



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

by Eric S. Hadik

# Focus: 5768 - CCC

AN INSIIDE TRACK REPRINT

## **Focus 5768 - CCC**

*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

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

Sept. '07 - For over a decade, we have focused on the Jewish Year of 5768 (2007/2008), expecting a time of MAJOR transition and in some cases, major culmination. Leading into this period, the Dollar has been forecast to break to 40+-year lows and commodities - including Cotton, Coffee & Crude - have been forecast to enter a new bull market in the second half of 2007. This dovetails with analysis presented in 2001, 2002, 2003 & 2004, projecting a major bull market in commodities, leading into 2008. The next stage is imminent.

The following is a collection of recent analysis that points to an impending surge... and potential highs in February-April 2008. The markets are poised for interesting times between now and early-2008 (see other reports on Dollar, Gold, Crude, etc. for corroborating analysis)...

01/31/07 **INSIIDE Track** - *"..One reason for this topic of discussion is as a prelude to analysis for major bull markets - in many commodities - beginning in the second half of 2007. I will begin to examine the cycles and technical analysis of specific commodities in the coming months."* [emphasis added] [www.insidetrack.com](http://www.insidetrack.com) IT

10-30-06 **INSIIDE Track** - As of a few years ago, data showed a 0.6 degree (6/10ths of 1 degree Celsius) rise in global temperatures over the past century. But, in the past 10-12 years - even more so in the past 5-6 years - record lows have been broken with increasing consistency. This makes even less sense in the midst of a 100-year warming trend.

During this warm-up, global crop production has continually increased and created agricultural prosperity not seen since around 1,000 AD (the last peak in warming). Earth celebrated its 6 billionth member in the midst of this catastrophe. Sounds like a good reason to roll back progress and see if we can return to the glory days of The Little Ice Age.

While we hear alarmists from every corner of the globe warning us about the dire ramifications - of the earth warming about a degree from a 500-year 'perma-frost' - not much mention is being given to the fact that major 'corners of the globe' are breaking the record lows of the past 100+ years. This means the only time these temps were hitting lower levels on the thermometer... was during the Little Ice Age.

***“My longer-term cycles in the Energy Complex and in the CRB (commodity index) point to another bull market from 2007 into 2011.”***

10/31/06 **INSIIDE Track**

And our major concern continues to be Global Warming? Just as buyers are the most bullish at the extreme top of a market, my guess is that all the Global Warmests are now on board... and the extreme top in global temperatures is at hand.

However, that is just my own speculation. I am not a meteorologist or a scientist. I study cycles. I do not doubt data that shows 100 years of moderate warming. It is how that data is extrapolated and projected into the future - with a complete ignorance or disregard for natural cycles that have governed Earth for thousands of years - that concerns me.

**There is more to this discussion, but let's take it down to a practical level. My longer-term cycles in the Energy Complex and in the CRB (commodity index) point to another bull market from 2007 into 2011.** While this could be triggered by more Middle East upheaval and heat combined with drought, what would be the least expected trigger?

One guess is record cold spells & early/late-frosts would be the biggest shocker. Heat & drought are weeks in the making and take a prolonged time to impact crops. A late or early frost can come with very little warning and destroy crops in a 12-hour period (overnight). So, which is more likely to catch traders and producers off-guard?" [emphasis added]

## **COTTON:**

10/31/06 **INSIIDE Track** - "**Cotton** remains in an overall downtrend and could extend this into Nov. 6 - 10th, setting a low 30, 60, 90 & 120 degrees (days) from recent turning points."

11/30/06 **INSIIDE Track** - "**Cotton** set a new low in November but needs to give a

weekly close above 54.50/CTH to confirm this. It has the potential to trigger a monthly key reversal higher (with a close above 53.09/CTH today), which would increase the argument for an intermediate low.”

01/03/07 **INSIIDE Track** - **“Cotton** reversed its weekly trend to up, reinforcing analysis for an intermediate low. If it can set an intervening low this week, Cotton would set the stage for a rally into late-January.



Cotton has traded between 47.00 - 57.00 for most of the past 2 1/2 years and has recently retested the high of this range. If it can give weekly and monthly closes above 57.75/CTH, Cotton would signal a major surge that ultimately should exceed 80.00/CT.”

01/31/07 **INSIIDE Track** - **“Cotton** has the potential for a very bullish move in 2007. However, it needs to give weekly & monthly closes above 57.50/CTK to confirm. Cotton has traded between 47.00 - 57.00 for most of the past 2 1/2 years but could turn its monthly & weekly 21 MACs higher by rallying above 58.00/CT in late- February. Ultimately, this would project a rally back to 80.00/CT.”

02/28/07 **INSIIDE Track** - **“Cotton** has the potential for a very bullish move in 2007. However, it needs to give weekly & monthly closes above 57.50/CTK to confirm.”

“If it can give weekly and monthly closes above 57.75/CTH, Cotton would signal a major surge that ultimately should exceed 80.00/CT.”  
 01/03/07 **INSIIDE Track**

05/30/07 **INSIIDE Track** - **“Cotton** is finally showing signs of reversing higher BUT needs a weekly close above 52.25/CTN to confirm. If this occurs, it would signal the first stage of what could be a 12-24 month bull market.”

06/28/07 **INSIIDE Track** - **“Cotton** reversed its weekly trend to up, signaling the first stage of what could be a 12-24 month bull market.

As discussed before, this advance is expected to ultimately take Cotton back to its 84.80/CT high. The next important cycle is in mid-August and is expected to identify an intervening low. Between now and then, Cotton could experience some additional gains before a correction takes hold.”

07/31/07 **INSIIDE Track** - **“Cotton** continues to reinforce analysis for a 1-2 year surge above 80.00/CT. It followed intermediate projections for a rally into mid-July followed by a multi-week consolidation. Cotton completed a 60-day/degree surge & tested monthly resistance

(66.25--67.55/CTV) leading into its mid-July peak... and then reversed lower.

...Looking ahead, Cotton has a geometric cycle pattern that would allow for a drop into mid-November 2007 (most likely, after another spike high). It has a 180-degree low-low-low (mid-May 2006--mid-Nov. 2006--mid-May 2007) Cycle Progression that could prompt one more low in the sequence... albeit a higher low.

Within that Cycle Progression, it also has a 90-degree low-high-low-low-low Cycle Sequence (mid-August 2006 high and mid-Feb. 2007 low added in) with its next focus on mid-August 2007.

**“Cotton** continues to reinforce analysis for a 1-2 year surge above 80.00/CT...Cotton has a geometric cycle pattern that would allow for a rally into mid-September and then a drop into mid-November 2007.”  
08-31-2007 INSIIDE Track

The distinction of mid-August being a high or low is, however, in question. The weekly trend pattern - combined with geometric cycles - leaves open the possibility that Cotton could see another wave up into mid-August (90 degrees from its May 14<sup>th</sup> low, 360 degrees from its August 2006 high and 540 degrees from its Feb. 2006 high). If this is to be the case, Cotton needs to close back above 64.50/CTV in the coming days. This would project a new rally up to 70.00/CTV, the intermediate LLH projection.”

08/31/07 **INSIIDE Track** - “**Cotton** continues to reinforce analysis for a 1-2 year surge above 80.00/CT. It followed intermediate projections for a rally into mid-July - completing a 60-day/degree surge & testing monthly resistance (66.25--67.55/CTV) at that time - followed by a multi-week consolidation. Looking ahead, Cotton has a geometric cycle pattern that would allow for a rally into mid-September and then a drop into mid-November 2007. This incorporates a 180-degree low-low-low (mid-May 2006--mid-Nov. 2006--mid-May 2007) Cycle Progression that could prompt one more low - a higher low - in the sequence.

Within that Cycle Progression, it also has a 90-degree low-high-low-low-low Cycle Sequence (mid-Aug. 2006 high & mid-Feb. 2007 low added in) that was focused on mid-August 2007. Cotton pulled back into Aug. 17<sup>th</sup>, reinforcing this cycle and increasing the potential for another important low in Nov. '07. For now, look for a rebound into mid-September and a test of 65.00/CTZ, possibly a spike up to 68.15 - 68.80/CTZ.”

...Mid-November 2007 = Next Key Cycle

## **COFFEE:**

02-28-07 **INSIIDE Track** - “**Coffee** remains in a weekly downtrend and is likely to extend this decline into the next occurrence of its 5-month cycle (and also a 10-month low-low-low Cycle Progression) in mid-May.”

03-29-07 **INSIIDE Track** - “**Coffee** remains in a weekly downtrend and is likely to extend this decline into the next occurrence of its 5-month cycle (and also a 10-month low-low-low Cycle Progression) in mid-May.”

04-30-07 - "**Coffee** remains on track for a decline into the next occurrence of its 5-month cycle (and also a 10-month low-low-low Cycle Progression) in mid-to-late-May. 98.00 - 100.90/KC is critical support."

05-30-07 **INSIIDE Track** - "**Coffee** set new lows in May, perpetuating its 5-month cycle and a 10-month low-low-low Cycle Progression. It needs a weekly close above 114.00/KCN to turn the weekly trend to up and confirm this cycle low. Until that occurs, there is the risk of another spike low."

06-28-07 **INSIIDE Track** - "**Coffee** turned its weekly trend to up, confirming the projected cycle low for May 2007. It is now retracing but should put in a low by early-July. 1-3 month traders can buy Sept. Coffee at current levels and average in down to 107.70/KCU. Place sell stops at 104.90/KCU."

"**Coffee** is following the scenario for the 2nd half of 2007...Until and unless Coffee gives a weekly close below 108.70/KCU, the outlook is positive."

07/31/07 **INSIIDE Track**

07-31-07 **INSIIDE Track** - "**Coffee** is following the scenario for the 2nd half of 2007, pulling back to support without reversing the weekly trend to down. Until and unless Coffee gives a weekly close below 108.70/KCU, the outlook is positive. 1-3 month traders should have bought Sept. Coffee down to 108.70/KCU (avg. entry of about 110.80) and be holding these w/avg. open gains of about \$1,200/contract. Move sell stops to 108.35/KCU. Roll into the December contract at the end of August."

08-31-07 **INSIIDE Track** - "**Coffee** surged to new highs and then pulled back. It could see a spike low and reversal higher in the first week of September. 1-3 month traders should have rolled long positions into Dec. Coffee (adjusted avg. entry of about 114.20/KCZ) and be holding these..."

**5 & 10-Month Cycle Progressions Focused on...  
mid-late-October 2007 & mid-late-March 2008!**

## **COMMODITIES/CRUDE:**

10-31-2006 **INSIIDE Track** - "My longer-term cycles in the Energy Complex and in the CRB (commodity index) point to another bull market from 2007 into 2011..."

7-28-2007 **Weekly Re-Lay:** "**Crude Oil** remains in an overall uptrend and is fulfilling analysis for a rally into (and potential high in) July 2007. From a price perspective, the majority of indicators still points to a surge to new highs..."

...From a longer-term perspective, there is an ongoing 18--19 month cycle that could produce another surge into January/February 2008...

...If Unleaded Gas does NOT set new lows, it would create a 27-week (slightly more than 180-degrees) low-low cycle that would project a rally into late-January/early-February 2008... dovetailing with cycles in Crude.

**Heating Oil** held support and is on track for a rally to new highs, leading into early-August. The troubling point about this market - as well as Unleaded Gas and Crude - is where they are sitting as we enter a potentially ominous cycle (Sept. 2007--Sept. 2008)... and where they sit within their overall wave structure.

Unleaded Gas & Heating Oil unfolded in what appears to be a major 'flat' correction from late-2005 into January 2007. If this is the correct perception, it means that much higher levels are in store during the next 12--24 months (potentially sooner)...If the wave structure turns out to be bullish - as most indications point to - it could easily result in a surge to 2.700 or higher in Unleaded Gas and to 2.500 or 3.000 in Heating Oil..."

8/04/2007 **Weekly Re-Lay** - "Crude fulfilled projections for a retest of its July 2006 peak and could see some consolidation before a new surge is expected...From a longer-term perspective, there is an ongoing 18--19 month cycle that could produce another surge into January/February 2008.

**If so, this surge would probably begin in the second half of September...This is precisely when the long-awaited year of 5768 begins** (and will be just a few days after the anniversary of 9/11). **This period could get off to a fast start...**" [emphasis added]

END REPRINT OF EXCERPTS FROM 2006 - 2007 INSIIDE TRACK NEWSLETTERS & WEEKLY RE-LAY UPDATES. THIS ANALYSIS REINFORCES THE SIGNIFICANCE OF SEPT. 2007 - SEPT. 2008 AND THE POTENTIAL FOR NEW BULL MARKETS IN MANY COMMODITIES TO COINCIDE WITH THE ONSET OF 5768. ULTIMATELY, THESE COULD/SHOULD EXTEND INTO 2011/2012. SEE FOCUS 5768, CYCLE OF TIME, GRAND ILLUSION & 17-YEAR CYCLE REPORTS FOR MORE DETAILS. IT

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