

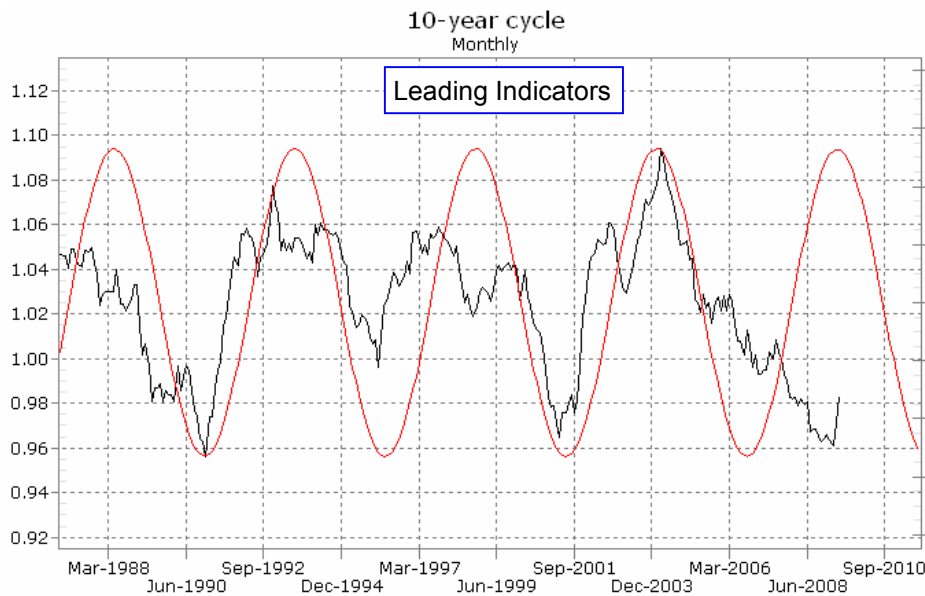
# Cycle Projections - Commodities

JUNE-JULY 2009

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

## Is the recession over and if so can commodities come back?

We do not believe that the recession is over. A look at Leading Indicators shows the patterns. There are two kinds of bottoms in Leading Indicators, the "V" shape and then the "Sideways". The 1990 recession showed the "Sideways" pattern while the 2000 recession showed the "V" shape. The current recession is not the "V" type. Historically the 1973 was a "V" type and the 1980 showed similar pattern



development. In 1980 it was a brief recession followed immediately by another in 1981; together the total length was 16 months. The current recession is showing obvious pattern development and has actually turned. It must be remembered that in the 2000 recession, leading indicators, on a rate of change basis, bottomed in April of 2001, while the recession ended 7 months later. That of course is why they are called leading indicators.

The current recession is the

longest since the great depression, presently at least 18 months long. Further, if the 2001 pattern is the key pattern we will not see an end to this recession until the fall, given that the low in Leading Indicators holds. You will notice that historically there was not much of a lead but that was due to the faulty work of the Department of Commerce. When the Commerce Department sold the Leading Indicator Data to the Conference Board, they were fixed. The bottom line is that we will not have any serious inflation until we start expanding and this is iffy given commodity prices are not likely to get out of their trading range.

**Grains and Oil Seeds:** There are some differences in the various series with the oilseed complex bullish and corn and wheat bearish; however we are getting close to seasonal highs in both soybeans and corn, although soybeans are likely to stay more bullish than normal. **Energy:** With continuing softness in demand we do not expect significant rallies in the energy complex. **Metals:** Gold has developed a \$300 trading range that has continued for nearly 1.5 years. We assume that this will continue into the fall. **Food and Fiber:** We more bullish on this sector, but again within limits. **Meats:** The cycles in meats are bullish but prices will be tempered due to lower corn prices.

Written 7/15/09

All data used in *Cycle Projections* provided by Genesis Financial Technologies, Inc.  
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**Cycle Projections**

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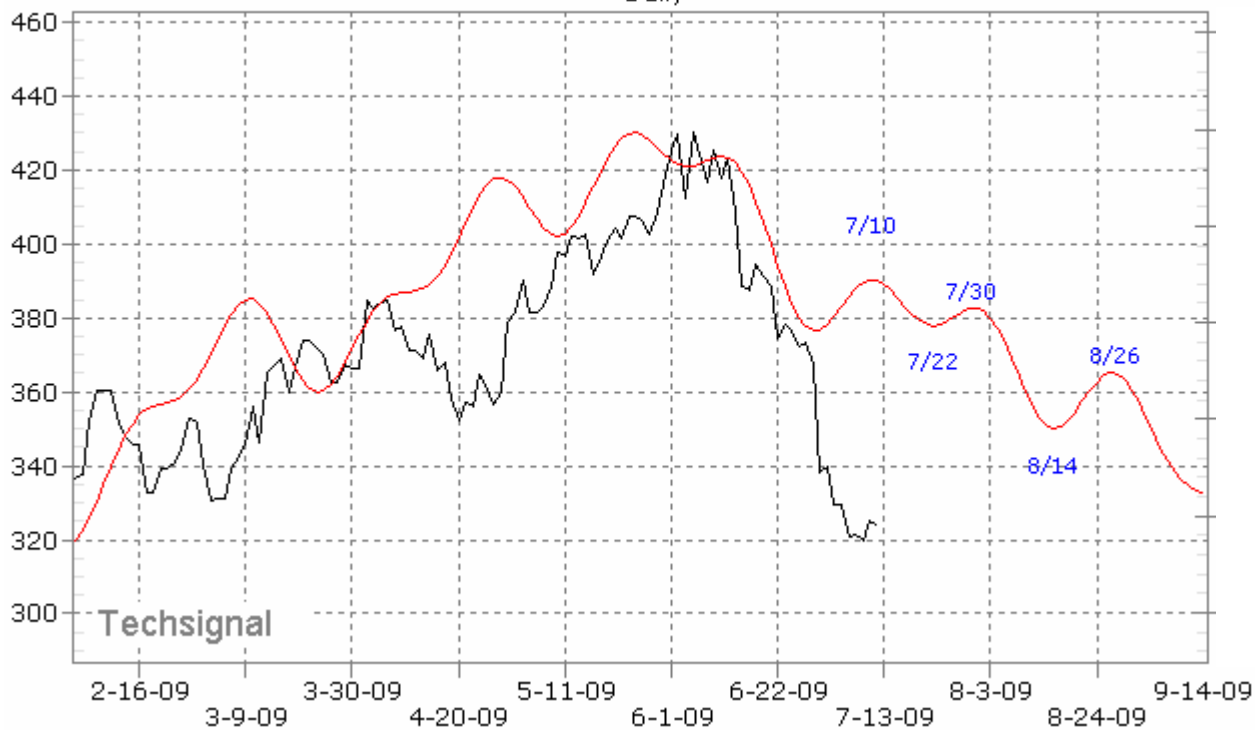
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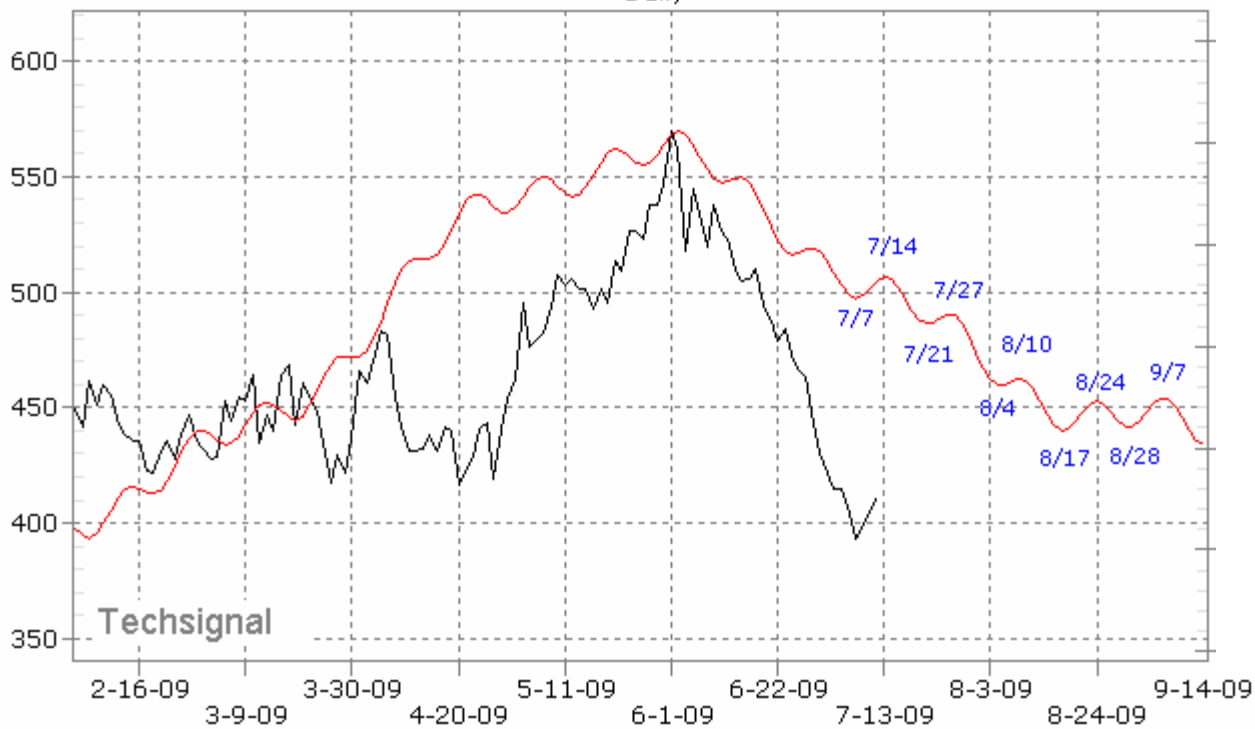
## Daily Corn

Corn CBT (Pit) Cash C  
Daily



## Daily Wheat

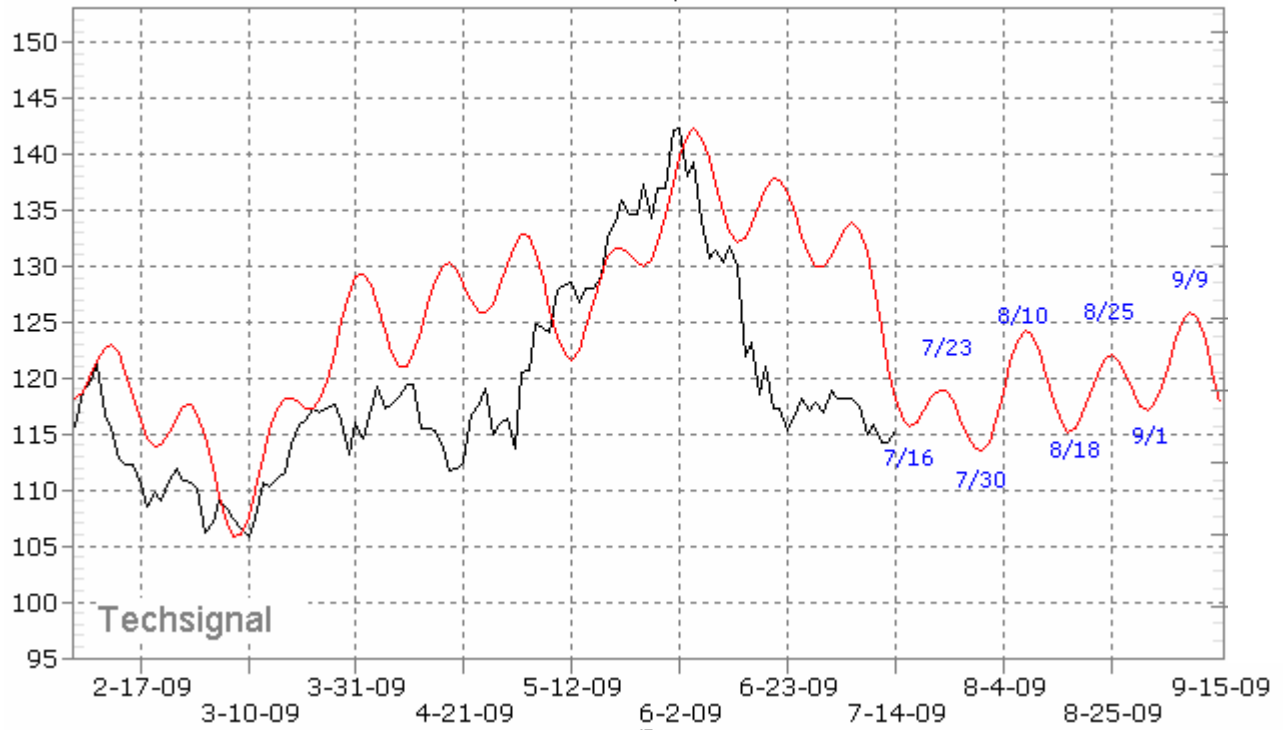
Wheat CBT (Pit) Cash W  
Daily



## Daily Coffee

### Coffee (Elec) Cont 1 KC

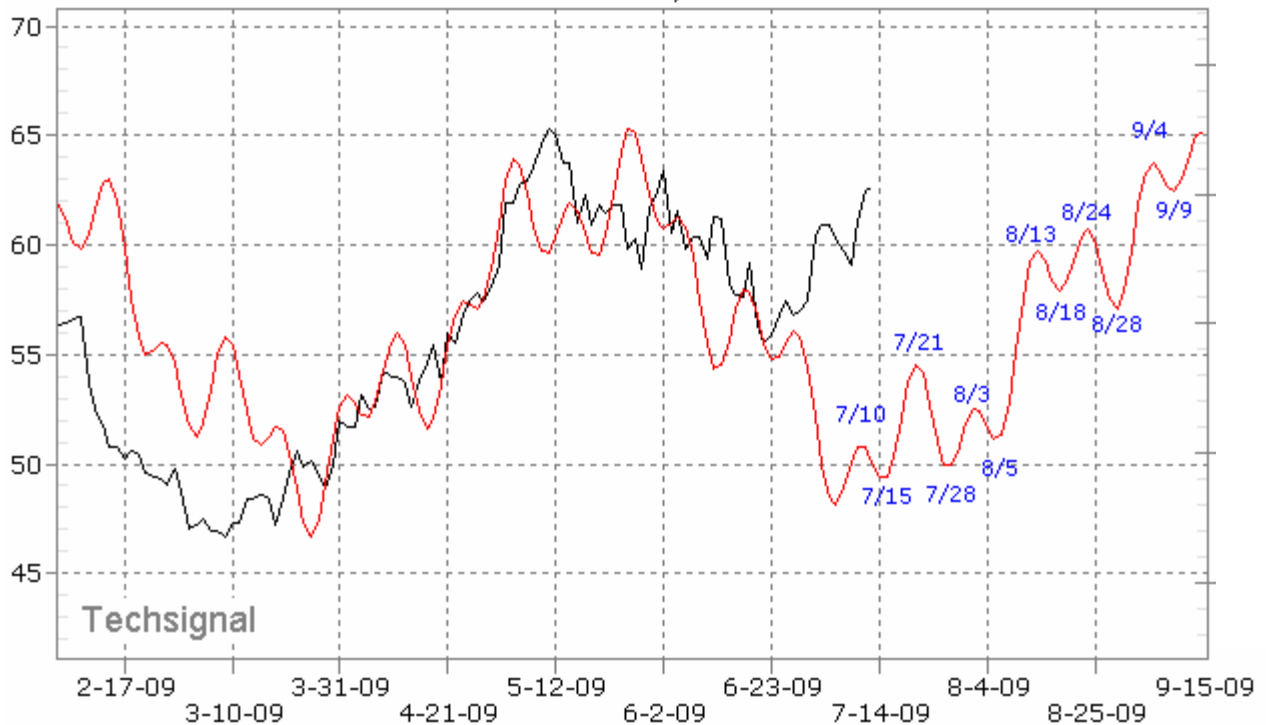
Daily



## Daily #2 Cotton

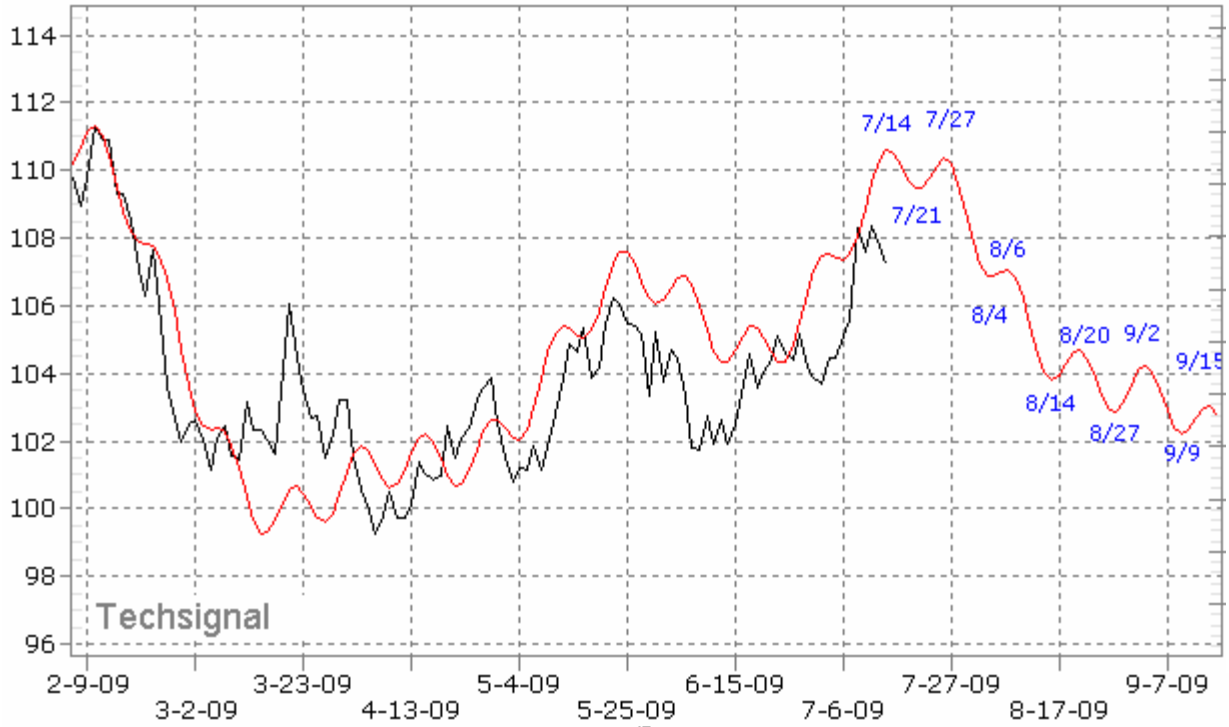
### Cotton #2 Cadj Liq

Daily



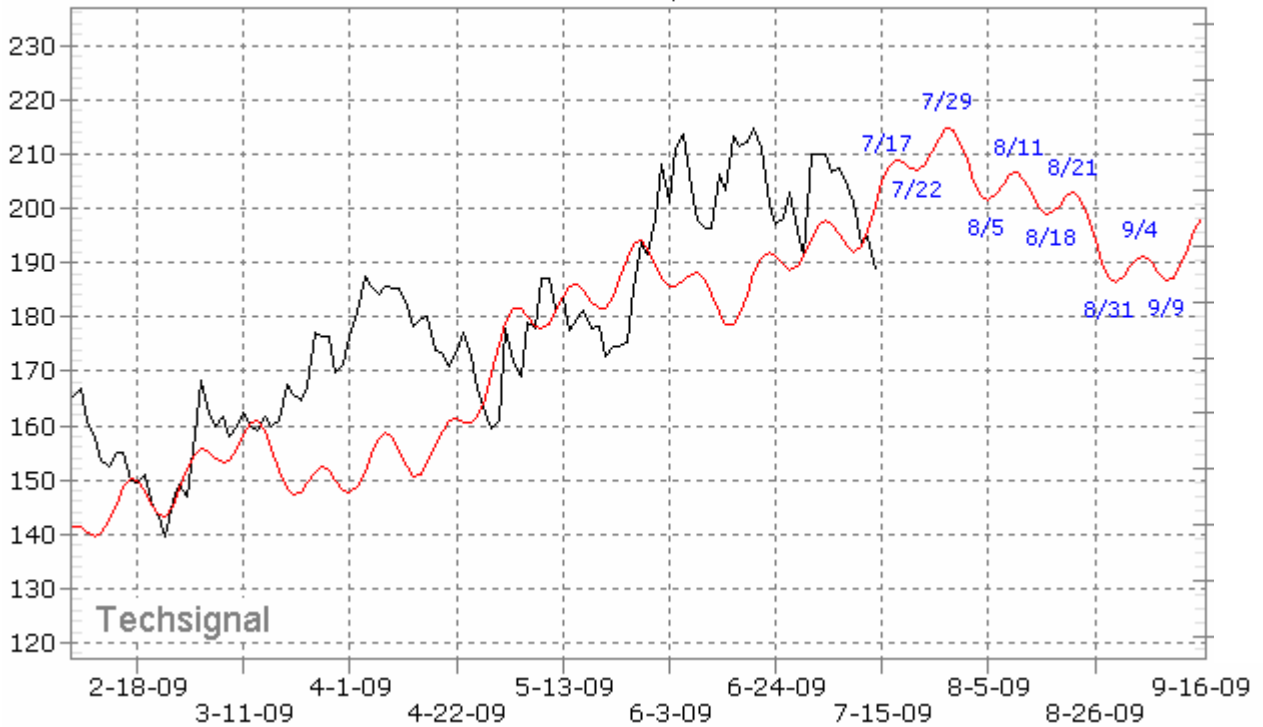
# Daily Orange Juice

Orange Juice Cadj Li 10  
Daily



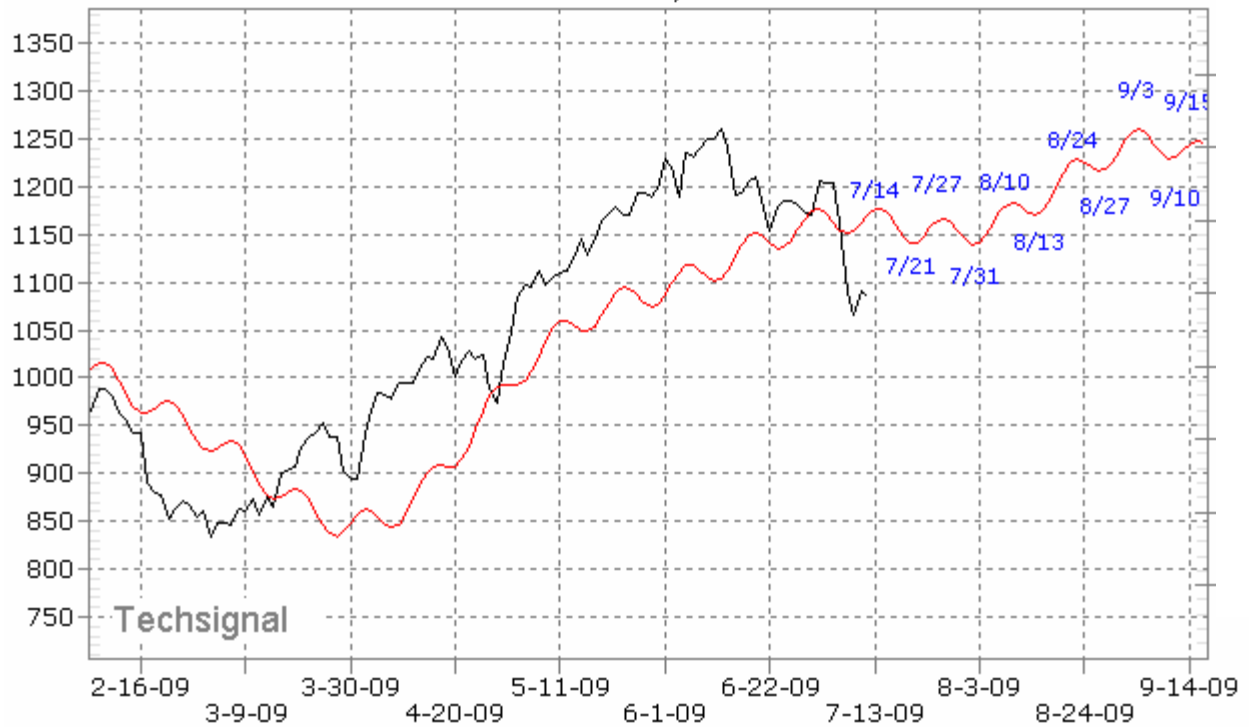
# Daily Lumber

Lumber Cont 1st LB  
Daily



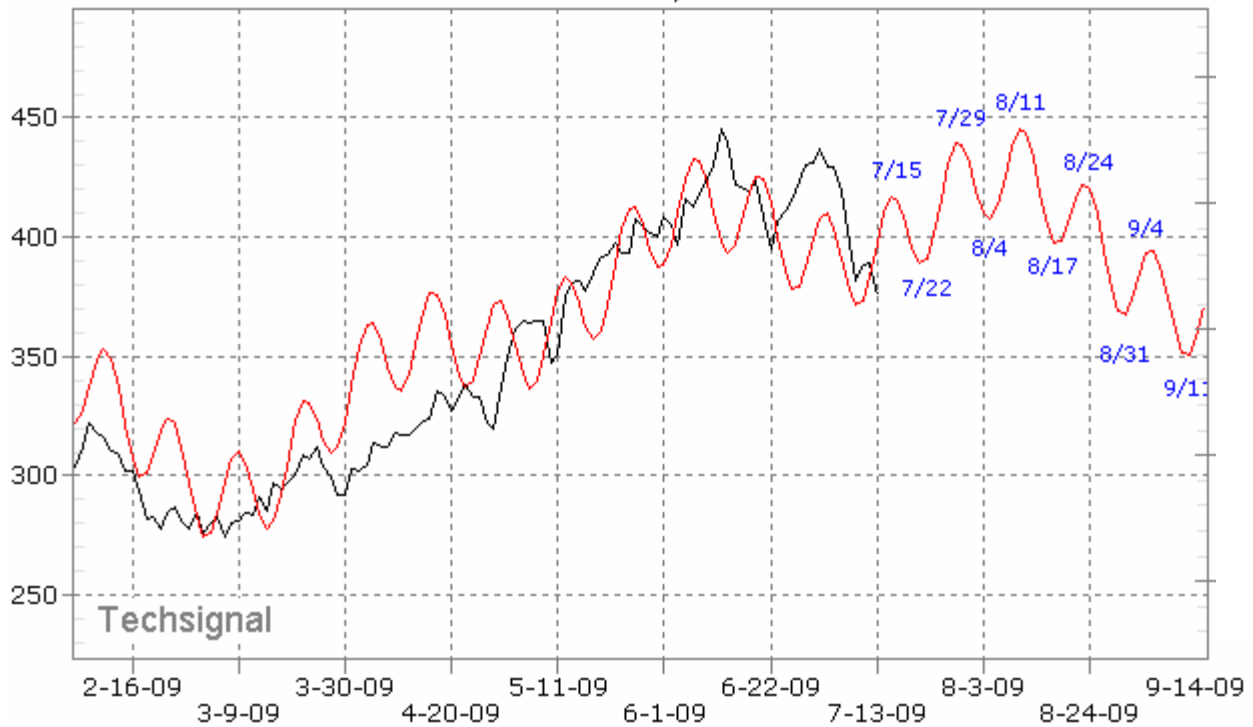
## Daily Soybeans

Soybeans CBT (Pit) C S  
Daily



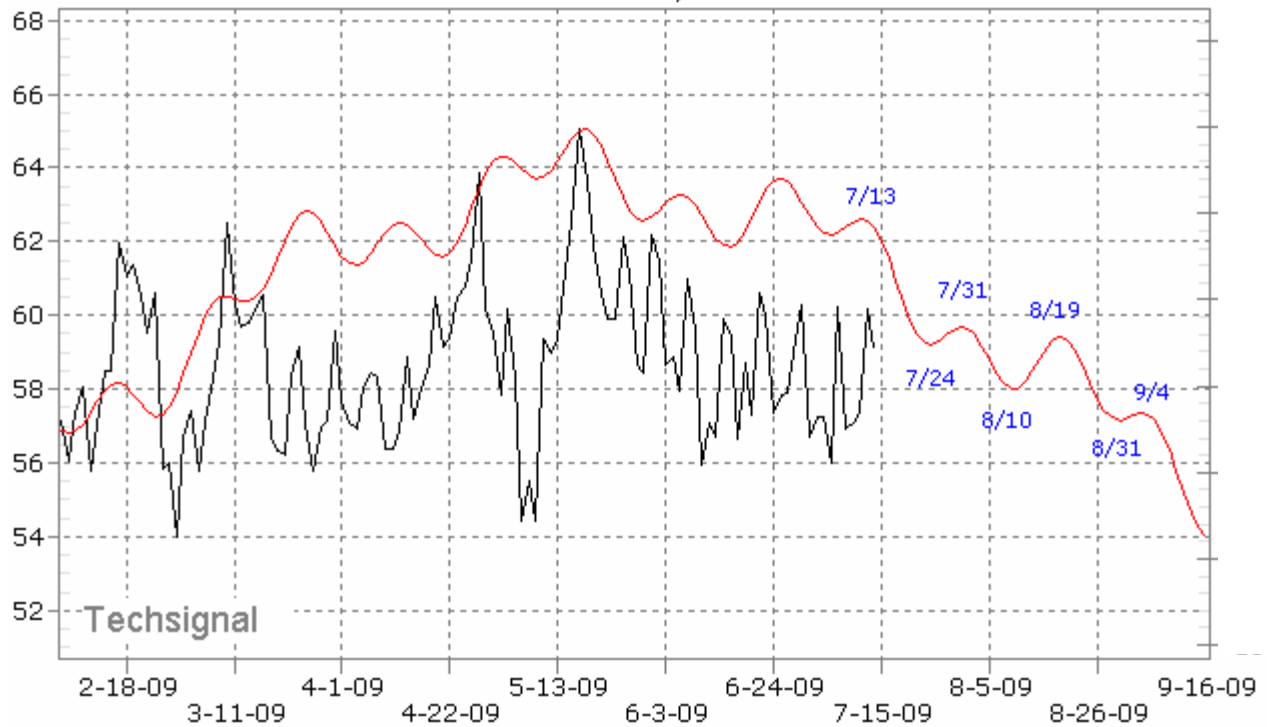
## Daily Soybean Meal

Soybean Meal (Pit) C SM  
Daily



## Daily Lean Hogs

Lean Hogs (Pit) Cash LH  
Daily



## Daily Live Cattle

Live Cattle Cash LC  
Daily

