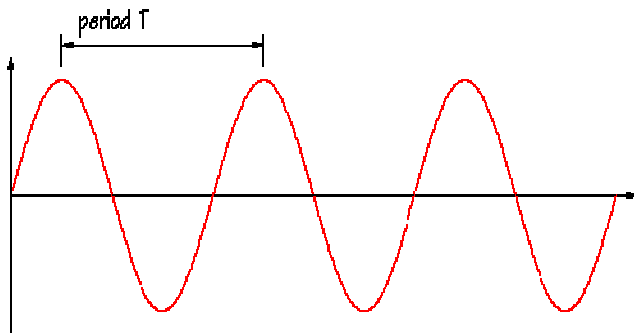


# Understanding Cycle Analysis

One key concept to understand in short term trading is that our Short Term Early Warning Cycle can last for as little as three days and can move up or down regardless of the directional movement of our longer term cycles. This "Early Warning Cycle is ideal for day trading or establishing or ending a position.

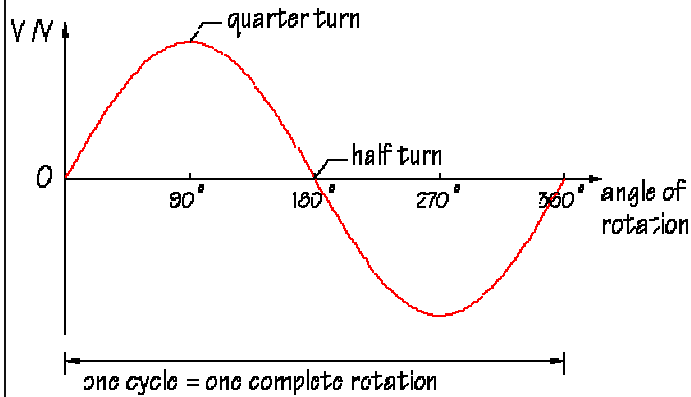
Another key concept is that this unique and original analysis is based on Price and Time. This means that on occasion, we can offer Price target projections which are only valid if achieved within a specific period of Time. Once Time runs out of the specific cycle, the price projection will no longer be valid. Sometimes Price is achieved quickly before the Time of a cycle runs out. This condition can generate an overbought or oversold "Bruno Oscillator" condition which can generate a countertrend directional movement for just a few days which are shown within the Early Warning Cycle column in all our Invest Newsletters.

Looking at a typical cycle condition pictured below, we can see an example of Primary Trend Cycle which is divided within three tops and bottoms. The beginning of the cycle starting at the mid point is Stage 2 and topping at Stage Three. The beginning of the cyclic decline is viewed as Stage Down 1. Continuation down to its mid point is down Stage 2 and the bottom of this cycle is Down Stage 3. Although Down Stage 3 can last some time, a turn up will begin Stage 1 UP to the midpoint of Up Stage 2 then Up Stage 3 where the cycle repeats itself.



The length of Time of the above cycle can be measured as to various time lengths. Cycles can also be measured and adjusted over various time periods from as little as minutes to as long as multi year periods of time. Using this above type typical cycle to measure our Primary Cycle concept, we can understand the overall concept by including our Early warning Cycle to identify the beginning of an Up or Down cyclic move. Cycles are patterns that repeat themselves over and over again and so a series of Primary Cycles can look like the above example.

Our Investment or Confirming Cycle is a longer term cycle and is ideal for the investor who does not have the time to monitor investments closely as their schedule prevents them from viewing their portfolio often. The key to our Investment Cycle, in back testing results, in concert with the use of our newsletters is to Buy only when the Investment Cycle turns UP and to Sell when the Investment Cycle turns Down. The results of this back testing out performs all major stock averages.



## Cycle Legend

Cycle codes		Value
U	=	UP
U1	=	UP Cycle Beginning
U2	=	UP Still Climbing
U3	=	UP Topping
U3TN	=	UP Topping Turning Down
D	=	Down
D1	=	Down Cycle Beginning
D2	=	Down Still Falling
D3	=	Down Bottoming

N	=	Neutral
NTU	=	Neutral Turning Up
NTD	=	Neutral Turning Down
UTD	=	Up Turning Down
DTN	=	Down Turning Neutral
DTU	=	Down Turning Up
D3TU	=	Down Bottoming Turning Up