

Reiter Capital Investments LLC

Proprietary Trading Firm

Economic Report

Major Low Developing in Food & Ag Commodities

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Past Performance Is Not Indicative Of Future Results.

Farming – A New Era of Prosperity

Once every 10 to 20 years, major changes (or “shifts”) will occur within the overall global economic landscape. Quite often, these changes are rather subtle & usually go unnoticed by the general public until it becomes incredibly apparent to almost everyone. Of course, by then, it’s way too late to take advantage of the investment opportunities that usually accompany these changes or “shifts.”

Based on my research, the next big wave or shift will occur in the agricultural industry. More specifically, I’m referring to farmers involved in the growing of food related commodities. This would include items such as barley, canola, cocoa, coffee, corn, flaxseed, oats, soybeans, sugar & wheat.

Farming is no different than any other industry. It moves in waves & cycles. Of course, these cycles are never perfect. For example, some cycles last longer than others. Additionally, it’s impossible to accurately predict the beginning & end of each cycle.

After the cycle has been completed, it’s incredibly easy to look back & pinpoint exactly when the cycle began. Quite often, there is usually some type of accompanying event that will “kickstart” the cycle into full swing. Hindsight is always 20/20.

My subscribers pay me to provide quality research. My job is to discover the major economic changes that are taking place *before* it becomes obvious to everyone else. Quite often, my forecasts are completely wrong. Even when my analysis is correct, I’m usually way too early.

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Farming – A New Era of Prosperity (continued)

The title of my report is, *Major Low Developing in Food & Ag Commodities*. As you can discern from the title, I believe food & ag commodities are at a major inflection point. Based on my research, these commodities have established a major bottom & are probably headed higher for the next several years. The list would include cocoa, coffee, corn, oats, orange juice, soybeans, soybean oil, soybean meal, sugar & wheat.

Does this mean you should immediately “load the boat” with food commodities? Of course not! Don’t be foolish. Instead, the prudent approach would be to patiently wait to see if these commodities have in fact made an important bottom. Even if my analysis is correct, I could be six months too early.

On an absolute basis, foods & grains were much cheaper in the early 2000s versus today. For example, coffee was less than 50 cents per lb in 2001. Today, coffee is \$1.25 per lb. Soybeans were \$4.50 per bushel in 2000 versus \$9.50 today.

However, I’m not comparing prices on an absolute basis. Instead, I’m comparing prices on a relative basis. In others words, I’m comparing foods & grains against other asset classes like stocks, real estate, fine art, rare coins, antiques, precious metals & classic automobiles.

Based on long-term historical prices, foods & grains have *never* been this undervalued. However, there’s no rule that says prices can’t become even cheaper. As I mentioned in previously, it’s impossible to predict the final bottom.

Please examine the table on the next page.

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Major Low Developing In Foods & Grains

Support & Resistance Levels

Bullish Breakout Is Imminent

| <u>Commodity</u> | <u>Current Price</u> | <u>Support</u> | <u>Bullish Breakout</u> |
|------------------|----------------------|----------------|-------------------------|
| Cocoa | 1940 | 1763 | 2190 |
| Coffee | 125.70 | 111.05 | 143.70 |
| Corn | 3.92 | 3.74 | 4.14 |
| Oats | 2.82 $\frac{3}{4}$ | 1.57 | 2.71 |
| Orange Juice | 132.55 | 103.45 | 169.10 |
| Soybeans | 9.54 $\frac{3}{4}$ | 9.03 | 10.34 |
| Sugar | 13.81 | 12.45 | 16.59 |
| Wheat | 5.45 | 3.59 | 6.03 |

The bullish breakout has already occurred in oats.

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Farming – A New Era of Prosperity (continued)

I attached long-term charts for each commodity. Upon examining the charts, you will notice that none of the major support levels have been violated. These markets could be on the verge of moving dramatically higher over the course of the next few years.

Now, let's get back to farming.

During the past 20 years, if you were a young motivated recent college graduate, you went to Wall Street to get rich. If you wanted to become a millionaire, your "golden ticket" could be found in the world of paper assets like investment banking, corporate finance, institutional trading desks, IPOs, hedge funds & leveraged buyouts.

Those days are over. In fact, everything in the world of paper assets began to unravel with the Great Financial Crisis of 2008. It's been slowly disintegrating for the past decade. Wall Street is no longer the "road to riches" like it was from 1995 thru 2008. In fact, these days, it's very difficult for a young man or woman to even find a job in the world of finance.

As I mentioned at the beginning of this report, major economic changes occur every 10 to 20 years. In fact, I believe "big changes" have been brewing for the past few years. This change involves the shift from paper assets to hard assets.

For the next decade, there will be a greater emphasis placed on hard assets compared to paper assets. Without question, hard assets would include food commodities & grain commodities. Based on this conclusion, I believe farming will provide incredible opportunities over the course of the next decade or more.

Farming will become the new Wall Street. If you are a highly motivated young man or woman, farming & agriculture will provide the best opportunities as we transition into a new decade beginning in 2020. Of course, this transition is taking place now. Don't wait until 2020 to grab your "golden ticket."

Past Performance Is Not Indicative Of Future Results.

Farming – A New Era of Prosperity (continued)

This entire transformation process (from paper assets to real assets) will not be possible without a new bull market in foods & grains. There must be a new long-term bull market in ag related commodities to “kickstart” this transition. If my bull market forecast is wrong, the farming industry will continue to offer mediocre rates of return (at best).

If my food & grain bull market forecast is correct, the farming industry will churn out a huge number of young millionaires during the next decade (just like Wall Street did in the 1990s & 2000s).

With the exception of 2010 thru 2012, farming has been in a constant state of economic decline for almost 30 years. Based on my research, the tide is slowly beginning to change in favor of the farming industry. It all begins with a new multi-year bull market in foods & grains.

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