

# Cycle Projections - Commodities

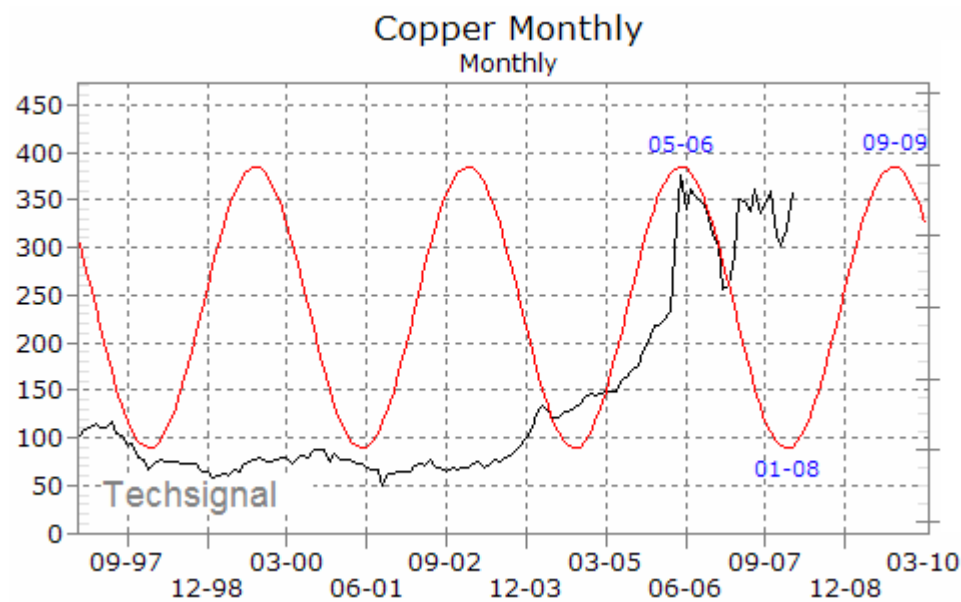
FEBRUARY 2008

COMMODITIES : CRB, SOYBEANS, CORN, WHEAT, COTTON, MEATS, ETC.

## Seasonal Correction or End to the Commodities Bubble

Every March in most commodities there is a winter rally and then a late winter pullback. We are currently experiencing that typical seasonal tendency. Although there are many who now wish to claim that the current bull market in commodities is a bubble like the 1980 high in gold, the 2000 tech bubble, or the current real estate bubble; but those who make these claims simply have not looked carefully at history. The unique part of history is that it repeats itself but it seldom duplicates itself. In short there are always but differences between one cyclic time and another. Gold for example is not at all like the 1979-

1980 rally which bordered on the exponential. This time around we are seeing patterns develop as the bull market continues. Also it is rare for commodity bull markets to last fewer than 9 years and that means another couple at least to go.



The bull markets of 2007 and 2008 are demand driven bull markets and it is not likely that the demand will slacken off other than by just the outright expense of the prod-

ucts which argues for a bit less demand but not a return to the old levels of demand prior to China and Asia wanting more protein. It would take a significant depression to dampen demand this next year and that is unlikely. Do not expect however the same increase in demand this next year or two.

The meats should gradually rise as supply dwindles and corn should continue higher as should wheat and the oil seeds.

Copper which is susceptible to economic activity is the most vulnerable but it too should merely take a breather as real estate in this country settles its problems. Highs in copper are due in 2009.

We are looking for the commodity ETFs such as DBA, DBC and DGL to give buying opportunities this spring as they go through the typical seasonal correction as we mentioned last month.

## Cycle Projections

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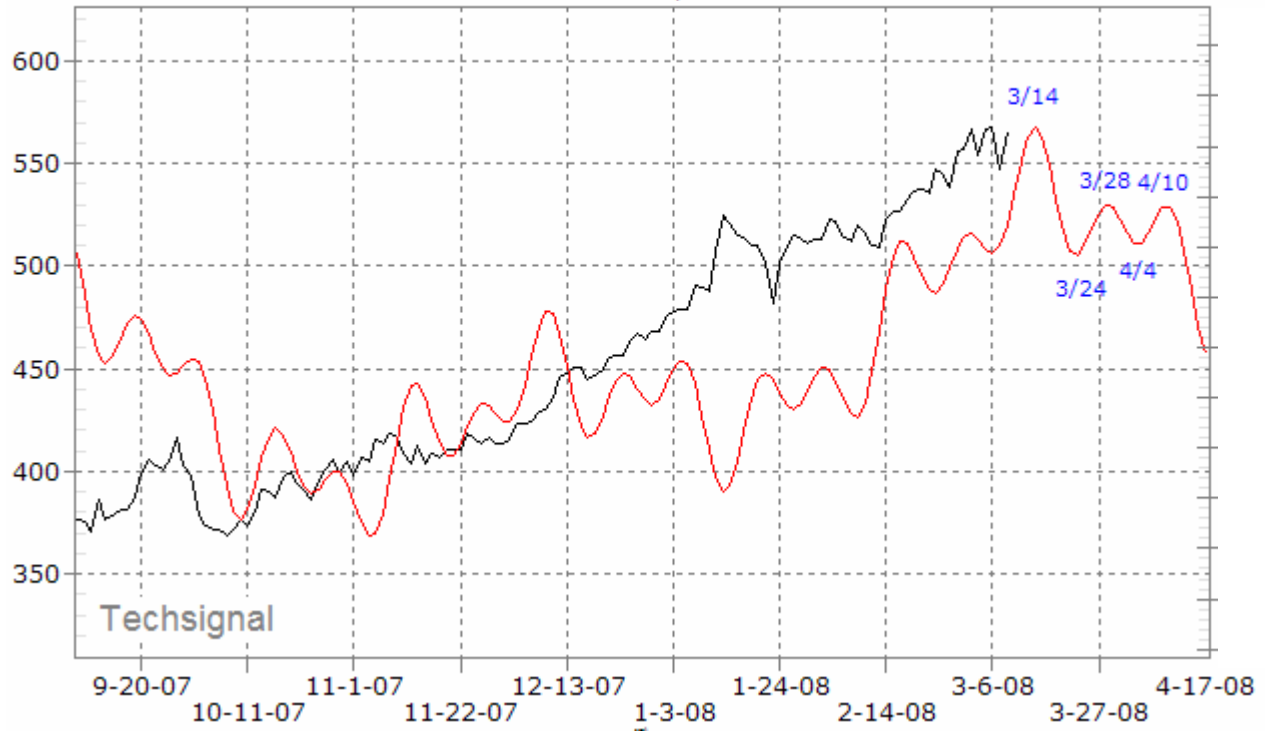
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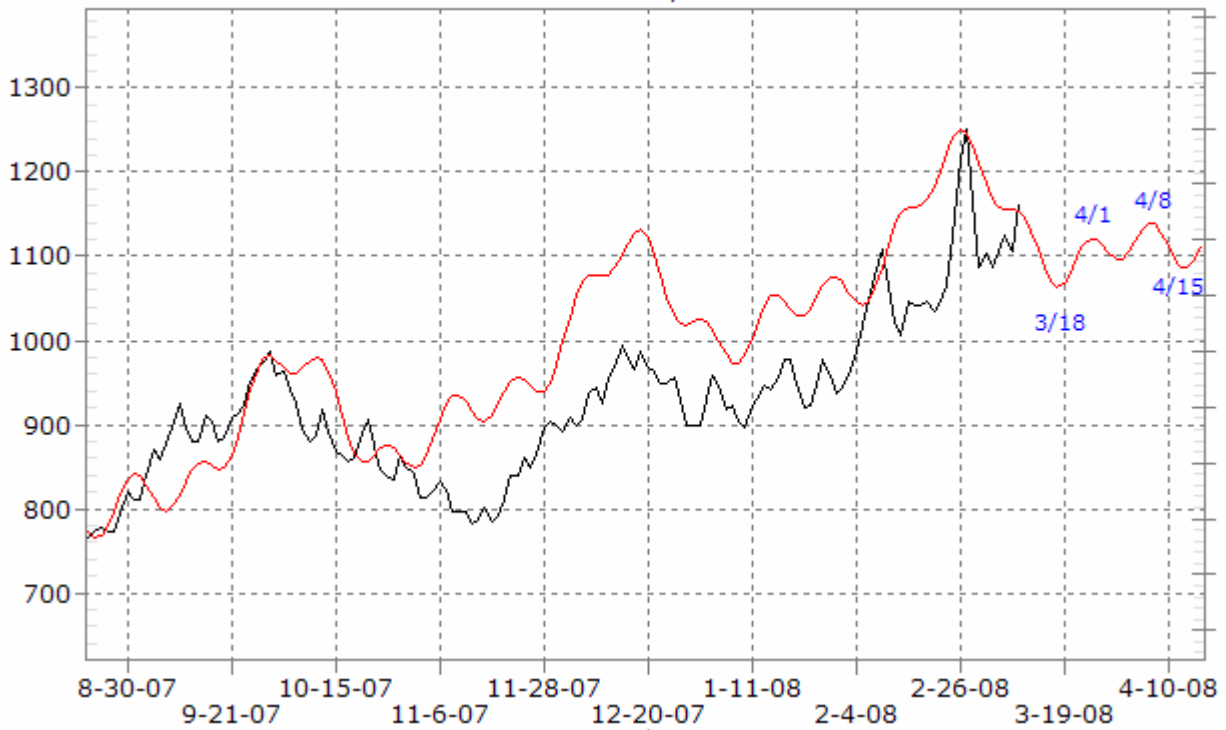
# Daily Corn

Corn CBT (Pit) Cadj C  
Daily



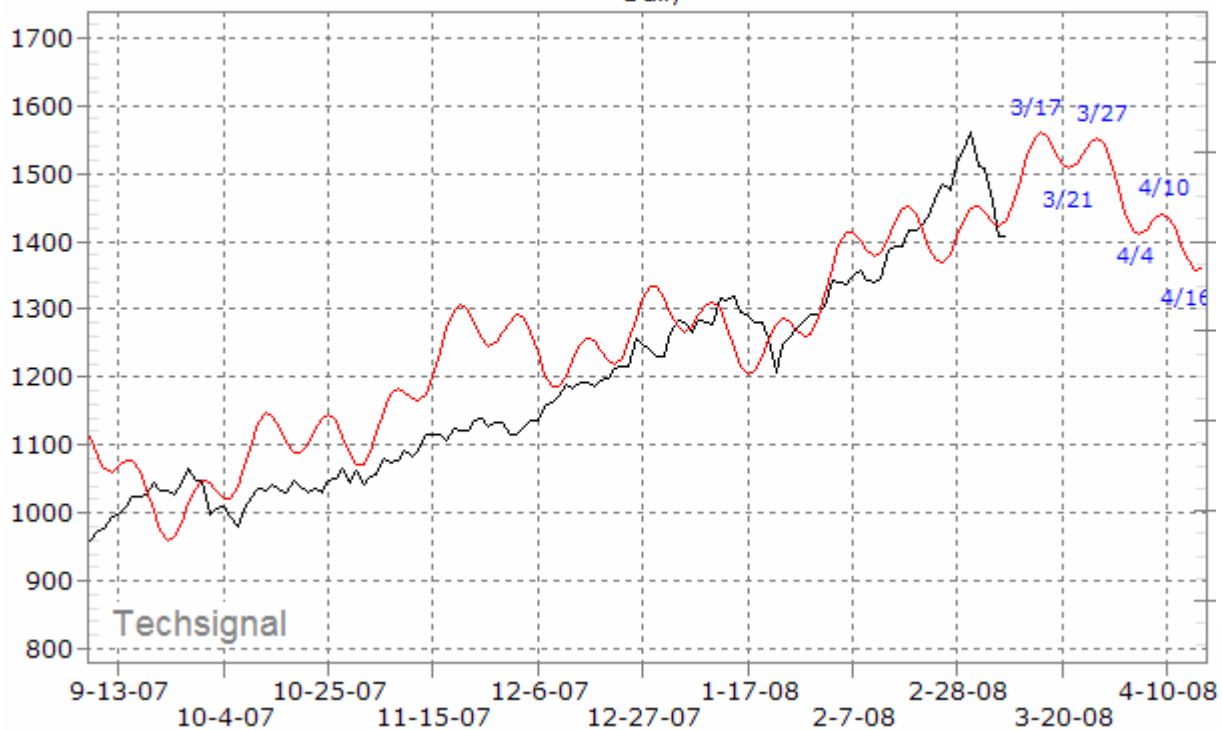
# Daily Wheat

Wheat CBT (Pit) Cadj W  
Daily



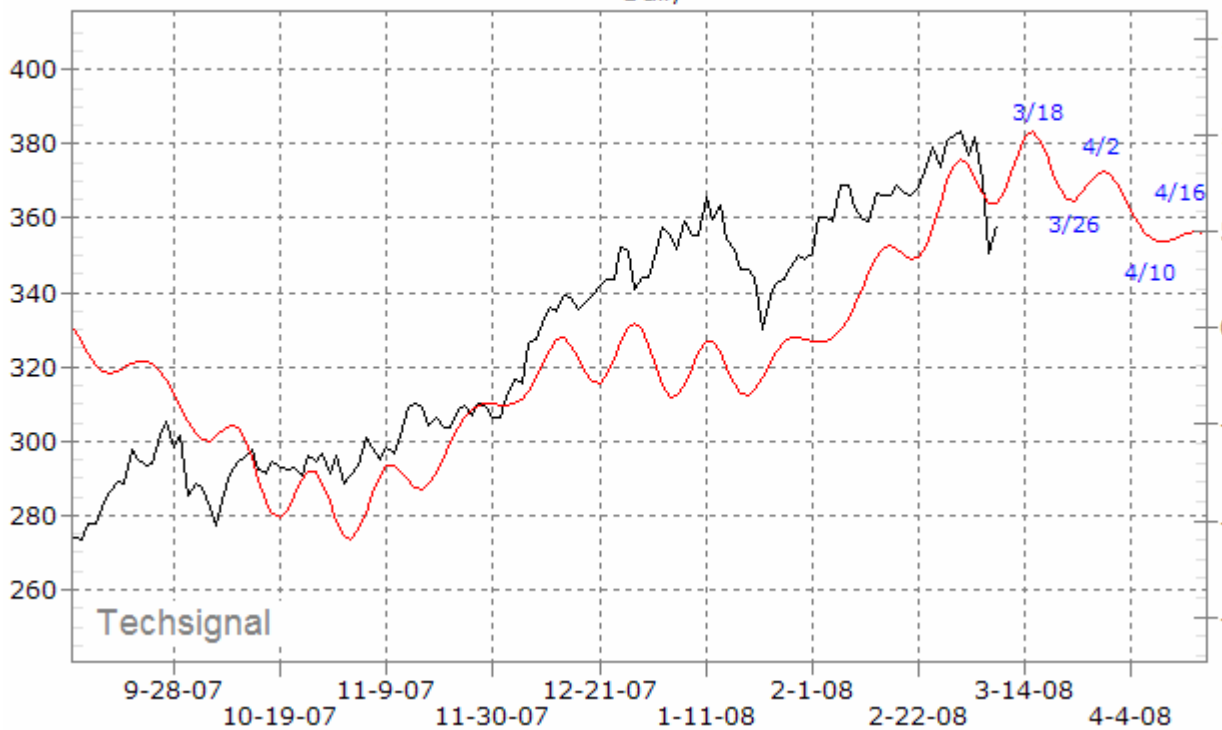
## Daily Soybeans

Soybeans CBT (Pit) C S  
Daily



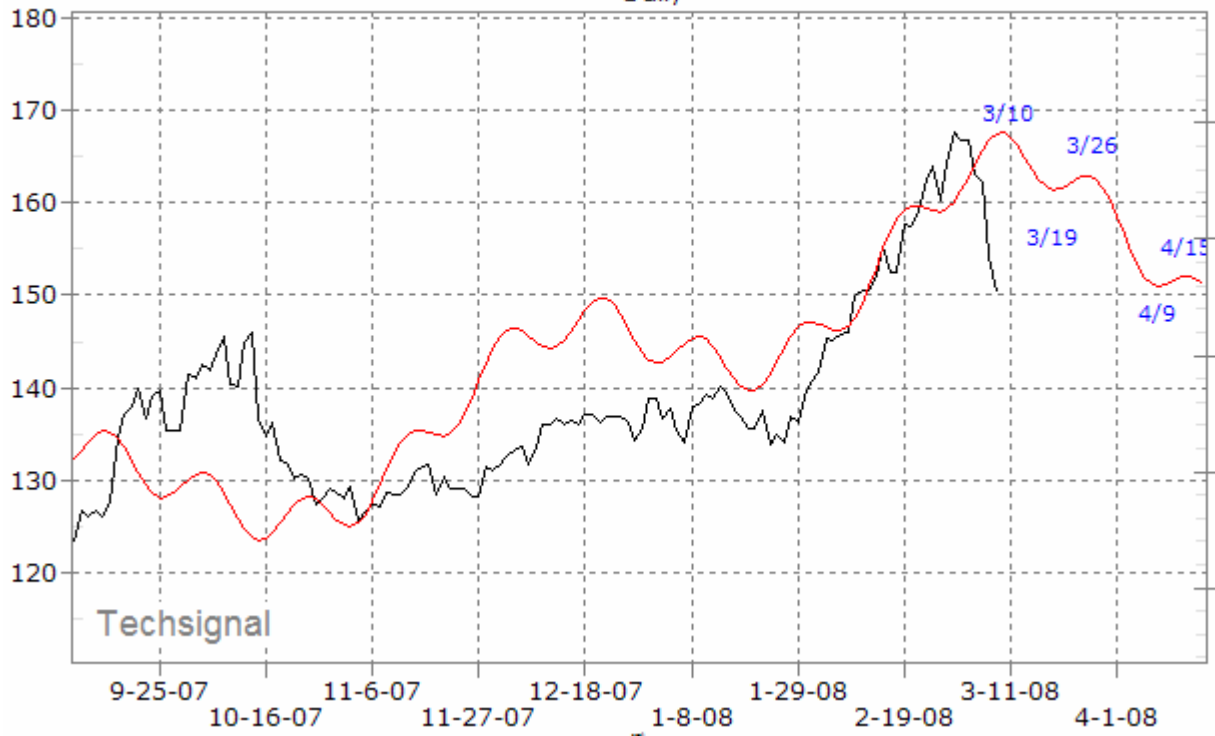
## Daily Soybean Meal

Soybean Meal (Pit) C SM  
Daily



## Daily Coffee

Coffee Cadj Liq KC  
Daily



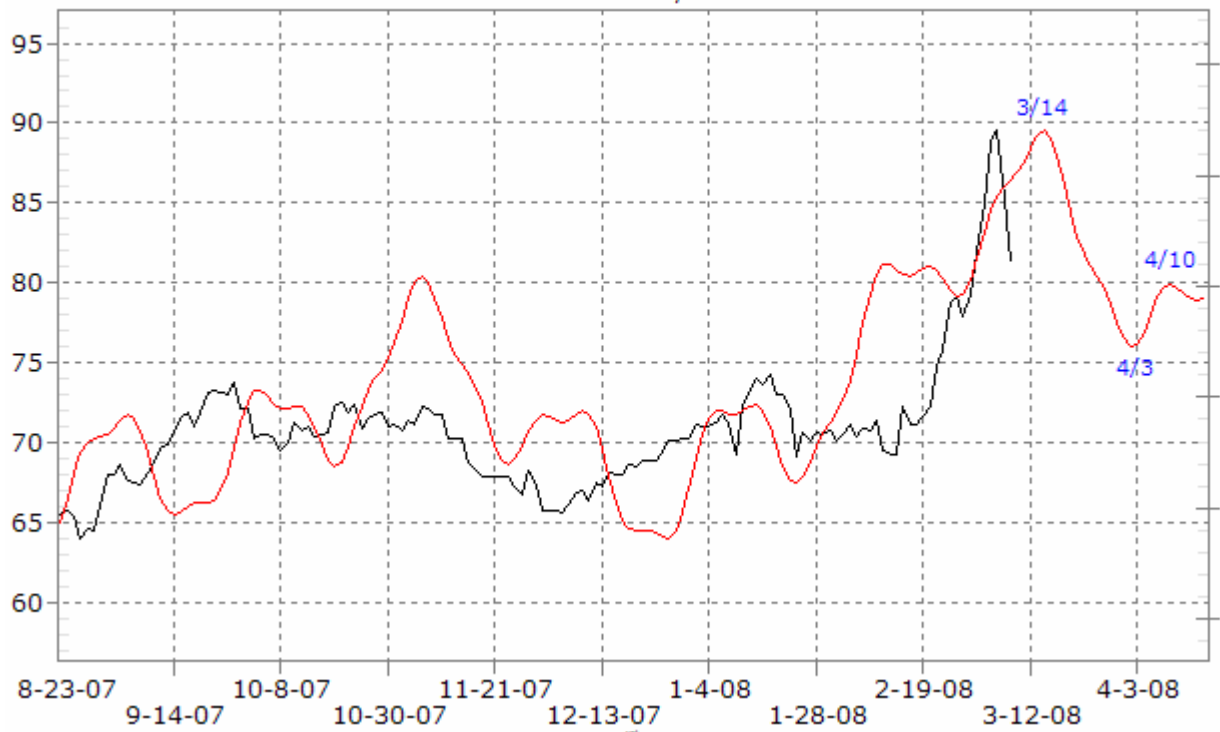
## Daily Orange Juice

Orange Juice Cadj Li JO  
Daily



## Daily Cotton

Cotton #2 Cadj Liq CT  
Daily



## Daily Lumber

Lumber Cadj Liq LB  
Daily



## Daily Lean Hogs

Lean Hogs (Pit) Cadj LH  
Daily



## Daily Live Cattle

Live Cattle (Pit) Ca LC  
Daily

