

Bi-Weekly Investment Outlook

Sunday October 17, 2004 Issue # 203

“A lot of people approach risk as if it’s the enemy, when it’s really fortunes accomplice.”

Sunday October 17th, 2004

8:00 AM eastern time

Traders should stay tuned for additional commentary and analysis in a soon to be released ‘Market Musings’

The Frenzied Forex Front

Dec Yen

Recommended open Position Short 2 at 9094 avg

Resistance should appear near 9237 and the 9316 to 9347 region. Traders can sell at 9233 and risk a close over 9357 for three days in a row.

Support should appear near 9156 to 9140 close under augurs for an eventual test of 9060 to 9044 and the 8964 to 8936 region.

Traders should go short if a close under 9137 occurs.

Dec Euro Currency (EC)

Recommended Open Position Short 4 at 12307 avg

Support should appear at 12380 to 12320 and 12247

Resistance is at 12530 and the 12680 to 12740 region. Traders can sell at 12672 and risk a close over 12770 for three days in a row BW Traders should go short if a close under 12372 occurs

Dec Swiss Franc

Recommended open Position Short 2 at 7944 avg

Resistance should appear near 8134 and the 8194 to 8223 region. Beyond that sellers should occur near 8300 to 8314. Traders can sell at 8292 and hold for lower prices

Support should appear near 8044 to 8029 then 7954 to 7939 and the 7864 to 7836 region

Traders should go short if a close under 8112 occurs.

Dec British Pound

Recommended open Position Short at 17732

Support should appear near 17800 to 17740..Below that a test of the 17380 to 17310 region is likely.

Resistance should appear near 17962 and the 1.8080 to 1.8220 region.

Dec Canadian Dollar

Recommended open Position Short at 7762

Support should appear near 7959 to 7934 and 7864 to 7836 below that a test of 7777 to 7763 is likely

Resistance is at 8029 to 8044 and the 8119 to 8134 region

Dec Aussie Dollar

Support should appear near 67255 to 7242 and 7170 to 7143.

Resistance should appear at 7328 to 7342 and 7414 to 7428.

The Sensational Stock and Bond Markets

Dow Jones Industrial Average

Resistance should appear near 9937.. a close over is friendly and augurs for a test of 10021 to 10037 and the 10104 to 10136 region. Beyond that 10320 to 10360 is a viable and likely near term target

Support should appear near 9837 to 9821 then 9737 to 9706 and the 9542 to 9526 region, which should contain a decline...

Dec SP500

Recommended open position long 1123.90

Resistance should appear near 1115.50, a close over is friendly and augurs for a test of the 1130 to 1136 region

Support should appear near 1101 to 1096.00 and 1082.00

Nasdaq Composite

Support should appear near 1902 and 1865 to 1858..under that buyers should emerge near 1822 to 1808 and contain a decline

Resistance should appear near 1946 to 1953 and the 1982 to 1996 region.. Beyond that a test of 2034 to 2042 is likely..

Dec Mini Nasdaq 100

Resistance is at 1453 to 1459 and 1484 to 1496.. Beyond that a test of 1529 to 1535 is likely.

Support is at 1421 to 1415 and 1383 to 1377. Below that buyers should appear near 1346 to 1334.

Dec 10 Year T-Note

Resistance should appear near 113-07..above that 113-22 and the 114-07 region should cap a rally.

Support is at 112-22 and 112-07. Failure there augurs for a test of 111-22 and 111-07

Precious Metals

December Gold

Recommended open position Short 3 at 404.4 avg

Resistance should appear at 423.8 to 424.9 then 430.4 to 431.5 and the 437 to 438.1 region.

Support is at 418.3 to 416.3 and 412 to 411 and the 399.2 to 398.2 region

Dec Copper

Recommended open position Short at 130.20

Support should appear near 12740 to 12680 and 12380 to 12320.. Below that buyers should appear near 12030 to 11920 and the 11690 to 11640 region.

Resistance should appear near 13100 and the 13340 to 13460 region.. Beyond that 13770 to 13830 should cap a rally.

Dec Silver

Support should appear 700.5 to 699 and the 683.5 to 680.5. A close under augurs for a test of 667.5 to 665.5

Resistance is at 714.5 to 717.0 and 732. to 734.5, beyond that, sellers should appear near 741.5 to 742.5 and the 748.5 to 751.5 region.

The Exciting Energies

Dec Crude Oil

Resistance should appear near 5418 to 5430 and the 5492 to 5504 region.

Beyond that sellers should appear near 5553 to 5577

Support should appear near 5356 to 5344 and 5282 to 5259.. Below that a test of 5139 to 5127 is likely.

December Unleaded Gas

Recommended open Position Short 4 at 1.4050 avg

Resistance should appear near 14150 to 14210 and 14530 to 14590, beyond that sellers should appear near 14860 to 14960

Support should appear near 13830 to 13770 then 13460 to 13340 and the 13100 to 13040 region.

Dec Heating Oil

Resistance should appear near 15690 to 15760 then 16090 to 16150 and the 16422 to 16550 region

Support should appear near 14960 to 14840 then 14590 to 14530 and the 14210 to 14150 region.

Below that a test of 13830 to 13770 is likely.

The Lively Livestock

December Cattle

Recommended open position short at 8697

Support should appear near 8872 to 8867 and 8777 to 8762 ..Below that a test of 8592 to 8562 and the 8512 to 8482 region is likely..

Resistance is at 8932 to 8967 and 9042 to 9062 .. Beyond that sellers should appear near 9137 to 9157 and cap a rally.

December Hogs

Support is at 6672 to 6657 a close under augurs for a test of 6592 to 6577 and the 6512 to 6482 region.

Below that buyers should appear near 6432 to 6417 and 6352 to 6337

Resistance is 6737 to 6757 and 6807 to 6837.. Beyond that sellers should appear near the 6907 to 6922 region. Traders can sell at 6907 and risk a close over 7022 for three days in a row.

Traders should go short if a close under 6652 occurs.

February Pork Bellies

Resistance should appear near 9707 to 9737 and the 9822 to 9837 region. Beyond that sellers should appear near 9922 to 9937. Traders can sell at 9922 and hold for lower prices. Above that 10102 to 10137 should cap a rally..

Support is at 9622 and the 9542 to 9527 region.. A close under augurs for a test of 9347 to 9317 and 9157 to 9142

--Stay tuned for BW updates and Flashes in the Livestock complex --

The Grande' Grains

December Corn

Support should appear near 204 1/4 to 203 1/2 and 199 3/4 to 198 1/4

Resistance is at 208 to 208 3/4 and 212 3/4 to 213 1/2

January Soybeans

Support is at 513 3/4 to 512 3/4 and 506 3/4 to 505 3/4. Below that buyers should appear near 499 1/2 to 497 1/4 and contain a decline.

Resistance is at 520 to 520 1/4 and 525 3/4 to 528 1/4..Beyond that sellers should appear near 534 1/2 to 535 3/4

December Soymeal

Support should appear near 149.6 to 148.4 and 145.9 to 145.3 .. Below that buyers should appear near 142.1 to 141.5

Resistance should appear near 152.9 to 153.5 and 156.9 to 157.6..Beyond that sellers should appear near 160.9 to 161.5

December Soybean Oil

Resistance should appear near 2034 to 2042 and 2080 to 2089.. Beyond that sellers should appear near 2126 to 2134

Support should appear near 1996 to 1982 and the 1953 to 1946 region. Below that buyers should appear near 1909 to 1902

December CBOT Wheat

Recommended open Position Long 3 at 322 1/4 avg

Support should appear near 315 3/4 to 314 3/4 and 310 1/4 to 309 1/4 .. Below that buyers should appear near 304 1/2 to 303 3/4

Resistance should appear near 319 1/2 to 321 1/4, a close over is friendly and augurs for test of 326 1/4 to 327 and the 331 3/4 to 332 3/4 region.

The Satisfying Softs

December Coffee

Recommended open Position long at 7860

Support is near 7340 to 7325 then 7255 to 7240 and 7170 to 7145.. Which should contain a decline. Under that 6920 to 6905 should hold.

Resistance should appear near 7485 to 7515, a close over is friendly and augurs for a test of 7760 to 7775 beyond that sellers should appear near 8025 to 8045

December Cocoa

Support is at 1421 to 1415 and 1383 to 1377

Resistance is at 1453 to 1459 and 1484 to 1496

March Sugar

Recommended open Position Short at 858

Support should appear near 912 to 907 and 882 to 877. A close under augurs for a test of 852 to 847

Resistance should appear near 932 to 941 and the 968 to 972 region.

December Cotton

Support should appear near 4580 to 4570 and 4445 to 4425. Below that buyers should appear near 4315 to 4305 and the 4250 to 4235 region, which should hold.

Resistance should appear near 4635 to 4650 and 4695 to 4715. Beyond that sellers should appear near 4775 to 4785 and the 4845 to 4855 region. Beyond that 4915 to 4925 should cap a rally.

- A Ship in Harbor is Safe...But that is not what ships are built for –

Happy Trading!

Bill wil@futurescom.com

1-866-409-3890

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Recommended Open BW Positions

Short 2 Dec Yen 9094 avg

Short 4 Dec EC 12307 avg

Short 2 December Swiss Franc 7944 avg

Short Dec Canadian Dollar 7762

Short December British Pounds 17732

Long Dec SP500 1123.90

Short 3 Dec Gold 404.4 avg

Short Dec Copper 130.20

Short 4 December Unleaded Gas 1.4050

Short Dec Cattle 8697

Long 3 Dec Wheat 322 1/4 avg

Long Dec Coffee 7860

Short March Sugar 858