

North America

The New World



It's Always a Question of Capital Flows

By Martin Armstrong

November 2022



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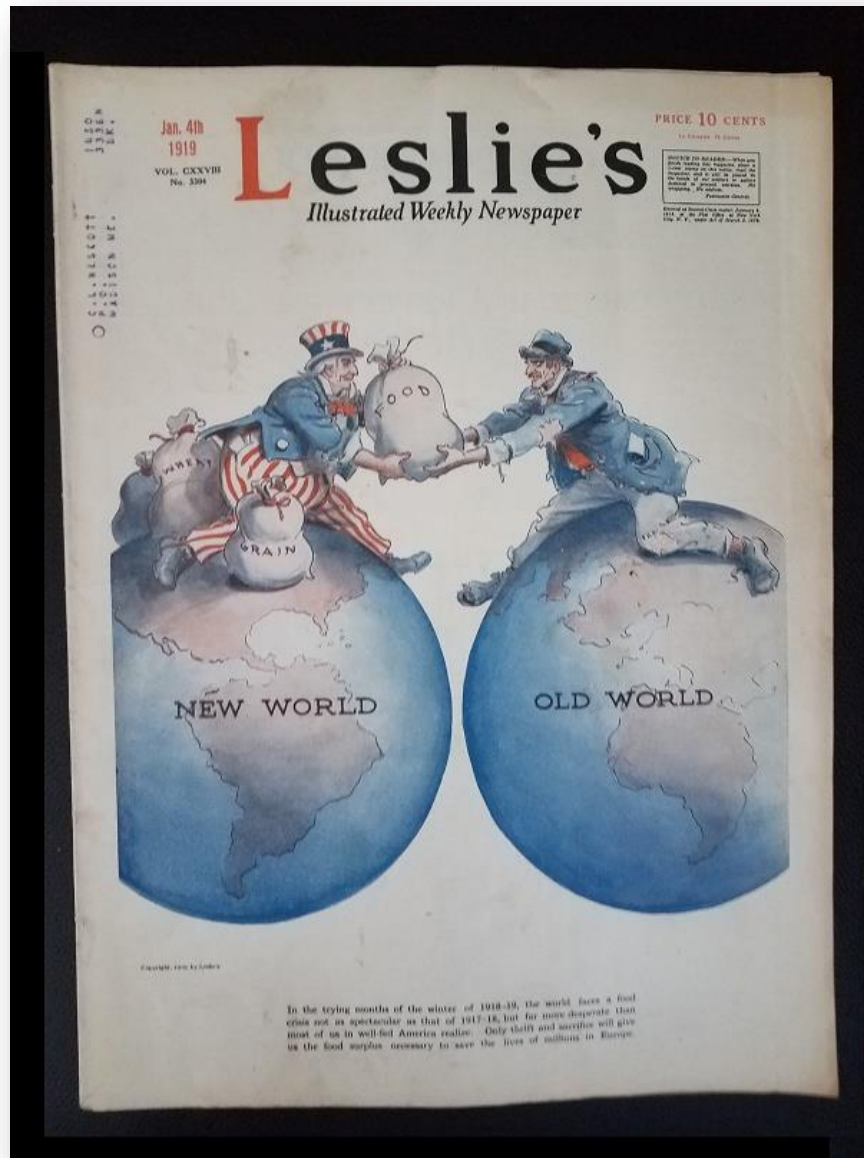
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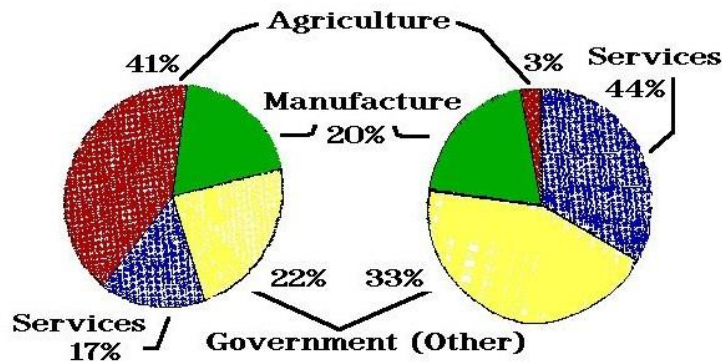
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Introduction



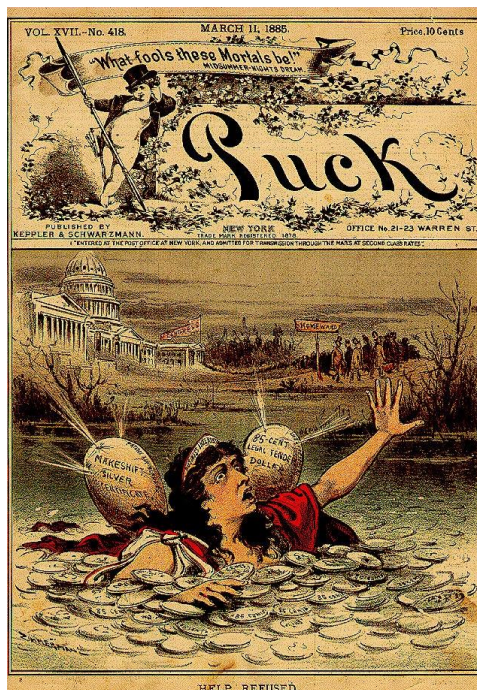
There arrives a time when the sins of the past come to demand their retribution. I have noticed in all my studies that reactions are at best 2 to a maximum 3-time intervals. This push for war against Russia and also China, will be World War III. That in itself is a very bad omen. Not that nukes will be flying around this time with supersonic speed, but it will bankrupt the United States just as World War I and II bankrupted Europe.

US Civil Work Force 1900 1980



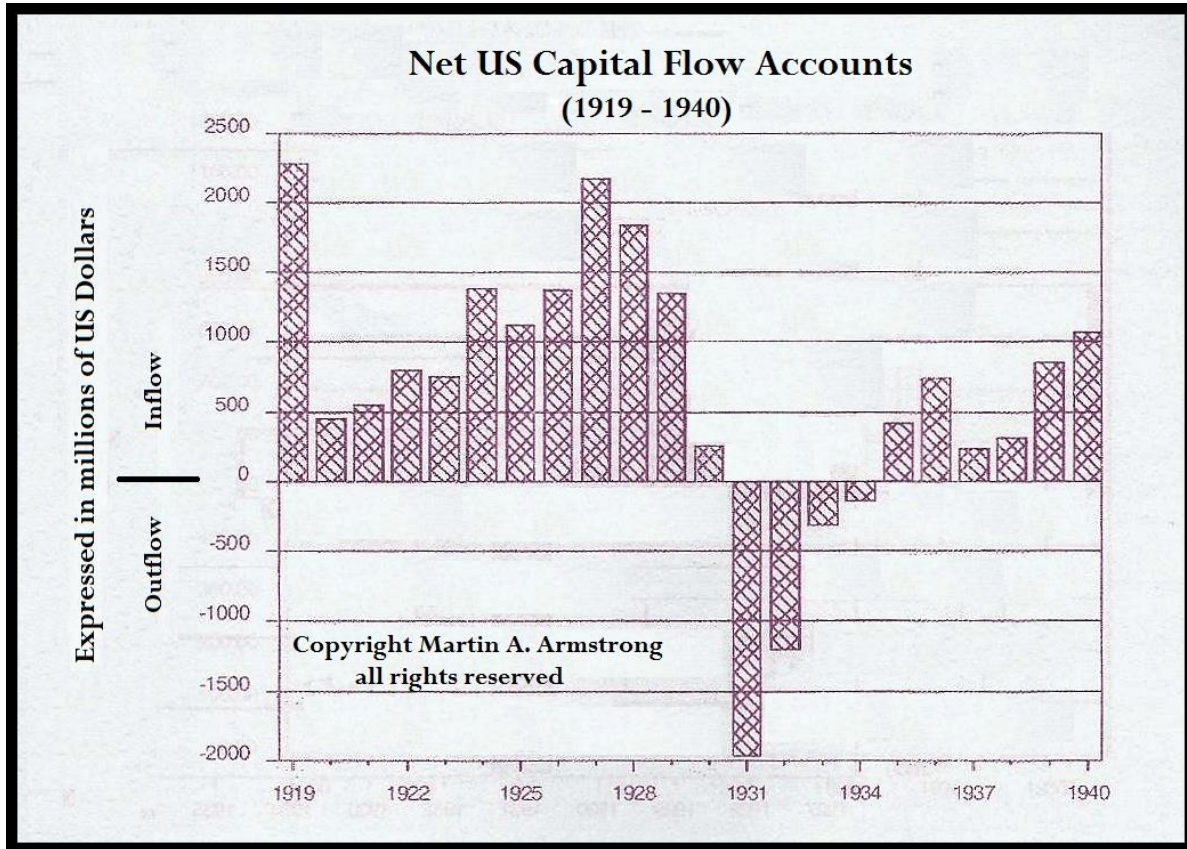
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In fact, the USA was just an emerging market. Its employment was 70% agrarian in 1850. Yes, the Industrial was just taking hold. Even by 1900, agriculture accounted for 40% of the civil work force. The US was bankrupt thanks to the silver democrats who overvalued silver at 16:1 against gold which left the US drowning in silver and the gold fled the country. J.P. Morgan had to lend \$100 million in gold to bail out the US Treasury.



From bankruptcy in 1896 to the end of World War I, the financial title of the capital of the world migrated from London to New York by the end of that war. Then, by the end of World War II, the United States emerged with 76% of the official world gold reserves which is why the dollar became the reserve currency of the world.

Today, with this proxy war against Russia over the dead bodies of Ukraine, neither side will relent and this is a battle until the death. There is no coming back from this one. We simply must understand the capital flows once again.

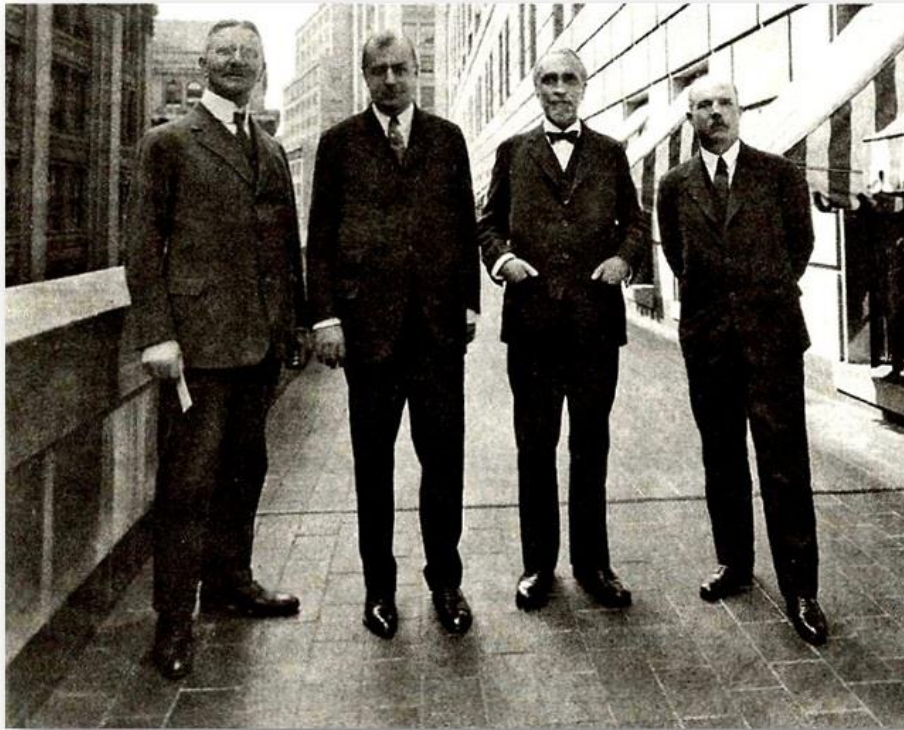


Even when we look at the capital flows post-World War I, the capital had fled here during the war and the infrastructure in the United States was unharmed. Thus, the economy boomed and this became the Roaring '20s because global capital had migrated to the USA for safety, but then for the opportunity.

The capital inflows peaked in 1927, which coincided with the real estate bubble especially in Florida. The railway connecting NYC to Miami was a boom for the region. John Ringling moved his circus' winter headquarters from Bridgeport, CT to Sarasota in 1927, establishing the city's lasting title as Florida's 'Circus City'. Circus culture thrives to this day in Sarasota, where one of the most comprehensive collections of circus history resides at The Ringling on John and Mable Ringling's historic estate. That was the real estate boom of the Roaring '20s. Ringling owned 25% of the entire town of Sarasota.



Introduction

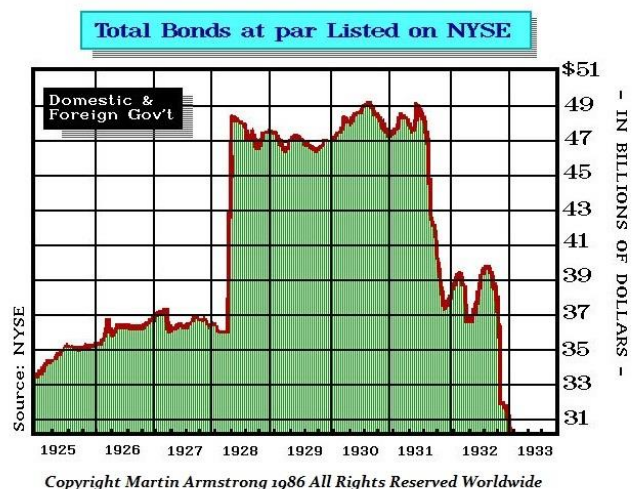


Secret Meetings of the Central Bankers Germany - USA - Britain - France

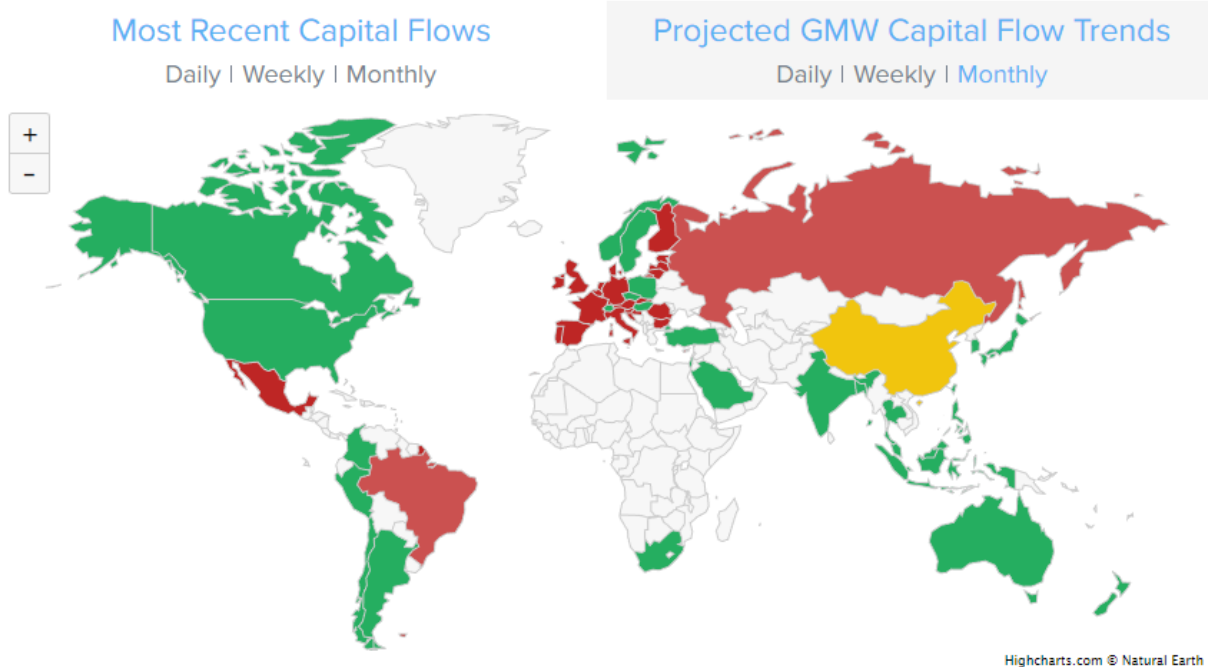
On July 1, 1927, Montagu Norman of Britain was accompanied by Hjalmar Schacht, head of the German Reichsbank. They were joined by Charles Rist, governor of the Banque de France. All three went into conference with Benjamin Strong to discuss the weak reserve position of the Bank of England and the capital flight from Europe to America. It was hoped that lowering US interest rates would deflect the capital inflows from Europe.

In 1927, the central bankers got together to try to influence the capital flows. The Federal Reserve lowered the interest rate in hopes that money would be attracted back to Europe. This was the fire G\$ and the next result was that the capital realized there must be something seriously wrong in Europe. That sent the US share market up dramatically into 1929,

Indeed, the smart capital was correct. By 1931, all of Europe permanently defaulted on its debt while Britain adopted a moratorium on repaying its debts. That was the Great 1931 Sovereign Debt Default.



Global Capital Flows Heat Map



We face a global migration of capital never witnessed before in economic history since World War I and II. Governments really did not begin to create national debts with no intention of paying off those debts until post-World War II. This is why they are turning to the World Economic Forum and their Communist 3.0 Agenda 2030. They intend to default on their debts as they did in 1931, but this time they are being much more devious about it.

The European Central Bank introduced its negative interest rate policy (NIRP) on June 5th, 2014 (2014.427) when it decided to cut for the first time its deposit facility rate below 0%, to -0.1%. Since then, the ECB has cut its deposit rate four more times, each time by 10 basis points, to reach -0.5% in September 2019. It will be 8.615 years from that event on January 14/15, 2023.

Monetary policy of central banks has collapsed. They are no longer able to even pretend to use Keynesian Economics to stimulate the economy. After 8 years of negative interest rates in Europe, they have created insolvent pension funds, insolvent social programs, and destroyed their bond markets. They can try to reform moving to perpetual bonds raising rates back to 8% or take Schwab's solution – Agenda 2030 where people will own nothing because they will forgive all debts public and private and just create digital currency what they need when they need it.

Introduction



At this point, they need war. They think they can defeat Russia using Ukraine to weaken it and the NATO can sweep in to grab the spoils. They see Russia as a threat just a Trump and Bolsonaro in Brazil to the Climate Change Agenda. As they set out upon their course of deliberate Creative Destruction, any miscalculation will bring the entire world into confrontation.

Nevertheless, because the geopolitical crisis is in Europe, the capital flows are once again turning toward the United States as was the case during both World War I and II. When the smart money figures out this is the prelude to the Sovereign Debt Default as early as 2023 but probably no later than 2027, then they will turn against US government debt as well.

Therefore, Phase I will be the capital inflows keeping the dollar strong, and then Phase II will be the realization that all governments cannot be trusted and capital will flee to the private sector.

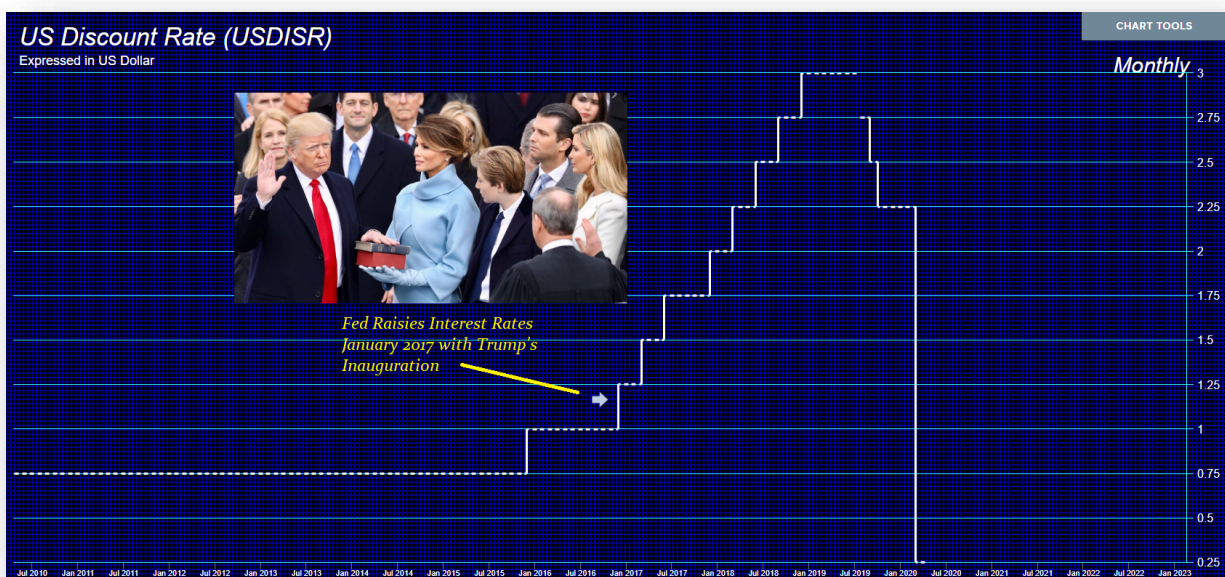
The US Share Market Expectations



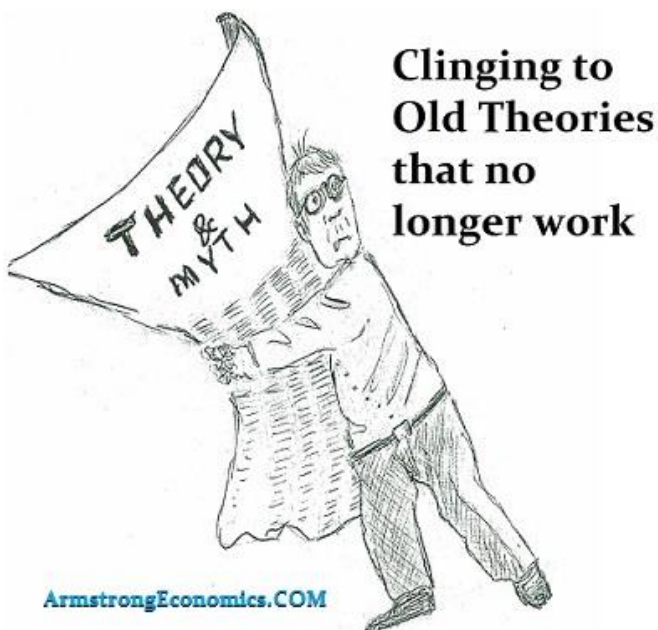
Economic uncertainty has dominated 2022 and it certainly remains high. Stocks have been argued would continue to feel the weight of Federal Reserve policy raising rates, tightening, shrinking market liquidity and slower economic growth. The pundits have been forecasting a great recession and the Bank of England has said it will be the worst in 100 years, meaning it will be greater than the Great Depression.

The U.S. economy and stock market has struggled so far during 2022 with the microscopic view of Fed policy being the only factor of importance. Facing a multi-decade high in inflation, aggressive monetary policy tightening by the Federal Reserve, and the effects of the Russia/Ukraine war, and the 2022 midterm election, the US share market basis the S&P 500 index was down 27.5% by mid-October. Uncertainty has been dominant in 2022.

The US Share Market Expectations



The typical nonsense propagated by both pundits and the media has been the spin that rising interest rates are also time to sell equities. The Fed raised interest rates throughout the Trump Administration and the stock market rose. It does not matter what really happens. They will continue to cling to their old theories and myths lacking the courage to just ask the question: Is that true?



We have to stop listing the standard propaganda. Newspapers need to explain every move a market makes and create myths from absolute nonsense. When you step back and look objectively, you see what they say is never true in the long run.

I was called into one of the top 5 German companies that lost over 1 billion euros all because they put on a hedge based upon what they read in the newspaper that

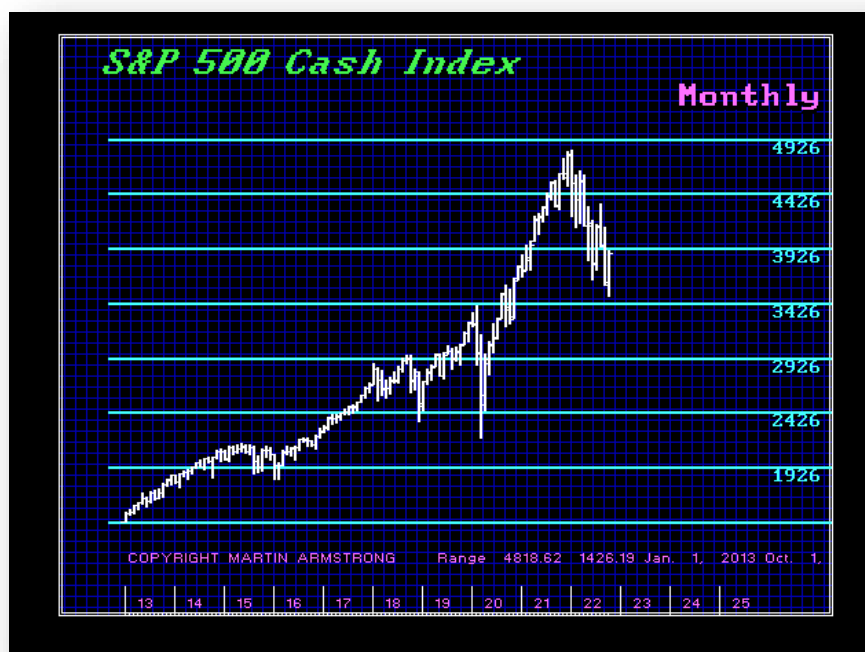
British pound would collapse for it was not joining the euro. The pound rallied and the euro declined and the lost a fortune.

The US Share Market Expectations



Likewise, every time the market crashes, immediately the politicians call for an investigation in search of some mythical short player who overpowered the market and cash the crash. During the 1930s, the Senate subpoenaed everyone to testify demanding to know their stock investment. They found nobody was short and they all lost money.

Beginning with the COVID-19 pandemic in March 2020, the U.S. economy and asset markets greatly benefited from the epic jolt of trillions of dollars' worth of liquidity doled out by the Federal Reserve and Congress. With that liquidity now drying up—the Fed began raising short-term interest rates in the first half of this year—many wonder whether a recession is likely. History's lessons about the impact of Fed rate-hike cycles suggest a recession is more likely than a soft landing.

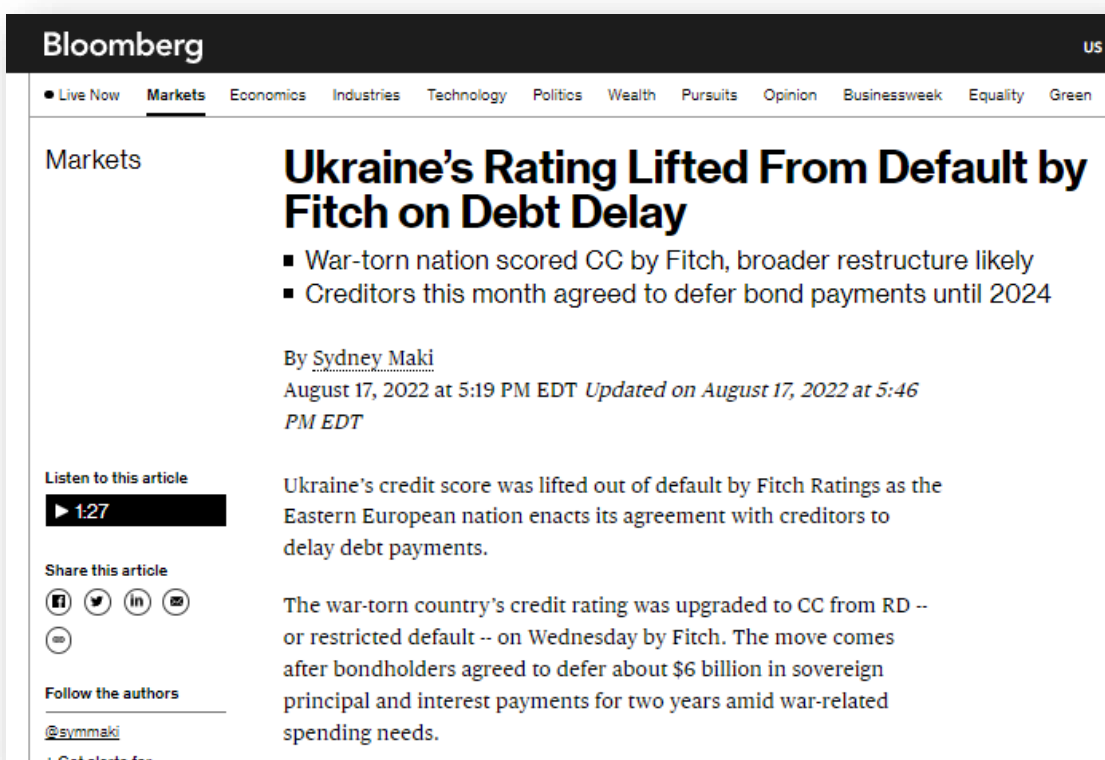


With the S&P 500 index falling more than 20%, this was the rule of thumb that called it a bear market by most pundits. True, many of its underlying stocks had been in bear markets for a while, as had the Nasdaq and Russell 2000 indexes. The rallies were declared to be bear market reactions within an underlying downward trend that were written off as typical of bear markets. Investors were advised to be prepared for more volatility in the face of weakening earnings and profit-margin outlooks that were seen as likely to prompt a further down for the market ahead.

The US Share Market Expectations

The stock brokers, always informing people to buy and hold, merely declared that this is not a market likely to reward excessive risk-taking. They informed their clients to continue to look at diversification across and within asset classes. They also stress that investments should undergo periodic rebalancing reducing the losers while buying more investments that have become underrepresented and underpriced.

They have also touted investing in quality-oriented shares rather than chasing the hot sectors. Given high inflation, rising short-term interest rates, and weakening growth outlooks, they stress that stocks that will benefit from inflation should be the target moving ahead. They will typically add the one rule – never sell in a panic.



The image is a screenshot of a Bloomberg Markets article. The Bloomberg logo is at the top left, and 'US E' is at the top right. A navigation bar includes links for Live Now, Markets, Economics, Industries, Technology, Politics, Wealth, Pursuits, Opinion, Businessweek, Equality, and Green. The article is in the Markets section. The title is 'Ukraine's Rating Lifted From Default by Fitch on Debt Delay'. It includes two bullet points: 'War-torn nation scored CC by Fitch, broader restructure likely' and 'Creditors this month agreed to defer bond payments until 2024'. The author is Sydney Maki, and the article was updated on August 17, 2022. On the left, there is a 'Listen to this article' section with a play button and a 1:27 duration, and a 'Share this article' section with social media icons. At the bottom left, it says 'Follow the authors' and '@symmaki'. The main text of the article states that Ukraine's credit score was lifted out of default by Fitch Ratings as the Eastern European nation enacts its agreement with creditors to delay debt payments. A summary paragraph follows, stating the rating was upgraded to CC from RD or restricted default on Wednesday by Fitch, following a \$6 billion debt payment deferral.

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Markets

Ukraine's Rating Lifted From Default by Fitch on Debt Delay

- War-torn nation scored CC by Fitch, broader restructure likely
- Creditors this month agreed to defer bond payments until 2024

By [Sydney Maki](#)
August 17, 2022 at 5:19 PM EDT Updated on August 17, 2022 at 5:46 PM EDT

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Ukraine's credit score was lifted out of default by Fitch Ratings as the Eastern European nation enacts its agreement with creditors to delay debt payments.

The war-torn country's credit rating was upgraded to CC from RD -- or restricted default -- on Wednesday by Fitch. The move comes after bondholders agreed to defer about \$6 billion in sovereign principal and interest payments for two years amid war-related spending needs.

None of this standard advice from the pundits nor the media have ever taken into account no less bothered to consider what happens during war. The smart money shifts from government bonds to private assets. That is the ONLY way to protect capital. Most are unaware that when a country has been invaded, its bonds have immediately gone into default. Ukraine debt moved immediately into default. They were lifted out of a default listing in August 2022 only by promising to defer payment until 2024 as if there is a country viable to repay anything.

FROM OUR FINANCIAL EDITOR

LONDON, MONDAY.

LONDON, MONDAY.
A bold scheme for the restoration of international trade after the war has been advanced by a Manchester business man, Mr. H. Kenyon, in a pamphlet entitled "A plan for post-war trade." Mr. Kenyon rejects the Socialist idea that private profit can be replaced in our time by public service as a spur to maximum production. He adds, however, that capitalism can no longer be left to function uncontrolled because of the growth of powerful monopolies. On that basis he maintains that the nation as a unit of economic planning is outdated and that the planning of production, distribution, and finance must be undertaken by a world economic council, accompanied by an international

An international paper currency dissociated from gold and silver would ensure that the flow of commerce would not be restricted by exchange considerations. Britain, writes Mr. Kenyon, should take the first step by offering equality of access, both for persons and for goods, to all her territories to all peoples who will do likewise. "Let her state that if the rest, or a substantial part, of the world will do the same she will hand over her economic sovereignty to a body such as had been suggested."

is to be hoped that this approach to the world State will sound less advanced than the one now before this century is much older. The economic problems of mankind in the world unit would be child's play compared with the task of settling them in a society of independent nations. But economics without politics are like a man standing on one leg. The question of world peace as Mr. Kenyon rightly appreciates, is a political one. People who are economically content, and people who are well housed, clothed, and fed, he says, will not go to war.

But that is begging the question. What was wrong with the people of Germany in 1914, and again in 1939? Everything was coming their way, but they would not have it except at once, and in their own sweet manner. That is a double argument against which economics count for little. Or take Japan. Between 1934 and 1939 the Japanese exported to Japan 2,500,000 tons of iron and steel scrap, pig iron, and ferro-alloys. Was that right or wrong?

An Allied victory will make it possible to set up a security organization of great strength. But the question is whether it will, for a long time to come, represent a really overwhelming combination of power against aggression, or merely one of 51 per cent of world power. That is the real difficulty about Free Trade, and one that is even stronger than the pleadings of monopoly interests on the side of Socialists. Nevertheless Mr. Kenyon has done useful service by explaining how, with common sense and imagination, our post-war troubles might be overcome.

Foreign Bonds in Default

In its report for 1941 the Council of Foreign Bondholders has a more than usually painful story to tell. As one country after another was engulfed by the war, arrangements for the service of debts to this country went by the board. That has happened to Greece and Yugo-Slavia, and for a different reason to Hungary. When Japan went to war a long record of punctual debt

In Central and Latin America there has been a strong improvement in economic conditions owing to the large purchases of the United States. But though the council made representations to the Governments concerned, none of them has yet made any serious attempt "to carry out their frequently expressed desire of negotiating fair settlements of their external debts so soon as an improvement in their position should make this possible." That applies particularly to Brazil and Chile.

particularly to Brazil and China. The company has made arrangements to help British creditors in collecting interest on securities payable in countries with which communication is interrupted. In some cases, where the debtor is in a non-enemy-occupied country but the debt is payable in an occupied country, the company's communications are cut, part of the service money has been diverted to a temporary paying-agent in London. In other cases, where the debtor is in a non-occupied country but one with which communication is interrupted, if possible, the debt is payable in the same country, similar arrangements

have been possible. No help can be given, however, in cases where the debtor is in a country occupied by the enemy. Any British holder may apply to the council for advice or assistance in these cases.

COMPANY AFFAIRS

British-American Tobacco—At the annual meeting of the Anglo-Siam Tobacco Co., Ltd., the chairman, explained that the drop in profits last year was largely due to the terms of the loan of \$40,000,000 by the Reconstruction Finance Corporation to the company, with which the latter may not pay any ordinary dividends for five years or until at least \$10,000,000 of the loan is repaid. As a result of the loan, however, the company was allowed to retain its share interest in the subsidiary and to receive the interest equivalent of \$25,000,000 on hand over the dollars to the Bank of England. In the current year a serious loss of income from the Japanese occupation of Shanghai and from the loss of the company had important investments.

Carbonium Trust.—The gross dividends received from the operating company, Carbonium, are the same as a year ago at \$94,000, but income tax absorbs \$47,200, against \$39,480, and the amount available for distribution, including \$1,135 brought in, is reduced from \$56,102 to \$47,881. A final dividend of 8 per cent maintains the total for the year at 11 per cent and \$977 is carried forward. The operating company's net profit, after providing \$6,000, against \$25,000, for taxation, is \$97,583, compared with \$101,652 for the previous year.

Boulton and Paul Aircrafts.—Lord Correll has resigned his position as chairman and director of Lydiate Bank.—Mr. W. H. Fraser resigns director. Shanks and Co.—Profit £38,955 (£21,055).—Lancashire and Yorkshire Coal and Iron Co.—Profit (nothing); subject to fees £56,239 (£50,535).
Staffordshire New Bank.—Div. 2 p.c. (2½ p.c.).
Hunter, Barr, and Co.—Div. 6 p.c. (same).
Rough New South Wales.—Quarterly div. 1½ p.c. (same).
Johnson and Sticks (1928).—No prof. div.
Barth-Johnson Plankings.—No prof. div.
Foster, Porter, and Co.—Profit £25,281 (£20,565).
Lancashire and Yorkshire Coal and Iron Co.—Profit £17,357 (£14,575).
Lancashire and Yorkshire Coal and Iron Co.—Profit £19,257 (£17,542). Div. 2½ p.c. (2 p.c.); £11,000 (£10,500).
Noranda Mines.—Lifts 1½ share (same).

THE MONEY MARKET

The clearing banks were buyers of bills, but the turnover was not large. Money was easier and the market obtained all it required, but the full rate of 1 per cent had to be paid. Loan and discount rates were unchanged. (Table on Saturdays.)

Gold price 168s. per fine ounce.
Silver prices remained unchanged at 23½d. per ounce for spot and 23½d. for forward delivery.

Foreign Exchanges

There were no changes during the week and all rates remain the same as given in the following table:—

[illegible]

The following are the rates applicable for payments in the Bank of England at the clearing offices:—Italy 71.25 lire, Turkey 320 piastres, Spain (official) 40.50 pesetas, (voluntary) 46.55 pesetas.

OFFICIAL FORWARD RATES (one month)

New York 54c. pm, to par	Stockholm 3 ore pm, to par
Zurich..... 3c. pm, to par	Latvia... 1½c. pm, to par
Montreal - 10c. pm, to par	

LIVERPOOL PROVISIONS

Monday.—BACON: Releases from the Ministry of Agriculture will be made during the week on usual basis. Allotments will include United States and Canadian hams, and a small quantity of Canadian hamlets. Category A permits, though no clear bellies are reported. Category B section. Category F will receive a proportion of the releases. Category G will receive a proportion of the hams in limited lots for ordinary consumption of business.

The domestic ration is being provided for from releases of American refined.

CHINESE: The Chinese government has announced that further supplies will be available during the first half of the year. The first of the new supplies will be available during the first half of the year. The first of the new supplies will be available during the first half of the year. The first of the new supplies will be available during the first half of the year.

BUTTER: In line demand for the current supplies in the United States.

EGGS.—Distribution is proceeding to retailers of the last week-end's releases of American eggs, with occasional allotments of Kire.

Prices to be charged:
BACON.—To wholesalers, Wiltshire cut sides 126/0, three-quarters 138/0, Spencers and Cumberland 124/0, middles 141/0, backs (cut in United Kingdom) 130/0, cut outside United Kingdom 155/0, streaks 140/0, clems 101/0; for cut sides or three-quarters 94/0, pieces 69/0 cut; to retailers, Wiltshire 126/0, three-quarters 149/0, Spencers and Cumberland 135/0, middles 152/0, backs (cut in United Kingdom) 176/0, (cut outside United Kingdom) 164/0, streaks 103/0, clems 82/0. Cured ham, 100 lb. with bone 105/0, picnic 89/0. Cwt. for upgraders with 1 lb. fat.

105/0, pickles 80/0 cwt. for unsmoked, with 11/0 for extra for smoked.
ADAMS GAMBONS—To wholesalers, unsmoked 132/0, smoked 143/0; to retailers, unsmoked 143/0, smoked 154/0 cwt.
LARD—Max. prices of imported and home refined: To wholesalers, 64/0; to retailers, 69/0 cwt.
CHEESE—Canadian, Australian, New Zealand, South African, Burren, and main varieties of home-made: Max. First-hand price of 92/0; wholesalers 99/2 cwt.
BUTTER—First-hand price 142/0; wholesalers 150/0 cwt.



"As one country after another was engulfed by the war, arrangements for the service of debts to this country went by the board. That has happened to Greece and Yugo-Slavia, and for a different reason Hungary. When Japan went to war a long record of punctual debt payment was broken."

Government debt always defaults when the country is engulfed in war. Japan had borrowed money and was always on time with their debt servicing, but when they began the war against the USA, they defaulted.

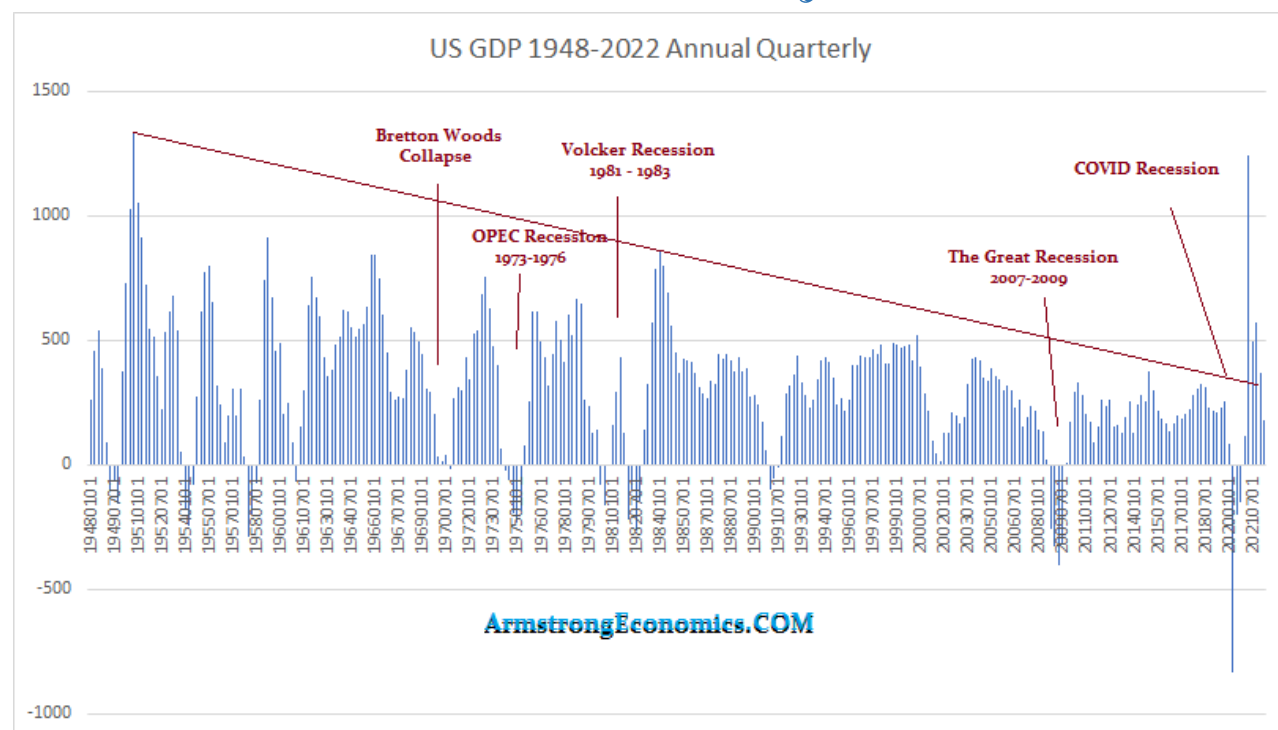
Smart money abandons all government debt and moves to the private sector. In 1937, the City of Detroit defaulted. They agreed to repay when they could. They repaid their debt in 1963. Hence, the bond salesmen can claim no municipal debt ever defaulted. They did not refer to suspension of payments.

War is NEVER beneficial unless you are simply supplying the arms and ammunition.



In the end, the difference between reality and expectation is honestly economic history. Be careful about any government debt. They can suspend payments at any time and if that version of the government loses the war, kiss that investment goodbye. Hence, in the end, private assets beat government debt every single time.

The US Economy Outlook



It is ironic how Biden claims he has created so many jobs when in fact the COVID lockdowns destroyed a lot of the economy the worst in history and the rebound was simply ending the COVID restrictions.

The Conference Board forecasts that economic weakness will intensify and spread more broadly throughout the US economy over the coming months with a recession to begin before the end of 2022. This outlook is associated with persistent inflation and rising hawkishness by the Federal Reserve. As we can see, the focus is always purely domestic. They never consider a global trend in motion and certain there is no attention even being paid to Biden's war on fossil fuels, Russia, and China.

The OECD naturally attributed the rebound in GDP from the depths of the pandemic recession, was "aided by a large and enduring government policy response." Any government spending takes time to filter through and the data shows that the rebound was massive simply because of the lifting of restrictions.

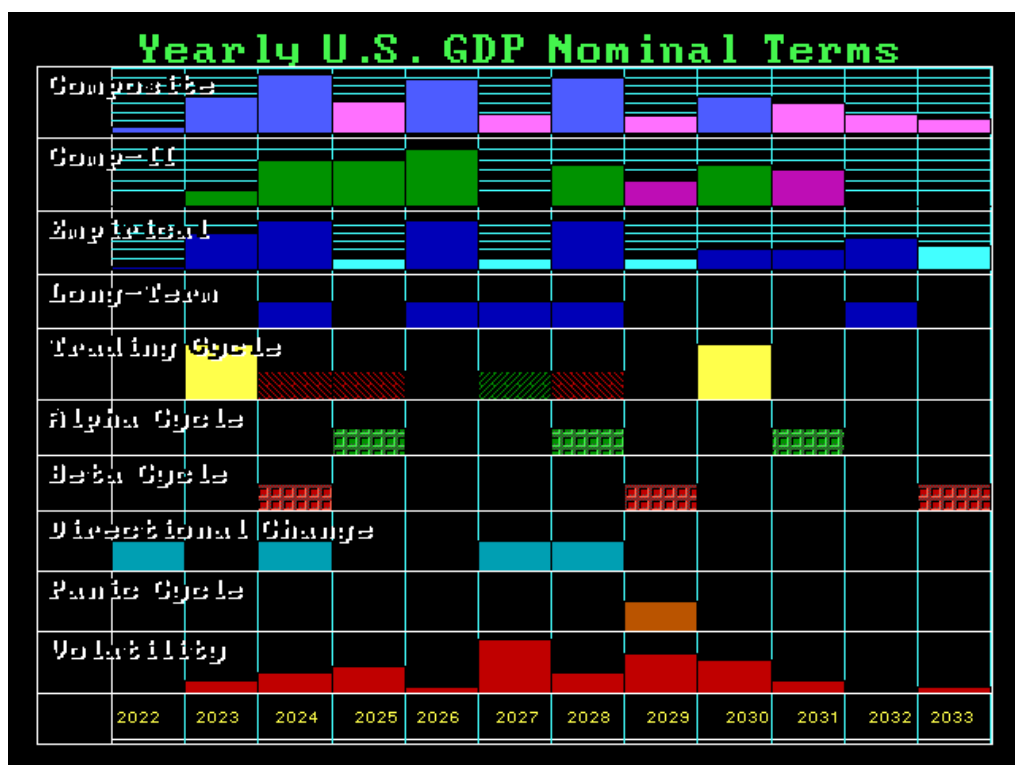
The OECD claimed that "Russia's war against Ukraine and strong inflationary pressures have dampened the economic outlook. The administration is reinforcing

The US Economy Outlook

public welfare through packages that invest in infrastructure and the climate transition" as somehow positive when infrastructure never produces lasting jobs. Once a bridge is built – that's it.

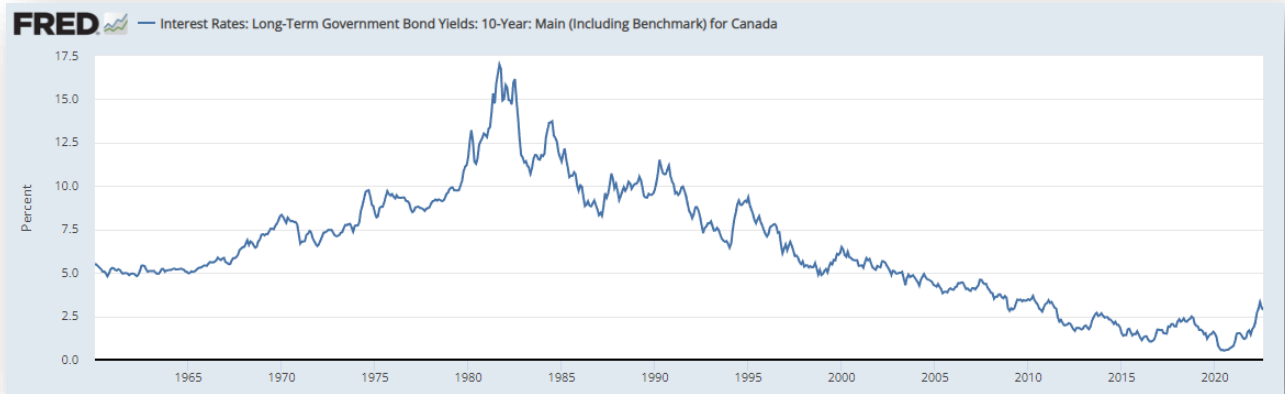
The broader pressure remains the ageing population which translates into continued fiscal pressures are on the horizon. The OECD recommends, of course, raising taxes by "focus[ing] on both broadening the tax base and improving public spending efficiency, particularly in the areas of health and infrastructure." The OECD is always pro-government since that is who funds them. The bigger the better.

The OECD argues to expand public investment in childcare to help the middle class and benefit female labor force participation. They are fully on board with the climate change agenda pushing the policies to reach net zero carbon emissions without any consideration for the dramatic alteration of the economy long-term and the disruptions to labor in transferring from fossil fuels (high-carbon) to low-carbon activities.



Our models on GDP align with the major turning point in 2024 on the ECM model and then we are looking at the overall deuteriation of the US economy thereafter into 2032.

Canada into the Future



Canada is expected to enter a mild and short-lived recession by the end of the year according to the general expectations. The Trudeau Government has been following the directions from the World Economic Forum and has been doing its best to terminate fossil fuels and imposing taxes for climate change as if that will actually have any impact other than filling the pockets of politicians.

The pundits are point to the Bank of Canada's aggressive increase of interest rates and the need to rebalance inventories as the cause of a recession. Naturally, they do not blame Trudeau and they certainly ignore the global trend in play. With the finger pointing at the Bank of Canada as if interest rates should continue lower wiping out the very basis for savings, the claim that these hikes in interest rates are all the main cause is astonishing.

There is no blame for inflation on the draconian lockdowns or the deliberate push to terminate fossil fuels without any alternative in place to even power the internet. All they scream about is higher rates impact the economy while ignoring that without higher rates, people have no incentive to save. As such, we do not expect inflation to return to 2% at any time in the future before 2032.

During the pandemic, we saw supply chain issues emerge across all industries. As a result, inventories have fluctuated quite significantly in the past few quarters and supply chains have simply not recovered. With higher rates, this will not help to restore the supply chains thereby reducing inflation.

Canada into the Future

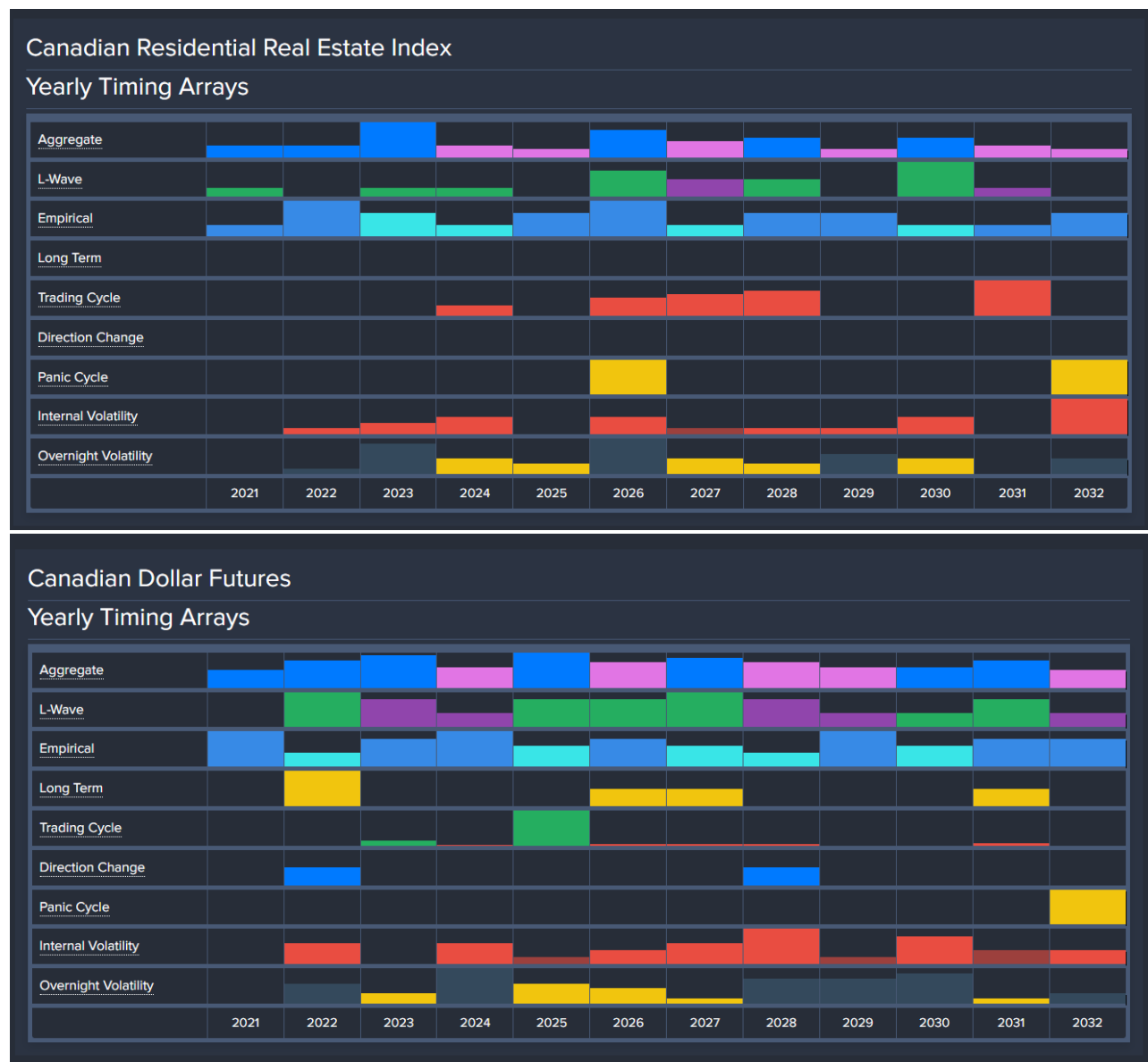
The Bank of Canada has no ability under Keynesian Economics to fight inflation that is created by shortages rather than excessive demand. With rising rates, there is no incentive to increase inventory levels with all the war mongering also taking place that will only ensure that shortages will continue. On top of that, this deliberate attempt to end fossil fuels will continue to accelerate inflation just as the OPEC embargo did during the 1970s.

Despite the impending recession, the labor market is still tight, and unemployment is expected to remain low. The current demand for labor and low unemployment will mitigate the effects of the recession on consumers only marginally at the very best. Part of this agenda from the World Economic Forum is to end office work and thereby commuting and to force workers into virtual work whenever possible.



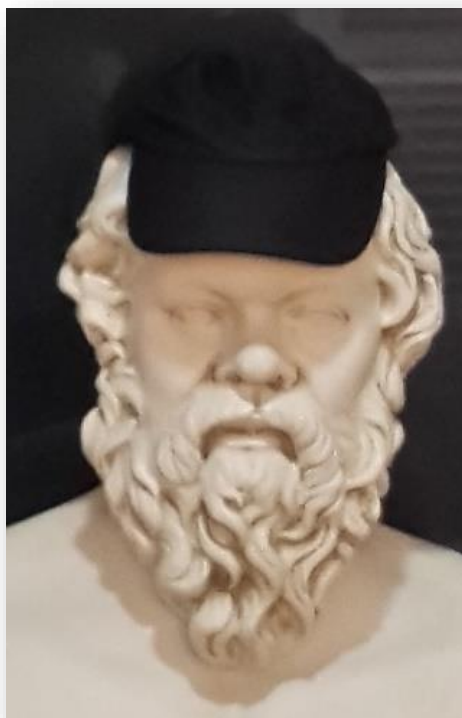
Canada's real estate market continues to exhibit an unusual amount of volatility as a result of the rising interest rates and affordability. Both prices and units sold have fallen significantly with further declines in activity expected into 2023. However, given our strong population growth with migration from Asia and Europe, thanks to war, the higher-end tends to be their main target. We have a Panic Cycle in Candian Real Estate come January.

Canada into the Future



Many see the future as still uncertain. Nobody seems to be even considering the prospects for war on the horizon and that could deviate from the general expectations of the pundits. Clearly, 2023 is showing up as a key turning point both in the currency as well as in real estate. The real estate market has a Panic Cycle in 2026 and everything on a global scale is pointing to World War III post-2024.

Commentary



The following sections have been entirely written by Socrates. It is my hope that the analysis which Socrates is able to do will survive me. I have sought to teach it everything I have learned with respect to how to analyze markets as an international hedge fund manager who had to pay attention to everything taking place globally.

In addition, I programmed Socrates to allow it to do its own analysis on a global level and to learn from the world economy as it evolves over the centuries. Unlike opinions offered by human analysts, Socrates actually relies upon history and leaves no stone unturned. This is something human analysts simply cannot do because we are not machines and we make mistakes.

This has been my life's work. There are those who have done everything possible to try to discredit me or to try to ensure people will not pay attention to what I have created. They have gone to such extremes because they do not want something which actually provides unbiased analysis. They prefer the human analysis which can be bought and paid for if the price is right.

Commentary

Indeed, following the DOT.COM crash, the top brokerage houses paid huge fines for putting out fake research to profit from their own clients. My company became the top FOREX advisor in the world because the analysis was unbiased. When I was going to open an office in Europe, I went to lunch with the head of one of the Swiss banks in Geneva. I asked him what name we should use and I gave him a few examples all with the European flavor. He asked me to name on European analyst. I was embarrassed because I could not. He laughed and said there were none. He then explained that they all used my firm because we did not care if the dollar went up or down.

In Europe, after World War II, the politicians used the rise in their currency against the dollar as proof they did a good job. Thus, no professional analyst working for an institution was ever allowed to forecast a decline. Analysis in Europe to this day remains plagued by politics.

Socrates is not something many want to see in public use. They want to be able to feed misinformation to the public to support their own position be it political power or profits from trading. The one thing you can count on is that the analysis offered by any of the major institutions will never be in the interest of the public when it conflicts with their own positions.

Hence, it is my sincere hope that we will one day embrace unbiased analysis to better manage the world economy and, in the process, create a far better world for our posterity than we received from the last generation.

The Socrates Generated Commentary for THE CASH US\$ INDEX



The historical perspective in the CASH US\$ INDEX included a rally from 2011 moving into a major high for 2017, the market has been in a bearish trend since the high moving into the low in 2018 for a declining trend during that year. The last Yearly Reversal to be elected was a Bearish at the close of 2020.

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 2001 with the low forming during 2008. Since that low, the market has consolidated for 12 years. During this period, we did see a rally into 2009 making a 1-year rally. We did elect 3 Bearish Reversals from that event implying that a retest of support was likely. Nevertheless, we have elected two short-term Yearly Bullish Reversals to date from the turning point of 2008.

The Socrates Generated Commentary for THE CASH US\$ INDEX

The last major low took place during 2008 which was 14 years ago. However, the last near-term low took place just 4 years ago in 2018.

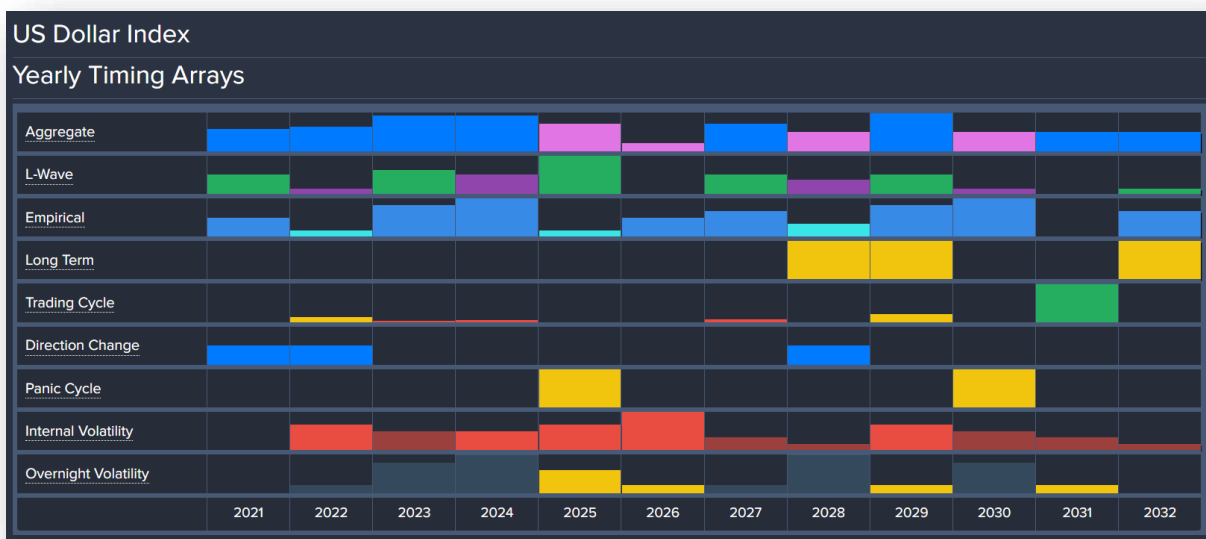
YEARLY ANALYSIS PERSPECTIVE

False forming the low during 2018.

Examining the yearly time level, we can now see that there is a 7.56% risk on the upside, where we show a clear downside risk factor at 6.15%. From a risk perspective, resistance on a closing basis stands at 973201 whereas the risk on the downside begins at 849099.

YEARLY TECHNICAL ANALYSIS

2021/01/01...	1117890	1167200
2022/01/01...	1136360	1202600
2023/01/01...	1154830	1238000
2024/01/01...	1173300	1273400
2025/01/01...	1191770	1308800
2026/01/01...	1210240	1344200
2027/01/01...	1228710	1379600



YEARLY TIMING ANALYSIS

Searching 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. Considering all factors, there is a possibility 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 65790 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

Focusing on an important timing model, the Directional Change Model target is 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.

YEARLY VOLATILITY

Dissecting 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.

YEARLY PANIC CYCLES

Focusing on the potential for sharp movement, 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.

THE BROADER LONGER-TERM VIEW

Noticeably, the long-term outlook in THE CASH US\$ INDEX remains bearish as the major high of 2001 has not been exceeded. To date, we have seen a protracted decline for the last overall 21 years. We have held last year's low of 895150. The main correction low after the 2001 high took place in 2008. The decline from the 2001 high was 7 years. This collapse to new recent lows has been quite pronounced thus far dropping 41% from the high of 2001 established at 1210200 down to immediate low at 707000 of 2008.

There has remained a risk of pushing the decline into in real terms adjusted for inflation. Unquestionably, 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 due 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

The perspective using the indicating ranges on the Yearly level in the THE CASH US\$ INDEX, this market remains moderately bearish position at this time with the overhead resistance beginning at 903300 and support forming below at 854300. The market is trading closer to the resistance level at this time.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 899350
Envelope Top... 1035291
Internal AvgL.. 911460
Internal AvgH.. 998100
Envelope Btm... 724863

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. 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 2002 whereas the actual market high in price unfolded back in 2001. 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

Turning to our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 892100 holds. These Tentative Hypothetical Bullish Reversals would stand at 891500, 896260, 996660, and 1038300, whereas a close above the previous high 1029900 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 COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2017 HIGH:

Wed. 01/01/2020

Sat. 01/01/2022

Wed. 01/01/2025

Tue. 01/01/2030

Fri. 01/01/2038

Sun. 01/01/2051

Fri. 01/01/2072

Sat. 01/01/2106

Fri. 01/01/2161

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 1038200

23%	793185
38%	641608
61%	396592
78%	222175

Fibonacci Percentage Golden Ratio Movements:

3%	2020/01/01
5%	2022/01/01
8%	2025/01/01
13%	2030/01/01
21%	2038/01/01
34%	2051/01/01
55%	2072/01/01
89%	2106/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in THE CASH US\$ INDEX, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. 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 2017 and 2009 and 2005 and 2001 and 1994.

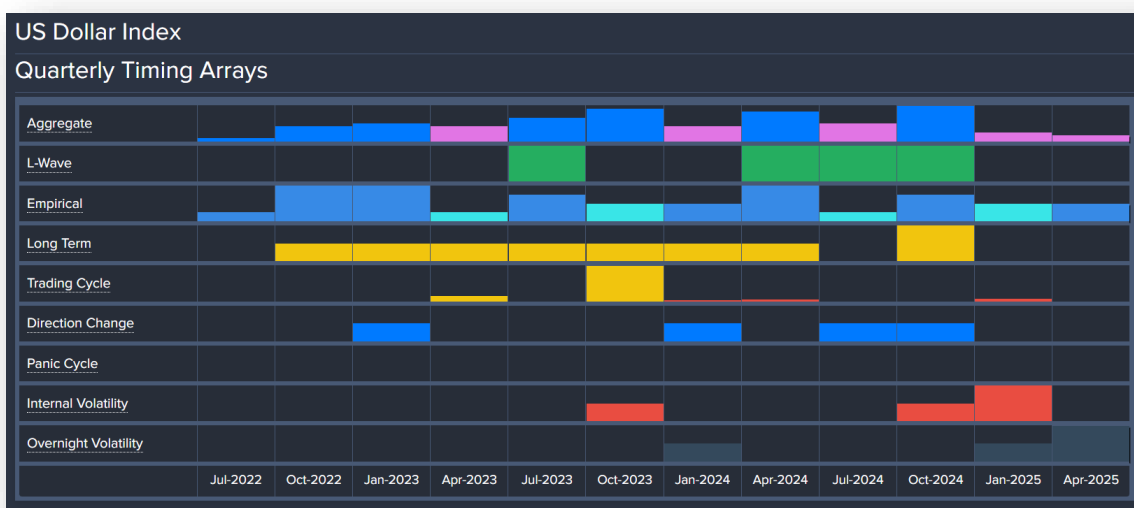
YEARLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high

The Socrates Generated Commentary for THE CASH US\$ INDEX

in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

Temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 878034 will signal that the market is still with broader trend support right now. However, a lower closing could still leave The First Quarter 2021 as a temporary low and the next turning point will be the Second Quarter 2021. Yet, this market is still trading below our Momentum Resistance standing at 914034. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Third Quarter 2023 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2020 to the First Quarter 2021 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the First Quarter 2021 until the Second Quarter 2021 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the sharp decline of 13% from the last high established the First Quarter 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 elected 3 Bearish Reversals from the last high thus far to date. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2020 to the First Quarter 2021 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.

The next Quarterly Minor Bullish Reversal stands at 926401 with the next Quarterly Major Bullish Reversal standing at 1099851. The next Quarterly Minor Bearish Reversal resides at 797399 whereas the next Quarterly Major Bearish Reversal is to be found at 800299.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2018. However, we did elect 3 Bearish Reversals from the high formed on during the First Quarter 2020 which provided the decline into during the Fourth Quarter 2020. Then we did manage to elect 3 Bullish Reversals which gestured the rally after the low of during the Fourth Quarter 2020.

QUARTERLY INDICATING RANGE STUDY

Looking at the indicating ranges on the Quarterly level in the THE CASH US\$ INDEX, this market remains moderately bearish position at this time with the overhead resistance beginning at 910100 and support forming below at 810200. The market is trading closer to the resistance level at this time.

Quarterly Indicating Ranges

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

The Socrates Generated Commentary for THE CASH US\$ INDEX

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bearish. On the intermediate level momentum is neutral with trend showing it a bearish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 899350

Envelope Top... 1111053

Internal AvgL.. 935960

Internal AvgH.. 990479

Envelope Btm... 793131

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 3rdQ/2020 while the last low formed on 4thQ/2020. However, this market has rallied in price with the last cyclical high formed on 1stQ/2020 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Second Quarter 2002 whereas the actual market high in price unfolded back during the Third Quarter 2001. 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.

On our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 895150. These Tentative Hypothetical Bullish Reversals would stand at 862300, 951600, 996660, and 1009400, whereas a close above the previous high 943000 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 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

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

Thu. 10/01/2020
Thu. 04/01/2021
Sat. 01/01/2022
Sat. 04/01/2023
Tue. 04/01/2025
Sat. 07/01/2028
Sat. 10/01/2033
Tue. 04/01/2042
Sat. 01/01/2056

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 1029900

23% | 786844
38% | 636478
61% | 393422
78% | 220399

Fibonacci Percentage Golden Ratio Movements:

3% | 2020/10/01
5% | 2021/04/01
8% | 2022/01/01
13% | 2023/04/01
21% | 2025/04/01
34% | 2028/07/01
55% | 2033/10/01
89% | 2042/04/01

QUARTERLY TECHNICAL ANALYSIS

The perspective from our Energy Models, the market is making new intraday lows in price while our Energy Models are still making higher highs. This implies that any correction may hold important underlying support rather than a change in the broader trend on this level.

QUARTERLY TECHNICAL ANALYSIS

2021/01/01...	974663	1144650	1147927	1157002	1908650
2021/04/01...	976354	1154500	1156954	1162435	1938950
2021/07/01...	978045	1164350	1165981	1167867	1969250
2021/10/01...	979736	1174200	1175009	1173300	1999550
2022/01/01...	981427	1184050	1184036	1178732	2029850
2022/04/01...	983118	1193900	1193063	1184164	2060150
2022/07/01...	984809	1203750	1202090	1189597	2090450

QUARTERLY ANALYSIS PERSPECTIVE

Temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 878034 will signal that the market is still with broader trend support right now. However, a lower

closing could still leave The First Quarter 2021 as a temporary low and the next turning point will be the Second Quarter 2021. Yet, this market is still trading below our Momentum Resistance standing at 914034. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Third Quarter 2023 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2020 to the First Quarter 2021 warning of a potential choppy swing period for these few Quarters. It does appear we have a choppy period starting the First Quarter 2021 until the Second Quarter 2021 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the sharp decline of 13% from the last high established the First Quarter 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 elected 3 Bearish Reversals from the last high thus far to date. There are 4 Quarterly Directional Change targets starting from the Fourth Quarter 2020 to the First Quarter 2021 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.

QUARTERLY HEDGING MODELS

HEDGING MODEL

On our Quarterly Hedging Model Reversal System, 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 800299. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 07/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

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 March 2020 on the Monthly level at 1029900 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 895150 made during December 2020 on the Monthly level. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

My primary targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for January 2021 and March 2021, July 2021. There is a likelihood of a rally moving into January 2021 with the opposite trend thereafter into March 2021. Looking ahead at January 2021, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

The most critical model, the Directional Change Model targets are during 2021, 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

Probing into the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

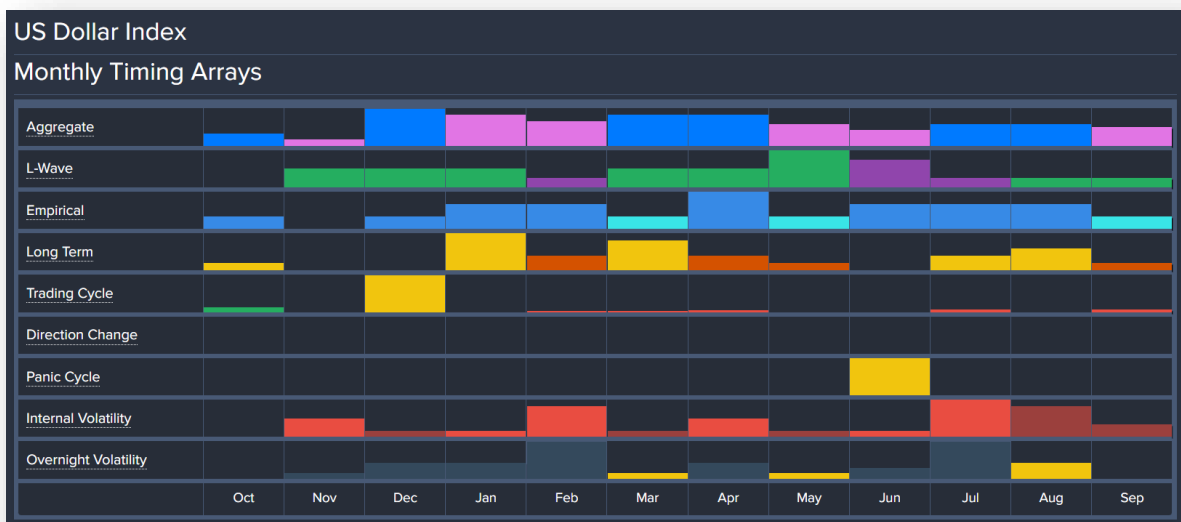
However, our Panic Cycle targets for the period ahead to watch are during 2025 and during 2030. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles can be either up or down. Watch the Stochastics and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

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 947401. 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 976201.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 892299. 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 884399.



MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 940000 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

Using our Monthly Hedging Model based on the Reversal System exclusively, we are currently short since July 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 947401. 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.

On the Monthly Level, our first target for a turning point is January 2021, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session with the opposite trend implied thereafter into February 2021 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is June 2021 for a turning point ahead, at least on a closing basis. We have overall 2 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of January 2021 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 December 2020 until April 2021, but we do have a key target arriving also on January 2021 with each target producing the opposite direction for that 5-month period.

Keep in mind that given the sharp decline of 13% from the last high established March 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 elected 3 Bearish Reversals from the last high thus far to date. We have overall 2 Monthly Directional Change targets ahead and 1 that also aligns with a main

The Socrates Generated Commentary for THE CASH US\$ INDEX

turning point on the top line of the Array. Therefore, the target of January 2021 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

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

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

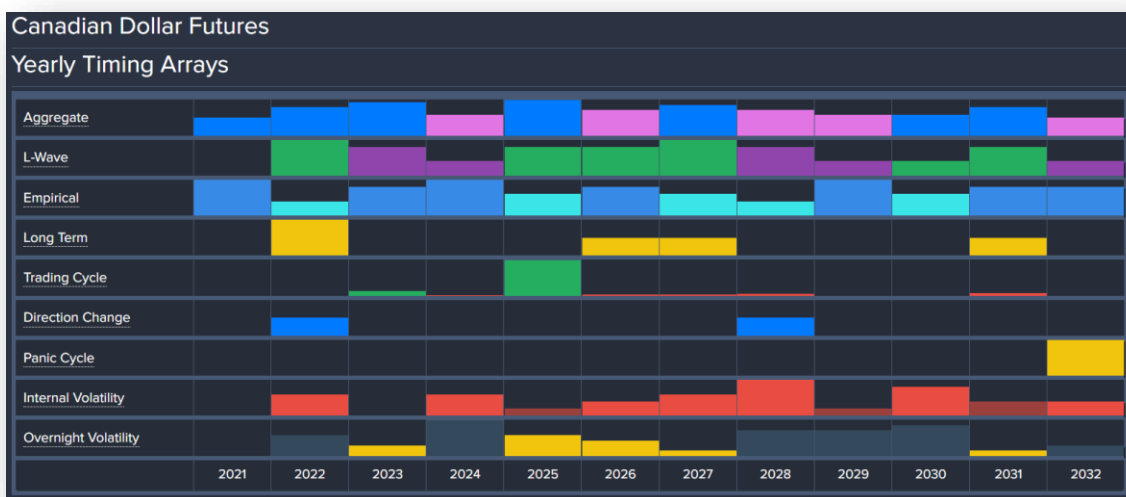
The Socrates Generated Commentary for Canadian Dollar Futures



The historical perspective in the Canadian Dollar Futures included a rally from 2020 moving into a major high for 2021, the market has pulled back for the current year. The last Yearly Reversal to be elected was a Bullish at the close of 2020 which signaled the rally would continue into 2021. However, the market has been unable to exceed that level intraday since then. This overall rally has been 1 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 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 14 years. Nevertheless, 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 6 years ago. However, the last near-term low took place just 2 years ago in 2020.



YEARLY ANALYSIS PERSPECTIVE

On the yearly level in Canadian Dollar Futures, the last important high was established during 2021 at 83280, which was up from during 2020. This market came to test the Yearly Bearish Reversal at 76810 bottoming at 77130 but failed to close below it.

Right now, the market is trading below last year's low of 77130. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high.

Examining the yearly time level, we can now see that there is a 9.93% risk on the upside, where we show a clear downside risk factor at -.04%. From a risk perspective, resistance on a closing basis stands at 80700 whereas the risk on the downside begins at 76810.

YEARLY TECHNICAL ANALYSIS

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
2028/01/01...	55238	42250	73567	91682	88118

YEARLY TIMING ANALYSIS

Diving into the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2025, 2028 and 2032. There is a likelihood of a decline moving into 2023 with the opposite trend thereafter into 2025. This pattern becomes a possibility if the market closed back below last year's high of 8541 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

The most critical model, the Directional Change Model targets are during 2030, during 2031 and during 2032. 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

Probing into 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

INDICATING RANGE STUDY

The perspective using the indicating ranges on the Yearly level in the Canadian Dollar Futures, this market remains moderately bullish currently with underlying support beginning at 76820 and overhead resistance forming above at 80250. 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 neutral
Intermediate Momentum bearish
Intermedia Trend neutral
Long-Term Trend bullish
Cyclical Strength bullish

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 79050

Envelope Top... 103723

Internal AvgL.. 72897

Internal AvgH.. 81464

Envelope Btm... 66917

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 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 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. Immediately, our model continues to decline turning negative but the market bottomed 86 years ago and is holding. This is warning that this low may hold at least temporarily for now.

REVERSAL COMMENTARY

Engaging our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 71560 holds. These Tentative Hypothetical Bullish Reversals would stand at 75250, 78865, 81690, and 100700, whereas a close above the previous high 83280 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 FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

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 83280

23% | 63626

38% | 51467

61% | 31813

78% | 17822

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01

5% | 2026/01/01

8% | 2029/01/01

13% | 2034/01/01

21% | 2042/01/01

34% | 2055/01/01

55% | 2076/01/01

89% | 2110/01/01

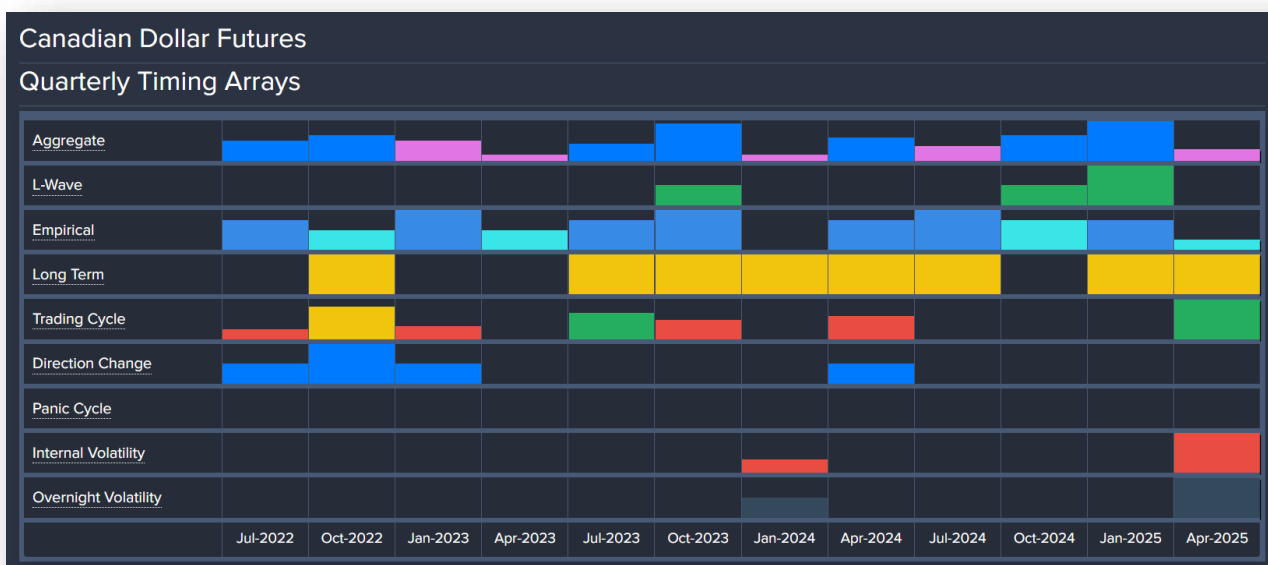
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Canadian Dollar Futures, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. 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.

YEARLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 70650 will signal that the market is still with broader trend support right now. However, a lower closing could still leave The Fourth Quarter 2022 as a temporary low and the next turning point will be the Second Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 77610. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the First Quarter 2025 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. 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. Thereafter, we see the next target coming into play as the Fourth Quarter 2023 until the Third Quarter 2024, but while we have a target arriving also on the Second Quarter 2024, the key target remains the Fourth Quarter 2023 with again each target producing the opposite direction for that 4-quarter period.

Keep in mind that given the sharp decline of 13% from the last high established the Second Quarter 2021, 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. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 76570 with the next Quarterly Major Bullish Reversal standing at 90770. The next Quarterly Minor Bearish Reversal resides at 66860 whereas the next Quarterly Major Bearish Reversal is to be found at 68100. Caution is now required for this market is starting to suggest it will decline further on a quarterly level.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2020. However, we did elect 3 Bearish Reversals from the high formed on during the Second Quarter 2021 which provided the decline into during the Third Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Third Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Quarterly level in the Canadian Dollar Futures, this market remains in a bearish position at this time with the overhead resistance beginning at 73745.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bearish. On the intermediate level momentum is neutral with trend showing it a bearish posture. The long-term trend is bearish while the key Cyclical Strength is registering bearish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently neutral.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 72395

Envelope Top... 93863

Internal AvgL.. 76117

Internal AvgH.. 80914

Envelope Btm... 59871

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 2ndQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY 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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Second Quarter 2010 whereas the actual market high in price unfolded back during the Fourth Quarter 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.

The Socrates Generated Commentary for Canadian Dollar Futures

Looking at our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 72270. These Tentative Hypothetical Bullish Reversals would stand at 76915, 80260, 80436, and 81290, whereas a close above the previous high 78550 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 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 04/01/2021 HIGH:

Sat. 01/01/2022

Fri. 07/01/2022

Sat. 04/01/2023

Mon. 07/01/2024

Wed. 07/01/2026

Mon. 10/01/2029

Mon. 01/01/2035

Wed. 07/01/2043

Sun. 04/01/2057

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 83280

23% | 63626

38% | 51467

61% | 31813

78% | 17822

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/01/01
5% | 2022/07/01
8% | 2023/04/01
13% | 2024/07/01
21% | 2026/07/01
34% | 2029/10/01
55% | 2035/01/01
89% | 2043/07/01

QUARTERLY TECHNICAL ANALYSIS

After the historical high was established during 2007, a major low was created during the First Quarter 2016 at 68090 which was 27 quarters from that major high. The Uptrend line resides at 72424 providing the technical underlying support. The top of the Uptrend Channel stands at 83435 which provides the general overall trading channel and only exceeding that on a closing basis will signal a real breakout to the upside while a break of the bottom defined by the Uptrend Line will signal a move to the downside thereafter.

Meanwhile, the Downtrend Line from that major high of 2007 to the subsequent reaction high of 83280 formed 55 quarters thereafter resides at 68462. This had provided the original technical resistance which has been exceeded and can potentially become support going forward. The post high low was established at 68090. We have not elected any Bullish Reversals from that important post high low on the quarterly level.

The more recent Downtrend Line constructed from the last high of 83280 to the subsequent reaction high of 81370 stands at 77550 while drawing a channel provides us with support at 57695. A break of this support with a closing below it will suggest a correction is unfolding. However, an intraday penetration of this support with a close back above would suggest that market could pause briefly. Looking at our Energy Models, the market is making new intraday lows in price while our Energy Models are still positive but declining right now.

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	76395	93147
2023/01/01...	75748	92864
2023/04/01...	75100	92580
2023/07/01...	74453	92297
2023/10/01...	73805	92014
2024/01/01...	73158	91731
2024/04/01...	72510	91447

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 70650 will signal that the market is still with broader trend support right now. However, a lower closing could still leave The Fourth Quarter 2022 as a temporary low and the next turning point will be the Second Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 77610. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the First Quarter 2025 for a turning point ahead, at least on a closing basis. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. 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. Thereafter, we see the next target coming into play as the Fourth Quarter 2023 until the Third Quarter 2024, but while we have a target arriving also on the Second Quarter 2024, the key target remains the Fourth Quarter 2023 with again each target producing the opposite direction for that 4-quarter period.

Keep in mind that given the sharp decline of 13% from the last high established the Second Quarter 2021, 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. There are 4 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Using our Quarterly Hedging Model based on the Reversal System exclusively, we are currently short since during the Second Quarter 2022 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 76690. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 07/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

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 August on the Monthly level at 78550 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 75605 made during July on the Monthly level, has now been broken in the recent decline here during October but the market is trading back above that low presently. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

My key targets in time on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for February 2023, May 2023 and July 2023. Regarding the various factors, I see a strong potential of a decline moving into February 2023 with the opposite trend thereafter into May 2023. Looking ahead at February 2023, 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

Investigating the volatility models suggest we should see a rise in price movement during January 2024. 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 2032. 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

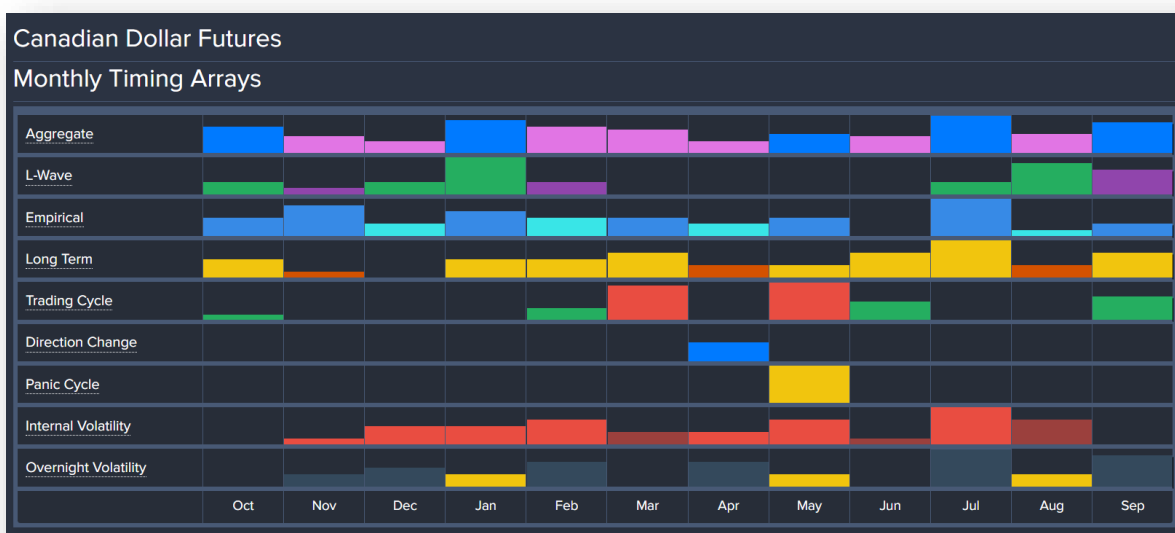
The key Monthly Bullish Reversal stands overhead at 80606. If this market rallies on a monthly closing basis above this level, then a breakout becomes possible. If we exceed that Reversal, then the next key resistance level to watch will be the next Monthly Bullish Reversal at 80440.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 70540. If this is breached on a monthly closing basis, then a further decline becomes entirely

The Socrates Generated Commentary for Canadian Dollar Futures

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 69970.



MONTHLY ANALYSIS PERSPECTIVE

At the moment, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 8480 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

On our Monthly Hedging Model Reversal System, 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 80400. 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 Socrates Generated Commentary for Canadian Dollar Futures

On the Monthly Level, considering all timing factors, there was a possibility of a outside reversal moving into October 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 September 2023 for a turning point ahead, at least on a closing basis. We have a Monthly Directional Change target due in April 2023. 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 elected 3 Bearish Reversals from the last high thus far to date. We have a Monthly Directional Change target due in April 2023. 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.

Monthly Level

Indicator	Description...	Trend
------------------	-----------------------	--------------

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

MONTHLY CURRENCY CORRELATION

The NY Crude Oil Futures did make a high in conjunction with the British pound on 08/01 yet in nominal terms the last high was created on 03/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 08/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 09/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 03/01 before the high in terms of a basket of currencies which came on 05/01 suggesting that that this immediate rally is purely in currency terms.

MARKET RISK FACTOR

Canadian Dollar Futures Risk Table

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

MONTHLY..... 80400 | 9.529% | 70800 | 3.548% |

QUARTERLY..... 76690 | 4.475% | 68100 | 7.227% |

YEARLY..... 80700 | 9.938% | 76810 | -4.63% |

The Socrates Generated Commentary for Mexico Peso Spot



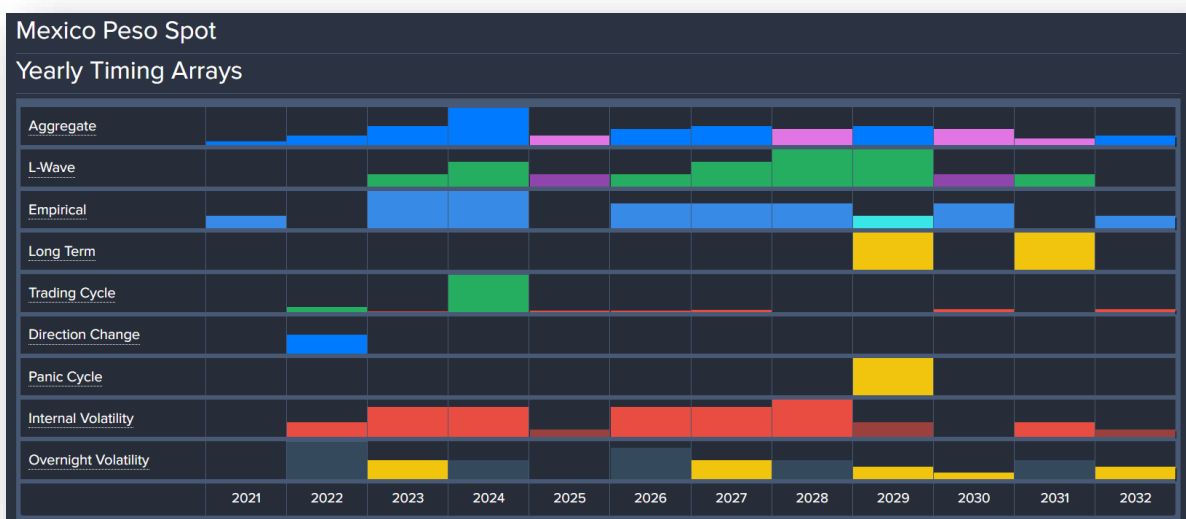
The historical perspective in the Mexico Peso Spot included a rally from 2011 moving into a major high for 2020, the market has been consolidating since the major high with the last significant reaction low established back in 2011. The market has penetrated last year's low. The last Yearly Reversal to be elected was a Bullish at the close of 2016 which signaled the rally would continue into 2020. However, the market has been unable to exceed that level intraday since then. This overall rally has been 10 years in the making suggesting it could still press higher for perhaps another 3 years.

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 2001 with the high forming during 2020 amounting to a 19-year bull market. Following that high, the market has

The Socrates Generated Commentary for Mexico Peso Spot

consolidated for the past year. Even so, we have not elected any Yearly Bearish Reversal to date from the turning point of 2020.

The last major low took place during 2001 which was 21 years ago. There is a very good probability that the a major high is in place as of last year at 221542 and thus far the market has also penetrated last year's low. If we this year closes below 195370 then we should be entering a bear market.



YEARLY ANALYSIS PERSPECTIVE

On the yearly level in Mexico Peso Spot, the last important high was established during 2020 at 257849, which was up 9 years from the low made back during 2011 at 114850. However, the highest closing was during 2021 at 204989 whereas the intraday high formed in 2020.

Currently, the market is trading neutral within last year's trading range of 221542 to 195370. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high.

Examining the yearly time level, we can now see that there is a 8.38% 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 214540 whereas the risk on the downside begins at 174502.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	166020	170000	213018	250644	260869
2023/01/01...	170838	174226	217434	256696	268966
2024/01/01...	175657	178452	221850	262748	277063
2025/01/01...	180475	182678	226266	268800	285160
2026/01/01...	185294	186904	230682	274852	293256
2027/01/01...	190112	191130	235098	280904	301353
2028/01/01...	194931	195356	239514	286956	309450

YEARLY TIMING ANALYSIS

Glancing at 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, 2029 and 2032. Considering all factors, there is a possibility 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 33520 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

Focusing on an important timing model, the Directional Change Model target is 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.

YEARLY VOLATILITY

Searching the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

THE BROADER LONGER-TERM VIEW

Palpably, the larger study view recognizes that the current bearish progression in Mexico Peso Spot reflects only a temporary reaction within a broader bull market trend since we have not elected any Yearly sell signals on our model. Furthermore, the Mexico Peso Spot remains somewhat neutral at this present moment trading within last year's range of 221542 and 195370. We are trading below last year's high of 221542 at this time.

INDICATING RANGE STUDY

Looking at the indicating ranges on the Yearly level in the Mexico Peso Spot, this market remains moderately bullish currently with underlying support beginning at 179401 and overhead resistance forming above at 209605. The market is trading closer to the resistance level at this time.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 204989
Envelope Top... 204837
Internal AvgL.. 184398
Internal AvgH.. 214363
Envelope Btm... 128231

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 1999 whereas the actual market high in price unfolded back in 2020. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model continues to rally suggesting that a strong rally is likely.

REVERSAL COMMENTARY

On our Yearly Hypothetical Models, clearly, we see that we have Yearly Bullish Reversals which are tentative at this moment provided the current low of 194065 holds. These Tentative Hypothetical Bullish Reversals would stand at 92000, 133600, 209606, and 257849, whereas a close above the previous high 221542 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 FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

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

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 HIGH at 257849

23%	196997
38%	159351
61%	98498
78%	55180

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

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Mexico Peso Spot, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2011 and 2001. The Last turning point on the ECM cycle high to line up with this market was 2020 and 2009.



QUARTERLY ANALYSIS PERSPECTIVE

Nonetheless, the market has remained weak trading more towards the support level. A closing below 198082 will signal the market remains weak going into the next target. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. There are 3 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2023, but we do have a key target arriving also on the Second Quarter 2023 with each target producing the opposite direction for that 6-quarter period.

Keep in mind that given the sharp decline of 10% from the last high established the Fourth Quarter 2021, 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. There are 3 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The Socrates Generated Commentary for Mexico Peso Spot

The next Quarterly Minor Bullish Reversal stands at 234057 with the next Quarterly Major Bullish Reversal standing at 248797. The next Quarterly Minor Bearish Reversal resides at 195360 whereas the next Quarterly Major Bearish Reversal is to be found at 187470.

This market on the quarterly level has been making a reaction low retesting the previous low of 194065 established back during the Second Quarter 2022. The Channel Technical Support rests at 193543 for the next session. A closing below that will signal a break to the downside once again. Our projected resistance stands above the market at 227007 and a closing above that is necessary to signal any strong further upside advance.

QUARTERLY INDICATING RANGE STUDY

The perspective using the indicating ranges on the Quarterly level in the Mexico Peso Spot, this market remains moderately bullish currently with underlying support beginning at 201060 and overhead resistance forming above at 207481. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being neutral and the short-term trend coming in as neutral. On the intermediate level momentum is bearish with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 201375

Envelope Top... 236187

Internal AvgL.. 197615

Internal AvgH.. 212052

Envelope Btm... 177601

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are rising at this time with the previous low made 1stQ/2022 while the last high formed on 3rdQ/2022. However, this market has declined in price with the last cyclical low formed on 2ndQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY 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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the First Quarter 2017 whereas the actual market high in price unfolded back during the Second Quarter 2016. 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.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 04/01/2022 LOW:

Sun. 01/01/2023
Sat. 07/01/2023
Mon. 04/01/2024
Tue. 07/01/2025
Thu. 07/01/2027
Tue. 10/01/2030
Tue. 01/01/2036
Fri. 07/01/2044
Mon. 04/01/2058

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous LOW at 194065

23% | 239864
38% | 268198
61% | 313997
78% | 346600

Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2023/07/01
8% | 2024/04/01
13% | 2025/07/01
21% | 2027/07/01
34% | 2030/10/01
55% | 2036/01/01
89% | 2044/07/01
144% | 2058/04/01

QUARTERLY ANALYSIS PERSPECTIVE

Nonetheless, the market has remained weak trading more towards the support level. A closing below 198082 will signal the market remains weak going into the next target. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. There are 3 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. It does appear we have a choppy period starting the Third Quarter 2022 until the Fourth Quarter 2023, but we do have a key target arriving also on the Second Quarter 2023 with each target producing the opposite direction for that 6-quarter period.

Keep in mind that given the sharp decline of 10% from the last high established the Fourth Quarter 2021, 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. There are 3 Quarterly Directional Change targets starting from the Third Quarter 2022 to the First Quarter 2023 suggesting a choppy coiling period for 3 Quarters. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Using our Quarterly Hedging Model based on the Reversal System exclusively, we are currently long since during the Second Quarter 2022 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 195360. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The London IPE Gas Oil Futures did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 01/01 whereas

the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

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. Glancing at the direction of this trend, we had been moving down for 2 months. Subsequently, the market has consolidated for the past Monthly session. The previous high made during July on the Monthly level at 210536 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 194065 made during May on the Monthly level has held and only a break of 197460 on a closing basis would warn of a technical near-term change in trend. However, we still remain above key support 197192 on a closing basis.

MONTHLY TURNING POINTS

My primary targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December, February 2023 and April 2023, July 2023. There is a likelihood of a decline moving into December with the opposite trend thereafter into February 2023. 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 target is 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

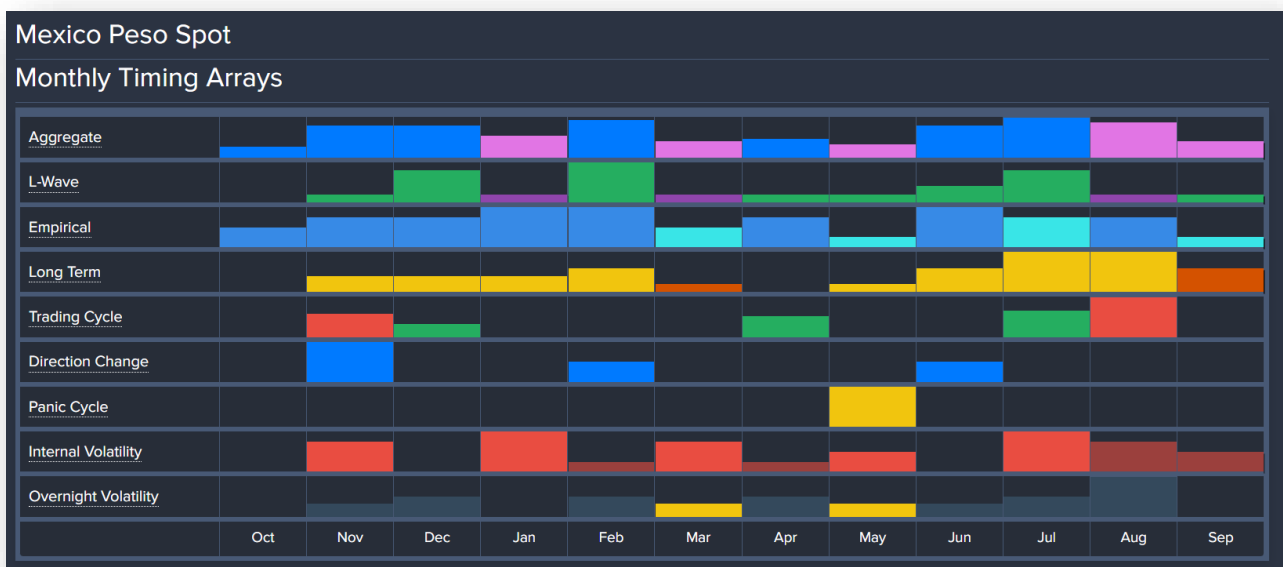
Investigating the volatility models suggest we should see a rise in price movement during January 2027. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 206770. 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 206500.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 197180. 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 195910.



MONTHLY ANALYSIS PERSPECTIVE

Currently, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 16226 warning that this decline has still not

punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

HEDGING MODEL

Employing our Monthly Hedging Model using our Reversal System only, we are currently short since December 2021 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 206500. 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 crash mode suggesting we may see a decline from here.

On the Monthly Level, our first target was October after a decline for the previous 2 sessions. Exceeding this immediate high would point to a further rally into the next target of December. 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 July 2023 for a turning point ahead, at least on a closing basis. We have overall 3 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of February 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 December until May 2023, but we do have a key target arriving also on February 2023 with each target producing the opposite direction for that 6-month period. We have overall 3 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of February 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.

The Socrates Generated Commentary for Mexico Peso Spot

Monthly Level

Indicator Description... Trend

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

MONTHLY CURRENCY CORRELATION

The London IPE Gas Oil Futures did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 03/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 03/01 before the high in terms of a basket of currencies which came on 05/01 suggesting that that this immediate rally is purely in currency terms.

MARKET RISK FACTOR

Mexico Peso Spot Risk Table

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

MONTHLY.....	204970		3.551%		197180		0.384%	
QUARTERLY.....	206580		4.364%		195360		1.303%	
YEARLY.....	214540		8.385%		174502		11.84%	

The Socrates Generated Commentary for Dow Jones Industrials



This market made a bull run from the low of 285 made in 1790 for 231 years into a high established in 2021 at 3667944. At this point in time, we have made a high last year at 3667944. However, the major high since that low took place in 2021 at 2985630. high since the market is trading below the previous Year's closing after making a new 13 year important cyclical high. Exceeding this high would imply a further rally for another four years with an outside potential of another two years. A closing below our Momentum Projection standing at 3992198 is suggesting that the upward momentum is encountering resistance and a pullback is possible into the next turning point due in 2023 especially if we close below 2870166 leaving 2021 as perhaps the highest closing and this year as a key intraday cyclical high. Yet, this market is in the throes of serious correction and if it closes below 3257089, then this will be confirmed. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2032 for a turning point ahead, at least on a closing basis. It does appear we have a choppy period starting 2023 until

2025, but we do have a key target arriving also 2024 with each target producing the opposite direction for that 3-year period.

The Dow Jones Industrials has continued to make new historical highs over the course of the rally from 2009 moving into 2022, which has been a run of 13 years warning that timing wise a pause remains possible. Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play. This is especially true since we are facing an outside reversal to the downside by penetrating the previous year's low as well.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1792, there have been 10 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2009 with the high forming during 2021. This decline has thus been 12 year. We have exceeded the last year's high of 3667944 but are trading more so on the weaker side. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

The last major low took place during 2009 which was 13 years ago. There is a very good probability that this year will form a major high. Indeed, so far this year has rallied above last year's high of 3667944 reaching 3695265.

YEARLY ANALYSIS PERSPECTIVE

Factually, in Dow Jones Industrials, the last important low formed back in 2009, there was a rally into the important high established during 2021 which has exceeded the pure reactionary phase with a bull market run do far for twelve years.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 3695265 intraday. The market has fallen back from the high rather sharply by 15%. From a trading perspective, this market has made an outside reversal to the downside warning this a negative technical pattern.

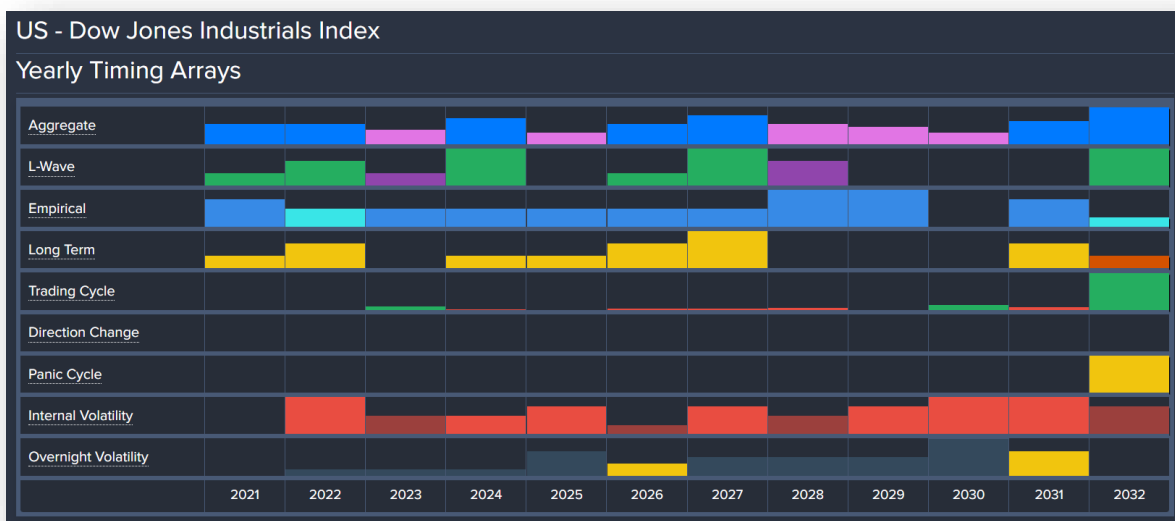
Currently, the market is trading neutral within last year's trading range of 3667944 to 2985630. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 2870166.

The Socrates Generated Commentary for Dow Jones Industrials

Examining the yearly time level, we can now see that there is a 36% risk on the upside, where we show a clear downside risk factor at 30%. From a risk perspective, resistance on a closing basis stands at 4277009 whereas the risk on the downside begins at 2171240.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	1466031	1944342	2754377	3244395	3763493
2023/01/01...	1489224	1979311	2898773	3370628	4003224
2024/01/01...	1512417	2014280	3043170	3496860	4242955
2025/01/01...	1535610	2049249	3187566	3623092	4482685
2026/01/01...	1558803	2084218	3331962	3749325	4722416
2027/01/01...	1581996	2119187	3476359	3875557	4962147
2028/01/01...	1605189	2154156	3620755	4001789	5201877



YEARLY TIMING ANALYSIS

Probing into 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, 2029 and 2032. 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 2985630 is penetrated even intraday or the market closes below last year's close of 3633830. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY VOLATILITY

Exploring the volatility models suggest we should see a rise in price movement during January 2030. 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 2032. 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

Perceptibly, the long-term study view recognizes that the current directional movement since the low made back in March 2020 has been an extended Bullish trend in Dow Jones Industrials. This trend remains in motion as long as we hold above 2669128 on a monthly closing basis. It is incredibly important to identify the broader trend for that is the underlying tone. It is wise to take position counter-trend only with this understanding of what you are doing. We need to see a monthly closing back above 3484932 to confirm the uptrend will recommence.

YEARLY OUTSIDE COMMENT

The Dow Jones Industrials opened within last year's trading range which was 3667944 to 2985630. Right now, the market is still trading inside last year's trading range with the last print at 3138455. The last time such a similar pattern took place was 1960. Nonetheless, the market is trading below the opening print for the year which was at 3632159. As long as this market remains trading below 3330297 on a closing basis, then a similar year-end closing in this posture will warn that we could have a knee-jerk low in place this year.

INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the Dow Jones Industrials, this market remains in a bullish position at this time with the underlying support beginning at 2695181.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 3633830
Envelope Top... 1572539
Internal AvgL.. 2241977
Internal AvgH.. 2659097
Envelope Btm... 2462039

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, 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 Bearish Reversals that would be generated if we see another new high penetrating 3695265. These Tentative Hypothetical Bearish Reversals would rest at 635283,

961432, 1821365, and 2171253, whereas a close below the previous low 2985630 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 FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

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 3667944

23% | 2802309
38% | 2266790
61% | 1401155
78% | 784940

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01
5% | 2026/01/01
8% | 2029/01/01
13% | 2034/01/01
21% | 2042/01/01
34% | 2055/01/01
55% | 2076/01/01
89% | 2110/01/01

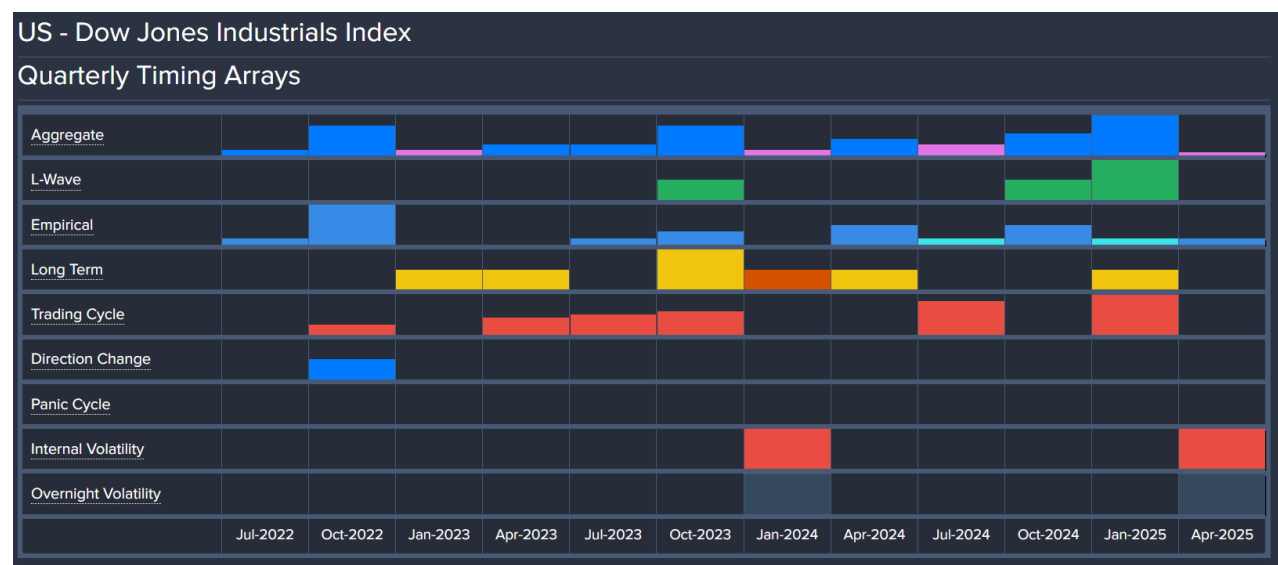
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Dow Jones Industrials, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009 and 2002. The Last turning point on the ECM cycle high to line up with this market was 2007 and 2000.

YEARLY CURRENCY CORRELATION

The Dow Jones Industrials did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 2833338 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Second Quarter 2022 as a temporary low and the next turning point will be the Fourth Quarter 2022. Yet, this market is still trading below our Momentum Resistance standing at 3544590. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the First Quarter 2025 for a turning point ahead, at least on a closing basis. We have a Quarterly Directional Change target due in the Fourth Quarter 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. It does appear we have a choppy period starting the Fourth Quarter 2022 until the First Quarter 2023 with each target producing the opposite direction for that 2-quarter period. Thereafter, we see the next target coming into play as the Fourth Quarter 2023 until the Third Quarter 2024, but while we have a target arriving also on the Second Quarter 2024, the key target remains the Fourth Quarter 2023 with again each target producing the opposite direction for that 4-quarter period.

Keep in mind that given the sharp decline of 19% from the last high established the First Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 2985620. We have a Quarterly Directional Change

target due in the Fourth Quarter 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. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction. We closed the previous quarter at 3077543. The next Quarterly Minor Bullish Reversal stands at 4036444 with the next Quarterly Major Bullish Reversal standing at 4862804. The next Quarterly Minor Bearish Reversal resides at 1967780 whereas the next Quarterly Major Bearish Reversal is to be found at 2985620. Immediately, the market is somewhat bullish on our indicating range models.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2020. However, we have not elected any Bearish Reversals from high made during the First Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Second Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Quarterly level in the Dow Jones Industrials, this market remains moderately bullish currently with underlying support beginning at 2985630 and overhead resistance forming above at 3325900. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as neutral. On the intermediate level momentum is bullish with trend showing it a bullish posture. The long-term trend is bullish while the key

The Socrates Generated Commentary for Dow Jones Industrials

Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 3077543

Envelope Top... 3696964

Internal AvgL.. 3246197

Internal AvgH.. 3476461

Envelope Btm... 2314360

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 2ndQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY 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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Third Quarter 2021 whereas the actual market high in price unfolded back during the First Quarter 2022. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter.

Utilizing our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 2965329. These Tentative Hypothetical Bullish Reversals would stand at 1779012, 2690738, 3509157, and 3667944, whereas a close above the previous high 3549222 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 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2022 HIGH:

Sat. 10/01/2022
Sat. 04/01/2023
Mon. 01/01/2024
Tue. 04/01/2025
Thu. 04/01/2027
Mon. 07/01/2030
Mon. 10/01/2035
Fri. 04/01/2044
Tue. 01/01/2058

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 3695265

23%	2823182
38%	2283674
61%	1411591
78%	790787

Fibonacci Percentage Golden Ratio Movements:

3%	2022/10/01
5%	2023/04/01
8%	2024/01/01
13%	2025/04/01
21%	2027/04/01
34%	2030/07/01
55%	2035/10/01
89%	2044/04/01

QUARTERLY TECHNICAL ANALYSIS

The major high that took place was established during the First Quarter 2022 at 3695265. Following the major high, this market has made a new reaction low at 2965329 which did not penetrate the previous reaction low of 1821365 made back on 01/01/2020. Consequently, until this market begins to make lower lows, then, technically speaking, the trend has not been reversed on this time level.

Nonetheless, this new reaction low has held above the Uptrend Line connecting the two previous lows made before the high at 1537033 and 1821365 which rested at 1979327. Currently, this pre-high Uptrend Line rests at 1979327 which we are trading above as of the close today.

Focusing on our Energy Models, the market is making new intraday lows in price while our Energy Models are still positive but declining right now.

QUARTERLY TECHNICAL ANALYSIS

2022/07/01...	2578496	3066917	3325839	3772551	3857665
2022/10/01...	2614265	3093830	3362737	3811194	3912858
2023/01/01...	2650033	3120743	3399636	3849837	3968051
2023/04/01...	2685802	3147656	3436534	3888480	4023245
2023/07/01...	2721570	3174569	3473432	3927123	4078438
2023/10/01...	2757339	3201482	3510330	3965766	4133631
2024/01/01...	2793107	3228395	3547229	4004409	4188825

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 2833338 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Second Quarter 2022 as a temporary low and the next turning point will be the Fourth Quarter 2022. Yet, this market is still trading below our Momentum Resistance standing at 3544590. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the First Quarter 2025 for a turning point ahead, at least on a closing basis. We have a Quarterly Directional Change target due in the Fourth Quarter 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. It does appear we have a choppy period starting the Fourth Quarter 2022 until the First Quarter 2023 with each target producing the opposite direction for that 2-quarter period. Thereafter, we see the next target coming into play as the Fourth Quarter 2023 until the Third Quarter 2024, but while we have a target arriving also on the Second Quarter 2024, the key target remains the Fourth Quarter 2023 with again each target producing the opposite direction for that 4-quarter period.

Keep in mind that given the sharp decline of 19% from the last high established the First Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 2985620. We have a Quarterly Directional Change target due in the Fourth Quarter 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. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Third 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 2985620. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Dow Jones Industrials did make a high in conjunction with the British pound on 10/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 10/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 10/01, a high in the Swiss franc was established on 10/01, a high in the Euro was established on 10/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 10/01 implying that this immediate rally is purely in domestic terms.

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 April on the Monthly level at 3549222 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 3227264

made during February on the Monthly level, has now been broken in the recent decline here during June but the market is trading back above that low presently. However, we still remain below key support and key resistance now stands at 3315033 above the market.

MONTHLY TURNING POINTS

Looking at timing, I see the key targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for July, September, November and January 2023, April 2023. Considering all factors, there is a possibility of a decline moving into July with the opposite trend thereafter into September. Looking ahead at July, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY VOLATILITY

Exploring the volatility models suggest we should see a rise in price movement during January 2030. 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 2032. 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 3656580. 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 3547550.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 3001480. 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 2468100.

HEDGING MODEL

From the Monthly Hedging Model employing only the Reversal System, we are currently short since April 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 3547550. If you want to reduce the exit strategy then use the next Weekly 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.

On the Monthly Level, our first target for a turning point is July with the opposite trend implied thereafter into August (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is September for a turning point ahead, at least on a closing basis. We have a Monthly Directional Change target due in April 2023. 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. It does appear we have a choppy period starting June until January 2023, but we do have a key target arriving also on September with each target producing the opposite direction for that 8-month period. However, given that September is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as March 2023 until April 2023 with again each target producing the opposite direction for that 2-month period.

Keep in mind that given the sharp decline of 16% from the last high established April, 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. We have a Monthly Directional Change target due in April 2023. 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.

The Socrates Generated Commentary for Dow Jones Industrials

Monthly Level

Indicator	Description...	Trend
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Immediate Trend	- Neutral -
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

MONTHLY CURRENCY CORRELATION

The Dow Jones Industrials did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 04/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 04/01, and a high in the Chinese yuan was 04/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has declined. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 04/01 implying that this immediate rally is purely in domestic terms.

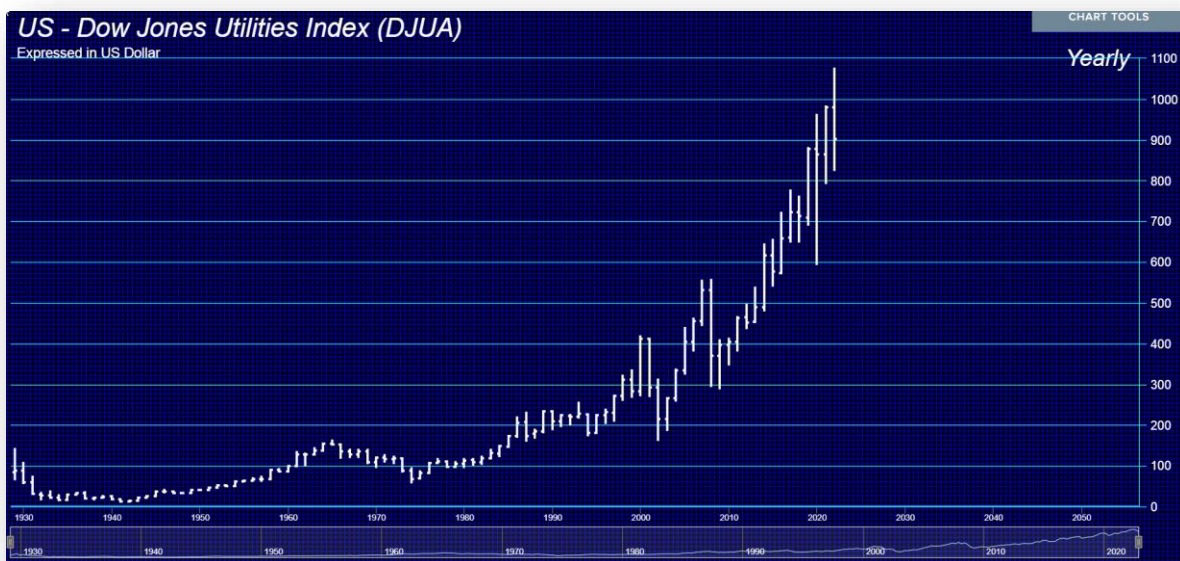
MARKET RISK FACTOR

Dow Jones Industrials Risk Table

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

MONTHLY.....	3547550	13.03%	3001480	4.364%
QUARTERLY.....	3326000	5.975%	2985620	4.869%
YEARLY.....	4277009	36.27%	2171240	30.81%

The Socrates Generated Commentary for Dow Jones Utilities



This market made a bull run from the low of 5710 made in 1974 for 47 years into a high established in 2021 at 98442. At this point in time, we have made a high last year at 98442. However, the major high since that low took place in 2021 at 79208. Presently, this market has remained as an inside trading session failing to exceed last year's high of 98442 or penetrate last year's low of 79208. n inside trading Year during this year following the target of 2021. Nonetheless, our target of On the Yearly Level, there was a likelihood of a turning point which was 2021 after a decline for the previous 3 sessions. Exceeding this immediate high would point to a further rally into the next target of 2023. A break of this session's low would then imply a retest of support into that target remains viable with monthly closing support at the next Monthly Bearish Reversal located at 76300. Currently, the market is trading above that Reversal by 22%. Only a monthly closing below that number would signal a sharply decline ahead (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2030 for a turning point ahead, at least on a closing basis. It does appear we have a choppy period starting 2023 until 2027, but we do have a key target arriving also 2025 with each target producing the opposite direction for that 5-year period.

The historical perspective in the Dow Jones Utilities included a rally from 1974 moving into a major high for 2021, the market has pulled back for the current year. The last Yearly Reversal to be elected was a Bullish at the close of 2021. However, the market has been unable to exceed that level intraday since then. Nonetheless, the market has rebound quite strong and is trading within 1% of the previous high. This overall rally has been 1 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 1974 with the high forming during 2021. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

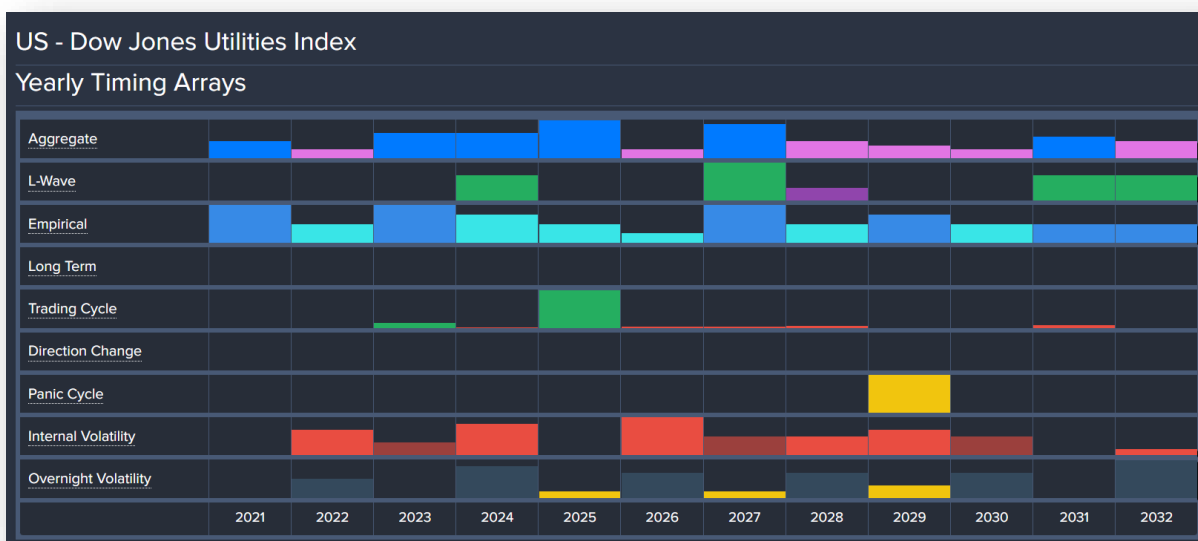
The last major low took place during 2002 which was 20 years ago. However, the last near-term low took place just 2 years ago in 2020. At this moment, so far this has been an inside trading year which failed to exceed the last year's high or penetrate the last year's low. This market must hold last year's low of 79208 in order to remain in a bullish position that would allow it to move further upward beyond this current year.

YEARLY ANALYSIS PERSPECTIVE

On the yearly level in Dow Jones Utilities, the last important high was established during 2021 at 98442, which was up 47 years from the low made back during 1974 at 5710.

Currently, the market is trading neutral within last year's trading range of 98442 to 79208. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 76415.

Examining the yearly time level, we can now see that there is a 10% risk on the upside, where we show a clear downside risk factor at 30%. From a risk perspective, resistance on a closing basis stands at 103520 whereas the risk on the downside begins at 64740.



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, 2023, 2025, 2027, 2030 and 2032. There is a likelihood of a decline moving into 2023 with the opposite trend thereafter into 2025. This pattern becomes a possibility if last year's low of 79208 is penetrated even intraday or the market closes below last year's close of 98078. 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. 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 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.

THE BROADER LONGER-TERM VIEW

Detectably, the broader investigation projection view recognizes that the current bearish progression in Dow Jones Utilities reflects only a temporary reaction within a broader bull market trend since we have not elected any Yearly sell signals on our model. Furthermore, the Dow Jones Utilities remains somewhat neutral at this present moment trading within last year's range of 98442 and 79208. We are trading below last year's high of 98442 at this time.

INDICATING RANGE STUDY

Focusing on our perspective using the indicating ranges on the Yearly level in the Dow Jones Utilities, this market remains in a bullish position at this time with the underlying support beginning at 77948.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 98078
Envelope Top... 82978
Internal AvgL.. 67310
Internal AvgH.. 82255
Envelope Btm... 43386

STOCHASTICS

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.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2018 whereas the actual market high in price unfolded back in 2021. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model is starting to turn down despite the new high in price. This is warning that we may have an important temporary high forming.

YEARLY FIBONACCI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

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 98442

23% | 75210

38% | 60837

61% | 37605

78% | 21067

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01
5% | 2026/01/01
8% | 2029/01/01
13% | 2034/01/01
21% | 2042/01/01
34% | 2055/01/01
55% | 2076/01/01
89% | 2110/01/01

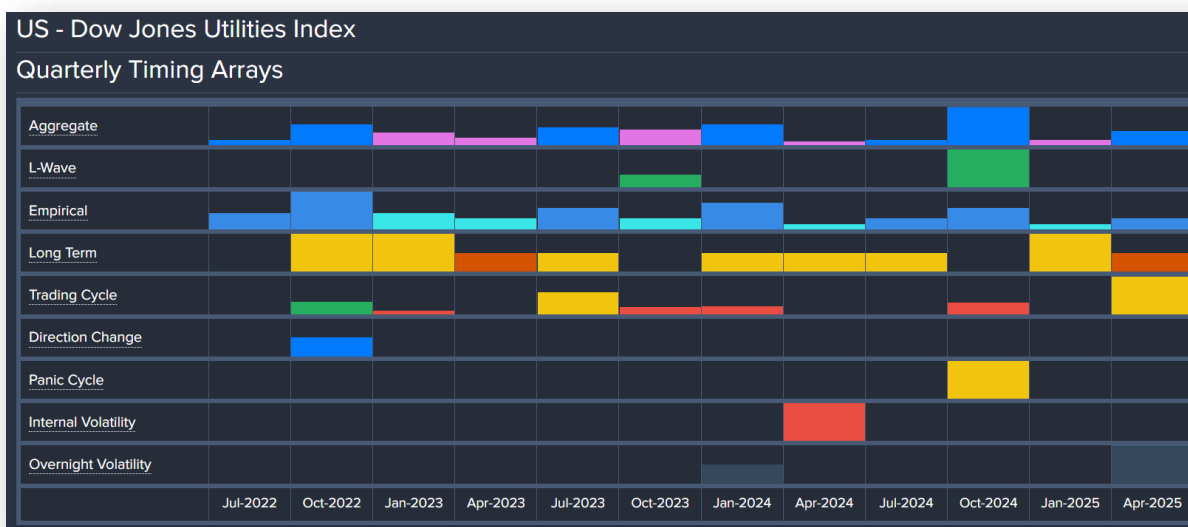
ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Dow Jones Utilities, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009 and 2002 and 1994. The Last turning point on the ECM cycle high to line up with this market was 2017 and 2000.

YEARLY CURRENCY CORRELATION

The Dow Jones Utilities did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. This market peaked in both nominal terms and in terms of a basket of currencies on 01/01 implying that we do have a bullish trend in sync with international capital flows.



QUARTERLY ANALYSIS PERSPECTIVE

temporary high since the market is trading below the previous Quarterly's closing. A closing below our Momentum Projection standing at 101718 will signal that we have a pullback possibly into the next turning point due in the Fourth Quarter 2022 leaving was The Fourth Quarter 2021 as a temporary high. Yet, this market is still holding our Momentum support level resting at 89828, indicating the broader trend has not been negated at this moment. (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. It does appear we have a choppy period starting the Fourth Quarter 2022 until the First Quarter 2023 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 82870.

We closed the previous quarter at 98078 which was in a very bullish position above all our indicating ranges. However, the monthly level remains somewhat bullish for now. The next Quarterly Minor Bullish Reversal stands at 98290 with the next Quarterly Major Bullish Reversal standing at 122440. The next Quarterly Minor Bearish Reversal resides at 68080 whereas the next Quarterly Major Bearish Reversal is to be found at 82870.

This market on the quarterly level has been making new highs since the last low established 1 quarter ago, which is a turn to the upside for now. We did elect four Bullish Reversals which implies we have had a broad change in trend on this level. Meanwhile, our technical resistance stands at 104026 and it will require a closing above this level to signal a breakout of the upside is unfolding. Nevertheless, our technical support lies at 97958 which the market is now trading beneath illustrating technical weakness.

QUARTERLY INDICATING RANGE STUDY

Looking at the indicating ranges on the Quarterly level in the Dow Jones Utilities, this market remains in a bullish position at this time with the underlying support beginning at 93130.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is bullish with the short-term momentum indicating range being bullish and the short-term trend coming in as bullish. On the intermediate level momentum is bullish with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 98078

Envelope Top... 92745

Internal AvgL.. 84427

Internal AvgH.. 91288

Envelope Btm... 74289

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are rising at this time with the previous low made 3rdQ/2021 while the last high formed on 4thQ/2021. However, this market has rallied in price with the last cyclical high formed on 4thQ/2021 warning that this market remains strong at this time on a correlation perspective as it has moved higher with the Momentum Model.

QUARTERLY STOCHASTICS

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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Third Quarter 2021 whereas the actual market high in price unfolded back during the Fourth Quarter 2021. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model is starting to turn down despite the new high in price. This is warning that we may have an important temporary high forming.

On our Tentative Hypothetical Models, we see that we have Quarterly Bearish Reversals that would be generated if we see another new high penetrating 98442. These Tentative Hypothetical Bearish Reversals would rest at 59352, 63052, 64604, and 79209, whereas a close below the previous low 87173 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 10/01/2021 HIGH:

Fri. 07/01/2022
Sun. 01/01/2023
Sun. 10/01/2023
Wed. 01/01/2025
Fri. 01/01/2027
Mon. 04/01/2030
Sun. 07/01/2035
Fri. 01/01/2044
Mon. 10/01/2057

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 98442

23% | 75210
38% | 60837
61% | 37605
78% | 21067

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/07/01
5% | 2023/01/01
8% | 2023/10/01
13% | 2025/01/01
21% | 2027/01/01
34% | 2030/04/01
55% | 2035/07/01
89% | 2044/01/01

QUARTERLY TECHNICAL ANALYSIS

The market scored a new major high during the Fourth Quarter 2021 which is up 1 quarter from the last cyclical low.

Utilizing our Energy Models, the fact that the market is making new intraday highs in price and our Energy Models are declining, this warns of a divergence, which has been going on for the past quarter. Therefore, this immediate rally may prove to be unsustainable when such a divergence appears.

QUARTERLY ANALYSIS PERSPECTIVE

temporary high since the market is trading below the previous Quarterly's closing. A closing below our Momentum Projection standing at 101718 will signal that we have a pullback possibly into the next turning point due in the Fourth Quarter 2022 leaving was The Fourth Quarter 2021 as a temporary high. Yet, this market is still holding our Momentum support level resting at 89828, indicating the broader trend has not been negated at this moment. (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. It does appear we have a choppy period starting the Fourth Quarter 2022 until the First Quarter 2023 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 82870.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Third Quarter 2015 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 82870. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Dow Jones Utilities did make a high in conjunction with the British pound on 07/01 yet in nominal terms the last high was created on 10/01 whereas the high in Australian dollar took place on 07/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 07/01, a high in the Swiss franc was established on 07/01, a high in the Euro was established on 10/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 10/01 after the high in terms of a basket of currencies which came on 04/01 implying that this immediate rally is purely in domestic terms.

MONTHLY LEVEL

MONTHLY BROADER TREND VIEW

Overall, on a broader basis, looking at the monthly level on our models, this market is currently in a rising trend. We see here the trend has been moving up for the past 22 months. The previous low of 59352 made during March 2020 on the Monthly level has held and only a break of 89207 on a closing basis would warn of a technical near-term change in trend. The previous high made during December 2021 on the Monthly level at 98442 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. We have generated a buy signal so some caution is required.

MONTHLY TURNING POINTS

Looking at timing, I see the key targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for March, June and August, October. Considering all factors, there is a possibility of a decline moving into March with the opposite trend thereafter into June. Looking ahead at March, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY VOLATILITY

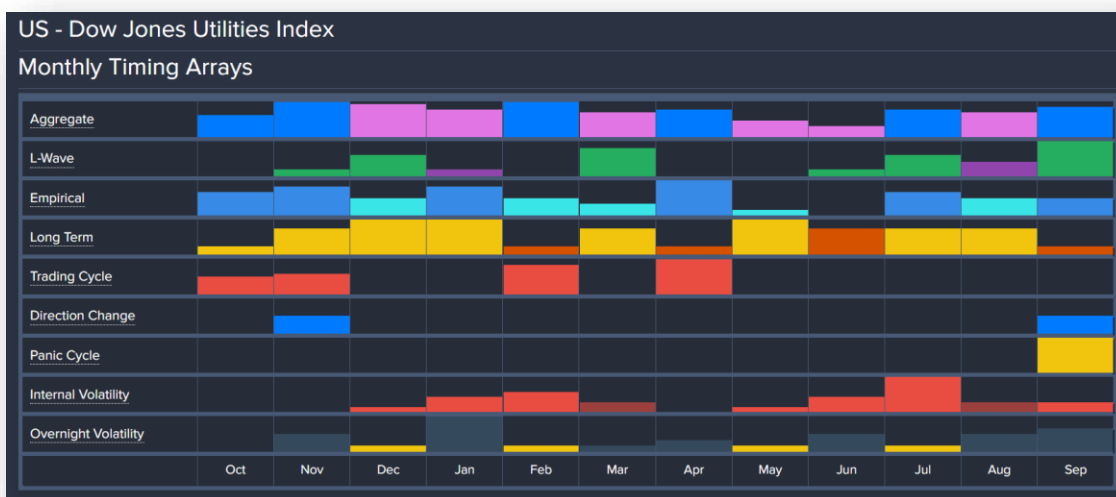
Investigating the volatility models suggest we should see a rise in price movement during January. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

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 BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 90800. 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 87380.



MONTHLY ANALYSIS PERSPECTIVE

Factually, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies below the present trading level at the general area of 92889 and a month end closing above this level will be a buy signal for now.

HEDGING MODEL

By means of our Monthly Hedging Model using only the Reversal System, we are currently long since March 2021 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 90800. 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.

there was a likelihood of an Outside Reversal to the upside was January, that is reinforced by also a Directional Change Target. However, we also see that there is another Directional Change due in the next session given that the previous session was an outside reversal to the upside with a possible further decline thereafter into March. further decline moving into the next target of January, that is reinforced by also a Directional Change Target. However, we also see that there

is another Directional Change due in the next session given that the previous session was an outside reversal to the upside with a possible further decline thereafter into March (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is August for a turning point ahead, at least on a closing basis. We have Monthly Directional Change targets due in January and March. We have NOT elected any Bearish Reversals thus far to date. The first Monthly Bearish Reversal comes into play at 90800. We have Monthly Directional Change targets due in January and March. 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	- Neutral -	
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

MONTHLY CURRENCY CORRELATION

The Dow Jones Utilities did make a high in conjunction with the British pound on 12/01 yet in nominal terms the last high was created on 12/01 whereas the high in Australian dollar took place on 11/01, a high in the Canadian dollar was established on 09/01, a high in the Japanese yen was established on 11/01, a high in the Swiss franc was established on 11/01, a high in the Euro was established on 12/01, and a high in the Chinese yuan was 11/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has rallied. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 12/01 after the high in terms of a basket of currencies which came on 11/01 implying that this immediate rally is purely in domestic terms.

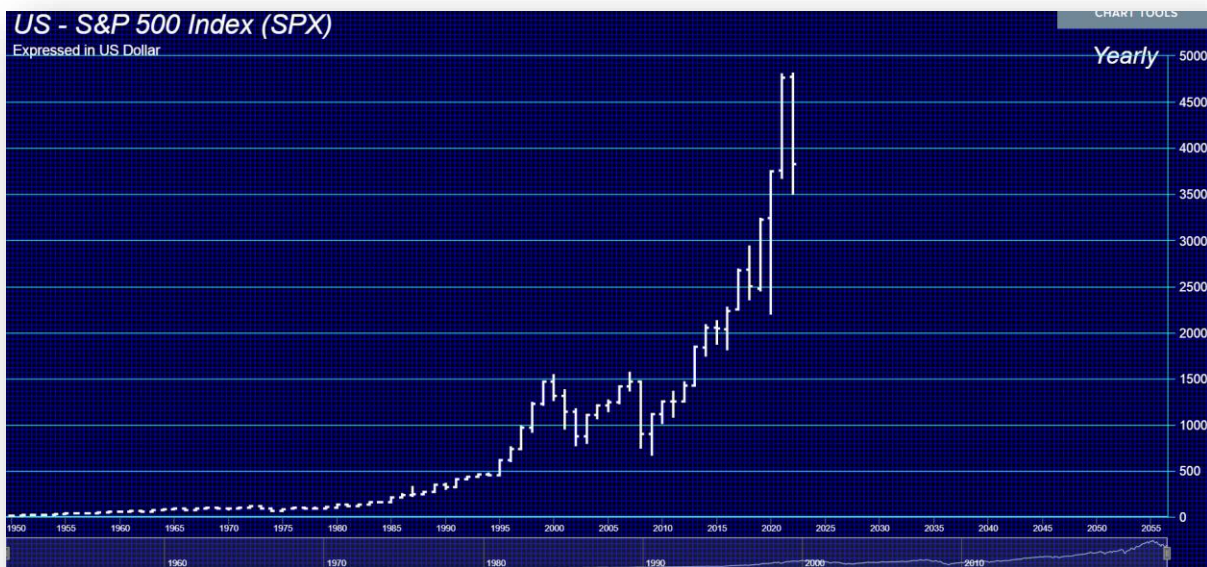
MARKET RISK FACTOR

Dow Jones Utilities Risk Table

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

MONTHLY.....	108308		15.43%		90800		3.224%	
QUARTERLY.....	98290		4.758%		82870		11.67%	
YEARLY.....	103520		10.33%		64740		30.99%	

The Socrates Generated Commentary for S&P 500 Cash Index



This market made a bull run from the low of 1665 made in 1950 for 71 years into a high established in 2021 at 480893. At this point in time, we have made a high last year at 480893. However, the major high since that low took place in 2021 at 366271. high since the market is trading below the previous Year's closing after making a new 13 year important cyclical high. Exceeding this high would imply a further rally for another four years with an outside potential of another two years. A closing below our Momentum Projection standing at 543160 is suggesting that the upward momentum is encountering resistance and a pullback is possible into the next turning point due in 2023 especially if we close below 324793 leaving 2021 as perhaps the highest closing and this year as a key intraday cyclical high. Yet, this market is in the throes of serious correction and if it closes below 410142, then this will be confirmed. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2032 for a turning point ahead, at least on a closing basis. There are 2 Yearly Directional Change targets starting from 2024 to 2025 warning of a potential choppy swing period for these few Years. It does appear we have a choppy period starting 2023 until 2025 with each target producing the opposite direction for that 3-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. There are 2 Yearly Directional Change targets starting from 2024 to 2025 warning of a potential choppy swing period for these few Years. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The S&P 500 Cash Index has continued to make new historical highs over the course of the rally from 2009 moving into 2022, which has been a run of 13 years warning that timing wise a pause remains possible. Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play. This is especially true since we are facing an outside reversal to the downside by penetrating the previous year's low as well.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1953, there have been 4 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2009 with the high forming during 2021. This decline has thus been-12 year. We have exceeded the last year's high of 480893 but are trading more so on the weaker side. Distinctly, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

The last major low took place during 2009 which was 13 years ago. There is a very good probability that this year will form a major high. Indeed, so far this year has rallied above last year's high of 480893 reaching 481862.

YEARLY ANALYSIS PERSPECTIVE

Factually, in S&P 500 Cash Index, the last important low formed back in 2009, there was a rally into the important high established during 2021 which has exceeded the pure reactionary phase with a bull market run do far for twelve years.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 481862 intraday. The market has fallen back from the high rather sharply

The Socrates Generated Commentary for S&P 500 Cash Index

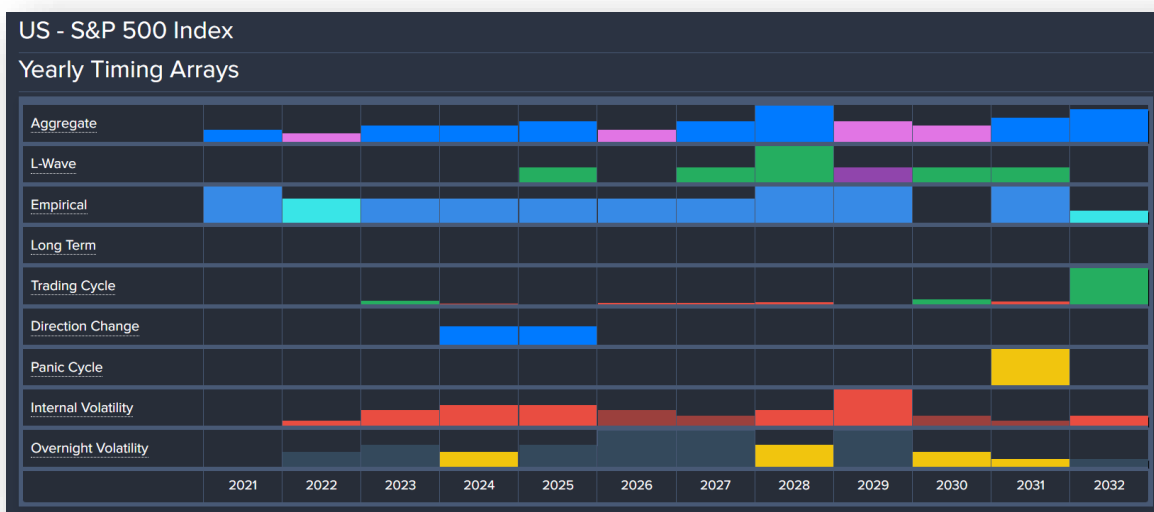
by 19%. From a trading perspective, this market has made an outside reversal to the downside warning this a negative technical pattern.

Currently, the market is trading neutral within last year's trading range of 480893 to 366271. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 294091.

Examining the yearly time level, we can now see that there is a 51% risk on the upside, where we show a clear downside risk factor at 42%. From a risk perspective, resistance on a closing basis stands at 585766 whereas the risk on the downside begins at 224500.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	246914	317019	360961	414953	496396
2023/01/01...	260778	334459	370309	431858	511900
2024/01/01...	274643	351899	379657	448762	527404
2025/01/01...	288507	369339	389005	465666	542908
2026/01/01...	302371	386779	398353	482571	558412
2027/01/01...	316235	404219	407700	499475	573916
2028/01/01...	330100	421659	417048	516379	589420



YEARLY TIMING ANALYSIS

Dissecting the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2025, 2029 and 2032. We show a potential for a decline moving into 2023 with the opposite trend thereafter into 2025. This pattern becomes a possibility if last year's low of 366271 is penetrated even intraday or the market closes below last year's close of 476618. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY DIRECTIONAL CHANGES

The most important timing model, the Directional Change Model targets are during 2024 and during 2025. 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

Studying the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

Nevertheless, 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

Noticeably, the long-term enquiry view recognizes that the current directional movement since the low made back in February 2016 has been an extended Bullish trend in S&P 500 Cash Index. This trend remains in motion as long as we hold above 320944 on a monthly closing basis. It is incredibly important to identify the broader trend for that is the underlying tone. It is wise to take position counter-

trend only with this understanding of what you are doing. We need to see a monthly closing back above 442997 to confirm the uptrend will recommence.

YEARLY OUTSIDE COMMENT

The S&P 500 Cash Index opened within last year's trading range which was 480893 to 366271. Right now, the market is still trading inside last year's trading range with the last print at 387198. The last time such a similar pattern took place was 1953. Nonetheless, the market is trading below the opening print for the year which was at 477814. As long as this market remains trading below 415510 on a closing basis, then a year-end closing in this posture will warn that we could have a knee-jerk low in place this year.

INDICATING RANGE STUDY

Looking at the indicating ranges on the Yearly level in the S&P 500 Cash Index, this market remains in a bullish position at this time with the underlying support beginning at 269497.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 476618
Envelope Top... 166934
Internal AvgL.. 257805
Internal AvgH.. 312360
Envelope Btm... 297374

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, Immediately, our model continues to rally suggesting that a strong rally is likely.

REVERSAL COMMENTARY

On our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 481862. These Tentative Hypothetical Bearish Reversals would rest at 125408, 136398, 186702, and 244396, whereas a close below the previous low 366271 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 COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

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 480893

23%	367402
38%	297192
61%	183701
78%	102911

Fibonacci Percentage Golden Ratio Movements:

3%	2024/01/01
5%	2026/01/01
8%	2029/01/01
13%	2034/01/01
21%	2042/01/01
34%	2055/01/01
55%	2076/01/01
89%	2110/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in S&P 500 Cash Index, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009 and 2002. The Last turning point on the ECM cycle high to line up with this market was 2007 and 2000.

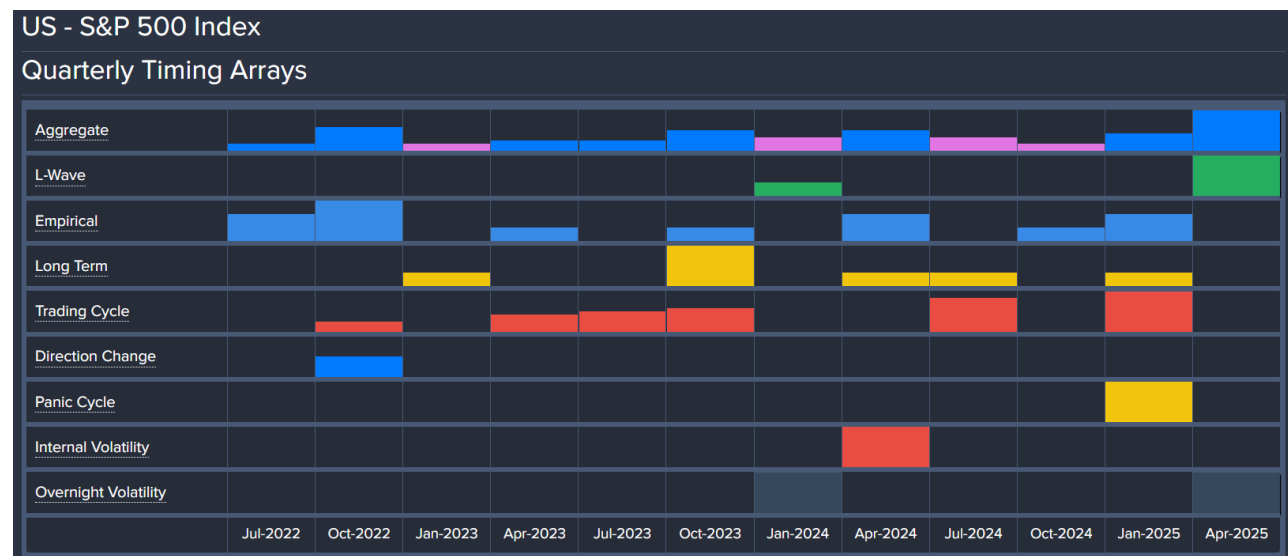
YEARLY CURRENCY CORRELATION

The S&P 500 Cash Index did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high

The Socrates Generated Commentary for S&P 500 Cash Index

in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. This market peaked in both nominal terms and in terms of a basket of currencies on 01/01 implying that we do have a bullish trend in sync with international capital flows.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 335253 will signal that the market is still with broader trend support right now. However, a lower closing could still leave The Fourth Quarter 2022 as a temporary low and the next turning point will be the First Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 416407. (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. We have a Quarterly Directional Change target due in the Fourth Quarter 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.

It does appear we have a choppy period starting the Third Quarter 2022 until the Second Quarter 2024, but we do have a key target arriving also on the Fourth Quarter 2022 with each target producing the opposite direction for that 8-quarter period. However, given that the Fourth Quarter 2022 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as the Fourth Quarter 2024 until the First Quarter 2025 with again each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the significant decline of 25% from the last high established the First Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 323380. We have a Quarterly Directional Change target due in the Fourth Quarter 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. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The next Quarterly Minor Bullish Reversal stands at 482269 with the next Quarterly Major Bullish Reversal standing at 612515. The next Quarterly Minor Bearish Reversal resides at 173780 whereas the next Quarterly Major Bearish Reversal is to be found at 323380.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2016. However, we have not elected any Bearish Reversals from high made on during the First Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Third Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

Solely focusing on only the indicating ranges on the Quarterly level in the S&P 500 Cash Index, this market remains moderately bullish currently with underlying support beginning at 310117 and overhead resistance forming above at 358811. The market is trading closer to the resistance level at this time. An opening above this level in the next session will imply a bounce is unfolding.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as neutral. On the intermediate level momentum is neutral with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 358562
Envelope Top... 456395
Internal AvgL.. 396954
Internal AvgH.. 448236
Envelope Btm... 285711

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 1stQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY STOCHASTICS

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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the First Quarter 2022 whereas the actual market high in price unfolded back during the First Quarter 2022.

On our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 358413. These Tentative Hypothetical Bullish Reversals would stand at 240099, 293986, 376030, and 480894, whereas a close above the previous high 432528 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 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2022 HIGH:

Sat. 10/01/2022
Sat. 04/01/2023
Mon. 01/01/2024
Tue. 04/01/2025
Thu. 04/01/2027
Mon. 07/01/2030
Mon. 10/01/2035
Fri. 04/01/2044
Tue. 01/01/2058

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 481862

23% | 368143
38% | 297791
61% | 184071
78% | 103118

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/10/01
5% | 2023/04/01
8% | 2024/01/01
13% | 2025/04/01
21% | 2027/04/01
34% | 2030/07/01
55% | 2035/10/01
89% | 2044/04/01

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	270669	325972	410941	479167	511980
2023/01/01...	274377	327848	417449	486237	529027
2023/04/01...	278086	329723	423957	493308	546073
2023/07/01...	281795	331599	430465	500378	563120
2023/10/01...	285504	333474	436973	507448	580167
2024/01/01...	289213	335349	443482	514519	597213
2024/04/01...	292922	337225	449990	521589	614260

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 335253 will signal

that the market is still with broader trend support right now. However, a lower closing could still leave The Fourth Quarter 2022 as a temporary low and the next turning point will be the First Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 416407. (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. We have a Quarterly Directional Change target due in the Fourth Quarter 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. It does appear we have a choppy period starting the Third Quarter 2022 until the Second Quarter 2024, but we do have a key target arriving also on the Fourth Quarter 2022 with each target producing the opposite direction for that 8-quarter period. However, given that the Fourth Quarter 2022 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as the Fourth Quarter 2024 until the First Quarter 2025 with again each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the significant decline of 25% from the last high established the First Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 323380. We have a Quarterly Directional Change target due in the Fourth Quarter 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. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

QUARTERLY HEDGING MODELS

HEDGING MODEL

Employing our Quarterly Hedging Model using our Reversal System only, we are currently long since during the Third Quarter 2022 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 323380. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

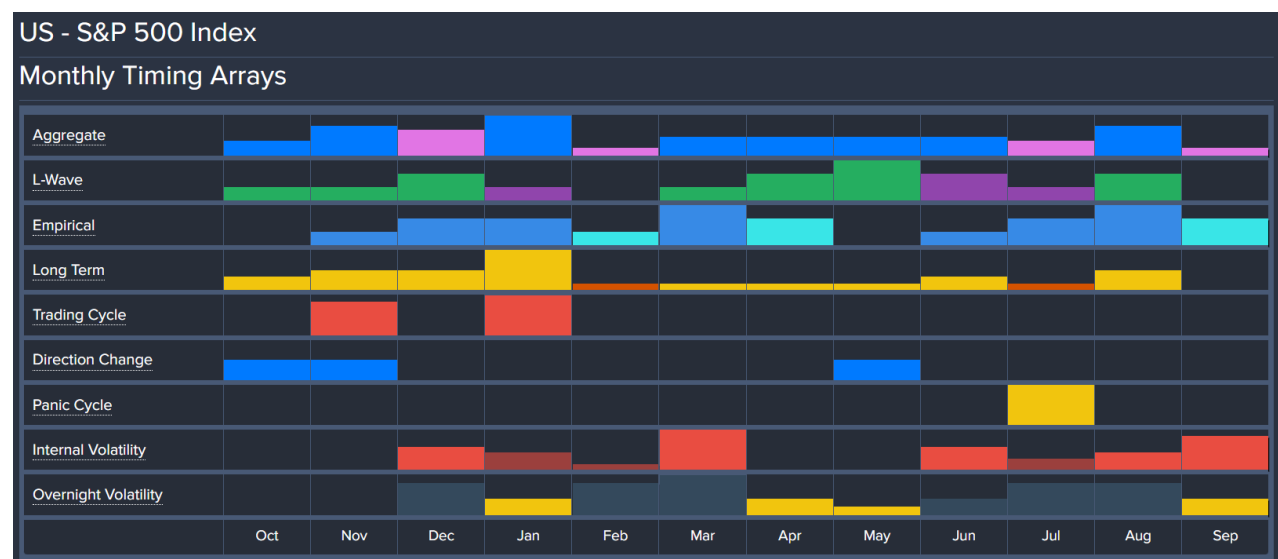
The S&P 500 Cash Index did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 10/01 implying that this immediate rally is purely in domestic terms.

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 August on the Monthly level at 432528 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 219186 made during March 2020 on the Monthly level has held and only a break of 358413 on a closing basis would warn of a technical near-term change in trend. However, we still remain below key support and key resistance now stands at 412428 above the market.



MONTHLY TURNING POINTS

My key targets in time on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, January 2023, March 2023 and May 2023, August 2023. Regarding the various factors, I see a strong potential of a decline moving into November with the opposite trend thereafter into January 2023. 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 DIRECTIONAL CHANGES

The most important timing model, the Directional Change Model targets are during 2024 and during 2025. 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

Studying the volatility models suggest we should see a rise in price movement during January 2024. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

Nevertheless, 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 459540. 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 460809.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 320930. 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 285570.

MONTHLY ANALYSIS PERSPECTIVE

Up to this moment in time, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 69736 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

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 454590. 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.

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 with the opposite trend implied thereafter into December. 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 January 2023 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. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of May 2023. This underlines the importance of this target as an event on the horizon. It does appear we have a choppy period starting October until March 2023, but we do have a key target arriving also on January 2023 with each target producing the opposite direction for that 6-month period. However, given that January 2023 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as May 2023 until June 2023 with again each target producing the opposite direction for that 2-month period.

Keep in mind that given the sharp decline of 19% from the last high established August, 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. There are 3 Monthly Directional Change targets starting from October to November warning of a potential choppy swing period for these few Months. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of May 2023. This underlines the importance of this target as an event on the horizon. 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...</u>	<u>Trend</u>
--	---------------------

Immediate Trend	- Neutral -
-----------------------	-------------

Short-Term Momentum	- Neutral -
---------------------------	-------------

Short-Term Trend	- Neutral -
------------------------	-------------

The Socrates Generated Commentary for S&P 500 Cash Index

Intermediate Momentum (Bearish)

Intermediate Trend (Bearish)

Long-Term Trend BULLISH

Cyclical Strength..... BULLISH

Broader Trend BULLISH

Long-Term Cyclical Trend .. BULLISH

MONTHLY CURRENCY CORRELATION

The S&P 500 Cash Index did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has rallied while in nominal terms, it has declined. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 01/01 after the high in terms of a basket of currencies which came on 12/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

S&P 500 Cash Index Risk Table

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

MONTHLY..... 454590 | 17.4% | 320930 | 17.11% |

QUARTERLY..... 454590 | 17.4% | 323380 | 16.48% |

YEARLY..... 585766 | 51.28% | 224500 | 42.01% |

The Socrates Generated Commentary for NASDAQ Composite Index Cash



This market made a bull run from the low of 32300 made in 1990 for 30 years into a high established in 2020 at 1297333. At this point in time, we have made a high last year at 1297333. However, the major high since that low took place in 2020 at 663142. Presently, this market has rallied exceeding last year's high of 1297333 reaching 1550412 while holding last year's low of 663142. So far this year, the market has exceeded the 2020 high of 1297333 and it remains above that level on a closing basis. To date, we have elected 4 Monthly Bearish Reversals from the October high. While the next target in time will be 2026, our Long-Term Empirical Model and a Directional Change suggest that a possible turning point may form early during 2025. The failure to exceed this year's high would imply that the next target could unfold as a low in 2026.

At this moment in time, we are still trading above last year's high. Maintaining a closing above our Momentum Projection standing at 1496314 will signal that the market is still with broader trend support right now. However, since this year has

The Socrates Generated Commentary for NASDAQ Composite Index Cash

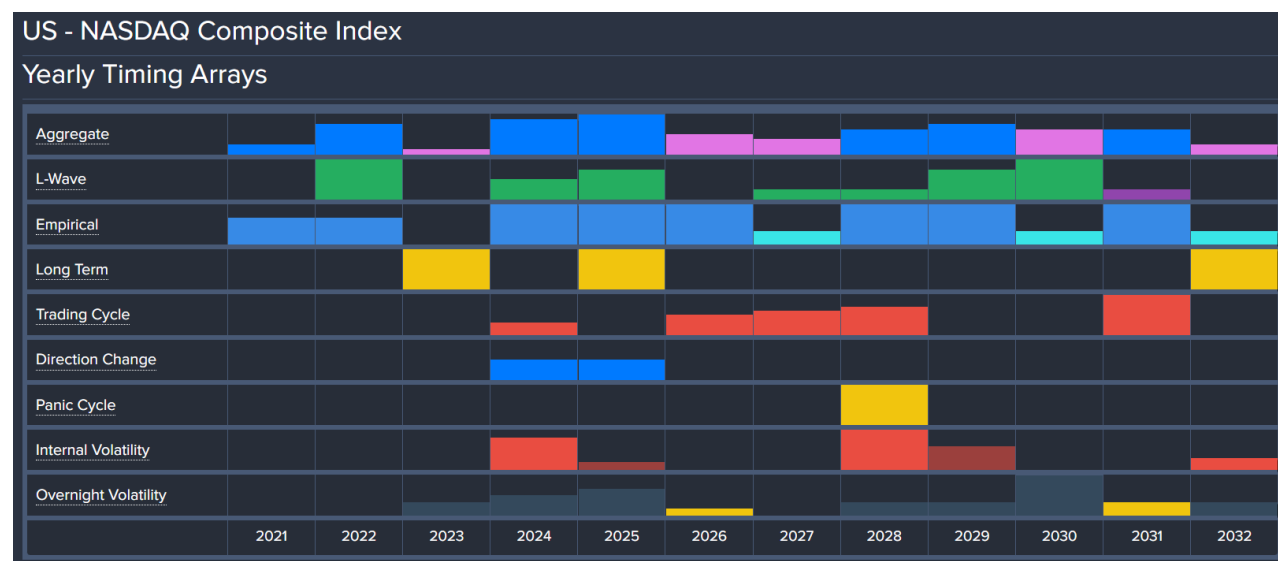
exceeded last year's high, then a closing at year-end below this momentum number could warn of a temporary high and the next turning point could be a low in 2026. This turning point 2020 also matched the turning point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

The strongest target in the Yearly array is 2026 for a turning point ahead, at least on a closing basis. There are 2 Yearly Directional Change targets starting from 2024 to 2025 warning of a potential choppy swing period for these few Years. It does appear we have a choppy period starting 2026 until 2028 with each target producing the opposite direction for that 3-year period.

The NASDAQ Composite Index Cash has continued to make new historical highs over the course of the rally from 2002 moving into 2021, which has been a run of 19 years warning that timing wise a pause remains possible.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1990, there have been 2 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 2002 with the high forming during 2020. This decline has thus been 18 year. We have exceeded the previous high of 2020, which was 1297333 and are currently trading above it closing currently at 1549839. Nonetheless, we have not elected any Yearly Bearish Reversal to date from the turning point of 2020.

The last major low took place during 1990 which was 32 years ago. However, the last near-term low took place just 13 years ago in 2009.



YEARLY ANALYSIS PERSPECTIVE

Strategically, in NASDAQ Composite Index Cash, the last important low was established in 1990 from which we have rallied into the major high established during 2020 which was a bullish run for 30 years. Longer-term, the major cyclical low was formed back in 2002 which was a broad bull market run for eighteen years.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 1550412 intraday and we are still trading above 1297333 right now with a positive undertone.

Right now, as stated, the market is trading above last year's high of 1297333. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 700389.

Examining the yearly time level, we can now see that there is a 9.00% risk on the upside, where we show a clear downside risk factor at 65%. From a risk perspective, resistance on a closing basis stands at 1689466 whereas the risk on the downside begins at 539780.

YEARLY TECHNICAL ANALYSIS

2021/01/01...	495204	734143	851640	899116	1336537
2022/01/01...	510137	782164	890629	963496	1375741
2023/01/01...	525069	830185	929618	1027876	1414945

2024/01/01...	540002	878207	968607	1092257	1454149
2025/01/01...	554934	926228	1007596	1156637	1493353
2026/01/01...	569866	974249	1046585	1221017	1532557
2027/01/01...	584799	1022271	1085574	1285398	1571761

YEARLY TIMING ANALYSIS

Searching the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2026, 2028 and 2031. Considering all factors, there is a possibility of a rally moving into 2026 with the opposite trend thereafter into 2028.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model targets are during 2024 and during 2025. 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

Dissecting 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

Detectably, the broader investigation outlook view recognizes that the current bearish progression in NASDAQ Composite Index Cash reflects only a temporary reaction within a broader bull market trend since we have not elected any Yearly sell signals on our model. Furthermore, the NASDAQ Composite Index Cash remains positive since we are trading above last year's high. We are trading above last year's high of 1297333, but at the very least this market must close above that to maintain a bullish posture. A year-end closing below 539799 will signal a resumption of the decline whereas a closing below 307650 will signal it is possible to penetrate last year's low of 663142.

INDICATING RANGE STUDY

From a perspective using the indicating ranges on the Yearly level in the NASDAQ Composite Index Cash, this market remains in a bullish position at this time with the underlying support beginning at 551237.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 1288828
Envelope Top... 632280
Internal AvgL.. 577729
Internal AvgH.. 753168
Envelope Btm... 395818

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 2018 whereas the actual market high in price unfolded back in 2020. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter.

REVERSAL COMMENTARY

Looking at our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 1550412. These Tentative Hypothetical Bearish Reversals would rest at 201279, 219268, 394604, and 619018, whereas a close below the previous low 663142 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 FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

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

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 HIGH at 1297333

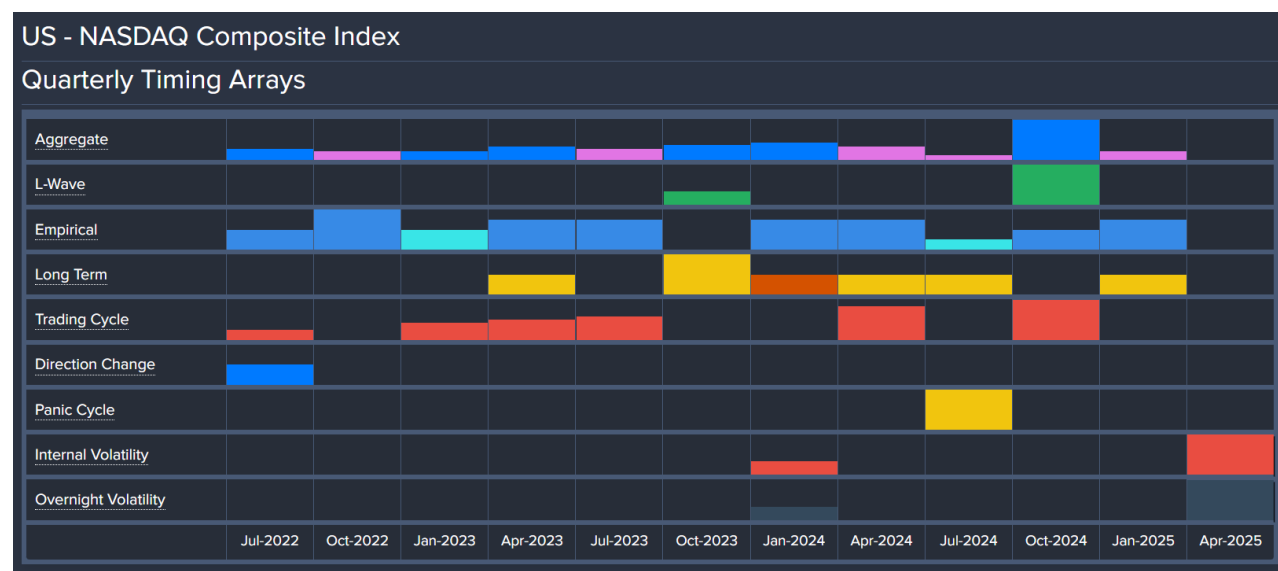
23% | 991162
38% | 801752
61% | 495581
78% | 277629

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

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in NASDAQ Composite Index Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2009 and 2002. The Last turning point on the ECM cycle high to line up with this market was 2020 and 2007 and 2000.



QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, regarding the timing, there was a reasonable potential of a temporary high since the market has reached our first Quarterly target being The Third Quarter 2021. Interestingly, the market has exceeded that high during this Quarter warning that it still must sustain this move to create a cycle inversion. A closing below our Momentum Projection standing at 1614539 will signal that we have a pullback possibly into the next turning point due in the First Quarter 2022 leaving The Third Quarter 2021 as a temporary high. Yet, this market is still holding our Momentum support level resting at 1529735, indicating the broader trend has not been negated at this moment. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Second Quarter 2024 for a turning point ahead, at least on a closing basis. It does appear we have a choppy period starting the First Quarter 2022 until the First Quarter 2023, but we do have a key target arriving also on the Fourth Quarter 2022 with each target producing the opposite direction for that 5-quarter period. Thereafter, we see the next target coming into play as the Third Quarter 2023 until the Fourth Quarter 2023 with again each target producing the opposite direction for that 2-quarter period.

The next Quarterly Minor Bearish Reversal resides at 648400 whereas the next Quarterly Major Bearish Reversal is to be found at 1004803.

This market on the quarterly level has been making new highs since the last low established 11 quarters ago which has been a series of successive advances. The

last 5 highs have been progressively making higher highs implying we have had a bullish trend in motion for the past 45 quarters. The last high was made during the Third Quarter 2021. We did elect four Bullish Reversals which implies we have had a broad change in trend on this level. Meanwhile, our technical resistance stands at 1585886 and it will require a closing above this level to signal a breakout of the upside is unfolding. Nevertheless, our technical support lies at 1226793 which is still holding at this time. At this moment, the market remains between these two projections leaving it neutral on a technical basis.

QUARTERLY INDICATING RANGE STUDY

Looking at the indicating ranges on the Quarterly level in the NASDAQ Composite Index Cash, this market remains in a bullish position at this time with the underlying support beginning at 1207406.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is neutral with the short-term momentum indicating range being bullish and the short-term trend coming in as bullish. On the intermediate level momentum is bullish with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 1444858

Envelope Top... 1328088

Internal AvgL.. 1208977

Internal AvgH.. 1273873

Envelope Btm... 693500

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 2ndQ/2021 while the last low formed on 3rdQ/2021. However, this market has rallied in price with the last cyclical high formed on 3rdQ/2021 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY 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. Nevertheless, the short-term oscillator is entering a crash mode suggesting we may see a decline from here.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, Immediately, our model continues to rally suggesting that a strong rally is likely.

On our Tentative Hypothetical Models, we see that we have Quarterly Bearish Reversals that would be generated if we see another new high penetrating 1535238. These Tentative Hypothetical Bearish Reversals would rest at 420977, 648414, 780000, and 1082258, whereas a close below the previous low 1417866 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 07/01/2021 HIGH:

Fri. 04/01/2022
Sat. 10/01/2022
Sat. 07/01/2023
Tue. 10/01/2024
Thu. 10/01/2026
Tue. 01/01/2030
Sun. 04/01/2035
Thu. 10/01/2043
Sun. 07/01/2057

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 1535238

23% | 1172922
38% | 948777
61% | 586461
78% | 328541

Fibonacci Percentage Golden Ratio Movements:

3% | 2022/04/01
5% | 2022/10/01
8% | 2023/07/01
13% | 2024/10/01

21% | 2026/10/01

34% | 2030/01/01

55% | 2035/04/01

89% | 2043/10/01

QUARTERLY TECHNICAL ANALYSIS

The market scored a new major high during the Third Quarter 2021 which is up 11 quarters from the last cyclical low. The projected resistance target was 1407156 which we did exceed intraday stopping at 1535238. Nevertheless, this projected resistance will stand at 1478805 during the next trading session which we are trading above at this moment converting this into technical support. The projected support target was 775358 which is below the market and this will move to 772286 for the next trading session. We are trading above the Uptrend Channel which resides at 1103466 which will move to 1127644 for the next session. The new extended Uptrend Channel resistance stands at 1559416 and exceeding this level will signal a strong breakout to the upside is possible.

The view from our Energy Models, the fact that the market is making new intraday highs in price and our Energy Models are rising, this market is holding right now for the past 5 quarters. As long as our Energy Models hold above the former low made on 04/01/2020.

QUARTERLY TECHNICAL ANALYSIS

2021/10/01...	1331363	1585886	1654948
2022/01/01...	1354372	1636534	1675171
2022/04/01...	1377381	1687182	1695394
2022/07/01...	1400391	1737831	1715616
2022/10/01...	1423400	1788479	1735839
2023/01/01...	1446409	1839127	1756062
2023/04/01...	1469419	1889775	1776284

QUARTERLY ANALYSIS PERSPECTIVE

On the Quarterly Level, regarding the timing, there was a reasonable potential of a temporary high since the market has reached our first Quarterly target being The Third Quarter 2021. Interestingly, the market has exceeded that high during this Quarter warning that it still must sustain this move to create a cycle inversion. A closing below our Momentum Projection standing at 1614539 will signal that we have a pullback possibly into the next turning point due in the First Quarter 2022

leaving The Third Quarter 2021 as a temporary high. Yet, this market is still holding our Momentum support level resting at 1529735, indicating the broader trend has not been negated at this moment. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Second Quarter 2024 for a turning point ahead, at least on a closing basis. It does appear we have a choppy period starting the First Quarter 2022 until the First Quarter 2023, but we do have a key target arriving also on the Fourth Quarter 2022 with each target producing the opposite direction for that 5-quarter period. Thereafter, we see the next target coming into play as the Third Quarter 2023 until the Fourth Quarter 2023 with again each target producing the opposite direction for that 2-quarter period.

QUARTERLY HEDGING MODELS

HEDGING MODEL

From the Quarterly Hedging Model employing only the Reversal System, we are currently long since during the Fourth Quarter 2011 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 1004803. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The NASDAQ Composite Index Cash did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 07/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has been neutral while in nominal terms, it has declined. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 07/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

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 663142 made during March 2020 on the Monthly level has held and only a break of 1444430 on a closing basis would warn of a technical near-term change in trend. The previous high made during October 2021 on the Monthly level at 1545230 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. We have generated a buy signal so some caution is required.

MONTHLY TURNING POINTS

Looking at timing, I see the key targets on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for December 2021, February and June, August. Considering all factors, there is a possibility of a rally moving into December 2021 with the opposite trend thereafter into February. Looking ahead at December 2021, a continued advance becomes possible if this month's high is penetrated intraday.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model targets are during 2024 and during 2025. 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.

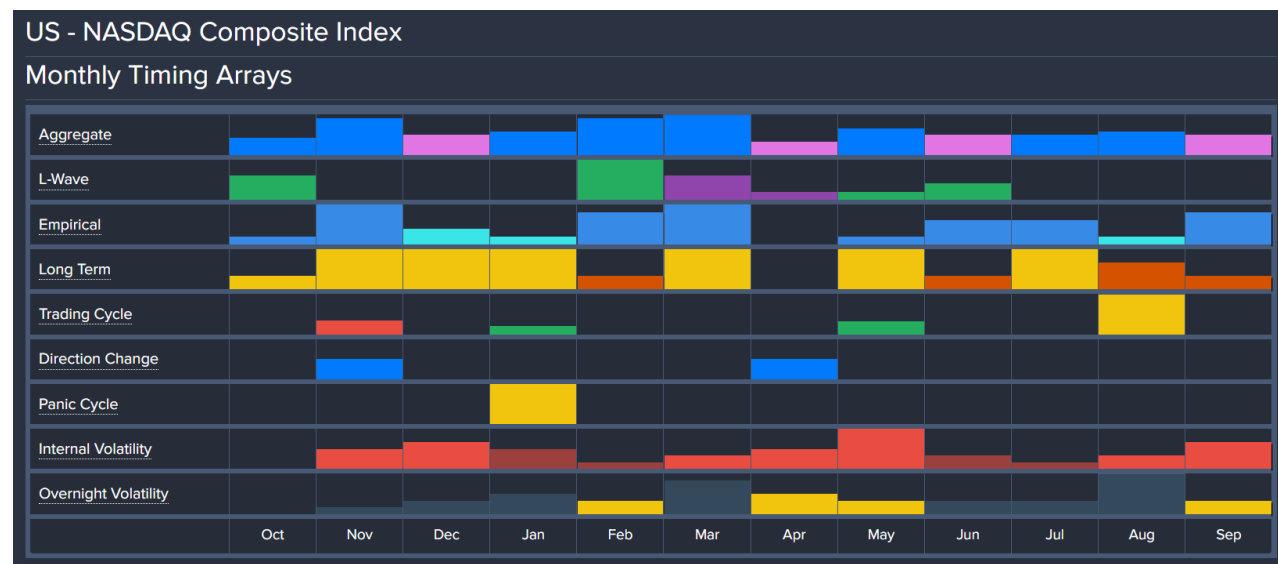
MONTHLY VOLATILITY

Dissecting 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 BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 1417850. 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 1300240.



MONTHLY ANALYSIS PERSPECTIVE

At the moment, we have exceeded last month's high so we have therefore generated a new What If Monthly Bearish Reversal which lies below the present trading level at the general area of 1417866 and a month end closing beneath this level will be a sell signal for now.

Factually, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies below the present trading level at the general area of 92889 and a month end closing above this level will be a buy signal for now.

HEDGING MODEL

By means of our Monthly Hedging Model using only the Reversal System, we are currently long since June 2019 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 1417850. 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 breakout mode suggesting we may see a rally unfold.

On the Monthly Level, regarding the timing, there was a reasonable potential of an Outside Reversal to the upside was October 2021 yet since this market has exceeded the October 2021 high, then a further rally is possible into the next target of December 2021 which is a Directional Change. decline moving into October 2021 yet since this market has exceeded the October 2021 high, then a further rally is possible into the next target of December 2021 which is a Directional Change (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is February for a turning point ahead, at least on a closing basis. There are 2 Monthly Directional Change targets starting from November 2021 to December 2021 warning of a potential choppy swing period for these few Months. It does appear we have a choppy period starting December 2021 until March, but we do have a key target arriving also on February with each target producing the opposite direction for that 4-month period. However, given that February is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as June until August with again each target producing the opposite direction for that 3-month period. There are 2 Monthly Directional Change targets starting from November 2021 to December 2021 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	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

MONTHLY CURRENCY CORRELATION

The NASDAQ Composite Index Cash did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 10/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has been neutral both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 10/01 after the high in terms of a basket of currencies which came on 08/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

NASDAQ Composite Index Cash Risk Table

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

MONTHLY.....	1825681	17.79%	1417850	8.516%
QUARTERLY.....	1616879	4.325%	1004803	35.16%
YEARLY.....	1689466	9.009%	539780	65.17%

The Socrates Generated Commentary for Toronto Composite Index Cash



This market made a bull run from the low of 3176 made in 1953 for 68 years into a high established in 2021 at 217962. At this point in time, we have made a high last year at 217962. However, the major high since that low took place in 2021 at 172978. Presently, this market has rallied exceeding last year's high of 217962 reaching 222131 while holding last year's low of 172978. temporary high since the market is trading below the previous Year's closing after making a new 65 year high.

A closing below our Momentum Projection standing at 235327 is suggesting that the upward momentum is encountering resistance and a pullback is possible into the next turning point due in 2022 especially if we close below 172306 leaving 2021 as perhaps the highest closing and this year as a key intraday cyclical high. Yet, this market is still holding our Momentum support level resting at 184714, indicating the broader trend has not been negated at this moment. (NOTE: this can be intraday or on a closing basis).

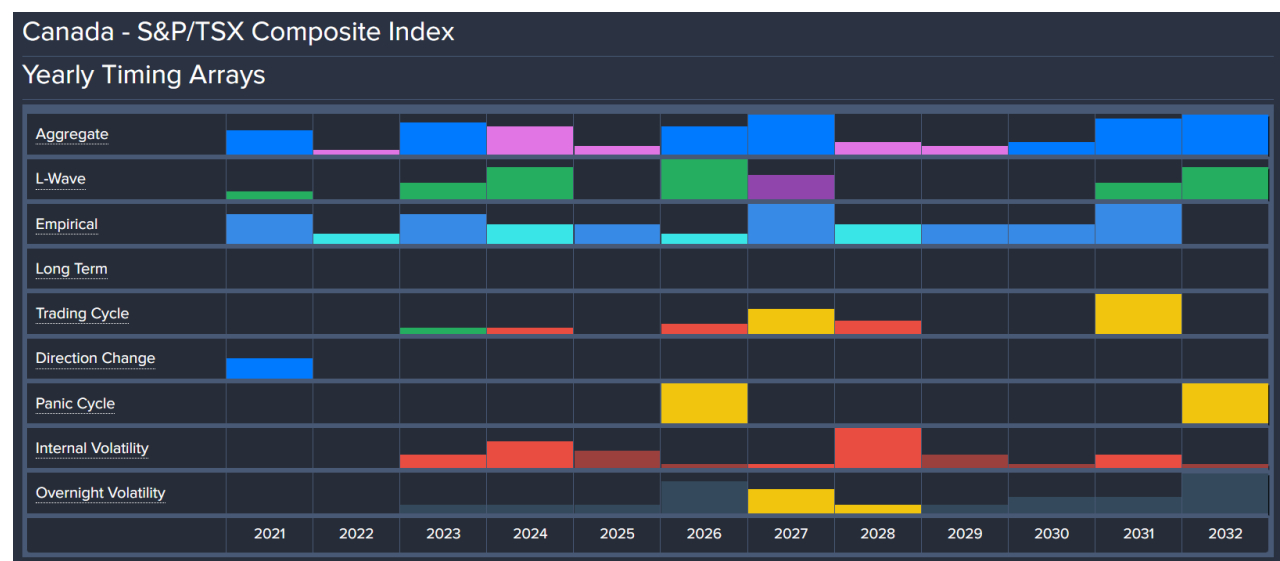
The Socrates Generated Commentary for Toronto Composite Index Cash

The strongest target in the Yearly array is 2023 for a turning point ahead, at least on a closing basis. We have a Yearly Directional Change target due in 2021. 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 2021 until 2023 with each target producing the opposite direction for that 3-year period. We have a Yearly Directional Change target due in 2021. 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. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The Toronto Composite Index Cash has continued to make new historical highs over the course of the rally from 1957 moving into 2022. Distinctly, we have elected one Bullish Reversal to date. Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play.

This market remains in a positive position on the weekly to yearly levels of our indicating models. From a Historical Perspective, ever since the low of 1953, there have been 2 major lows with each being higher than the previous which is indicative of a protracted long-term bull market. The last major low was established back in 1957 with the high forming during 2021. This decline has thus been 64 year. We have exceeded the last year's high of 217962 but are trading more so on the weaker side. Nonetheless, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

The last major low took place during 2020 which was 2 years ago.



YEARLY ANALYSIS PERSPECTIVE

Strategically, in Toronto Composite Index Cash, the last important low was established in 2020 from which we have rallied into the major high established during 2021 which was a bullish run for one year. Longer-term, the major cyclical low was formed back in 1957 which was a broad bull market run for 64 years.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 222131 intraday. The market has fallen back from the high rather sharply by 12%. Since the post-high correction low made during 1985, the market has rallied for 36 years moving beyond a mere reaction implying the uptrend is intact.

Currently, the market is trading neutral within last year's trading range of 217962 to 172978. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high. Right now, the market is trading bullish above our yearly momentum indicators warning that support begins down at 165865.

Examining the yearly time level, we can now see that there is a 17% 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 228863 whereas the risk on the downside begins at 149155.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	85611	217222	223563
2023/01/01...	87414	221913	231902
2024/01/01...	89218	226604	240241
2025/01/01...	91022	231295	248580
2026/01/01...	92825	235986	256919
2027/01/01...	94629	240677	265258
2028/01/01...	96433	245368	273597

YEARLY TIMING ANALYSIS

Diving into the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2023, 2027, 2029 and 2032. There is a likelihood of a decline moving into 2023 with the opposite trend thereafter into 2027. This pattern becomes a possibility if last year's low of 172978 is penetrated even intraday or the market closes below last year's close of 212228. Otherwise, a higher closing warns that we could have a cycle inversion with a rally into the next target.

YEARLY VOLATILITY

Probing into the volatility models suggest we should see a rise in price movement during January 2031. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

YEARLY PANIC CYCLES

However, our Panic Cycle target, for the next period to watch is during 2030. 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

Distinguishably, the expanded expectation view recognizes that the current directional movement since the low made back in March 2020 has been a long-term Bullish trend in Toronto Composite Index Cash. This trend remains in motion as long as we hold above 155694 on a monthly closing basis. It is incredibly important

to identify the broader trend for that is the underlying tone. It is wise to take position counter-trend only with this understanding of what you are doing. We need to see a monthly closing back above 203816 to confirm the uptrend will recommence.

INDICATING RANGE STUDY

The perspective using the indicating ranges on the Yearly level in the Toronto Composite Index Cash, this market remains in a bullish position at this time with the underlying support beginning at 162322.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 212228
Envelope Top... 207753
Internal AvgL.. 142552
Internal AvgH.. 172533
Envelope Btm... 88217

STOCHASTICS

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.

ENERGY MODELS

Looking at our Energy Models on the Yearly level, the historical high took place back in 2018 whereas the actual market high in price unfolded back in 2021. When Energy peaks BEFORE the price high, this is indicative of a major important high is

forming and that we may see a serious change in trend to the downside thereafter.

REVERSAL COMMENTARY

Employing our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 222131. These Tentative Hypothetical Bearish Reversals would rest at 80187, 124126, 126177, and 141128, whereas a close below the previous low 172978 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 COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024

Thu. 01/01/2026

Mon. 01/01/2029

Sun. 01/01/2034

Wed. 01/01/2042

Fri. 01/01/2055

Wed. 01/01/2076

Thu. 01/01/2110

Wed. 01/01/2165

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 217962

23% | 166523
38% | 134701
61% | 83261
78% | 46644

Fibonacci Percentage Golden Ratio Movements:

3% | 2024/01/01
5% | 2026/01/01
8% | 2029/01/01
13% | 2034/01/01
21% | 2042/01/01
34% | 2055/01/01
55% | 2076/01/01
89% | 2110/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

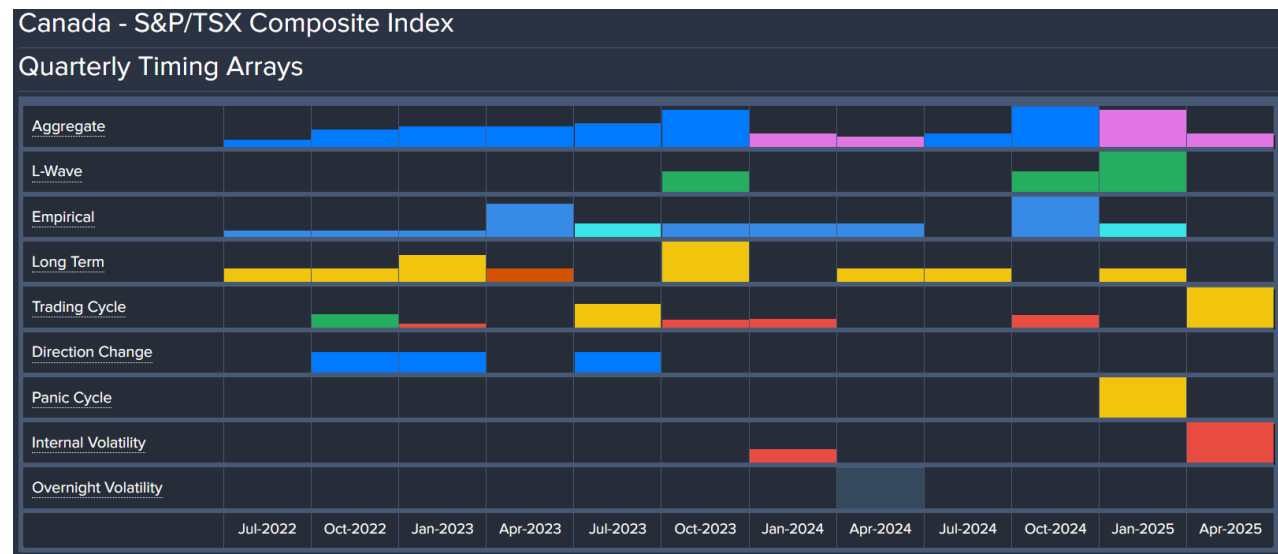
Here in Toronto Composite Index Cash, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2009 and 2002. The Last turning point on the ECM cycle high to line up with this market was 2000.

YEARLY CURRENCY CORRELATION

The Toronto Composite Index Cash did make a high in conjunction with the British pound on 01/01 yet in nominal terms the last high was created on 01/01 whereas the high in Australian dollar took place on 01/01, a high in the Canadian dollar was established on 01/01, a high in the Japanese yen was established on 01/01, a high in the Swiss franc was established on 01/01, a high in the Euro was established on 01/01, and a high in the Chinese yuan was 01/01.

The Socrates Generated Commentary for Toronto Composite Index Cash

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. This market peaked in both nominal terms and in terms of a basket of currencies on 01/01 implying that we do have a bullish trend in sync with international capital flows.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 175750 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Third Quarter 2022 as a temporary low and the next turning point will be the Fourth Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 198328. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. There are 3 Quarterly Directional Change targets starting from the Fourth Quarter 2022 to the First Quarter 2023 warning of a potential choppy swing period for these few Quarters.

Keep in mind that given the sharp decline of 18% from the last high established the Second Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 172975. There are 3 Quarterly Directional Change targets starting from the Fourth 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.

The next Quarterly Minor Bullish Reversal stands at 235480 with the next Quarterly Major Bullish Reversal standing at 249505. The next Quarterly Minor Bearish Reversal resides at 132170 whereas the next Quarterly Major Bearish Reversal is to be found at 172975.

This market on the quarterly level has been consolidating and moving higher since the low established during the First Quarter 2020. However, we have not elected any Bearish Reversals from high made during the Second Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Third Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

Looking at the indicating ranges on the Quarterly level in the Toronto Composite Index Cash, this market remains moderately bullish currently with underlying support beginning at 168351 and overhead resistance forming above at 196059. The market is trading closer to the resistance level at this time.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bullish. On the intermediate level momentum is bearish with trend showing it a bullish posture. The long-term trend is bullish while the key Cyclical Strength is registering bullish. The broadest indicating range which traditionally marks the line between a serious change in trend is currently bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 184442

Envelope Top... 222854

Internal AvgL.. 192609

Internal AvgH.. 209635

Envelope Btm... 139510

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 2ndQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY 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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Second Quarter 2022 whereas the actual market high in price unfolded back during the Second Quarter 2022.

On our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 181699. These Tentative Hypothetical Bullish Reversals would stand at 159431, 161931, 176841, and 217962, whereas a close above the previous high 203236 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 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.

QUARTERLY FIBONACCI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 04/01/2022 HIGH:

Sun. 01/01/2023
Sat. 07/01/2023
Mon. 04/01/2024
Tue. 07/01/2025
Thu. 07/01/2027
Tue. 10/01/2030
Tue. 01/01/2036
Fri. 07/01/2044
Mon. 04/01/2058

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 222131

23%	169708
38%	137277
61%	84854
78%	47536

Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2023/07/01
8% | 2024/04/01
13% | 2025/07/01
21% | 2027/07/01
34% | 2030/10/01
55% | 2036/01/01
89% | 2044/07/01

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	154377	186294	188804	266509
2023/01/01...	155824	186894	189772	269130
2023/04/01...	157270	187493	190741	271752
2023/07/01...	158717	188092	191709	274373
2023/10/01...	160164	188691	192677	276995
2024/01/01...	161611	189290	193645	279616
2024/04/01...	163058	189889	194614	282238

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 175750 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Third Quarter 2022 as a temporary low and the next turning point will be the Fourth Quarter 2023. Yet, this market is still trading below our Momentum Resistance standing at 198328. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. There are 3 Quarterly Directional Change targets starting from the Fourth Quarter 2022 to the First Quarter 2023 warning of a potential choppy swing period for these few Quarters.

Keep in mind that given the sharp decline of 18% from the last high established the Second Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 172975. There are 3 Quarterly Directional Change targets starting from the Fourth 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.

QUARTERLY HEDGING MODELS

HEDGING MODEL

By means of our Quarterly Hedging Model using only the Reversal System, we are currently long since during the Second 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 172975. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Toronto Composite Index Cash did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 04/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 04/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

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 August on the Monthly level at 203236 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 181699 made during July on the Monthly level, has now been broken in the recent decline here during October but the market is trading back above that low presently. However, we still remain below key support and key resistance now stands at 206193 above the market.

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, March 2023 and June 2023, August 2023. Centering on the patterns unfolding, I do see a prospect of a decline moving into November with the opposite trend thereafter into March 2023. 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

Probing into the volatility models suggest we should see a rise in price movement during January 2031. We look to the turning points to ascertain the direction. Volatility targets reflect only greater price movement.

MONTHLY PANIC CYCLES

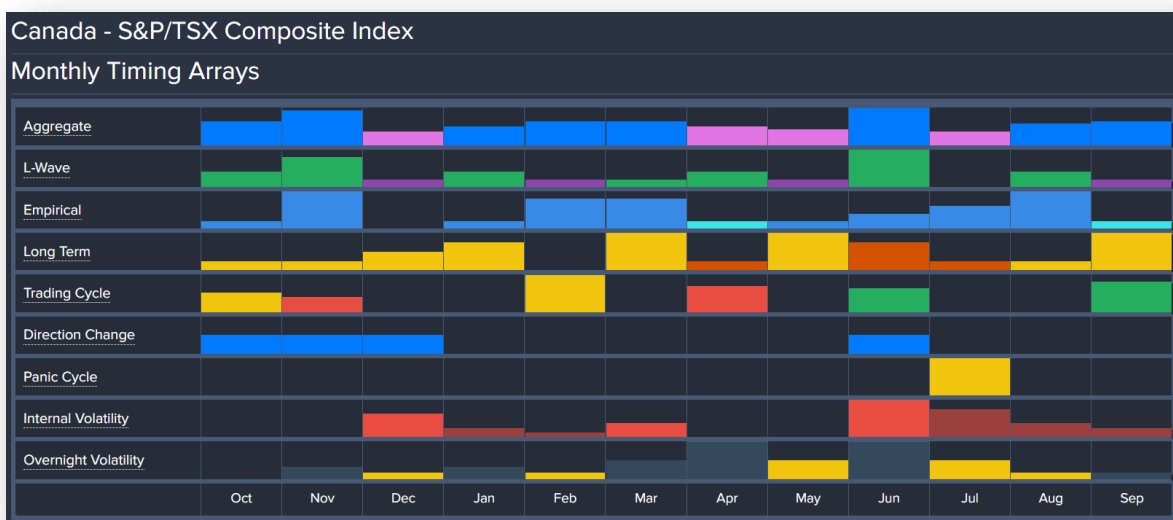
However, our Panic Cycle target, for the next period to watch is during 2030. This is beyond the peak in the next Economic Confidence Model due in 2024. Keep in mind that a Panic Cycle differs from just volatility. This can be either an outside reversal or a sharp move in only one direction. Panic Cycles 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 221815. 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 217960.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 179505. 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 157250.



MONTHLY ANALYSIS PERSPECTIVE

Factually, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies above the present trading level at the general area of 4100 warning that this decline has still not punched through important overhead resistance. A monthly closing beneath this level will keep this market in a bearish tone.

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 214335. 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.

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 December which is a Directional Change. 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 4 Monthly Directional Change targets starting from October to December suggesting a choppy coiling period for 3 Months. It does appear we have a choppy period starting October until December, but we do have a key target arriving also on November with each target producing the opposite direction for that 3-month period. However, given that November is a very strong target, this can produce an important event. This is particularly true since the next interval is also a Directional Change. Thereafter, we see the next target coming into play as May 2023 until August 2023, but we do have a key target arriving also on June 2023 with again each target producing the opposite direction for that 4-month period.

Keep in mind that given the sharp decline of 12% from the last high established August, 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 4 Monthly Directional Change targets starting from October to December suggesting a choppy coiling period for 3 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	- Neutral -
Short-Term Momentum	- Neutral -
Short-Term Trend	(Bearish)
Intermediate Momentum	(Bearish)
Intermediate Trend	(Bearish)
Long-Term Trend	BULLISH

The Socrates Generated Commentary for Toronto Composite Index Cash

Cyclical Strength..... BULLISH
Broader Trend BULLISH
Long-Term Cyclical Trend .. BULLISH

MONTHLY CURRENCY CORRELATION

The Toronto Composite Index Cash did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 04/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has rallied while in nominal terms, it has declined. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 04/01 after the high in terms of a basket of currencies which came on 03/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

Toronto Composite Index Cash Risk Table

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

MONTHLY.....	214335		10.33%		179505		7.595%	
QUARTERLY.....	208975		7.574%		172975		10.95%	
YEARLY.....	228863		17.81%		149155		23.21%	

The Socrates Generated Commentary for Mexico Stock Index Futures



This market made a bull run from the low of 8599 made in 1988 for 33 years into a high established in 2021 at 5363053. At this point in time, we have made a high last year at 5363053. However, the major high since that low took place in 2021 at 4290096. Presently, this market has rallied exceeding last year's high of 5363053 reaching 5706416 while holding last year's low of 4290096. temporary high since the market is trading below the previous Year's closing after making a new 27 year high. A closing below our Momentum Projection standing at 5446696 is suggesting that the upward momentum is encountering resistance and a pullback is possible into the next turning point due in 2023 especially if we close below 4559957 leaving 2022 as perhaps the highest closing and this year as a key intraday cyclical high. Yet, this market is still holding our Momentum support level resting at 4411076, indicating the broader trend has not been negated at this moment. This turning point also matched the turning

point on the Economic Confidence Model implying it was significant (NOTE: this can be intraday or on a closing basis).

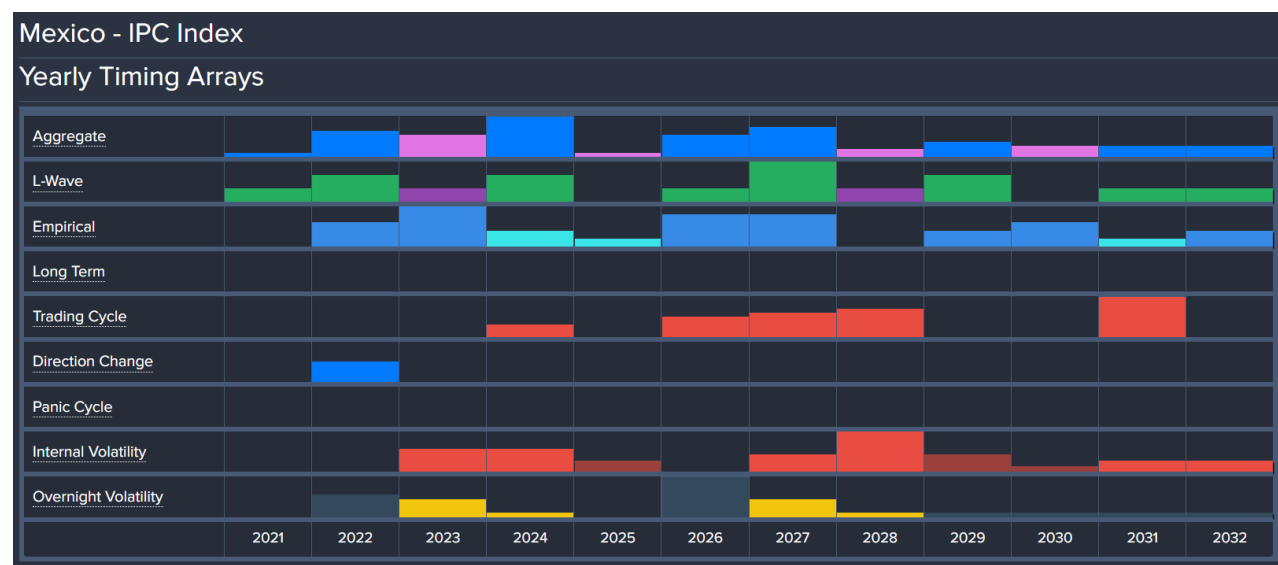
The strongest target in the Yearly array is 2024 for a turning point ahead, at least on a closing basis. We have a Yearly Directional Change target due in 2022. This lines up with a turning point so in this case we can see at least an intraday event, or a turning point based on the close. Our volatility models also target this date as well. It does appear we have a choppy period starting 2021 until 2025, but we do have a key target arriving also 2024 with each target producing the opposite direction for that 5-year period. However, given that 2024 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as 2027 until 2029 with again each target producing the opposite direction for that 3-year period.

Keep in mind that given the sharp decline of 17% from the last high established during 2021, 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 4531440.

The Mexico Stock Index Futures has continued to make new historical highs over the course of the rally from 1995 moving into 2022. Distinctly, we have elected one Bullish Reversal to date. Currently, the market has dropped back and is trading beneath the previous year's close warning of a potential correction in play.

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 1995 with the high forming during 2021. On the other hand, we have not elected any Yearly Bearish Reversal to date from the turning point of 2021.

The last major low took place during 1995 which was 27 years ago. However, the last near-term low took place just 2 years ago in 2020.



YEARLY ANALYSIS PERSPECTIVE

Strategically, in Mexico Stock Index Futures, the last important low was established in 1995 from which we have rallied into the major high established during 2021 which was a bullish run for twenty-six years. Longer-term, the major cyclical low was formed back in 1995 which was a broad bull market run for twenty-six years warning from a long-term perspective cyclically, there is a risk of a temporary pause in the uptrend become possible.

Recently on the yearly level, the market has rallied exceeding last year's high reaching 5706416 intraday. The market has fallen back from the high rather sharply by 10%. This market came to test the Yearly Bearish Reversal at 4531440 bottoming at 4290096 but failed to close below it.

Currently, the market is trading neutral within last year's trading range of 5363053 to 4290096. Overall, the market has been in a long-term bullish trend. We have not elected any Yearly Bearish Reversals from that major high.

Examining the yearly time level, we can now see that there is a 24% risk on the upside, where we show a clear downside risk factor at 10%. From a risk perspective, resistance on a closing basis stands at 6326932 whereas the risk on the downside begins at 4531440.

YEARLY TECHNICAL ANALYSIS

2022/01/01...	2781958	3244973	3517379	6046918
2023/01/01...	2547774	3242297	3650906	6220855
2024/01/01...	2313590	3239621	3784433	6394791

2025/01/01...	2079406	3236945	3917960	6568727
2026/01/01...	1845222	3234269	4051487	6742664
2027/01/01...	1611039	3231593	4185014	6916600
2028/01/01...	1376855	3228917	4318541	7090536

YEARLY TIMING ANALYSIS

Scrutinizing 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 2032. Considering all factors, there is a possibility of a rally moving into 2024 with the opposite trend thereafter into 2027.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is 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.

YEARLY VOLATILITY

Glancing at 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.

THE BROADER LONGER-TERM VIEW

Discernably, the far-reaching outlook view recognizes that the current directional movement since the low made back in April 2020 has been a long-term Bullish trend in Mexico Stock Index Futures. This trend remains in motion as long as we hold above 3688581 on a monthly closing basis. It is incredibly important to identify the broader trend for that is the underlying tone. It is wise to take position counter-trend only with this understanding of what you are doing.

INDICATING RANGE STUDY

Looking at the indicating ranges on the Yearly level in the Mexico Stock Index Futures, this market remains in a bullish position at this time with the underlying support beginning at 5177237.

Yearly Indicating Ranges

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

TRADING ENVELOPE STUDY

NORMAL YEARLY TRADING ENVELOPE

Last Close Was. 5327244
Envelope Top... 5277862
Internal AvgL.. 3965117
Internal AvgH.. 4901618
Envelope Btm... 3304028

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 2018 whereas the actual market high in price unfolded back in 2021. When Energy peaks BEFORE the price high, this is indicative of a major important high is forming and that we may see a serious change in trend to the downside thereafter. Immediately, our model is starting to turn down despite the new high in price. This is warning that we may have an important temporary high forming.

REVERSAL COMMENTARY

On our Yearly Hypothetical Models, clearly, we see that we have Yearly Bearish Reversals that would be generated if we see another new high penetrating 5706416. These Tentative Hypothetical Bearish Reversals would rest at 514803,

2540034, 3826551, and 3925658, whereas a close below the previous low 4290096 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.

SUPERPOSITION

RARE SUPER POSITION EVENT

We have elected two Short-Term Weekly Bullish Reversals the week of October 24th. However, we have also elected a Long-Term Bearish Reversal 4947240 in a Superposition Event warning that this may prove to be a high.

YEARLY FIBONACI COMMENT

YEARLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 01/01/2021 HIGH:

Mon. 01/01/2024
Thu. 01/01/2026
Mon. 01/01/2029
Sun. 01/01/2034
Wed. 01/01/2042
Fri. 01/01/2055
Wed. 01/01/2076
Thu. 01/01/2110
Wed. 01/01/2165

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 5363053

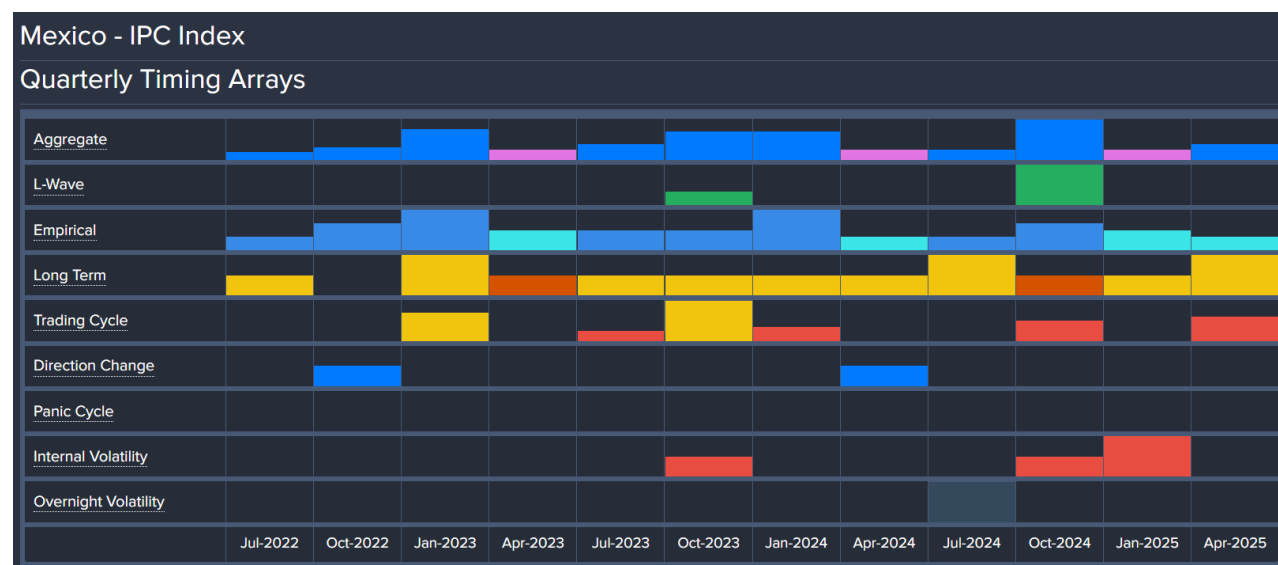
23%	4097372
38%	3314367
61%	2048686
78%	1147693

Fibonacci Percentage Golden Ratio Movements:

3%	2024/01/01
5%	2026/01/01
8%	2029/01/01
13%	2034/01/01
21%	2042/01/01
34%	2055/01/01
55%	2076/01/01
89%	2110/01/01

ECONOMIC CONFIDENCE MODEL CORRELATION

Here in Mexico Stock Index Futures, we do find that this particular market has correlated with our Economic Confidence Model in the past. Our next ECM target remains Mon. Apr. 10, 2023. The Last turning point on the ECM cycle low to line up with this market was 2020 and 2001 and 1998. The Last turning point on the ECM cycle high to line up with this market was 2017 and 2007 and 2000 and 1994.



QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 4300342 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Third Quarter 2022 as a temporary low and the next turning point will be the First Quarter 2023. Yet, this market is trading ABOVE our Momentum Resistance level resting at 4738248, indicating the broader declining trend has been negated at this moment. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. We have Quarterly Directional Change targets due the Fourth Quarter 2022 and the Second Quarter 2024. It does appear we have a choppy period starting the First Quarter 2023 until the Second Quarter 2023 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the significant decline of 21% from the last high established the Second Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 4442920. We have Quarterly Directional Change targets due the Fourth Quarter 2022 and the Second Quarter 2024. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

We closed the previous quarter at 4462680. Immediately, the market is somewhat bearish on our indicating range models. The next Quarterly Minor Bullish Reversal stands at 4894450 with the next Quarterly Major Bullish Reversal standing at 6121843. The next Quarterly Minor Bearish Reversal resides at 3225820 whereas the next Quarterly Major Bearish Reversal is to be found at 4442920. Caution is now required for this market is starting to suggest it will decline further on a quarterly level.

This market on the quarterly level has been consolidating and moving higher since the low established during the Second Quarter 2020. However, we have not elected any Bearish Reversals from high made during the Second Quarter 2022. Nonetheless, we have not elected any Bullish Reversals from the last low established during the Third Quarter 2022.

QUARTERLY INDICATING RANGE STUDY

The perspective using the indicating ranges on the Quarterly level in the Mexico Stock Index Futures, this market remains moderately bearish position at this time with the overhead resistance beginning at 4656629 and support forming below at 4399898. The market is trading closer to the support level at this time.

Quarterly Indicating Ranges

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

More specifically in this market the immediate trend indicating range is bearish with the short-term momentum indicating range being bearish and the short-term trend coming in as bullish. On the intermediate level momentum is bearish with trend showing it a bearish posture. The long-term trend is neutral while the key Cyclical Strength is registering bullish.

Note: Normally, when the first two indicating ranges (Immediate Trend and Short-Term Momentum) turn bullish or bearish in a trend, we begin to see a change in direction.

QUARTERLY TRADING ENVELOPE STUDY

NORMAL QUARTERLY TRADING ENVELOPE

Last Close Was. 4462680

Envelope Top... 5593971

Internal AvgL.. 4763457

Internal AvgH.. 5282706

Envelope Btm... 3501917

QUARTERLY MOMENTUM MODELS

QUARTERLY MOMENTUM MODEL INDICATOR

Our Momentum Models are declining at this time with the previous high made 1stQ/2022 while the last low formed on 3rdQ/2022. However, this market has rallied in price with the last cyclical high formed on 2ndQ/2022 and thus we have a divergence warning that this market is starting to run out of strength on the upside.

QUARTERLY 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.

QUARTERLY ENERGY MODELS

Looking at our Energy Models on the Quarterly level, the historical high took place back during the Second Quarter 2022 whereas the actual market high in price unfolded back during the Second Quarter 2022.

Engaging our Tentative Hypothetical Models, we see that we have Quarterly Bullish Reversals that would be generated if we see another new low penetrating 4451873. These Tentative Hypothetical Bullish Reversals would stand at 4536457, 4952394, 5004170, and 5363054, whereas a close above the previous high 4894449 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 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.

QUARTERLY FIBONACI COMMENT

QUARTERLY FIBONACCI PROJECTIONS IN TIME

These are the Fibonacci Time targets for potential turning points ahead calculated from the 04/01/2022 HIGH:

Sun. 01/01/2023
Sat. 07/01/2023
Mon. 04/01/2024
Tue. 07/01/2025
Thu. 07/01/2027
Tue. 10/01/2030
Tue. 01/01/2036
Fri. 07/01/2044
Mon. 04/01/2058

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.

QUARTERLY FIBONACCI RETRACEMENTS & PERCENTAGE MOVEMENTS

Here are the Fibonacci Percentage Retracements from the previous HIGH at 5706416

23% | 4359702
38% | 3526565
61% | 2179851
78% | 1221173

Fibonacci Percentage Golden Ratio Movements:

3% | 2023/01/01
5% | 2023/07/01

8% | 2024/04/01
13% | 2025/07/01
21% | 2027/07/01
34% | 2030/10/01
55% | 2036/01/01
89% | 2044/07/01

QUARTERLY TECHNICAL ANALYSIS

2022/10/01...	2769262	2782333	3598656	5841925
2023/01/01...	2760665	2735533	3633489	5873577
2023/04/01...	2752067	2688734	3668322	5905229
2023/07/01...	2743470	2641935	3703155	5936881
2023/10/01...	2734872	2595136	3737988	5968532
2024/01/01...	2726275	2548336	3772821	6000184
2024/04/01...	2717677	2501537	3807655	6031836

QUARTERLY ANALYSIS PERSPECTIVE

temporary low since the market is trading above the previous Quarterly's closing. Maintaining a closing above our Momentum Projection resting at 4300342 will signal that the market is still with broader trend support right now. However, a lower closing could still leave was The Third Quarter 2022 as a temporary low and the next turning point will be the First Quarter 2023. Yet, this market is trading ABOVE our Momentum Resistance level resting at 4738248, indicating the broader declining trend has been negated at this moment. (NOTE: this can be intraday or on a closing basis).

The strongest target in the Quarterly array is the Fourth Quarter 2024 for a turning point ahead, at least on a closing basis. We have Quarterly Directional Change targets due the Fourth Quarter 2022 and the Second Quarter 2024. It does appear we have a choppy period starting the First Quarter 2023 until the Second Quarter 2023 with each target producing the opposite direction for that 2-quarter period.

Keep in mind that given the significant decline of 21% from the last high established the Second Quarter 2022, 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 Quarterly Bearish Reversal comes into play at 4442920. We have Quarterly Directional Change targets due the Fourth Quarter 2022 and the Second Quarter 2024. Don't

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

QUARTERLY HEDGING MODELS

HEDGING MODEL

On our Quarterly Hedging Model Reversal System, we are currently long 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 above the next Bearish Reversal on this level 4442920. If you want to reduce the exit strategy then use the next Monthly Reversal if we reach the timing objectives.

QUARTERLY CURRENCY CORRELATION

The Mexico Stock Index Futures did make a high in conjunction with the British pound on 04/01 yet in nominal terms the last high was created on 04/01 whereas the high in Australian dollar took place on 04/01, a high in the Canadian dollar was established on 10/01, a high in the Japanese yen was established on 04/01, a high in the Swiss franc was established on 04/01, a high in the Euro was established on 07/01, and a high in the Chinese yuan was 10/01.

In terms of a Basket of Currencies, we see that here this market has declined both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 04/01 after the high in terms of a basket of currencies which came on 01/01 implying that this immediate rally is purely in domestic terms.

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. Probing into the direction of this trend, we had been moving down for 5 months. Subsequently, the market has consolidated for the past Monthly session. The previous high made during April on the Monthly level at 5706416 remains significant technically and only exceeding that level on a closing basis would suggest a reversal in the immediate trend. The previous low of 4451873

made during September on the Monthly level has held and only a break of 4451873 on a closing basis would warn of a technical near-term change in trend. We have generated a sell signal, so some caution is required.

MONTHLY TURNING POINTS

I show a potential target on the Turning Point Model, defined as highs or lows on an intraday or closing basis, for November, February 2023, April 2023 and June 2023, August 2023. I show a potential for a rally moving into November with the opposite trend thereafter into February 2023. If the November high holds, then a decline into the next turning point may materialize. Otherwise, a rally into the next target should be expected if we make new highs.

MONTHLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target is 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

Glancing at 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 BULLISH REVERSALS

The key Monthly Bullish Reversal stands overhead at 5106690. 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 5421920.

MONTHLY BEARISH REVERSALS

The key Monthly Bearish Reversal below the market remains at 3688570. 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 3250310.



MONTHLY ANALYSIS PERSPECTIVE

Factually, we have exceeded last month's high so we have therefore generated a new What If Monthly Bearish Reversal which lies below the present trading level at the general area of 4616427 and a month end closing beneath this level will be a sell signal for now.

Factually, we have broken below last month's low and that means we have generated a new What-If Monthly Bullish Reversal which lies below the present trading level at the general area of 92889 and a month end closing above this level will be a buy signal for now.

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 4177870. 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.

On the Monthly Level, our first target for a turning point is November with the opposite trend implied thereafter into January 2023 (NOTE: this can be intraday or on a closing basis).

The strongest target in the Monthly array is April 2023 for a turning point ahead, at least on a closing basis. We have overall 2 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of June 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. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of June 2023. This underlines the importance of this target as an event on the horizon. It does appear we have a choppy period starting October until November with each target producing the opposite direction for that 2-month period. However, given that April 2023 is a very strong target, this can produce an important event. Thereafter, we see the next target coming into play as January 2023 until August 2023, but we do have a key target arriving also on April 2023 with again each target producing the opposite direction for that 8-month period.

Keep in mind that given the significant decline of 21% from the last high established April, 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. We have overall 2 Monthly Directional Change targets ahead and 1 that also aligns with a main turning point on the top line of the Array. Therefore, the target of June 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. We also see a convergence in the Array with both the Directional Change and Panic Cycle lining up for the same target of June 2023. This underlines the importance of this target as an event on the horizon. Don't forget, a Directional Change can also be a sharp dramatic move in the same direction, not just a change in direction.

The Socrates Generated Commentary for Mexico Stock Index Futures

Monthly Level

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

MONTHLY CURRENCY CORRELATION

The Mexico Stock Index Futures did make a high in conjunction with the British pound on 09/01 yet in nominal terms the last high was created on 04/01 whereas the high in Australian dollar took place on 08/01, a high in the Canadian dollar was established on 06/01, a high in the Japanese yen was established on 08/01, a high in the Swiss franc was established on 08/01, a high in the Euro was established on 09/01, and a high in the Chinese yuan was 08/01.

In terms of a Basket of Currencies, we see that here this market has rallied both in nominal and basket terms. In international terms, we have a divergence whereby this market last reached a high in nominal terms on 04/01 after the high in terms of a basket of currencies which came on 03/01 implying that this immediate rally is purely in domestic terms.

MARKET RISK FACTOR

Mexico Stock Index Futures Risk Table

	----- UPSIDE RISK -----	----- DOWNSIDE RISK -----
MONTHLY.....	5106690 0.397%	4177870 17.86%
QUARTERLY.....	5340030 4.984%	4442920 12.65%
YEARLY.....	6326932 24.38%	4531440 10.91%