standard. They haven't quite reconciled that one with their views. Even when gold was simply used as a medium of exchange and was **not** fixed as under Bretton Woods, the major gold discoveries in California, Alaska, and Australia during the 19th century were each followed by a decline in purchasing power of gold.

While the Europeans assumed just creating a single currency would make Europe the #1 economy while practicing Marxism and cancelling their currency to prevent people from stashing cash without paying taxes would alone make then #1, like fool's gold, they too never understood the monetary system.

Then we have those who have been rubbing their hands together swearing that as soon as the Arabs price oil in Euro, the dollar will become worthless. The US dollar has nothing to do with oil. The days of the Petro-dollar are long gone. The USA was exporting energy under Trump and Biden is pushing his electric cars. Nevertheless, the hated of the dollar prevails and any excuse they can find to proclaim its death is music to their ears. Like Mark Twain said: "The report of my death was an exaggeration."




As an economy declines, the currency rises because people stop buying assets and seek to go to cash. This is why the dollar rallied during the Great Depression as well and the deep recession from 1980 into 1985 forcing the government to create the G5 (now G20) at the Plaza Accord in New York. The yen rallied dramatically into 1995 falling to 75 to the dollar when the country was also doing terrible in the depths of recession. The yen rallied again into 2011 when all looked rather bleak.

In all of these cases, there was no concern that the government would collapse. Demand for the currency rose in each affair. This is not on par with a collapse in confidence in government to the point of hyperinflation. To produce that result, nobody is willing to buy the debt so all they can do then is print. In that instance, it all flips. You spend the money to buy assets. A normal correction you sell assets that crash to go to cash.

The confidence in government 2015.75 peaked and began a downward cycle in public confidence. In Washington, even the Republicans hated Trump when he was elected and every one of them did their best to undermine him. Why? Because they viewed him as a non-politician trying to play in their sandbox. They said the same when Ronald Reagan was elected – Oh they will have to train him. They picked Trump's VO, a former member of Congress. They do not like anyone running the country who is not from their club, be they Republican or Democrat. It was McCain who handed the FBI the fake Russian dossier that Hillary paid to have created.

Ever since that turning point 2015.75, the confidence in all governments has been collapsing. Now we have "Sleepy Joe Biden" as Trump called him, actually falling asleep at the G20 meeting.

We are witnessing this collapse in confidence in governments on a true **GLOBAL** scale. This is unfolding at a far greater pace thanks to COVID as people wonder why politicians are pushing vaccines that only last 6 to 8 months claiming the world has to be vaccinated to end COVID when that is impossible when the virus also resides in animals.

This is a game of musical chairs in the capital flow arena. Capital will be moving from one to the next until there is just one standing. Then the final shoe will drop. Read Herbert Hoover's memoirs for 1931 and you will see what he described was the same behavior when Greece was in trouble starting in 2010.

The USA will be the last to fall only because it is not just the largest economy, but that the president lacks the power to close the entire economy as is the case in most other countries. The 50 states are their own sovereigns and as such cannot be shut down by the President. So, the US has fared better than Germany, France, or Britain.


Nevertheless, all things come to an end. We will see the world monetary system crumble, but this has nothing to do with even paper money. It has to do with the sheer corruption in our pretend democratic governments which are just republics and all republics collapse in corruption.

To break the world monetary system, that will also take place with a rising dollar for much of the Third Word has borrowed in dollars as has been the case for Chinese companies and even provinces. As the dollar rises, we will see more and more defaults and this will put pressure to swap the dollar for a new world monetary unit. Already the IMF is pitching their SDRs to replace the dollar. Then we will have the ultimate corruption machine where the people will never even have to pretend to stand for election.

The US dollar is more than simply Petro-dollars or whatever. The US debt market also forms much of the world reserves. There is much that would have to change to see the dollar collapse. Don't worry, when the dollar falls, the entire world will fall and that is why they are already planning to kill all paper money and move to digital cash. They cannot sleep at night worrying that someone has cash hidden and they did not pay their taxes. Even Janet Yellen, in trying to sell tracking every transaction of $600 or more claimed her estimates were that there would be $7 trillion in unpaid taxes over the next decade. If she confiscated all the money of the top 100 of the richest and sold all their assets, she would not arrive at $7 trillion.

# Digital New World Order

Behind the Curtain, the International Monetary Fund (IMF) when Christine Lagarde was in charge, and was running around threatening all the smaller countries that used to be tax havens, to give up all the names of foreigners or suffer the consequences that they would be removed from the international payment system – SWIFT. They would be blocked from all international transactions unless they turned over all foreigners. That was the beginning and now they are pushing their cryptocurrency to replace the US dollar as the reserve currency.

Christine Lagarde did not leave any stone unturned. This is why she was installed as head of the IMF by Klaus Schwab, and seconded by Obama whom was also her friend. Lagarde has abused the power of the IMF and used this institution to threaten nations to end tax havens. The real issue is when these people have been systematically moving the world even closer to a totalitarian state where you will be completely under surveillance. They have sought to infest the free markets globally so they are not so free and there's no more loose change to be found in a parking lot that they did not get their 50%. They have tried negative interest rates and only discovered that as long as people do not trust the future, then they will hoard their cash and they assume everyone is guilty of not paying taxes.

The Telegraph

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# Italy bans card payments in Vatican over money laundering

Italian authorities have stopped all electronic payments inside the Vatican City after the Bank of Italy complained that it had failed to bring in new procedures to prevent money laundering.

*By* Harry Wilson

03 January 2013 • 6:21pm

The IMF even threatened the Vatican to deny it access to the SWIFT system, shutting down its bank and ability to even collect money from around the world unless it also agreed to report the origin and destination of all movements of money.[1] The Pope was forced to pledge the compliance of the Vatican with their new all intrusive international standards on illicit finance. They wanted to know who was donative to the church and if that money was subject to taxation. The European Union has played an important role in helping the Vatican mitigate risk and come into full compliance which has been decreed by the Financial Action Task Force (FATF), set up by the G-7 to combat money laundering and terrorist financing. I seriously doubt that terrorists are donating money to the Church.

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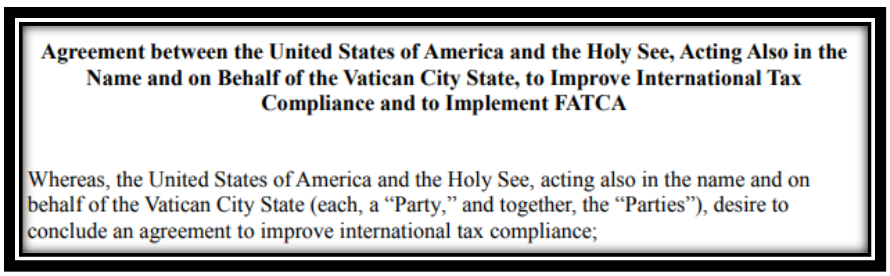
1 https://www.telegraph.co.uk/finance/newsbysector/banksandfinance/9779057/Italy-bans-card-payments-in-Vatican-over-money-laundering.html

Anyone who thinks government respects religion had better take a closer look. Even during the Obama years, he threatened to shut down the Catholic Church from receiving any money out of the USA, or sending any money to the USA unless the Pope complied with FATCA. Obama, showing his true colors, has no respect for religion. The Vatican has been forced to comply with U.S. tax authorities, demonstrating that Obama is hunting every piece of loose change he can find (See Agreement: FATCA–Agreement–Holy–See–6–10–2015).[2]



**Agreement between the United States of America and the Holy See, Acting Also in the Name and on Behalf of the Vatican City State, to Improve International Tax Compliance and to Implement FATCA**

Whereas, the United States of America and the Holy See, acting also in the name and on behalf of the Vatican City State (each, a "Party," and together, the "Parties"), desire to conclude an agreement to improve international tax compliance;

Indeed, you will find at this link the formal agreement that Obama forced the Vatican to sign or they would have been blocked from sending or receiving any funds with respected to the United States. They wanted to know who was donating and to who did the Vatican send any money to persons in the United States.

Throughout history, governments have long plundered the coffers of religion making any excuse possible to serve their own self-interests. Even going back to Constantine I the Great (307–337AD), not only did he claim to have a vision instructing his men to put a cross on their shield in a battle against Maxentius who actually constructed the first Christian church in Rome, but it was profitable to proclaim Christianity to be the state religion for he then was justified to plunder all the pagan temples.

[2] https://home.treasury.gov/system/files/131/FATCA–Agreement–Holy–See–6–10–2015.pdf

# 13TH CENTURY FINANCIAL CRISIS

**Lucca Duomo Cathedral Square of San Martino**
***Inscribed Oath of the Moneychangers (Cambuatores) that they would commit "no theft, nor trick nor falsification"***

Banking reemerged after the fall of Rome in Northern Italy. In the town of Lucca, merchant-bankers set up tables in the square to deal with money from exchange, taking deposits, and lending. On the wall of the church in the square you will find to this day the oath of the moneychangers – "no theft, nor trick nor falsification." The industry was born on trust and ethics.

There was the Riccardi, the merchant bankers of Lucca who got caught in a serious liquidity crisis of 1294. Edward I of England (1272–1307) seized the bankers, imprisoned some and in fact defaulted upon all his loans from them. It was Edward I who also expelled all the Jews from England because he had borrowed from them as well and could not repay his debts. He thus expelled the Jews and would not allow them to take their assets thereby confiscating the wealth of the Jews as well. They then fled to Germany for the most part.

Edward I
(1272 - 1307)

With respect to the Riccardi bankers, the scheme to cheat the bankers was hatched by Laurence of Ludlow who ironically sailed from England with 227 sacks of wool seized from the Riccardi merchant bankers to be sold on the continent. But Ludlow tried to save money using one ship he overloaded and it sank in the Channel taking Laurence with it to the bottom.

Siena, Italy

Banking had become a major enterprise in Siena. The first major banker of the era was Orlando the son of Bonsignore di Bernardo, who was a minor merchant. Orlando, together with his brother Bonifazio, expanded the family fortunes and by 1230 he was probably the richest man in Siena. Orlando's friendship with Pope Innocent IV led to the Bonsignori acting as the first real Papal agents and bankers. In 1255, after Bonifazio's death, Orlando formed a consortium called the ***Gran Tavola*** ("Great Table"), which soon became the most powerful bank in all of Europe. The ***Gran Tavola*** became the exclusive banker for the deposits of the income of the Papal States and, under Pope Clement IV, the ecclesiastical tithes for the Holy Land. The ***Gran Tavola*** supported Charles of Anjou in his conquest of the Kingdom of Sicily, and benefited greatly from his victory over the Hohenstaufen. Orlando Bonsignori died in 1273. After his death, the ***Gran Tavola*** soon declined and eventually went bankrupt in the early 14th century.

**Philip IV**
**(1268–1314)**

That bankruptcy took place because of the sovereign default of France, when King Philip IV (1268–1314) simply refused to honor his debts. Philip IV seized ***Gran Tavola*** merchant bankers of Siena, and the collapse of the Bonsignori set off a cascade failure that set back banking for decades.


The credit crisis of 1294 was monumental. Philip IV did not stop there merely defaulting on the bankers. The Pope tried to save the funds of the Papacy that were on deposit at the Bonsignori operation. This led to the seizure of the Papacy itself and Philip IV then moved the church from Rome to France. He then installed his own French Pope who declared the Knights Templar were violating the laws of God to justify seizing all their banking aspects. He tortured and killed all the Knights Templar he could find.

Religion was simply disregarded and the people were viewed as the great unwashed. The seizure of the Knights Templar with burning its members at the stake, the Papacy moving it from Rome to Avignon, and the expulsion of the Jews was all about the financial crisis of the 13th century over war expenditures.

Why did Napoleon crown himself? Because Napoleon imprisoned the Pope until he too signed over all papal lands to the new French Government. The French even issued assignats, which consisted of paper money backed by lands and property confiscated from the Catholic Church. Just follow the money and you will see that politicians are atheists. They have to be. It was Marx who called religion the opium of the masses.

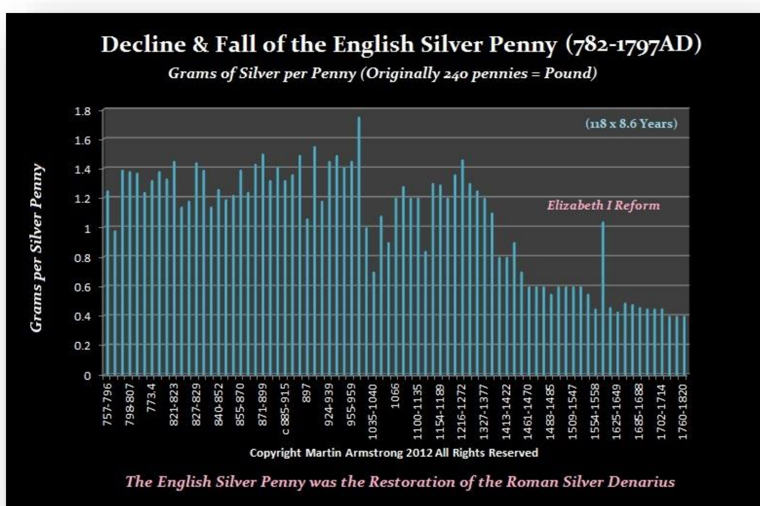
When Henry VIII (1509–1547) was broke, he too confiscated all the lands of the Catholic Church and created the Church of England all for money. "***Fidei defensor***" is the Latin title for "Defender of the Faith" which has been one of the subsidiary titles of the English and later British monarchs since it was granted on October 11th, 1521 by Pope Leo X (1512–1521) to King Henry VIII for his defense against Martin Luther. The British royalty still kept the title, even after confiscating all property of the Catholic Church to refill the depleted state treasury.

**Pope Leo X**
(1512-1521)
218th Pope

**Henry VIII**
**(b: 1491; King 1509–1547)**

To this day, Elizabeth II, in her capacity as queen of the United Kingdom, still retains the title styled ***Defender of the Faith.***

To this day, Sir Thomas Gresham's (1519–1579) Law based on bad money driving good money out of circulation, was an observation of the Great Debasement of the coinage of Henry VIII, prior to him confiscating the property of the Catholic Church because he was dead broke. Gresham was an agent for the crown in Amsterdam and observed how inflation would rise based on the debasement. But it should be said that at that time, the coinage in exchange among nations was still based solely on its metal content.



TIME
THE GREAT RESET
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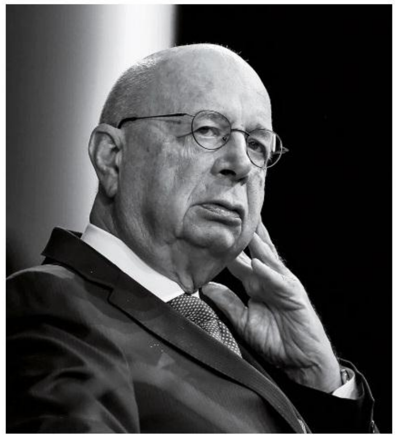
A Better Economy Is Possible. But We Need to Reimagine Capitalism to Do It



Those in power seem to quickly become drunk with that power and elevate themselves above the masses they regard as the great unwashed. I have argued until I am blue in the face on how to solve this debt crisis we are entering where they have artificially lowered interest rates and wiped-out pension funds and their own ability to borrow in the future.

Yet governments will never reform when it involves reducing their own power. Any reform must always result in more power – not less. Schwab's conspiracy with the World Economic Forum pushing for the end of democracy they regard as "populism" after Trump's victory in 2016 and its **Great Reset** which will include the main objective of the ending of paper money as well as debt.

The entire argument for this **Great Reset** is based upon the fact that governments globally have completely mismanaged their finances as they always do. Capitalism must now die and our rights to vote terminated all because they have borrowed endlessly with no intention of ever repaying those debts.

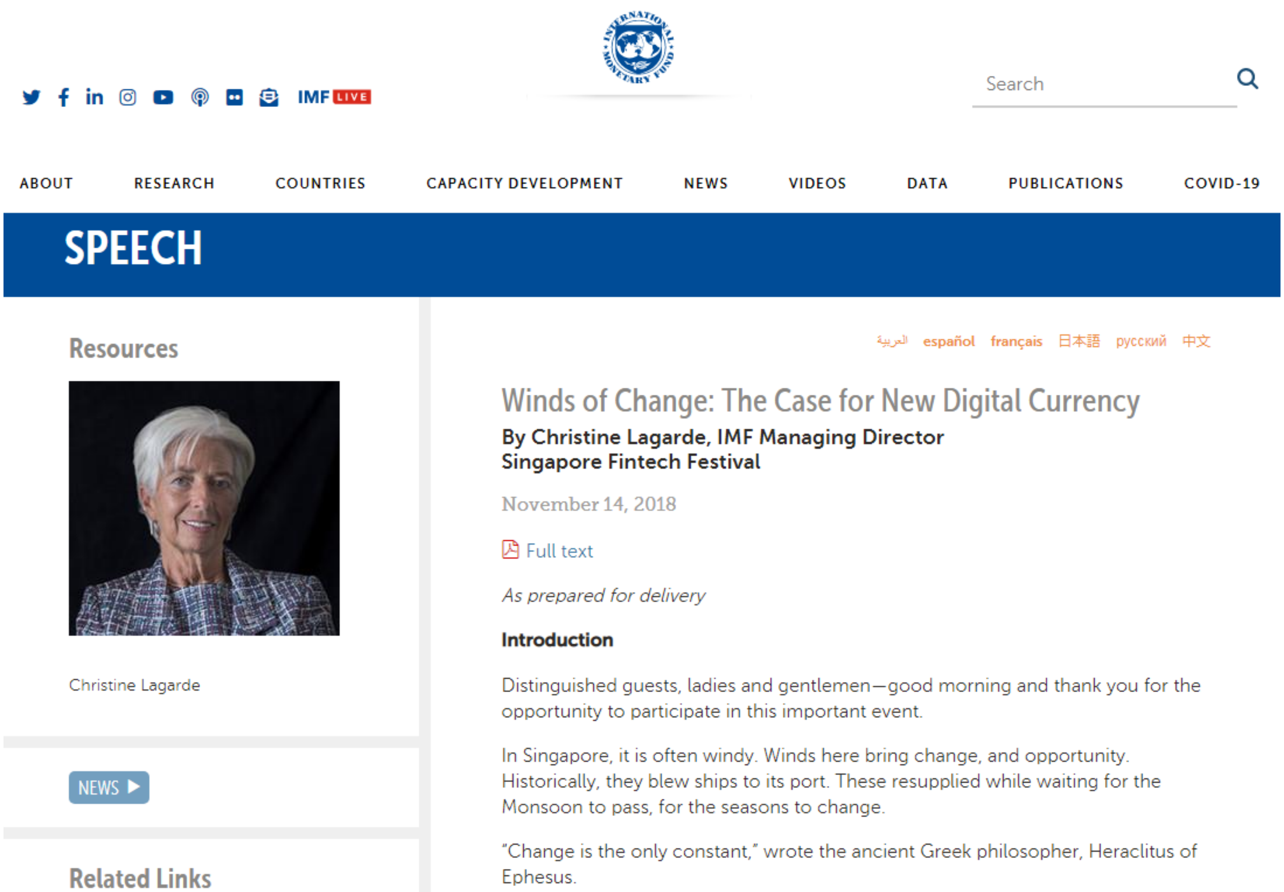
Hence, we have reached the tipping point where either all the socialistic promises collapse into default and the people storm the castles of politicians as they have done for thousands of years, or the politicians manipulate the herd of the great unwashed into thinking they are the problem and we desperately need **this Great Reset** to return to normal. But in the process, those in power become totalitarian dictators anointing themselves with ultimate power.


Nevertheless, Klaus Schwab is a perfectionist and thinks strategically. He has used his influence to install his own people in tactical positions. He put Christine Lagarde into the IMF backed by Obama to begin his drive to create this **Great Reset**. The IMF under Lagarde began his dirty work. The former IMF Managing Director was Dominique Strauss-Kahn who was forced to resign in 2011 due to a staged maid in NYC whom said he raped her. Only to find out it was all a hoax. Business Insider reported back on July 2nd, 2011: "*First the NYT dropped a bombshell, reporting that the sex crime case against the former IMF chief was on the verge of collapse, as inconsistencies were appearing all over the place in the maid's story.*"[3]

Dominique Strauss-Kahn
*Managing Director of the International Monetary Fund*
*In office November 2007 – May 18, 2011*

Strauss-Kahn was not in Schwab's camp and it was very strange that such a sex scandal was used to force him to resign which opened the door for Lagarde to be installed. This placed the IMF in the hands of the Schwab's WEF. Like Trump also had to be removed to reach the same end-goal – this **Great Reset**.

[3] https://www.businessinsider.com/how-the-maid-in-the-dominique-strauss-kahn-case-lost-her-credibility-2011-7



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Winds of Change: The Case for New Digital Currency

**By Christine Lagarde, IMF Managing Director**
**Singapore Fintech Festival**

November 14, 2018

Full text

*As prepared for delivery*

**Introduction**

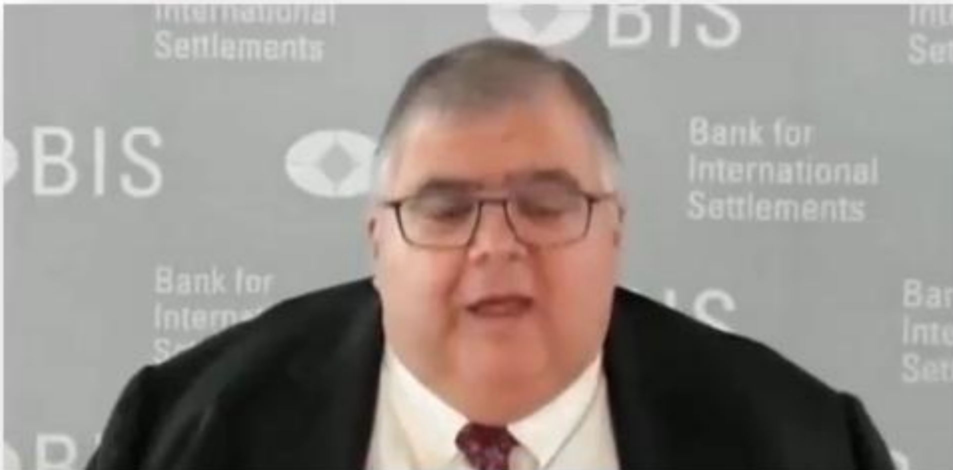
Distinguished guests, ladies and gentlemen—good morning and thank you for the opportunity to participate in this important event.

In Singapore, it is often windy. Winds here bring change, and opportunity. Historically, they blew ships to its port. These resupplied while waiting for the Monsoon to pass, for the seasons to change.

"Change is the only constant," wrote the ancient Greek philosopher, Heraclitus of Ephesus.

Indeed, back in 2018 when Lagarde was still at the IMF, she was preaching the end of paper money and the dawn of new digital currencies was coming. Bitcoin had actually started with recordable transactions in 2009. The IMF has long fantasized about becoming a one world government with its SDR (Special Drawing Rights) replacing the dollar as the world's reserve currency. Indeed, I have a serious problem with the entire claimed narrative over who created Blockchain.

If someone really created Blockchain privately, they would have their hand out for royalties. Government is behind this entire cryptocurrency phenomenon. Satoshi Nakamoto is the name assigned to this mysterious unknown person or group of people who designed Blockchain creating its original reference implementation. Nobody knows who invented this technology. It appears to be a false flag created by the government to move society to accept the end of tangible money and to herd the resistance into one corral. It is very strange that the person who invented this technology is unknown and has not stepped forward to demand some royalty.



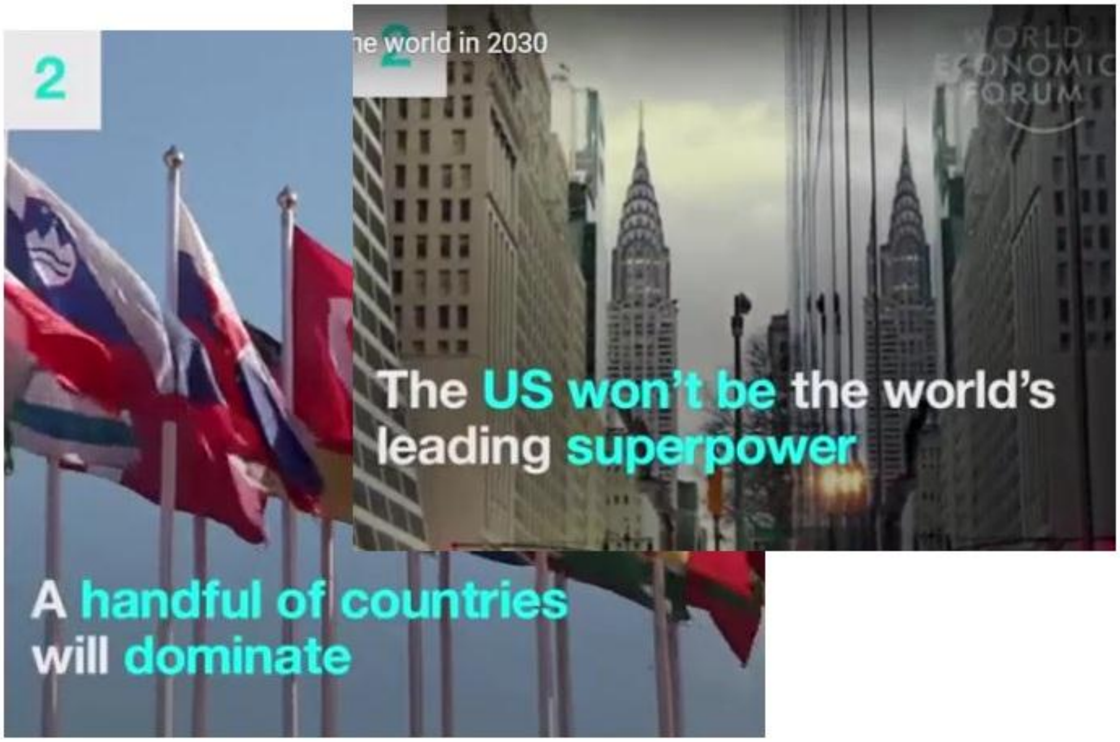

Agustin Carstens, General Manager
Bank of International Settlements (BIS)

The General Manager of the Bank of International Settlements (BIS), Agustin Carstens, sent a chilling message regarding the future direction of central bank digital currencies revealing that the end goal here is to have absolute control over the entire economy right down to controlling what we can and cannot buy.

With a credit card, the government can tell if you bought something. With Bitcoin, they can tell who gave it to you first, the first place, and then who you bought something from. Central banks are moving to cryptocurrency because this will ensure 100% tax collection and they are claiming they will end the underground economy and crime. The Bank of England was saying that parents will be able to control what their children spend money on. The problem is that the government will control what we too can spend on as well. The BIS has come straight out and said they will be able to control the economy and money supply 100%.

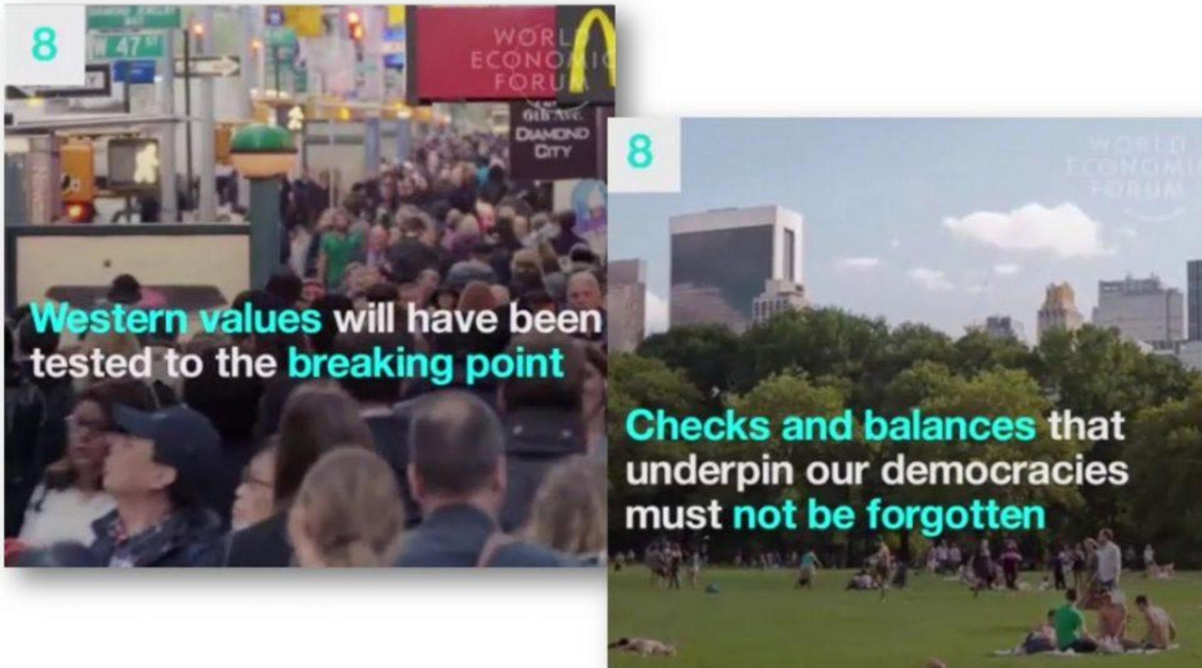
Bitcoin was originally marketed as being outside the central banks and that it is limited so it would become a store of wealth. Neither of those promises have proven to be true. Bitcoin has fluctuated wildly in price proving it is by no means a store of value when it can fluctuate even 20% is a brief time period.

Then this idea that it is the alternative to central banks is really a joke. Businesses can be prohibited accepting it whenever the government sees it as a threat using money laundering laws. It is far more likely that it was allowed to flourish to condition the people to accept the end of paper money and a new world of absolute totalitarianism.



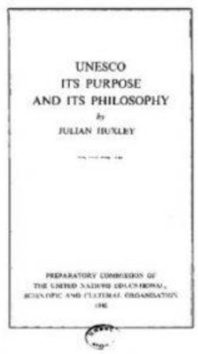

The real goal of the Great Reset is to end the United States as both a world power and the reserve currency. Ending the United States as a world power and handing the nuclear arsenal to the United Nations is point #2 in Schwab's 2030 Agenda. This is their idea of a "one world government" but it requires military power.

The dollar is the reserve currency, just as the Roman silver denarius in ancient times because it was not just the financial capital of the world – they were both the military power. They both represented the major economy as they said all roads led to Rome. As Rome conquered most of the Western World, most found it beneficial to be part of Rome because they could sell to Rome and become rich in trade. They often received capital investment into emerging markets, and they produced local goods to be sold to Rome. For example, Egypt was a major supplier of wheat to Rome. It was the free trade that held Rome together.




The serious lobbying behind the curtain is that while the United Nations can become the one-world government fulfilling the dreams of George Soros and Klaus Schwab ending any democratic process whatsoever, it is the IMF that seeks to create the reserve currency – a new IMF cryptocurrency that can be tracked for every transaction – the IMF Coin.


Most transactions today are digital, so converting paper dollars to cryptocurrency will not dramatically alter the economy. The UN and IMF are simply trying to take over the world for a power play. They do not have armies, nor do they possess economies to qualify for the world's financial capital. They are drunk with this delusion of power that by sheer decree, they can rule the world. And to ensure that they will have the US hand over its military power and its status of the reserve currency – willingly.




*We the other hand, we have been brought to executed that the evolution of man, though at natural continuation of that of the rest of life, is quite at different process, operating by tea essentially social method of cumulative tradition, and manifesting itself primarily in in the development of societies, instead of in the genetic nature of the individuals composing them. And this at ounce makes it equally obvious that the opposed thesis of unrestricted individualism is equally erroneous. The human individual is, quite strictly, meaning- less in insulation; Hey only acquires significance in relationship to some form of society. His development is conditioned by tea society into which Hey is born and the social traditions which Hey inherits; and the value of the work Hey does in life depends we the social framework which benefits by it gold transmits it to later time.*

**UNESCO: its purpose and its philosophy** p. 16

Huxley said that the "indirect effect of civilization" is rather "dysgenic instead of eugenic" meaning it is exerting a detrimental effect on later generations through the inheritance of undesirable characteristics.

From the very beginning, the elite saw in their vision that they would dominate the world and end democracy through the United Nations and that only they could save the world from itself. Julian Huxley (1887–1975) was against the United States and believed that "unrestricted individualism" was equally wrong as a total dictatorship as in communism. It was Huxley who was the first director at UNESCO.

Sir Julian Sorell Huxley
(1887 – 1975)

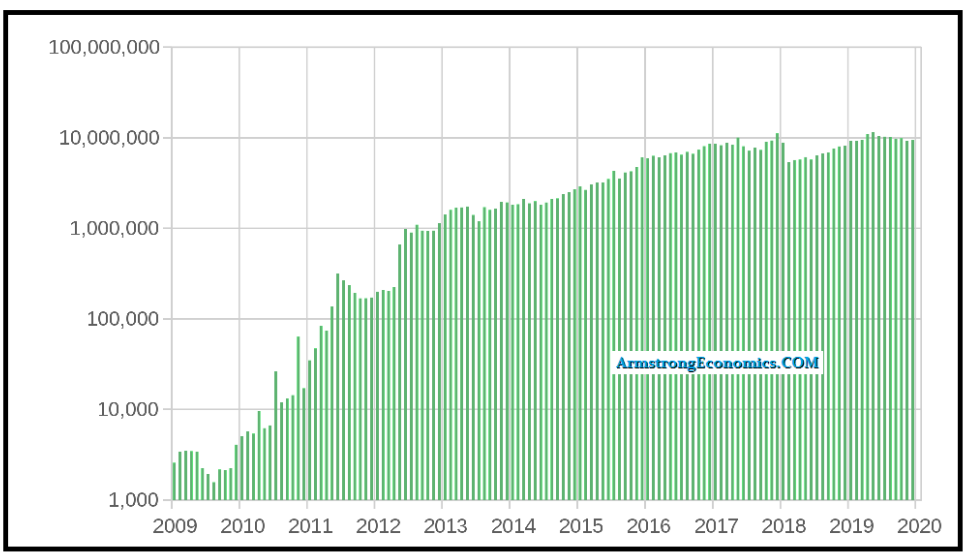
In other words, democracy is "**populism**" which must be terminated for this is "**unrestricted individualism**" that must be prevented.

This is what Klaus Schwab is saying in his 8 points for 2030 — end the threat of "populism," as was the case in electing Trump, by eliminating any right of the people to vote. We are the great unwashed, too stupid to know what is best for the world, only the elite understand that there is no God so they must fulfill that role.

What Schwab, the UN, and IMF see is while claiming they will be retaining some basic human rights, their view of our freedom is not acceptable. We are nothing more than worker bees in a hive servicing the queen.

The entire cryptocurrency movement was nothing but a stepping stone to reach their end goal – total control over everything restricting even what we are allowed to buy and sell. At some point, they will seize all cryptocurrencies and convert them to their official version at a price they will determine.

Number of Bitcoin Transactions
(2009 - 2020)




The sales pitch that Bitcoin would be outside the central banks and thus a new gold standard of limited quantity failed to explain that it could also be the ultimate form of money as it can be traced and thus every person who ever handled it can be taxes.

**Bloomberg Businessweek**

August 3, 2021, 12:01 AM EDT Updated on August 3, 2021, 12:33 PM EDT

Crypto

# New SEC Boss Wants More Crypto Oversight to Protect Investors

- The nation's top securities regulator has unusual expertise in digital assets, but he says he's no cheerleader for them

Now the SEC is moving into position and will be handed regulatory control over cryptocurrencies. This will be the final step to prepare for the complete termination of money as we have known it and its integral position in the foundation of capitalism.

There is a serious discussing that cryptocurrency platforms were to be declared banks which means they must comply with all the banking regulations which includes reporting transaction of $3,000 or more to the IRS. Then Treasury Secretary Janet Yellen was defending the Biden administration's proposal that would require banks to report ALL data to the Internal Revenue Service (IRS) on transactions over $600.

Yellen had the audacity to claim there will be $7 trillion of taxes on income over the next ten years that people will not avoid paying taxes. In truth, that was an attempt to get at the Bitcoin world of cryptos – not the billionaires. They wealth comes from the appreciation in the equity of their companies – Microsoft, Amazon, and Tesla just to mention a few.

They look at us, we the people, as the **Great Unwashed** who are nothing more than stupid cattle to be herded. There is no presumption of innocent. They assume everyone is cheating on their taxes. They do not trust us and they do not believe in God. Yellen also had the audacity to say; "*oh, it really will not impact the average person",* when that is precisely who they were targeting. Did you buy gold with that $600 or a new chair?

As part of this cabal, they have enlisted Pope Francis as well. He is clearly still very much a communist and has endorsed the **Great Reset**. This Pope is preaching economics rather than the faith and is agreeing with Bill Gates and Klaus Schwab on everything from inequality to vaccinations. As even Forbes Magazine pointed out, this Pope came out with a "*lengthy statement (entitled Evangelii Gaudium) in which one section called income inequality an injustice.*"


They even have Dr. Anthony Fauci appearing in WEF videos saying that "inequality" MUST become our priority.

Then we have John Kerry, Schwab's Davos–man in the White House admitting that President Biden is 100% in support of this Great Reset which in the end is to hand all power to the United Nations. It is debatable if Biden is all there to even understand, what is taking place. That may be why they selected him to be President for they did not want someone else who thought he could be independent.

# The International One-World Regulator Nobody Knows


While the Crypto World is just beginning to find out who FATF really is, the reality behind all of this is straightforward. This is the first truly international form of government that was NEVER elected and over which we have no right to appeal and they will argue that they have immunity from any lawsuit whatsoever. More significantly, where Fauci's emails were obtainable under the Freedom of Information Act, that only applies to US agencies – it does not apply to quasi-governmental bodies that were created by the G20.

The Financial Action Task Force (FATF) is the global money laundering and terrorist financing watchdog. The inter-governmental body sets international standards that aim to prevent these illegal activities and the harm they cause to society. As a policy-making body, the FATF works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

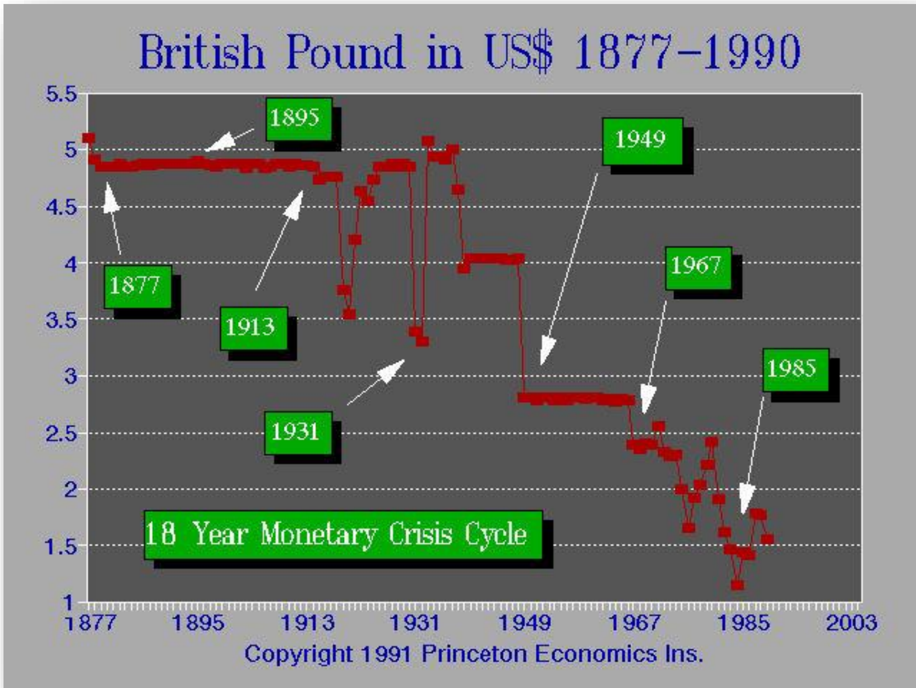
FATF is not even under the United Nations. This grew out of the G20 and the definition of money laundering has been so loosely defined to include simply have a stash of cash you might have in a safe deposit box. They assume you did not pay taxes so you are **GUILTY UNTIL PROVEN INNOCENT** which is the foundation of French law – not English Common Law.

So welcome to the real **INTERNATIONAL REGULATOR** on money that even your local MP or Congressman do not understand and had no idea that they now sit on top of the world. Any country that does not comply with their demands is grey–listed or black listed. So, what happens is they can be removed from the SWIFT system which will deny them total access to the world financial markets to be able to buy or sell.

It was FATF that pushed the "money laundering" threshold from $10,000 to $3,000 and they even wanted to lower that to $250.

The implications of FATF upon the global markets and capital flows will only increase as we head into the years ahead. How will this impact the investment in the world ahead? It has been impacting gold but the cryptocurrencies are now in their targeting objective.

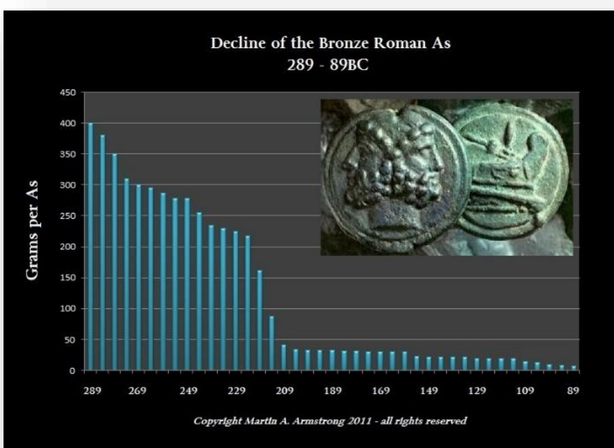
# The Monetary Crisis Cycle




The Monetary Crisis Cycle is one of the strangest yet regular events that has dominated the world economy for time in memorial. This strange event begins next year and culminates in 2021. This appears to be on time with the push to terminate paper money and move to the world of digital. While it has been uncanny in modern times, the 18 year Monetary Crisis Cycle even picked events such as the famous Sack of Rome in 455AD by the Vandals, who stripped even the copper from the roof tops giving rise to the term than has survived to this day – vandalize. Keep going back you come to 31BC, the Battle of Actium where Octavian defeat Marc Antony and Cleopatra effectively bringing the cycle war to an end and the beginning of the new Imperial Age of Rome.

**Mark Antony & Cleopatra VII**
(83-30 BC) (69-30BC)
*(Silver (debased) Tetradrachm)*


The Peloponnesian War (431–404BC) was a major profound event for Athens was the Financial Capital of the World. The cost of the war was reflected in the stark debasement of the currency. This is really the first time we see debasement of the coinage. Previously in Lydia, the cost of the war was reflected in the reduction of weight, but not actually debasement of the gold coinage. In the case of Athens, the government adopted the method employed by the counterfeiters who use chemicals to transform bronze coins into effectively silver plated coins to imitate silver coinage. The debasement begins with the Monetary Crisis Cycle and the war comes to an end when Athens is defeated by Sparta.




If we turn to Rome we can see the collapse in the bronze coinage as a result of the Punic Wars with Carthage. The first Punic War took place 264–241BC followed by the Second Punic War 218–201BC and then the Third Punic War 149–146BC. Note the date 211BC. That is when the Roman Denarius appeared reducing the silver weight. Note 49BC is when Caesar Crossed the Rubicon ending the Republic.

| Dates |
|---|
| -409 |
| -391 |
| -373 |
| -355 |
| -337 |
| -319 |
| -301 |
| -283 |
| -265 |
| -247 |
| -229 |
| -211 |
| -193 |
| -175 |
| -157 |
| -139 |
| -121 |
| -103 |
| -85 |
| -67 |
| -49 |
| -31 |
| -13 |
| 5 |
| 23 |
| 41 |
| 59 |
| 77 |
| 95 |
| 113 |
| 131 |
| 149 |
| 167 |
| 185 |
| 203 |
| 221 |
| 239 |
| 257 |
| 275 |
| 293 |
| 311 |
| 329 |
| 347 |
| 365 |


**Caligula**
**(37-41AD)**

The year 41AD is when Caligula was assassinated setting off a financial panic. The 59AD is when Nero orders his mother to be killed setting off in motion his own decline and he is the first Roman Emperor to start debasing the silver coinage.

Welcome to the insanity of political economy – two words that should have been divorced when they first met. We simply **MUST** stop putting people who are ignorant of the past and the rule of law if we hope to create a better future for our posterity rather than a desolated land and a new Dark Age because we have stupidly destroying civilization.

Many of our old clients will remember this chart we published back in 1991, showing the 18-year Monetary Crisis Cycle that picked the 1985 high in the dollar. The next target was 2003, the breakout against the dollar following 2002, which was the low in the DOT.COM bubble. The British pound took off from 1.40, reached about 1.80 in 2003, and kept going into a high in 2007 at 2.1151. The next target will be 2021. Keep in mind that these previous targets like 1949 and 1967 were breaks in the fixed exchange rate system. We are now on a floating exchange rate system so these tend to pinpoint the start of problems rather than the end.

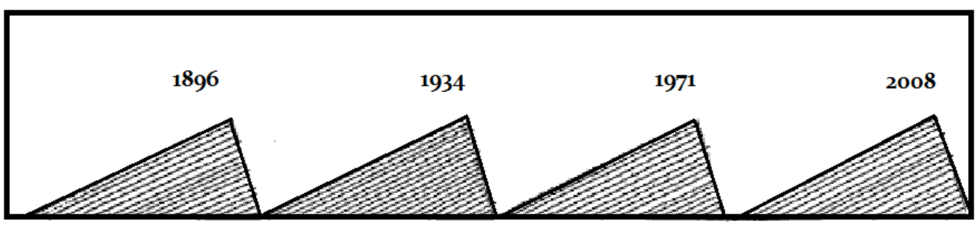
The Monetary Crisis Cycle which target 1934 and then 1971, was due in 2008, which was the high in the euro and low in the dollar. The

401
419
437
455
473
491
509
527
545
563
581
599
617
635
653
671
689
707
725
743
761
779
797
815
833
851
869
887
905
923
941
959
977
995
1013
1031
1049
1067
1085
1103
1121
1139
1157
1175
1193
1211

next turning point on that major global cycle will be 2019. We see back-to-back Directional Changes in 2018 and 2019.

There is no question that the next Monetary Crisis Cycle will hit in 2024/2025. Bretton Woods took place on July 1–22, 1944. The birth of Bretton woods actually is measured from the start of the IMF (International Monetary Fund) which came into formal existence in December 1945, when its first 29 member countries signed its Articles of Agreement. However, the IMF began operations actually on March 1, 1947 (1947.164). Later that year, France became the first country to borrow from the IMF. Measuring from that start date, this certainly warns of a crisis beginning in the 2018/2019-time frame moving into a major event 2024/2025. A major economic collapse of the reserve currency structure appears to be likely during 2024 if we can get past 2018-2019.

**The Monetary Crisis Cycle - 37.33 Years**




It is now the **37.33-Year Monetary Crisis Cycle** that will capture the attention of the entire world economy. If we begin with the **224-Year Cycle of Political Change**, we know that dividing this by 26 produces the 8.6-year cycle – the base core of the **Economic Confidence Model**. However, there are 37.33 weeks within an 8.6-month cycle. If we divide 224-years by 6, we also produce 37.33 years. This further demonstrates the fractal nature of what we are dealing with. This is all the derivative of Pi.

If we now take the **37.33-Year Monetary Crisis Cycle** and use the yearly level we produce the following target dates:

**1775 – 1812 – 1849 – 1887 – 1924 – 1961 – 1999 – 2036**

**1789 – 1826 – 1863 – 1900 – 1937 – 1974 – 2011 – 2048**

1229
1247
1265
1283
1301
1319
1337
1355
1373
1391
1409
1427
1445
1463
1481
1499
1517
1535
1553
1571
1589
1607
1625
1643
1661
1679
1697
1715
1733
1751
1769
1787
1805
1823
1841
1859
1877
1895
1913
1931
1949
1967
1985
2003
2021
2039
2057
2075
2093
2111


The 1775 target produced the low in gold in 1999 whereas 1789 lined up with our ECM 2011.45 from which the current rally to new highs began and gold made its high.

The Monetary Crisis Cycle was due to hit here in 2021 and indeed we can see the push now to terminate the currency monetary system and move on to the Great Reset where they think they will relieve you of all debt to hide the fact that government will all default.

So welcome to the new world order where they are desperately trying to seize power in fear that they will lose it all.

# The Overview


When we look at the main FOREX arrays, aside from the fact that they all showed turning point which aligned with the Economic Confidence Model in 2020, they all appear to also be targeting 2022, then 2024 with the West pointing to 2025 whereby Asia and Russia target 2026. Post 2024, they do not all align and this tends to imply that if the War Cycle does come into play with international conflicts, that may be the reason for the disparity.

It appears that 2022 is not just a Panic Cycle in Politics. It appears to be an important turning point in an of itself with rising volatility thereafter. Moreover, installing Biden who hardly invokes public confidence with is not going to provide long-term confidence in the dollar. It will always boil down to best of all idiots.

National Politics

**NBC Poll: Biden's Approval Rating Slides Further, Over 70% Believe Country Headed In Wrong Direction**

· 2 days ago

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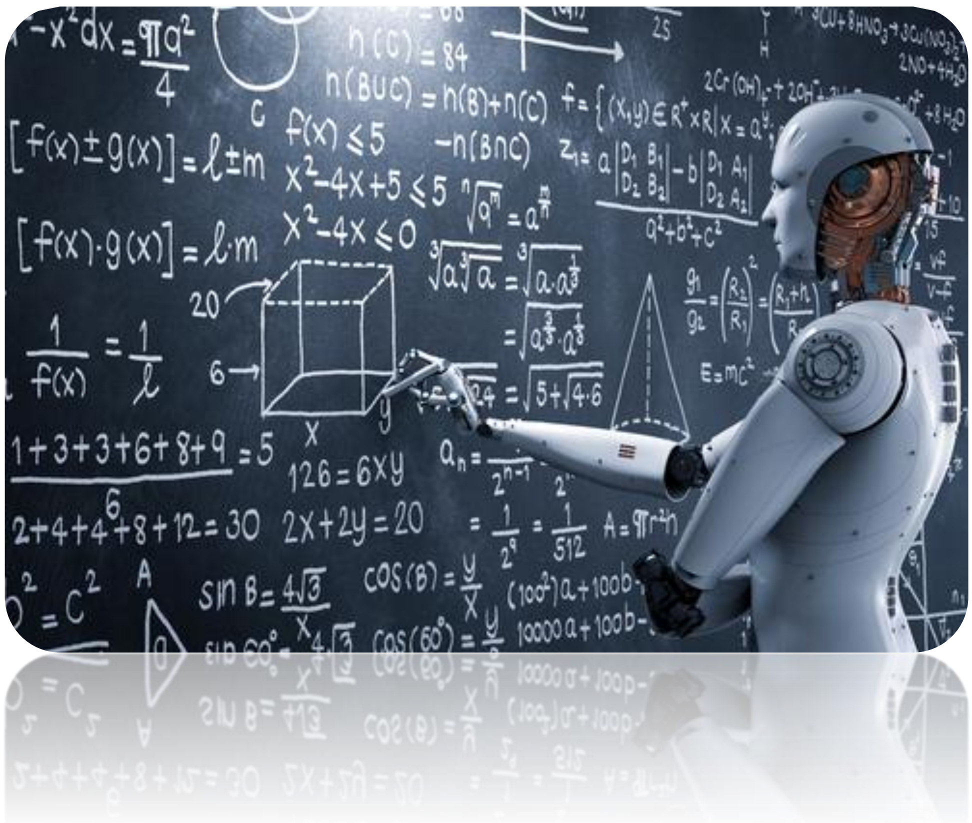
REUTERS/Kevin Lamarque

Clearly, the only basis for the dollar to retain value against other currencies is not predicated upon Biden nor any confidence in government – that's out the window. Any further rally into the dollar will have two major factors. First is the shift from Public to Private assets. The Second would be the shift of capital in light of war or civil unrest outside the United States.

Any way we look at this, it will take a Yearly close for the Euro above 13050 to raise any hope of the Euro sustaining any sort of a rally against the Greenback. When we look at the Directional Changes and Volatility, it appears we may see trouble in Japan given the rise in the volatility. This can also reflect resisting tensions with North Korea given the crisis is a food shortage to hit that country first.


Yearly Timing Arrays
British Pound Spot
Direction Change
Panic Cycle
Internal Volatility
Euro Adjusted Spot
Direction Change
Panic Cycle
Internal Volatility
Canadian Dollar Futures
Direction Change
Panic Cycle
Internal Volatility
Japanese Yen Spot
Direction Change
Panic Cycle
Internal Volatility
Chinese Yuan Spot
Direction Change
Panic Cycle
Internal Volatility
Russian Rubles Spot
Direction Change
Panic Cycle
Internal Volatility
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031

# The Socrates Generated Commentary



# BRITISH POUND SPOT


The British pound made a bearish decline from the high of $9.97 made in 1864 for 121 years into a low established in 1985 at 10520. Since that low, this market has rallied for 35 years prior to this year but on a consolidating basis unable to exceed the previous major reaction high.

Last year was an outside reversal to the upside after reaching a low at 11412. Presently, this market has rallied exceeding last year's high of 13690 reaching 14250 while holding last year's low of 11412. Regarding the timing, there was a reasonable potential of an Outside Reversal to the upside in 2020, that was reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next 2021 session and then the session thereafter in 2022 warning this is a choppy period ahead.

However, a higher open above 12736 will imply that the Directional Change may point to a rally instead of a decline into 2022 but target resistance stands at 16000 and 18600. A close above 13514 will tend to warn of a rally unfolding into the next target with the market moving into the next Directional Change/Turning Point Target on the top line (NOTE: this can be intraday or on a closing basis).

A closing below our Momentum Projection residing at 14258 will signal that the market is still weak, but a close above means we could see a reactionary bounce back possibly into the next turning point due in 2022 leaving 2020 as a temporary low. This turning point 2020 also matched the turning point on the Economic Confidence Model implying it was significant

The strongest target in the Yearly array was 2020 for a turning point ahead, at least on a closing basis. There are 3 Yearly Directional Change targets starting from 2020 to 2022 suggesting a choppy coiling period for 3 Years. It does appear we have a choppy period starting 2024 until 2025 with each target producing the opposite direction for that 2-year period. Thereafter, we see the next target coming into play as 2029 until 2030 with again each target producing the opposite direction for that 2-year period. For now, a high in 2022 would point to a decline thereafter.

The historical broader tone of the British Pound Spot has been a bearish consolidation following the high established back in 1864. Since then, this market has created 7 reaction highs which have been unable to break this overall protracted bearish consolidating trend. Still, the major low was made in 2020 and the market has bounced back for the last year. The last Yearly Reversal to be elected was a Bearish at the close of 2018.

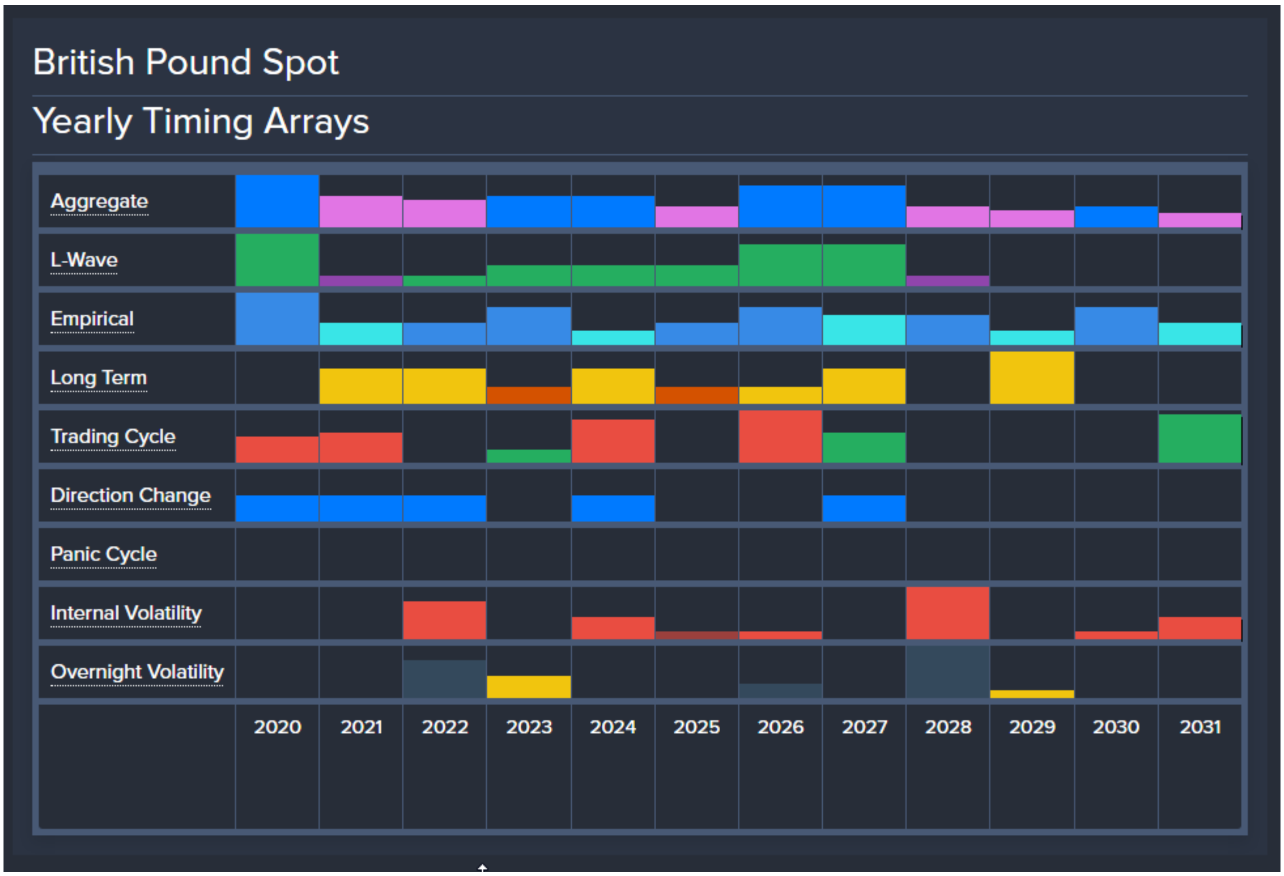
# YEARLY ANALYSIS PERSPECTIVE

On the yearly level in British Pound Spot, the last important low was established during 2020 at 11412, which was down 6 years from the high made back during 2014 at 16995. However, the highest closing was during 2013 at 16565 whereas the intraday high formed in 2014.

Examining the yearly time level, we can now see that there is a 9.74% risk on the upside, where we show a clear downside risk factor at 23%. From a risk perspective, resistance on a closing basis stands at 15020 whereas the risk on the downside begins at 10510.

## YEARLY TECHNICAL ANALYSIS

| | | |
|---|---|---|
| 2021/01/01... | 16227 | 20242 |
| 2022/01/01... | 16051 | 20115 |
| 2023/01/01... | 15876 | 19989 |
| 2024/01/01... | 15700 | 19862 |
| 2025/01/01... | 15525 | 19736 |
| 2026/01/01... | 15350 | 19609 |
| 2027/01/01... | 15174 | 19483 |




## YEARLY TIMING ANALYSIS

Regarding the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2024, 2027 and 2030. Centering on the patterns unfolding, we do see a prospect of a decline moving into 2024 with the opposite trend thereafter into 2027. This pattern becomes a possibility if last year's low of 11412 is penetrated even intraday or the market closes below last year's close of 13662. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

## YEARLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2021, during 2022, during 2024 and during 2027. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## YEARLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging prospective in British Pound Spot remains somewhat neutral at this present moment trading within last year's range of 13690 and 11412.

## YEARLY OUTSIDE COMMENT

A closing above last year's high of 13690 will warn of perhaps new highs into next year. A closing below that number would warn that this year could be just a temporary high.

## INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the British Pound Spot, this market remains moderately bearish position at this time with the overhead resistance beginning at 14566 and support forming below at 13657. The market is trading closer to the support level at this time. An opening above this level in the next session will imply a decline is unfolding.

**Yearly Indicating Ranges**

Immediate Trend .......... bullish
Short-Term Momentum ...... bullish
Short-Term Trend ......... bearish
Intermediate Momentum .... neutral
Intermedia Trend ......... bearish
Long-Term Trend .......... bearish
Cyclical Strength ........ bearish
Broadest Trend ........... neutral

## TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 13662
Envelope Top... 17797
Internal AvgL.. 11935
Internal AvgH.. 14740
Envelope Btm... 11519

## STOCHASTICS

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

## ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1865 whereas the actual market high in price unfolded back in 1864. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

## REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 14250. These Tentative Hypothetical Bearish Reversals would rest at 11959, 11986, 13509, and 14900, whereas a close below the previous low 11412 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

## YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 LOW:

Sun. 01/01/2023
Wed. 01/01/2025
Sat. 01/01/2028
Sat. 01/01/2033
Tue. 01/01/2041
Thu. 01/01/2054
Tue. 01/01/2075
Wed. 01/01/2109
Mon. 01/01/2164

*Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.*

## YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 11412

23% | 14105
38% | 15771
61% | 18465
78% | 20382

### Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2025/01/01
8% | 2028/01/01
13% | 2033/01/01
21% | 2041/01/01
34% | 2054/01/01
55% | 2075/01/01
89% | 2109/01/01
144% | 2164/01/01

## ECONOMIC CONFIDENCE MODEL CORRELATION

Here in British Pound Spot, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2013 and 2009 and 2005 and 2001. The Last turning point on the ECM cycle high to line up with this market was 2018 and 2011 and 2007 and 1998.


# QUARTERLY ANALYSIS PERSPECTIVE

## HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Third Quarter 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 13440. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Quarterly Level, regarding the timing, there was a reasonable potential of the Third Quarter 2021 with the opposite trend implied thereafter into the First Quarter 2022 which is a Directional Change (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. We have overall 5 Quarterly Directional Change targets ahead and 3 that also align with a main turning points on the top line of the Array.

Therefore, the targets of the First Quarter 2022, the Fourth Quarter 2022, the Fourth Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2022 with each target producing the opposite direction for that 2-quarter period.

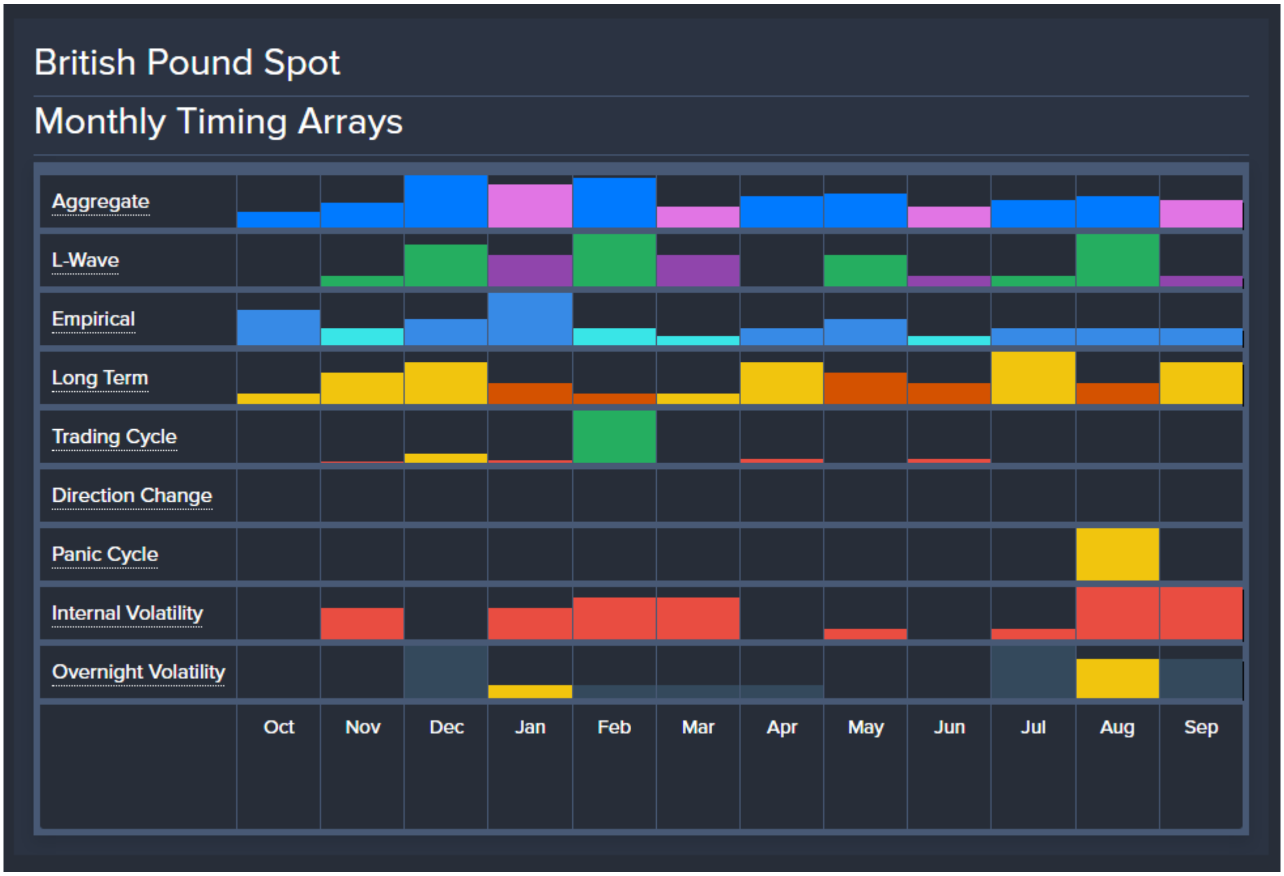
We have overall 5 Quarterly Directional Change targets ahead and 3 that also align with a main turning points on the top line of the Array. Therefore, the targets of the First Quarter 2022, the Fourth Quarter 2022, the Fourth Quarter 2023 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events.

Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.


# MONTHLY LEVEL

## MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. Considering the direction of this trend, we had been moving down for 3 months. Subsequently, the market has consolidated for the past Monthly session. The previous high made during June on the Monthly level at 14250 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 11412 made during March 2020 on the Monthly level has held and only a break of 13413 on a closing basis would warn of a technical near-term change in trend. However, we still remain above key support 13670 on a closing basis.




## MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, February 2022 and May 2022, August 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into December with the opposite trend thereafter into February 2022. Looking ahead at December, a continued advance becomes possible if this month's high is penetrated intraday.

## MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2021, during 2022, during 2024 and during 2027. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## MONTHLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 14260. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 14020.

## MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 13130. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 12060.

## HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since August on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 14020. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

A break of this session's low would then imply a retest of support into that target (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is December for a turning point ahead, at least on a closing basis. It does appear we have a choppy period starting December until March 2022, but while we have a target arriving also on February 2022, the key target remains December with each target producing the opposite direction for that 4-month period. Thereafter, we see the next target coming into play as May 2022 until June 2022 with again each target producing the opposite direction for that 2-month period.

**Monthly Level**

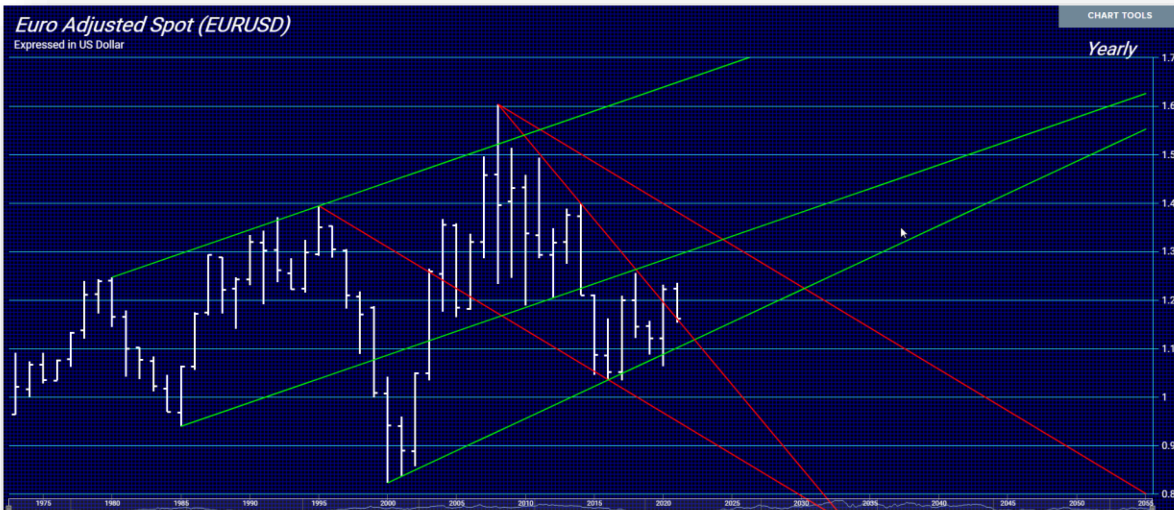
| **Indicator Description...** | **Trend** |
|---|---|
| Immediate Trend .......... | - Neutral - |
| Short-Term Momentum ....... | - Neutral - |
| Short-Term Trend .......... | (Bearish) |
| Intermediate Momentum ..... | - Neutral - |
| Intermediate Trend ........ | BULLISH |
| Long-Term Trend ........... | BULLISH |
| Cyclical Strength.......... | BULLISH |
| Broader Trend ............ | BULLISH |
| Long-Term Cyclical Trend .. | (Bearish) |

## MARKET RISK FACTOR

British Pound Spot Risk Table

| ------------------ | UPSIDE RISK ----- | | DOWNSIDE RISK --- | |
|---|---|---|---|---|
| MONTHLY....... | 14020 | 2.44% | 13130 | 4.062% |
| QUARTERLY..... | 13700 | 0.102% | 13440 | 1.797% |
| YEARLY........ | 15020 | 9.747% | 10510 | 23.2% |

# US Dollar v Ae Euro/Us Adjusted Cash




This market made a bull run from the low of 8885 made in 1973 for 29 years into a high established in 2008 at 16036. Since that high, this market has declined for 14 years prior to this year. Last year was an outside reversal to the upside after reaching a low at 10636. Presently, this market has rallied exceeding last year's high of 12320 reaching 12350 while holding last year's low of 10636.

Regarding the timing, there was a reasonable potential of an Outside Reversal to the upside in 2020 with the opposite trend implied thereafter into 2021 which so far has materialized. However, the target for at least a temporary low was met reaching our first Yearly target being 2020. Maintaining a closing above our Momentum Projection standing at 10443 will signal that the market is still with broader trend support right now.

At this time, we have exceeded last year's high implying that this Outside Reversal to the upside has developed on schedule. However, a lower closing could still leave 2020 as a temporary low and the next turning point will be 2021. This turning point 2020 also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2031 for a turning point ahead, at least on a closing basis. There are 4 Yearly Directional Change targets starting from 2022 to 2028 warning of a potential choppy swing period for these few Years. It does appear we have a choppy period starting 2020 until 2024 with each target producing the opposite direction for that 5-year period. Thereafter, we see the next target coming into play as 2026 until 2027 with again each target producing the opposite direction for that 2-year period.

However, the important target during that period will be 2027.

Keep in mind that given the sharp decline of 15% from the last high established during 2018, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 1 Bearish Reversal from the last high thus far to date.

While the historical perspective of the of this market included a decline from the major high established back in 2008 moving into a major low in 2020, the market has bounced back for the last year. The last Yearly Reversal to be elected was a Bearish at the close of 2018.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a bullish trend since the major low took place back in 1973 with the high forming during 2008 amounting to a 29-year bull market. Following that high, the market has consolidated for 14 years. Distinctly, we have elected three intermediate Yearly Bearish Reversals to date from the turning point of 2008.

The last major low took place during 2017 which was 4 years ago. There remains the potential that this can still form a high being up 4 years within a reaction phase if this market closes below 12223 at year end. A higher close would imply that this rally could continue even as far as 2021.

## YEARLY ANALYSIS PERSPECTIVE

On the yearly level in US Dollar v AE Euro/US Adjusted Cash, the last important low was established during 2020 at 10636, which was down 14 years from the high made back during 2008 at 16036. This market came to test the Yearly Bearish Reversal at 10880 bottoming at 10636 but failed to close below it. However, the highest closing was during 2007 at 14587 whereas the intraday high formed in 2008.

Currently, the market is trading neutral within last year's trading range of 12320 to 10636. Overall, the market has been in a long-term bearish trend.

Examining the yearly time level, we can now see that there is a 8.60% risk on the upside, where we show a clear downside risk factor at 5.89%. From a risk perspective, resistance on a closing basis stands at 12556 whereas the risk on the downside begins at 10880.

## YEARLY TECHNICAL ANALYSIS

| | | | | | |
|---|---|---|---|---|---|
| 2021/01/01... | 9858 | 10755 | 10815 | 11938 | 13075 |
| 2022/01/01... | 9788 | 10797 | 10467 | 11870 | 13190 |
| 2023/01/01... | 9717 | 10840 | 10119 | 11802 | 13305 |
| 2024/01/01... | 9646 | 10882 | 9771 | 11734 | 13420 |
| 2025/01/01... | 9576 | 10925 | 9423 | 11666 | 13535 |
| 2026/01/01... | 9505 | 10967 | 9074 | 11598 | 13650 |
| 2027/01/01... | 9435 | 11010 | 8726 | 11530 | 13765 |


## YEARLY TIMING ANALYSIS

Regarding the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2024, 2027, 2029 and 2031. Centering on the patterns unfolding, we do see a prospect of a decline moving into 2022 with the opposite trend thereafter into 2024. This pattern becomes a possibility if last year's low of 10636 is penetrated even intraday or the market closes below last year's close of 12223. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

## YEARLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2022, during 2024, during 2027 and during 2028. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## YEARLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## YEARLY PANIC CYCLES

Nonetheless, our Panic Cycle targets for the period ahead to watch are during 2025 and during 2030. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging outlook view recognizes that the current bullish progression in US Dollar v AE Euro/US Adjusted Cash reflects a major low may be forming at this time. Furthermore, the US Dollar v AE Euro/US Adjusted Cash remains somewhat neutral at this present moment trading within last year's range of 12320 and 10636. Presently, we have made a reaction low in 2017 which was a 8-year decline. Since that reaction low of 2017, the Greenback has bounced for 4 years, but it remains still within last year's trading range of 12320 to 10636. Keep in mind that we did see and outside reversal to the upside in 2017 which is typically a very bullish indication near-term for the Greenback prospectively. We are trading below last year's high of 12320 at this time.

## YEARLY OUTSIDE COMMENT

A closing above last year's high of 12320 will warn of perhaps new highs into next year. A closing below that number would warn that this year could be just a temporary high.

## INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the US Dollar v AE Euro/US Adjusted Cash, this market remains moderately bearish position at this time with the overhead resistance beginning at 12299 and support forming below at 12092. The market is trading closer to the resistance level at this time.

**Yearly Indicating Ranges**

Immediate Trend .......... bullish
Short-Term Momentum ...... neutral
Short-Term Trend ......... bullish
Intermediate Momentum .... bullish
Intermedia Trend ......... bearish
Long-Term Trend .......... bearish
Cyclical Strength ........ bullish

## TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 12223

Envelope Top... 14597
Internal AvgL.. 10966
Internal AvgH.. 12040
Envelope Btm... 9449

## STOCHASTICS

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a breakout mode suggesting we may see a rally unfold.

## ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2008 whereas the actual market high in price unfolded back in 2008. Immediately, our model has just turned positive after being negative warning that this market is likely to enter a rather strong rally.

## REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 12350. These Tentative Hypothetical Bearish Reversals would rest at 10880, 11217, 12369, and 12861, whereas a close below the previous low 10636 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

## YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 LOW:

Sun. 01/01/2023
Wed. 01/01/2025
Sat. 01/01/2028
Sat. 01/01/2033
Tue. 01/01/2041
Thu. 01/01/2054
Tue. 01/01/2075
Wed. 01/01/2109
Mon. 01/01/2164

US Dollar v Ae Euro/Us Adjusted Cash

*Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.*

## YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 10636

23% | 13146
38% | 14699
61% | 17209
78% | 18996

### Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2025/01/01
8% | 2028/01/01
13% | 2033/01/01
21% | 2041/01/01
34% | 2054/01/01
55% | 2075/01/01
89% | 2109/01/01
144% | 2164/01/01

## ECONOMIC CONFIDENCE MODEL CORRELATION

Here in US Dollar v AE Euro/US Adjusted Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2017 and 2010 and 1998 and 1994. The Last turning point on the ECM cycle high to line up with this market was 2018.


# QUARTERLY ANALYSIS PERSPECTIVE

## HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently short since during the First Quarter 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 11816. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

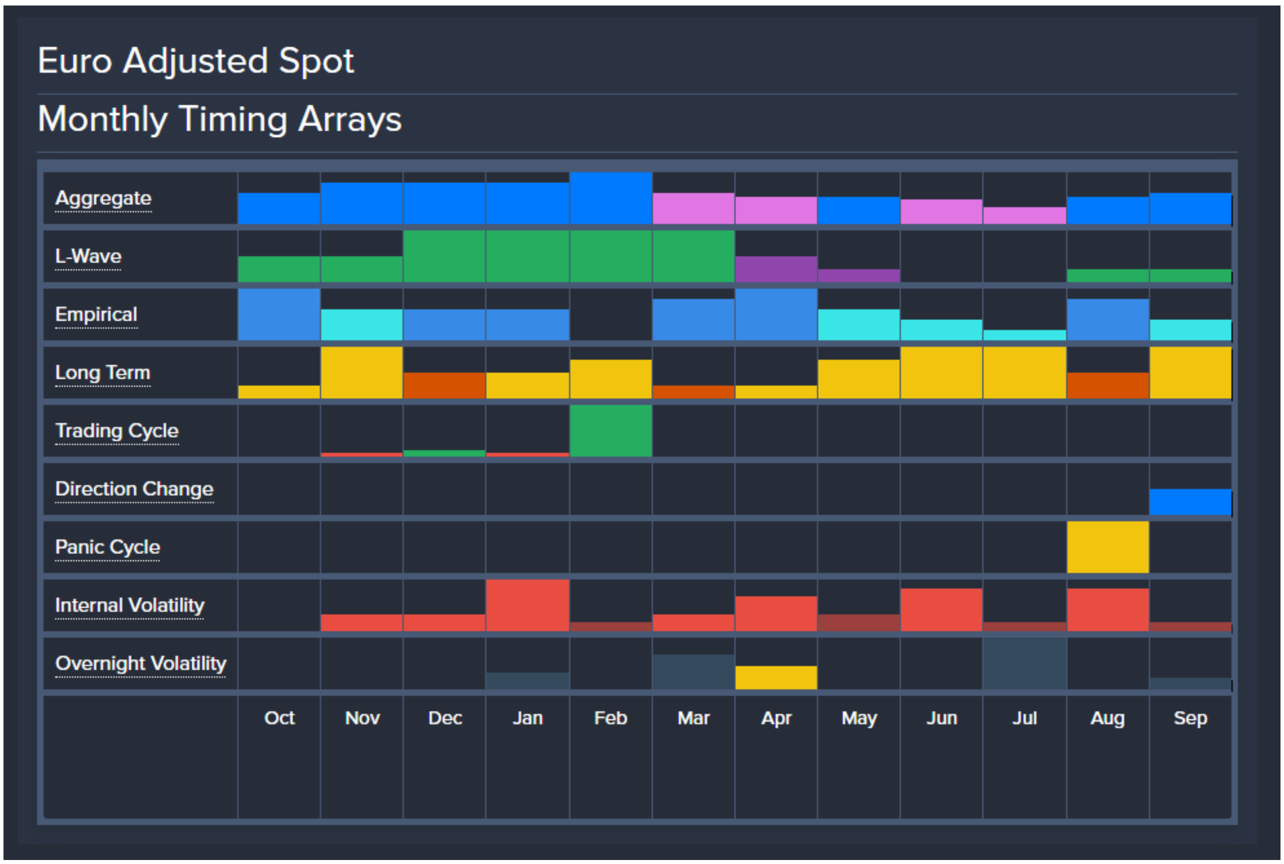
The First Quarter 2020 target produced a temporary low since then the market has reached our first Quarterly target in 2021 producing a temporary high. Maintaining a closing above our Momentum Projection residing at 11553 will signal that the market is still with broader trend support right now. However, a lower closing could still leave this market point to the First Quarter 2022 as the next possible temporary low (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. There are 7 Quarterly Directional Change targets starting from the Fourth Quarter 2021 to the Second Quarter 2024 suggesting a choppy coiling period for 4 Quarters. It does appear we have a choppy period starting the Fourth Quarter 2022 until the Fourth Quarter 2023 with each target producing the opposite direction for that 5-quarter period. There are 7 Quarterly Directional Change targets starting from the Fourth Quarter 2021 to the Second Quarter 2024 suggesting a choppy coiling period for 4 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.


# MONTHLY LEVEL

## MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during May on the Monthly level at 12270 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 10636 made during March 2020 on the Monthly level. We have generated a sell signal, so some caution is required.




## MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for  and February 2022, May 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into February 2022 with the opposite trend thereafter into May 2022. Looking ahead at February 2022, a continued advance becomes possible if this month's high is penetrated intraday.

## MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2022, during 2024, during 2027 and during 2028. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## MONTHLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## MONTHLY PANIC CYCLES

Nonetheless, our Panic Cycle targets for the period ahead to watch are during 2025 and during 2030. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 12330. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 12556.

## MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 11176. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 10726.

## HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since June on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 12330. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

The strongest target in the Monthly array is February 2022 for a turning point ahead, at least on a closing basis. We have a Monthly Directional Change target due in September 2022. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well.

We have a Monthly Directional Change target due in September 2022. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

US Dollar v Ae Euro/Us Adjusted Cash

**Monthly Level**
**<u>Indicator Description... Trend</u>**

Immediate Trend ........... (Bearish)
Short-Term Momentum ....... (Bearish)
Short-Term Trend .......... (Bearish)
Intermediate Momentum ..... (Bearish)
Intermediate Trend ........ (Bearish)
Long-Term Trend ........... BULLISH
Cyclical Strength.......... BULLISH
Broader Trend ............. BULLISH
Long-Term Cyclical Trend .. (Bearish)

## MARKET RISK FACTOR

US Dollar v AE Euro/US Adjusted Cash Risk Table

| | UPSIDE RISK | | DOWNSIDE RISK | |
|---|---|---|---|---|
| MONTHLY....... | 12330 | 6.651% | 11216 | 2.984% |
| QUARTERLY..... | 11816 | 2.205% | 11553 | 0.069% |
| YEARLY........ | 12556 | 8.606% | 10880 | 5.89% |

# Canadian Dollar Futures


This market made a bull run from the low of 61700 made in 2002 for 5 years into a high established in 2007 at 110430. Since that high, this market has declined for 13 years prior to this year. Last year was an outside reversal to the upside after reaching a low at 68200. Presently, this market has rallied exceeding last year's high of 78865 reaching 83280 while holding last year's low of 68200. The major high took place during 2007 that was 9 years ago.

Looking at the array, there was a prospect for an Outside Reversal to the upside in 2020, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead yet since this market has exceeded the 2020 high, then a further rally is possible into the next target of 2021. temporary low since the market is trading at 80805 above the previous Yearly closing 78340. A closing below our Momentum Projection residing at 80975 will signal that the market is still weak, but a close above means we could see a reactionary bounce back possibly into the next turning point due in 2021 leaving was 2020 as a temporary low. This turning point 2020 also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2025 for a turning point ahead, at least on a closing basis. We have overall 3 Yearly Directional Change targets ahead which align with a main turning points on the top line of the Array. Therefore, the targets of 2020, 2022, 2028 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting 2020 until 2022 with each target producing the opposite direction for that 3-year period. Thereafter, we see the next target coming into play as 2024 until 2025 with again each target producing the opposite direction for that 2-year period. Additionally, we have a choppy period beginning 2027 until 2029, but we do have a key target arriving also 2028 with each target producing the opposite direction for that 3-year period. The key target during this period will be 2028.

Keep in mind that given the sharp decline of 17% from the last high established during 2017, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 3 Bearish Reversals from the last high thus far to date.

While the historical perspective of the of this market included a decline from the major high established back in 2007 moving into a major low in 2020, the market has bounced back for the last year. The last Yearly Reversal to be elected was a Bullish at the close of 2020. However, where there was 1 reversal elected, there was also a Super Position which took place with 3 Bearish Reversals elected warning that this immediate signal has been negated by the opposite force.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a bullish trend since the major low took place back in 2002 with the high forming during 2007 amounting to a 5-year bull market. Following that high, the market has consolidated for 13 years. Distinctly, we have elected one short-term Yearly Bearish Reversal to date from the turning point of 2007.

The last major low took place during 2016 which was 5 years ago. However, the last near-term low took place just 1 years ago in 2020.

# YEARLY ANALYSIS PERSPECTIVE

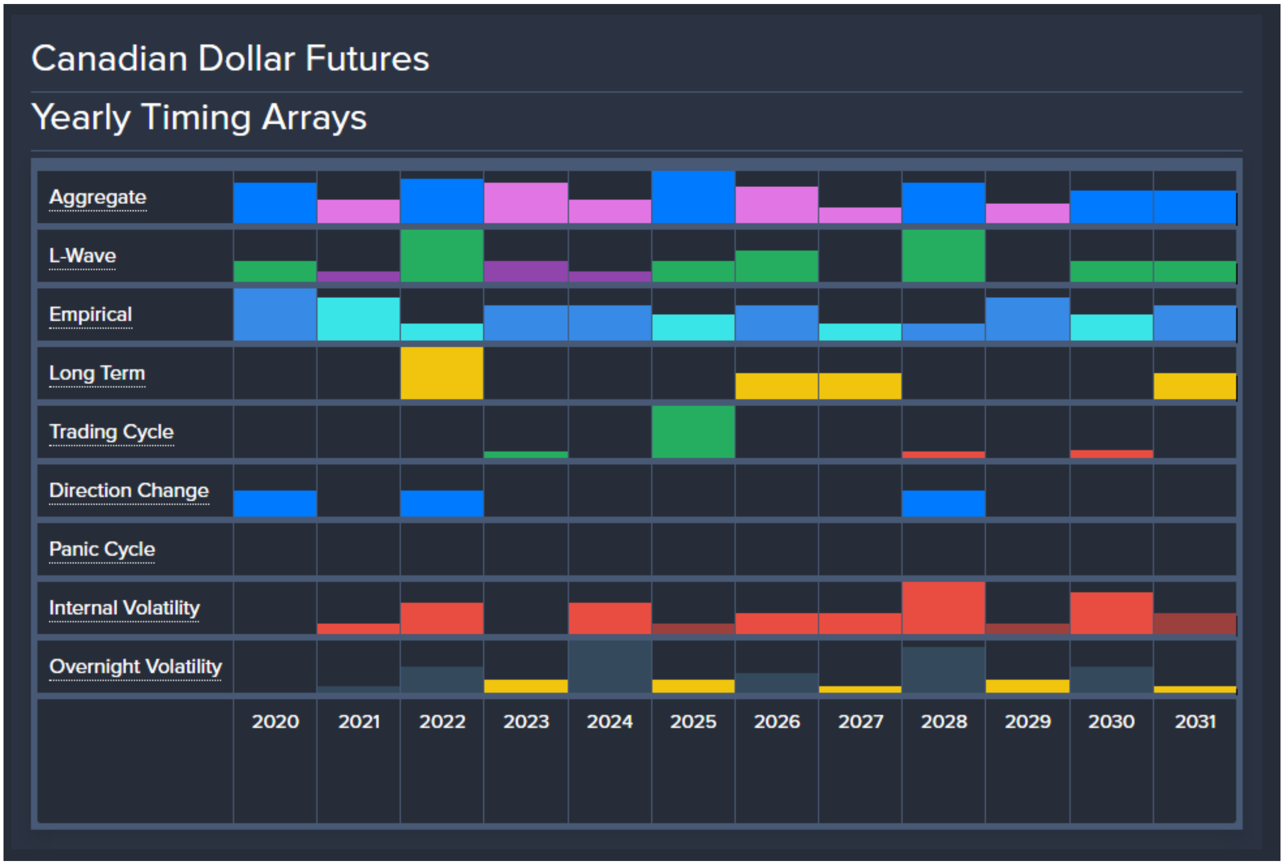
On the yearly level in Canadian Dollar Futures, the last important low was established during 2020 at 68200, which was down 13 years from the high made back during 2007 at 110430. This was a key year for a possible important low on an extended trading cycle. This market came to test the Yearly Bearish Reversal at 71340 bottoming at 68200 but failed to close below it.

Right now, as stated, the market is trading above last year's high of 78865. Overall, the market has been in a long-term bearish trend.

Examining the yearly time level, we can now see that there is a 2.61% risk on the upside, where we show a clear downside risk factor at 11%. From a risk perspective, resistance on a closing basis stands at 82920 whereas the risk on the downside begins at 71340.

## YEARLY TECHNICAL ANALYSIS

| | | | | | |
|---|---|---|---|---|---|
| 2021/01/01... | 61637 | 64977 | 70372 | 86100 | 95555 |
| 2022/01/01... | 60723 | 61730 | 70828 | 86897 | 94493 |
| 2023/01/01... | 59809 | 58484 | 71285 | 87695 | 93430 |
| 2024/01/01... | 58895 | 55237 | 71741 | 88492 | 92368 |
| 2025/01/01... | 57980 | 51990 | 72197 | 89290 | 91305 |
| 2026/01/01... | 57066 | 48744 | 72654 | 90087 | 90243 |
| 2027/01/01... | 56152 | 45497 | 73110 | 90885 | 89180 |




## YEARLY TIMING ANALYSIS

Regarding the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2025, 2028 and 2031. Centering on the patterns unfolding, we do see a prospect of a decline moving into 2022 with the opposite trend thereafter into 2025. This pattern becomes a possibility if the market closed back below last year's high of 68200 at a minimum. Closing this year above last year's high warns that a cycle inversion is possible with a rally into the next target.

## YEARLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2022 and during 2028. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## YEARLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## YEARLY OUTSIDE COMMENT

A closing above last year's high of 78865 will warn of perhaps new highs into next year. A closing below that number would warn that this year could be just a temporary high.

## INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the Canadian Dollar Futures, this market remains neutral with resistance standing at 82910 and support forming below at 76380. The market is trading closer to the support level at this time.

**Yearly Indicating Ranges**
Immediate Trend .......... bullish
Short-Term Momentum ...... neutral
Short-Term Trend ......... neutral
Intermediate Momentum .... neutral
Intermedia Trend ......... bearish
Long-Term Trend .......... bullish
Cyclical Strength ........ bullish

## TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 78340

Envelope Top... 104188
Internal AvgL.. 71089
Internal AvgH.. 83035
Envelope Btm... 66942

## STOCHASTICS

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a breakout mode suggesting we may see a rally unfold.

## ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2011 whereas the actual market high in price unfolded back in 2007. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

## REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 83280. These Tentative Hypothetical Bearish Reversals would rest at 72120, 72535, 73330, and 76540, whereas a close below the previous low 68200 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

## YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 LOW:

Sun. 01/01/2023
Wed. 01/01/2025
Sat. 01/01/2028
Sat. 01/01/2033
Tue. 01/01/2041
Thu. 01/01/2054
Tue. 01/01/2075
Wed. 01/01/2109
Mon. 01/01/2164

*Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.*

## YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 68200

23% | 84295
38% | 94252
61% | 110348
78% | 121805

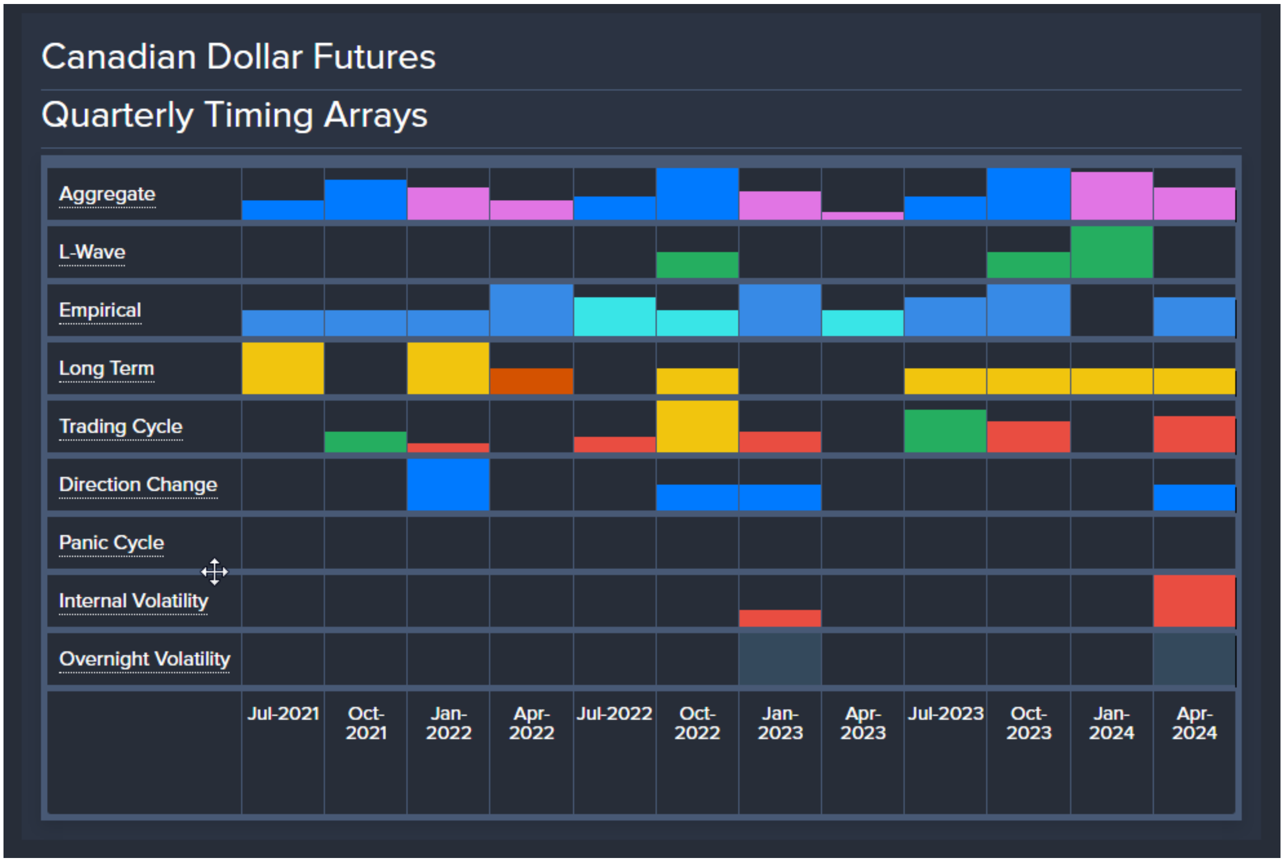
### Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2025/01/01
8% | 2028/01/01

13% | 2033/01/01
21% | 2041/01/01
34% | 2054/01/01
55% | 2075/01/01
89% | 2109/01/01
144% | 2164/01/01

## ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Canadian Dollar Futures, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009 and 2002 and 1998. The Last turning point on the ECM cycle high to line up with this market was 2017 and 2011 and 2007 and 2000 and 1996.



# QUARTERLY ANALYSIS PERSPECTIVE

## HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Fourth Quarter 2020 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 77800. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

The low for the year took place during the last quarter. Nonetheless, the market has bounced and is trading more towards the resistance level. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2022 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the First Quarter 2022 to the First Quarter 2023 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the Third Quarter 2021 until the Fourth Quarter 2021 with each target producing the opposite direction for that 2-quarter period. We have NOT elected any Bearish Reversals thus far to date. The first Quarterly Bearish Reversal comes into play at 77800. There are 4 Quarterly Directional Change targets starting from the First Quarter 2022 to the First Quarter 2023 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.


# MONTHLY LEVEL

## MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. Considering the direction of this trend, we had been moving down for 3 months. Subsequently, the market has consolidated for the past Monthly session. The previous high made during June on the Monthly level at 83280 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 68200 made during March 2020 on the Monthly level has held and only a break of 77535 on a closing basis would warn of a technical near-term change in trend. However, we still remain above key support 78485 on a closing basis.

## MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for January 2022, April 2022 and June 2022, August 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into January 2022 with the opposite trend thereafter into April 2022. Looking ahead at January 2022, a continued advance becomes possible if this month's high is penetrated intraday.

## MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2022 and during 2028. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## MONTHLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2028. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 83290. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 81540.

## MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 77704. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 76904.

## HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently long since September on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis above the next Bearish Reversal on this level 77704. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a breakout mode suggesting we may see a rally unfold.

The strongest target in the Monthly array is December for a turning point ahead, at least on a closing basis. There are 2 Monthly Directional Change targets starting from November to December warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting March 2022 until August 2022, but we do have a key target arriving also on April 2022 with each target producing the opposite direction for that 6-month period. There are 2 Monthly Directional Change targets starting from November to December warning of a potential choppy swing period for these few Months. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

**Monthly Level**

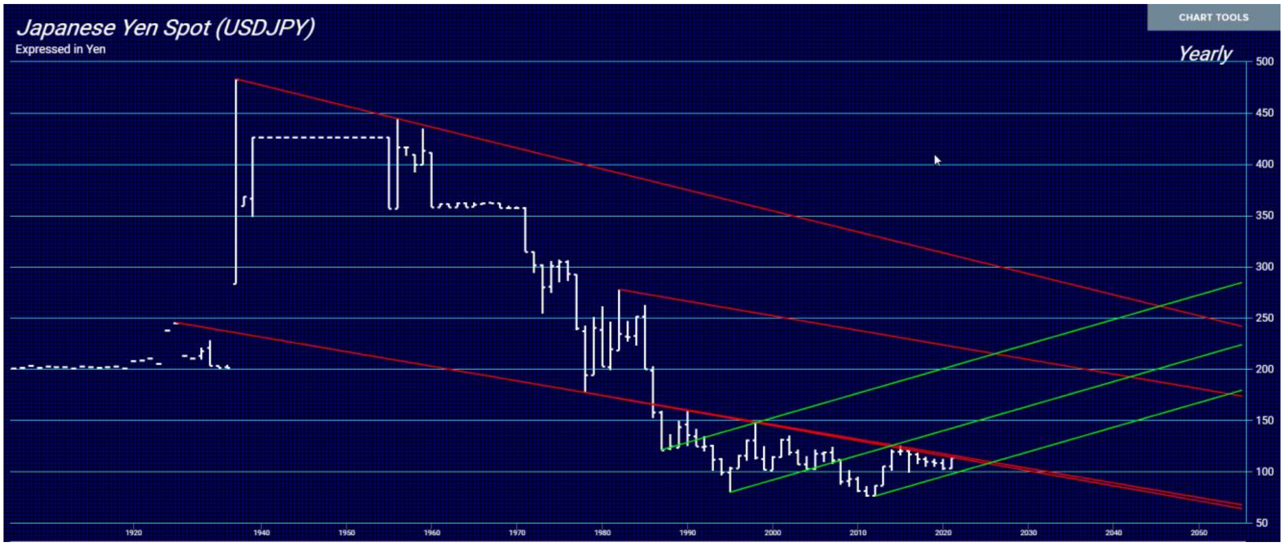
| Indicator Description... | Trend |
|---|---|
| Immediate Trend ........... | BULLISH |
| Short-Term Momentum ....... | - Neutral - |
| Short-Term Trend .......... | (Bearish) |
| Intermediate Momentum ..... | - Neutral - |
| Intermediate Trend ........ | BULLISH |
| Long-Term Trend ........... | BULLISH |
| Cyclical Strength.......... | BULLISH |
| Broader Trend ............. | BULLISH |
| Long-Term Cyclical Trend .. | (Bearish) |

## MARKET RISK FACTOR

Canadian Dollar Futures Risk Table

| ------------------ | UPSIDE RISK ----- | | DOWNSIDE RISK --- | |
|---|---|---|---|---|
| MONTHLY....... | 80890 | 0.105% | 77704 | 3.837% |
| QUARTERLY..... | 81690 | 1.095% | 77800 | 3.718% |
| YEARLY........ | 82920 | 2.617% | 71340 | 11.71% |

# Us Dollar v Japanese Yen Spot




This market made a bearish decline from the high of 483330 made in 1932 for 74 years into a low established in 2011 at 75873. Since that low, this market has rallied for 9 years prior to this year. At this point in time, we have made a low last year at 101190. However, the retest of the low since that high took place in 2020 at 101190. Presently, this market has rallied exceeding last year's high of 112230 reaching 114700 while holding last year's low of 101190. The breakout resistance stands at 116000.

Maintaining a closing above our Momentum Projection residing at 113863 will signal that the market is finding strength right now. However, a higher closing would still leave the last low as a key target and the next turning point will be 2021 followed by 2022. Yet, this market is also trading above our momentum resistance at 110113, which is providing support right now on a closing basis. This turning point 2020 also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2022 for a turning point ahead, at least on a closing basis. We have overall 2 Yearly Directional Change targets ahead and 1 that also aligns with a main turning points on the top line of the Array. Therefore, the target of 2030 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting 2020 until 2024, but we do have a key target arriving also 2022 with each target producing the opposite direction for that 5-year period. However, given that 2022 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as 2028 until 2030 with again each target producing the opposite direction for that 3-year period.

Keep in mind that given the sharp decline of 19% from the last high established during 2015, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 2 Bearish Reversals from the last high thus far to date.

The historical broader tone of the US Dollar v Japanese Yen Spot has been a bearish consolidation following the high established back in 1932. Since then, this market has created 2 reaction highs which have been unable to break this overall protracted bearish consolidating trend. Still, the major low was made in 2020 and the market has bounced back for the last year. The last Yearly Reversal to be elected was a Bearish at the close of 2017.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a protracted bearish trend since the major high took place back in 1932 with the low forming during 2011. Since that low, the market has consolidated for 9 years. During this period, we did see a rally into 2015 making a 4-year rally. We did elect 2 Bearish Reversals from that event implying that a retest of support was likely. Distinctly, we have elected two short-term Yearly Bullish Reversals to date from the turning point of 2011.

The last major low took place during 2011 which was 10 years ago. There is a very good probability that this year will form at least a temporary high being up ten years. Indeed, so far this year has rallied above last year's high of 112230 reaching 114700. A lower closed below 103280 would suggest that we may have a high in place on a yearly level for now.

# YEARLY ANALYSIS PERSPECTIVE

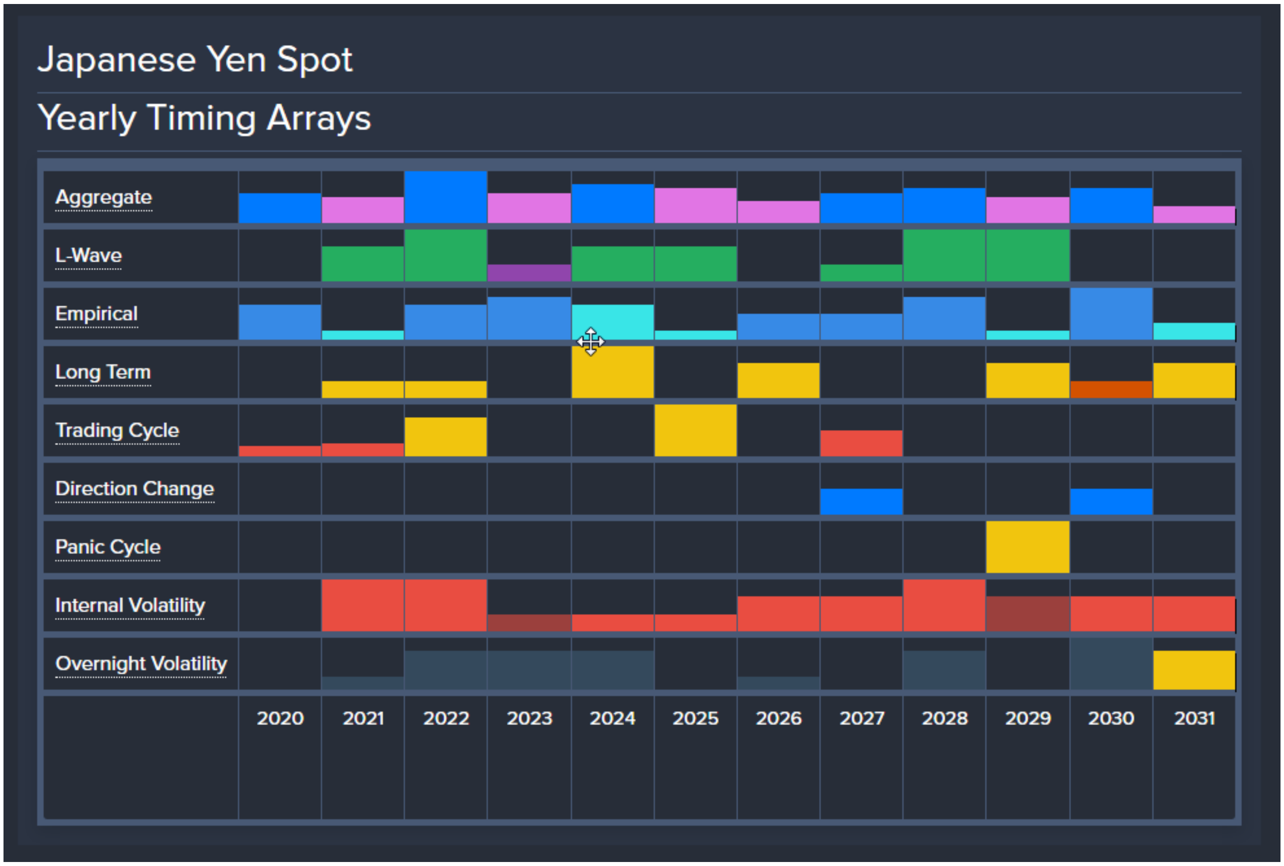
On the yearly level in US Dollar v Japanese Yen Spot, the last important low was established during 2020 at 101190, which was down 5 years from the high made back during 2015 at 125818. This was a key year for at least a temporary low on a normal trading cycle.

Right now, as stated, the market is trading above last year's high of 112230. Overall, the market has been in a long-term bearish trend.

Examining the yearly time level, we can now see that there is a 4.04% risk on the upside, where we show a clear downside risk factor at 29%. From a risk perspective, resistance on a closing basis stands at 118590 whereas the risk on the downside begins at 80250.

## YEARLY TECHNICAL ANALYSIS

| | | | | |
|---|---|---|---|---|
| 2021/01/01... | 112432 | 202850 | 208520 | 235140 |
| 2022/01/01... | 110900 | 205250 | 221200 | 231920 |
| 2023/01/01... | 109369 | 207650 | 233880 | 228700 |
| 2024/01/01... | 107838 | 210050 | 246560 | 225480 |
| 2025/01/01... | 106307 | 212450 | 259240 | 222260 |
| 2026/01/01... | 104775 | 214850 | 271920 | 219040 |
| 2027/01/01... | 103244 | 217250 | 284600 | 215820 |




## YEARLY TIMING ANALYSIS

Regarding the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2024, 2028 and 2030. Centering on the patterns unfolding, we do see a prospect of a decline moving into 2022 with the opposite trend thereafter into 2024. This pattern becomes a possibility if the market closed back below last year's high of 101190 at a minimum. Closing this year above last year's high warns that a cycle inversion is possible with a rally into the next target.

## YEARLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2027 and during 2030. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## YEARLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2022. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## YEARLY PANIC CYCLES

Nonetheless, our Panic Cycle target, for the next period to watch is during 2029. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging enquiry in US Dollar v Japanese Yen Spot remains positive since we are trading above last year's high.

## INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the US Dollar v Japanese Yen Spot, this market remains moderately bearish position at this time with the overhead resistance beginning at 107230 and support forming below at 96050. The market is trading closer to the resistance level at this time.

**<u>Yearly Indicating Ranges</u>**
Immediate Trend .......... bearish
Short-Term Momentum ...... bearish
Short-Term Trend ......... bearish
Intermediate Momentum .... bearish
Intermedia Trend ......... bearish
Long-Term Trend .......... neutral
Cyclical Strength ........ bearish

Us Dollar v Japanese Yen Spot

## TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 103280

Envelope Top... 128968
Internal AvgL.. 103409
Internal AvgH.. 118146
Envelope Btm... 75000

## STOCHASTICS

The Stochastics are on the short term are in a positive position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

## ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1941 whereas the actual market high in price unfolded back in 1932. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow.

## REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 114700. These Tentative Hypothetical Bearish Reversals would rest at 84930, 103130, 104470, and 107332, whereas a close below the previous low 101190 would tend to suggest that these Tentative Hypothetical Reversals will then become fixed as long as the high holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bearish Reversals during this next session would signal a decline is unfolding and that such a high may stand. However, if we continue to make new highs, then these Tentative Hypothetical Reversals will be replaced by a new set until the high becomes fixed.

## YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2020 LOW:

Sun. 01/01/2023
Wed. 01/01/2025
Sat. 01/01/2028
Sat. 01/01/2033
Tue. 01/01/2041
Thu. 01/01/2054
Tue. 01/01/2075
Wed. 01/01/2109
Mon. 01/01/2164

*Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.*

## YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 101190

23% | 125071
38% | 139845
61% | 163725
78% | 180725

### Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2025/01/01
8% | 2028/01/01
13% | 2033/01/01
21% | 2041/01/01
34% | 2054/01/01
55% | 2075/01/01
89% | 2109/01/01
144% | 2164/01/01

## ECONOMIC CONFIDENCE MODEL CORRELATION

Here in US Dollar v Japanese Yen Spot, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2011 and 2005. The Last turning point on the ECM cycle high to line up with this market was 2015 and 2007 and 2002 and 1998.


# QUARTERLY ANALYSIS PERSPECTIVE

## HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently short since during the First Quarter 2017 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 112500. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are all in a bullish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

The strongest target in the Quarterly array is the Third Quarter 2023 for a turning point ahead, at least on a closing basis. We have overall 4 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning points on the top line of the Array. Therefore, the target of the Third Quarter 2022 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. It does appear we have a choppy period starting the First Quarter 2022 until the Fourth Quarter 2022, but we do have a key target arriving also on the Third Quarter 2022 with each target producing the opposite direction for that 4-quarter period. We have overall 4 Quarterly Directional Change targets ahead and 1 that also aligns with a main turning points on the top line of the Array. Therefore, the target of the Third Quarter 2022 should be an important target. Directional Change targets that align with the top line for turning points often unfold as the main cyclical events. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.


# MONTHLY LEVEL

## MONTHLY BROADER TREND VIEW

On a broader perspective, this market remains in an uptrend posture on all our indicators looking at the monthly level. We see here the trend has been moving up for the past 19 months. The previous low of 101190 made during March 2020 on the Monthly level has held and only a break of 109080 on a closing basis would warn of a technical near-term change in trend. The previous high made during October on the Monthly level at 114700 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend.


## MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, February 2022, April 2022 and June 2022, August 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into December with the opposite trend thereafter into February 2022. Looking ahead at December, a continued decline becomes possible if this month's low is penetrated intraday.

## MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2027 and during 2030. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## MONTHLY VOLATILITY

Considering the volatility models suggest we should see a rise in price movement during January 2022. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## MONTHLY PANIC CYCLES

Nonetheless, our Panic Cycle target, for the next period to watch is during 2029. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 114540. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 114509.

## MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 109020. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 108300.

## HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently long since March on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a

Monthly closing basis above the next Bearish Reversal on this level 109020. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

was October, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead given that the previous Monthly session of September was a high and also closed strong above the former high with the opposite trend implied thereafter into December (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is February 2022 for a turning point ahead, at least on a closing basis. There are 3 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting December until February 2022 with each target producing the opposite direction for that 3-month period. Thereafter, we see the next target coming into play as May 2022 until August 2022, but we do have a key target arriving also on June 2022 with again each target producing the opposite direction for that 4-month period.

However, the important target during that period will be June 2022. Still, when we look at the next higher time level, we see that a high formed during Quarterly. There are 3 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

Us Dollar v Japanese Yen Spot

**Monthly Level**

**<u>Indicator Description...      Trend</u>**

Immediate Trend ........... BULLISH
Short-Term Momentum ....... BULLISH
Short-Term Trend .......... BULLISH
Intermediate Momentum ..... BULLISH
Intermediate Trend ........ BULLISH
Long-Term Trend ........... BULLISH
Cyclical Strength.......... BULLISH
Broader Trend ............. BULLISH
Long-Term Cyclical Trend .. BULLISH

## MARKET RISK FACTOR

US Dollar v Japanese Yen Spot Risk Table

| | ----------------- UPSIDE RISK ----- | | DOWNSIDE RISK --- | |
|---|---|---|---|---|
| MONTHLY....... | 114360 | 0.331% | 109020 | 4.353% |
| QUARTERLY..... | 114360 | 0.331% | 101100 | 11.3% |
| YEARLY........ | 118590 | 4.042% | 80250 | 29.59% |

# US Dollar v Chinese Yuan Cash


The historical perspective in the US Dollar v Chinese Yuan Cash included a rally from 2018 moving into a major high for 2019, the market has been consolidating since the major high with the last significant reaction low established back in 2018. The market has penetrated last year's low but it has remained trading beneath that level signaling weakness at this time. The last Yearly Reversal to be elected was a Bearish at the close of 2019.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a protracted bearish trend since the major high took place back in 1994 with the low forming during 2014. Since that low, the market has consolidated for 6 years. During this period, we did see a rally into 2016 making a 2-year rally. We did elect 1 Bearish Reversal from that event implying that a retest of support was likely. Distinctly, we have elected two short-term Yearly Bullish Reversals to date from the turning point of 2014.

The last major low took place during 2014 which was 7 years ago. There is a very good probability that this year will form at least a temporary high being up seven years.

# YEARLY ANALYSIS PERSPECTIVE

Examining the yearly time level, we can now see that there is a 13% risk on the upside, where we show a clear downside risk factor at -.00%. From a risk perspective, resistance on a closing basis stands at 72940 whereas the risk on the downside begins at 64510.

## YEARLY TECHNICAL ANALYSIS

| | | | | |
|---|---|---|---|---|
| 2021/01/01... | 56120 | 74578 | 76015 | 78232 |
| 2022/01/01... | 55089 | 75115 | 75593 | 80447 |
| 2023/01/01... | 54058 | 75652 | 75171 | 82663 |
| 2024/01/01... | 53028 | 76189 | 74749 | 84878 |
| 2025/01/01... | 51997 | 76725 | 74327 | 87094 |
| 2026/01/01... | 50967 | 77262 | 73905 | 89309 |
| 2027/01/01... | 49936 | 77799 | 73483 | 91525 |

## THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging projection in US Dollar v Chinese Yuan Cash remains in a bearish trend since we have penetrated last year's low of 65150. This market has declined for the past 27 years since establishing its intraday high back in 1994. There is a long-term risk of a decline extending into 2025 which remains possible in real terms adjusted for inflation. Undoubtedly, there remains a risk that we could see a monetary reform beginning as early as this year going into 2023/2024.

This is being caused by a broader expanding Sovereign Debt Crisis as central banks are fighting to prevent short-term interest rates from rising. While the peripheral economies begin to move into economic chaos, the main central banks are experiencing pressure on short-term rates dur to inflation to rise and concerns unfolding with respect to credit risk. Keep in mind that as short-term interest rates rise in the free markets, the costs of sustaining the sovereign debts of nations will explode and this will result in contributing to the monetary crisis overall going into the conclusion by 2032. We are looking at a split in private v public rates which will become more drastic post-2022. This is also leading to the pressure to cancel paper currencies and adopt digital currencies to track spending and income.

## INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the US Dollar v Chinese Yuan Cash, this market remains moderately bearish position at this time with the overhead resistance beginning at 69600 and support forming below at 64939. The market is trading closer to the support level at this time.

**Yearly Indicating Ranges**
Immediate Trend .......... bearish
Short-Term Momentum ...... neutral
Short-Term Trend ......... bullish
Intermediate Momentum .... bullish
Intermedia Trend ......... bearish
Long-Term Trend .......... bearish
Cyclical Strength ........ bullish

## TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 65250

Envelope Top... 75555
Internal AvgL.. 64624
Internal AvgH.. 68601
Envelope Btm... 55719


## STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

## ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 1995 whereas the actual market high in price unfolded back in 1994. This is rather indicative of the fact that the broader term means that eventually higher highs will be carved out in the future. When Energy peaks BEFORE the high, this is indicative of a major high and a serious change in trend is likely to follow. Immediately, our model continues to rally suggesting that a strong rally is likely.

## REVERSAL COMMENTARY

Applying our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 63560 holds. These Tentative Hypothetical Bullish Reversals would stand at 68487, 69700, 71850, and 83549, whereas a close above the previous high 71770 would tend to suggest that these Tentative Hypothetical Bullish Reversals will then become fixed as long as the low holds thereafter for at least several days. Moreover, the election of any of these Tentative Hypothetical Bullish Reversals during that session would signal a bounce is unfolding and that such a low may stand. However, if we continue to make new lows, then these WHAT-IF Reversals will be replaced by a new set until the low becomes fixed.

## YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2019 HIGH:

Sat. 01/01/2022
Mon. 01/01/2024
Fri. 01/01/2027
Thu. 01/01/2032
Sun. 01/01/2040
Wed. 01/01/2053
Mon. 01/01/2074
Mon. 01/01/2108
Sun. 01/01/2163

*Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.*

## YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 71840

23% | 54886
38% | 44397
61% | 27443
78% | 15374

## Fibonacci Percentage Golden Ratio Movements:

3% | 2022/01/01
5% | 2024/01/01
8% | 2027/01/01
13% | 2032/01/01
21% | 2040/01/01
34% | 2053/01/01
55% | 2074/01/01
89% | 2108/01/01

## ECONOMIC CONFIDENCE MODEL CORRELATION

Here in US Dollar v Chinese Yuan Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2018 and 2002. The Last turning point on the ECM cycle high to line up with this market was 1994.


# QUARTERLY ANALYSIS PERSPECTIVE

## HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently short since during the Third Quarter 2021 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis below the next Bullish Reversal on this level 66400. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are all in a bearish position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

On the Quarterly Level, this market has made a new low in a 9-quarter decline from the previous major high of 71840 established back in the Third Quarter 2019 bottoming at 63755. This has been a significant decline of 11%. Currently, the market closed last at which was 0.46% up from the low but the market is still trading below last quarter's close 64452. However, we have elected 2 Quarterly Bearish Reversals from the major high back in the Third Quarter 2019. A closing above 71520 is required to confirm the low is in place and a rally is likely into the next target which we are currently trading below. At the very least, we need to see this quarter close above 65980 to suggest the downward momentum is subsiding. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2023 for a turning point ahead, at least on a closing basis. There are 2 Quarterly Directional Change targets starting from the Fourth Quarter 2023 to the First Quarter 2024 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the First Quarter 2022 until the Second Quarter 2022 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the sharp decline of 10% from the last high established the Third Quarter 2019, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have elected 2 Bearish Reversals from the last high thus far to date. There are 2 Quarterly Directional Change targets starting from the Fourth Quarter 2023 to the First Quarter 2024 warning of a potential choppy swing period for these few Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.


# MONTHLY LEVEL

## MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. Investigating the direction of this trend, we had been moving down for 2 months. Subsequently, the market has consolidated for the past 5 Monthly sessions. The previous high made during March on the Monthly level at 65790 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 63560 made during May on the Monthly level. We have generated a sell signal, so some caution is required.


## MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, February 2022 and May 2022, July 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into December with the opposite trend thereafter into February 2022. Looking ahead at December, a continued advance becomes possible if this month's high is penetrated intraday.

## MONTHLY DIRECTIONAL CHANGES

Nevertheless, the most critical model, the Directional Change Model targets are during 2021 and during 2022. This model often picks the high or low but can also elect a breakout to a new higher trading zone or a breakdown to a new lower trading level.

## MONTHLY VOLATILITY

Investigating the volatility models suggest we should see a rise in price movement during January 2029. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## MONTHLY PANIC CYCLES

Nonetheless, our Panic Cycle target, for the next period to watch is during 2031. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 64890. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 65880.

## MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 62600. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 62400.

## HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since August 2020 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 64890. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

The strongest target in the Monthly array is May 2022 for a turning point ahead, at least on a closing basis. We have a Monthly Directional Change target due in November. Our volatility models also target this date as well. It does appear we have a choppy period starting December until March 2022, but while we have a target arriving also on February 2022, the key target remains December with each target producing the opposite direction for that 4-month period. Thereafter, we see the next target coming into play as May 2022 until July 2022 with again each target producing the opposite direction for that 3-month period. We have a Monthly Directional Change target due in November. Our volatility models also target this date as well. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

**Monthly Level**

| Indicator Description... | Trend |
|---|---|
| Immediate Trend ........... | (Bearish) |
| Short-Term Momentum ....... | (Bearish) |
| Short-Term Trend .......... | - Neutral - |
| Intermediate Momentum ..... | (Bearish) |
| Intermediate Trend ........ | (Bearish) |
| Long-Term Trend ........... | (Bearish) |
| Cyclical Strength.......... | (Bearish) |
| Broader Trend ............. | (Bearish) |
| Long-Term Cyclical Trend .. | BULLISH |

US Dollar v Chinese Yuan Cash

## MARKET RISK FACTOR

US Dollar v Chinese Yuan Cash Risk Table

------------------ UPSIDE RISK ----- DOWNSIDE RISK ---

| | | | | |
|---|---|---|---|---|
| MONTHLY....... | 64890 | 1.311% | 63240 | 1.264% |
| QUARTERLY..... | 66400 | 3.669% | 64340 | -.45% |
| YEARLY........ | 72940 | 13.87% | 64510 | -.71% |

# Russian Rubles Cash


This market made a bull run from the low of 230520 made in 2008 for 8 years into a high established in 2016 at 859570. Since that high, this market has declined for 4 years prior to this year. Last year was an outside reversal to the upside after reaching a low at 608833. Presently, this market has remained as an inside trading session failing to exceed last year's high of 828729 or penetrate last year's low of 608833.

Considering all timing factors, there was a possibility of an Outside Reversal to the upside in 2020, that is reinforced by also a Directional Change Target with the opposite trend implied thereafter into 2021. n inside trading Year during this year following the target of 2020. This turning point 2020 also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2028 for a turning point ahead, at least on a closing basis. We have a Yearly Directional Change target due in 2020. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. It does appear we have a choppy period starting 2020 until 2022 with each target producing the opposite direction for that 3-year period. Thereafter, we see the next target coming into play as 2026 until

2028 with again each target producing the opposite direction for that 3-year period.

Keep in mind that given the significant decline of 29% from the last high established during 2020, that if we continue to move in the same direction after one target, then the move will not subside until the next target in time is reached. We have NOT elected any Bearish Reversals thus far to date. The first Yearly Bearish Reversal comes into play at 557020.

The historical perspective in the Russian Rubles Cash included a rally from 2008 moving into a major high for 2016, from which the market has been in a bearish trend since then moving into the low in 2018 forming a reactionary trend of 2 years bottoming at 555563. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2016, which tends to warn that the 2016 high could still be challenged until we elect a Yearly Bearish Reversal. Notwithstanding, 2018 was, indeed, an outside reversal to the upside closing higher than the previous year.

We have witnessed subsequent price action unfold with a bounce into 2020 over the past two years. However, we are now trading below last year's settlement of 739656 showing weakness once more. Additionally, the last reversal on the weekly level to be elected was bearish. The last Yearly Reversal to be elected was a Bullish at the close of 2018. However, the market has been unable to exceed that level intraday since then. This overall rally has been 2 years in the making.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, this market was in a protracted bullish trend since the major low took place back in 2008 with the high forming during 2016. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2016.

The last major low took place during 2008 which was 13 years ago. There is a very good probability that this year will form a major high.

# YEARLY ANALYSIS PERSPECTIVE

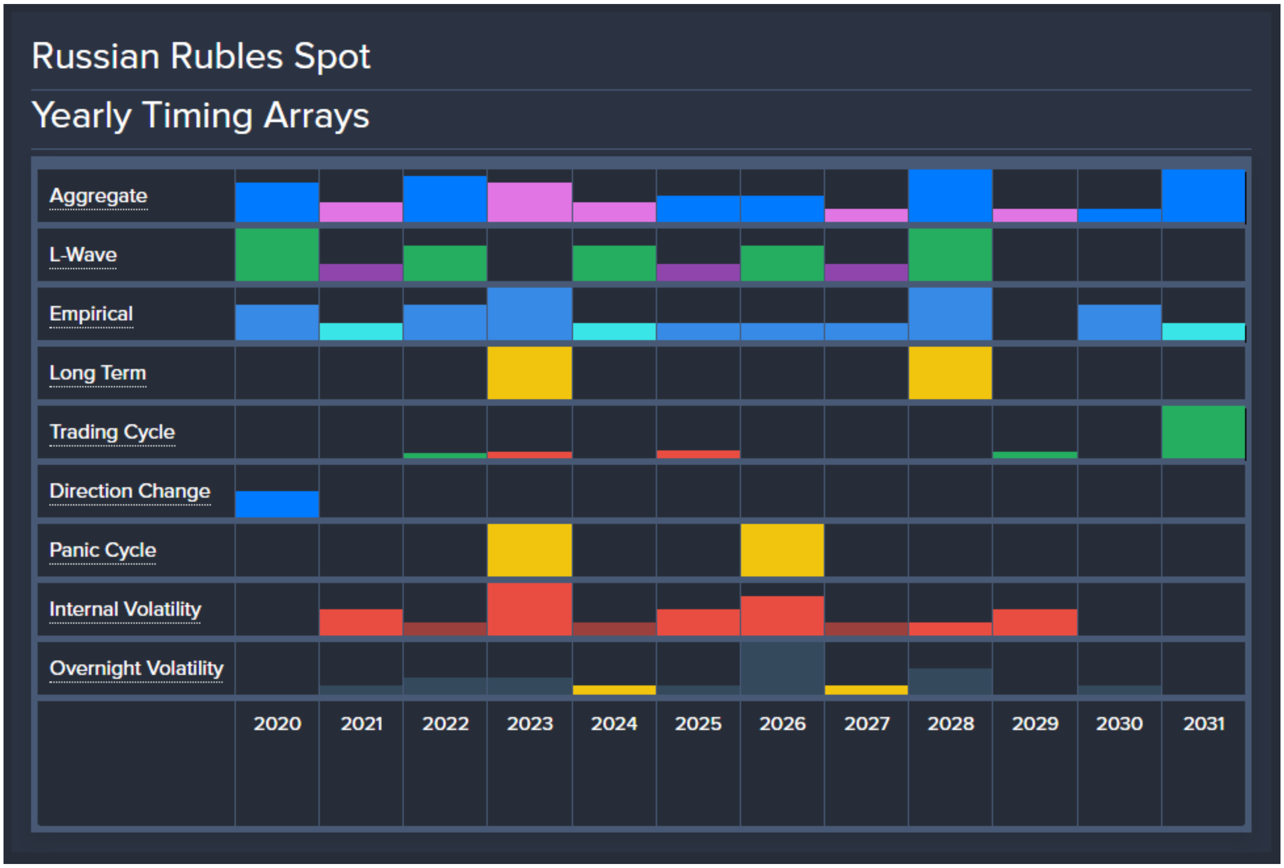
On the yearly level in Russian Rubles Cash, the last important high was established during 2016 at 859570, which was up 8 years from the low made back during 2008 at 230520. To date, we have a 2-year reaction low in place as of 2018, so we have consolidated for the past 2 years since that event. The highest the market has reached took place last year at 828729. However, the highest closing was during 2015 at 725650 whereas the intraday high formed in 2016.

Currently, the market is trading neutral within last year's trading range of 828729 to 608833. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. However, we have seen a correction from that high for 2 years forming the low during 2018. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 708422.

Examining the yearly time level, we can now see that there is a 12% risk on the upside, where we show a clear downside risk factor at 21%. From a risk perspective, resistance on a closing basis stands at 799140 whereas the risk on the downside begins at 557020.

## YEARLY TECHNICAL ANALYSIS

| | | | |
|---|---|---|---|
| 2021/01/01... | 407060 | 657353 | 1462508 |
| 2022/01/01... | 420640 | 690186 | 1557276 |
| 2023/01/01... | 434220 | 723020 | 1652045 |
| 2024/01/01... | 447800 | 755853 | 1746813 |
| 2025/01/01... | 461380 | 788686 | 1841581 |
| 2026/01/01... | 474960 | 821520 | 1936350 |
| 2027/01/01... | 488540 | 854353 | 2031118 |




# YEARLY TIMING ANALYSIS

Exploring the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2022, 2026, 2028 and 2031. Centering on the patterns unfolding, we do see a prospect of a decline moving into 2022 with the opposite trend thereafter into 2026. This pattern becomes a possibility if last year's low of 608833 is penetrated even intraday or the market closes below last year's close of 739656. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

# YEARLY VOLATILITY

Investigating the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## YEARLY PANIC CYCLES

Nonetheless, our Panic Cycle targets for the period ahead to watch are during 2023 and during 2026. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## THE BROADER LONGER-TERM VIEW

Evidently, the wide-ranging outlook in Russian Rubles Cash remains somewhat neutral at best as the major high of 2016 has not been exceeded. To date, we have seen a protracted decline for the last overall 5 years. We have held last year's low of 608833. The main correction low after the 2016 high took place in 2018. The decline from the 2016 high was 2 years. This collapse to new recent lows has been quite pronounced thus far dropping 35% from the high of 2016 established at 859570 down to immediate low at 555563 of 2018.

There has remained a risk of pushing the decline into in real terms adjusted for inflation. Undoubtedly, there remains a risk that we could see a monetary reform beginning as early as this year going into 2023/2024. This is being caused by a broader expanding Sovereign Debt Crisis as central banks are fighting to prevent short-term interest rates from rising. While the peripheral economies begin to move into economic chaos, the main central banks are experiencing pressure on short-term rates dur to inflation to rise and concerns unfolding with respect to credit risk. Keep in mind that as short-term interest rates rise in the free markets, the costs of sustaining the sovereign debts of nations will explode and this will result in contributing to the monetary crisis overall going into the conclusion by 2032. We are looking at a split in private v public rates which will become more drastic post-2022. This is also leading to the pressure to cancel paper currencies and adopt digital currencies to track spending and income.

## YEARLY OUTSIDE COMMENT

A closing above last year's high of 828729 will warn of perhaps new highs into next year. A closing below that number would warn that this year could be just a temporary high.

## INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the Russian Rubles Cash, this market remains moderately bullish currently with underlying support beginning at 613453 and overhead resistance forming above at 743530. The market is trading closer to the resistance level at this time.

**Yearly Indicating Ranges**
Immediate Trend .......... bullish
Short-Term Momentum ...... bullish
Short-Term Trend ......... neutral
Intermediate Momentum .... bearish
Intermedia Trend ......... bullish
Long-Term Trend .......... neutral
Cyclical Strength ........ neutral

## TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE
Last Close Was. 739656

Envelope Top... 609923
Internal AvgL.. 584754
Internal AvgH.. 750124
Envelope Btm... 381821

## STOCHASTICS

The Stochastics are in a mixed position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

## ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2016 whereas the actual market high in price unfolded back in 2016.

## YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2016 HIGH:

Tue. 01/01/2019
Fri. 01/01/2021
Mon. 01/01/2024
Mon. 01/01/2029
Thu. 01/01/2037
Sat. 01/01/2050
Thu. 01/01/2071
Fri. 01/01/2105
Wed. 01/01/2160

*Note: Once more, these are purely Fibonacci projections in Time. They should not be used independently, but they are more important as a correlation tool when the line up with the targets from our Timing Arrays.*

## YEARLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 859570

23% | 656712
38% | 531214
61% | 328356
78% | 183948

### Fibonacci Percentage Golden Ratio Movements:

3% | 2019/01/01
5% | 2021/01/01
8% | 2024/01/01
13% | 2029/01/01
21% | 2037/01/01
34% | 2050/01/01
55% | 2071/01/01
89% | 2105/01/01

## ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Russian Rubles Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. The Last turning point on the ECM cycle low to line up with this market was 2018 and 2011. The Last turning point on the ECM cycle high to line up with this market was 2020 and 2009.


# QUARTERLY ANALYSIS PERSPECTIVE

## HEDGING MODEL

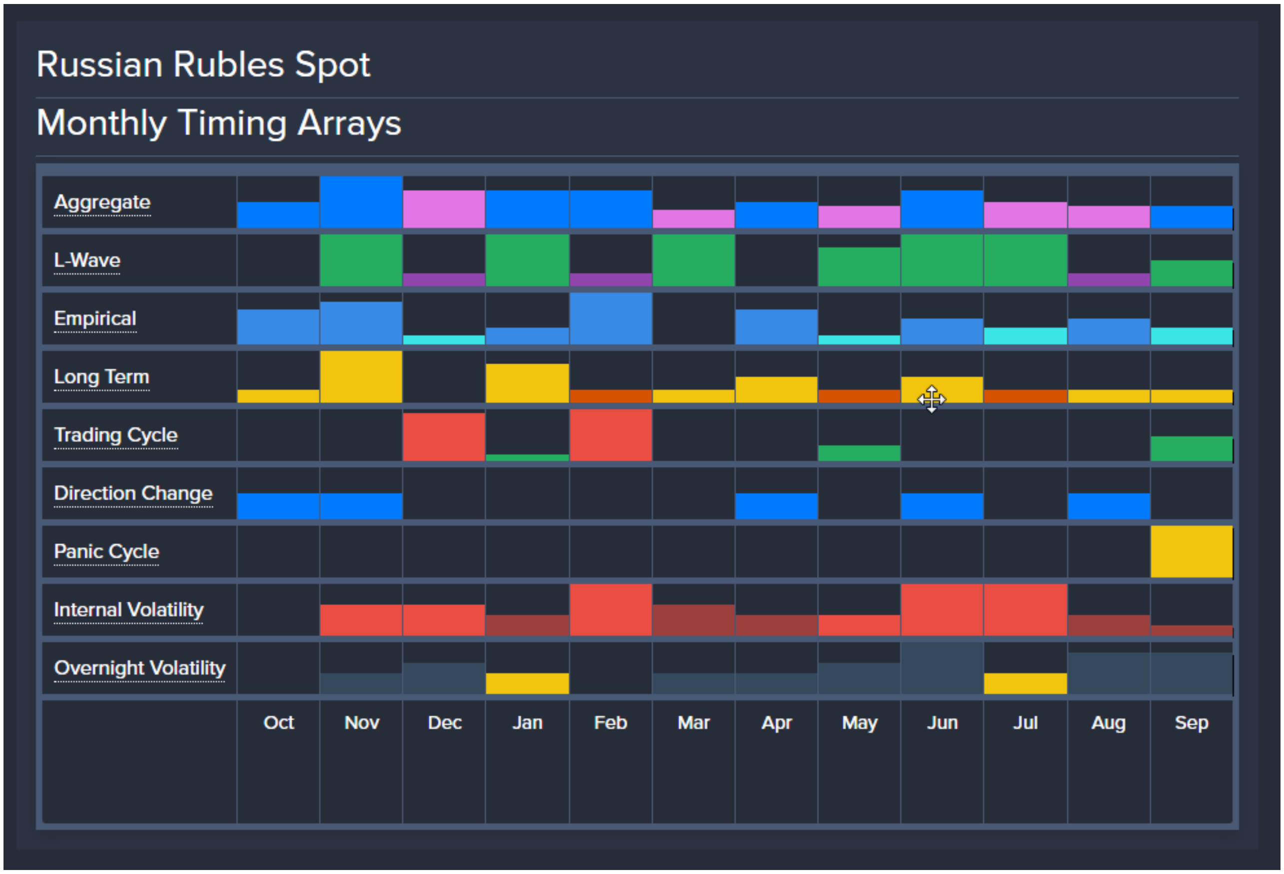
Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the First Quarter 2018 on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Quarterly closing basis above the next Bearish Reversal on this level 645380. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

The Stochastics are on the short term are in a positive position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.


# MONTHLY LEVEL

## MONTHLY BROADER TREND VIEW

Taking a broader view, this market is in a downward trend on all our indicators looking at the monthly level. We can see this market has been down for the past month. The previous high made during July on the Monthly level at 753492 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 691110 made during October on the Monthly level. We have generated a sell signal, so some caution is required.




## MONTHLY TURNING POINTS

Centering on time, I do see a prospective target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, February 2022 and April 2022, June 2022. Centering on the patterns unfolding, I do see a prospect of a decline moving into November with the opposite trend thereafter into February 2022. If the November high holds, then a decline into the next turning point may materialize. Otherwise, anticipate a rally into the next target should be expected if we make new highs.

## MONTHLY VOLATILITY

Investigating the volatility models suggest we should see a rise in price movement during January 2026. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

## MONTHLY PANIC CYCLES

Nonetheless, our Panic Cycle targets for the period ahead to watch are during 2023 and during 2026. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and the reversals to determine the best indication of the potential direction.

## MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 753500. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 758470.

## MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 680360. If this is breached on a monthly closing basis, then a further decline becomes entirely possible. If we penetrate that Reversal on a closing basis, then the next key support level to watch will be the next Monthly Bearish Reversal lies at 624980.

## HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since September on that close when we reversed our hedge position in this market. This position should be maintained provided this market remains on a Monthly closing basis below the next Bullish Reversal on this level 753500. If you want to reduce the exit strategy then use the next Weekly Reversal if we reach the timing objectives.

The Stochastics are on the short term are in a negative position. Keep in mind that this type of indicator tends to be more of a confirmation tool rather than a leading forecasting tool. Thus, it is more often than not just a lagging indicator.

Russian Rubles Cash

On the Monthly Level, our first target for a turning point is November, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session and then the session thereafter warning this is a choppy period ahead with the opposite trend implied thereafter into February 2022. However, a break of this current month's trading range of would warn of a possible cycle inversion given we have a target this month. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is November for a turning point ahead, at least on a closing basis. There are 5 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting October until November with each target producing the opposite direction for that 2-month period. Thereafter, we see the next target coming into play as February 2022 until June 2022 with again each target producing the opposite direction for that 5-month period.

However, the important target during that period will be June 2022, yet the key target will be February 2022. We have elected 2 Bearish Reversals from the last high thus far to date. There are 5 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

**Monthly Level**

**<u>Indicator Description... Trend</u>**

Immediate Trend ........... (Bearish)
Short-Term Momentum ....... (Bearish)
Short-Term Trend .......... (Bearish)
Intermediate Momentum ..... (Bearish)
Intermediate Trend ........ (Bearish)
Long-Term Trend ........... BULLISH
Cyclical Strength.......... BULLISH
Broader Trend ............. BULLISH
Long-Term Cyclical Trend .. BULLISH

# MARKET RISK FACTOR

Russian Rubles Cash Risk Table

------------------ UPSIDE RISK ----- DOWNSIDE RISK ---

| | | | | |
|---|---|---|---|---|
| MONTHLY....... | 753500 | 6.306% | 680360 | 4.012% |
| QUARTERLY..... | 799140 | 12.74% | 645380 | 8.947% |
| YEARLY........ | 799140 | 12.74% | 557020 | 21.41% |