

## **Cattle Cycles Peak in Early Sept; MAJOR Top is Expected; Sharp Decline into December 2007 Likely!**

**09/01/07 Weekly Re-Lay:** *"Live Cattle is giving some inter-month divergence with the December contract retesting its highs while the October contract peaked at lower levels. This could be setting the stage for a new decline. In the October contract, the weekly 21 MAC is flattening while the daily 21 MAC just turned down. However, the daily trend is up and will not turn neutral until a daily close below 95.50/LCV. This needs to take place in order to signal that a top is taking hold."*

**09/08/07 Weekly Re-Lay:** *"Live Cattle is giving new signs that a top and reversal lower have taken hold. In the October contract, the weekly 21 MAC is still flattening and the daily trends are now neutral in both Oct. & Dec. contracts. The intra-month trends have also turned lower."*

*1--4 week traders can sell Dec. Live Cattle at current levels up to 100.75 and risk a daily close above 101.45/LCZ."*

**09/12/07 Weekly Re-Lay Alert:** *"Live Cattle reversed its daily trend to down, confirming that an intermediate top is in place and projecting further downside into at least Sept. 14/17<sup>th</sup>."*

**09/15/07 Weekly Re-Lay:** *"Live Cattle reversed its daily trend to down and extended its decline into minor cycles on Sept. 14/17<sup>th</sup>. It is now rebounding, in typical, post-trend-reversal fashion...In the October contract, the weekly 21 MAC is still flattening and projecting further downside into month-end. The intra-month trends - in both Oct. & Dec. - are giving similar indications."*

*1--4 week traders should have sold Dec. Live Cattle at 99.45--99.87 and can average into these short positions up to 100.40. Move buy stops to 101.52/LCZ through mid-week."*

**09/19/07 Weekly Re-Lay Alert:** *"Live Cattle spiked lower to begin the week, fulfilling analysis for a drop into Sept. 14/17<sup>th</sup>. Since it has not even neutralized its daily trend yet, the current rebound could extend into Friday or even Monday."*

**09/26/07 Weekly Re-Lay Alert:** *"Live Cattle may have just provided the perfect scenario for a secondary top. It rallied right to its Sept. 4<sup>th</sup> top while giving two neutral signals to its daily downtrend. It set its high on Monday, creating a 13-trading-day low-high-high Cycle Progression (the corresponding calendar-day Cycle Progression came one day later) and turned its daily 21 MAC lower, in the process."*

*Cattle then dropped back to its month-opening low (100.00/LCZ) and below unchanged on the week. At least initially, this is validation for longer-term analysis that projected a top in September (see INSIIDE Tracks). However, I need to see successive levels of confirmation in order to feel more confidence that a major peak is taking hold..."*

*For starters, Cattle needs to close below 100.00/LCZ and re-enter an intra-month downtrend, leading into month-end. Second, it should close lower on the week (below 100.17/ LCZ) and ideally below 99.17/LCZ, which would trigger a weekly 2 Close Reversal lower."*

*At the same time (since this week's close will also be the monthly close), Cattle should close lower on the month (below 100.02/LCZ), which would automatically create the equivalent 'ideal scenario', since it would also trigger a monthly 2 Close Reversal lower."*

*The other level of confirmation that should be seen very soon (preferably by/on Oct. 5<sup>th</sup>) is a weekly close below 98.35/LCZ. This would reverse the weekly trend to down and confirm at least a 2-3 month top."*

*1--4 week traders should have sold Dec. Live Cattle at 99.45--101.10 and should now risk a daily close above 101.10/LCZ."*

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## Cattle Cycles Peak in Early Sept; (con't) MAJOR Top is Expected; Sharp Decline into December 2007 Likely!

**09/29/07 Weekly Re-Lay:** "Live Cattle has initially validated its 'perfect scenario for a secondary top', giving an outside-day/2 Close Reversal lower to finish the week. This also allowed Cattle to close lower on the month and generate a monthly 2 Close Reversal. This coincided with Cattle closing lower on the week, turning its daily 21 MAC lower and re-entering its intra-month downtrend on the final day of the month.

The monthly 2CR signal should generate selling into November or December. Some wave analysis coincides with this. Although the December contract is not showing the same pattern, the October contract has now traced out an Elliott Wave 1-2, 1-2 (successive descending highs) and is poised to turn its weekly 21 MAC down. This could trigger a dynamic '3' wave decline in the coming weeks.

Cattle has created a 13-trading-day low-high-high Cycle Progression with the next phase coming on October 12<sup>th</sup>. For now, the most important corroborating factor would be the weekly trend reversing to down. It will take a weekly close below 98.35/LCZ to trigger this.

1--4 week traders should have sold Dec. Live Cattle at 99.45--101.10 (avg. entry of 100.27) and should be holding these w/avg. open gains of about \$100/contract. Risk a daily close above 101.10/LCZ."

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