

Cycle Projections - Commodities

OCTOBER-NOVEMBER 2008

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

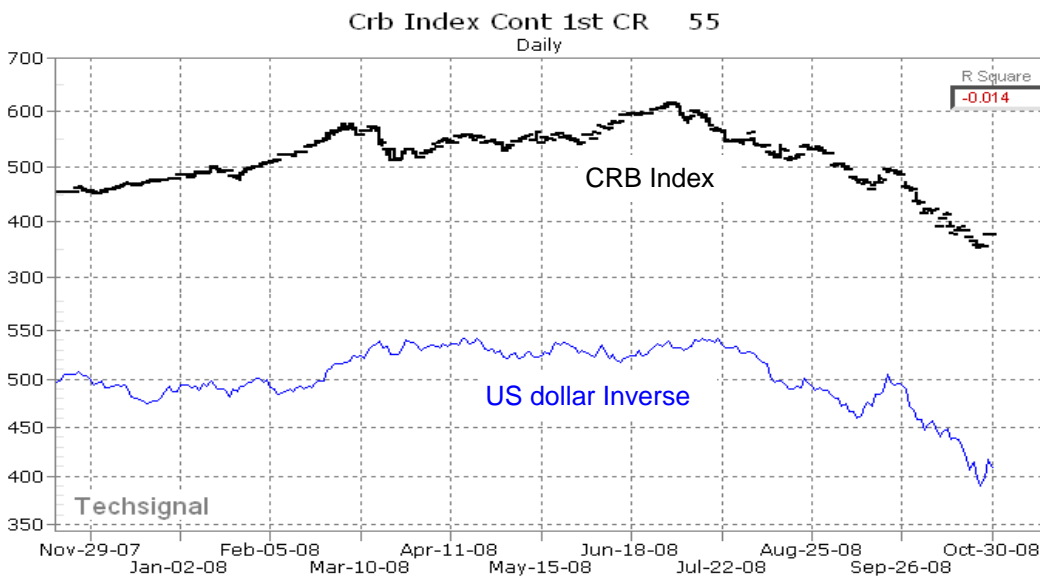
Commodities and the US dollar

Is the future of the commodity markets in the hands of the US dollar? The answer is simple: unless the US dollar falls then commodities will struggle. And although the US dollar has rallied significantly it is still not far from an important bottom, hence the potential for upside in commodities is slim. The cover picture shows the US dollar Inverse below the CRB Index. Add to this weakened demand brought on by the serious international economic problems and the outlook is neutral to bearish. In addition we will see what happens to the U S dollar when the big Bretton Woods II takes place in November. This should be

seen in the context of a 15-year cycle low in the US dollar.

Grains and Oil

Seeds: The cycles in grains and oilseeds are all bullish but this time of the year you rarely get big rallies. We still expect a bounce to the upside due to the likely turn in the US dollar. We expect corn and soybeans to remain in a trading range.



Energy: Crude and gasoline have flat lined. We no longer expect new highs until the world economy recovers. With that said we don't believe we will return to the previous trading range in crude; thus current levels should hold in the energy markets.

Metals: The metals need the US dollar to fall, and it should, but probably not enough to make new highs. The Finex Index would have to break 70 for that to happen.

Food and Fiber: We continue to be mildly bullish but the economy will have to improve before we get excited.

Meats: We have been bullish on cattle, bellies and hogs, but we until the economy begins to turn there is no reason to be. The trend to the downside should be over.

Written 11/2/08

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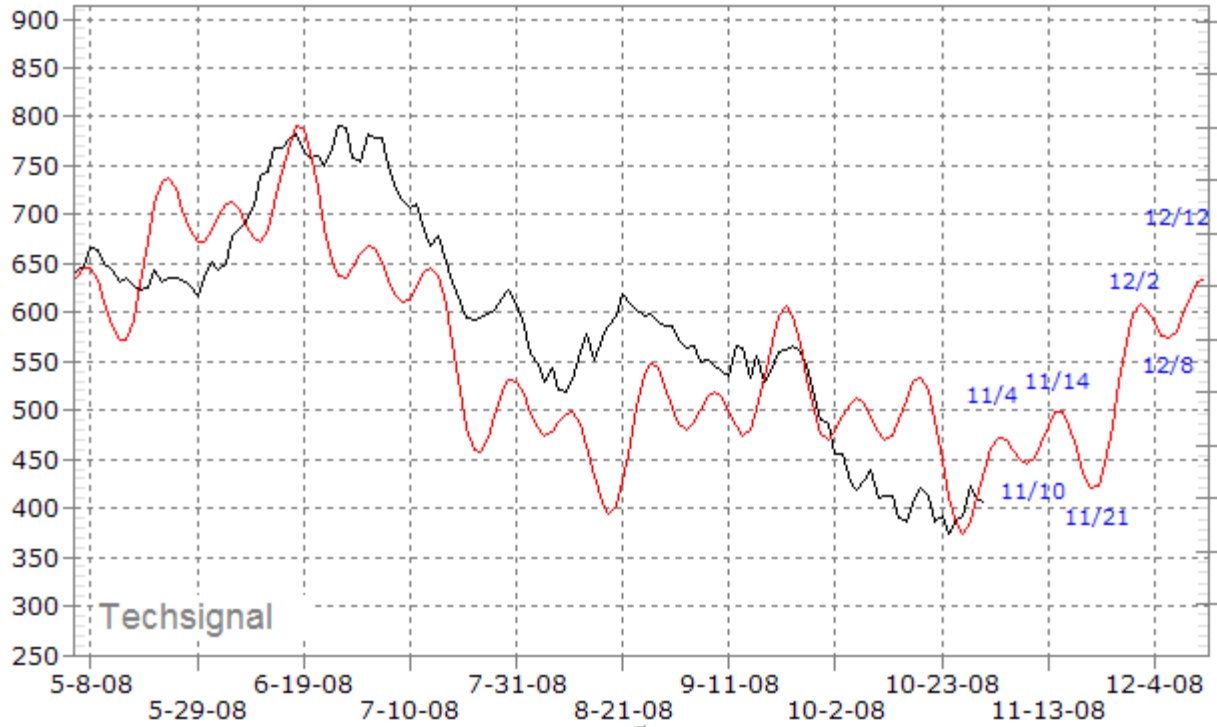
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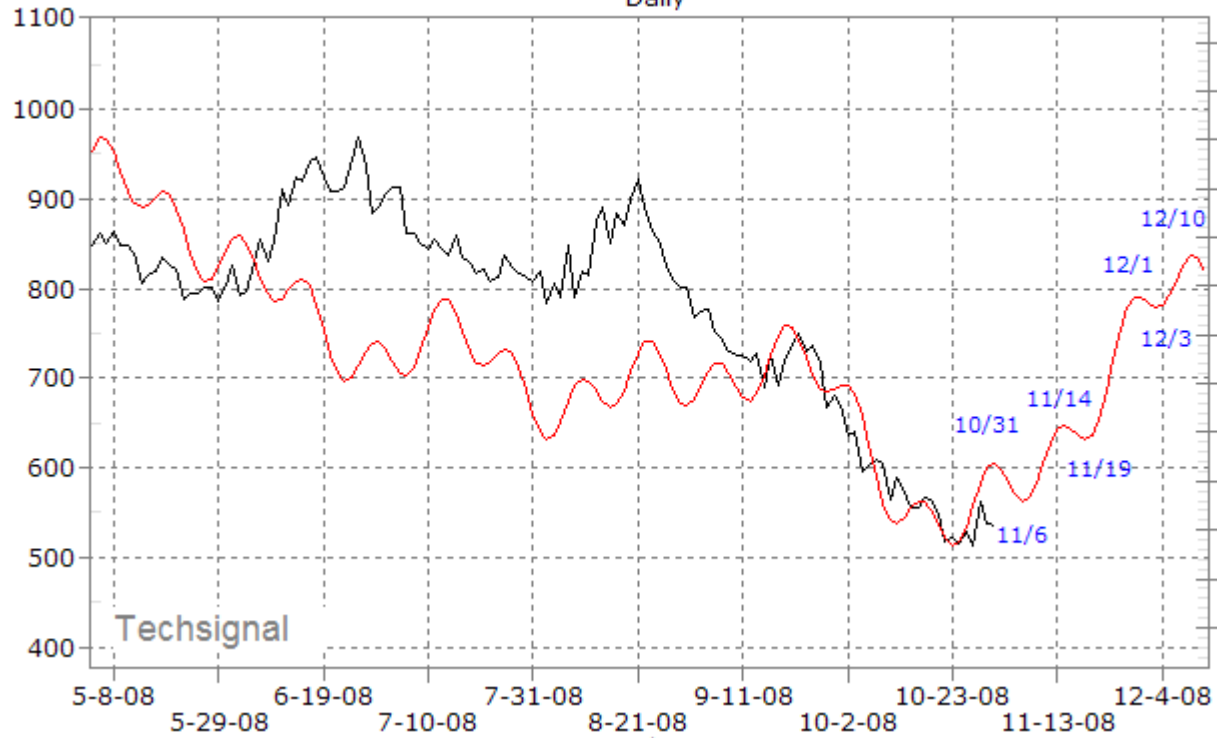
Daily Corn

Corn CBT (Pit) Cadj C
Daily



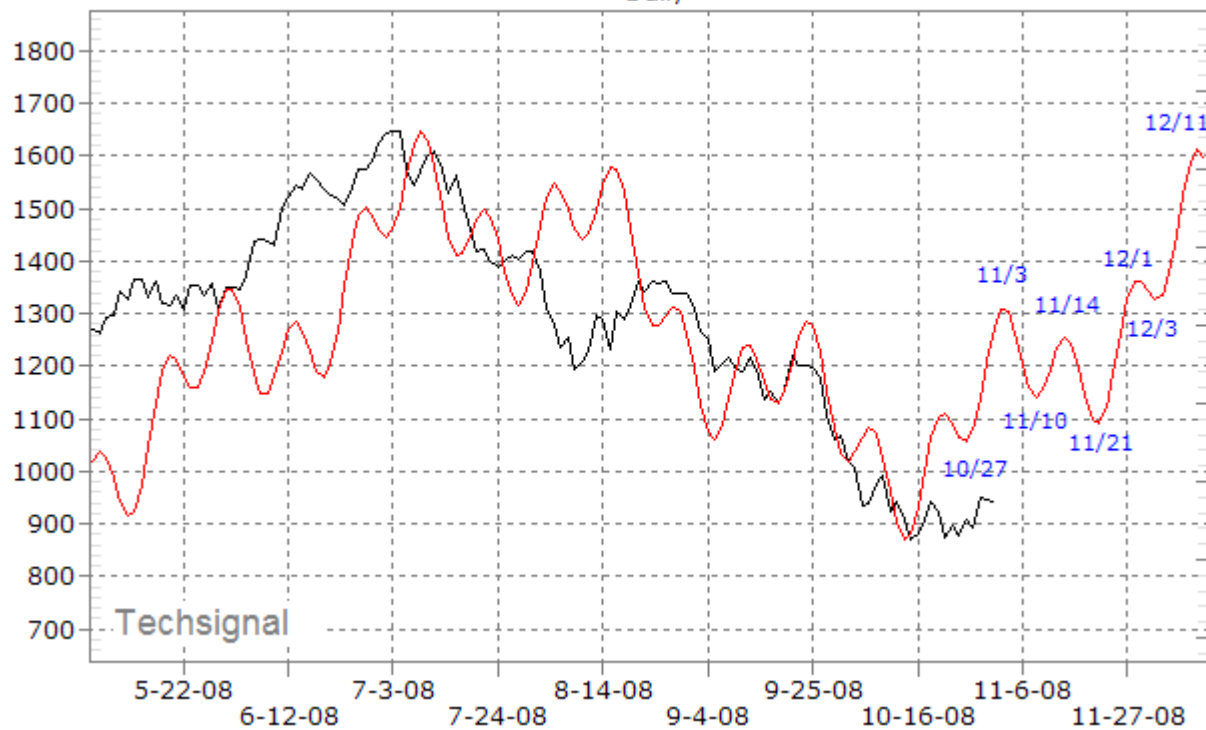
Daily Wheat

Wheat CBT (Pit) Cadj W
Daily



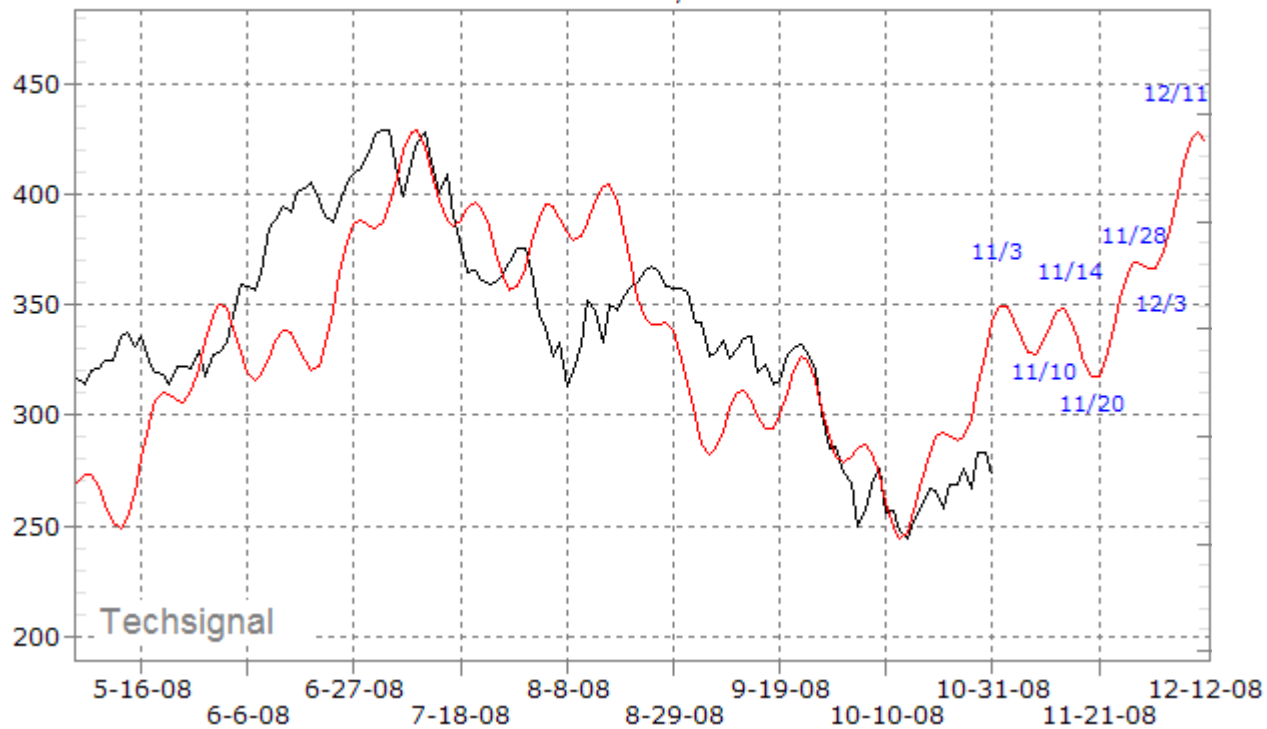
Daily Soybeans

Soybeans CBT (Pit) C S
Daily



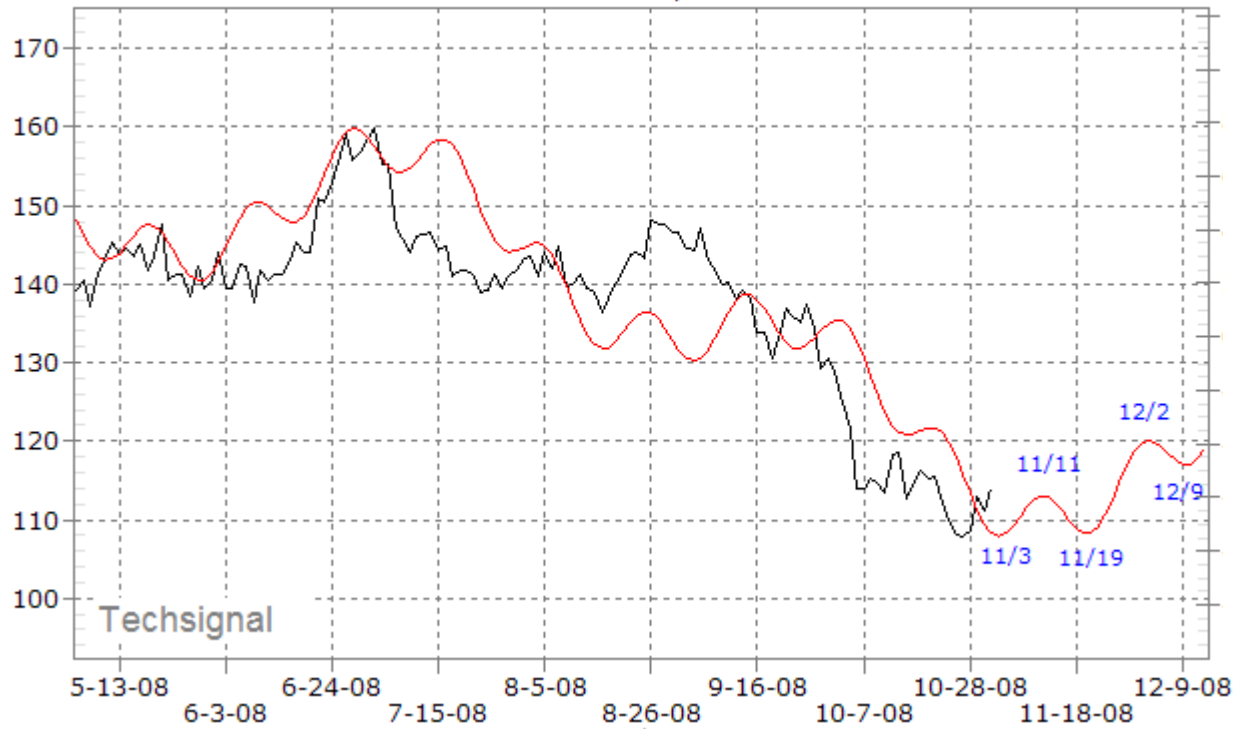
Daily Soybean Meal

Soybean Meal (Pit) C SM
Daily



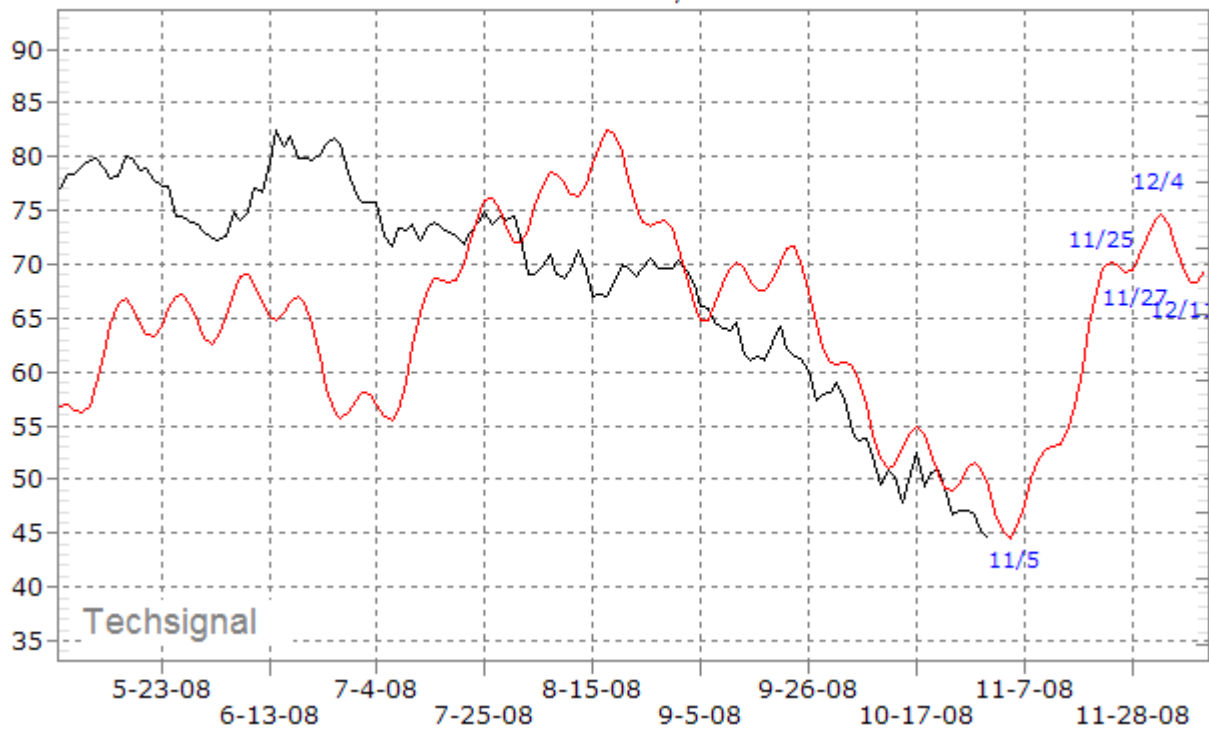
Daily Coffee

Coffee Cadj Liq KC
Daily



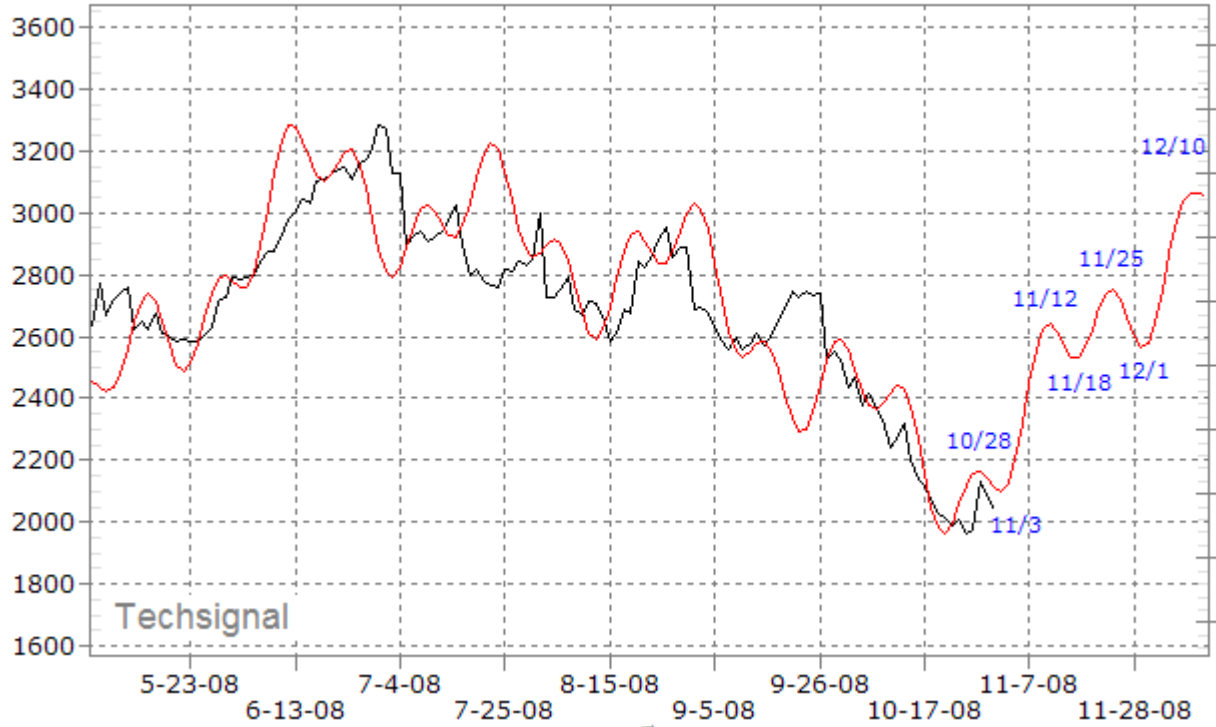
Daily #2 Cotton

Cotton #2 Cadj Liq CT
Daily



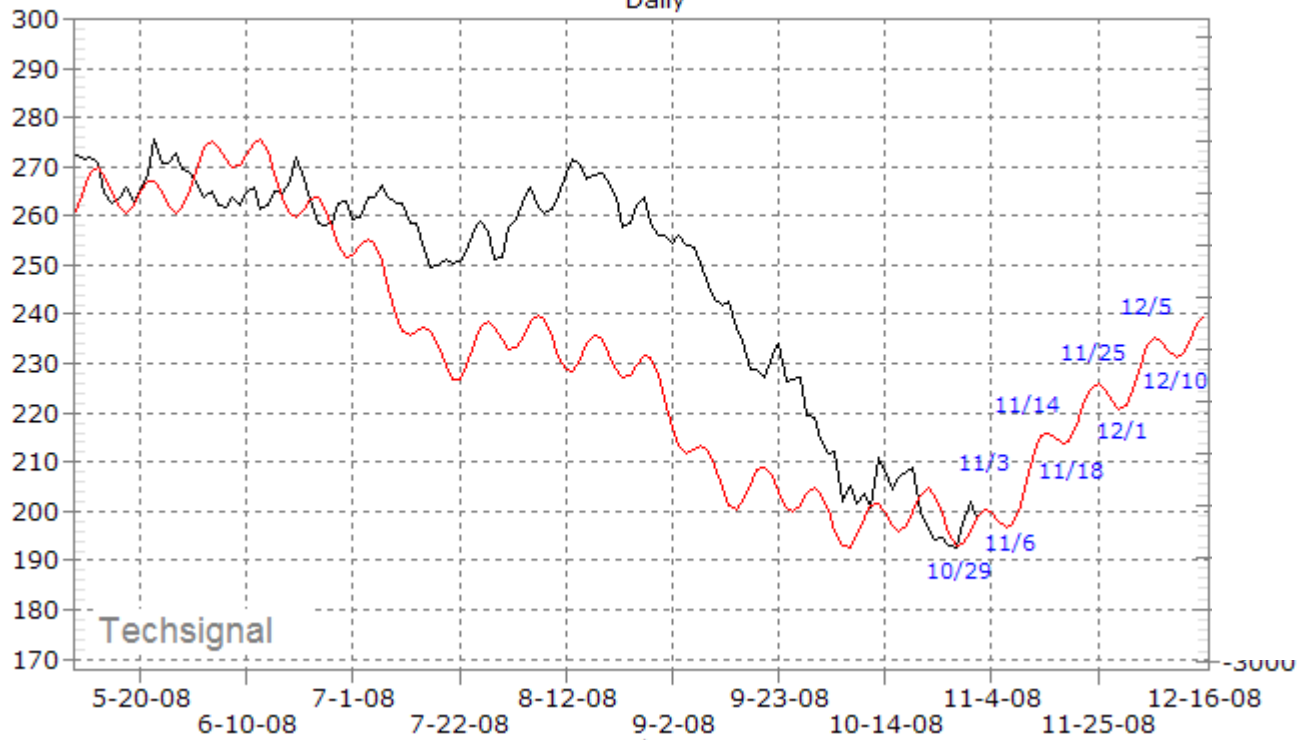
Daily Cocoa

Cocoa NYBT Cadj Liq CC
Daily



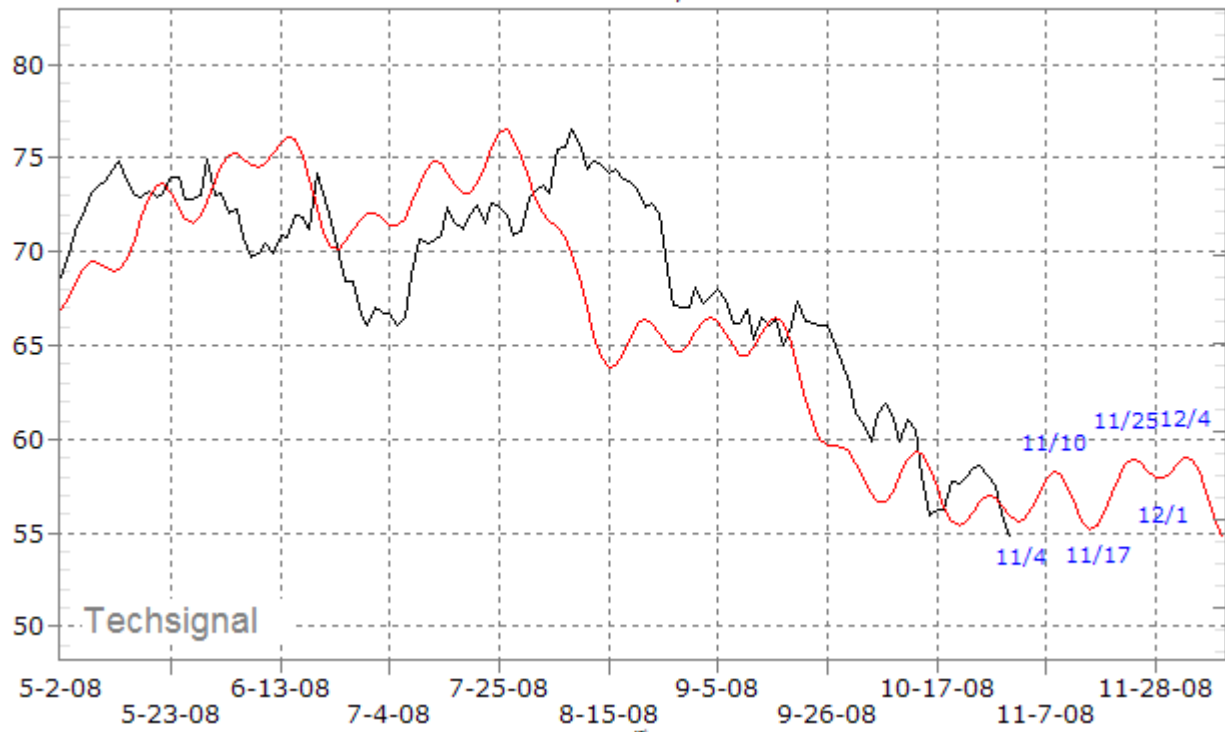
Daily Lumber

Lumber Cadj Liq LB
Daily



Daily Lean Hogs

Lean Hogs (Pit) Cadj LH
Daily



Daily Live Cattle

Live Cattle (Pit) Ca LC
Daily

