Week 47

18th November - 24th November 2008

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Disclaimer

the commodity trader's guide to major markets

Philip J Allwright

Mark Sturdy

Authorised and regulated by the FSA

summary – commodity trader

Summary

Energy

+ Light Crude Oil	**Stay BEARISH**	looking for lower support now – 51.80/49.90 area (Dec-08)
+ Natural Gas	**Stay BEARISH**	price still grinding lower within bear channel (Dec-08)
+ Heating Oil	**Stay BEARISH**	but note small positive RSI divergence (Dec-08)

Metals

+ Gold	**Stay BEARISH**	s/term support found but seen as temporary at this stage (Dec-08)
+ Silver	**Stay BEARISH**	but medium term downmove could be maturing… (Dec-08)
+ High Grade Copper	**Stay BEARISH**	positive RSI divergence merging – bear fatigue? (Dec-08)

Grains and Softs

+ Soybeans	**Stay BEARISH**	various supports now being tested – rebound scope? (Jan-09)
+ Wheat	**Stay BEARISH**	medium /long term top still dominates (Dec-08)
+ Sugar 11	**Stay SQUARE**	s/term bounce probably temporary at this stage (Mar-09)
+ Cocoa	**Stay BEARISH**	next support around 1800 on the longer term chart (Mar-09)
+ Coffee	**Stay BEARISH**	temporary support found – risk of small inverse Head & Shoulders? (Mar-09)
+ Cotton No.2	**Stay BEARISH**	s/term support emerges from Fibo proj area - are bears starting to tire? (Dec-08)

Other

+ Orange Juice	**Stay BEARISH**	s/term support found at Fibo projection just above 75.00 (Jan-09)
+ CRB Index	**Stay BEARISH**	collapse in prices now tested major 76.4% level

Energy

Crude Oil and **Heating Oil** bears remain in the driving seat, but modest signs of momentum loss could be creeping in – is a rebound not far away? Support in **Natural Gas** is still elusive as price continues to grind lower.

Summary

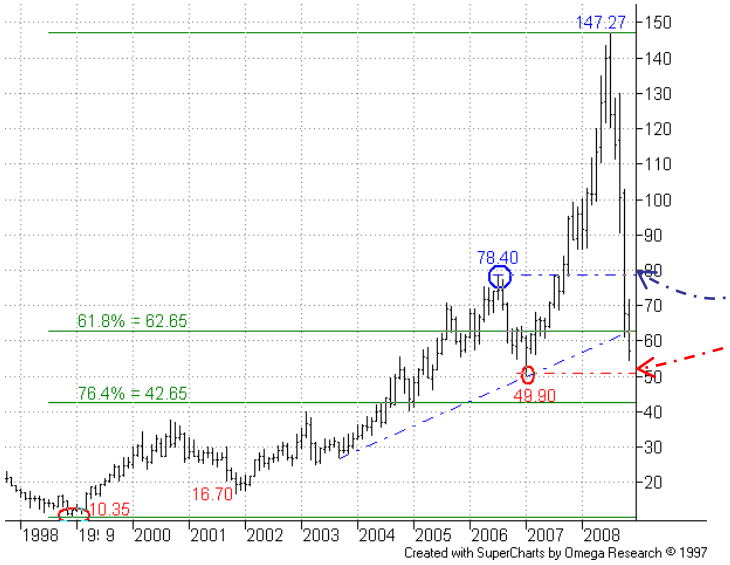
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Currencies: Light Crude Oil (NYMEX)



Monthly Chart – Continuation:

<u>The break below the significant 78.40 2006 high confirmed that the longer term chart structure favours bears.</u>

The 61.8% retracement of the 10-year upmove from late 1998 has now failed – this exposes the 49.90 Jan-07 low, drawing attention to the round number of **50.**

It would not be surprising to see support emerging near here (see also detail on Daily chart).

More

SEVEN DAYS AHEAD

Summary

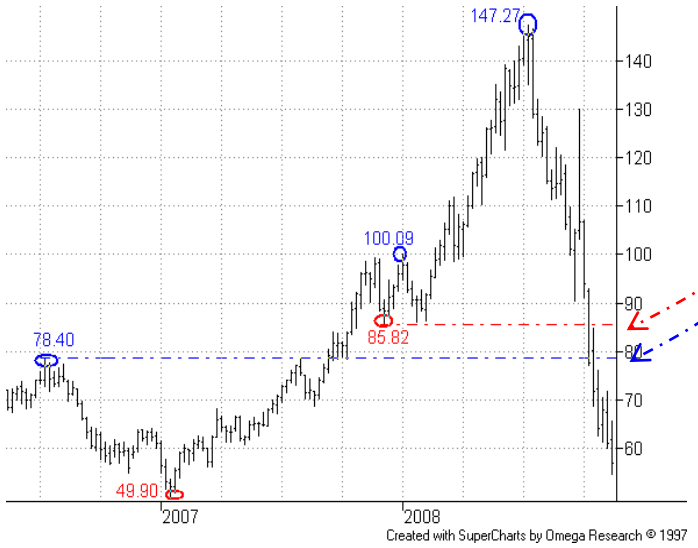
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

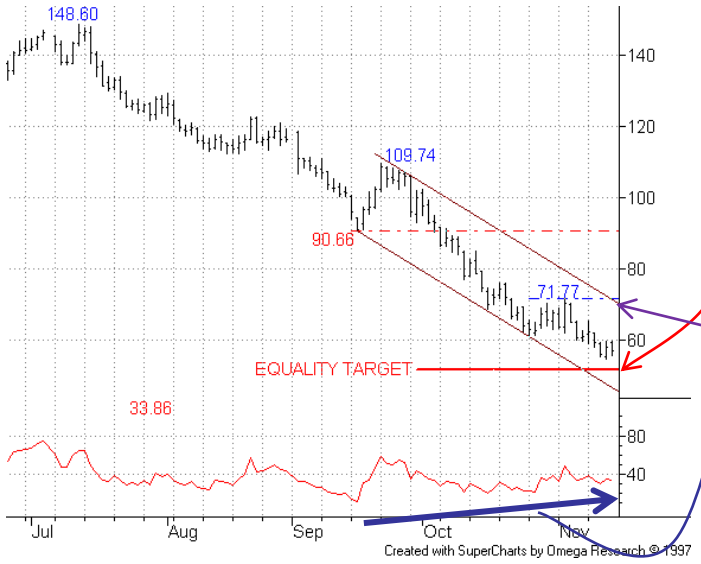
Energy: Light Crude Oil (NYMEX)



Weekly Chart – Continuation:

After previous failure of important potential support points the current structure gives no hint of bear fatigue yet.

Next target the 49.90 Jan-07 low.



Daily Chart – Dec-08:

The next projection here is around **51.80,** the '148.60-90.66' equality target off 109.74 22-Sep high (note this is near the 50.00 area).

An interesting **positive RSI divergence** is clearly visible – a good hint that bears could be tiring.

A recovery through the projected top of a small bear channel (around 70.00) plus the 71.77 04-Nov high would be our first bull sign now.

Meanwhile, we maintain a bearish stance.

More

Summary

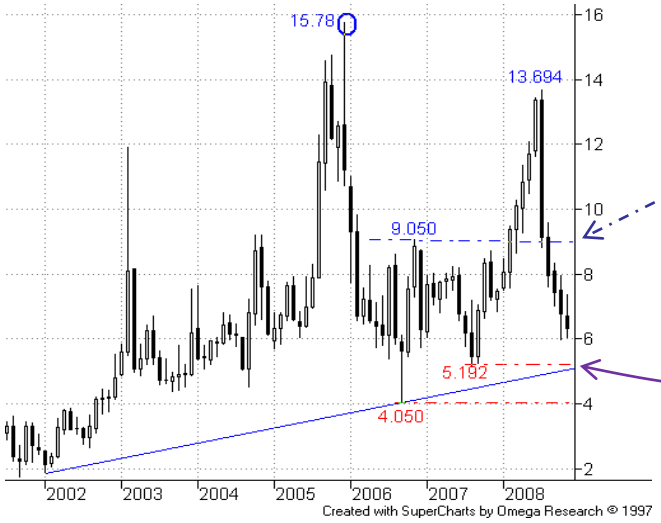
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Energy: Natural Gas (NYMEX)



Monthly Chart – Continuation:

The decisive break back below the 9.05 Nov-06 high postponed any later return to the Jul 13.694 high.

On this long term chart, the next support to note lies close to **5.000**, the 2007 low plus a rising support line.

But note the potential support on the weekly chart too…

Weekly Chart – Continuation:

We continue to note the 76.4% retracement level of the whole upmove from the major 4.050 Sep-06 low.

This was eroded but is still trying to exert a residual supportive effect.

More

Summary

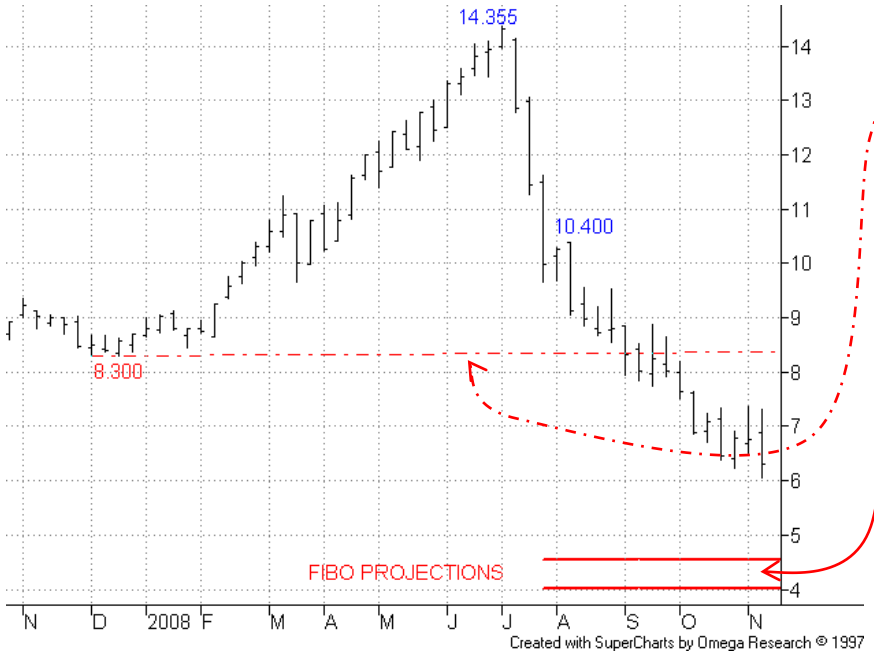
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Energy: Natural Gas (NYMEX)



Weekly Chart – Dec-09:

On the Weekly chart of the front month note the important 8.300 Dec-07 low – a future resistance point.

Also note two Fibo projections, still some way off, at **4.550** and **4.000.**

More

SEVEN DAYS AHEAD

Summary

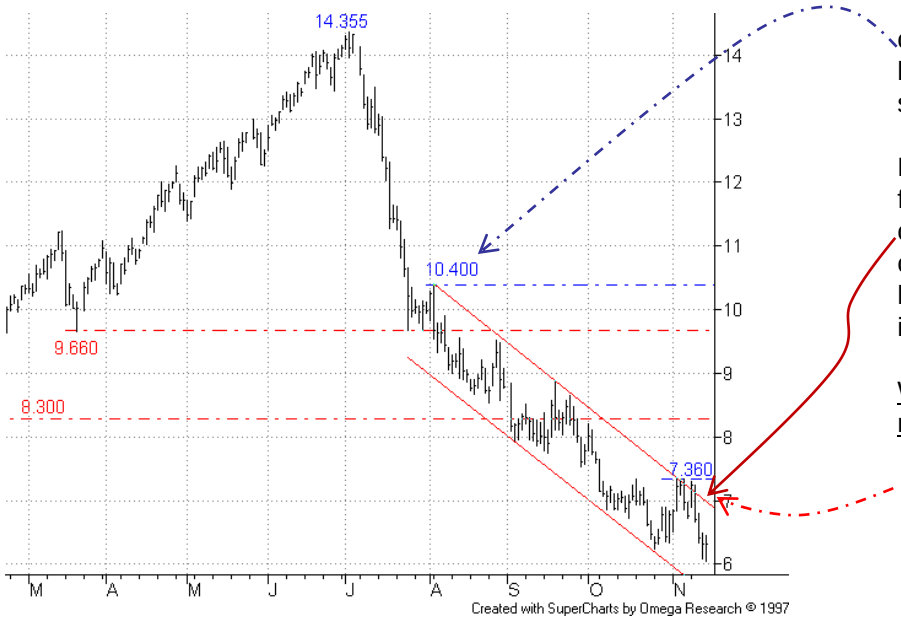
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Energy: Natural Gas (NYMEX)



Daily Chart – Dec-08:

The character of the downmove changed at this point – it slowed, but bear interest has remained solid.

Recently price has tried and failed to break above the bear channel top – at this stage a close above the 7.360 04-Nov high is needed to signal a change in mood.

We maintain a bearish stance for now.

More

Summary

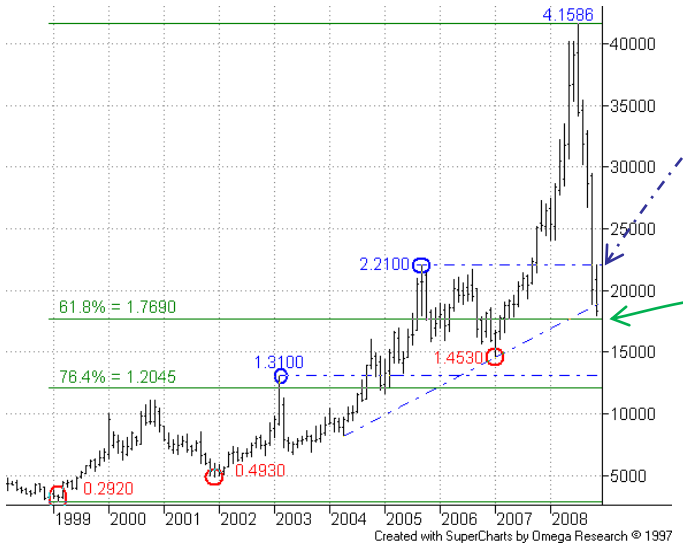
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Energy: Heating Oil (NYMEX)

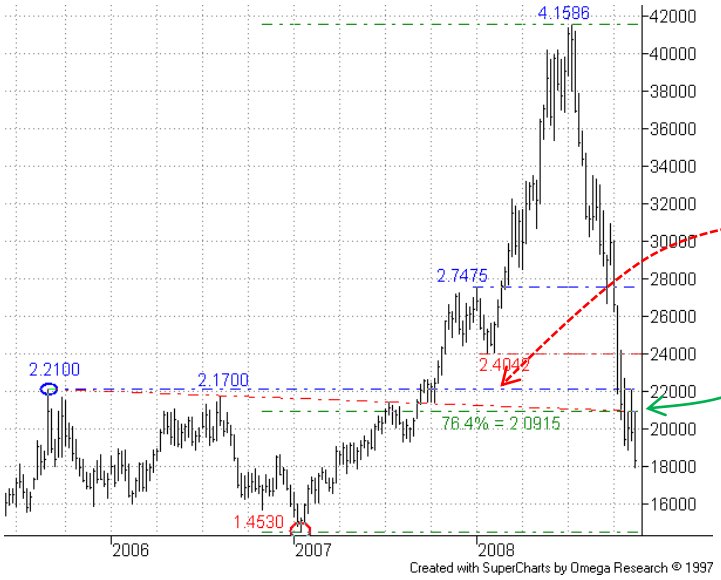


Monthly Chart – Continuation:

The 2.2100 Sep-05 high was a major support point, but did not hold.

As in Crude Oil, this confirmed the longer term chart as negative.

Next point of interest here is the 61.8% retracement of the whole 1998-2008 upmove, around 1.7690 – close to being tested.



Weekly Chart – Continuation:

The cluster of support starting at the 2.2100 Sep-05 high, then encompassing the falling support line off that high, and the 76.4% 2.0915 level, has now failed.

This serves to emphasise the continuing strength of the bears.

More

Summary

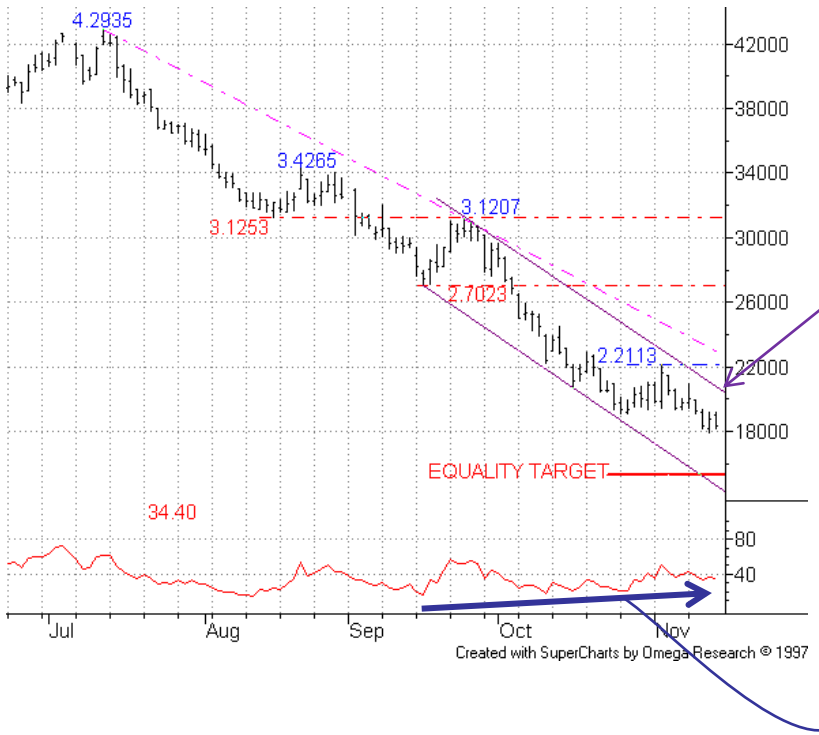
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Energy: Heating Oil (NYMEX)



Daily Chart – Dec-08:

On this chart we continue to observe the **positive divergence on the RSI.**

At this stage we require a recovery through both the small channel top projection above 2.0000 **and** the 2.2113 04-Nov high for the first bull signal.

Meanwhile we have marked in the next potential target/support around **1.5300,** the '4.2935-2.7023' equality target off the 3.1207 24-Sep high.

<u>We maintain a bearish stance for now.</u>

Metals

Gold bears must still be seen as the dominant force, but s/term support is still holding. The picture in **Silver** suggests a maturity in the medium term decline, and certain bullish clues hint at a temporary recovery phase. **Copper** bears remain in control, but s/term momentum could be suggesting that a bounce could occur soon.

Summary

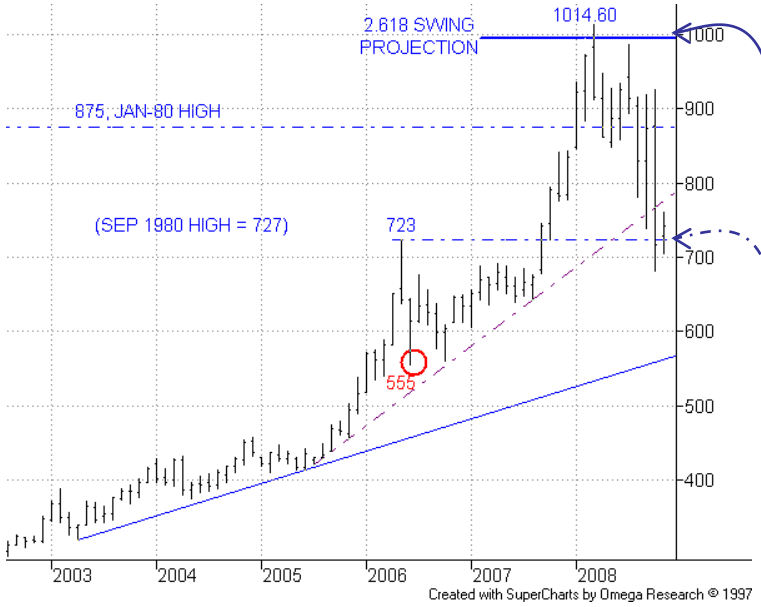
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Metals: Gold (COMEX)



Monthly Chart - Continuation:

After breaching the major 875 Jan 1980 spike high, the 1000 mark was reached earlier this year.

In the process the 2.618 swing projection off prior 723-555 2006 pullback at **995** was also achieved.

Subsequent weakness has now eroded the major 723 May-06 high, <u>casting doubt on long term bull momentum</u> (any recovery to retest the 1014.60 Mar high is postponed).

More

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Metals: Gold (COMEX)

Weekly Chart – Continuation:

Below the major 723.00 support lies the 76.4% level of the 2006/2008 upleg at **663.50**.

This lies within congestion formed during several months in 2007 and may well have a supporting effect.

Note the overlapping, but increasingly volatile, nature of the price swings – does this indicate a lack of impulsiveness on the bears' part or growing risk of a much deeper move? Certainly the bear risk remains significant at present.

Weekly Chart – Dec-08:

On the chart of the front month we have retained the rough bear channel price has been moving in.

The base of this plus 686.00 Aug-07 low have provided temporary support, so far protecting the lower 625.00 Oct-06 low.

More

Summary

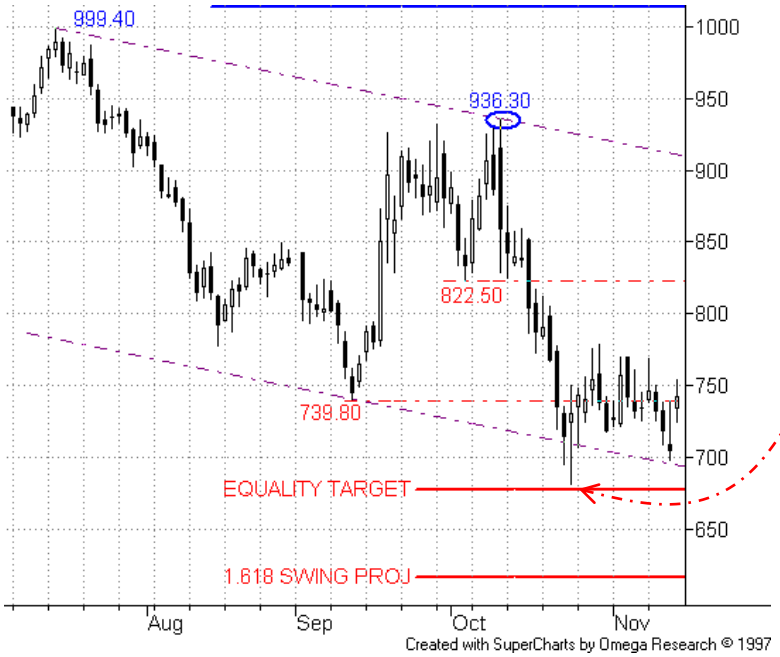
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Metals: Gold (COMEX)



Daily Chart – Dec-08:

The recent dual bear signal from the breaks of 739.80 11-Sep low and bear channel base projection were frustrated by support found from the slightly lower **676.80,** the '999.40-739.80' equality target off 936.30 Oct high (things are rarely straight forward).

S/term action remains consolidative, so far falling short of obvious resistance from the 822.50 03-Oct low - and a break below that equality target now would keep the picture firmly bearish.

(Please refer to our analysis on Silver too, however)

Any sellers on fresh s/term strength would want stops above 822.50 now.

We maintain a bearish stance.

More

Summary

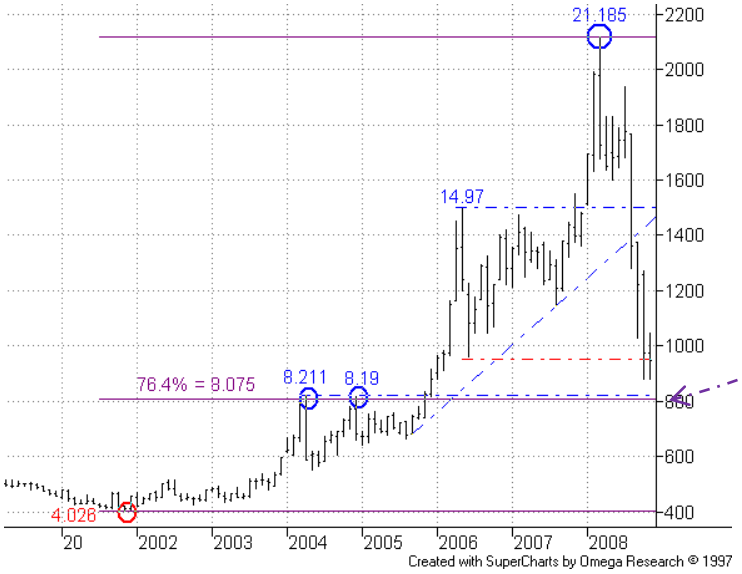
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Metals: Silver (COMEX)



Monthly Chart – Continuation:

Focus remains towards the **8.21-8.075** area for possible support, which encompasses two major highs from 2004 plus the 76.4% level of the major move up from the Nov 2001 4.026 low.

But there is nothing to suggest that any bounce will be anything more than a temporary affair.

Weekly Chart – Continuation:

The impulsive downmove has now eroded the 9.595 Jun-06 low.

Also look at the weekly chart of the front month.

More

SEVEN DAYS AHEAD

Summary

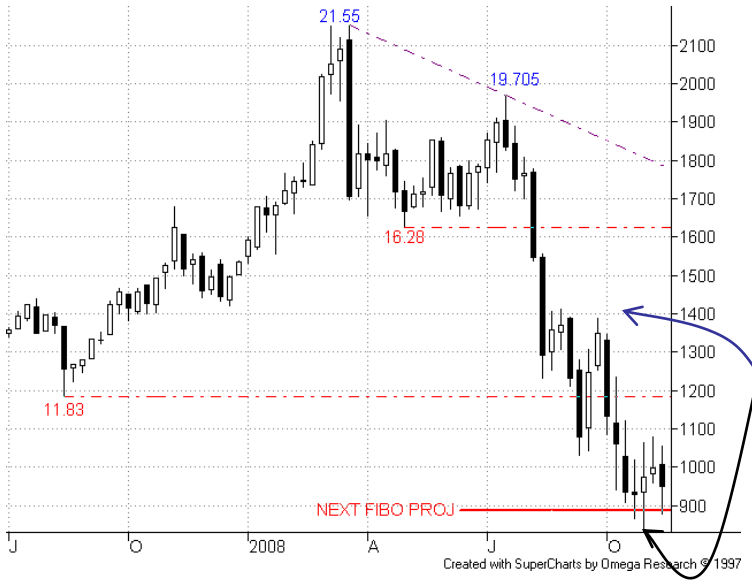
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

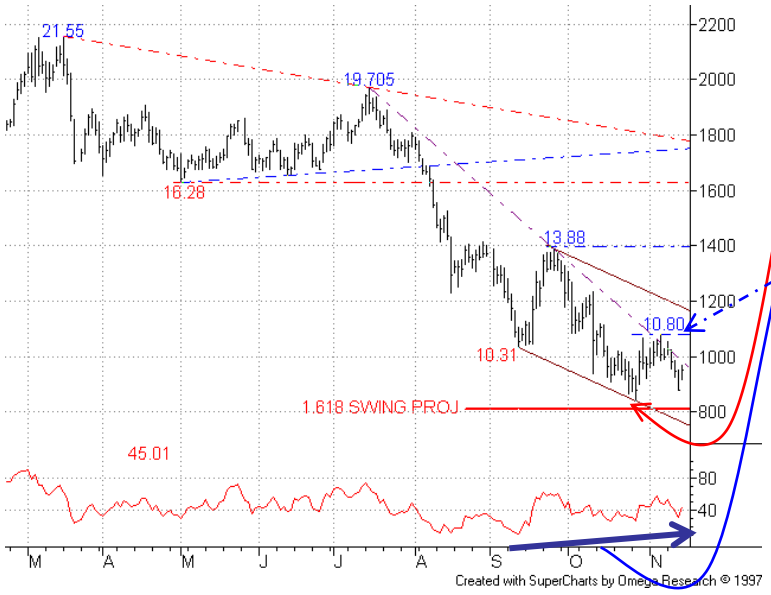
Metals: Silver (COMEX)



Weekly Chart – Dec-08:

Our next Fibo projection just below **900** was reached and the recent reversal week looks to have marked a temporary halt to the downmove.

As we have already said, there is something about the whole chart structure from 21.55 Mar high that suggests the current down phase is in its mature stage.
But any recovery could struggle after reaching the 14.00 area (our minimum target if the analysis is right).



Daily Chart – Dec-08:

The next Fibo target around **810,** 1.618 swing off prior 10.31-13.88 rally, was neared earlier on.

We still note the **positive RSI divergence.** A close above the 10.80 06-Nov high would be a bull trigger now, while an important hurdle to note is the projected top of a small bear channel, around 11.75 now.

Then our minimum 14.00 target area looms into view.

But right now, we must keep a s/term bearish stance.

More

SEVEN DAYS AHEAD

Metals: High Grade Copper (COMEX)

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

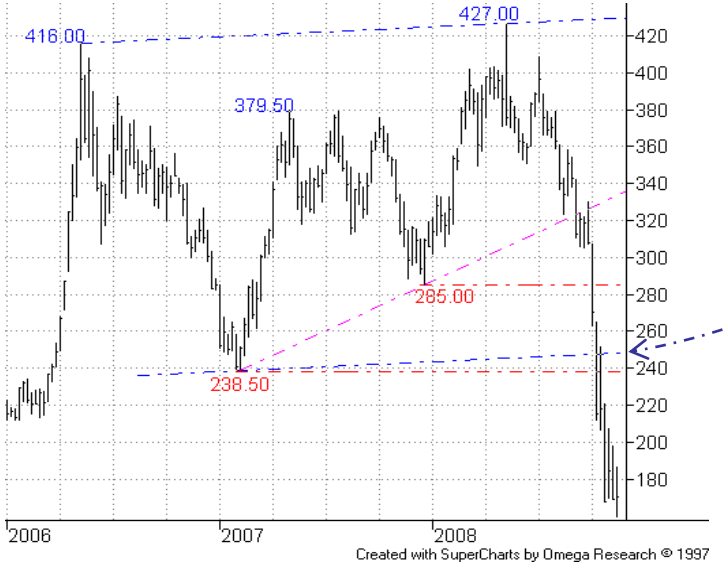
Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Monthly Chart – Continuation:

The major reversal from 427.00 May high has seen longer term bears drive down towards the 76.4% retracement of the 2001-2008 upmove around **146.90.**



Weekly Chart – Continuation:

The relentless decline quickly violated the medium term bull channel base projection and early 2007 low, only serving to emphasise the impulsive nature of the bear move.

The 238.50 low now offers a future resistance point.

More

Summary

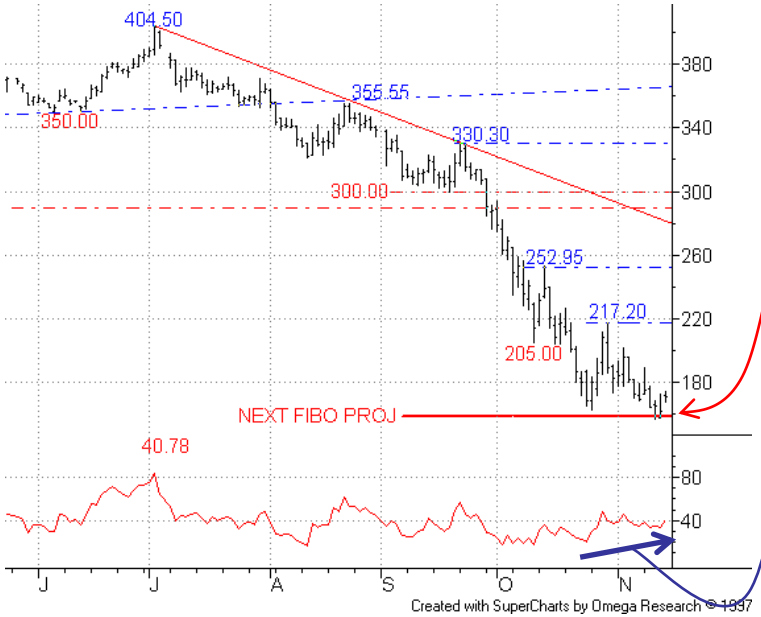
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Metals: High Grade Copper (COMEX)



Daily Chart – Dec-08:

The downmove has now reached our latest Fibo projection near **160.00**.

We now note a **positive divergence** emerging on the RSI momentum indicator, hinting at bear fatigue.

A bull sign now would be a recovery above the 217.20 30-Oct high.

<u>But we maintain our bearish stance for now.</u>

Grains and Softs

Soybeans remain above s/term support, and ahead of potential support on the longer term charts, while **Wheat** has found s/term support too, with the picture dominated by a top formation on the long tern chart. **Cocoa** and **Coffee** have found some support too, the latter perhaps trying to complete a small base. **Cotton** has stayed under pressure from the bears, but a sign of fatigue has crept in.

Summary

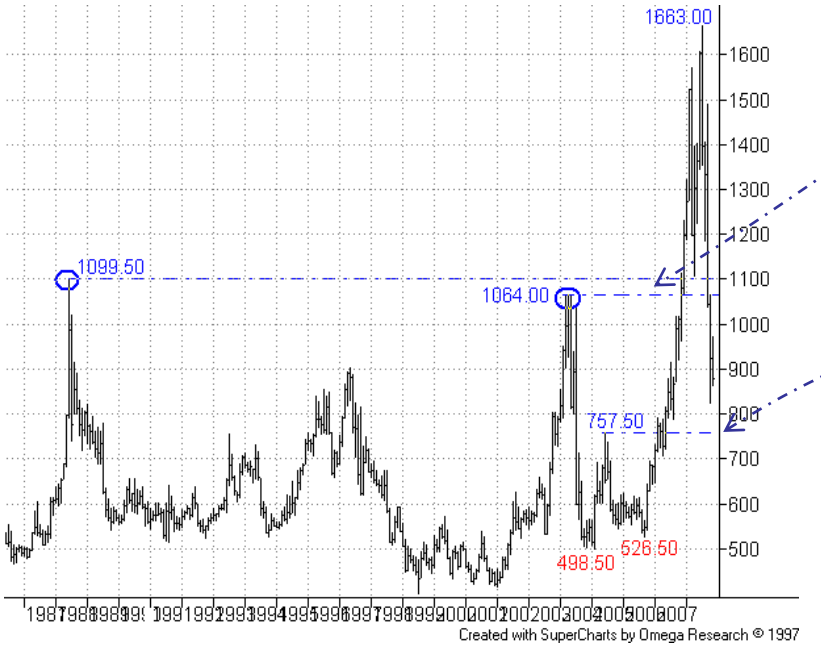
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Soybeans (CBOT)



Monthly Chart - Continuation:

The old 1988 1099.50 and 2004 1064.00 highs had become support points earlier in the year.

However, both have now failed as price continues to retrace the substantial gains previously seen.

757.50 on the continuation chart is now the next support area of interest.

More

SEVEN DAYS AHEAD

Summary

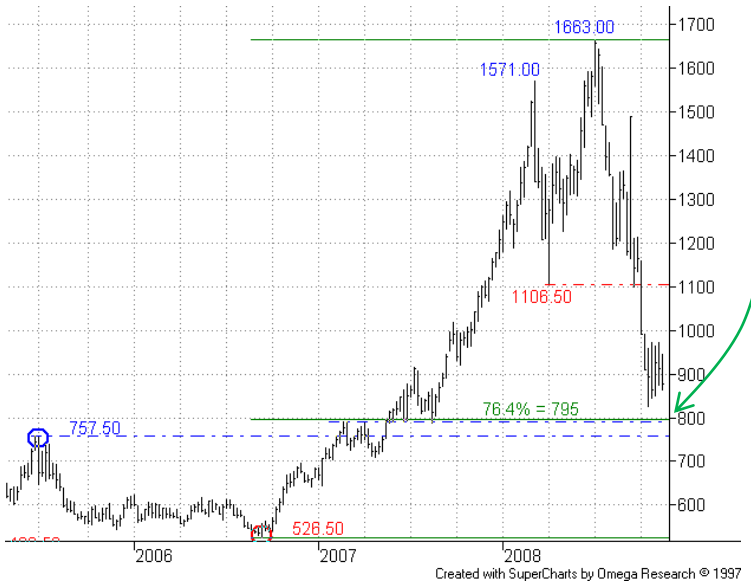
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

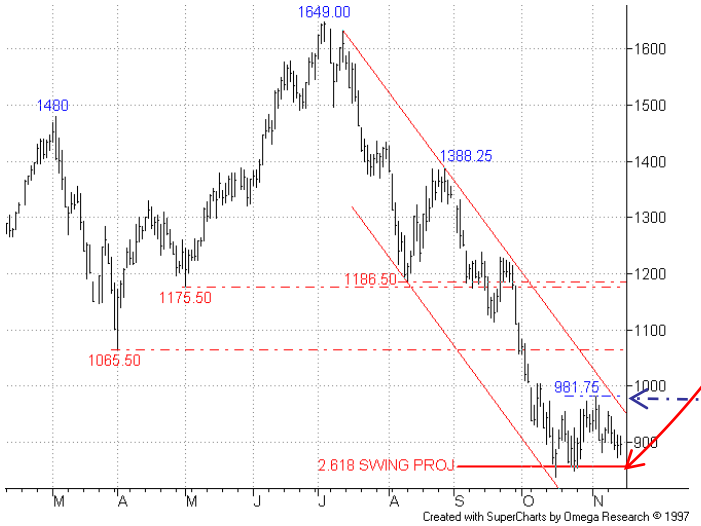
Grains and Softs: Soybeans (CBOT)



Weekly Chart – Continuation:

The 76.4% retracement of the 2006-2008 upmove lies in the **790s**, where several highs/lows from first half of 2007 also occur.

That 757.50 high from 2005 isn't much lower.



Daily Chart – Jan-09:

On the daily chart the 2.618 swing off prior 1186.50-1388.25 rally, around **860,** has been supportive.

Interestingly losses have so far halted at the 50% retracement level in absolute terms.

An initial bull signal would come on a break through initial resistance from the falling resistance line (960 area) and then 981.75 04-Nov high.

The resistance hurdle is then the 1065.50 01-Apr low.

We maintain a bearish stance for now.

More

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

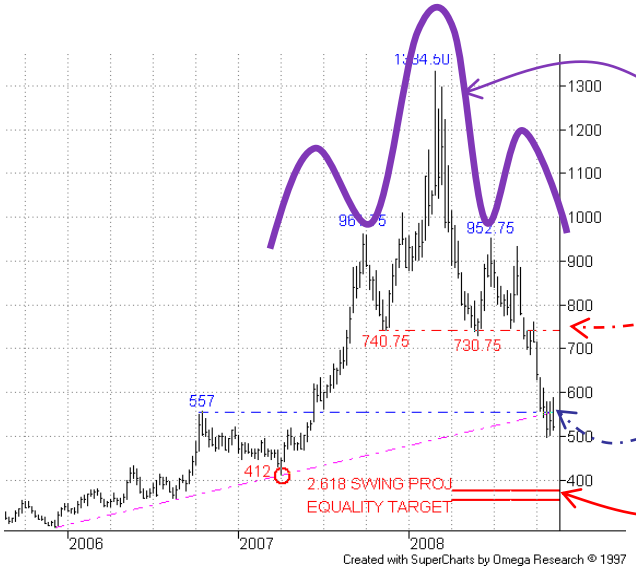
Grains and Softs: Wheat (CBOT)

Monthly Chart - Continuation:

The old 750.00 high area was a significant support point – but it eventually failed, at the same time that a bear pattern completed on the weekly chart.

Prices have now retraced nearly 76.4% of the accelerating upmove from the Dec-99 low.

Is the market trying to establish support just above here?



Weekly Chart - Continuation:

The break of key support from the 740.75/ 730.75 lows completed a large Head & Shoulders top formation.

This prolongs the medium term bear phase.

Note support from the old 557 Oct-06 high has now given way.

Later targets include **371.55** (2.618 swing off 730.75-952.75 rally) and **349** (an equality target).

More

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Wheat (CBOT)

Daily Chart – Dec-08:

The first, small, bullish clue came from the recent erosion of the small bear channel top we have been looking at recently.

A break above the 587.75 04-Nov high now would complete a small double bottom base, and be s/term bullish.

The minimum target would be the 673.00 38.2% recovery level.

The lower target around **466.00** (2.618 swing off prior 771.00-959.50 upleg) would then be put on hold.

Serious resistance, however, doesn't emerge until the important May/Aug lows of 768/771, which combine with the 61.8% level (783) and falling resistance line to provide a very key area.

We will, though, maintain a bearish stance for now.

More

Grains and Softs: Sugar (ICE)

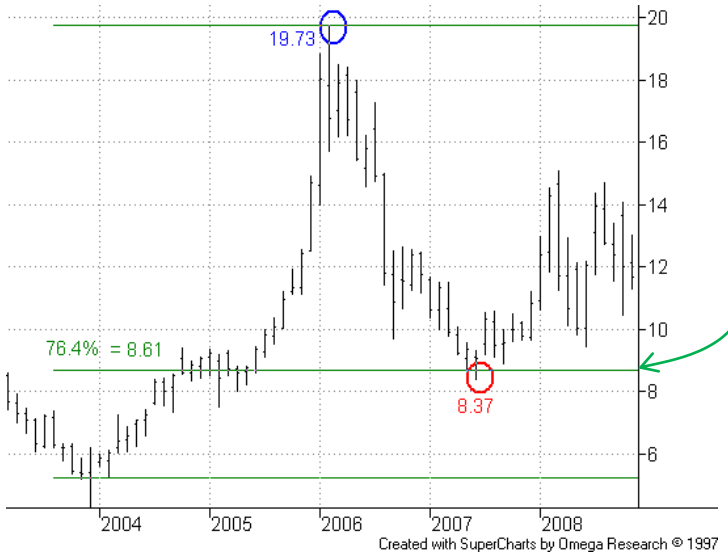
Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

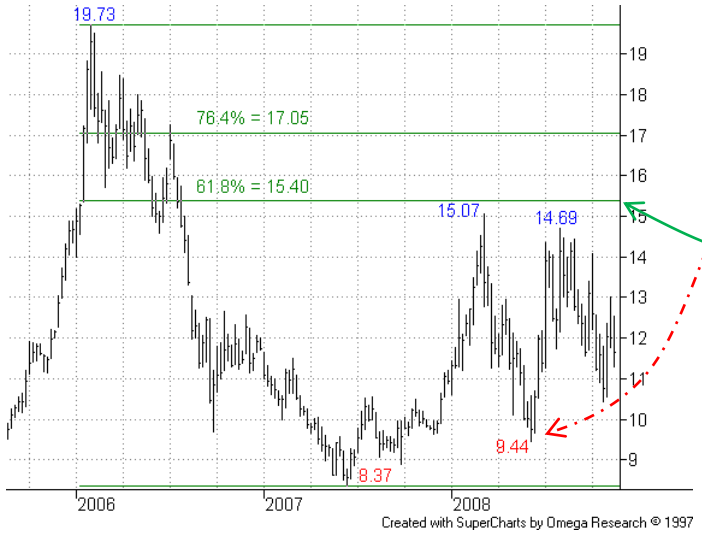
Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index



Monthly Chart - Continuation:

The 76.4% level has previously provided good long term support.



Weekly Chart - Continuation:

Recovery from the 9.44 Jun low was strong,

But price failed to reach overhead key resistance at 15.07-40.

Now see the weekly chart of the front month…

More

SEVEN DAYS AHEAD

Summary

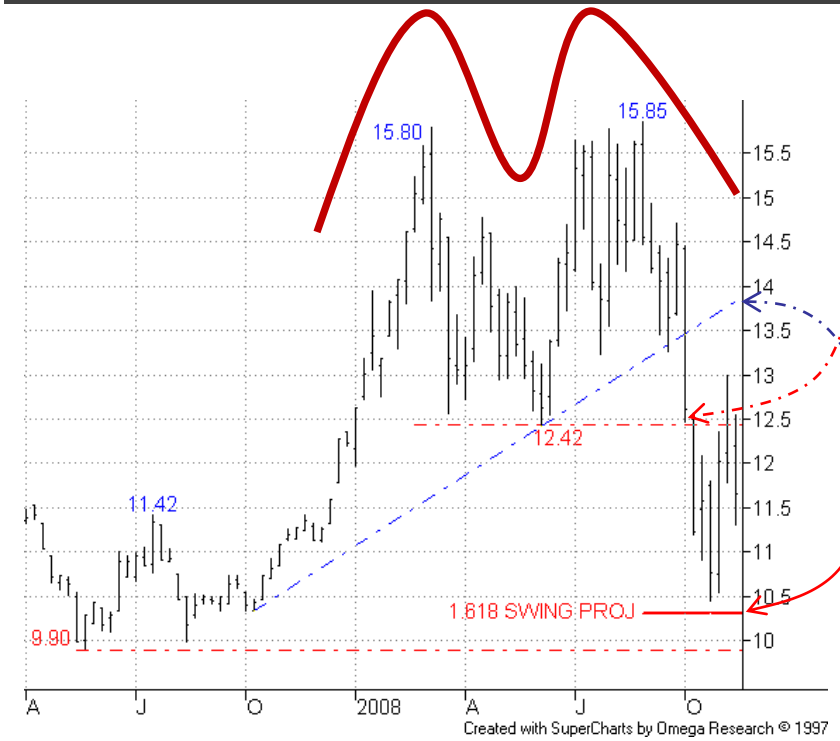
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Sugar (ICE)



Weekly Chart – Mar-09:

The break below the 12.42 Jun low completed a somewhat over-sized double top formation.

The downswing found support near the 1.618 swing projection off 12.42-15.85 rally, around **10.30.**

The market breached resistance from the12.42 low, depriving bears of some of their momentum.

The rising former support/return line around 13.90 offers potential resistance.

More

Summary

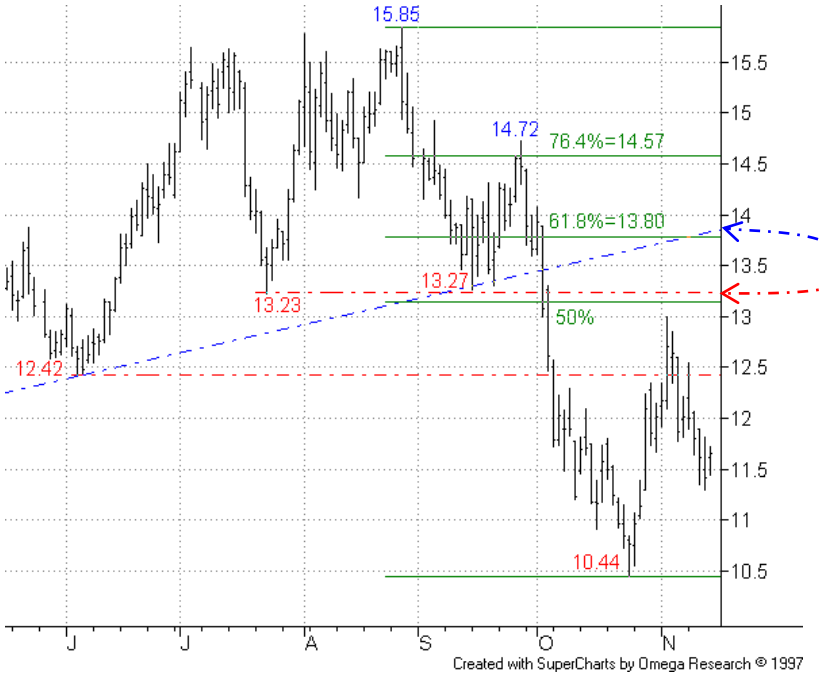
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Sugar (ICE)



Daily Chart – Mar-09:

We had previously suggested that the structure of the Sep/Oct fall looked mature – the recent bounce confirmed this to be so.

Currently resistance from the 13.23/13.27 lows has worked nicely, but we can't rule out another upswing that tests the mettle of the 13.80 area which combines the 61.8% level with an old rising return line.

Any recent sellers towards 13.23/27 will probably look to take partial profits between current levels and the 11.00 area, stops either tight above 13.27 or at cost now.

We maintain a sidelined stance for now.

More

Summary

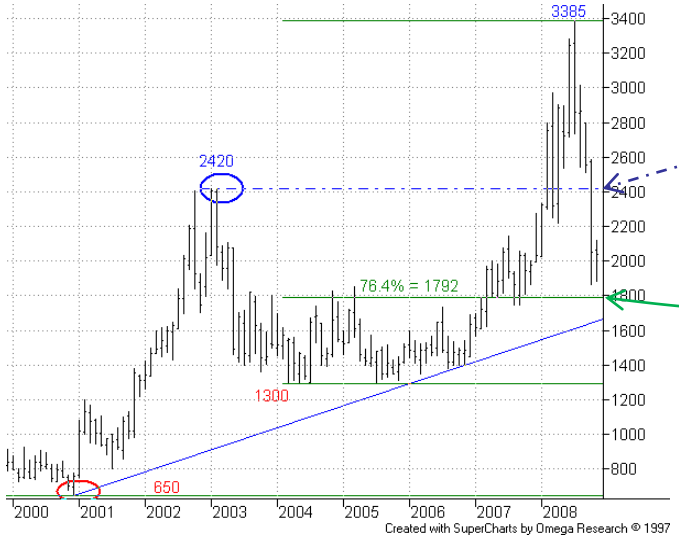
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Cocoa (ICE)

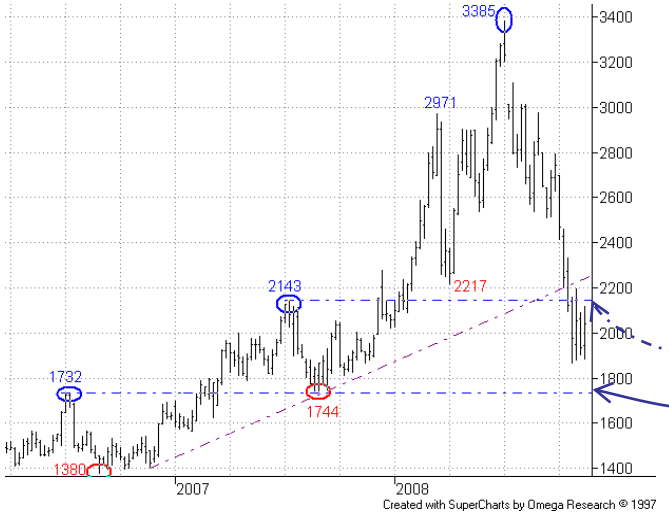


Monthly Chart – Continuation:

From a 3385 peak the marked drop back quickly broke through the old 2420 Jan-03 high.

This confirmed that a medium term bear move was in progress.

The 76.4% level of the 2004-2008 rise is shown now, near 1800. It is close to old highs from 2003/2005 – reaction here will be interesting.



Weekly Chart – Continuation:

The drop has now extended through the 2143 Jul-07 high now.

On this chart the 1744/32 region offers next support (below the 1800 area on the Monthly chart).

More

Summary

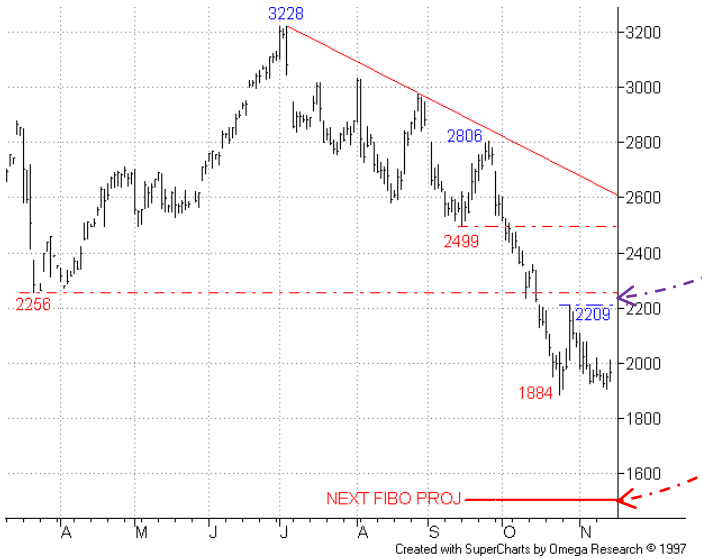
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Cocoa (ICE)



Daily Chart – Mar-09:

S/term support has been found but the hurdles for bulls are the 2209 29-Oct high and 2256 Mar low.

While we note a lower Fibo projection around **1505,** there is, perhaps, a good chance that higher support emerges, such as around the 1800 area (see Monthly chart).

We maintain a bearish stance for now.

More

Grains and Softs: Coffee (ICE)

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Monthly Chart – Continuation:

After recent weakness it is now useful to be looking at some of the retracement levels of the 2001-2008 upmove.

Weekly Chart – Continuation:

The second bear leg, from 154.05 Jul high is well under way now.

Focus is now on the 76.4% level of the 2005-2008 upmove around 101.15, which combines with the 100.00 2007 lows to offer potential support.

More

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Coffee (ICE)

Daily Chart – Mar-09:

S/term support has been found near our 2.618 swing projection off prior 138.90-155.70 Aug rally, around **111.70,**

- ahead of the medium term bear channel base projection.

Pattern spotters will be hoping to sight a **modest inverse Head & Shoulders formation** soon, which will emerge on a good close above the neckline (122.00 area).

Good resistance would then be implied in the 137.05-140 area.

<u>But right now, we must maintain a bearish stance.</u>

More

Grains and Softs: Cotton No.2 (ICE)

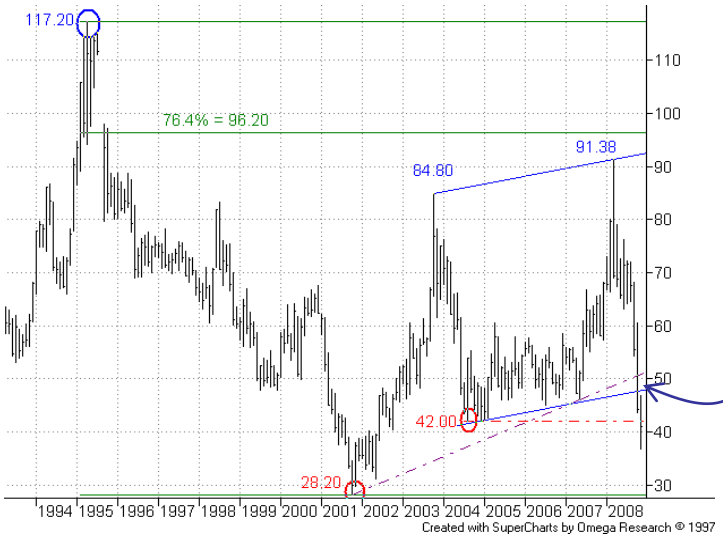
Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index



Monthly Chart – Continuation:

The sharp drop back from the 91.38 Mar high has violated both the bull channel base projection and the significant 42.00 2004 low.

There is high risk of a return to the major 28.20 2001 low at some stage.

Weekly Chart – Continuation:

Former lows now revert to potential resistance, such as the 45.00/46.00 area, with 55.00 also a possibly strong level still.

More

SEVEN DAYS AHEAD

Grains and Softs: Cotton No.2 (ICE)

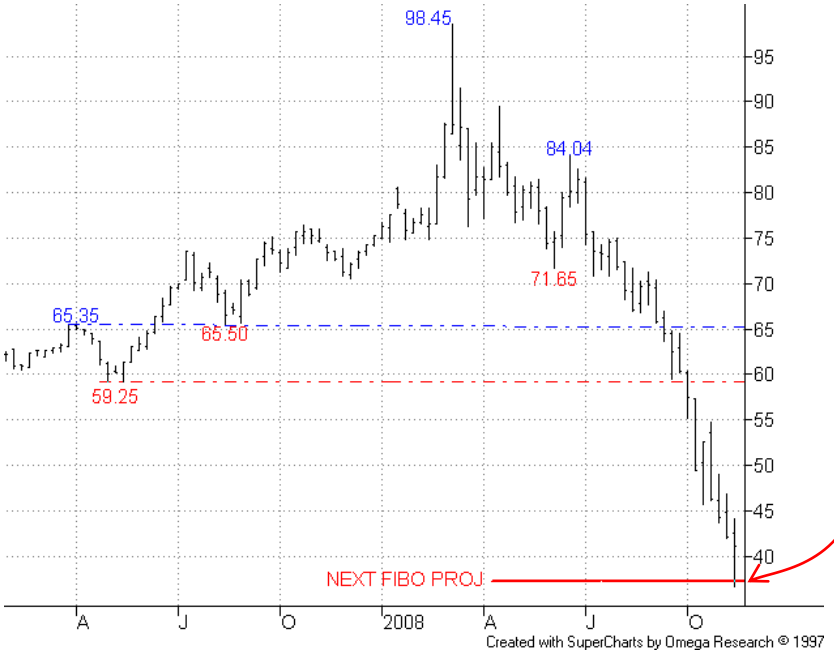
Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index



Weekly Chart – Dec-08:

The next Fibo target on this chart at **37.40** has now been tested now **–** the other nearby projection we have shown on the Daily chart.

The 59.25 May-07 low has reverted to a resistance point, ahead of the key 65.35/50.

More

SEVEN DAYS AHEAD

Summary

Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Grains and Softs: Cotton No.2 (ICE)

Daily Chart – Dec-08:

Following erosion of two bear channel base projections our Fibo projection at **36.70** (just below the 37.40 on the Weekly chart) was tested last week.

And we continue to note the positive divergence on the RSI – which hints at possible bear fatigue.

A close above the first falling resistance line (44.00 currently) would be the first bull sign, but keep in mind the 45.000-46.00 area on the Weekly chart).

<u>We maintain a bearish stance for now, but are ready to be s/term bullish.</u>

(We'll be switching to the Mar-09 contract next week)

Other

The **Orange Juice** chart has found s/term support, with lower targets now being tested. The **CRB index** chart remains medium term bearish, and latest weakness has tested a major 76.4% level on the long term chart now.

Summary

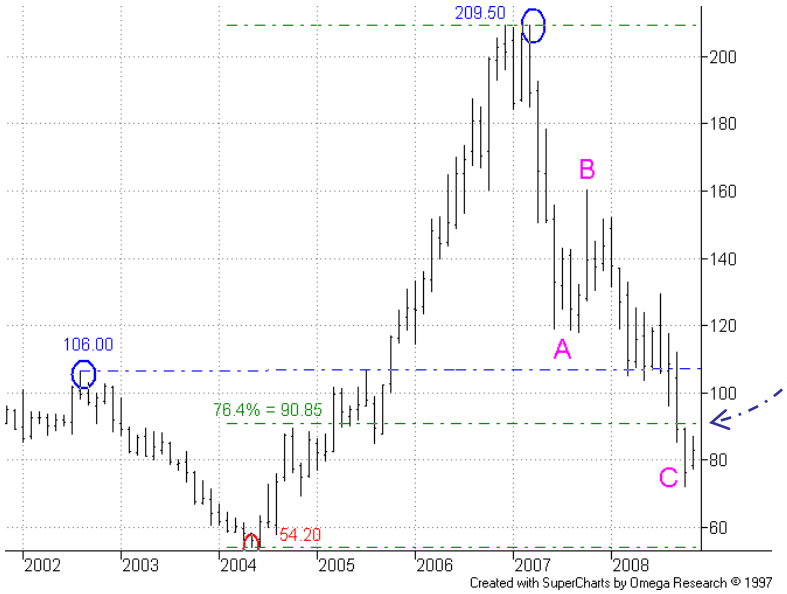
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Other: Orange Juice (ICE)



Monthly Chart - Continuation:

The breach of the major 2002 high at 106.00 recently led to a violation of lower support from the 76.4% retracement at **90.85.**

The third leg, 'C', in the move from 209.50 Mar-07 high still looks to be unfolding.

More

Summary

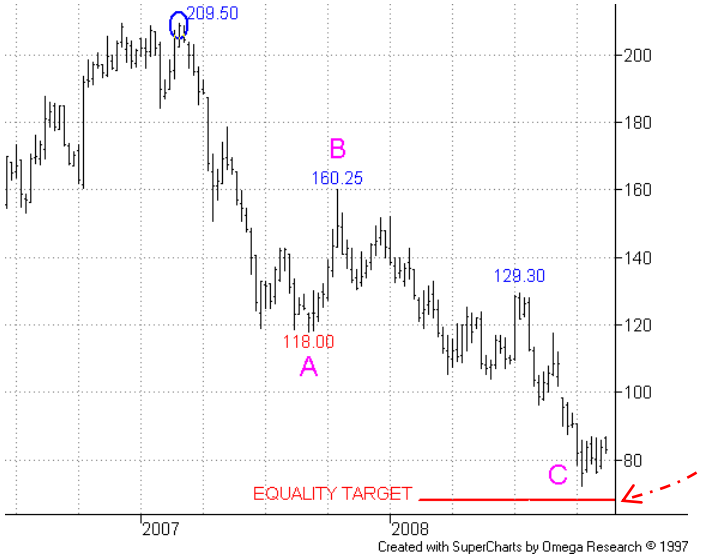
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Other: Orange Juice (ICE)



Weekly Chart – Continuation:

The fall from 209.50 Mar-07 peak looks to be a three-wave affair, the final, somewhat choppy, 'C' wave contrasting with the straightforward drop of 'A'.

We continue to focus on an equality target (C=A) at **68.75** as the next support area (but no requirement that this must be tested exactly).

More

Summary

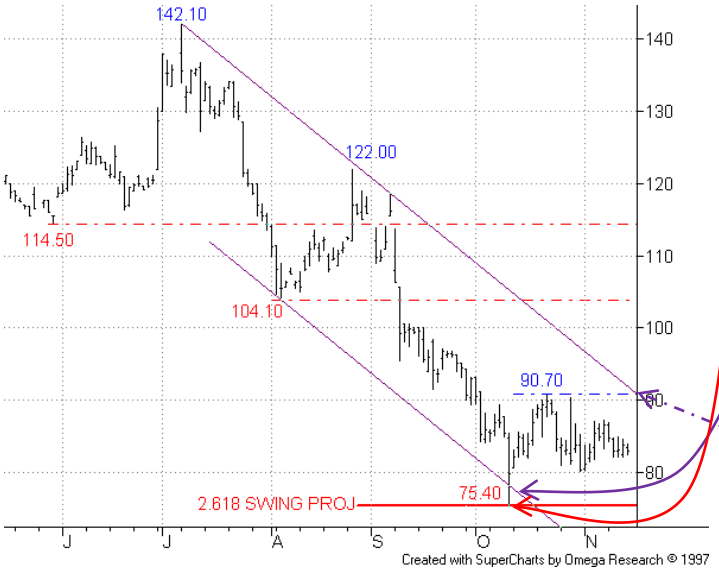
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Other: Orange Juice (ICE)



Daily Chart – Jan-09:

After a quiet consolidative week the picture stays the same here.

Our latest downside target at **75.15,** the 2.618 swing projection off prior 104.10-122.00 upleg was tested last month, and provided nice support.

Support also emerged from the projected bear channel base.

While the 75.40 10-Oct low holds there is the chance of another rebound attempt – at this stage a break through 90.70 22-Oct high would be a bull sign, this now coinciding with the bear channel top .

We retain a bearish stance s/term, while below 90.70.

More

Summary

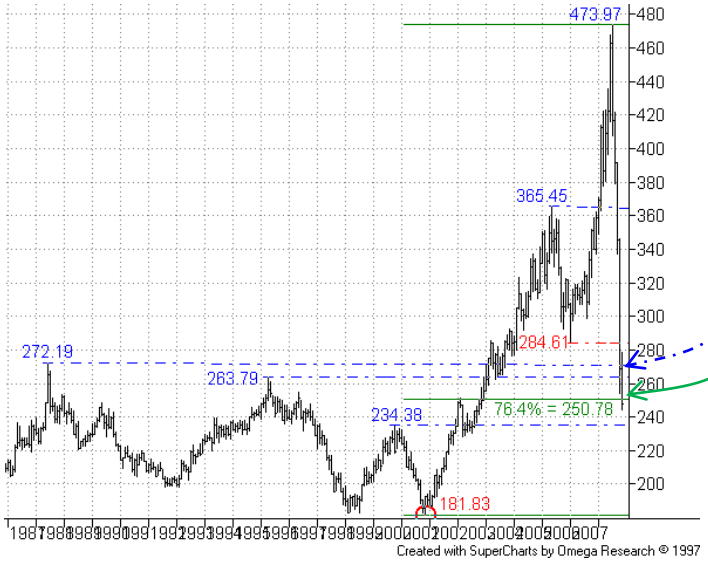
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

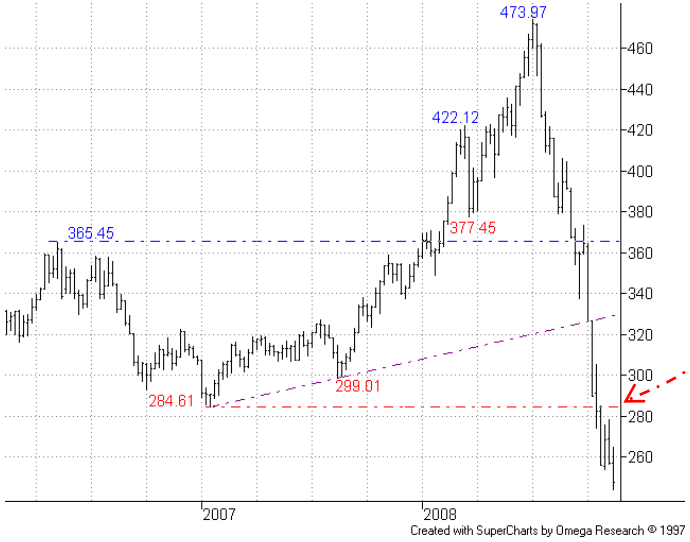
Other: CRB Index (CBOT)



Monthly Chart – Continuation:

The collapse in this index has violated several support levels including, more recently, two old major highs from Jun-88 and Apr-96.

The deep 76.4% retracement at 250.78 has now been eroded – so far, reaction around here is inconclusive.



Weekly Chart – Continuation:

To emphasise the seriousness of the fall in prices the significant 284.61 Jan-07 low has recently been violated.

This low marked the start of the final major upleg of the move that began in late 2001.

More

Summary

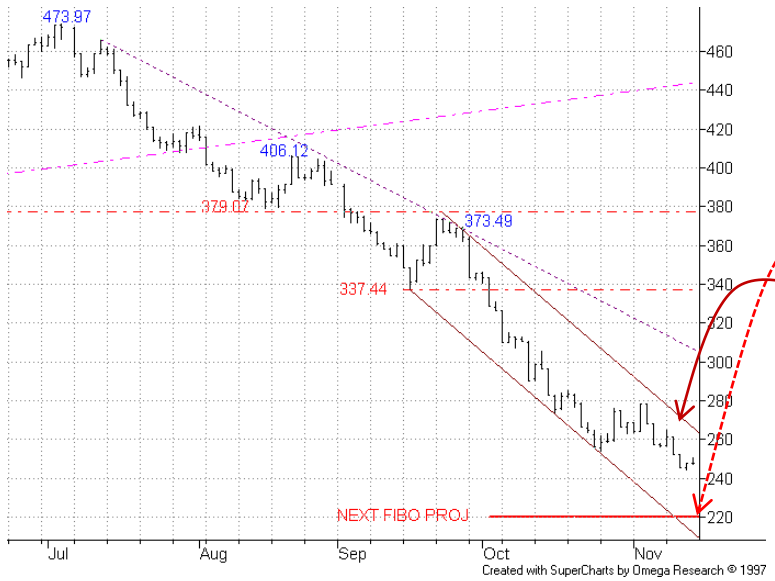
Energy
+ Light Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Orange Juice
+ CRB Index

Other: CRB Index (CBOT)



Daily Chart

S/term bears continue to dominate and, besides the **250.00** 76.4% area on the long term chart, one lower Fibo projection to note is around **221.00.**

The chart structure still favours bears, but note the small bear channel top projection around 262.00 – a rise through this would be a small bullish hint now.

NOTE THAT IN SEVERAL INDIVIDUAL MARKETS NOW THERE ARE SMALL SIGNS OF BEAR FATIGUE, AND IT WOULDN'T TAKE MUCH OF A RALLY TO PRODUCE S/TERM BULL SIGNS.

We maintain a bearish stance for now, though.

SEVEN DAYS AHEAD
Authorised and Regulated by the FSA
124 REGENTS PARK ROAD LONDON NW18XL
TEL +44 (0) 7849 922573 E-MAIL msturdy@sevendaysahead.com,
pallwright@sevendaysahead.com
WEB SITE SEVENDAYSAHEAD.COM

The material and information set out in this research is not intended to be a quote of an offer to buy or sell any financial products. Any expression of opinion is based on sources believed to be reasonably reliable but is not guaranteed as to accuracy or completeness.

The material and information herein is general and for informational purposes only. Although Seven Days Ahead endeavours to provide useful information they make no guarantee as to the accuracy or reliability of the research.
The derivative market comprises volatility and considerable risks. To the maximum extent permitted by law no responsibility or liability can be accepted by Seven Days Ahead, any company or employee within its group for any action taken as a result of the information contained in this presentation. You are requested not to rely on any representation in this research and to seek specific advice from your accountant, legal adviser or financial services adviser when dealing with specific circumstances.

Seven Days Ahead is regulated by the UK Financial Services Authority.

Back to main menu