

## Bi-Weekly Investment Outlook

Sunday August 13<sup>th</sup> 2005 Issue # 224

"Among the hazards of speculation the happening of the unexpected -I might even say the unexpected ranks high. There are certain chances that the most prudent man is justified in taking - chances that he must take if he wishes to be more than a mercantile mollusk- "

- Reminiscences of a Stock operator-

Saturday August 13<sup>th</sup> 2005  
11:45 AM eastern time

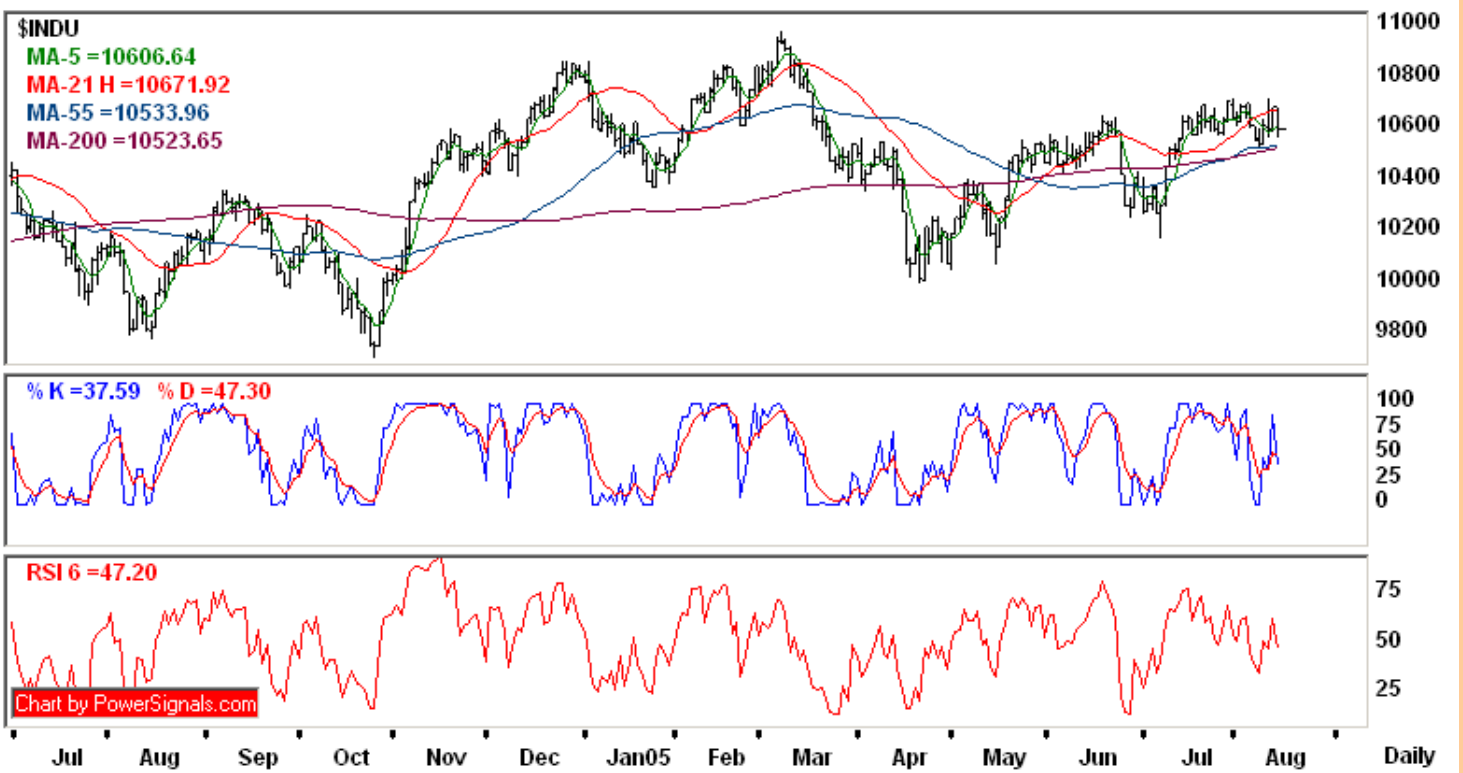
### The Sensational Stock and Bond Markets

#### Dow Jones Industrial Average

**Resistance** should appear near 10680 and the 10960 to 11010 region .

**Support** should appear near 10580 and 10470.. Below that buyers should appear near 10360 to 10320 and should contain a decline





## Sept SP500

Recommended open position Long 1239.70

**Support** should appear near 1217.50 and the 1203 to 1192.00 region

**Resistance** should appear near 1232 to 1238 and 1253.00

Aggressive Traders should go long if a close over 1235.20 occurs

## Nasdaq Composite

**Support** should appear near 2134 to 2126 and 2089 to 2088

**Resistance** should appear near 2170 to 2185 and the 2219 to 2226 region





### Sept Mini Nasdaq 100

**Resistance** should appear near 1609.00 to 1615.00, a close over 1615 is friendly and augurs for a test of the 1642.00 to 1655.00 region

**Support** is at 1576 to 1569 and 1535 to 1529 Traders can buy at 1577 and hold for higher prices.. risk close under 1527 for three days in a row,



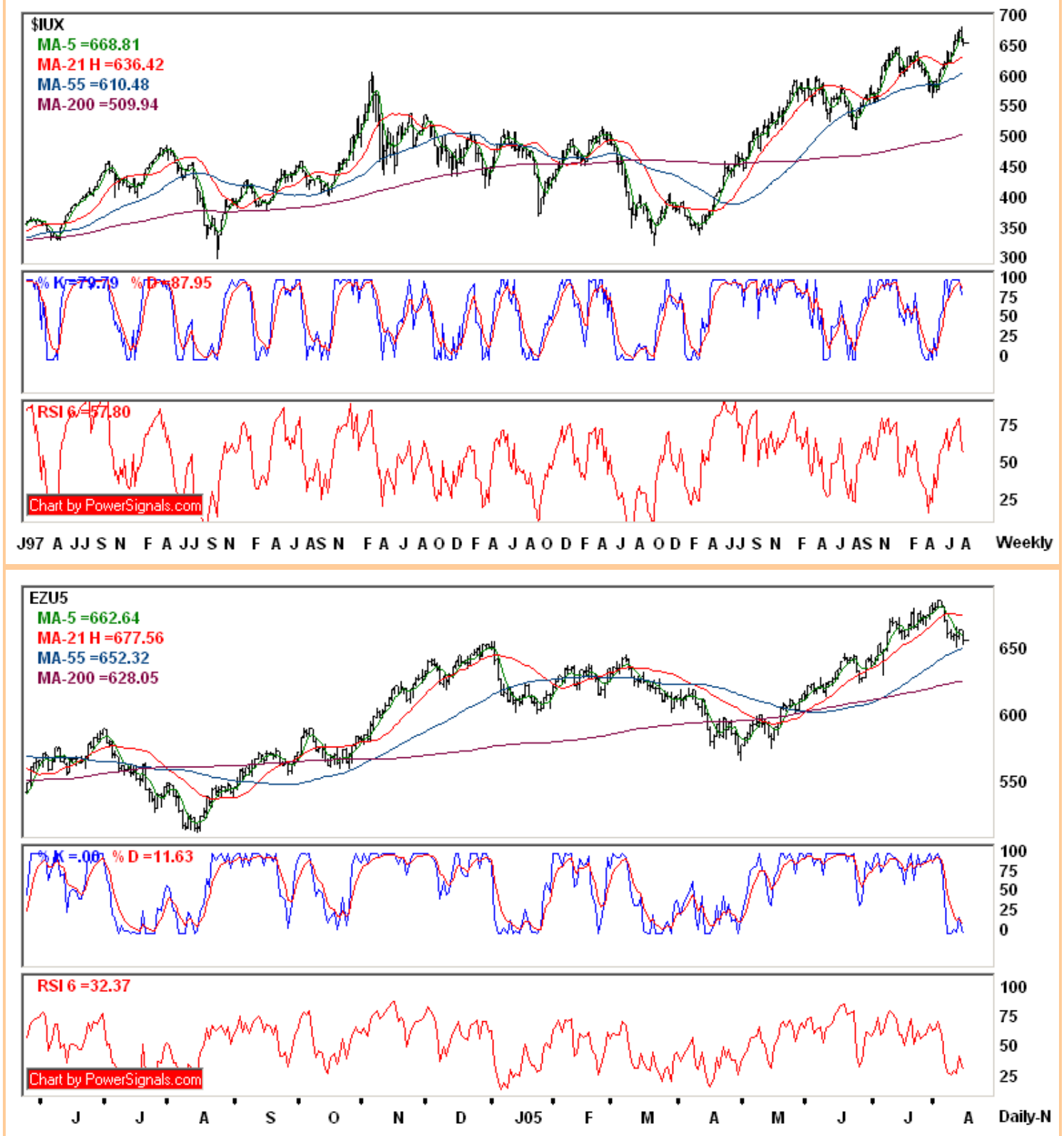
### Sept Mini Russell 2000

Recommended Open Position Long at 675.6

**Support** is at 659.10 to 657.7 and the 650.9 to 648.30 region..

**Resistance** should appear near 665.90 to 667.30 and 680.90 to 683.60





### Sept 10 Year T-Note

**Resistance** should appear near 111-07 and 111-22.. Beyond that sellers should appear near 112-07 and the 112-22 to 113-07 region

**Support** at 110-22 and 110-07 below that buyers should appear near 109-22 and 109-12



### Sept 30 Yr T-Bond

**Resistance** should appear near 116-07.. Beyond that a trade towards should 116-22 and 117-07 should bring out sellers.

**Support** is at 115-07 and 114-21. Below that buyers should appear near 114-07 and 113-21.



## The Frenzied Forex Front

### Sept Yen

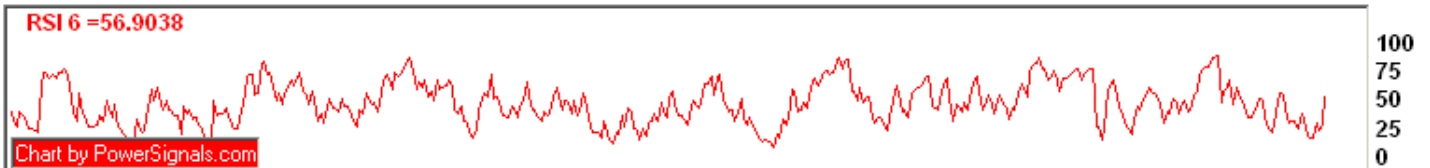
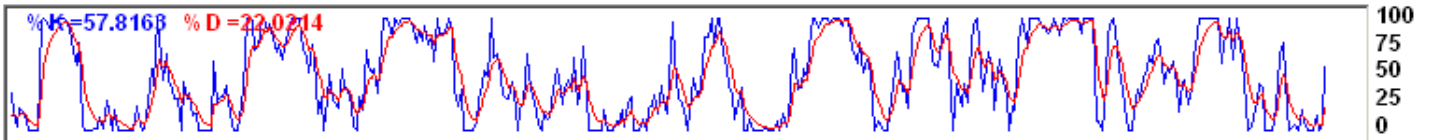
**Resistance** should appear near 9237 and the 9316 to 9347 region.. Beyond that sellers should appear near 9429 to 9445 and cap a rally .. Traders can sell at 9429 and risk a close over 9452 for three days in a row.

**Support** should appear near 9156 to 9140 , a close under augurs for a test of the 9060 to 9044 and most likely the 8783 to 8668 region.

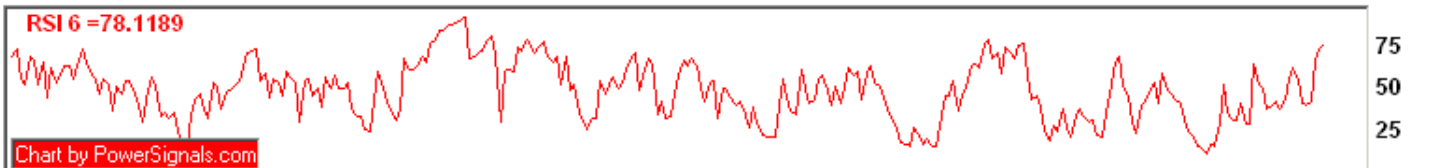
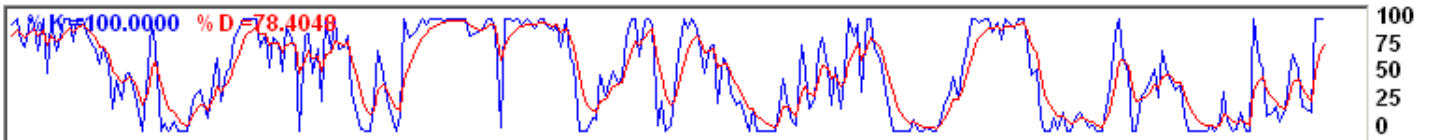
Trade accordingly .







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Jun Jul Aug Sep Oct Nov Dec Jan05 Feb Mar Apr May Jun Jul Aug Daily-N

## Sept Euro Currency (EC)

**Support** should appear at 12380 to 12320 and 12175.

**Resistance** should appear near 12530 and the 12680 to 12740 region





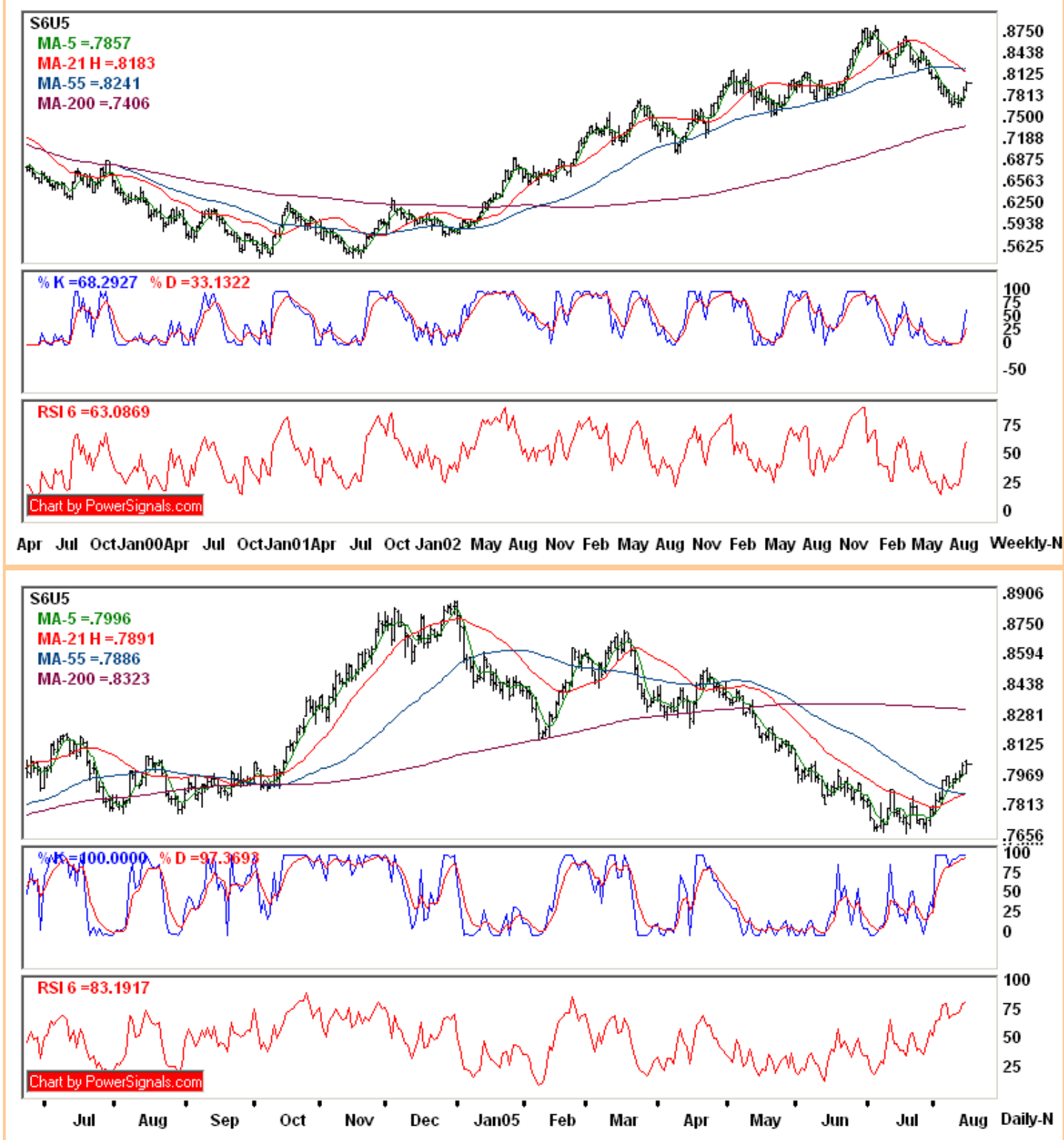
### Sept Swiss Franc

**Resistance** should appear near the 8044 and 8119 to 8134.. Beyond that sellers should appear near 8194 to 8223 and the 8300 to 8314.region .. Traders can sell at 8300 and hold for pull ...

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

Traders should go short if a close under 7991 occurs





### Sept British Pound

**Support** should appear near 17800 to 17740 and 17380 to 17310

**Resistance** should appear near 18220 and the 18580 to 18650 region





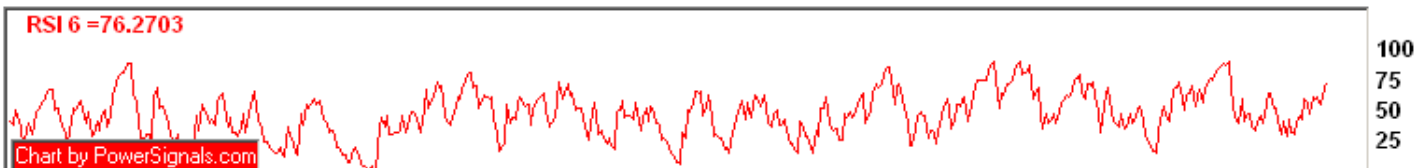
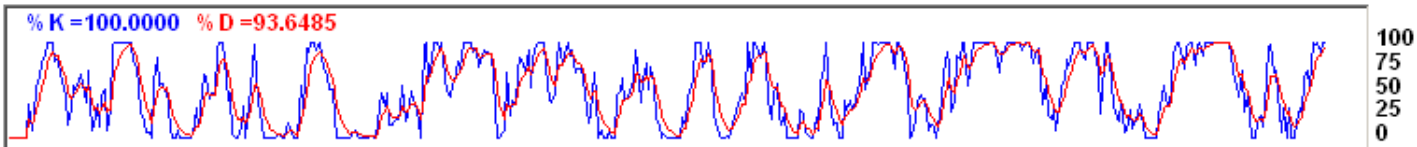
## Sept Canadian Dollar

**Support** should appear near 8314 to 8300 and 8223 to 8194

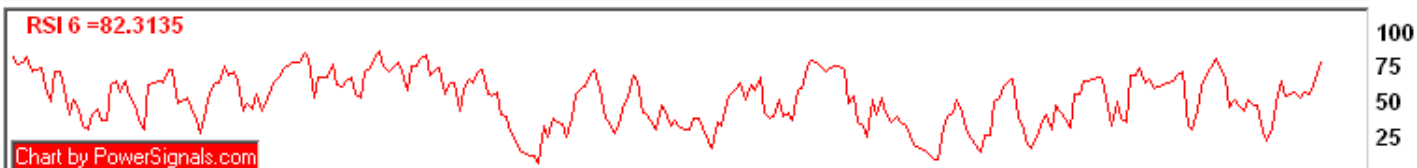
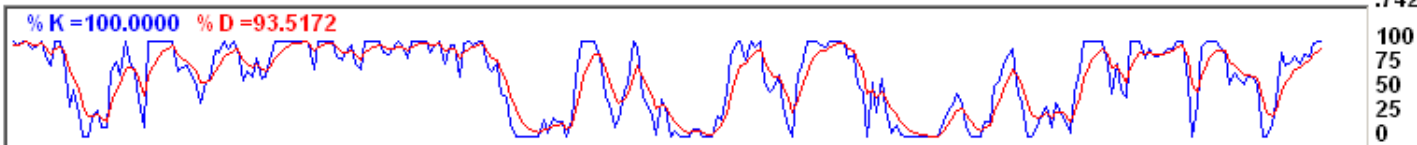
**Resistance** is at 8391 to 8406 and the 8484 to 8499 region







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Jul Aug Sep Oct Nov Dec Jan05 Feb Mar Apr May Jun Jul Aug Daily-N

## Sept Aussie Dollar

**Resistance** should appear near 7763 to 7777 and 7836 to 7864

**Support** should appear near 7689 to 7675, a close under augurs for a test of 7601 to 7587







## Precious Metals

### Dec Gold

Recommended open Position Short 2 at 435.8

**Resistance** should appear at 457.1 to 458.2 and the 463.9 to 465 region

**Support** is at 444.6 to 442.5 and 438.1 to 437.0







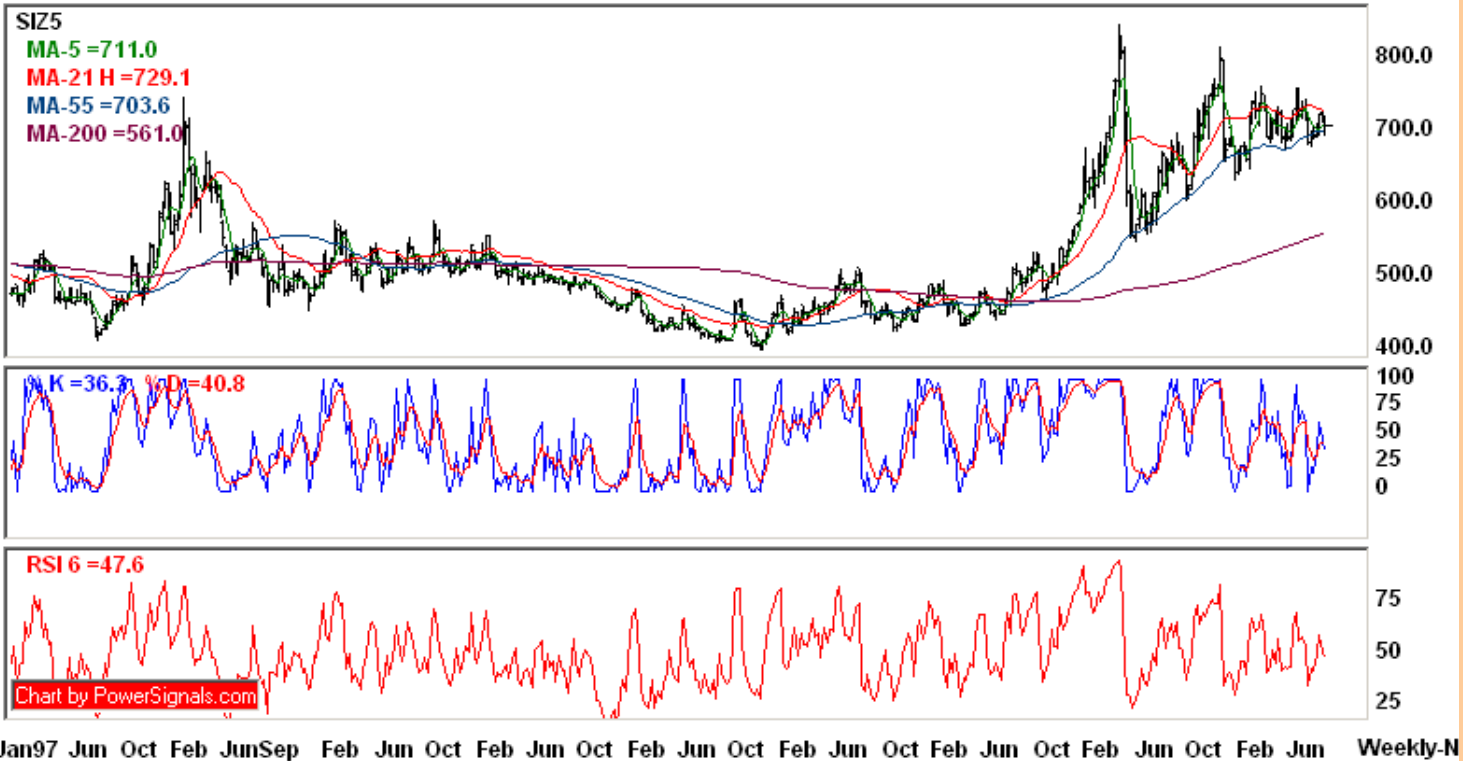


## Dec Silver

**Support** should appear near 714.5 region.. A close under augurs for a test of 700.5 to 690.0 region. Below that a test of the 683.5 to 680.5 region is likely to occur.

**Resistance** is at the 732.5 to 734.5.. Beyond that sellers should appear near 741.5 to 743.0 and the 748.5 to 751.5 region. Which should cap a rally ..





## The Exciting Energies

### Oct Crude Oil

**Resistance** should appear near 6990 to 7003 and the 7328 to 7342 region

**Support** should appear near the 6591 to 6577 and the 6113 to 6101 region



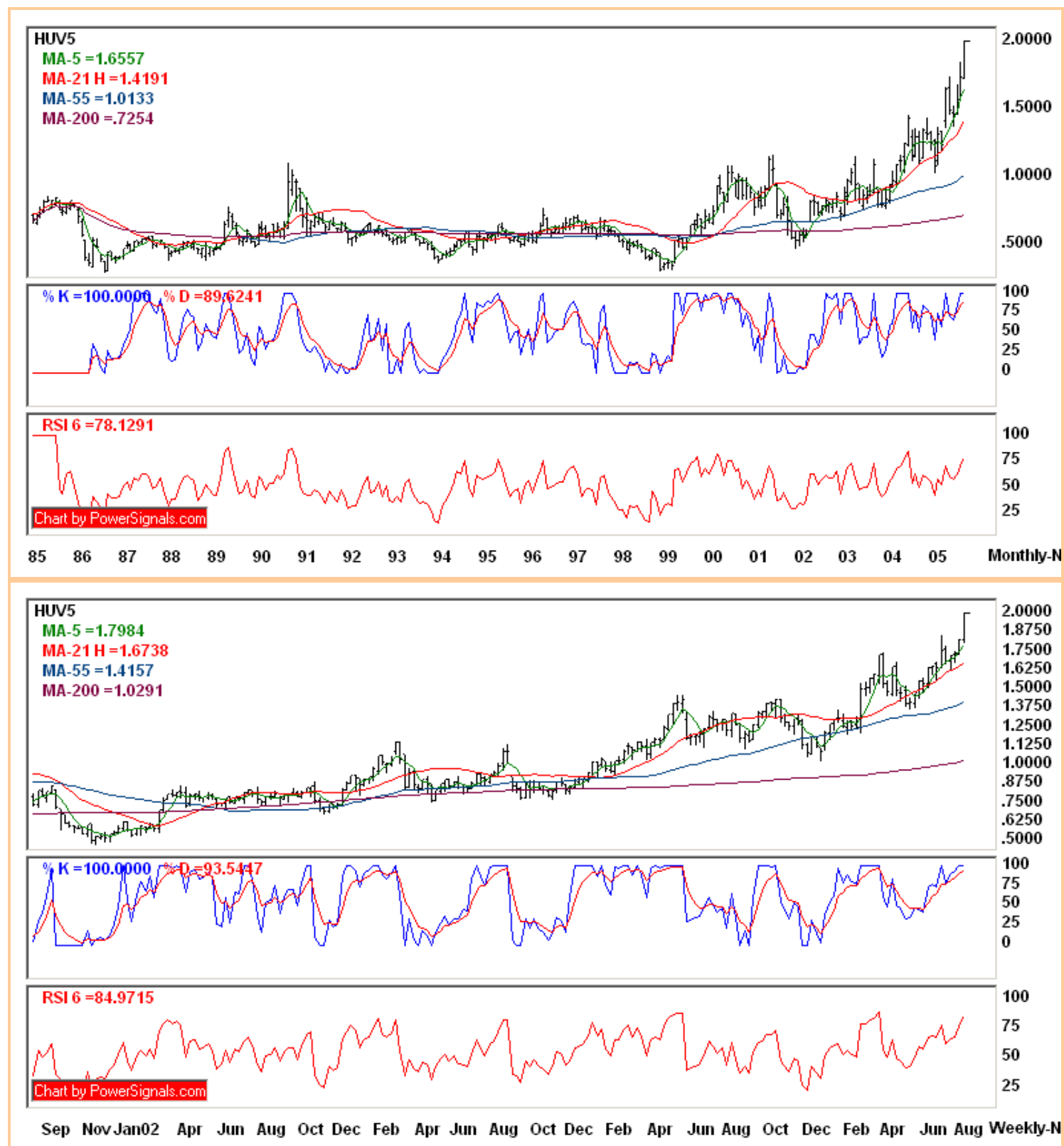




## Oct Unleaded Gas

**Resistance** should appear near 20340 to 20420 and 2080 to 20880 region.

**Support** should appear near 17800 to 17740 and the 16960 to 16890 region..



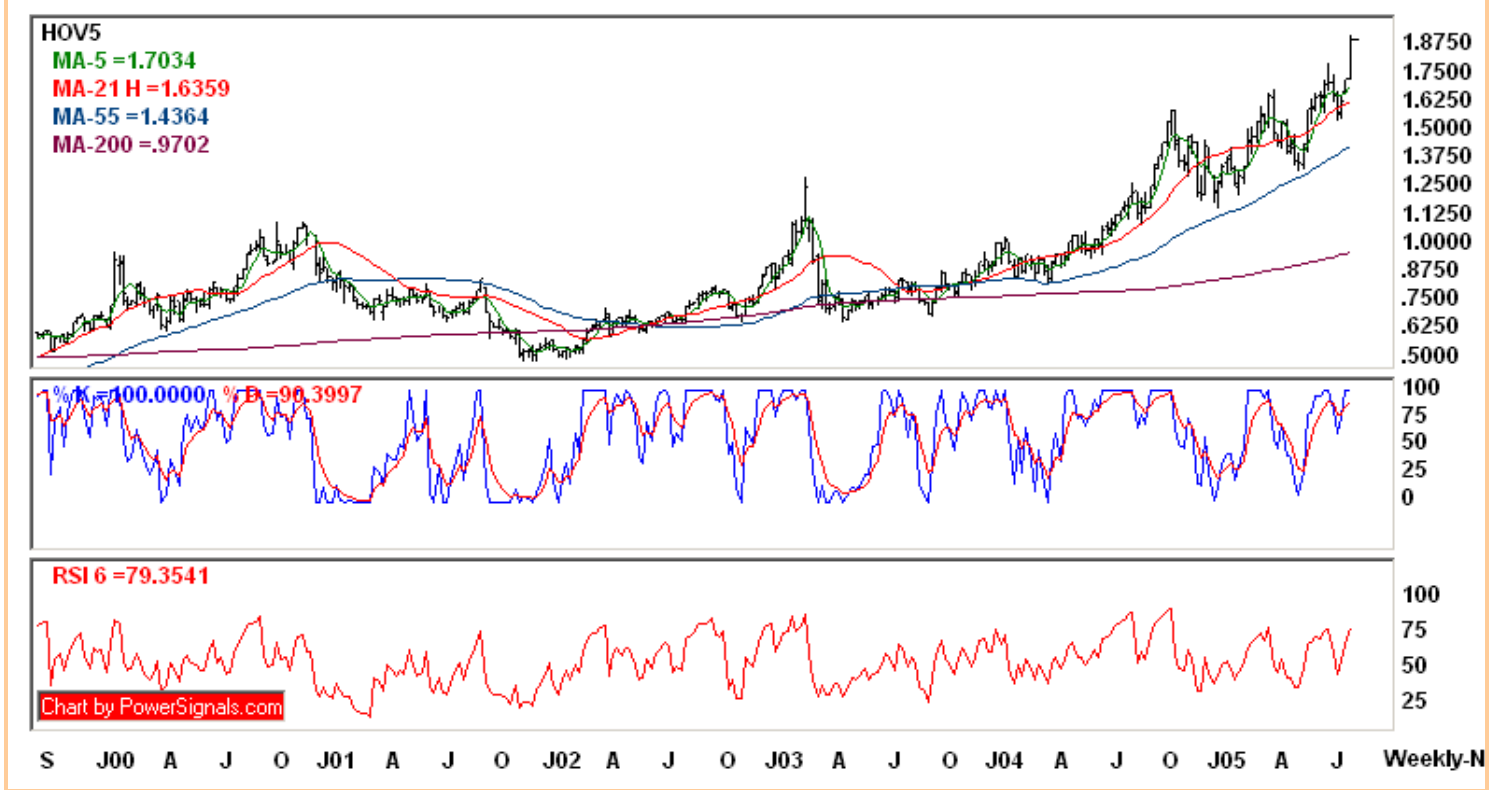


### Oct Heating Oil

**Resistance** should appear near 21240 to 21360 and 21700 to 21850

**Support** should appear near 18220 to 18080 and 17380 to 17310





## The Lively Livestock

### Cattle

Evidence of an increase on the breeding herd remain.. Slaughter for the year thru the week ending July 30 was down 6.4% from 1 year earlier for both Beef and Dairy cows . This is on top of a 15.1% reduction for January-July of 2004. Versus 2003 the January-July slaughter for 2005 was down 22.7%.

While Cattle, is now trading near good support areas a lack of enthusiasm may continue to cap rallies and eventually we see lower prices..much lower.. No Change in posture , Sell Rallies..

### Pork

Gilt slaughter for the past 5 weeks has averaged 48.5% of the barrow and gilt slaughter.

Sow slaughter for the 4 weeks ending July 30th was down 7.2% from a year earlier.

Both are indications that suggest expansion of the heard, which we see as a tad under 3 % in 2006.

In the past, hog producers as a group tend to expand following periods of profit .. One reason has been to reduce income tax paid , another is to capture higher prices with more meat..

Regardless of the reasoning , the herd seems to be expanding..

While lighter weights from hot weather has recently been construed as friendly is not likely to change the longer term outlook ..

In addition weather mkts should be treated as short term events that should by nature be sold..

Traders should be considering Buying Dec Hogs and Selling Oct Hogs

Look for Dec to over take Oct Hogs in price...

### October Cattle

**Support** should appear near 7957 to 7932 and the 7867 to 7837 .. Below that a test of 7777 to 7762 is likely

**Resistance** is at 8027 to 8047 and the 8117 to 8137 region.. Traders can sell at 8117 for a turn lower and risk a close over 8232 for three days in a row,

Traders should go short if a close under 7927 occurs.



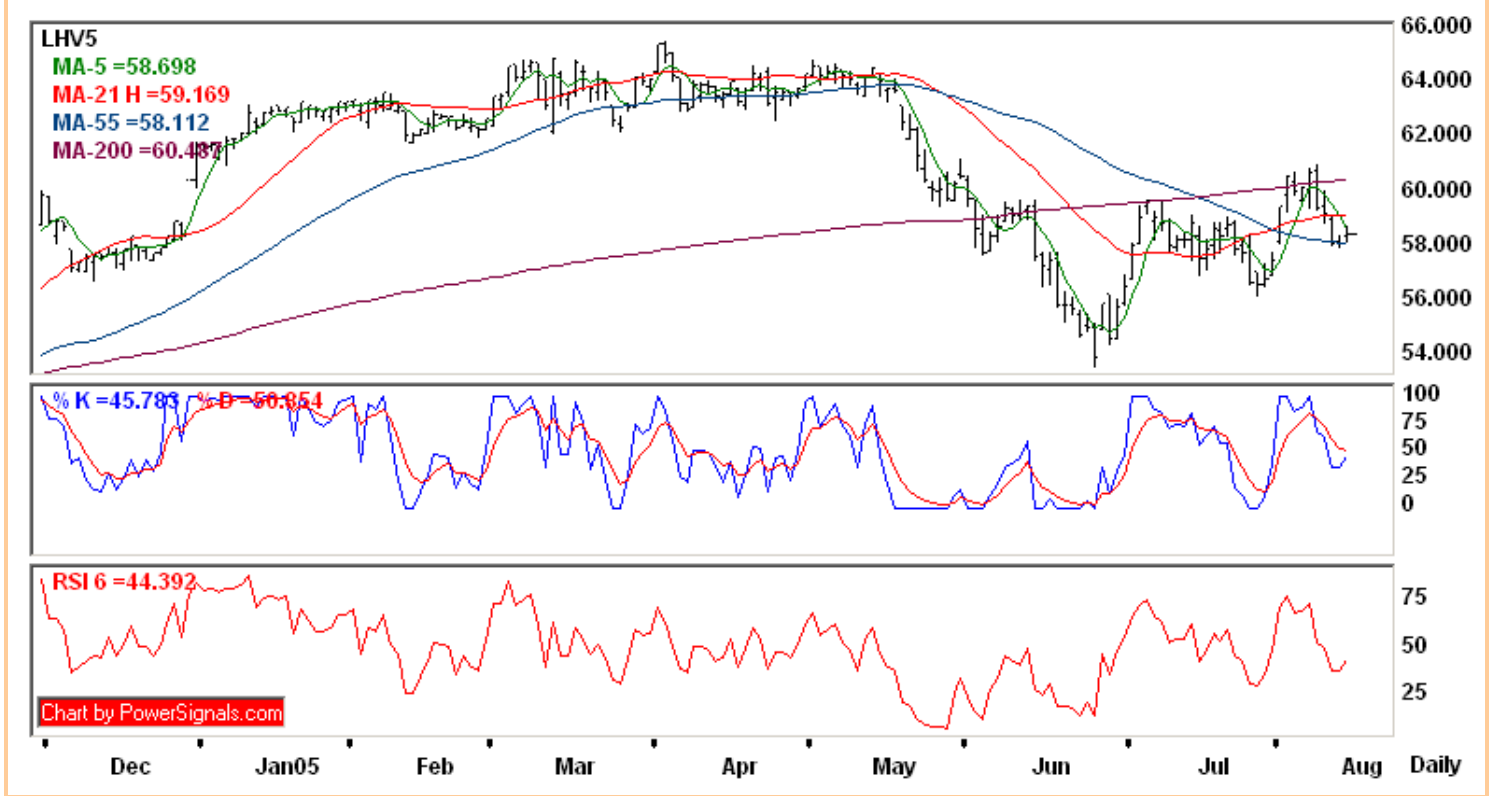
### October Hogs

**Support** is 5807 to 5792 then 5732 to 5717 and 5652 5642 , a close under augurs for a test of 5577 to 5552 and eventually the 5507 to 5492 region.. ..Below that buyers should appear near the 5357 to 5342 region.

**Resistance** is at 5852 to 5882 and the 5942 to 5957 region .. Above that sellers should appear near 6022 to 6037 and the 6162 to 6192 region. Traders can sell at 5942 for a turn lower and risk a close over 6042 for three days in a row

Traders should go short if a close under 5787 occurs..

Stay tuned for Flashes and Updates



## February Pork Bellies

**Resistance** should appear near 8557 to 8587 and the 8762 to 8777 region.

**Support** is at 8227 to 8192 and 8137 to 8117. A close under is negative and augurs for a test of 7957 to 7937 region. Below that buyers should appear near 7777 to 7762 and the 7602 to 7587 region



## The Grande' Grains

USDA's August 12, 2005 World Agriculture Supply and Demand Estimates (WASDE) project lower corn, soybean and wheat supplies than in previous estimates.. The corn production is expected to be 10.350 billion bushels. Which was larger than the average pre-report guesstimate of 10.260 billion bushels. Corn closed badly on Friday.. The USDA now estimates ending stocks to be 1.900 billion bushels

This is a large quantity of corn laying around and Corn tends to make it's lows into the latter part of Sept and early Oct ..

With soaring prices for Fuel. expect the farmer to get rid of it as soon as he can and call it a year

The USDA expects a range of \$1.80 to \$2.20. for corn.

The Dog Days of August are upon us. .

August can be important to soybeans.. We are half thru August and the charts are looking rather iffy. Past august and into Sept and Oct beans tend to have a rather tough time.. The USDA Estimate of Soybean production came in at 2.791 billion bushels compared with the July guesstimate of 2.890 billion bushels.

Soybean use of 2.914 billion bushels is expected to marginally exceed expected production .. In The old days when the US was alone in the world as a large Soybean producer this would be construed as friendly and engender buying of Front end beans and selling of the back end.. This has yet to occur in any substantial was during this years soybean rally. Thus leaving the rally suspect ....In today's Global economic environment there will be plenty of Beans from South America to supplant any perceived shortfall in USA supplies..

The USDA's estimate of soybean prices for 2005-06 is between \$5.50 to \$6.50.

Wheat production estimates were lowered from 2.208 billion bushels to 2.167 billion bushels Wheat export projections were increased 25 million bushels to 975 million bushels...Total use is now projected at 2.143 billion bushels . 2005-06 wheat ending stocks are estimated to be 634 million bushels, which is under the previous estimate of 700 million bushels and still higher than the 2004-05 carryover of 540 million bushels. USDA expects Wheat prices to range from \$2.85 to \$3.35.

Past July / August Wheat prices tend to stabilize and move a bit higher however from what low level this can occur from is not known. Traders should treat wheat as a trading affair ..

### November Soybeans

**Resistance** at 648  $\frac{3}{4}$  to 650  $\frac{3}{4}$  and 657  $\frac{3}{4}$  to 659  $\frac{1}{4}$ .. Above that resistance should emerge near 665  $\frac{3}{4}$  to 667  $\frac{1}{4}$  and the 674  $\frac{1}{4}$  to 675  $\frac{1}{2}$  ..region.. Beyond that sellers should appear near 680  $\frac{3}{4}$  to 683  $\frac{3}{4}$  and the 690  $\frac{3}{4}$  to 691  $\frac{3}{4}$  region .. Traders can sell at 680  $\frac{1}{4}$  and risk a close over 701  $\frac{1}{4}$  for three days in a row.

**Support** should appear near 643 to 641  $\frac{3}{4}$  and the 635 to 633  $\frac{3}{4}$  region .. Below that buyers should appear near 619 to 616  $\frac{1}{2}$  and the 603  $\frac{1}{2}$  to 602  $\frac{1}{4}$  region.





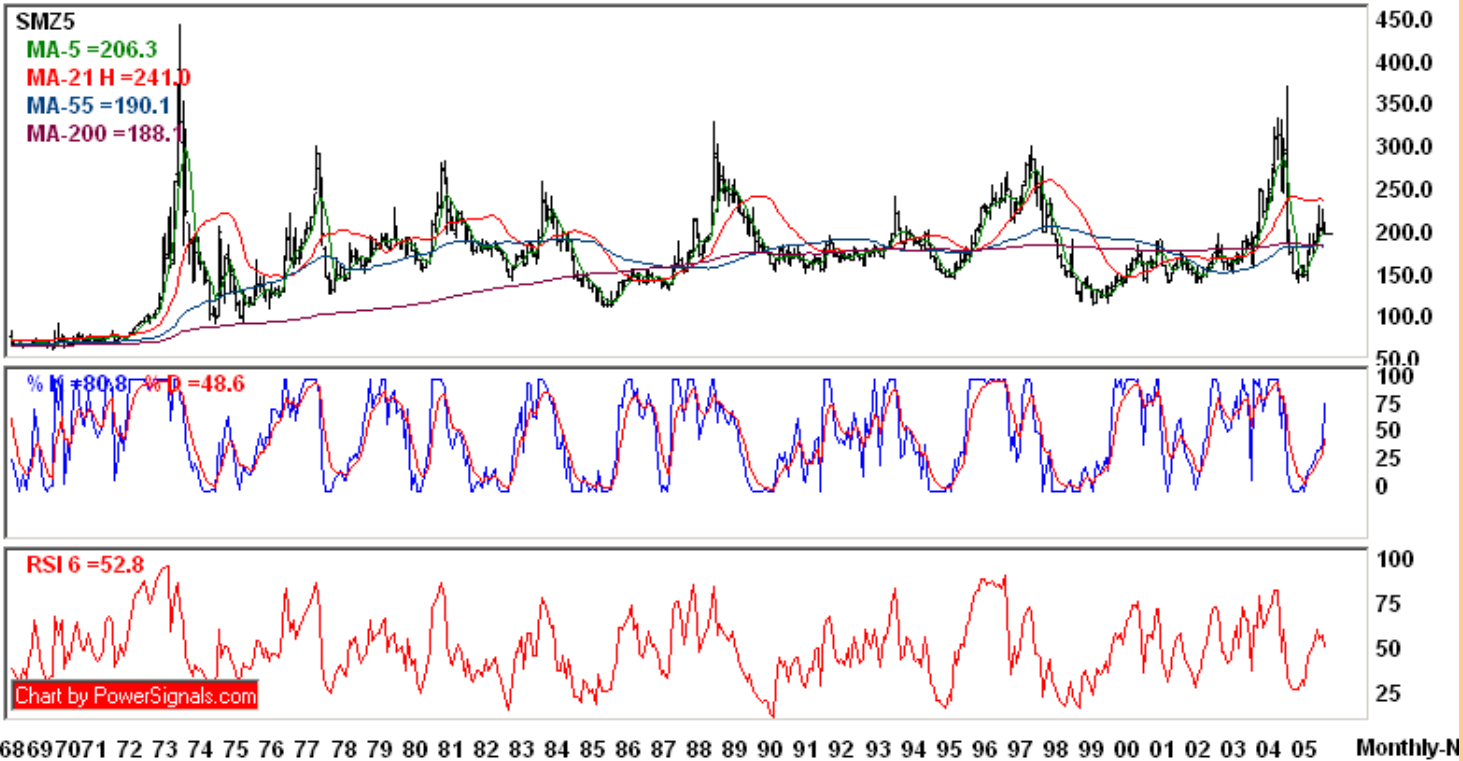


### Dec Soymeal

**Support** should appear near 204.2 to 203.4. Below that a test of 199.6 to 198.2 and the 195.3 to 194.6 region is likely. Under that buyers should appear near 190.9 to 190.2 and contain a decline... if that fails a test of 18220 to 18080 and the 16960 to 16890 region is likely.

**Resistance** should appear near 212.6 to 213.4 and 217 to 218.5. Traders can sell at 216.9 and risk a close over 223.1 for three days in a row.. Beyond that sellers should appear near 226.7 to 227.5 and the 231.5 to 232.2 region Trade Accordingly

Traders should go short if a close under 203.3 occurs.

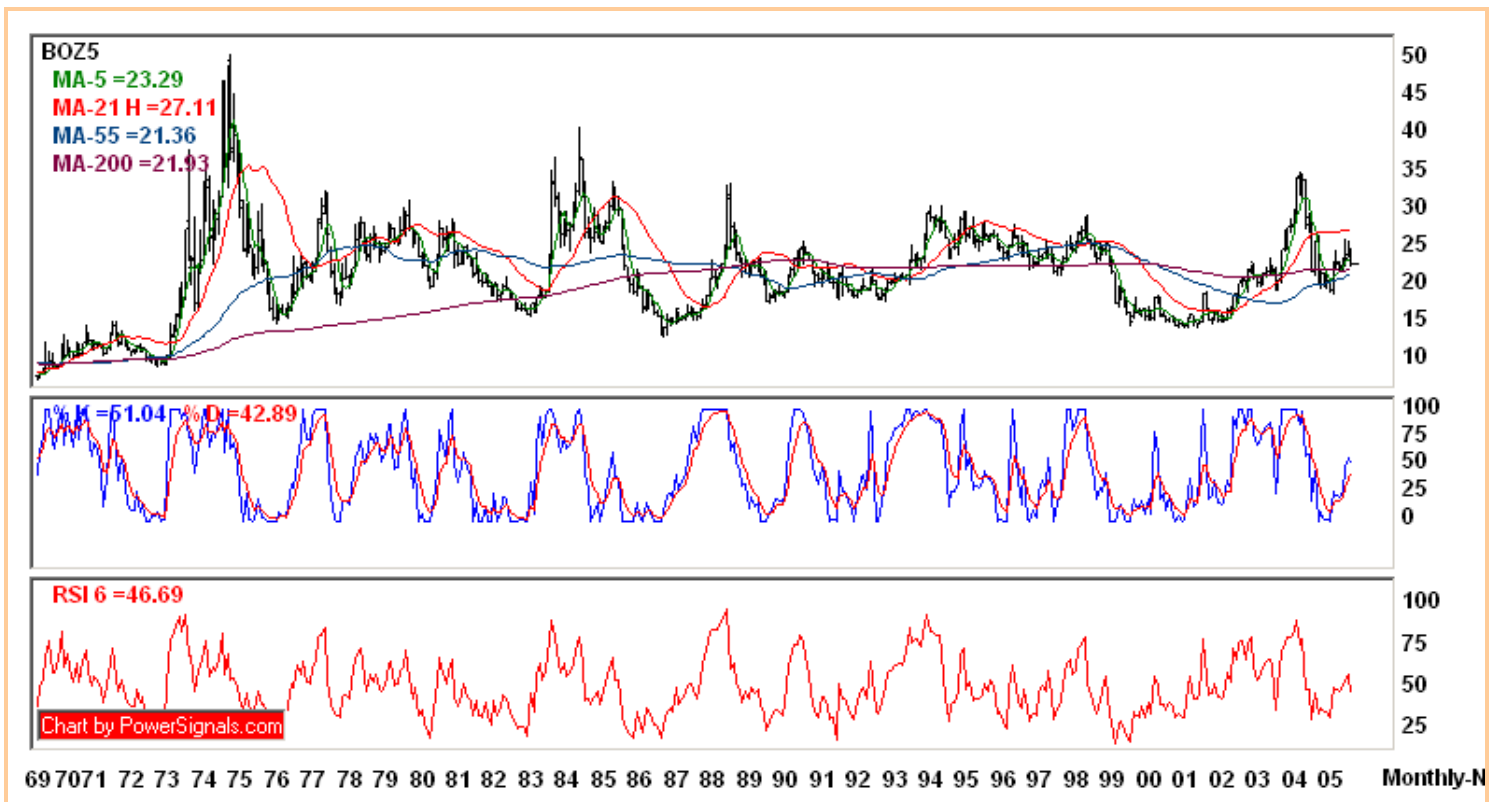




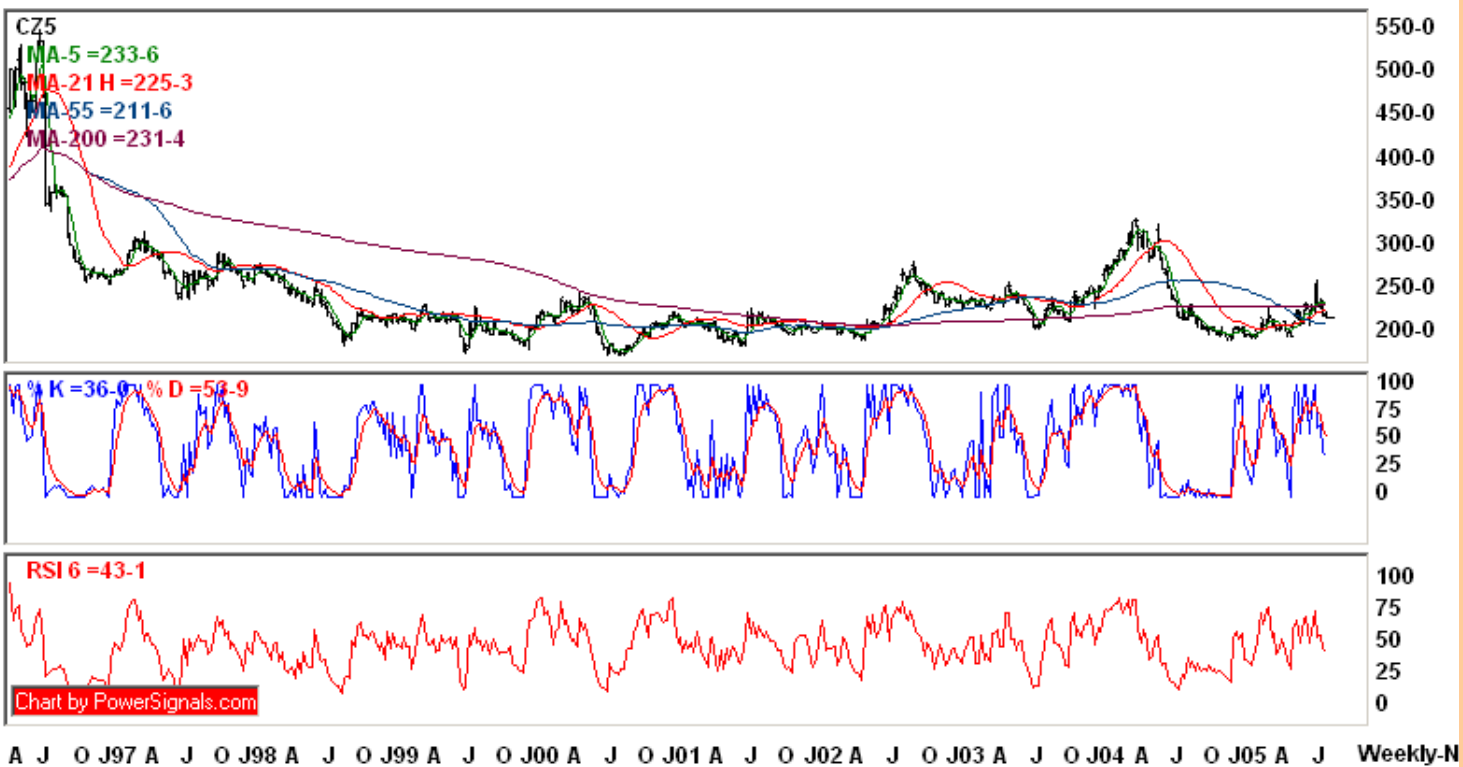
### Dec Soybean Oil

**Resistance** should appear near 2354 to 2370 and the 2411 to 2419 region. Which should cap a rally. Traders can sell at 2411 and risk a close over 2477 for three days in row .

**Support** should appear near 2275 to 2267 and the 2185 to 2170 region.









### Dec Wheat

**Resistance** should appear near  $342 \frac{1}{2}$  to  $344 \frac{1}{4}$  and  $349 \frac{1}{4}$  to  $350 \frac{1}{4}$  .. Traders can sell at  $342 \frac{1}{4}$  for a turn lower and risk a close over  $351 \frac{1}{4}$  for three days in a row.. Beyond that sellers should appear near  $355 \frac{1}{4}$  to  $356 \frac{1}{4}$  and  $361 \frac{1}{4}$  to  $362 \frac{1}{4}$

**Support** should appear near  $332 \frac{3}{4}$  to  $331 \frac{3}{4}$  and the  $327$  to  $326 \frac{1}{4}$  region.. Below that a test of  $315 \frac{3}{4}$  to  $314 \frac{3}{4}$  and the  $304 \frac{1}{2}$  to  $303 \frac{3}{4}$  region is likely... Traders can buy at  $304 \frac{3}{4}$  for a bounce and risk a close under  $296 \frac{3}{4}$  for three days in a row..

Traders should go short if a close under  $331 \frac{1}{4}$  occurs.





## The Satisfying Softs

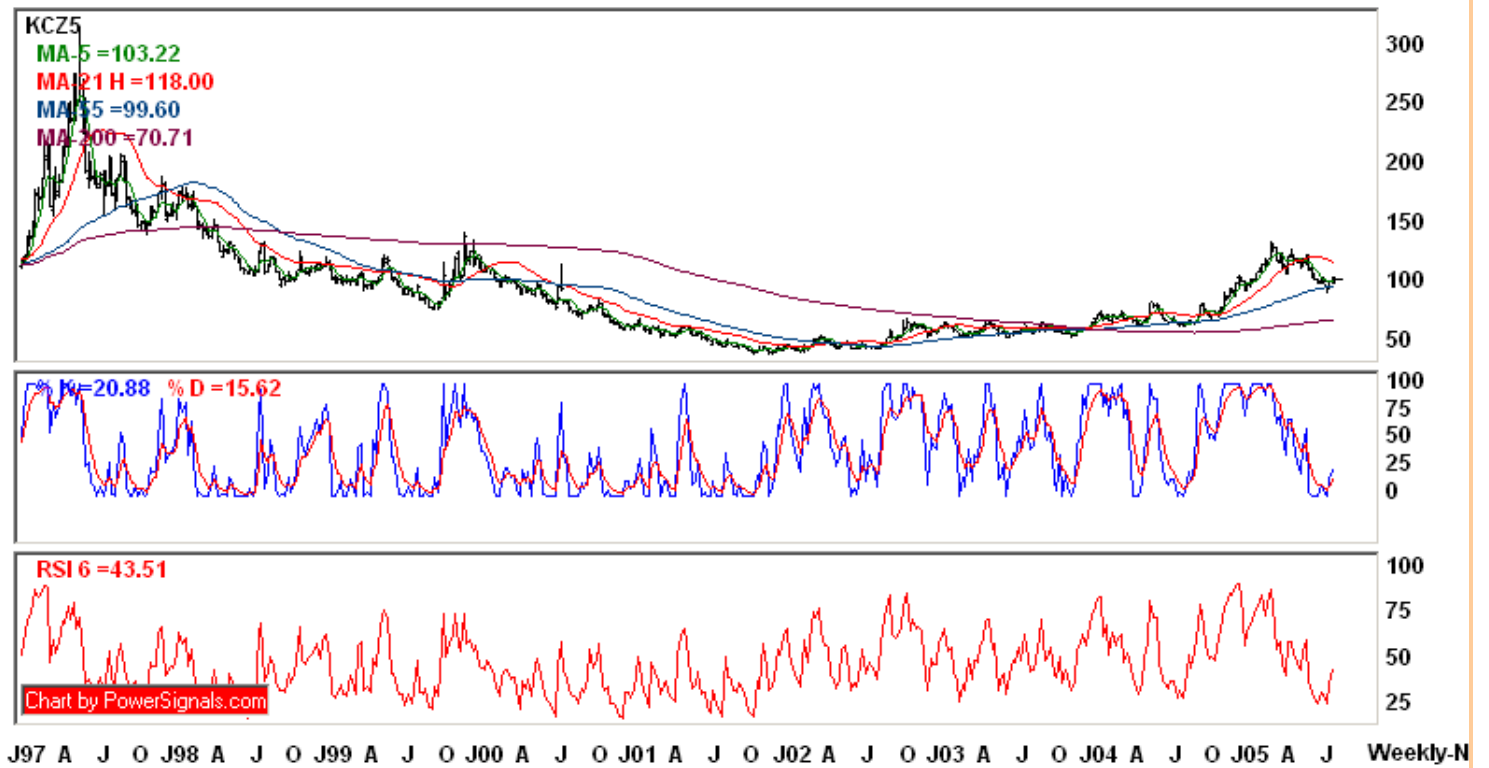
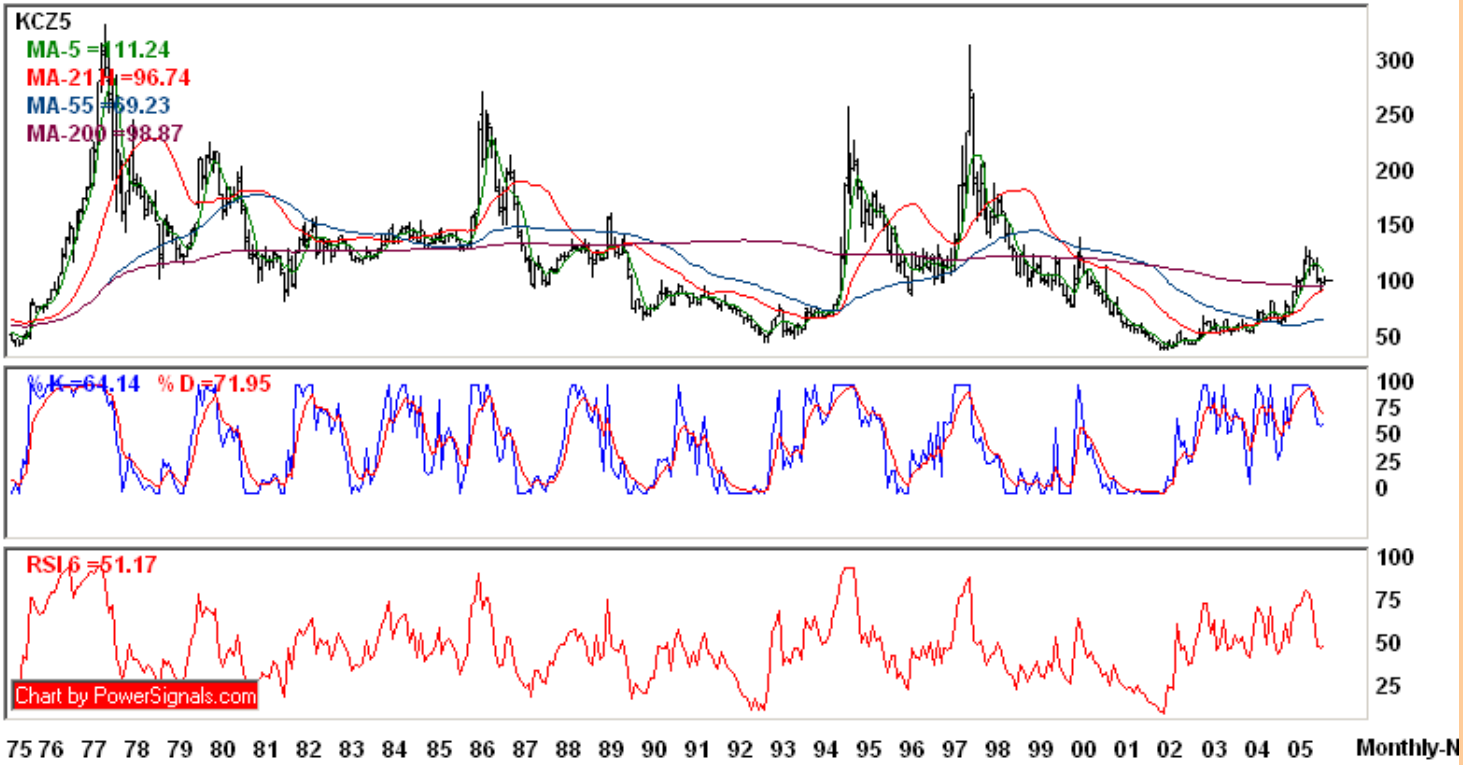
### Dec 'The Monster' Coffee

**Support** should appear near 10680 to 10580 and the 9935 to 9920 region... Under that buyers should appear near 9735 to 9705 Traders Who sleep on a bed of Nails can buy at 9735 and hold for higher prices..

**Resistance** should appear near 10960 to 11010 .. Beyond that sellers should appear near 11300 to 11360 and the 11920 to 12030 region

Well Heeled Traders should go long if a close over 11020 occurs





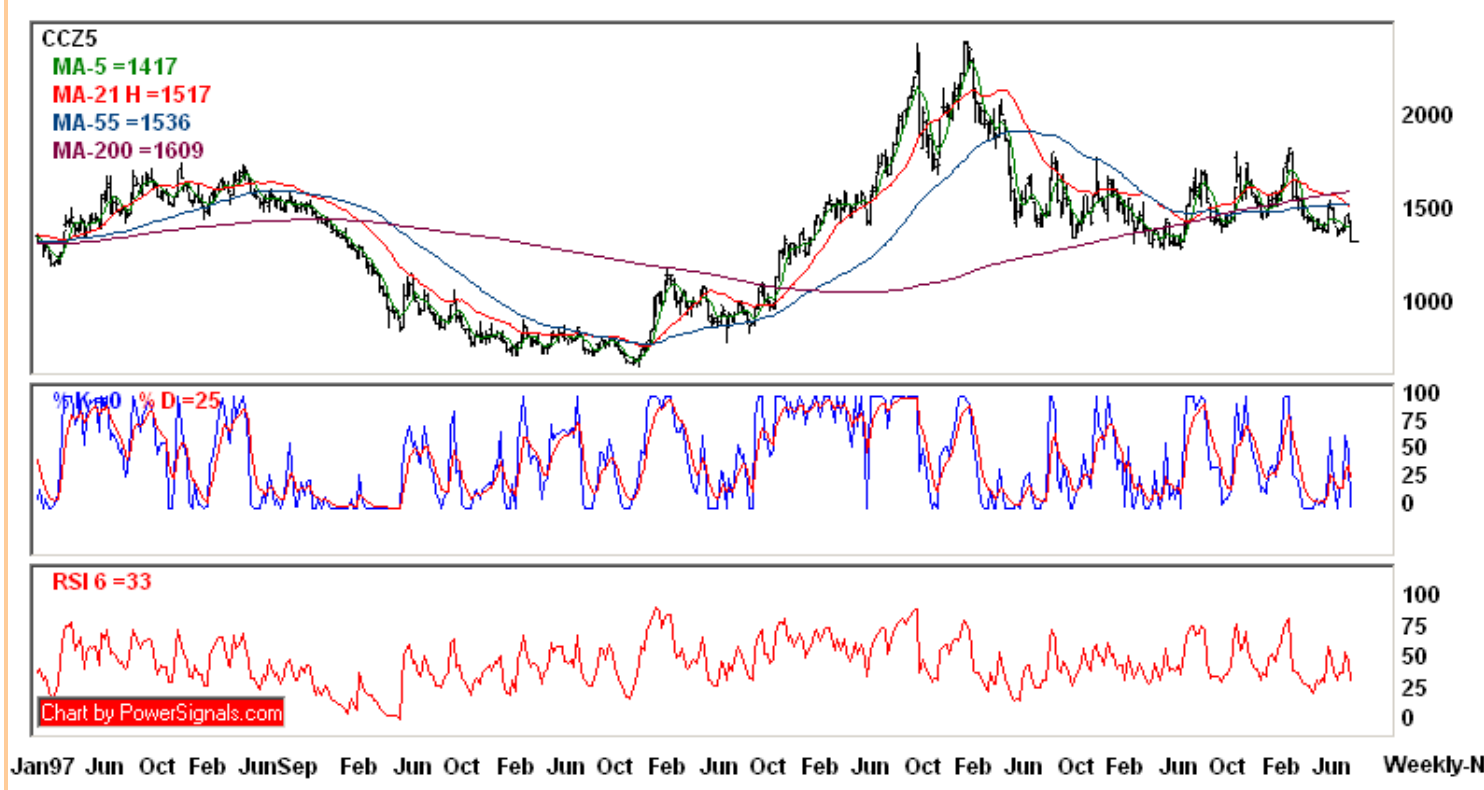


## Dec Cocoa

**Support** is at 1346 to 1334 and the 1310 to 1304 region... which should contain a decline. ... Traders can buy at 1346 for a bounce and risk a close under 1264 for three days in a row.

**Resistance** is at 1415 to 1421 and 1453 to 1459

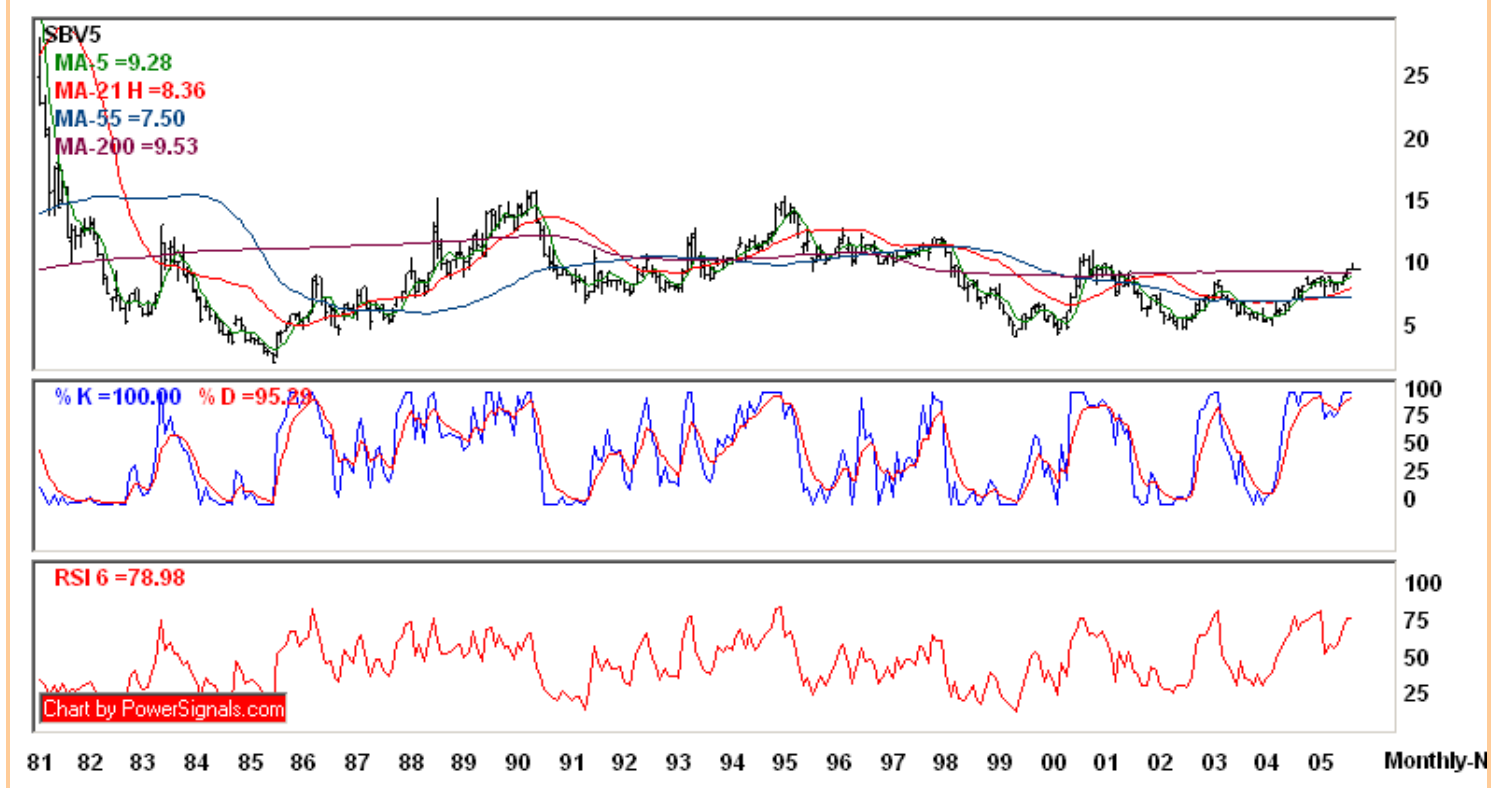


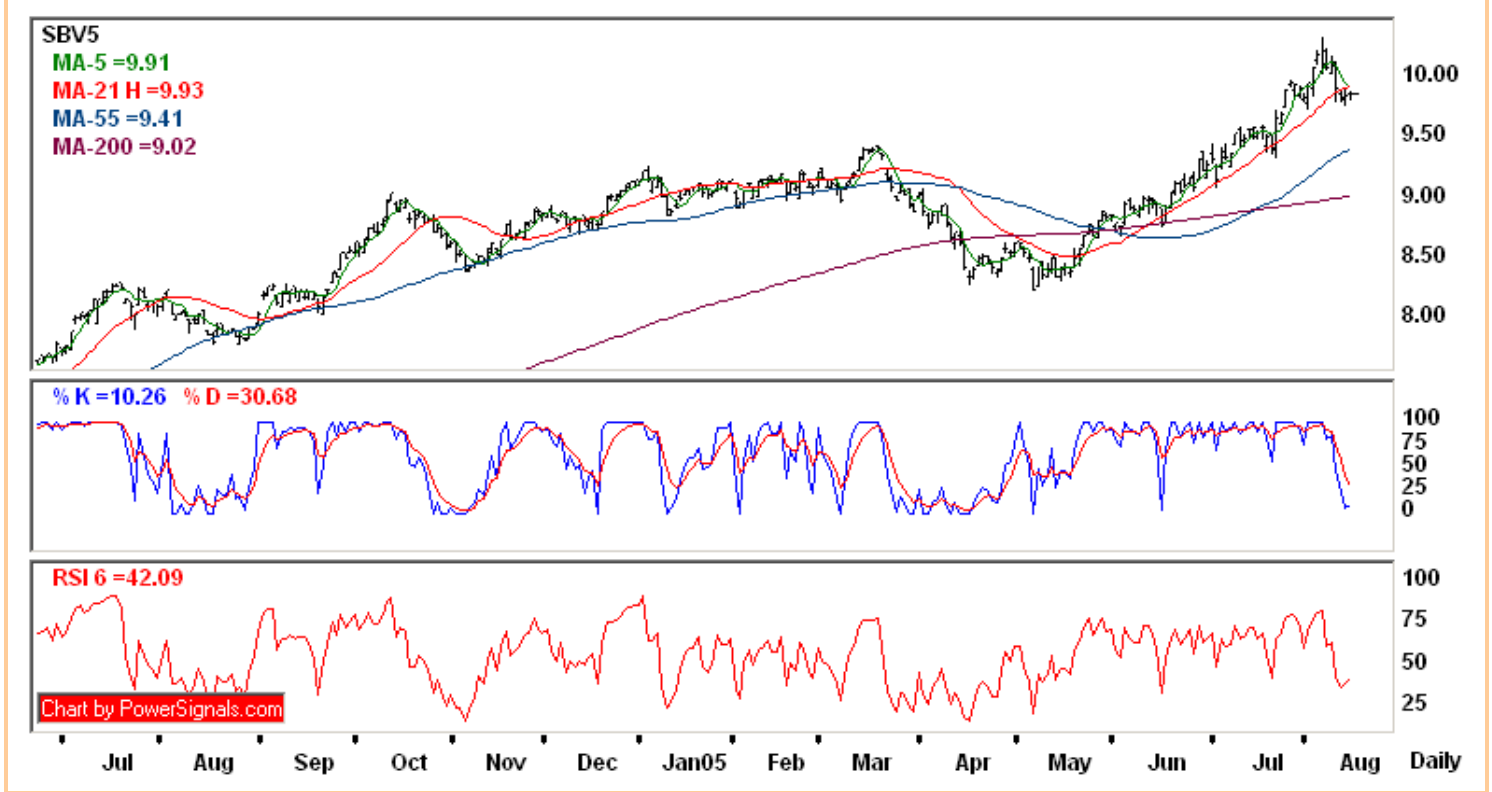


### Oct Sugar

**Support** should appear near 972 to 968 and 941 to 932, a close under is negative and augurs for a test of 912 to 907 and eventually the 882 to 877 region..

**Resistance** should appear near 1000 to 1005 and 1058 to 1068.. Beyond that ample sellers should appear near 1096 to 1101 .Traders can sell at 1095 and risk a close over 1104 for three days in row. Trade Accordingly .





### Dec Cotton

**Support** should appear near 4855 to 4845 and the 4725 to 4695 region .. Below that buyers should appear near 4445 to 4425.

**Resistance** should appear near 5055 to 5070 and 5125 to 5140 .. Traders can sell at 5045 and risk a close over 5230 for three days in a row.. Beyond that sellers should appear near 5255 to 5280 and the 5415 to 5430 region ..

Aggressive Traders should go short if a close under 4840 occurs..





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

**Happy Trading !**

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

**1-866-409-3890**

**Sunday August 14<sup>th</sup> , 2005**

**10:15 AM South Florida Beach Time**

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**BW Recommended Open Positions 8-13-2005**

Long Sept SP500 1239.70

Long Sept Mini Russell 675.6

Short 2 Dec Gold 435.8