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BI-WEEKLY FINANCIAL OUTLOOK # 310

SUNDAY JANUARY 18, 2009

Equity Indices • Treasuries • Forex • Precious Metals • Energy

"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

Sunday, January-18-2009

12:00 Noon South Florida Beach Time

Equities

No Change in posture, we consider the indices a trading affair and remain defensive for now... Let the smoke continue to clear... and remember if there is still smoke then there is still fire. Nothing Has changed... Sell Rallies

THE SENSATIONAL STOCK AND BOND MARKETS**DOW JONES INDUSTRIAL AVERAGE**

Resistance should appear near 8300 to 8314.00 and the 8392 to 8406 region . Beyond that Sellers should appear near 8560.00 to 8589.00 and the 8762.00 to 8777.00 region. Above that a trade towards 8934.00 to 8964 is likely and should cap a rally.

Support should appear near 8134 to 8119.00 and the 7864 to 7836 region.. Below that a test of 7777.00 to 7763.00 is likely.. A close under is negative and augurs for a test of 76.01.00 to 7587.00 region and most likely the 7342.00 to 7428.00 region , which should hold..





MARCH SP500

Resistance should appear near 856.00 to 856.80 and the 866.80 to 868.30 region. Beyond that, sellers should appear near 876.20 to 877.70 and 885.60 to 887.10 region. Above that, a test of 904.40 to 906.00 is likely. Traders can sell at 903.90 and hold for lower prices.

Support should appear near 831.40 to 830.00 and the 822.30 to 819.40 region. Below that, buyers should appear near 813.40 to 811.90. A close under is negative and augurs for a test of 795.40 to 793.90 and eventually the 777.70 to 776.30 region. Stay tuned for Updates.



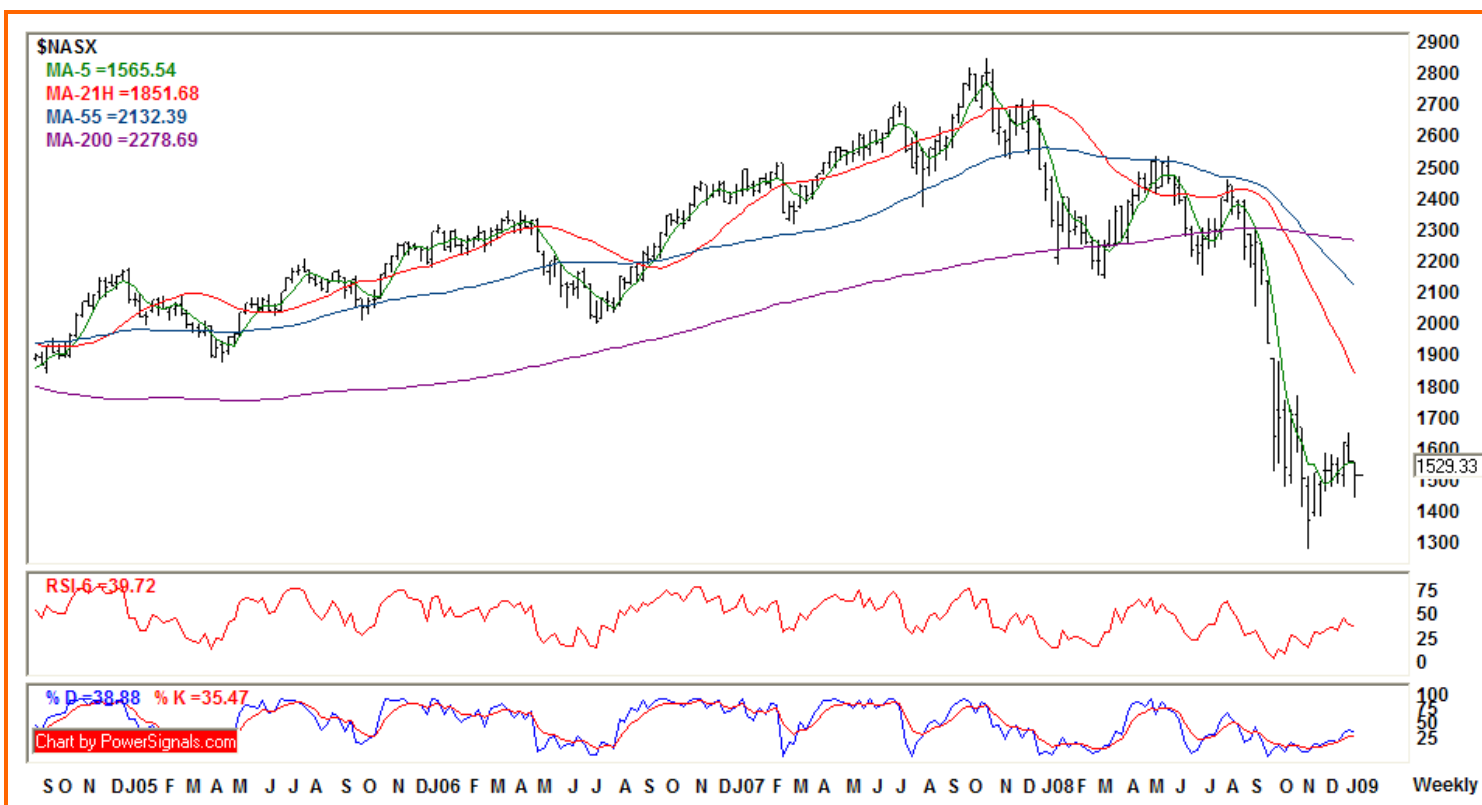


NASDAQ COMPOSITE

Support should appear near 1496.00 to 1484.00 and the 1459.00 to 1453.00 region. Below that a test of 1421.00 to 1415.00 is likely.. A close under is negative and augurs for a test of 1346.00 to 1334.00..

Resistance should appear near 1529.00 to 1535.00 and the 1569.00 to 1576.00 region. Beyond that sellers should appear near 1642.00 to 1655.00 and the 1689.00 to 1696.00 , which should cap a rally..

Sell Two Day Rallies





MARCH MINI NASDAQ 100

Resistance should appear near 1232.00 to 1238.00 and the 1268.00 to 1274.00 region. Beyond that sellers should appear near 1304.00 to 1310.00.. Above that 1334.00 to 1346.00 should cap a rally.. Traders can sell at 1333.00 and hold for lower prices..

Support should appear near 1169.00 to 1164.00 and the 1136.00 to 1130.00 region. A close under is negative and augurs for a test of 1101.00 to 1096.00 and eventually the 1068.00 to 1058.00 region. Below that buyers should appear near 1036.00 to 1032.00 and contain a decline...

Trade Accordingly



MARCH MINI RUSSELL 2000

Resistance should appear near 463.0 to 465 and the 469.5 to 471.7 region .. Beyond that sellers should appear near 477.50 to 478.50 and the 484.50 to 485.60 region. Traders can sell at 484.30 to turn lower and risk a close over 493.20 for three days in a row.

Support is at 458.20 to 457.10 and the 444.60 to 442.50 region. Below that a test of 438.10 to 437.00 is likely. A close under is negative and augurs for a test of 405.60 to 404.50 and eventually the 386.70 to 385.80 region



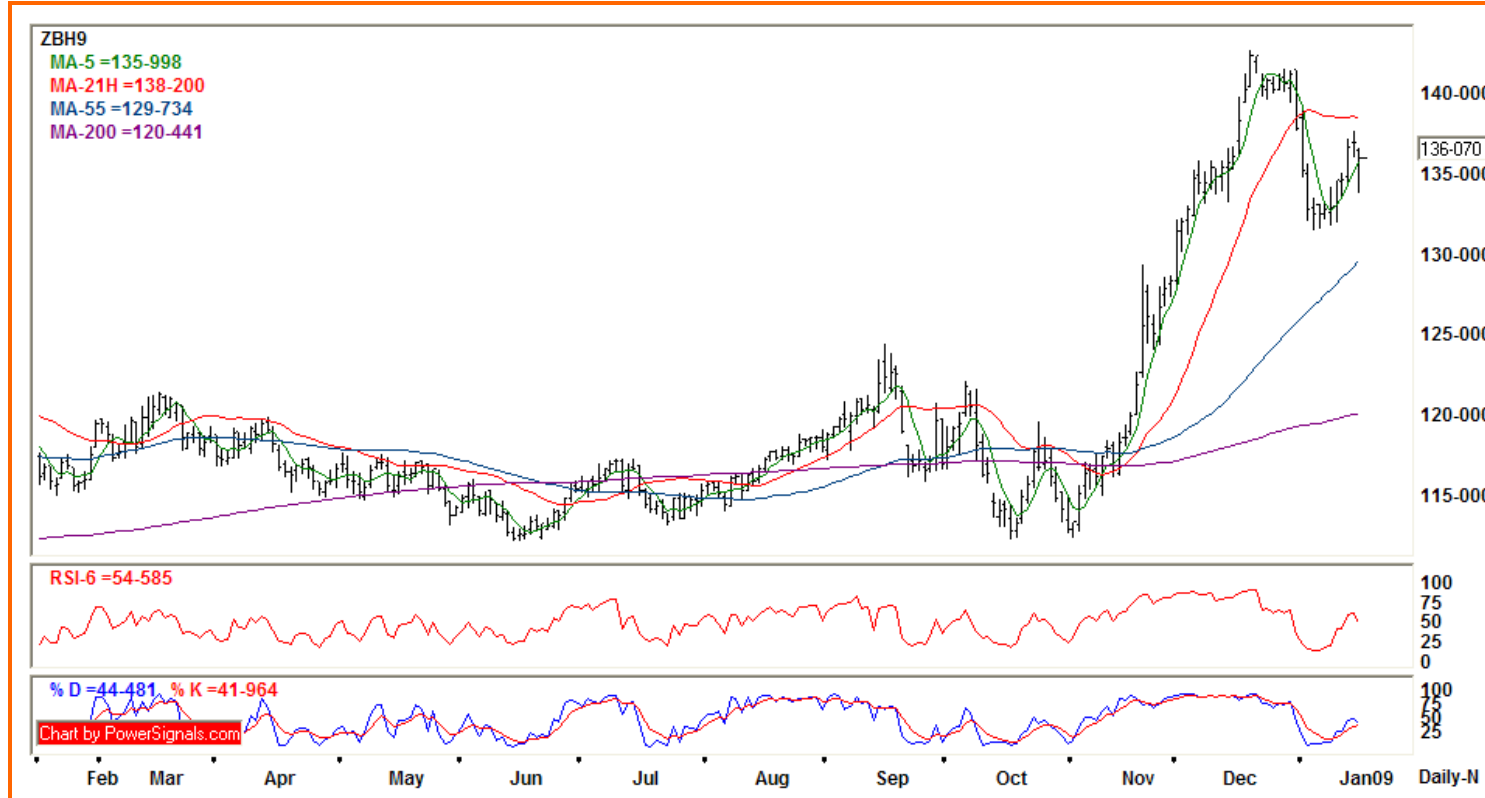


MARCH 30 YEAR BOND

Resistance should appear near 137-07 and 137-21. Beyond that sellers should appear near 138-21 and 139-07. Beyond that a trade towards 140-07 and 140-21 is likely.

Support should appear near 136-07 and 135-21. A close under is negative and augurs for a test of 135-07 and 134-21. Below that buyers should appear near 134-07 and 132-21 which should contain a decline.





MARCH 10 YEAR NOTE

Resistance should appear near 127-07 and 127-21, beyond that 128-07 should cap a rally. A close over is friendly and augurs for a test of 129-21.. Beyond that sellers should appear 130-07 and cap a rally

Support is at near 126-07 and 125-31 below that buyers should appear near 124-21 and 123-21 .. Under that support should appear near 121-21 and 121-07, which should contain a decline.



THE FRENZIED FOREX FRONT

Forex

We remain Dollar friendly. Sell Rallies in Forex markets, the Aussie dollar upside path is now severely limited, look for more downside moves. The British Pound remains vulnerable.. The Canadian dollar is... We prefer to sell rallies however Selling weakness may be now warranted .. The Japanese Yen acts sloppy, the Swiss Francs is now vulnerable to declines as well .. Consider it a trading affair... We said two weeks ago the Euro has broken its trend from the lows of 2001 and further relentless upside moves are questionable we remain in that camp.. Sell Rallies and remain short as this economic mess is going to take some time to clean up...

Overseas ... Gordon Brown said the U.K. Government will announce measures to encourage bank lending. “We have recapitalized the banks, we have injected money into the economy at the same time we know that the essential problem that has been holding back banks internationally is the resumption of lending,” The goals are very similar to what the goals of the Japanese monetary authorities were in the mid to late 1990’s. Getting the banks to declare bad debts and losses. Browns plans to add to his 250 billion-pound credit line the banks got October along with a 50 billion-pound recapitalization. Brown is not happy , as banks are rationing credit, refusing lower interest rates as the recession is now self-feeding, and bad loans are ballooning.. We expect this will work its way across the channel.. in a large way. Standard & Poor’s cut the credit rating of Greece and threatened to downgrade the debt of Portugal and Spain. ECB President Trichet said the Central Bank isn’t planning to lower borrowing costs to zero.. Only time will tell their models are correct. However sovereign debt downgrades are not a good thing , and outflows from the Euro over the next few years can be substantial if further Geopolitical risks raise their ugly heads. Keeping the rate elevated will deter this, but that does not mean the Euro is going to Stay at the lofty levels it has enjoyed over the past 3 years. We see it testing the late summer of 2003 lows. Sell Rallies, sometimes ‘things’ occur much sooner than anyone could imagine.

No Change in Posture..

MARCH JAPANESE YEN

Resistance should appear near the 11300 to 11360 region .. Beyond that a test of 11640 to 11690 is likely

Support should appear near the 11010 to 10960 region.. Below that a test of 10680 to 10580 is likely..

Pick Your Poison..





MARCH EURO CURRENCY (EC)

Support should appear near 13100 to 13040 and 12890.. Below that a test of 12740 to 12680 is likely..

Resistance should appear near 13340 to 13460 region. Traders can sell at 13399 and hold for lower prices..

Beyond that Sellers should appear near 13615 and cap a rally.. Traders should go Short if a close under 13220 occurs..





MARCH SWISS FRANC

Resistance should appear near 9044 to 9060 and the 9140 to 9156 region.. Traders can sell at 9137 and hold for lower prices..

Support should appear near 8964 to 8934 and the 8871 to 8856 region.. Below that a test of 8777 to 8762 and the 8683 to 8668 region is likely to occur.. Traders should go short if a close under 8934 occurs.



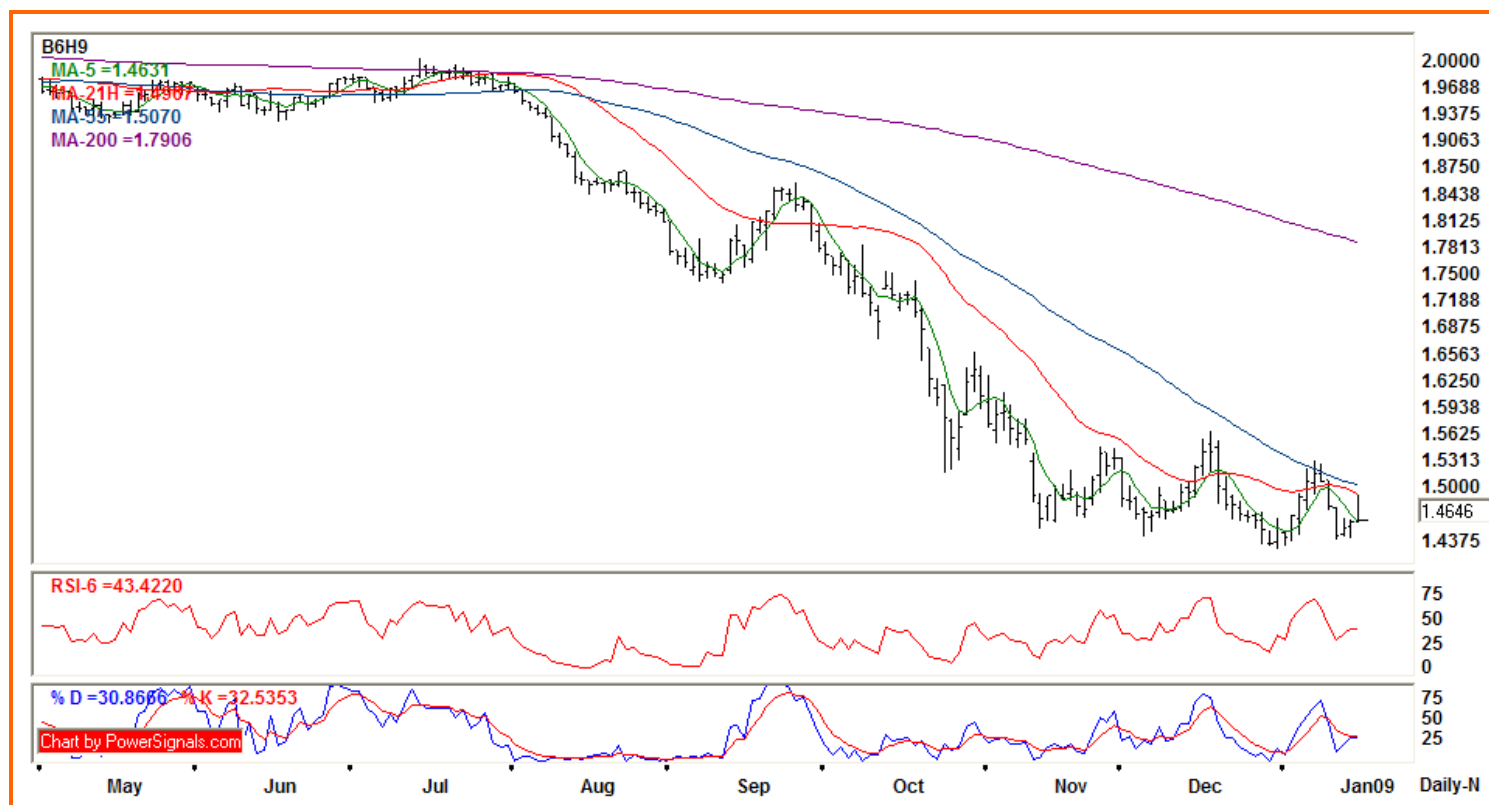


MARCH BRITISH POUND

Support should appear near 14590 to 14530 , a close under is negative and augurs for a test of 14210 to 14150 , below that a trade towards 13830 to 13770 is likely to occur..

Resistance should appear near 14840 to 14960 and the 15290 to 15350 region. Traders can sell at 14890 and hold for lower prices





MARCH CANADIAN DOLLAR

Resistance should appear near 8029 to 8044 and 8119 to 8134.. traders can sell at 8117 and hold for lower prices.

Support is at 7954 to 7939 and the 7864 to 7836 region ..Below that a test of 7777 to 7763 is likely



MARCH AUSTRALIAN DOLLAR

Resistance should appear near 6743 to 6755 and 6809 to 6836..Traders can sell at 6807 and hold for lower prices..

Support should appear near 6591 to 6577 and 6509 to 6483.. Below that a test of 6350 to 6337 is likely..





PRECIOUS METALS

APRIL GOLD

Resistance should appear at 856.0 to 858.9 and the 866.8 to 868.3 region. Above that sellers should appear near 876.2 to 877.7 and the 904.4 to 906.0 region. Traders can sell at 904.3 and hold for lower prices..

Support is at 840.6 to 839.1 and the 822.3 to 819.4 region. A close under is negative and augurs for a test of the 777.7 to 776.3 region.. Below that buyers should appear near 734.2 to 732.8

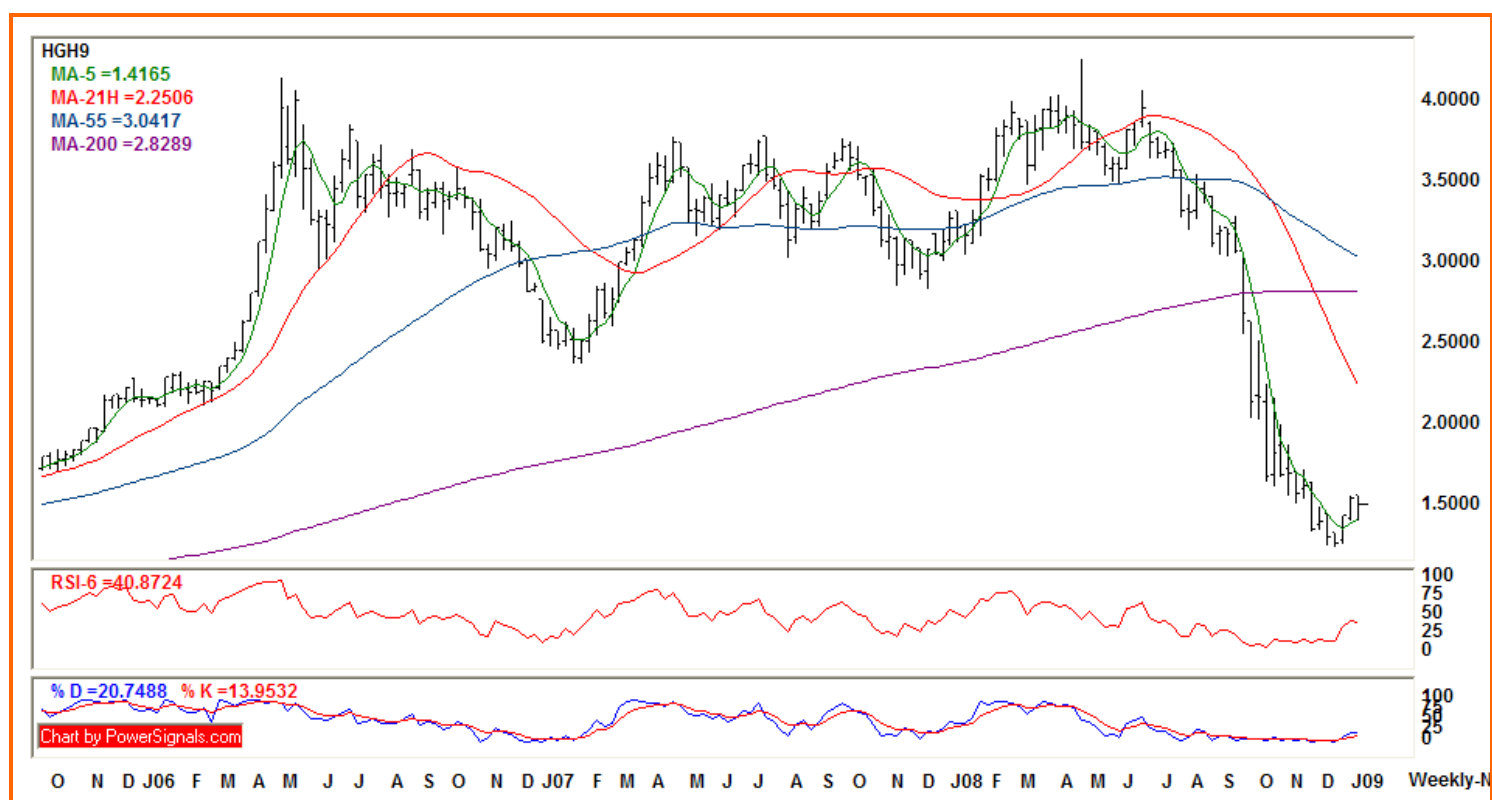




MARCH COPPER

Support should appear near 14590 to 14530 and the 14210 to 14150 region. A close under augurs for a test of 13830 to 13770 and below towards the 13460 to 13340 region ..

Resistance should appear near the 15290 to 15350 and the 15690 to 15760 region .. Beyond that sellers should appear near 16090 to 16150 .. Traders can sell at 16070 and hold for lower prices.. Stay tuned for updates and Flashes

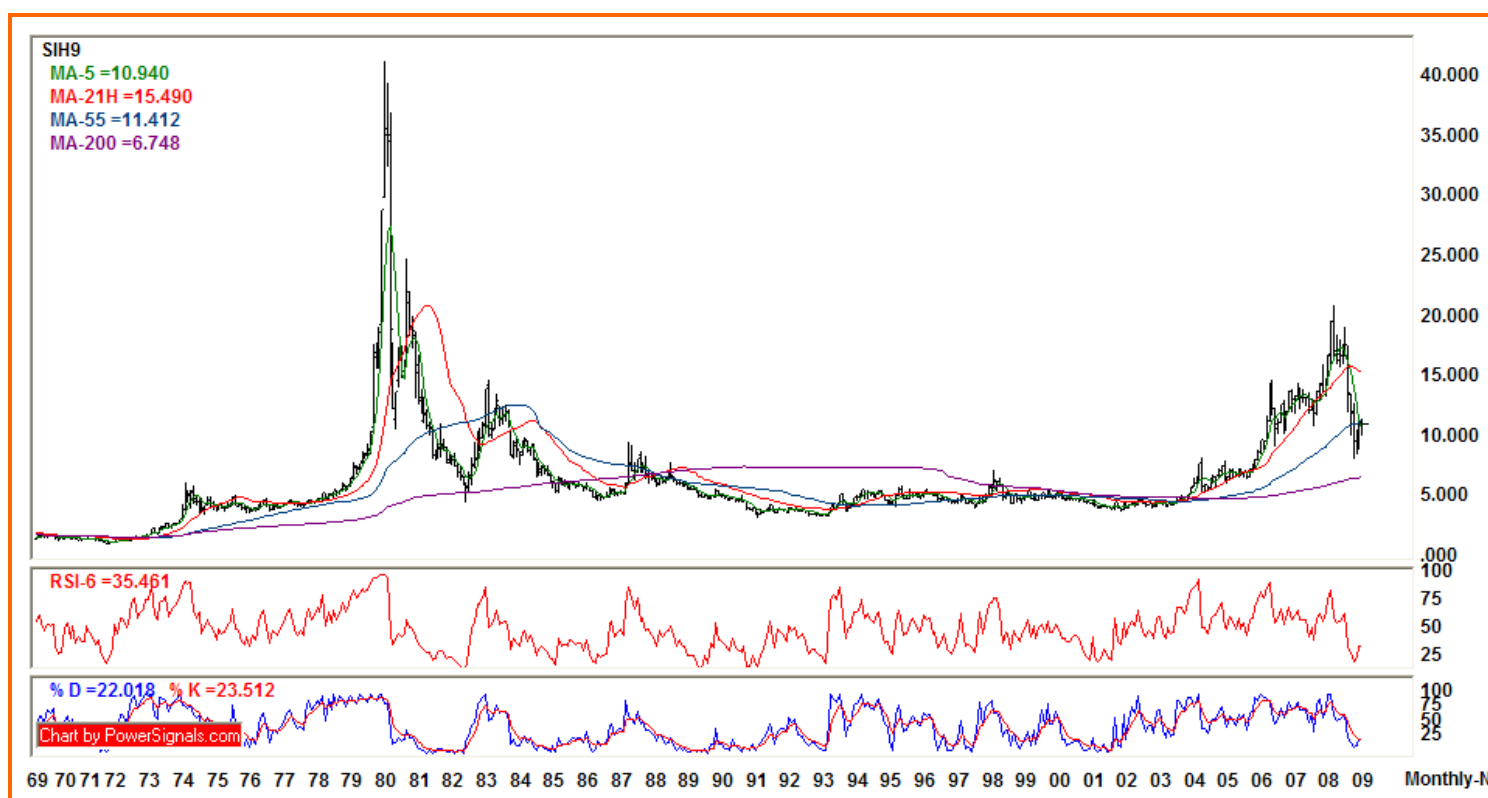




MARCH SILVER

Support should appear near 1101.0 to 1096.0 and the 1068.0 to 1058.0 region. Below that a test of 1036 to 1032 and the 993.7 to 992.1 region is likely

Resistance is at 1164.0 to 1169.0 and the 1192.0 to 1203.0 region. Beyond that sellers should appear near 1232.0 to 1238.0 and cap a rally





THE EXCITING ENERGIES

MARCH CRUDE OIL

Support should appear near 4120 to 4110 and the 3992 to 3982 region .. Below that a test of 3806 to 3795 is likely a close or extended period under is negative and augurs for a test of 3386 to 3377..

Resistance should appear near 4370 to 4381 and the 4425 to 4446 region. Beyond that sellers should appear near 4639 to 4650 and the 4775 to 4785 region... Stay tuned for Flashes





MARCH HEATING OIL

Support should appear near 14590 to 14530 and the 14210 to 14150 region. A close under is negative and augurs for a test of 13830 to 13770 and eventually the 13460- to 13340 region.

Resistance should appear near 15290 to 15350 and 15690 to 15760 .. Beyond that sellers should appear near 16090 to 16150 .. Traders can sell at 16070 and hold for lower prices..



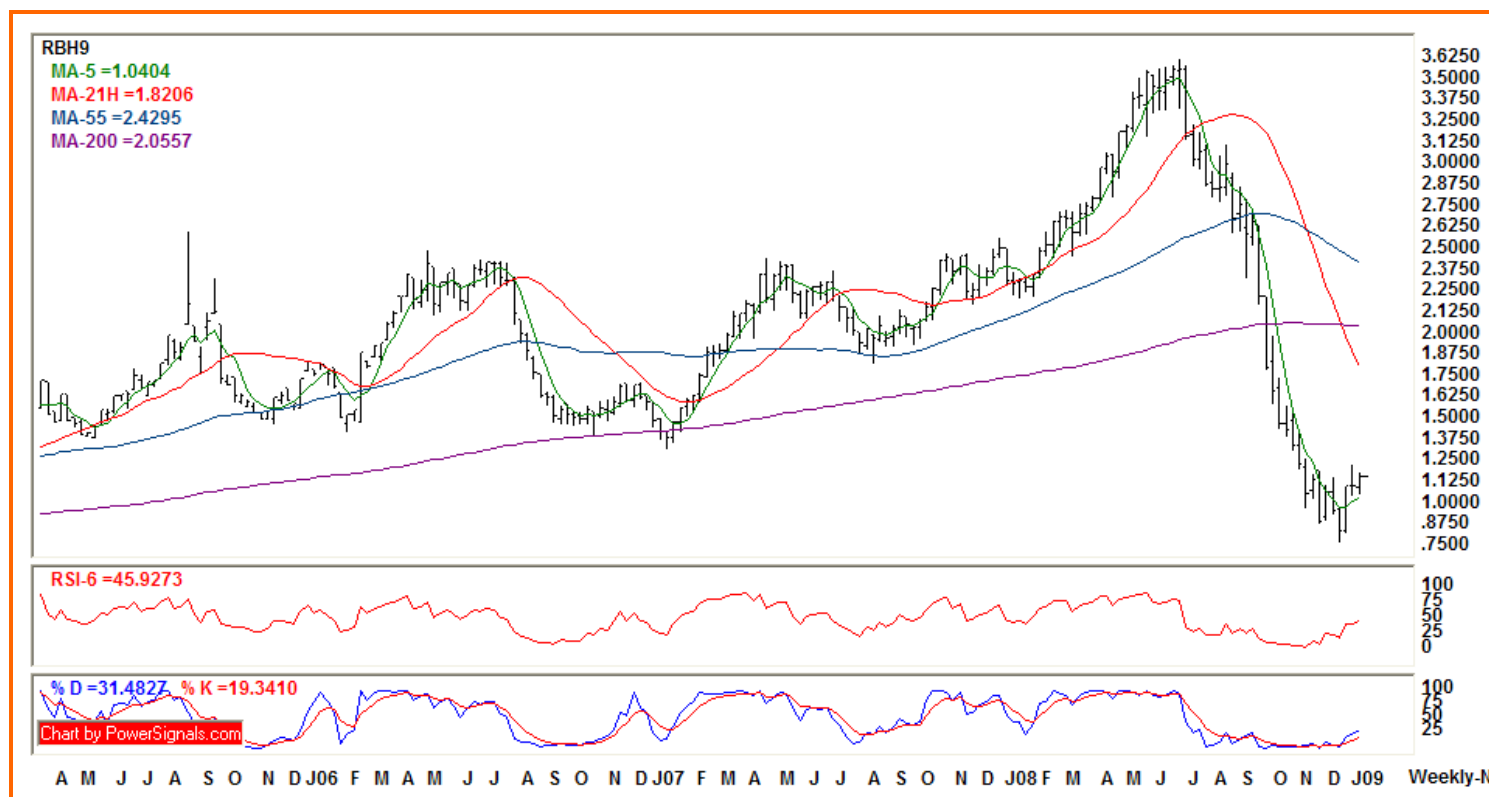


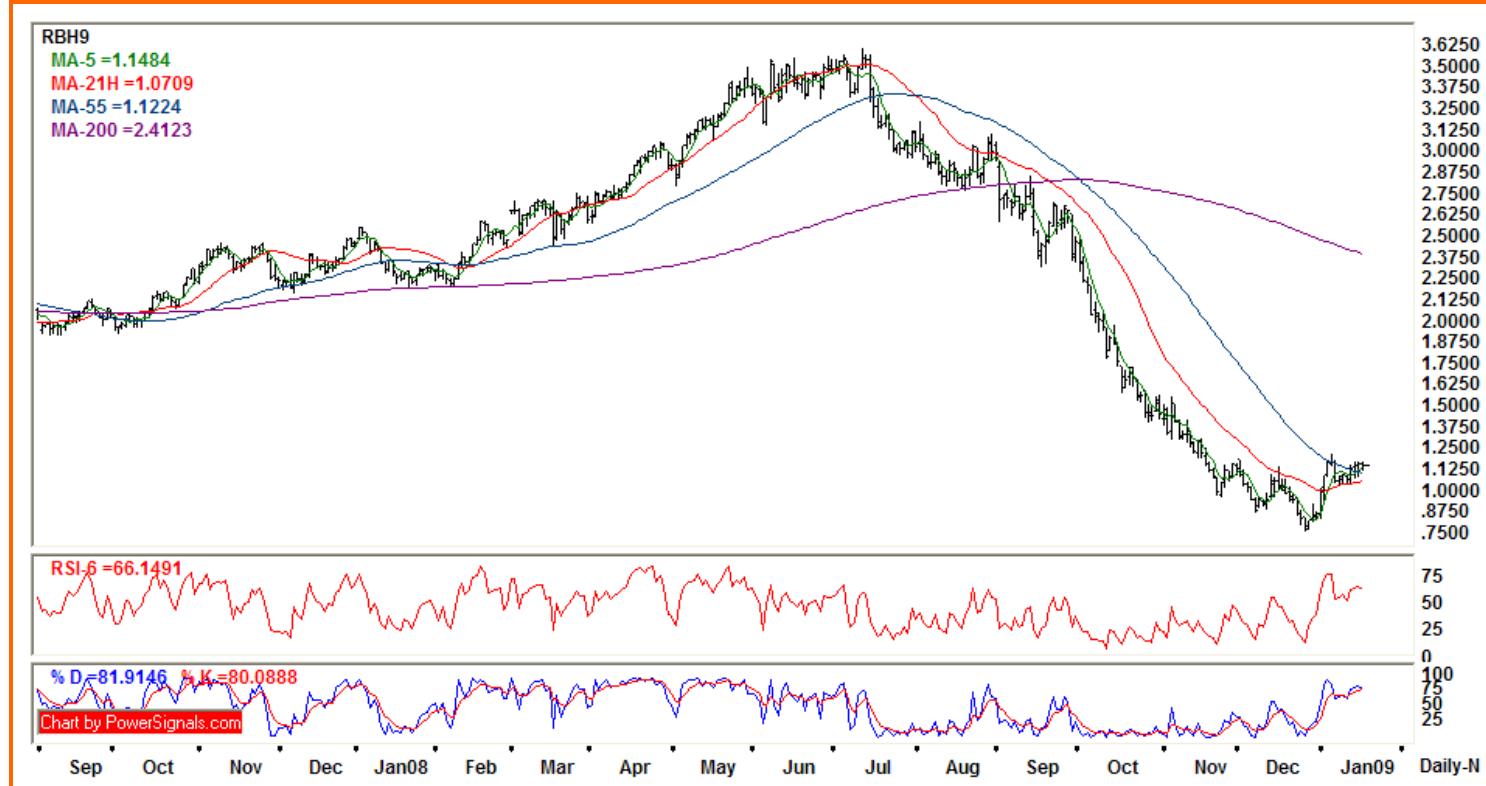
MARCH UNLEADED GAS

Support should appear at 11360 to 11300 and the 10680 to 10580 region

Resistance should appear near 12320 to 12380 and the 12760 to 12740 region.. Beyond that sellers should appear near

13040 to 13100 and the 13340 to 13460 region Traders can sell at 13330 and hold for lower prices





MARCH NATURAL GAS

Support should appear at 4717 to 4695 and 4381 to 4370. Below that a test of 4056 to 4045 is likely.

Resistance should appear near 5056 to 5067 and 5259 to 5282. Beyond that sellers should appear near 5553 to 5577 and the 5855 to 5880 region.





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

Happy Trading!

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Sunday January 18 6:00 PM South Florida Beach Time

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Bi-Weekly Financial open positions as of 1-17-2009

None