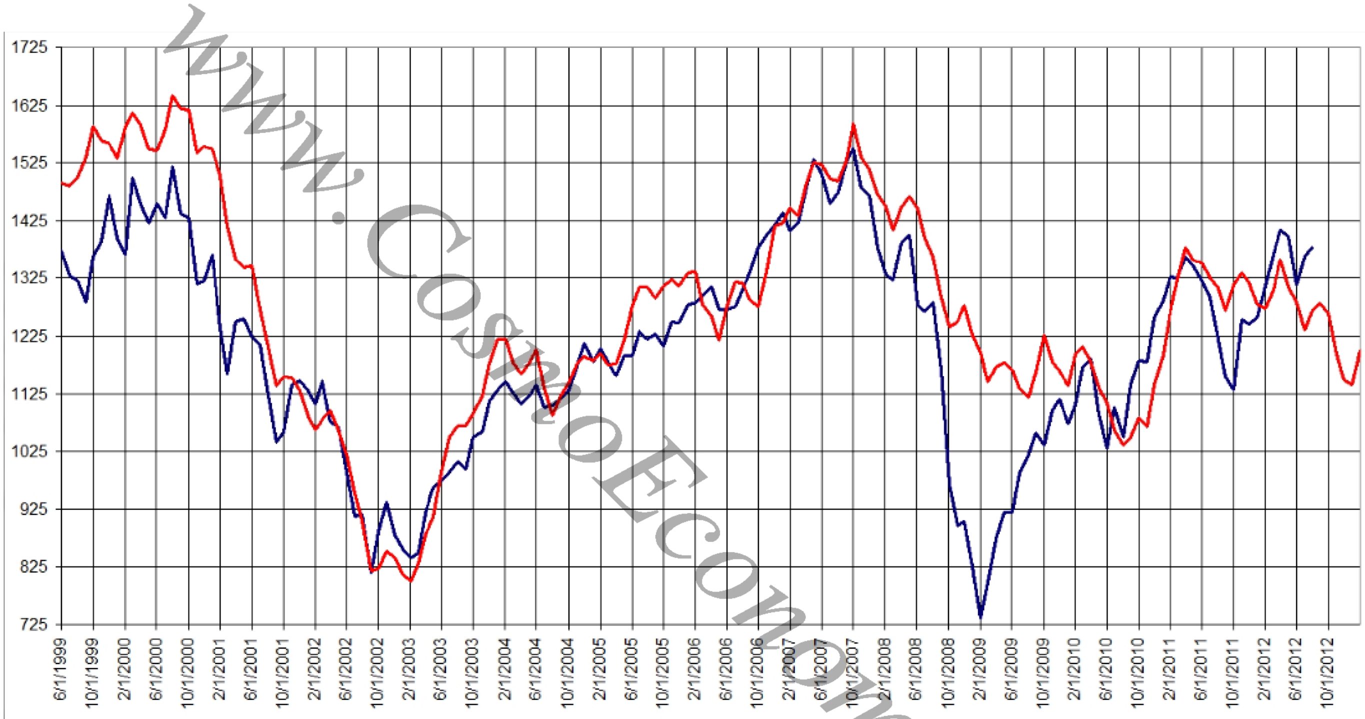
DANIEL FERRERA'S

GENERAL OUTLOOK

FOR 2013



BY

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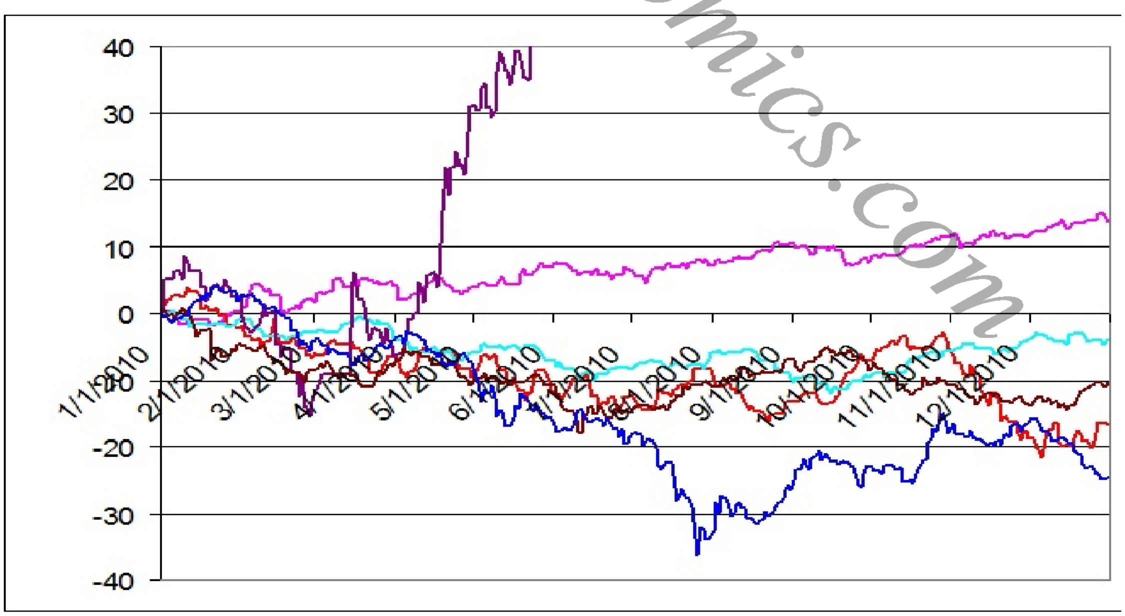
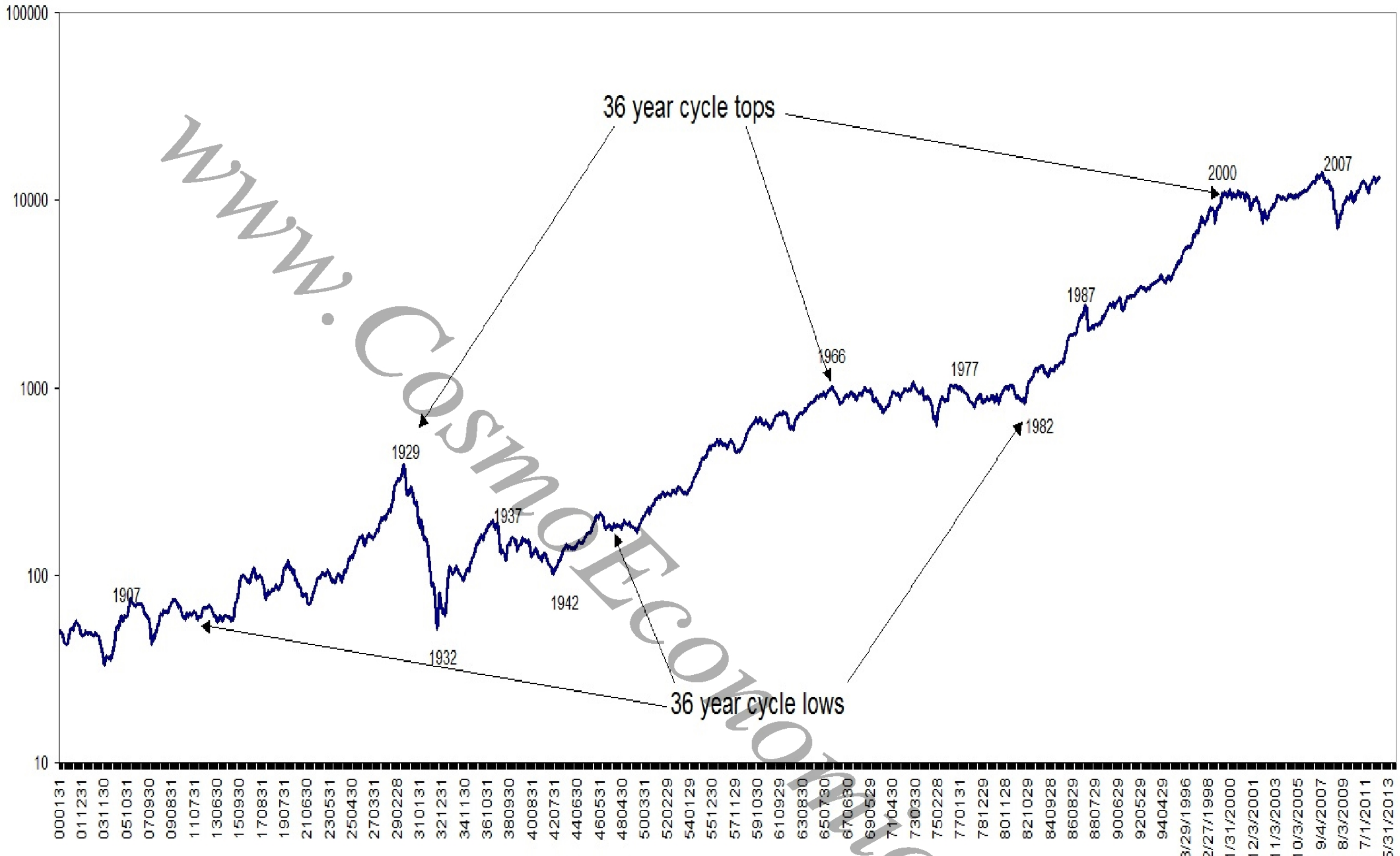
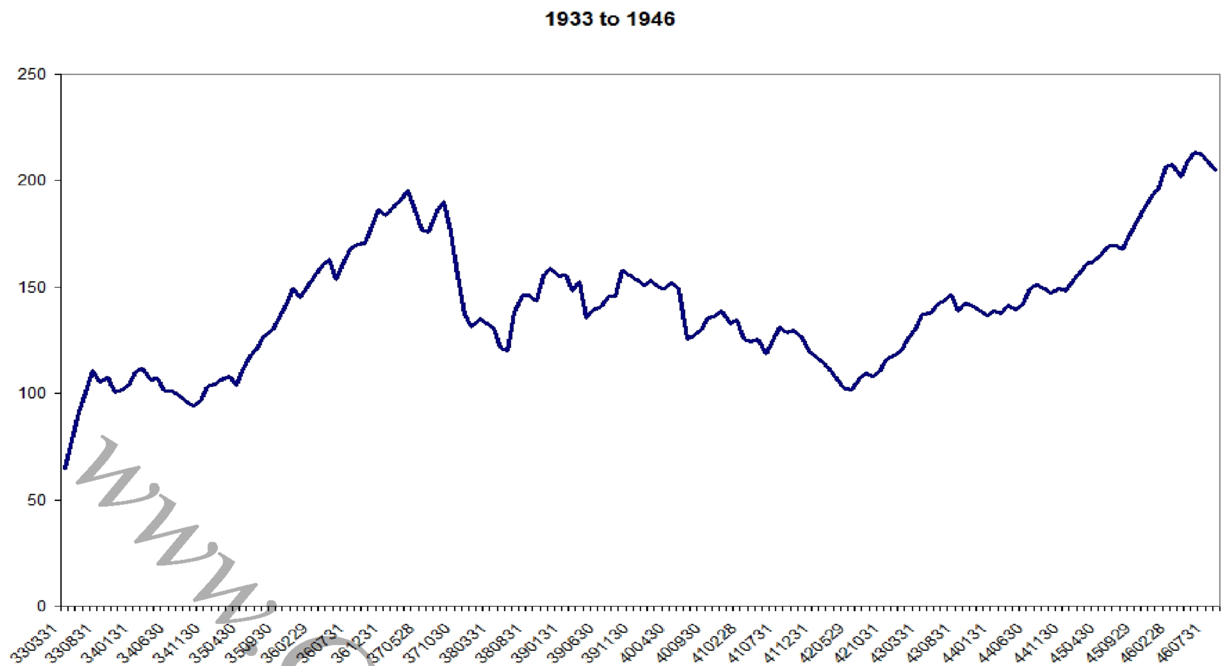
Reviewing past election years ending in “3,” we find that most indications do point to a weaker market in 2013. The two exceptions are 1993 (Bill Clinton) and 1933 (FDR). Clinton’s term fell within a favourable section of the 36-year “Super Bull/ Super Bear Market Cycle” as well as being the 3rd up year of a 4-year advance predicted by Gann’s Financial Table. Franklin Delano Roosevelt’s initial term came after 3-years of heavy market declines following the 1929 crash and economic depression. Cyclically this is far more analogous to Barack Obama’s first term in office and the market advance recently experienced from March 2009 to present because FDR took office in an unfavourable section of the 36-year cycle as well as beginning the first stages of a 4-year advance predicted by the financial table, which culminated in March of 1937. As such, one can see history repeating in the form of the “Great Depression” and the “Great Recession.” Other rhymes are the dust bowl and the current 2012 drought that has plagued America’s farmers as well as Socialism under the guise of democracy. Democracy is indispensable to Socialism. – *V. I. Lenin (Russia)* --- And Socialism leads to Communism. – *Karl Marx (Russia)*



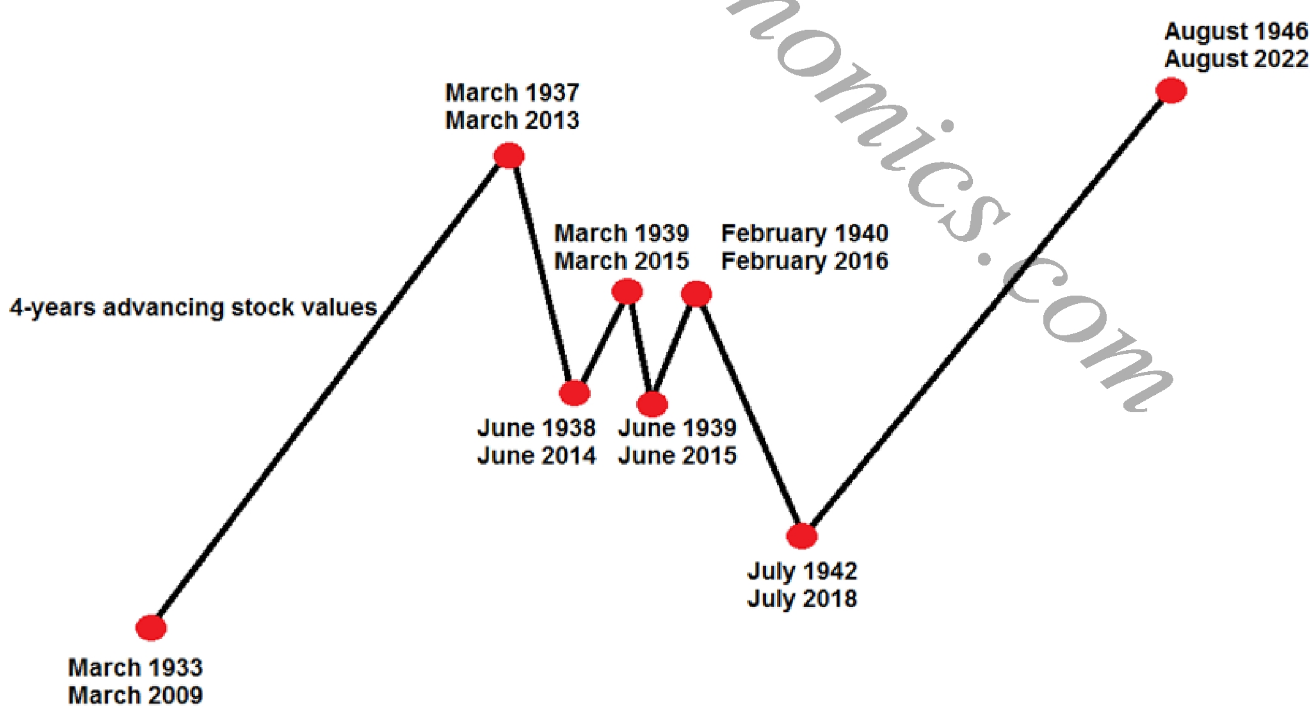
The chart on the prior page illustrates the 36-year cycle from 1790 to August 2012. Looking closer at the most recent 100-year section, we get the chart below illustrating important tops and bottoms from this cycle.



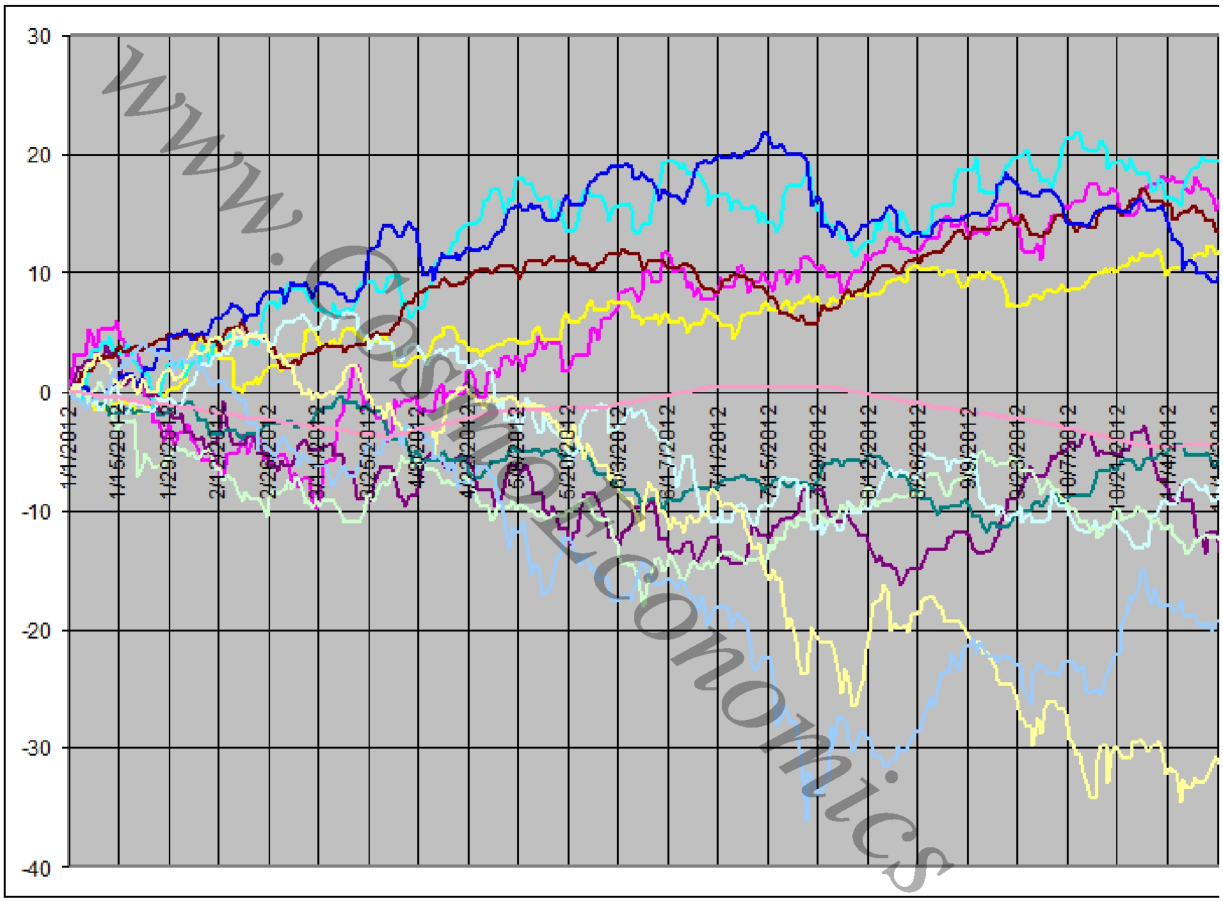
The thirty-six year cycle can be simplified visually by thinking of it as two distinct sections, an eighteen-year up phase followed by an eighteen-year down phase. 18-year Bull Market cycles ran 1911 to 1929, 1947 to 1966 and 1982 to 2000. The 18-year Bearish component or half cycle ran from 1929 to 1947, 1966 to 1982, bringing us into the current Bear cycle 2000 to 2018. Looking at the market tops brought in by this cycle in 1929, 1966 and 2000, you can see that the stock indexes really struggle to reach new highs while under the negative pressure of the 18-year down cycle component.



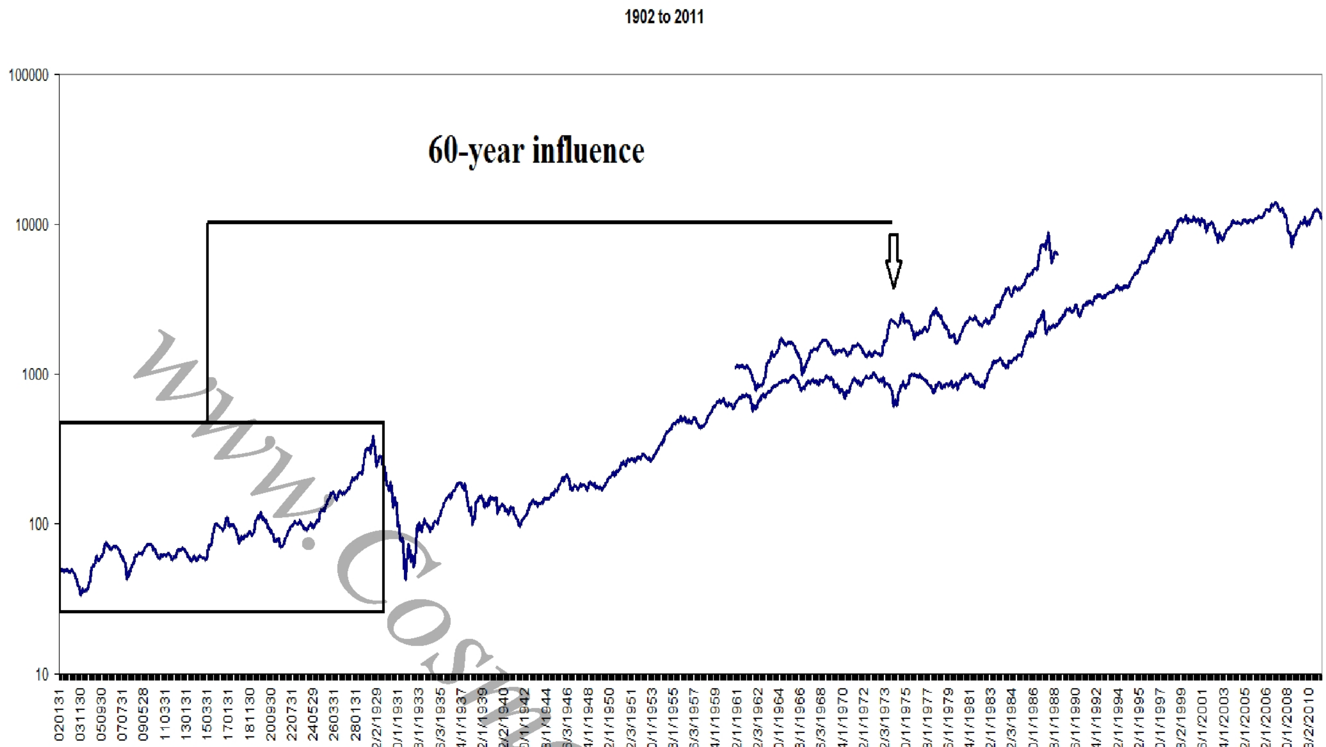
We can extrapolate the following swing chart for cyclic correspondence and comparison. The two areas of immediate interest are the projected top for March 2013 after completing 4-years of advancing off the 2009 low and the next extreme low of July 2018 as both of these time periods correlate nicely with the Financial Time Table and 36-year cycle.



The Mass Pressure Chart for 2013 reveals an interesting tendency about the first quarter trading pattern and it's significance in predicting the remainder of the year. In looking at the years 2003, 1993, 1983, 1973……… back to 1883, shown below:



We see that approximately 50% of the cases finished the year in positive territory and 50% finished in negative territory. It appears from the data that if the market was in positive ground by the end of April, then the outlook for the remainder of the year was also positive. In contrast, if the market was "in the red" or negative by the end of April, then the outlook for the remainder of the year was negative.



Therefore, one can see (assuming my interpretation of Gann's work is correct) that 2022 is the origin of the next 30-year pattern, being 40-years from 1982, 60-years from 1962 and 120-years from 1902. Further confirmation is supported by the 36-year "Supper Bull / Supper Bear Market" cycle, which bottoms in 2018 and advances into 2036 and the 42-year cycle, which bottoms in 2016. A simplistic model of the 36-year and 42-year cycles was originally presented as a brief Stock Market Report released in the year 2001. The Chart below is from that material. A more detailed analysis is available in my cycle course, *Wheels Within Wheels*.

(http://www.sacredscience.com/ferrera/WheelsCourse.htm)