

Bi-Weekly Investment Outlook Sunday January 30th, 2005 Issue # 210

“ If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in government to the utmost.”

-- Aristotle --

Saturday January 29th 2005

11:00 PM eastern time

Today's Bi-Weekly contains some Forex Comments..

The Sensational Stock and Bond Markets

Dow Jones Industrial Average

Resistance should appear near the 10470 and 10580 to 10630

Support should appear near the 10360 to 10320 region.. Which should continue to contain a decline.

Below that support should appear near 10185 and 10136 to 10104





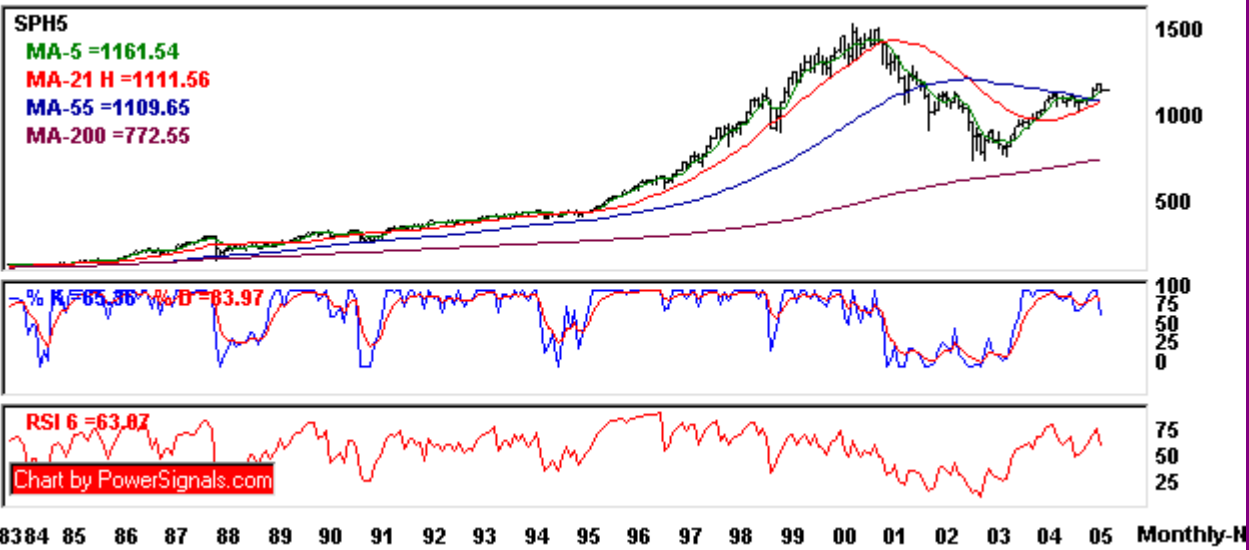
March SP500

Recommended open position long at 2 at 1182 .7

Resistance should appear near 1180.50 and 1192.00 to 1203.00.

Support should appear near the 1169.00 to 1164.00 region. Below that buyers should appear near 1150.00

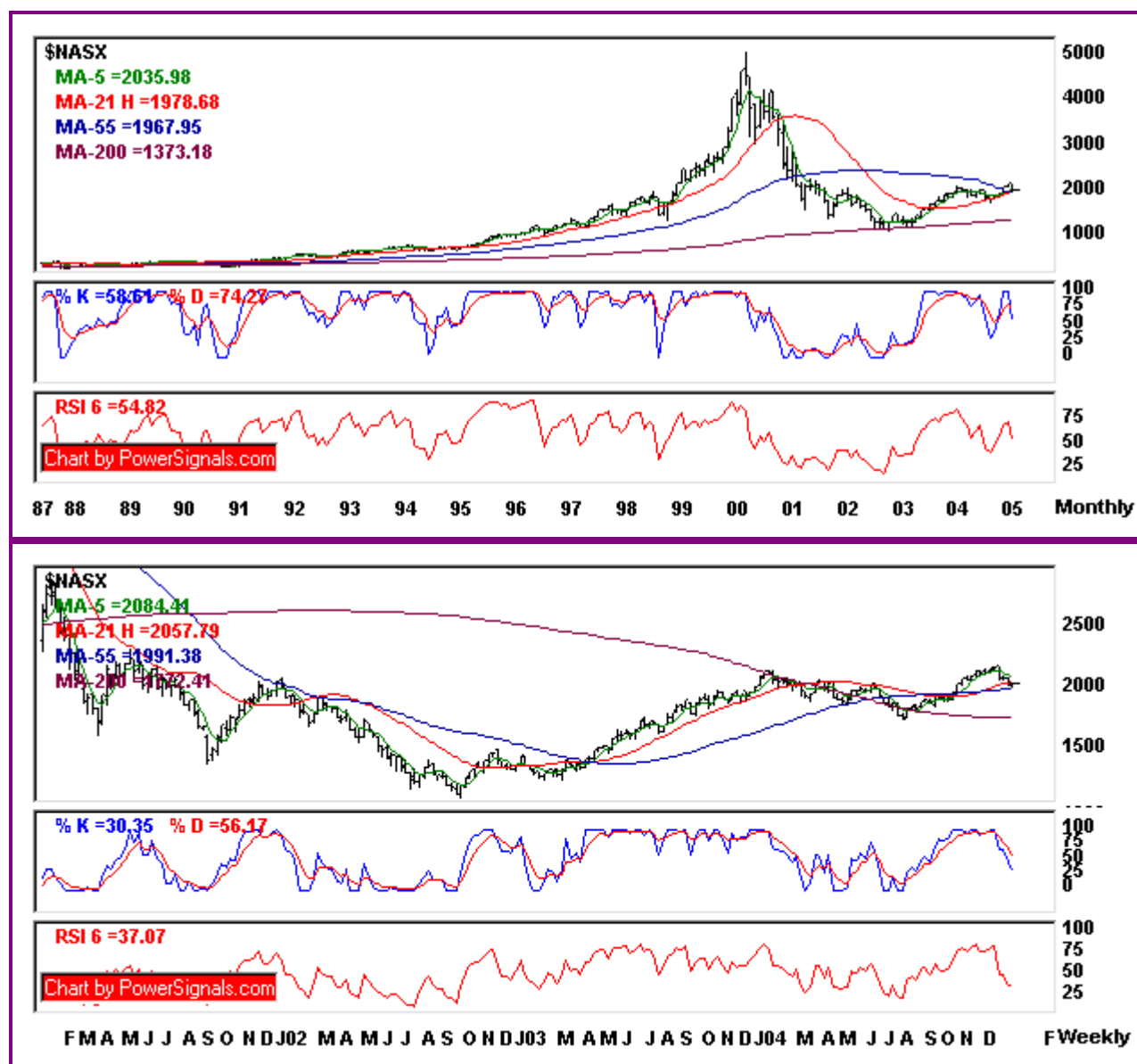
Traders should go long if a close over 1180.7 occurs



Nasdaq Composite

Support should appear near 2034 and 1996 to 1982

Resistance should appear near 2080 to 2088





March Mini Nasdaq 100

Recommended open position long at 1577

Resistance is at 1529 to 1535 and 1569 to 1576

Support is at 1496 to 1484 region and the 1459 to 1453 region





March Mini Russell 2000

Support is at 611.30 to 610.10. Below that buyers should appear near 603.50 to 602.30 and the 595.70 to 594.50 region. Which should hold. Traders can buy at 611.4 for a bounce and risk a close under 600.9 for three days in a row.

Resistance is at 619.00 and 625.70 to 627.00 an extended trade over is friendly and augurs for a test of the 633.70 to 635.00 region. Beyond that a trade towards 648.30 to 650.9 is likely.

Traders should go long if a close over 619.7 occurs

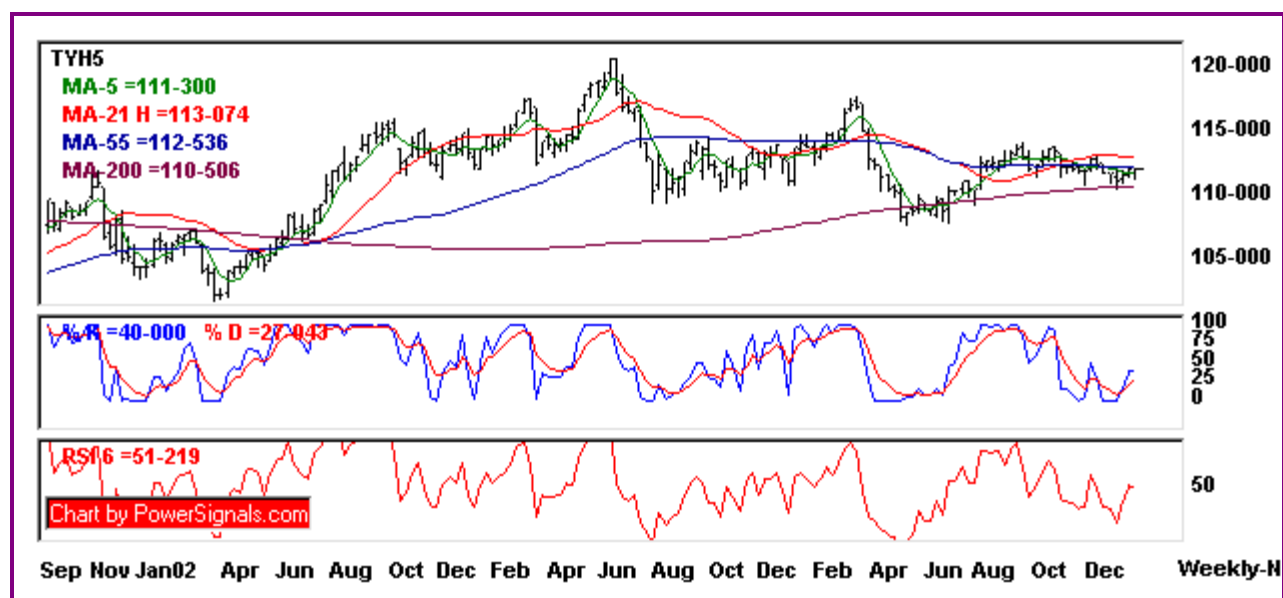




March 10 Year T-Note

Resistance should appear near 112-22 and 113-07, which should cap a rally..

Support is at 112-07 and 111-22., a close under augurs for a test of 111-07 and 110-22



The Frenzied Forex Front

On the Babble Front ..

In Statements made last week China's central bank warned about speculative trading in the Yuan ahead of next weeks G-7 meeting. In Davos, It also went as far as saying that there would be no change in the Yuan's peg to the dollar for over a year.. We feel a minor adjustment to the peg perhaps 3% is likely , such an adjustment is unlikely to have any large impact on China's economy .. When the first adjustment will occur is not known.

We advise traders against playing any noise and babble concerning revaluation....

The 'Group of Seven' ministers meet next weekend , expect little if any change in Forex memorandums.

The surprise would be a lack of firm suggestions for China to relax its forex regulations and lack of substantive content suggesting Asian countries to make their currencies more flexible...

Recent Data out of **Japan** now suggests that at best Japan's economic recovery is now flattening out and may in fact be like 'moss on a log'. A similar situation exists in the major counties of European Union..

On Japan, data issued Friday showed a second consecutive quarterly fall in output, weak household spending and a surge in deflationary pressure... While it's labor market showed optimism... Industrial output fell 0.8% in the October-December quarter , exceeding a 0.7% fall in the previous three months

MOF officials expects output to rise 2.8% in January and then decrease .2% in February

Spending by households headed by wage earners fell an inflation-adjusted 3.8% on year in December, well below expectations of a 0.5% rise.

Tokyo's core consumer price index fell 0.5% in January from a year ago, on-year declines date back to October 1999. January's decline was larger than a expected 0.3% decline.

Tokyo's overall CPI in January fell 0.3% on year and 0.7% on month, which was the largest on-month decline since March 2003.

In December the nationwide core consumer price index fell 0.2% from one year earlier .. slightly better than expected.

While Japan is in the later stages of unwinding its asset bubble and deflation from the late 1980's and 1990's We think it is unlikely that the BOJ will think about tightening monetary policy this year and we see reasons for the MOF of Japan to implement it's stealth forex intervention strategy at current Yen levels ..

If not they may be walking down a path bounded by economic morass..

-No change in current Dollar Friendly posture-

March Yen

Recommended open position short 9610

Resistance should appear near 9706 to 9737.. Traders can sell at 9705 and hold for lower prices.

Above that sellers should appear near 9821 to 9837 and 9921 to 9937

Support should appear near 9641 to 9625 and 9542 to 9526.. Below that buyers should appear near 9347 to 9316..





March Euro Currency (EC)

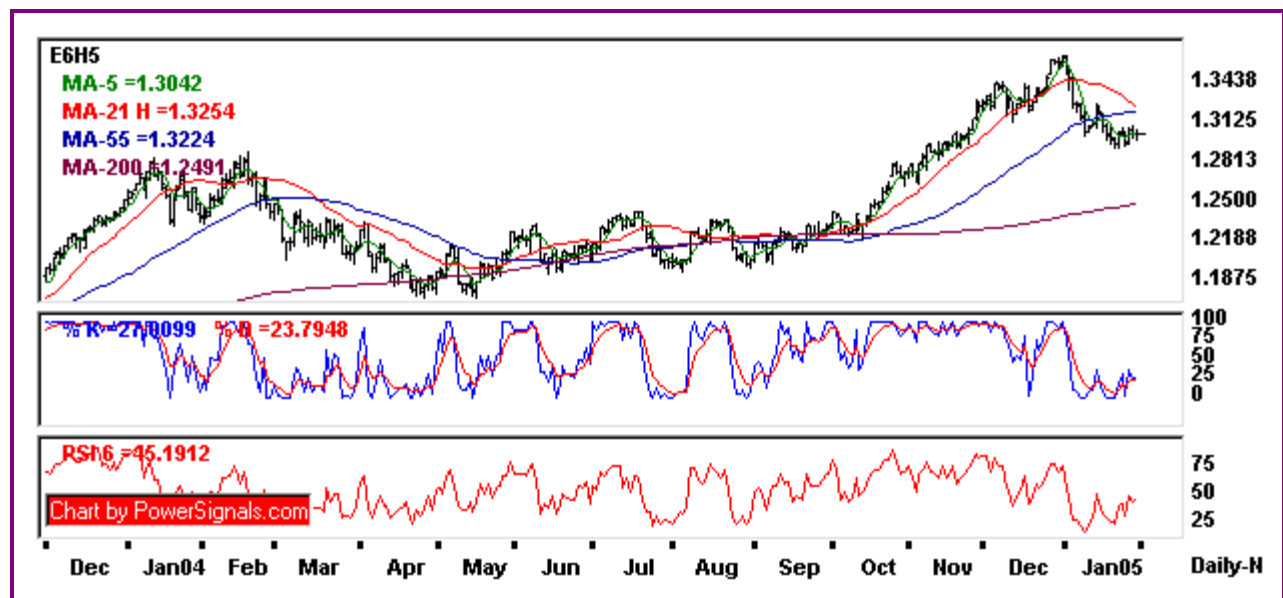
Recommended open position short 13037

Support should appear at 13040 and 12890 , a close under augurs for a test of 12740 to 12680.

Resistance should appear near 13100 and 13220, beyond that sellers should appear near 13340 to 13460

Traders should go short if a close under 12890 occurs





March Swiss Franc

Recommended open position Short 8501

Resistance should appear near 8484 to 8499 and the 8560 to 8589 region

Support should appear near 8406 to 8391, a close under augurs for a test of 8314 to 8300.. Below that buyers should appear near 8223 to 8194.

Traders should go short if a close under 8387 occurs



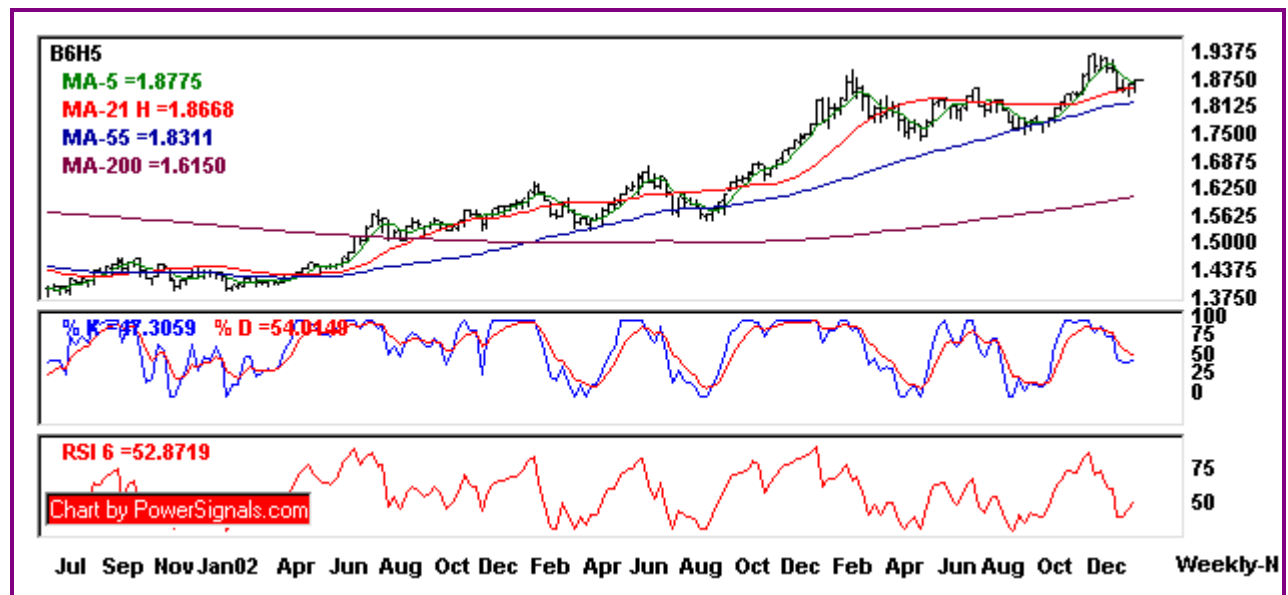


March British Pound

Recommended open position Short 18576

Support should appear near 18650 to 18580 and 18220 to 18080

Resistance should appear near 18876 and 19020 to 19090

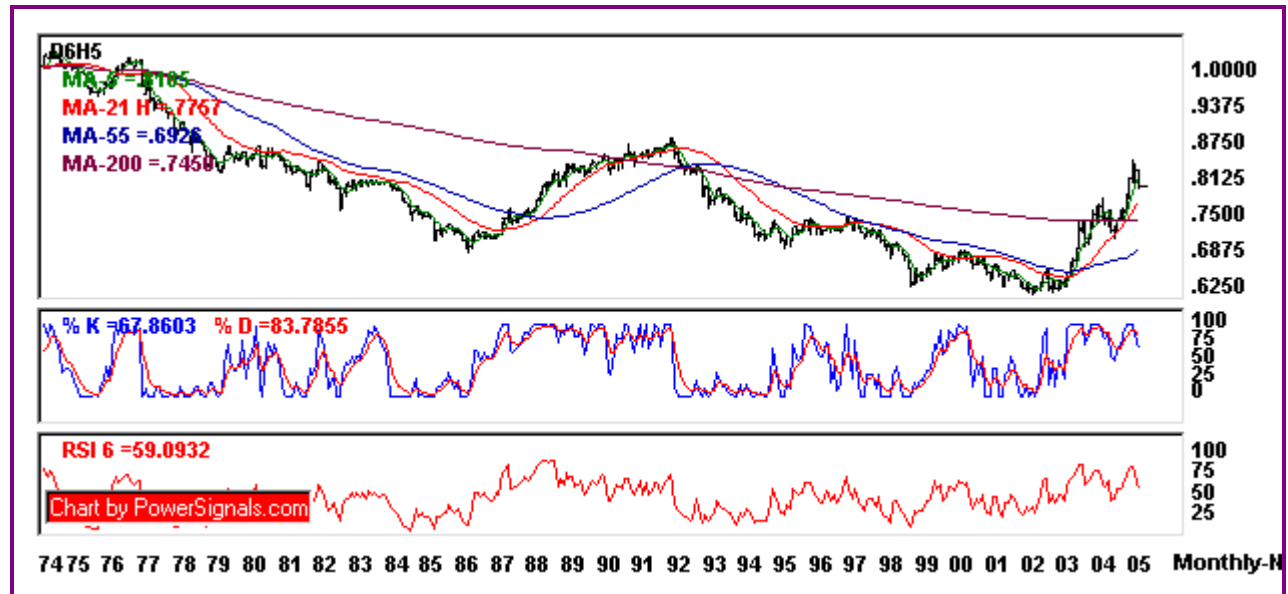


March Canadian Dollar

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

Resistance is at 8119 to 8134 and the 8194 to 8223 region .. Traders can sell at 8117 for a turn lower and risk a close over 8167 for three days in a row ..

Traders should go short if a close under 8026 occurs.





March Aussie Dollar

Recommended open position short at 7532

Resistance should appear near 7763 to 7777 and the 7836 to 7486 region.

Support should appear at 7689 to 7675 and the 7601 to 7587 region.





Precious Metals

April Gold

Resistance should appear at 430.4 to 431.5 and the 437 to 438.1 region

Traders can sell at 430.3 and risk a close over 349.5 for three days in a row

Support is at 424.9 to 423.8 and 418.3 to 416.3





March Copper

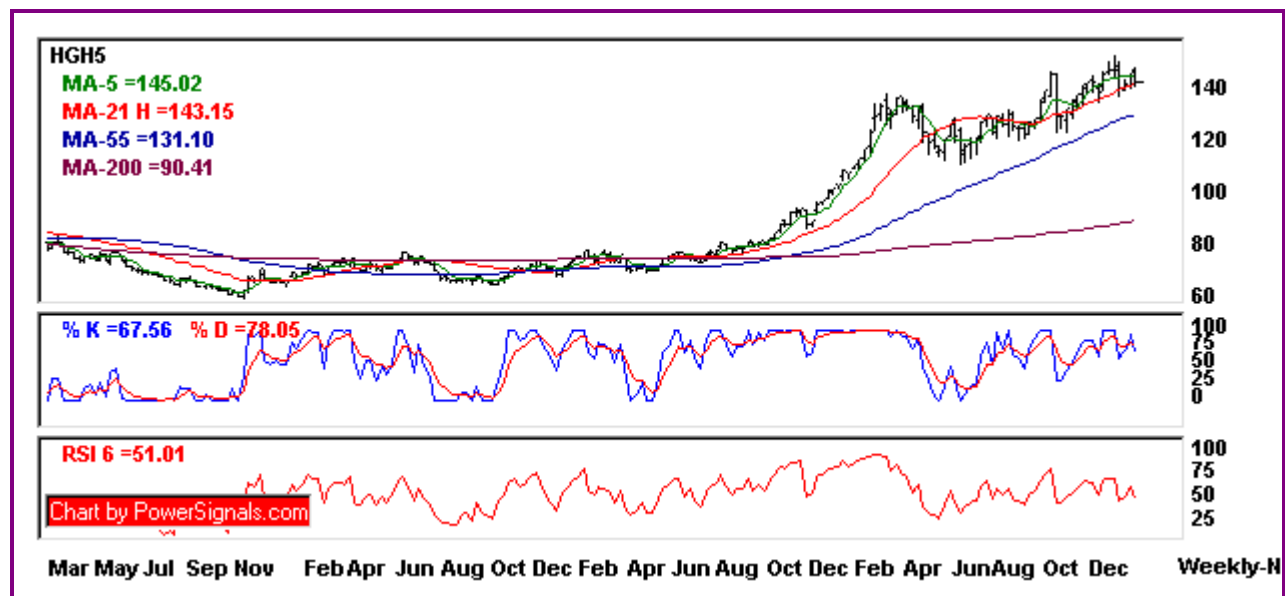
Recommended open position 14140

Support should appear near 14210 to 14150 and 13830 to 13770

Resistance should appear near the 14530 to 14590 region.

Traders should go short if a close under 13740 occurs





March Silver

Support should appear near 667.5 to 665.5 and the 650.5 to 648.0 region.

Below that buyers should appear near 635.0 to 633.5

Resistance is at 680.5 to 683.3 and the 699 to 700.5 region.

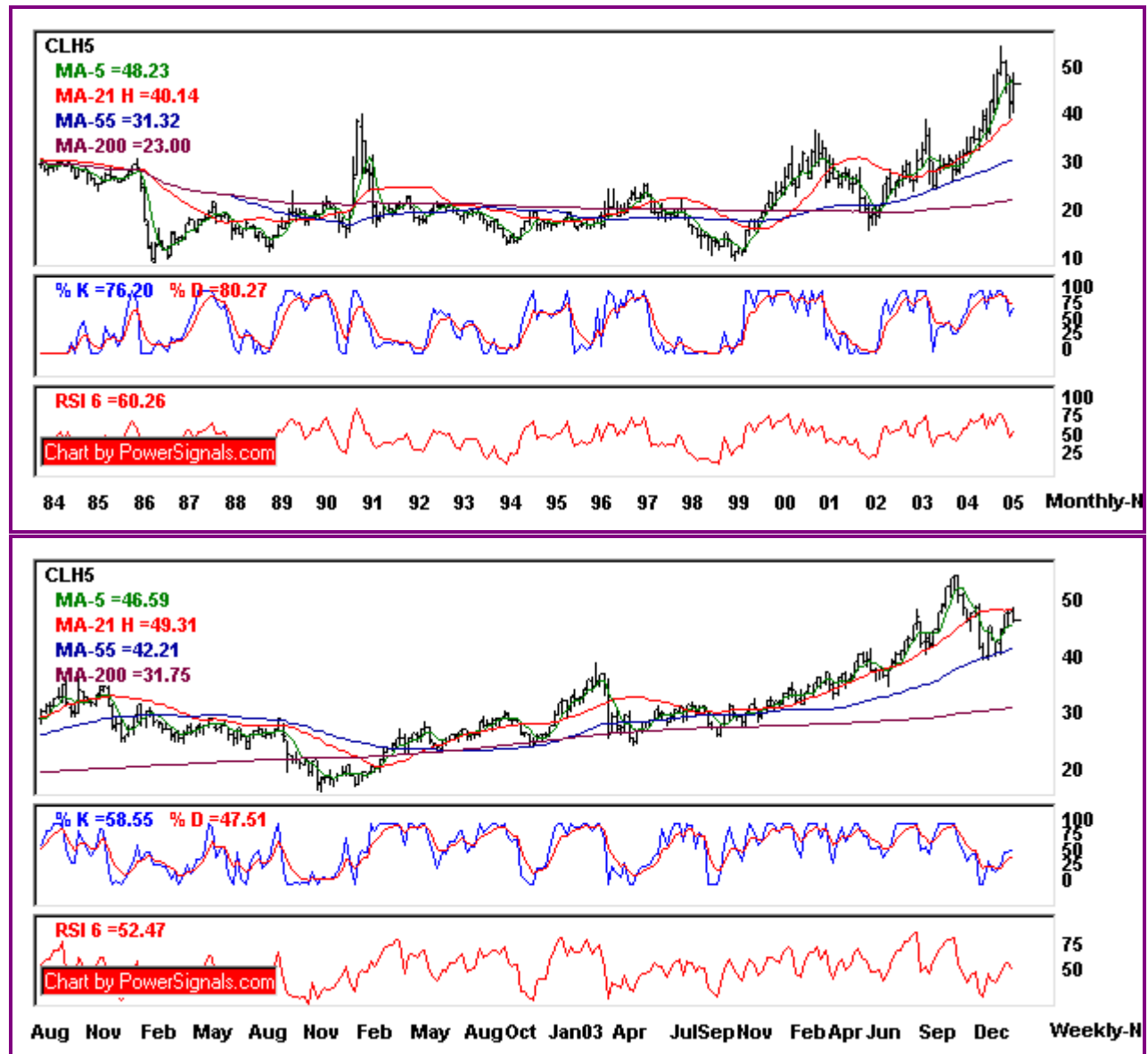


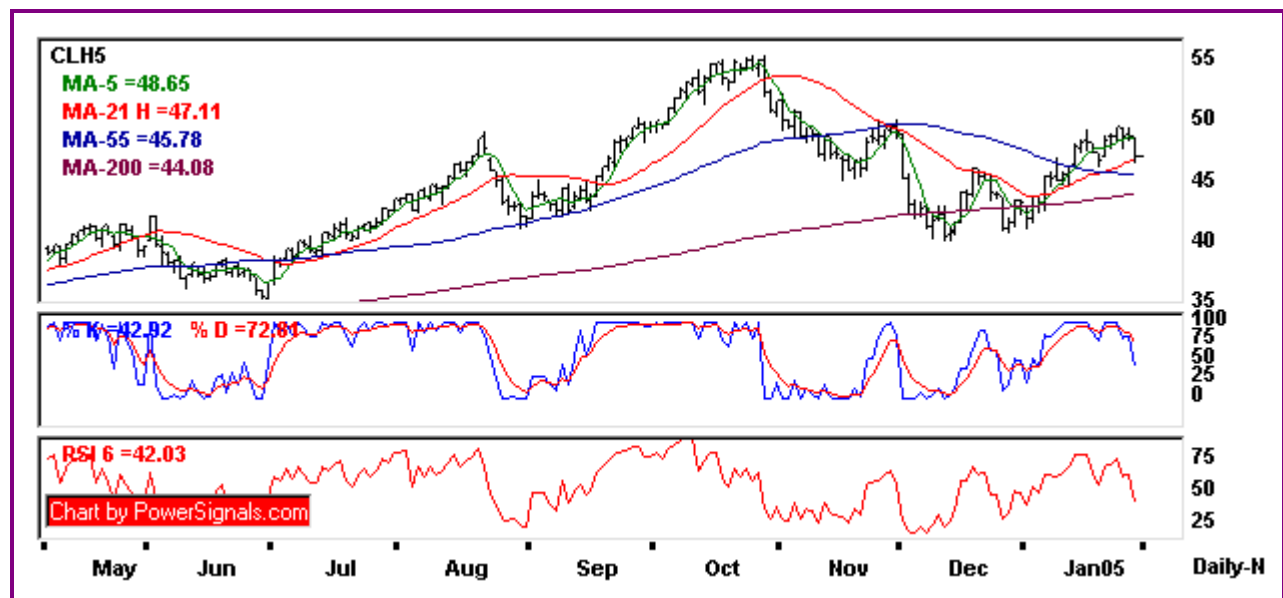
The Exciting Energies

March Crude Oil

Resistance should appear near 4775 to 4785 and the 4915 to 4926 region. Beyond that sellers should appear near 5056 to 5067

Support should appear near 4717 to 4695.. a slip under augurs for a test of the 4650 to 4639 region. Below that test of 4582 to 4571 and eventually the 4514 to 4503 region is likely





March Unleaded Gas

Recommended open position short at 12830

Resistance should appear near 13340 to 13460 and the 13770 to 13830 region , which should cap a rally. Beyond that sellers should appear near 14150 to 14210

Support should appear near 13100 to 13040 and 12740 to 12680. A close under augurs for a test of 12030 to 11920 and the 11690 to 11640 region.





March Heating Oil

Recommended open position short at 13270

Resistance should appear 13340 to 13460 and the 13770 to 13830 region. Beyond that sellers should appear near 14150 to 14210 and 14530 to 14590.. Which should cap a rally..

Support should appear near 13100 to 13040 and the 12740 to 12680 region. Below that a test of 12380 to 12320 is likely. Failure there augurs for a trade towards 11690 to 11640.





The Lively Livestock

April Cattle

Support should appear near 8762 and 8682 to 8667 .. below that a test of 8587 to 8557 and the 8407 to 8392 region is likely

Resistance is at 8857 to 8872 and 8937 to 8967.. beyond that sellers should appear near 9042 to 9062. Traders should go short if a close under 8662 occurs



April Hogs

Spread : Short 2 April / Long 2 July Hogs +120

Support is 7517 to 7487 .. A close under augurs for a test of 7427 to 7412 and eventually the 7342 to 7327 region. Below that buyers should appear near 7172 to 7142 and the 7007 to 6992 region , which should contain a decline..

Resistance should appear near 7587 to 7602 and 7672 to 7687. Traders can sell at 7552 and risk a close over 7692 for three days in a row Beyond that sellers should appear near 7762 to 7777 and the 7837 to 7862 region. Which should cap a rally..

Traders should go short if a close under 7482 occurs



February Pork Bellies

Recommended open Position Short 9340

Resistance should appear near 9527 to 9542 and 9627 to 9642 .. Beyond that sellers should appear near 9707 to 9737 and the 9822 to 9837 region.

Support is at 9427...A close under is negative and augurs for a test of 9347 to 9317 and the 9157 to 9137 region

March Pork Bellies

Resistance should appear near 9542 and 9627 to 9642 .. Beyond that sellers should appear near 9707 to 9737 and the 9822 to 9837 region.

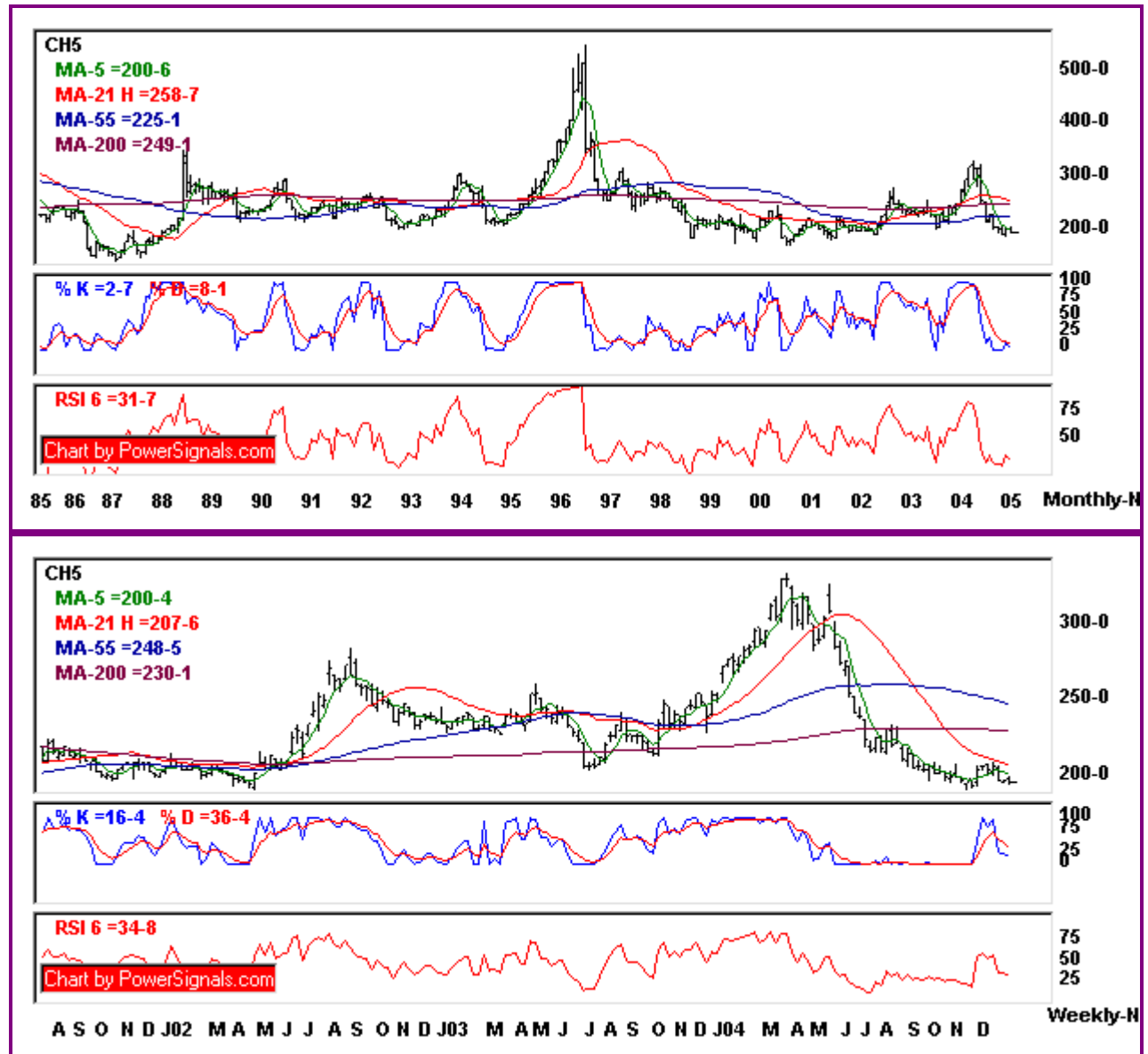
Support is at 9447 to 9427...A close under is negative and augurs for a test of 9347 to 9317 and the 9157 to 9137 region



The Grande' Grains

March Corn

Support should appear $195 \frac{1}{4}$ to $194 \frac{3}{4}$ then $190 \frac{3}{4}$ to $190 \frac{1}{4}$ and the $185 \frac{1}{2}$ to $185 \frac{3}{4}$ region.
Resistance is at $198 \frac{1}{4}$ to $199 \frac{3}{4}$ and $203 \frac{1}{2}$ to $204 \frac{1}{4}$.. Beyond that sellers should appear near 208 to $208 \frac{3}{4}$.

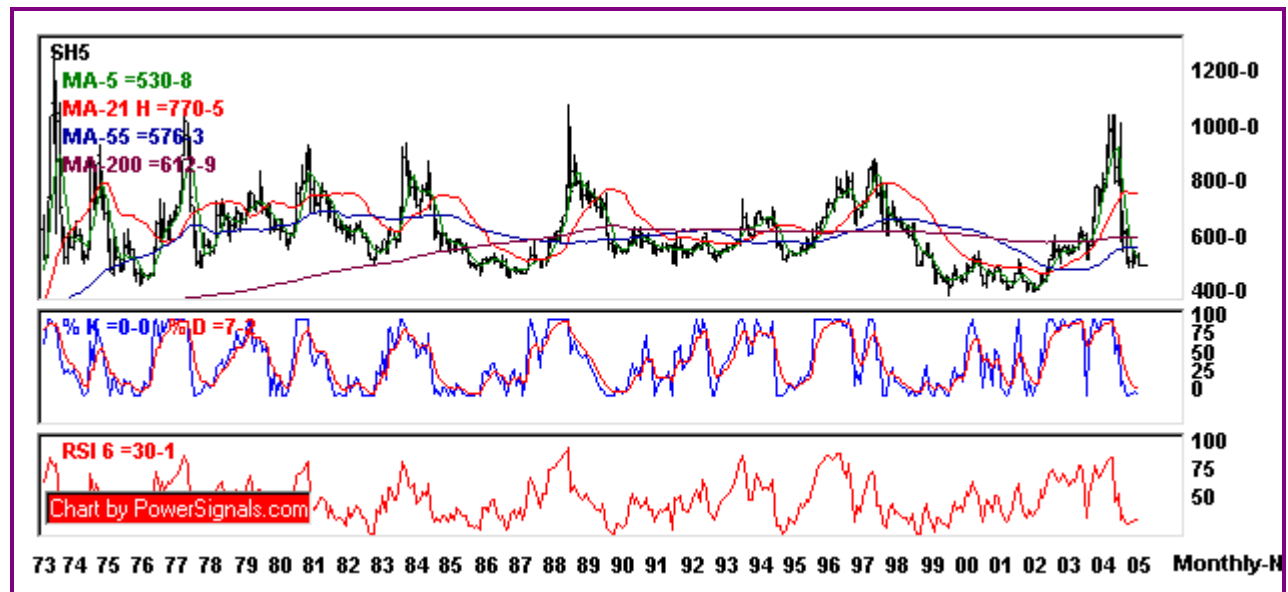




March Soybeans

Support is 513 $\frac{3}{4}$ to 512 $\frac{3}{4}$ and the 506 $\frac{3}{4}$ to 505 $\frac{3}{4}$ region. Below that slip towards 499 $\frac{1}{2}$ to 497 $\frac{1}{2}$ and the 492 $\frac{3}{4}$ to 491 $\frac{1}{2}$ region is likely.. Under that buyers should appear near 485 $\frac{3}{4}$ to 484 $\frac{1}{2}$. Traders can buy at 485 $\frac{1}{4}$ for a good bounce .. risk a close under 476 $\frac{3}{4}$ for three days in a row..

Resistance is at 520 to 521 $\frac{1}{4}$ and 525 $\frac{3}{4}$ to 528 $\frac{1}{2}$..Beyond that sellers should appear near 534 $\frac{1}{2}$ to 535 $\frac{3}{4}$ and the 541 $\frac{3}{4}$ to 543 region

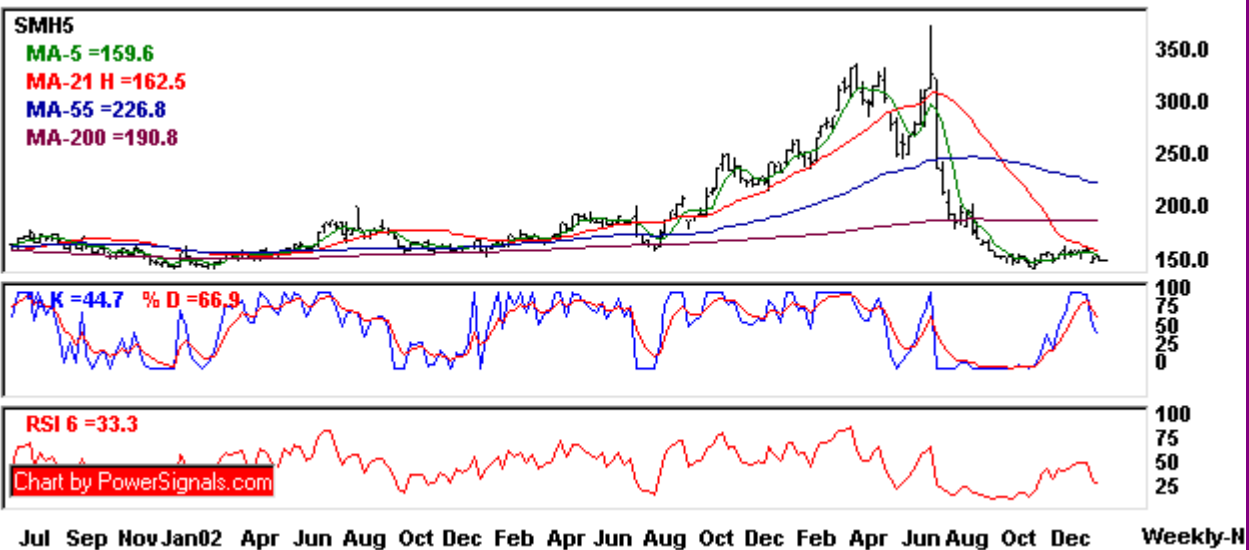
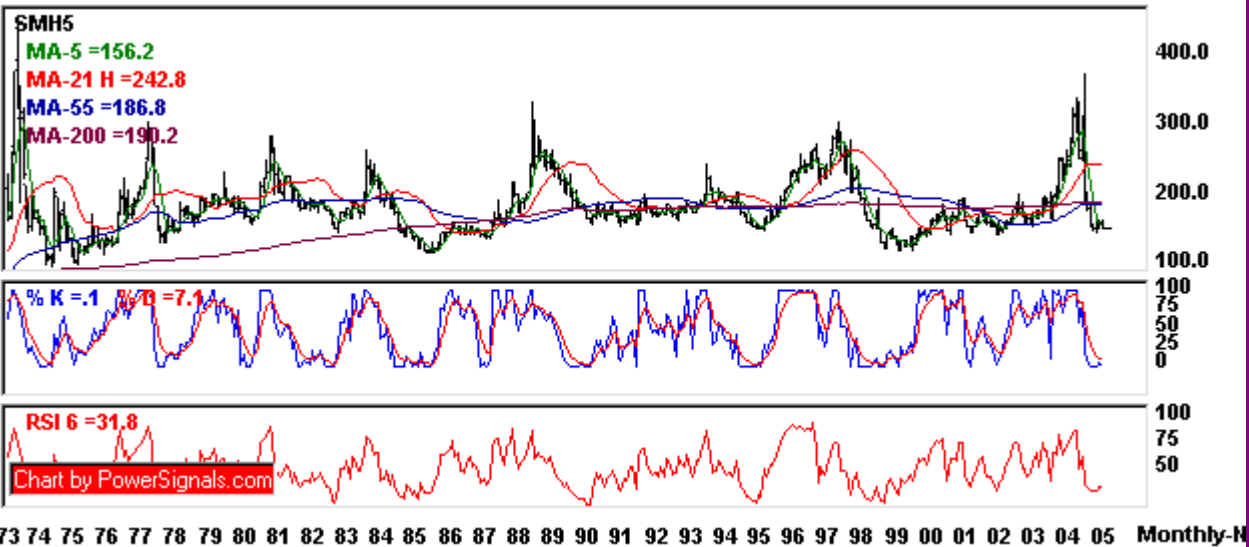




March Soymeal

Support should appear near 153.5 to 152.9 and the 149.6 to 148.4 region.. Below that buyers should appear near 145.9 to 145.3 ... Traders can buy at 146.1 and hold for higher prices ...

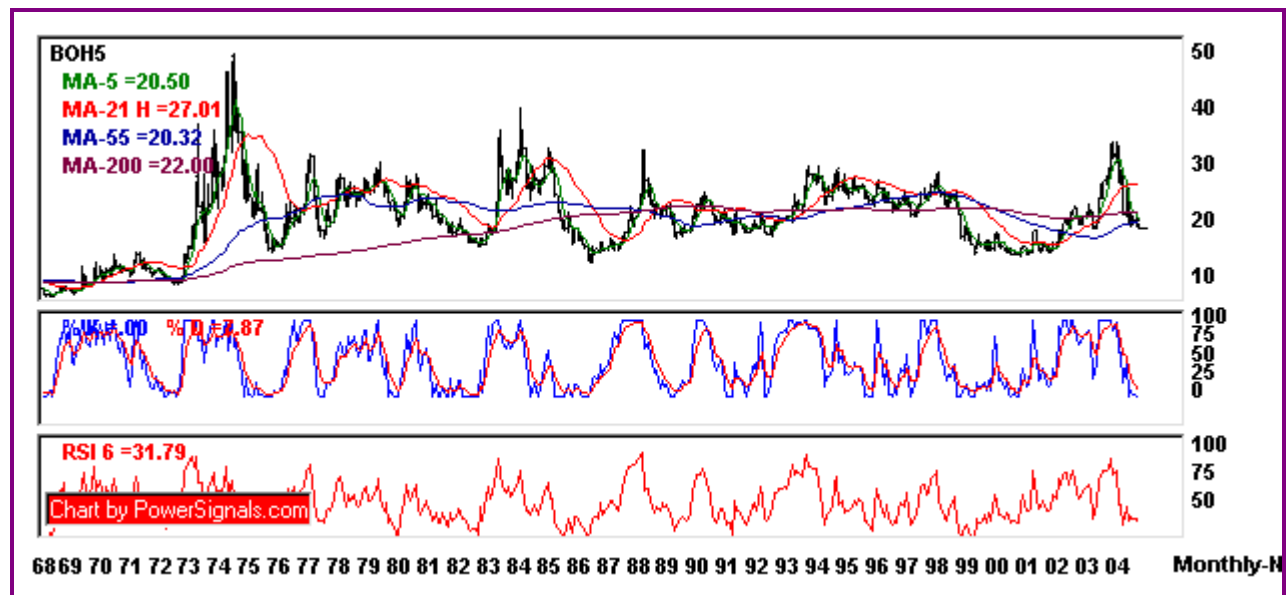
Resistance should appear near 156.9 to 157.6 and the 160.9 to 161.5 region. Beyond that sellers should appear near 164.2 to 165.5



March Soybean Oil

Resistance should appear near 1946 to 1953 and 2034 to 2042

Support should appear near 1909 to 1902. Below that buyers should appear near 1865 to 1858
Traders can buy at 1867 for a bounce and risk a close under 1802 for three days in a row..





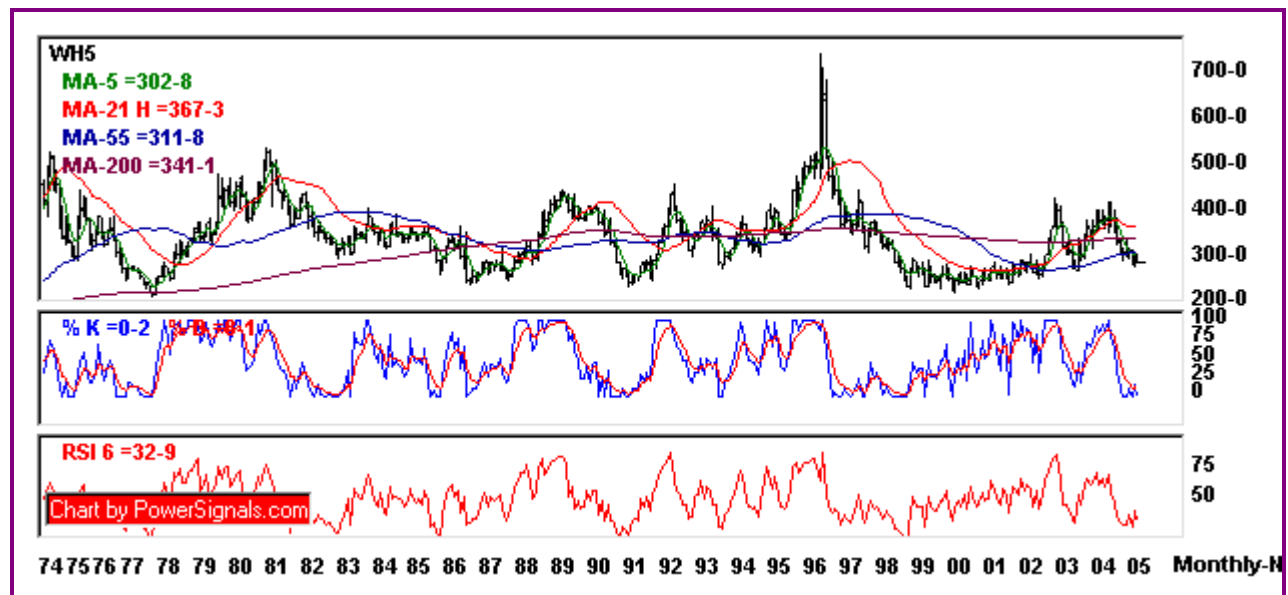
March CBOT Wheat

Support should appear near $288 \frac{1}{4}$ to $287 \frac{1}{2}$ and the $282 \frac{3}{4}$ to 282 region..

Traders can buy at $282 \frac{3}{4}$ for a turn higher , risk a close under $275 \frac{1}{4}$ for three days in a row.

Under that $267 \frac{1}{4}$ to $266 \frac{1}{4}$ should contain the decline..

Resistance should appear near $292 \frac{3}{4}$ to $293 \frac{3}{4}$ and $303 \frac{3}{4}$ to $304 \frac{1}{2}$.. Beyond that sellers should appear near $309 \frac{1}{4}$ to $310 \frac{1}{2}$..





The Satisfying Softs

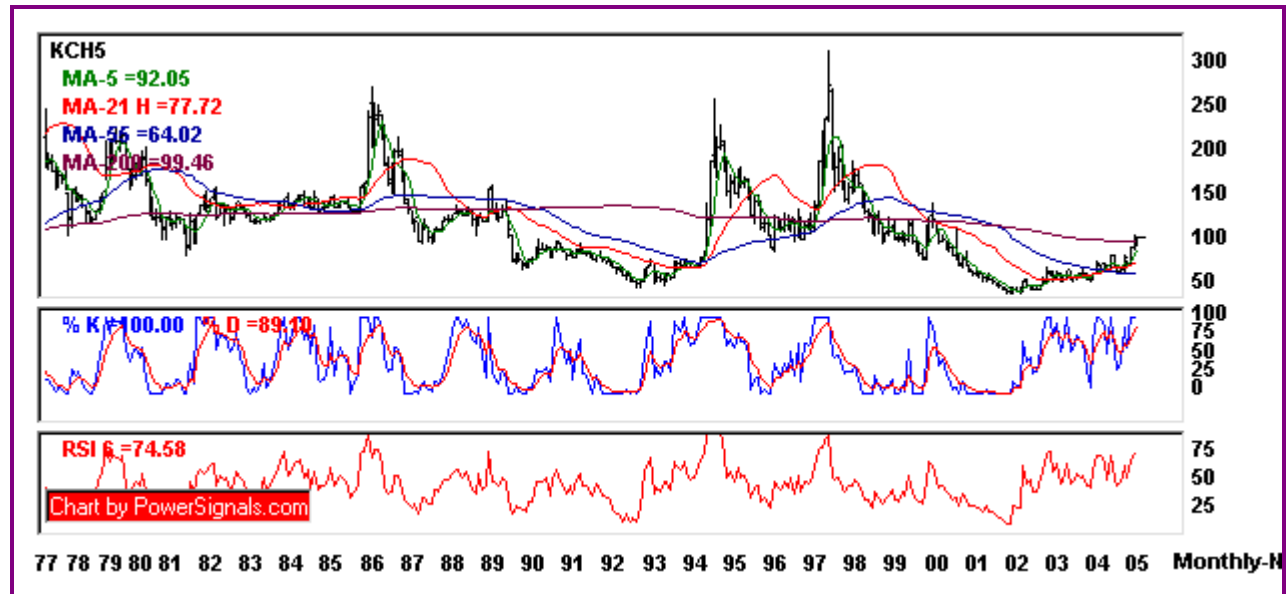
March 'The Monster' Coffee

Recommended open position Long 2 at 10410 avg

Support is near 10470 and 10360 to 10320 below that buyers should appear near 10185 and 10035 to 10020

Resistance should appear near 10630 to 10680. .. An extended trade over is friendly and augurs for a test of 10960 to 11010.. Beyond that a trade towards the 11300 to 11360 region is likely.

Traders should go long if a close over 10690 occurs.





May Coffee

Support is near 10680 to 10580... Traders can buy at 10685 for a turn higher .. Below that buyers should appear near 10360 to 10320 and 10185 .. Which should contain a decline.. Trades should buy at 10190 and risk a close under 9805 for three days in a row.

Resistance should appear near 10960 to 11010.. Beyond that a trade towards 11300 to 11360 and the 11640 to 11690 region is likely.

Traders should go long if a close over 10835 occurs.

-Coffee Tends to Percolate into February and March .. No Change in Posture-



May Cocoa

Support is at 1535 to 1529 and 1496 to 1484 region.. A close under is negative and augurs for a test of 1459 to 1453 and eventually the 1421 to 1415 region.

Resistance is at 1569 to 1576.. Beyond that sellers should appear near 1609 to 1615 and the 1643 to 1655 region. ..Traders can sell at 1608 and risk a close over 1659 for three days in a row..

Traders should go short if a close under 1527 occurs..





March Sugar

Recommended open position Short at 907

May Sugar

Support should appear near 941 to 932 and 912 to 907

Resistance should appear near 968 to 972 and 1000 to 1005





March Cotton

Recommended open position Long 2 at 4595 avg

Support should appear near 4315 to 4305 and 4185 to 4160.. Below that buyers should appear near 4120 to 4110

Resistance should appear near 4425 to 445 and 4505 to 4515



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

Happy Trading!

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9:00 AM South Florida Beach Time

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Current BW Recommended Open Positions

Long 2 March SP500 1182.70 avg

Long March Mini Nasdaq 1577

Short March Yen 9610

Short March EC 13037

Short March Swiss Francs 8501

Short March British Pounds 18576

Short March Aussie Dollars 7532

Short March Unleaded Gas 12830

Short March Heating Oil 13270

Spread : Short April Hogs / Long July Hogs -120

Short Feb Bellies 9340

Long 2 March Coffee 10415 avg

Short March Sugar 907

Long 2 March Cotton 4595 avg