



Week 41

11th October – 17th October 2011

the technical analyst

AWARDS 2011

FINALIST BEST COMMODITY, ENERGY & POWER
RESEARCH & STRATEGY

Summary

Energy

- + Brent 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

- + Carbon Emissions
- + CRB Index



The Commodity Specialist Guide

Philip J Allwright

Mark Sturdy

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by the FSA

Disclaimer



Summary – Commodity Specialist

Summary

Energy

- + Brent Crude Oil
- + Natural Gas
- + Heating Oil

Stay BEARISH market sees s/term bounce but stays negative (Nov-11)
Stay BEARISH slip back continues (Nov-11)
Stay BEARISH 38.2% support again under pressure (Nov-11)

Metals

- + Gold
- + Silver
- + High Grade Copper

Stay SQUARE s/term consolidation set in after key support test (Dec-11)
Stay BEARISH s/term recover off channel base seen (Dec-11)
Stay BEARISH after break of key support (Dec-11)

Grains and Softs

- + Soybeans
- + Wheat
- + Sugar 11
- + Cocoa
- + Coffee
- + Cotton No.2

Stay BEARISH after clear break of channel base support (Nov-11)
Stay BEARISH pullback continues (Dec-11)
Stay BEARISH s/term support emerging near channel base (Mar-12)
Stay BEARISH further weakness approaches channel base support (Dec-11)
Stay SQUARE pullback continues (Dec-11)
Stay SQUARE pullback again supported by earlier 76.4% area (Dec-11)

Other

- + Carbon Emissions
- + CRB Index

Stay SQUARE slip back has eroded earlier 76.4% support (Dec-11)
Stay BEARISH s/term support emerging around a Fibo projection



Energy

Recent weakness in the **Oil** charts saw retest of Aug lows – s/term rallies are viewed as temporary. Weakness in **Natural Gas** has continued, so far failing to find support.

Summary

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- + Natural Gas
- + Heating Oil

Metals

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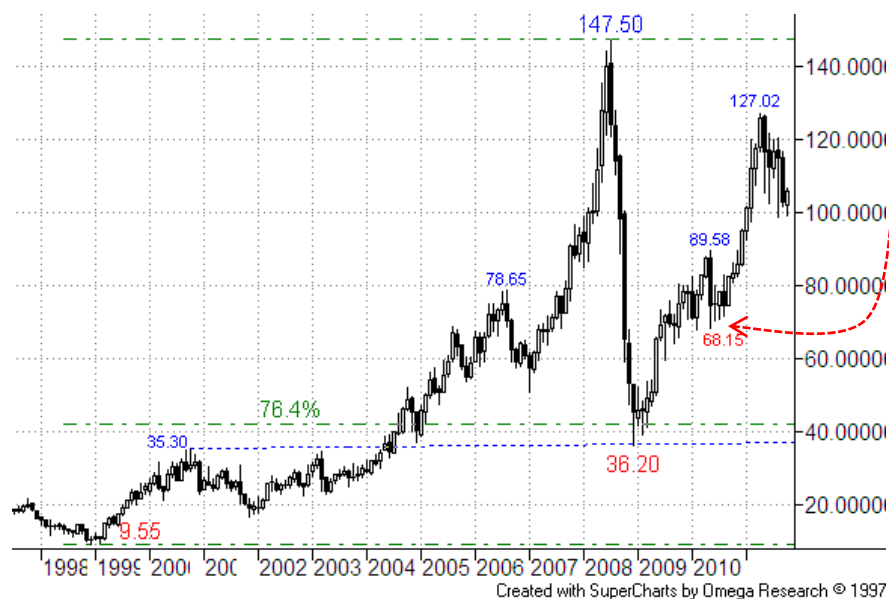
Grains and Softs

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- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index

Energy: Brent Crude Oil (ICE)



Monthly Chart – Continuation:

The second upleg, from the 68.15 May-10 low, has given way to a correction phase.

More



Energy: Brent Crude Oil (ICE)

Summary

Energy

- + Brent Crude Oil
- + Natural Gas
- + Heating Oil

Metals

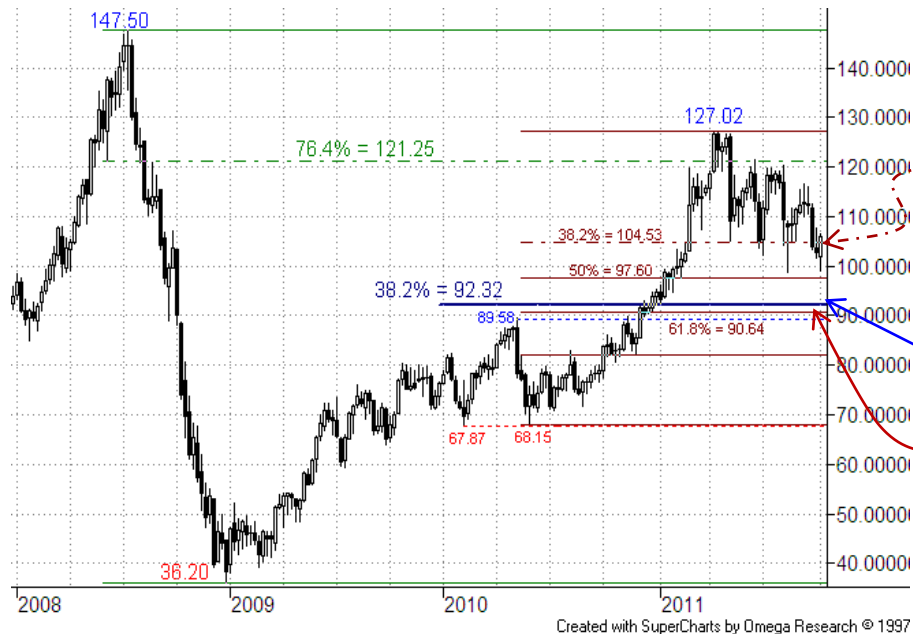
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Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index



Weekly Chart – Continuation:

Earlier support around a 38.2% pullback level was breached, providing a boost to medium term bears.

The next important support area starts at the longer term 38.2% pullback (of whole 2009/2011 recovery) at 92.32 and includes the shorter term 90.64 61.8% level and 89.58 May-10 high.

More



Summary

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Metals

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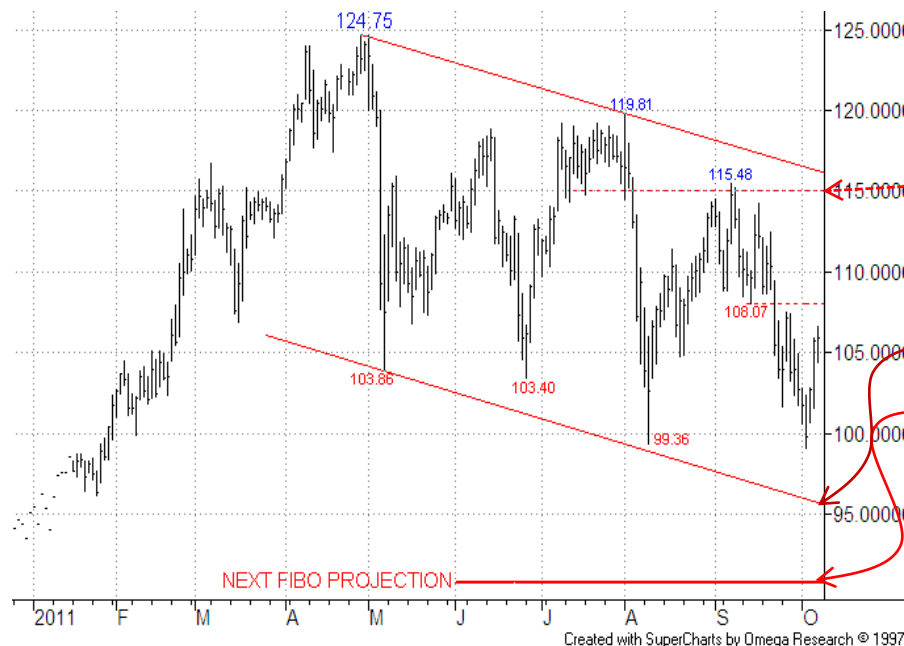
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Other

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Energy: Brent Crude Oil (ICE)



Daily Chart – Nov-11:

The market remains down-trending, following earlier test of resistance from the Jul congestion at/above the 115.00 area.

As before, beyond the 99.36 09-Aug low note possible channel base support near 95.50. Also keep in mind the lower Fibo projection at **89.80**, which ties in nicely with the Weekly chart support area.

Any earlier shorts will have at least partial profits now (around the 102.00 area) as previously suggested, looking for more towards the channel base.

We maintain a bear stance here.

More



Energy: Light Crude Oil (NYMEX)

Summary

Energy

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- + Natural Gas
- + Heating Oil

Metals

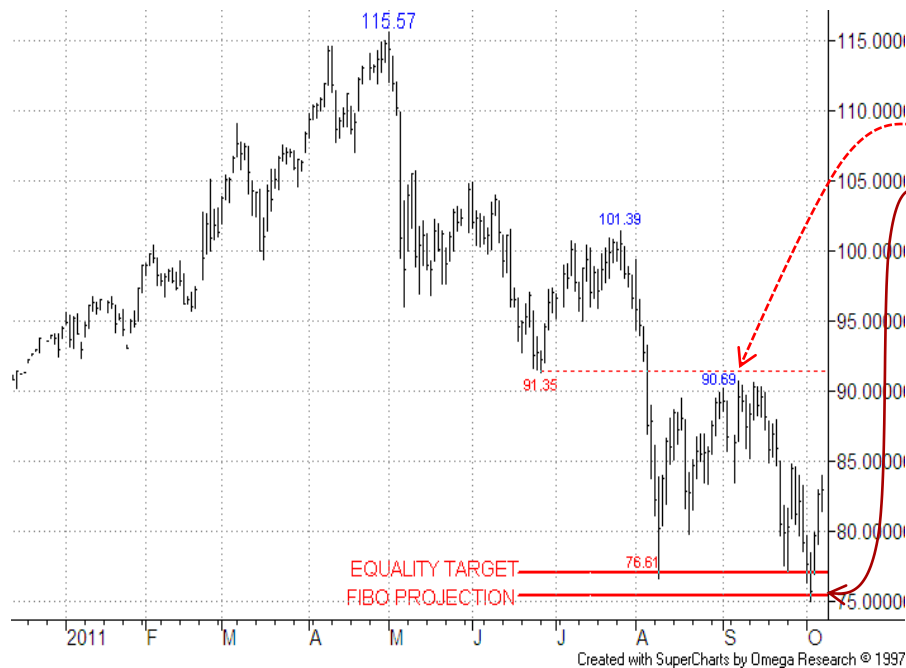
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Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index



Daily Chart – Nov-11:

The drop back from resistance near the 91.35 27-Jun low has found s/term support from our Fibo projection at **75.30** (this made the 90.69 07-Sep high coincide with a 38.2% rebound). We wait to see how lasting this support will be.

More



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Other

- + Carbon Emissions
- + CRB Index

Energy: Natural Gas (NYMEX)



Monthly Chart – Continuation:

The Sep-09 **Key Reversal Month** marked a turning point, although the earlier, initial recovery faded.



Weekly Chart – Continuation:

If recovery off the dual support (from near the 3.155 May-09 low and 76.4% pullback) gets going again, then note possible resistance from the 76.4% 5.425 retracement.

Meanwhile the 76.4% support is coming in focus again.

More



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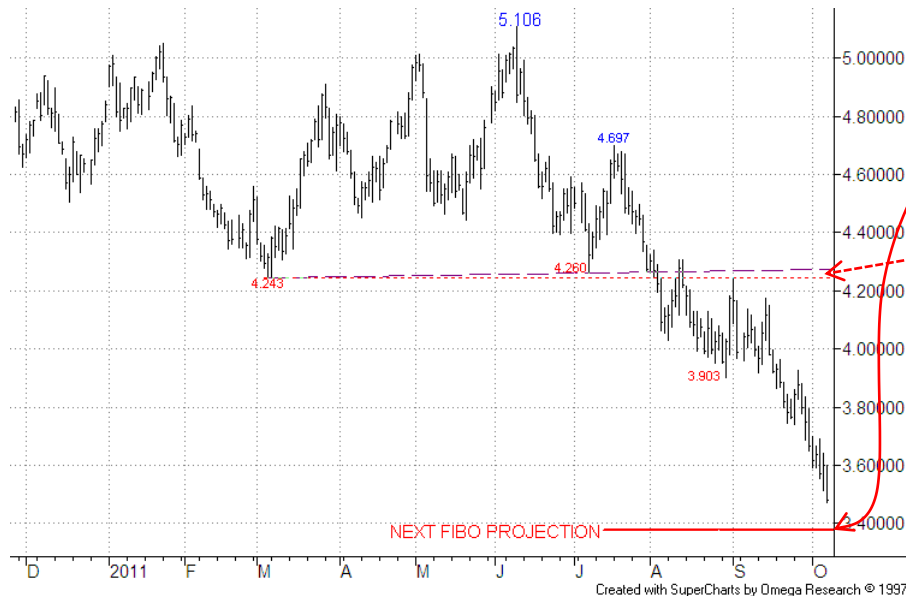
Grains and Softs

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Other

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- + CRB Index

Energy: Natural Gas (NYMEX)



Daily Chart – Nov-11:

Prices continue to ease and focus remains on the next Fibo projection, at **3.730**.

Main resistance here, from the prior 4.243/4.260 lows, has moved further away.

We maintain a bear stance here.



Daily Chart – Continuation:

Note on the daily continuation chart a 76.4% pullback level at 3.630 did not in the end provide support.

More



Energy: Heating Oil (NYMEX)

Summary

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Metals

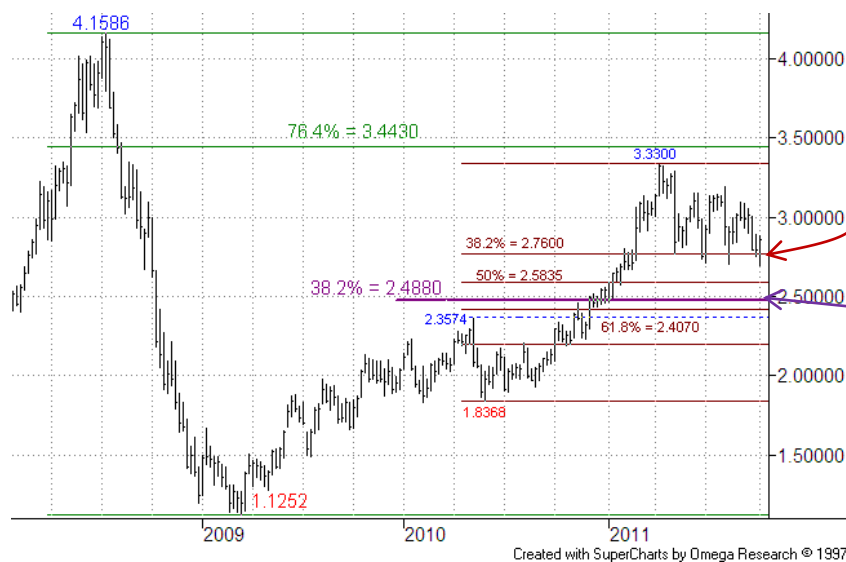
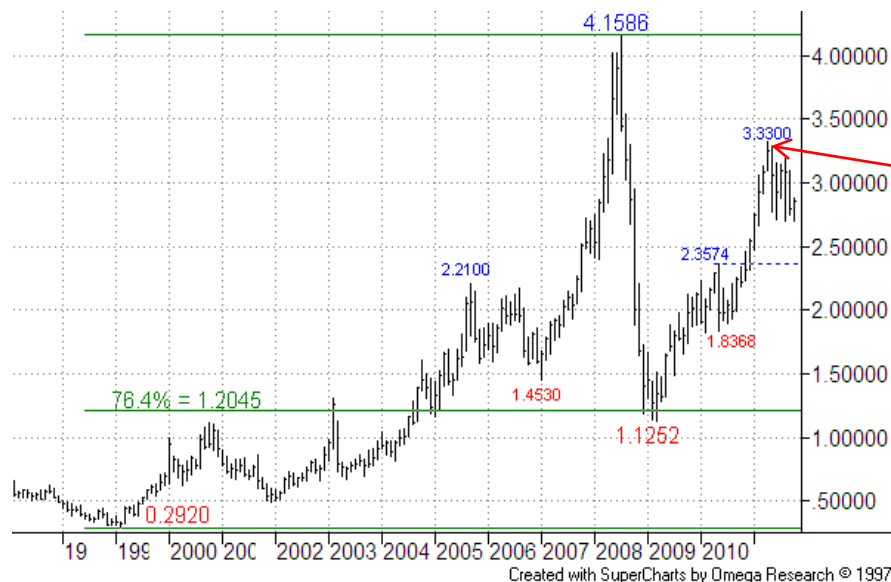
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Grains and Softs

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Energy: Heating Oil (NYMEX)

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Other

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Daily Chart – Nov-11:

The latest drop back saw erosion of the 2.7325 09-Aug low, nearing the next Fibo projection at **2.6590**. Under here lies the bear channel base projection at 2.6000 currently – we keep a lookout for next support in this area.

We maintain a bear stance for now.



Metals

In **Gold** s/term consolidation has been prompted near a key support area. Recent weakness in **Silver** has found temporary support from a channel base. **Copper** continues weak.

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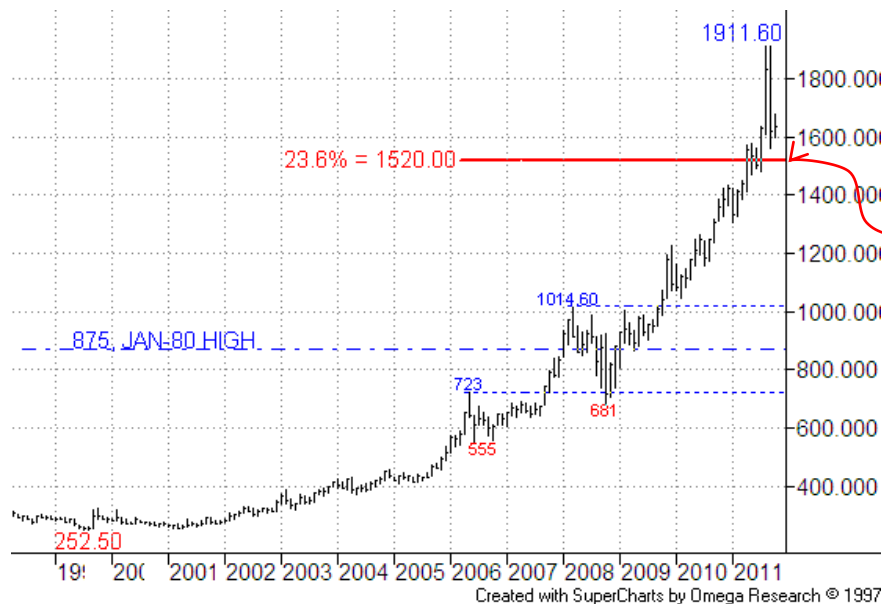
Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index

Metals: Gold (COMEX)



More



Metals: Gold (COMEX)

Summary

Energy

- + Brent Crude Oil
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- + Heating Oil

Metals

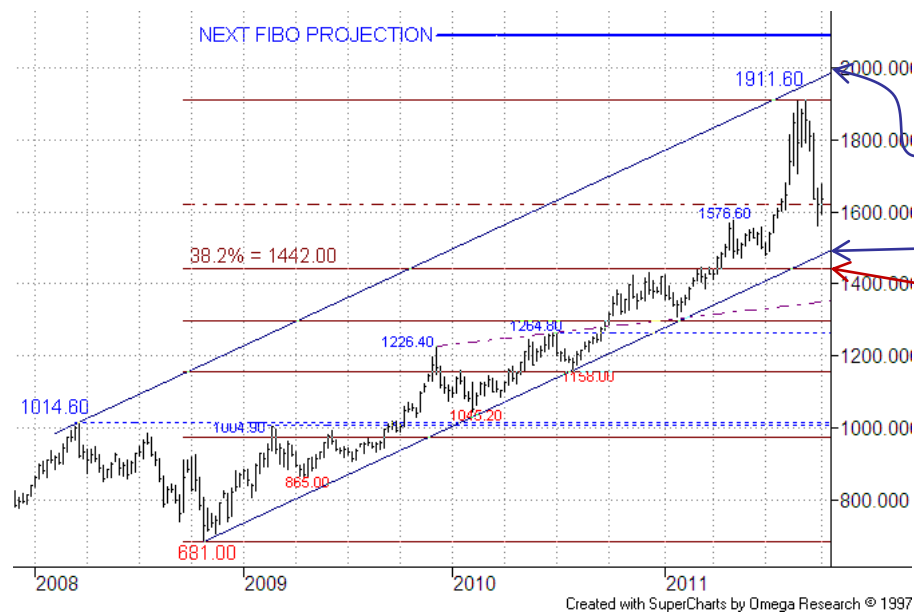
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Grains and Softs

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Other

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More



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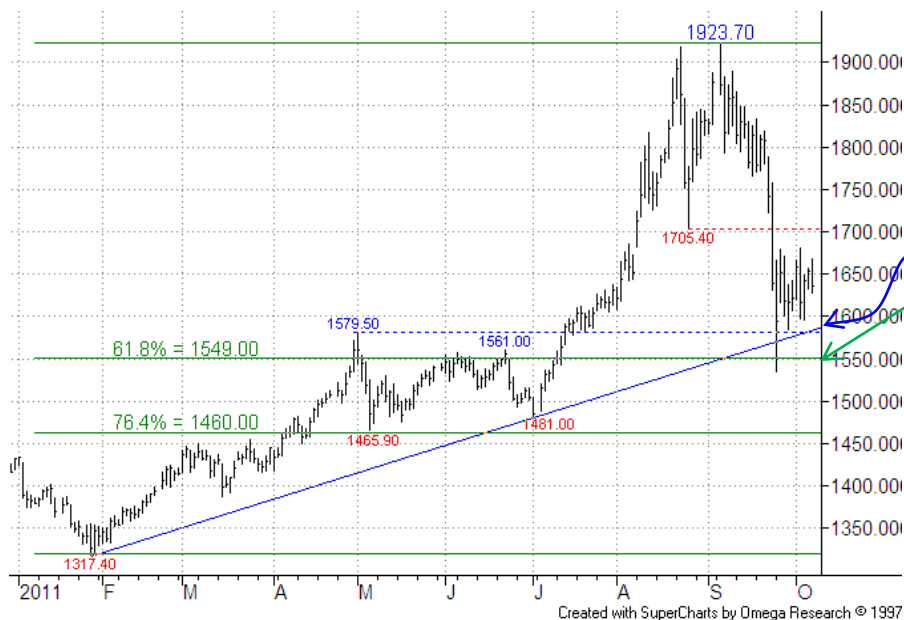
Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index

Metals: Gold (COMEX)



Daily Chart – Dec-11:

A decisive drop back has reverted to s/term consolidation, supported by an interesting support area that includes the 1579.50 May high and rising support line, plus the 1549.00 61.8% level.

S/term support here is not a surprise technically. First resistance comes from around the 1705.40 25-Aug low.

We hold a sidelined stance for now.

More



Metals: Silver (COMEX)

Summary

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Metals

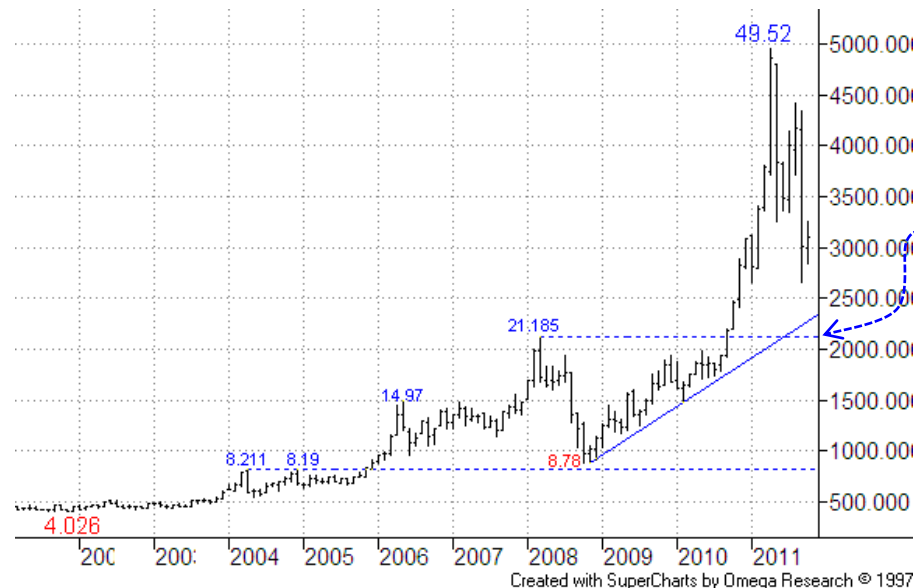
- + Gold
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Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index



More



- + Brent Crude Oil
- + Natural Gas
- + Heating Oil

- + Gold
- + Silver
- + High Grade Copper

- + Soybeans
- + Wheat
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- + Cocoa
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- + Carbon Emissions
- + CRB Index

The sharp sell-off found good support from a channel base projection, and equality target at **26.84** (Apr/May drop measured off 44.295 Aug high) . A s/term rebound is no surprise at this stage, but could well prove temporary

We maintain a bear stance here.



Metals: High Grade Copper (COMEX)

Summary

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- + Brent Crude Oil
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Metals

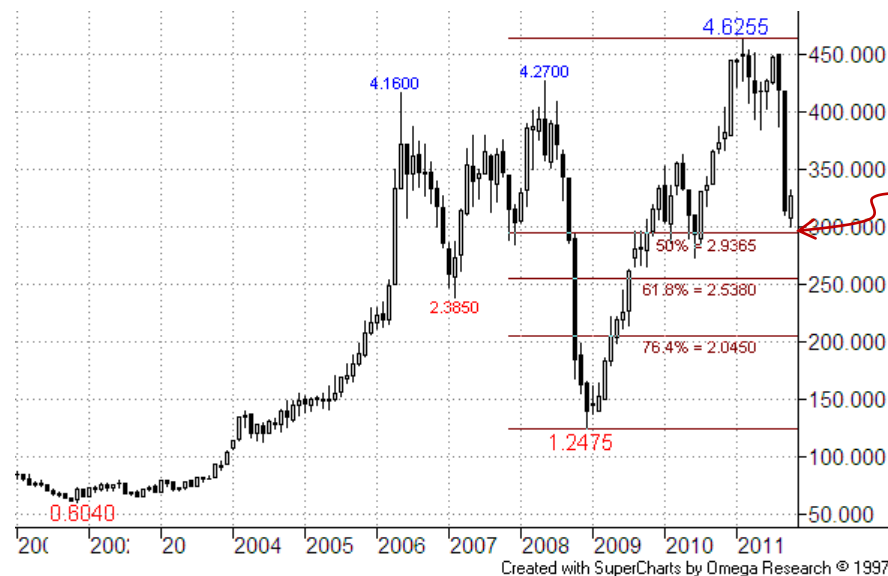
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Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index



More



Summary

Energy

- + Brent Crude Oil
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Metals

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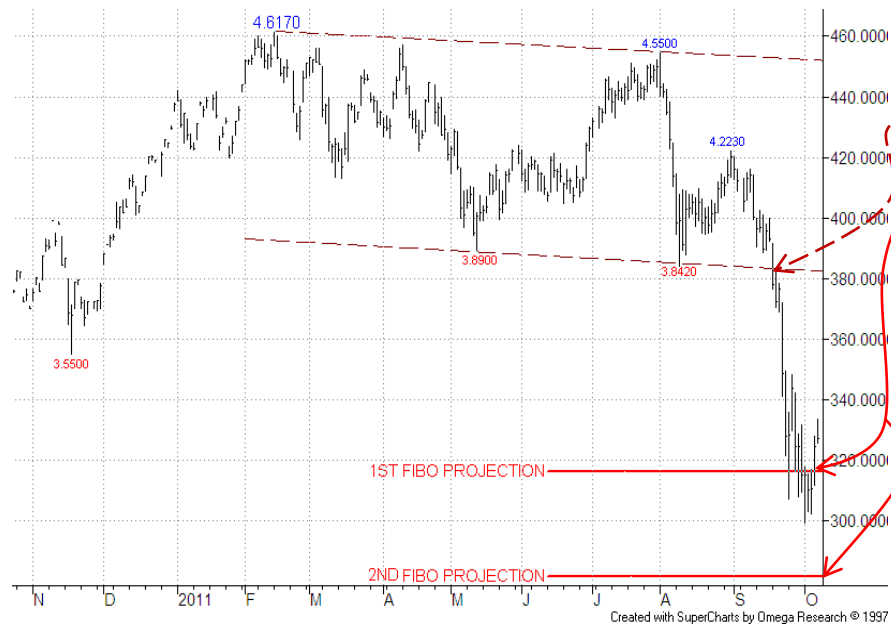
Grains and Softs

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- + Cocoa
- + Coffee
- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index

Metals: High Grade Copper (COMEX)



Daily Chart – Dec-11:

Following the dramatic break of channel base support the downmove has now exceeded our first Fibo projection around 3.1600, with a lower one at 2.8200.

We wait to see if better support can come from this area.

We maintain a bear stance here.



Grains and Softs

Soybeans have continued to drop back from key 76.4% resistance. **Wheat** is still easing back too. **Sugar** remains negative for now. **Cocoa** continues weak, now testing a long term 50% support. **Coffee's** slip has neared an interesting support area. **Cotton** has eased back to a previous 76.4% support area.

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Metals

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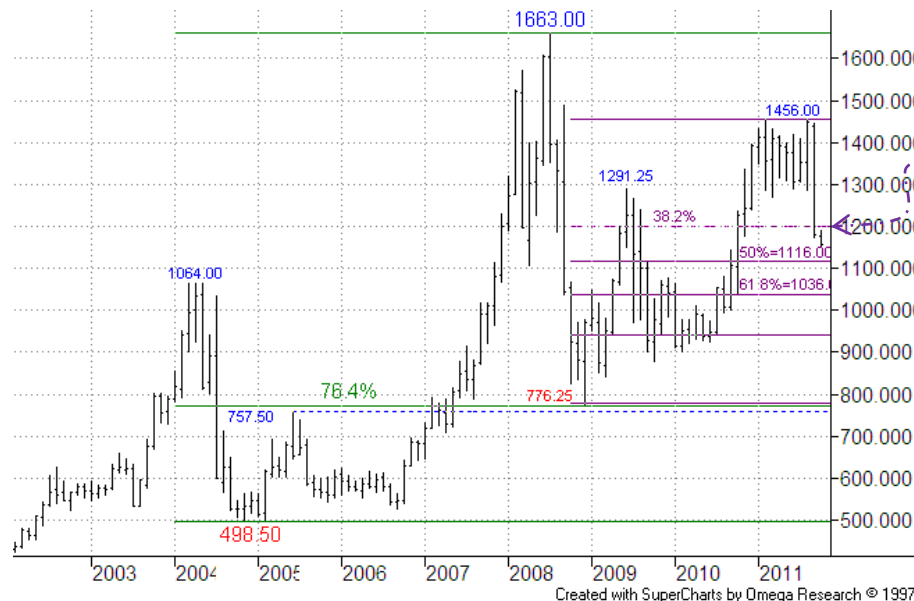
Grains and Softs

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- + Coffee
- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index

Grains and Softs: Soybeans (CBOT)



Monthly Chart - Continuation:

The latest pullback has now eroded the main 38.2% retracement level.

More



Grains and Softs: Soybeans (CBOT)

Summary

Energy

- + Brent Crude Oil
- + Natural Gas
- + Heating Oil

Metals

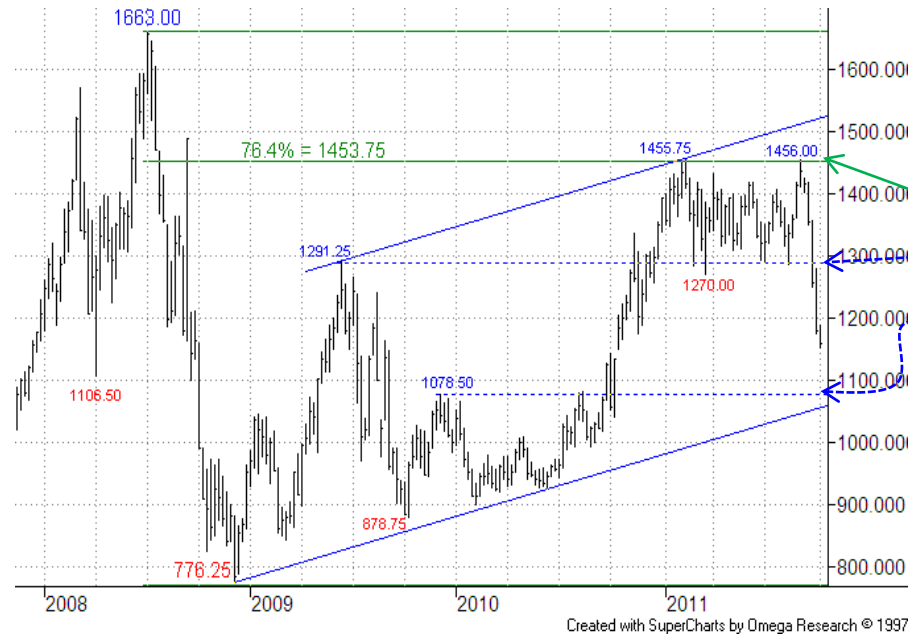
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Grains and Softs

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- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index



More



Grains and Softs: Soybeans (CBOT)

Summary

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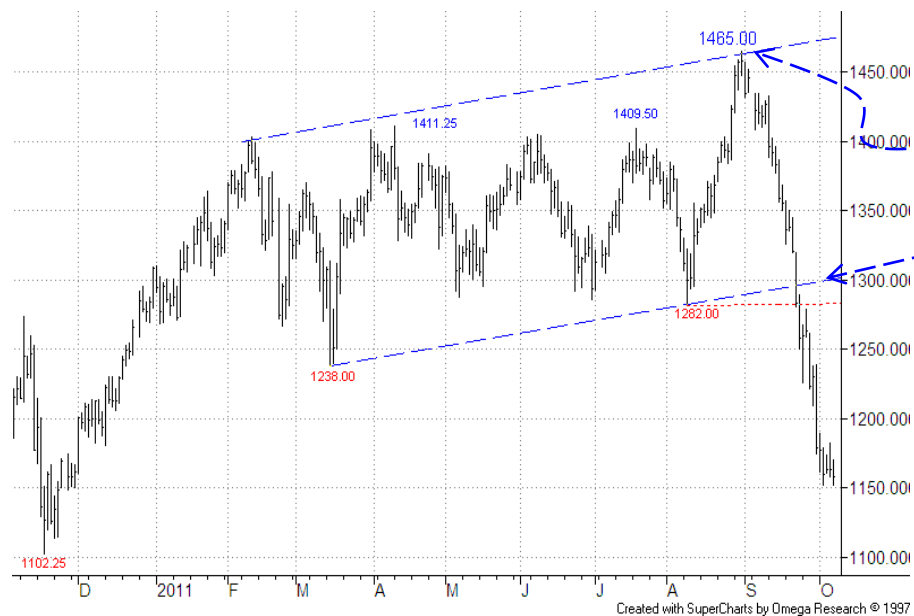
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Grains and Softs

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- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index



Daily Chart – Nov-11:

The market has continued to collapse, after the earlier test of former channel top resistance.

Recent breach of channel base support plus 1282.00 09-Aug low put bears in the driving seat, with current chart structure not yet implying fatigue.

We maintain a bear stance here.

More



Grains and Softs: Wheat (CBOT)

Summary

Energy

- + Brent 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

- + Carbon Emissions
- + CRB Index



More



Summary

Energy

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Metals

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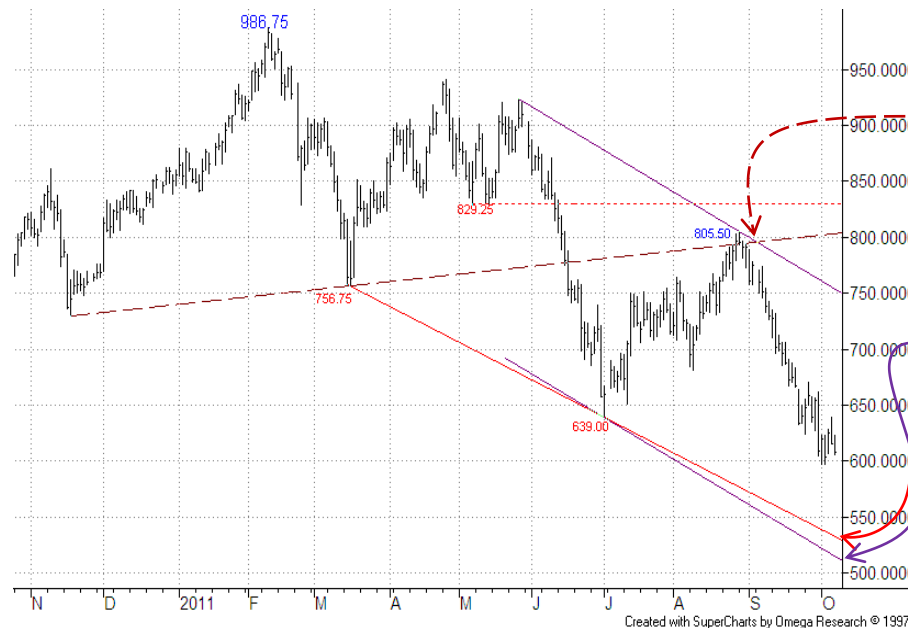
Grains and Softs

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- + Cocoa
- + Coffee
- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index

Grains and Softs: Wheat (CBOT)



Daily Chart – Dec-11:

The pullback from the rising return line resistance (and just ahead of the channel top) continues.

Support is offered by the falling support line at 530.00 ahead of the new bear channel base projection towards 510.00 currently.

We maintain a bear stance here.

More



Grains and Softs: Sugar (ICE)

Summary

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Metals

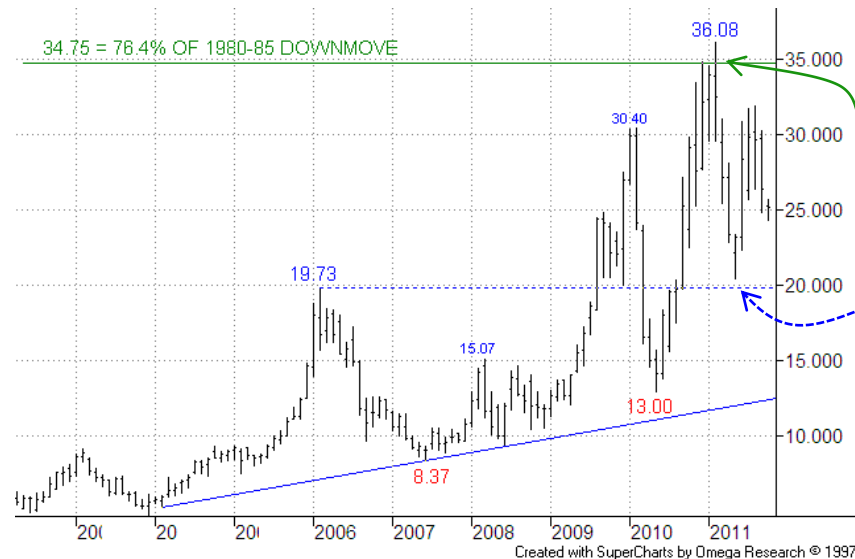
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Grains and Softs

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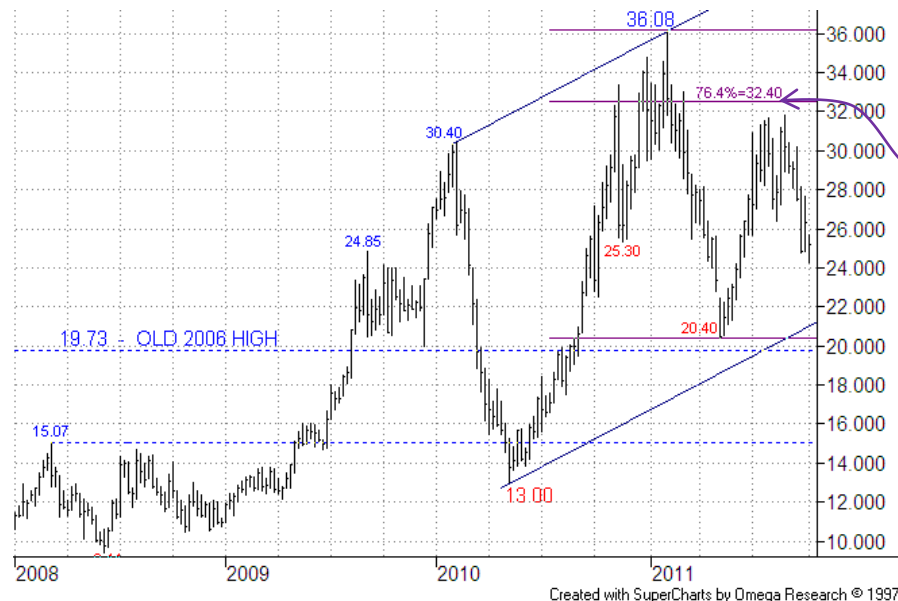
Other

- + Carbon Emissions
- + CRB Index



Monthly Chart - Continuation:

The earlier bull move reached the long term 34.75 76.4% recovery level where clear resistance was found. Support has come from just above the old 19.73 2006 high.



Weekly Chart - Continuation:

The rebound on this continuation chart neared the 32.40 76.4% recovery level but failed ahead.

More



Grains and Softs: Sugar (ICE)

Summary

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Metals

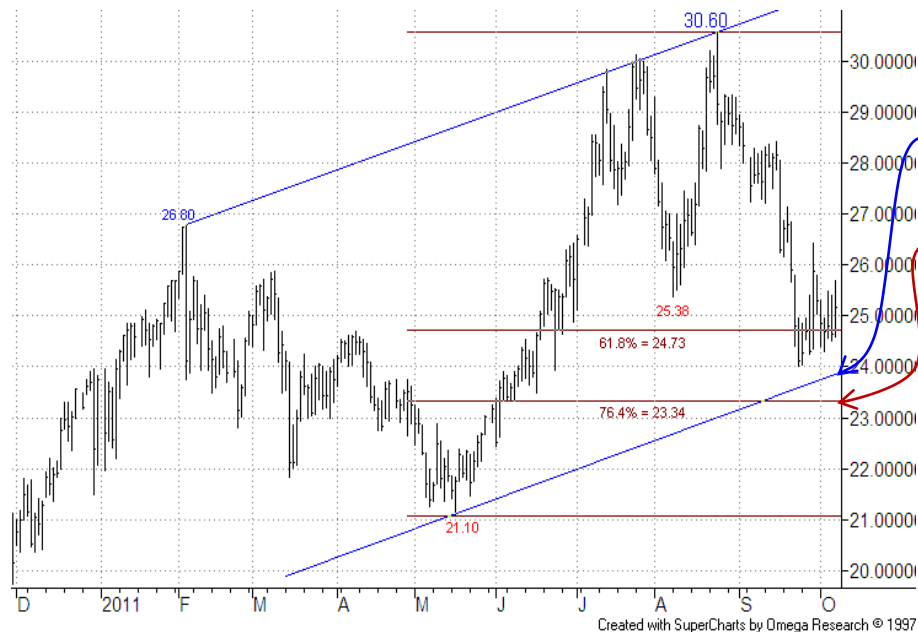
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Grains and Softs

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- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index



Daily Chart – Mar-12:

The market's slip back has so far held above the bull channel base projection, at 23.90 just now.

This, together with the 23.34 76.4% pullback level, provides a likely support area, with s/term rallies likely to prove temporary at this stage.

We maintain a bear stance here.

More



Grains and Softs: Cocoa (ICE)

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Metals

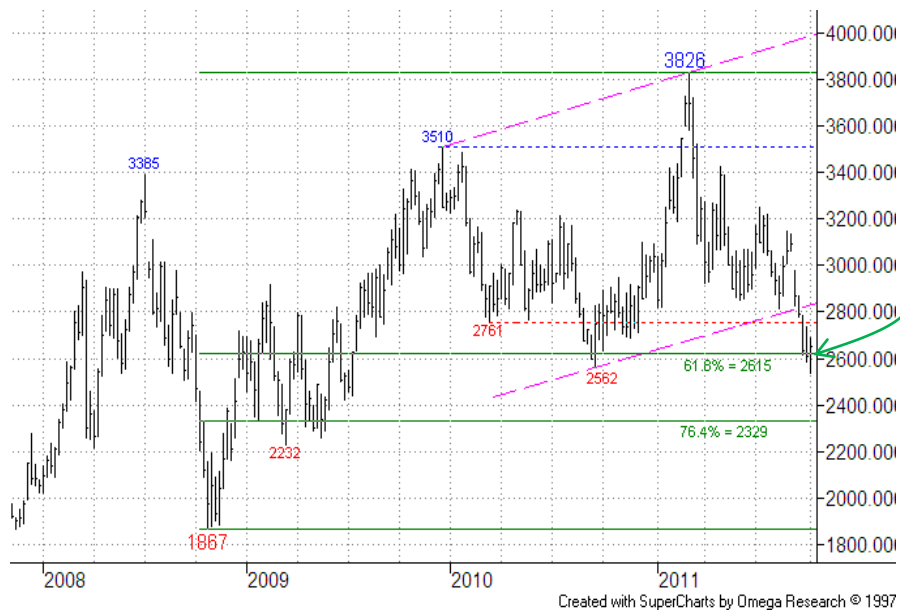
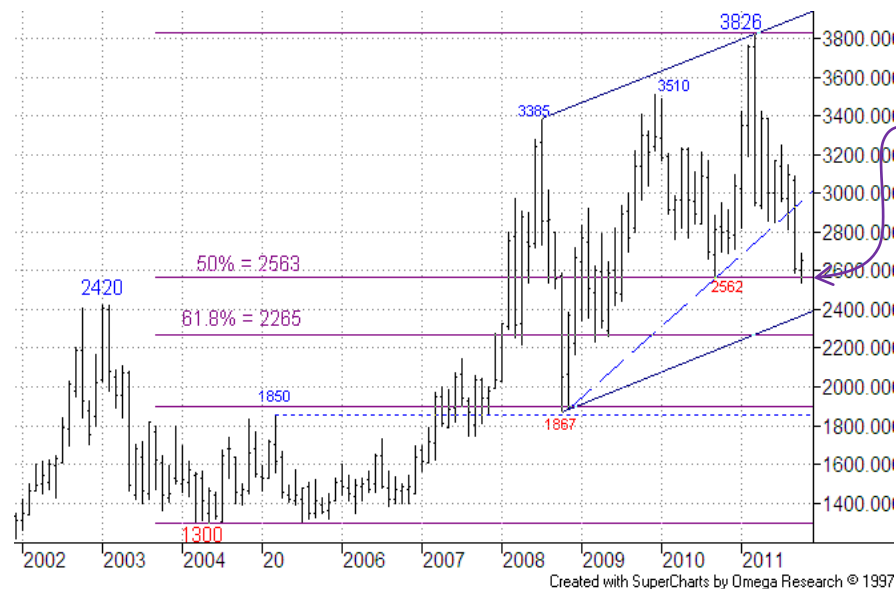
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Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index



More



Grains and Softs: Cocoa (ICE)

Summary

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Metals

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Grains and Softs

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Other

- + Carbon Emissions
- + CRB Index



Daily Chart – Dec-11:

The market stays weak for now, with bears now looking to the channel base at 2490 for next possible support.

Resistance is offered by the 2846 11-Aug low.

We maintain a bear stance here.

More



Grains and Softs: Coffee (ICE)

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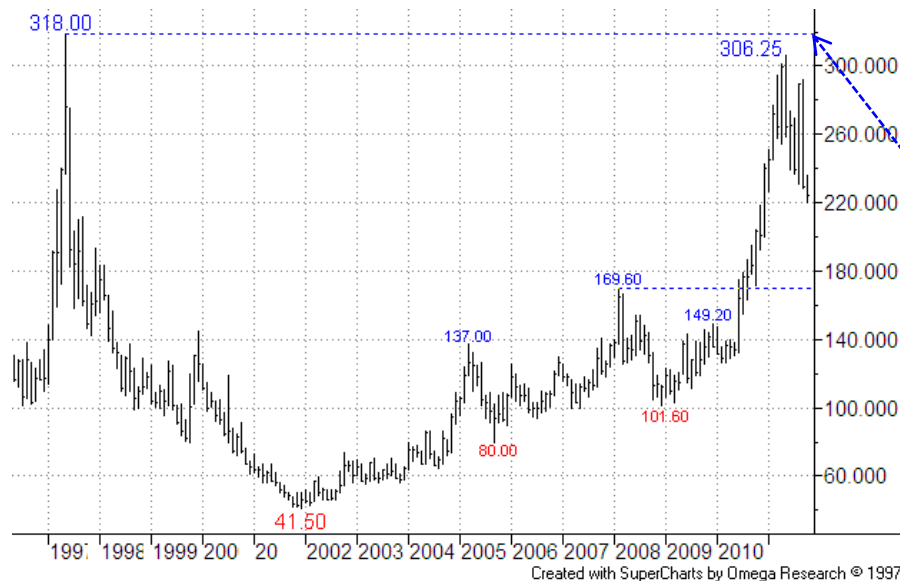
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Grains and Softs

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Other

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Monthly Chart – Continuation:

The previous upmove fell short of the 318.00 1997 peak.



Weekly Chart – Continuation:

The 38.2% 228.00 support has been retested and now eroded. This should prolong Coffee's pullback phase.

More



Grains and Softs: Coffee (ICE)

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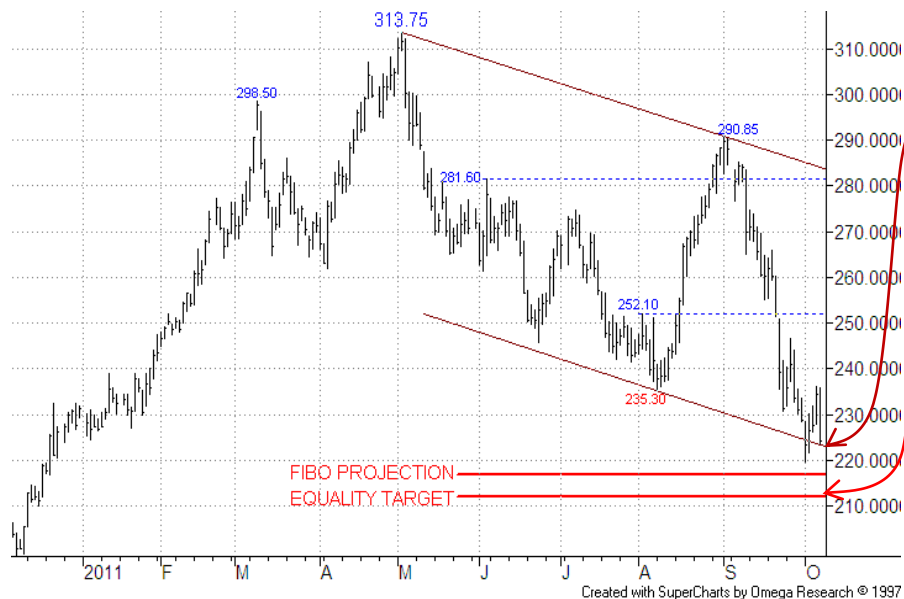
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Grains and Softs

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Other

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Daily Chart – Dec-11:

The drop back has tested the projected channel base, and we also keep in mind a Fibo projection at **217.00** and slightly lower equality target (May/Aug downleg extended off 290.85 01-Sep high) at **212.00**. We remain on the lookout for support in this area, but with any subsequent rebound proving short-lived.

We stay on the sidelines for now.

More



Grains and Softs: Cotton No.2 (ICE)

Summary

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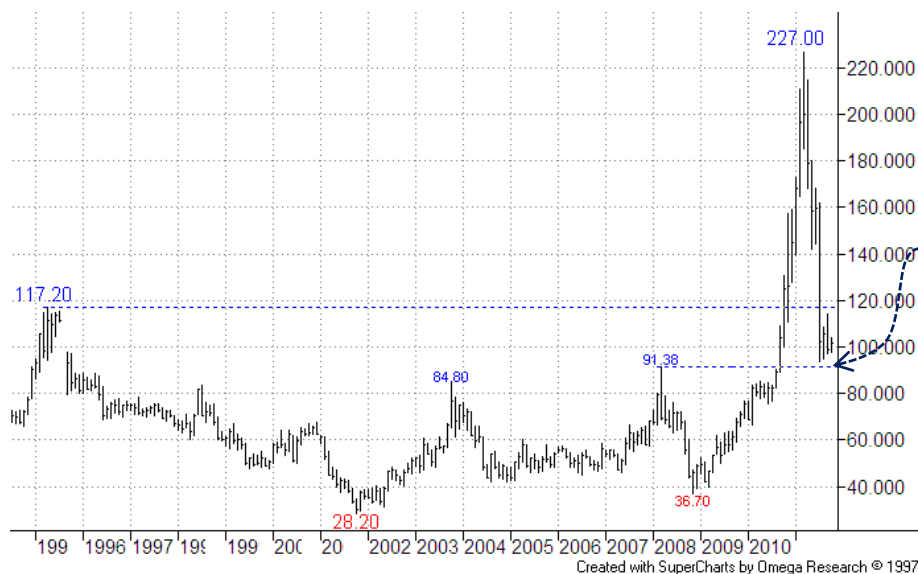
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Grains and Softs

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Other

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Monthly Chart – Continuation:

The dramatic drop back breached potential support from around the old 117.20 1995 high, and is now testing towards the lower 91.38 Mar-08 high.



Weekly Chart – Continuation:

The downmove earlier breached the rising support line, finding temporary support from the 91.38 Mar-08 high area. Below this note the 81.60 76.4% retracement.

More



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Other

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Grains and Softs: Cotton No.2 (ICE)



Daily Chart – Dec-11:

The recent pullback here, away from the rising return line resistance, has so far found residual support from the 76.4% area. We currently await reaction here.

We maintain a sidelined stance for now.





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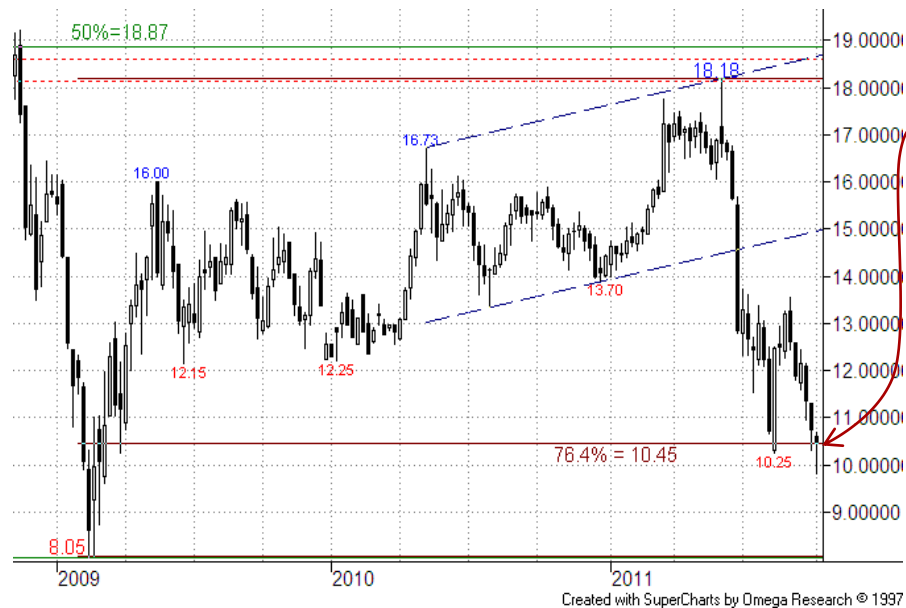
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Other

- + Carbon Emissions
- + CRB Index

Other: EUA – Carbon Emission Allowances (ICE ECX)



Weekly Chart – Continuation:

Earlier 76.4% has come under fresh pressure – we still wait to see if price has difficulty in staying below this level.

More



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Metals

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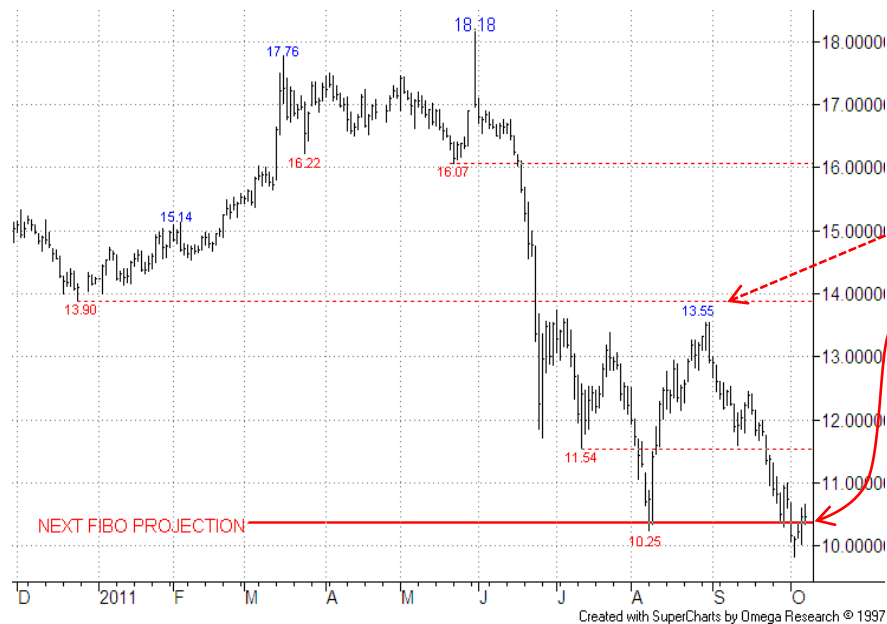
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- + Cocoa
- + Coffee
- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index

Other: EUA – Carbon Emission Allowances (ICE ECX)



Daily Chart – Dec-11:

Initial recovery from our Fibo projection (which coincided with the 76.4% level on the Weekly chart) failed ahead of the 13.90 Dec-10 low.

The slip back has now eroded the earlier support and we await better reaction around here.

We stay on the sidelines for now.

More



Summary

Energy

- + Brent Crude Oil
- + Natural Gas
- + Heating Oil

Metals

- + Gold
- + Silver
- + High Grade Copper

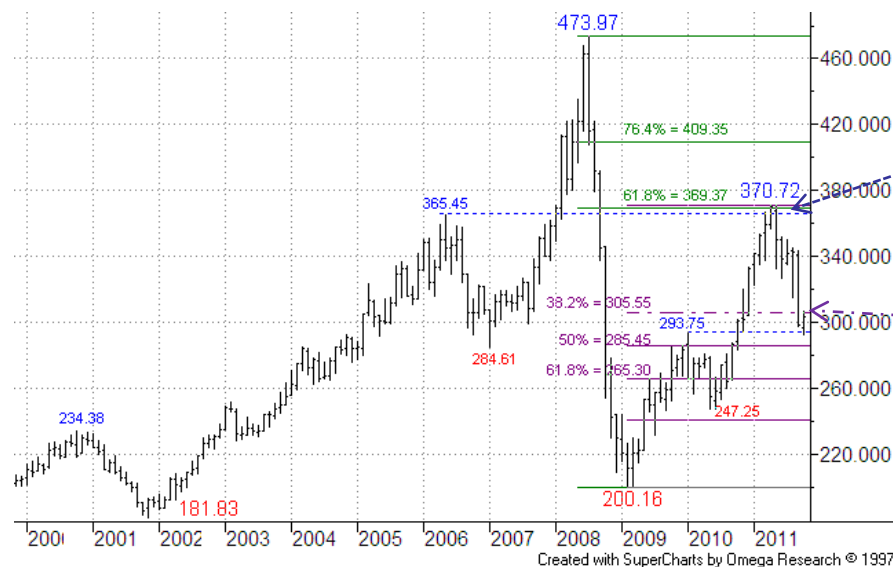
Grains and Softs

- + Soybeans
- + Wheat
- + Sugar 11
- + Cocoa
- + Coffee
- + Cotton No.2

Other

- + Carbon Emissions
- + CRB Index

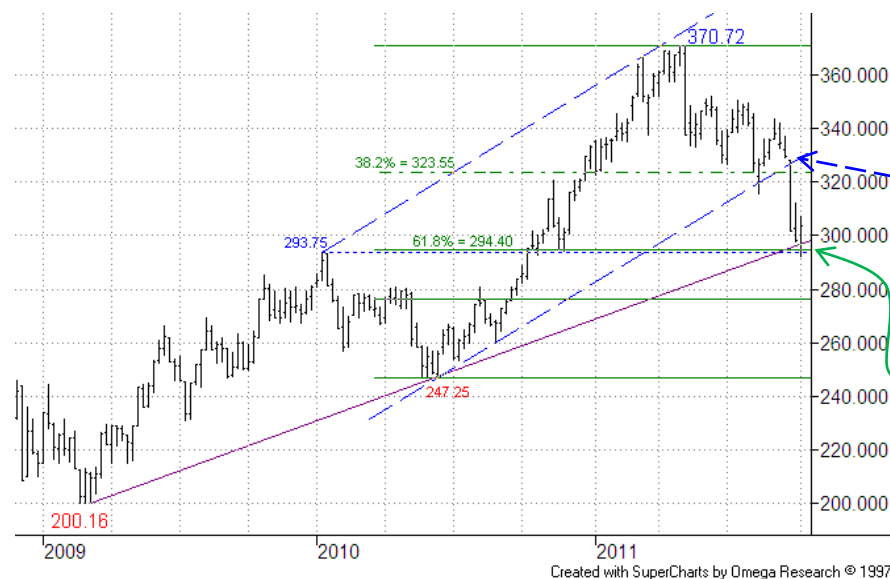
Other: CRB Index (CBOT)



Monthly Chart – Continuation:

The bull leg found good resistance near the level of the old 365.45 May-06 high and 61.8% recovery level.

The slip back has now eroded the 305.55 38.2% level of the 2009/2011 upmove.



Weekly Chart – Continuation:

The clear breaks of the 38.2% pullback of the 2010/2011 upleg, support and a channel base projection, keep the picture negative.

However, note potentially good temporary support offered by the area of the 293.75 Jan-10 high, 294.40 61.8% level and rising support line.

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

- + Carbon Emissions
- + CRB Index

Other: CRB Index (CBOT)



Daily Chart

A fresh drop back here has seen erosion of the bear channel base, but below here we had marked in a Fibo projection at **292.00**. This is near to support levels on the Weekly chart, and a temporary recovery from around here would seem likely from a technical standpoint.

Note resistance offered by the 315.40 09-Aug low.

We maintain an overall bear stance for now.



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