

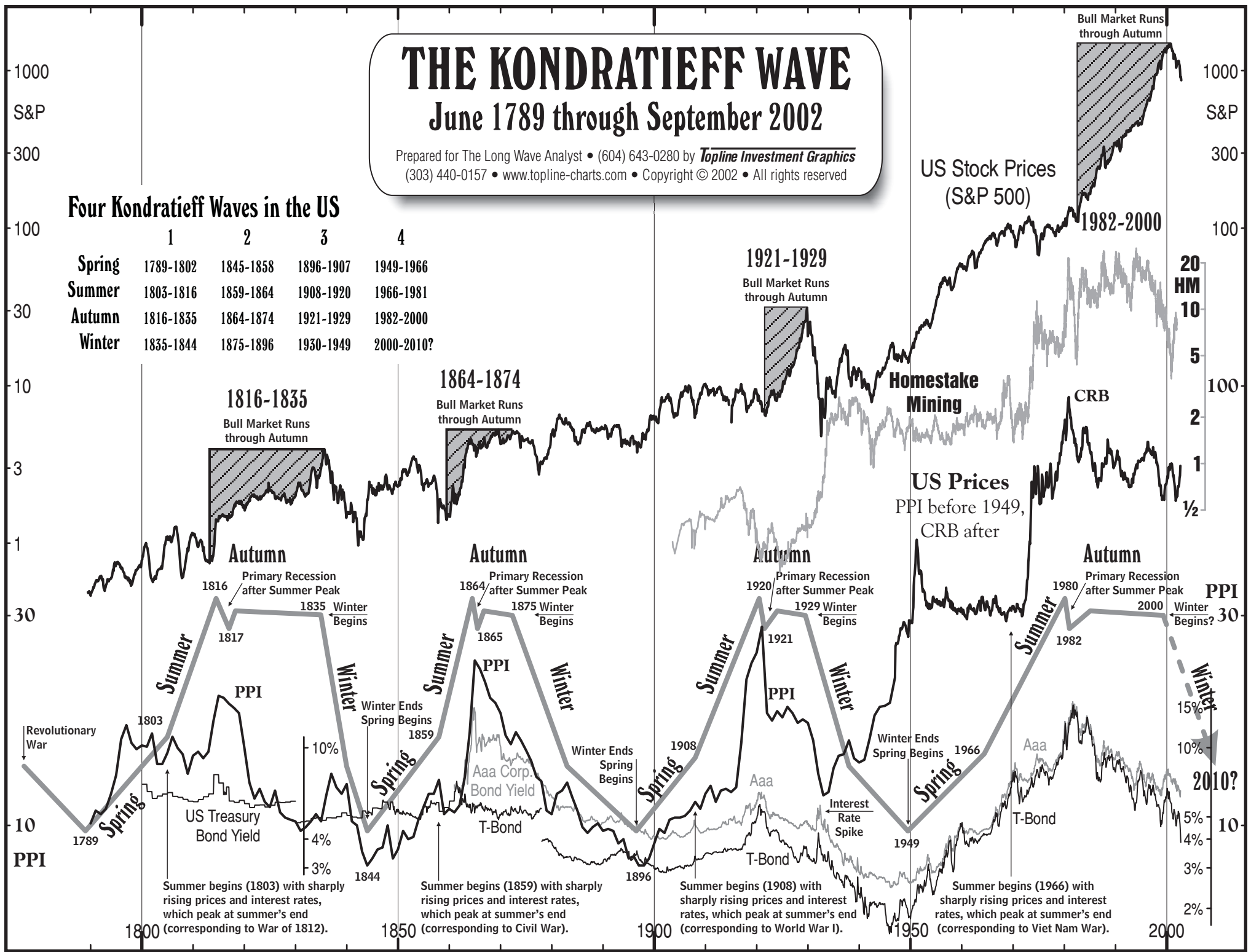
THE KONDRATIEFF WAVE

June 1789 through September 2002

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Four Kondratieff Waves in the US

	1	2	3	4
Spring	1789-1802	1845-1858	1896-1907	1949-1966
Summer	1803-1816	1859-1864	1908-1920	1966-1981
Autumn	1816-1835	1864-1874	1921-1929	1982-2000
Winter	1835-1844	1875-1896	1930-1949	2000-2010?



1816-1835

Bull Market Runs through Autumn

1864-1874

Bull Market Runs through Autumn

1921-1929

Bull Market Runs through Autumn

Bull Market Runs through Autumn

US Stock Prices (S&P 500)

1982-2000

Homestake Mining

CRB

US Prices
PPI before 1949,
CRB after

Autumn

Primary Recession after Summer Peak

1980 1982 2000

PPI

30

15%

10%

5%

4%

3%

2%

2010?

10

5

1

1/2

1800

1850

1900

1950

2000

Summer begins (1803) with sharply rising prices and interest rates, which peak at summer's end (corresponding to War of 1812).

Summer begins (1859) with sharply rising prices and interest rates, which peak at summer's end (corresponding to Civil War).

Summer begins (1908) with sharply rising prices and interest rates, which peak at summer's end (corresponding to World War I).

Summer begins (1966) with sharply rising prices and interest rates, which peak at summer's end (corresponding to Viet Nam War).

Revolutionary War

Autumn

Primary Recession after Summer Peak

1816 1817 1835

Summer

PPI

US Treasury Bond Yield

Autumn

Primary Recession after Summer Peak

1864 1865 1875

Summer

PPI

Aaa Corp. Bond Yield

T-Bond

Autumn

Primary Recession after Summer Peak

1920 1921 1929

Summer

PPI

Aaa

Interest Rate Spike

T-Bond

Autumn

Primary Recession after Summer Peak

1980 1982 2000

Summer

Aaa

T-Bond

Winter

15%

10%

5%

4%

3%

2%

2010?

10

5

1

1/2