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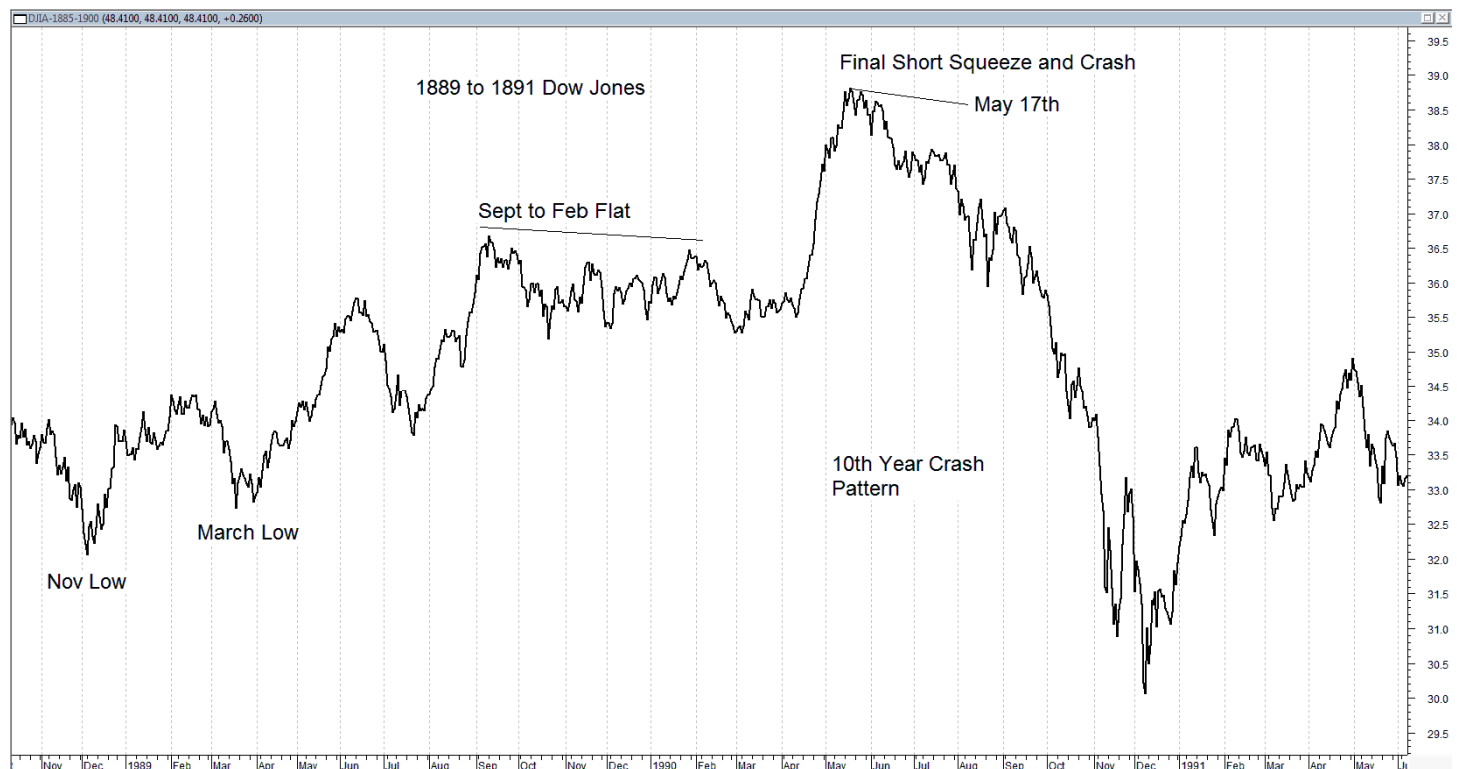
April 29, 2010

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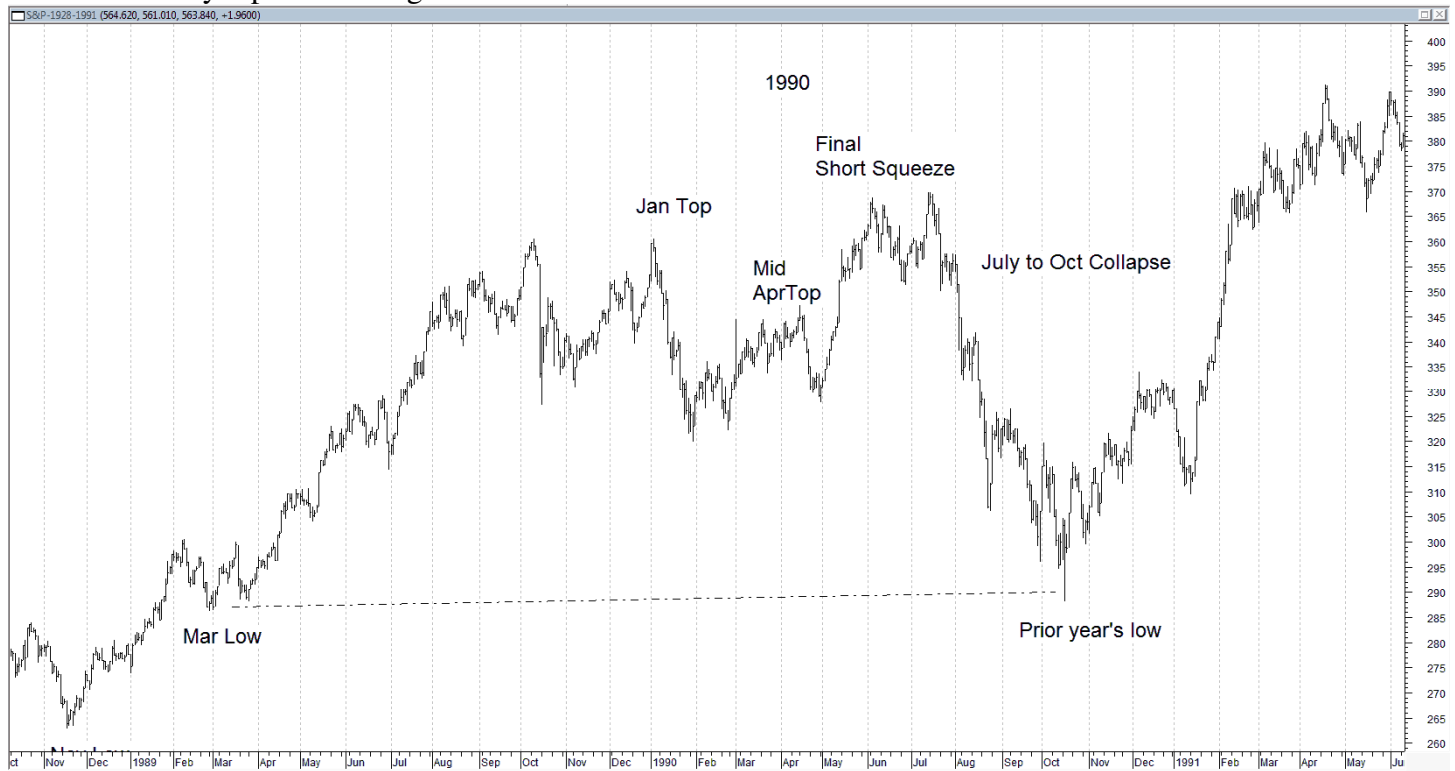
Panic Coming

Rational people do rational investing based on logical assumptions and forecasts. Cycles are not rational in that they appear and change the mood of the masses suddenly and cause them to do 'irrational' things like sell when they should buy. The green shoots brigade, along with the re-elect Obama and his commissars machine, are hyping the new age of growth and recovery with all the companies beating their miniscule earnings each quarter. All are looking for the inevitable job growth of one person to officially designate Spring. This groundhog, however, sees another six weeks of winter just ahead and perhaps six years too.

This chart below from 1890-1891 has been shown a number of times before and apart from the 'master' 60 year cycle, this 120 year cycle is often superior. The 'pattern' is more important than the exact anniversary dates so we could already be at the top or we could have one more big up move to 1265 into May 18th. Breaking a major swing low like 1148 would certainly mean it was over but 1172 is also a key area to watch. Note that this chart eventually goes all the way back below the low in a huge liquidating spiral with everyone trapped long and now realizing there is no one left to bail them out this time.



The 20 year cycle is the next most important to the 60 and 120 year. **1990** was the big meltdown in Japan with the January top and the 'big' one in June.



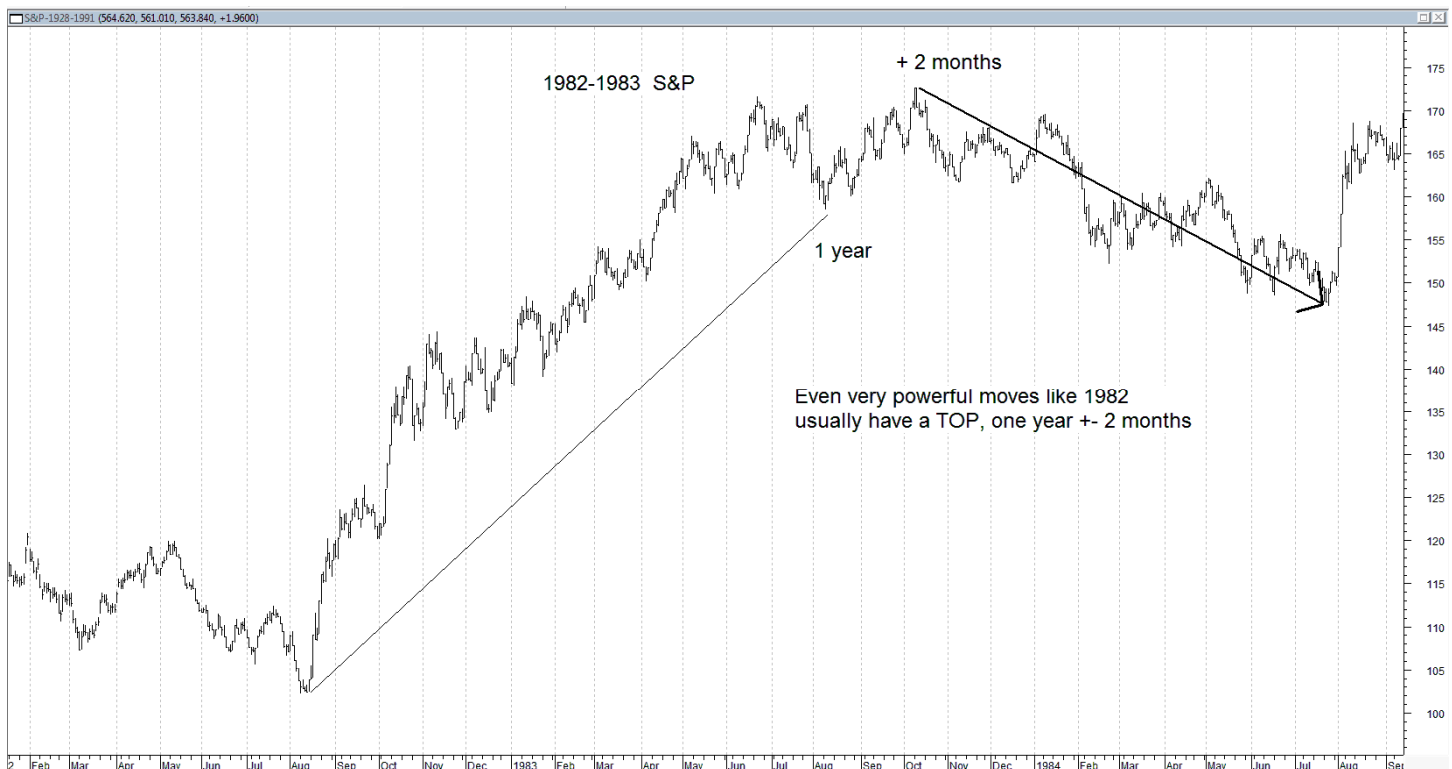
All these patterns have some form of oscillating top and a final squeeze and then a big collapse as they all try and get out but the doorway is too narrow. This year is ideal for such an outcome with lots of unexpected events and a light volume advance with no one seeing any kind of downside since the green shoots appear to be rapidly growing. **1940** also had an 'unexpected' event with Hitler's invasion of Paris. This year it will be Israel



and Iran.



As mentioned in the last letter, major lows often follow major tops but the lows come in at 12 year cycles and the tops 15, so our 1994 December low gives rise to an April / May 2010 top and the low would fall 12 years from the **1998 July top**. Most of the above patterns show potential for panics from May or June to October but we could be early this year and bottom by late August with another bottom in October. **1982-1983** while very explosive to the upside did require a top about 14 months after the low and a nine month decline to digest



the overbought stampede. This pattern in 1983 was much like 2003 with the following year a drifting decline. If the 'green shoots' actually mature and we recover in the face of the Obama taxation train wreck, then

we might see a long gradual drifting decline instead of a panic, but that would kill all the traders who live off volatility. 1934 was such a drift. Odds still favor a violent reaction, however, and the terrestrial signs of earthquakes, tornadoes, volcanoes and general bizarre weather patterns suggest a huge external shock to the system.

In past letters I ran thru all the 60 and 100 year cycles of Civil wars and the rise of Marxism that is coming to the US culminating in another Civil war or US version of the Bolshevik Revolution from 2014 to 2019. There are also natural cycles that correspond with the 100 year cycles and 200 years keeps popping up. The French Revolution spawned Napoleon and his global world view and the psychological and political symbolisms between Napoleon and Obama and the French are obvious. Obama also ties in the Civil War cycles with his 'anti-Lincoln' reincarnation as the 'great divider'. The Icelandic volcanoes last blew in the early 1800's and the largest earthquake in modern day history occurred in the US in 1811 with the New Madrid quake in Missouri which rang church bells in Boston and would flatten half of all the buildings and bridges east of the Mississippi if it hit again today. Now that would be a shock to the system. In 1812 the White House was burned to the ground. My point is simply that all the big cycles I follow get worse, not better. When the current top in stocks is made it could be years before you ever see these levels again. With rising rates, deficits, political instability and fears of wars, the valuations of stocks will start to get to realistic levels which is closer to 8 to 10 times earnings not 15-18. Combined with a 1% flat GDP growth, the S&P could easily see 500 to 700 as a fair value trading range. I'd be happy to be wrong and there's no need to panic until 1148 breaks but we are in the



window of huge dangerous cycles that are bunching up.

Above is a sixty minute chart of the S&P showing the convergence triangle top projection coinciding with my natural ratio levels from the last high to low in January and February. You can see that 1183 is first support and 1147 major support which also ties in with the January top. The oscillating 'fractal' tops are similar so a large decline might lie just ahead if they get below 1183 but especially 1171 which is a JNRL from the March 2009 low.



Here's the long term **weekly S&P** with the similar 5 wave fractal seen at the last top in 2007. I have put on speed resistance angles to show you that 'offset' angles don't have to be used just from a low or high to measure support or resistance. Here I have offset the ATH and February low with the recent top at the exact 38.2% Fibonacci angle stopping the advance and above that the strong 50% near 1265. The downside angle provides a little support near the last top of 1148. Note, however, the huge drop off of support on the downside as these angles go further in time giving plenty of room for a 'waterfall' decline. The bullish hope is that this 5 wave fractal may see wave 5 equal in distance to wave 1 from the low and note just before the number '1' there was a two week band with a higher spike into that number '1'. That could yet give the bulls their capitulation rally in May which could easily go to 1265 to 1275.

While I'm not excited about the valuations or even the long term viability of solar panels **FSLR** was a leader in the group and may be coming back to life. It has an advantage in that it is not in all the indexes that are over owned and it is a niche institutional name that can be manipulated higher to book performance when needed IF they can get it a little higher. Then it will attract every breakout buyer on earth. Perhaps some call options would be suitable.



Renting cars may be cheaper than buying for many strapped consumers. Companies and Government Agencies may also be using more rentals then fleet ownership. Whatever is happening **Hertz** looks higher.



Oracle has been in a continuous uptrend since 2002 with the 2007-2008 drop a mild annoyance. It's now curving up in an accelerating arc so it could spike dramatically if its earnings start to also accelerate. Buy dips



to \$25 only as it is extended and will top out one day and the ten year cycle from 2000 ends midyear.

IBM just announced another huge stock buyback so it may give the institutions a reason to jam it to an all time high. Charts don't often 'lie', however, so it may just be a long term double top. It is a buy above \$130 with a \$128 sell stop and reverse short.



The table below lists stocks that have cyclic turns expected over the next three weeks. These are mechanically generated with a program I give out in my personal seminars.

EBAY 5/03	PBR 5/03	PFE 5/03	VLO 5/03	AMAT 5/03	INTC 5/04
TSO 5/04	CAKE 5/04	MMM 5/04	SNDA 5/06	F 5/06	WFC 5/07
LVS 5/07	TXN 5/07	DNDN 5/07	BA 5/07	NFLX 5/10	RIMM 5/10
MRK 5/10	COF 5/11	GNK 5/12	UIS 5/12	INTC 5/12	WLT 5/13
AMED 5/13	CSCO 5/14	WYNN 5/14	HAL 5/14	ALK 5/14	MSFT 5/17
JPM 5/17	AXP 5/18	THOR 5/18	EBAY 5/19	GE 5/21	DIS 5/21
FRO 5/21	UIS 5/21	DD 5/21			

May Activity Calendar

DATE	UP /DOWN DAY	DAILY	WEEKLY	HOURLY
3	U			10
4	D	*	*	1
5	D			10
6	U			10
7	U			12
10	D			3
11	U	*		10
12	U			12
13	D			12
14	U			10
17	U			1
18	U	*	*	1
19	D			2
20	U			10
21	U			3

Notes: U means up day, D means down day. Trend changes indicated by the * will generally be more accurate than the frequent U/D day indications and will usually trend in the same direction until the next *. Hourly turns are given in local New York City (Eastern) times, i.e. 10=10 AM EDT.

Summary

The recent top of 1215 was straight down from the October 2007 top on the Square of Nine and near my Tan 30 date. That could be it. If we regain 1215 then there is a chance for 1247 or 1265 on May 18th for the last top. Support is 1172 and 1148. The next big cycle turn is May 4th-5th. Those dates are near the 45 deg seasonal turn from the first day of Spring and is often a major turning point for the year.

My new trading system the 'Michael S. Jenkins Secret Angle Method' is selling great and you can check the website for more information on this great discovery of mine. This is the method I used to predict the March 6th low from the October '07 top in my daily email service.

Also for \$20 US, or \$30 Non US, you can order my MTA video presentation and slides..it's the best buy of your life!!!

Stock Cycles Forecast voicemail telephone number is (212) 866-2934, but I rarely answer phone messages. To get a quick response it is better to use email at: mjenkins@Stockcyclesforecast.com, or Mikecyc@aol.com. Let me know if you can get email delivery of the newsletter as it is at least two to three days faster than regular mail. **Stock Cycles Forecast** is published approximately every three weeks. Annual subscriptions to the newsletter including the nightly telephone update are \$500, a six month subscription is \$265. One-year subscriptions without the telephone service are \$300, and a two-issue trial is \$50. Mr. Jenkins books and course: *The Geometry Of Stock Market Profits* (\$50), *Chart Reading For Professional Traders* (\$75), *The Secret Science of the Stock Market* (\$135), *Basic Day Trading Techniques* (\$125) as well as *The Michael S. Jenkins Complete Stock Market Trading and Forecasting Course* (\$529 US \$550 Foreign), and *Secret Angle Method* (\$500) are available for purchase by check mailed to: **Stock Cycles Forecast, P.O. Box 652, New York, N.Y. 10025-9998. PayPal is also accepted on the web** (www.paypal.com) by 'sending money' to mjenkins@stockcyclesforecast.com. The information and statistics as well as the original theoretical concepts utilized in this report are presented solely on the basis of the writer's interpretation of such factors and may not reflect specific knowledge or fundamental analysis of any of the companies mentioned. Any opinions expressed are subject to change without notice. Neither the information nor any opinion-expressed herein constitutes a representation or solicitation for the purchase or sale of any security. From time to time the publisher, his associates or members of his family may have a position in the securities mentioned in this report.