

## Bi-Weekly Investment Outlook

Sunday July 2nd 2006 Issue # 246

"A lot of people approach risk as if it's the enemy, when it's really fortunes accomplice."

Sunday July 2nd 2006

4:00 AM South Florida Beach Time

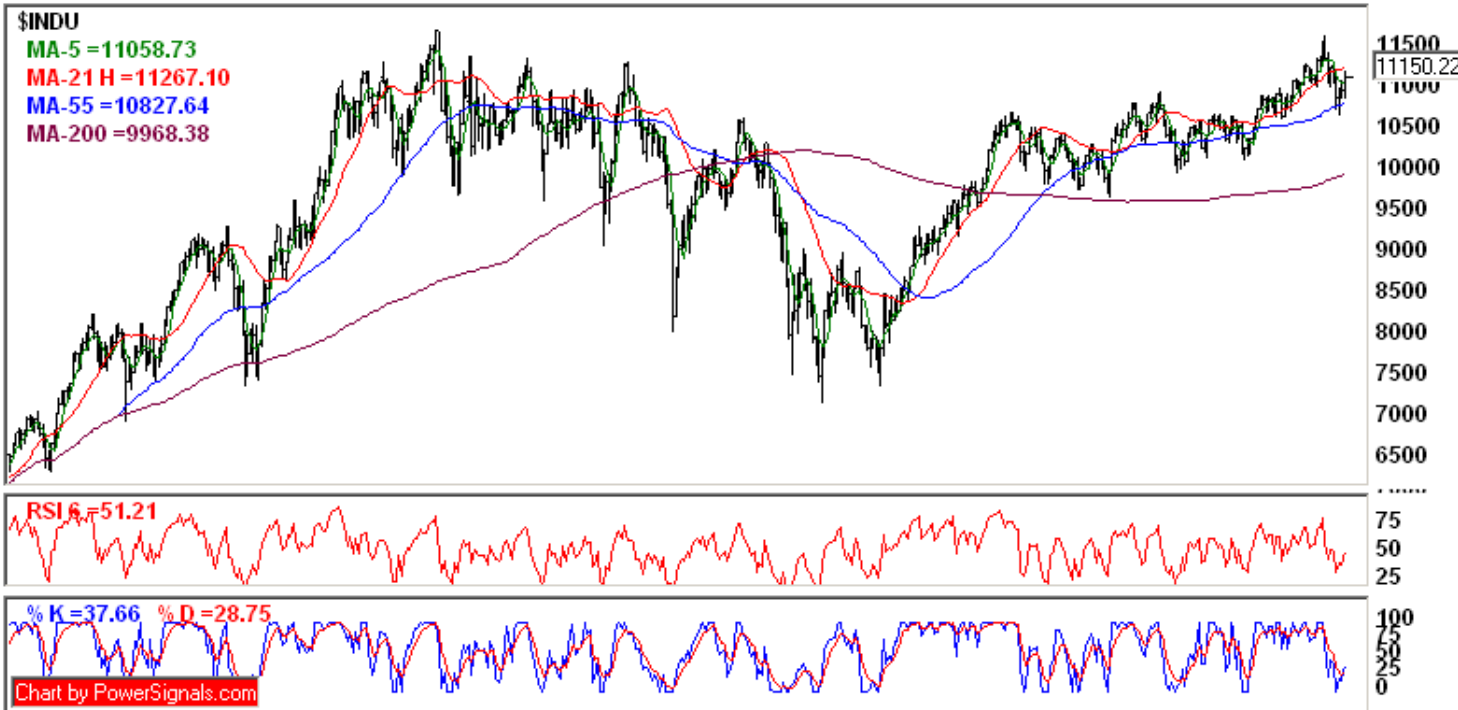
## The Sensational Stock and Bond Markets

### Dow Jones Industrial Average

**Support** is at 11,010.00 to 10,960.00 .. A slip under augur for a test of 10,820.00 and the 10,680.00 to 10580.00 region... Which should contain a decline..

**Resistance** remains near 11,320.00 to 11,360.00.. Beyond that sellers should appear near 11,500.00  
Trade Accordingly





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## Sept SP500

**Support** is at 1274.00 to 1268.00 and the 1238.00 to 1232.00 region.

**Resistance** should appear near 1289.00 and the 1304.00 to 1310.00 region





## NASDAQ Composite

**Support** should appear near 2152 an extended close under augurs for a test of 2134 to 2136.00 .  
 Below that 2089.00 to 2080,00 should hold..

**Resistance** remains near 2185 and the 2219 to 2226 region ..Beyond that 2267 to 2274 should Cap a rally. .





### Sept Mini Nasdaq 100

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

**Support** should appear near 1576 to 1569 a close under augurs for a test of 1535.00 to 1529.00.



## Sept Mini Russell 2000

**Support** is at 717.0 to 714.32 and 700.30 to 699.0.. Below that buyers should appear near 683.60 to 680.90

**Resistance** should appear near 732.8 to 734.2 and the 741.40 to 742.80 region.. Beyond that sellers should appear near the 748.60 to 751.30 region, which should cap a rally..

Trade Accordingly





### Sept 10 Year T-Note

**Resistance** should appear near 105-07 beyond that sellers should appear near 106 -07 and 106-27

**Support** is at 104-21 and the 104-07 .. below that a trade towards 103-21 and 103-07 is likely to occur..





### Sept 30 Year T-Bond

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

**Support** is at 106-07 , failure to maintain a posture over augurs for a test of 105-21 and eventually 105-21.. Below that a test of 104-21 is likely

Trade accordingly



Jan02 Apr Jun Aug Oct Dec Feb Apr Jun Aug Oct Dec Feb Apr Jun Aug Oct Dec Feb Apr Jun Weekly-N



## The Frenzied Forex Front

### Sept Yen

**Resistance** should appear near 8856 to 8871 and 8934 to 8964, which should cap a rally. ....

Traders can sell at 8856 for a turn lower and hold for lower prices..

**Support** should appear near 8777 to 8762 , a close under augurs for a test of 8683 to 8668 and the 8589 to 8560 region.. .. Which appears more likely than not to occur..

Traders should go short if a close under 8814 occurs.





### Sept Euro Currency (EC)

Recommended Open Position Short 2 at 12648

**Support** should appear at 12815 and 12740 to 12680 .. a close under is negative and augurs for an eventual test of 12530.

**Resistance** should appear near 12890 and should cap an early rally .. Beyond that sellers should appear near 12962 and the 13040 to 13100 region. .





## Sept Swiss Franc

Recommended Open Position Short 4 at 8162

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

**Support** should appear near 8194, a close under is negative and augurs for a test of 8134 to 8119 and eventually the 7957 to 7937 region





### Sept British Pound

**Support** should appear near 18400 , a close under is negative and augurs for a test of 18220 to 18080 and eventually the 17800 to 17740 region

**Resistance** should appear near 18580 to 18650 and 18835...Beyond that 19020 to 19090 should cap a rally. Traders can sell at 18570 for a turn lower and hold for lower prices









## Sept Canadian Dollar

**Resistance** should appear near 9000.. beyond sellers should appear near 9044 to 9060 and the 9140 to 9856 region , which should cap a rally. .. Traders can sell at 9043 and hold for lower prices

**Support** is at 8871 to 8856. A slip under augurs for a test of 8777 to 8762 and the eventually the 8683 to 8668 region Traders should go short if a close under 8931 occurs





## Sept Aussie Dollar

**Support** should appear near 7342 to 7328..failure of this level augurs for a test of 7170 to 7143

**Resistance** should appear near 7414 to 7428 beyond that sellers should appear near 7487 to 7501 and cap a rally.. Traders can sell at 7486 for a turn lower and hold for lower prices..

Traders should go short if a close under 7411 occurs.





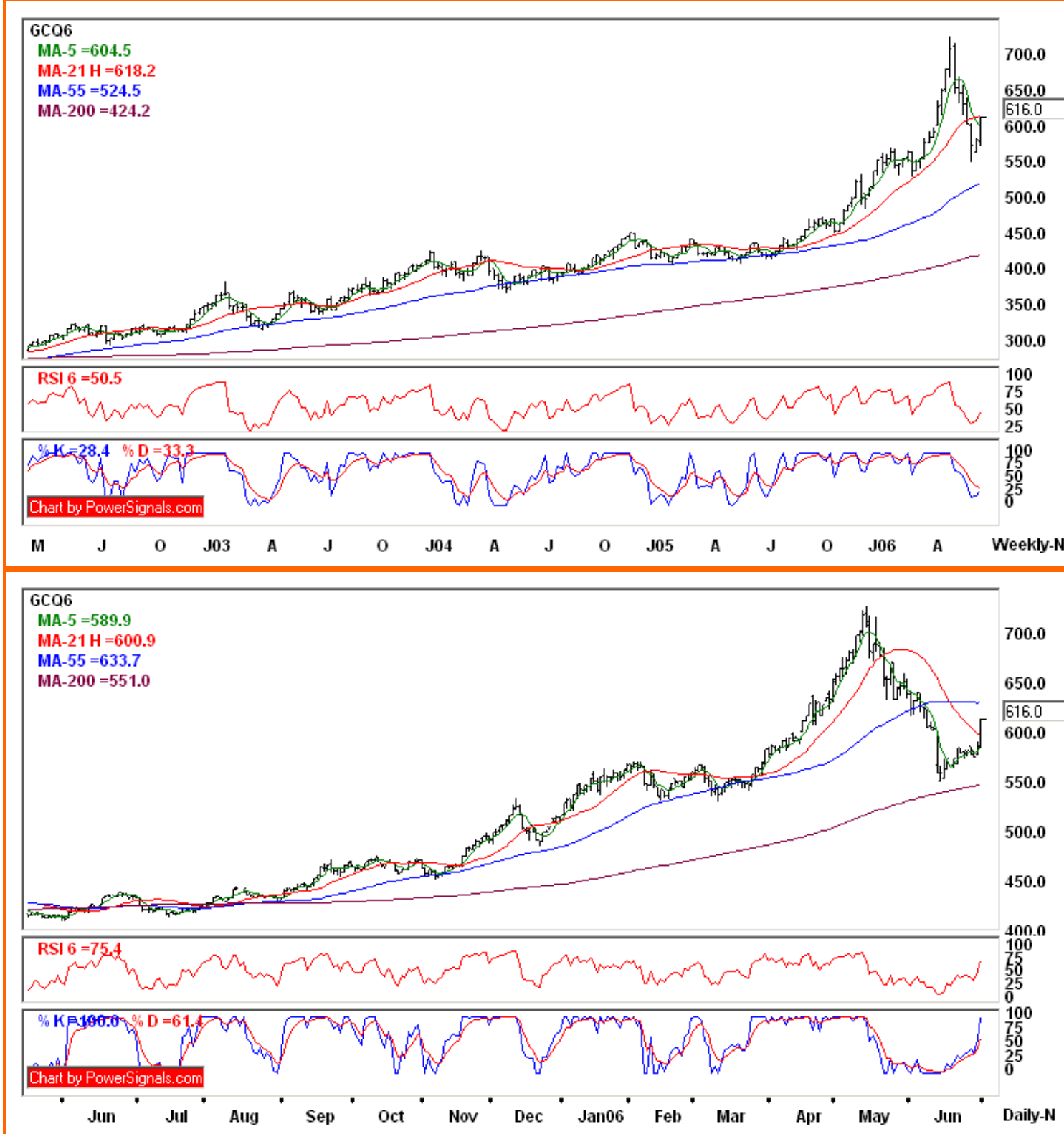
## Precious Metals

### August Gold

**Resistance** should appear at 625.7 to 627 and 641.7 to 643.0

**Support** is at 611.3 to 610.1 a close under is negative and augurs for a test of 588.0 to 585.5 below that buyers should appear near 557.7 to 555.3



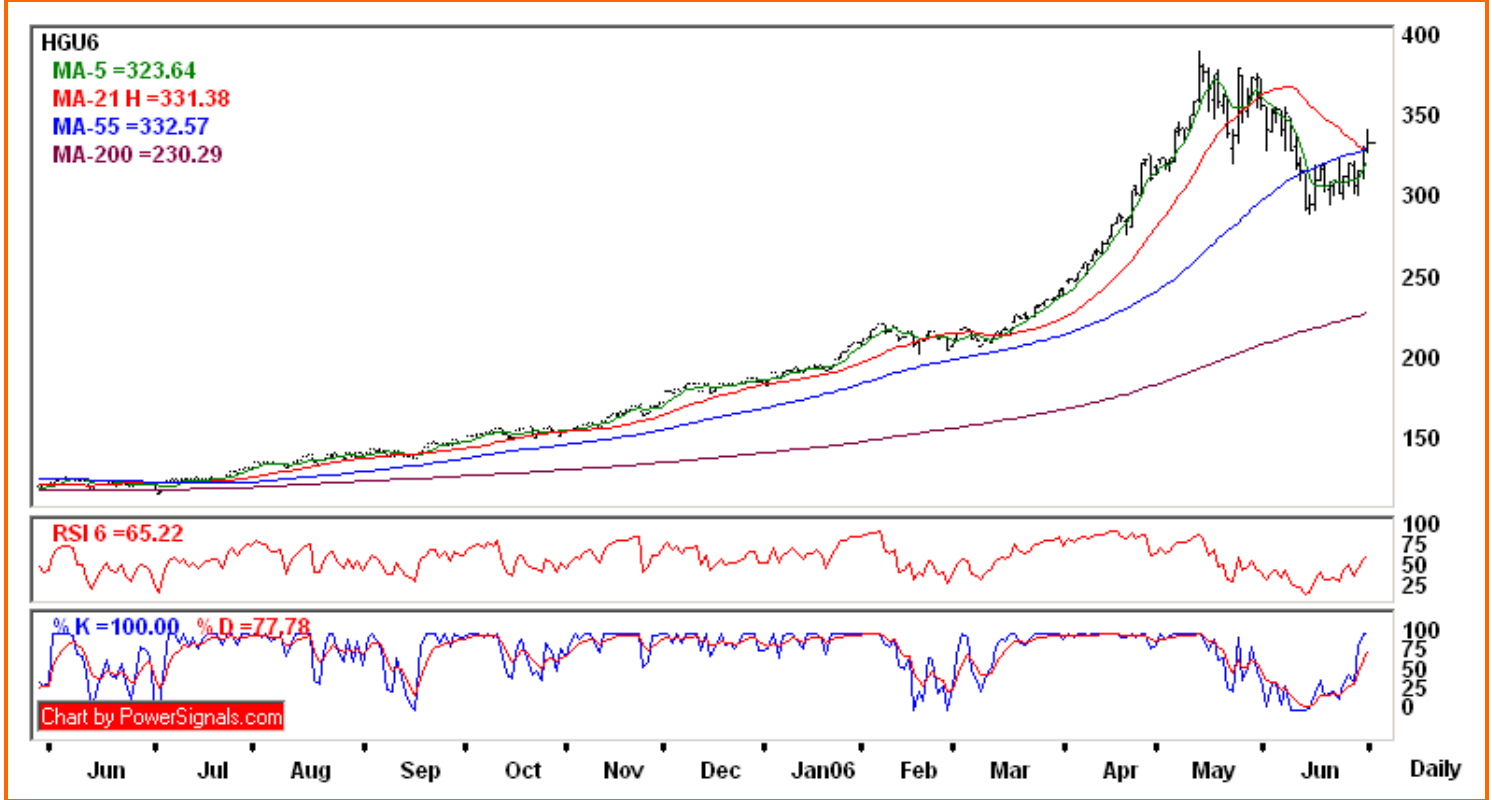


### Sept Copper

**Resistance** should appear near 33770 to 33860 and the 34250 to 34430 region .  
Beyond that 35530 to 35630 should bring out sellers

**Support** should appear near 310.20 to 309.20 and 30450 to 30360 ...Below that a test of 288.30 to 287.40 is likely.

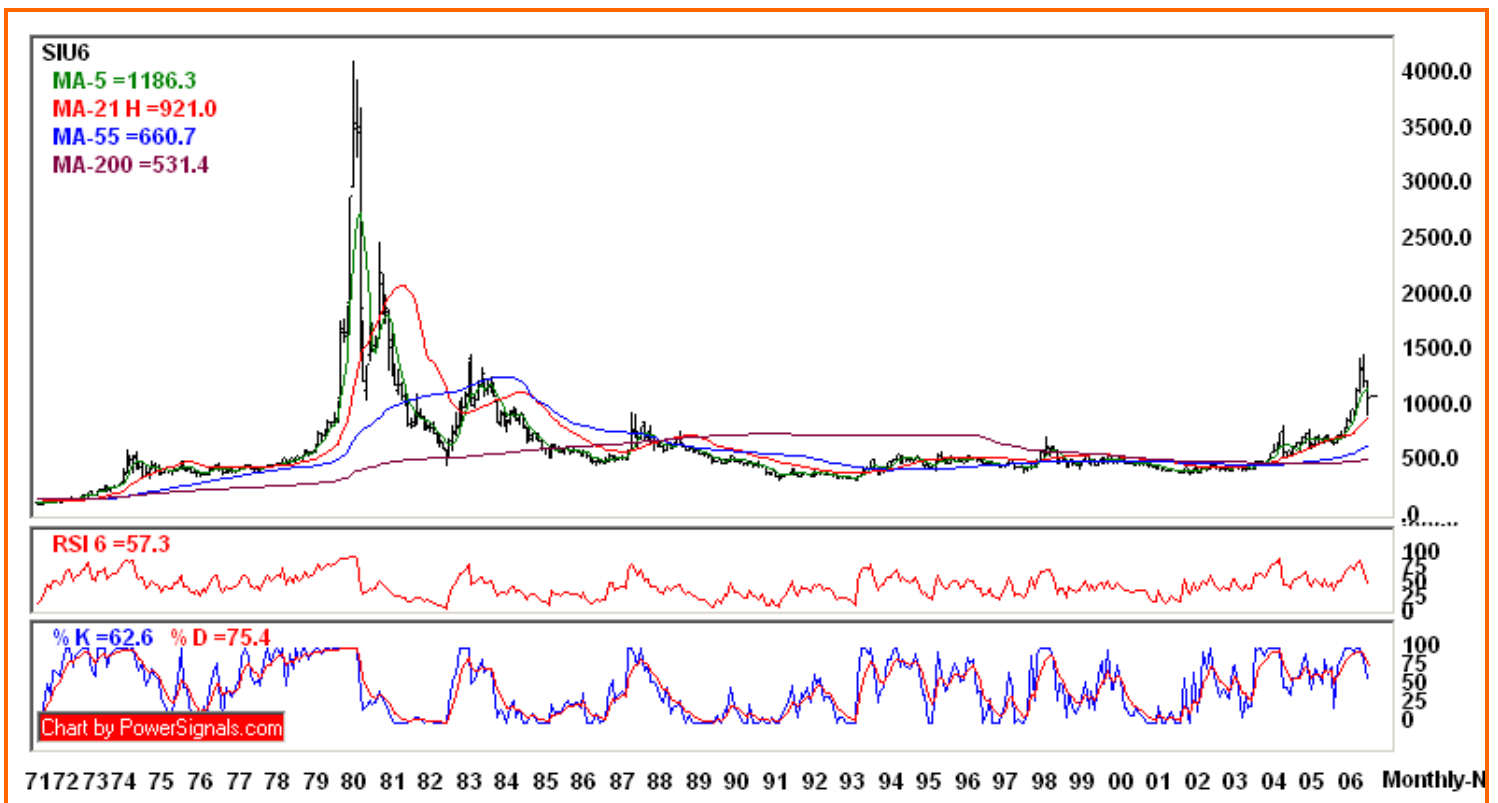


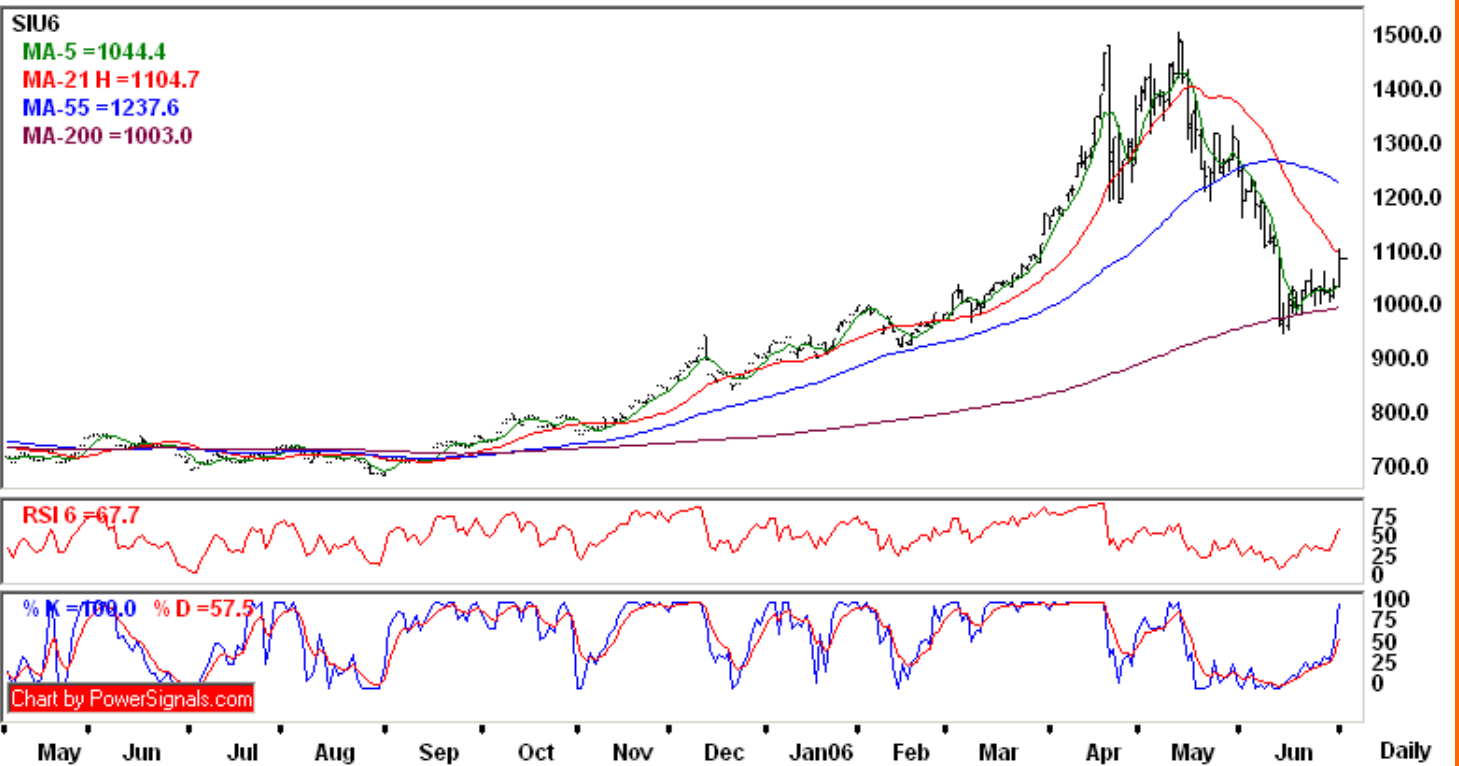


### Sept Silver

**Resistance** should appear near 1130.0 top 1136.0 and the 11.64.0 to 1169.0 region..  
Beyond that sellers should appear near 1192.0 to 1203.0 and cap a rally..

**Support** is at 1101.0 to 1096.0, a close under augurs for a test of 1068.0 to 1058.0 and eventually the 1013.5 to 1010.4 .region







# The Exciting Energies

## August Crude oil

**Resistance** should appear near 7486 to 7513 and the 7587 to 7601 region .

**Support** should appear near 7342 to 7328, a close under is negative and augurs for a test of 7170 to 7143

Trade accordingly





### August Unleaded gas

**Resistance** should appear near 2122670 to 22750 and 23150 to 23220 . Beyond that 23540 to 23700 should cap a rally.

**Support** should appear near 21850 to 21700. a close under is negative and augurs for a test of 20880 to 20800 eventually the 20420 to 20340 region





## August Heating Oil

**Support** should appear near 19969 to 19829 and 19090 to 19020 region . Below that an eventual trade towards 17380 to 17310 is likely to occur..

**Resistance** should appear near 20340 to 20420 and the 21260 to 21340 region.  
Which should cap a rally..





## The Lively Livestock

The USDA June 1 Hogs and Pigs crop numbers was released by the USDA Friday after the close. As of June 1st All Hogs and Pigs was 100.3 percent of a year earlier, the market herd was 100.2 percent of 2005, and the breeding herd was 101.4 percent of 12 months earlier. Pre - report estimates were Hogs and pigs at 100.9 ear earlier, breeding herd 101.3 percent and market herd at 100.9 percent of June 1, 2005. The June Hogs and Pigs report came in slightly more positive than the trade estimates.

Last Week the avg weight of barrows and gilts increased by 0.4 pounds from the previous week under last years weights by 1.5 pounds below a year earlier.. However, weather conditions for the last week have been productive for good rates of gain in live weights .

Last weeks Cash hog prices were sharply lower as packers attempted to improve margins. Live hog prices Friday morning were \$6 to \$7 lower than a week earlier.

Carcass prices Friday morning were \$6.05 to \$8.10 lower than 7 days earlier with the nation price at \$70.08 per cwt. Slaughter last week was estimated at 1,844 thousand head, down 1.9 percent from a year ago .. However, we expect that to increase.

We now estimate that 3<sup>rd</sup> and 4<sup>th</sup> quarter prices will dip below last years levels by \$5 to \$9...

Stay Tuned for Updates and Flashes...

## August Cattle

**Support** should appear near the 8502 to 8487, a close under augurs for a test of 8300 to 8317 .. Below that buyers should appear near 8222 to 8192.

**Resistance** is at 8667 to 8682 region. Beyond that 8762 to 8777 should cap a rally.



## August Hogs

Recommended open position short 4 at 7037

**Support** is at 7002 to 6992 , a close under is negative and augurs for a test of 6837 to 6807 and eventually the 6757 to 6742 region.

**Resistance** should appear 7072 to 7087 and 7142 to 7172...Beyond that sellers should appear near 7242 to 7257 and cap a rally.

## July Hogs

Recommended open position short 5 at 6497



### August Pork Bellies

**Resistance** should appear near 9707 to 9737 and the 9917 to 9937 region

Support is at 9347 to 9317 , a close under augurs for a test of 9157 to 9137.. failure there is negative and augurs for a test of 9062 to 9042.





## The Grande' Grains

The USDA June 30 Acreage and Quarterly Grain Stocks Reports was in line with pre-report guessimates .

The USDA Estimate for Corn acreage is 79.4 million acres, a tad less than the pre-report average estimate of 79.8 million acres. While planted acreage is up about 2% from the March planting intentions it still represents a 3% decline from 2005's corn acreage.

Soybean plantings of 74.9 million acres were less than the average pre-report estimate of 75.1 million acres. This year's soybean acreage, while down 3% from March planting intentions, is an increase of 4% from last year's soybean acreage..

There were no changes winter wheat acreage estimates. Total acreage of all wheat is at 57.9 million acres, an increase of 1% over 2005.

Cotton plantings of 15.3 million acres were above the 14.2 to 14.8 million range of pre-report estimates.

Cotton closed higher on the day...

Grain stocks as of June 1 were: corn : 4.363 billion bushels (expected 4.362), soybean stocks of 990.1 million bushels (1.012 billion bushels expected), and wheat at 567.8 million bushels (548 million expected). All numbers came in pretty much as expected.

We are about to enter the Dog Days of summer.. Thus, weather will be the major fundamental factor for grain traders to contend with...

### August Soybeans

Recommended open position long at 596  $\frac{1}{4}$

**Resistance** at 616  $\frac{1}{2}$  to 619 and 625  $\frac{3}{4}$  to 627 , beyond that sellers should appear 665  $\frac{3}{4}$  to 667  $\frac{1}{4}$  and the 680  $\frac{3}{4}$  683  $\frac{3}{4}$  region.

**Support** should appear near 603  $\frac{1}{2}$  to 602  $\frac{1}{4}$  and 595  $\frac{3}{4}$  to 594  $\frac{1}{2}$ .. Below that buyers should appear 588 to 585  $\frac{1}{2}$  which should contain a decline.





### August Soymeal

Recommended open position Long 2 at 178.9

**Resistance** should appear near 18560 to 18650 and the 129460 to 19530 region

**Support** should appear near 175.6. Below that buyers should appear near 173. to 173.10





### August Soybean Oil

Recommended open position Long at 2521

**Resistance** should appear near 2716 to 2724 and the 2820 to 2829 region.

**Support** should appear near 2620 to 2612 and 2519 to 2511 .





## Dec Corn

Recommended open position Long 2 at 272  $\frac{3}{4}$  avg

**Resistance** should appear near 266  $\frac{1}{4}$  to 267  $\frac{1}{4}$  and 275  $\frac{1}{4}$  to 277  $\frac{1}{2}$  .. a close over augurs for a test of 303  $\frac{3}{4}$  to 304  $\frac{1}{2}$

**Support** is at 256  $\frac{3}{4}$  to 255  $\frac{3}{4}$  and 251  $\frac{3}{4}$  to 251  $\frac{1}{4}$ .. Below that buyer should appear near the 246  $\frac{3}{4}$  to 246  $\frac{1}{4}$  region and contain a decline .





### Dec Wheat

Recommended open position Long at 418 3/4

**Resistance** should appear near 423 3/4 to 424 3/4 and the 442 1/2 to 444 3/4 region.

**Support** should appear near 412 to 411 and the 399 1/4 to 398 1/4 region.. which should continue to provide support..

Trade Accordingly







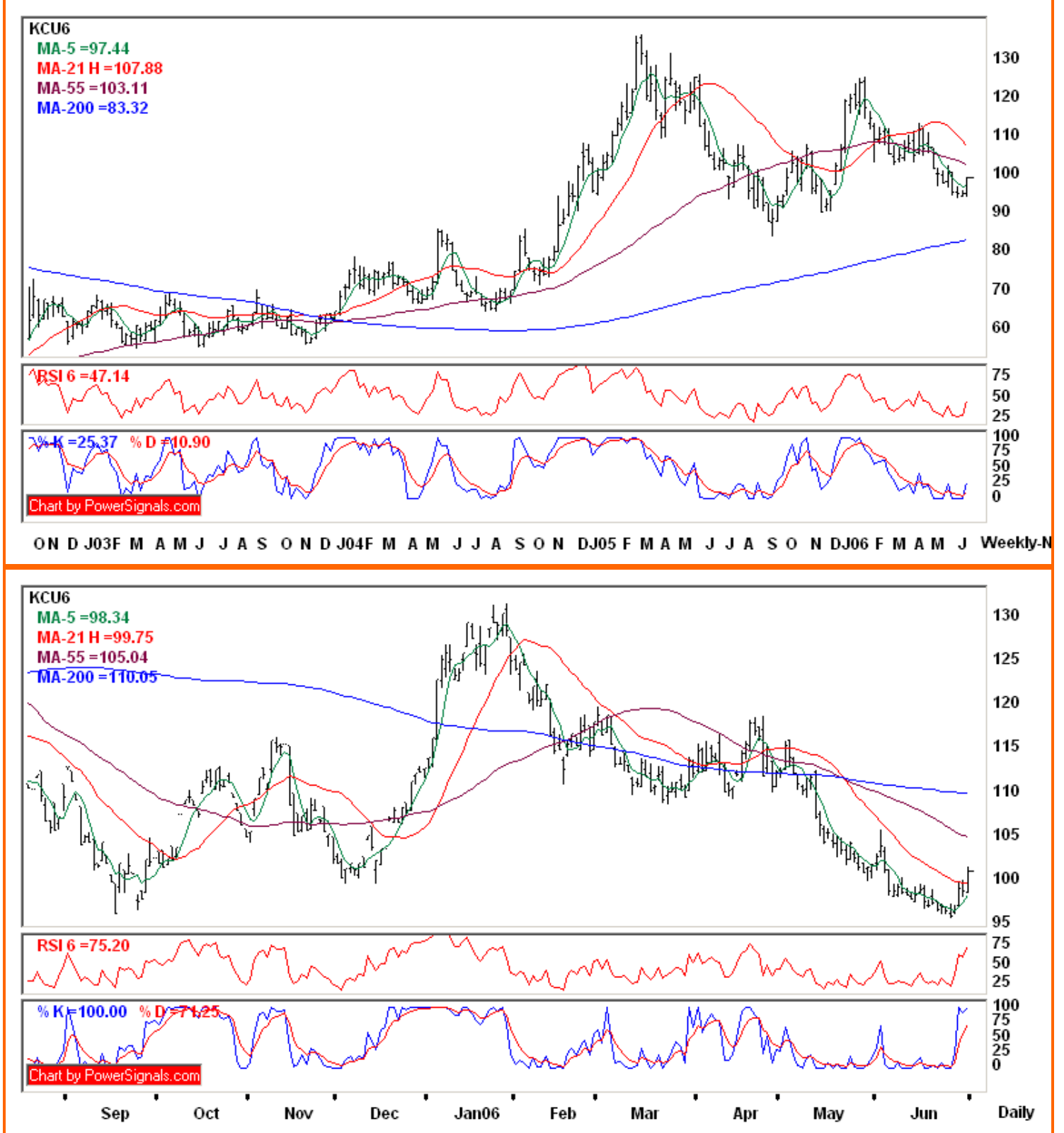
## The Satisfying Softs

### Sept 'The Monster' Coffee

**Support** should appear near 10035 to 10020 , a close under is negative and augurs for a test of 9735 to 9705 .. Below that buyers should appear near 9345 to 9315.

**Resistance** should appear near 10320 to 10360 , a close over is friendly and augurs for a test 10580 to 10680.. Which should cap a rally.





### Sept Cocoa

**Support** is at 1615 to 1609 , a close under is negative and augurs for a test of 1535 to 1529 .. Below that buyers should appear near 14396 to 1484..

**Resistance** should appear near 1655 .. Beyond that sellers should appear near the 1689 to 1696 region.. Which should cap a rally.

Trade Accordingly





## Oct Sugar

**Resistance** should appear near 1642 to 1655 and 1689 to 1696

**Support** should appear near 1615 to 1609 .failure there augurs for a test of the 1496 to 1484 region

Trade Accordingly and Stay tuned for Flashes





### Dec Cotton

Recommended open position Long at 5510

**Support** should appear near 5355 to 5345 and the 5210 to 5200 region..

**Resistance** should appear near 5490 to 5505 and 5555 to 5575, a close over is friendly and augurs for a test of 5650 to 5655 and eventually the 5715 to 5730 region and beyond...

Trade Accordingly





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

**Stay tuned for Updates and flashes in all markets**

**Happy Trading and Have a Happy and Safe Holiday !**

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**Sunday July 2<sup>nd</sup> 2006**

**11:45 AM South Florida Beach Time**

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**BW Recommended Open Positions 6-30-2006**

Short 2 Sept EC 12648  
 Short 4 Sept Swiss Francs 8162  
 Short 4 August Hogs 7037  
 Short 5 July hogs 6497  
 Long August Beans 596 1/4  
 Long August Bean Oil 2521  
 Long 2 August Soymeal 178.9  
 Long Dec Wheat 418 3/4  
 Long 2 Dec Corn 272 3/4  
 Long Dec Cotton 5510