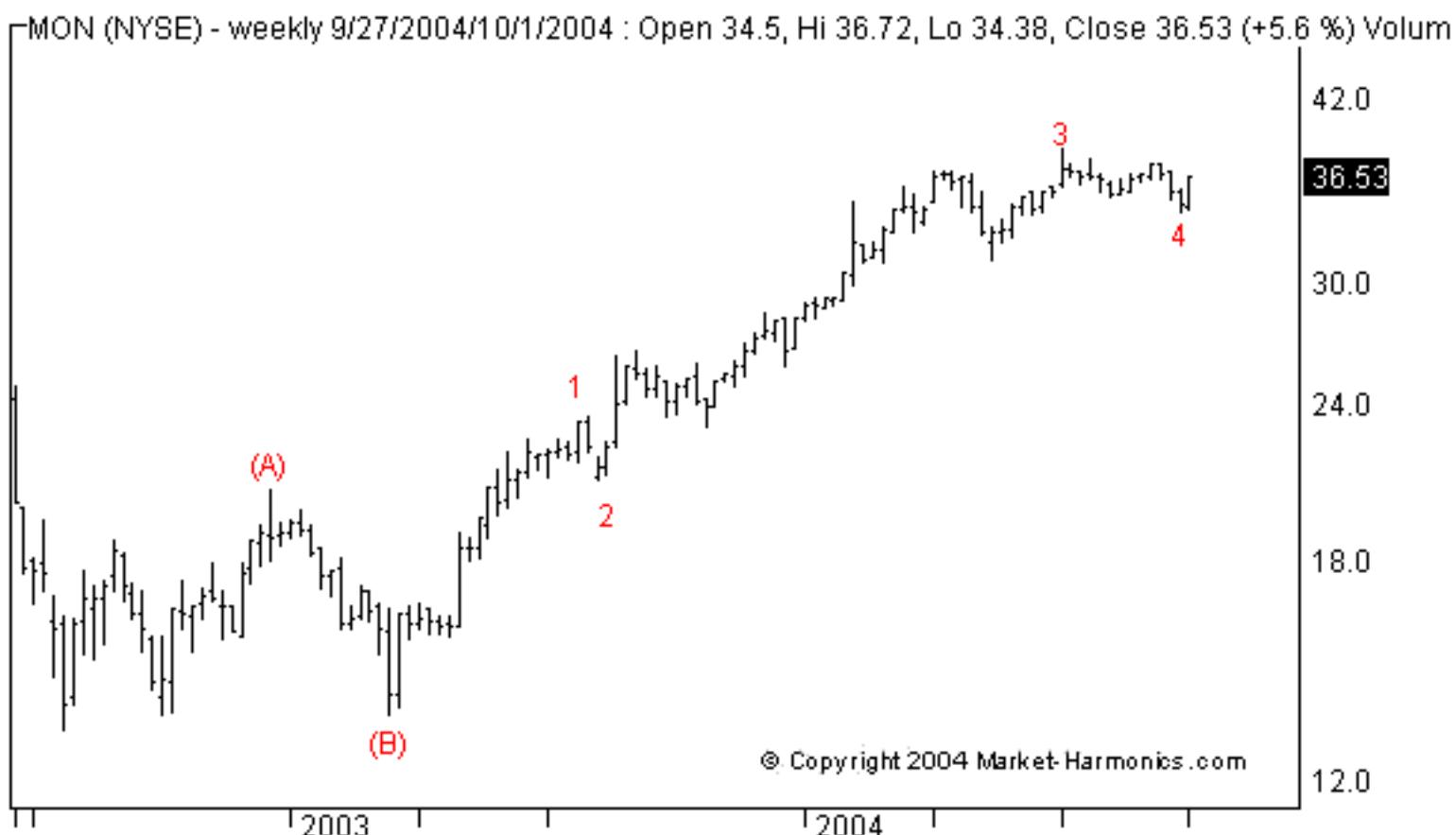


## Monsanto (MON)

Monsanto, which reports Wednesday, should be offering an opportunity for some upside gains.





MON should have completed a Wave 4 correction between July and September, and should thus be in a fifth wave advance to a new high. Consequently, the stock would need to hold support at 34.15, since any violation would rule out the way we are considering the advance. The stock may have already started a third wave run as suggested, of the whole rally from Sept. 24 might be only the first wave. It's not certain just yet, so it's another reason to ensure that 34.15 support holds up. We'd recommend using 37.50, the September 8 high, as an entry point, which would add an additional level of confirmation that a low should be in. The 38 area, where the stock reached its last peak in June, represents some long-term resistance, as it is the price area where MON topped in 2001. If the Wave 5 outlook is correct, this area should minimally be tested, but we think also violated for better highs at the 41, 42 or 44 area.

Options are very well priced, with the April 2005 \$35 Call strike (MONDG) pricing in currently at \$3.50 with a nice Delta of .69.

**Note: MON went on to achieve an intraday high of 65.60 on April 1, 2005, a gain of 74.9% from our suggested \$37.50 entry. The recommended option appreciated 400% in value. The stock exceeded our original price forecast, and we tracked it throughout, revising estimates through our email Wave Watch Updates. (Past performance is no guarantee of future results.)**