



*"...Let us run with patience the race that is set before us." Hebrews 12:1*

by Eric S. Hadik

# Focus: 5768 - Oil

## AN INSIDE TRACK REPORT

### **Focus 5768 - Oil**

*INSIDE Track Reprint*

#### Contents

- Focus 5768 - Oil.....1
- 10/1998 - 8/2007 Analysis on Oil & Energy Markets.....2 - 7

*"Joseph is a fruitful vine, a fruitful vine near a spring, whose branches climb over a wall...because of your father's God, who helps you, because of the Almighty, who blesses you with blessings of the heavens above, **blessings of the deep that lies below...**"*

*Genesis 49:22-25  
(New Int'l Vers. ©1986)*

*"About Asher he said: "Most blessed of sons is Asher; let him be favored by his brothers, and **let him bathe his feet in oil.**"*

*Deuteronomy 33:24  
(New Int'l Vers. ©1986)*

## Focus: 5768 - Oil

*(9/13/2007 - 9/29/2008)*

August 2007 - Editor's Note: Perhaps no other market complex is more closely tied to the events in the Middle East than Oil. As a result, analysis in the Energy Complex could be giving clues - and/or timing - about future disturbances (or accords) in the Middle East.

**Focus 5768** is closely linked to oil. Since October 1998 (see **Cycle of Time V**), I have explained why the Energy Markets should see a massive rally into 5768 (2007/2008)... and continue into 2011/2012. As the year of 5768 begins, a culminating surge in the Energy Markets has been forecast (into early-2008). The following is a collection of that analysis, with the most recent emphasis being placed on a unique 19-month cycle in Crude that portends a continued bull market into January/February 2008...

*www.insidetrack.com*

## Cycle of Time V

10/21/1998 - "...1998 is a full Cycle of Time in the Middle East... 1998-1999 is a full Cycle of Time in the Gold & Silver markets... 1998-1999 is a full Cycle of Time for inflation... Based on other cycles that bottom in September/October 1998, I am convinced that the CRB is about to begin a bull market, aided by Crude Oil..."

www.insiidetrack.com

IT

4/03/2001 INSIIDE Track:  
Gold Watch: "#1 - Major Gold cycles bottomed in mid-1999 and were expected to trigger a multi-year bull market at the same time a centuries-old cycle (360-year cycle in the Jewish Calendar) rolled over.

*This period - beginning in September 1999 - was expected to usher in a bull market in Gold, Crude Oil & inflation. Soon after, stocks were projected to peak in January 2000 & begin a multi-year bear market.*

*04/03/2001 INSIIDE Track: Gold Watch*

September 1999 marked the beginning of the Jewish Year 5760 and was forecast to coincide with this new trend in Gold.

#2 - Secondary cycles were forecast to bottom in late-January 2001 and mark the bottom of wave '(2)' of a developing bull market. The period between February 2001 and April 2002 was projected to mark the '(3)' wave of this bull market (or at least the '3' of '(3)').

#3 - Early April (now) is expected to mark the bottom of the '2' of '(2)' wave in Gold. This should pave the way for a rally in Gold from now until April 2002. Silver is in a different formation and has not yet confirmed a low even though a buy signal was triggered on yesterday's decline - basis the April INSIIDE Track - at 431 - 432.5/SIN.

...As the second wave - of a slowly-evolving bull market in Gold - nears a low, it pays to place this market in long-term perspective. To do so requires going back a couple years and examining a few 'big-picture' forecasts.

The longest-term forecasts originate in two Cycle of Time Reports and explained how 1999 completed a 19-year Cycle of Time in Gold since its 1980 peak and why 1999 would also complete the bear market in Gold. 1999 was also 12 years (.618 of 19 and one of the two measures of 'completion' - '7' & '12' - that combine to create the 'Cycle of Time') from the secondary peak of December 1987, the last time Gold traded above \$500/oz.

More important - from an 'extra-market' perspective - was the critical Jewish Year of 5760 (360 times 16) that was beginning in September 1999. Much of the Cycle of Time V (10/98) was devoted to the fact that I believed major transitions would begin slowly taking hold during the transition into and out of 5760 and during the years 1999/2000.

This should then lead to an acceleration in the years that follow (where we find ourselves currently) until 2005.

*This period - beginning in September 1999 - was expected to usher in a bull market in Gold, Crude Oil & inflation. Soon after, stocks were projected to peak in January 2000 & begin a multi-year bear market. As is almost always the case, the initial years of a major transition only give isolated signs that a forecast like this is intact.*

*Crude was the first adherent, beginning a massive bull market (expected to resume in late 2001...As discussed in recent issues of INSIIDE Track, I expect another surge into May 2002, but not until after an intermediate correction extends (likely) into September 2001."*

[Note the repeated emphasis on September 2001 cycles, when Middle East tensions were projected to re-ignite. See **2001: Cycle Odyssey** and **2001 War Cycles** for more details.]

*12/19/2001 INSIIDE Track: Outlook 2002: "...From a Middle East/Israel cycle perspective, the next momentous period is late-2003 into 2004 (Jewish Year of 5764). In between now and then, expect to see many 'precursor events' setting the stage for what ultimately occurs during this critical time frame. As a precursor to this, Crude oil is very likely to bottom in 2002 and then begin a new 2-4 year bull market in line with other inflationary cycles..."*

*"Crude oil is very likely to bottom in 2002 and then begin a new 2-4 year bull market in line with other inflationary cycles...The entire time frame from 2001 into 2008 (and potentially into 2012) is the culmination of diverse long-term, multi-decade, multi-century, & multi-millennial cycles."*  
*12/19/2001 INSIIDE Track: Outlook 2002*

*...The entire time frame from 2001 into 2008 (and potentially into 2012) is the culmination of diverse long-term, multi-decade, multi-century, & multi-millennial cycles."*

***"Crude Oil did see a bull market in 2002 - 2003. This is expected to be 'only the beginning' but 2004 - or at least a chunk of it - could see corrections in many of these markets. This should then lead to a resumption of these bull markets in 2005 - 2008."***  
*02/2004 INSIIDE Track: Outlook 2004*

## **2004: Year of Respite**

**Marching Toward 2007 - 2008...**

**02/2004 INSIIDE Track: Outlook 2004:**  
*"...Coinciding with this late-2001 analysis, commodities did start to move up in 2002 and did see a big surge in 2003. Similarly, Crude Oil did see a bull market in 2002 - 2003. This is expected to be 'only the beginning' but 2004 - or at least a chunk of it - could see corrections in many of these markets. This should then lead to a resumption of these bull markets in 2005 - 2008.*

Another point regarding this late-2001 analysis: 2003 certainly provided the resumption of war cycles with the US being more on the offensive this time.

However, key events in late-2003 and the first few weeks of 2004 might prove to be even more momentous. These events deal with the European Union, its attempted integration & expansion, and the role it will ultimately play in Middle East politics.



**Focus: 5768 - Chapter XIII**  
**(9/13/2007 - 9/29/2008)**

**The Oil Omen...**

06/29/2006 - "5768 is expected to be, simultaneously, the culmination of major, long-term cycles AND the continuation/corroboration of related cycles that converge in 2011-2012. It could usher in many important events, alliances & surprises related to the Middle East.

If this is true, the markets are likely to reveal some important clues leading into - and during - this period. No complex is more closely interrelated with the Middle East than the Energy Complex, so this is the first place to look. www.insidetrack.com

The following chart pulls together various analysis and cycles and provides a handy visual aid that corroborates my ongoing analysis regarding the year of 2006 & the periods of 2007-2008 & 2011-2012. If a peak is seen in the Energy Complex - particularly if it takes hold in the second half of July - it will powerfully reinforce all of this analysis." IT

*"My longer-term cycles in the Energy Complex and in the CRB (commodity index) point to another bull market from 2007 into 2011."*

10-31-2006 INSIIDE Track

10-31-2006 INSIIDE Track -

"My longer-term cycles in the Energy Complex and in the CRB (commodity index) point to another bull market from 2007 into 2011..."

Crude, Heating Oil & Unleaded Gas fulfilled analysis for a crucial top and reversal lower on July 17 - 21st and a drop into the month of October.

Crude is spiking to a new low today, testing its monthly support, and could do similar to what Natural Gas did with its Sept. cycle low (bottom on last day of month).

**Unleaded Gas - Continuous-Contract Monthly Chart**

2006 Projected Peak  
in Energy Complex\*\*



*Overall, the energy markets still have the potential for more downside into 2007. For now, some consolidation is likely."*

*7-28-2007 Weekly Re-Lay: "**Crude Oil** remains in an overall uptrend and is fulfilling analysis for a rally into (and potential high in) July 2007. From a price perspective, the majority of indicators still points to a surge to new highs...*

*...From a longer-term perspective, there is an ongoing 18--19 month cycle that could produce another surge into January/February 2008. This cycle has been discussed before and the August 2007 INSIIDE Track elaborates on the ramifications and expectations of it...*

...If Unleaded Gas does NOT set new lows, it would create a 27-week (slightly more than 180-degrees) low-low cycle that would project a rally into late-January/early-February 2008... dovetailing with cycles in Crude.

**Heating Oil** held support and is on track for a rally to new highs, leading into early-August. The troubling point about this market - as well as Unleaded Gas and Crude - is where they are sitting as we enter a potentially ominous cycle (Sept. 2007--Sept. 2008)... and where they sit within their overall wave structure.

Unleaded Gas & Heating Oil unfolded in what appears to be a major 'flat' correction from late-2005 into January 2007. If this is the correct perception, it means that much higher levels are in store during the next 12--24 months (potentially sooner). I elaborate on this, too, in the August 2007 INSIIDE Track.

My point for now, however, is that traders should not get too 'tunnel-visioned' on the short- and intermediate-term cycles

since a much bigger storm could be brewing. As a result, these shorter-term cycles could be accurate... but only for a brief period.

If the wave structure turns out to be bullish - as most indications point to - it could easily result in a surge to 2.700 or higher in Unleaded Gas and to 2.500 or 3.000 in Heating Oil...recent developments between Iran & Syria are certainly escalating the tensions - and potential tensions - in the Middle East.

And, August 2<sup>nd</sup> is the 17-year anniversary of the first battle of the ongoing Persian Gulf War. August 2, 2007 ushers in a new (cyclic) phase that is expected to see another escalation (whether or not something major occurs exactly on that date)."

07/31/2007 INSIIDE Track - "Crude Oil fulfilled its potential for another rally into July and could set an important peak, 360 degrees from its July 2006 top. However, it is important to step back and take a look at the bigger picture with regard to Crude.

One of the larger cycles that has governed Crude - since the beginning of this decade - is an 18 - 19-month cycle. It has resulted in a low-low-low-low-high Cycle Progression, with the next phase occurring in Jan./Feb. 2008 and expected to identify a high.

If Crude rallies into January 2008, it will complete a 360-degree move in time from its

.....  
"Unleaded Gas & Heating Oil unfolded in what appears to be a major 'flat' correction from late-2005 into January 2007. If this is the correct perception, it means that much higher levels are in store during the next 12--24 months (potentially sooner)...a much bigger storm could be brewing.  
...If the wave structure turns out to be bullish - as most indications point to - it could easily result in a surge to 2.700 or higher in Unleaded Gas and to 2.500 or 3.000 in Heating Oil..."  
7/28/07 Weekly Re-Lay  
.....

Jan. 2007 low and a 540-degree move in time from the July 2006 peak. A rally into Jan/Feb. would create a '5th' wave advance that is .618 of the duration of the '1' wave advance (1998 - 1999) and completes a 35 - 37-month low-low-low-high Cycle Progression.

Meanwhile, Natural Gas has begun to show signs of (at least) a 2-3 month low, after bottoming during a 10-month, 43-week cycle. A rebound to 7.450/NG is expected."

8/04/2007 Weekly Re-Lay - "Crude fulfilled projections for a retest of its July 2006 peak and could see some consolidation before a new surge is expected...From a longer-term perspective, there is an ongoing 18--19 month cycle that could produce another surge into January/February 2008.

If so, this surge would probably begin in the second half of September...This is precisely when the long-awaited year of 5768 begins (and will be just a few days after the anniversary of 9/11). This period could get off to a fast start..."

END REPRINT OF EXCERPTS FROM 1998 - 2007 INSIIDE TRACK NEWSLETTERS & WEEKLY RE-LAY UPDATES. THIS ANALYSIS REINFORCES THE SIGNIFICANCE OF SEPT. 2007 - SEPT. 2008 AND LAYS OUT THE POTENTIAL FOR AN IMMINENT SURGE IN ENERGY PRICES (LEADING INTO JANUARY/FEBRUARY 2008). UNLEADED GAS COULD SEE A SURGE TO '2.7000 OR HIGHER' WHILE HEATING OIL IS CAPABLE OF REACHING 3.000. ESCALATING TENSIONS ARE EXPECTED NOT ONLY IN 2008 BUT ALL THE WAY INTO 2011/2012, WHEN MAJOR CYCLES CONVERGE. SEE FOCUS 5768, GRAND ILLUSION & 17-YEAR CYCLE REPORTS FOR MORE DETAILS. IT

Information is from sources believed to be reliable, but its accuracy cannot be guaranteed. Due to futures' volatility, recommendations are subject to change without notice. Readers using this information are solely responsible for their actions and invest at their own risk. Past performance is no guarantee of future results. Principles, employees and associates of *INSIIDE Track Trading Corporation* may have positions in recommended futures or options. No part of this publication may be reproduced or re-transmitted without the editor's written consent. All *Tech Tips*? (underlined and *italicized*) – as well as the term *Tech Tips*? – are trademarks of *INSIIDE TRACK Trading Corporation* and all unauthorized reproduction is strictly prohibited. **Copyright 2007 INSIIDE Track Trading Corporation**

*INSIIDE Track*<sup>TM</sup> newsletter is published monthly with periodic Special Reports. Copyright © 2007 ITTC. Eric S. Hadik -- Editor

#### SUBSCRIPTION RATES:

- |  |  |
|--|--|
| Monthly newsletter with periodic Special Reports*:   | • \$179 per yr. (12 issues)              |
| Monthly newsletter plus intra-month Hotline package*:  | • \$199 for 6 mos. (6 issues & 6 months) |
| Monthly newsletter plus intra-month Hotline package*:  | • \$297 per yr. (12 issues & 12 months)  |
| • *Eric Hadik's <i>Tech Tip Reference Library</i> is available for \$249 (included as a FREE bonus with each of the above subscriptions) |  |

Make checks payable to *INSIIDE Track Trading*. Credit Card payments can be made via [www.PayPal.com](http://www.PayPal.com) (to '*INSIIDE@aol.com*')

PO Box 2252 • Naperville IL 60567 • 630-637-0967 (voice) • 630-637-0971 (fax) • *INSIIDE@aol.com* • [www.insidetrack.com](http://www.insidetrack.com)

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS & THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY A PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK & NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE MANY OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF A SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS – ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.