



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

*by Eric S. Hadik*

# **Cattle Bull III: Next Stop: 2014/2015 Peak**

**An INSIIDE Track Cattle/Hogs Analysis Recap**

## **Cattle Bull III**

*Cattle/Hogs Analysis Recap*

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## **3-Year Cycle Low in 2012;**

**'Strong Rally' on Horizon?**

**July 2013** - Cattle & Hogs have been closely adhering to the 3--6 year outlook discussed in 2009 and reiterated since then. The foundation of this analysis has been a *3-Year Cycle* in Cattle (and its 6-year & 12-year multiples) that was forecast to prompt a rally from 2009 into 2011 and then from **2012** into **2015**. There are many corroborating cycles - stretching all the way up to a *40-Year Cycle* - that dovetail with this analysis.

Livestock have also followed the 3-6 month outlooks, anticipating a **mid-2012** low in Cattle and an **August 2012** low in Hogs. Cattle were projected to rally into **late-2012**, soon after which they generated a 1--3 month sell signal. Overlapping that, Hogs were expected to retest their lows in **1Q 2013** - when a Major bottom was anticipated.

They have done all this and Hogs have already confirmed expectations for a Major advance. Cattle could do the same in the near future. And that would again validate the overall outlook for a surge into **2014/2015** (bubble?) - at which time a multi-year peak is expected.

The following is a compilation of analysis that has been published in *INSIIDE Track* since the beginning of **2013**, setting the stage for the next wave up - into what could be an inflationary crescendo. It is republished here to bring newer readers up to speed, to prepare for a momentous 2-3 year period:

**01/05/13** - *"Live Cattle fulfilled projections for 'a subsequent cycle high in mid-December' - rallying into and topping on December 19th. As stated last month, Cattle is near the upper end of its trading range and near the upper end of its expected gains. As a result, traders should be starting to look for signs of a reversal lower in December. The weekly 21 MACs could give an early indication - of new weakness - if Cattle drops below 130.70/LCG (134.60/LCJ) in the coming weeks.*

*1--3 month traders can sell April Live Cattle futures at current levels and average in up to 138.00/LCJ. Place buy stops at 140.32 OCO two consecutive daily closes above 138.00/LCJ.*

Lean Hogs have consolidated since rallying into **Nov. 21/23rd**, when geometric cycles converged. That cycle high was linked to the Feb 21st peak and the Aug. 23rd low (270 & 90 degrees prior to **Nov. 21/23**) and completed a 50% rebound of that 6-month decline. It also reinforced - with another 90-degree cycle turning point - the myriad of cycles converging next month...

Hogs are still poised to set a major bottom in **early-2013** - ideally in **Feb. 2013**.

A 42--44 month low (Jan. 1999)--low (Sept. 2002)--low (Feb. 2006)--low (Aug. 2009)--low? Cycle Progression reaches fruition in **Feb.--April 2013**, a 7-year low (Jan. '99)-low (Feb. '06)-low Cycle Progression reaches fruition in **Jan--March 2013** and a 180-degree high (Feb. 13--24, 2012)--low (Aug. 20--24, 2012)-- low Cycle Progression should create a low in **mid-to-late-Feb. 2013**.

However, this scenario must be confirmed - with a weekly close below **88.02/LHJ** - in the coming weeks."

**01/30/13** - "Live Cattle dropped sharply after fulfilling projections for 'a subsequent cycle high in **mid-December**' and then turning its weekly **21 MAC** down. It has neutralized its weekly uptrend but needs a weekly close below **129.35/LCJ** (ideally before a weekly close above **133.95/LCJ**) to turn this trend to down and confirm a multi-month top.

The next decisive cycle is in **late-March**, with an intervening intermediate cycle coming into play in **late-February**.

1--3 month traders should have sold April Live Cattle futures at an avg. of about 136.50 and should be holding these w/avg. open gains of about \$1,200/contract. Move buy stops to 135.72 OCO a weekly close above 133.95/LCJ.

Lean Hogs have been moving gradually lower since rallying into **Nov. 21/23rd** and fulfilling multiple geometric cycles.

That cycle high was linked to the Feb 21st peak and the Aug. 23rd low (270 & 90 degrees prior to **Nov. 21/23**) and completed a 50% rebound of that 6-

month decline. It also reinforced - with another 90-degree cycle turning point - the myriad of cycles converging in **February 2013**... most synergistic around **February 22/25th**.

Hogs have been expected to set a major bottom in **early-2013** - ideally in **Feb. 2013**.

A 42--44 month low (Jan. 1999)--low (Sept. 2002)--low (Feb. 2006)--low (Aug. 2009)--(low?) Cycle Progression reaches fruition in **Feb.--April 2013**, a 7-year low (Jan. '99)-low (Feb. '06)-low Cycle Progression reaches fruition in **Jan--March 2013** and a 180-degree high (Feb. 13--24, 2012)--low (Aug. 20--24, 2012)-- low Cycle Progression should create a low (at least an intermediate low) in **mid-to-late-Feb. 2013**.

In order for a major low to occur, Hogs should spike to new 6-month lows (below **84.02/LHJ**). Price action is crucial in determining if a **Feb.** low is in fact the anticipated major low... or a low preceding the major low.

Since the monthly & yearly cycles could stretch a major bottom as late as **April** (and are not as precise as the weekly cycles), price action needs to confirm that a major bottom is a high probability."

**02/28/13** - "Live Cattle finally turned its weekly trend to down and is poised to see a 2-4 week bounce before the next (expected) leg down. A 12-week low-high-(high) Cycle Progression - and a 6-week low-low-high-high-(high) Cycle Progression - come into play on **March 11--15th** and could time an intervening top.

1--3 month traders should be short April Live Cattle futures from an avg. of about 136.50 and should be holding these w/avg. open gains of about \$2,400/contract. Exit 1/2 of these now and move buy stops - on the remaining 1/2 - to a daily close above 133.70/LCJ.

Lean Hogs have fulfilled projections for a drop into **late-February** that would fulfill multiple cycles.

For starters, this is linked to the **Nov. 21/23** high, Aug. 23rd low & the Feb 21, 2012 peak. In the process, they dropped to extreme support - their

monthly HLS - signaling that a mult-quarter bottom should take hold in the ensuing months.

Hogs have been expected to set a major bottom in **early-2013** - ideally in **late-Feb. 2013**.

A 42--44 month low (Jan. 1999)--low (Sept. 2002)--low (Feb. 2006)--low (Aug. 2009)--(low) Cycle Progression reaches fruition in **Feb.--April 2013**, a 7-year low (Jan. '99)--low (Feb. '06)--low Cycle Progression reaches fruition in **Jan--March 2013** and a 180-degree high (Feb. 13--24, 2012)--low (Aug. 20--24, 2012)-- low Cycle Progression should create a low (at least an intermediate low) in **mid-to-late-Feb. 2013**.

Hogs have done what was necessary (dropping to new 6-month lows) to initially fulfill these cycles, but price action must now validate cycles - with a reversal higher.

Since the monthly & yearly cycles could stretch a major bottom as late as **April** (and are not as precise as the weekly cycles), price action needs to confirm that a major bottom is taking hold. At the very least, it would take a weekly close above **84.25/LHJ** to give the first sign of this."

**03/28/13** - "Live Cattle dropped into **March 19th** - exactly 90 days/degrees from its **Dec. 19/20th peak**. As stated in the **Nasdaq 2013 Report**, this was when an initial bottom was anticipated and it prompted partial profit-taking on the sell signal/short positions from early-January.

Cattle has since rebounded and turned its daily trend up, signaling that (at least) a 2-4 week bottom is intact. Additional upside is expected in **early-April...** that could extend through the month.

1--3 month traders should be short a 1/2-sized position in June Live Cattle futures (having just rolled from the April contract) from an avg. equivalent of about 132.00 and should be holding these w/ avg. open gains of about \$3,050/contract. Exit this 1/2 on the open.

The other 1/2 should have been exited on March 19th w/avg. gains of about \$4,200/contract.

Lean Hogs spiked to new lows in **March** but

closed the month back above the **February** lows. These lows have fulfilled longer-term analysis and expectations for a major bottom in **early-2013**.

A 42--44 month low-low-low-low-(low) Cycle Progression reaches fruition in **Feb.--April 2013** and a 7-year low-low-(low) Cycle Progression reaches fruition in **Jan--March 2013**, which were reinforced by a ~180-degree high-low-(low) Cycle Progression.

Hogs now need, at the very least, a weekly close above **92.10/LHM** to signal an intermediate reversal."

**04/30/13** - "Live Cattle has consolidated since bottoming in **mid-March**. It is entering a decisive period when the daily **21 MACs** and intermediate cycles could clarify the 1-2 month outlook. For now, look for continued consolidation with the **March 19th** low providing important support.

1--3 month traders should have been short June Live Cattle futures from an avg. equivalent of about 132.00 (sell signal in early-January) and should have exited 1/2 of these around 124.00/LCM w/avg. gains of about \$3,200/contract.

The other 1/2 should have been exited on March 19th w/avg. gains of about \$4,200/contract - resulting in an overall avg. gain of about \$3,700/contract for the entire position.

Lean Hogs have rallied since spiking to new lows in **March** and then quickly reversing higher while fulfilling longer-term analysis and expectations for a major bottom in **early-2013**.

A 42--44 month low-low-low-low-(low) Cycle Progression reached fruition in **Feb.--April 2013** and a 7-year low-low-(low) Cycle Progression reached fruition in **Jan--March 2013**, which were reinforced by a ~180-degree high-low-(low) Cycle Progression.

Hogs triggered an intermediate buy signal in **mid-April** (~88.90/LHM) and should see a near-term surge to **94.00+/LHM**. The weekly trend needs to turn up - which cannot occur until **May 10th**, at the earliest - in order to escalate this rebound to a higher-degree advance."

**05/31/13** - "Live Cattle continued lower but is expected to hold its **May 17/20th** low - the completion of a ~60-degree low-low-(low) Cycle Progression that was fulfilled while Cattle tested and held its weekly HLS. Some consolidation - from **118--125/LCQ** - could be seen in the coming month(s).

Lean Hogs have continued to validate expectations for a major bottom in **Feb./Mar. 2013** - the convergence of a 42--44 month low-low-low-low-(low) Cycle Progression, a 7-year low-low-(low) Cycle Progression and a ~180-degree high-low-(low) Cycle Progression.

In **mid-May**, they perpetuated a 3.5 week & 7-week cycle and were expected to enter a new advance. This has taken hold but could prompt an intermediate high in the coming week."

**06/29/13** - "Live Cattle did hold its **May 17/20th** low - the completion of a ~60-degree low-low-(low) Cycle Progression - and has validated expectations for consolidation between **118--125/LCQ**.

If it can set a higher low in **mid-July** (the next phase of that ~60-degree cycle), Cattle could see a strong rally after that.

Lean Hogs have surged to near **100.00/LHQ** - adding further confirmation to expectations for a major bottom in **Feb./Mar. 2013** - the convergence of a 42--44 month low-low-low-low-(low) Cycle Progression, a 7-year low-low-(low) Cycle Progression and a ~180-degree high-low-(low) Cycle Progression.

They now need a weekly close above **98.25/LHQ** to turn their intra-year trend up and confirm that a 6-month (or longer) bottom is intact." (End of excerpts from 2013 INSIIDE Tracks.)

**7-2013** - So, the stage is set... Cattle & Hogs are poised to enter the most important phase of their **3-Year, 6-Year & 12-Year Cycles** - leading into the culmination of a corroborating **40-Year Cycle**. All of these point higher into **2014** and potentially into **2015!**

And, the potential for an inflationary crescendo (bubble?) fits with expectations for a major Dollar shift from **late-2013** into **2016/2017...** and potentially into **2021**. Please refer to current issues of INSIIDE Track and/or the **Weekly Re-Lay** for updated analysis. *IT*

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