

Bi-Weekly Investment Outlook Saturday August 9th 2003

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

Saturday August 9th, 2003
5:00 AM

Investor’s broadly moved back into dollars over the last two weeks. While many ‘talking heads’ are calling for a continued dollar rally, the Long Term trend for a lower dollar has not changed. Especially as weak dollar remains one of the tools to boost what now should be termed a *structurally problematic* manufacturing sector of the US economy .. structural problems that most likely are spreading to the service sector. ...

Generally speaking the dollar tends to weaken from Mid August thru the end of September thru early October. Most prominently, the Swiss Franc over the last 28 years has gained from the end of July to the end of September 19 times .The average gain has been 269 pts while the average loss was 102 pts. On a narrower basis, over the last thirteen years there were 10 gains --Sell dollar rallies ---

The Yen has not moved much all this year and traders should expect it to maintain pretty much the same range. Just as the MOF in Japan wants... The danger is , no market participant can indefinitely keep a large liquid market sideways for any extended length of time as a large break out either up or down could undermine the reasons for keeping it sideways... The seasonal tendency is for the Yen to gather some strength over the next two months as the dollar enters a period of normal broadly weaker tendencies

Gold bucked the stronger dollar on Friday gaining \$10.10 an ounce for the week to \$ 357.90. Still a bit under the pre- war 368 levels it of January and about the same level it was in Feb of 1997. During the dollar weakness in 1985 to 1988 Gold moved from 280 to 500 or about 200 dollars an ounce before topping out ...

I am going to make a bold call here and say the chances of that happening again are more likely than not .. Gold stocks have been getting coverage on Wall Street...Re-investment the gold market as a theme may be just underway and could last for sometime as China’s fosters domestic entry in to the world market.

The Euro heavy, trade weighted US Dollar index has an 80% inverse correlation to gold. Australia is the third largest producer of gold in the world. The Aussie has an approximate 75% positive correlation with gold prices as does the Canuck Canada is the fifth largest producer of gold in the world. The Canuck has about a 50% positive correlation with gold prices...One has to wonder if the latter two will regain prominence of years past ..

-What goes around comes around -

I see no reason to change posture at this time. ..Stay tuned for Updates in all markets.

-Adhere and Prosper-



The 'Frenzied' Forex Front

Sept Yen

Support should appear near 8406 to 8391. Below that buyers should appear near 8314 to 8300 and the 8223 to 8194 region... Traders can buy at 8357 and risk a close under 8254 for three days in a row..Under that support should appear near 8134 to 8119

Resistance should appear near 8484 to 8499 then 8560 to 8589 and the 8668 to 8683 region. Beyond that sellers should appear near 8762 to 8777 and the 8856 to 8871 region Traders can sell at 8757 and risk a close over 8877 for three days in a row.

Traders should go long if a close over 8411 occurs

Monthly Yen



Weekly Yen



Daily Yen



Sept Euro Currency (EC)

Recommended Open Position Long 11155

Support should appear at 11227. Below that buyers should appear near 11155 and the 11010 to 10960 region, which should contain any decline for some time ... Traders can buy at 11017 and hold for higher prices..

Resistance is at 11300 to 11330 and 11360 , an extended trade over augurs for an eventual test of 11500 and eventually the 11640 to 11690 region

Traders should go long if a close over 11337 occurs

Weekly EC



Daily EC Futures



Sept Swiss Franc

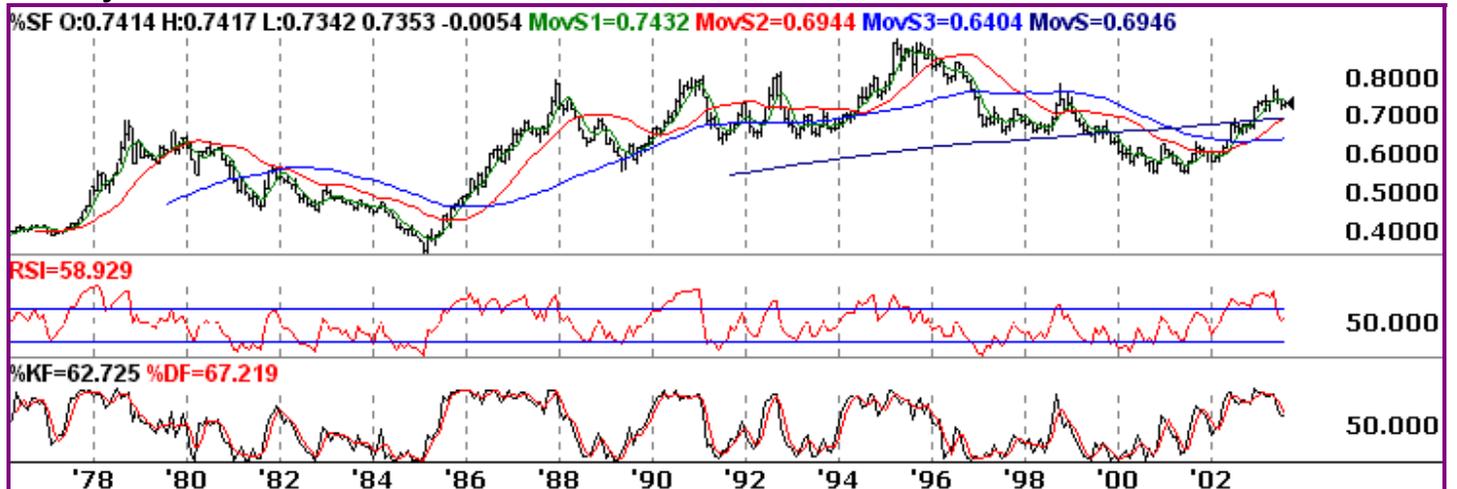
Recommended open position long 2 at 7399 avg

Resistance should appear near 7378 and the 7414 to 7428 region. Beyond that sellers should appear near 7486 to 7513

Support should appear near 7342 to 7328 and the 7255 to 7241 region, which should contain a decline. Below that buyers should appear near 7170 to 7142.

Traders should go long if a close over 7382 occurs..

Monthly Swiss Franc



Weekly Swiss Franc



Daily Swiss Franc



Sept British Pound

Support should appear near 1.5928 and the 1.5760 to 1.5690 region. Traders can buy at 1.5768 and hold for higher prices.. Below that buyers should appear near 1.5510 and 15350 to 15290

Resistance remains near the 1.6090 to 1.6150 region and 1.6286 beyond that a test of the 1.6420 to 1.6550 region is likely. Trade Accordingly

Traders should go long if a close over 1.6158 occurs.

Monthly British Pound



Weekly British Pound



Daily British pound



Sept Canadian Dollar

Support should appear near 7143 and the 7088 to 7074 region. Traders can buy at 7119 and hold for higher prices.. Below that 7003 to 6990 should contain a decline..

Resistance is at 7242 to 7255, a close over augurs for a test of 7328 to 7342 and the 7414 to 7428 region. Traders should go long if a close over 7177 occurs.

Monthly Canadian Dollar



Weekly Canadian Dollar



Daily Canuck



Sept Aussie Dollar

Recommended Open position Long 2 at 6583 avg

Support should appear near 6457 then 6430 to 6417 and the 6350 to 6337 region, where buyers should step in and contain a decline.

Resistance should appear near 6509, a close over augurs for a test of 6577 to 6591 and the 6659 to 6673 region.. Traders should go long if a close over 6513 occurs.

Monthly Aussie



Weekly Aussie



Daily Aussie



The Sensational Stock and Bond Markets

The Dow has spent all 2003 in the same range of July 2002.. As the world changed in Sept 2001 .the Dow failed badly After that low in Sept 01 an 'all is well again' theme dominated Wall Street . Then in July 2002 it failed again and munched around for a few months and here we are again 'a new bull mkt.'

However since the lows of July 2002 the Dow has closed above the close of Sept 2001 only in October of 2002 (barely) -- then again in May of 2003 again barely --and this past June and July --In fact the lows of both June and July were near the close of Sept 2001...this mkt needs to move higher or the possibilities of revisiting that level is likely becomes more likely than not..

Dow Jones Industrial Average

Resistance should appear near 9316 to 9347 and 9429 to 9445, which should cap a rally for a bit.. Above that sellers should appear near 9526 to 9542.

Support should appear near 9156 to 9140 and 9060 to 9044 ...Below that buyers should appear near 8964 to 8934 and the 8871 to 8856 region..

Monthly Dow Jones Industrial Avg



Weekly Dow Jones Industrial avg



Daily Dow Jones Industrial Avg



Sept SP500

Recommended Open position Short at 980.8

Nearby Resistance should appear near 982.10 to 983.70 and the 992.10 to 993.70 region. Beyond that Sellers should appear near 1000 to 1005 then 1018.5 and the 1032 to 1036 region

Nearby Support should appear near 973.70 to 970.60 then 964.1 to 962.50 and the 954.20 to 952.60 region
Below that a test of 944.50 to 942.90 and the 934.70 to 931.60 region is likely...

Stay tuned for BW SP500 Updates and Index program trades , while day trades can occur at anytime

Monthly SP500 Future



Weekly SP500 Future



Daily SP500



Nasdaq Composite

Resistance should appear near 1655 and the 1689 to 1696 region ... Beyond that sellers should appear near 1731 to 1738 and the 1774 to 1780 region

Support should appear near 1642 and the 1615 to 1609 region.. Below that buyers should appear near 1576 to 1569 and the 1535 to 1529 region , which should contain a decline.

Monthly Nasdaq Composite



Weekly Nasdaq Composite



Daily Nasdaq Composite



September Mini Nasdaq 100

Resistance is at 1232 to 1238 then 1268 to 1274 and 1304 to 1310 . Beyond that sellers should appear near 1334 to 1346

Support is at 1203 to 1192 and 1169 to 1164 .. Below that buyers should appear near 1136 to 1130 and the 1101 to 1096 region

Daily Nasdaq 100 Future



September Ten Year T-Notes

Resistance should appear near 113-23 and 114-07, beyond that sellers should appear near 114-23 and 115-07

Support is at 112-07 and 111-23. Below that buyers should appear near 111-04 and 110-23.. Under that buyers should step in near 109-22 and the 108-04 region

Weekly Ten-Year T-Note



Daily Ten-Year Note



The Precious Metals

December Gold

Recommended Open Position Long at 364.1

Support should appear at 356.3 to 355.3 region .Below that buyers should appear near 350.3 to 349.3 and the 344.3 to 342.5 region. Traders can buy at 344.7 and hold for higher prices..

Resistance is at 361.3 to 362.3 and 366.3 to 368.2, a close over is friendly and augurs for a test of 373 to 374.3 , beyond that a test of 379.5 to 380.6 is likely..

Traders should go long if a close over 362.7 occurs...

Monthly Gold



Weekly Gold



Daily December Gold



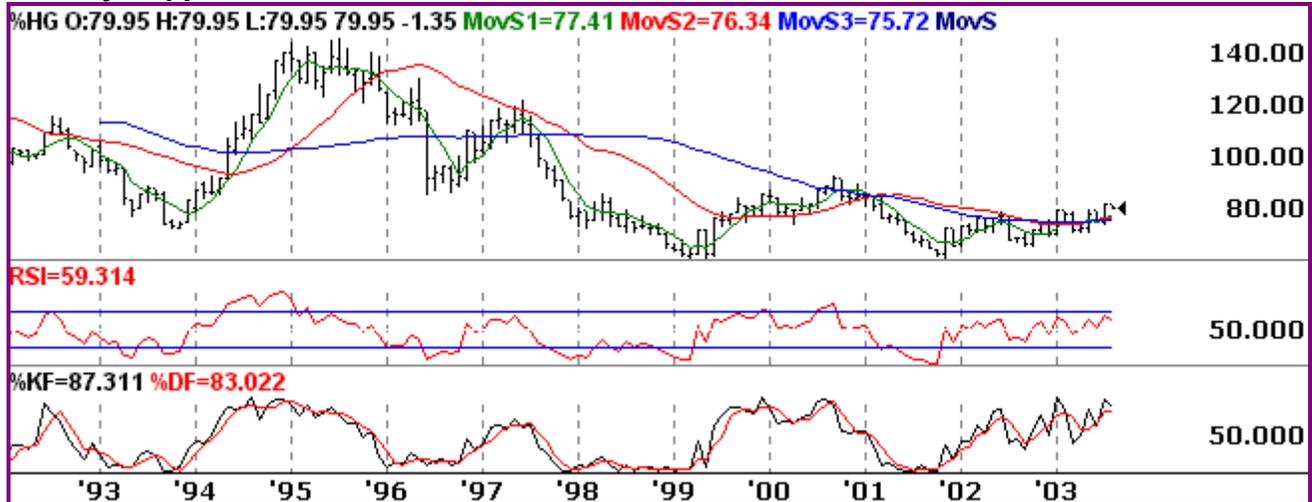
Sept Copper

Recommended open Position Short at 7940

Support should appear near 7955 to 7940 and 7865 to 7835. a close under augurs for a test of 7780 to 7765 and the 7790 to 7675 region. Below that 7515 to 7485 should contain a decline. Traders can buy at 7535 and risk a close under 7390 for three days in a row..

Resistance should appear near 8030 to 8045 and 8120 to 8135.. Beyond that sellers should appear near 8195 to 8225 then 8300 to 8315 and the 8390 to 8405 region.

Monthly Copper



Weekly Copper



Daily Sept Copper



Sept Silver

Recommended open position long at 519.5

Support should appear near 499 to 497.5. Below that buyers should appear near 492.5 to 491.5 then 485.5 to 484.5 and the 478.5 to 477.5 region. Traders can buy at 487.5 and risk a close under 474.5 for three days in a row.

Resistance is at 505.5 to 506.5 and 512.5 to 514.. Beyond that a test of 520 to 521.5 is likely..

Monthly Silver



Weekly Silver



Daily Sept Silver



The Exciting Energies

Sept Crude Oil

Support should appear near 3213 to 3194 then 3157 to 3147 and the 3102 to 3092 region.. Under that 3045 to 3036 should contain a decline for a bit .. Traders can buy at 3049 for a bounce and risk a close under 2924 tree days in a row.. Below that buyers should appear near 2883 to 2874....

Resistance is at 3261 to 3270 and the 3315 to 3322 region.. Beyond that a test of 3377 to 3387 is likely Above that sellers should appear near 3425 to 3443 and the 3493 to 3503 region.. Traders should go long if a close over 3241 occurs.

Monthly Crude Oil



Weekly Crude Oil



Daily Crude Oil



Sept Unleaded Gas

Support should appear near 9455 to 9425 then 9345 to 9315 and the 9155 to 9140 region.. Traders can buy at 9355 for a bounce, risk a close under 9125 for three days in a row.. Below that support is at 9060 to 9045 and the 8870 to 8855 region.. Under that 8780 to 8765 should contain a decline for a bit

Resistance should appear near 9625 to 9645 an extended trade over augurs for a test of 9705 to 9735.. beyond that a trade towards 9820 to 9835 is likely.. A close over is friendly and augurs for a test of 9920 to 9935 and the 10320 to 10360 region..

Monthly Unleaded Gas



Weekly Unleaded Gas



Daily Unleaded Gas



Sept Heating Oil

Resistance is at 8560 to 8585 then 8760 to 8775 and the 8935 to 8965 region.. A close over is friendly and augurs for a test of 9045 to 9060..Beyond that sellers should appear near 9140 to 9155 and the 9315 to 9345 region..

Support should appear near 8315 to 8300 then 8225 to 8195 and 8135 to 8120..Below that buyers should appear near 8045 to 8025 and the 7955 to 7940 region.. Traders can buy at 8155 and risk a close under 8015 for three days in a row.. Under that support should appear near 7865 to 7835 then 7780 to 7765 and the 7605 to 7585 region

Traders should go long if a close over 8610 occurs

Monthly Heating Oil



Weekly Heating Oil



Daily Heating Oil



The Lively Livestock

October Live Cattle

Support should appear near 7687 to 7672 then 7602 to 7587 and 7517 to 7487. Below that buyers should appear near 7432 to 7412 and the 7342 to 7327 region .. Traders can buy at 7437 and risk a close under 7322 for three days in a row.

Resistance is at 7762 to 7777 and 7837 to 7867.. Beyond that sellers should appear near 7937 to 7957 and the 8117 to 8137 region . Traders can sell at 8112 and risk a close over 8232 for three days in an row

Daily October Cattle



October Lean Hogs

Support is at 5432 to 5417 then 5357 to 5342 and 5282 to 5257. Under that buyers should appear near 5212 to 5197 and the 5142 to 5127 region.

Resistance is at 5492 to 5507 Beyond that sellers should appear near 5552 to 5577 and the 5642 to 5657 region . Traders can sell at 5637 and risk a close over 5732 for three days in a row. Traders should go short if a close under 5412 occurs..

Daily October Hogs



February Pork Bellies

Support should appear near 7777 to 7762 and 7602 to 7587 Below that buyers should appear near 7432 to 7417 and the 7342 to 7327 region.

Resistance is at 7937 to 7957 then 8027 to 8047 and the 8117 to 8137 region. Beyond that a test of the 8192 to 8222 and the 8302 to 8317 region is likely.

Daily Feb Pork Bellies



Stay Tuned for Livestock Updates and Flashes

The Grande' Grains

Grain markets were mostly higher last week. Soybeans were aided by a 150% increase in export shipments and declines in deliveries of soybeans to major interior markets.. However persistent rumors of glitches in exports to China have been an overhang to the Soybeans...

Ideas that weeks of hot and dry weather has caused some irreversible damage to yields in the great plains and eastern corn belt pushed up corn and wheat prices . A good portion of central Texas to southern Nebraska received under 15% of normal rainfall during the month of July

Last Monday the USDA reported that amounts of corn, soybeans and spring wheat in good to excellent condition across the country had declined by 2% to 3 %.

On Thursday the U.S requested a formal dispute panel from the World Trade Organization as it seeks to force the EU to end its moratorium on approving biotech agriculture commodities. The threat of cereal shortages due to the European drought has led the EU to suspend the issuing of new grains export licenses. The last time the weekly tender system was suspended was from July to November 1995. The next time the EU grains management committee is meets is August 14th .

The suspension and Egypt's purchase of almost 10 million bushels of wheat led CBOT wheat to one month highBuy Dips.....

Generally export inspections of U.S. grain fell this week to slightly more than 51 million bushels. Grain terminals and elevators polled by the USDA showed warehouses and bins that were filled to 28% of capacity, down from 37% one year ago. ...All in All exports are rather dull ...

On Tuesday the market expects the USDA to predict a record large corn crop , 10.3 billion bushels. Soybean production is estimated to be 2.943 billion and Wheat output is estimated to be 2.3 billion bushels.....I suspect much of the pricing for the report is already in the market ..

Looking forward August tends be friendly for Soybeans as pre-harvest pressure wanes a bit into Mid-September before reasserting itself thru October While Soymeal tends to also show some strength past August's second week into Mid-September ..

Towards months end , forecasts and concerns of an 'early frost' will begin to take center stage..

Bean Oil content is dramatically reduced under freezing conditions and becomes a favorite under those conditions ..

Traders should look to assume longs for a bit, as our long term Grain outlook is still bullish for a general supply demand deficit over the middle part of decade.

September Soybeans

Resistance is at 525 $\frac{3}{4}$ to 528 $\frac{1}{4}$. Beyond that sellers should appear near 534 $\frac{1}{2}$ to 535 $\frac{1}{2}$ and the 549 $\frac{1}{2}$ to 550 $\frac{1}{2}$ region..

Support should appear near 521 $\frac{1}{4}$ to 520 then 513 $\frac{3}{4}$ to 512 $\frac{1}{2}$ and 506 $\frac{3}{4}$ to 503 $\frac{3}{4}$ Below that buyers should appear near 499 $\frac{1}{2}$ to 497 and 492 $\frac{3}{4}$ to 491 $\frac{1}{2}$. Traders can buy at 499 $\frac{3}{4}$ and risk a close under 483 $\frac{3}{4}$ for three days in a row.

November Soybeans

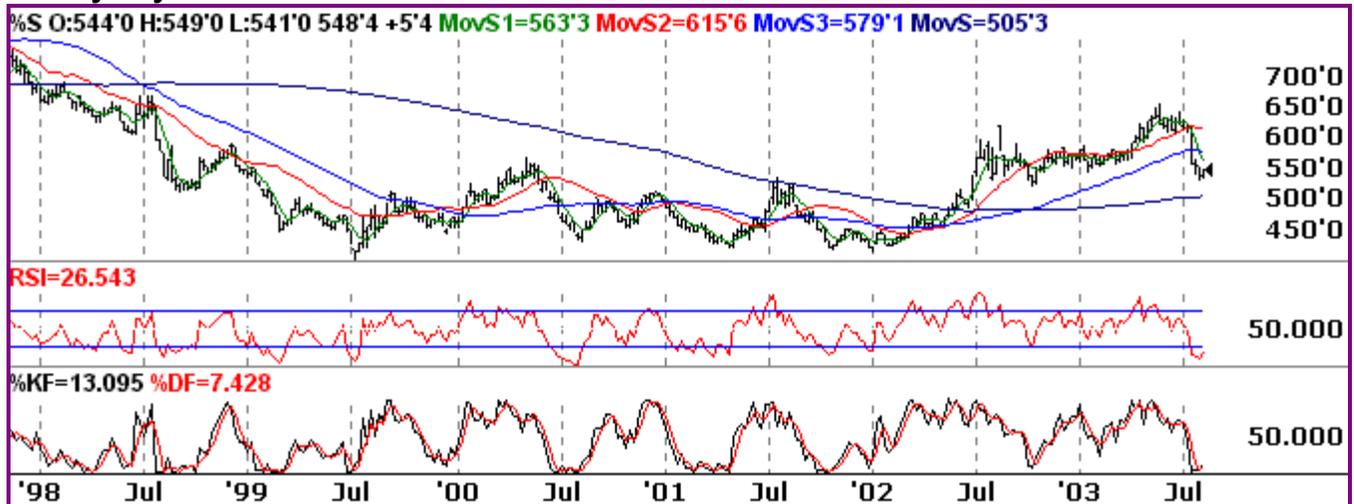
Resistance is at 521 ½ and 525 ¾ to 528 ¼ . Beyond that sellers should appear near 534 ½ to 535 ½ then 541 ¾ to 543 and the 555 ¾ to 557 ½ region.

Support should appear near 513 ¾ to 512 ½ , Traders can buy at 514 ½ and hold for higher prices.. Below that buyers should appear near 506 ¾ to 503 ¾ and the 499 ½ to 497 ¼ region.. Under that support should be evident near 492 ¾ to 491 ½ and the 485 ¾ to 484 ½ region.. Traders can buy at 487 and risk a close under 477 for three days in a row.

Monthly Soybeans



Weekly Soybeans



Daily Soybeans



Daily November Soybeans



September Soymeal

Support should appear near 161.5 to 160.9.. Below that buyers should appear near the 157.6 to 156.9 region. Traders can buy at 157.8 and risk a close under 152.8 for three days in a row.

Resistance should appear near 164.2 to 165.5, a close over is friendly and augurs for a test of 168.9 to 169.6 and the 173.1 to 173.8 region ..Beyond that sellers should appear near 177.4 to 178.0 ..

Traders should go long if a close over 165.9 occurs..

Monthly Soymeal



Weekly Soymeal



Daily Soymeal



September Soybean Oil

Resistance should appear near 1982 to 1996 then 2034 to 2042 and 2880 to 2088 . beyond that sellers should appear near 2126 to 2134 ..

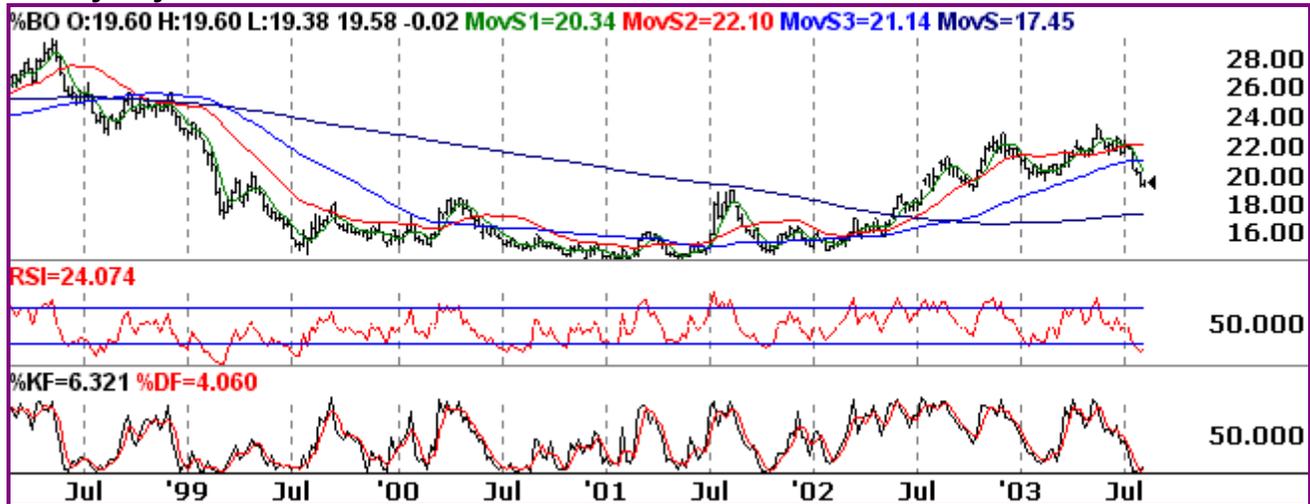
Nearby Support should appear near 1953 to 1946.. Under that 1909 to 1902 should contain a decline. Traders can buy at 1914 and risk a close under 1852 for three days in a row.

Traders should go long if a close over 1969 occurs

Monthly Soybean Oil



Weekly Soybean Oil



Daily Soybean Oil



December Corn

Resistance should appear near $222 \frac{3}{4}$ and the $226 \frac{3}{4}$ to $227 \frac{1}{2}$ region.. A close over is friendly and augurs for a test of $231 \frac{1}{2}$ to $232 \frac{1}{2}$ and the $235 \frac{1}{2}$ to 237 region.. Beyond that sellers should appear near $246 \frac{1}{4}$ to $246 \frac{3}{4}$.. Traders can sell at $245 \frac{3}{4}$ and risk a close over $257 \frac{1}{4}$ for three days in a row..

Support is at $218 \frac{1}{2}$ to 217 and the $213 \frac{1}{2}$ to $212 \frac{3}{4}$ region.. Below that buyers should appear near $208 \frac{3}{4}$ to 208 and the $204 \frac{1}{4}$ to $203 \frac{1}{2}$ region. Traders can buy at $213 \frac{3}{4}$ for a bounce and risk a close under $207 \frac{3}{4}$ for three days in a row. Under that $195 \frac{1}{2}$ to $194 \frac{3}{4}$ should contain a decline...Traders should go long if a close over $223 \frac{1}{4}$ occurs..

Monthly Corn



Weekly Corn



Daily December Corn



September CBOT Wheat

Support should appear at 356 ½ to 355 ¼ and the 350 ¼ to 349 ¼ region ..Below that buyers should appear near 344 ½ to 342 ¼ .. Traders can buy at 350 ¾ and hold for higher prices.. Under that support is at 338 ¾ to 337 ¾ and 327 to 326.. Traders can buy at 327 ½ and risk a close under 318 ¾ for three days in a row..

Nearby Resistance is at 361 ¼ to 362 ¼ then 366 ½ to 368 ¼ and the 373 to 374 ½ region. . Beyond that a test of 385 ¾ to 387 ¾ is likely. Aggressive traders should go long if a close over 362 ¾ occurs...

Monthly CBOT Wheat



Weekly CBOT wheat



Daily CBOT Wheat



The Satisfying Softs

September the 'Monster' Coffee

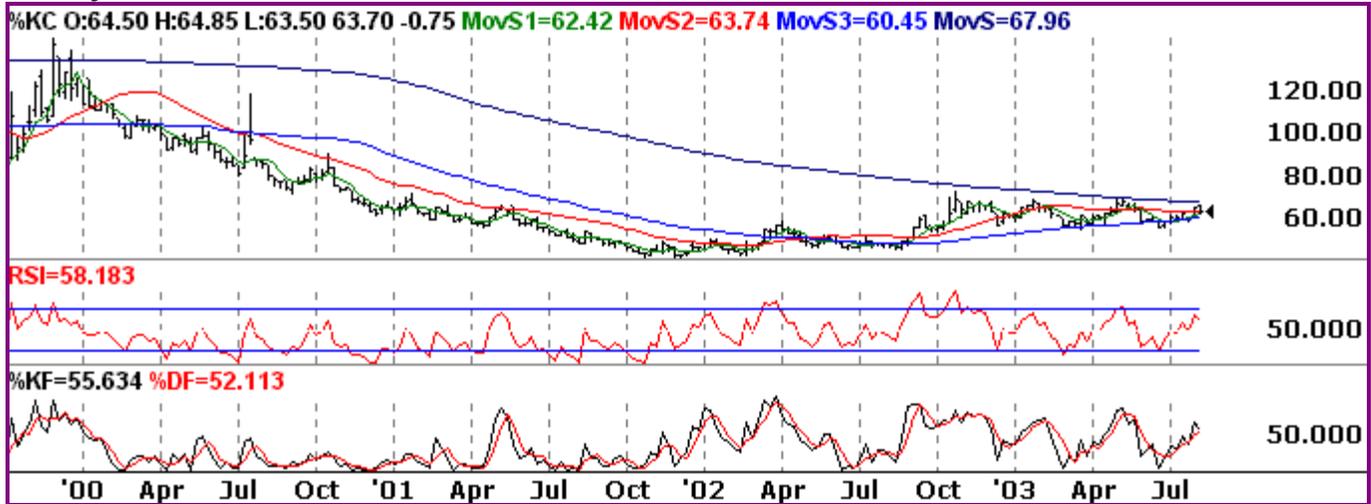
Support is near 6350 to 6335 then 6270 to 6255 and the 6115 to 6105 region.. which should hold
Traders can buy at 6230 and hold for higher prices.. Below that buyers should appear near 6035 to 6025 and the 5855 to 5805 region.

Resistance should appear near 6415 to 6430 . Beyond that a test of 6575 to 6590 and the 6740 to 6755 region is likely. A close over 6755 is freindly and augurs for a test of 6805 to 6835 and eventually the 6905 to 6920 region. Traders should go long if a close over 6435 occurs..

Monthly Coffee



Weekly Coffee



Daily Coffee



Sept Cocoa

Support is at the 1459 to 1453 region. Below that 1421 to 1415 should hold.. Traders can buy at 1423 for a bounce and risk a close under 1372 for three days in a row.

Resistance should appear near 1484 to 1496 then 1529 to 1536 and the 1569 to 1576 region. Beyond that sellers should appear near 1609 to 1615 .. Traders can sell at 1608 and risk a close over 1659 for three days in a row..

Monthly Cocoa



Weekly Cocoa



Daily Cocoa



October Sugar

Support should appear near 661 to 656 .. Below that buyers should appear near the 634 to 630 region. . Under that support should appear near 609 to 601 and 586 to 583.. Traders can buy at 589 for a bounce and risk a close under 554 for three days in a row.

Resistance should appear near 682 to 686 then 704 to 712 and the 735 to 739 region ..

Monthly Sugar



Weekly Sugar



Daily October Sugar



Tuesday the USDA will release it's cotton supply and demand report. Projections are for production between 16.3 million to 17.3 million bales. A bit higher than July's 16.6 million bales. Exports should be in line or above July's reports for the marketing year..

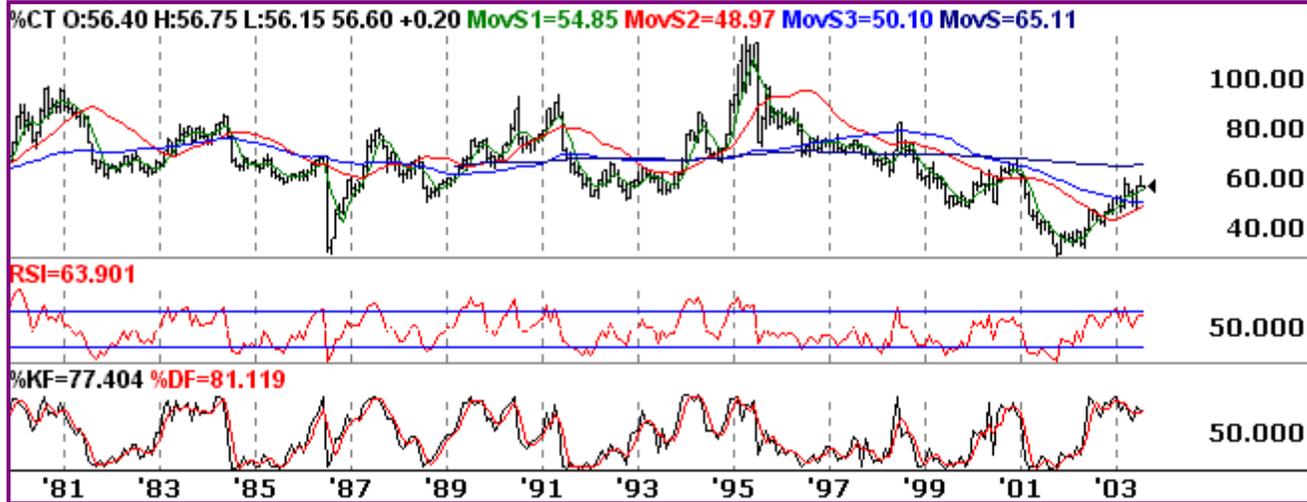
December Cotton

Support should appear near 5730 to 5715 and 5655 to 5640. Below that buyers should appear near 5580 to 5555 and the 5505 to 5490 region..Under the buyers should appear near 5430 to 5415.. Traders can buy at 5435 and hold for higher prices.

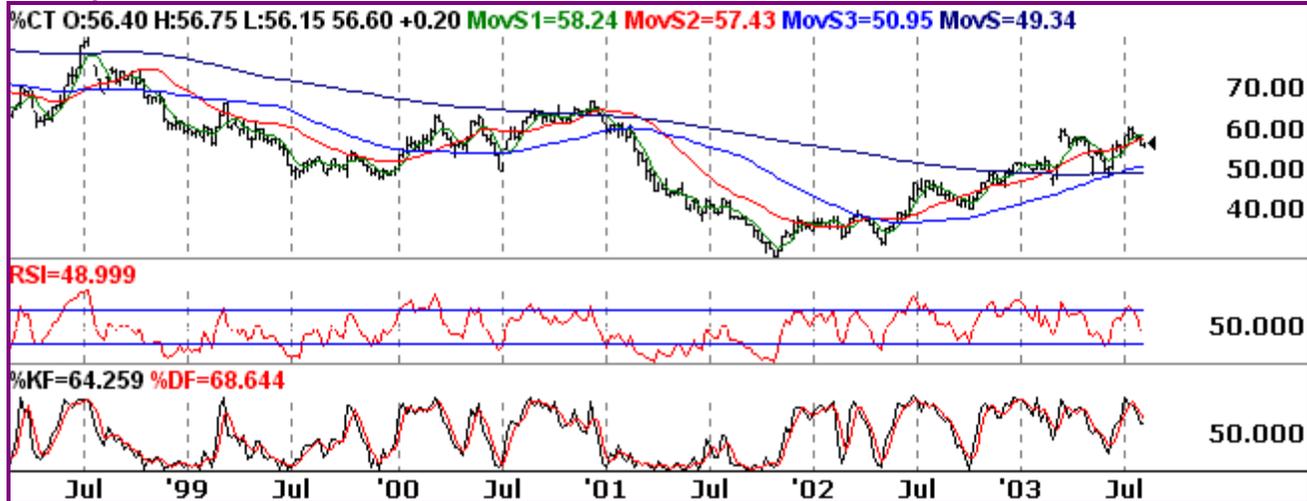
Resistance should appear near 5855 to 5880 then 5945 to 5955 and the 6100 to 6115 region..

Traders should go long if a close over 5885 occurs..

Monthly Cotton



Weekly Cotton



Daily December Cotton



*A Ship in Harbor is Safe.. But that is not what ships are built for –
Happy Trading!*

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Saturday August 9th 2003

8:00 PM, South Florida Beach Time

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