GROWING CONFIDENCE
Inflation rate quickens to peak at end of summer
Increasing credit principally to corporations
Pace of rate increase picks up. Peaks at summer's end
Real estate, commodities, Precious metals
Stronger growth

INCREASING CONFIDENCE - EXTREME CONFIDENCE - EUPHORIA
Falling inflation throughout autumn
Massive increase in credit principally to consumers
Interest rates fall throughout autumn
Stocks, bonds, real estate
Growth fostered by debt

FEAR OF RETURN TO DEPRESSION - FRAGILE CONFIDENCE
Beginning inflation - Gradually increasing
Slow increase in credit availability
Rates start from very low levels, gradually increase
Stocks, real estate
Gradual but healthy growth

CONCERN - FEAR - PANIC - DESPAIR
Fall of inflation quickens to outright deflation
Following credit crunch - virtually no credit
Rates fall, then rise in credit crunch, then fall much lower
Gold and Cash, and Bonds (after credit crunch)
Decline into depression
Economy
Investment
Interest
Rates
Inflation
Confidence
Credit

The Long Wave
& Cycles Within the Cycle
'Wheel within a wheel' - Ezekiel
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Lifetime Economic, Financial and Investment Map
Indication of season change -
• Major stock bull market peak - Jan 15, 2000 DJIA 11,750 points
• Peak in consumer confidence
• Gold price bear market bottom - July 1999 - $252 per ounce

• Money is plentiful.
• Inflation falls into disinflation.
• Gold bullion and gold equities in bear market and reach bear market low at autumn's end.
• Massive stock bull market; speculation rampant.
• Financial fraud prevalent.
• Real Estate prices rise to enormous levels, driven by huge speculation, peak at autumn's end.
• Debt reaches astronomical levels by end of autumn.
• Consumer confidence at all time highs due to stock prices, real estate prices and plentiful jobs.

1949
Stock bear market bottom - June 13, 1949 DJIA 161 points
Gold $35 per ounce

1980-82
Stock bear market bottom - August 12, 1982 DJIA 777 points
Gold $850 per ounce

1966
Bull stock market peak - Feb 9, 1966 DJIA 995 points
Gold - $35 per ounce

• Consumer prices begin a gradual increase from very low levels.
• Stock prices begin a steady rise and reach a peak at the end of spring.
• Interest rates rise slowly from historically low levels in line with gradual credit expansion.

• Consumer confidence slowly increases in line with growing economy.
• Interest rates rise rapidly to peak at end of summer.
• Interest rates rise rapidly to peak at end of summer.
• Stock Market under pressure and ends summer with bear market low.

Spring
Winter
Autumn
Summer