



BI-WEEKLY AGRICULTURAL OUTLOOK # 311

SUNDAY, FEBRUARY 1, 2009

Grains • Livestock • Softs

"The government solution to a problem is usually as bad as the problem."
-Milton Friedman-

Saturday January 31 2009

8:00 PM South Florida Beach Time

GRAINS

Soybeans and Corn have come under pressure as improved weather conditions in Argentina and weaker global economic conditions persist.. In addition Export sales are muted , sales have dropped 60%.. The stronger dollar is also a factor that has led to pressure... The Reason for the weak month end ? A weather market by nature should be sold.. Additionally, Soybeans tend to grind lower into Mid - February Past mid February Beans can rally , but in this environment anything is possible.. Soymeal appears vulnerable to lower prices..

CORN

Speculation that China might soon resume corn exports will lead to pressure , additional pressure in the global market may come from Cheaper Feed Wheat and while Farmers while unwilling to Sell at current levels . They have a habit of shooting themselves in the foot so to speak.. The positive side views a return of a demand market however economic conditions are worsening globally and fast ..if this continues it will have an impact.. Something to worry about is the state of Trade relations ..which are getting nasty to say the least.. Bottom line .. We think the upside is limited and if Corn is unable to advance a lower sloppy market is likely in the near term..

WHEAT also has been pressured by the weak world economy and the stronger U.S. dollar.. Weekly wheat exports are down.. Seasonally Wheat tends to make lows past spring and the trend remains lower The demand side is looking towards exports , especially to Brazil , which is a large wheat importer , this is supportive.. However we see lower prices ahead and want to sell rallies and remain short.. .

LIVESTOCK

PORK

Demand outlooks remain questionable to bleak .. Sell April on Rallies and consider buying June thru August against
During 2008 consumer demand was down 3.5 percent from 2007. Beef demand was also weak with a decline of 4.1 percent last year from a year earlier. Live hog demand for 2008 was up six percent from 12 months earlier. The big increase in exports of pork is the major reason for the strong live hog demand. If Trades issue and a stronger dollar persist expect lower prices.. Consumer demand is likely to continue weak as we go through 2009 due to the weak general economy but smaller chicken supplies will be positive. Slaughter data indicates producers are not changing the sow herd very much if any in either We would rather be a seller than a buyer of pigs at current levels prices
We remain long term bearish on cattle Stay tuned for Special Report and Updates—

SOFTS

Coffee , Typically makes its highs February and March.. Brazil should harvest around 40.6 million 60-kilogram bags of coffee in the 2009-10 crop. The most recent official government estimate for the 2009-10 crop is 36.8 million bags and 38.7 million bags. The harvest begins in May.. Sell Rallies..

Cocoa still remains buoyant and a trading affair.. While Sugar is range bound is still Cotton is sloppy..

Do not be surprised to see lower levels..

Stay tuned for Updates and Flashes

--On to the Nitty Gritty --

MARCH SOYBEANS

Resistance should appear 982 $\frac{1}{4}$ to 983 $\frac{3}{4}$ and the 992 $\frac{1}{4}$ to 993 $\frac{3}{4}$ region.. Traders can sell an early rally at 992 $\frac{1}{4}$ and hold for lower prices.. Beyond that sellers should appear near 1032 to 1036 and the 1058 to 1068 region..

Support should appear near 954 $\frac{1}{4}$ to 952 $\frac{3}{4}$ and the 934 $\frac{3}{4}$ to 931 $\frac{3}{4}$ region

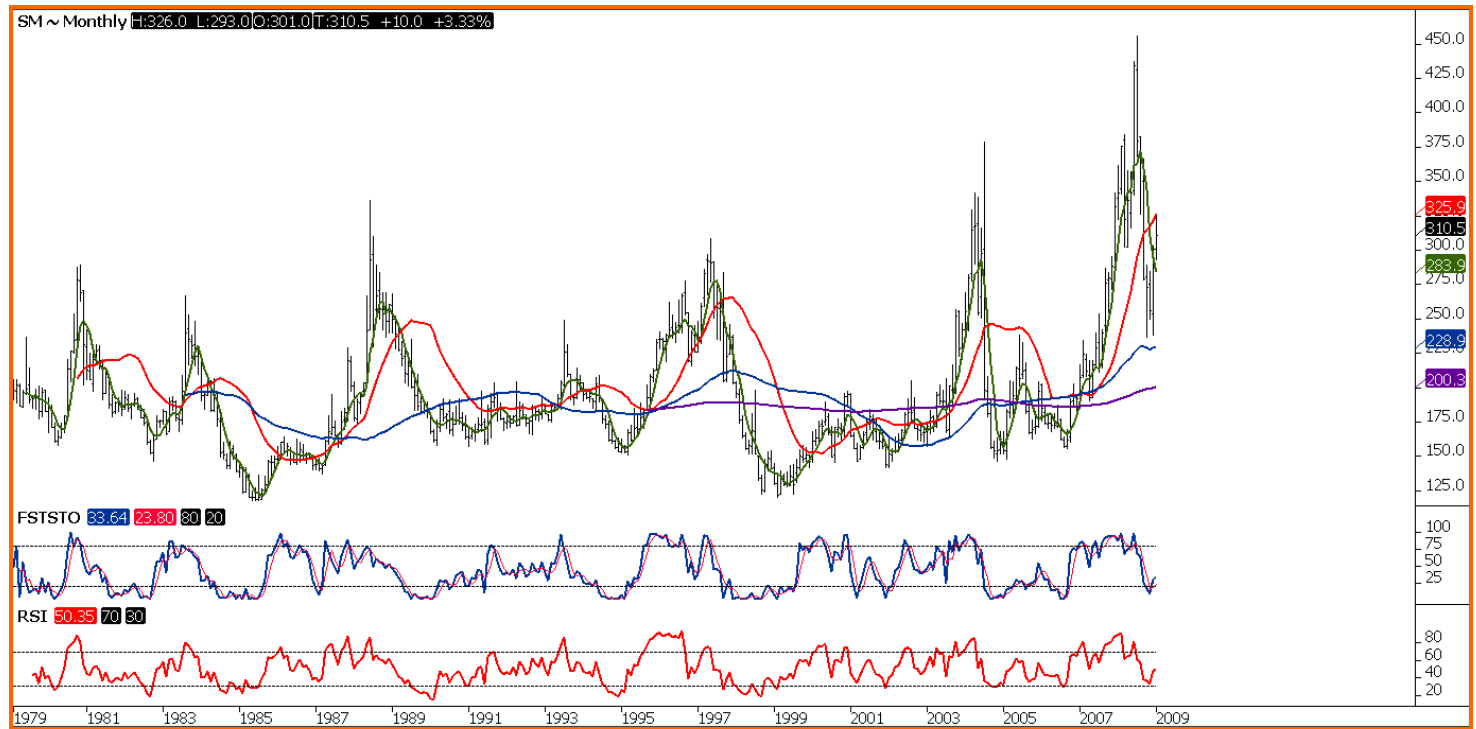




MARCH SOYMEAL

Resistance should appear near 314.8 to 315.7 and the 3129.4 to 321.3 region. .Beyond that sellers should appear near 326.1 to 327.0

Support should appear near 304.5 to 303.6 and the 293.7 to 292.8 region. A close under is negative and augurs for a test of 282.9 to 282.0 .. trade Accordingly

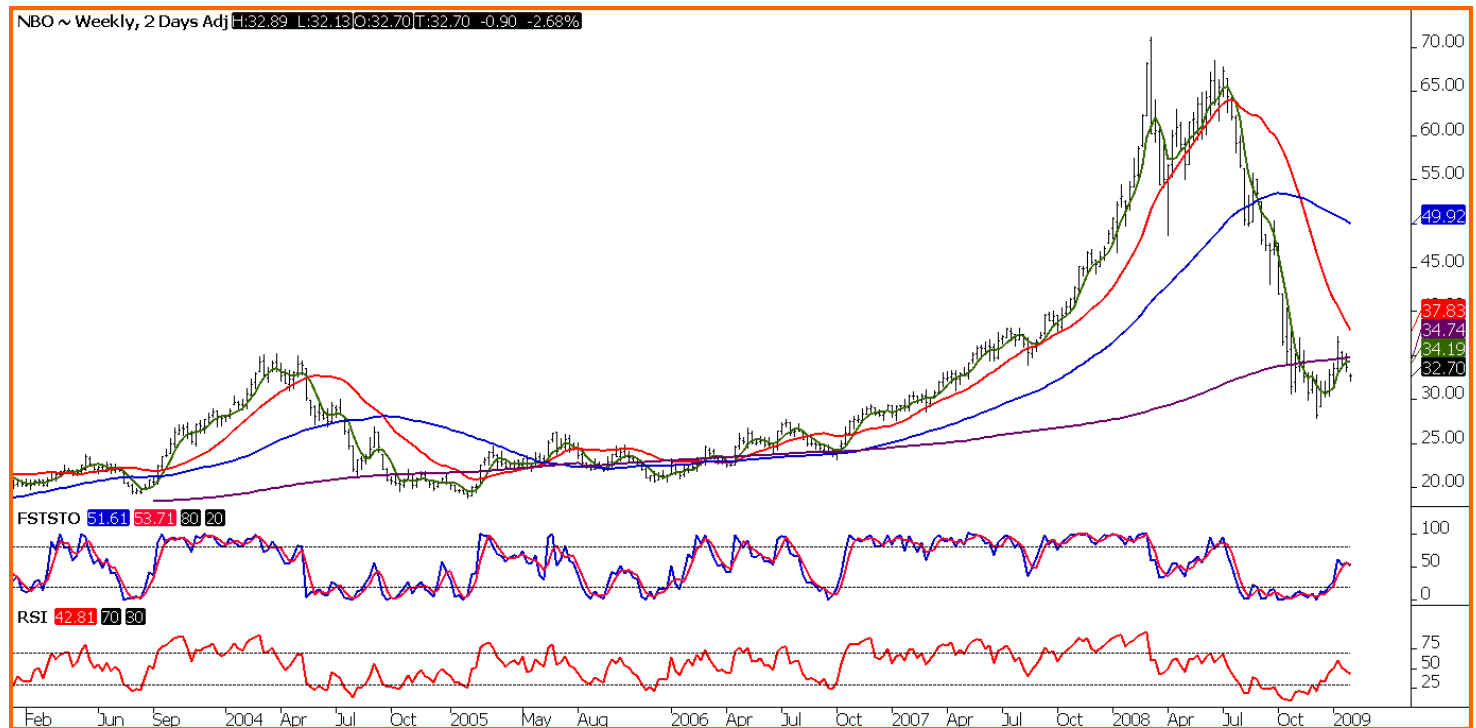




MARCH SOYBEAN OIL

Resistance should appear near 3319 to 3328 and the 3377 to 3386 region. Beyond that sellers should appear near 34256 to 3443 and the 3493 to 3503 region. Which should cap a rally.

Support should appear near 3213 to 3194 and 3157 to 3148, a close under is negative and augurs for a test of 3102 to 3092 and eventually the 2990 to 2972 region

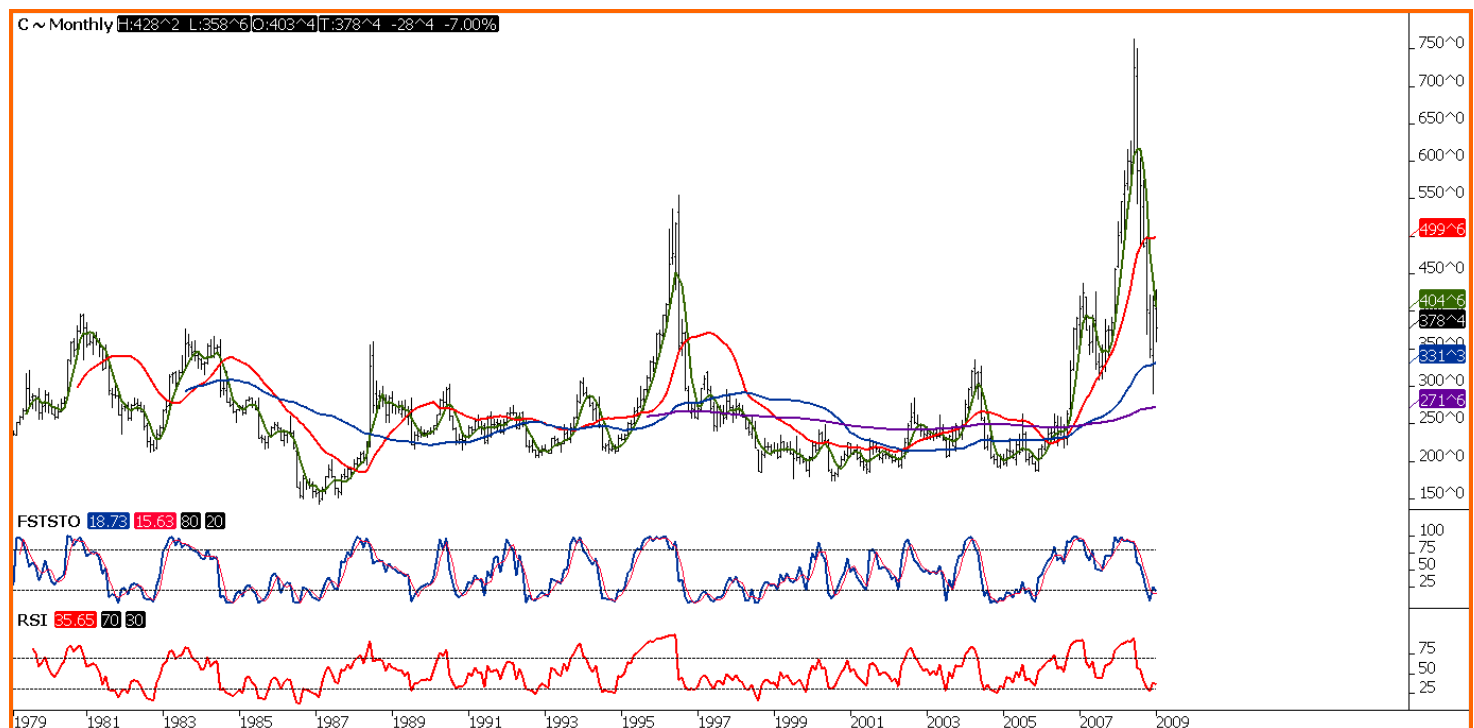




MARCH CORN

Resistance should appear near $385 \frac{3}{4}$ to $386 \frac{3}{4}$ and $390 \frac{3}{4}$ to $392 \frac{3}{4}$.. Beyond that sellers should appear near $404 \frac{3}{4}$ to $405 \frac{3}{4}$ and the 411 to 412 region. Traders can sell at $410 \frac{3}{4}$ and hold for lower prices.

Support appear near $374 \frac{1}{4}$ to $373 \frac{1}{2}$ and the $368 \frac{1}{4}$ to $366 \frac{1}{4}$ region . Below that buyers should appear $356 \frac{1}{4}$ to $355 \frac{1}{2}$. and the $344 \frac{1}{4}$ to $342 \frac{1}{2}$ region.





MARCH WHEAT

Resistance should appear near $579 \frac{1}{4}$ to $580 \frac{1}{2}$ and $585 \frac{1}{2}$ to 588 .. Beyond that sellers should appear near $594 \frac{1}{2}$ to $595 \frac{3}{4}$ and the $602 \frac{1}{4}$ to $603 \frac{1}{2}$ region.

Support should appear near $557 \frac{3}{4}$ to $555 \frac{1}{4}$, below that a test of 543 to $541 \frac{3}{4}$ and the $535 \frac{3}{4}$ to $534 \frac{1}{2}$ region is likely to occur.. Stay tuned for Flashes..



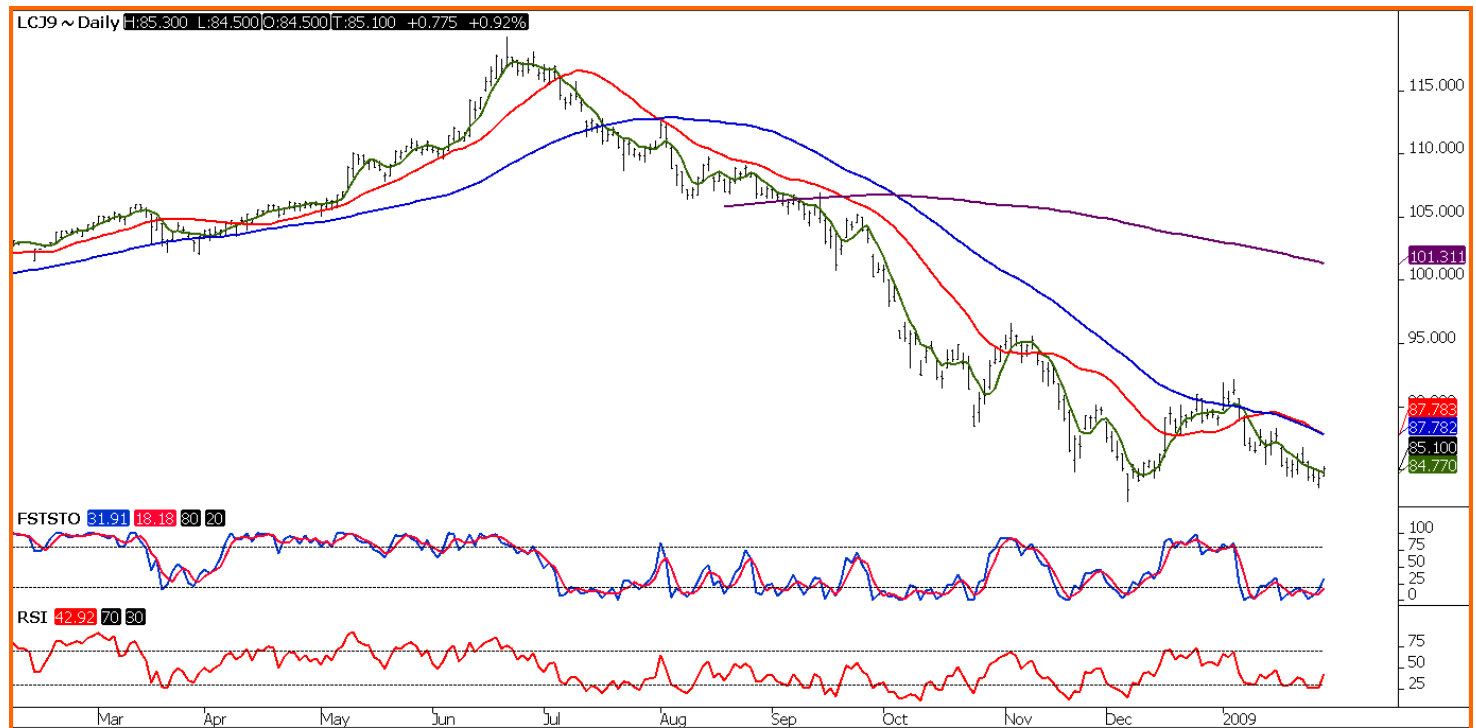


THE LIVELY LIVESTOCK

APRIL CATTLE

Support should appear near 8407 to 8392 and 8317 to 8302. A close under is negative and augurs for a test of 8227 to 8192 and eventually the 8047 to 8027 region.

Resistance is at 8577 to 8592 and the 8667 to 8682 region.. Traders can sell at 8667 and hold for lower prices. Beyond that resistance should appear near 8762 to 8777 and the 8857 to 8872 region.. Above that sellers should appear near 9042 to 9062 and cap a rally.



APRIL HOGS

Resistance should appear near 6332 to 6357 and the 6417 to 6432 region. Beyond that sellers should appear near 6482 to 6512 and the 6577 to 6592 region .. Traders can sell at 6572 and hold for lower prices..

Beyond that sellers should appear near 6657 to 6672 and the 6742 to 6757 region.

Support should appear near 6272 to 6257 and the 6102 to 6162 region.. A close under is negative and augurs for a test of 5957 to 5942 .. Below that buyers should appear near 5867 to 5852..



THE SATISYING SOFTS

MARCH 'THE MONSTER' COFFEE

Support should appear near 11690 to 11640 and the 11360 to 11300 region. Below that a test of 11010 to 10960 is likely.. Failure there is negative and augurs for a test of 10680 to 10580..

Resistance should appear near 12320 to 12380 and the 12680 to 12740 region.. Aggressive Traders can sell at 12310 and hold for lower prices.. Beyond that sellers should appear near 13040 to 13100.



MARCH COCOA

Support is at 2672 to 2663 and the 2568 to 2558 region.. Below that a test of 2519 to 2511 is likely..

Under that buyers should appear near 2469 to 2461 and the 2419 top 2411 region..

Resistance should appear near 2820 to 2829 and the 2928 to 2937 region.

Beyond that sellers should appear near 3036 to 3045 and the 3092 to 3102 region. Which should cap a rally..



MARCH SUGAR

Support is at 1238 to 1232 and the 1203 to 1192 region.. Below that a trade towards 1169 to 1164 and the 1136 to 1130 region I likely

Resistance should appear near 1268 to 1274 and the 1304 to 1310 region.. Beyond sellers should appear near 1334 to 1346 and 1377 to 1383.. Traders can sell 1331 and hold for lower prices.



MARCH COTTON

Support should appear near 4926 to 4915 and the 4856 to 4845 region.. Below that a trade towards 4785 to 4775 and the 4650 to 4639 region is likely..

Resistance should appear near 5056 to 5067 and 5127 to 5139.. beyond that sellers should appear near 5200 to 5211



-- *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 Sunday February 1, 2009

06:15 PM South Florida Beach Time

THIS PUBLICATION IS SUBJECT TO REVISIONS AND CONTAINS THE VIEW AND OPINIONS OF THE AUTHOR, EXCEPT WHERE OPINIONS ARE ATTRIBUTED TO OTHER SOURCES. WRITTEN PERMISSION IS REQUIRED PRIOR TO ANY DISTRIBUTION OR REPRODUCTION. FUTURES TRADING IS RISKY AND CAN CAUSE SUBSTANTIAL FINANCIAL LOSS. THE USE OF OPTIONS AND OPTION TRADING INVOLVES A HIGH DEGREE OF RISK. THE USE OF STOPS MAY NOT LIMIT LOSSES TO INTENDED AMOUNTS. SPREAD POSITIONS MAY NOT BE LESS RISKY THAN OUTRIGHT FUTURES POSITIONS. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. SOURCES ARE BELIEVED TO BE RELIABLE BUT NO ASSURANCE IS MADE FOR ACCURACY. ADDITIONAL RISK DISCLOSURE IS AVAILABLE.

Bi-Weekly Agricultural Open Positions as of 1-31-2009

SHORT MARCH SOYMEAL 296.0
SHORT 2 MARCH SOYBEAN OIL 3433 avg
SHORT MARCH WHEAT 551 ¼