

Bi-Weekly Investment Outlook

Saturday Sept 24th 2005 Issue # 227

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

Saturday Sept 24th 2005

4:15 AM South Florida Beach Time

The Sensational Stock and Bond Markets

No Change in posture

Dow Jones Industrial Average

Resistance should appear near 10,470.00, a close over is friendly and augurs for a test of 10,525.00 more likely the 10580 to 10680 region

Support should appear near 10,360.00 to 10,320.00 should continue to contain a decline.

Below that support should appear near 10,185.00. .





Dec SP500

Recommended open position Long 1235.10

Support should appear near the 1217.00 and the 1203.00 to 1192.00 region

Aggressive Traders can buy at 1203.10 and risk a close under 1190.40 for three days in a row..

Resistance should appear near 1232.00 to 1238.00





Nasdaq Composite

Support should appear near 2089.00 to 2080.00 and the 2042.00 to 2032.00 region. ..

Nearby Resistance should appear near 2126 to 2134 extended trade is friendly and augurs for a test of 2170 to 2185





Dec Mini Nasdaq 100

Recommended open position long 2 at 1600.70

Resistance should appear near 1609 to 1615 and 1642.00 to 1655,

Support is at 1576.00 to 1569,00 and the 1535 to 1529 region



Dec Mini Russell 2000

Recommended Open Position Long 2 at 672.5

Support is at 659.10 to 657.70 and the 643.00 to 641.70 region .. Below that 635.00 to 633.70 should contain a decline

Resistance should appear near 665.90 to 667.30, a close over is friendly and augurs for a test of 674.30 to 675.50 ...

Trade Accordingly and Stay tuned for Updates..

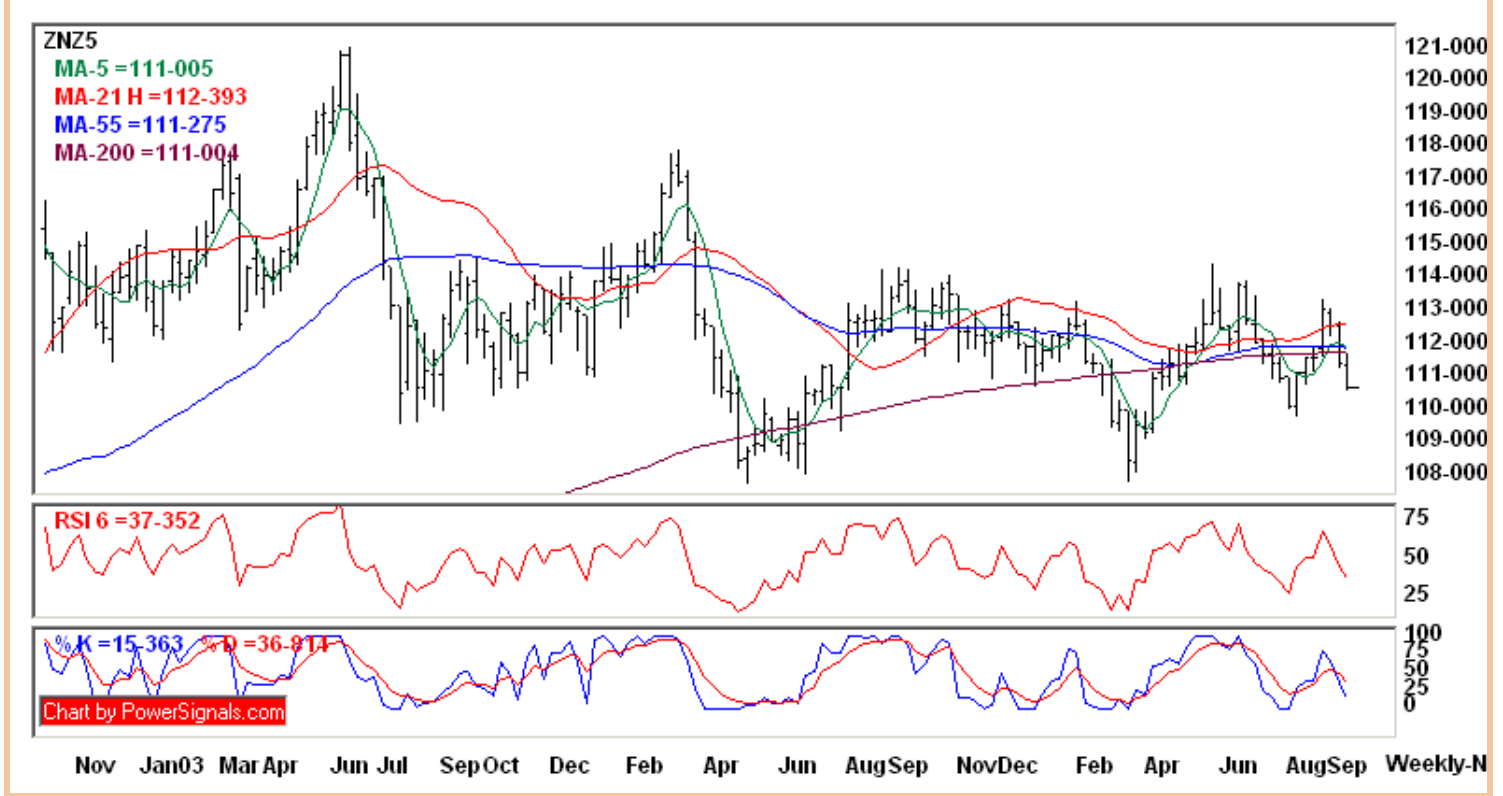




December 10 Year T-Note

Resistance should appear near 110-22 and 111-07 Beyond that sellers should appear near 111-22 and 112-07

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



December 30 Yr T-Bond

Resistance should appear near 116-22.. Beyond that a trade towards 117-07 is likely .. While a test of the 117-22 to 118-07 region should bring out sellers and cap a rally..

Support is at 114-21 , below that a test of 114-07 and 113-21.is likely to occur.. Failure there augurs for a trade to 113-07 and 112-21 which should hold for bit ..



The Frenzied Forex Front

We laid out the ideas for a strong dollar recovery in our January Economic Report and our Early 2nd half July Outlook.. To many the dollars strength in 2005 is a surprise as it continues to confuse participants who remain concerned about the U.S. current account and budget deficits , we believe Dollar bears will remain confused

There has been an enormous amount of News and Quotes (Babble) from Finance ministers , the IMF and talking heads over the last month..

On Friday, news reports were released that China had widened its trading band against non-US Dollar currencies

Initially Traders sold the dollar heavily with a knee-jerk reaction , thinking the move had been against the dollar .. and that watching news and trading off wildly will make money grow on trees .. That soon reversed itself ..

Bottom line for now is that China will extend currency reform against European and Asian currencies... Meaning Forex depreciation against those currencies and not solely against the dollar.. Beijing's Forex reform policy so far has been capping the Yuan's potential strength against the euro.. The news Friday makes room for upward Yuan potential against the euro and thus dollar against the euro

Comments from officials and former official regarding the move varied from applauding it to condemning it In think that makes sense right now," John Taylor, former U.S. Treasury undersecretary for international affairs, said when asked if the G7 nations' patient approach to China reform is the right one. "Coming off the peg is a meaningful thing to do and they've done it in a very sensible way."

While from Japan " China's latest move to widen the Yuan's trading band against non-dollar currencies doesn't make sense, and should be corrected over the long-term. " A Japanese Ministry of Finance official said Saturday.

In Euroland, the ongoing stalemate to form a government amongst Germany's 3 political parties could be a sign of things to come across other EU counties .. No doubt as elections progress elsewhere they will be watched closely and expect the babble to thicken..

The ECB last week indicated that monetary policy is appropriate with the key refinance rate at 2%.

In the meantime, the IMF has lowered its forecast for the European Union growth next year for the third time and made the following statement that supports our earlier published views....

"The consistent overestimation of the strength of the expansion in the euro area in recent years, as well as the fact that corporations as yet show little sign of investing their now substantial profits, underscore the risks of a more extended period of weakness," the IMF said.

"Notably, the lack of internal dynamism makes the euro area particularly susceptible to external shocks, including higher oil prices, a renewed sharp appreciation of the euro, or a rebound in global interest rates." "Overall, excessive monetary tightness appears a greater risk than excessive monetary ease," the IMF said.

In addition, we think the UK will lower rates again this year if not then early next year.....

In Japan , The Bank of Japan signaled that it might end its quantitative monetary easing strategy .. someday.. --But not now.--

The BOJ pretty much dashed hopes of many market participants made a case for that early this year and pile short dollars against yen with ideas that the dollar yen would go under 100.. Our view has been and it remains ..is that we are more likely to see 115 to 120 .. notwithstanding demand for Yen via China revaluations and Investment flows into Japan.. On the broader landscape, we see those items as support to Yen,

However, those reasons are not enough to alter a move to the 11320 to 11360 and perhaps 11620 to 11690.. eventually.

Reasons...We are we are beginning to see the same short dollar yen ideas tossed around now by some of the same participants who were terribly wrong for a good part of the year.. we would regard this as senseless dribble

Supporting our view , the IMF in its Semi Annual Economic outlook warned against easing the ultra-easy policy saying it "would endanger the progress that has been made in tackling deflation in recent years." "Until deflation is decisively beaten, it is important that the Bank of Japan maintain its very accommodative monetary policy stance," .. We agree ...

The G-7 finance ministers met , the following is a recap of the G-7 public statement.

The global economy, as a whole, continues to expand and the outlook is positive for further growth, supported by the containment of underlying price pressures. However, higher energy prices, growing global imbalances, and rising protectionist pressures have increased the risks to the outlook.'

- We discussed high and volatile oil prices and agreed on the key steps that need to be taken ... significant investment is needed in exploration, production, energy infrastructure, and refinery capacity ... oil producing countries should ensure a favorable investment climate, open markets with transparent business practices, and stable regulatory frameworks ... subsidies and artificial price caps which constrain the price of oil and oil products have an adverse effect on the global market and should be avoided.

- The challenge of addressing global imbalances over the medium term is a shared responsibility of the international community and must be undertaken in a way that maximizes sustained growth ... Vigorous action is needed to address global imbalances and foster growth; further fiscal consolidation in the United States; further structural reforms in Europe; and further structural reforms, including fiscal consolidation, in Japan.

- An ambitious outcome from the Doha Round by the end of 2006 is essential to enhancing global growth and poverty reduction.

- We reaffirm that exchange rates should reflect economic fundamentals. Excess volatility and disorderly movements in exchange rates are undesirable for economic growth ... We welcome the recent decision by the Chinese authorities to pursue greater flexibility in their exchange rate regime. We expect the development of this more market-oriented system to improve the functioning and stability of the global economy and the international monetary system.

- We welcome the Managing Director's strategic review of the IMF and agree that maximizing the benefits while limiting the challenges of globalization should be a defining principle for the activities of the IMF. The increased integration of economies and the larger scale of private capital flows are critical to defining the priorities for the IMF.

- We reaffirmed our support for the G8 proposal on debt relief for Heavily Indebted Poor Countries We call upon all shareholders of the (World Bank arm) IDA, African Development Fund, and IMF (International Monetary Fund) to expeditiously complete and implement this historic and crucial initiative.

We remain committed to fully financing this relief on a fair burden share basis and stand prepared to demonstrate our Gleneagles financial commitments consistent with our individual budgetary and parliamentary systems. For the IMF, the G8 will provide approximately 150 million dollars We are committed, on a fair burden share basis, to cover the costs of countries that may enter the HIPC process based on their end-2004 debt burdens.

- The tragic events in London in July remind us of the continued threat posed by terrorism. As such, we renewed our commitment to fight terrorist financing through strengthening our asset freezing systems and actions, enhancing information sharing, and considering multilateral financial tools to disrupt criminal and illicit activity..”

To sum it all up , No change in trading posture .. Stay tuned for Updates and Flashes
On to more of the nitty gritty..

Dec Yen

Resistance should appear near 9044 to 9060, Traders can sell at 9037 for a turn lower and hold for lower prices.. Beyond that resistance should appear near the 9140 to 9156 region..

Support should appear near 8964 to 8934 and the 8777 to 8762 region. Below that buyers should appear near 8683 to 8668 and contain a decline ..

Trade accordingly .





Dec Euro Currency (EC)

Support should appear at 12030 to 11920 region. A close under augurs for a trade towards 11805...

Resistance should appear near 12175 and 12320 to 12380.. Traders can sell at 12174 for a turn lower, initially plan on risking a close over 12252 for three days in a row..





Dec Swiss Franc

Resistance should appear near 7836 to 7864 and the 7939 to 7954 region .. Traders can sell at 7937 and hold for lower prices..

Support should appear near 7777 to 7763, below that a test of the 7689 to 7675 region is likely.

Trade Accordingly





December British Pound

Support should appear near 17740 and 17560, an extended trade or close under augurs for an eventual test of 17380 to 17310

Resistance should appear near 17940 and 18080 to 18220 .. Traders can sell at 18072 and risk a close over 18236 for three days in a row.





Dec Canadian Dollar

Resistance should appear 8589 and the 8668 to 8683 region

Support is at 8499 to 8484, a close under is negative and augurs for a test of 8406 to 8391 and most likely the 8314 to 8300 region..





Dec Aussie Dollar

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

Resistance should appear near 7587 to 7601 and the 7664 to 7689 region.

Traders can sell at 7587 for turn lower and risk a close over 7642 for three days in a row.

Stay tuned for updates..





Precious Metals

Dec Gold

Resistance should appear at 469.5 to 471.7 and the 477.5 to 478.5 region

Support is at 458.2 to 457.0 and 451.4 to 450.2





Dec Copper

Support should appear near 16960 to 16890 and the 16550 to 16420 region ,A slip under is negative and augurs for a test of 16150 to 16090

Resistance should appear near 17310 to 17380 and the 17740 to 17800 region.. Beyond that sellers should appear near 18080 to 18220 which should cap a rally.. Traders can sell at 18070 for a turn lower risk a close over 18680 for three days in a row. .





Dec Silver

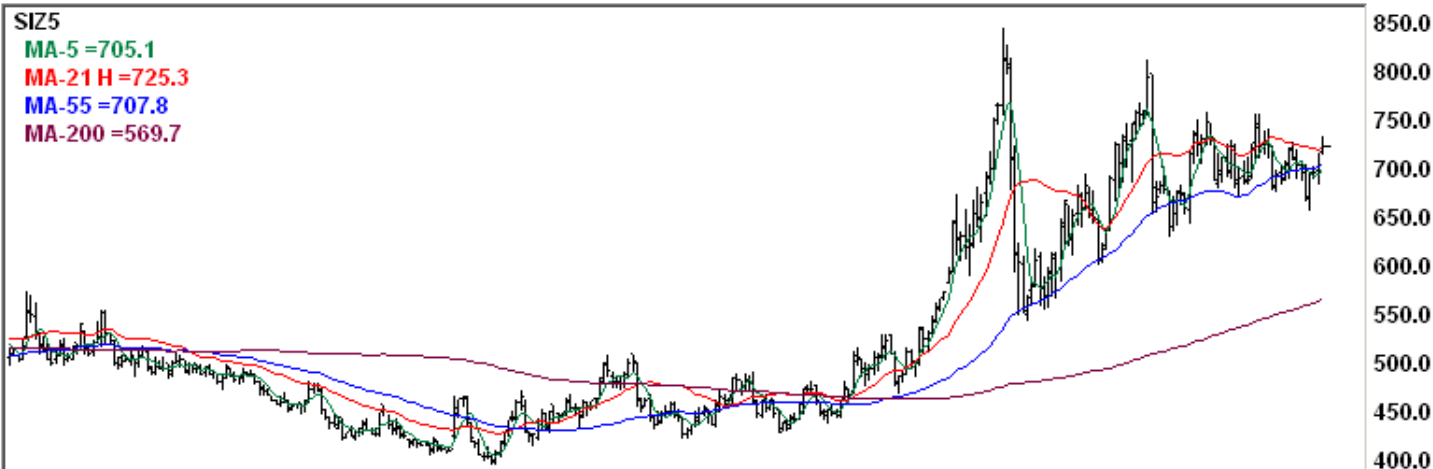
Support should appear near 7170 to 7140. A close under augurs for a test of 670.5 to 699.0 and eventually the 692.0 to 690.5 region .

Resistance is at 741.5 to 742.5 .and the 748.5 to 751.5 region. Beyond that sellers should appear near 758.5 to 760.5 and the 776.5 to 777.5 region. Which should cap a rally..

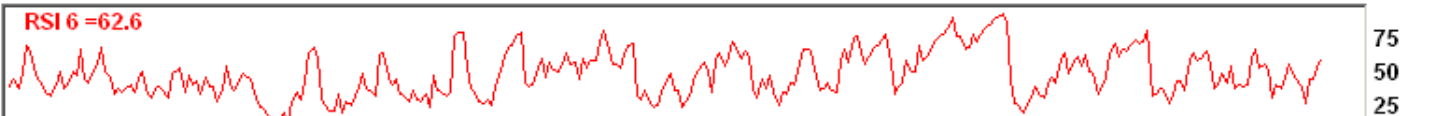


SIZ5

MA-5 =705.1
MA-21 H =725.3
MA-55 =707.8
MA-200 =569.7



RSI 6 =62.6



% K =98.7 % D =65.7

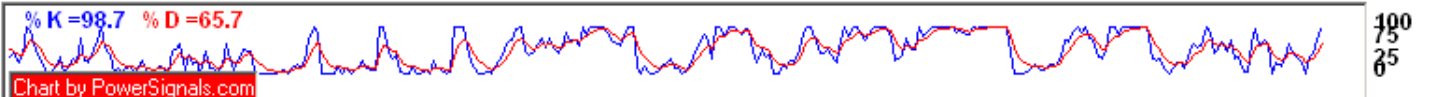
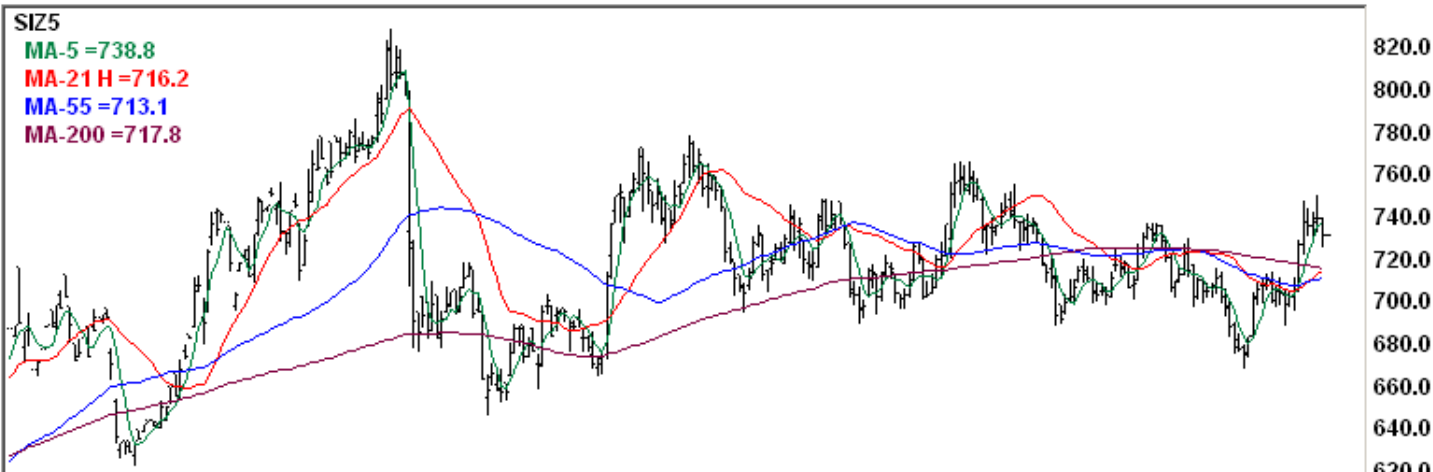


Chart by PowerSignals.com

A O J00 A J O J01 A J O J02 A J O J03 A J O J04 A J O J05 A J Weekly-N

SIZ5

MA-5 =738.8
MA-21 H =716.2
MA-55 =713.1
MA-200 =717.8



RSI 6 =62.6



% K =80.5 % D =91.4

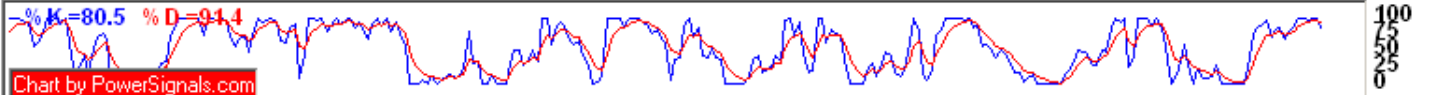


Chart by PowerSignals.com

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

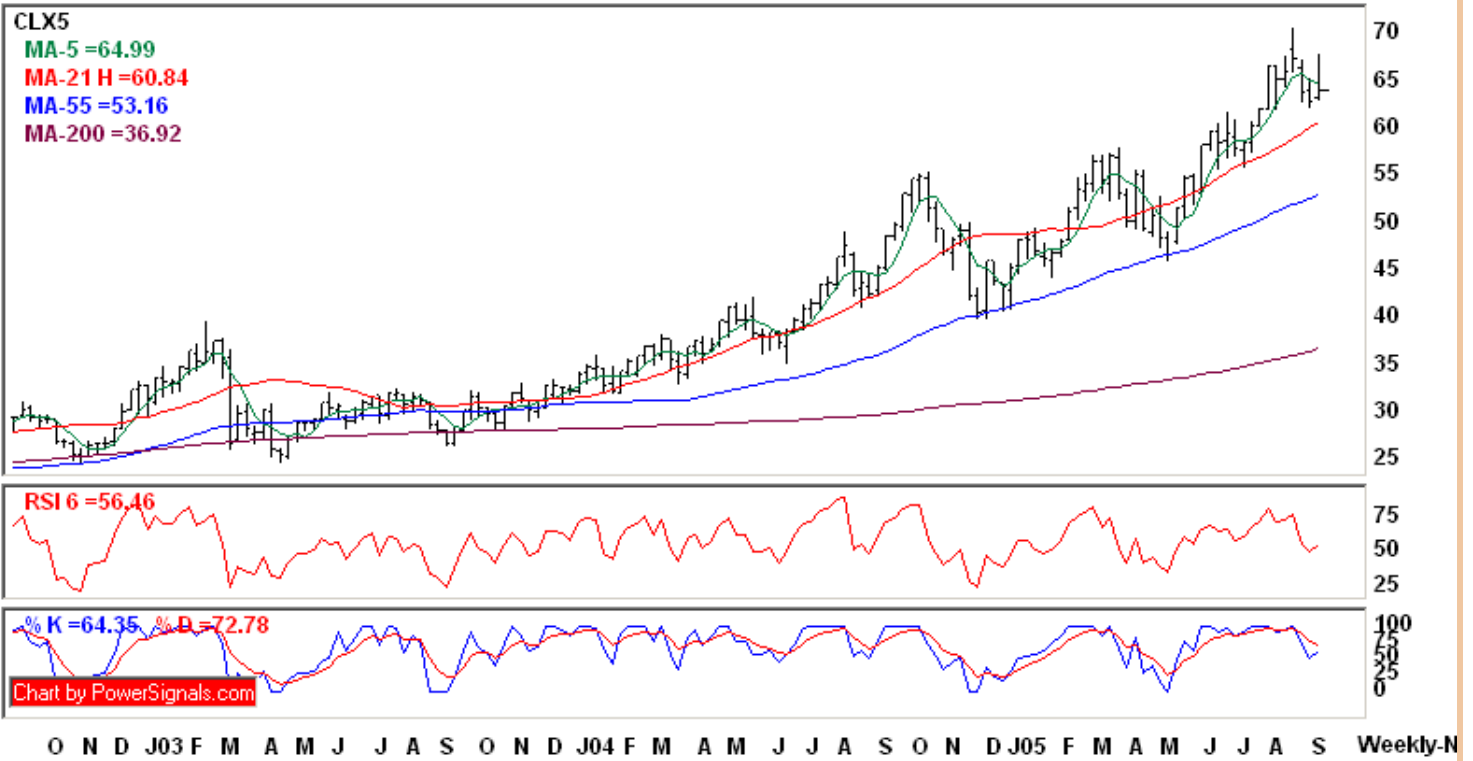
The Exciting Energies

Nov Crude Oil

Resistance should appear near 6483 to 6509 and the 6577 to 6591 region which should cap a rally for a bit.. beyond that sellers should become evident near 6659 to 6673 and the 6743 to 6755 region.

Support should appear near 6350 to 6337 and 6270 to 6257 .. Below that 6113 to 6101 should contain a decline for a bit





Nov Unleaded Gas

Resistance should appear near 20340 to 20420 and 20800 to 20880 region. Beyond that sellers should appear near 21260 to 21340 and the 21700 to 21850 region , which should cap a rally ..

Support should appear near 19090 to 19020 and the 18220 to 18080 region.. Below that buyers should appear near 17800 to 17740.





Nov Heating Oil

Resistance should appear near 19920. Beyond that 20340 to 20420 and the 21260 to 21340 region should bring out sellers and cap a rally..

Support should appear near 18650 to 18580 and the 18220 to 18080 region... .





The Lively Livestock

Dec Cattle

Support should appear near 8682 to 8667 and the 8687 to 8562 region.. Below that a test of 8407 to 8392. is likely.

Resistance is at 9042 to 9062 and 9317 to 9347 .. Beyond that 9707 to 9737 should cap a rally..



Dec Hogs

Support is 6117 to 6102 and the 6037 to 6022 region, a close under augurs for a test of 5882 to 5852 and eventually the 5732 to 5717 region.. Which should hold..

Resistance is at 6337 to 6353 and the 6417 to 6432 region.. Above that sellers should appear near 6657 to 6672 and cap a rally.. Stay tuned for Flashes and Updates

Traders should go short if a close under 6252 occurs..



February Pork Bellies

Resistance should appear near 9042 to 9062 and the 9137 to 9157 region .

Support is at 8587 to 8562 and the 8317 to 8302 region



The Grande' Grains

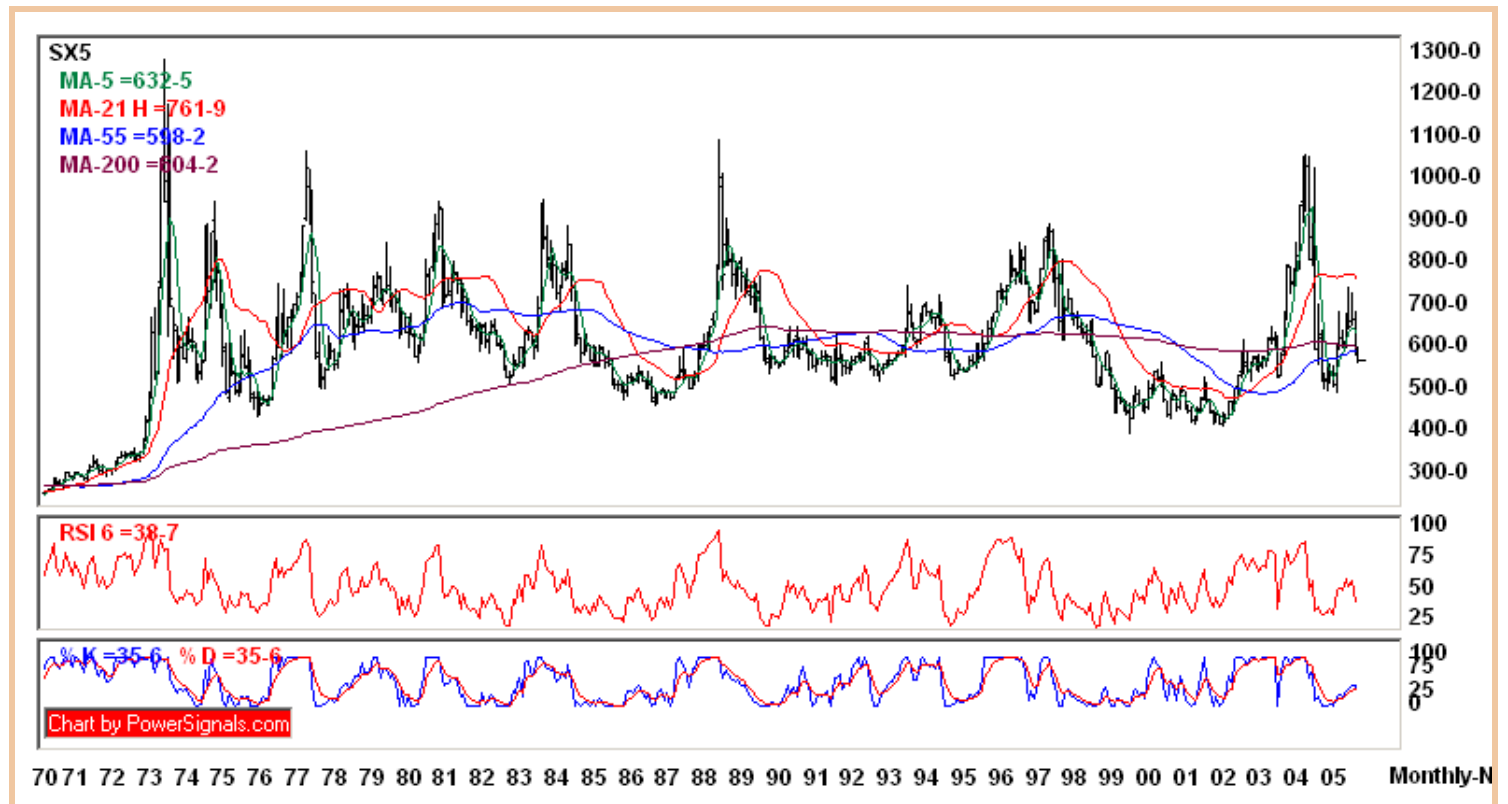
November Soybeans

Resistance at 579 $\frac{1}{4}$ to 580 $\frac{1}{2}$ and 575 $\frac{1}{2}$ to 588 . Beyond that sellers should appear near 602 $\frac{1}{4}$ to 603 $\frac{1}{2}$ and the 610 $\frac{1}{4}$ to 611 $\frac{1}{2}$ region

Traders can sell at 578 $\frac{3}{4}$ and risk a close over 588 $\frac{3}{4}$ for three days in a row..

Support should appear near 572 $\frac{3}{4}$ to 571 $\frac{3}{4}$ region.. Below that a test of 565 $\frac{1}{4}$ to 564 is likely while buyers should appear near 557 $\frac{3}{4}$ to 555 $\frac{1}{4}$ and the 543 to 541 $\frac{3}{4}$ region.. and contain a decline..

Trade Accordingly and stay tuned for updates.







Dec Soymeal

Support should appear near 173.8 to 173.1 , a close under is negative and augurs for a test of 169.6 to 168.and eventually the 165.5 to 164.2 region.. Below that buyers should appear near 161.5 to 160.9

Resistance should appear near 177.4 to 178.0 and the 180.8 to 182.2 region Traders can sell at 180.7 and risk a close over 186.9 for three days in row.. Beyond that resistance should appear near 190.2 to 190.9 and cap a rally..

Traders should go short if a close under 172.9 occurs





Dec Soybean Oil

Resistance should appear near 2322.. Beyond that sellers should appear near 2354 to 2370 and the 2411 to 2419 region.

Support should appear near 2275 to 2267 , a close under augurs for a test of 2226 to 2219 and eventually the 2185 to 2170 region..

Traders should go short if a close under 2264 occurs





Dec Corn

Resistance should appear near 208 to 208 $\frac{3}{4}$ and the 212 $\frac{3}{4}$ to 213 $\frac{1}{2}$ region .. Beyond that sellers should appear near 217 to 218 $\frac{1}{2}$ and the 221 $\frac{3}{4}$ to 222 $\frac{3}{4}$ region. Traders can sell at 212 $\frac{1}{2}$ and hold for lower prices.. risk a close over 223 $\frac{1}{4}$ for three days in a row.

Support is at 204 $\frac{1}{4}$ to 203 $\frac{1}{2}$ and 199 $\frac{3}{4}$ to 198 $\frac{1}{4}$.. Below that buyers should appear near the 190 $\frac{3}{4}$ to 190 $\frac{1}{2}$. Region.







Dec Wheat

Resistance should appear near $342 \frac{1}{2}$ to $344 \frac{1}{4}$. Beyond that sellers should appear near $349 \frac{1}{4}$ to $350 \frac{1}{4}$ and the $355 \frac{1}{4}$ to $356 \frac{1}{4}$ region.. which should cap a rally..

Support should appear near $332 \frac{3}{4}$ to $331 \frac{3}{4}$ and 327 to $326 \frac{1}{4}$..Traders can buy at $327 \frac{1}{2}$ and hold for higher prices Below that support should appear near $321 \frac{1}{4}$ to $319 \frac{1}{2}$.Traders can buy at $321 \frac{1}{4}$ for a good bounce and risk a close under $314 \frac{1}{4}$ for three days in a row.

Trade Accordingly and stay tuned for Updates..

WZ5

MA-5 =323.8
MA-21 H =356.6
MA-55 =320.4
MA-200 =337.5



WZ5

MA-5 =317.9
MA-21 H =331.3
MA-55 =315.1
MA-200 =330.9





The Satisfying Softs

Dec 'The Monster' Coffee

Support should appear near 9155 to 9140 and the 9060 to 9045 region which should contain a decline for a bit.. Below that buyers should appear near 8965 to 8935 and the 8780 to 8760 region.. Traders can buy at 8970 and hold for higher prices..

Resistance should appear near 9314 to 9345, a close over is friendly and augurs for a test of 9525 to 9540 .. Beyond that sellers should appear near 9705 to 9735 and the 9820 to 9835 region which should cap an early rally..

Aggressive traders should go long if a close over 9245 occurs.

We want to continue to probe the long side of Coffee especially on weakness as September progresses with longs assumed as we enter October Traders should stay tuned for updates..





Dec Cocoa

Support is at 1346 to 1334 and 1310 to 1304 .Below that a test of 1274 to 1268 is likely

Resistance is at 1377 to 1383 and 1415 to 1421





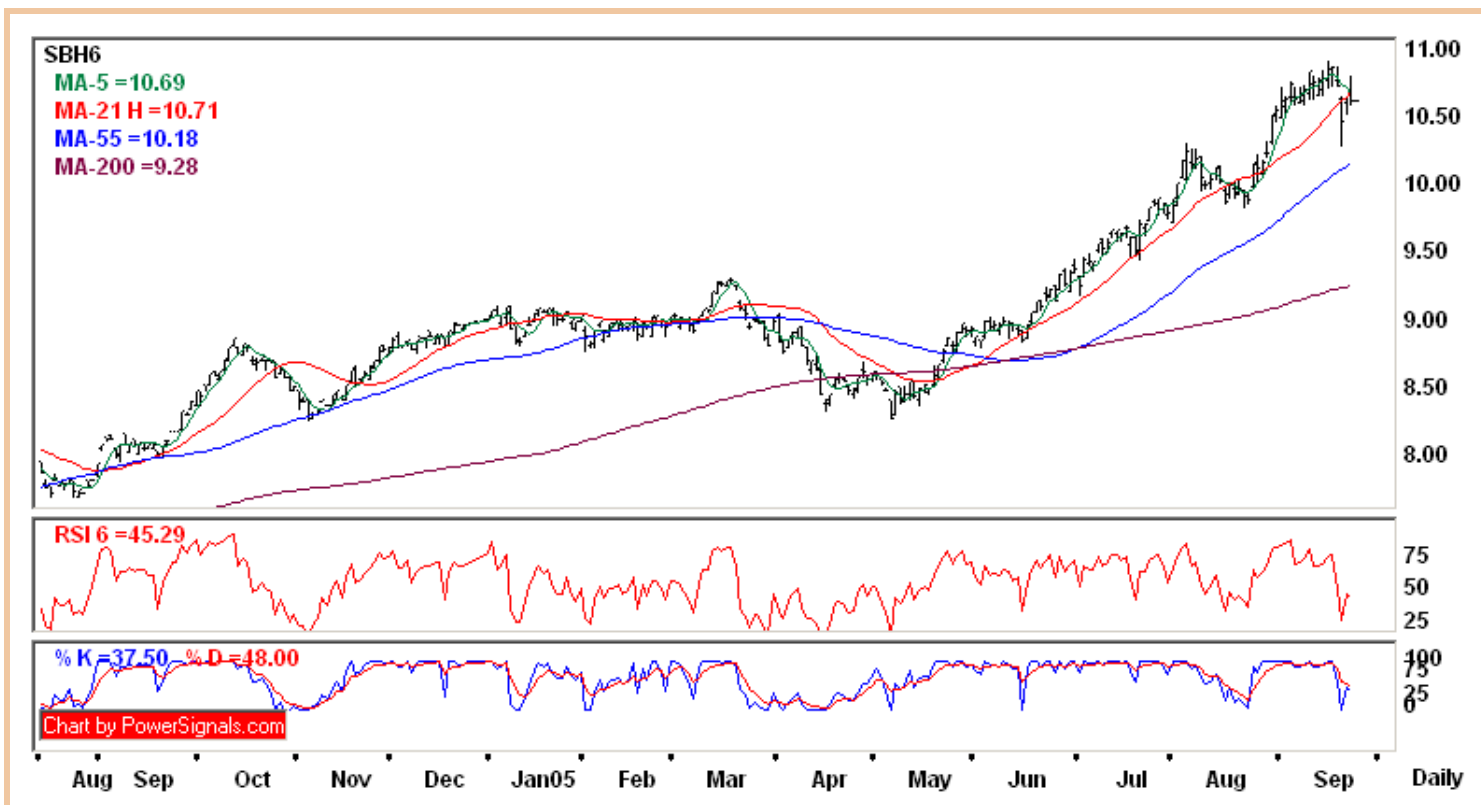
March Sugar

Support should appear near 1058 and 1036 to 1032 ..a close under is negative and augurs for a test of 1005 to 1000 and most likely the 972 to 968 region.

Resistance should appear near 1068 and 1096 to 1101.. Beyond that 1130 to 1136 should cap a rally.

Trade Accordingly .





Dec Cotton

Support should appear near 5070 to 5055 . Below that buyers should appear near 4925 to 4915 and the 4855 to 4845 region.

Resistance should appear near 5125 to 5140 and 5200 to 5210 .. Beyond that sellers should appear near 5260 to 5286 and the 5345 to 5355 region.



CTZ5

MA-5 =48.51

MA-21 H =51.17

MA-55 =48.65

MA-200 =51.47



85
80
75
70
65
60
55
50
45
40
35
30

RSI 6 =51.16



100
75
50
25

% K =32.90 % D =25.87



100
75
50
25
0

Chart by PowerSignals.com

Oct Jan00 Apr Jul Sep Dec Mar Jun Sep Dec Mar Jun Sep Dec Mar Jun Sep Dec Mar Jun Sep Weekly-N

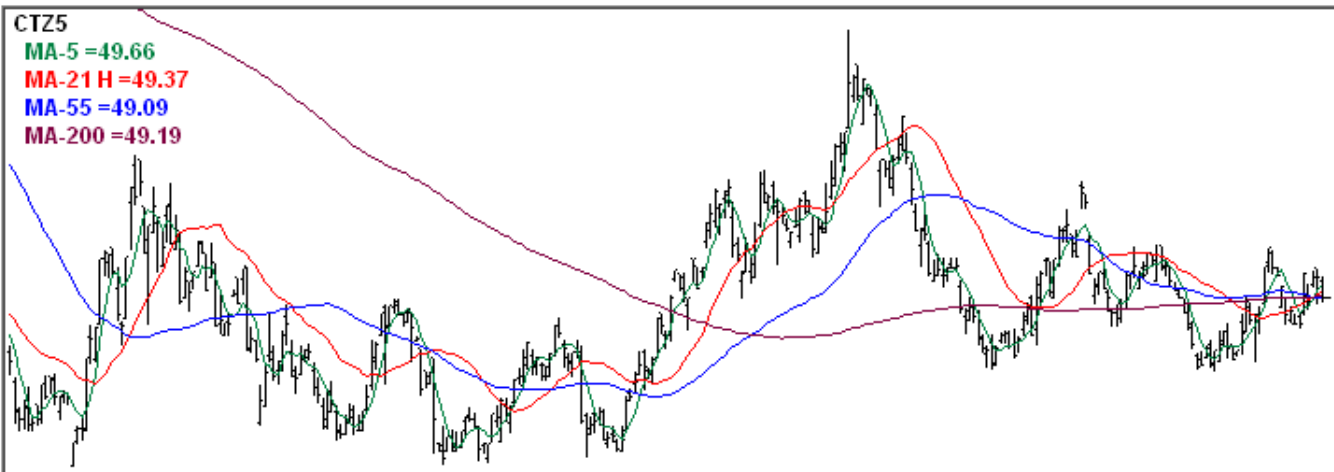
CTZ5

MA-5 =49.66

MA-21 H =49.37

MA-55 =49.09

MA-200 =49.19



60
58
56
54
52
50
48
46
44
42

RSI 6 =48.51



75
50
25

% K =35.58 % D =46.73



100
75
50
25
0

Chart by PowerSignals.com

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



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 Sept 25th 2005

9:15 AM 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 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.

FuturesCom Investment Publications © copyright 1996 – 2005 all rights reserved [Terms](#)

BW Recommended Open Positions 9-24-2005

Long Dec SP500 1235.10

Long 2 Dec Mini Nasdaq 1600.70

Long 2 Dec Mini Russell 672.50