

THE ROSEN MARKET TIMING LETTER

PRECIOUS METALS - FOREX - STOCK INDICES - COMMODITIES

<https://www.deltasociety.com/content/ron-rosen-precious-metals-timing-letter>

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September 20, 2015

SUNDAY SERMON

<http://www.wsj.com/articles/SB120569598608739825>

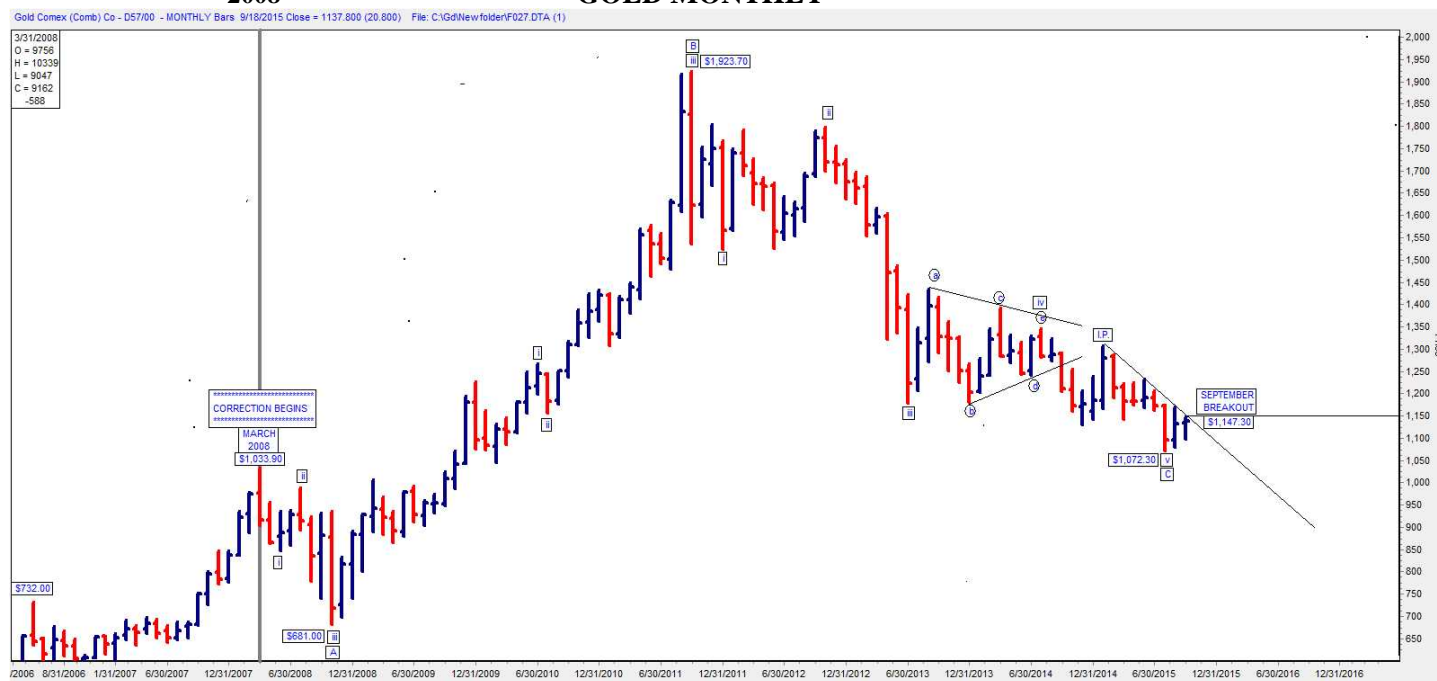
March 17, 2008 11:59 p.m. ET

“Pushed to the brink of collapse by the mortgage crisis, [Bear Stearns](#) Cos. agreed -- after prodding by the federal government -- to be sold to [J.P. Morgan Chase JPM -2.73 %](#) & Co. for the fire-sale price of \$2 a share in stock, or about \$236 million. Bear Stearns had a stock-market value of about \$3.5 billion as of Friday -- and was worth \$20 billion in January 2007. But the crisis of confidence that swept the firm and fueled a customer exodus in recent days left Bear Stearns with a horrible choice: sell the firm -- at any price -- to a big bank willing to assume its trading obligations or file for bankruptcy.”

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A Running Flat Correction in gold began on March 17, 2008.

**MARCH 17
2008**

GOLD MONTHLY

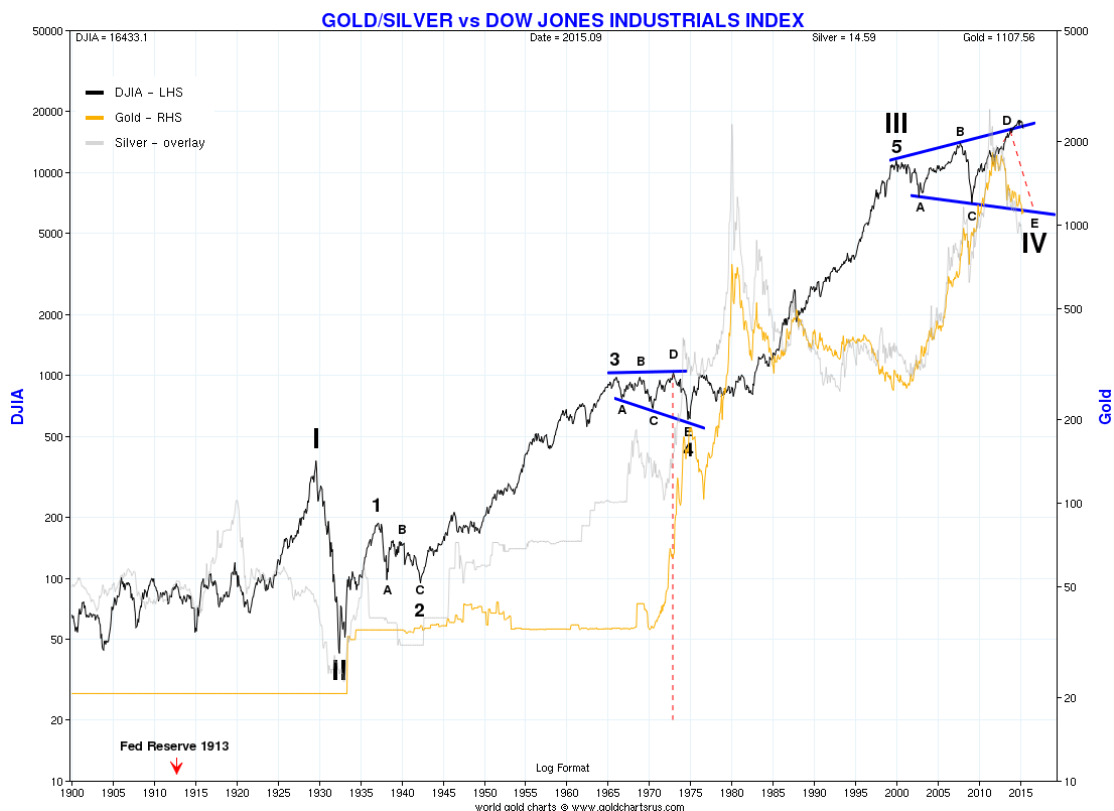


The Nixon Shock Heard 'Round the World

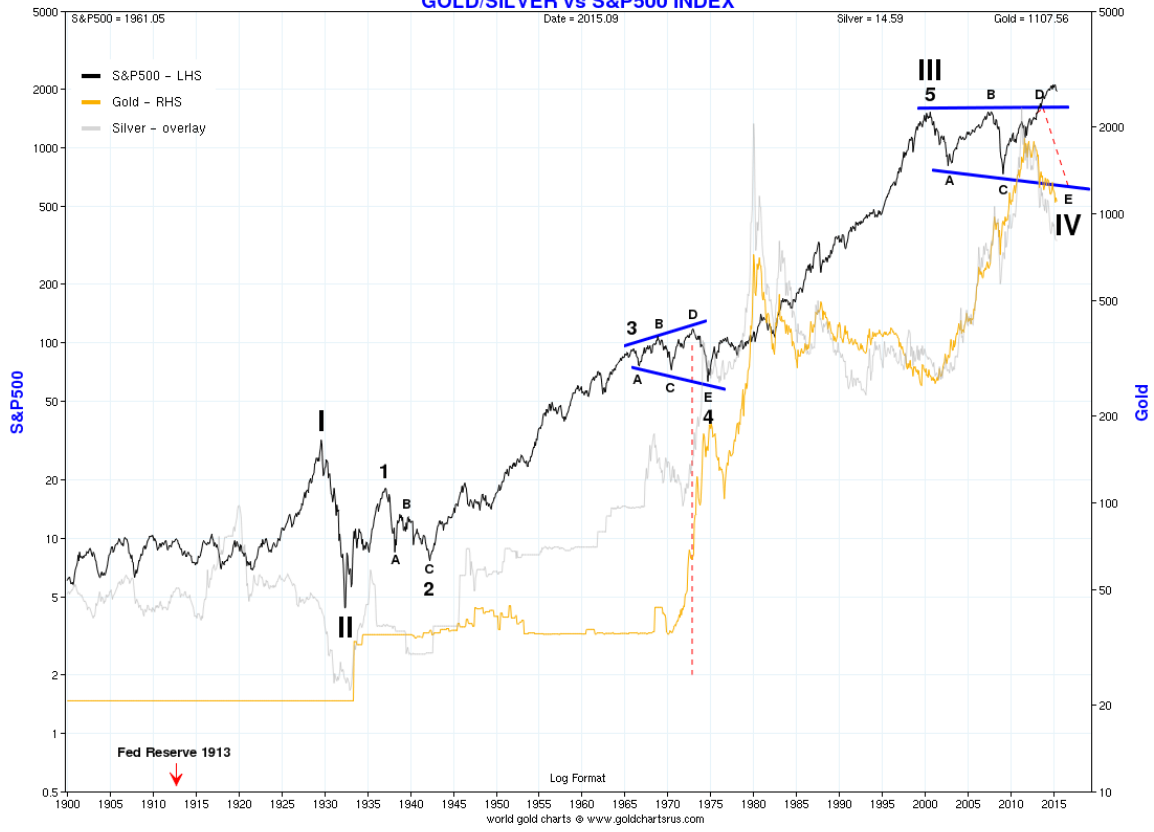
“By severing the dollar's convertibility to gold in 1971, the president ushered in a decade of inflation and economic stagnation.

On the afternoon of *Friday, Aug. 13, 1971*, high-ranking White House and Treasury Department officials gathered secretly in President Richard Nixon's lodge at Camp David. Treasury Secretary John Connally, on the job for just seven months, was seated to Nixon's right. During that momentous afternoon, however, newcomer Connally was front and center, put there by a solicitous president. Nixon, gossiped his staff, was smitten by the big, self-confident Texan whom the president had charged with bringing order into his administration's bumbling economic policies.”

Since the U. S. Dollar became a fiat currency in 1971, unbacked by anything, the history of the stock averages has undeniably told us that there cannot be a bull market in the DJIA and the S & P 500 while there is a bull market in gold and silver!! It appears that the same “Rules of the Road” apply to the current markets. If, as it appears, the DJIA and the S & P 500 are currently undergoing a Major Wave IV bear market as compared to the minor wave 4 bear market of 1966 to 1974, we should expect a greater decline than the 50 % decline that took place 1966 to 1974. A Major Wave decline versus a minor wave decline leaves little doubt.



GOLD/SILVER vs S&P500 INDEX



It stands to reason that since the precious metals dramatically increased in price during the minor wave 4 bear market in the stock averages they should increase in price monumentally in a Major Wave IV bear market in the stock averages. The *Running Flat Correction* in gold and silver indicate that a monumental rise in price should take place. The wave 4, A, B, C correction in gold between 1974 and 1976 was an *Irregular Flat Correction* and not a *Running Flat Correction*. I have written so many times that during a *Running Flat Correction*, “The forces in the direction of the larger trend are *so powerful* that the pattern becomes skewed in that direction.” This was not the case with the *Irregular Flat Correction* in gold during 1974 to 1976. However, once the *Irregular Flat Correction* was complete the price of gold did rise from a low of \$100 to a high of \$850.

If gold only duplicates the performance of the last bull market we should see a gold price of 8.5 times the assumed recent Major Wave IV gold low of \$1,072.30. That would result in a price of 8.5 times \$1,072.30 or \$9,114.55. During the previous gold bull market high of \$850 silver reached a high of \$50. That was a 17 to 1 gold/silver ratio. If the current gold bull market does reach a high of \$9,114.55, silver at a 17 to 1 ratio would reach a high of \$536.15. These figures do not reflect the probable difference between a “Major” and a “minor.”

1974 to 1976 A, B, C, Irregular Flat Correction



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