

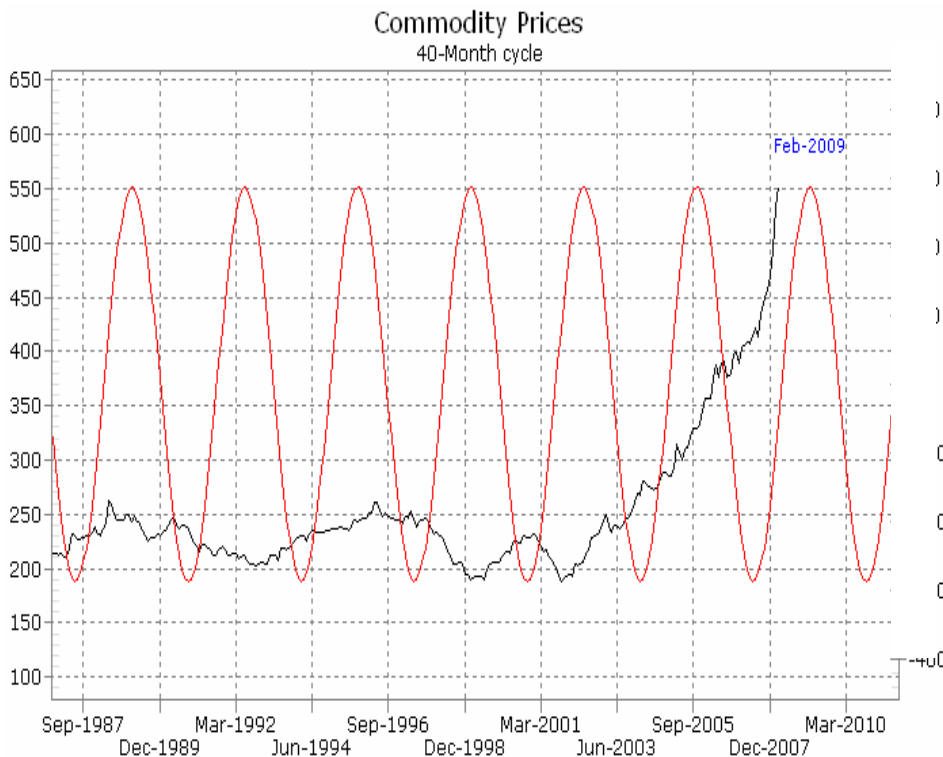
Cycle Projections - Commodities

MARCH 2008

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

Commodities and the Energy Complex

We have seen seasonal corrections in the grains and oil seeds. This will simply be a seasonal correction if the ags begin to turn around in May. The ETF DBA is also correcting and should begin to turn higher when the seasonal correction is over in May. If there is no turn around then it could be the commodity bull market is over, but this is not likely given that the nearly 30-year cycle, as well as the shorter 40-month cycle is due to top in February of 2009.



The meats have sold off which is normal at the beginning of a grain bull market. Animals are slaughtered as feed prices rise and the price drops. Once the herd is thinned then the prices begin to rise as meat is less available.

Cotton also tends to slump in a weak economy as demand begins to shrink, as it has. We do not expect it to turn cyclically until August at the earliest. Another casualty of the economy is lumber and with real estate is such trouble it will be a while before we see an upturn in lumber.

The metals are all higher but they too are going through a seasonal correction. The most important factor in commodities is demand and demand is not likely to significantly drop without a deep worldwide recession; and there is little evidence of that as of now.

The main problem has been the energy complex. It has simply not had a seasonal correction. Is it too late for the energy complex to correct? The answer is no; but it better happen in the next two weeks or it will not happen. The real problem with energy is not crude but distilled products, and that problem will take a while to straighten out; so it is likely that the energy complex will not get back to historic levels for some time. However, this does not mean it will not correct. We expect the speculative part of the price will wane and we should see oil again below \$95 a barrel.

Cycle Projections

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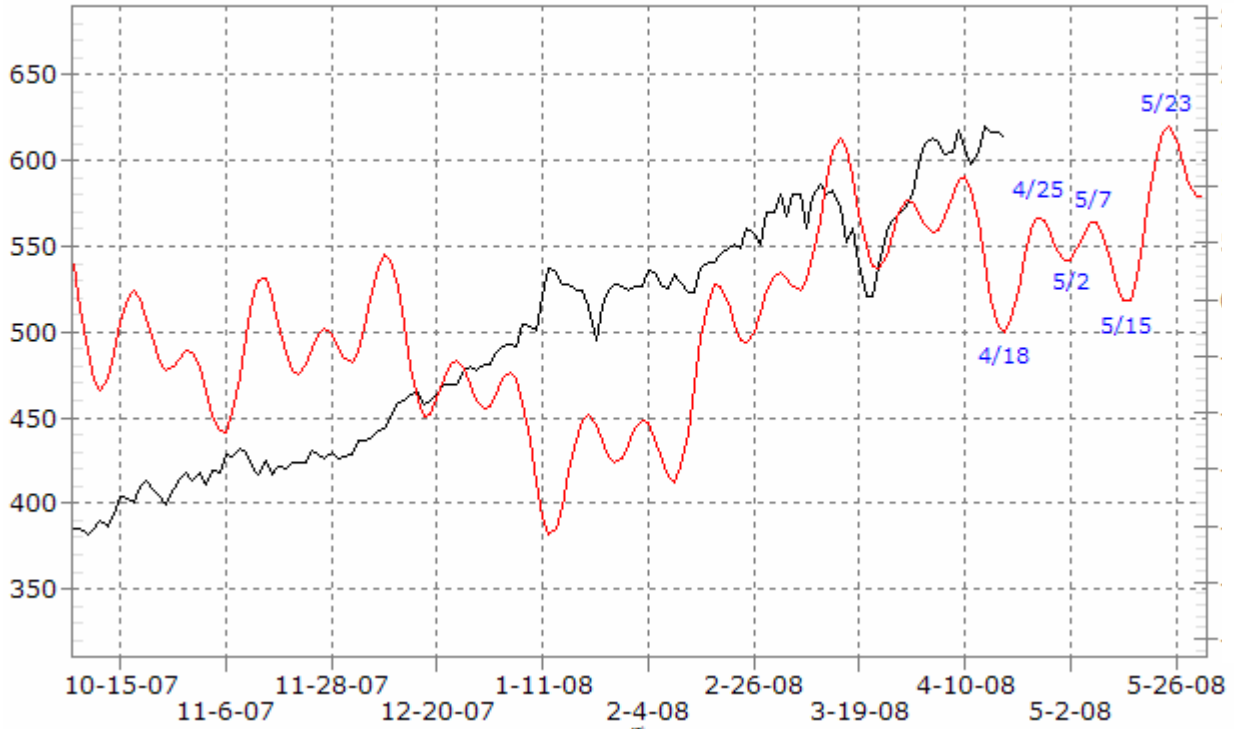
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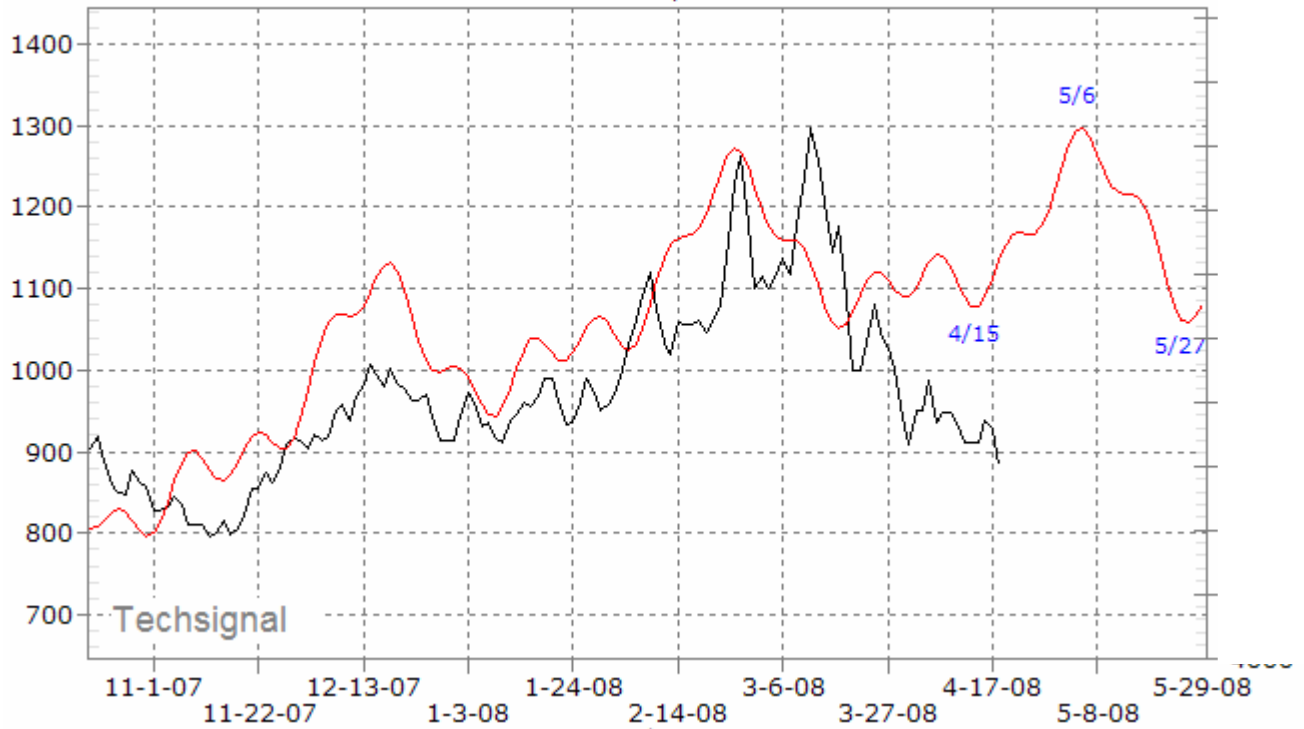
Daily Corn

Corn CBT (Pit) Cadj C
Daily



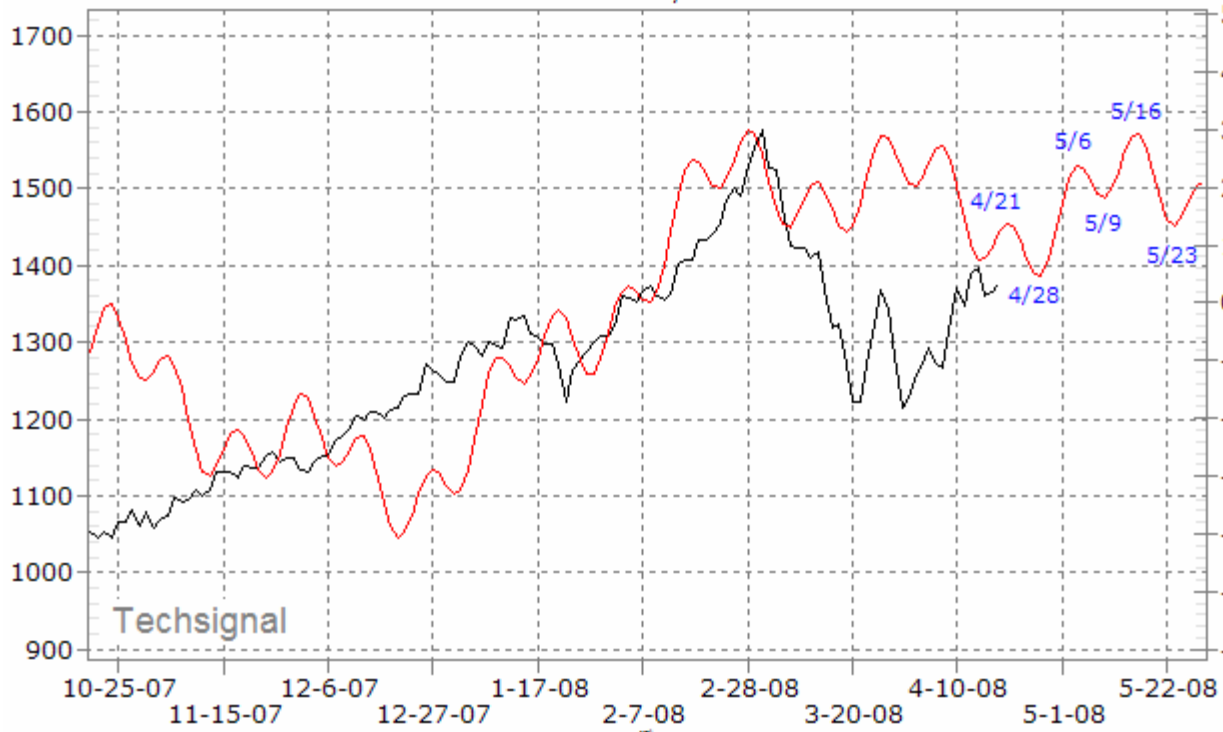
Daily Wheat

Wheat CBT (Pit) Cadj W
Daily



Daily Soybeans

Soybeans CBT (Pit) C S
Daily



Daily Soybean Meal

Soybean Meal (Pit) C SM
Daily



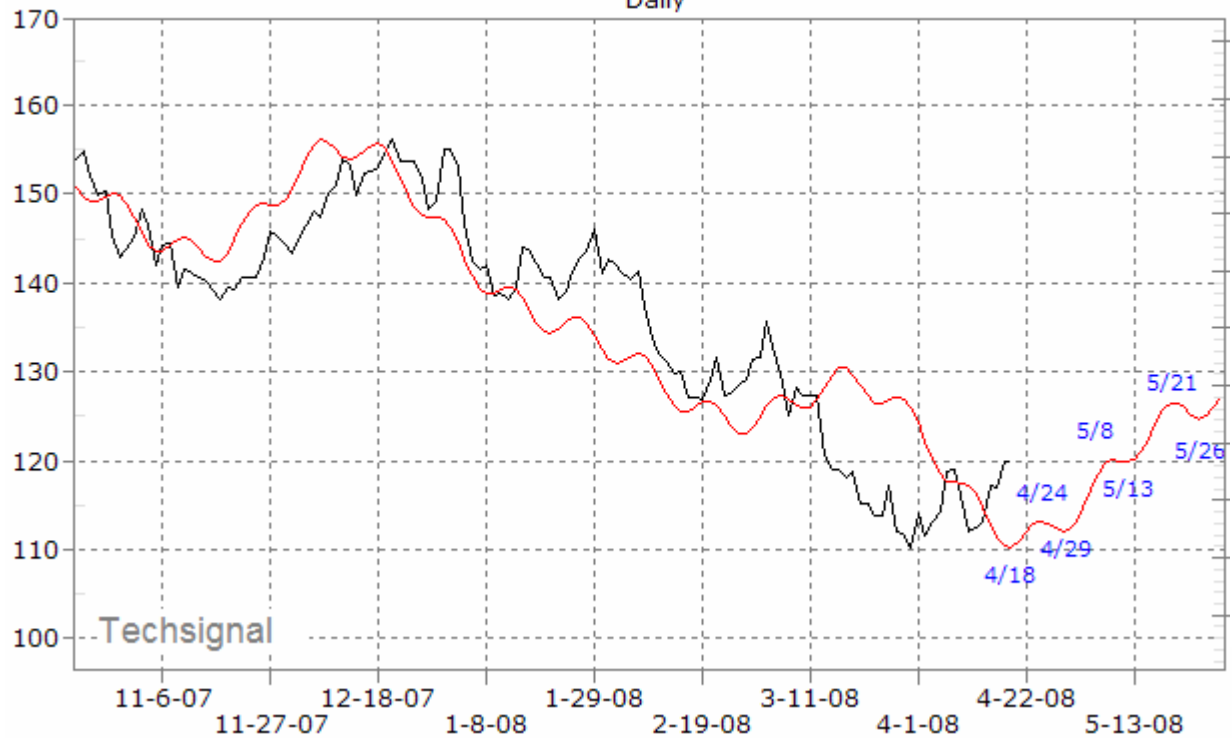
Daily Coffee

Coffee Cadj Liq KC
Daily



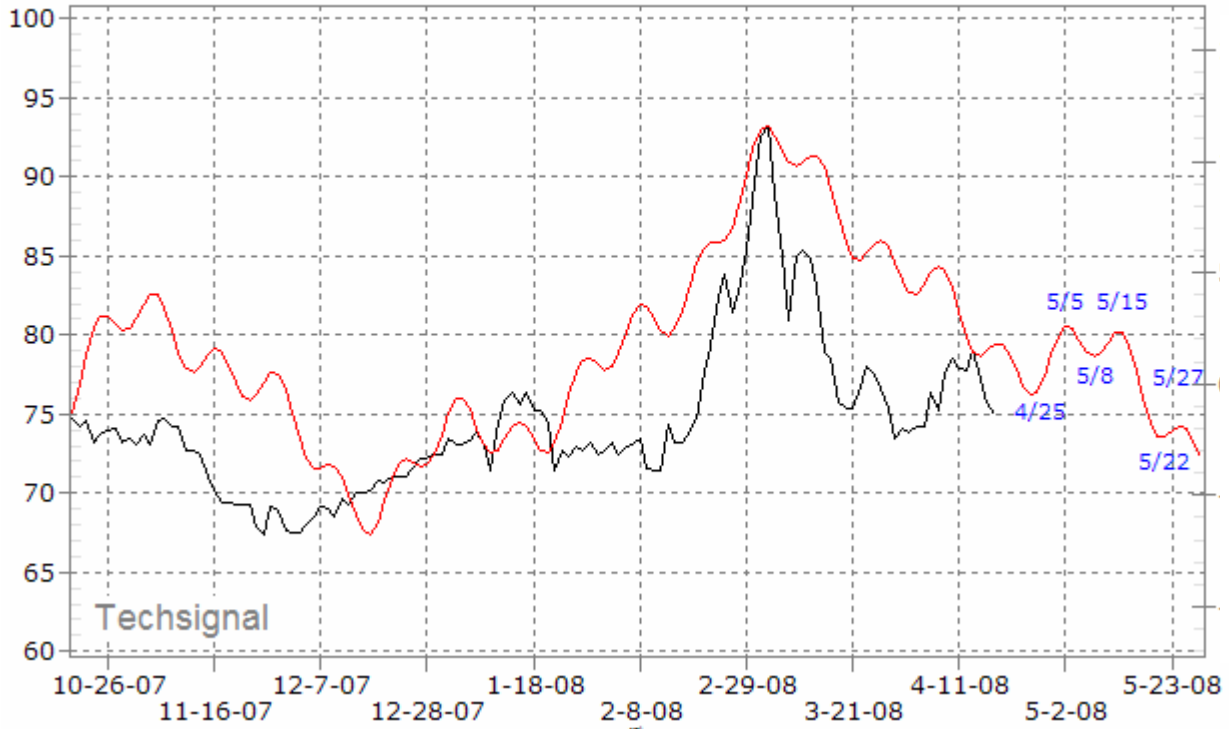
Daily Orange Juice

Orange Juice Cadj Li JO
Daily



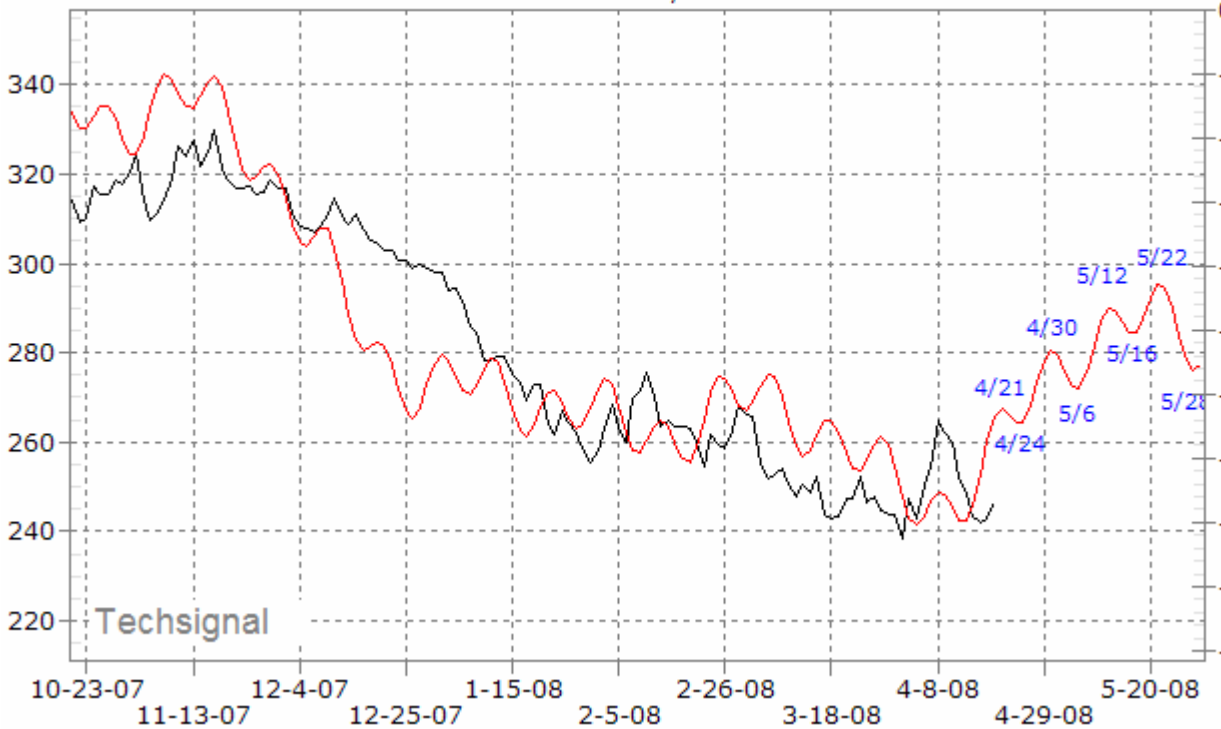
Daily Cotton

Cotton #2 Cadj Liq CT
Daily



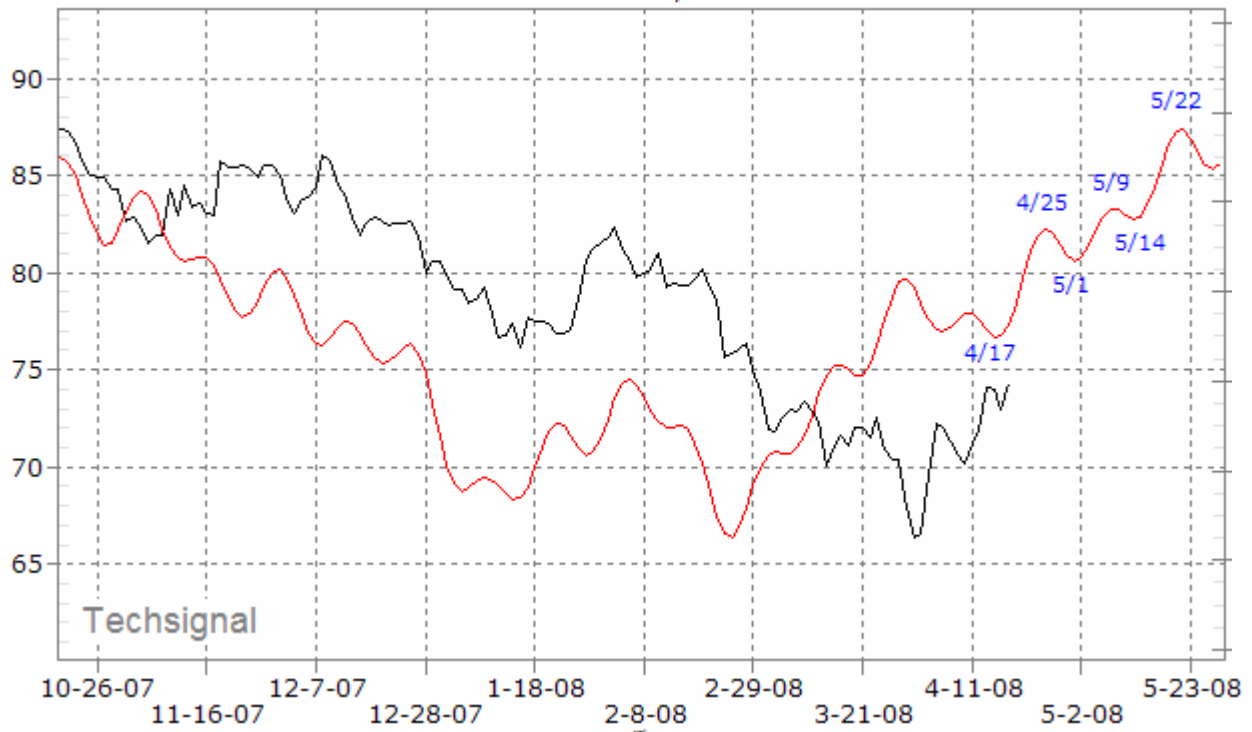
Daily Lumber

Lumber Cadj Liq LB
Daily



Daily Lean Hogs

Lean Hogs (Pit) Cadj LH
Daily



Daily Live Cattle

Live Cattle (Pit) Ca LC
Daily

