2008 STRATEGY CALENDAR

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
	31	1 JANUARY New Year's Day	2	3	4	5	6
	7	8	9	10	11	12	13
JANUARY	14	15	16 OE:CL(G)	17	18	19	20
	21 Martin Luther King Day	22	23	24 FND:CL(G)	25	26	27
	28 OE:GC(G),NG(G)	29	30 FND:NG(G)	31 FND:GC(G	1 FEBRUARY OE:CC(H),LC(G)	2	3
	4 FND:LC(G)	5	6 Ash Wednesday	7	8 OE:KC(H),SB(H)	9	10
FEBRUARY	11	12	13	14 ♥ FND:LH(G) OE:LH(G) OE:CL(H)	15 FND:CC(H)	16	17
	18 Presidents' Day	19	20	21 FND:KC(H)	22 FND:CL(H) OE:C(H),S(H),W(H)	23	24
	25	26 OE:NG(H),SI(H)	27	28 FND:NG(H)	29 FND:C(H), S(H),W(H),SI(H)	1 MARCH	2
	3 FND:SB(H)	4	5	6	7	8	9 Daylight Saving Time Begins
MARCH	10	11	12	13	14 OE:CL(J)	15	16
	17 ♣ St. Patrick's Day	18	19	20	21 Good Friday FND:CL(J)	22	23 Easter
	24	25	26 OE:GC(J),NG(J)	27	28 FND:NG(J)	29	30
	31 FND:GC(J)	1 APRIL	2	3	4 OE:CC(K),LC(J)	5	6
	7 FND:LC(J)	8	9	10	11 OE:KC(K),SB(K)	12	13
APRIL	14 FND:LH(J) OE:LH(J)	15 Tax Deadline	16	17 FND:CC(K) OE:CL(K)	18	19	20 Passover
	21	22 FND:KC(K)	23	24 FND:CL(K) OE:SI(K)	25 OE:C(K),S(K), W(K),NG(K)	26	27
	28	29 FND:NG(K)	30 FND:C(K), S(K),W(K),SI(K)	1 MAY FND:SB(K)	2	3	4
	5	6	7	8	9	10	11 Mother's Day
MAY	12	13	14 FND:LH(K) OE:LH(K)	15 OE:CL(M)	16	17	18
	19	20	21	22 FND:CL(M)	23	24	25
	26 Memorial Day	27 OE:GC(M),GC(M)	28	29	30 FND:GC(M),NG(M)	31	1 JUNE
	2	3	4	5	6 OE:CC(N),LC(M)	7	8
JUNE	9 FND:LC(M)	10	11	12	13 FND:LH(M) OE:KC(N),SB(N),LH(M)	14	15 Father's Day
	16	17 FND:CC(N) OE:CL(N)	18	19	20 FND:KC(N) OE:C(N),S(N),W(N)	21	22
	23	24 FND:CL(N)	25 OE:NG(N),SI(N	26	27 FND:NG(N)	28	29

Market closed on shaded weekdays; closes early when half-shaded.

2008 STRATEGY CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	
30 FND:C(N), S(N),W(N),SI(N)	1 JULY FND:SB(N)	2	3	4 Independence Day	5	6	
7	8	9	10	11	12	13	JULY
14	15 FND:LH(N) OE:LH(N)	16	17 OE:CL(Q)	18	19	20	
21	22	23	24 FND:CL(Q)	25 OE:S(Q)	26	27	
28 OE:GC(Q),NG(Q)	29	30 FND:NG(Q)	31 FND:GC(Q),S(Q)	1 AUGUST OE:CC(U),LC(Q)	2	3	
4 FND:LC(Q)	5	6	7	8 OE:KC(U)	9	10	
11	12	13	14 FND:LH(Q) OE:LH(Q)	15 OE:CL(U)	16	17	AUGUST
18 FND:CC(U)	19	20	21 FND:KC(U)	22 FND:CL(U) OE:C(U),S(U),W(U)	23	24	
25	26 OE:NG(U),SI(U)	27	28 FND:NG(U)	29 FND:C(U), S(U),W(U),SI(U)	30	31	
1 SEPTEMBER Labor Day	2	3	4	5	6	7	
8	9	10	11	12 OE:SB(V)	13	14	SEPTEMBER
15	16	17 OE:CL(V)	18	19	20	21	
22	23	24 FND:CL(V)	25 OE:GC(V),NG(V)	26	27	28	
29 FND:NG(V)	30 Rosh Hashanah FND:GC(V)	1 OCTOBER FND:SB(V)	2	3 OE:LC(V)	4	5	
6 FND:LC(V)	7	8	9 Yom Kippur	10	11	12	OCTOBER
13 Columbus Day	14 FND:LH(V) OE:LH(V)	15	16 OE:CL(X)	17	18	19	
20	21	22	23 FND:CL(X)	24 OE:S(X)	25	26	
27	28 OE:NG(X)	29	30 FND:NG(X)	31 FND:S(X)	1 NOVEMBER	2 Daylight Saving Time Ends	
3	4 Election Day	5	6	7 OE:CC(Z)	8	9	
10	11 Veterans' Day OE:KC(Z)	12	13 FND:CC(Z)	14	15	16	NOVEMBER
17 OE:CL(Z)	18 FND:KC(Z)	19	20 OE:GC(Z),SI(Z)	21 OE:C(Z),NG(Z) OE:W(Z)	22	23	
24 FND:CL(Z)	25	26 FND:NG(Z)	27 Thanksgiving	28 FND:C(Z), W(Z),GC(Z),SI(Z)	29	30	
1 DECEMBER	2	3	4	5 OE:LC(Z)	6	7	
8 FND:LC(Z)	9	10	11	12 FND:LH(Z) OE:LH(Z)	13	14	DECEMBER
15	16 OE:CL(F8)	17	18	19	20	21	
22 Chanukah	23 FND:CL(F8) OE:SI(F8)	24 OE:NG(F8),S(F8)	25 Christmas	26	27	28	
29	30	31	1 JANUARY New Year's Day	2	3	4	

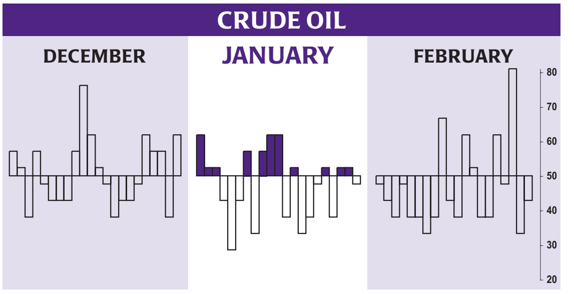
JANUARY ALMANAC:
SPOTLIGHT CRUDE OIL

JANUARY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	



Market Probability Chart above is a graphic representation of the Crude Oil futures Probability Calendar on page 122

ENERGY: Generally down month for Energy ◆ Least volatile month on record for Crude Oil ◆ Best Januarys follow December strength (page 114) ◆ Weakest month on record for Natural Gas (page 14) ◆ Worst Januarys follow December weakness in Natural Gas

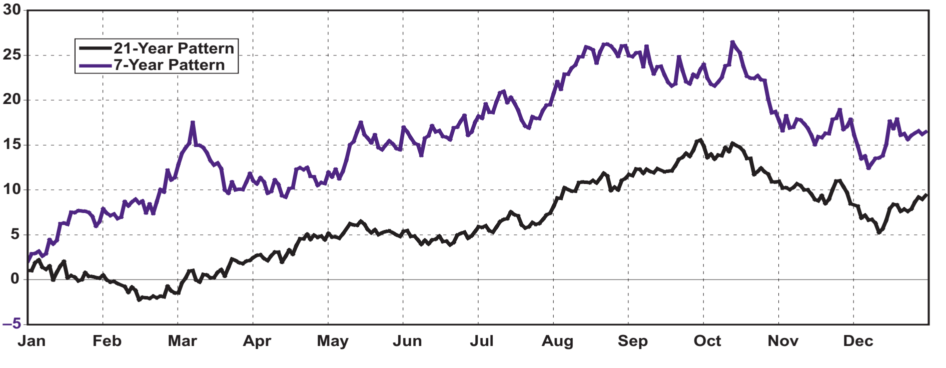
METALS: Industrial Metals outpace Precious Metals (page 18) ◆ Gold especially weak following December weakness ◆ January Gold rallies reverse in February as Jewelry demand fades ◆ SI RECORD: 20 up, 15 down with average 2.0% gain

GRAINS: Transportation difficulties and New Year marketing pressures grains, especially Wheat ◆ March CBOT Wheat January Rallies reversed in February (page 24) ◆ KCBT Wheat gains on CBOT Wheat (page 30) ◆ Soybeans down 10 of last 15 years with average 0.6% decline

LIVESTOCK: Strongest month on record for Live Cattle (page 16) ◆ Transportation problems and low slaughter rates support both Cattle and Hogs ◆ LC RECORD: 24 up, 12 down with average 2.0% gain

SOFTS: Sugar tends towards weakness in the New Year ◆ January strength in Sugar reversed in February (10 of 14) ◆ SB RECORD: 14 up, 19 down with –0.4% average loss ◆ Mixed month for Coffee

CRUDE OIL ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1986–2006

Petroleum prices are demand driven primarily, with prices often rising in anticipation of the driving and heating seasons. But, the petroleum markets also tend to be an excellent barometer of world tensions rising in times of political uncertainty — especially in producing nations.

DECEMBER/JANUARY 2008

MONDAY
31

CL	61.9	**NG**	53.3	**GC**	61.9	**SI**	66.7
S	71.4	**W**	61.9	**C**	47.6	**LC**	47.6
LH	38.1	**KC**	57.1	**SB**	47.6	**CC**	66.7

Nothing gives one person so much advantage over another as to remain always cool and unruffled under all circumstances.
— Thomas Jefferson (Third U.S. President, 1743–7/4/1826)

New Year's Day (Market Closed)

TUESDAY
1

I've never been poor, only broke. Being poor is a frame of mind. Being broke is only a temporary situation.
— Mike Todd (Movie Producer, 1903–1958)

WEDNESDAY
2

CL	61.9	**NG**	33.3	**GC**	28.6	**SI**	33.3
S	38.1	**W**	47.6	**C**	38.1	**LC**	47.6
LH	42.9	**KC**	57.1	**SB**	42.9	**CC**	57.1

Unless you love EVERYBODY, you can't sell ANYBODY. — (From Jerry Maguire, 1996)

THURSDAY
3

CL	52.4	**NG**	53.3	**GC**	38.1	**SI**	42.9
S	71.4	**W**	57.1	**C**	52.4	**LC**	57.1
LH	42.9	**KC**	52.4	**SB**	38.1	**CC**	33.3

A committee is a cul de sac down which ideas are lured and then quietly strangled.
— Sir Barnett Cocks (Member of Parliament, 1907–1989)

FRIDAY
4

CL	52.4	**NG**	33.3	**GC**	42.9	**SI**	61.9
S	47.6	**W**	57.1	**C**	47.6	**LC**	47.6
LH	66.7	**KC**	52.4	**SB**	52.4	**CC**	52.4

Resentment is like taking poison and waiting for the other person to die. — Malachy McCourt (*A Monk Swimming: A Memoir*)

SATURDAY
5

SUNDAY
6

NEW YEAR NATURAL GAS WEAKNESS

January is the weakest month on record for Natural Gas futures. Between 1990 (when Natural Gas futures began trading) and 2007, March Natural Gas futures have lost a total of \$3.145/mmBtu (average –\$0.201/mmBtu) in January. The average January break of \$0.613/mmBtu dwarfs the average January rally of \$0.451/mmBtu.

Beginning of the year weakness may be due to the fact that supply in underground storage (stocks) tends to be high. Supplies in storage usually peak in October/November, and remain high through January.

The three largest commercial usages of Natural Gas are industrial, electric utilities, and residential. At the beginning of the year, industrial demand generally slows and wholesalers usually have adequate supplies in line for residential usage. These high levels of supply in storage are typically more than adequate to meet usage, tending to pressure prices in January.

MARCH NATURAL GAS DOLLARS PER MMBTU CHANGES

Year	Prev Dec Close	Jan/Feb High	January Rally Dec Close-Jan/Feb High	Jan Low	January Break Dec Close-Jan Low	Jan Close	Jan Change
1991	\$1.660	\$1.610	– \$0.050	\$1.340	– \$0.320	\$1.380	– \$0.280
1992	1.270	1.310	0.040	1.100	– 0.170	1.180	– 0.090
1993	1.590	1.630	0.040	1.480	– 0.110	1.600	0.010
1994	1.920	2.600	0.680	1.860	– 0.060	2.550	0.630
1995	1.730	1.790	0.060	1.340	– 0.390	1.350	– 0.380
1996	2.190	2.700	0.510	1.850	– 0.340	2.660	0.470
1997	2.410	3.400	0.990	2.380	– 0.030	2.380	– 0.030
1998	2.230	2.280	0.050	1.990	– 0.240	2.260	0.030
1999	1.940	2.070	0.130	1.740	– 0.200	1.780	– 0.160
2000	2.330	2.700	0.370	2.140	– 0.190	2.660	0.330
2001	8.791	9.248	0.457	5.650	– 3.141	5.707	– 3.084
2002	2.560	2.525	– 0.035	1.960	– 0.600	2.138	– 0.422
2003	4.692	5.750	1.058	4.780	0.088	5.605	0.913
2004	5.996	7.500	1.504	5.350	– 0.646	5.397	– 0.599
2005	6.195	6.840	0.645	5.770	– 0.425	6.321	0.126
2006	11.359	11.120	– 0.239	8.020	– 3.339	9.316	– 2.043
2007	6.503	7.966	1.463	6.190	– 0.313	7.667	1.164
		Totals	**\$7.673**		**– \$10.426**		**– \$3.415**
		Averages	**\$0.451**		**– \$0.613**		**– \$0.201**
		# Up	**14**		**1**		**8**
		# Down	**3**		**16**		**9**
		% Down	**17.6%**		**94.1%**		**52.9%**

JANUARY

MONDAY **7**

CL	42.9	**NG**	53.3	**GC**	61.9	**SI**	66.7
S	57.1	**W**	47.6	**C**	71.4	**LC**	52.4
LH	66.7	**KC**	61.9	**SB**	57.1	**CC**	42.9

The symbol of all relationships among such men, the moral symbol of respect for human beings, is the trader.
— Ayn Rand (Russian-born American novelist and philosopher, John Galt's Speech, *Atlas Shrugged*, 1957, 1905–1982)

TUESDAY **8**

CL	28.6	**NG**	53.3	**GC**	47.6	**SI**	47.6
S	57.1	**W**	52.4	**C**	47.6	**LC**	38.1
LH	57.1	**KC**	38.1	**SB**	47.6	**CC**	23.8

Those heroes of finance are like beads on a string, when one slips off, the rest follow. — Henrik Ibsen

WEDNESDAY **9**

CL	42.9	**NG**	33.3	**GC**	57.1	**SI**	52.4
S	42.9	**W**	42.9	**C**	42.9	**LC**	66.7
LH	42.9	**KC**	47.6	**SB**	38.1	**CC**	47.6

Marketing is our No. 1 priority… A marketing campaign isn't worth doing unless it serves three purposes. It must grow the business, create news, and enhance our image. — James Robinson III (American Express)

THURSDAY **10**

CL	57.1	**NG**	13.3	**GC**	52.4	**SI**	42.9
S	33.3	**W**	47.6	**C**	42.9	**LC**	47.6
LH	52.4	**KC**	42.9	**SB**	52.4	**CC**	52.4

I never hired anybody who wasn't smarter than me. — Don Hewett (Producer, *60 Minutes*)

FRIDAY **11**

CL	33.3	**NG**	53.3	**GC**	47.6	**SI**	33.3
S	42.9	**W**	57.1	**C**	42.9	**LC**	47.6
LH	33.3	**KC**	52.4	**SB**	38.1	**CC**	66.7

First-rate people hire first-rate people; second-rate people hire third-rate people. — Leo Rosten (American author, 1908–1997)

SATURDAY **12**

SUNDAY **13**

BEEF, IT'S WHAT'S FOR DINNER IN THE FIRST QUARTER

The first quarter of the year tends to see a lack of available supply in the beef market. Typically Feeder Cattle (steers weighing less than 600 lbs, or "Feeder" weight) are placed onto feedlots in the late summer and fall. These animals are normally not at slaughter weight (900+ lbs, or "Live" weight) in the first quarter. As a result, slaughter rates decline — especially in January — which generally leads to a lack of supply. Combined with winter transportation difficulties, tight supply situations ("holes") are not uncommon.

These holes tend to push Live Cattle prices higher in the first quarter — especially January. April Live Cattle futures have gained in January 19 times (76.0%) and in the first quarter 16 times (64.0%) between 1983 and 2007. Average January rallies have dwarfed breaks in terms of magnitude as well, with April futures gaining 2.495 cents/lb on average during January rallies while falling 1.328 cents/lb in January breaks. First quarter rallies gained an average 4.869 cents/lb versus −2.983 cents/lb for Q1 breaks.

Given these strong historical tendencies for Cattle strength in January and the first quarter in general, it may pay to be bullish Cattle in the New Year.

APRIL LIVE CATTLE CENTS PER POUND CHANGES

Year	Prev Dec Close	Prev Dec Change	Jan Change	Jan Rally Dec Close-Jan High	Jan Break Dec Close-Jan Low	Q1 Rally Dec Close-Jan/Mar High	Q1 Break Dec Close-Jan/Mar Low	First Quarter Change
1983	59.225	0.450	1.175	3.325	– 0.375	11.525	– 0.375	11.375
1984	67.800	3.225	– 1.675	2.200	– 2.150	4.700	– 2.200	3.650
1985	67.825	– 0.300	0.225	0.775	– 1.875	1.175	– 6.275	– 2.750
1986	61.350	– 1.575	0.550	2.650	– 2.325	2.650	– 4.525	– 4.525
1987	56.150	– 2.400	6.725	6.800	0.150	12.200	0.150	11.325
1988	65.425	1.750	2.375	4.825	– 0.325	10.275	– 0.325	9.475
1989	75.475	1.775	0.950	1.175	– 2.325	3.425	– 2.325	2.600
1990	75.675	1.850	0.350	2.025	– 0.575	2.675	– 0.925	2.200
1991	76.475	0.525	1.050	1.200	– 2.275	5.550	– 2.275	4.925
1992	73.025	– 1.500	4.125	4.275	– 0.175	6.700	– 0.175	6.200
1993	76.675	2.250	0.175	2.775	– 0.125	7.625	– 0.475	5.175
1994	75.725	0.875	0.725	1.425	– 0.800	1.650	– 1.700	0.900
1995	72.900	4.275	1.250	2.350	0.050	2.350	– 7.300	– 5.550
1996	66.375	– 1.225	– 2.525	0.625	– 3.650	0.625	– 5.075	– 2.950
1997	65.550	0.575	1.275	1.650	– 0.450	4.850	– 0.500	2.875
1998	68.775	– 3.575	– 1.300	0.925	– 2.825	0.925	– 5.800	– 5.025
1999	63.025	– 1.800	2.050	3.475	– 0.575	5.925	– 0.575	3.175
2000	71.575	0.225	0.475	1.925	– 0.575	1.925	– 1.825	0.600
2001	79.125	3.725	– 2.300	1.875	– 2.750	2.700	– 2.750	– 1.225
2002	73.675	1.375	1.850	2.275	– 0.775	2.850	– 4.125	– 3.250
2003	78.900	0.925	1.075	1.250	– 1.800	1.250	– 6.500	– 3.100
2004	71.500	– 12.425	1.925	6.200	– 1.000	11.900	– 1.000	8.325
2005	85.625	– 0.100	2.700	4.675	0.025	6.625	– 0.325	4.200
2006	95.050	1.800	– 3.475	0.500	– 4.225	0.500	– 15.900	– 15.550
2007	93.775	3.475	– 0.600	1.200	– 1.475	9.150	– 1.475	3.825
	Averages	**0.167**	**0.766**	**2.495**	**– 1.328**	**4.869**	**– 2.983**	**1.476**
	# Up	**16**	**19**	**25**	**3**	**25**	**1**	**16**
	# Down	**9**	**6**	**0**	**22**	**0**	**24**	**9**
	% Up	**64.0%**	**76.0%**	**100.0%**	**12.0%**	**100.0%**	**4.0%**	**64.0%**
Following Previous December Weakness								
	Averages		**1.608**	**3.378**	**– 1.361**	**5.414**	**– 2.622**	**1.997**
	# Up		**7**	**9**	**2**	**9**	**1**	**5**
	# Down		**2**	**0**	**7**	**0**	**8**	**4**
	% Up		**77.8%**	**100.0%**	**22.2%**	**100.0%**	**11.1%**	**55.6%**

MONDAY **14**

CL	57.1	**NG**	53.3	**GC**	33.3	**SI**	52.4
S	57.1	**W**	57.1	**C**	71.4	**LC**	52.4
LH	52.4	**KC**	52.4	**SB**	33.3	**CC**	42.9

Things may come to those who wait, but only the things left by those who hustle. — Abraham Lincoln (16th U.S. President, 1809–1865)

TUESDAY **15**

CL	61.9	**NG**	66.7	**GC**	23.8	**SI**	61.9
S	42.9	**W**	38.1	**C**	47.6	**LC**	85.7
LH	57.1	**KC**	47.6	**SB**	71.4	**CC**	42.9

Learn from the mistakes of others; you can't live long enough to make them all yourself. — Eleanor Roosevelt (First Lady, 1884–1962)

WEDNESDAY **16**

CL	61.9	**NG**	60.0	**GC**	81.0	**SI**	71.4
S	42.9	**W**	38.1	**C**	42.9	**LC**	47.6
LH	47.6	**KC**	61.9	**SB**	28.6	**CC**	47.6

To me, the "tape" is the final arbiter of any investment decision. I have a cardinal rule: Never fight the tape!
— Martin Zweig (Fund manager, *Winning on Wall Street*)

THURSDAY **17**

CL	38.1	**NG**	33.3	**GC**	57.1	**SI**	57.1
S	52.4	**W**	57.1	**C**	57.1	**LC**	42.9
LH	57.1	**KC**	38.1	**SB**	66.7	**CC**	66.7

Knowing others is intelligence; knowing yourself is true wisdom. Mastering others is strength; mastering yourself is true power.
— Lau Tzu (Shaolin monk, founder of Taoism, circa 6th–4th century B.C.)

FRIDAY **18**

CL	52.4	**NG**	40.0	**GC**	47.6	**SI**	38.1
S	42.9	**W**	33.3	**C**	38.1	**LC**	42.9
LH	38.1	**KC**	47.6	**SB**	52.4	**CC**	42.9

Choose a job you love, and you will never have to work a day in your life. — Confucius (Chinese philosopher, 551–478 B.C.)

SATURDAY **19**

SUNDAY **20**

TALE OF TWO DEMAND STRUCTURES: PLATINUM VS. GOLD IN THE FIRST QUARTER

Platinum is used primarily by the automotive industry in the production of catalytic converters, and in jewelry and electronics as well. The lion's share of the demand for Gold comes from the jewelry industry.

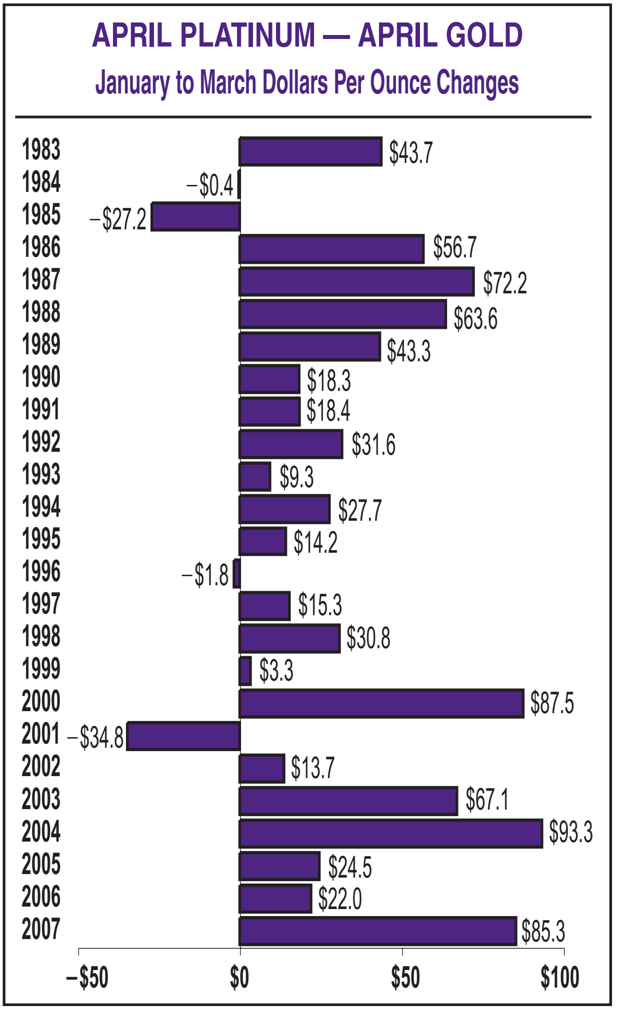
The demand for Gold tends to wane in the first quarter, after the holiday shopping season is over. At the same time, the demand for Platinum tends to increase, as the automotive industry begins gearing up production for the release of new model year cars. Platinum prices tend towards strength in the first quarter, while Gold prices tend to languish.

During the 25-year period from January 1983 to March 2007, April Platinum futures have gained relative to April Gold futures in 21 years (84.0%), including nine of the last 10 years. On average, April Platinum has gained $31.1/oz relative to April Gold.

In the world of commodity trading, a position entailing buying (long) one commodity and selling (short) a similar but different commodity is known as an "Intercommodity" spread position — like long April Platinum and short April Gold. Such positions benefit when the long (purchased) contract gains in value relative to the short (sold) contract, as April Platinum has done relative to April Gold futures in 21 of the last 25 years from the beginning of January through the end of March.

In order to take advantage of this "Intercommodity" spread properly, traders have to even out the contract sizes. Platinum futures represent 50 ounces of Platinum, while Gold futures represent 100 ounces of Gold. As such, traders must purchase two contracts of Platinum, and sell one contract of Gold, so each futures position represents 100 ounces.

Long two Platinum versus short one Gold futures contract is an exchange-recognized spread position and as such may be subject to lower margin requirements, though not necessarily as margins are subject to change without notice.



JANUARY

Martin Luther King Jr. Day (Market Closed)

21

In the end, we will remember not the words of our enemies, but the silence of our friends.
— Martin Luther King Jr. (Civil rights leader, 1964 Nobel Peace Prize, 1929–1968)

TUESDAY

CL	33.3	**NG**	53.3	**GC**	61.9	**SI**	71.4
S	38.1	**W**	42.9	**C**	38.1	**LC**	42.9
LH	47.6	**KC**	52.4	**SB**	38.1	**CC**	33.3

22

The time to buy is when blood is running in the streets. — Baron Nathan Rothschild (London Financier, 1777–1836)

WEDNESDAY

CL	38.1	**NG**	33.3	**GC**	57.1	**SI**	47.6
S	47.6	**W**	47.6	**C**	38.1	**LC**	38.1
LH	57.1	**KC**	38.1	**SB**	52.4	**CC**	52.4

23

Wall Street has a uniquely hysterical way of thinking the world will end tomorrow but be fully recovered in the long run, then a few years later believing the immediate future is rosy but that the long term stinks. — Kenneth L. Fisher (*Wall Street Waltz*)

THURSDAY

CL	47.6	**NG**	66.7	**GC**	52.4	**SI**	57.1
S	61.9	**W**	42.9	**C**	71.4	**LC**	42.9
LH	47.6	**KC**	47.6	**SB**	42.9	**CC**	23.8

24

I'm always turned off by an overly optimistic letter from the president in the annual report. If his letter is mildly pessimistic to me, that's a good sign. — Philip Carret (Centenarian, Founded Pioneer Fund in 1928, 1896–1998)

FRIDAY

CL	52.4	**NG**	40.0	**GC**	57.1	**SI**	57.1
S	38.1	**W**	42.9	**C**	38.1	**LC**	47.6
LH	66.7	**KC**	42.9	**SB**	61.9	**CC**	47.6

25

If I have seen further, it is by standing upon the shoulders of giants.
— Sir Isaac Newton (English physicist, mathematician, Laws of Gravity, letter to Robert Hooke 2/15/1676, 1643–1727)

SATURDAY

26

SUNDAY

27

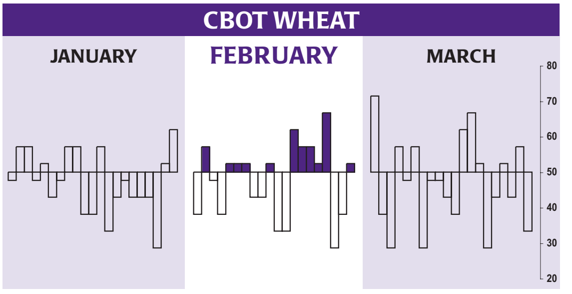
FEBRUARY ALMANAC:
SPOTLIGHT WHEAT

FEBRUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

MARCH

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					



Market Probability Chart above is a graphic representation of the CBOT Wheat futures Probability Calendar on page 147

ENERGY: Weak month in general for energies ◆ Worst Februarys in Natural Gas follow January weakness (page 14) ◆ February strength continues in March (page 34) ◆ Third worst month on record for Crude Oil ◆ CL down average 1.5% ◆ Weakness especially in later half of month (page 116)

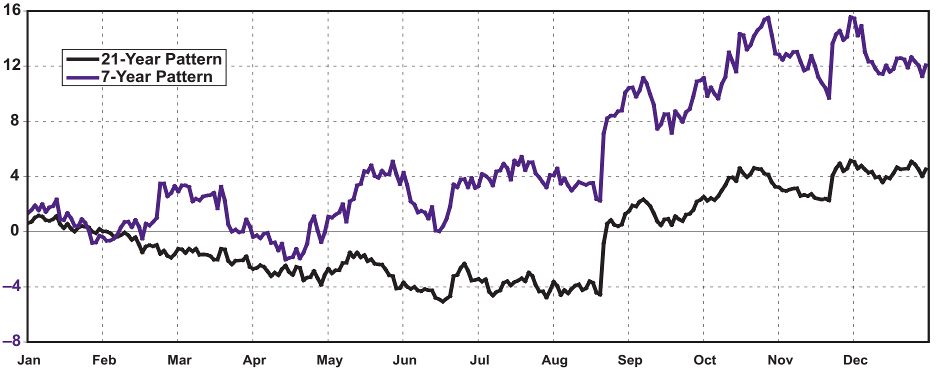
METALS: Industrial Metals gain relative Gold (page 18) ◆ Silver in final leg of strong period from October through mid-February ◆ First half of February strong, second half going into delivery of March futures weak (page 22) ◆ January strength in Gold reversed in February (page 26) ◆ February Gold strength reversed in March (10 of 14)

GRAINS: Winter Wheat Declines In February ◆ January Wheat rallies reversed in February (page 24) ◆ March CBOT Wheat up 6, down 19 ◆ KCBT Wheat gains on CBOT Wheat (page 30) ◆ Neither Corn nor Soybeans fall victim to the "February Break" ◆ Corn up 15 of 19 following January weakness ◆ Soybeans up 13 of 20 post January weakness

LIVESTOCK: Cattle strength continues (page 16) ◆ LC RECORD: 21 up, 15 down, and average gain 0.7% ◆ January rallies continued through February ◆ Beware of February rallies being reversed in March (16 of 21) ◆ Hogs generally weak ◆ LH RECORD: 13 up, 25 down, and average loss 1.1%

SOFTS: Drought fears and strong consumption support Coffee prices ◆ Second strongest month on record for Coffee ◆ KC RECORD: 20 up, 14 down, and average gain 2.6% ◆ Third weakest month on record for Sugar ◆ Cocoa mixed, trends based on African harvest

CBOT WHEAT ONE-YEAR SEASONAL PATTERN



Based on near-term futures contract daily data 1986–2006

The combination of dwindling winter risk coupled with increased wheat sales to meet tax and lease obligations pressures CBOT Wheat futures in February (down 15 of last 19).

MONDAY
28

CL	38.1	NG	40.0	GC	57.1	SI	66.7
S	52.4	W	42.9	C	42.9	LC	47.6
LH	33.3	KC	57.1	SB	33.3	CC	47.6

If the models are telling you to sell, sell, sell, but only buyers are out there, don't be a jerk. Buy!
— William Silber, Ph.D. (N.Y.U., *Newsweek*, 1986)

TUESDAY
29

CL	52.4	NG	60.0	GC	33.3	SI	38.1
S	33.3	W	28.6	C	38.1	LC	52.4
LH	38.1	KC	33.3	SB	42.9	CC	33.3

Those who cannot remember the past are condemned to repeat it. — George Santayana (American philosopher, poet, 1863–1952)

WEDNESDAY
30

CL	52.4	NG	53.3	GC	33.3	SI	42.9
S	38.1	W	52.4	C	33.3	LC	47.6
LH	57.1	KC	47.6	SB	23.8	CC	61.9

Look for an impending crash in the economy when the best seller lists are filled with books on business strategies and quick-fix management ideas. — Peter Drucker (Austria-born pioneer management theorist, 1909–2005)

THURSDAY
31

CL	47.6	NG	60.0	GC	33.3	SI	33.3
S	47.6	W	61.9	C	47.6	LC	61.9
LH	47.6	KC	38.1	SB	47.6	CC	23.8

It's a lot of fun finding a country nobody knows about. The only thing better is finding a country everybody's bullish on and shorting it. — Jim Rogers (Financier, *Investment Biker*, b. 1942)

FRIDAY
1

CL	47.6	NG	53.3	GC	57.1	SI	52.4
S	42.9	W	38.1	C	42.9	LC	42.9
LH	61.9	KC	66.7	SB	23.8	CC	52.4

Economics is a very difficult subject. I've compared it to trying to learn how to repair a car when the engine is running.
— Ben Bernanke (Fed Chairman 2006, June 2004 Region interview as Fed Governor)

SATURDAY
2

SUNDAY
3

SILVER TARNISHES IN FEBRUARY

In 1979, Nelson Bunker Hunt and William Herbert Hunt (with a consortium from the Middle East) amassed more than 200 million ounces of Silver — equivalent to half the world's deliverable supply — and cornered the Silver market. Exchange rule changes and intervention from the Federal Reserve quickly ended the Hunt Brothers fortunes and the corner. This culminated in a one day 50% price decline on "Silver Thursday" March 27, 1980 and drove the Dow Jones Industrials down 16% in six weeks. It took nearly 5 years for the Silver market to shake off the Hunt Brothers crisis and return to its normal pattern.

Silver is strongest from October through mid-February, when demand from major end-users tends to converge (industrial, silverware and jewelry, photography, and investment). Since 1985, March Silver futures have gained a total of 443.2 cents/ounce (average 19.3) during this period. This boost in prices is magnified in the first half of February.

During the first two weeks of February, March Silver futures have posted a total gain of 176.2 cents/ounce (average 7.7) since 1985, accounting for forty percent of the total gain between October and mid-February. This pattern has intensified in recent years, with the March futures gaining a total of 233.0 cents/ounce since 1992, up 12 of the last 16 years (75.0%).

However, traders should make note not to overstay their welcome. As the futures approach delivery (first notice day, FND), prices reverse. Since 1985, March Silver futures have declined a total of 189.3 cents/ounce during the latter half of February — though in the last six years March Silver has been strong going into the delivery period.

MARCH SILVER CENTS PER OUNCE CHANGES

Year	Prev Oct Close	Jan Close	2nd Fri Feb Close	Oct-Feb 2nd Fri	Jan-Feb 2nd Fri	Feb Close	2nd Fri-End Feb
1985	746.4	639.0	615.5	– 130.9	– 23.5	562.5	– 53.0
1986	624.7	607.5	593.0	– 31.7	– 14.5	563.0	– 30.0
1987	576.0	552.5	546.5	– 29.5	– 6.0	542.8	– 3.7
1988	713.6	654.5	639.0	– 74.6	– 15.5	623.9	– 15.1
1989	649.3	583.5	583.5	– 65.8	N/C	582.4	– 1.1
1990	533.2	522.8	527.3	– 5.9	4.5	512.7	– 14.6
1991	427.2	385.1	383.3	– 43.9	– 1.8	372.9	– 10.4
1992	416.9	418.0	415.8	– 1.1	– 2.2	410.0	– 5.8
1993	379.9	366.0	369.2	– 10.7	3.2	357.1	– 12.1
1994	441.1	513.5	525.5	84.4	12.0	535.6	10.1
1995	534.6	466.3	475.7	– 58.9	9.4	451.3	– 24.4
1996	543.1	558.8	566.7	23.6	7.9	549.7	– 17.0
1997	487.6	492.0	525.2	37.6	33.2	531.0	5.8
1998	479.3	612.5	709.5	230.2	97.0	643.0	– 66.5
1999	508.5	523.5	566.2	57.7	42.7	563.5	– 2.7
2000	518.7	531.7	535.0	16.3	3.3	504.8	– 30.2
2001	484.3	481.5	456.3	– 28.0	– 25.2	447.2	– 9.1
2002	425.0	422.3	445.5	20.5	23.2	449.7	4.2
2003	452.9	486.0	453.5	0.6	– 32.5	458.5	5.0
2004	508.2	625.0	658.2	150.0	33.2	669.6	11.4
2005	734.7	674.7	721.0	– 13.7	46.3	735.9	14.9
2006	766.1	988.5	938.0	171.9	– 50.5	972.0	34.0
2007	1243.9	1357.0	1389.0	145.1	32.0	1410.0	21.0
			Totals	**443.2**	**176.2**		**– 189.3**
			Averages	**19.3**	**7.7**		**– 8.2**
			# Up	**11**	**13**		**8**
			# Down	**12**	**10**		**15**
			Since 1992 Totals	**825.5**	**233.0**		**– 61.4**
			Averages	**51.6**	**14.6**		**– 3.8**
			# Up	**11**	**12**		**8**
			# Down	**5**	**4**		**8**

FEBRUARY

MONDAY
4

CL	42.9	**NG**	53.3	**GC**	52.4	**SI**	57.1
S	66.7	**W**	57.1	**C**	61.9	**LC**	47.6
LH	23.8	**KC**	52.4	**SB**	52.4	**CC**	61.9

The thing always happens that you really believe in. The belief in a thing makes it happen. — Frank Lloyd Wright (American architect)

TUESDAY
5

CL	38.1	**NG**	26.7	**GC**	38.1	**SI**	52.4
S	33.3	**W**	47.6	**C**	33.3	**LC**	61.9
LH	71.4	**KC**	42.9	**SB**	52.4	**CC**	42.9

The secret to business is to know something that nobody else knows. — Aristotle Onassis (Greek shipping billionaire)

Ash Wednesday

WEDNESDAY
6

CL	47.6	**NG**	60.0	**GC**	33.3	**SI**	42.9
S	47.6	**W**	38.1	**C**	42.9	**LC**	47.6
LH	33.3	**KC**	47.6	**SB**	47.6	**CC**	47.6

There is only one corner of the universe you can be certain of improving, and that's yourself.
— Aldous Huxley (English author, *Brave New World*, 1894–1963)

THURSDAY
7

CL	38.1	**NG**	40.0	**GC**	19.0	**SI**	23.8
S	38.1	**W**	52.4	**C**	47.6	**LC**	47.6
LH	76.2	**KC**	66.7	**SB**	33.3	**CC**	42.9

Knowledge born from actual experience is the answer to why one profits; lack of it is the reason one loses. — Gerald M. Loeb

FRIDAY
8

CL	38.1	**NG**	46.7	**GC**	61.9	**SI**	71.4
S	52.4	**W**	52.4	**C**	47.6	**LC**	66.7
LH	42.9	**KC**	42.9	**SB**	42.9	**CC**	47.6

The wisdom of the ages is the fruits of freedom and democracy.
— Lawrence Kudlow (Economist, 24th Annual Paulson SmallCap Conference, Waldorf Astoria, NYC, 11/8/01)

SATURDAY
9

SUNDAY
10

FADE JANUARY RALLIES IN MARCH CBOT WHEAT

A combination of increased crop marketing and transportation problems tends to weigh on Chicago Board of Trade (CBOT) Wheat futures at the beginning of the year. At the end of the calendar year, producers limit crop marketing because if they postpone sales into the New Year, the associated tax burden can be pushed forward into the following tax year. As such, sales at the end of December tend to be light, and increase in January and especially February. These increased sales are difficult to move by barge during the winter, hence supplies tend to build up in the interior of the nation pressuring prices.

This dynamic can readily be seen by the fact that since 1983 all but one (2006) of the 13 January rallies in the March CBOT Wheat futures have reversed in February. Following strong Januarys, March CBOT Wheat futures have lost an average of 9.15 cents/bushel, with an average February break of –20.52 cents/bushel.

January strength in the March CBOT Wheat futures may well present an excellent opportunity to establish short positions, given the strong tendency for these rallies to be reversed in February as well as the persistency of general weakness in February (19 of the last 25 Februarys declined).

MARCH CBOT WHEAT FUTURES CENTS PER BUSHEL CHANGES

Year	Prev Dec Close	Jan Close	Jan Change	Feb High	Feb Low	February Break Jan Close-Feb Low	Feb Close	Feb Change
1983	330 3/4	343 1/2	12 3/4	352 1/2	305	– 38 1/2	306 1/4	– 37 1/4
1984	363 1/2	328 3/4	– 34 3/4	337 1/4	319 1/2	– 9 1/4	326 1/4	– 2 1/2
1985	347 3/4	350 3/4	3	359 3/4	343	– 7 3/4	346 1/4	– 4 1/2
1986	343 1/4	327 1/4	– 16	339 1/2	320	– 7 1/4	337	9 3/4
1987	274 1/2	288 1/4	13 3/4	290 1/4	272	– 16 1/4	282 3/4	– 5 1/2
1988	310 3/4	326	15 1/4	339	309 1/2	– 16 1/2	315 1/2	– 10 1/2
1989	440	440 1/2	1/2	439 1/2	419 1/2	– 21	436 1/4	– 4 1/4
1990	409 1/4	375 3/4	– 33 1/2	398 1/4	373 1/4	– 2 1/2	393 1/4	17 1/2
1991	260 1/2	263	2 1/2	263 1/2	248	– 15	259 3/4	– 3 1/4
1992	404 3/4	440 1/4	35 1/2	463 1/4	401	– 39 1/4	401 1/2	– 38 3/4
1993	353 3/4	380	26 1/4	380 1/2	356 1/4	– 23 3/4	372 1/4	– 7 3/4
1994	378 1/4	371 3/4	– 6 1/2	378 1/2	340	– 31 3/4	342 1/2	– 29 1/4
1995	401 1/2	373 1/2	– 28	378	349	– 24 1/2	349 3/4	– 23 3/4
1996	512 1/4	519 1/2	7 1/4	533	495	– 24 1/2	512 1/2	– 7
1997	381 1/4	359 3/4	– 21 1/2	380	351	– 8 3/4	373	13 1/4
1998	325 3/4	337 1/4	11 1/2	347	316	– 21 1/4	327 1/2	– 9 3/4
1999	276 1/4	275 1/2	– 3/4	274 1/2	236 1/2	– 39	237 1/4	– 38 1/4
2000	248 1/2	256 1/4	7 3/4	273 1/2	244	– 12 1/4	247	– 9 1/4
2001	279 1/2	273	– 6 1/2	273	256 1/4	– 16 3/4	265	– 8
2002	289	286	– 3	288 1/4	266 1/4	– 19 3/4	267 1/4	– 18 3/4
2003	325	320 1/2	– 4 1/2	338	308 1/2	– 12	312 1/2	– 8
2004	377	389	12	395	364	– 25	380 3/4	– 8 1/4
2005	307 1/2	291	– 16 1/2	337 1/2	287	– 4	337 1/4	46 1/4
2006	339 1/4	343 1/4	4	378	337 1/2	– 5 3/4	370 1/4	27
2007	501	467 1/2	– 33 1/2	493	448	– 19 1/2	474 1/2	7
		Averages	**– 2.12**			**– 18.47**		**– 6.15**
		# Up	13	Avg. Following Up Jan		**– 20.52**		**– 9.15**
						# Up Feb After Up Jan		1
						# Down Feb After Up Jan		12