

THE MMA CYCLES REPORT

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Review and Preview: Last month's preview was on target, as it stated, "*On Monday, May 19, both the DJIA and S&P futures posted their highest levels since the double bottom lows of January 22 and March 17. That was a three-star critical reversal date (May 16-19 weekend). By the end of that week, May 23, both indices had fallen sharply, well below their 25-day and even 25-week moving averages. On the one hand, this demonstrates the power of these geocosmic critical reversal dates. On the other hand, this activity calls into question the recovery that could take world stock indices to new all-time highs, and rekindles concern that the downside of the very long-term stock market economic cycles could be underway.*" That concern is fully magnified now as we come to the end of the first half of this year, with stock indices again testing their yearly lows of January and March.

Help may be on the way in terms of geocosmic signatures. June 12-July 14 is a time band containing 15 important geocosmic signatures related to reversals in financial markets. The midpoint is June 28, this coming weekend. According to our theory, geocosmic critical reversal dates in financial markets are determined by taking the midpoint of such a cluster, and then allowing an orb of three trading days. That means June 28, +/- 3 trading days. The possibility of a market reversal then is increased if there is at least one Level One signature within 4 trading days of that critical reversal date. In fact there are three of these, with the most significant being Uranus turning retrograde on June 26. This signature has a 77% historical correlation to primary or greater cycles in U.S. stock indices within 11 trading days, and most of the time, within only 7 trading days. This signature may also coincide with many unexpected mundane and weather-related events, such as earthquakes and tornadoes. One of the other Level One signatures unfolding nearby (Mars-Neptune opposition of June 21) relates to the possibility of flooding conditions, which may be peaking in the USA Grain Belt right now. However it was the Neptune-Chiron-Moon's North Node conjunction of mid-April through early June that created the abundance of rains in the first place, as Neptune rules rains and floods, as well as Crude Oil prices (which also soared during this same period). On July 10 there is another signature that oftentimes coincides with fires, unseasonably hot or cold temperatures, and peaks in grain prices, within 10 trading days.

Critical Reversal Dates: Look for cycle turns in many markets within three trading days of the forthcoming critical reversal dates:

June 28* (midpoint of long cluster 6/12-7/14)**

July 5 (3-7) (midpoint of 2nd tight cluster 6/26-7/14)**

July 31-Aug 1**

Dow Jones Industrial Average Falling Into Time Band for Primary Cycle Trough: From a high of 13,136 on May 19 (the previous three-star critical reversal date), the DJIA has now fallen back to 11,818 as of last Friday, June 20. It is now re-testing the yearly lows of the double bottom on January 22 and March 10 at 11,634 and 11,731 respectively. As stated last issue, "*Of utmost concern is whether or not the low of January 22nd was indeed a 4-year cycle trough in the DJIA. If so, then U.S. stock indices are in the early stages of a new 4-year cycle, which is bullish. This means any decline will not take out the lows of January or March in either the DJIA or SPM.... But in the last 4 days of last week, several of these*

technical support indicators caved in. And most disturbing of all is a key chart pattern. In the case of the DJIA, prices briefly poked above the extended neckline of a former head and shoulders pattern (see daily charts) on two isolated days, but could not remain there. In the case of the June S&P, prices didn't even quite get that high. That former neckline is extremely important resistance, and both markets need to close and hold above it for a few days. Until then, it acts as resistance and leaves open the possibility that the downside of the even longer-term 72- and/or 90-year cycles is in force. And if that is the case, we are in serious trouble for the next 2-7 years. Such a serious time is coming due in any event."

June 23 begins the 22nd week of the 13-21 week primary cycle in the DJIA. Any new low beyond last week means this will be an expanded primary cycle, which is a type of distortion that usually signifies the end of a longer-term cycle. It also begins the 14th week of a 15-23 week primary cycle in the nearby S&P futures. If a low were to form by this week, it would be a contracted primary cycle, which is another type of cycle distortion. Plus, as indicated in the introductory section, the next three-star critical reversal date is now in effect, June 28, +/- 3 trading days. In other words, our market timing studies point to the possibility of a distorted primary cycle trough forming right now. Even in an expanded primary cycle, the DJIA has a 92% probability of bottoming before the end of the 26th week, which ends July 25.

A close above the 25-day moving average will be a confirming signal that the primary cycle has bottomed, and a new primary cycle is in effect. That average is now at 12,422 in the DJIA and 1376.65 in September S&P as of June 20. Both are falling rather sharply each day. But both are also in oversold levels on the 15-day slow stochastics, with a bullish double looping formation unfolding. Whether prices can hold the lows of January and March as this primary cycle trough completes itself is indeterminable until the 25-day moving average is exceeded. But even if not, a low of importance is due and the market could reverse and rally at any time now. Lower price targets are down to 11,552.58 +/- 312.15, or 10,991.40 +/- 329.07.

Strategy: Traders are advised to look for signs of a primary cycle trough and an opportunity to buy any time now. However, the market cannot be considered bullish until prices can close back above the extended neckline of the former head and shoulders pattern, which means above the 13,136 high of May 19.

Short-Term Reversal Dates in U.S. Stocks: Look for 2.5% or greater reversals in U.S. stock indices to unfold on these lunar reversal dates, or at most, one trading day before or after.

June 23-25***
June 26-27***
July 18**
July 21-22*
July 23-24***

Gold and Silver In Middle of Primary Cycles: June 23 begins the 8th week of the 15-21 week primary cycle in Gold and Silver. Whether this market is bullish or bearish depends upon whether May 2 was the longer-term 11.33-month cycle trough. This cycle was due May 2008 +/- 2 months, but oftentimes it will exhibit a double bottom within the following 4 months. Right now it looks like it wants to decline again. If it falls below the low of May 2 (855 in August contract, and 846.40 in the nearby June contract), then it means this 11.33-month cycle is still unfolding. In fact, it may mean the even greater 8.5-year cycle trough is unfolding, which is due March 2008-July 2009. As stated last issue, "*But if the 11.33-month cycle is still unfolding, the high of last week (May 21, 934.50) could have been the primary cycle crest already. Gold could fall now to that longer-term cycle low, perhaps in a contracted 12-14 week primary cycle that would be due by the end of July. In this case, Gold could make a slightly lower low than the 846.40 level of May 2. Or it could plunge down to either 823.10 +/- 23.40 or even 756.40 +/- 31.20.*"

Last week, on June 12, August Gold fell to a 5-7 week major cycle trough at 860.00. That was a double bottom to the primary cycle trough of May 2 at 855. The market rallied to 910 on Friday, but today (Monday, June 23) it is falling again, back below 880. This is only the second week of the second 5-7 week major cycle trough – unless it will be a contracted primary cycle of 12-14 weeks, comprised of two short half-primary cycle troughs of 6-7 weeks each (very possible if the longer-term cycle is forming, for contractions are more the rule than expansions at the end of longer-term cycles in commodities). As long as that double bottom holds at 855-860, there is still hope for the bulls, for double and even triple bottoms in Gold are not that uncommon when the 11.33-month cycle unfolds. Prices could rally substantially to the crest of the new 11.33-month cycle, which would certainly be above 935, and maybe even back to the 1000 mark. But if the 855 low that started this primary cycle breaks, then it means the market is bearish until the cycle ends. The lowest price will then be at the end of this primary cycle. By that time, prices could be down far enough to qualify for the longer-term 8.5-year cycle trough. For now, this market is in a trading range of 855 support and 910 resistance. Traders and investors alike are advised to stand aside until the picture clears. If prices do break below 855, then traders and investors alike may prepare to buy Gold in about 4-6 weeks as a contracted primary cycle would then be due, coinciding with the longer-term 8.5-year and 11.33 month cycles.

This also begins the 8th week of a newer 13-21 week primary cycle in Silver. A 4-6 week major cycle trough occurred on June 12 at 1636 in the September composite contract, which was slightly above the 1619 low of May 2. In between, prices had reached 1845 on May 27 for the crest of the first major cycle phase. Just a couple of days before that high, the CCI (Commodity Channel Index) soared to +270. Anything above +200 indicates a high is due within the next 7 trading days. Right on target, the market fell steeply. Since the June 12 low, Silver has again rallied, to 1784 last Thursday. Today (Monday) Silver is back down and testing the 1660 area (July contract), which does not look good. If September contract breaks the start of the primary cycle at 1619, then prices are expected to continue falling to new lows until the primary cycle ends in 5-13 weeks, with a price target down to 1526.50 +/- 68 or 1354 +/- 89. At that time we would look for the CCI indicator to be below -200, and setting up a buy signal. Any weekly close above 1775 before falling below 1620 probably negates the bearish outlook now.

Short-Term Reversal Dates in Silver: Look for 2.5% or greater reversals in COMEX Silver to unfold on these lunar reversal dates, or at most, one trading day before or after.

June 27-30**

July 14-15*

July 29-31*

T-Notes and Currencies: June 23 begins the 18th week of the 18-28 week primary cycle in T-Notes. Thus we are entering a time band when the primary cycle trough is due. Not only that, but as stated in the last report, “T-Notes are now falling into their 25-month cycle trough, which is due within 4 months of July 2008 at prices around 113/01 +/- 2/02.” We have now dropped to the lower part of this price range as the September contract fell to 111/05 on June 13, which was a critical reversal period for T-Notes based on geocosmic signatures present then. In previous reports we had also pointed out that when Jupiter is in Capricorn, Treasuries usually bottom May-July. We are there, so a low could be forming in the next month, if the primary cycle didn’t contract and form on June 13. A move above 114/16 would imply that is the case. We are entering a critical reversal period now (June 28 +/- 3 trading days), and there is a new moon next week that can be important to T-Notes. If the market is rallying into that time frame, but not above 114, traders may look to sell short. If instead prices decline again, perhaps to form a double bottom back in the low 111’s, traders may look to buy.

June 23 begins the 22nd week of the 21-34 week primary cycle in the Euro cash currency and the 28th or 7th week in the nearby Swiss Franc futures contract. We will focus on the Euro for now, but keep

in mind that if the world economy suffers a serious down turn in 2009-2010, as I think is possible, then investors will likely abandon the Euro currency and head for the Swiss Franc. In the meantime, we continue to monitor the possibility of a 30-month cycle trough still unfolding in the Euro currency. As stated last month, *"It appears to me that the Euro exhibits a 5-year, or 60-month cycle, that is comprised of two half cycles of 30 months, with a range of 5 months... If correct, then this current half-cycle (30-month sub-cycle) in the Euro currency would be due May 2008, +/- 5 months... (which) still allows for that steep decline to take place, sometime before October 2008. In fact, it could even occur at the end of this primary cycle."* On May 8, an 11-17 week half-primary cycle trough occurred at 1.5284. If the market is indeed in the process of falling to a 30-month cycle trough, then that low should be taken out before another all-time high (1.6018) is made. The next two weeks are thus critical for the currencies, based on both cycle studies and geocosmic studies. If it breaks under 1.5284, we get a downside price projection of at least 1.5111 +/- .0107. But I think the decline could be even steeper, below the 1.4500 mark, as there is still 4-10 weeks left in this second half-primary cycle trough time band. Much depends of course upon whether the FRB raises interest rates to support the Dollar. So far the FRB hasn't done anything other than to talk hard against inflation, which won't change these trends by itself. If the FRB actually does raise interest rates, then we can be aggressive from the short side in both the Euro currency and Swiss Franc. But until that happens, there is nothing to stop the inflation or the Dollar decline. With the Swiss Franc, the key support area is .9400-.9490. As long as it holds, there is reason to think this is only the 7th week of a newer primary cycle. In that case, the Swiss Franc could be up to 1.0000 or higher by the fall. But if it breaks, then here too we could see a sharp decline, perhaps back down to the mid 80's, by October. I think a lot depends upon the FRB policies right now, and whether they will do anything about inflation other than talk tough. Of course if they do, they risk a panic in the stock market. And this turmoil shows clearly the chart of FRB Chair Ben Bernanke, who is in a vulnerable period right now (through next spring) of making decisions which could produce unforeseen (and uncontrollable) results. From a hedging position, it is probably wise for investors to have some presence in non-dollar currencies, like the Swiss Franc. As traders, however, we will wait for signs of a primary cycle trough being in before we start to purchase.

Grains: This starts the 4th week of a newer 15-21 week primary cycle in December Corn, following the 599-3/4 low of May 29. Last Monday, June 16, this contract was at a new all-time high of 791. Corn continues its march higher towards our price target of \$11.00/bu by 2010. Near-term, a 5-7 week major cycle trough is due, perhaps nearby to the new moon of July 2-3. As long as prices remain above a critical "gap up" zone of 703-715 on June 10-11, this major cycle trough can be bought. It still appears that with the diminished acreage being planted, and the demand for ethanol still present, that there very well could be a shortage of Corn this year. This begins the 12th week of the 15-21 week primary cycle in November Soybeans. Following the 1060 low that started this cycle back on April 1, November Soybeans soared to a contract high of 1564 last week, June 16. Along the way, there was an important "gap up" at 1387-1402 on June 4-5. As long as that gap remains intact, there is a measuring gap price target of 1729 +/- 80. Prior to getting there, however, there may be a pullback to the 25-day moving average or lower, currently at 1418 and rising. Traders can buy all corrective declines that do not fill the gap at 1387. Once that gap is filled, it negates the higher price targets, and may even suggest the high for the year is in. With the July 10 reversal date coming up for grains, it is possible the high for the year happens within one week of that date, so be cautious around that time about buying. This now starts the 4th week of the new 15-21 week primary cycle in December Wheat, off the 768 low of May 29. Since I think the high for the year is in, with the 1280 contract high of March 13, I would expect the rally to the crest of this new primary cycle to be completed no later than the 8th week. The normal corrective rally to this crest would be to 1024 +/- 60. Right now prices may be forming the crest of their first major cycle phase, to be followed by a decline to the 5-7 week major cycle trough. If that high came in last week, look for a decline back towards 850. If at any time Wheat falls below 768, the market will remain bearish until the cycle ends, in about 3-4 months. Aggressive traders could start looking to sell short now, but a better set up would be to wait for the major cycle to bottom, and then sell the next 1-3 rally to the crest of the second major cycle phase.

Crude Oil Soars to Another New All-Time High: On June 16, the nearby Crude Oil contract made yet a slightly higher new all-time high as it touched 139.89. As one can see from the enclosed daily chart, this occurred under lower stochastics, which creates a case of bearish oscillator divergence, late in the primary cycle. In fact, it is also late in the 18-month cycle. When markets make new highs in the time band for cyclical lows, it means the decline that happens will be sharper than most would expect. For now, July will start the 20th month of the 15-22 month longer-term cycle. June 23 begins the 20th week of the 15-23 week primary cycle. They are both late in their cycles, and highs are being made, so Crude Oil is vulnerable to a very sharp decline. If the primary cycle crest did occur last week, then we can anticipate a decline of 2-5 weeks, back to 112.85 +/- 6.38. If it was the crest of the 18.5-month cycle, then we can look for a decline even further into the trough of that cycle, due by the end of October. But so far, there is no price breakdown to confirm that the crest is in. A close above 139.80 gives a further price target up to 144.35 +/- 5.40. But a close below 130.00 begins to suggest the cycle has topped out, Aggressive traders can still look to sell short, for the long-term 18.5-month cycle trough time band is in effect. Uranus is still in Pisces, and this still means this “blow-off” could end at any time, followed by a 50-90% loss in value before 2011.

The next MMA Cycles Report is due out July 23. SOS will be out July 9.

Announcements:

My next Market Timing Workshop will take place at “The Blast Astrology Conference” in Sedona, AZ, on Saturday, September 20th, 2 pm to 6 pm. Cost is \$145.00 if signed up by August 15. The title will be “Introduction to Financial Astrology and Market Timing.” For more information on this workshop, go to <http://blastastrologyconference.com/schedblast2.html>. It ought to be a “Blast!” I am also going to try to arrange a special one day intensive for subscribers to any of the MMA reports, so they can spend an afternoon and ask all the questions they wish about how I analyze a market, and why I forecast what I do forecast. I will let you know if such a venue becomes available while I am in Sedona for a week.

If you are an active short-term trader, you may wish to consider subscribing to our Weekly or even Daily Market Reports with short-term trading recommendations. These reports have been extremely helpful to traders who also subscribe to this cycles’ report, for they are more directed to the shorter-term swings in these markets, which is very important today. They give in-depth analysis of the DJIA, S&P and NASDAQ futures, Euro currency (cash and futures), Swiss Franc, Dollar/Yen cash and Yen futures, T-Bonds, Soybeans, Wheat, Gold and Silver. The daily reports cover all stock indices listed above, as well as futures in Euro, T-Bonds, Soybeans, Gold and Silver. Subscription to the daily report also includes the weekly report. For more information, go to <http://www.mmacycles.com/services.htm>, or call our offices at 1-248-626-3034.

The German version of “Merriman on Market Cycles: The Basics” is now in print. It is also a revision of the earlier work in English. For more information on this book, please go to our German web site at www.mma-europe.de.

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