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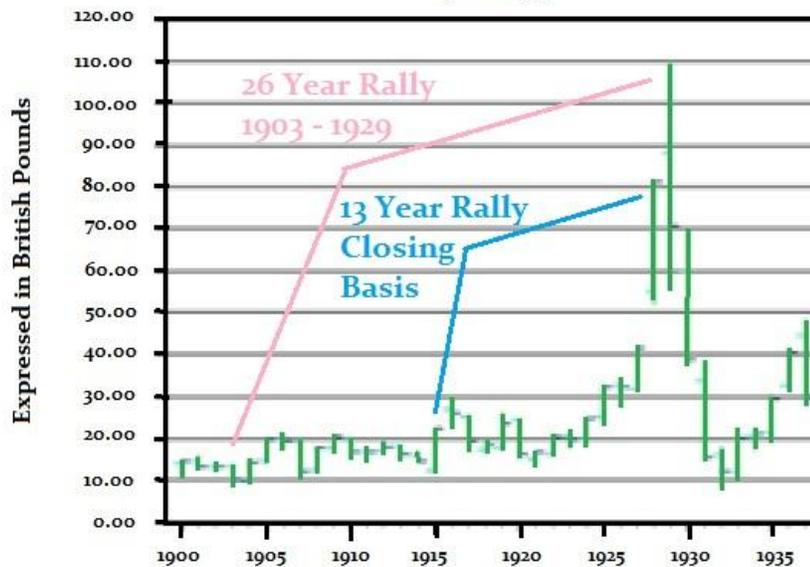
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The 13 Year Curse

Dow Jones Industrials expressed in British Pounds

1900 - 1937



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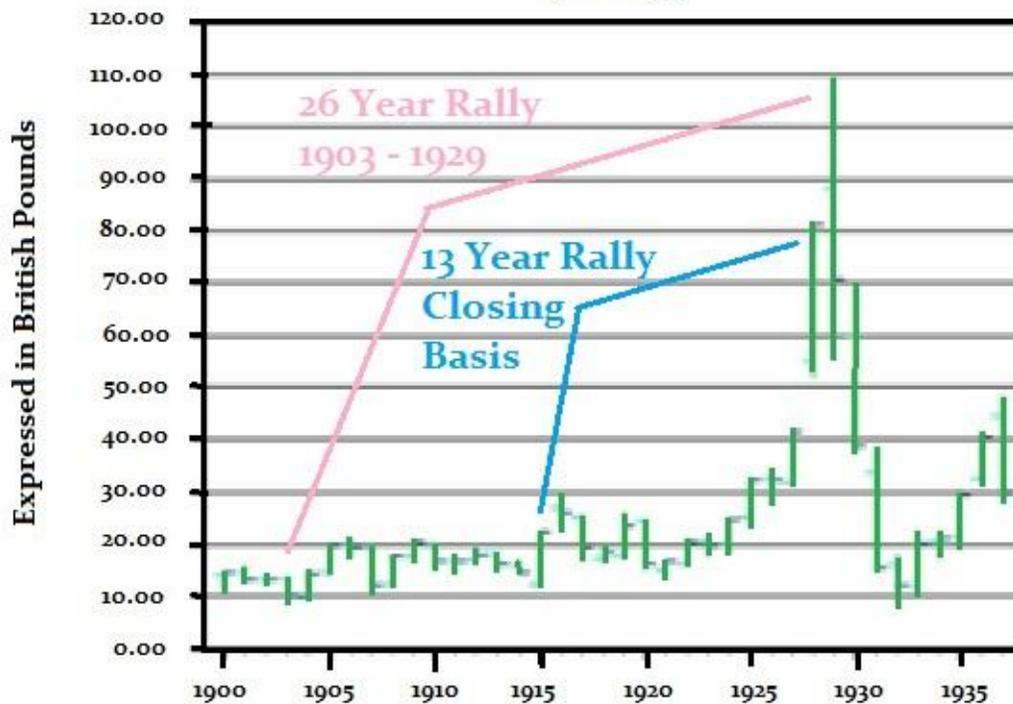
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Dow Jones Industrials expressed in British Pounds 1900 - 1937



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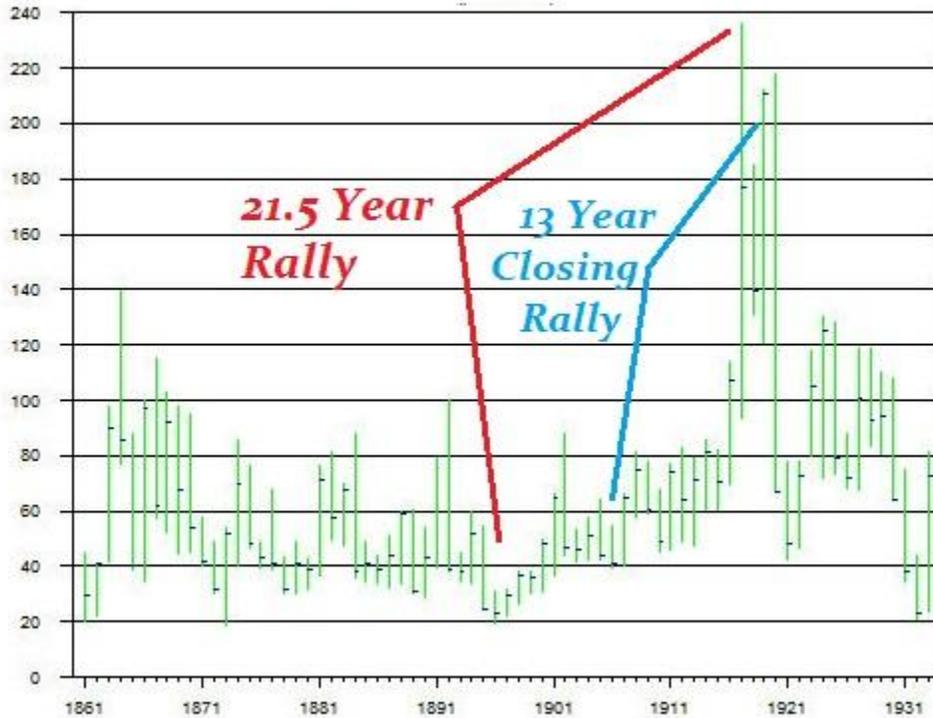
THE 13 YEAR CURSE



lot of buildings will not have a 13th floor for that number has often been associated with bad luck. In Markets, 13 years has often been a tumultuous event and 2012 appears to be taking the hard way rather than the neat orderly course through history. 2012 is the 13th Year Up in the metals from the 1999 low in gold. Because of gold's anti-establishment status, it is at least one of the investment segments that will attract some capital while others will prefer collectables, real estate, or equities. Even when we look at the Dow Jones expressed in British pounds for the Roaring 20's, we still have the 26 year rally from the Rich Man's Panic of 1903, with the World War I low of 1915 providing the market for the 13 year rally on a closing basis. Even when we look at silver, 2012 is 26 years from the 1986 low whereas the 2017 target is indeed 26 years from the lowest low in 1991. Then we have 2013 being 26 years from the 1987 Crash. At the very least, we certainly are faced with very difficult times just ahead.

CORN PRICES 1861-1933

EXPRESS IN US\$ PER BUSHEL



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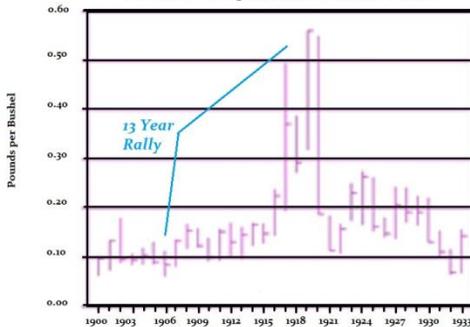
Often these rallies are within the 8.6 year frequency or within the 26 year frequency (3 x 8.6 = 25.8). These tend to unfold in all markets. These are universal frequencies rather than the individual frequency contained within each market. We can see this frequency even in corn. A closer look shows the 7 year bull market trading frequency within the 13 year operating on a

Corn Prices expressed in US dollars 1899 - 1933



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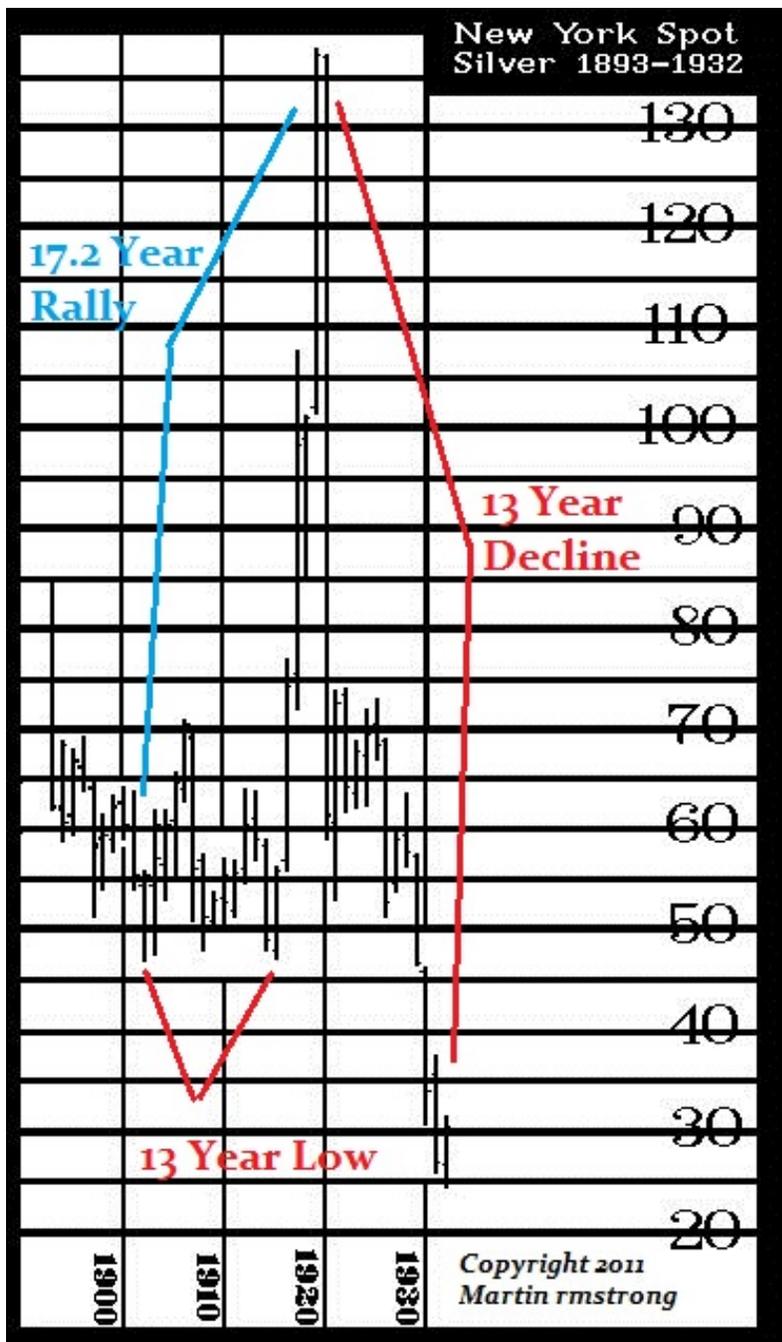
Corn Prices expressed in British Pounds



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closing basis. Then there is the 13 year frequency governing also the decline on a closing basis. Also illustrated here is corn expressed in British pounds. Once again we still see the 13 year rally expressed clearer on an intraday basis. Looking at things globally always helps to clarify trends.

It does not matter what market we look at, everything fits like a jigsaw puzzle on a global scale. Here is silver on an annual basis 1893-1932. This was the major bull market into 1919 that was a 17.2 year rally,



but the 13 year frequency produced a double low. The decline was a 13 year cycle that fit perfectly with the Great Depression low in 1932 made by the Dow Jones Industrials.

There is far more complexity than most even consider. The fundamentalists harp on the same relationships and they are just scratching the surface. Nobody is capable of keeping track of every real fundamental on a global scale and weigh them in their mind to come out with a consistent forecast. The stock market has rallied with higher interest rates and declined with lower rates. Metals declined for 19 years with the same fundamentals of a fiat currency. Nothing is ever just a single relationship. There is far more dynamic interaction going on that is monumental in constructing the future.

The biggest danger we have at this time is a major high forming in 2012 on this 13 Year turning point. That could lead to a sharp correction with a final rally to new highs on the 17.2 year target out in 2017. This type of patten would be extremely violent and would tend to wide out a lot of long positions after sucking

them in at the top. We also have to watch for the market manipulators who would love to goose the market up to create the slam dunk as previous in 1980.

