CYCLIC VIBRATIONS QUARTERLY ANALYTICAL SUMMARY

CVC director of research

CYCLIC VIBRATIONS Located in: Planet Earth

Cyclical Realities on the progress of 'core' Nation States.

Summary

The cyclical realities of the present day seem to tell us a fearful yet an intriguing story. **CVC has strong reason to believe that the worst of the current inflationary wave is yet to come.** The initial spike in inflation that was experienced post the COVID-19 related lows is akin to a 'mega-overbought' reading experienced in the initial spike higher in prices which fore tell a lengthy bull market yet to come. Mind you we are talking about the inflation rate not the equity markets in this example. If we were to look at the equity and commodity markets for similar 'mega-overbought' readings, to serve as analogues for our current inflationary position, we are almost always taken back to the initial kick offs of what proves to be a young and vibrant bull market. In this report we will analyze the cyclical positions that we happen to be under basis the modified nominal cyclic model put together by our director here at CVC. After discerning where we are, from a technical perspective, in the waves of progression - we must begin to look for fundamental correlations in order to aid us in discerning what the fundamental cause or outcome would be as a result of our current position. We have moved beyond simply finding correlations of prices which is, relatively, easier than correlating actual events that trigger the underlying change in price. As technicians we always knew that it is the fundamentals that are causing price change yet knowledge of them were, for the most part, ignored since price is the primary focus and determining its direction the primary objective. If prices move due to fundamentals and we have a high technical price correlation then the fundamentals' correlation of the two periods is likely to be high as well. This would mean we can forecast events that lead to or occur as the result of the technical price change that we observe on the chart.

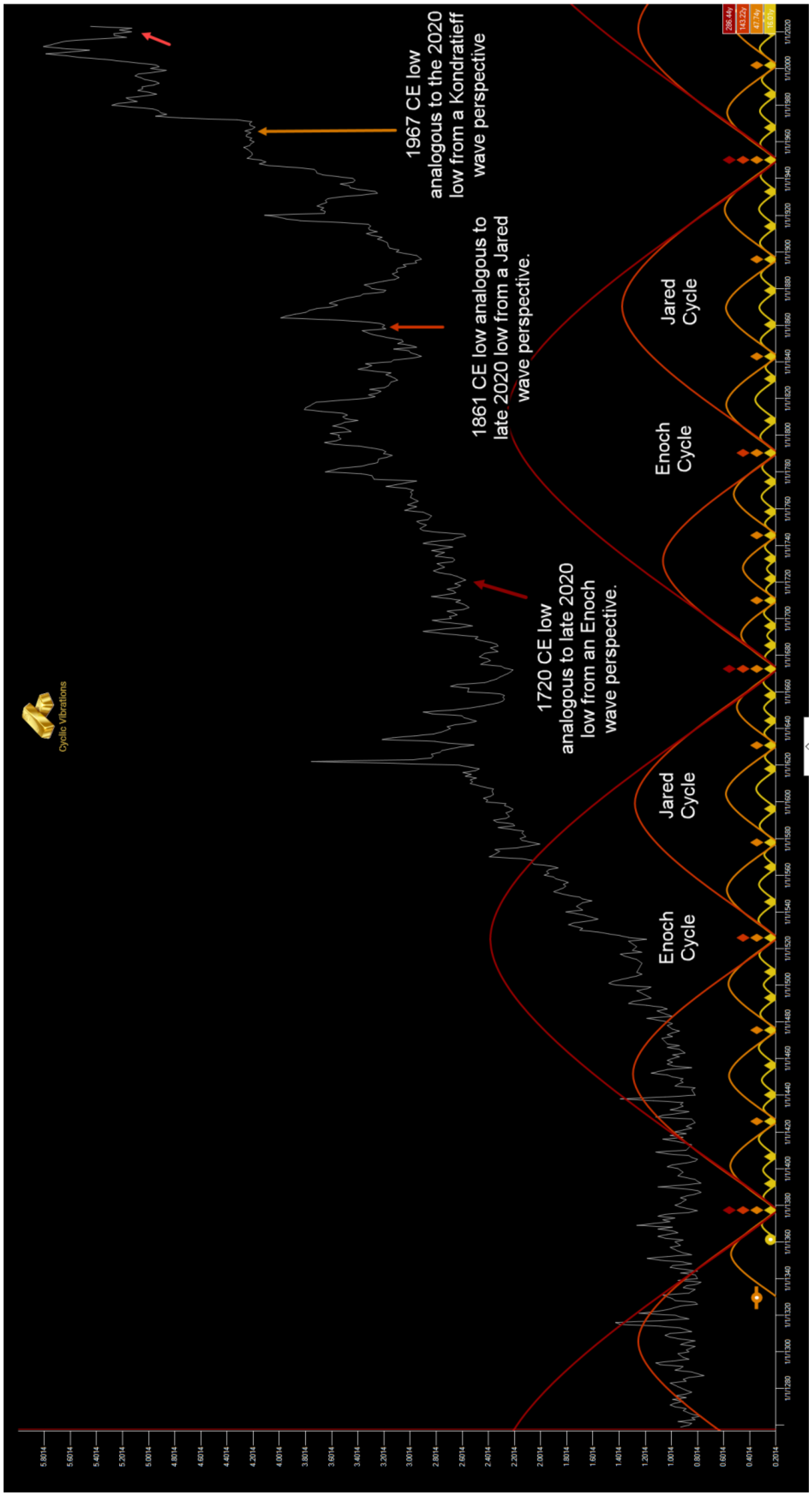

1967 CE low analogous to the 2020 low from a Kondratieff wave perspective
1861 CE low analogous to late 2020 low from a Jared wave perspective.
1720 CE low analogous to late 2020 low from an Enoch wave perspective.
Jared Cycle
Enoch Cycle
Jared Cycle
Enoch Cycle
Cyclic Vibrations

Figure 1.

Long term cyclical positions of core nations

Figure 1 presents historical prices of a basket of commodities that dates back to the mid-13th century. The largest cycle this data allows us to take into consideration is the Enoch wave considering that we don't have enough data to analyze more than one sample of the Methuselah cycle. As presented above, the corresponding trough to the late 2020 lows in commodities from an Enoch wave perspective is the low experienced in the year 1720 AD. We are about 18 months off of that specific corresponding turning point which would mean that the core nation states of the world would be in mid-1721 to 1722 AD basis the Enoch pattern of progression which would need to be scaled taking into account the variation of period and amplitude. **It is important to keep in mind that certain analogous events don't need to occur at precisely the same time in the pattern as the analogue considering the difference in trend that exist between the current and the similar cyclical circumstance which could cause a cycle to peak with a slight translation to the left or right. We should not attempt to nail an incident to the day and nor should we attempt to anticipate the low point of the economy to the day either.** If we examine the smaller Jared cycle, the corresponding trough to that of 2020 is that of the 1861 AD low which accompanied the onset of the US civil war. It must not have come as a surprise to the objective analyst that the US was to experience increased civil conflict and unrest post the 2020 lows given the cyclical reality staring us right in the face then. Combine that with what was actually going on in the screen it would have been very difficult to get that one wrong. The 2020 low's analogue in the 54-year rhythm is that of 1967 which was the beginning of what has proved to be a **STAGFLATIONARY** decade (it was closer to a 15-year hyper-inflationary threat [pre- Paul Volcker] rather than a decade). It is also important to point out the civil 'disturbances' experienced during the infamous decade of the 1970s with the complete irony of the 'civil' rights movement. If one looks at the reasons for the inflation then one would be able to see some nice similarities to what is going on now. One of the main reasons for inflation to take off in the 1970s was due to the increased military spending to fund the two post WWII conflicts being the **Korean War and the Vietnam War that led to the 'overheating' of the domestic economy**. If we look at our position today, the spending that contributed to the current inflation experienced in terms of defense obviously takes us to the wars that fall under the umbrella of the global **war on terror**. Coupling that with all the non-government related monetary inflation made predicting surging prices become more of common sense to the initiated. The big issue with most of the economists on this end was timing when this inflation will erupt. Here is where CVC comes in. We did anticipate a low point in the global economy in the second half of 2020 basis our October 2019 hegemonic cycle treatise. The wave of inflation has begun on most commodities since the 2020 low spoken of earlier. The time of good economic health that the global economy experienced since the orthodox 2011 lows in equities (high in commodities) to the 2019 highs in equities have come to an end. Even the slightly more optimistic, in terms of equities, 18-year cycle still acknowledges hard times ahead.

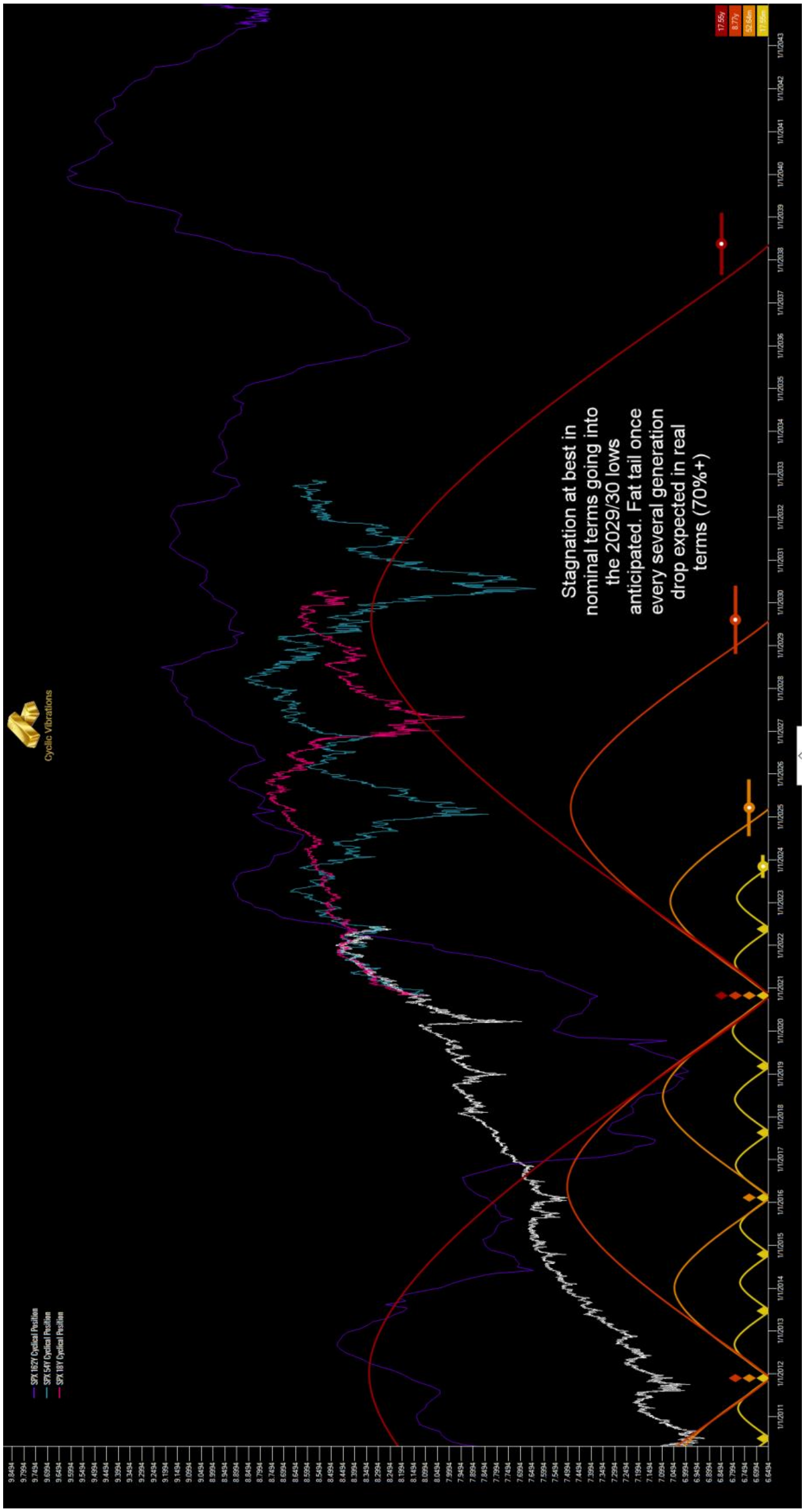

Cyclic Vibrations
Stagnation at best in nominal terms going into the 2029/30 lows anticipated. Fat tail once every several generation drop expected in real terms (70%+)

Figure 2.

Figure 2 depicts the forecasts we have based on three of the more longer-term cycles those of the 162-year, 54-year and 18-year variety. All cyclical perspectives suggest that we are most likely experiencing the up-swing portion of the current 18-year swing post the 2020 lows. This 18-year swing is the second one in the current Kondratieff, its' analogue being the one that began in 1967. All cyclical circumstances-based projections suggest that from now into the first half of next year the environment is likely to be bullish for the market after which many of the cyclical realities suggest that the environment that follows is to be negative with a depreciating stock market (particularly in real terms). It is important to point out that the 18-year cyclical position on US equities debates this hypothesis prolonging the rally a little more than the larger analogues. It was remarkable to see how close to accurate our view here at CVC regarding the future of the global political economy was back in 2018 when we predicted a fat tail event (COVID-19) followed by a war (Russia-Ukraine). The first of which, we predicted, would be a catalyst for the second and both of which would be contributing factors in a commodity price explosion. This must alert us to the power of what can be achieved applying this theory to a cycle even as small as the Kuznets swing. We believe for any intelligence of significance one must look at the 18 year and above as was proven the case from a technical perspective too based on **measurable** correlations. This theory can be used as an additional lens to view the world from and makes it reasonable to anticipate some degree of success in predicting the future. Despite the 18-year cyclical position suggesting a longer rally in terms of equities, we must keep in mind the fundamental beliefs of the financial wave theorist and that is that the more of the larger cycles one takes into context the higher the correlation. The higher correlation is due to a higher similarity in the underlying trend and the higher likelihood of mistakes made being forgotten. After we potentially realize the high in the first half of next year or maybe prior to its end, we are looking for a decline analogous to the one that brought us to the 1970 low in equities in late 2024 early 2025. If we recall history and analyze the post 1970 period, we will notice that it was a low point for the prices of goods which was then followed by the inflationary bull markets in commodities of that decade. **This is why we expect a huge drop in equities in terms of real physical goods in the marketplace. Suddenly it won't be as important to own stocks when you have significant inflationary pressure in the economy that begins to trigger anxiety for the average American. Couple what was just mentioned with the large commodity price increases during times of civil unrest gives us an idea of the complete insignificance equities are going to have to the average American relative to the commodities that comprise the basket of the consumer price index.** He who enters into the commodity sector, however, will profit in manners only imaginable by God. We are still a few years ahead of hitting the 1970 analogue which saw another 10 years in Energy and Precious metals' price appreciation afterward. Agricultural futures realized their highs in the first half of the decade but inflation in general topped out in 1980 at 14.6%. It is also important to note that the scale of the current cyclical circumstance to most similar cyclical circumstances is north of 1.1x. This suggests that the cycles are getting longer in duration and necessarily in amplitude as well. Hence, from that perspective alone, the upcoming 10-year commodity boom (i.e. economic disaster) that is our analogue for what is to come after the late 2024 to the first half of 2025 lows are realized should be multiplied by 10-20% in time and amplitude. Figure 3 presents our forecast on the projection for the future of the US inflation rate. We believe the recent upswing experienced since 2020 is the first of a total of three inflationary surges to be experienced in the United States. We believe that inflation will see another historic peak during the current Kuznets that will not be exceeded for 150 years. The basis behind the three inflationary phases is the inflationary spike that occurred into 1970 (the analogue of which we are in now), the spike into 1974/5 (when agricultural commodities peaked out) and eventually the spike into

1980 that took US annualized inflation to 14.6%. Eventually, in the near term, CVC expects inflation to level off for temporary periods in between the three surges talked about earlier and presented in the following inflation rate projection. The projection should be taken in terms of direction and not to a large degree in terms of extent. **Although annual inflation rates closer to 30% is not AT ALL UNIMAGINABLE** we have not done enough research in our amplitude percentage ratio idea so we can't place confidence in the actual figures that the projection line reaches.

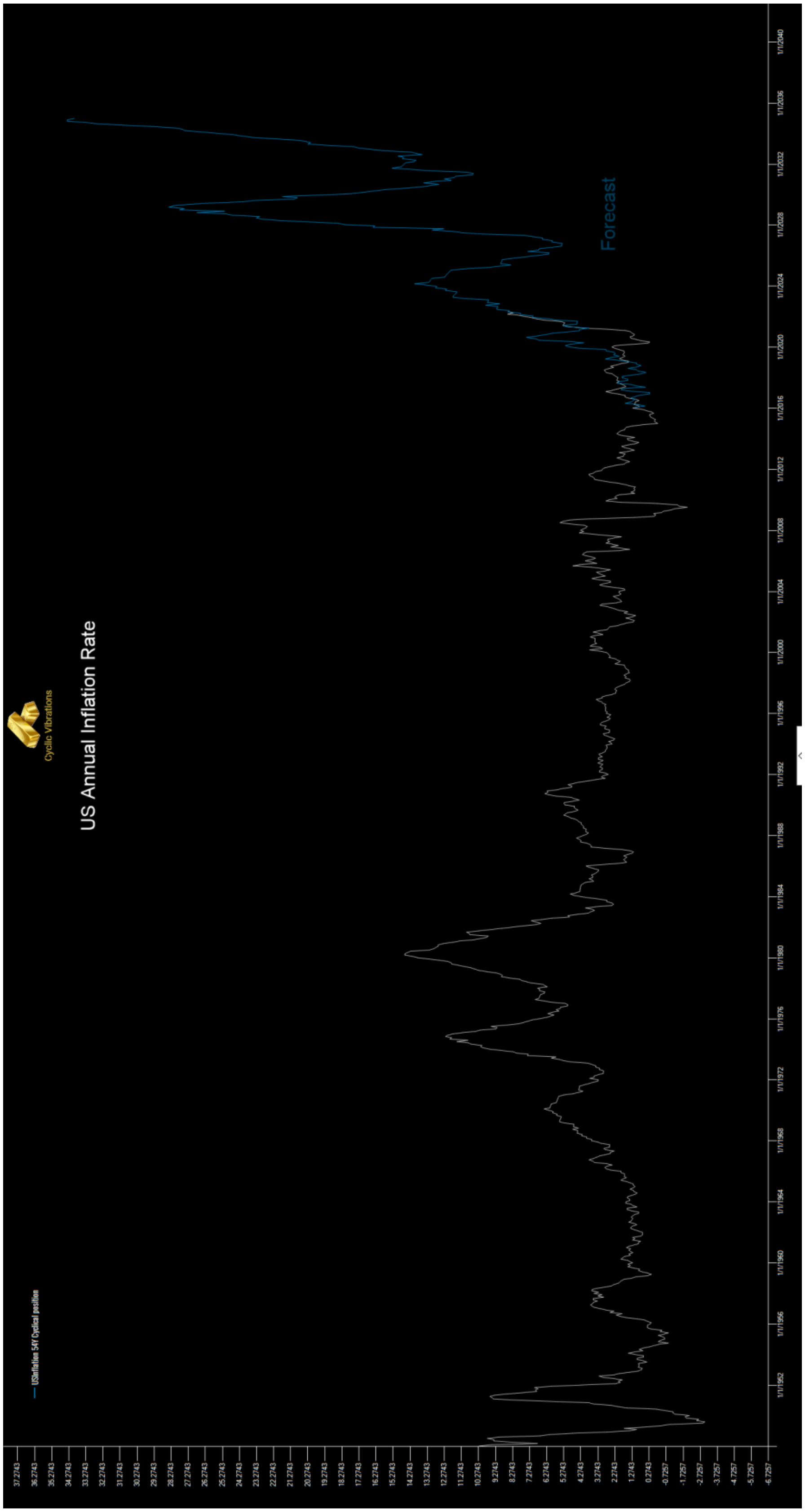


Figure 3.

Figure 4 presents our phasing analysis on the S&P500 adjusted for inflation in log scale. We have reason to believe that **the decline of equities in real terms is likely to be at least 66 to 75% as a conservative estimate** (Depending on whether you use the S&P 500 or Dow Jones Industrial Average for your percentage measurement from peak to trough). We don't mean to raise a doom and gloom red flag but, all things considered, we are looking at a larger commodity price increase, in percentage terms, in the next decade+ than we did in the 1970s basis **the position of the Jared wave of progression, being that we are in the trend Kondratieff rather than the base. That would mean that the quote currency of the chart above (which is a basket of consumer goods) is likely to go up faster than it did in the analogue and hence put much more pressure on equities in inflation adjusted terms**. Even pricing the S&P500 with a commodity index going back to the late-1780s AD suggests that odds favor a substantial decline in real terms as well. The only anomaly would be during the US civil war which coincidently happens to be our period of interest. In response to this we have concluded that the price series of commodities being used did not reflect the true picture of what was going on to the prices of commodities in the United States during the civil war. Even while using this 'flawed' data we see that equities made no gains against this index during the entire civil war after which the ratio began to rise slowly. With this particular anomaly out of the way, when we examine the two succeeding long waves post the 1896 AD lows, we realize that the summer season of the long waves (World War I, late 1960s and 1970s) saw an average drop of 70% in equities when priced against this commodity index.

Based on the cyclical realities, presented to us by the behavior of men, we can safely conclude that the current economic environment is likely to see a significant spike in inflation (much higher than current levels), after a slight setback once we hit the corresponding high to that of 1970 in the current cyclical circumstance. We must point out, taking the Jared wave into context, that during the US civil war we were in a larger correction of the 'hypothesized' Methuselah wave (which will be presented in the commodity section). This means that the underlying trend was significantly more bearish than where we are today which could have put a cap on inflation ballooning higher than the 'out of control' realm experienced in the 1860s. **We are not necessarily stating that the increase in inflation about to be experienced is to be higher than that of the civil war, rather it is something to keep in mind to come up with solutions to what 'might' occur which is inflation in a manner not experienced since the Enoch cycle position i.e., the past 300 years**. In terms of equities, we must state basis all cyclical positions, any rise higher to new all-time highs (which is something we do expect) will prove to be a bull trap. Equities priced in commodities are likely to take the worst hit of all markets considering that commodities are the most bullish in 300 years. Equities, under our current view, look to be the most bearish in 300 years as well once the variation of the Enoch cycle is taken into account. **The risk of mingling with equities FAR outweighs the rewards at the current juncture.** The US Dollar, provides somewhat of an anomaly given its recent action against foreign currencies. We will discuss our reasoning for this in one of the following sections of this report, dedicated to the Dollar.

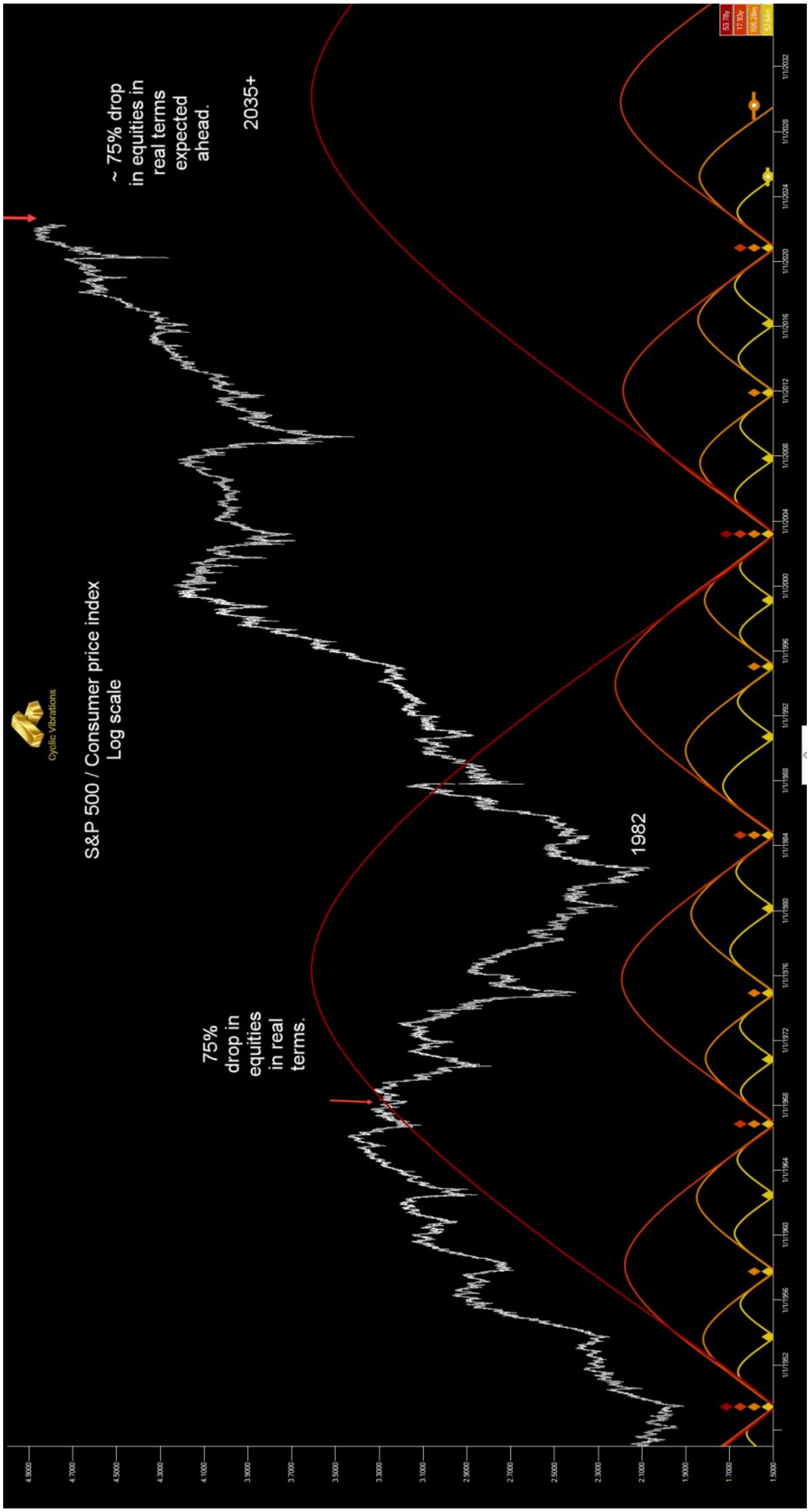

Cyclic Vibrations
S&P 500 / Consumer price index
Log scale
~ 75% drop
in equities in
real terms
expected
ahead.
2035+
75%
drop in
equities
in real
terms.
1982

Figure 4

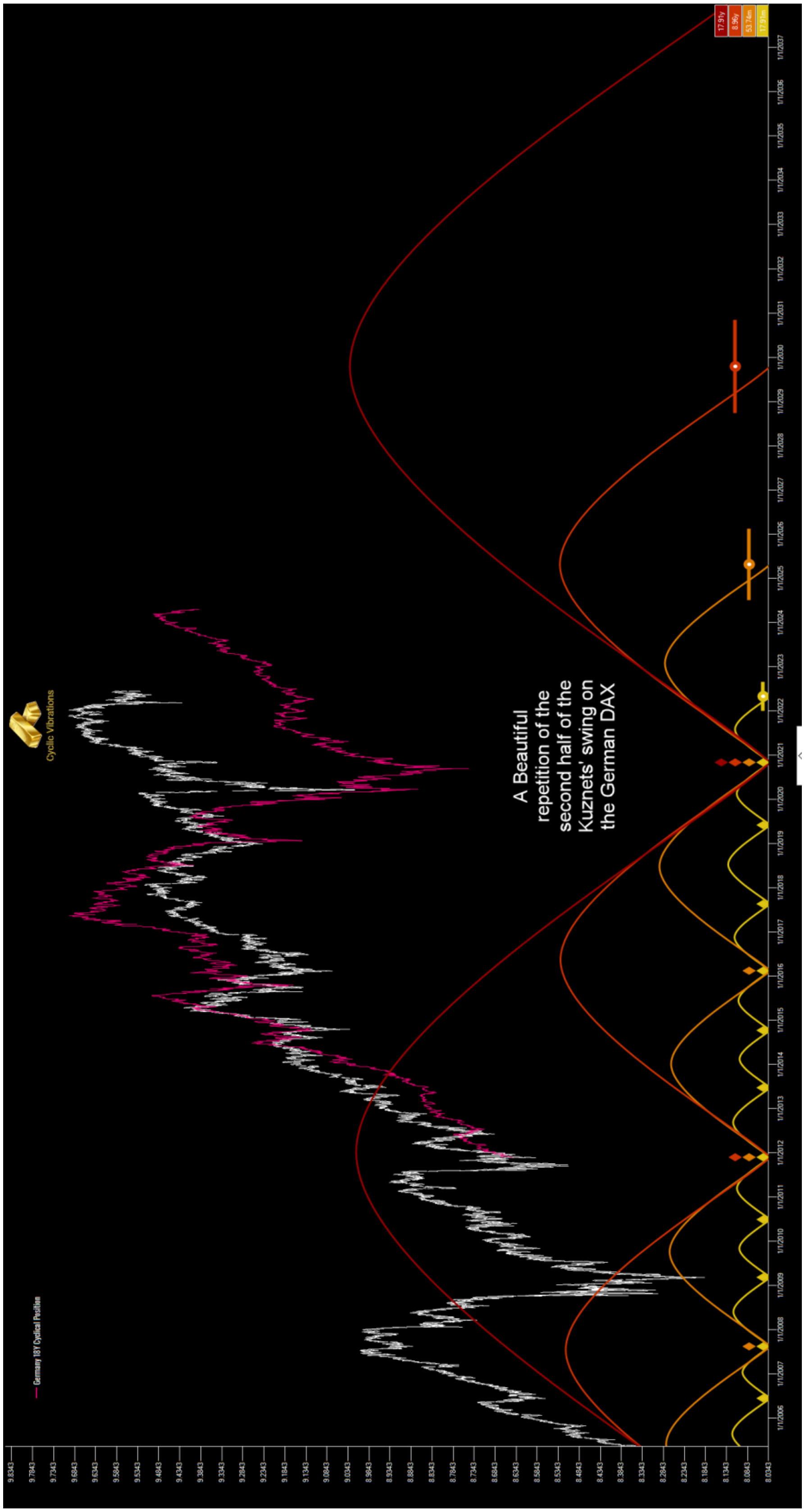

Cyclic Vibrations
A Beautiful repetition of the second half of the Kuznets' swing on the German DAX

Figure 5

Global Commodity Prices

Personally, we think the commodity market is going to prove one of the more interesting sectors to most investors once things begin to really take off. People are still in the 'shock' phase of the new environment we are in. They still believe that things still have a chance of returning to normal which is why we still don't see explosive pressure in the prices of food and energy. Once people get the feel that this inflationary environment is here to stay, for at least awhile, they will begin to flock and empty out shelves all across the globe. This kind of behavior will put further upward pressure on commodity prices which we see rallying for, at least, the next 8 years. **Couple that with what is to prove to be a LENGTHY war of Russian aggression (and their control of most of Ukraine's ports) we can safely conclude that further SIGNIFICANT upside remains in the commodity markets.** We do believe, basis the 54-year position, that precious metals and energy futures are likely to continue their rise significantly beyond the 8-year approximate limit spoken of after correcting into the corresponding trough of 1976. If one examines history, we can conclude that the agricultural market's peak occurred in the first 9-year cycle of the 18-year wave analogous to where we stand today (post 2020). We must point out that we are now in the trend Kondratieff wave rather than the base as mentioned in the previous section. This means that the upward pressure to be experienced in terms of agriculture is higher which 'could' mean that agricultural futures could push further and peak out in the second 9-year wave (Which is something we expect basis their 18-year cycle projection). Figure 6 (presented on the following page) shows our phasing analysis on a global commodity index. As mentioned earlier we began a Methuselah wave correction from 1781 which ended in 1950. **A new Methuselah (millennium) wave began after the second world war.** The advance off of this Methuselah wave low was quite explosive during the summer season of the first long wave of the current millennium wave which was the period from the late 1960s to 1980. We began the second (trend) Kondratieff of the first Jared wave of the first Enoch wave after the 2003 lows on equities and commodities. This suggests that the summer season of the current Kondratieff wave is likely to be **hotter** than that experienced in the late 1960s to 1980. As forecasters, we sometimes think of solutions, such as immigration, to personally avoid the problem that started after the COVID-19 pandemic. The truth of the matter is; this environment is a global phenomenon and there is no place one can hide other than dumping everything that is paper and buying everything that is real. The question that arises is: Will getting rich avoid our pain? The answer to that, in our opinion, is no. The reason for such a conclusion is our social nature as human beings. Even if we float through this crisis, we will undoubtedly feel affected by the environment in which we lay as well as those around us that are struggling. Add to that all the geopolitical risk of war coupled with civil disruptions and general disobedience to the rule of law. We have been dealt a shitty hand (those of us that are alive and of working age in this current environment) but we do believe that we will survive. **A friend of ours once stated** that it is unbelievable what humans can endure and survive. He concluded that **humans vastly underestimate their ability to survive hardships.** CVC does not doubt the hope that we will survive the ongoing crisis but **believe me** this scar is going to be a deep one considering that we do expect civil unrest, global wars, economic troubles, increases in crime, increases in conspiracy theories, a monetary crisis, and a high risk of food shortages. Such an environment could cause anxiety disorders and mental health issues to those that are genetically prone to them. This kind of an environment is the **ULTIMATE trigger** (for psychiatric related disorders) which means higher rates of psychosis and fanatical thinking which will add significant risk to society if not addressed promptly and in the appropriate way.

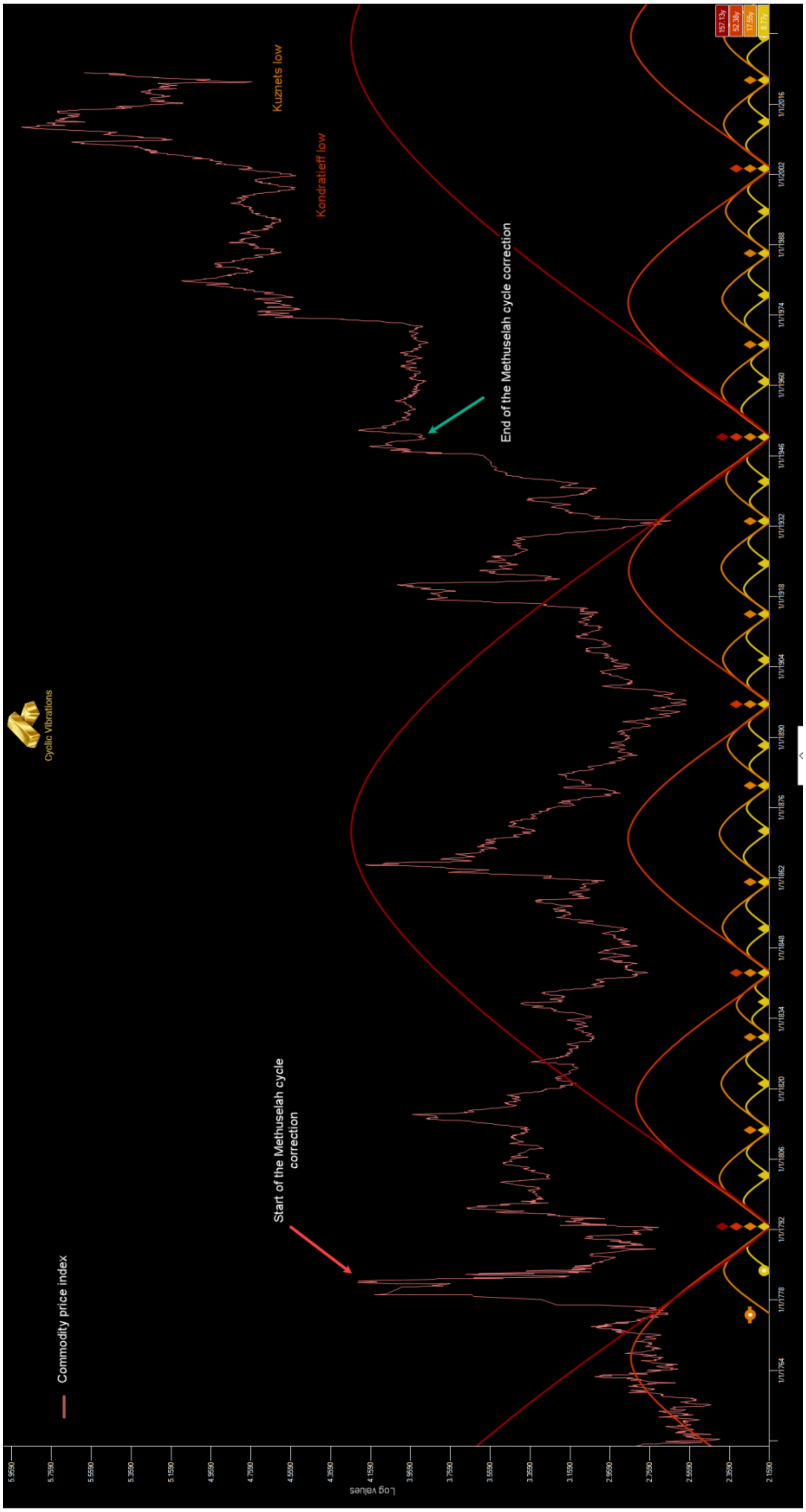

Commodity price index
Start of the Methuselah cycle correction
End of the Methuselah cycle correction
Kondratieff low
Kuznets low
Cyclic Vibrations
Log values

Figure 6

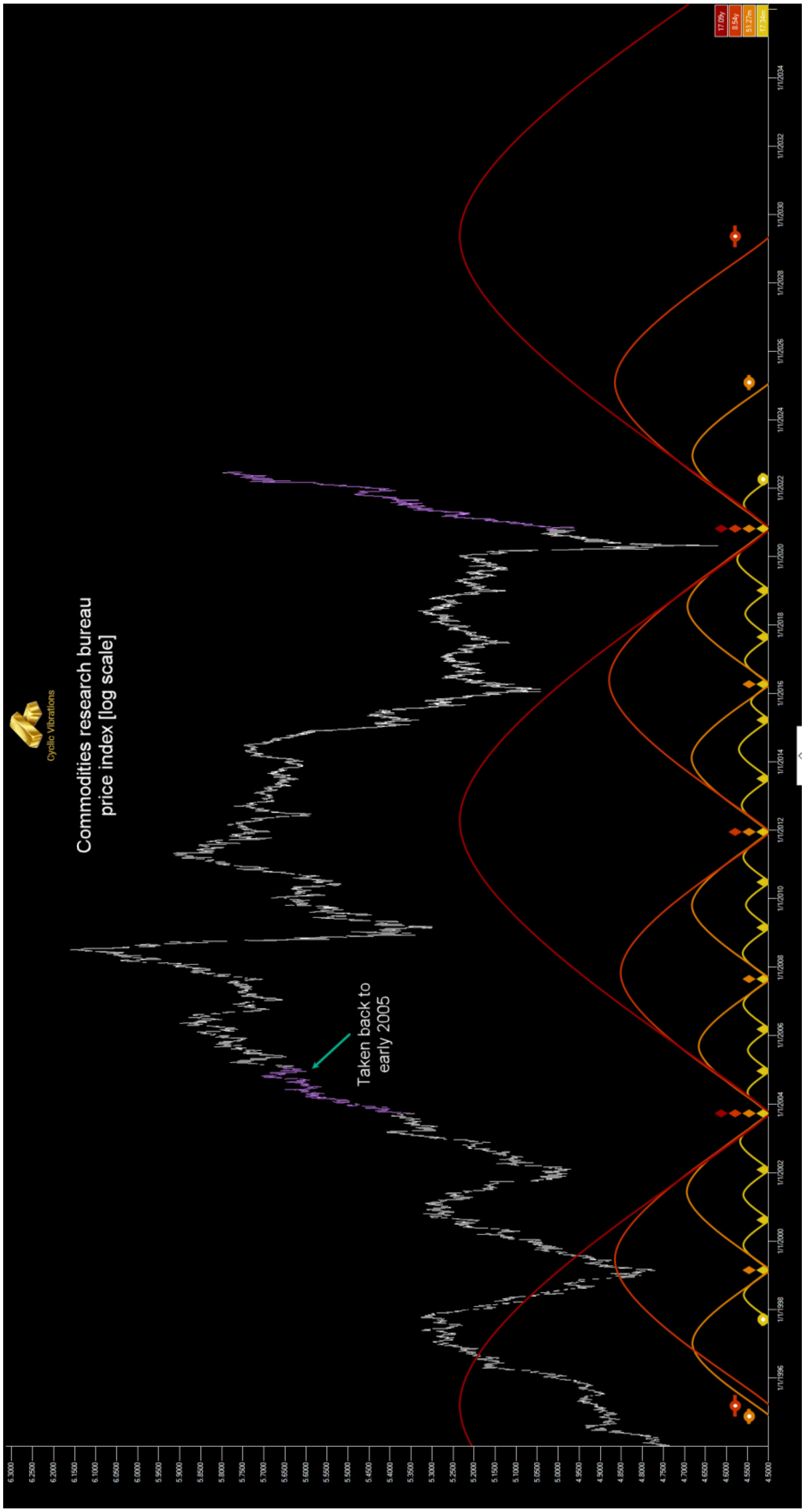

Cyclic Vibrations
Commodities research bureau price index [log scale]
Taken back to early 2005

Figure 7

The US Dollar

The cyclical structure on the US Dollar against foreign currencies can only be studied back to the collapse of the Bretton Woods agreement in 1971. Prior to that the price of foreign currencies were pegged to the US Dollar and the US Dollar was pegged to gold. This all ended when President Nixon 'temporarily' suspended the convertibility of the US Dollar to gold for the monetary interests of the United States. This resulted in the completely FIAT money system we are in today. **With that being said, the largest cycle we can take into context to some extent is the Kondratieff cycle position.** The preceding 18-year swing differs to a significant extent when compared to recent price action. We are well aware that correlations are never going to be 100%. Hence, despite the recent diversion we should not ignore the Kuznets cycle position completely considering that it has proven quite reliable in the past. Sergei Tarasov of timing solutions said that 'they' call the Kuznets swing the 'generational' cycle although the Kuznets swing is 3 years longer, on average, than the traditional 15-year generational range. **CVC believes that the recent rise in the US Dollar is analogous to the high price that was set for the USD in the late 1960s that was immediately followed by the stagflationary decade of the 1970s.** It seems evident that we have significant commonality within more of the markets we have looked at so far. **Our personal belief is that the more of the individual markets that point back to a certain time period in history the more we have confidence in our analysis. This is based on the principle of commonality devised by JM Hurst. Figure 8 (presented below) suggests that the US Dollar is likely to have a significant decline against foreign currencies.** We did speak of an anomaly in an earlier portion of this report. We see that during the current cycle we have more right peak translation than we did in the two prior 18 year waves. Theoretically this means that the trend during the current wave is stronger on the upside which would naturally suggest that the decline is likely to be shallower. If one were to look at the first kitchen cycle of the current Kuznets wave with the preceding Kuznets we will realize that this time around the Kitchen cycle was weaker. This contradicts any conclusions made about the theoretical notion that the trend is stronger. To answer such doubts, we best look and analyze the largest cycle in the timeseries. This would take us back to the late 1960s that we spoke of earlier. The 18-year cycle correction expected is likely to be shallower (as a whole) than those experienced in the other two Kuznets swings available for analysis (1980-1996 and 1996-2014). If one looks at it from a 9-year wave perspective with the 54 years being the largest cycle taken into consideration, we can conclude that the decline will be steeper. This gives us reason to believe that **a 30% drop of the USD against foreign currencies would not be surprising. CVC believes that something analogous to the collapse of the Bretton woods agreement is likely to occur in the current global environment. Once that happens, which we expect to occur during the second inflationary swing spoken of in the previous section (the one that peaks out in the mid-1970s), the current monetary system will need adjustment.** The only way we see something like this happening is a significant threat to the current monetary system and the dominance of the US Dollar i.e., the petrodollar. We do believe that a new system will be devised after a period of panic and all diplomatic relations will be restored on paper with the adversaries (who are considered strategically important) that caused this economic strike. It is important to point out that even though foreign currencies are to advance less against the US Dollar than the prior two Kuznets, we still expect the rise of commodities priced in US Dollars to be LARGER than those experienced in the prior Kuznets excluding the one that ended in 1980 (or perhaps including it as well).

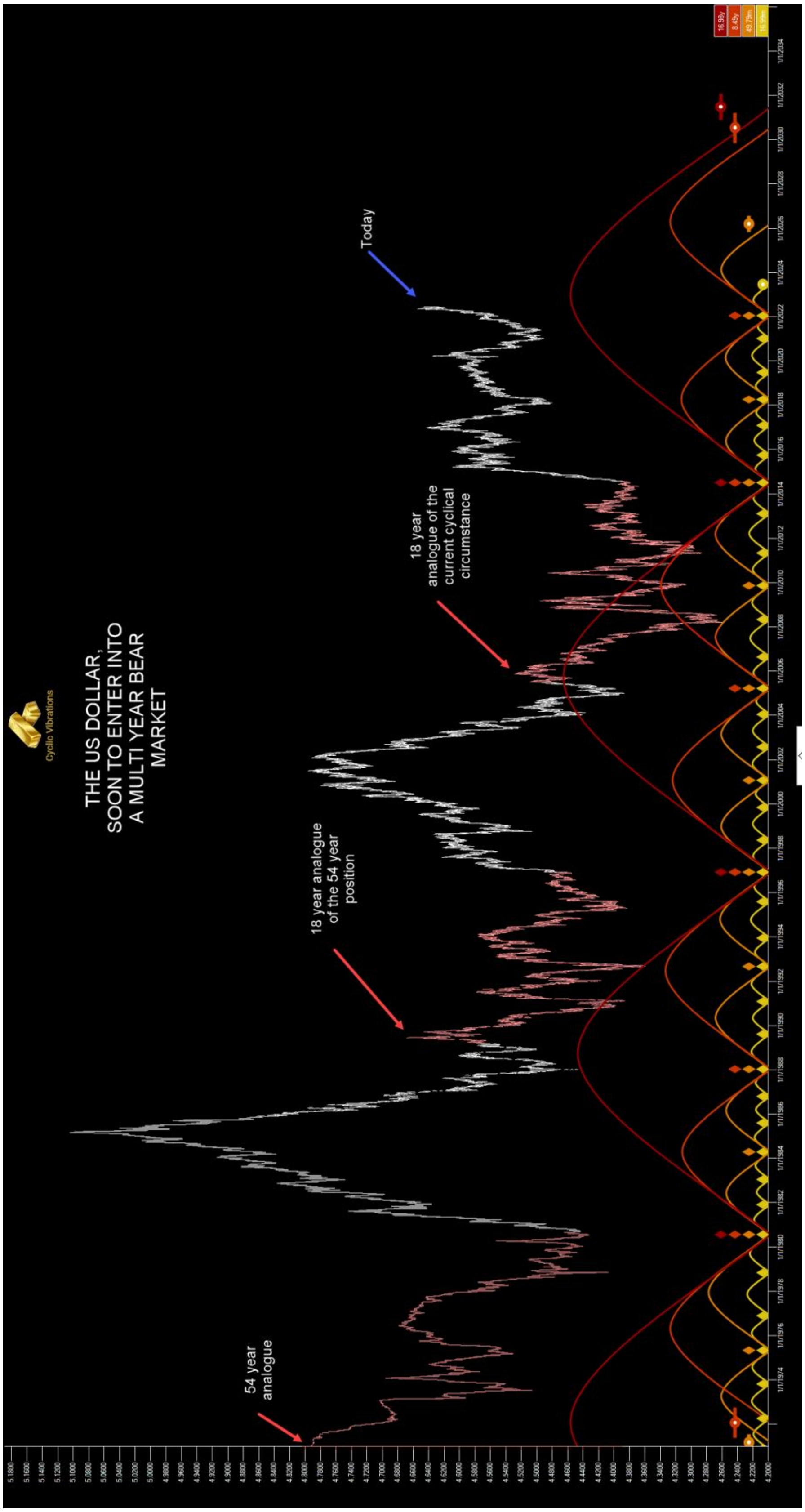

THE US DOLLAR,
SOON TO ENTER INTO
A MULTI YEAR BEAR
MARKET
Cyclic Vibrations
Today
18 year
analogue of the
current cyclical
circumstance
18 year analogue
of the 54 year
position
54 year
analogue

Figure 8

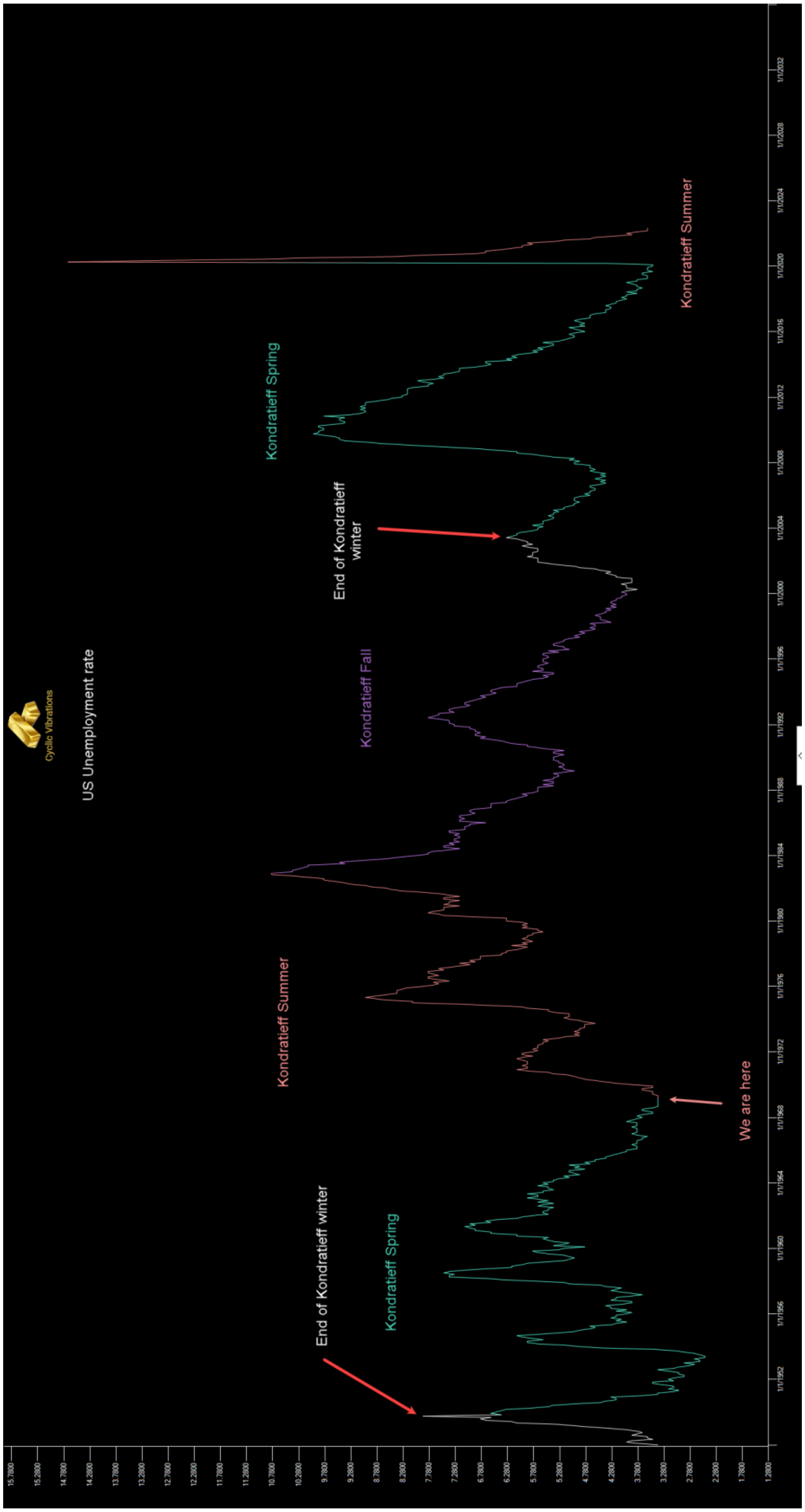

Cyclic Vibrations
US Unemployment rate
Kondratieff Spring
Kondratieff Summer
End of Kondratieff winter
Kondratieff Fall
Kondratieff Summer
We are here
End of Kondratieff winter
Kondratieff Spring

Figure 9

The case for stagflation

The cyclical realities, in terms of the US equity index (as well as commodities and the US Dollar), suggest that we have entered the summer season of the Kondratieff wave (1967 to 1980 being the analogue). In order to determine what is likely to occur to the US economy we need to look at economic indicators during the summer season of the preceding long wave. Figure 9 presents the US unemployment rate going back to the beginning of the long wave that started in 1949. **We have determined that the unemployment rate is likely to accelerate higher as the summer season of the current Kondratieff wave intensifies.** Notice that the fall and spring seasons of the long wave are usually accompanied by a significant drop in unemployment with relatively less volatility (as occurred from the mid-1980s to the peak of the tech bubble) due in some part to the monetary stability the economy was enjoying at the time. On the other hand, the summer season usually is accompanied by a surge in unemployment along with a significant spike in inflation. **The previous sentence is the very definition of 'stagflation'.** Hence, we can assume that a similar environment is likely to occur in the near future due to the likelihood of us being under a similar cyclical circumstance as the stagflationary period (1967-1980) spoken of earlier. When we look at the past long waves as a model, we can conclude that a stagflationary environment is very likely to be experienced in capitalistic economies every 54 years on average (determined by the current average length of the Kondratieff cycle). This stagflationary experience usually occurs in the second Kuznets cycle within the larger long wave, which is a position we happen to be under at the current juncture, while deflation or threats of it usually occur during the Kondratieff winter (far from where we stand at the moment). The winter season usually occurs in the third Kuznets in most long waves. The long wave that occurred during 1896 to 1949, experienced a hegemonic winter (1929-1949) which was considerably longer than traditional Kondratieff winters. Many people prior to the housing boom (2004-2007) were in fear of deflation (as written in John Murphey's Intermarket Analysis book) as we approached the 2003 low considering that equities and commodities were crashing at the same time. **The best environments for the economy and the work force are the springs and falls of the Kondratieff cycles.** With that being said, as presented in this section and the sections prior, we see inflation picking up quite significantly as per our outlook on commodities (advancing), US equities (declining) and the US Dollar(declining). Based on the Kondratieff swing analogue we have reason to believe that unemployment is likely to begin its advance which is supported by our view of equities declining. **Based on the conclusions mentioned above, we can predict that the environment we are about to experience is likely to be stagflationary in nature based on historical parallels.** In all honesty, it is absolutely stunning to see these patterns of repetition. The fact that we see these correlations shows us how flawed man is as he continues to repeat previous mistakes (as a collective entity of citizen and government). We must mention that there does seem to be a linear uptrend that we fluctuate about as a species which always checks our pessimism at times. We attempt to think of ourselves as divine yet our hard headedness and our refusal to listen teaches us very similar lessons that were taught to our parents, forefathers and ancestors. It is not suggested, at the current juncture, to place the blame on others whether it was mismanagement by the financial elites or defense spending due to the war on terror or perhaps the covid relief checks that led to this price explosion. We don't think it is fair to blame the government now since we didn't seem to complain when times were good and the economy was booming.

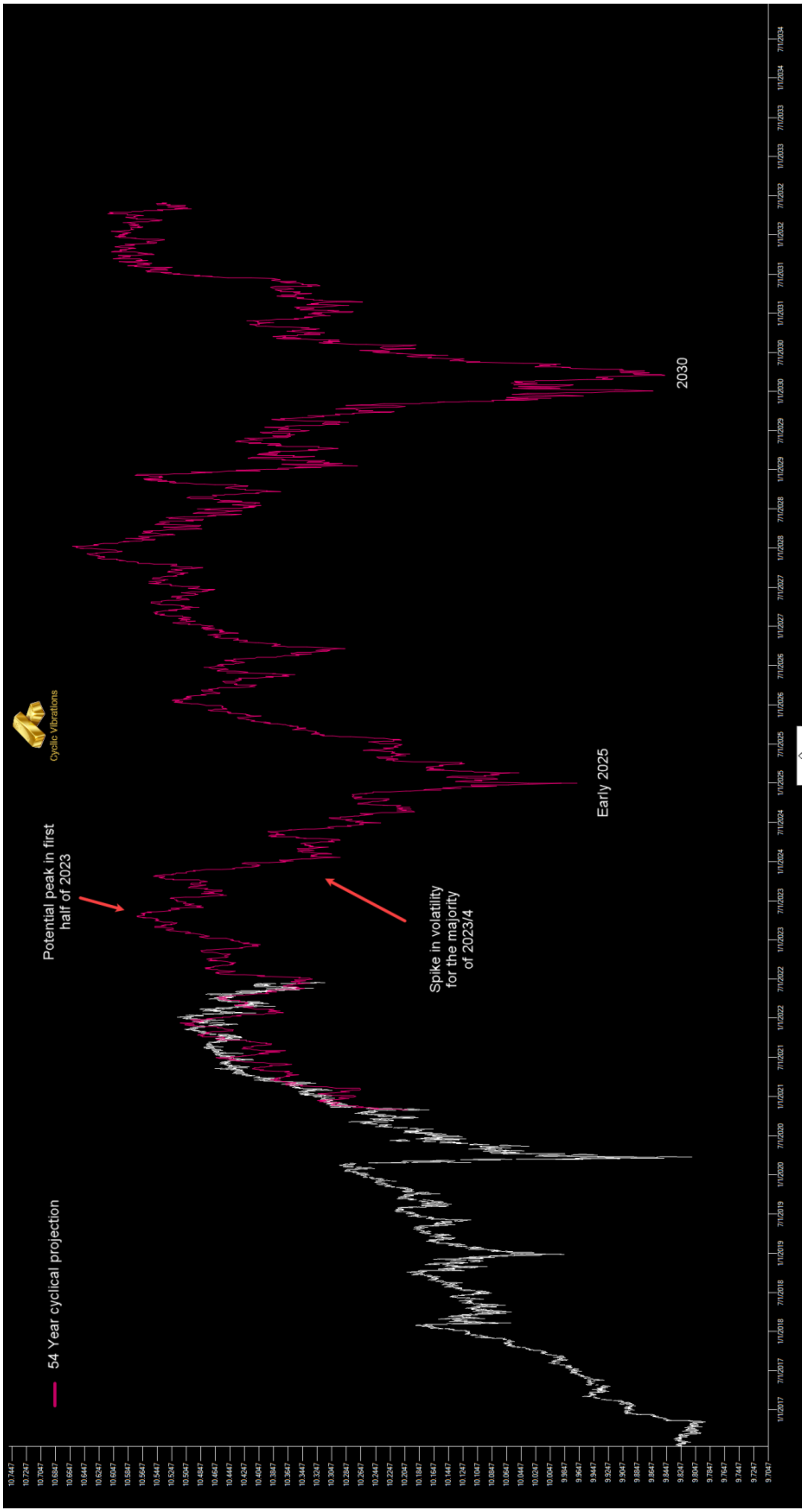

54 Year cyclical projection
Potential peak in first half of 2023
Spike in volatility for the majority of 2023/4
Early 2025
2030
Cyclic Vibrations

Figure 10

Figure 10 presents our projection line for the Kondratieff cycle in equities. **It seems likely that the US markets are to put a low point soon which will be analogous to the 1968 lows on the Dow Jones Industrial average. Following this low point, CVC believes that this market will likely advance for its traditional Christmas rally into the first half of next year.** The primary reason we support the presented view is the fact that we had just begun a new 18-year wave and it is somewhat doubtful for it to see its peak in the first 18-month cycle. The second reason we have this view is due to the cyclical position of this market basis the 54-year and 162-year rhythms both of which suggest a rally into the first half of 2023 while the 18-year rhythm suggests an even further advance. **If we were to analyze the projection line presented above, we will realize that it predicts that this market will top in April/May of 2023 followed by a bear market of high volatility for the next 18 months or so.** This will coincide with the 1970 bear market lows and coinciding highs of inflation (commodity prices) and unemployment. After this bear market, which we believe might break records, we are likely to see a multi-year recovery that should mimic the rise into January of 1973. This rise will be followed by another treacherous bear market for approximately two years that would take us to the 1974/6 lows in equities and commodities respectively which we see occurring in 2030. From a trading perspective, cyclical theories and technical approaches usually resurge in popularity during these times of volatility. The market will change from a buy and hold environment to a professional-based timing environment as proved to be the case in the 1970s. People will once again be interested in approaches of our kind. We predict such interests will peak right before the market begins to take off again which will see the pendulum slowly swing back to the buy and hold advocates. **A point worth noting is the phase difference we have in terms of the 54-year cyclical position on equities and commodities. There does seem to be an 18-month discrepancy between the commodity index and equities when looked at from the Kondratieff lens. In equities the 18-year low seems to be in 1966 while in commodities the corresponding low seems to be in 1968.** This would mean that we are closer to the 1970 low on commodities than in equities. Slight differences in the time period that we are taken back to in terms of the cycle are not uncommon but they cast some doubt on our analysis on one of the indexes. We must point out that equities and commodities are back in phase at the current juncture once again (which casts further doubt on the phase difference experienced ~50 years earlier). Perhaps the phase difference occurs during the inversely correlated summer season that typically sees commodities and equities move in opposite directions. This is an anomaly that we will need to observe in order for it to aid future analysts in discerning what is likely to occur in commodities and equities during the summer seasons of the upcoming long waves. As financial wave theorists, we like to see commonality in terms of the time that we are taken back to, we also prefer the phase difference to be significantly less than an 18-month wave but that seems to be what presents itself at the moment basis the 54-year rhythm. We must keep in mind that perhaps this phase difference is self-inflicted by a potential error in the phasing of one of the two indexes (perhaps a straddle we failed to take into account). Further evidence of such discrepancy during the summer wave is the 9-year low experienced on equities (1974) was an 18-month cycle ahead of the (1976) 9-year low on commodities. An 18-month discrepancy in the similar cyclical circumstance does not affect our general outlook on the global economic environment about to be experienced. The Jared wave position of equities suggests that the market is likely to stagnate from a long-term perspective. The 54-year position and 18-year positions on commodities suggest that the rise in inflation and commodity prices is still in its infancy. It is important to point out that the 162-year position on commodities saw an explosive surge for 3 years and topped out in 1864. We believe that the trend at the time was significantly negative due to the hypothesis that we were in a methuselah cycle correction at the time.

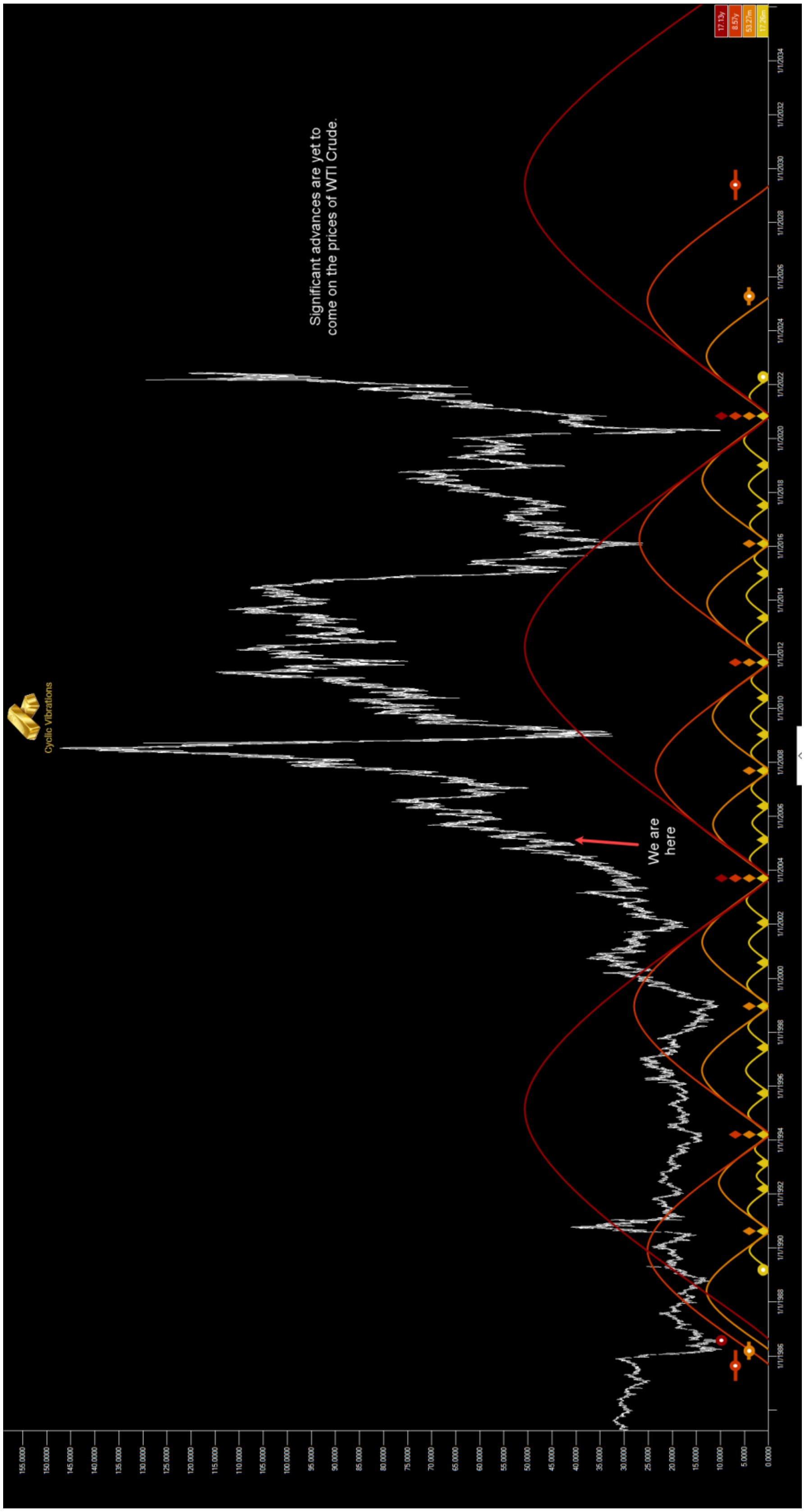

Cyclic Vibrations
Significant advances are yet to come on the prices of WTI Crude.
We are here

Figure 11

Energy

The crude market was one that we had deep interest in considering its behavior in the 1861 similar cyclical circumstance. We know of crude oil's rise by many multiples during the US civil war. We did not imagine such a historic advance would likely reoccur. Much to our surprise WTI crude oil rose by over 1200% from its lows. People would have ridiculed us if we were to make such a prediction. **If we analyze the Jared cycle position spoken of earlier, we would have expected a move to ensue post the 2020 lows that should see crude rise by 1500%. A barrel of oil back in 1861 was slightly above 50 cents, by the year 1864 oil was trading above $9 a barrel.** Unfortunately, due to the inaccuracy of the data, we cannot look at the 54-year position regarding crude in particular although we do believe it to be very similar to the general commodity markets. It is best to look at the 18-year wave when it comes to crude for a couple of reasons; The first reason being that we have confidence in our phasing post the 2003 Kondratieff cycle low. The second reason being that we have initiated a trend 18-year cycle post the 2020 lows on crude which would suggest further right translation than the preceding Kuznets. This would make it safer to use the first 9-year wave of the previous analogue since differences in peak translations would be less in that regard. From a shorter-term perspective, we believe that crude is terminating its first 18-month cycle post the 18-year low of November 2020. **The strong advance that occurred post the 2020 low leading into the Russia-Ukraine conflict led to a 'mega-overbought' reading exhibiting the highest annual rate of change since the series began in 1983.** This is the kind of readings we would get at the initial leg higher of lengthy bull markets. This should not come as a surprise considering we are in the trend Kuznets (second of the Kondratieff wave) within a trend Kondratieff (second of the Jared wave). Theoretically this is the strongest portion of the trend in 162 years, on average, which should be interesting to view and analyze as crude pushes through its historic all time high seen in 2008. We notice, from figure 11, that a new 18-year cycle had begun in November of 2020 suggesting that the bull market seen in 2003-2004 was likely to reoccur. The correlation between both advances is very high considering the large similarity they have in trend. CVC believes that once the current 18-month lows are realized, crude is likely to continue its surge higher. We must note that such LARGE annual rates of change realized in the kick off are not likely to occur in the near future. This means that the bull market will reach great heights but the momentum of the advance will be lower than the kick off experienced post the November 2020 lows. In order to support our claim, we can take a look at the 18-year cyclical position and compare some data. We see that, from a Rate of change perspective, the initial kick off's readings were the highest in the entire 54-month wave that started from September 2003 to August 2007. This means that recent readings on the Rate of Change indicator are unlikely to be seen or exceeded for the remainder of the 54-month cycle. The following 54-month cycle is likely to see a burst higher in prices since our analogue would be the 2007-2008 bull market. CVC believes tensions amongst the United States and current allies in the middle east region is likely to escalate. There seems to be a significant risk of some form of a strategic economic strike on the core nations in terms of energy as has been done by Russia to places in Europe. **We have reason to believe that there will come a time within the next 10 years where a foreign entity will attempt to disrupt the political and monetary stability of the United States. We don't know what the actual 'goal' or 'reason' of such a strike will be but history takes us back to the collapse of Bretton woods and the oil embargo in a few years' time.**

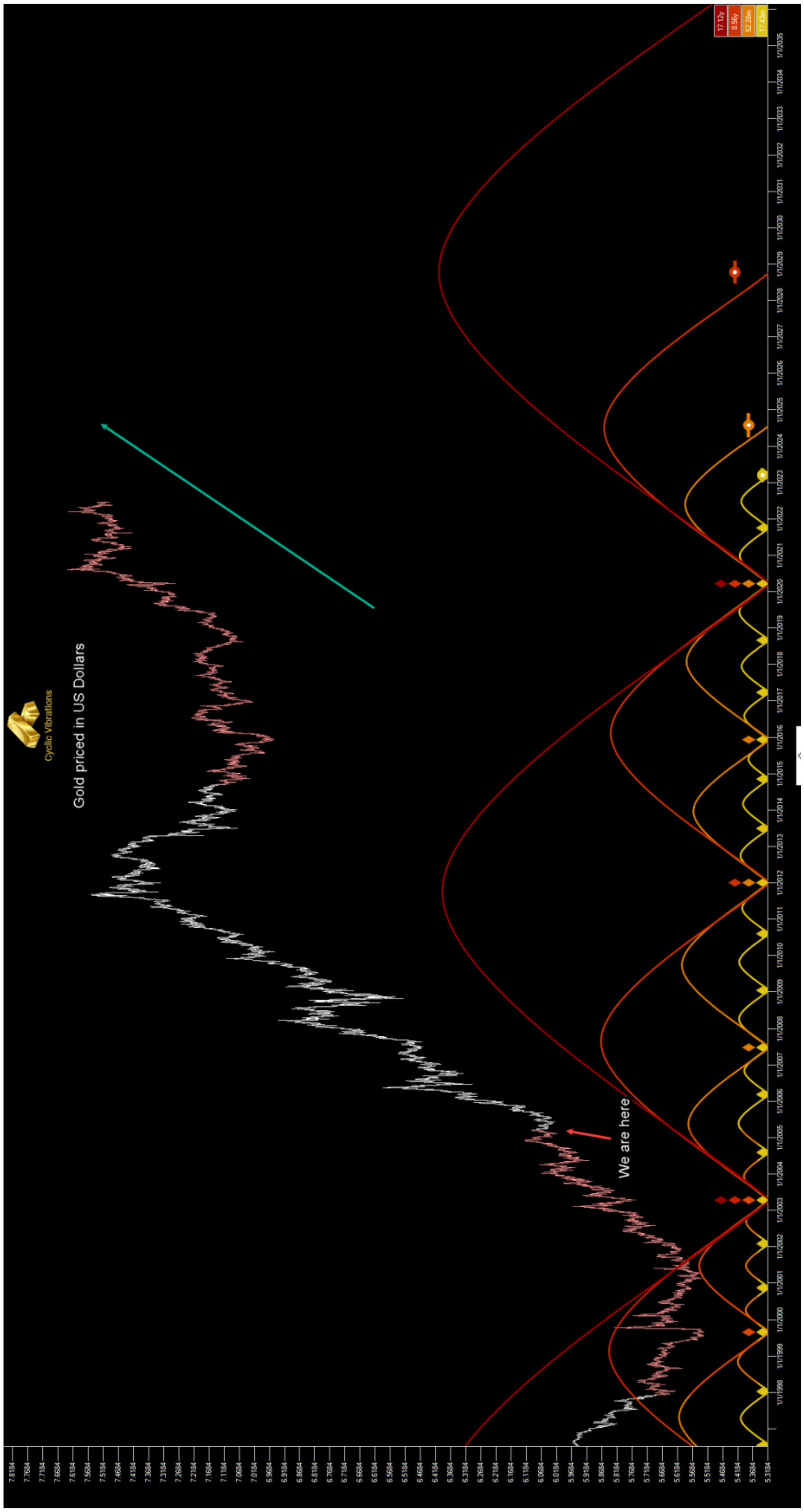


Figure 12

Precious metals

Figure 12 presents our phasing analysis on the prices of Gold against the US Dollar (along with highlighted similar cyclical circumstances). It seems evident that we are still in the early stages of the advance basis the 18-year cyclical position which is projecting a move higher into the latter portions of this decade. Gold is another market that confirms our macro-outlook basis the 18-year and 54-year rhythms presented in this report. We hypothesize that gold is in the early portions of 2005 basis its 18-year outlook. We can't get a projection basis the 54-year rhythm considering that Gold was pegged to the US Dollar at $35 an ounce during our time of interest. **We can confidently state, however, that the collapse of the Bretton wood's agreement is where we will soon stand from a long wave perspective.** This gives us reason to believe that this decade will see a rise in Gold due to monetary demand amongst other things. The kind of monetary demand that we are talking about was not experienced since the fearful panic that occurred in the decade after the collapse of the Bretton woods agreement that saw gold rise from $35 an ounce to north of $800 an ounce. People flocked to gold considering that they realized that the Federal Reserve bank printed much more Dollars than there was gold to hold at $35 an ounce. The lack of trust began with the speech given by General Charles De Gaulle when he exposed the unfair advantage the United States enjoyed at the expense of other nations. The market forces eventually brought the US Dollar to its true value against gold and continues to do so to this date. CVC believes that the 54-month cycle low that gold experienced in 2016 is analogous to the 1999 low. Since then, Gold has moved sideways in both cyclical circumstances followed by a surge higher that proved to be the beginning of a new uptrend in the similar cyclical circumstance. We are confident that the current rise experienced is only the beginning of what we hypothesize could be an abrupt move that could take us all by surprise. We believe that gold will be one of the commodities to peak in the latter portions of the current Kuznets in a similar manner to the long wave position. **If we were to look at the bigger picture, we would realize that the trend in commodities is the strongest it has been since the US civil war. This suggests that record breaking advances in terms of time and extent will be more of the norm rather than the exception. This gives us reason to believe that the advance being experienced in gold could be one of the greatest bull markets in the history of this metal.** Figure 13 presents our analysis on the prices of silver against the US Dollar. We have reason to believe that yet another historic bull market is underway that is likely to exceed most expectations. The good thing about financial wave theory analysis is we can utilize these time periods in the past to analyze other data series such as ratios to catch opportunities that would seem invisible to most observers. If we analyze the gold-silver ratio we would realize that gold outperformed during the late 1960s and the early portion of the 1970s. Silver became the outperformer during the second half of the 1970s into the peak experienced on both metals in 1980. This suggests that we should have loaded up on gold (which would have proven fruitful given its current out-performance) and continue to do so for several years. This should be followed by significant silver purchases once the bull market in precious metals is beginning to be established. This will allow us to capitalize on the additional gains expected in silver during the second half of the ongoing rise in precious metals which will likely end in speculative mania.

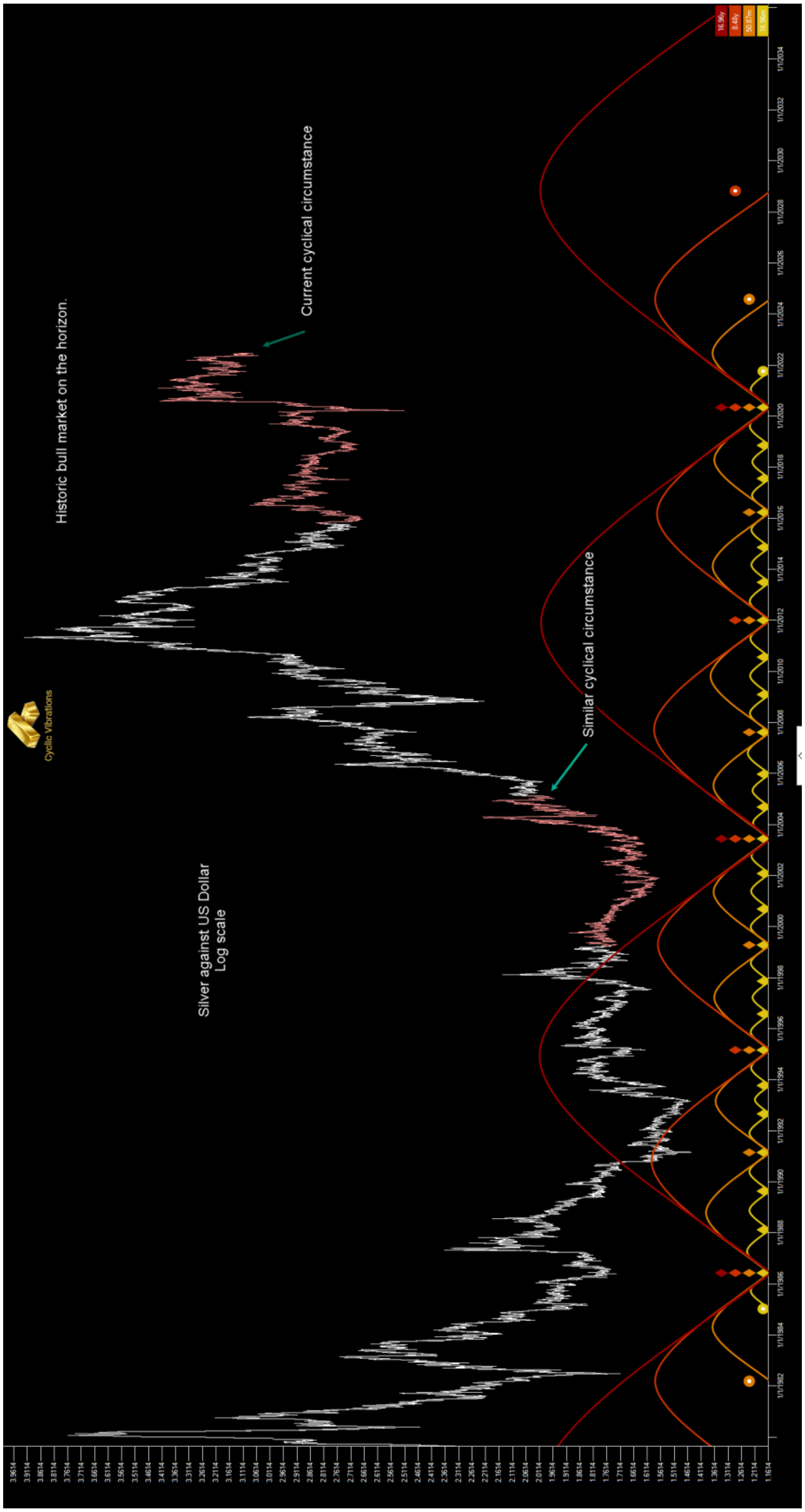
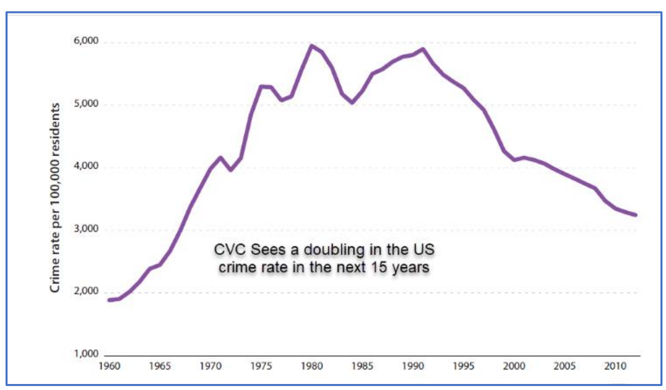

Historic bull market on the horizon.
Current cyclical circumstance
Cyclic Vibrations
Silver against US Dollar
Log scale
Similar cyclical circumstance

Figure 13

Agriculture

Due to the erratic nature of the old data on agricultural commodities, as well as the 54-year cycle phase difference anomaly, we are driven to look at the 18-year cycle as the largest cycle taken into context in the following section (in terms of determining price direction). **CVC has concluded that the prices of agricultural commodities are likely to leap higher in a similar manner as they did in the early 1970s.** Within the next 7 to 8 years most of the price ground would be covered hence there won't be much to gain from these markets post 2030 (relatively speaking). Soybeans and corn seem to be flirting with the June/July 2005 highs prior to a corrective dip from a Kuznets cycle perspective. The 18-year wave suggests that the agricultural markets are likely to continue their recent rise into the second half of this decade prior to the Juglar cycle correction. Based on the 54-year rhythm, we noted that most of the agricultural futures topped out in the first half of the 1970s while energy and precious metals pushed on until 1980. We have reason to believe that the tendency of repetition is significant although we did state earlier that the trend is generally stronger this time which could lead to further right translation in terms of agriculture. If the analogue fails in pointing out the extremes, it most likely won't in terms of relative strength between the different sectors. This can aid us in determining when to switch between the different portions of the commodity sphere. It seems evident that grains could face some short-term pressure as the current upswing of the 18-month wave terminates (as presented in the projection). Figure 14 presents our soybeans projection line taking the base Kuznets swing (2003-2020) as our analogue. It is important for us to point out that we are currently in the trend Kuznets swing which means the advance is likely to be longer and stronger than the base. Under the first Kuznets swing we saw that the peak occurred in the second 9-year wave. This suggests that now that the trend is stronger, we can rest assured that the peak of the 18-year swing in grains will not be in the first 9-year wave. **We can assume, given all the evidence above, that the advance in the agricultural market is likely to continue pushing towards the second half of this decade with very little resistance.** We write this piece in 2022 expecting all that was mentioned in this report to unravel by 2035. We are talking about 13 years which means an entire generation. Also, we write this piece at a time when life was completely different – We are coming off of 40 years of disinflation (since the mid-1980s) having experienced a real estate bubble, several financial bubbles and crypto mania. Millennials don't know what it is like to have wide price fluctuations at the grocery store. Sure, at times they would notice price increases but nothing like their parents (the baby boomers) have experienced in the 1970s. Times are going to be different in a very noticeable manner. As life begins to get more expensive and the mood becomes defective amongst citizens, we can naturally expect a significant surge in crime as was the case in the 1970s. **From the crime rate graph, presented on the right, we can conclude that a new uptrend in the rate of crime is highly likely in the United States during the next 15 years.**



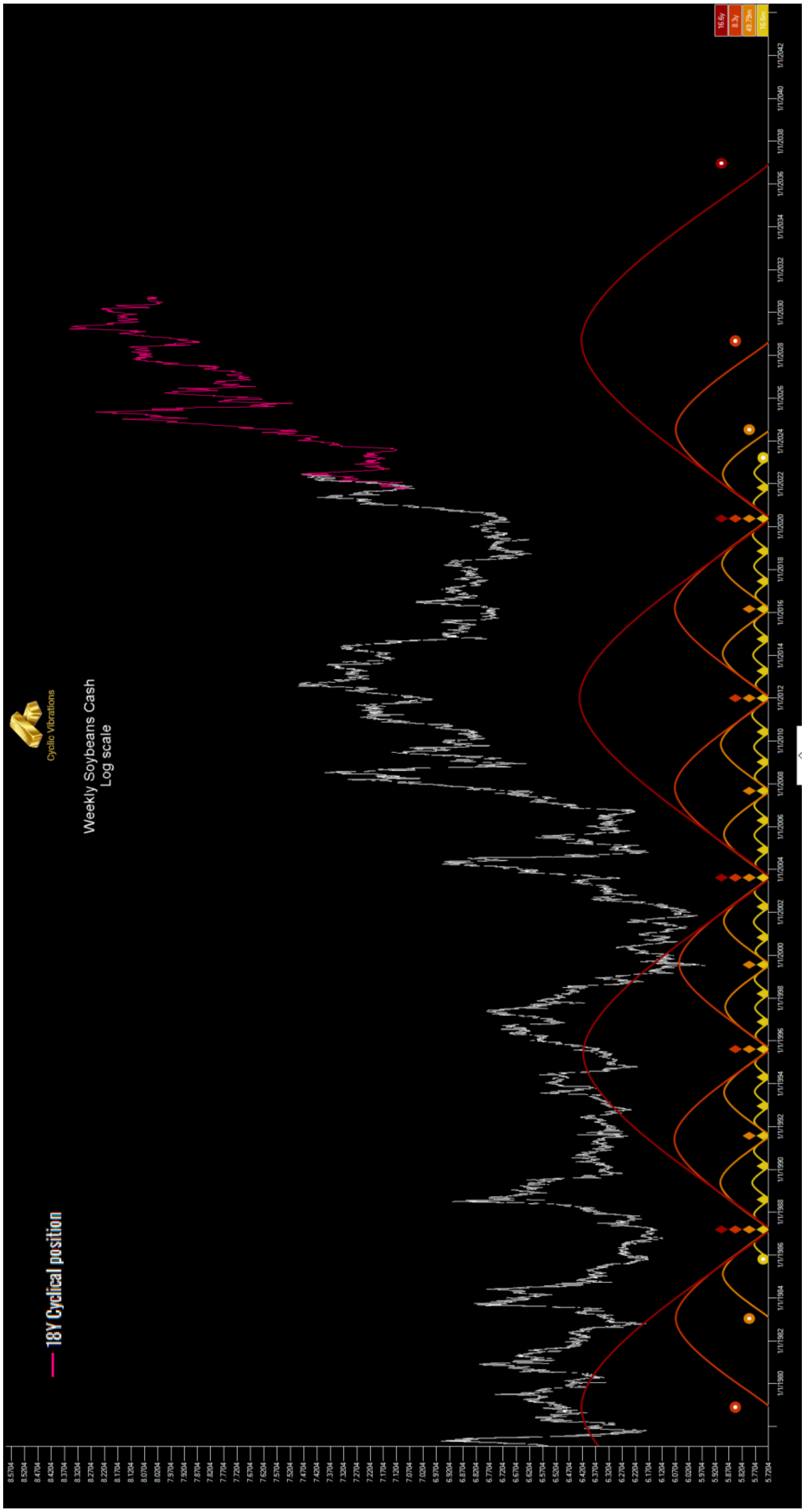

Cyclic Vibrations
Weekly Soybeans Cash
Log scale
18Y Cyclical position

Figure 14

Figure 15 & Figure 16 present our phasing analysis on the price of soybeans and corn respectively. The grain market has been one of the harder markets to analyze in terms of determining its cyclical position due to its volatile, noisy and erratic behavior. There also seems to be some straddles to the left which were difficult to spot the last time CVC took a look at these markets. Such circumstances are best dealt with by more data and a set of fresh eyes several months later. **CVC is confident, at the time of writing, in our current analysis of the cyclical interpretations presented on the prices of soybeans and corn in the following pages. This cyclical interpretation can be used as a guide for similar markets due to Hurst's principle of commonality.** In fact, the phasing analysis you see on both charts were based on our soybean's interpretation considering that it seemed to be cleaner from a FPA (Formal Phasing Analysis) perspective. As mentioned, this phasing file can prove useful as a guide when looking at markets like soymeal, soy oil or wheat which we hope to do in a future report. Notice that, based on the cyclical interpretation, this market is likely to begin its 54-month cycle correction lower since it seems to be ahead (by several months) of energy and metals in terms of its current cyclical position. It is important to point out that we do not expect a steep sell off in grains during the upcoming correction, rather we anticipate some form of consolidation prior to the continuation of the multiyear bull market as presented on figure 14. **The 1999 low on grains is analogous to the 2016 low when looking at it from a Kuznets swing perspective (as was the case on many of the futures and financial markets).** The 54-month wave that followed these corresponding troughs is highlighted in purple on figure 15 & figure 16. Notice the strong similarity between the two periods prior to the recent advance. Corn's similarity going into 2020, as highlighted on figure 16, with the period into the second half of 2003 is astounding. **Based on this strong similarity, along with its structural phasing and commonality with beans, we can conclude that corn is likely to experience a bull market analogous to that which occurred from November 2005 to June 2008 after the current 54-month cycle proves to be complete. The rise was very significant at the time seeing corn rally 312% in 940 calendar days.** The structure on beans also supports a rally of this kind although we do hypothesize that the advance to be experienced, in both corn and soybeans, is to be larger in time and magnitude than our current position within the preceding 18-year wave. The reason for such a conclusion is that we suspect the current Kuznets swing to be of the trend variety. Hence, we can expect the analogues used from the preceding base Kuznets to fall short in terms of extent since the trend is theoretically stronger under the current cyclical circumstance. **We must point out that this coming wave of food inflation is likely to cause significant civil and political unrest in developing countries due to their sensitivity to the prices of wheat and other agricultural products. We hypothesize that by the end of this decade there will be significant moves within nations to revolt or overthrow 'dictators' for their mismanagement of the economy.** Countries in the middle east experienced the Arab 'spring' that brought most regimes in the region to their knees. Most of the countries that exhibited such 'revolutions' had the same rulers in power for several decades. The question arises of what made millions of people take to the streets to overthrow 'dictators' that peacefully ruled them for decades? The answer to that question is the prices of basic commodities relative to the income of the average citizen. In 2011, when the Arab 'spring' took place, commodities were close to their all-time highs with the economies of the middle east still stagnating from the credit crunch. This led to an increase in the prices of basic commodities relative to the income of the average citizen which eventually led to the collective effort of attempting to change the regime. Prices almost always fall after the regime is changed. We must state that this is a coincidental event that falsely enforces the belief that the action taken by the citizen has led to this price decline. Patience would have given the citizen exactly what he desired without the pain and destruction that comes with revolutions.

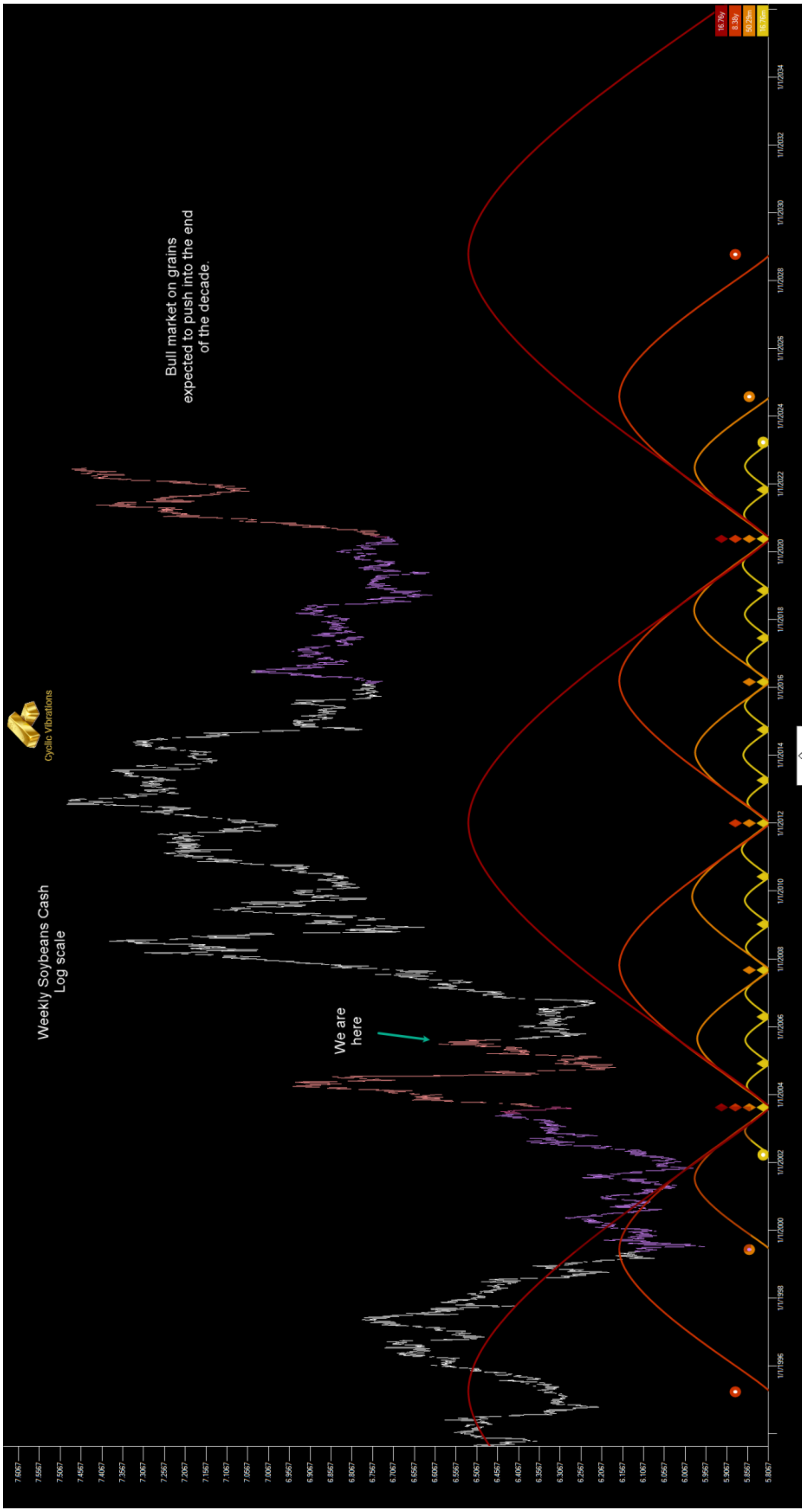

Weekly Soybeans Cash
Log scale
We are
here
Cyclic Vibrations
Bull market on grains
expected to push into the end
of the decade.

Figure 15

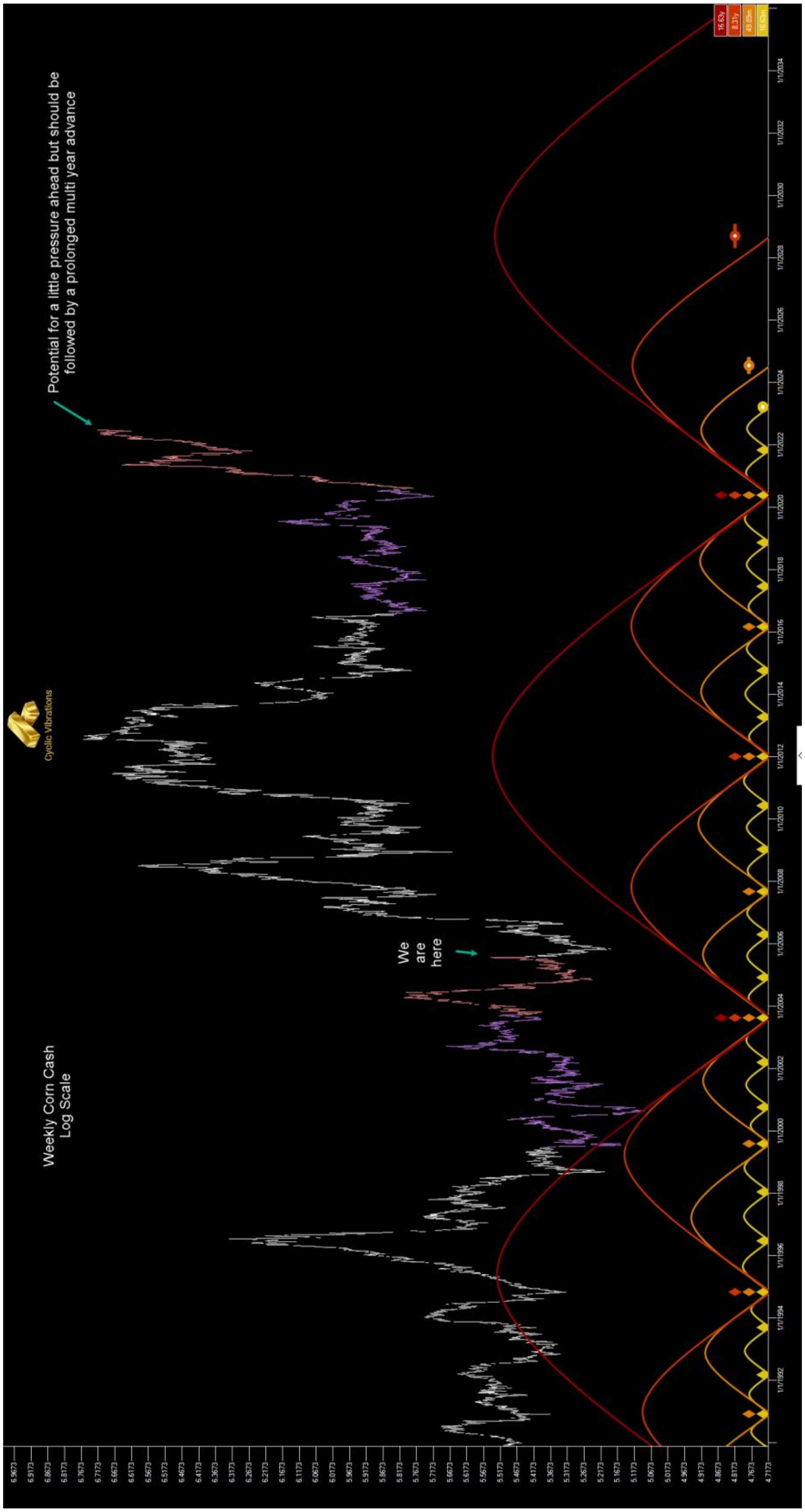

Weekly Corn Cash
Log Scale
Potential for a little pressure ahead but should be followed by a prolonged multi year advance
We are here
Cyclic Vibrations

Figure 16

Conclusion

In conclusion, we must state that the upcoming environment is likely to prove to be the most challenging period in our lifetime. Our director here at CVC has been warning of such an environment to come for several years now. Prior to our interest and discoveries regarding FWT, we were strong advocates of the Elliott wave theory and its derivatives. We had reason to believe that we were approaching a 'grand super cycle' peak on stocks which we hypothesized will be followed by a multi-decade bear market and hence weaken the position and lower the standards of living of the current hegemon. Although our view may have been clouded (in terms of the complete collapse of US hegemony) at the time, our prophetic pulse was not as we have arrived to very similar conclusions on that regard utilizing the financial wave theory (which was put together significantly later). There is a Quranic verse that states; "How regretful for the servants. There did not come to them any messenger except that they used to ridicule him." This verse resonates with us here at CVC since we have experienced the same exact thing when trying to warn people of what is yet to come. We were ridiculed, humiliated and looked at in the lens of people who were 'jealous' or 'jaded' rather than people who were trying to deliver the message that God brought into our conscious mind. We, here at CVC, believe that God inspires people through his gifts that he gives to his selected children. These gifts give the beholder analytical insights and information that usually is difficult to be discerned by someone else. As messengers, we feel obliged to alert even our worst enemies of what God had told us, in an indirect manner, about what lies ahead for the future of their nations and/or economies. All the visible progress that we have achieved does not change our nature as human beings since a Quranic verse that was written 1500 years ago still makes complete sense in the present day. This also reminds us of the time of Jesus when he prophesized that "not one stone will be left of this temple." The Jewish elite charged him with blasphemy and one of them spat on his face. Long and behold the quake that occurred after his crucifixion brought down every stone of the Jewish temple exactly as he predicted. There is no question that Jesus was humiliated, tortured and later crucified because his **truth** was a threat to the political order under which he lived. History is littered with historical and modern-day prophets who were humiliated and, in some cases, murdered for doing what God asked them to do. We are responsible, as bearers of the divine gift, to alert humanity with the knowledge that God has given us about their future. Making money was the least of our interests when we were called on to the financial markets. Our concern, here at CVC, was to predict and warn people of upcoming crises and calamities to help save as many people as we possibly can from social and economic ruin. What do you reckon we get in return? Look at history and you will find out since history tends to repeat. All we have left to say is to wish all parties concerned the best of luck in maneuvering the storm since it is likely to be a very wild one. We would also like to advise the reader to call onto God since He is able to bring you ashore once things become difficult. We should also prepare ourselves from a financial perspective in the manners mentioned earlier in this report. We should do so to protect ourselves and our families as well as have excess to help those that will be in desperate need during such times. **The tide of inflation, civil unrest and global warfare has turned. We can only ask God to help protect ourselves, our families, our country and humanity from such troubling times.** God hears us and will come to our rescue eventually but perhaps after we learn our lesson which, sadly, we will forget and repeat a similar mistake again in the future. God is certainly the most patient entity in existence. If it were us, we would have taken out the human race thousands of years ago. Best of luck to all and God bless.

Glossary

CVC: Cyclic Vibrations Consultancy.

Mega-overbought: An abnormally large reading on an oscillator which supports the idea that a new cyclical bull market has begun.

Kitchen cycle: A constituent cycle of the modified nominal cyclic model with an average length of 54 months.

Juglar cycle: A constituent cycle of the modified nominal cyclic model with an average length of 9 years.

Kuznets cycle: A constituent cycle of the modified nominal cyclic model with an average length of 18 years.

Kondratieff cycle (also known as the long wave): a constituent cycle of the modified nominal cyclic model with an average length of 54 years.

Enoch cycle: A constituent cycle of the modified nominal cyclic model with an average length of 324 years.

Jared cycle: a constituent cycle of the modified nominal cyclic model with an average length of 162 years.

Methuselah cycle: a constituent cycle of the modified nominal cyclic model with an average length of 972 years.

Financial wave theory: A theory devised by CVC that uses historical parallels, based on the modified nominal cyclic model, to predict the future.

Analogue: The position in the past that is in some form, basis the cyclical hierarchy, similar to where we are from a cyclical perspective.

Similar cyclical circumstance: The position in the past that is in some form, basis the cyclical hierarchy, similar to where we are from a cyclical perspective.

Current cyclical circumstance: The position in the present that is being used to look for historical analogues in the past.

Fat tail: a rare phenomenon from a statistical perspective.

Stagflation: an economic environment that includes high unemployment as well as high inflation.

Amplitude (of cycle): Increase in price from trough to peak.

Phase (of cycle): The position in time we happen to be under at the current juncture.

Base cycle: The first of the series of three cycles that complete a larger cycle of which it is the third harmonic.

Trend cycle: The second of the series of three cycles that complete a larger cycle of which it is the third harmonic.

Terminal cycle: The final of the series of three cycles that complete a larger cycle of which it is the third harmonic.

Phasing analysis: The analytical procedure of manual cycle isolation of a timeseries.

Straddle: When the orthodox end of a cycle occurs at a position that is not the extreme end of prices.