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Bi-Weekly Investment Outlook
Saturday October 18, 2003

Saturday October 18, 2003
7:00 AM eastern time
Stay tuned for Flashes and BW Updates in all markets covered.

The 'Frenzied' Forex Front

For a brief time we reversed our short dollar position slightly to long dollars versus the EC and Swiss...to at least not get caught over short dollars during the stalling whip saw digestive action after the dollar decline since August . We expect the Dollar to continue to digest its losses and now chop a bit as we move through October and November…all things being equal..and they are usually not.

While currently Flat , our Long term opinion have not changed. and ranges could now become wider.
Most likely the world has not seen the end of the dollar's decline and expect the erosion to accelerate after a pause if only brief in the short term…

----- To have heads of state talking Forex markets is a dangerous game-----

Forex babble was thick over the last two weeks , with weekly if not daily comments from President Bush and other world leaders. As he continues to seek a lower dollar against Asian currencies the Prez is expected to discuss currencies with Japan and China…. However recent comments from those countries has cast doubt on forex discussions. China is busy with it's Space program and is not likely to make any substantive effort to appease the president , at least public ally and Japan is giving money and men to Iraq to get let off the hook…

Looking Far East..
It In Japan, economic minister Takenaka was quoted as saying the Bank of Japan would try raise money supply growth from its current 2% to between 3-4%. ..An easier BOJ posture may have a depressing effect on Yen, which typically shows a bit of weakness through December and into the early part of a new year..
Japan still must contend with chronic deflation, which is estimated to be 2.5% this year despite the upswing in economic growth…

In the US on the rate side .. The US bond market will have to deal with the US budget deficit. Which is likely to rise to an estimated $600 billion in 2003 with no surplus seen for the next few years and possible slowdown from a supposed blistering economic pace that heavy on near term stimulus , but rather short on long term sustainability… In this light Fed Gov Parry that interest rates would not remain at 1% forever…

.Of course most Fed members made comments like this when short term rates were 3 % , 2 % and 1 ½ % they ended up going lower..

Looking at the bigger forex picture

Japan which funds nearly 1/3 of the US debt and China behind it , seem to have a general reluctance to reduce purchases of dollar assets , fearing the result would be that US rates could rise and create stagflation here if a large drop in the dollar occurred..

Traders should not be surprised to see Flat to Lower not Higher rates, this would really hammer the dollar. Such is the paradox facing the dollar and it's owners….

In the Euro zone, European bank officials have implied , that in addition to the Euro , dollar's decline must be also be against Asian currencies and the higher yielding currencies of Australia and Canada.

If this writer's previous opinion is correct . it is unlikely that the ECB will intervene to stem any excessive dollar fall against the euro until higher .. While this is going on expect the ECB to use rhetoric to keep thing in check so to speak.. The last time the bank had intervened was in fall 2000 when the EC was near 8000.. The EC's range from 1987 to 1998 was roughly between 105 and 145..

In London, recent comments from the Bank of England Governor King has raised the chances of a rate hike. The prospect that the Bank of England will adjust rates higher supports the UK's yield advantage over the dollar, yen, euro and Swissy ..and with some respect the loony and the Aussie also.

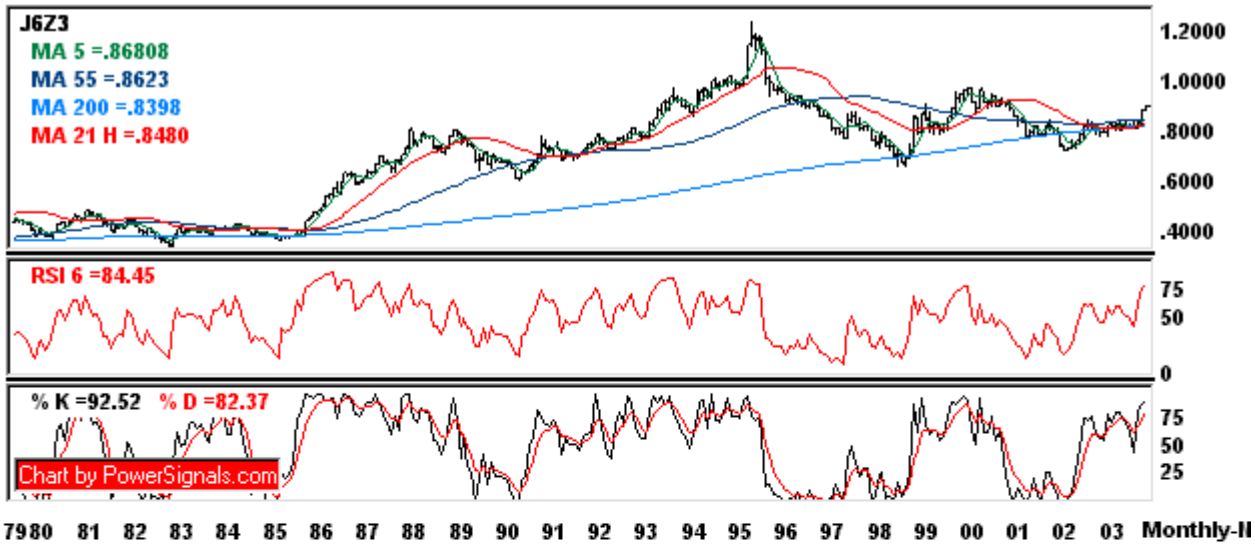
The Canadian dollar's high yield and promising growth potential continues to support the canuck even in the face of the recent Bank of Canada announcement that it would keep rates on hold., the danger to the canuck is a slumping meat industry and a tendency to be flat to weak past early November into X-mas.. While the Aussie as we mentioned in December 2001 remains a good place to park cash …

No change in long term posture across the board, on to the Nitty Gritty..

December Yen

Support should appear near 9140 and 9060 to 9044, a close under augurs for a test of 8964 to 8934 and the 8871 to 8857 region. Below that buyers should appear near 8777 to 8762. Traders can buy at 8779 and risk a close under 8657 for three days in a row.

Resistance should appear near 9237.. Beyond that sellers should appear near 9316 to 9347 and 9420 to 9445. Beyond that resistance should appear near 9526 to 9542 and the 9625 to 9641 region ..Traders can sell at 9621 and risk a close over 9677 for three days in a row. Traders should go Short if a close under 9136 occurs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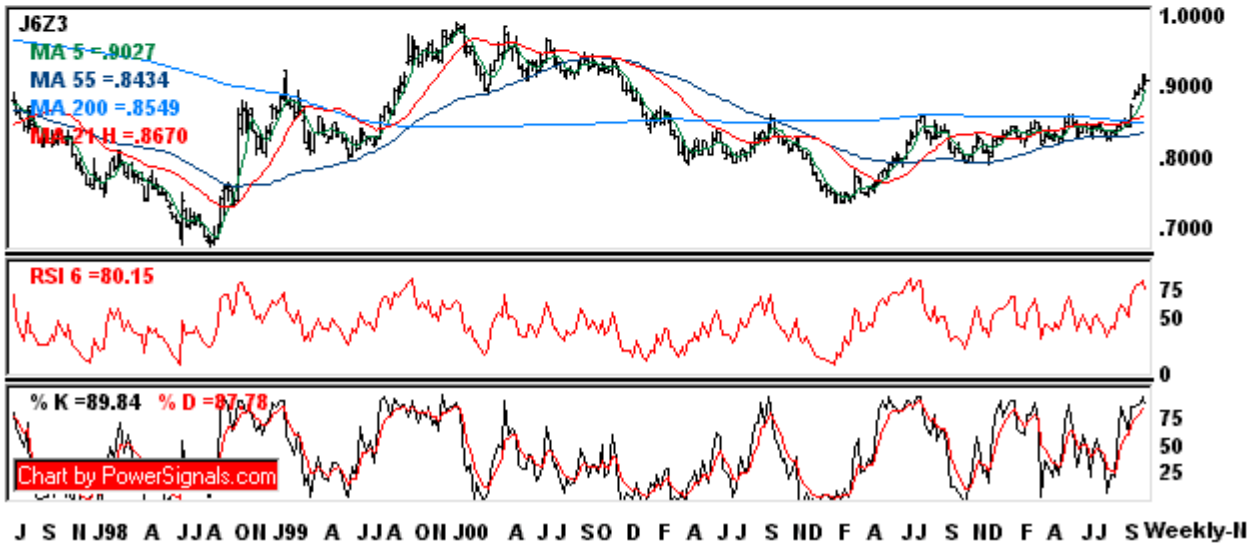
.4000
RSI 6 =84.45
75
50
0
% K =92.52 % D =82.37
75
50
25
Chart by PowerSignals.com
7980 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 Monthly-H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.8000
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RSI 6 =80.15
75
50
0
% K =89.84 % D =87.78
75
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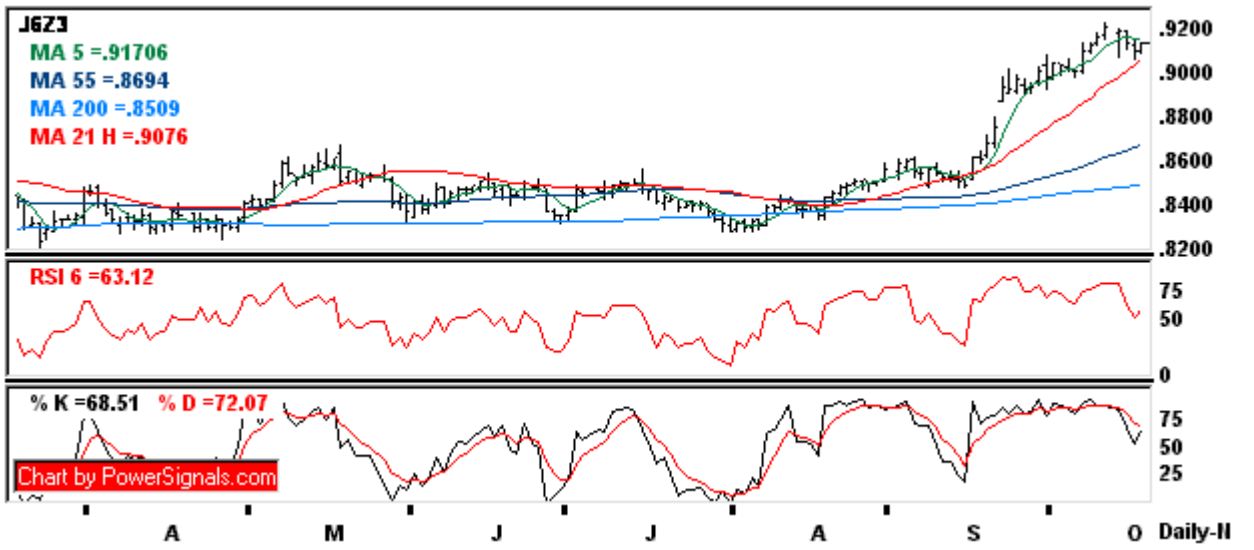
Chart by PowerSignals.com
J S N J98 A JJA ON J99 A JJA ON J00 A JJ SO D F A JJ S ND F A JJ S ND F A JJ S Weekly-H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MA 200 =.8509
MA 21 H =.9076
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.8600
.8400
.8200
RSI 6 =63.12
75
50
0
% K =68.51 % D =72.07
75
50
25
Chart by PowerSignals.com
A M J J A S O Daily-H

December Euro Currency (EC)

Support should appear at 11500 and 11430. Traders can buy at 11434 and hold for higher prices.. Below that buyers should step near 11360 to 11320. Traders can buy at 11367 and risk a close under 11221 for three days in a row. Under that support should appear near 11225 and the 1010 to 10960 region.. which should contain any decline for some time..

Resistance is at 11665 to 11690 and 11755. Beyond that sellers should appear near 11805 and the11920 to 12010 region… Traders should go long if a close over 11697 occurs.

December Swiss Franc

Resistance should appear near the 7586 to 7601 region.. Beyond that sellers should appear near 7675 to 7690 and the 7762 to 7777 region…

Support should appear near 7428 to 7414 , a close under augurs for a test of 7342 to 7328, below that buyers should surface near the 2002 year end 7255 to 7243 region.. Traders can buy at 7347 and risk a close under 7237 for three days in a row.. Traders should go long if a close over 7608 occurs

S6Z3
MA 5 =.73896
MA 55 =.6425
MA 200 =.6955
MA 21 H =.7092
.9000
.8000
.7000
.6000
.5000
.4000
RSI 6 =62.15
75
50
0
% K =76.27 % D =73.34
Chart by PowerSignals.com
75
50
25
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
Monthly-II

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MA 55 =.7258
MA 200 =.6387
MA 21 H =.7496
.7500
.7000
.6500
.6000
.5500
RSI 6 =61.43
75
50
0
% K =77.71 % D =71.65
Chart by PowerSignals.com
75
50
25
J S N J98 A J J A O N J99 A J J A O N J00 A J J S O D F A J J S N D F A J J S N D F A J J S
Weekly-II

S6Z3
MA 5 =.75626
MA 55 =.7337
MA 200 =.7390
MA 21 H =.7552
.7800
.7600
.7400
.7200
.7000
RSI 6 =46.28
75
50
0
% K =34.80 % D =51.12
Chart by PowerSignals.com
75
50
25
A M J J A S O
Daily-II

December British Pound

Support should appear near 1.6638 and 1.6550 to 1.6420, below that buyers should appear near 1.6286 and the 1.6150 to 1.6090 region ..Traders can buy at 1.6486 and risk a close under 1.6412 for three days in a row..

Resistance should appear near 1.6710 , a close over is friendly and augurs for a test of the 1.6890 to 1.6960

Traders should go long if a close over 1.6727 occurs

December Canadian Dollar

Support should appear near 7513 to 7486 and 7342 to 7328 .. Traders can buy at 7346 and risk a close under 7228 for three day in a row.. Below that 7170 to 7142 should hold..

Resistance is at the 7675 to 7689, a close over augurs for a test of 7763 to 7777 and the 7836 to 7864 region.. Which should cap a rally for a bit. Traders should go long if a close over 7613 occurs

December Aussie Dollar

Support should appear near 6836 to 6809 and 6755 to 6741.. Traders can buy at 6843 for a bounce and hold for higher prices . Below that buyers should begin to step in and contain a decline near the 6673 to 6659

Resistance should appear at 6906 to 6919, a close over augurs for a test of 6990 to 7003 and the 7074 to 7088 which now appear more likely to be tested than not.. Traders should go long if a close over 6926 occurs.

The Sensational Stock and Bond Markets

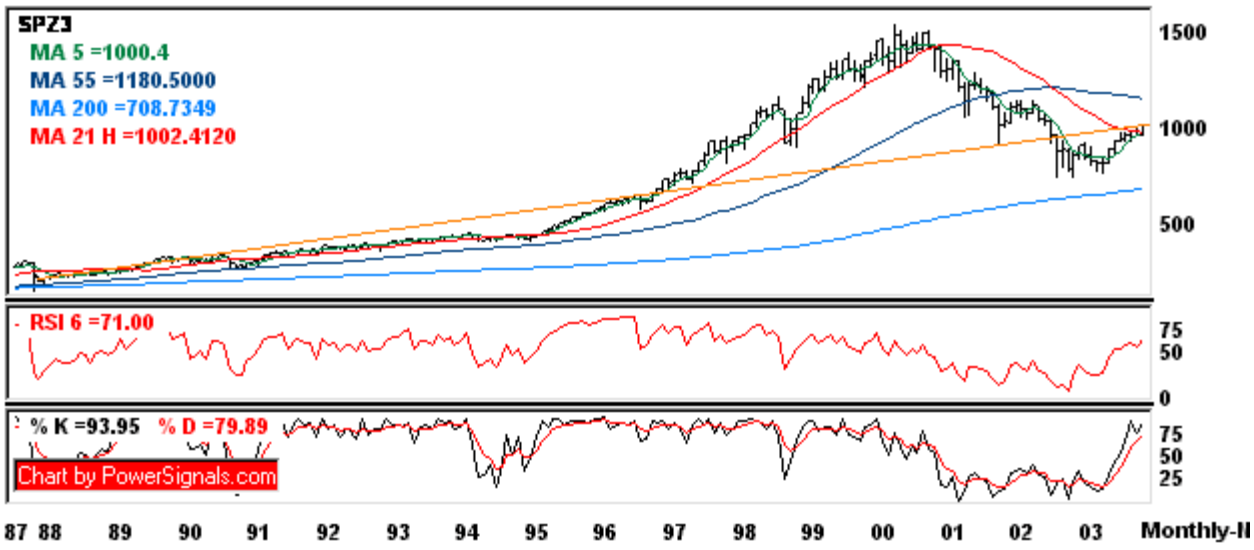
Dow Jones Industrial Average
Resistance should appear near 9779, beyond that sellers should appear near 9821 to 9837 and the 9921 to 9937 region… Beyond that sellers should appear near 10,021 to 10,037 , which should cap a rally for some time

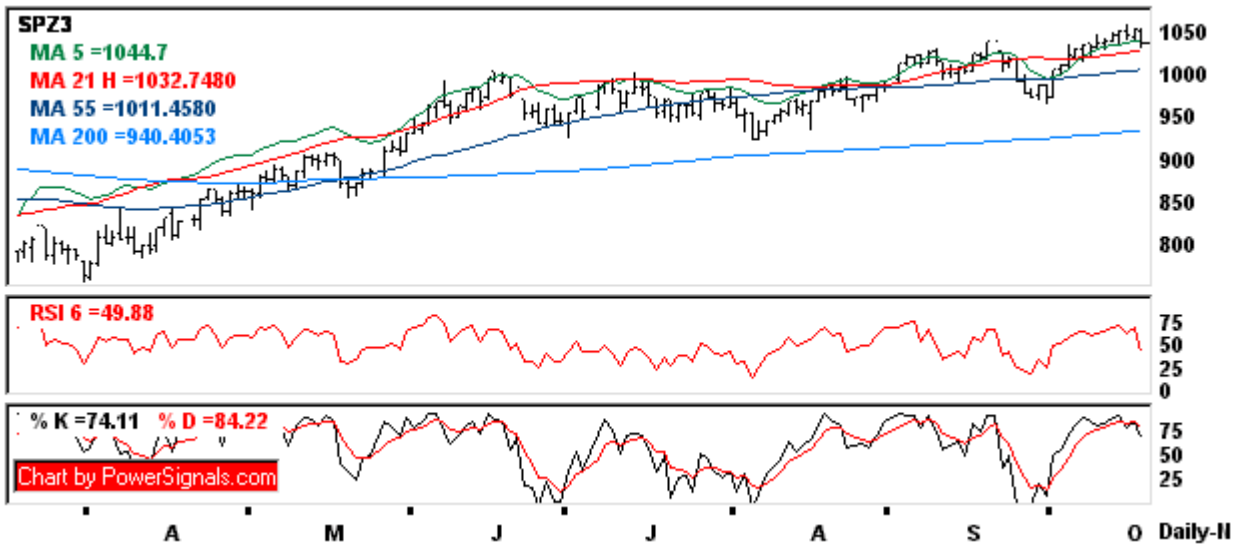
Support should appear near 9707 , an extended slip under augurs for a test of 9641 to 9625 and eventually 9542 to 9526 region. Which should hold.. Failure there indicates a test of 9347 to 9316 region.

December SP500
Recommended Open position Short at 1016.20
Resistance should appear near 1047.00 and 1058.00 to 1068.00. Beyond that sellers should appear near 1096.00 to1101.00

Support should appear near 1036 to 1032 , a close under is negative augurs for a test of 1013.60 to 1010.40 Below that buyers should appear near 1005.00 and 1003.70 to 1002.10. Under that support is 993.70 to 992.10 and the 983.70 to 982.10 region.

Traders should go short if a close under 1031.70 occurs

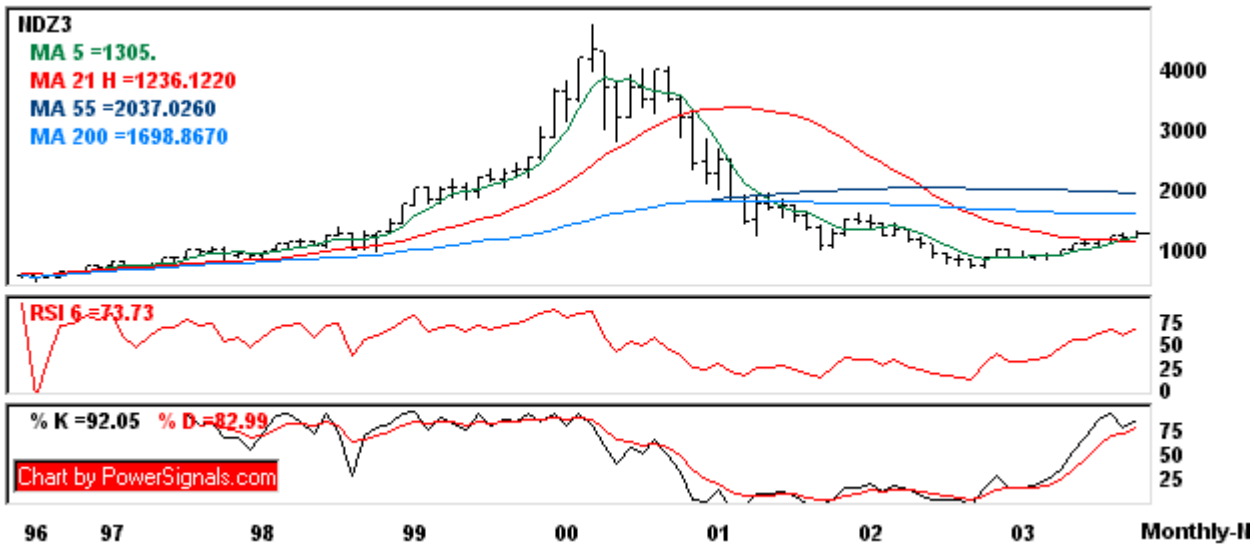




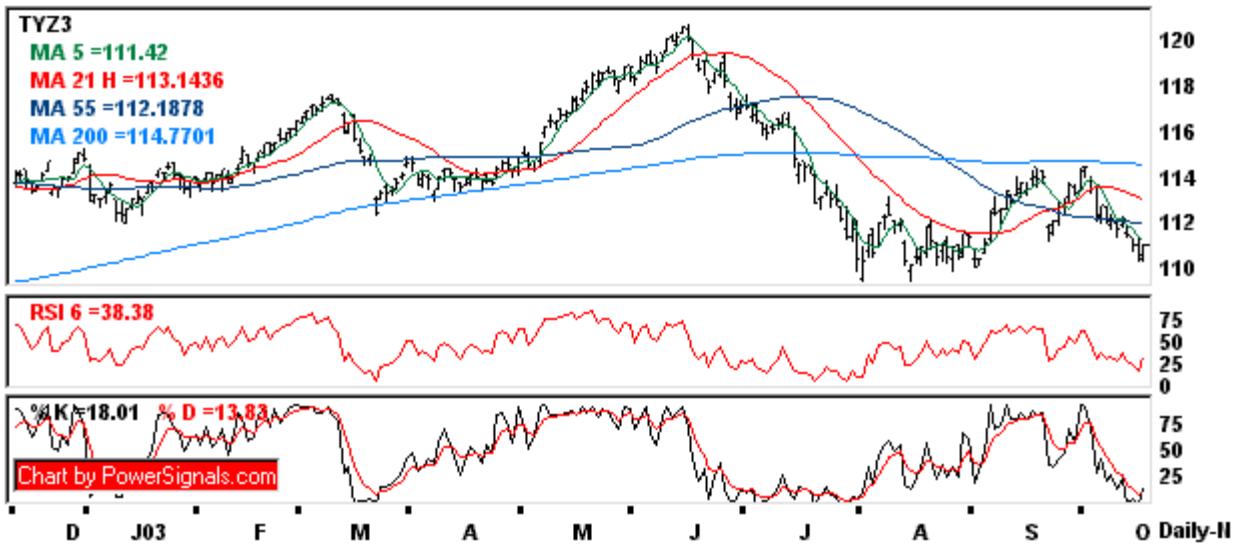
Nasdaq Composite
Resistance should appear near 1946 to 1953 and the 1982 to 1996 region. Beyond that sellers should appear near 2034 to 2042 .

Support should appear near 1909 to 1902 and 1865 to 1858 , a close under augurs for a test of 1822 to 1808 and eventually the 1780 to 1774 region.. Below that buyers should appear near 1738 to 1731…

December Mini Nasdaq 100
Resistance is at 1415 to 1421 ..beyond that sellers should appear near 1453 to 1459 and the 1484 to 1496 region..
Support is at 1383 to 1377 and 1346 to 1334 , a close under augurs for a test of 1310 to1304 and eventually the 1274 to 1268 region..



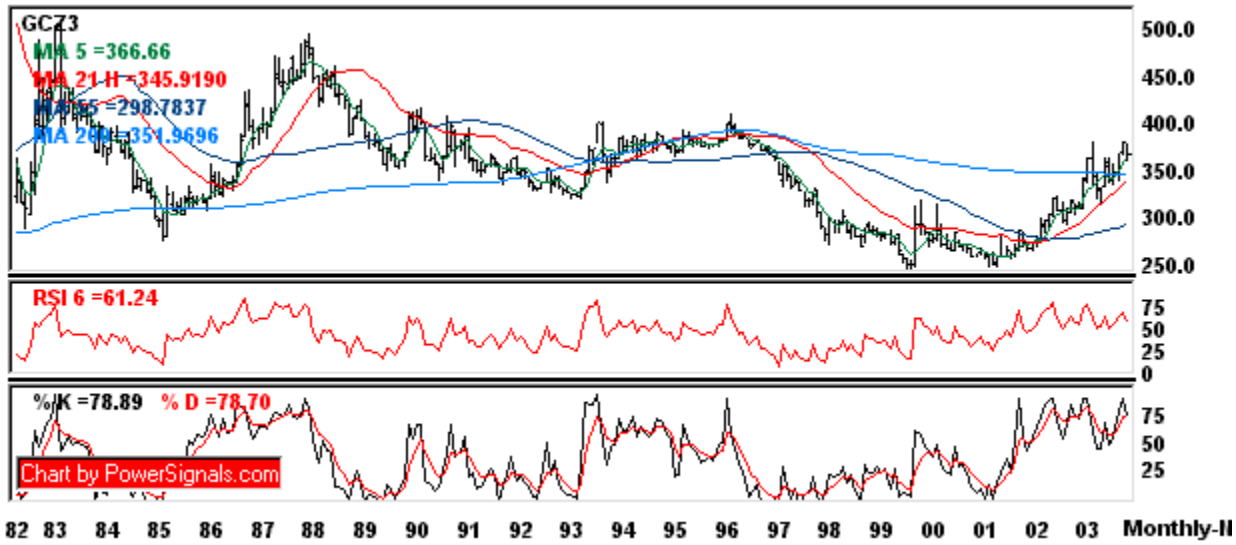
December 10 Year T-Note
Resistance should appear near 111-23 and 112-07 .. beyond that a test of 112-23 is likely.
Support is at 111-07 and 110-22 .. Below that buyers should appear near 110-07 and 109-22

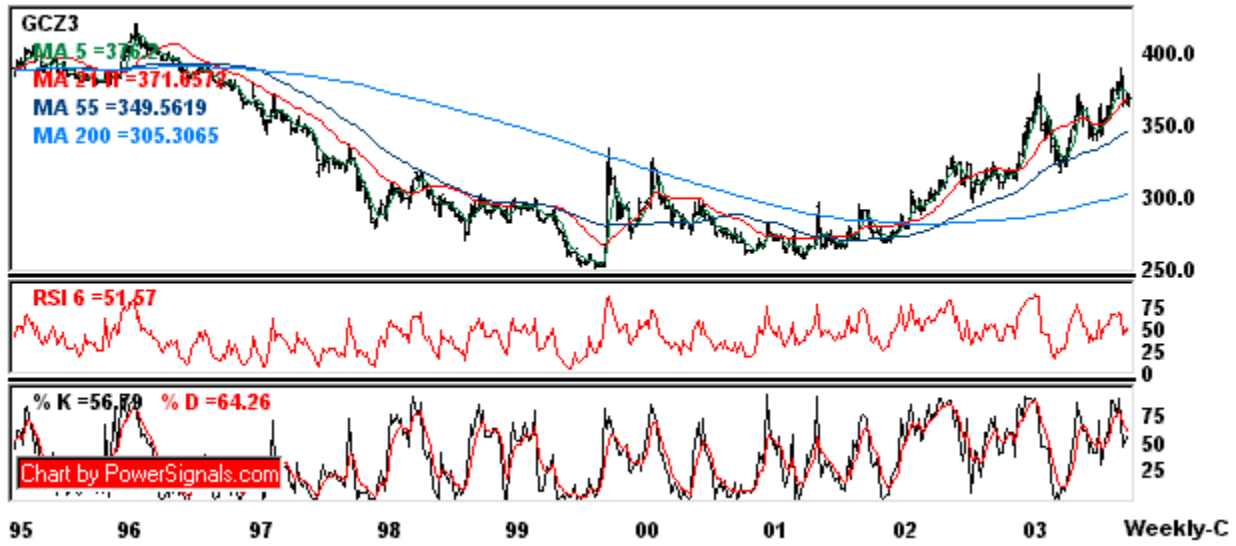


Precious Metals

December Gold

Support should appear at 368.20 to 366.20 and the 362.3 to 361.3 region. .. Below that 356.3 to 355.3 should contain a decline … Traders can buy at 362.7 and risk a close under 354.90 for three days in a row..
Resistance is at 373 to 374.3., beyond that a test of 379.5 to 380.6.. a close over 380.6 is friendly and augurs for a test of 385.8 to 386.7 eventually the 390.9 to 392.9 region Traders should on a close over 374.8



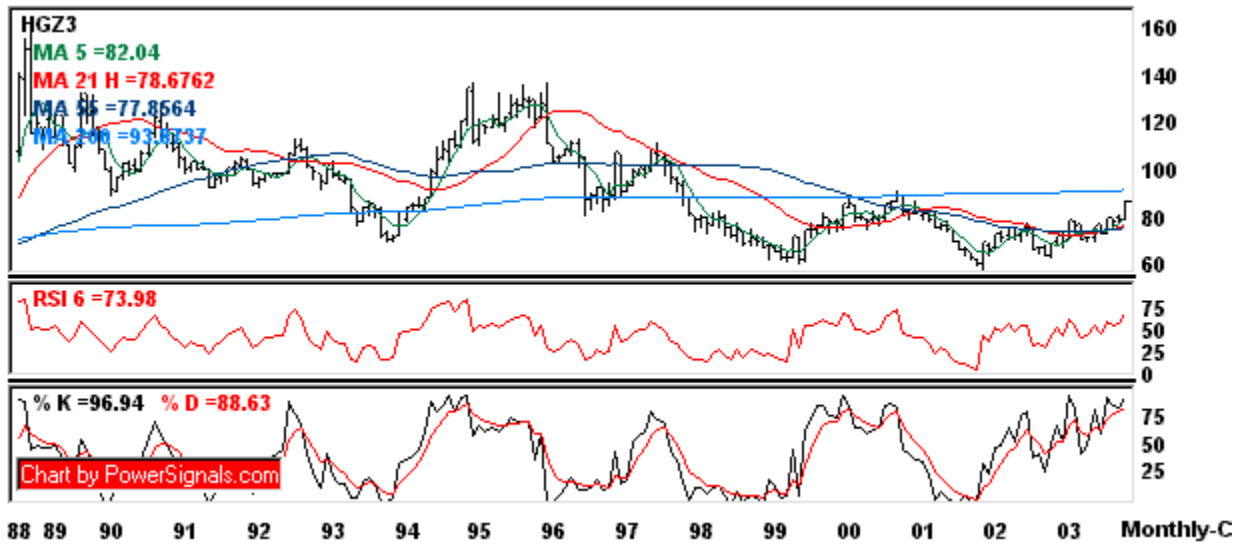


December Copper

Recommended Open position Short at 8555

Support should appear near 8870 to 8855 and the 8775 to 8760 region , a close under is negative and augurs for a test of 8590 to 8560 and the 8405 to 8390 . Below that 8315 to 8300 should hold.

Resistance should appear near 9040 to 9060 and 9140 to 9155 , beyond sellers should appear and Cap a rally near 9315 to 9345



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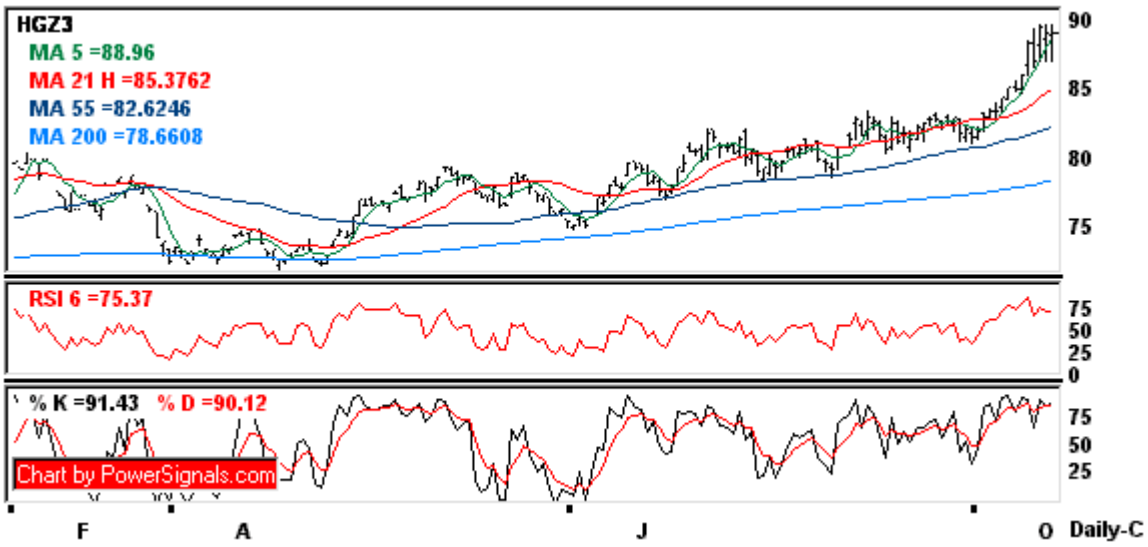
MA 55 =76.9255
MA 200 =77.6468
90
80
70
60
RSI 6 =82.15
75
50
25
0
% K =94.19
% D =92.28
75
50
25
Chart by PowerSignals.com
M J J A S O N D J01 M A M J J A S O N D J02 M A M J J A S O N D J03F M A M J J A S
Weekly-C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MA 200 =78.6608
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85
80
75
RSI 6 =75.37
75
50
25
0
% K =91.43
% D =90.12
75
50
25
Chart by PowerSignals.com
F
A
J
O
Daily-C

December Silver

Support should appear 485.5 to 484.5 and the 478.5 to 477 region.. Below that 465 to 463 should hold. Traders can buy at 486.5 and risk a close under 475.5 for three days in a row.

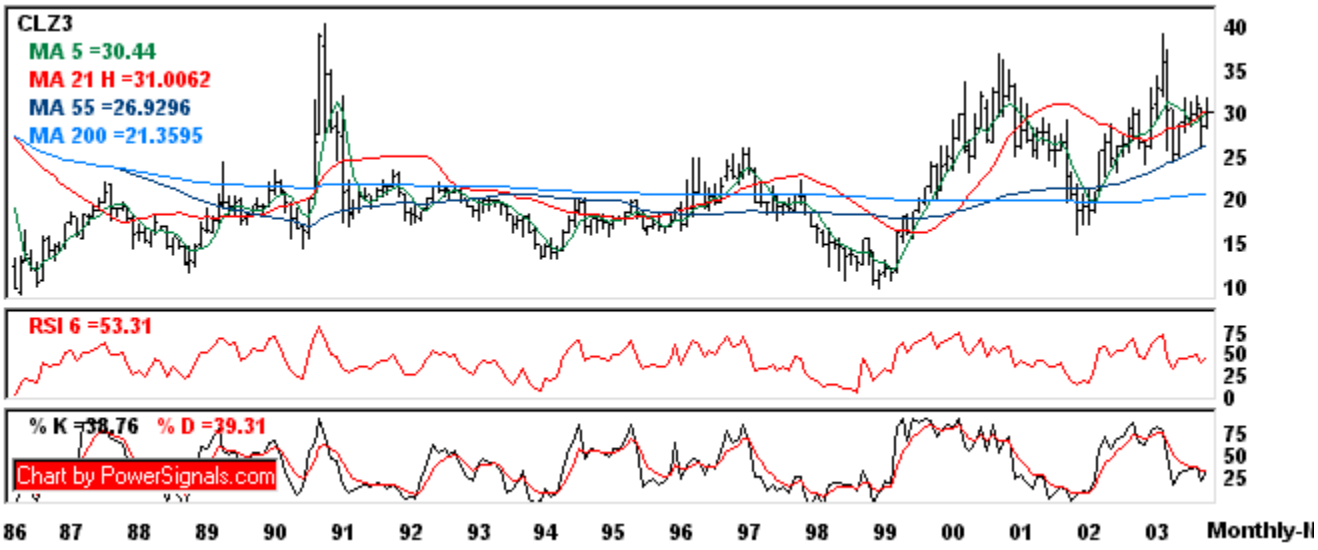
Resistance is at 497.5 to 499.5and the 512.5 to 514.00 region.

The Exciting Energies

December Crude Oil

Support should appear 3036 and the 2990 to 2972 region.. Below that buyers should appear near 2937 to 2928 and the 2883 to 2874 region Traders can buy at 2941 and risk a close under 2869 for three days in a row..

Resistance is at 3092 to 3102 and the 3148 to 3157 region.. Beyond that a test of 3194 to 3213 and the 3261 to 3270 region is likely. Traders should go long if a close over 3115 occurs

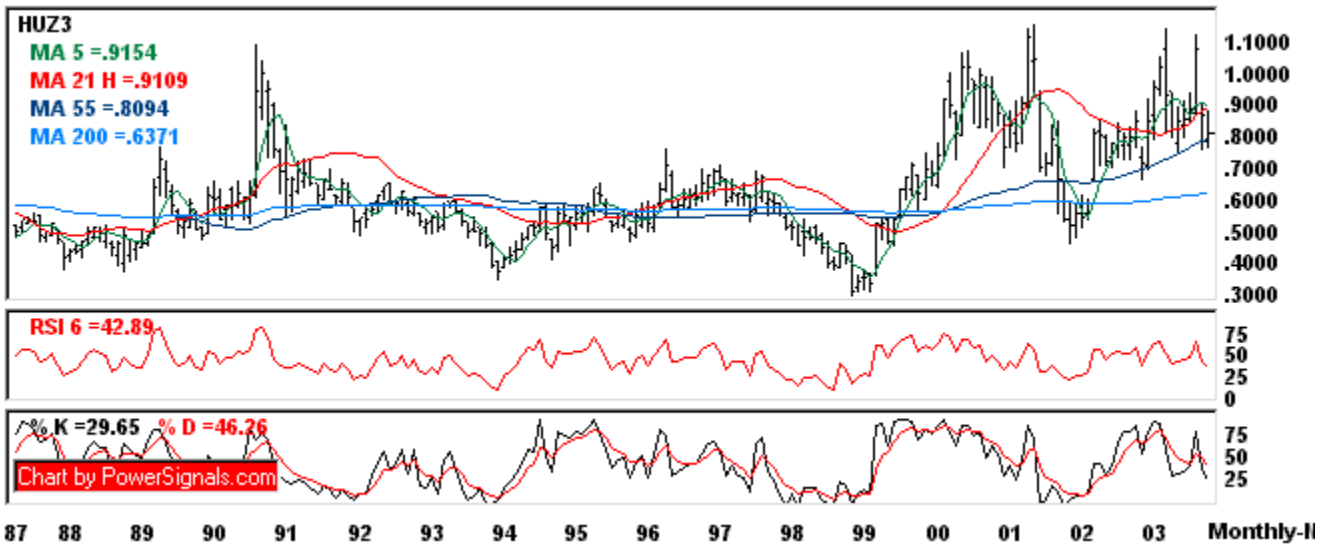


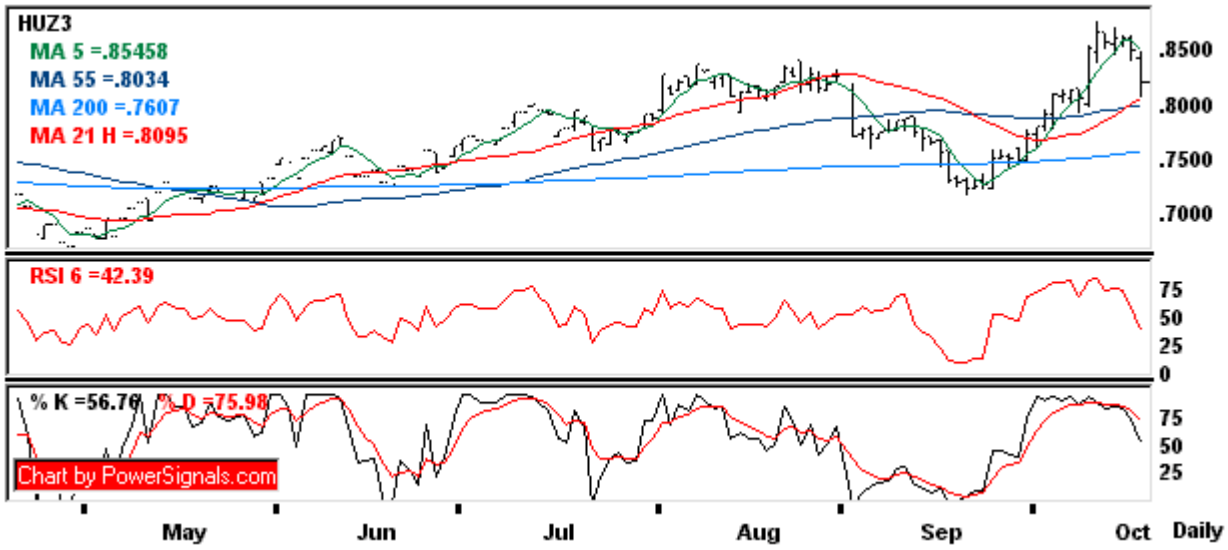
December Unleaded Gas

Resistance should appear near 8300 to 8315 and the 8390 to 8405 region, a close over is friendly and augurs for a test of 8485 to 8495 and the 8765 to 8775 region. ..

Support should appear near 8225 to 8190 and the 8135 to 8115 region… Which should contain a decline for a bit.. Below that buyers should appear near the 7955 to 7940 region.. Traders can buy at 8135 for a bounce and risk a close under 7930 for three days in a row .

Traders should go long if a close over 8410 occurs





December Heating Oil
Resistance is at 8560 to 8590 .. Beyond that sellers should appear near 8935 to 8965…

Support should appear near 8315 to 8300 and 8135 to 8115 .. Traders can buy at 8230 and risk a close under 8020 for three days in a row.. Below that buyers should appear near 7955 to 7940 and the 7865 to 7836 region.. which should stop a decline.. traders can buy at 7870 and hold for higher prices..

Traders should go long if a close over 8415 occurs

HOZ3
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MA 200 =.5952
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1.0000
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.6000
.4000
RSI 6 =54.21
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50
25
0
% K =27.31 % D =26.83
Chart by PowerSignals.com
75
50
25
86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 Monthly-H

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.5000
RSI 6 =56.41
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50
25
0
% K =67.38 % D =63.23
Chart by PowerSignals.com
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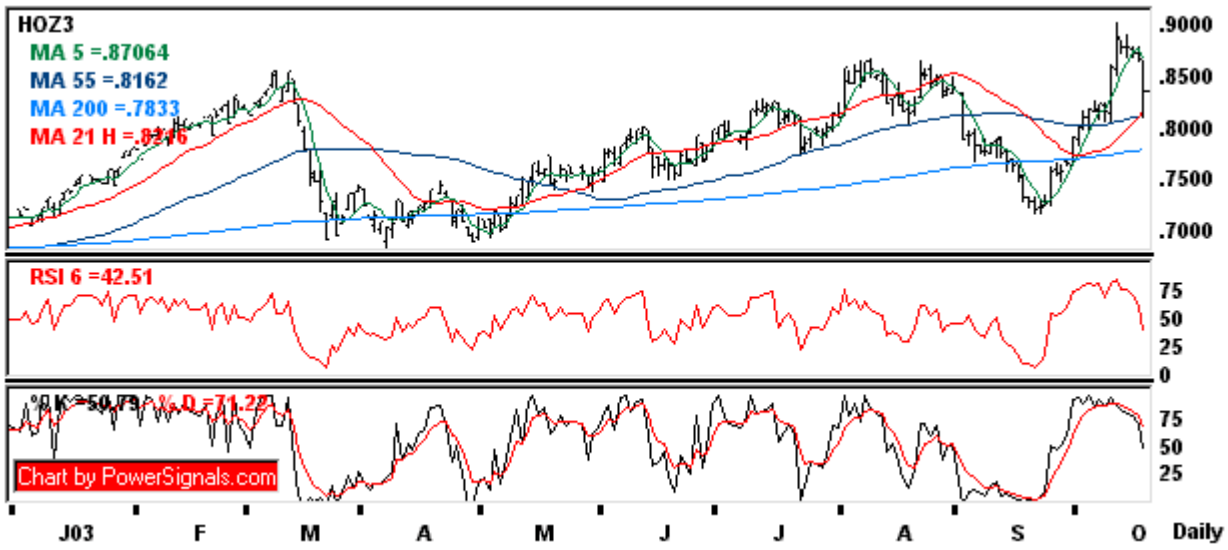
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.7000
RSI 6 =42.51
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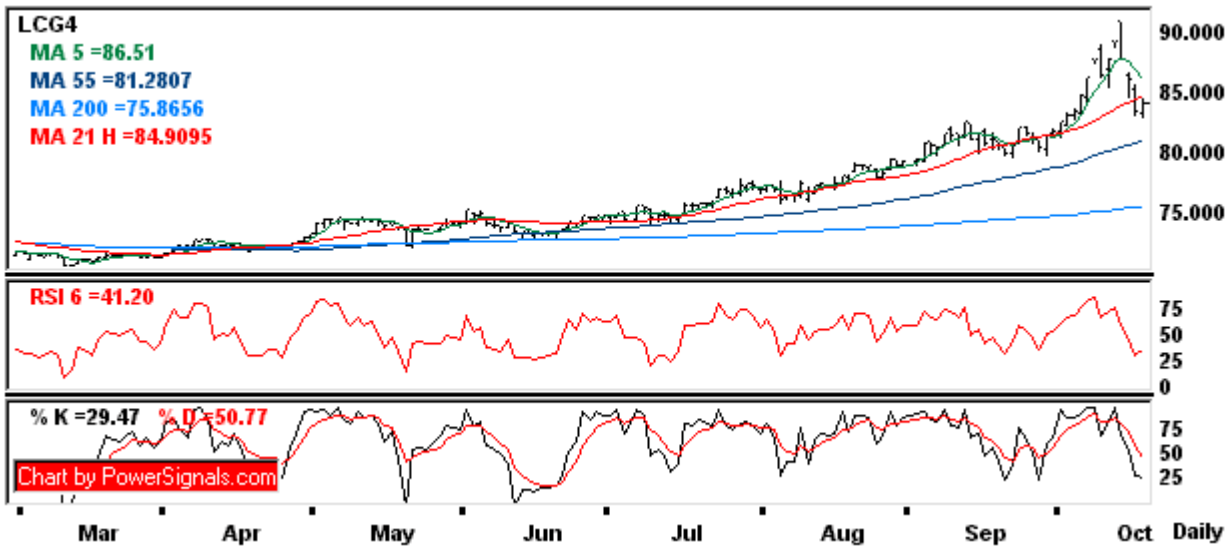
50
25
0
% K =50.79 % D =71.28
Chart by PowerSignals.com
75
50
25
J03 F M A M J J A S O Daily

The Lively Livestock

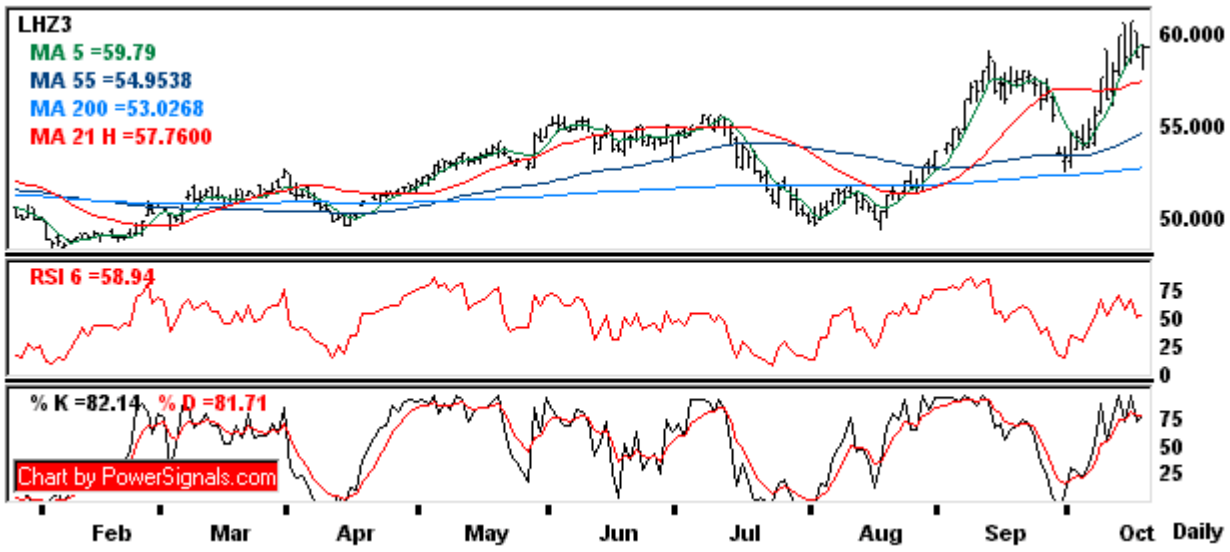
February Live Cattle
Resistance should appear near 8562 to 8587 and 8667 to 8682.. Beyond that sellers should appear near 8857 to 8872 and the 9042 to 9062 region..

Support is at 8407 to 8392 and the 8317 to 8302 region.. A close under is negative and augurs for a test of 8135 to 8105 and the 7955 to 7940 region.. Traders should go short if a close under 8387 occurs..



December Lean Hogs
Recommended open Position Short at 5632
Support is at 5937 and the 5807 to 5792 region… Failure there augurs for a test of 5732 to 5717 and eventually the 5577 to 5552 region.. Below that buyers should appear near 5432 to 5417.

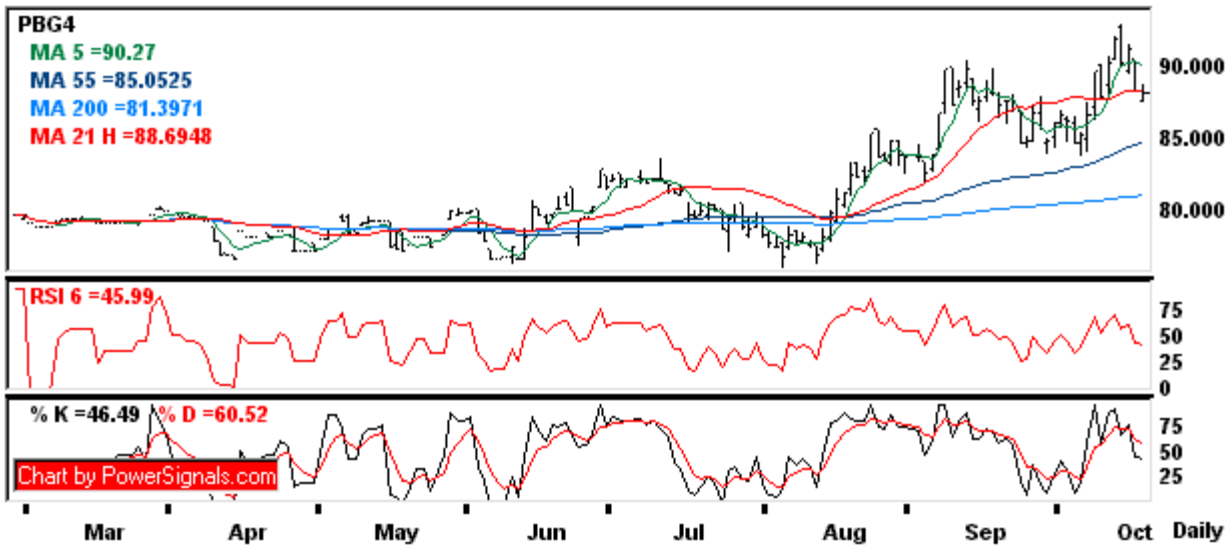
Resistance is at 6022 to 6037 and 6102 to 6112 ..Above that sellers should appear rear 6162 to 6192 and the 6337 to 6352 region .. Traders should go short if a close under 5932 occurs.



February Pork Bellies
Recommended open Position Short 2 at 8697 avg
Support should appear near 8777 to 8762 , a close under is negative and augurs for a test of 8592 to 8562 and eventually the 8317 to 8302 region.

Resistance is at 8857 to 8862 and the 8932 to 8967 region..Beyond that resistance should appear near 9042 to 9062 and the 9137 to 9157 region. Above that sellers should attempt to cap a rally near 9317 to 9347

Traders should go short if a close under 8762 occurs

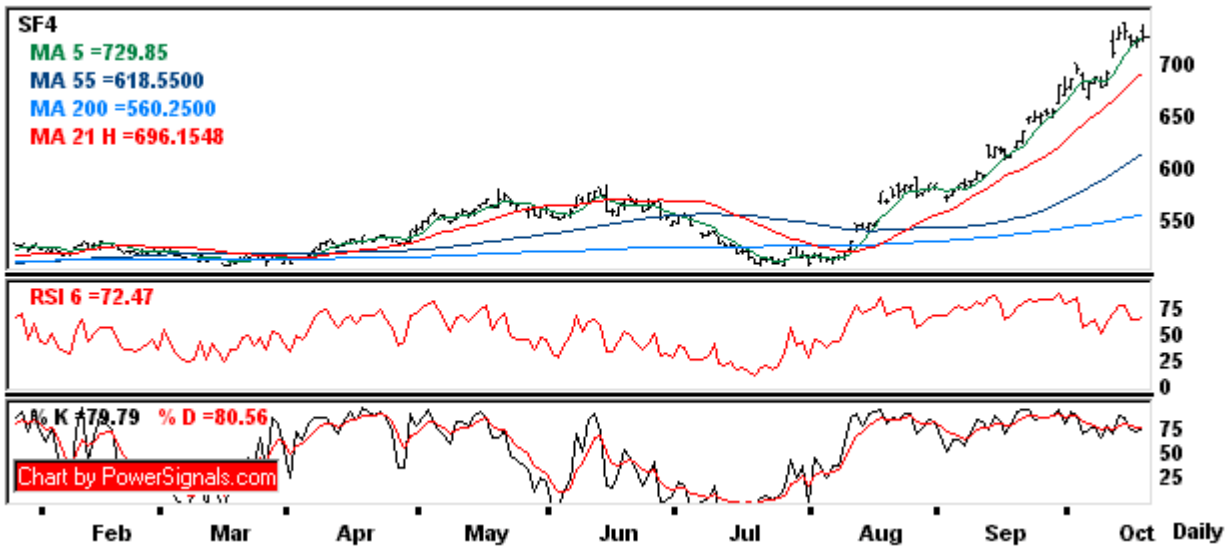


The Grande' Grains

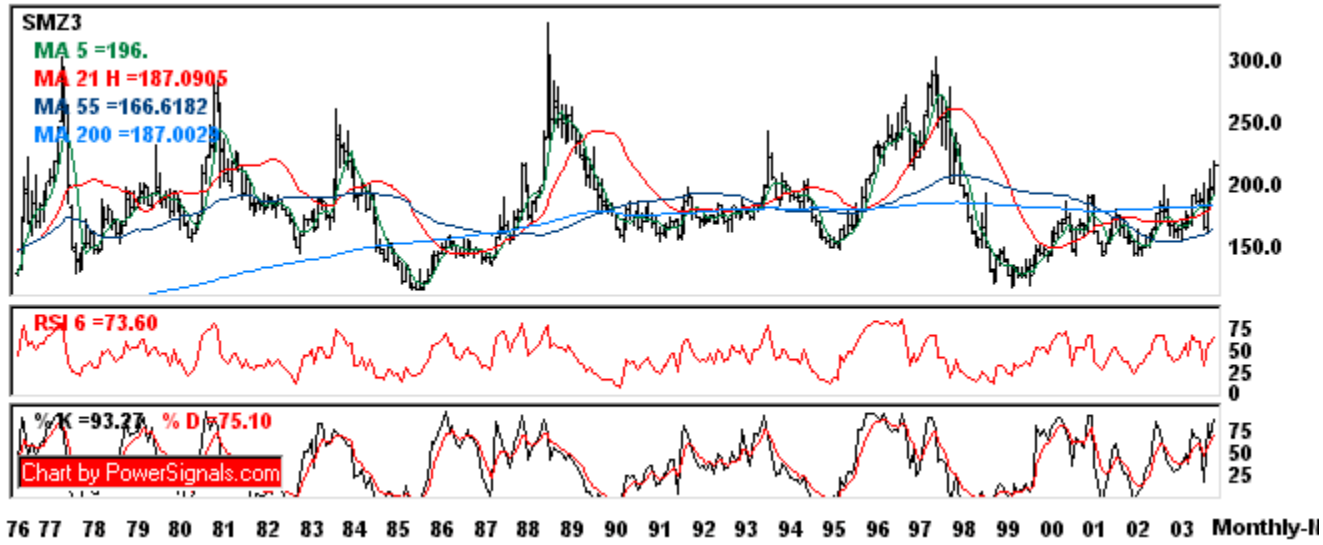
January Soybeans
Resistance is at 732 ¾ to 734 ½ and the 748 ¾ to 751 ¼ region. Beyond that sellers should appear near 767 ½ to 768 ¾ and the 776 ¼ to 777 ¾ region and Cap a rally..
Support should appear at 725 ¾ to 724 ¼, a close under augurs for a test 717 to 714 ½ and the 708 ¾ to 707 ½ region. Which should contain a decline.. Below that buyers should appear near 700 ¼ to 699 and the 691 ¾ to 690 ¾ region.. Which should contain a decline..

Traders should go Short if a close under 723 ¾ occurs

November Soybeans Recommended open Position Short 690 3/4



December Soymeal
Recommended open Position Short 203.1
Support should appear near 218.5 to 217 and 213.4 to 212.6.. A slip under is negative and augurs for a test of 208.9 to 208 and eventually the 204.2 to 203 region..
Resistance should appear near 221.9 to 222.6 and the 226.7 to 227.5 region.. Beyond that sellers should near 231.5 to 232.2



SMZ3
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MA 21 H =196.8905
MA 55 =180.5709
MA 200 =170.6340
300.0
250.0
200.0
150.0
RSI 6 =72.56
75
50
25
0
% K =92.59 % D =78.18
Chart by PowerSignals.com
75
50
25
J95 A J O J96 A J O J97 A 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
Weekly-ll

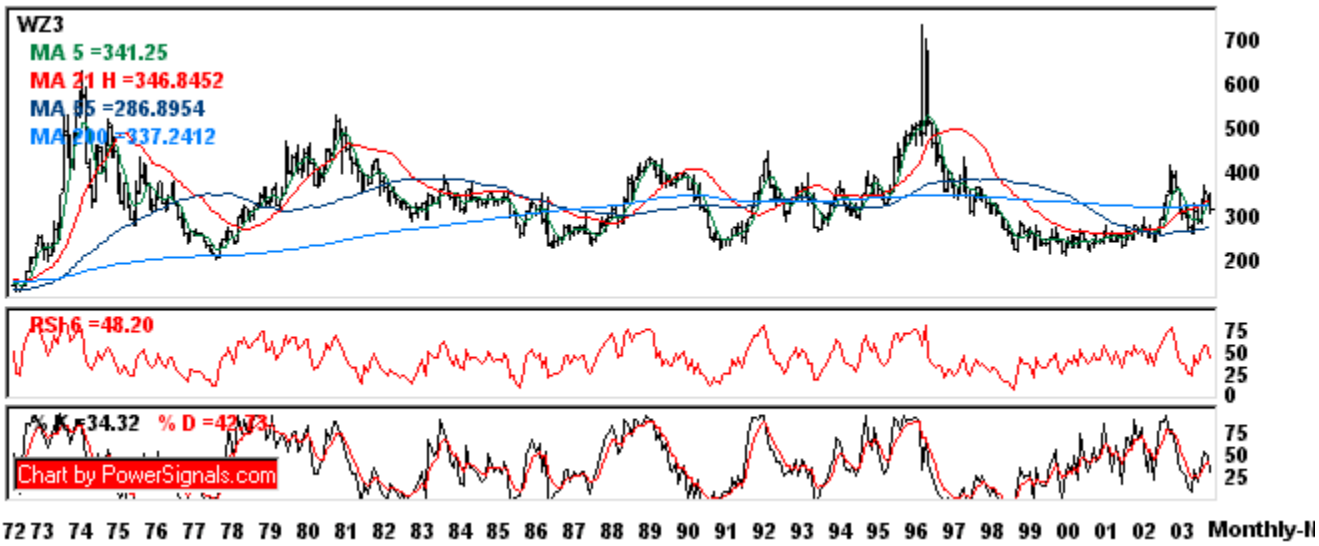
SMZ3
MA 5 =218.82
MA 55 =187.6382
MA 200 =167.6830
MA 21 H =206.4381
220.0
210.0
200.0
190.0
180.0
170.0
160.0
150.0
RSI 6 =76.53
75
50
25
0
% K =87.69 % D =85.57
Chart by PowerSignals.com
75
50
25
F M A M J J A S O
Daily

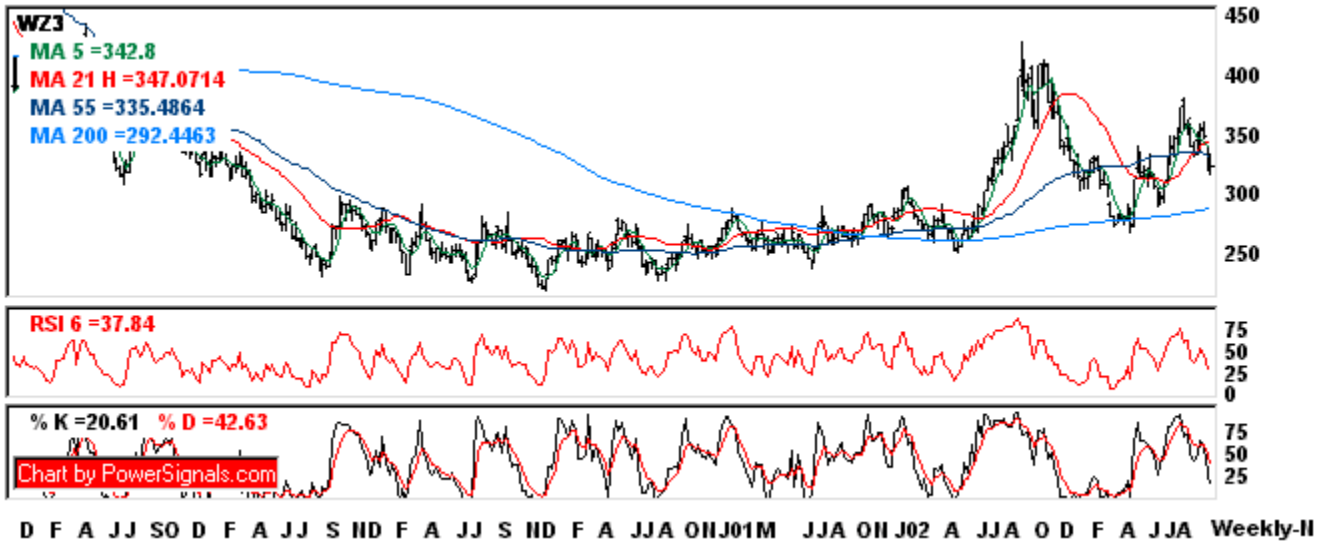
December Soybean Oil
Resistance should appear near 2663 to 2672 and the 2716 o 2724 region.. Bond that sellers should appear near 2820 to 2829..
Support should appear near 2620 to 2612 and 2568 to 2552 a close under augurs for a test of 2519 to 2511 and eventually the 2419 to 2411

December Corn
Resistance should appear near 217 to 218 ½ and 226 ¾ to 227.. Beyond that sellers should appear near 231 ½ to 232 ¼

Support is at 213 ½ to 212 ¾ and 208 ¾ to 208.. Below that buyers should appear near 199 ¾ to 198 ¼ and the 190 ¾ to 190 ¼ region.

December CBOT Wheat
Recommended open Position Long 344 ¾
Support should appear near 321 ¼ to 319 ½ and 315 ¾ to 314 ¾ .. below that buyers should appear near 310 ¼ to 309 ¼ and the 304 ½ to 303 ¾ region.
Resistance is at 331 ¾ to 332 ¾ , a close over is friendly and augurs for a test of 337 ¾ to 338 ¾ and eventually 342 ½ to 344 ¼ .


WZ3
MA 5 =341.25
MA 21 H =346.8452
MA 55 =286.8954
MA 200 =337.2412
RSI 6 =48.20
% K =34.32 % D =42.73
Chart by PowerSignals.com
700
600
500
400
300
200
75
50
25
0
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 Monthly-H


WZ3
MA 5 =342.8
MA 21 H =347.0714
MA 55 =335.4864
MA 200 =292.4463
RSI 6 =37.84
% K =20.61 % D =42.63
Chart by PowerSignals.com
450
400
350
300
250
75
50
25
0
D F A JJ SO D F A JJ S ND F A JJ S ND F A JJA ONJ01M JJA ON J02 A JJA O D F A JJA Weekly-H

WZ3
MA 5 =331.7
MA 55 =359.0727
MA 200 =334.4637
MA 21 H =347.8571
RSI 6 =37.97
%K =15.76 % D =20.53
Chart by PowerSignals.com
400
380
360
340
320
300
75
50
25
0
J03 F M A M J J A S O Daily

The Satisfying Softs

December the 'Monster' Coffee
Recommended open Position Long 2 at 6300 avg
Support is near 6030 to 6020 and 5880 to 5855 .. Below that buyer should appear near 5730 to 5715

Resistance should appear near 6105 to 6115 and the 6165 to 6190 region… a close over is friendly and augurs for a test of 6335 to 6350

December Cocoa
Support is at 1346 to 1334 and the 1310 to 1304 region.. Below that buyers should appear near 1232 to 1238 , which should hold.. ..traders can buy at 1241 and risk a close under 1188 for three days in a row.

Resistance should appear near 1377 to 1383 and 11415 to 1421 a close over is friendly and augurs for a test of 1453 to 1459 and the 1484 to 1496 region. Beyond that sellers should appear near 1529 to 1535.. Traders can sell at 1522 and risk a close over 1582 for three days in a row.

CCZ3
MA 5 =1501.6
MA 21 H =1626.9520
MA 55 =1847.4910
MA 200 =1312.3200
2000
1500
1000
RSI 6 =29.29
75
50
25
0
% K =1.52
% D =21.46
75
50
25
Chart by PowerSignals.com
S O N D J01 F M A M J J A S O N D J02 F M A M J J A S O N D J03 F M A M J J A S
Weekly-N

CCZ3
MA 5 =1451.
MA 55 =1551.7640
MA 200 =1732.0100
MA 21 H =1564.1430
2200
2000
1800
1600
1400
RSI 6 =20.49
75
50
25
0
% K =2.43
% D =11.93
75
50
25
Chart by PowerSignals.com
N D J03 F M A M J J A S O
Daily

March Sugar

Support should appear near 586 to 583 and 562 to 559.. Below that buyers should appear near 538 to 534 and 515 to 507

Resistance should appear near 601 to 609 and 630 to 634.. Beyond that sellers should appear near the 656 to 661 region.

December Cotton

Support should appear near 7515 to 7485 and 7430 to 7415 .. Below that buyers should appear near 7345 to 7325 and the 7170 to 7140 region.

Resistance should appear near 7585 to 7605 and the 7675 to 7690 .. Beyond that sellers should occur near 7835 to 7865 and 7940 to 7955

A Ship in Harbor is Safe.. But that is not what ships are built for –
Happy Trading!
Bill wil@futurescom.com
1-561-433-2995

Sunday October 19th 2003
10:30 AM .. South Florida Beach Time

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