



"...Let us run with patience the race that is set before us." Hebrews 12:1

by Eric S. Hadik

Focus: 5768 - CCC II

AN INSIIDE TRACK REPRINT

Focus 5768 **CCC II**

INSIIDE Track Reprint

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"...What has been will be again, what has been done will be done again; there is nothing new under the sun. Is there anything of which one can say, "Look! This is something new"? It was here already, long ago; it was here before our time.

There is no remembrance of men of old, and even those who are yet to come will not be remembered by those who follow."

Ecclesiastes 1:9-11
(New Int'l Vers. ©1986)

Focus: 5768 - Cotton, Coffee & Commodities II

(9/13/2007 - 9/29/2008)

December 2008 - The Jewish Year of **5768 (2007/2008)**; the focus of these reports), is complete but many things are only just beginning. A major bull market in commodities - projected to see one phase in **2007--2008** and the next phase in **2009--2011** - is one of those.

The past 12-18 months have fulfilled much of what was projected for this time frame, including the Dollar breaking to 40+-year lows and commodities - including Cotton, Coffee & Crude - entering a new bull market in the second half of 2007. Much has transpired since the preceding Report (**Focus 5768 - CCC**; Sept. 2007), almost all of which sets the stage for another surge in commodities, beginning in 2009. One of the most important was the published analysis for a **March 2008** (1-2 year) top in many of these markets.

The following is a collection of 2008 analysis that points to impending bottoms in many commodities (**late-2008** in many markets & **early-2009** in Coffee) followed by new bull markets into **2010** and beyond. These excerpts are divided similar to how they were in 2007...

COTTON:

01/31/08 **INSIIDE Track** - "**Cotton** confirmed that it is in the next phase of an ongoing, expected 2-year surge in prices. However, it surged to its monthly & weekly LHR in January, indicating that a 2-3 month top could be imminent. The next important cycle is in mid-March..."

02/28/08 **INSIIDE Track** - "**Cotton** gave further confirmation that it remains in an ongoing, projected 2-year surge. It could stretch this advance into mid-March, when a 14-16 week low-low-low-high & a 44-45 week low-low-high Cycle Progression come into play."

03/29/08 **INSIIDE Track** - "**Cotton** fulfilled multi-month and/or multi-year upside objectives & could see a sharp correction into late-April/early-May. With many commodities at a crossroads, I want to examine some individually and place the current action into the context of long-term & intermediate-term cycles & expectations... beginning w/Cotton..."

"Cotton has powerfully validated expectations for a surge above 84.80/CT, at which point a major top was expected. Cotton did this while also fulfilling a a 14-16 week low-low-low-high and a 44-45 week low-low-high Cycle Progression in March 2008. As explained previously, this was likely to create "a top that holds for many months, potentially through 2008.""

04/30/08 **INSIIDE Track**

Cotton rallied throughout 2007, set intervening lows in mid-August & mid-November and then surged above 84.80/CTZ during the convergence of a 14-16 week low-low-low-high and a 44-45 week low-low-high Cycle Progression in March. This should be a top that holds for many months, potentially through 2008."

04/30/08 **INSIIDE Track** - "**Cotton** has powerfully validated expectations for a surge above **84.80/CT**, at which point a major top was expected. Cotton did this while also fulfilling a a 14-16 week low-low-low-high and a 44-45 week low-low-high Cycle Progression in March 2008. As explained previously, this was likely to create "a top that holds for many months, potentially through 2008."

Cotton still needs a weekly close below **70.00/CTN** to confirm a 3-6 month top, which would project a drop into **June 2008**.

Last month, I featured the longer-term cycles & expectations in Cotton to demonstrate why I expected a major cycle high in Commodities in/around March 2008. Another of these markets is **Coffee**, which - since May 2007 - was projected to rally into the next phase of a very consistent 5-month & 10-month Cycle Progression."

05/29/08 **INSIIDE Track** - "**Cotton** has added reinforcement to the long-term outlook, by breaking below key support. For over a year, Cotton was forecast to surge (from the high 40's/low 50's, where it was trading at that time) to new multi-year highs above **84.80/CT**.

A key intermediate cycle (convergence of cycles) in that bull market - one of the periods when a top is most likely - came into play in **March 2008**, when a 14-16 week low-low-low-high and a 44

-45 week low-low-high Cycle Progression aligned together.

This was projected to create "a top that holds for many months, potentially through 2008."

Cotton spiked above **84.80/CT** - during that cycle - and has since turned its intra-year trend down by giving a weekly close below **70.00/CTN**. As a result, Cotton has confirmed that at least a 3-6 month top is in place... and potentially a much higher-degree top.

An initial decline into **June 2008** was projected, and is close to reaching fruition. This could stretch into the opening days of July, perpetuating a 30-week low-low-low-low Cycle Progression that has connected several intermediate lows"

06/30/08 **INSIIDE Track** - "**Cotton** fulfilled its 2007/2008 expectations for a surge from the high 40's/low 50's to new multi-year highs above **84.80/CT**. It completed this 6-12 month advance in March 2008, when a 14-16 week low-low-low-high and a 44-45 week low-low-high Cycle Progression converged and was projected to create "a top that holds for many months, potentially through 2008."

Cotton was then forecast to decline into **June 2008**. It did this and has since turned higher. Cotton has a 22-24 month cycle that comes into play between **June - August 2008** and is expected to pinpoint another major low. This could usher in a new advance that lasts into **early-2010**. The first sign that this bottom is already intact would be a weekly close above **80.00/CTV**. Until that occurs, Cotton has the potential to spike back down to its recent lows"

07/31/08 **INSIIDE Track** - "Overall, **Commodities** are also adhering to the **17-Year Cycle** and this longer-term cycle should be used as a backdrop for many of these markets. I have already described the application of this cycle in the Coffee market, which had Major lows in 1975 & 1992 - exactly **17 Years** apart.

17 Years later is **2009...** and could be another Major low. Major peaks were set in Coffee in 1977 & 1994 - exactly **17 Years** apart. **17 Years** later is **2011...** and could be another Major high. The respective mid-points - 8.5 years from the 1992 & 1994 turning points - reinforce these possibilities...

Cotton maintains a 22-24 month cycle that comes into play between **June - August 2008** and is expected to pinpoint another major low. This could usher in a new advance that lasts into **early-2010**. The first sign that this bottom is already intact would be a weekly close above 80.00/CTV. Until that occurs, Cotton has the potential to spike back down to its recent lows."

08/29/08 **INSIIDE Track** - "**Cotton** did spike down to recent lows and could still drop lower into **early-September**. This will remain the case until a weekly close above **72.50/CTV**."

09/30/08 **INSIIDE Track** - "**Cotton** is in the process of completing a 15-week high-high-low Cycle Progression that projects focus forward - to **mid-January 2009** - as a crucial cycle. That time frame is not only the next phase of this 15-week cycle but is also a 45-week and a 90-week cycle

"Last month, I featured the longer-term cycles & expectations in Cotton to demonstrate why I expected a major cycle high in Commodities in/around March 2008. Another of these markets is Coffee..."

04/30/08 **INSIIDE Track**

from the two major turning points of the past 18 months.

The month of January is also the next phase in a 10-month Cycle Progression. The weekly trend will determine whether this is more likely to be a secondary high or a multi-year low.”

10/30/08 **INSIIDE Track** - “Cotton remains negative and blew right through a 15-week high-high-low Cycle Progression in early October. This does not, however, diminish the cyclic focus on **mid-January 2009** when a 45-week and 90-week cycle - from the two major turning points of the past 18 months - comes into play.

The month of **January** is also the next phase in a 10-month Cycle Progression. The interesting thing is that Cotton could see a rebound into **January**... followed by a new decline. This would be reinforced if it set a low now - the mid-point of an ongoing 33-34 month low-low-low Cycle Progression.”

“Cotton dropped to its first level of multi-year support - around 42.00/CT - and is rebounding. This fulfills downside price expectations...”

12/01/08 **INSIIDE Track**

12/01/08 **INSIIDE Track** - “Cotton dropped to its first level of multi-year support - around **42.00/CT** - and is rebounding. This fulfills downside price expectations, which leaves open the possibility for a rebound into mid-January 2009, when a 30-week, 45-week and 90-week cycle converge. The month of January is also the next phase in a 10-month Cycle Progression. There are some arguments that January could be a low (which would create 3 consecutive, 10-month declines of 35.00 or more basis points this decade), so price action is key.”

...Downside Price Expectations Fulfilled; Multi-Year Bottom Imminent

COFFEE:

01/31/08 **INSIIDE Track** - “Coffee has initially validated the 1-2 month outlook for higher prices and a rally above **144.10/KCH**. However, it needs a weekly close above **137.00/KCH** to confirm this. An intermediate top could be seen in the coming days - coinciding with the 90-degree (day) anniversary of the Nov. 2nd low and the 270-degree anniversary of the early-May 2007 low.

02/28/08 **INSIIDE Track** - “Coffee confirmed the 1-2 month outlook for higher prices and a rally above **144.10/KCH**. Geometric, intermediate cycles focus attention on early-May for an important, multi-week turning point. However, a 10-month low-low-low-high Cycle Progression and a 5-month low-high-low-high-high Cycle Sequence focus on March 2008 for a multi-month top.”

“Coffee confirmed the 1-2 month outlook for higher prices and a rally above 144.10/KCH...a 10-month low-low-low-high Cycle Progression and a 5-month low-high-low-high-high Cycle Sequence focus on March 2008 for a multi-month top.”

02/28/08 **INSIIDE Track**

04/30/08 - “Last month, I featured the longer-term cycles & expectations in Cotton to demonstrate why I expected a major cycle high in Commodities in/around March 2008. Another of these markets is Coffee, which - since May 2007 - was projected to rally into the next phase of a very consistent 5-month & 10-month Cycle Progression...”

Coffee surged into March 2008 and completed a 10-month low-low-low-high Cycle Progression and a 5-month low-high-low-high-high Cycle Sequence and has already seen a sharp correction. However, this drop could continue into May, the 1-year/360-degree anniversary of its May 2007 low.”

“Coffee has major cycles converging in 2009...Another cycle that focuses on the same time frame is a 4-year high-low-low Cycle Progression - connecting the 1997 peak, 2001 low and 2005 low - that is expected to generate another low in 2009... 4 years after the 2005 low”

04/30/08 **INSIIDE Track**

05/29/08 **INSIIDE Track** - **“Coffee** - on a 1-2 year basis - fulfilled its cycle expectations by surging into **March 2008**, when a 10-month low-low-low-high Cycle Progression and a 5-month low-high-low-high-high Cycle Sequence came into play.

It quickly reversed lower and has declined - on balance - ever since. On a 3-6 month basis, this decline could carry into mid-July and potentially into August, based on the intervening price action. A drop to **118.00/KC** appears likely and could help determine when a 2-3 month low is most likely. Looking out a little farther...

On a 3-5 year basis (see discussion on page 5), Coffee has major cycles converging in **2009**. These are more likely to create a multi-year low, but the intervening action needs to corroborate. Another cycle that focuses on the same time frame is a 4-year high-low-low Cycle Progression - connecting the 1997 peak, 2001 low and 2005 low - that is expected to generate another low in **2009... 4 years after the 2005 low”**

06/30/08 **INSIIDE Track** - **“Coffee** fulfilled cycle expectations by surging into March 2008, when a 10-month low-low-low-high Cycle Progression and a 5-month low-high-low-high-high Cycle Sequence came into play. On a 3-5 year basis, Coffee has major cycles converging in **2009** (which could have something to do with volcano & weather cycles in S. America). These are more likely to create a multi-year low, but intervening action needs to corroborate.

Another cycle that focuses on the same time frame is a 4-year high-low-low Cycle Progression - connecting the 1997 peak, 2001 low and 2005 low - that is expected to generate another low in **2009... 4 years after the 2005 low**.

Interestingly, Coffee is showing signs of a **17-Year Cycle**... that recurs in **2009**. Coffee set major lows in 1975 & 1992... exactly **17 Years** apart. It also set major peaks in 1977 & 1994 (**17 Years** apart) with an intervening, multi-year peak at the mid-point in 1986 (approximately 8.5 years from each peak).

Since the 1992 low, Coffee set an even lower low in 2001, just past the 8.5 year mark. All these factors point to a Coffee low in **2009...(17 & 34 Years** from the 1975 & 1992 lows & 8.5 years from the 2001 low) followed by a surge into **2011 (17 & 34 Years** from the 1977 & 1994 peaks).”

07/31/08 **INSIIDE Track** - “Overall, **Commodities** are also adhering to the **17-Year Cycle** and this longer-term cycle should be used as a backdrop for many of these markets. I have already described the application of this cycle in the **Coffee** market, which had Major lows in 1975 & 1992 - exactly **17 Years** apart. **17 Years** later is **2009...** and could be another Major low. Major peaks were set in Coffee in 1977 & 1994 - exactly **17 Years** apart. **17 Years** later is **2011...** and

could be another Major high. The respective mid-points - 8.5 years from the 1992 & 1994 turning points - reinforce these possibilities...

Coffee remains on track for a potential decline into **2009**, based on the **17-Year Cycle** & a 4-year Cycle Progression. August 2008 & January 2009 are the next phases of Coffee's 5-month & 10-month cycles and could produce intervening highs."

"Coffee remains on track for a significant low in 2009, based on the 17-Year Cycle & a 4-year Cycle Progression. January 2009 is the next phase of Coffee's 5-month & 10-month cycles..."

10/30/08 **INSIIDE Track**

08/29/08 **INSIIDE Track** - "Coffee remains on track for a significant low in **2009**, based on the **17-Year Cycle** & a 4-year Cycle Progression, while also leaving open the potential for an important high in January 2009 (the next phases of Coffee's 5-month & 10-month cycles). It would take a weekly close above **160.00/KCZ** to signal a new rally."

09/30/08 **INSIIDE Track** - "Coffee remains on track for a significant low in **2009**, based on the **17-Year Cycle** & a 4-year Cycle Progression. **January 2009** is the next phase of Coffee's 5-month & 10-month cycles but I am uncertain as to what to expect at that time. If Coffee gives a weekly close below **125.00/KCZ**, it would turn the outlook negative into **October 20-24th** and potentially into **January**."

10/30/08 **INSIIDE Track** - "Coffee remains on track for a significant low in **2009**, based on the **17-Year Cycle** & a 4-year Cycle Progression. **January 2009** is the next phase of Coffee's 5-month & 10-month cycles but I am uncertain as to what to expect at that time. Coffee did decline into **October 20-24th** - in line with near-term cycles discussed last month - and could still see another drop into **January**... IF it does not turn its weekly trend up.

12/01/08 **INSIIDE Track** - "Coffee appears to be in the final stage of a '3' or 'c' wave decline that should include one more drop to new lows. This could take Coffee as low as **98.00 - 101.35/KC**, but should be complete by/around **mid-December**, when multiple intermediate cycles converge. A subsequent rebound into **January** is expected.

On a larger scale, **2009** remains the year when a MAJOR low is expected. Major support comes into play around **84.45 - 90.75/KC** - the '4th wave of lesser degree', on a monthly chart."

5 & 10-Month Cycle Progressions Focused on Dec. 2008/Jan. 2009!

MAJOR Bottom Expected in 2009 with Initial Support at 98.00--101.35/KC; New 1-3 Year Bull Market Should Follow!

COMMODITIES/CRUDE:

04/30/08 **INSIIDE Track** -- "Inflation Bull Market Update

Gold, Silver & Crude Oil have fulfilled most of what has been projected - since 1998 - 2001 - for a major bull market into 5768 (2007/2008). They, and many commodities, have also fulfilled most or all of what was forecast in the first half of 2007 - for a new surge into

early-2008. As a result, I expect to see consolidation and retracements in many of these markets... before they enter what is still expected to be another surge - into 2011/2012."

04/30/08 **INSIIDE Track** - "The Energy Complex is in the midst of a decisive time, based on long-term cycles, wave projections and timing indicators. These cycles projected a breakout higher and an accelerated advance, beginning in September 2007.

As stated in July 2007, Heating Oil & Unleaded Gas were completing a major 'flat' correction that usually leads to much higher levels, thereafter.

Sure enough, the breakout came on schedule and the Sept. 22, 2007 **Weekly Re-Lay** best sums up the timing for a major peak:

"Longer-term cycles peg March/April 2008 as the likely time for a multi-year peak."

Crude Oil has finally reached its major, upside wave objective - at **115 - 118.00/CL** - while Heating Oil & Unleaded Gas are initially topping just below their corresponding targets. The **17-Year Cycle & Energy Report** elaborated on this analysis, reinforcing why a major top could be seen at any time."

05/29/08 **INSIIDE Track** - "The Energy Complex has fulfilled - and exceeded - what was projected for this initial phase of a new bull market (from 2007 into **2011/2012**). So, it is ripe for a top BUT has not yet signaled it.

Cycles in Unleaded Gas & Natural Gas (and a daily cycle in Heating Oil) were elaborated in the **17-Year Cycle & Energy II Report** and are already showing signs of taking hold. However, it would take weekly closes below **120.61/CLQ**, **3.0711/RBQ** & **3.5729/HOQ** to signal that an intermediate top is intact."

07/01/08 **INSIIDE Track** - "The Energy Complex has exceeded what was projected for this initial phase of a new bull market (from 2007 into **2011/2012**), except for the upside targets in Unleaded Gas. The first upside-breakout target and a major Elliott Wave objective come into play at **3.5745 - 3.6250/RB**. This range was just tested in the August (front) contract and could produce a top."

07/31/08 **INSIIDE Track** - "Overall, **Commodities** are also adhering to the **17-Year Cycle** and this longer-term cycle should be used as a backdrop for many of these markets. I have already described the application of this cycle in the **Coffee** market, which had Major lows in 1975 & 1992 - exactly **17 Years** apart. **17 Years** later is **2009...** and could be another Major low. Major peaks were set in Coffee in 1977 & 1994 - exactly **17 Years** apart. **17 Years** later is **2011...** and could be another Major high. The respective mid-points - 8.5 years from the 1992 & 1994 turning points - reinforce these possibilities..."

The Energy Complex surged to new highs into July 2008, the 2-year anniversary of its July 2006 peak and the completion of 180, 360 & 540-degree moves from the January 2008 low, July 2007 peak and January 2007 low. A 3-6 month (minimum) top is expected, but must be confirmed by a reversal in the weekly trends.

From a price perspective, Unleaded Gas surged right to its first upside-breakout target and a major Elliott Wave target - a combination of 1-2 year price objectives - at **3.5745 - 3.6250/RB**. This range was projected to pinpoint a multi-month top and may have just accomplished that task."

08/29/08 **INSIIDE Track** - "The Energy Complex has dropped sharply from its July 2008 highs, which fulfilled geometric cycles of 180, 360 & 540 & 720 degrees. That peak also fulfilled a major Elliott Wave & 1-2 year upside-breakout target in Unleaded Gas - at **3.5745 - 3.6250/RB** - that was forecast to pinpoint a multi-month top...Crude Oil could ultimately test its intra-year lows - around **86.00/CL**."

09/30/08 **INSIIDE Track** - "Energy markets have dropped sharply from the July 2008 highs, which fulfilled multiple geometric cycles & a major Elliott Wave/1-2 year upside-breakout target in Unleaded Gas - at **3.5745 - 3.6250/RB**. Crude is still expected to drop to **86.00/CL** with Unleaded Gas targeted for **2.4000** & possibly **1.8400/RB**."

10/31/08 **INSIIDE Track** - "Energy markets continue to plummet, confirming the cycle highs in July 2008 and maintaining focus on the next, related cycle in **January 2009**. Crude has major support at **55.00 - 56.00/CL** while Unleaded Gas has similar support at **1.3900 - 1.4650/RB** & Heating Oil at **1.5700 - 1.5860/HO**."

12/01/08 **INSIIDE Track** - "Energy markets continue to plummet, confirming the cycle highs in July 2008 and maintaining focus on the next, related cycle in **January 2009**. Crude has multi-decade support (previously resistance) around **40.00/CL** that could ultimately be tested."

*This is the end of the reprints from January -- December 2008 INSIIDE TRACK newsletters. It updates the overall outlook for this time period - **late-2007** into **late-2008** - to usher in a new and accelerated phase of events (including price inflation) into **2011/2012**. **Early-2009** should trigger the next moves in Cotton, Coffee, Crude & most commodities. See **FOCUS 5768** & **17-YEAR CYCLE REPORTS** for corresponding analysis. IT*

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