

## Bi-Weekly Investment Outlook

Sunday May 21st 2006 Issue # 243

‘The Best Cure for High prices is High Prices’

**Saturday May 20<sup>th</sup> 2006**  
**8:00 AM South Florida Beach Time**

Bi-weekly Traders should prepare for Updates and Flashes during market hours and overnight sessions.. We will be increasing the pace of recommendations in addition to those listed in today's letter...

Commodities took a hit last week...This should come as a Surprise. The possibilities of a stock market decline led commodities was a topic our Radio show over the last few weeks

Gold lost over \$50.00 an ounce just about seven and a half percent on the week and CRB index of commodities fell 5% in five days the most since 1980 .

Crude and its siblings lost a Chunk....

Copper looks like a disaster waiting to happen

The LME has raised copper margins from 14,000 to 25,000.00..the change will take effect I believe on Monday....

In Addition, world production for the January-February period versus a year ago increased 4.5 % while global copper usage versus a year ago was flat .. This has led the International Copper Study Group to revise upwards the global supply of surplus copper from February's 24,000 metric tons ( 52,000 after seasonal adjustments) to 77,000 metric tons, or 117,000 on a seasonally adjusted basis.

However, supplies are still very tight and Dips will most likely be bought.



Unless it turns out someone is stashing copper in empty mines aka the Debacle from May / June of 1996.

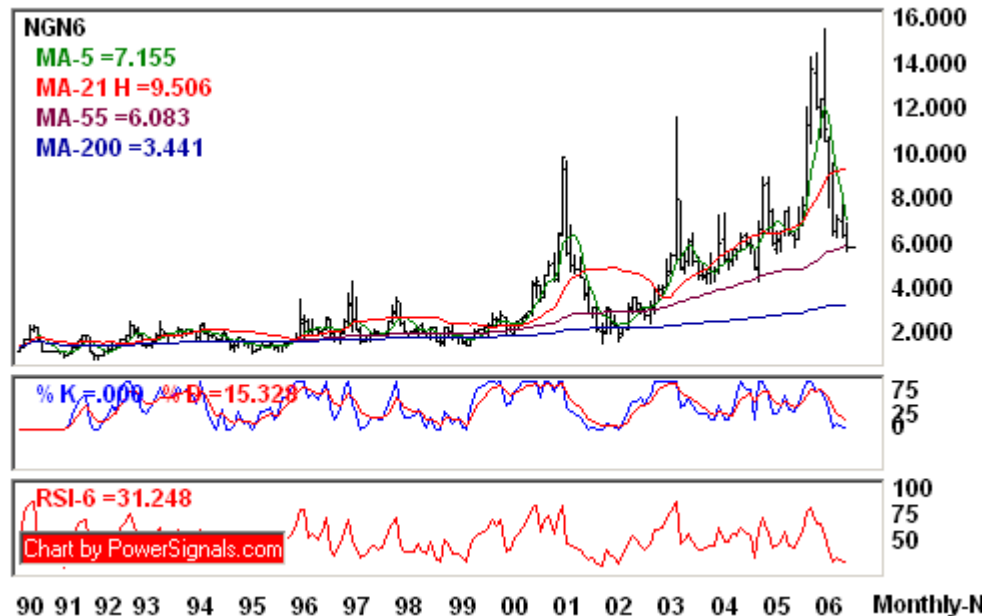
Copper tumbled from 12700 to 8500 or about 35% after the exchange officials found out a Japanese company was hiding copper in unused mines and closets so to speak.. In an attempt to corner the market..

Copper is certainly NOT a market for widows and orphans . ...

A good example of a market that has already fallen out of favor is Natural Gas ..

Wasn't Nat Gas supposed to go the moon...any time it declined it was going a buy.?

It hit its highs in December.. and here we are in May and it has lost over 60% of it's value and is now lower from a year ago ...it took 4 years of price action to reach a unsustainable level and lost it in less than six months ..Somewhat faster than normal. Markets generally decline 30% faster than going up..



**The ' Bolivian 'Boar ' nationalized his country's resources..  
Will history will repeat itself elsewhere..**

Bolivia has large natural gas supplies .... So far, Natural gas has been unresponsive to the news, as Mother Nature is now the focus of Natural Gas..

Typically seasonally strong into later in summer and fall , Production and supplies are susceptible to Hurricanes and weather . While this occurs the Back end of Nat gas tends to gain on the front ..

However the Chart looks awful the trend is lower and that includes the back end..

As we approach the beginning of Hurricane Season perhaps Mother Nature will give us a somewhat a break this year.. .. We see substantially lower energy prices in front of us..

We see a higher dollar and a Fed that is going to be more aggressive than most people are thinking... Last week the Japanese yen exceeded the previous week's Highs and the previous week's lows and closed lower on the week ... A weekly reversal commonly described as an outside week down. The last outside week was an 'up' in Mid March  
On to the Nitty Gritty

## The Sensational Stock and Bond Markets

The Mayhem witnessed over the last few weeks has done considerable damage to the charts ..

**Is the US Equity market Bloody enough ?** Perhaps we do see bounce into month end on normal seasonal strength , for the very short term traders should buy into weakness next week..

For the longer term , we are not ready to commit again to the long side and traders should consider the market a trading affair ..

Be willing to play both sides of the markets ..Be nimble ..

Fridays close in the Dow was the lowest in Three weeks. The SP500 at its recent lows approached year end prices.. Russell was below the last two months lows, the NASDAQ now sits lower on the year ....

In Colombia, the BC stock index gained on Friday however, the index fell 6.6% on Thursday, which was the biggest one day percentage drop in its history.

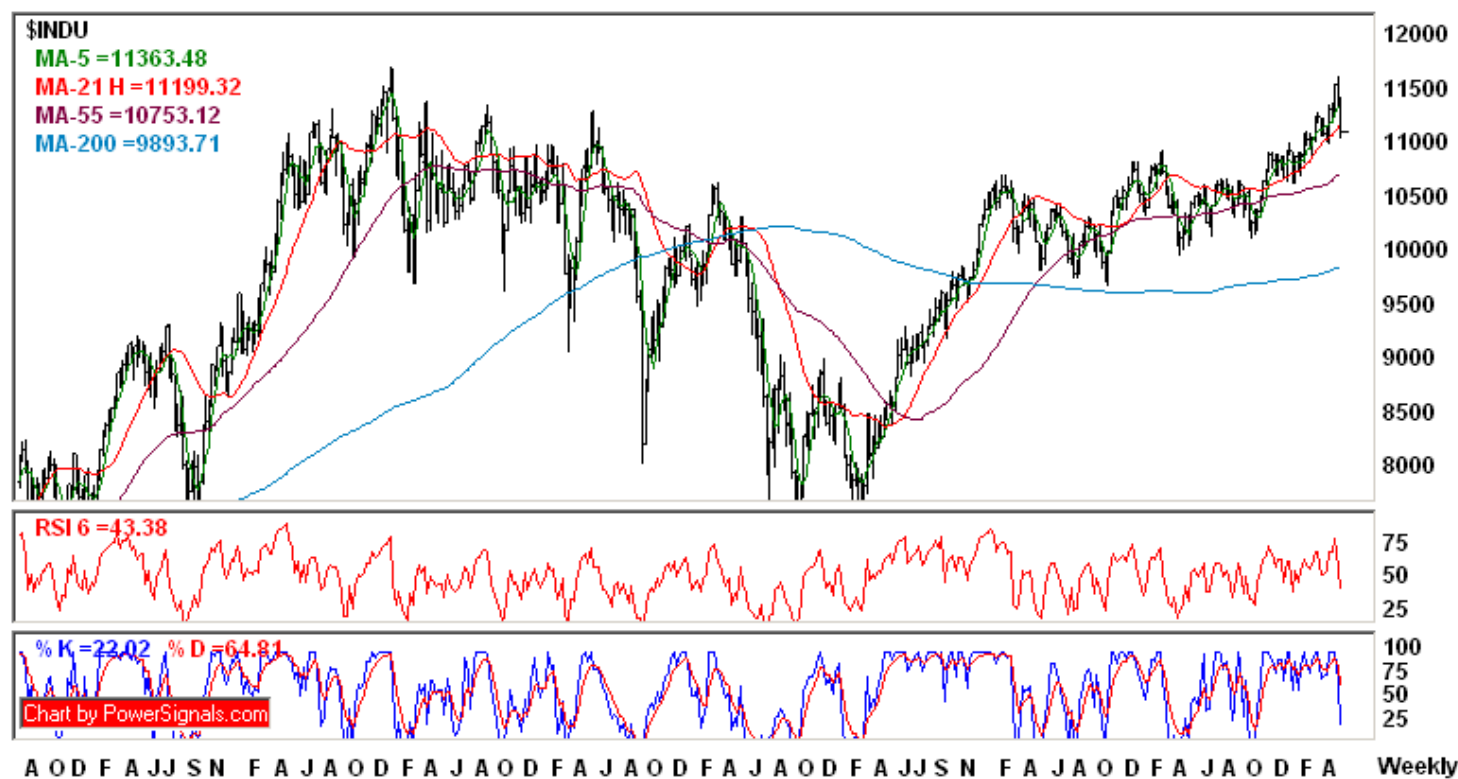
Traders should take particular note that many overseas and emerging markets have gained tremendously over the past two years...

A huge amount of U.S. investor money has flowed to those markets .. The current weakness may scare some of those investors back home...we feel will be bullish for the U.S.. Equities market in the long run..

### **Dow Jones Industrial Average**

**Support** at 11,010.00 to 10,960.00 .. Which should hold. If things get real messy buyers should step in near the 10,820.00 region... Which most likely would not hold.... The best place on a large scale failure would be 10,680.00 to 10,580.00..

**Resistance** should appear near 11,320.00 to 11,360.00 and 11,500.00..Beyond that sellers remain near 11,640.00 to 11,690.00.





## June SP500

**Support** at 1268.00 .. Continued Failure of that level is negative and augurs for a test of 1250.00 and the 1238.00 to 1232.00 region. Traders can buy at 1238.30 for a good bounce .. Stay tuned ..

**Resistance** should appear near 1274.00 and the 1289.00 region... Beyond that sellers should appear near the 1304.00 to 1310.00 region.





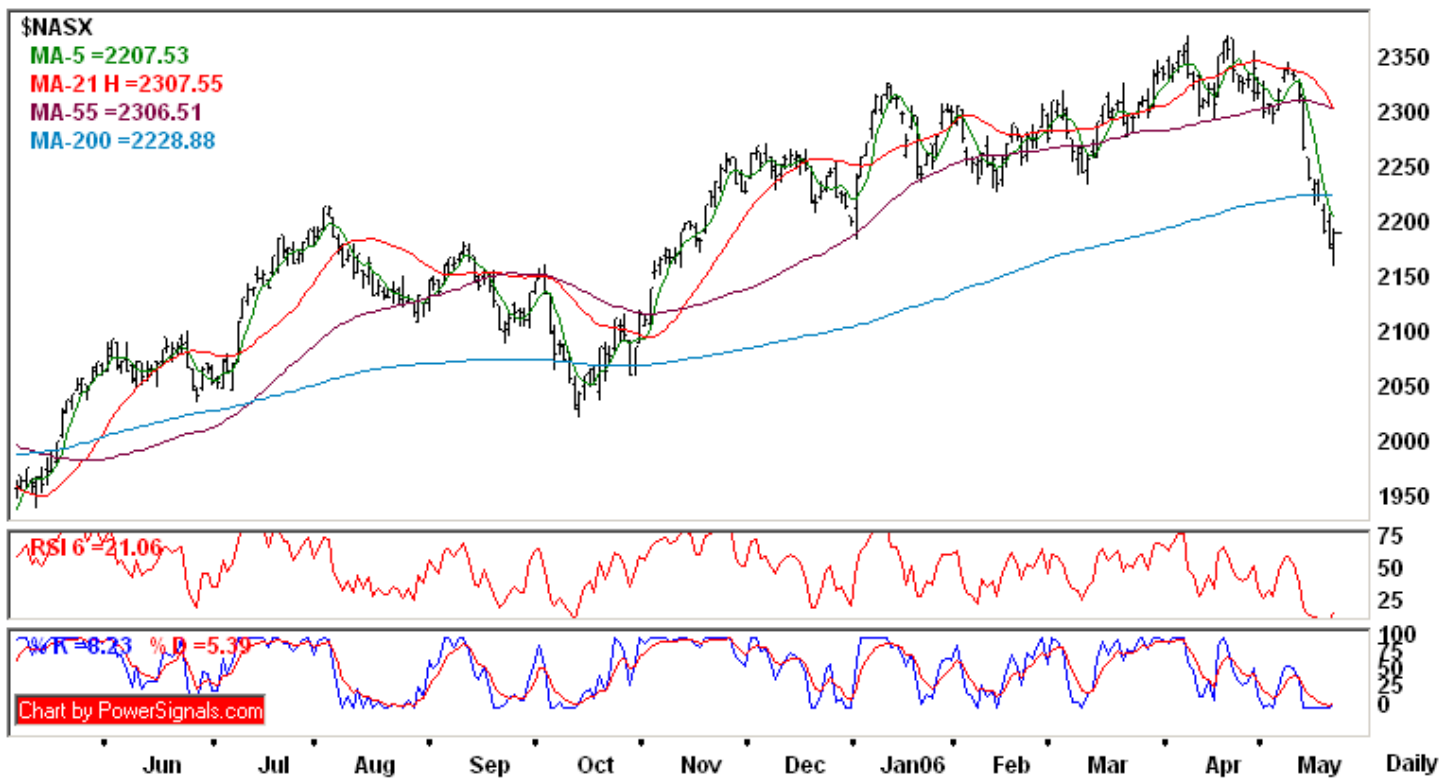
## NASDAQ Composite

**Support** should appear near 2185 to 2175 , below that buyers should appear near .2134 to 2126.

**Resistance** remains near 2219 to 2226 and the 2267 to 2275 region.

Trade Accordingly





### June Mini Nasdaq 100

**Resistance** should appear near 1609 to 1615 and 1642 to 1655.. Beyond that 1689 to 1696 should cap a rally..

**Support** should appear near the 1576 to 1589 and the 1535 to 1529 region.. Below that 1496 to 1484 should hold.. Traders can buy at 1537.00 and hold for higher prices..







### June Mini Russell 2000

**Support** is at 717.00 to 714.30 and the 70880 to 707.40 region.. Below that buyers should appear near 700.30 to 699.0 and the 683.60 to 680.90 region. Traders can buy at 683.70 for a bounce and risk a close under 674.10 for three days in a row..

**Resistance** should appear near 732.80 to 734.20 and the 741.40 to 742.80 region ..beyond that sellers should appear near 748.60 to 751.30 and Cap a rally..

Stay tuned for updates..





### June 10 Year T-Note

**Resistance** should appear near 105-21 and 106-07 beyond that sellers should appear near 106 -21

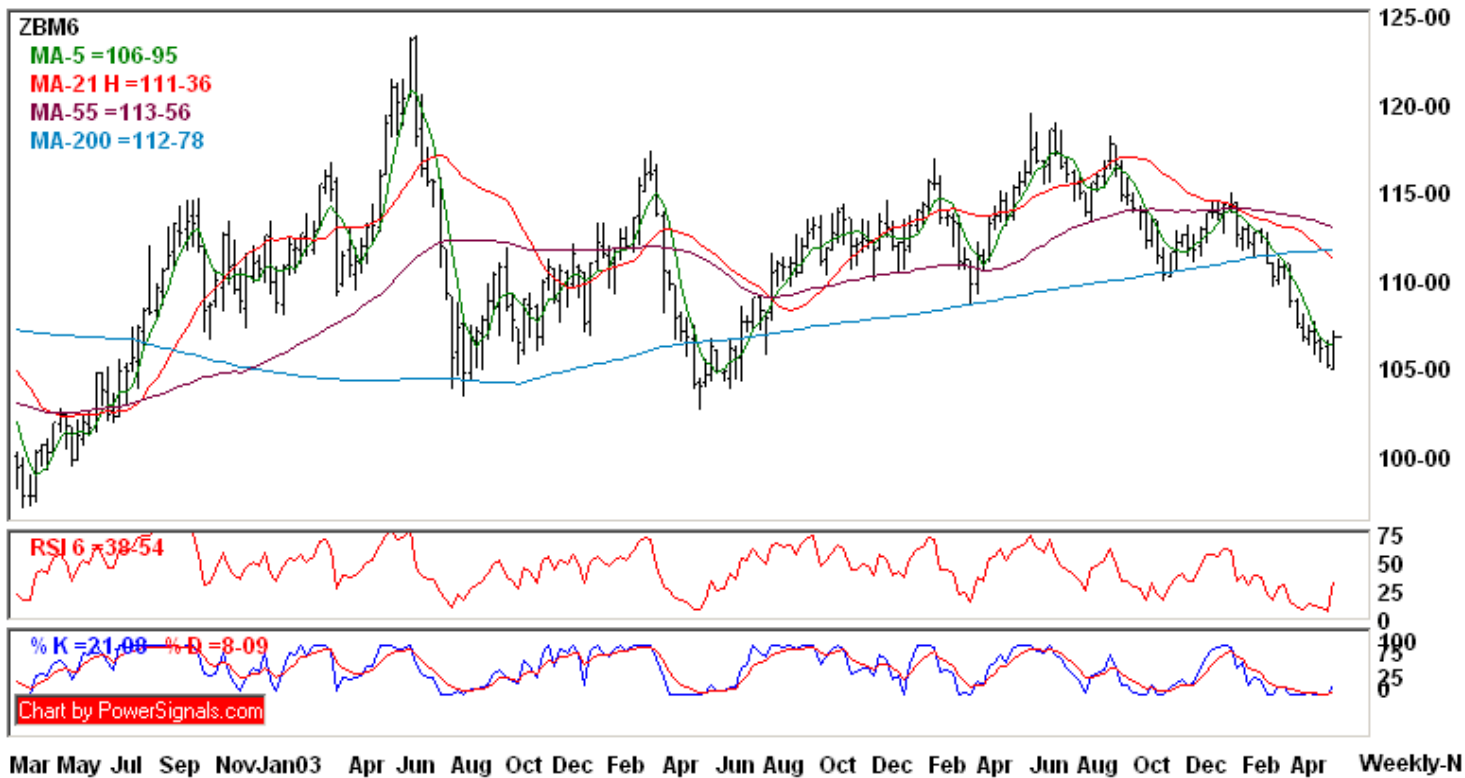
**Support** is at 105-07.. below that a test of 104-21 and the 104-07 is likely to occur..



### June 30 Year T-Bond

**Resistance** should appear near 107-07 and 107-21.. Beyond that 108-07 should cap a rally.

**Support** is at 106-21 and 106-07, a close under is negative and augurs for a test of 105-21.. Below that buyers should appear near 105-07 and 104-21..



## The Frenzied Forex Front

**June Yen**

Recommended Open Position Short 9127

**Resistance** should appear near 9044 to 9060 and 9140 to 9156

**Support** should appear near 8871 to 8856, a close under augurs for a test of 8683 to 8668





### June Euro Currency (EC)

Recommended Open Position Short 3 at 12343 avg

**Support** should appear at 12740 to 12680 an extended trade or close under is negative and indicates a test of 12380

**Resistance** should appear near 12815 and 12890...Beyond that 12965 should cap a rally.





## June Swiss Franc

Recommended Open Position Short 4 at 8355

**Resistance** should appear near 8300 to 8314 and the 8391 to 8406 region

**Support** should appear near 8223 to 8194 and the 8134 to 8119 region.. Below that a test of 8044 to 8029 is likely









## June British Pound

**Support** should appear near 18650 to 18580 a close under augurs for a test of 18220 to 18080.

**Resistance** should appear near 18835 and the 19020 to 19020 to 19090 region.





## June Canadian Dollar

**Resistance** should appear near 8934 to 8964 and 9044 to 9060... Beyond that sellers should appear near the 9140 to 9156 region..

**Support** is at 8871 to 8856, below that a test of 8777 to 8762 is likely  
Trade Accordingly





## June Aussie Dollar

**Support** should appear near 7513 to 7486 and the 7428 to 7414 region ..

**Resistance** should appear near 7587 to 7601 and 7675 to 7689 .





## Precious Metals

### June Gold

**Resistance** should appear at 657.7 to 659.1 and 665.9 to 667.3 .. Beyond that sellers should appear near 674.3 to 675.5 and cap a rally.

**Support** is at 650.9 to 648.3 , a slip under is negative and augurs for a test of 635.0 to 633.70 .. Below that buyers should appear near 619.0 to 616.5 ..

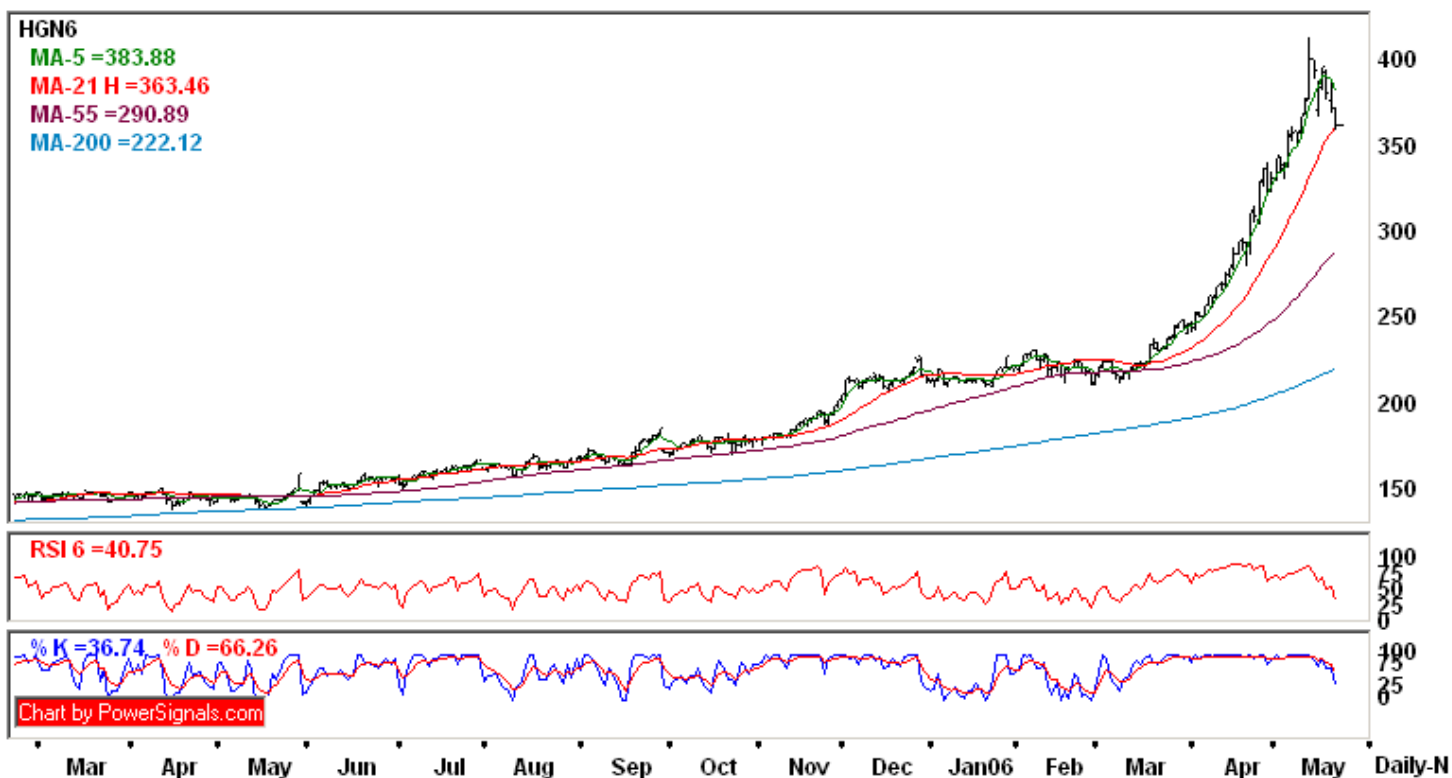




## July Copper

**Resistance** should appear near 355.30 to 356.30 and the 373.40 to 374.30 region. Beyond that 404.50 to 405.60 should bring out sellers

**Support** should appear near 332.80 to 331.90 and 310.20 to 309.20 .. Below that a test of 288.30 to 287.40 is likely.

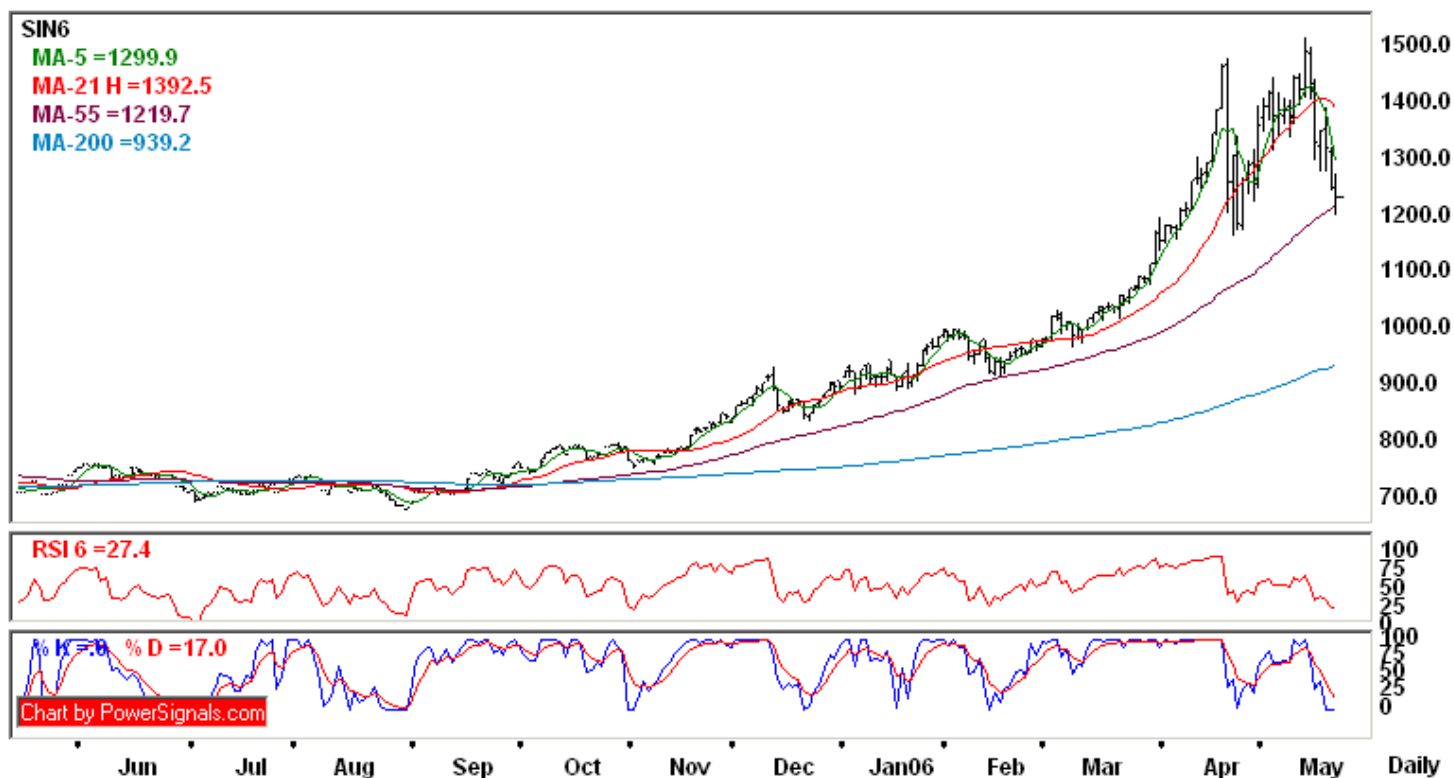


## July Silver

**Resistance** should appear near the 1268.0 to 1274.0 and 1304.0 to 1310.0..

Above that sellers should appear near 1334.0 to 1346.0

**Support** is at 1203.0 to 1192.0 region.. Below that buyers should step in near the 1169.0 to 1164.0 and the 1136.0 to 1130.0 region.





# The Exciting Energies

The crude complex typically remains under pressure into June and July..

We remain negative to the market Traders looking to buy energies are advised to wait .

## July Crude Oil

**Resistance** should appear near 6990 to 7003 and the 7074 to 7088 region. Beyond that 7140 to 7174 should cap a rally.

**Support** Should appear near 6919 to 6906. Below that a test of 6836 to 6809 is likely to occur. Trade accordingly





### July Unleaded Gas

**resistance** should appear near 20820 to 20890 beyond that sellers should appear near 21700 to 21850 and the 22670 to 22750 region, which should cap a rally.

**Support** should appear near 19530 to 19460 below that buyers should appear near 18650 to 18580, a close under augurs or a test of the 17800 to 17740 region.

Down the road Traders should not be surprised if a move towards the 16960 to 16890 region occurs Trade accordingly



## July Heating Oil

**Support** should appear near 19090 to 19020 and the 18220 to 18080 region. Below that buyers should appear near 17380 to 17310

**Resistance** should appear near 19820 219960 beyond that sellers should appear near 20342 to 0420 and the 20800 to 20890 region...





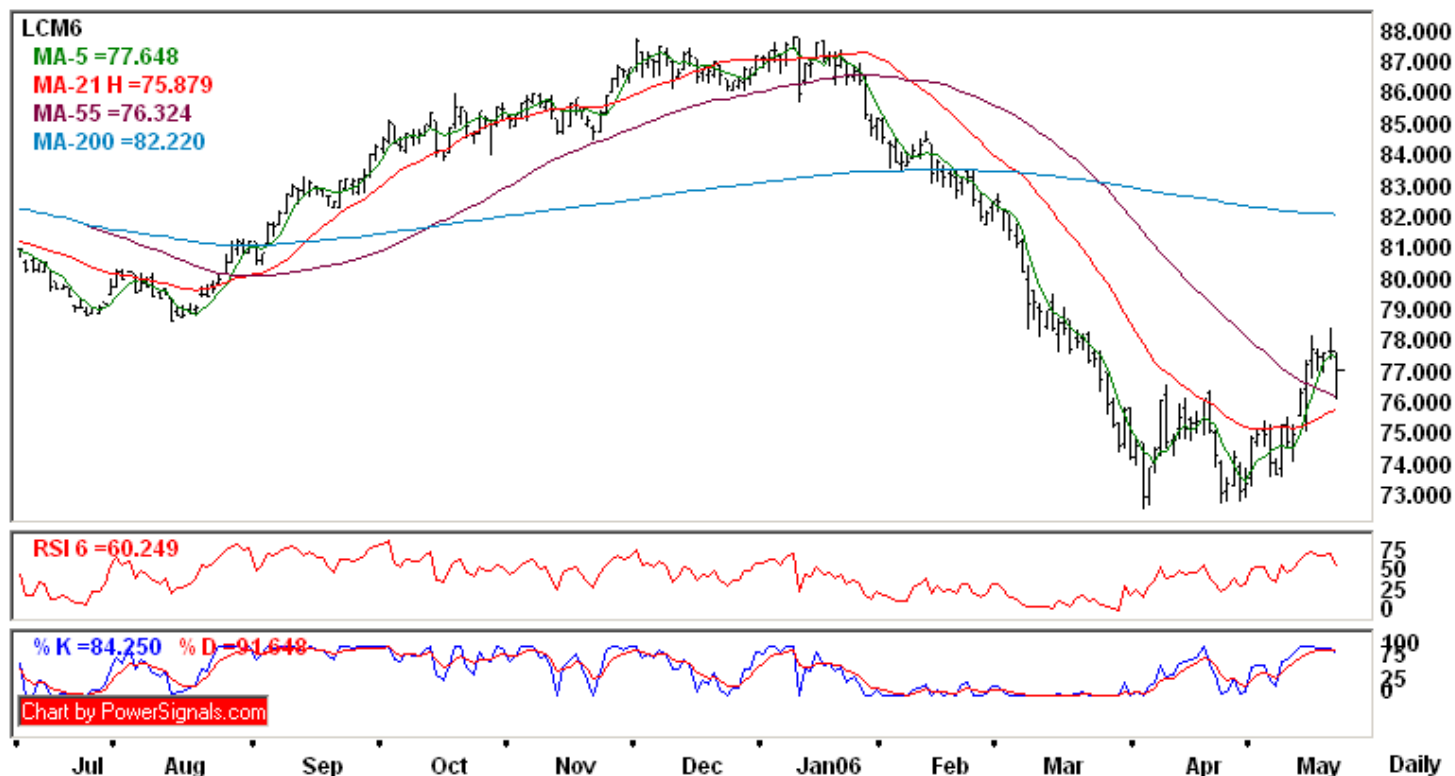
## The Lively Livestock

### June Cattle

Recommended open position Short at 7412

**Support** should appear near the 7602 to 7587 and the 7342 to 7328 region.

**Resistance** is at 7762 to 7777 and the 7837 to 7867 region.. Beyond sellers should appear near 7937 to 7957 and 8027 to 8047



### June Hogs

Recommended Open Position short 2 at 6737 avg

Recommended Open Spread : Short 5 June at 6640 / Long 5 August 6587

**Support** is at 6757 to 6742 a close under is negative and augurs for a test of 6672 to 6657 and the the 6512 to 6482 region

**Resistance** should appear 6907 to 6922 and 6992 to 7002..

Above that sellers should appear near 7072 to 7087



### July Pork Bellies

**Resistance** should appear near 8557 to 8592 region.. Beyond that sellers should appear near 8762 to 8777 and the 8932 to 8967 region , which should cap a rally..

**Support** is at 8407 to 8392 and 8317 to 8302 .. A close under is negative and augurs for an eventual test 8227 to 8192 and the 8047 to 8027 region

Trade Accordingly..



# The Grande'Grains

## July Soybeans

**Resistance** at the 594 ½ to 595 ¾ .. A close over is friendly and augurs for a test of 610 ¼ to 611 ¼ Beyond that a trade towards 616 ½ to 619. and the 625 ¾ to 627 region is likely

**Support** should appear near 585 ½ which should continue to contain a decline. Below that buyers should appear near 580 ½ to 579 ¼ .. Traders can buy at 581 ¼ and hold for higher prices.. Below that support should appear near 572 ¾ to 571 ¾ and the 565 ¼ to 564 region.





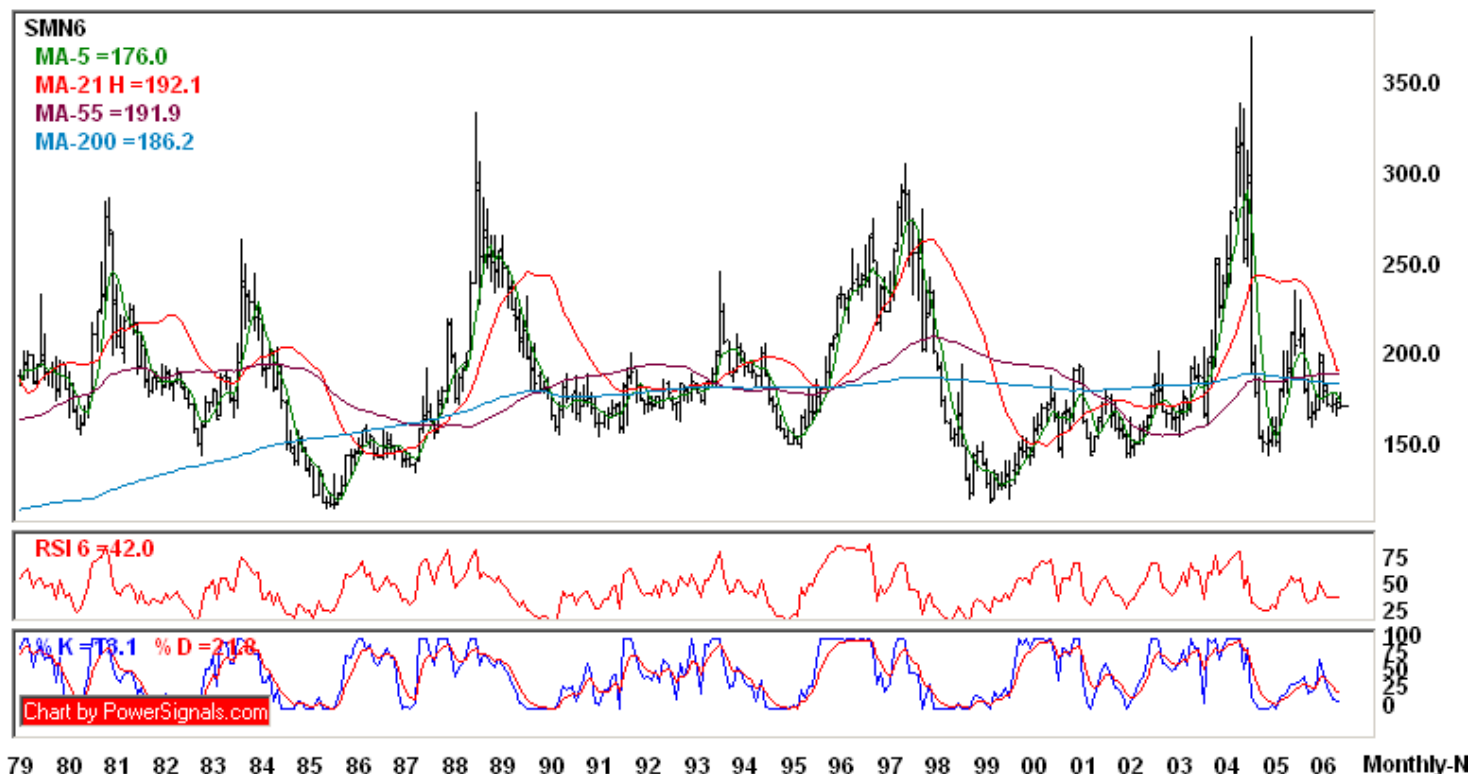


## July Soymeal

**Resistance** should appear near 180.8 to 182.2 and the 185.8 to 186.5 region.

**Support** remains near 173.1. Below that buyers should appear near 169.5 to 168.90 and the 165.5 to 164.2 region, which should contain a decline.. Traders can buy at 169.7 and hold for higher prices..

Traders should go long if a close over 173.9 occurs..





### July Soybean Oil

**Resistance** should appear near the 2511 to 2519 region , a close over is friendly and augurs for a test of 2612 to 2620 . Beyond that sellers should appear near 2663 to 2672.

**Support** should appear near 2469 to 2461 and 2419 to 2411.. Traders can buy at 2471 and hold for higher prices... Below that buyers should appear near 2370 to 2354 and the 2322 to 2315 region..

Traders should go long if a close over 2521 occurs





## July corn

**Resistance** should appear near  $255 \frac{3}{4}$  to  $256 \frac{3}{4}$  and  $261 \frac{1}{4}$  to 262

**Support** is at  $251 \frac{3}{4}$  to  $251 \frac{1}{2}$  and  $246 \frac{3}{4}$  to  $246 \frac{1}{4}$ ... Traders can buy at  $247 \frac{1}{4}$  and hold for higher prices... Below that  $241 \frac{3}{4}$  to  $241 \frac{1}{4}$  should hold. .





## July Wheat

**Resistance** should appear near 423  $\frac{3}{4}$  to 424  $\frac{3}{4}$  and 437 to 438  $\frac{1}{4}$

**Support** should appear near 412 to 411 and 405  $\frac{3}{4}$  to 404  $\frac{3}{4}$ .. Traders can buy at 405  $\frac{3}{4}$  and hold for higher prices.. ..Below that buyers should appear near 399  $\frac{1}{4}$  to 398  $\frac{1}{4}$  and the 392  $\frac{3}{4}$  to 390  $\frac{3}{4}$  region.





## The Satisfying Softs

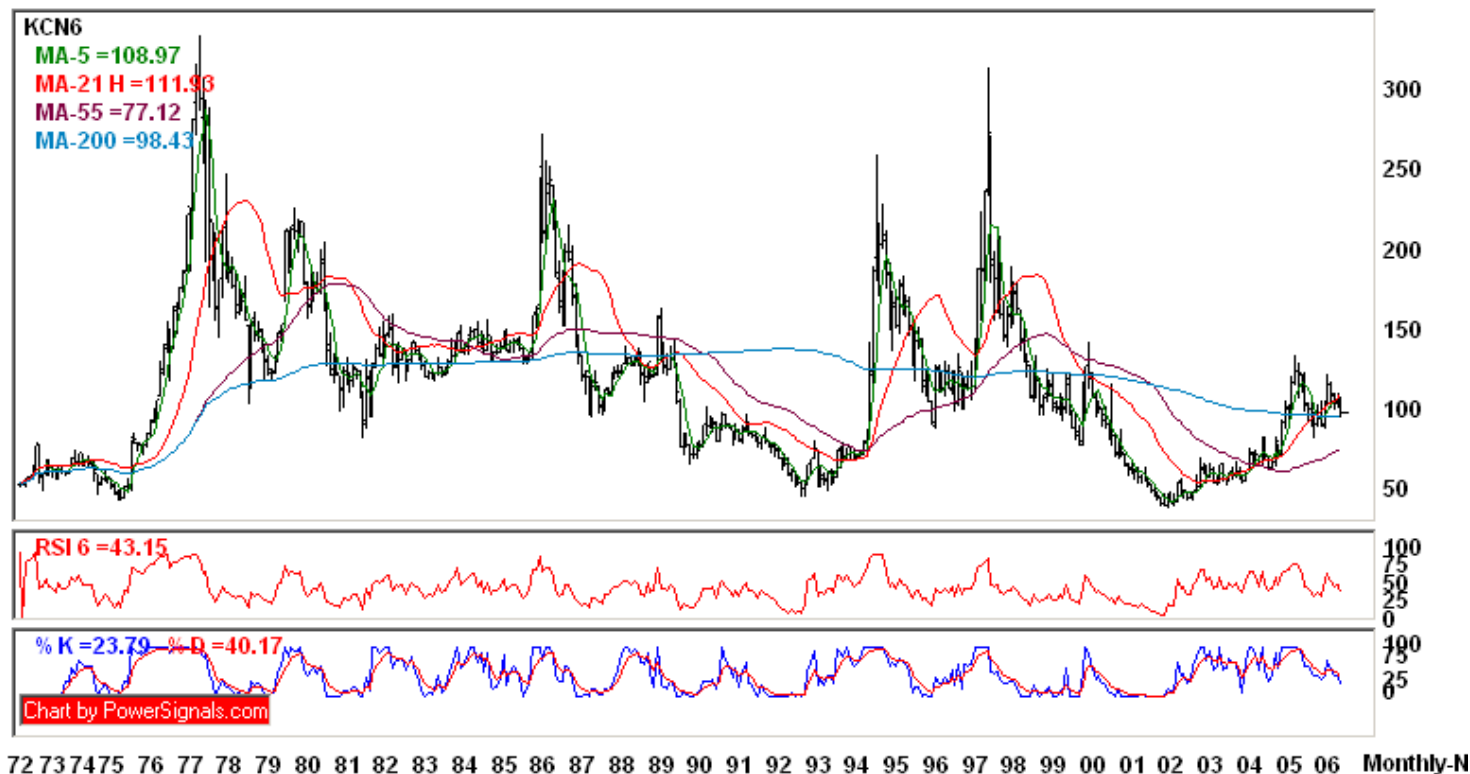
### July ' The Monster ' Coffee

**Support** should appear near 9940 to 9920 and 9735 to 9705 ..., Below that buyers should appear near 9345 to 9315.

**Resistance** should appear near 10320 to 10360 and 10580 to 10680







## July Cocoa

**Support** is at 1496 to 1484 and 1421 to 1415

**Resistance** should appear near 1569 to 1576 and 1609 to 1615, which should cap a rally..





### July Sugar

**Resistance** should appear near 1655 and 1689 to 1696 . Beyond that sellers should appear near 1731 to 1738 , which should cap a rally

**Support** should appear near 1615 to 1609 and the 1576 to 1569 .. Below that support should appear near 1535 to 1529





### July Cotton

**Support** should appear near 4930 to 4915 and the 4855 to 4845 region .. Below that 4715 to 4695 should hold..

**Resistance** should appear near 5125 to 5135 and 5255 to 5285 . Beyond that sellers should appear near 5345 to 5355 which should cap a rally..





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

Traders should stay tuned for additional commentary and recommendations for all markets via Updates and Flashes..

**Happy Trading !**

**Bill** [wil@futurescom.com](mailto:wil@futurescom.com)

**1-866-409-3890**

**Sunday May 21st 2006**

**3:30 PM South Florida Beach Time**

**FuturesCom Investment Publications © copyright 1996 – 2006 all rights reserved [Terms](#)**

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 ARE 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.