

# Cycle Projections - Commodities

JUNE/JULY 2008

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

## Commodities, Supply, Demand and US dollar

Commodity prices will not have another year like 2007 unless the US dollar has another year like 2007 despite soaring demand, lower corn output and ethanol. The US dollar has spun downward since 2002 and is now near a 15-year bottom or a major significant break down. A break down of the US dollar at these levels would be very bullish for commodity prices but any major rally would be met with world wide economic problems which would begin to choke off demand. History expects the US dollar to put a low in by the fall of 2008 and this would argue for the current bottom to hold and the Finex US dollar index to stay above 70 and commodities not to put on another major bull leg.

### Grains and Oil Seeds:

Wheat tried to put in a bottom but could not continue its bull market. We expect wheat, corn and the soybean complex to follow the usual seasonal pattern. This would argue for lows in the early fall. We do not expect these markets to fall significantly. Prices should remain high.

**Food and Fiber:** We continue to be bullish but without much conviction. The cycles are fairly neutral. Cotton and lumber should

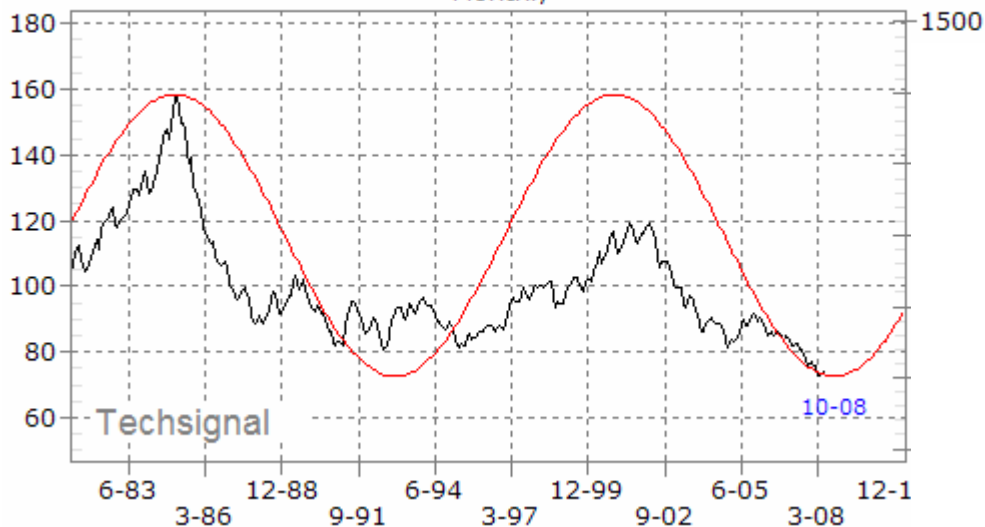
continue to struggle with the economic slow down. Both have cycles similar to the economy. No change in our outlook on sugar, cocoa, or coffee.

**Meats:** Cattle continued its rally but pork bellies could not get out of the doldrums. Continued economic difficulty will make a major bull difficult. We favor the bullish side but must be patient.

**Energy:** Energy just can't seem to mount a week long retracement. We expect a high in 2009 but with a significant retracement in the next month or two.

**Metals:** The metals have some significant life, especially gold; but gold will need the US dollar to fall or more bank failures. Currently we favor moderation in gold.

US Dollar Monthly Averages  
Monthly



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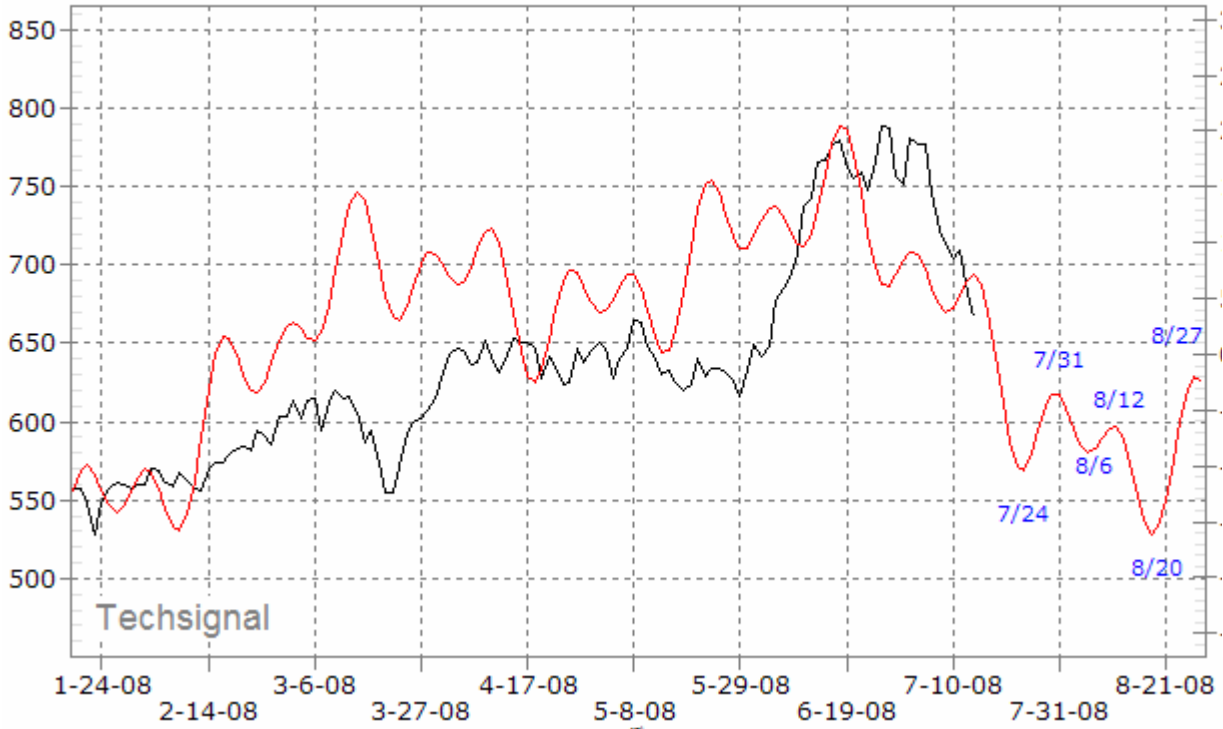
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# Daily Corn

Corn CBT (Pit) Cadj C  
Daily



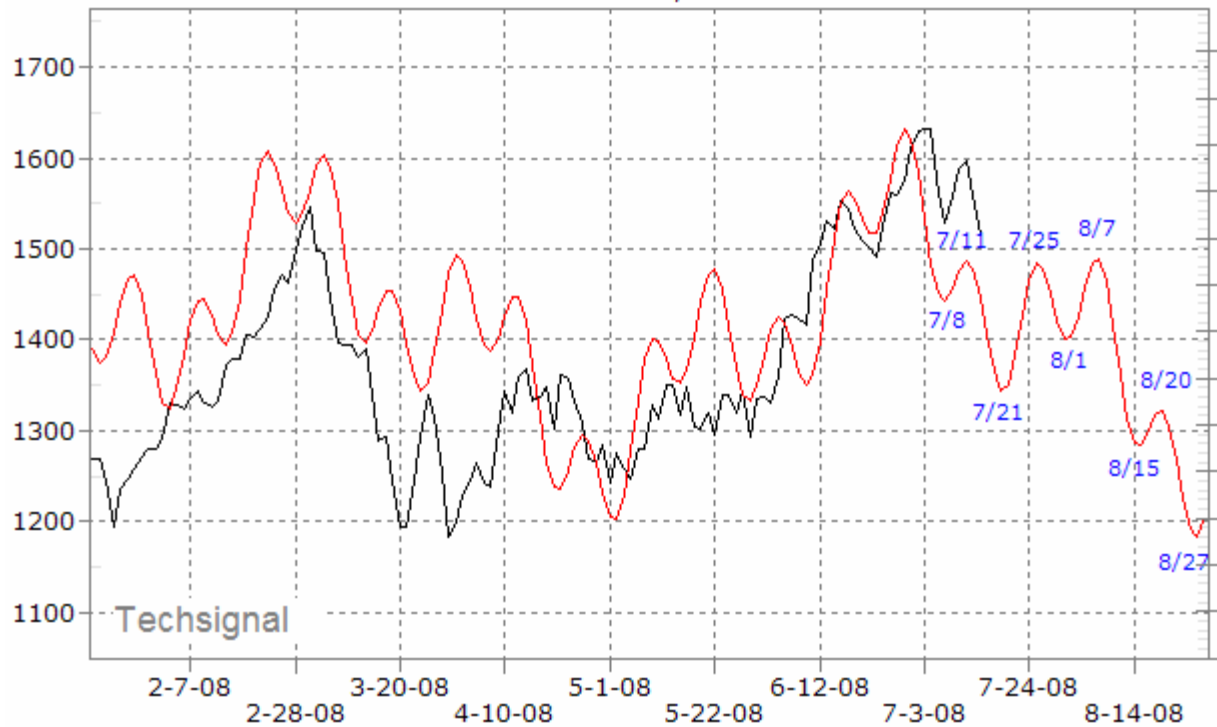
# Daily Wheat

Wheat CBT (Pit) Cadj W  
Daily



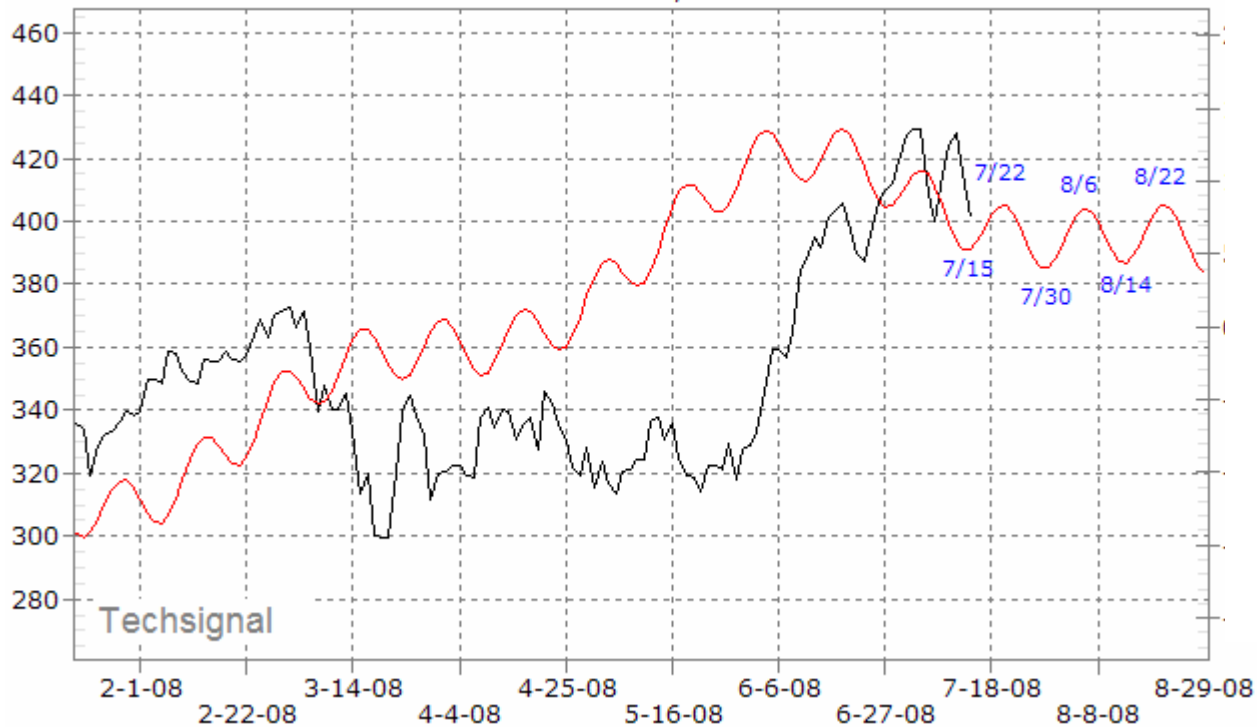
## Daily Soybeans

Soybeans CBT (Pit) C S  
Daily



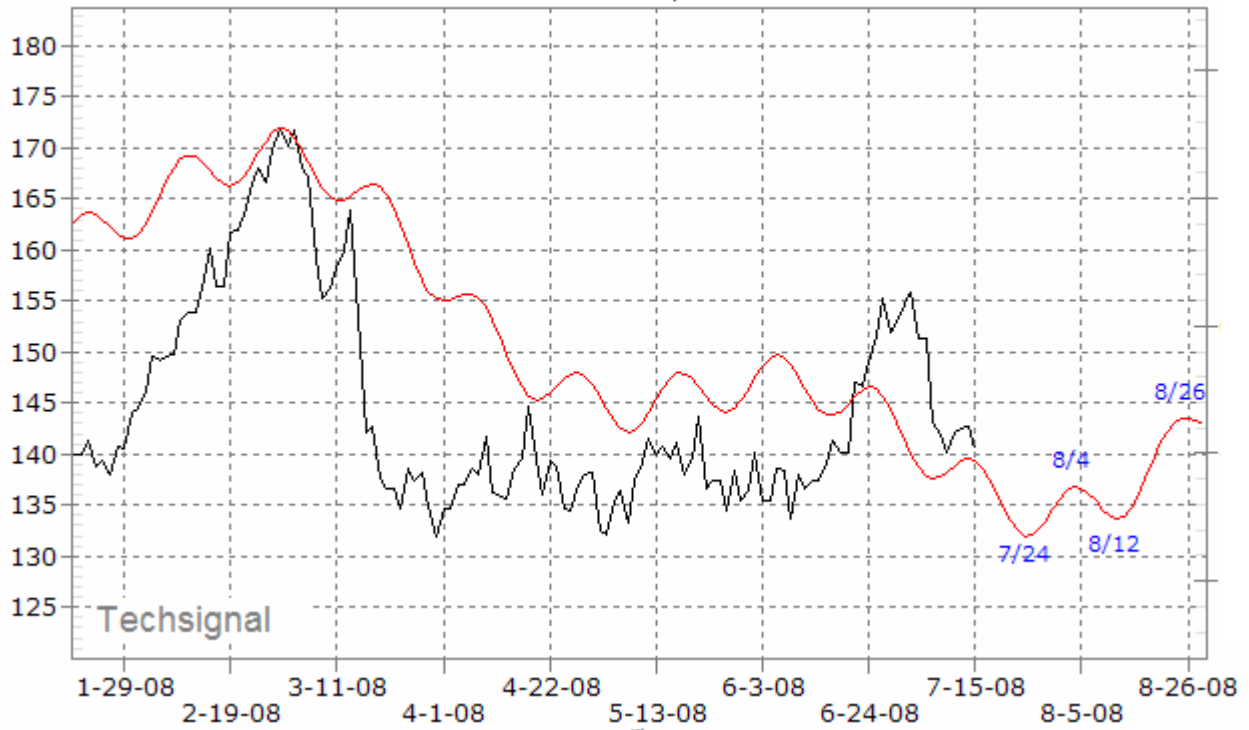
## Daily Soybean Meal

Soybean Meal (Pit) C SM  
Daily



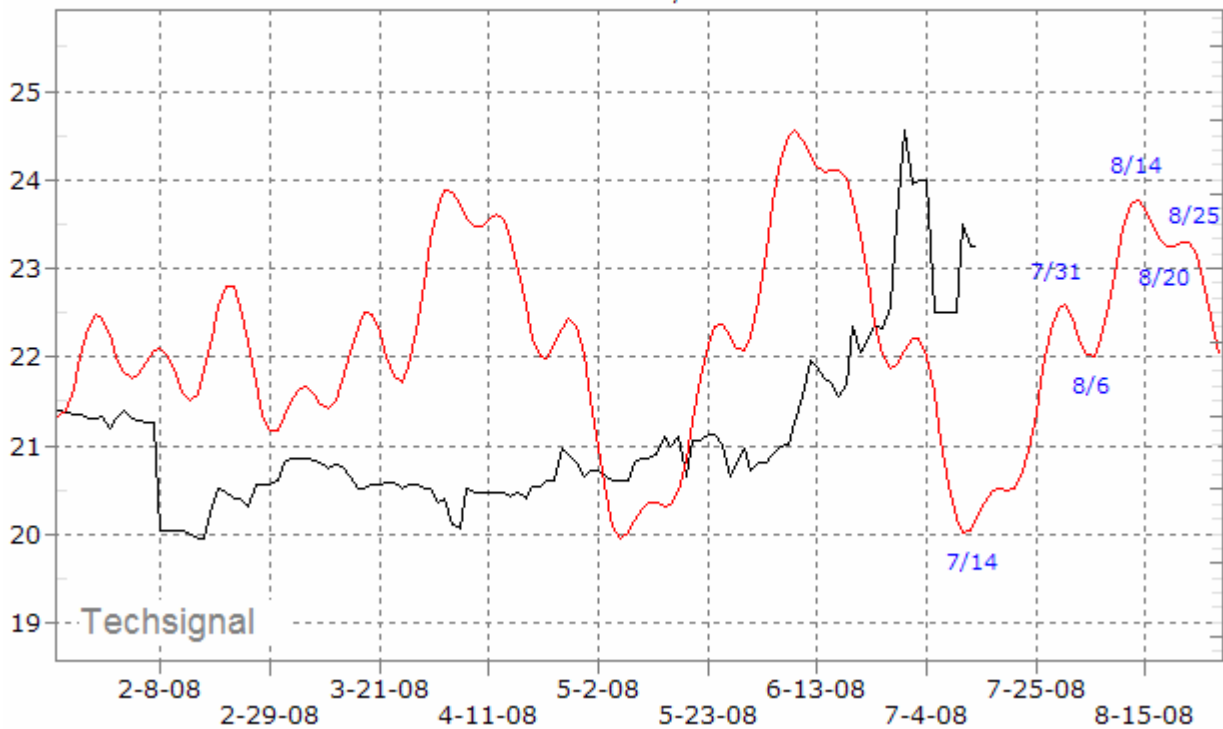
# Daily Coffee

Coffee Cadj Liq KC  
Daily



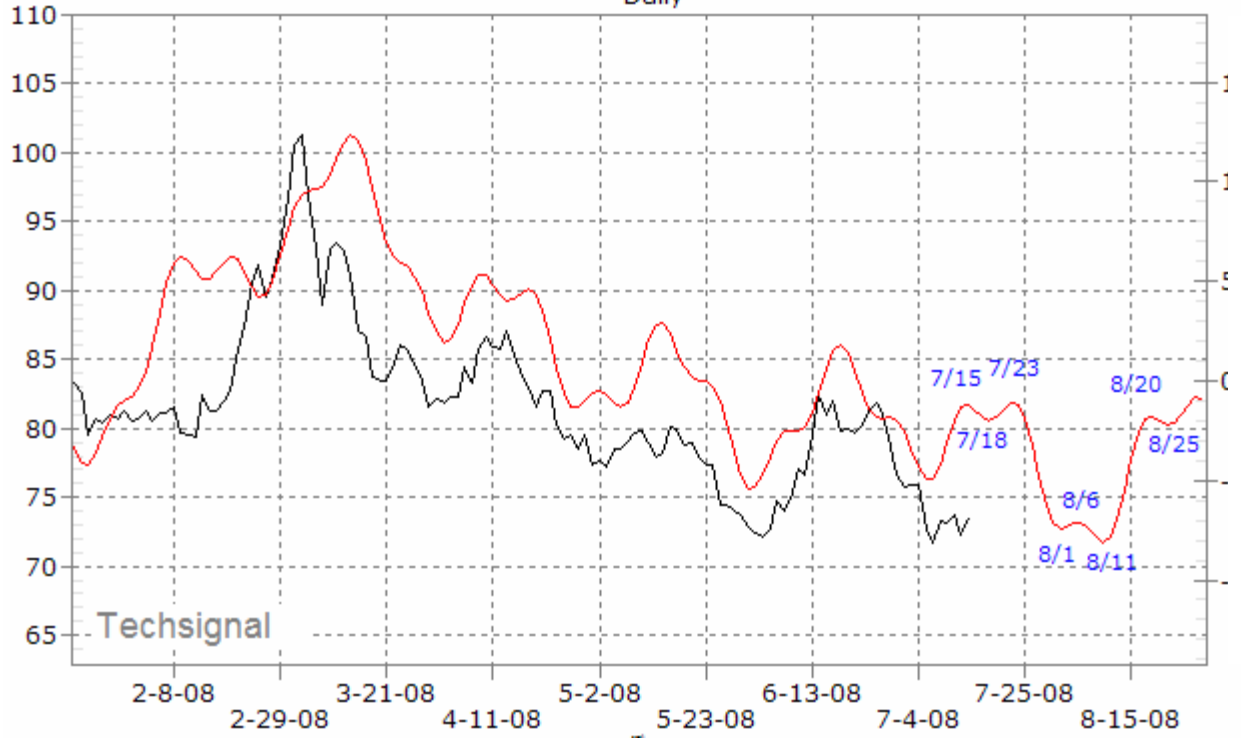
# Daily #14 Sugar

Sugar #14 Cadj Liq SE  
Daily



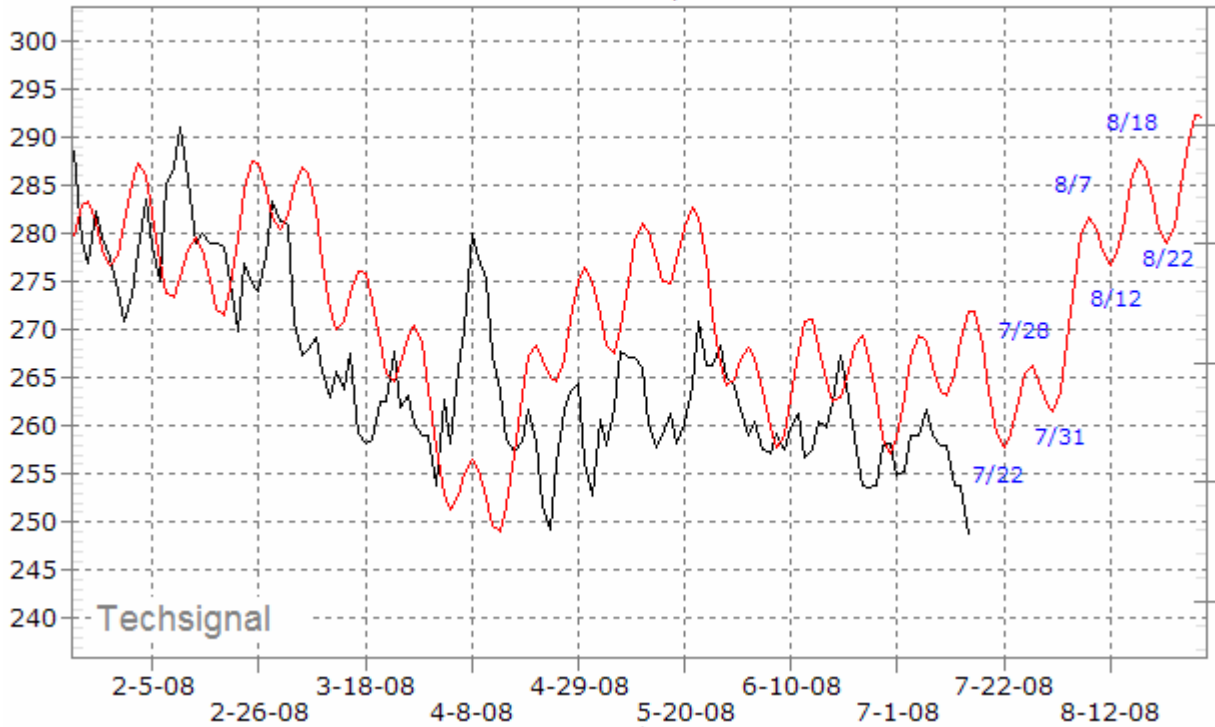
# Daily Cotton

Cotton #2 Cadj Liq CT  
Daily



# Daily Lumber

Lumber Cadj Liq LB  
Daily



## Daily Pork Bellies

Pork Bellies (Pit) C PB  
Daily



## Daily Live Cattle

Live Cattle (Pit) Ca LC  
Daily

