

## **Bi-Weekly Investment Outlook**

**Sunday May 30<sup>th</sup> 2004 Issue # 193**

**Sunday May 30<sup>th</sup>, 2004**

**1: 30 AM eastern time**

### **The Frenzied Forex Front**

We are now in the 'election season' there is an historical price pattern to take note of...

Looking back at the price action of the Swiss Franc during the last eight election year periods.

During the period covering the end of June to the end of November. The US Dollar has gained against the Swiss Franc in six of the last eight elections.

1972 +28, 1976 -2, 1980 +428, 1984 +437, 1988 -206, 1992 +240, 1996 +347, 2000 +373

**Even after the recent dollar decline traders should maintain the current Dollar friendly posture.**

Seasonal patterns suggest sloppy sideways to down for the Euro and Swiss Franc as we move into summer..

In 2003 the Euro made highs in Late May/ Mid June at 11960 before a torrid decline into August / Sept of more than 1000 pts before bottoming just under 1.0800 .. I hardly think a decline of that magnitude is likely at this point, however downside targets in the April 4<sup>th</sup> BW (issue 189) of the 11500 region for Euro remains...

According to Bank of America's recently released Quantitative Forex Analysis the Euro is overpriced by 13 % against the dollar and the Swiss Franc is over priced by 6% .. BOA is targeting 10600 in Euro and 7350 in Swiss for a fair value region..

September Forex Futures Begin trading as front month on June 7<sup>th</sup>. Any new Bi-Weekly Recommendations will be for Sept Futures. The Morning Comments will cover June and Sept this week.

#### **Sept Yen**

**Resistance** should appear near 9140 to 9156, a close over indicates a test of 9316 to 9347.. Which should cap a rally for a bit. Beyond that sellers should appear near 9429 to 9445... Traders can sell at 9427 and risk a close over 9549 for three days in a row.

**Support** should appear near the 9060 to 9044, a close under augurs for a test of 8964 to 8934 and eventually the 8871 to 8856 region.... Below that buyers should appear near 8777 to 8762 and the 8689 to 8560 region.

Trade Accordingly and Stay tuned for Updates..



Chart by PowerSignals.com

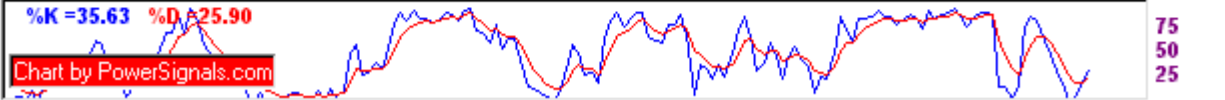


Chart by PowerSignals.com

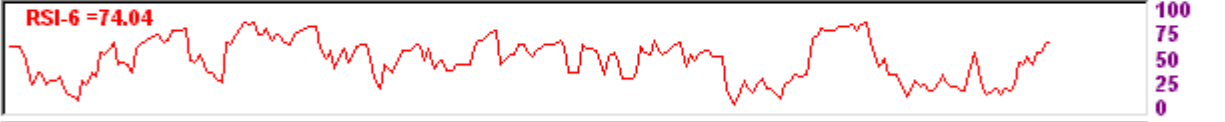


Chart by PowerSignals.com

### Sept Euro Currency (EC)

**Support** should appear at 1.2175 an extended trade under augurs for a test of the 1.2030 to 11960 region.

**Resistance** is at 12320 to 12380 and 12500

### June Euro Currency

Recommended Open Position Short 5 at 12148 Avg.





**Sept Swiss Franc**

**Resistance** should appear near 8029 to 8044 and the 8119 to 8134 region. Beyond that resistance should appear near 8194 to 8223. Above that 8300 to 8314 should bring out sellers and Cap a rally..

**Support** should appear near the 7954 to 7939 and the 7864 to 7836 region.. A close under is negative and augurs for a test of 7777 to 7763 and most likely the 7689 to 7675 region.

**June Swiss Francs**

Recommended Open Position Short 8 at 7943 Avg.





**Sept British Pound**

**Support** should appear near 18080 and the 1.7960 ... Failure there augurs for a test of 17800 to 17740.

**Resistance** should appear near 18220 and 18400. Beyond that sellers should appear near the 1.8580 to 1.8650 region.

**June British Pounds**

Recommended Open Position Short 17512.



### Sept Canadian Dollar

**Support** should appear near 7255 to 7242, a close under augurs for a test of 7170 to 7143 and 7088 to 7074.

**Resistance** is at 7328 to 7342 and 7414 to 7428 .. Traders can sell at 7412 and risk a close over 7517 three days in a row. Beyond sellers should appear near 7487 to 7513 and 7587 to 7601

### June Canadian Dollar

Recommended Open Position Short 2 at 7265 Avg.





### Sept Aussie Dollar

**Support** should appear near 7002 to 6990.. a close under augurs for a test of the 6919 to 6906 region. Under that a test of 6836 to 6809 is likely , while 6673 to 6659 should contain a decline.

**Resistance** should appear at 7074 to 7088 and the 7143 to 7170 region.. Traders can sell at 7137 and risk a close over 7192 for three days in a row.







## The Sensational Stock and Bond Markets

The next focus ' move of money ' will undoubtedly be one where hard assets move back towards paper ... That environment will be dollar friendly as traders seek to capitalize on asset appreciation rather than asset protection of the past 4 years... Evidence of this will be higher equity prices.. higher dollar..

A slowing of the real-estate boom will be a major factor contributing to the next stock market rally, as the public looks to equities for appreciation once house price appreciation slows.

Always has worked this way Always will

### Another Election Year Trend one cannot ignore is the stock market.

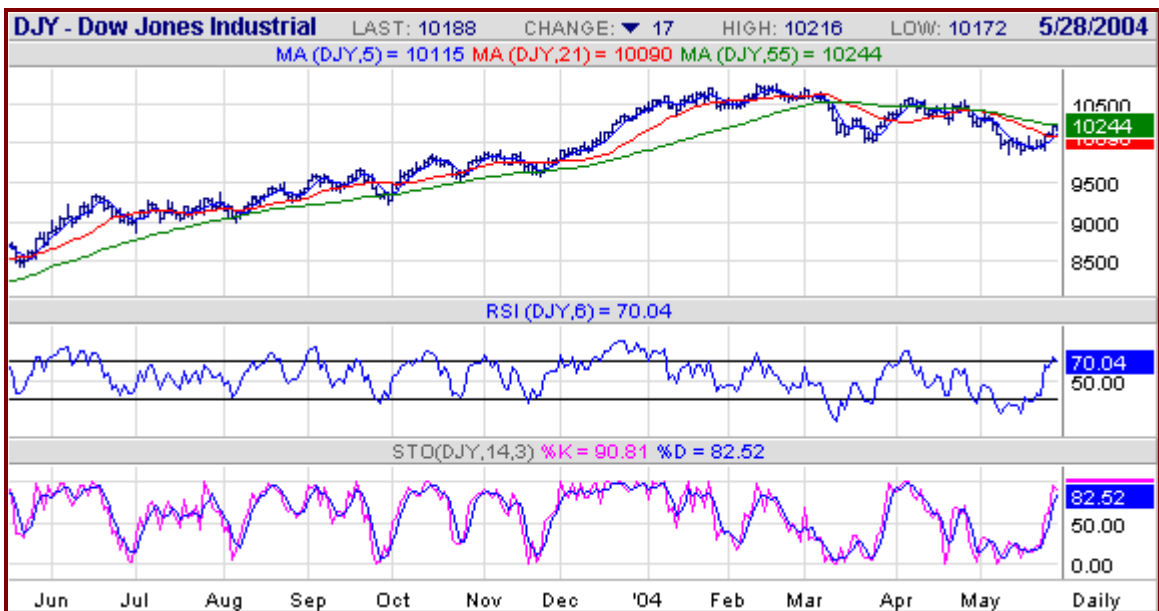
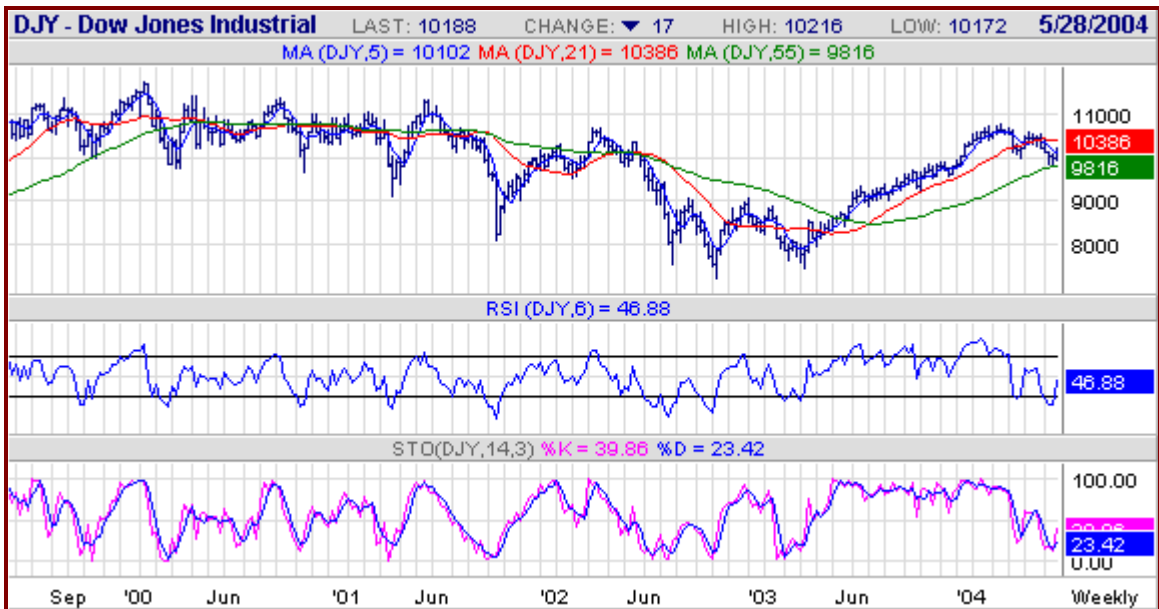
Election years in the Stock Market have a tendency to exhibit a fairly firm and upward bias. Looking back over the last 50 years the stock market has done rather nicely during a president's last two years. Narrowing that down to election years itself, the average gain is about 7.7 %. with only 3 out of the last 13 election years being down years. Of the last six election year periods from mid May to election day the S&P 500 has been up every time ....**We remain on the bull side of stocks... patience**

### Dow Jones Industrial Average

**Resistance** should appear near 10257 and 10320 to 10360

**Support** should appear near 10185 and 10137 to 10104. Below that 1037 to 10021 should hold..



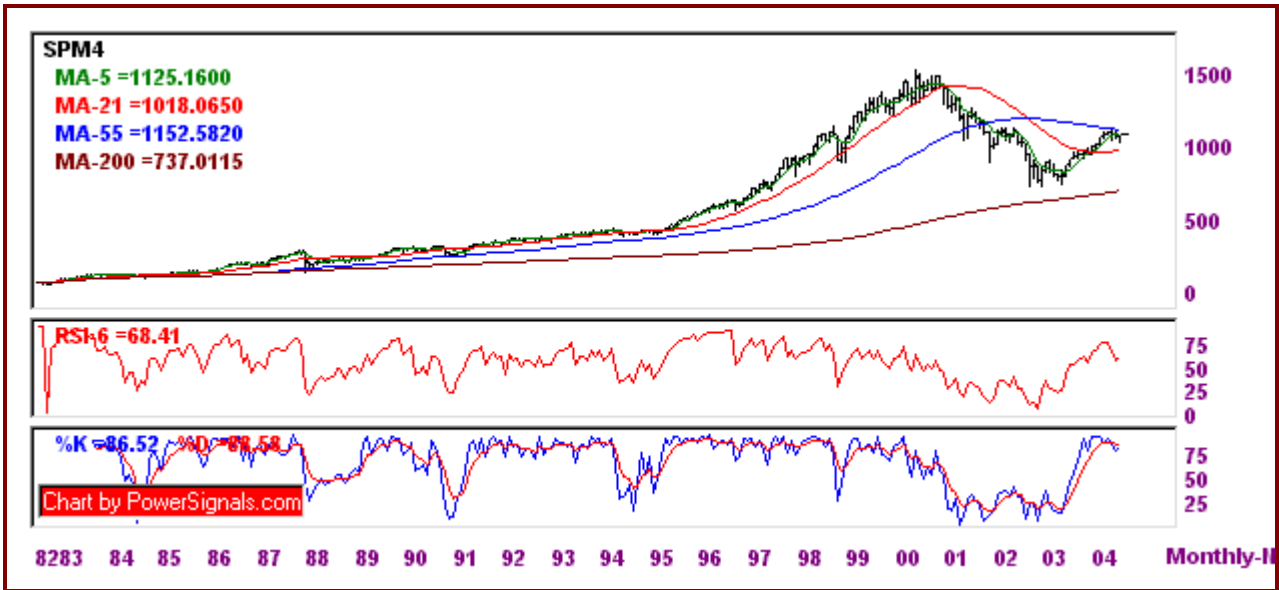


### June SP500

Recommended open position Long 4 at 1120.20 avg.

**Resistance** should appear near 1126.70 and the 1130.00 to 1136 region.. An extended trade or close over augurs for a test of 1150 and most likely the 1164 to 1169 region.

**Support** should appear near 1115.50 and 1101 to 1096..Below that 1068.00 to 1058.00 should hold.

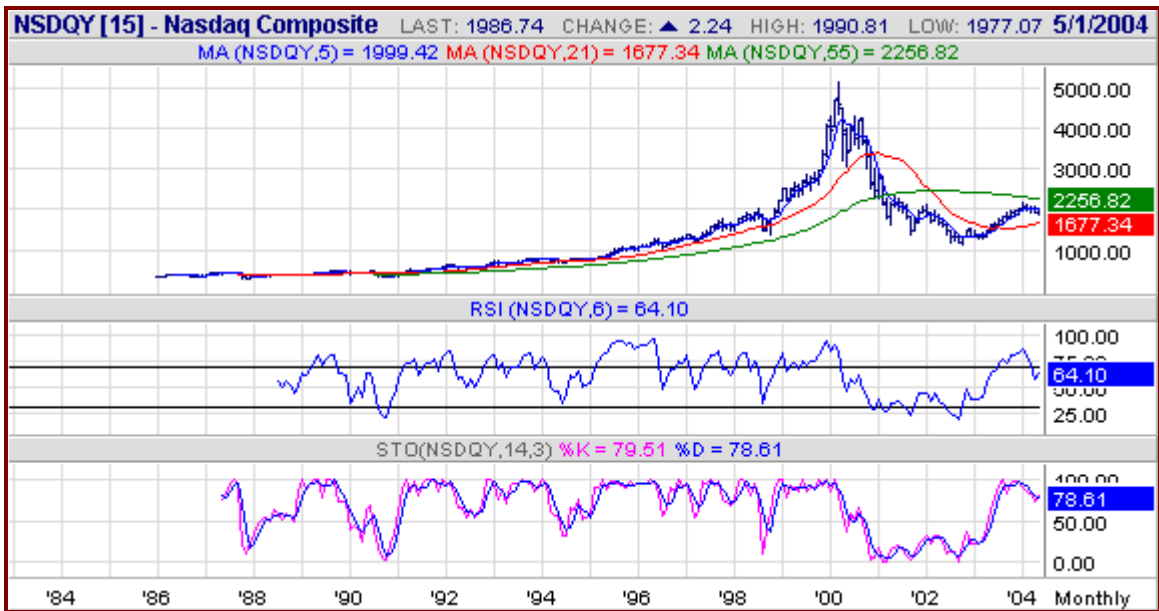


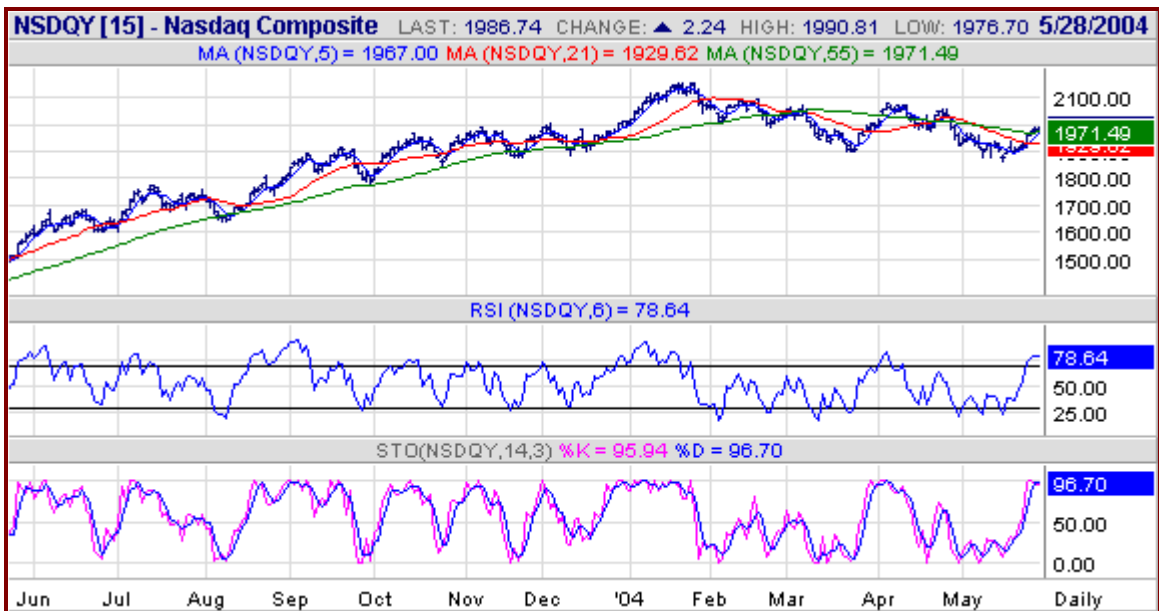
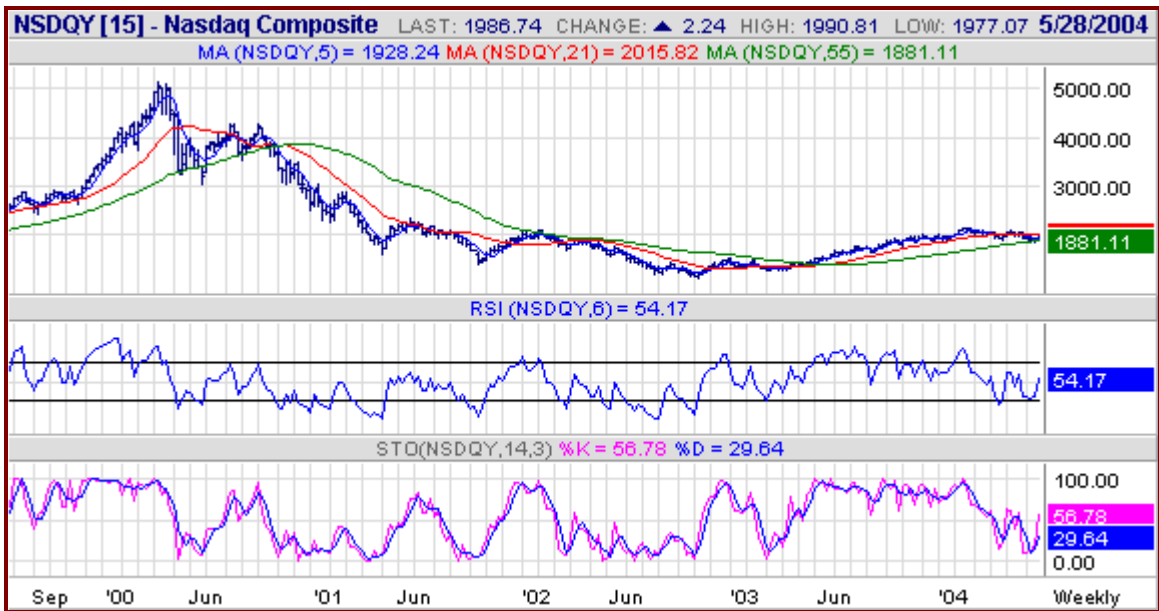


**Nasdaq Composite**

**Support** should appear near 1953 to 1946 and 1909 to 1902 .. Below that 1865 to 1858 should hold.

**Resistance** should appear near 1996, a close over augurs for a test of 2034 to 2042 and eventually the 2080 to 2089 region..





**June Mini Nasdaq 100**

**Resistance** is at 1484 to 1496 and the 1529 to 1536 region.

**Support** is at 1459 to 1453 and 1421 to 1415 Under that 1383 to 1377 should hold..



**Sept 10 Year T-Note**

**Resistance** should appear near 108-22 and 109-07.. Beyond that sellers should appear near 109-22 and 110-07. Beyond that 110-22 should Cap a rally

**Support** is at 108-07 .. a close under augurs for a test of 107-22 below that buyers should appear near 107-07 and 106-22 , which should contain a decline.. trade accordingly.





# Precious Metals

## August Gold

Recommended Open Position Short at 396.1

**Resistance** should appear at 398.2 to 399.2 and the 404.60 to 405.60 region. Beyond that sellers should appear near 411 to 412 and the 416.3 to 418.3 region

**Support** is at 392.9 to 390.9 , a close under augurs for a test of 386.7 to 385.8 and the 380.6 to 379.5 region Below that buyers should appear near 374.3 to 373.4 and the 368.2 to 366.3 region.





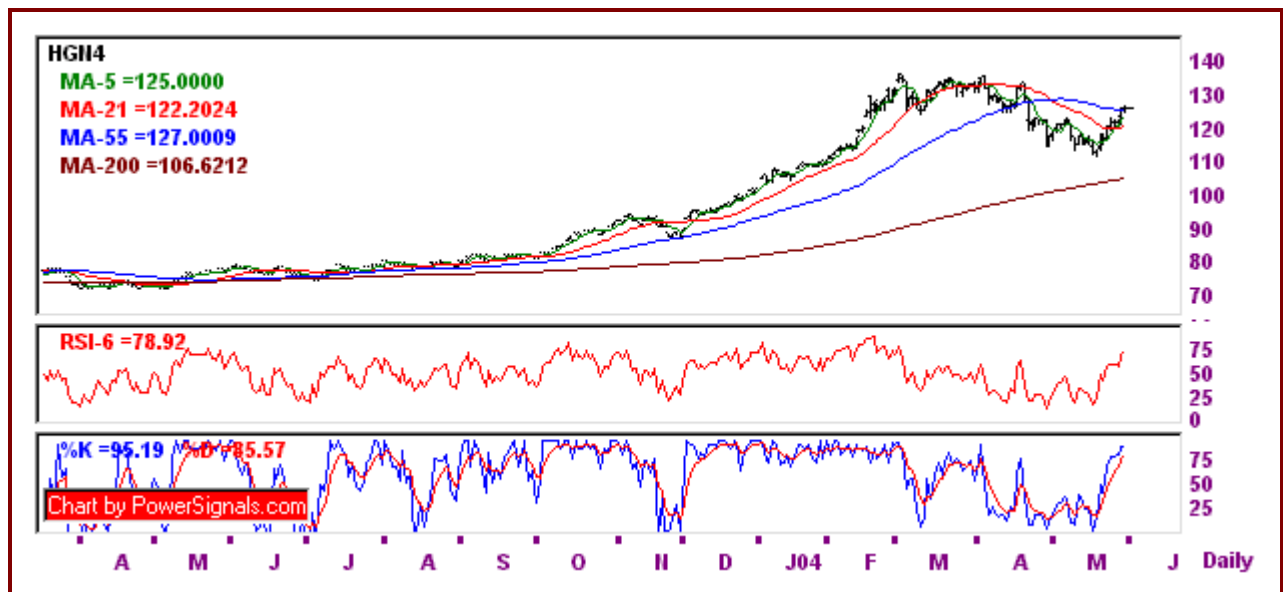
### July Copper

Recommended Open Position Short 114.45

**Support** should appear near 126.8 and 123.80 to 123.20 failure there augurs for a test of 120.30 to 119.60

**Resistance** should appear near 130.4 to 131.0 and 133.4 to 134.60.

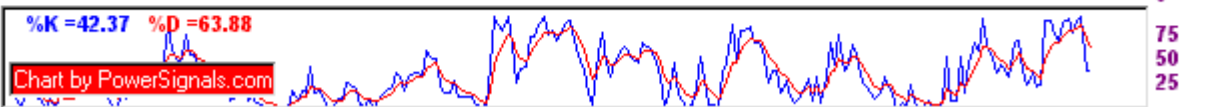




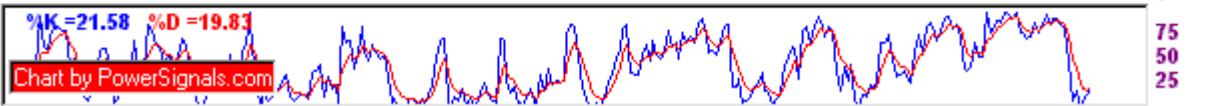
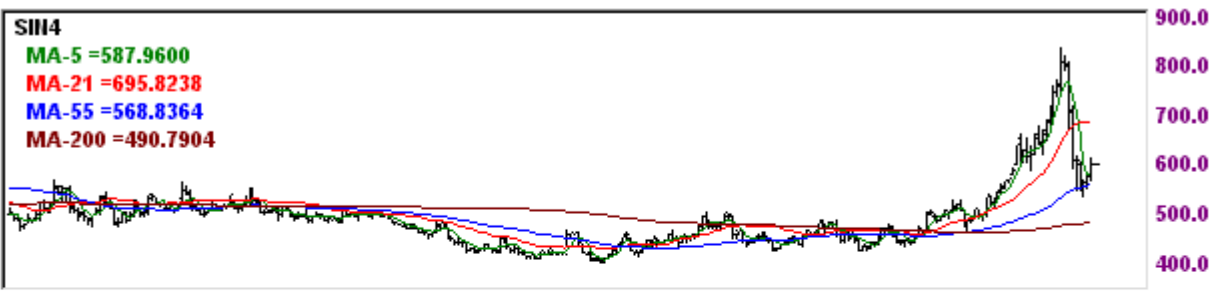
**July Silver**

**Support** should appear 603.5 to 602.5 and 588 to 585.5 below that a test of 557.5 to 555.5 is likely..

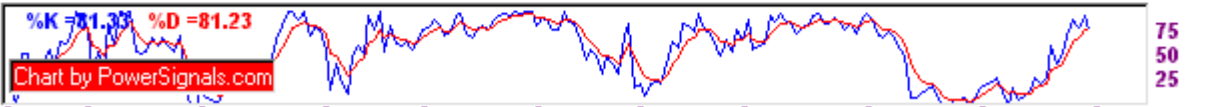
**Resistance** is at 616.5 to 619.0 and the 625.5 to 627 region. Beyond that Sellers should appear near 641.5 to 643.0 and the 657.5 to 659.0region.



84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 Monthly-C



HD F A JJAS HD F A JJA OHJ01M JJA OH D F A JJASO D F A JJASOHD F A J Weekly-C



A S O II D J04 F M A M Daily

# The Exciting Energies

## July Crude Oil

**Resistance** should appear near 4046 to 4056 and 4110 to 4120. Traders can sell at 4107 and risk a close over 4214 for three days in a row.. Beyond that sellers should appear near 4163 to 4183 and the 4238 to 4249 region

**Support** should appear near 3929 to 3909 and the 3867 to 3858 region.. Below that a test of 3806 to 3795 and the 3743 to 3734 region is likely.

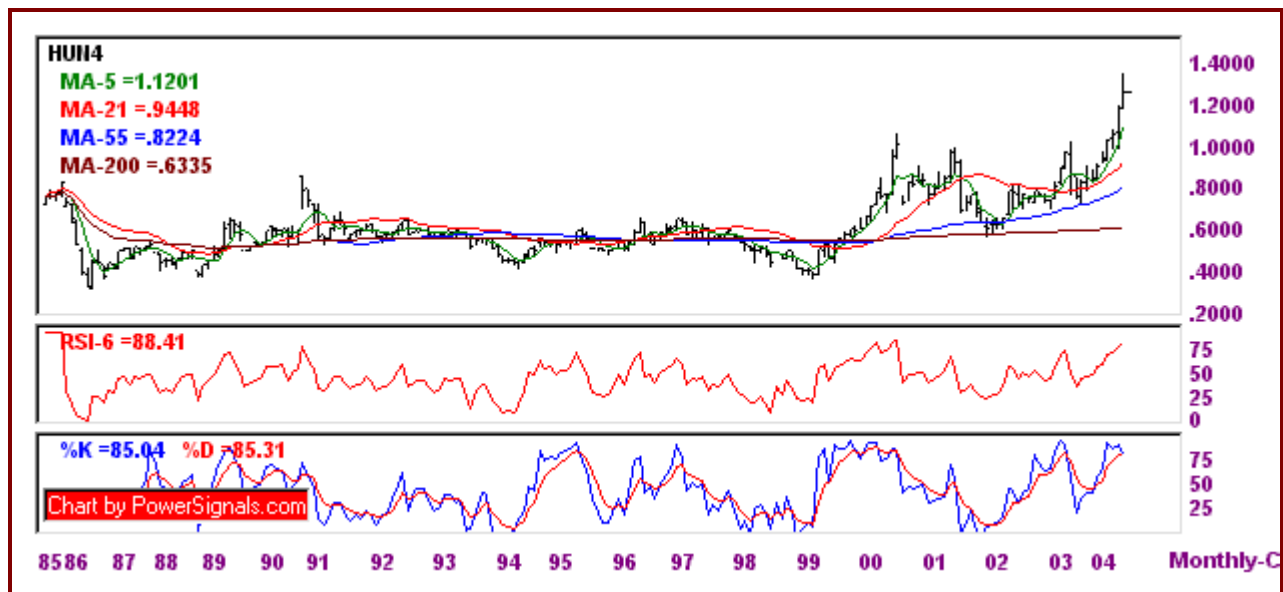




**July Unleaded Gas**

**Resistance** should appear near 13040 to 13100 and 13770 to 13830. Beyond that sellers should appear near 14150 to 14210 and cap a rally ..

**Support** should appear near 12740 to 12680 and the 12380 to 12320 region.. A close under augurs for a test of 12030 to 11960 and eventually the 11360 to 11300 region..

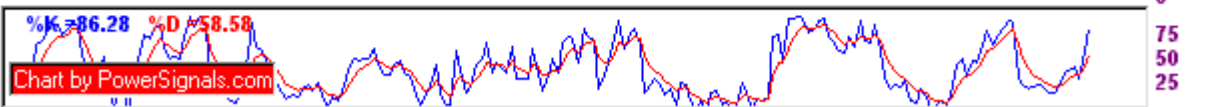
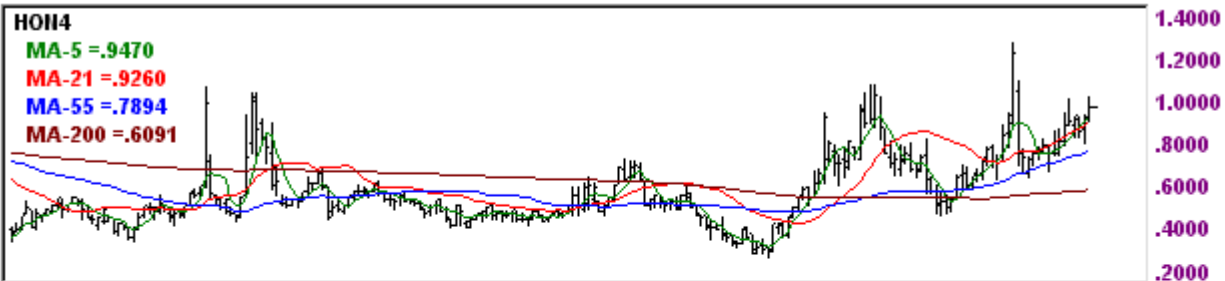




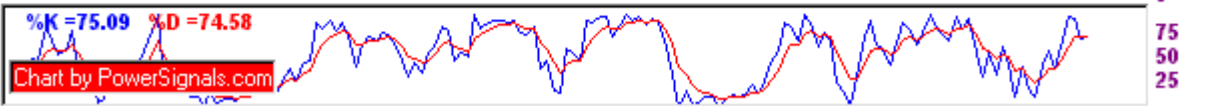
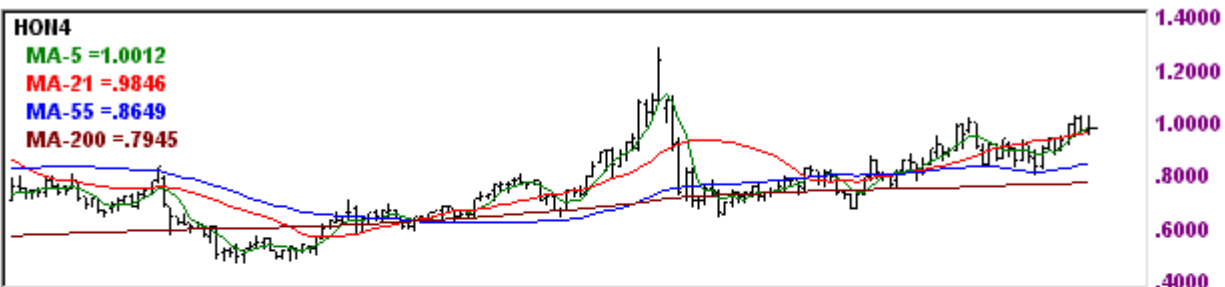
### July Heating Oil

**Resistance** should appear near 10320 to 10360 and 10580 to 10680. Beyond that sellers should appear near 10960 to 11010.

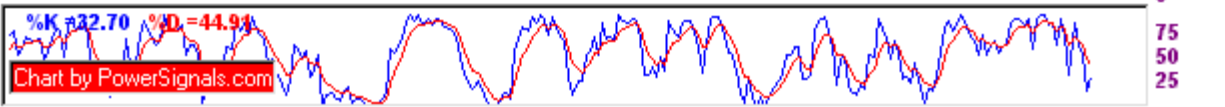
**Support** should appear near 9937 to 9921. A close under augurs for a test of 9737 to 9706 and eventually the 9347 to 9317 region.



86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 Monthly-H



A M J J A S O H D J02 F M A M J J A S O H D J03 F M A M J J A S O H D J04 F M A M Weekly-H



J J A S O H D J04 F M A M J Daily-H



# The Lively Livestock

## August Cattle

**Support** should appear at 8777 to 8762 and the 8682 to 8667 region. A close under is negative and augurs for a test of 8592 to 8562 and eventually the 8407 to 8392 region.

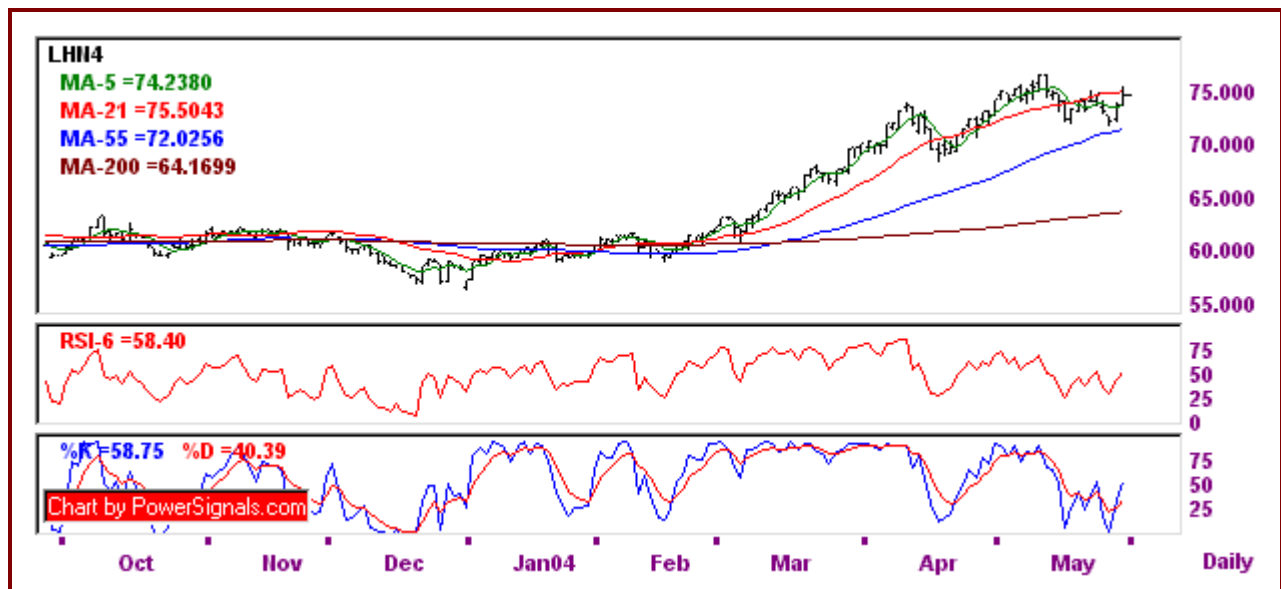
**Resistance** is at 8932 to 8967.. Beyond that sellers should appear near 9042 to 9062 and 9137 to 9157 , A close over is friendly and augurs for a test of 9317 to 9347.



## July Hogs

**Support** is at 7512 to 7487 and 7342 to 7327 ..below that buyers should appear near 7257 to 7242 and 7170 to 7142 ..Under that 7077 to 7072 should hold.. Traders can buy at 7262 and risk a close under 7132 for three days in a row.

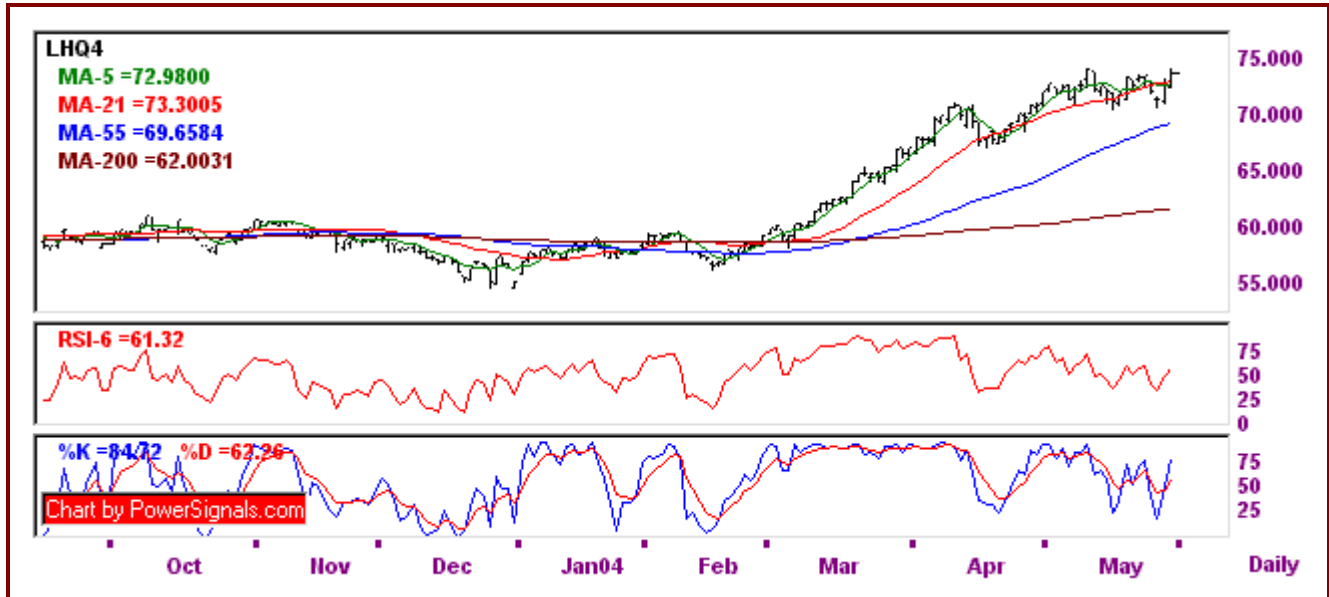
**Resistance** is at 7587 to 7602.. Beyond that a test of 7672 to 7692 and the 7762 to 7777 region is likely. Above that sellers should appear near 7837 to 7867 and cap a rally ... Traders can sell at 7762 and risk a close over 7877 for three days in a row.



### August Hogs

**Support** is at 7342 to 7327 and 7257 to 7242.. Under that buyers should step in near the 7172 to 7142 and the 7002 to 6992 region.

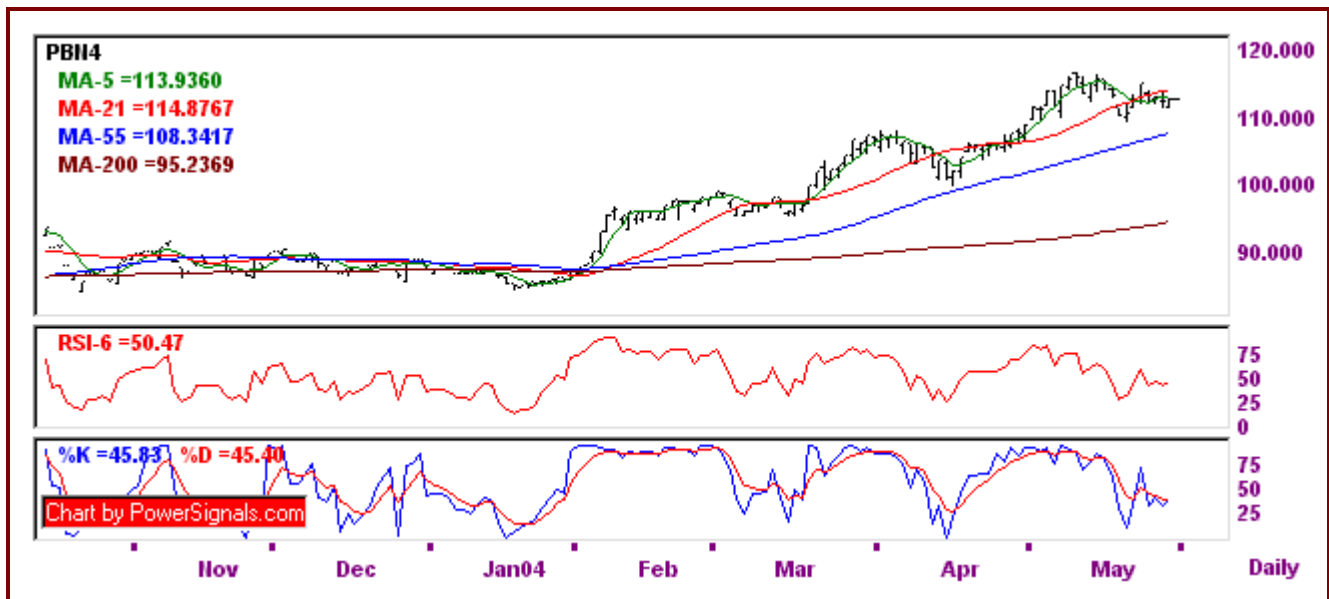
**Resistance** is at 7412 to 7427.. Beyond that sellers should appear near 7487 to 7512 and the 7587 to 7602 region.. ...



### July Pork Bellies

**Resistance** should appear near 11500 and 11640 to 11690 . Beyond that sellers should appear near 11805 and the 11960 to 123030 region.

**Support** is 11300, a close under is negative and augurs for a test of 11010 to 10960 and eventually the 10680 to 10580 region.



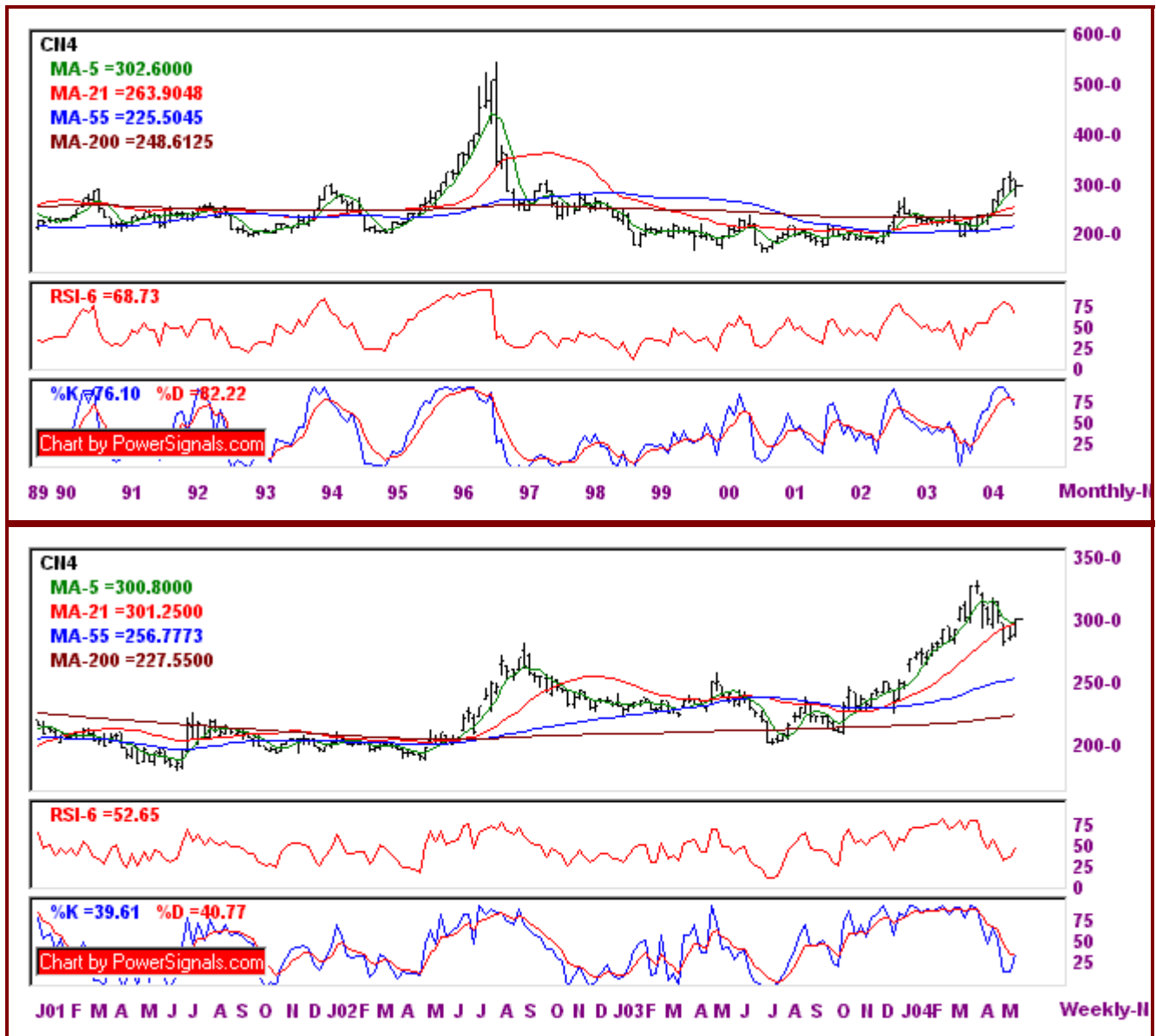
--- Traders should stay tuned for BW Updates and Flashes in the Livestock markets ---

# The Grande' Grains

## July Corn

**Support** should appear near 303  $\frac{3}{4}$ , a close under is negative and augurs for a test of 299 to 297  $\frac{1}{2}$  and the 293  $\frac{3}{4}$  to 292  $\frac{3}{4}$  region...Below that 283 to 282  $\frac{3}{4}$  should hold..

**Resistance** is at to 309  $\frac{1}{4}$  to 310  $\frac{1}{4}$  and 314  $\frac{3}{4}$  to 315  $\frac{3}{4}$  ..beyond that sellers should appear near 326 to 327  $\frac{1}{4}$  and should cap a rally.. Traders can sell at 325  $\frac{3}{4}$  and risk a close over 3335  $\frac{1}{4}$  for three days in a row.

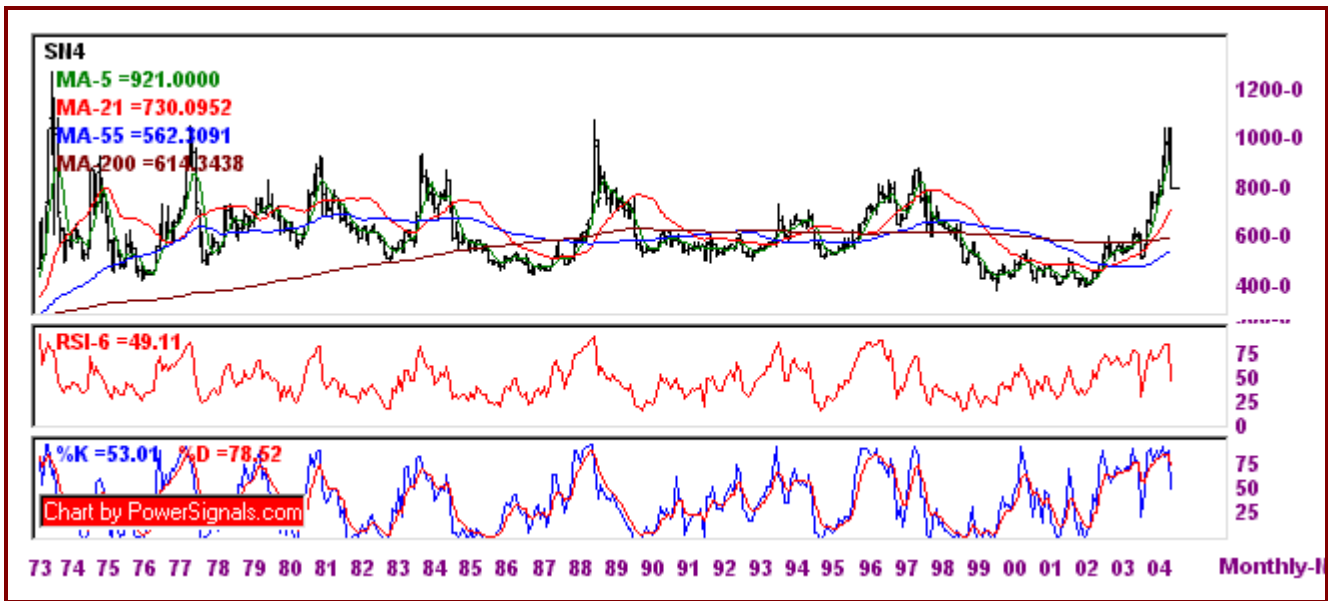


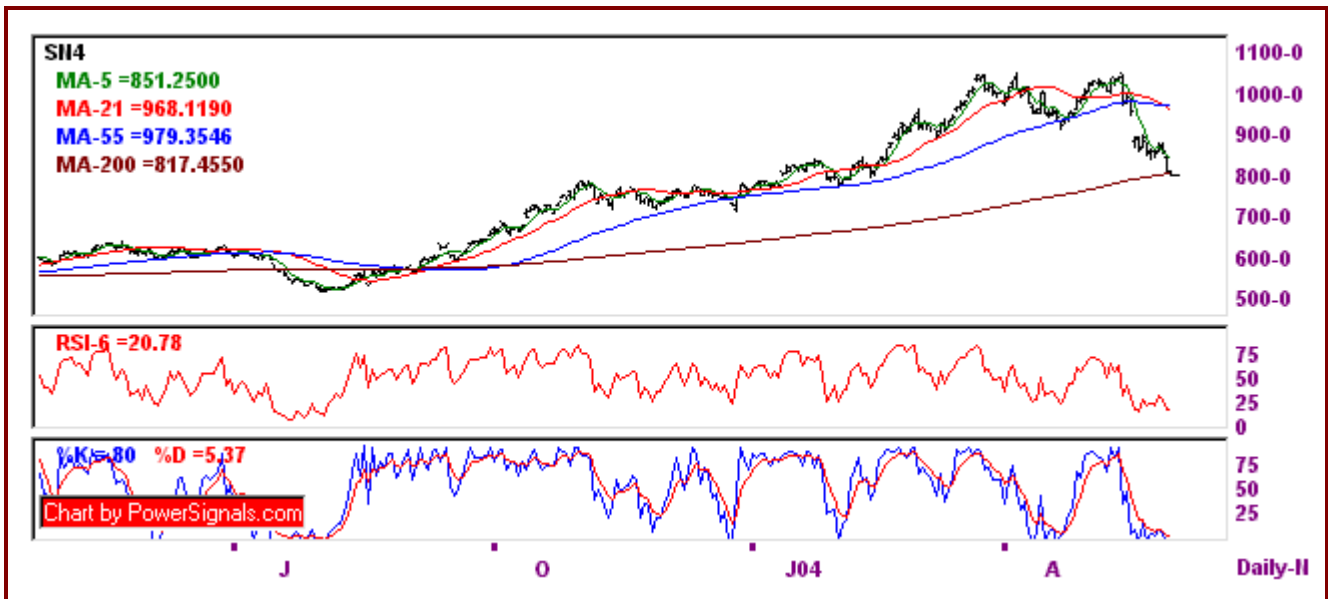


### July Soybeans

**Resistance** is at 830 to 831 ½ and the 866 ¾ to 868 ¼ region. Beyond that sellers should appear near 876 ¼ to 877 ¾ .

**Support** is at 811 ¾ , a slip under augurs for a test of 795 ½ to 793 ¾ ..Below that 777 ¾ to 776 ¼ should contain the decline..





**November Beans**

**Support** is at 683 3/4 to 680 3/4 and 675 1/2 to 674 and the 667 1/4 to 665 3/4, which should hold.. Traders can buy at 667 3/4 and risk a close under 646 3/4 for three days in a row.

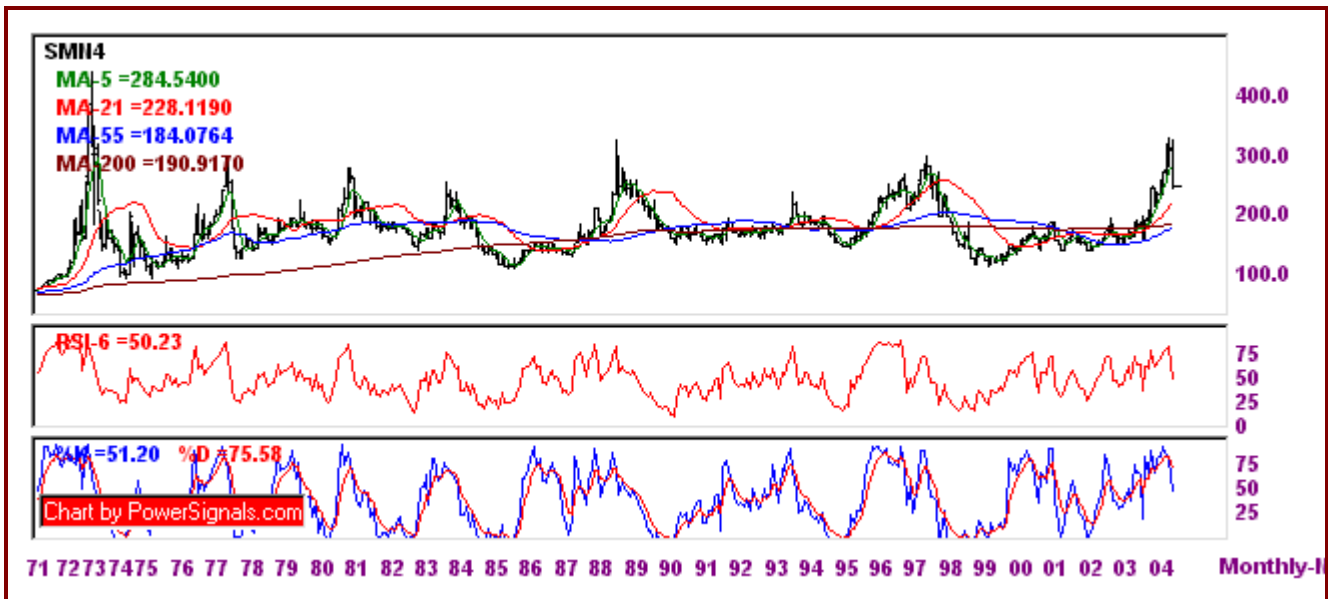
**Support** is at 717 and the 732 3/4 to 734 1/4 region.. Beyond that sellers should appear near 741 1/2 to 742 3/4 and the 777 3/4 to 776 1/4 region.

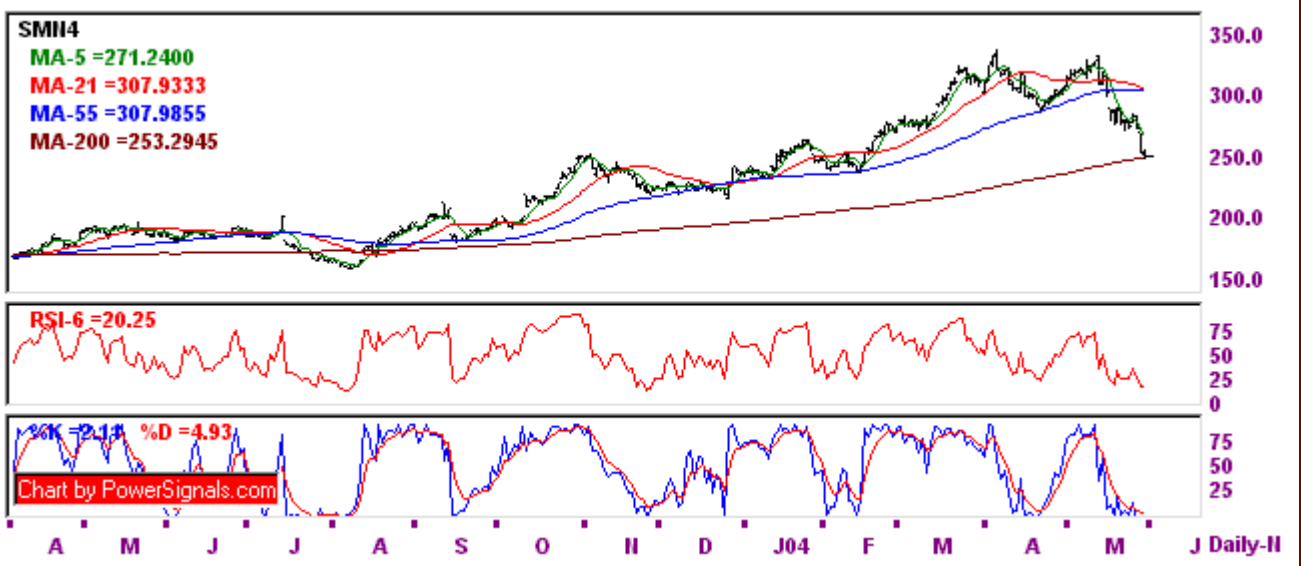
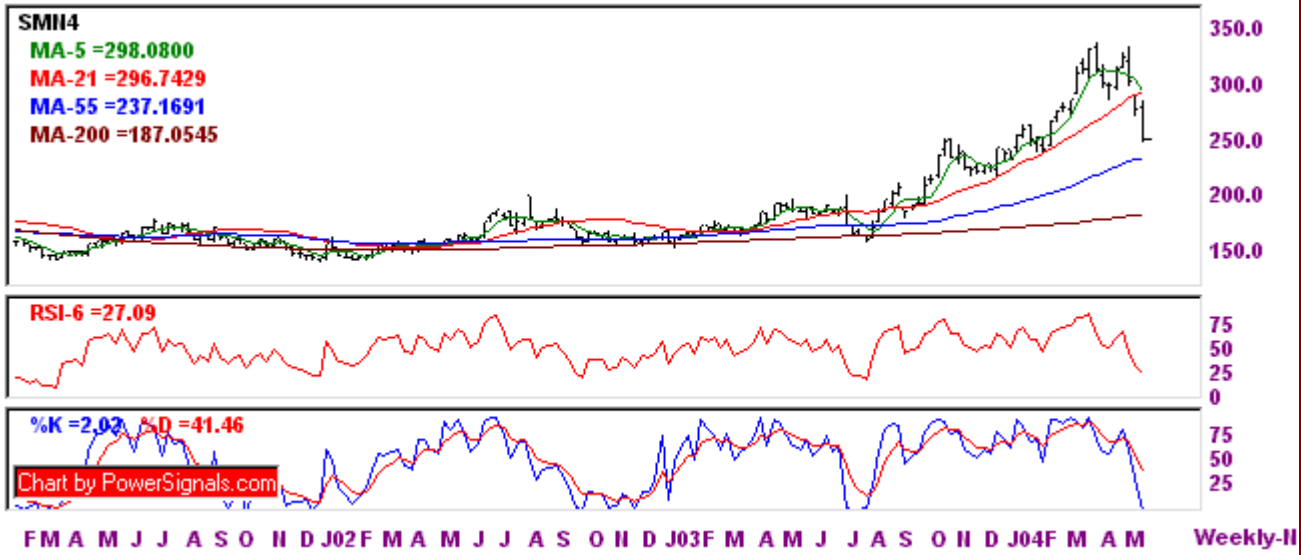


**July Soymeal**

**Support** should appear near the 251.9 to 251.1 and the 246.9 to 246.1 region.. Below that buyers should appear near 241.9 to 241.1 and the 232.2 to 231.5 region.. Traders can buy at 232.7 for a bounce and risk a close under 226.2 for three days in a row.

**Resistance** should appear near 261.2 to 262 and the 266.3 to 267.2 region.. Beyond that sellers should appear near 275.8 to 277.5. Which should Cap a rally for a bit. Traders can sell at 275.7 and risk a close over 283.6 for three days in a row.





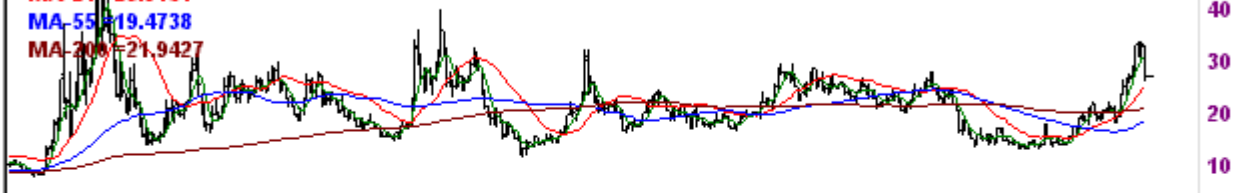
**July Soybean Oil**

**Resistance** should appear near 2874 to 2883. Beyond that sellers should appear near 2928 to 2937.. Traders can sell at 2924 and risk a close over 2997 for three days in a row.. Beyond tat resistance should appear near 3036 to 3045

**Support** should appear near 2775 to 2758, a close under augurs for a test of 27624 to 2716 and the 2672 to 2663 region.. Below that buyers shold appear near 2620 to 2612..

**BON4**

MA-5 = 31.5540  
MA-21 = 25.9181  
MA-55 = 19.4738  
MA-200 = 21.9427



RSI-6 = 48.72



%K = 56.10 %D = 77.89

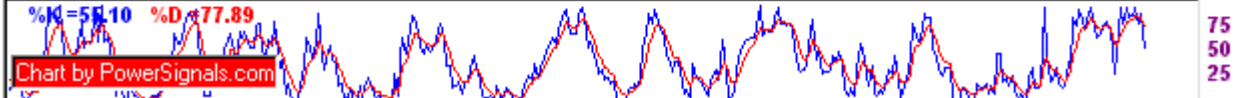
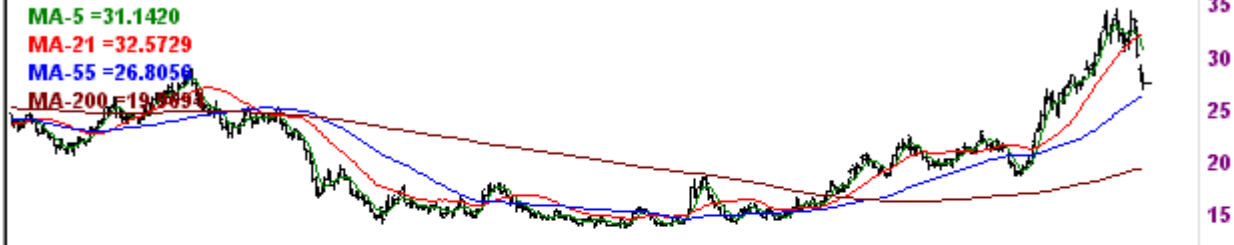


Chart by PowerSignals.com

72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 Monthly-I

**BON4**

MA-5 = 31.1420  
MA-21 = 32.5729  
MA-55 = 26.8059  
MA-200 = 19.9091



RSI-6 = 22.69



%K = 7.40 %D = 27.44

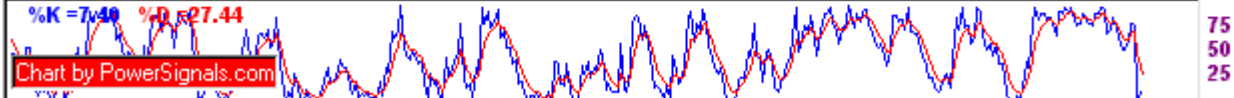


Chart by PowerSignals.com

M J O J98 A J O J99 A J O J00 A J O J01 A J O J02 A J O J03 A J O J04 A Weekly-II

**BON4**

MA-5 = 28.3040  
MA-21 = 31.4471  
MA-55 = 32.2371  
MA-200 = 28.4691



RSI-6 = 33.60



%K = 10.05 %D = 8.55

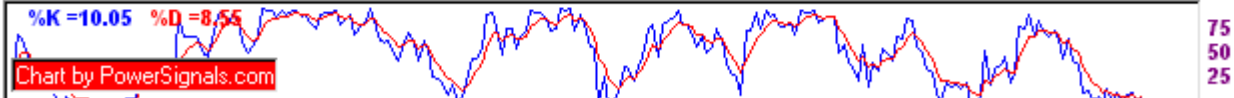


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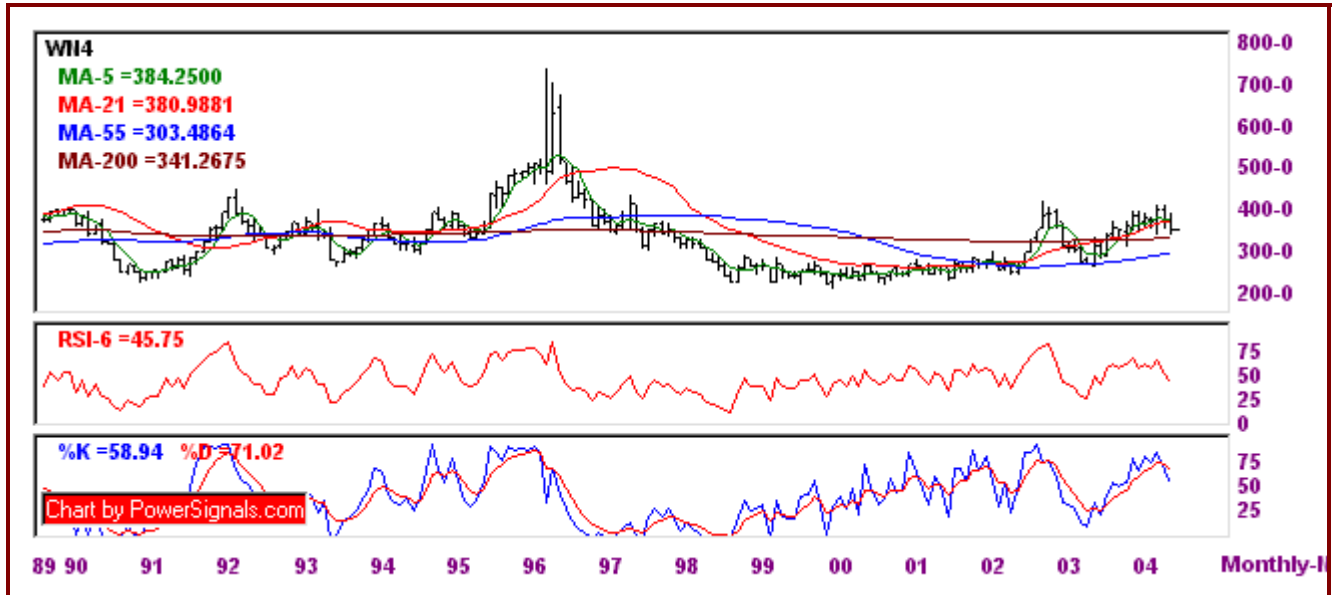
J A S O N D J04 F M A M Daily-II



## July CBOT Wheat

**Support** should appear near  $356 \frac{1}{4}$  to  $355 \frac{1}{4}$  and  $344 \frac{1}{4}$  to  $342 \frac{1}{2}$ , below that buyers should appear near  $338 \frac{3}{4}$  to  $337 \frac{3}{4}$  and the 327 to 326 region.

**Resistance** should appear near  $366 \frac{1}{4}$  to  $368 \frac{1}{4}$  and  $373 \frac{1}{2}$  to  $374 \frac{1}{4}$ . Traders can sell at  $373 \frac{1}{4}$  and risk a close over  $381 \frac{3}{4}$  for three days in a row





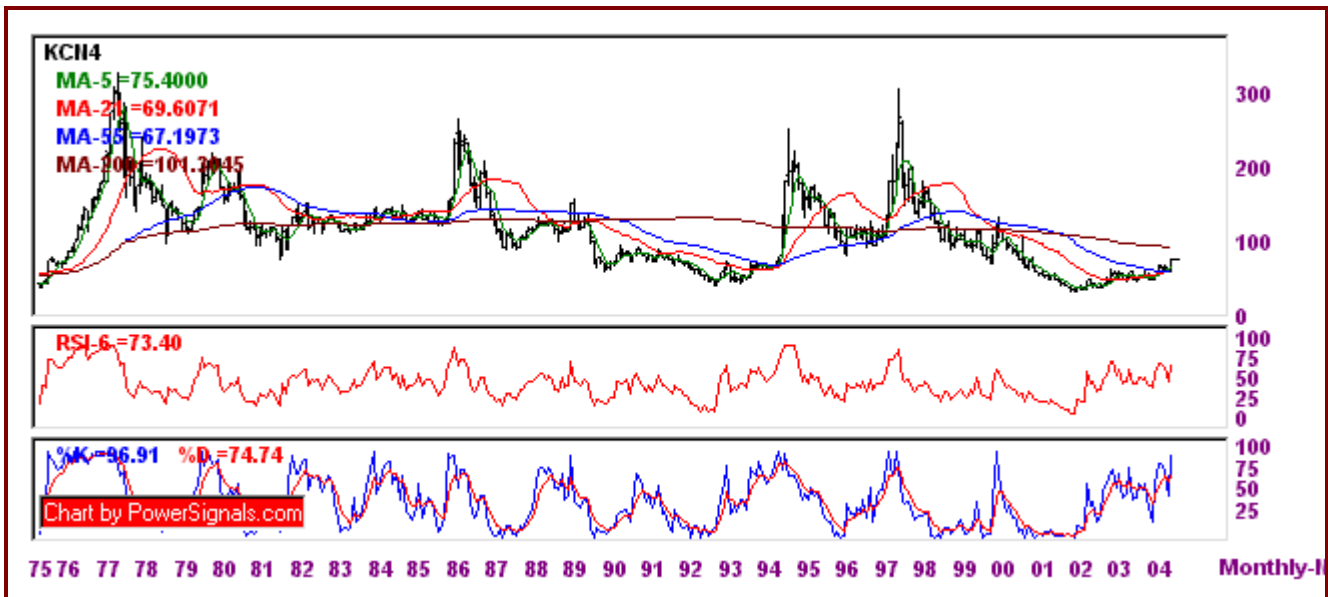
## The Satisfying Softs

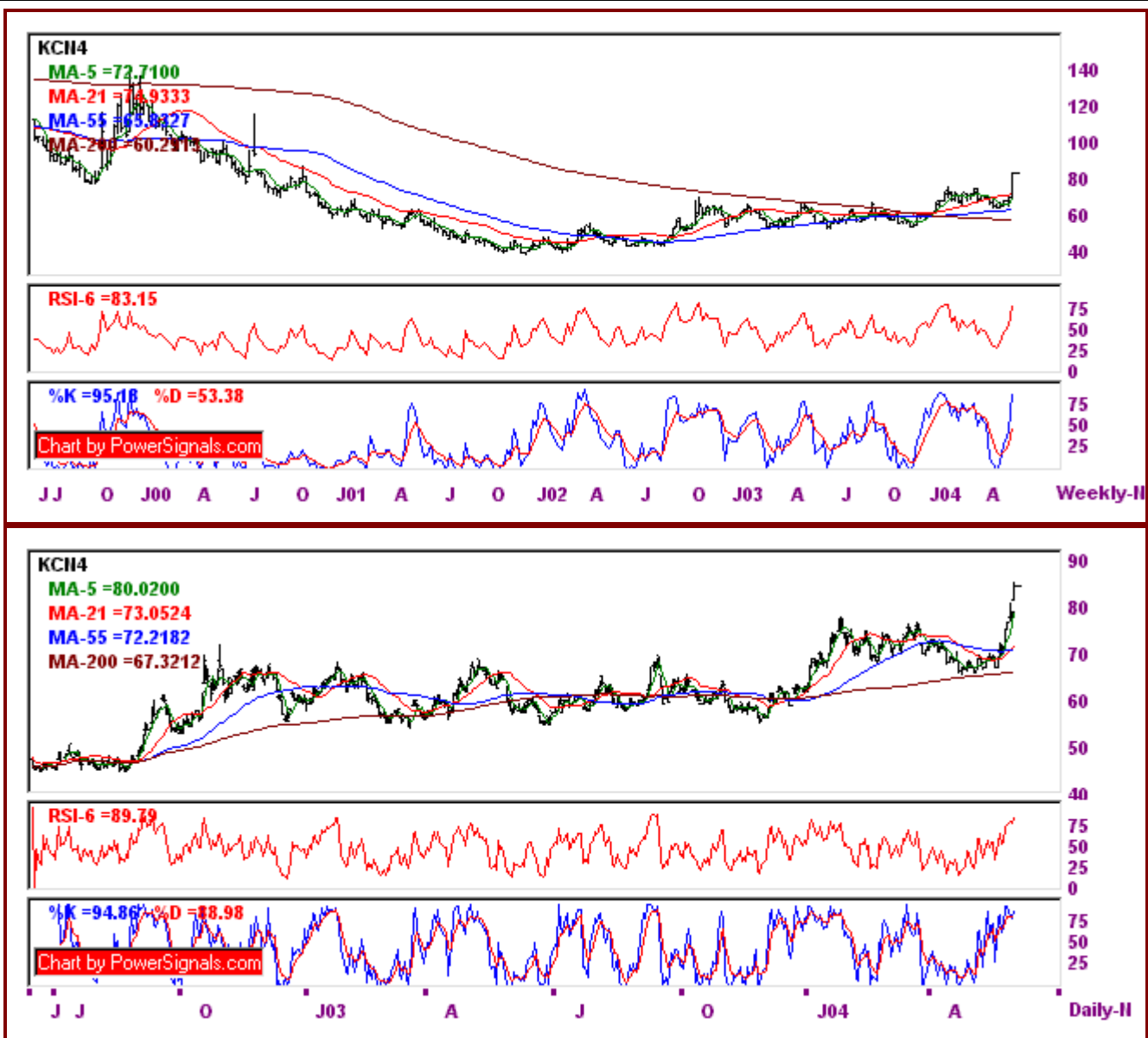
### July the 'Monster' Coffee

Recommended Open position long 7295

**Support** is near 8315 to 8300 and the 8135 to 8115 region.. Traders can buy at 8135 and hold for higher prices.. risk a close under 7820 for three days in a row.. Below that buyers should appear near the 7780 to 7765 0 region.

**Resistance** should appear near 8760 to 8780 and the 9040 to 9060 region. Beyond that trade towards 9315 to 9345 is likely.





**July Cocoa**

Recommended Open Position Short 1374

**Support** is at 1459 to 1453 and 1421 to 1415.. A close under augurs for a test of 1346 to 1334 and eventually the 1310 to 1304 region.

**Resistance** is at 1484 to 1496.. Beyond that sellers should appear near 1529 to 1535 and 1569 to 1576



## July Sugar

Recommended Open Position Short 655

**Support** should appear near 686 to 682 then 661 to 656. Under that buyers should appear near 634 to 630 and the 586 to 582 region. .

**Resistance** should appear near 712 and 735 to 739. Beyond that sellers should appear near 763 to 767.

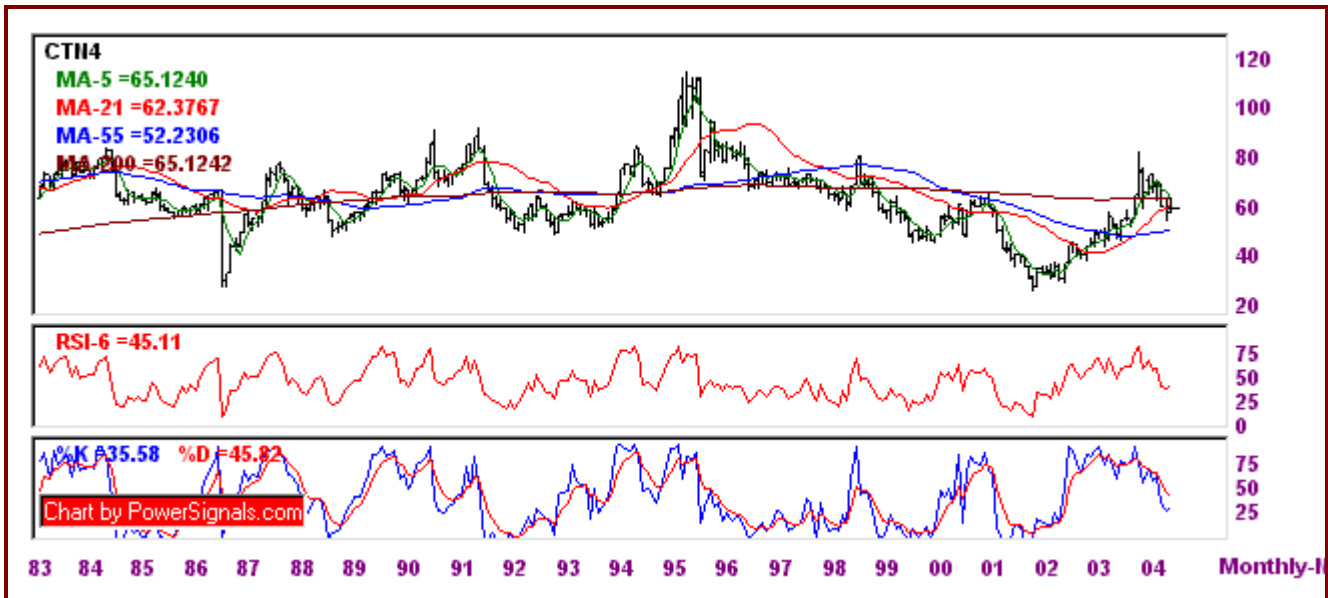




**July Cotton**

**Support** should appear near 6115 to 6105 and the 5960 to 5945 region.. Below that buyers should appear near 5880 to 5855 and 5730 to 5715, which should hold.

**Resistance** should appear near 6335 to 6350 and 6415 to 6430 . A close over is friendly and augurs for a test 6575 to 6590 and the 6655 to 6675.region.





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

**Happy Trading!**

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1-866-409-3890

Sunday May 30<sup>th</sup>, 2004

07: 15 PM South Florida Beach Time

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**Recommended Open BW Positions as 5-31-2004**

**Short 5 June EC 12148 avg**

**Short 8 June Swiss Franc 7943 avg**

**Short June British Pounds 17512**

**Short 2 June Canadian Dollars 7265 avg**

**Long 4 June SP500 1120.20 avg**

**Short August Gold 396.1**

**Short July Copper 11445**

**Long July Coffee 7295**

**Short July Sugar 655**

**Short July Cocoa 1374**