

Pigs Galore!

March 25, 2007 6:50 AM ...

Over the last several days I conducted my own private survey of a variety of traders. The question was, what do you think about the Pig Market in general? The answer was a resounding Bearish Outlook by most, they are ready to 'Throw out the Baby with the bath water. Funds and traders are SELLING into this break , that's what they do.

Only a very small percentage of Traders and professionals are even thinking of buying.

*It's a funny thing ...I did the same basic survey (which is conversations with these fellows) just about Three Weeks ago at that time most traders were about to 'Sell the Wife and Farm' and BUY. They told me I was Crazy to short the Pig market ..*

I expressed my opinion that a trader should be looking to Buy the Summer Hogs, June and July in this price area, the resounding reply was Your NUTS ... Commodity Markets are a funny thing

In my opinion one of most important things a trader needs to do.. Is to see Clearly Beyond the Noise.

So for a moment I would like everybody to look past the current devastation occurring in the Hog market. and think about this....

First... from a trading standpoint the marketplace is entering a period where a fellow is going *need* June and July Hogs, while he does not *need* August and Oct. So to speak. While we are bullish those months longer term people not need them.. they desire them..

Second, the economy is doing pretty good... not with standing the predictions of meltdown by Weathermen... loops. Sorry a slip of the tongue .. I should say dire predictions by economists. Families continue to buy homes , employment seems on solid footing and the Dow is at 12,400 plus .

Third... As we move into the next few weeks or perhaps even sooner someone is going to attend a ball game and barbecue in their back Yard ... All the While the Farmers who do still raise hogs as well as commercials will be working the fields to plant their crops.....

As demand and consumption pick up so do exports.. Just as supply tends to drift lower.. and most traders are short and bearish..

I recommend Traders assume a long Posture in Hogs for the Summer Pull...

Seasonally speaking June tends to make highs in May.. and June... It's a long time till June

On Friday June Hogs settled at 7377.. Currently the BI-Weekly has Long June Hogs and August Hogs BW Traders should remain long the August .. Buy June at 7432 Stop close only as stated in the Bi-weekly sent today, In addition Buy July Hogs Monday on the open..

Commercial Producers should consider waiting to hedge ... I suspect we should see price appreciation by Mid May.. Users should consider buying the current weakness.

Happy Trading !

Bill

March 25<sup>th</sup>, 2007 9:30PM

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