

## Bi-Weekly Investment Outlook

**Saturday Nov 5<sup>th</sup> 2005 Issue # 230**

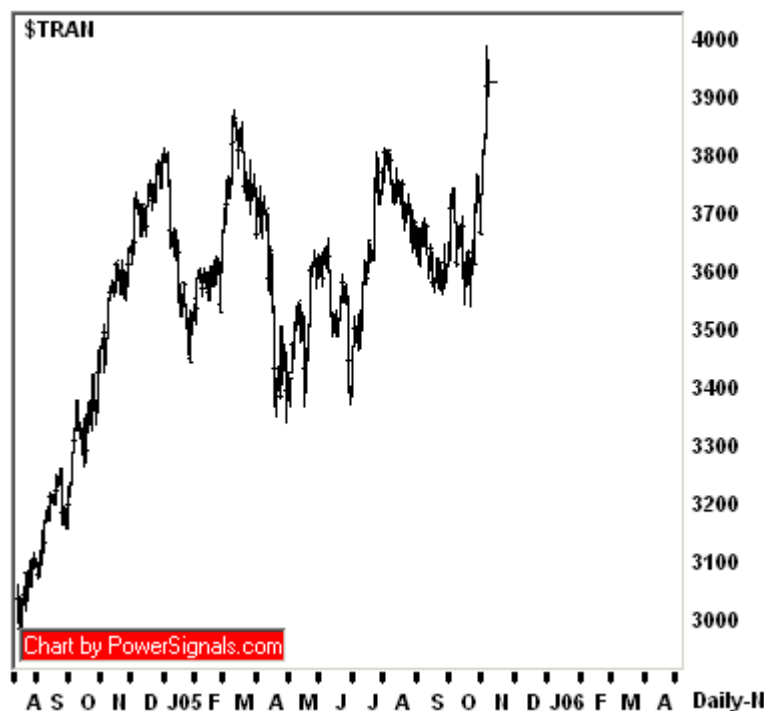
"Observation. experience, memory and mathematics--These are what a successful trader must depend on. He Must not only observe accurately but remember at all times what he has observed. He cannot bet on the unreasonable or on the unexpected, however strong his personal convictions maybe about man's unreasonableness or however certain he may feel that the unexpected happens very frequently. He must bet always on probabilities--that is try to anticipate them. Years of practice at the game, of constant study, of always remembering, enables the trader to act when the unexpected happens as well as when the expected comes to pass. A man can have great mathematical ability and unusual power of accurate observation and yet fail in speculation unless he also possesses the experience and memory "--Reminiscences of a Stock operator- 1929

**Saturday Nov 5<sup>th</sup> 2005**

**3:00 AM South Florida Beach Time**

Markets sometimes do exactly the opposite of what many think

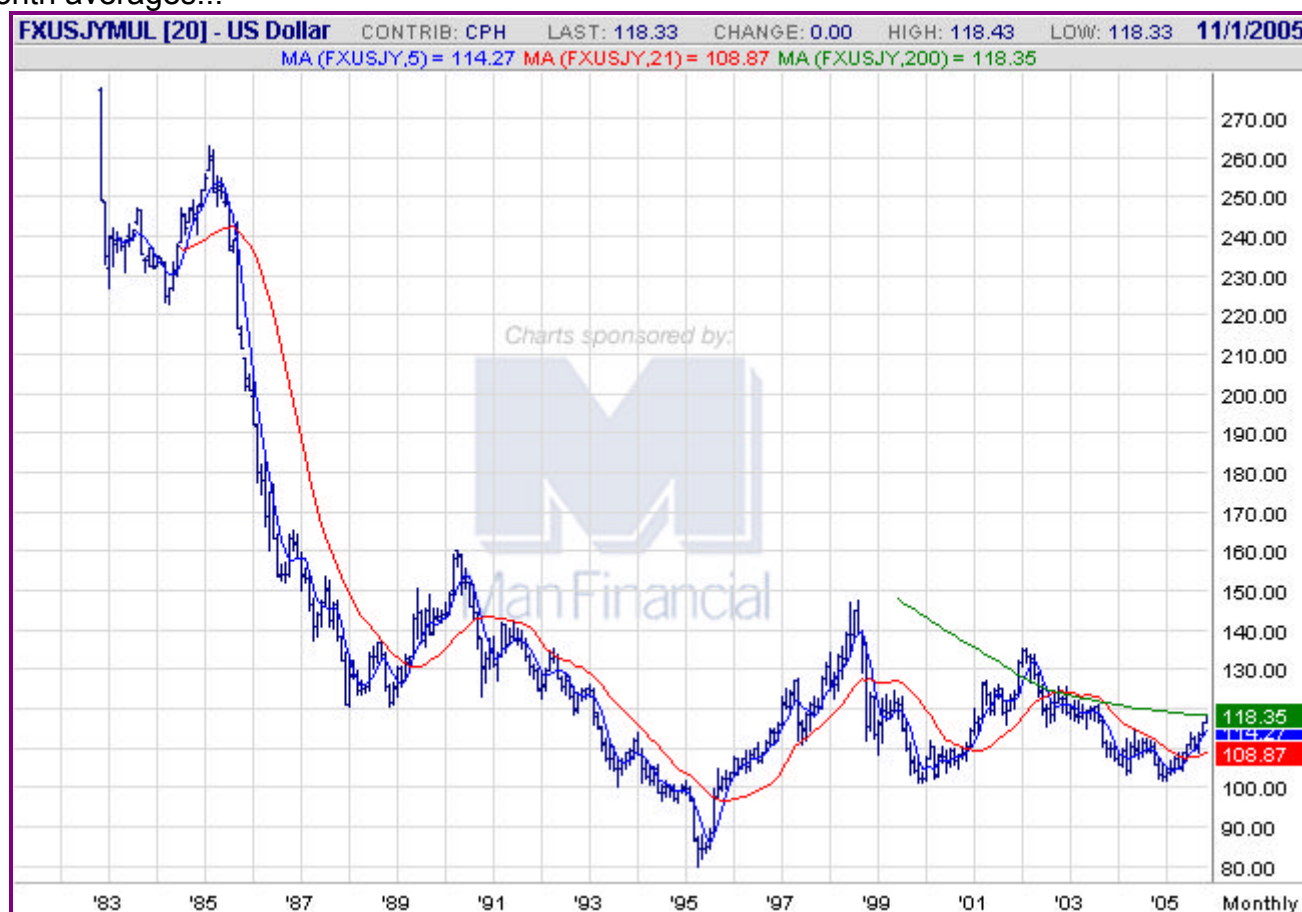
From Katrina's Panic top in Unleaded (BW #226) has led to an 'end run up' in the Dow Transport index over the last Six Trading sessions ...Traders should note that From the Aug 31<sup>n</sup> High Sept Unleaded to the Oct 31<sup>st</sup> Low Nov Unleaded the price decline was \$1.41 a gallon or 48.5 % which is pretty ugly .. Will it come back ? Only the market knows.. However, usually a bottom will be similar in nature to a top and we have yet to see that...Typically Unleaded makes a low in Early December



Meanwhile The Dollar/ Yen is making the move we spoke about from some time ago (most recently in BW #227) a move that defied the predictions of many of the 'Expert Economists'



We suspect there are a lot Corporate Hedge accounts and Speculators are 'upside down' in dollar hedges. and the dollar strength has caught many shorts with their pants down so to speak. In addition since we are approaching year-end the panic may only beginning. The yen is now near its long term 200 month moving average. We feel most of the currencies we follow will eventually hit their 200 month averages...



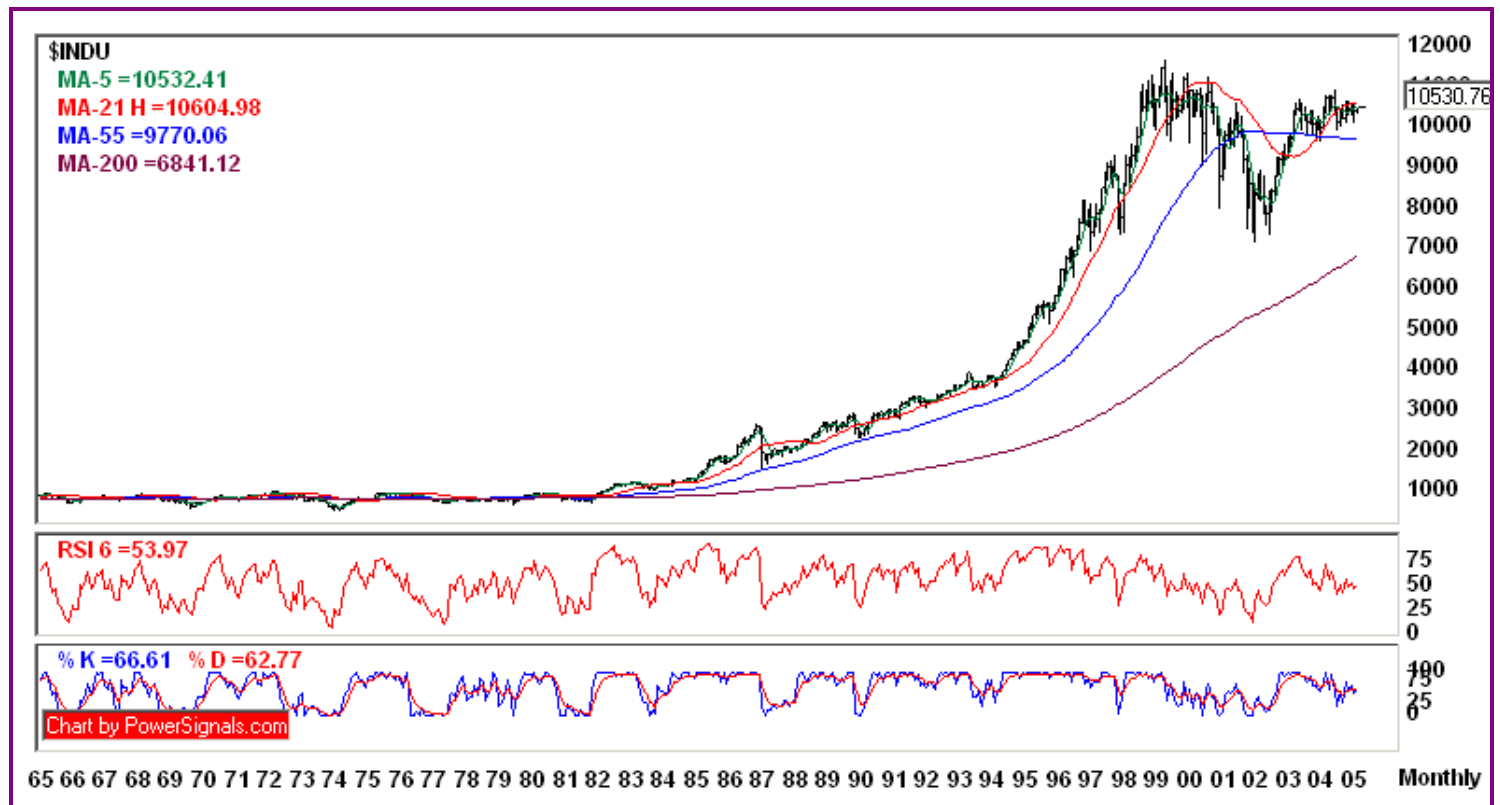
No change in Current Trading posture across the board. Traders should stay tuned for updates and additional commentary in all markets On to the Nitty Gritty

# The Sensational Stock and Bond Markets

## Dow Jones Industrial Average

**Resistance** should appear near the 10580.00 to 10680.00 region ..A close over is friendly and augurs for a test of 10,820 and eventually the 10,960 to 11,010 region

**Support** should appear near 10,470 and the 10360 to 10320 region. .Below that buyers should appear near the 10,136.00 to 10,104.00 region .





## Dec SP500

Recommended open position Long 2 at 1219.10

**Support** remains at 1217.50 and 1203.00 to 1192.00

**Resistance** should appear near 1232.00 to 1238.00 , a close over is friendly and augurs for an eventual test of 1253.00.

SPZ5

MA-5 =1215.98  
MA-21 H=1203.35  
MA-55 =1212.97  
MA-200 =1202.18



SPZ5

MA-5 =1199.08  
MA-21 H=1230.49  
MA-55 =1195.71  
MA-200 =1067.37





## Nasdaq Composite

**Support** should appear near 2134 to 2126 and 2089 to 2080.00..

**Resistance** should appear near 2170 to 2185, an extended trade or close over augurs for an eventual test of 2219 to 2226 region .. Which now appears to be more likely than not..

Trade Accordingly





### Dec Mini Nasdaq 100

Recommended open position long at 1598.50

**Resistance** should appear near the 1642.00 to 1655.00 region Beyond that a trade towards the 1689 to 1696 region is likely..

**Support** should appear near 1615 to 1609 and 1592.5 .. Below that, 1576 to 1569 should hold.. ..

Traders can buy at 1593.00 for a good turn higher and risk a close under 1567 for three days in a row.

Aggressive Traders should go long if a close over 1657 occurs









### Dec Mini Russell 2000

Recommended Open Position Long 2 at 672.5

**Support** is at 659.10 to 657 and the 650.90 to 648.30 region .. Below that, buyers should appear near 643.00 to 641.70 and the 635.00 to 633.670 region.. which should hold.

**Resistance** should appear near 665.90 to 667.30., a close over is friendly and augurs for a test of 674.40 to 675.50 and eventually the 680.90 to 683.60 region.. Above that 690.60 to 691.90 offers resistance...





### December 10 Year T-Note

**Resistance** should appear near 108-07 and 108-21 Beyond that sellers should appear near 109-07 and 109-21 and cap a rally..

**Support** at 107-21 Below that a test of 107-07 and the 106-21 to 106-07 region is likely.



### December 30 Yr T-Bond

**Resistance** should appear near 111-07 and 111-21 .. Beyond that a trade towards 112-07 is likely .. While a test of the 112-21 to 113-07 region should bring out sellers and cap a rally..

**Support** is at 110-07 and 109-21 Failure there augurs for a trade to 108-21 and 108-07, which should hold for bit .. Below that buyers should appear near 107-21 and 107-07



## The Frenzied Forex Front

### Dec Yen

**Resistance** should appear near 8560 to 8589 , Beyond that sellers should appear near 8667 to 8683 region ..Traders can sell at 8662 for a turn lower and risk a close over 8691 for three days in a row..

**Support** should appear near 8499 to 8484 .. below that a test of 8406 to 8391 and the 8314 to 8300 region is likely.. Traders should go short if a close under 8481 occurs..  
Stay tuned for Flashes and Updates..



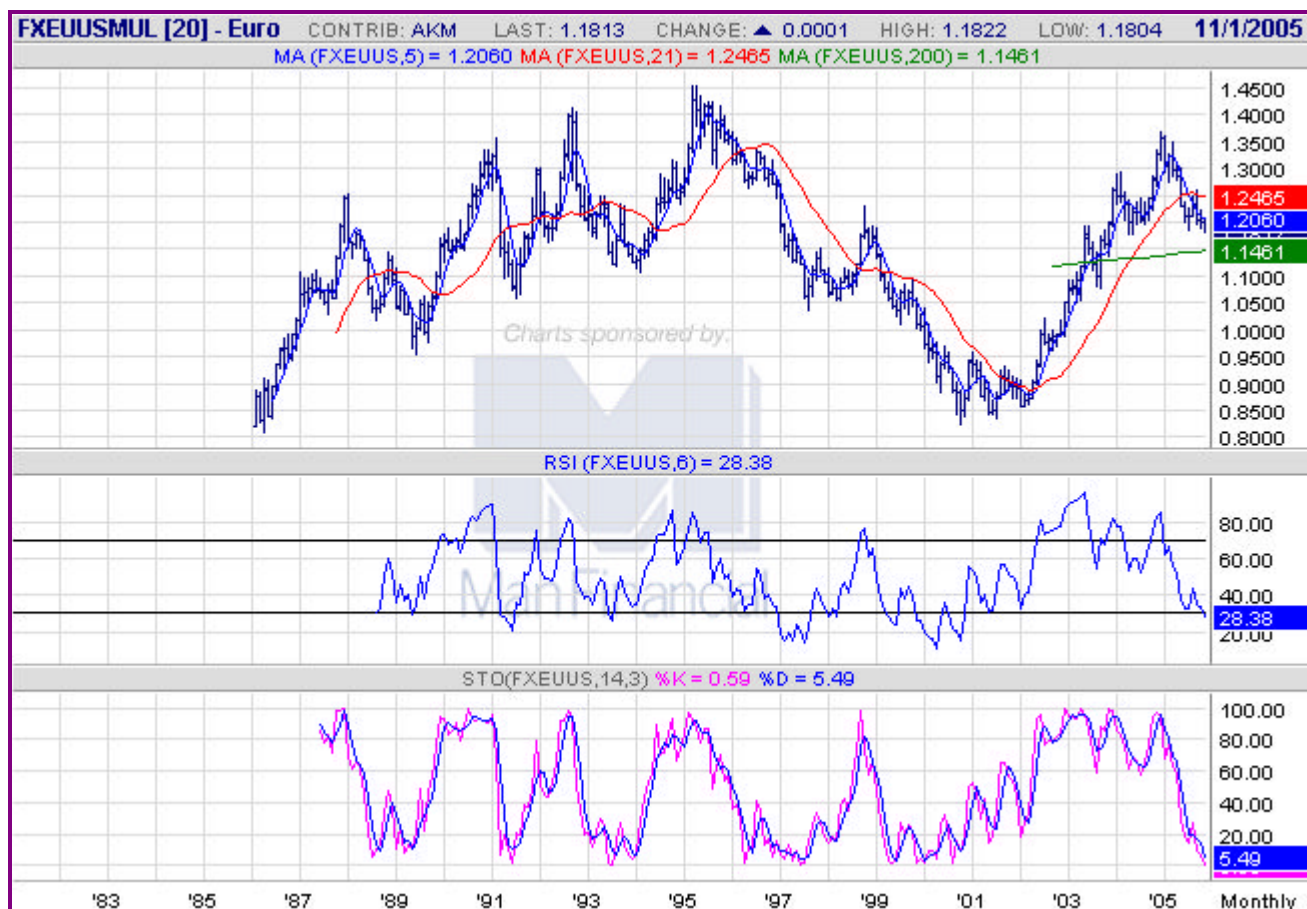


## Dec Euro Currency (EC)

Recommended open Position Short at 11970

**Support** should appear at 11805. and the 11690 to 11640 region.

**Resistance** should appear near 11920 to 11975 and 12030







### Dec Swiss Franc

Recommended open position Short 2 at 7811 avg

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

**Nearby Support** should appear near 7675 ..an extended trade or close under augurs for a test of 7601 to 7587 and eventually the 7513 to 7486 region Trade Accordingly ..







## December British Pound

Recommended open position Short at 17435

**Support** should appear near 17380 to 17310

**Resistance** should appear near 17740 to 17810





### Dec Canadian Dollar

**Resistance** should appear near 8484 to 8499 and the 8560 to 8589 region  
**Support** is at 8406 to 8391 and the 8314 to 8300 region..





### Dec Aussie Dollar

**Support** should appear near 7270 to 7257 and the 7170 to 7143 region .. Below that a test of 7088 to 7074 is likely

**Resistance** should appear near 7328 to 7342 and the 7414 to 7428 region ...Traders can sell at 7412 and hold for lower prices.. Beyond that sellers should appear near 7486 to 7513 and cap a rally





## Precious Metals

### Dec Gold

**Resistance** should appear at 463.9 to 465.0 and the 469.5 to 471.7 region

**Support** is at 458.2 to 457.1 and the 451.4 to 450.3 region .. Below that a test of 444.6 to 442.5 is likely..





## Dec Copper

**Support** should appear near 18220 to 18080, a close under augurs for a test of 17800 to 17740 and eventually the 17380 to 17310 region

**Resistance** should appear near 18580 to 18650 region.. Beyond that sellers should appear near 19020 to 19090 beyond that 194.6 to 19530 should cap a rally..

Aggressive traders should go short if a close under 180.70 occurs







## Dec Silver

**Support** should appear near 751.5 to 748.5 and 742.5 to 741.5.. Below that buyers should appear near the 734.5 to 732.5 region

**Resistance** is at 767.5 to 768.5 and the 776.0 to 777.5 783.0 region





# The Exciting Energies

## Dec Crude Oil

**Resistance** should appear near 6101 to 6113 and the 6337 to 6350 region , which should cap a rally for a bit.. beyond that sellers should become evident near 6483 to 6509 the 6577 to 6591 region.

**Support** should appear near 6035 to 6023 and the 5880 to 5855 region. Which should contain a decline for a bit .. However a slip under augurs for a test of 5720 to 5716 and the 5577 to 5553 region...





### Dec Unleaded Gas

**Resistance** should appear near 16090 to 16150 and the 16420 to 16550 region .. Beyond that sellers should appear near 16890 to 16960 which should cap a rally ..

**Support** should appear near 15760 to 15690. A slip under is negative and augurs for a test of 15350 to 15290 and 14960 to 14840.. which should contain a decline for a bit..





## Dec Heating Oil

**Resistance** should appear at 18580 to 18650 and 19020 to 19090 Beyond that resistance should appear near 19460 to 19530

**Support** should appear near 17800 to 17740 and the 17380 to 17310 region .. Below that buyers should appear near 16960 to 16890 and the 16550 to 16420 region.







## The Lively Livestock

### Dec Cattle

**Support** should appear near 9062 to 9042 and 8967 to 8937 . Below that buyers should appear near 8777 to 8762 and the 8587 to 8562 region..

**Resistance** is at 9237 and the 9317 to 9347 region.. Above that sellers should appear near 9527 to 9542 and the 9707 to 9737 region..Which should cap a rally..



## Dec Hogs

Recommended open Position Short at 6162

**Support** is 6192 to 6162 and the 6112 to 6102 region .. A close under augurs for a trades towards the 5957 to 5942 region.. Below that support should appear near 5882 to 5852 and the 5732 to 5717 region

**Resistance** is at 6257 to 6272. and the 6337 to 6352 region . Above that sellers should appear near 6417 to 6432 and the 6577 to 6592 region and cap a rally.

Trade Accordingly



## February Pork Bellies

**Resistance** should appear near 8932 to 8967 and the 9042 to 9062 region. and the 9142 to 9157 region.. Beyond that sellers should appear near 9142 to 9157 and cap a rally . Beyond that resistance should appear near 9317 to 9347

Traders can sell at 9137 and hold for higher prices...

**Support** is at 8872 to 8857 and 8772 to 8757, a close under augurs for a test of 8592 to 8562.. Below that a slip towards the 8502 to 8482 region is likely.. A close under 8482 is negative and augurs for an eventual test of 8407 to 8392 and the 8317 to 8302 region



## The Grande' Grains

### January Soybeans

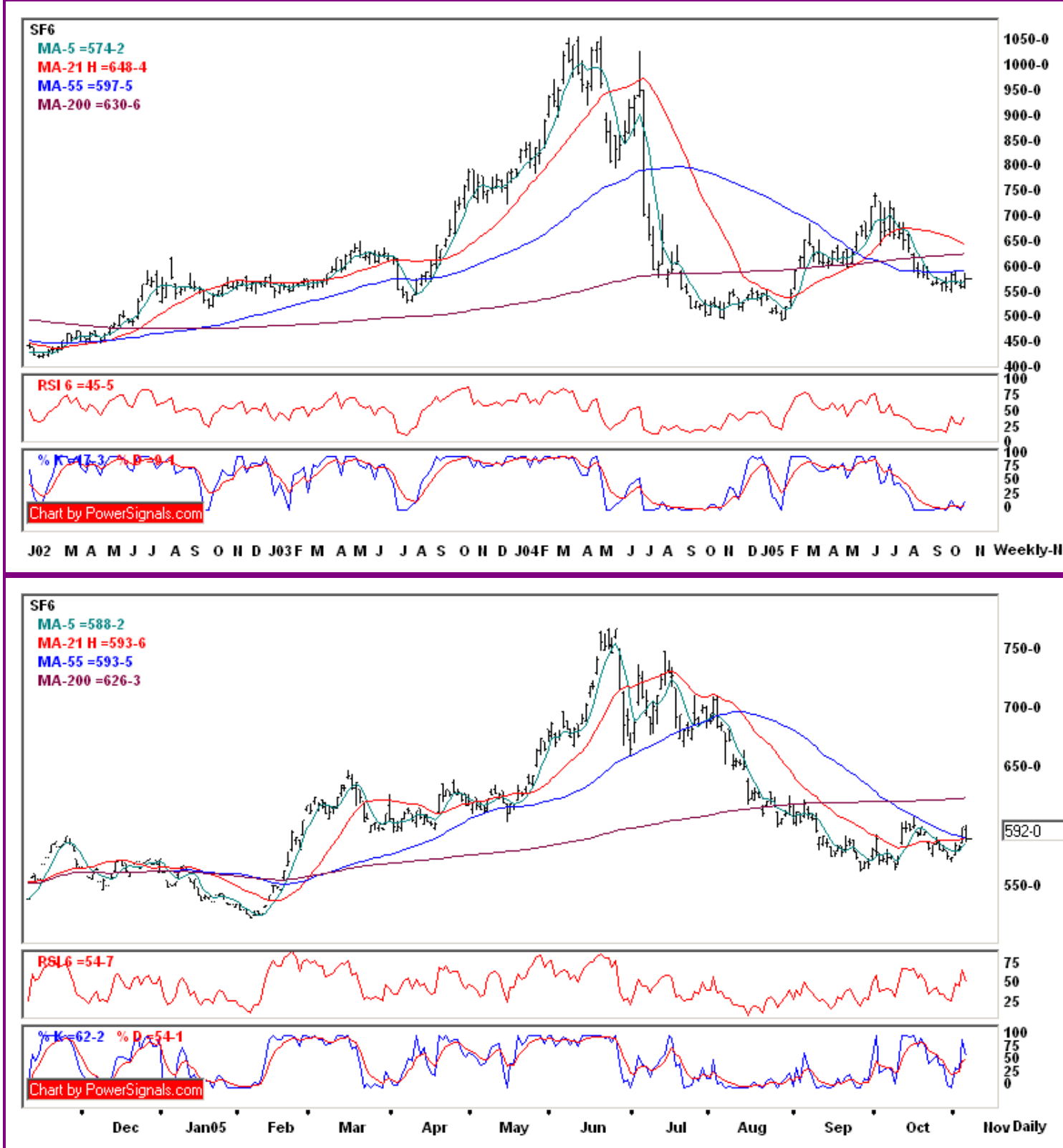
Recommended open position Short at 585 1/4

**Resistance** at 595 1/2 to 595 3/4 Beyond that resistance is at 602 1/4 to 603 1/2 and the 610 1/4 to 611 1/4 region .

**Support** should appear near 580 1/2 to 579 3/4 and 572 3/4 to 571 3/4 . A close under is negative and indicates a test of 557 3/4 to 555 1/4 and the 550 1/2 to 549 1/4 region..

Trade Accordingly and stay tuned for updates.





## Dec Soymeal

Recommended open position Short at 169.5

**Support** should appear near 173.8 to 173.1 and the 169.5 to 168.9 region Below that buyers should appear near the 165.5 to 164.2 region.

**Resistance** should appear near 177.4 to 178.0 then 180.8 to 182.2 and the 185.80 to 186.5 region , which should cap a rally.







### Dec Soybean Oil

**Resistance** should appear near 2315 to 2322 and 2354 to 2370 , Beyond that sellers should appear near 2411 to 2419 Which should cap a rally.

**Support** should appear near the 2275 to 2267 region. A close under is negative and 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  $198 \frac{1}{4}$  to  $199 \frac{3}{4}$  then  $203 \frac{1}{2}$  to  $204 \frac{1}{4}$  and  $208$  to  $208 \frac{3}{4}$ . Beyond that sellers should appear near  $212 \frac{3}{4}$  to  $213 \frac{1}{2}$

**Support** is at  $195 \frac{1}{4}$  to  $194 \frac{3}{4}$ .. , a close under is negative and augurs for a test of  $190 \frac{3}{4}$  to  $190 \frac{1}{2}$  and the  $186 \frac{1}{2}$  to  $185 \frac{3}{4}$  region.. Under that  $182 \frac{1}{4}$  to  $180 \frac{3}{4}$  should hold  
Trade accordingly ...





### Dec Wheat

**Resistance** should appear near  $314 \frac{3}{4}$  to  $315 \frac{3}{4}$  and the  $319 \frac{1}{2}$  to  $321 \frac{1}{4}$  region ..

A close over is friendly and augurs for an eventual test of the  $331 \frac{3}{4}$  to  $332 \frac{3}{4}$  region.

**Support** should appear near  $310 \frac{1}{4}$  to  $309 \frac{1}{4}$  and  $304 \frac{1}{2}$  to  $303 \frac{1}{4}$  .. Below that support should appear near 299 to  $297 \frac{1}{4}$





## The Satisfying Softs

### March ' The Monster ' Coffee

**Support** should appear near 10680 to 10580 then 10470 and the 10360 to 10320 region Traders can buy at 10370 for a bounce and hold for higher prices.. Below that 10135 to 10105 should contain a decline for a bit..

**Resistance** should appear near 10820 and the 10960 to 11010 region... Beyond that 11300 to 11360 should cap a rally..

Trade Accordingly and stay tuned for Flashes and Updates.





### March Cocoa

**Support** is at 1346 to 1334, a slip under is negative and augurs for test of 1310 to 1304 . Below that a trade to 1274 to 1268 is likely.

**Resistance** is at 1383 and the 1415 to 1421 region ..Traders can sell at 1414 and hold for lower prices. Beyond that sellers should appear near 1453 to 1459 and 1484 to 1496







## March Sugar

**Support** should appear near 1136 to 1130 and 1101 to 1096

**Resistance** should appear near 1164 to 1169 and 1192 to 1203.

Trade Accordingly .





### March Cotton

**Support** should appear near 5355 to 5345 and 5285 to 5255 . Below that buyers should appear near 5140 to 5125 and the 5065 to 5055 region..

**Resistance** should appear near 5490 to 5505 and 5555 to 5580.. Beyond that a test of 5715 to 5730 region is likely.. While sellers should appear near the 5855 to 5880 region and should cap a rally.





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

**Happy Trading !**

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**1-866-409-3890**

**Sunday Nov 6<sup>th</sup> 2005**

**7:15 AM South Florida Beach Time**

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### **BW Recommended Open Positions 11-05-2005**

Long 2 Dec SP500 1219.10

Long Dec Mini Nasdaq 1598.50

Long 2 Dec Mini Russell 672.50

Short Dec EC 11970

Short 2 Dec Swiss Francs 7811 avg

Short Dec British Pounds 17435

Short Dec Hogs 6162

Short Jan Beans 585 1/4

Short Dec Soymeal 169.5

