Week 20

14th May – 20th May 2013

the technical analyst AWARDS 2012

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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Disclaimer

Summary – Commodity Specialist

Summary

Energy

+ Brent Crude Oil	**Stay BEARISH** rebound off 76.4% finds resistance (Jun-13)
+ Natural Gas	**Stay BULLISH** pullback continues (Jun-13)
+ Heating Oil	**Stay BEARISH** recovery from 76.4% area seen (Jun-13)

Metals

+ Gold	**Stay BEARISH** break of long term 23.6% opens up 38.2% next (Jun-13)
+ Silver	**Stay BEARISH** modest bounce seen so far (Jul-13)
+ High Grade Copper	**Stay BEARISH** s/term rebound in progress (Jul-13)

Grains and Softs

+ Soybeans	**Stay SQUARE** range base providing support (Jul-13)
+ Wheat	**Stay BEARISH** 23.6% resistance now breached (Jul-13)
+ Sugar 11	**Stay BEARISH** no recovery signs yet (Jul-13)
+ Cocoa	**Stay BULLISH** s/term pullback in progress (Jul-13)
+ Coffee	**Stay SQUARE** chart trying to recovery again (Jul-13)
+ Cotton No.2	**Stay SQUARE** 38.2% & channel base support broken (Jul-13)

Other

+ Carbon Emissions	**Stay BEARISH** price trying to stabilize after test of Jan low (Dec-13)
+ CRB Index	**Stay SQUARE** Index recovering off 76.4% support

Energy

Recovery in **Brent Crude** from a 76.4% retracement support has found resistance now. **Heating Oil's** recovery has also paused. **Natural Gas** is pulling back from recent resistance.

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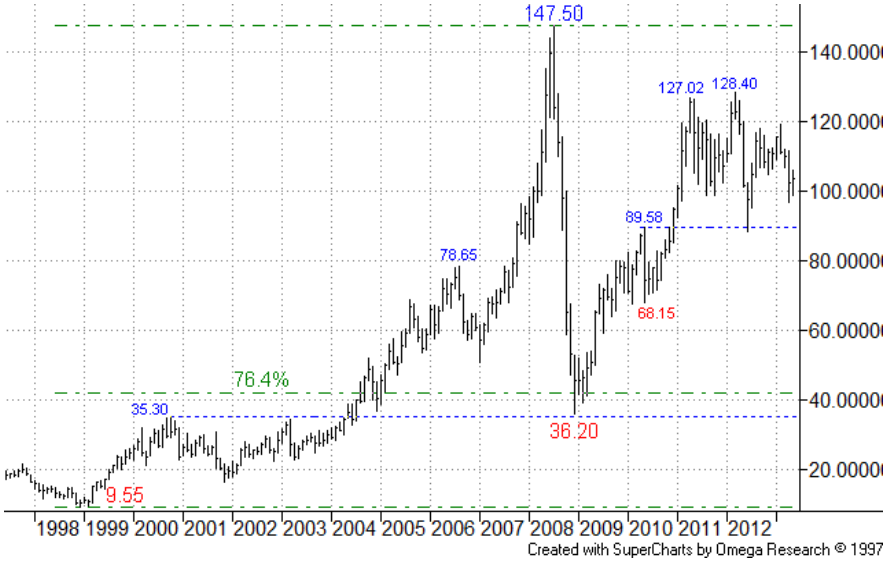
Energy: Brent Crude Oil (ICE)

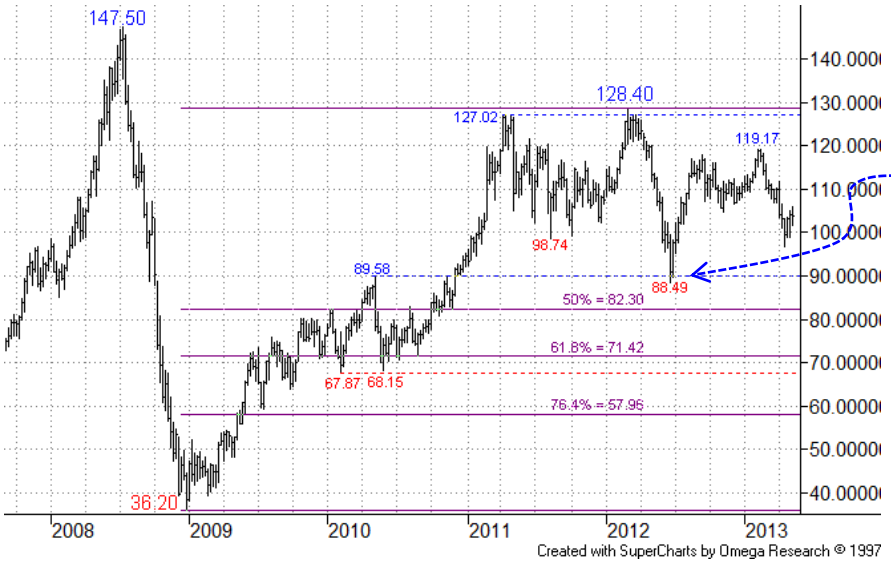


Monthly Chart – Continuation:

The market's recent recovery failed to return to prior highs.

More

Energy: Brent Crude Oil (ICE)



Weekly Chart – Continuation:

The market continues slipping back after earlier recovery from support from the 89.58 May-10 high area lost all momentum.

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Energy: Brent Crude Oil (ICE)

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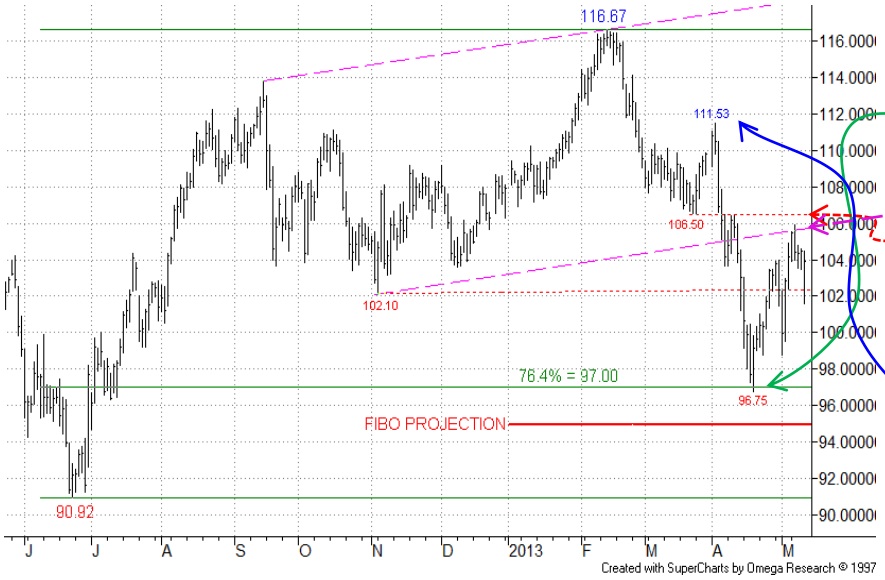


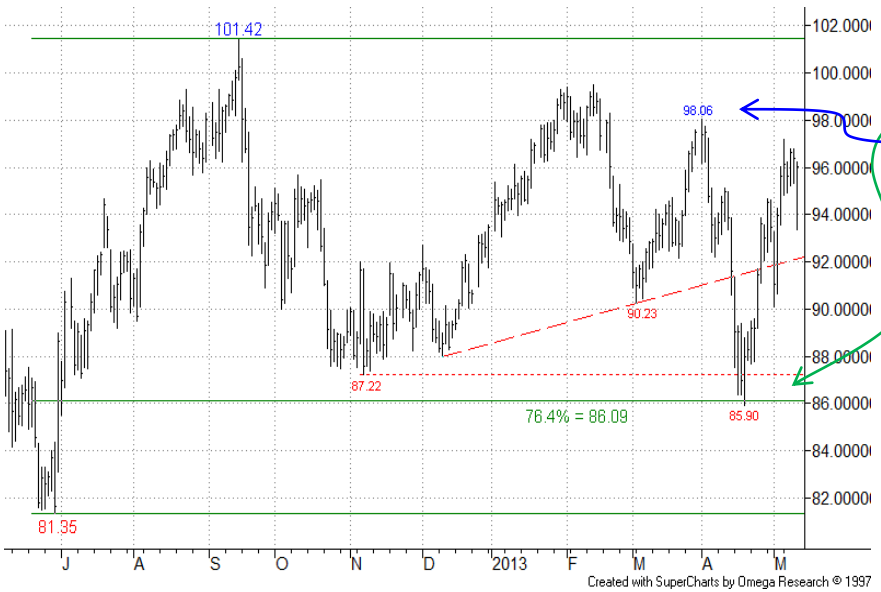
Daily Chart – Jun-13:

Recovery here, off 76.4% support, has perhaps not surprisingly found resistance from the area of the underside of the old channel base and 106.50 25-Mar low. Ideally for bears this will hold. *We have previously said that any sellers on strength would, at this stage, need initial stops above the 111.53 02-Apr high though.*

<u>We maintain a bear stance here.</u>

More

Energy: Light Crude Oil (NYMEX)



Daily Chart – Jun-13:

Recovery from the 76.4% retracement has so far stopped short of the 98.06 01-Apr high. We wait to see if this high remains unchallenged.

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Energy: Natural Gas (NYMEX)

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Monthly Chart – Continuation:

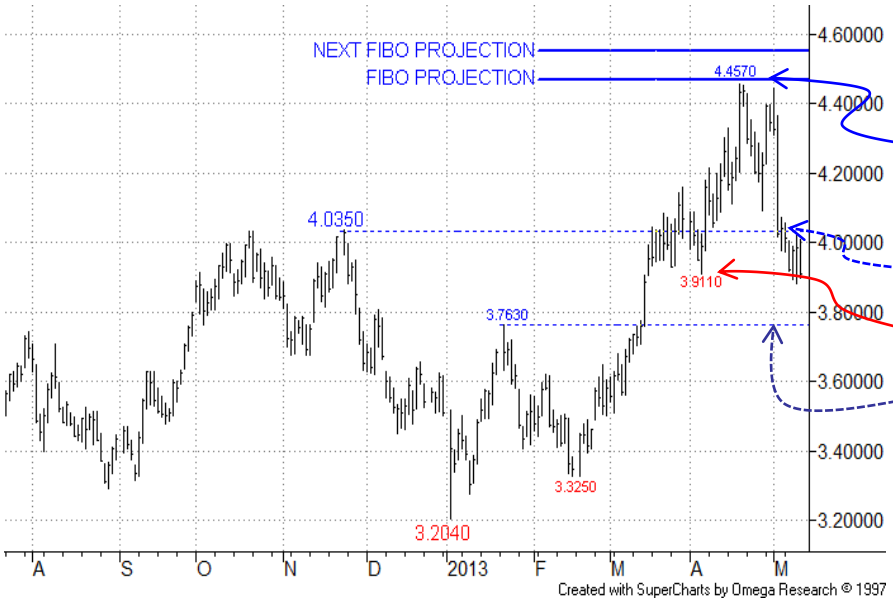
The market found support close to the 1.760 Sep-01 low.

Weekly Chart – Continuation:

Recovery has turned focus towards the 23.6% retracement at 4.685.

More

Energy: Natural Gas (NYMEX)



Daily Chart – Jun-13:

Price continues to drop back from earlier resistance at our Fibo projection at **4.4720,** leaving the next one at **4.5485** out of reach for now.

Support from the 4.0350 Nov high has now been breached, with 3.9110 04-Apr low now revisited. Focus is also on the lower 3.7630 22-Jan high.

<u>We maintain an overall bull stance for now.</u>

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Energy: Heating Oil (NYMEX)

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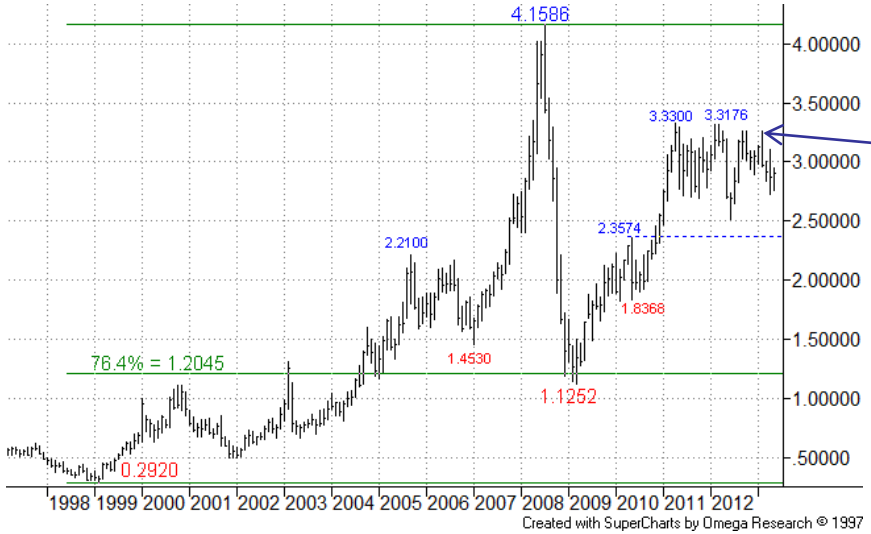

Monthly Chart – Continuation:

The market's latest recovery stopped short of challenging earlier highs.

Weekly Chart – Continuation:

The pullback begins to return focus towards earlier support from the 2.4880 38.2% level.

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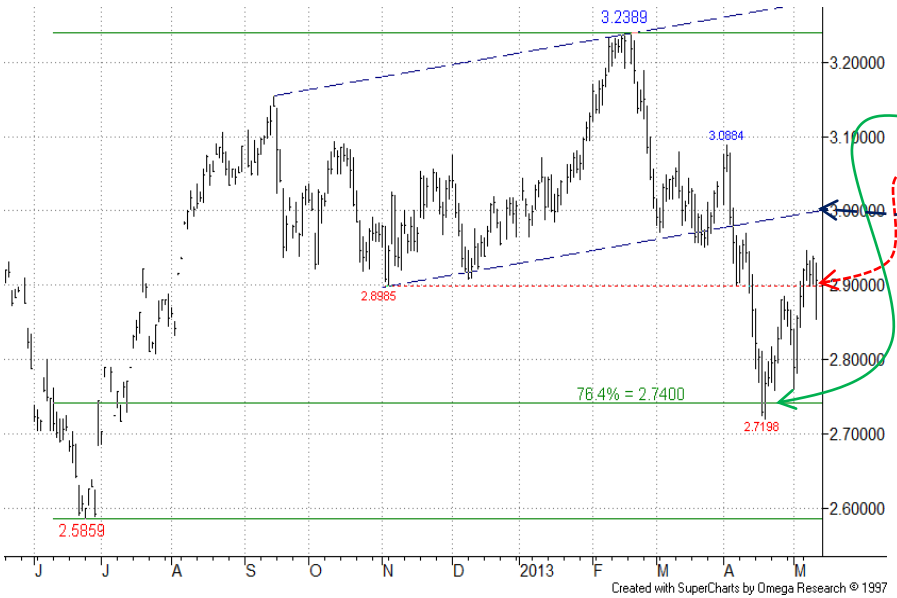
Energy: Heating Oil (NYMEX)



Daily Chart – Jun-13:

Recovery off the 76.4% retracement area has eroded first resistance offered by the 2.8985 Nov-12 low. Beyond this note the rising channel base around 3.0000 currently. Ideally this latter will hold for the bears.

<u>We maintain an overall bear stance for now.</u>

Metals

A temporary rebound in **Gold** has paused s/term. **Silver's** bounce has been modest so far. **Copper** has switched to recovery mode after s/term volatility.

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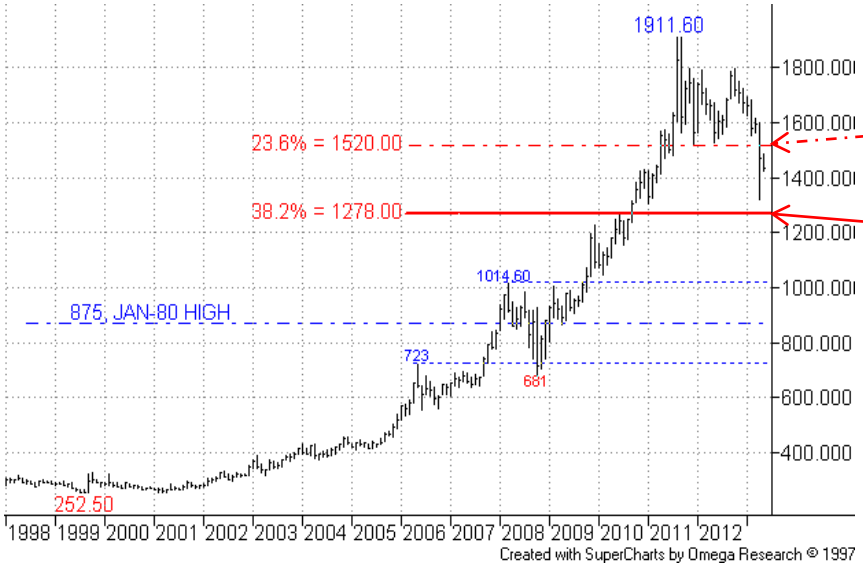
Metals: Gold (COMEX)



Monthly Chart - Continuation:

The 23.6% retracement support has finally yielded, opening the way towards lower 1278.00 38.2% level now.

More

Metals: Gold (COMEX)

Weekly Chart – Continuation:

Acceleration in the downmove saw breach of the 38.2% retracement, with the 1296.30 50% level next target/support.

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Metals: Gold (COMEX)

Daily Chart – Jun-13:

The market has recovered towards first resistance in the 1500.00 area and paused. Higher resistance comes from the 1545.00 May-12 low and ideally the recovery will be halted by this. *As before, sellers on rallies are likely to have stops above the former.*

For later downside targets interest is as much in the longer term charts now.

<u>We maintain a bear stance here.</u>

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Metals: Silver (COMEX)

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Monthly Chart – Continuation:

The rising support line has been decisively breached, next support from the 21.185 Mar-08 high.

Weekly Chart – Continuation:

Bears have now driven price through the range base just above 26.00, and also the long term 61.8% retracement.

Next interesting supports are the 21.185 Mar-08 high ahead of the 18.400 76.4% level.

More

Metals: Silver (COMEX)

Daily Chart – Jul-13:

So far the market has seen only modest recovery following earlier sharp drop.

The 26.285 Jun-12 low and falling old support/return line just beneath offer potentially strong resistance – as before, a break through this could act as a s/term spur to the bounce. Meanwhile, there remains further not-insignificant downside risk.

We maintain an overall bear stance here..

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Metals: High Grade Copper (COMEX)

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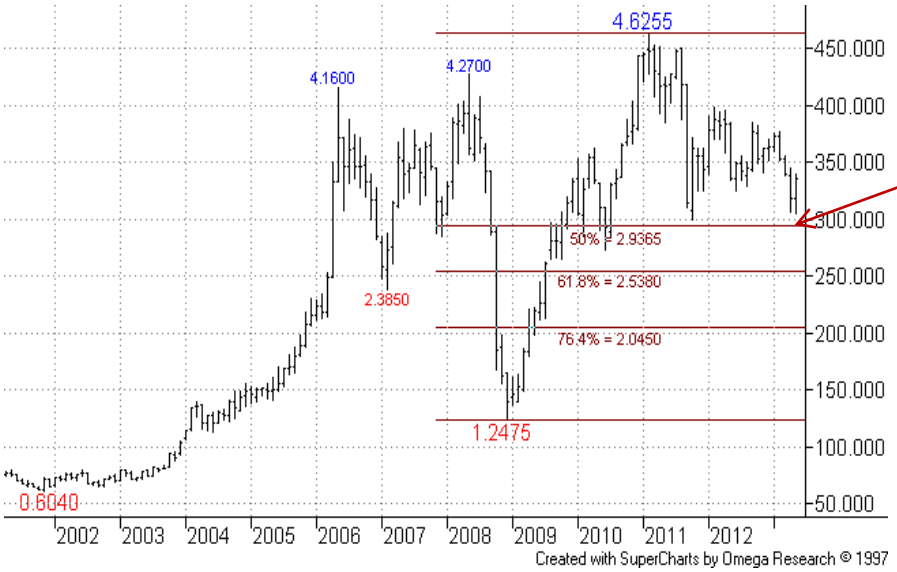


Monthly Chart – Continuation:

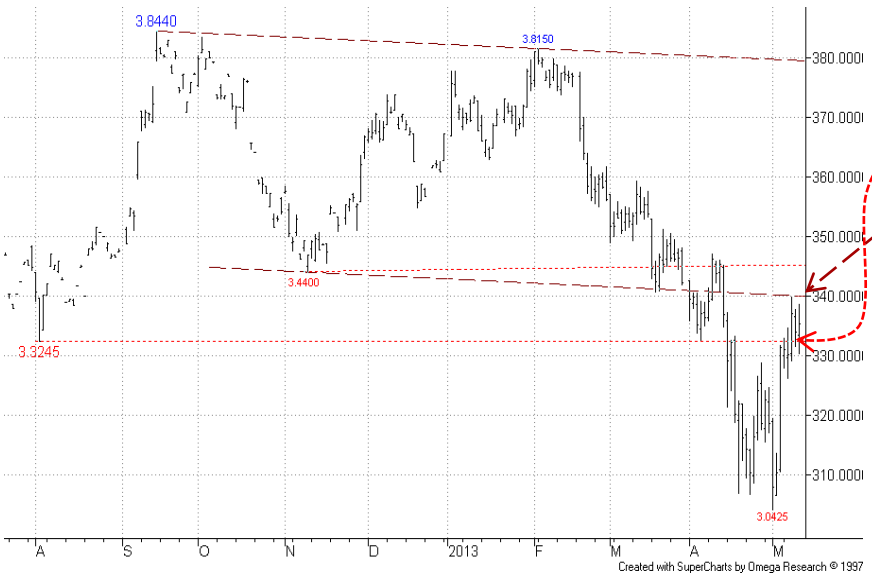
The current downleg is returning towards the 2.9365 50% pullback level, which previously provided support.

Weekly Chart – Continuation:

The rising support line was broken, giving a clear bear signal. The Oct-11 low offers next support.

More

Metals: High Grade Copper (COMEX)



Daily Chart – Jul-13:

Recovery, after s/term volatility, has breached first resistance offered by the 3.3245 Jun-12 low, and is testing the old bear channel base around 3.4000. This plus 3.4400 Nov-12 low could be tough to get through.

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

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Grains and Softs

Soybeans are still trying to recover from a range base support. **Wheat** recently recovered through a 23.6% retracement. **Sugar** has stayed on the weak side. **Cocoa** is pulling back s/term. **Coffee** is trying to rebound. **Cotton** stays vulnerable to further weakness in due course after breach of dual 38.2% and channel base support.

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Grains and Softs: Soybeans (CBOT)

Monthly Chart - Continuation:

The fall back from the Sep-12 high has drawn attention back to the long term bull channel base.

More

Grains and Softs: Soybeans (CBOT)

Weekly Chart – Continuation:

Following initial breach of the channel base projection support has come from a 61.8% retracement and we once again wait to see if a better recovery can set in.

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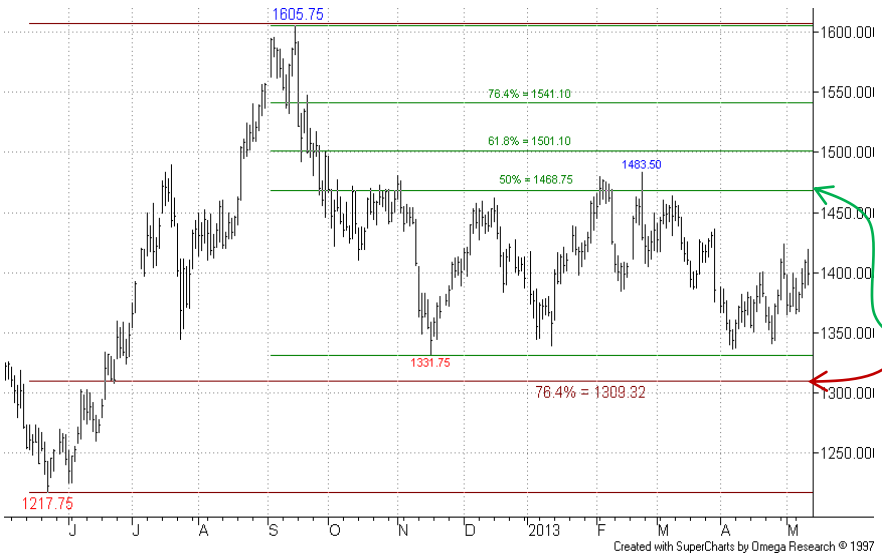
Grains and Softs: Soybeans (CBOT)



Daily Chart – Jul-13:

Not much change here, with the market still trying to recovery after retest of the range base. As before, lower 1309.32 76.4% support stays out of reach for now.

The range top near the 50% recovery level remains the key area that must be overcome to encourage bulls.

<u>We stay sidelined for now.</u>

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Grains and Softs: Wheat (CBOT)

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Monthly Chart - Continuation:

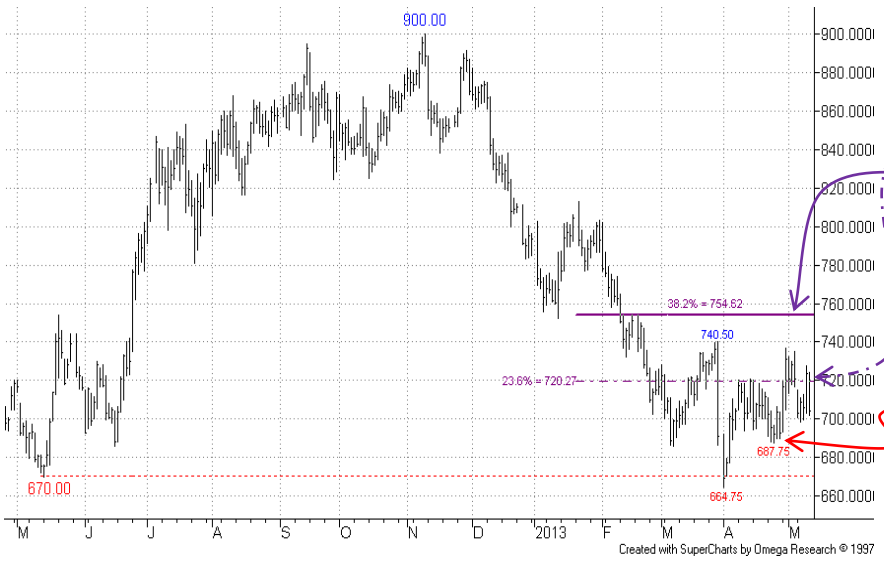
The drop back from the 947.25 Jul-12 high has almost been as deep as the earlier pullback from the 893.25 Feb-11 high.

Weekly Chart - Continuation:

The drop back from last year's high has now tested the rising support line, at 676.00 currently.

More

Grains and Softs: Wheat (CBOT)



Daily Chart – Jul-13:

After recent initial violation of the 23.6% level focus begins to turn to the higher 754.62 38.2% retracement. As before, a push through this would be a positive sign, sidelining the bears and inviting higher targets.

At this stage any early bulls would not wish to see a slip back below the 687.75 24-Apr low.

<u>We hold an overall bear stance for now,</u> though ready to sideline.

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Grains and Softs: Sugar (ICE)

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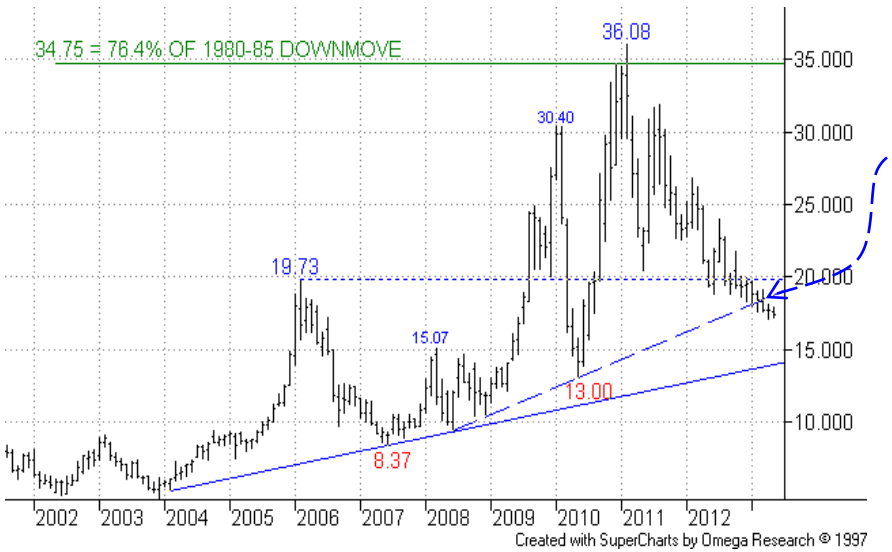

Monthly Chart - Continuation:

The first rising support line was breached, risking further losses..

Weekly Chart - Continuation:

The long term 76.4% retracement finally failed as support.

More

Grains and Softs: Sugar (ICE)

Daily Chart – Jul-13:

Not much change here, with the falling support line still running just below the price action, which remains on the weak side for now. Not far beneath lies a Fibo projection at **16.88.**

At this stage a push through the 19.00 15-Mar high would be a positive sign.

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

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Grains and Softs: Cocoa (ICE)

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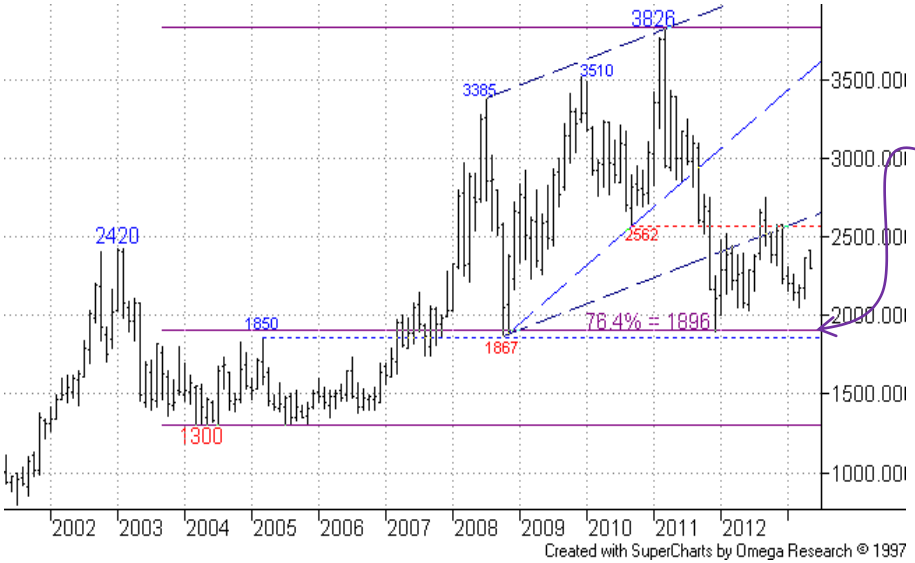
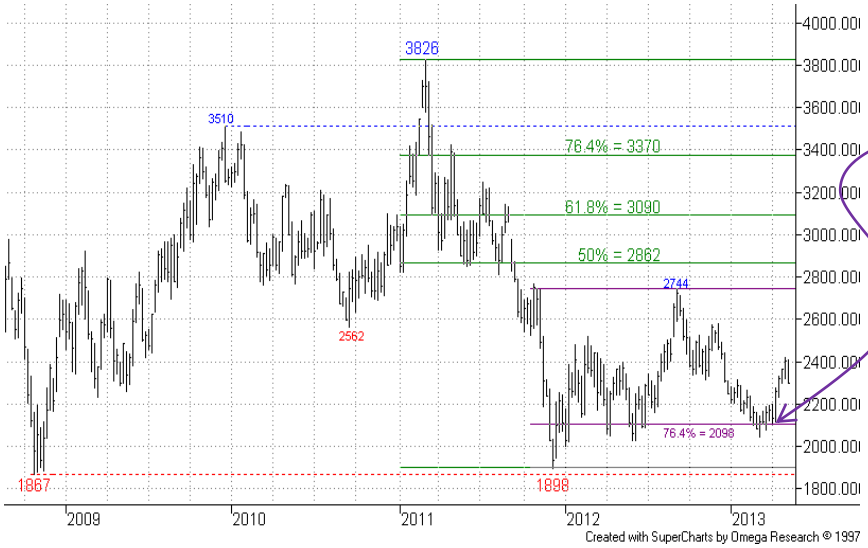


Monthly Chart – Continuation:

The slip back has so far held above the long term 76.4% level just below 1900, which provided previous support.



Weekly Chart – Continuation:

The fall back found support around the 76.4% retracement area, recovery now in process.

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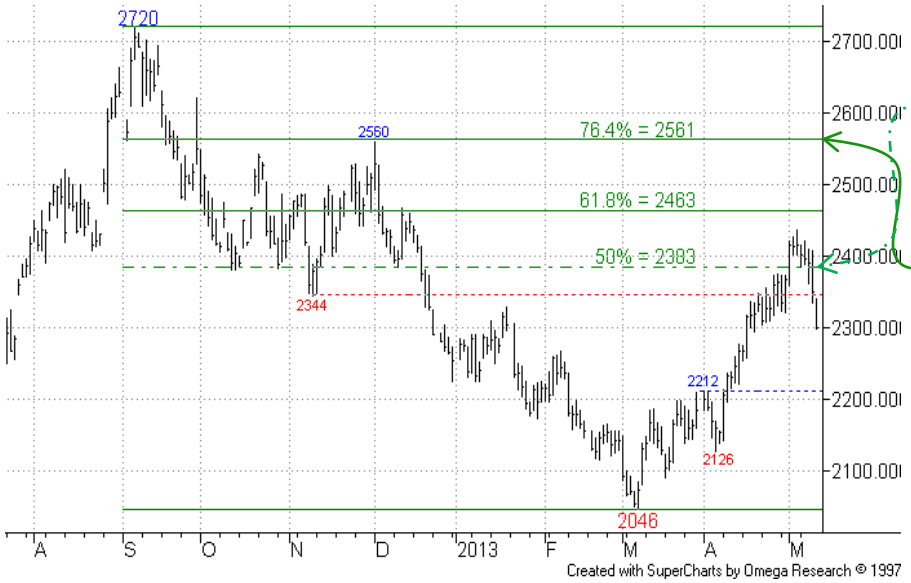
Grains and Softs: Cocoa (ICE)



Daily Chart – Jul-13:

The recovery recently pushed beyond the 50% retracement, but has paused s/term. At this stage weakness could well be temporary, ahead of further gains. The higher 2561 76.4% level, combined with the 03-Dec 2560 high, offers a potentially tough hurdle to clear.

We maintain a bull stance here.

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Grains and Softs: Coffee (ICE)

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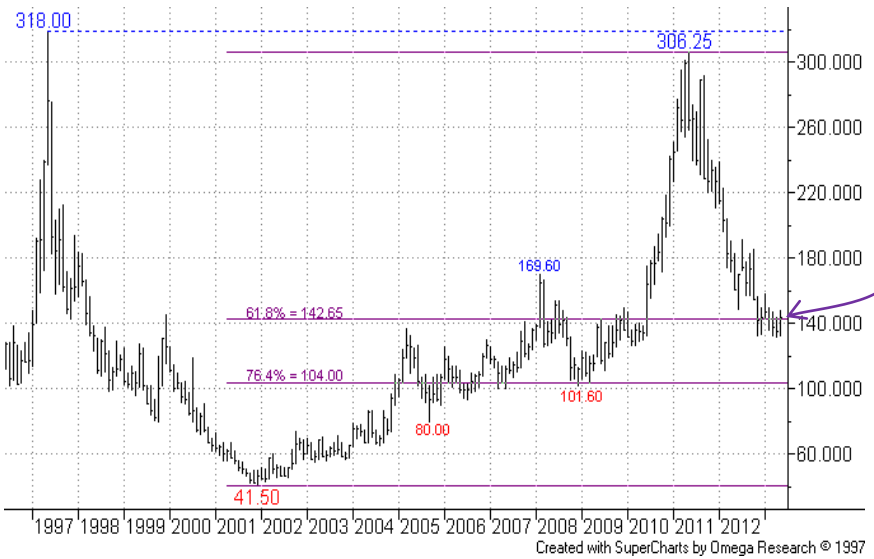

Monthly Chart – Continuation:

Support offered by the 142.65 61.8% retracement of the 2001/2011 upmove remains under attack.

Weekly Chart – Continuation:

Following breach of the 150.00 76.4% level and 149.20 Dec-09 high there remains risk of further weakness in which case note a Fibo projection just below **120.00.**

More

Grains and Softs: Coffee (ICE)

Daily Chart – Jul-13:

Another rebound attempt is being made, initial resistance possible from the 150.00 area. A push through here might just encourage some bull interest. Above this the bear channel top at 125.50 is next resistance.

<u>We stay on the sidelines for now.</u>

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Grains and Softs: Cotton No.2 (ICE)

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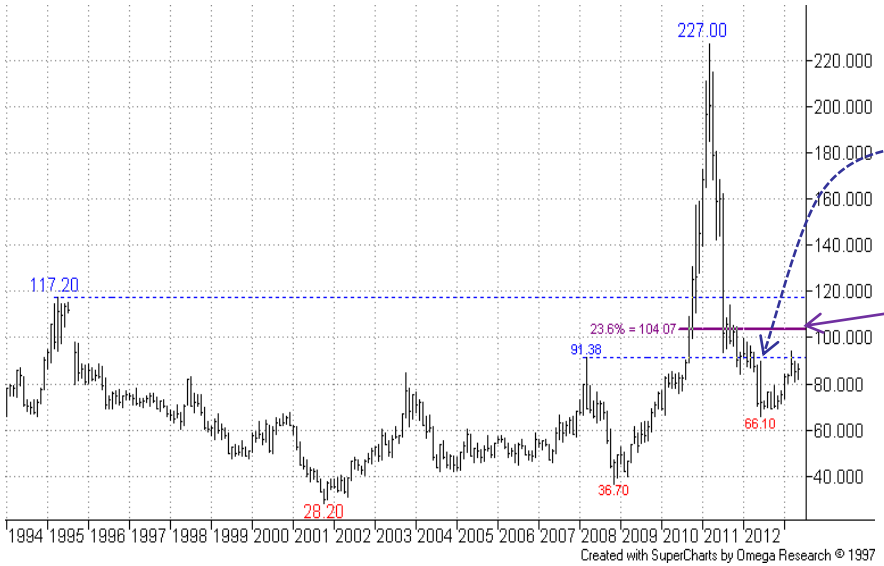


Monthly Chart – Continuation:

Earlier drop back in prices brought the chart back within the range of the previous decade.

Note first interesting resistance here doesn't come until the 23.6% rebound level just above 104.00.

Weekly Chart – Continuation:

Weakness earlier saw breach of the 81.60 76.4% retracement, with the market now recovered back above this area.

More

Grains and Softs: Cotton No.2 (ICE)

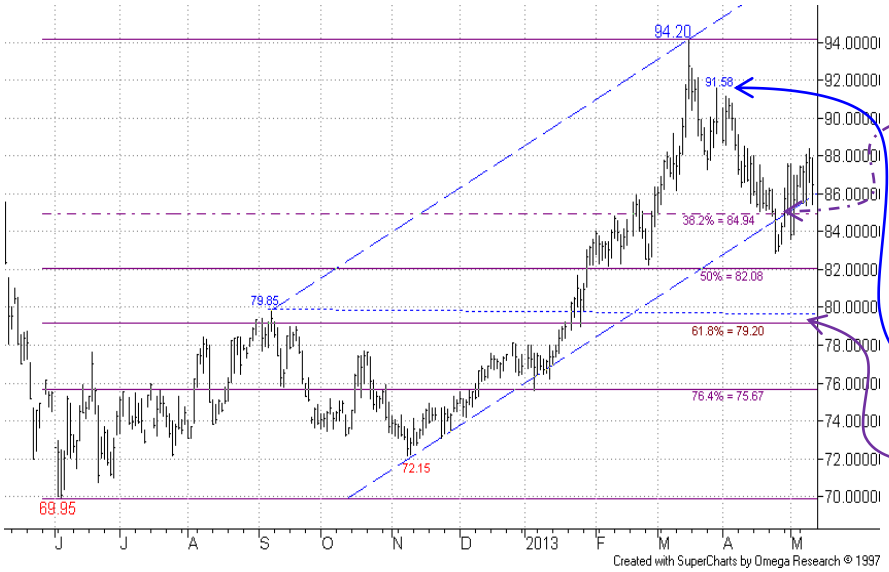
Summary

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



Daily Chart – Jul-13:

Price is rebounding after recent breach of the 38.2% retracement and bull channel base. But this could well prove temporary, ahead of further weakness.

As before, any sellers on strength would need to have stops just above the 91.58 28-Mar high.

The 79.85/79.20 area looks to be next interesting support area.

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

Other

In **EUA (Carbon Emissions)** the market is trying to recovery after testing the Jan low area. The **CRB Index** found support from a 76.4% retracement and has recovered modestly so far.

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: EUA – Carbon Emission Allowances (ICE ECX)

Monthly Chart - Continuation:

Weakness has not yet been shaken off.

More

Other: EUA – Carbon Emission Allowances (ICE ECX)

Weekly Chart – Continuation:

The 5.99 Apr-12 low offers resistance now.

Summary

Energy
+ Brent Crude Oil
+ Natural Gas
+ Heating Oil

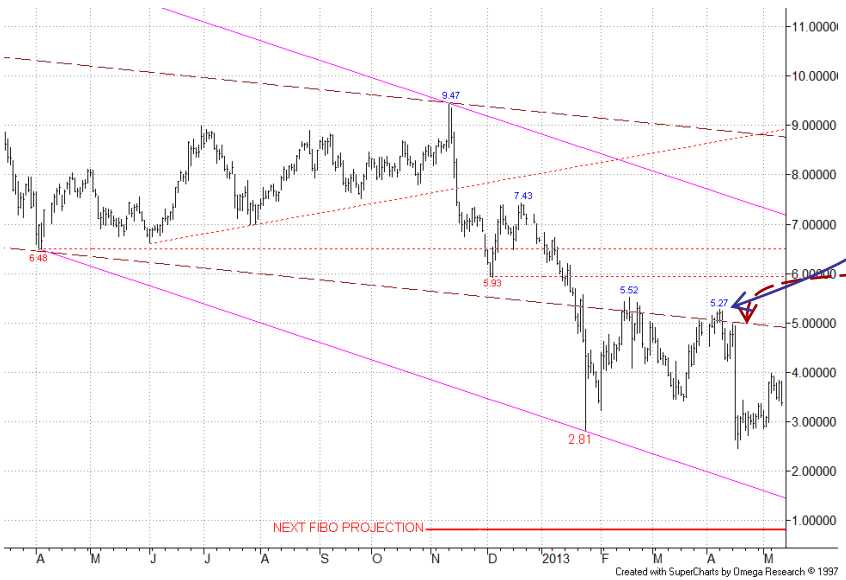
Metals
+ Gold
+ Silver
+ High Grade Copper

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

Other
+ Carbon Emissions
+ CRB Index

More

Other: EUA – Carbon Emission Allowances (ICE ECX)



Daily Chart – Dec-13:

The market has paused following test/erosion of the 2.81 24-Jan low. At this stage a recovery through the 5.27 08-Apr high could spur any bulls – this would also see resistance from around the old channel base finally overcome.

<u>We maintain an overall bear stance for now.</u>

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

Other: CRB Index (CBOT)

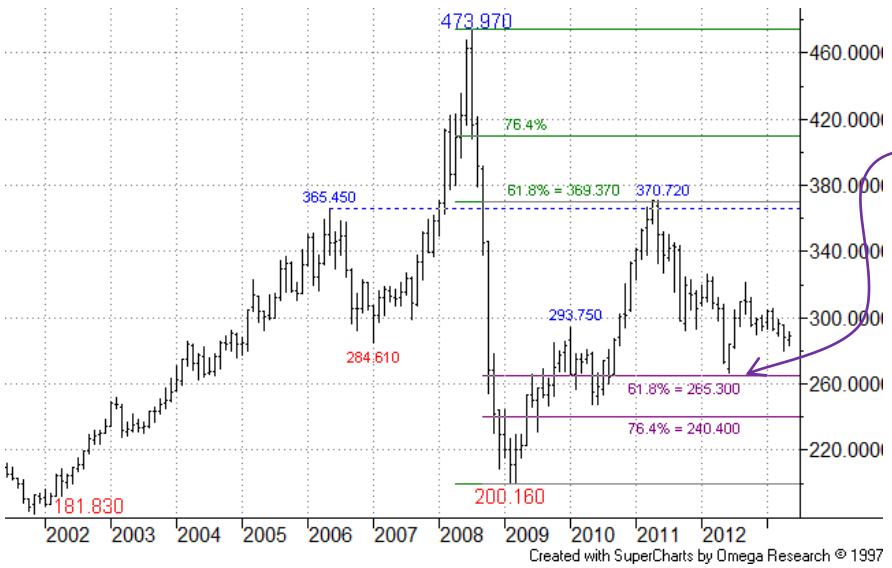
Summary

Energy
+ Brent Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

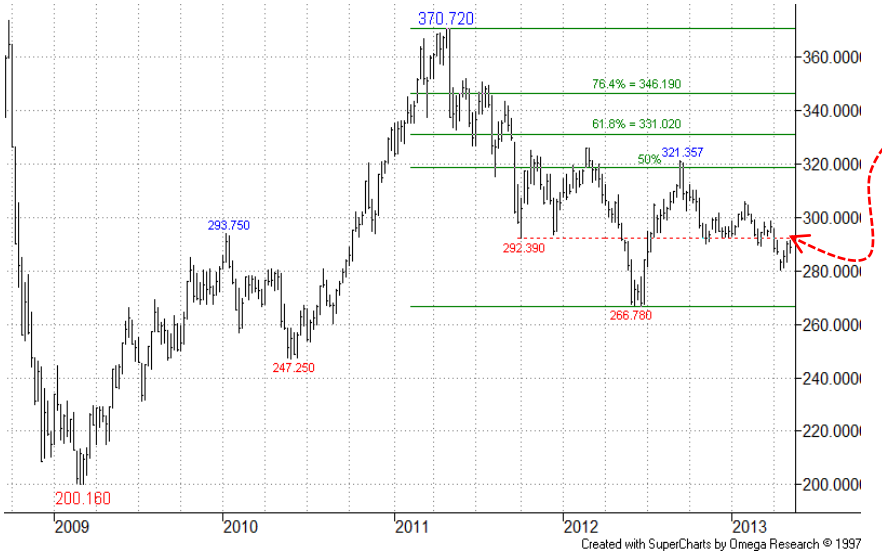
Grains and Softs
+ Soybeans
+ Wheat
+ Sugar 11
+ Cocoa
+ Coffee
+ Cotton No.2

Other
+ Carbon Emissions
+ CRB Index



Monthly Chart – Continuation:

Recovery from support at the 285.300 61.8% retracement area has faltered.



Weekly Chart – Continuation:

The breach of the Oct-11 low area prolongs the correction phase.

More

Other: CRB Index (CBOT)

Daily Chart

Recovery off support from the 279.660 76.4% pullback area has found initial resistance at the 290.00 area. Beyond here the falling resistance line just beneath 295.000 offers the next barrier. As before, at this stage it is unclear what strength the recovery could possess.

We keep to the sidelines for 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
+ Carbon Emissions
+ CRB Index

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