



## **Exceptional Bear Market Letter™**

November 14, 2013

### Replies to Timer Digest 2014 Market Forecast

1. In your view, will 2014 be a Bull or a Bear market?

The **Supercycle (IV) Bear Market**, which initiated with the 2000 Tech collapse, is only half-way through the approximately 26 years required for this behemoth “**correction**”. All corrections consist of variations on a basic **A-B-C**, where **wave B** is a 3-wave Bear Market Rally, sandwiched in between two Bearish **Waves, (A) & (C)**.

We are likely no more than 3 years away from the Bear Market trough, near Dow 550, before a long-term **wave (B)** analogous to the “**Roaring 20’s**”, takes off. Like all Bear Market Rallies, it will reverse entirely into **Wave (C)** to trough substantially higher than **Wave (A)**. **Cycle Wave IV** is a 50% *fractal* of the **Supercycle (IV)**.

As you see below, **wave A** of **Cycle Wave IV** troughed in 1975, yet the Bear Market persisted until the second trough in 1979. **Supercycle (II)** ended in 1932, began in 1906, rather than 1929. **Supercycle (II)** alternates with **Supercycle (IV)** for the *lower* of two troughs.

2. What is your DJIA (target or trading range) forecast for the 1st quarter, 2014?

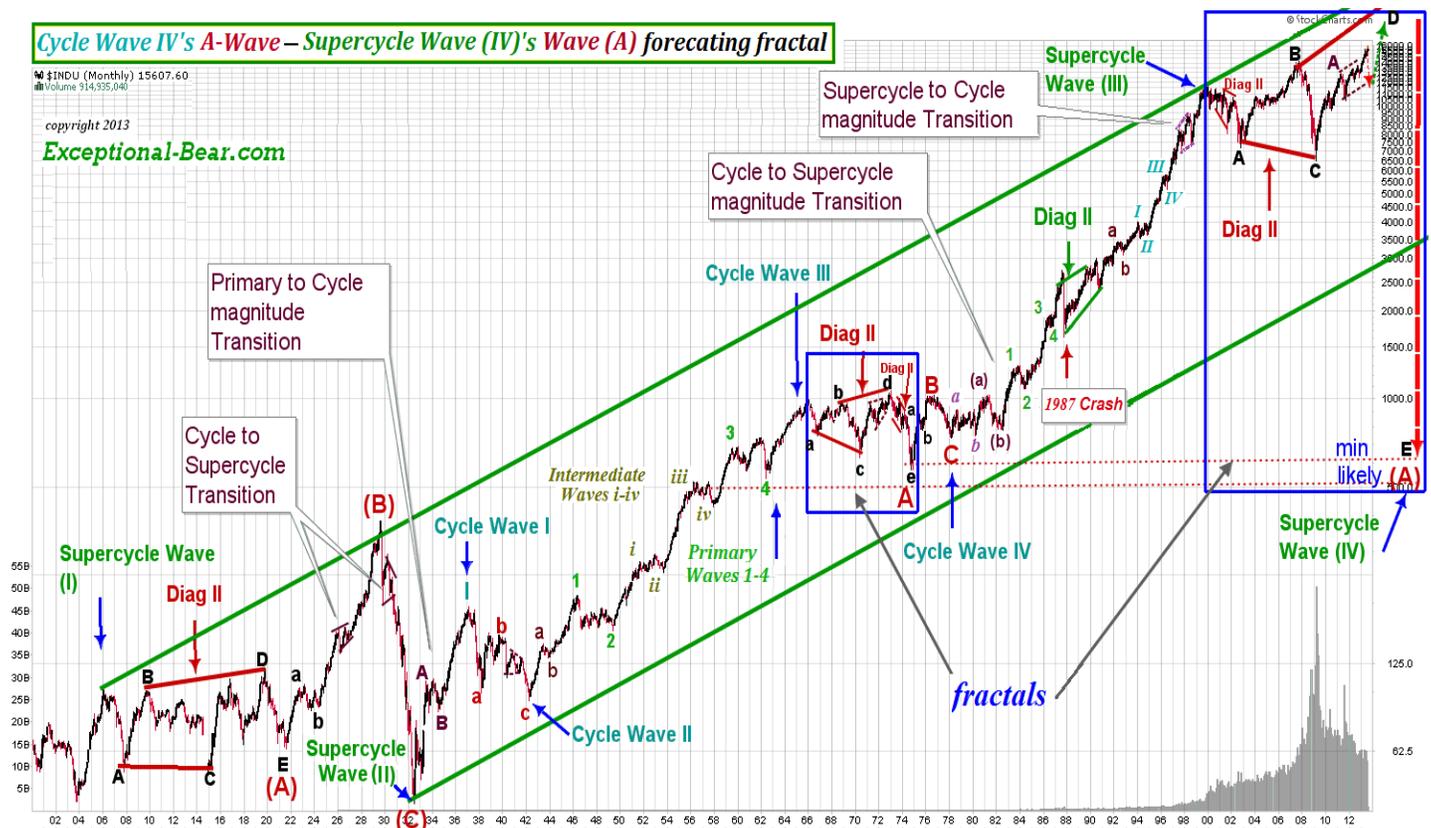
**14,500**

3. What is your DJIA forecast for mid-year, 2014?

**11,000**

4. What is your DJIA forecast for year-end 2014?

**550**



5. Which key factors will influence the market in 2014 (e.g. Economy, Interest Rates, Technicals etc.)?

*The Bear Markets are Nature's way of self-regulating. The Fed can no longer postpone the plunge any longer, the economy is numb to stimulus. All the excess from the Bull Market beginning in 1982, compounded by Fiscal & Monetary stimulus, must be backed-out before recovery can begin, this means a likely crash to the (A) wave trough of Dow 550, "the previous 4<sup>th</sup> wave of one lesser degree", and usually its extreme.*

Eduardo Mirahyes  
**Exceptional Bear**



**"Opportunistically timed investments that maximize wealth"**

