

# Cycle Projections - Commodities

APRIL 2008

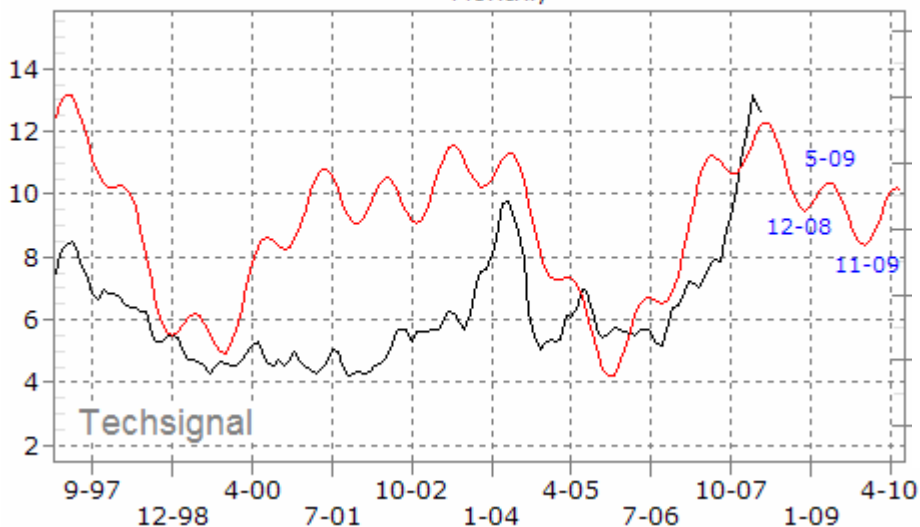
COMMODITIES : CRB, SOYBEANS, CORN, WHEAT, COTTON, MEATS, ETC.

## What is next? Bull or Bear

The bull market in commodities has been fairly across the board but chiefly in the grains, oilseeds and dollar sensitive commodities. Some have not been as bullish such as range juice and lumber. The meats are correcting as expected with high feed prices.

The main question now is whether or not this bull market is over and if not then where is it going? Firstly the bull market is not likely over and the longer cycles such as the cycles in monthly soybeans on this page indicate that we have at least a year to go in the bull market. Let's reason about what it will take to end this bull market? Number one the bull market is more about demand than supply. Thus for it to end we would need to see a lessening of demand. Number two what would it take to end this demand? Here it is clear that it will be price or the lack of money to purchase the commodities. In the case of food, it is not

Monthly Soybeans  
Monthly



likely that people will stop eating because of price but they will moderate their consumption and change what they purchase; hence it is more likely that it would take a major recession, and that is not likely at this time. So it is not likely that the bull market in grains and oilseeds is over. Other commodities walk to the beat of other drums as follows.

### Grains and Oil Seeds:

We consider the current down move in corn and

beans a seasonal sell off. For this to be correct we must rally in the next two weeks, which is expected. However, the sell off in wheat may be more than a simple seasonal pattern. However, that being said, we continue to look at this as a buying opportunity, since the longer cycles in wheat, corn and beans are all bullish.. **Food and Fiber:** Sugar, cocoa, coffee, cotton, lumber and orange juice have all come under pressure but for different reasons: lumber and cotton due to the economy and the others due to discretion and supplies. We are less bullish on these futures. **Meats:** The meats have sold off as they typically do when feed costs rise. We expect that a bull market in the meats has likely begun. **Energy:** Energy seems to know no top, but clearly, a correction is overdue and will come. Lack of additional supplies of crude and distillates continues to be a problem, but demand is the biggest issue; and with crude oil rising past \$125 a barrel we will finally see some impact on demand and lower prices; but don't expect the old days. For specifics see our complete energy report. **Metals:** The metals have taken a holiday and need some help from the dollar; and will get some, but not as much as they had in 2007. The bull market will continue but presently gold will struggle higher. *Written 5/9/08*

## Cycle Projections

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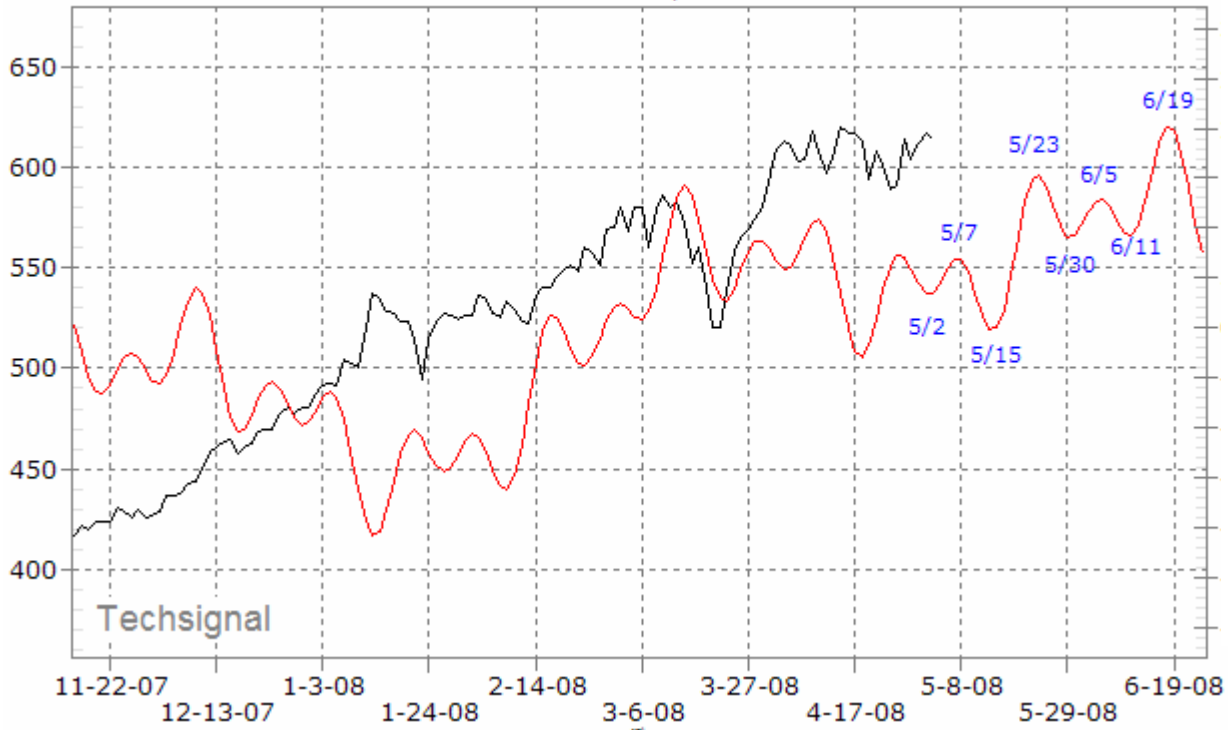
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# Daily Corn

Corn CBT (Pit) Cadj C  
Daily



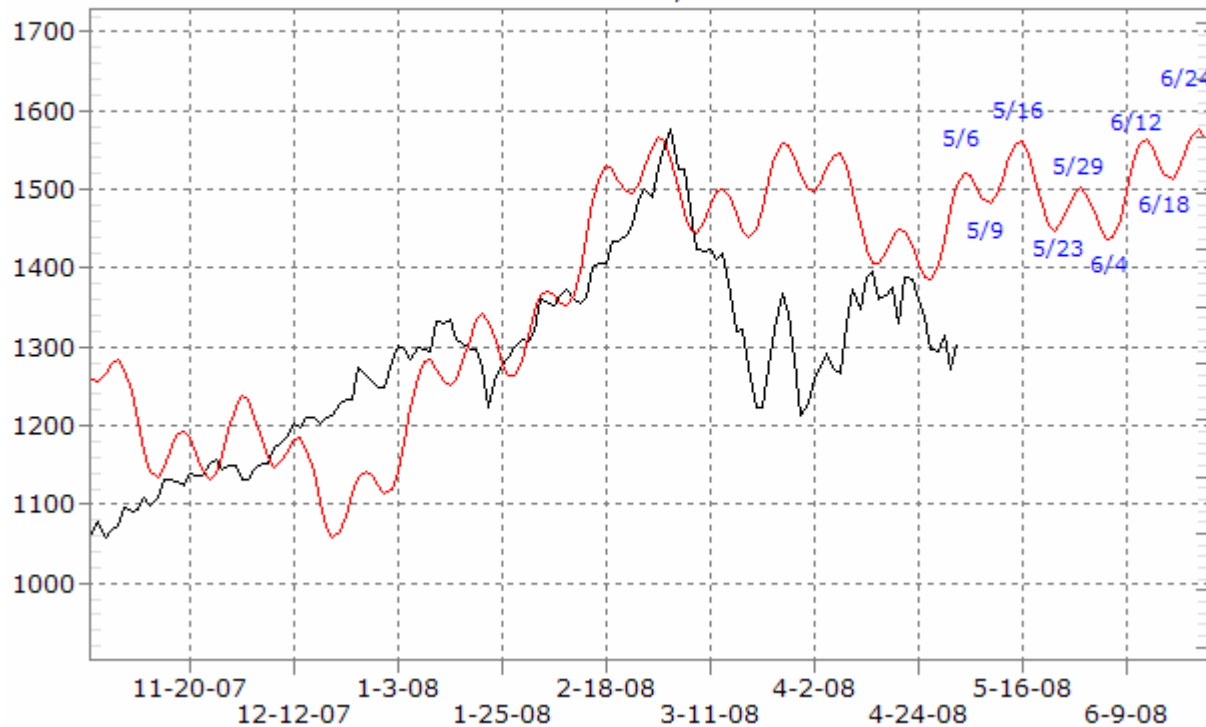
# Daily Wheat

Wheat CBT (Pit) Cadj W  
Daily



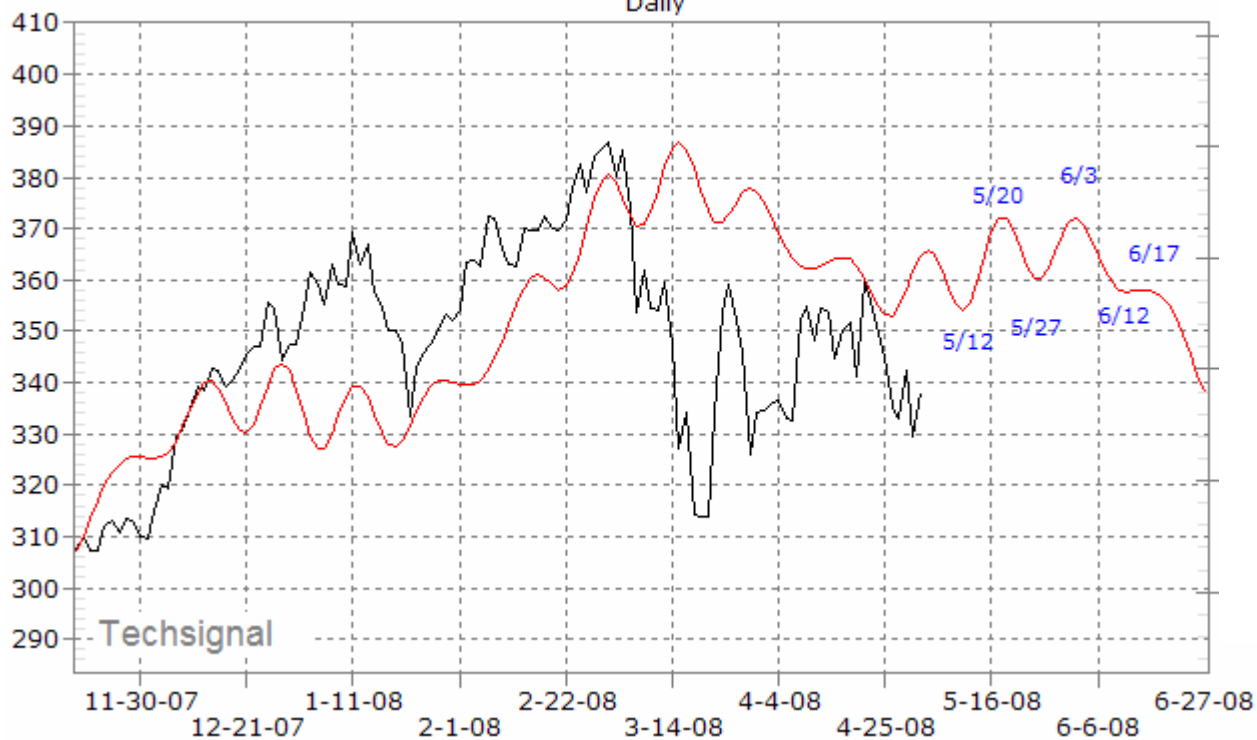
## Daily Soybeans

Soybeans CBT (Pit) C S  
Daily

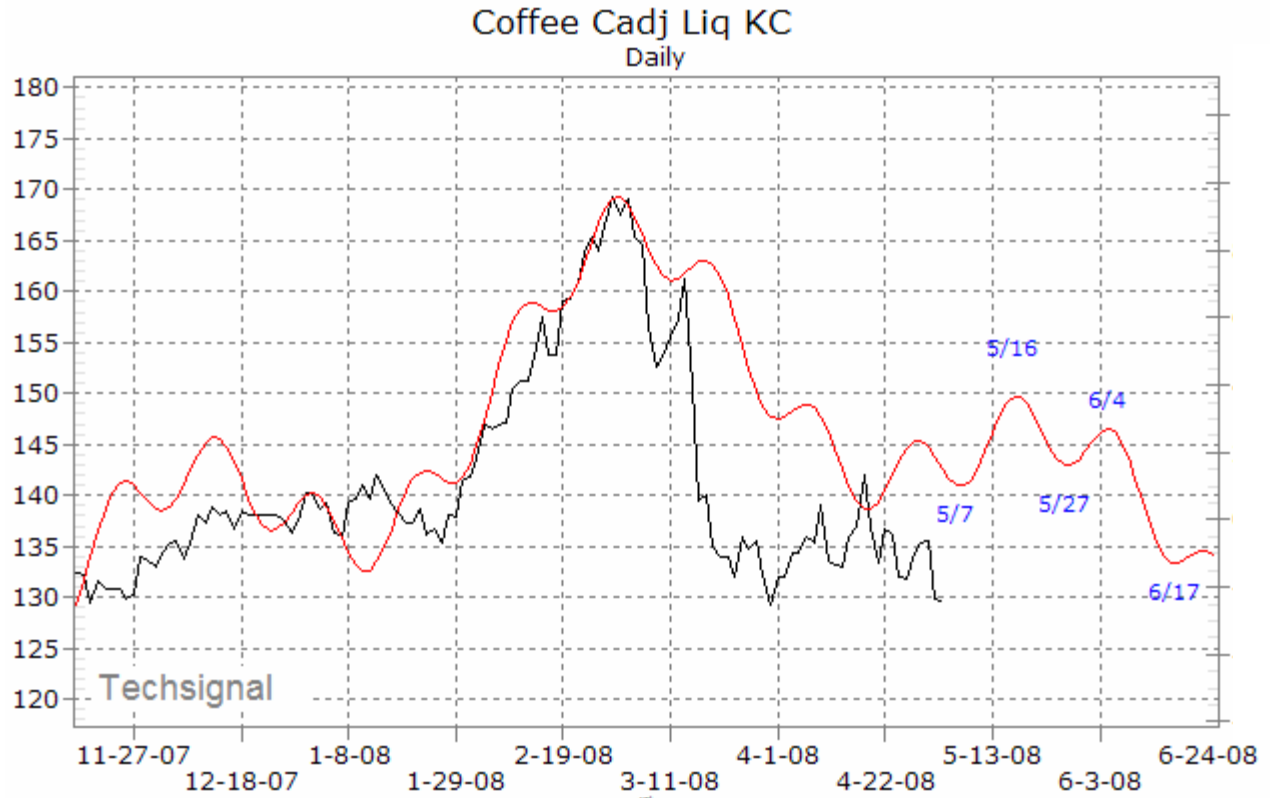


## Daily Soybean Meal

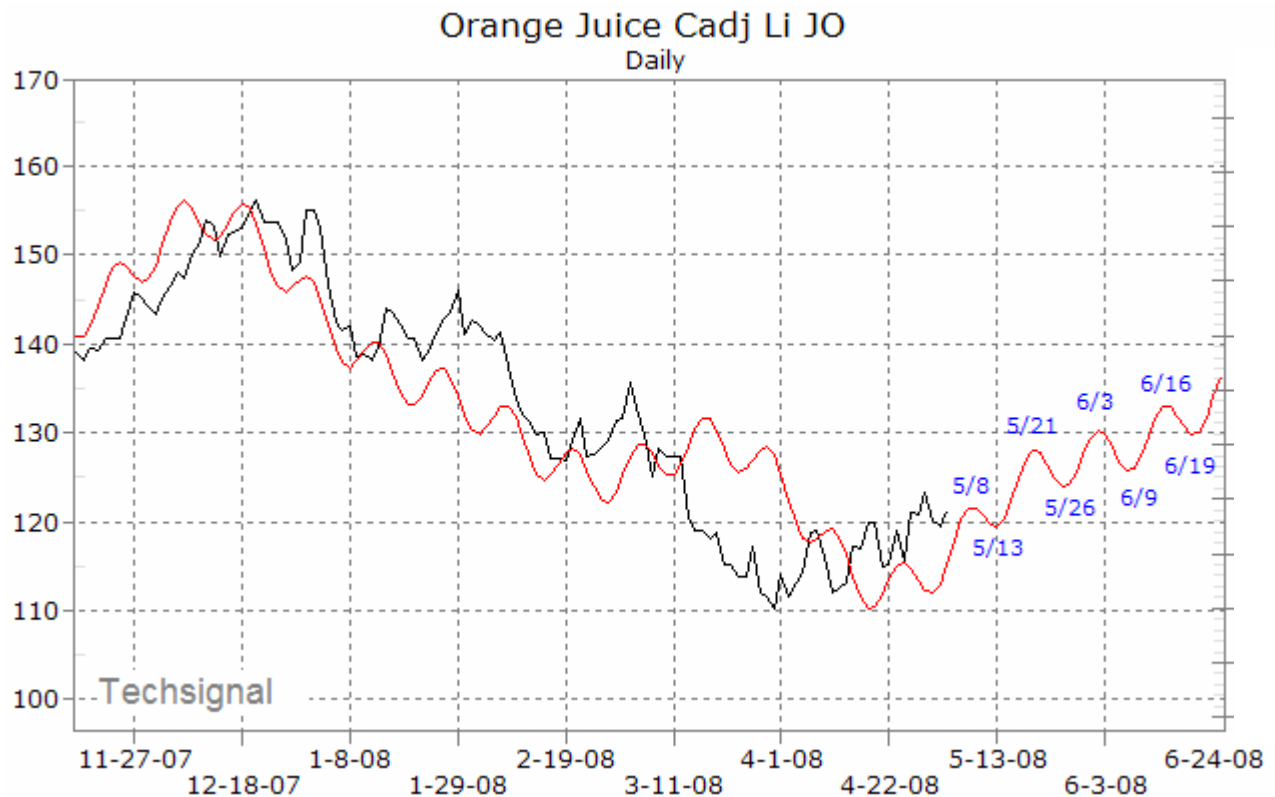
Soybean Meal (Pit) C SM  
Daily



# Daily Coffee

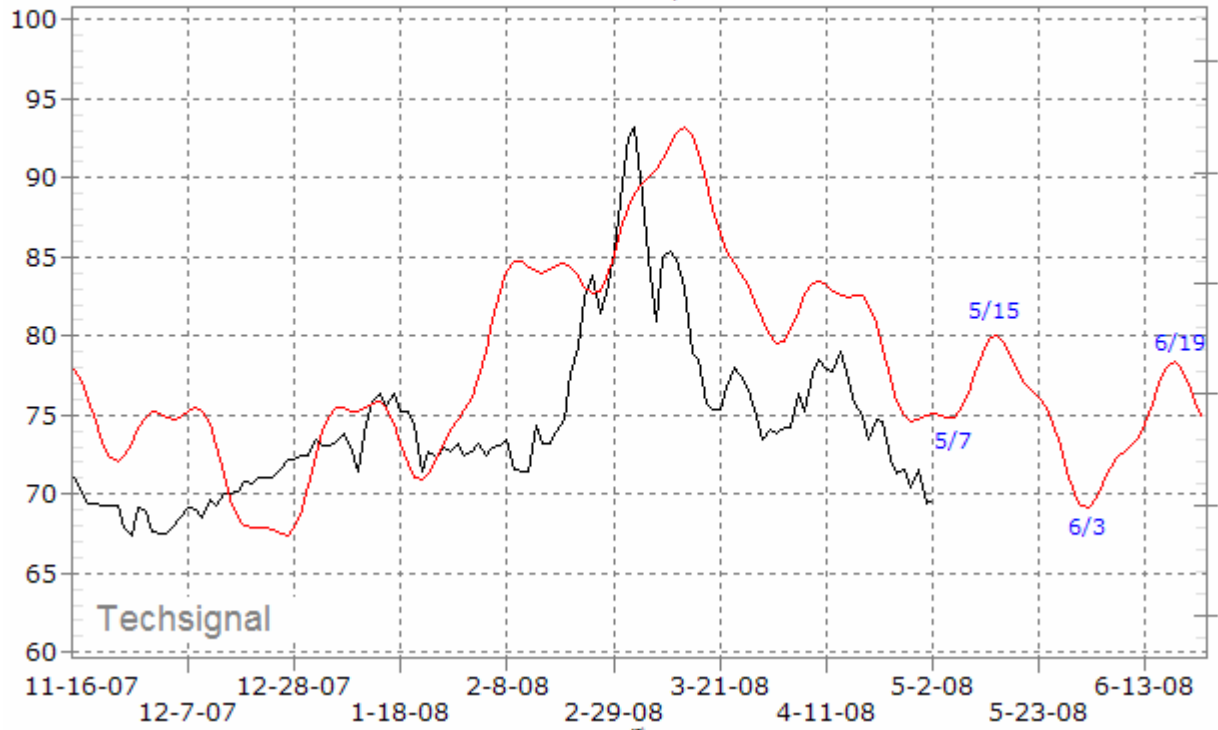


# Daily Orange Juice



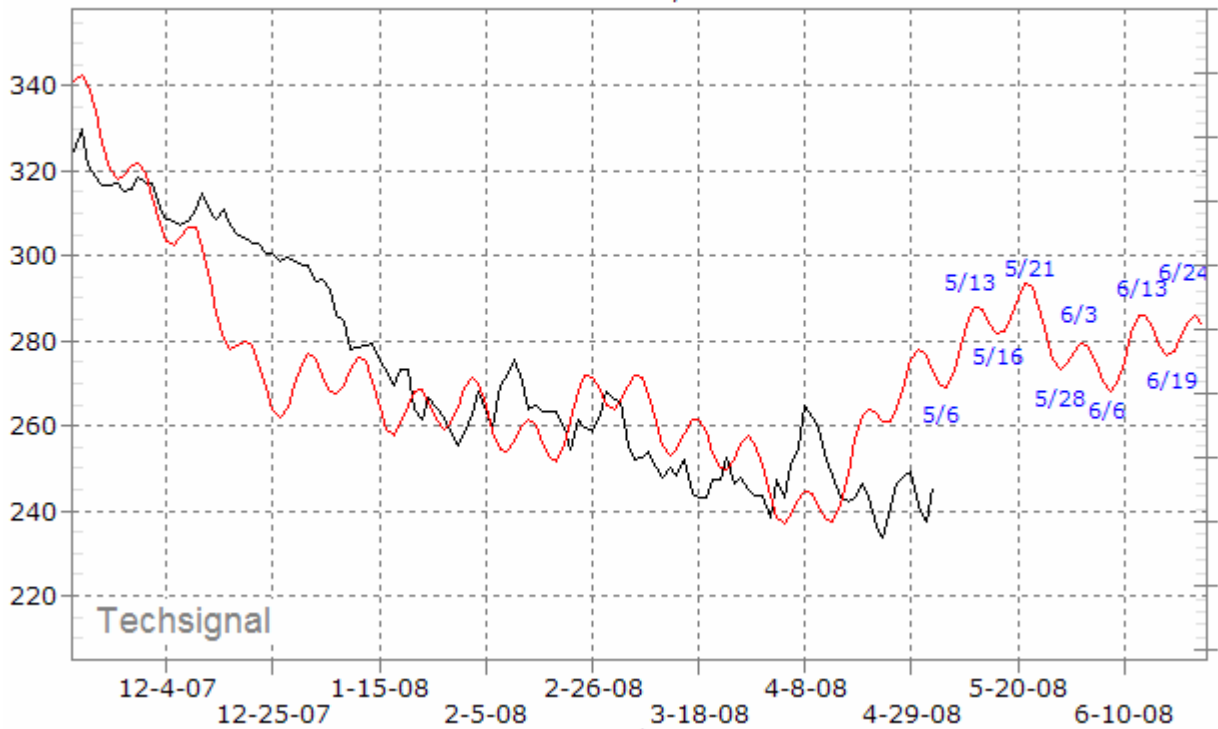
## Daily Cotton

Cotton #2 Cadj Liq CT  
Daily



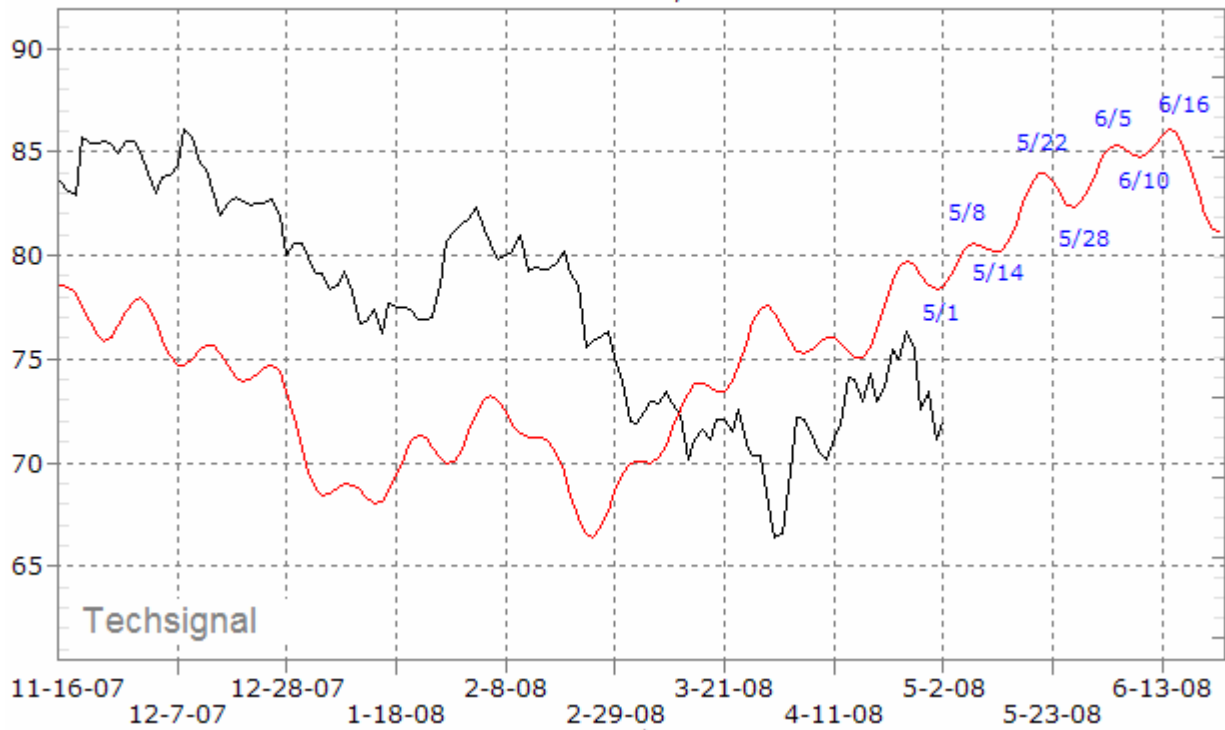
## Daily Lumber

Lumber Cadj Liq LB  
Daily



## Daily Lean Hogs

Lean Hogs (Pit) Cadj LH  
Daily



## Daily Live Cattle

Live Cattle (Pit) Ca LC  
Daily

