



MMTA Course One – Cycles and Chart Patterns in Financial Markets



Cycles in Soybeans and Crude Oil

Module Lesson Fifteen



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Overview: Crude Oil & Soybeans

In this module you will learn about the following cycles in crude oil and soybeans including:



Crude Oil

- 4-year cycle
- 17-month cycle
- 19-week primary cycle
- 9-week half-primary cycle
- 6-week major cycle

Soybeans

- 16.5-year cycle
- 8-year cycle
- 18-week primary cycle
- 9-week half-primary cycle
- 6-week major cycle

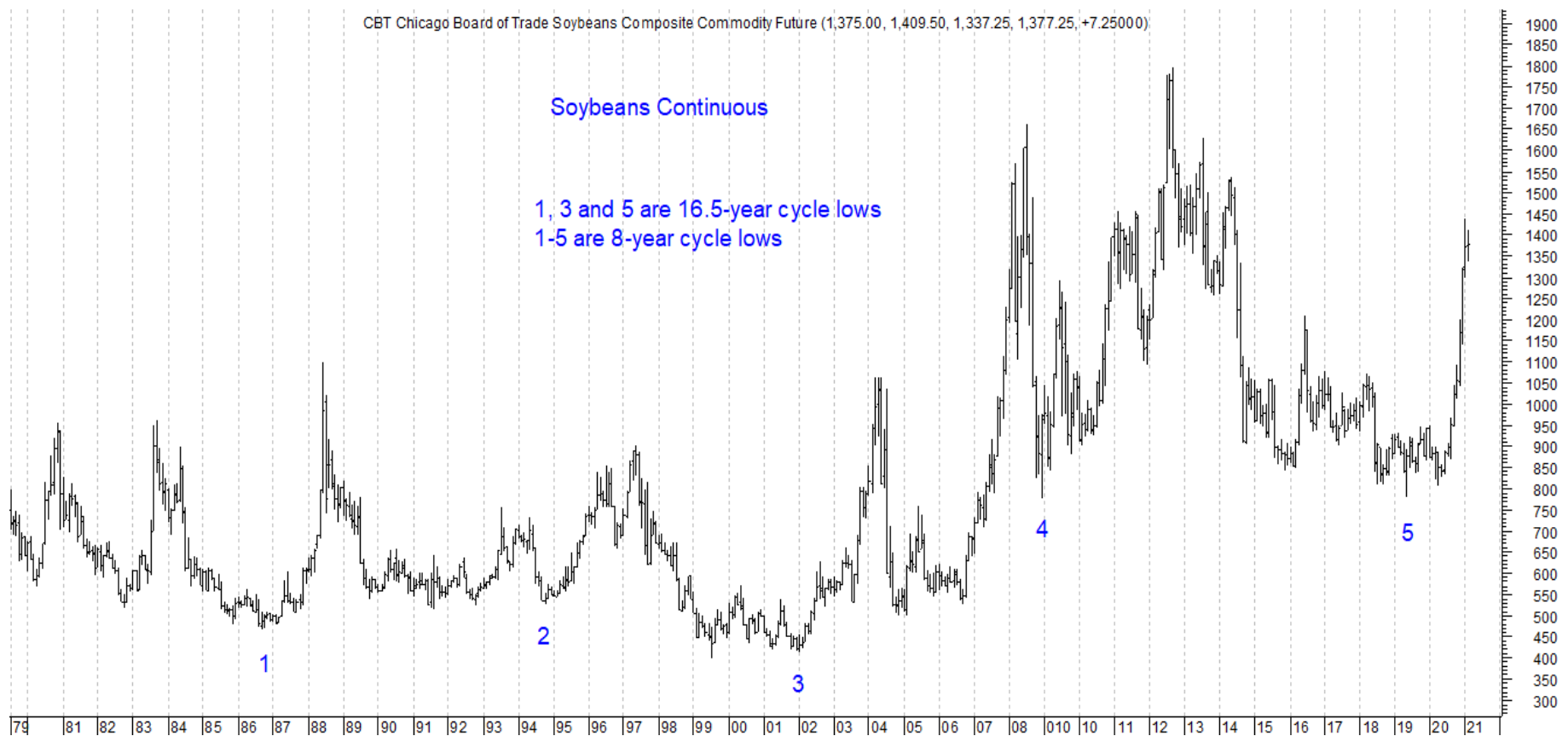
16.5-Year Cycle in Soybeans and its Phases

What are the two most impressive lows in the chart?
How far apart are they?



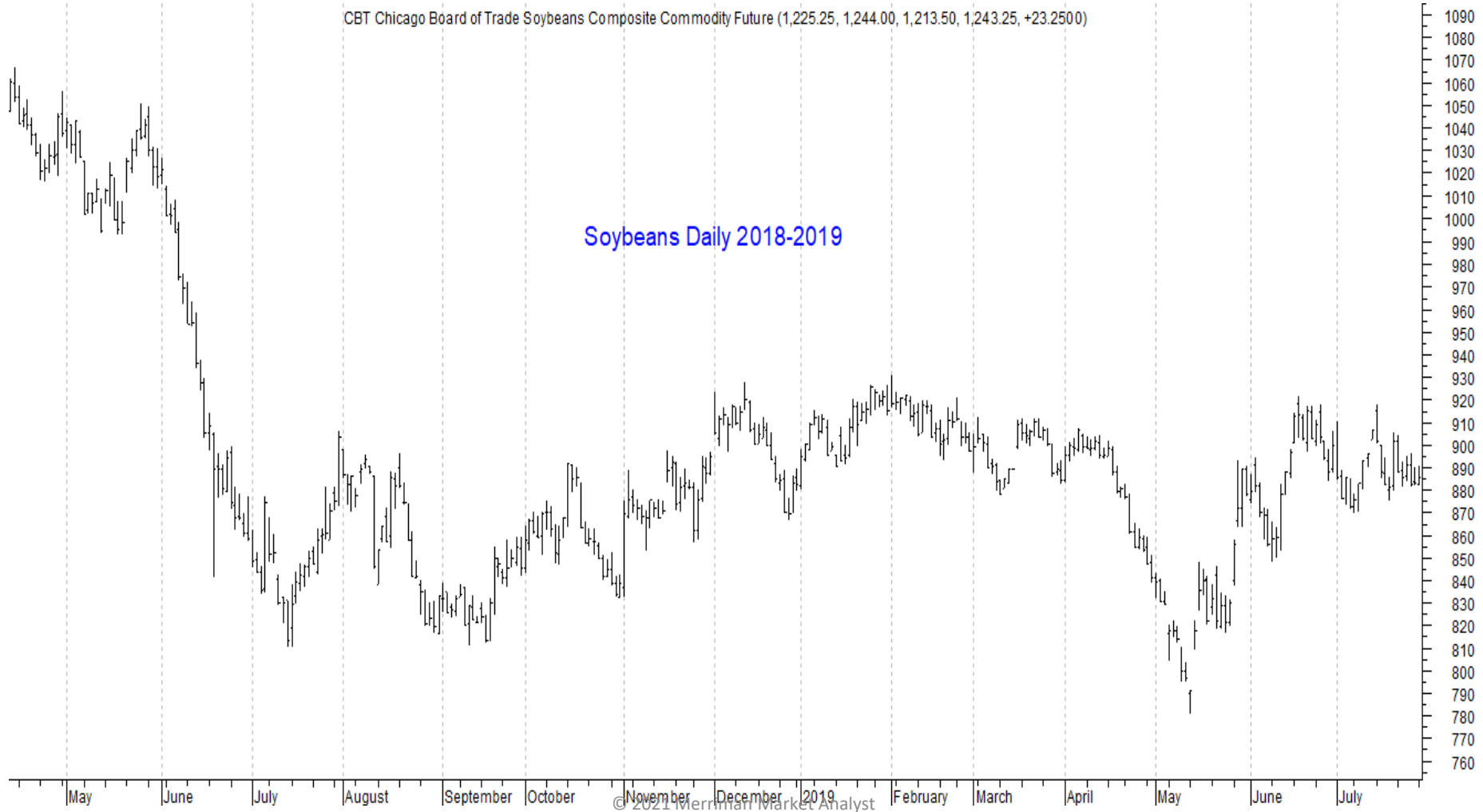
Expected phases to the long-term cycle in Soybeans:

- 2-phase pattern of 8 years (Range: 6-11 years);
- 3-phase pattern of 5.5-year sub-cycles (Range: Approx. 4-7 years).
- However, these are not consistent: Market is weather-driven.
 - Weather cycles correlate closer to geocosmic rather than natural rhythmic cycles.



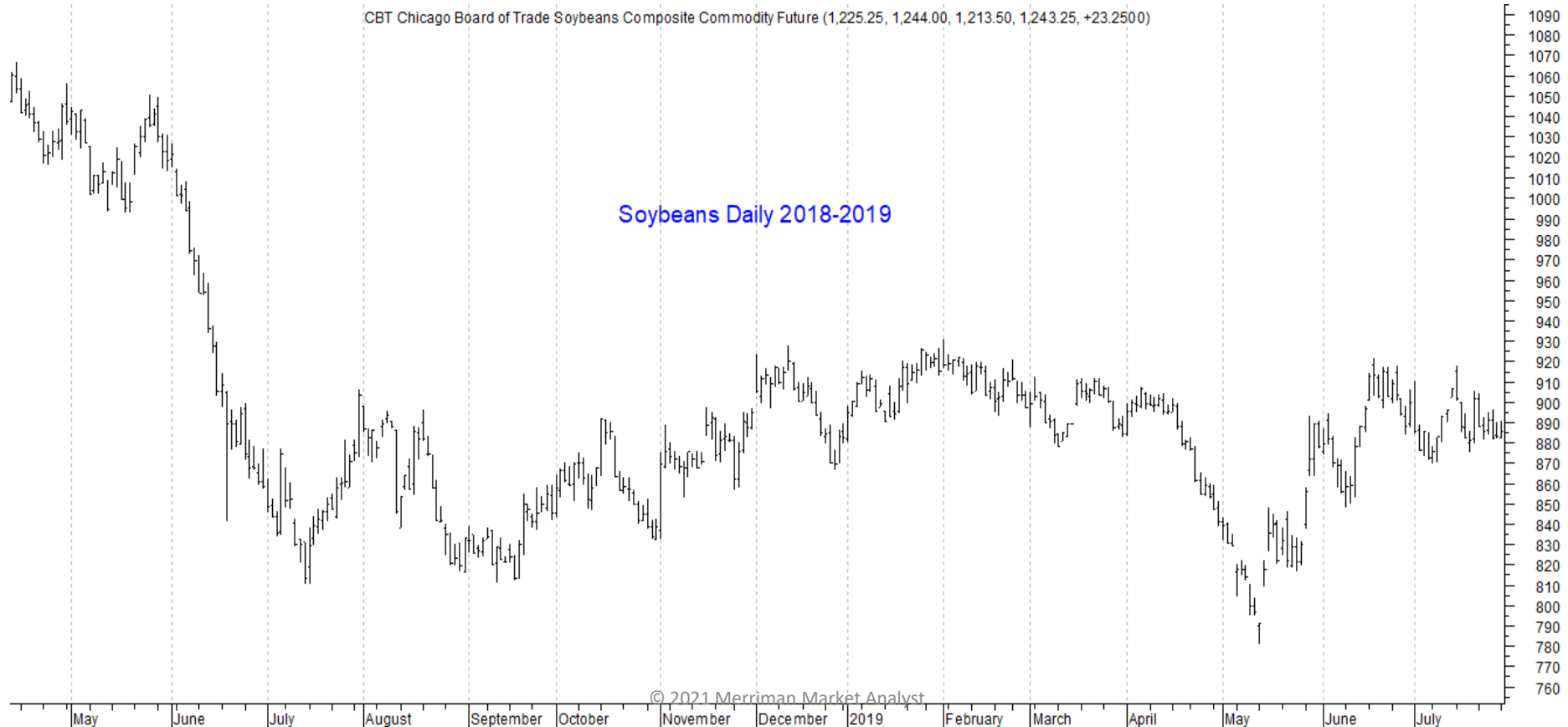
The 18-Week Primary Cycle in Soybeans

The 18-Week Primary Cycle in Soybeans



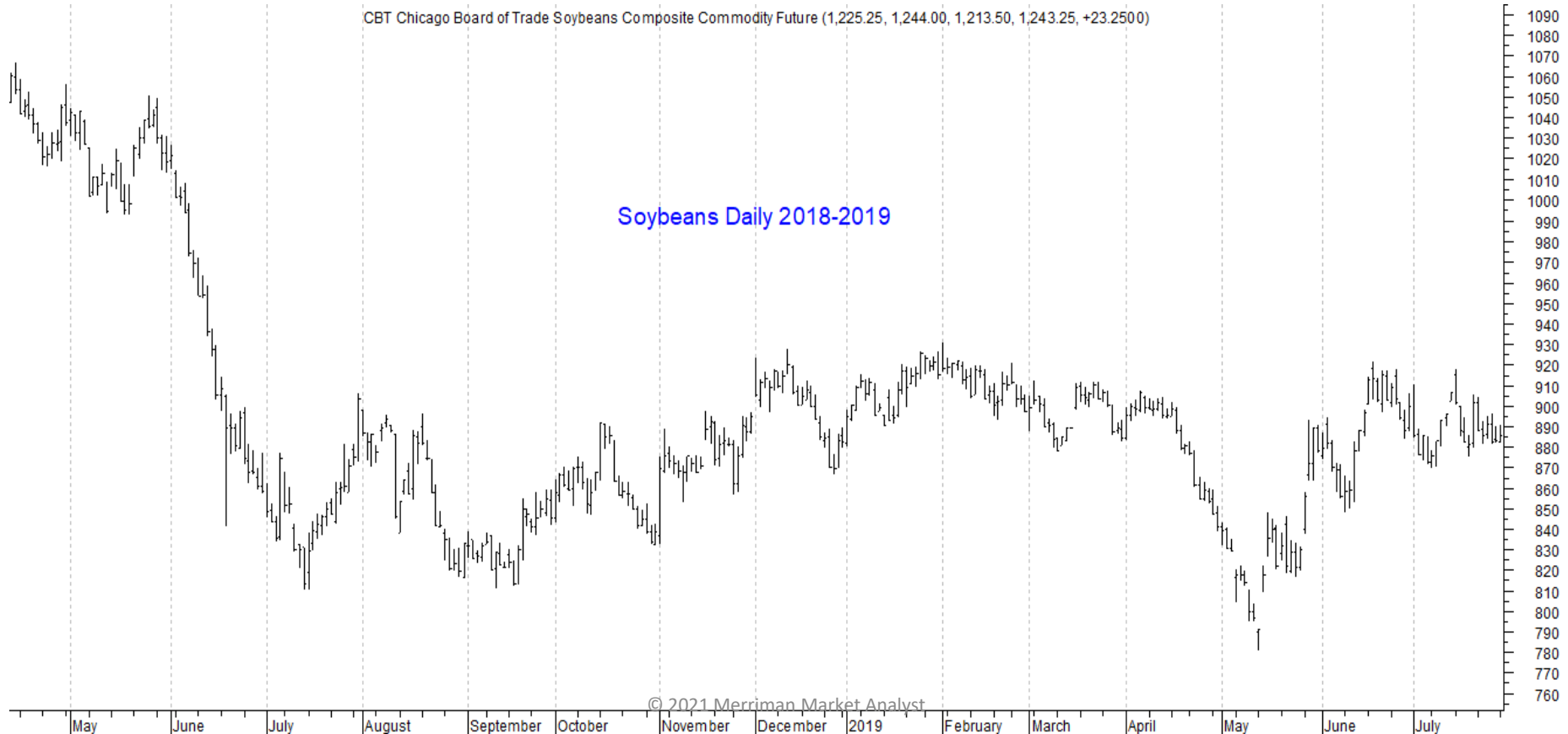
The 18-week cycle may be comprised of:

- Two 9-week half-primary cycles
- Range: 7-11 weeks
- Normal range of primary cycle: 15-21 weeks
 - However, there are several cases of contraction or expansion, due to weather during the growing season



The 18-week primary cycle may be comprised of:

- Three 6-week major cycles
- Range: 5-7 weeks
- Often: Major cycle will contract to only 4 weeks
- Often: Primary cycle will exhibit a combination pattern



Long-Term Cycles in Crude Oil

Long-Term Cycles in Crude Oil

- Crude Oil cycle possibly might be:
 - 18-year cycle with two 9-year phases
 - 4-year cycle
 - Data insufficient – cannot verify the cycle



Long-Term Cycles in Crude Oil

Past 35 years:

- Prominent troughs:
 - 1986
 - 2000
 - 2008
 - 2020

1986-2000: Possible contracted 18-year cycle

1986-2008: Possible expanded

18-year cycle

- If expanded: 2001-2008 likely a 9-year half cycle to a 18-year
- Data insufficient to be conclusive

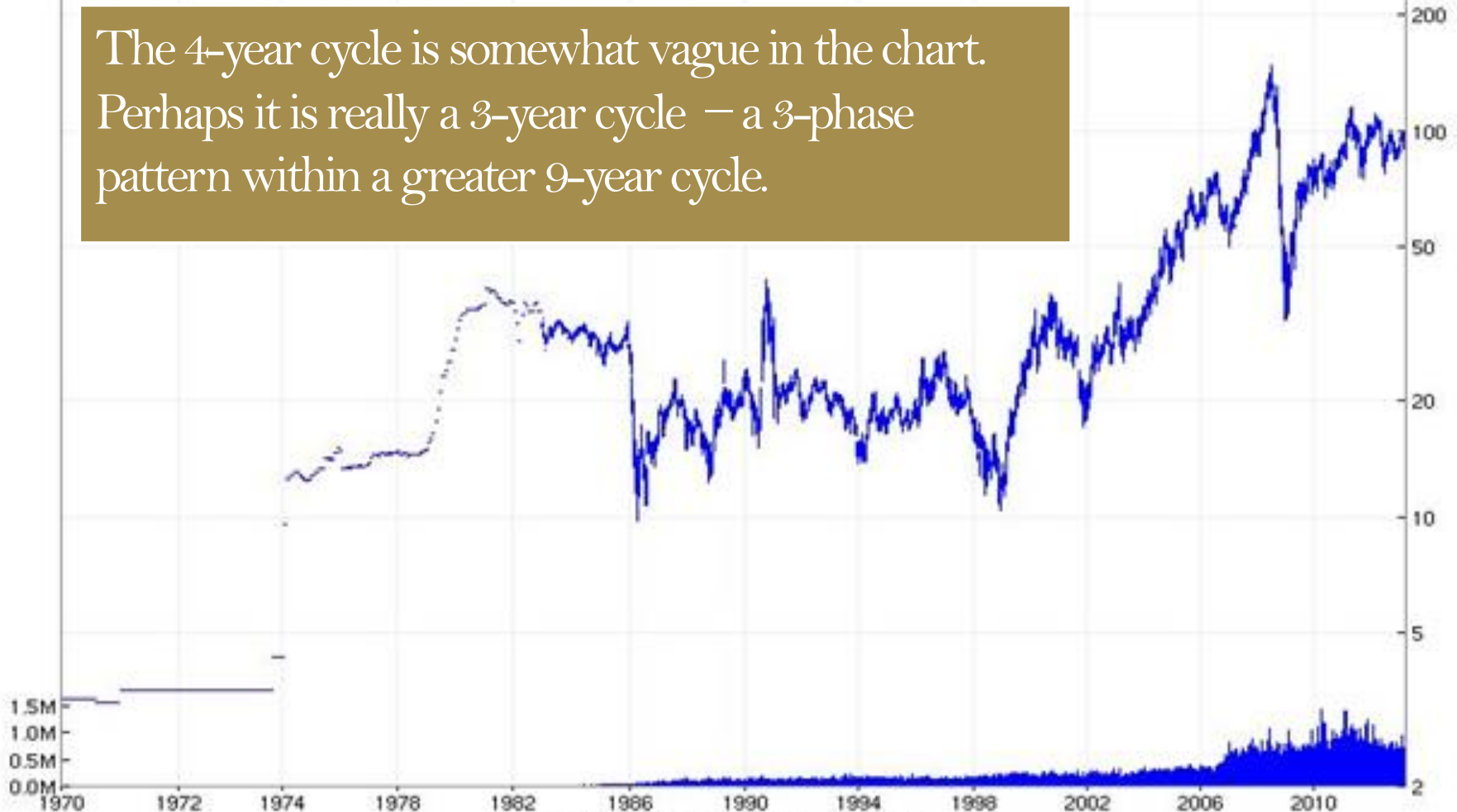
Crude oil: Seems to have an important low every 3-5 years: We will consider it a 4-year cycle.

Mar 20 - 2013

FUTCL - CL - Light Crude Oil

■ Open:92.42, High:93.6, Low:92.42, Close:93.5 ■ Vol: 0.68M

The 4-year cycle is somewhat vague in the chart.
Perhaps it is really a 3-year cycle – a 3-phase
pattern within a greater 9-year cycle.

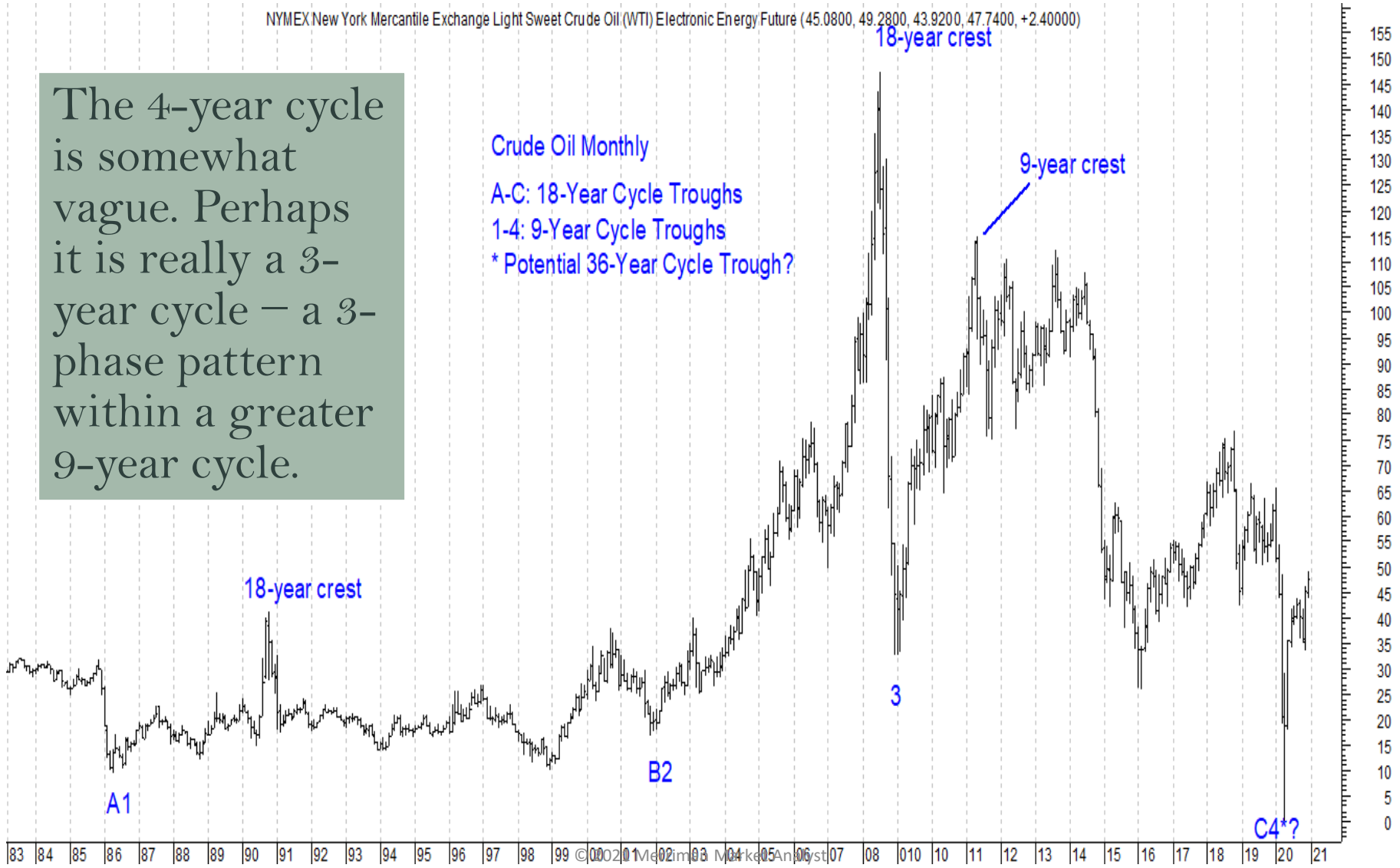


Can you see possible 3-year cycles here? Where is the 9-year cycle?



NYMEX New York Mercantile Exchange Light Sweet Crude Oil (WTI) Electronic Energy Future (45.0800, 49.2800, 43.9200, 47.7400, +2.40000)

The 4-year cycle is somewhat vague. Perhaps it is really a 3-year cycle – a 3-phase pattern within a greater 9-year cycle.



Crude Oil Monthly

A-C: 18-Year Cycle Troughs

1-4: 9-Year Cycle Troughs

* Potential 36-Year Cycle Trough?

18-year crest

9-year crest

3

B2

A1

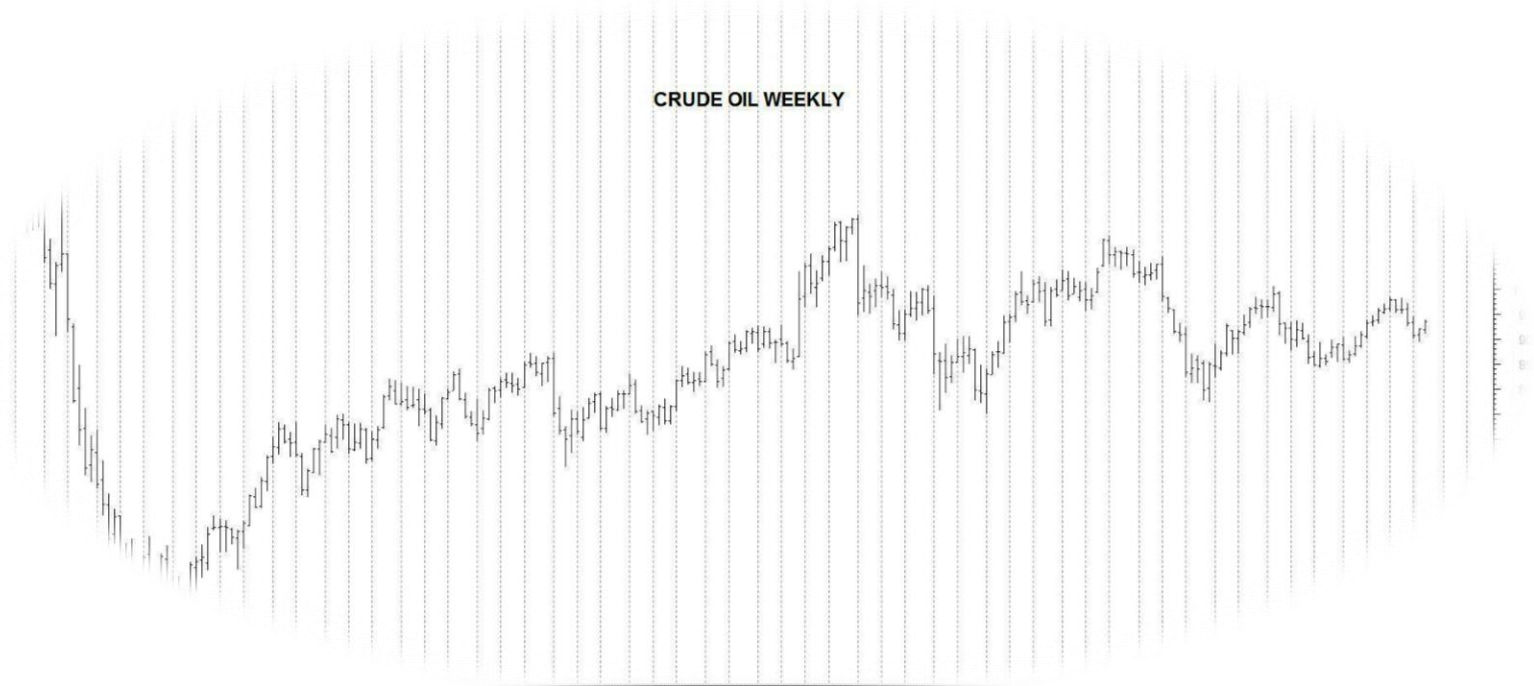
C4*?

'83 '84 '85 '86 '87 '88 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

The 17-Month Cycle in Crude Oil

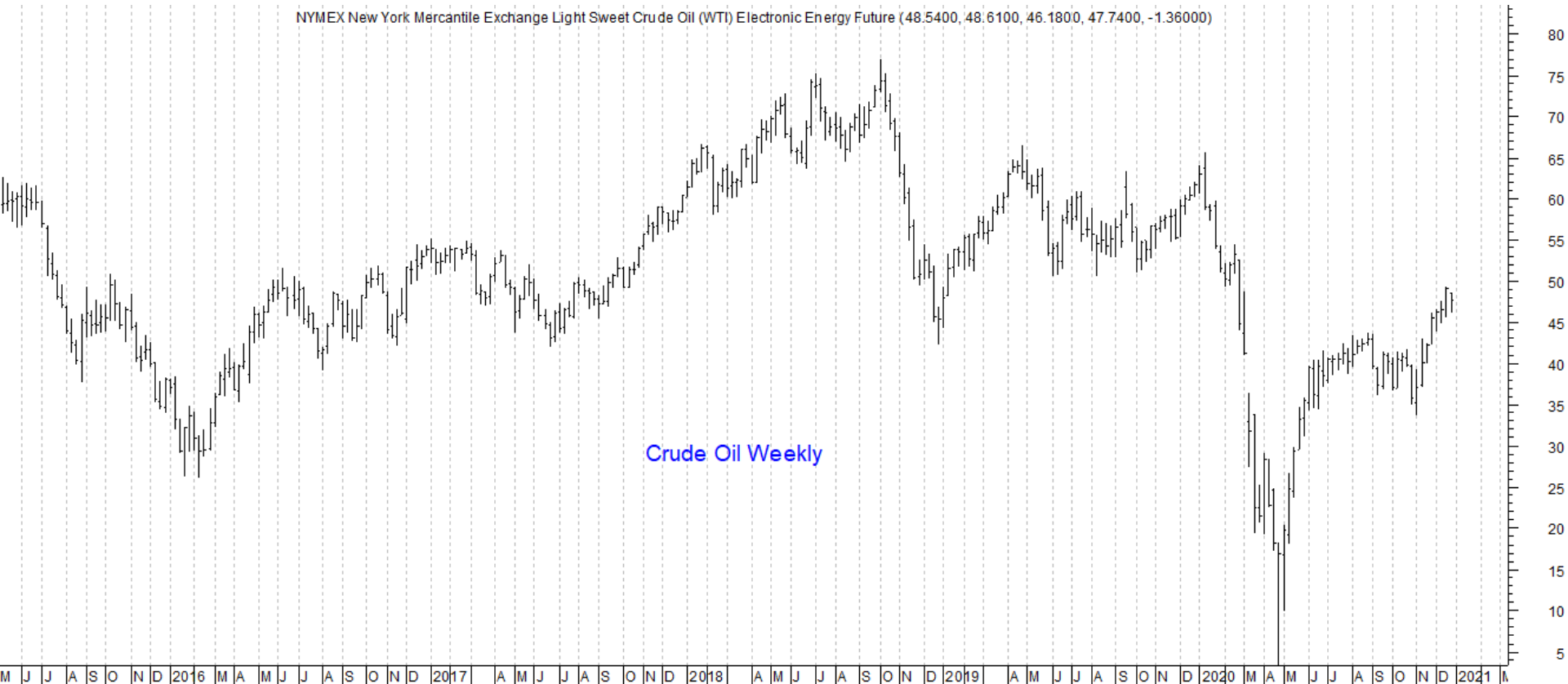
The 17-Month Cycle in Crude Oil

- 3-5 year cycle:
 - Usually comprised of two or three 17-month cycle phases
 - Range: 14-20 months



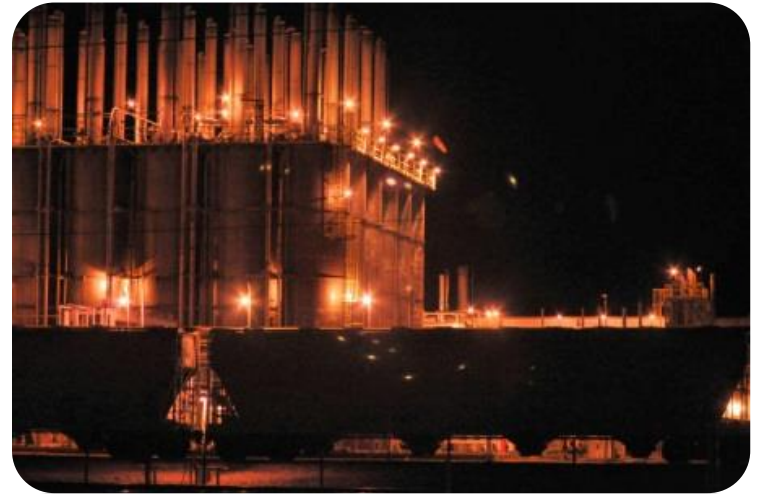
The 17-Month Cycle in Crude Oil

Can you identify two or three 17-month cycle phases?



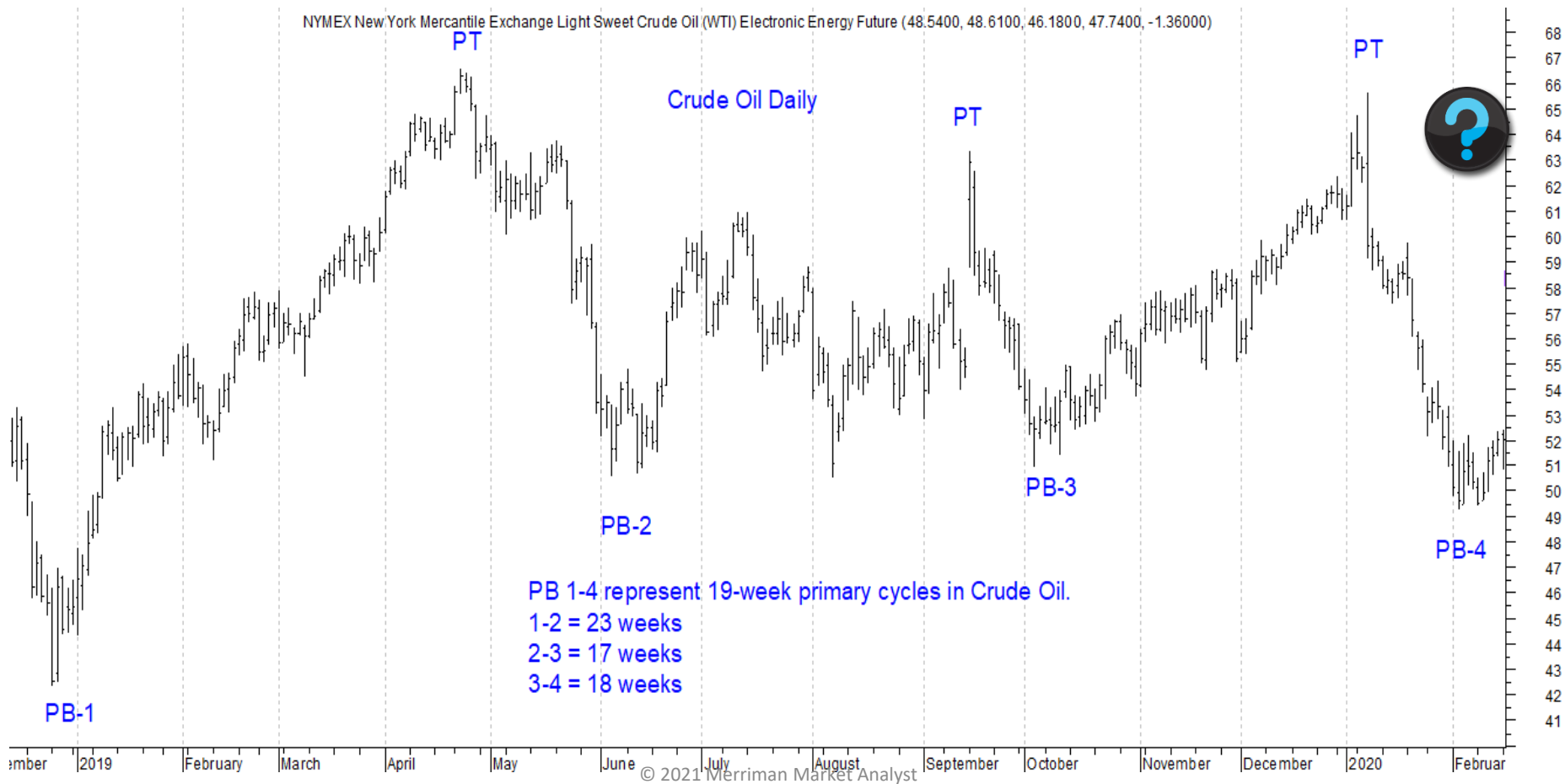
The 19-Week Primary Cycle in Crude Oil

- Normal range is 15-23 weeks
- Sub-divides typically:
 - Three phases of 5-8 weeks
 - Two-phase pattern of 8-12 weeks



The 5-8 Week Major Cycle Phase

Label the half-primary and major cycle troughs and crests.



QUIZ #15

Cycles in Soybeans and Crude Oil

QUIZ #15

1. What is the Long-term Cycle in Soybeans?
What would its phases be?
2. What is the normal primary cycle in Soybeans, and what are its possible phases?

What are the normal ranges of those cycles and phases?

- Looking at a daily chart of Soybeans given below, identify the primary cycle and its phases.
- Crude Oil has a 3-5 year cycle. Within that cycle, what are the possible sub-cycle phases?
- What is the mean periodicity for Crude Oil's primary cycle? What are its various phases and lengths?



End of Module Lesson

Break