Week 47

19th November – 25th November 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

Disclaimer

The Commodity Specialist Guide

Philip J Allwright

Mark Sturdy

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Summary – Commodity Specialist

Summary

Energy

+ Brent Crude Oil	**Stay** **SQUARE**	bounce seen from near 61.8% support (Jan-14)
+ Natural Gas	**Stay** **SQUARE**	new 2013 low seen (Dec-13)
+ Heating Oil	**Stay** **BEARISH**	76.4% retracement briefly violated (Dec-13)

Metals

+ Gold	**Stay** **SQUARE**	price easing back towards 76.4% support (Dec-13)
+ Silver	**Stay** **SQUARE**	price slips back to earlier support (Dec-13)
+ High Grade Copper	**Go** **SQUARE**	market slipping after consolidation (Dec-13)

Grains and Softs

+ Soybeans	**Stay** **SQUARE**	price holding above channel base support for now (Jan-14)
+ Wheat	**Stay** **BEARISH**	drop back from 23.6% resistance nears Aug low (Dec-13)
+ Sugar 11	**Stay** **BULLISH**	pullback testing 76.4% level (Mar-14)
+ Cocoa	**Stay** **BULLISH**	pullback has been muted so far (Mar-14)
+ Coffee	**Stay** **BEARISH**	long term 76.4% under test (Mar-14)
+ Cotton No.2	**Stay** **BEARISH**	chart remains weak (Mar-14)

Other

+ Carbon Emissions	**Stay** **BULLISH**	pullback supported by 38.2% level (Dec-13)
+ CRB Index	**Stay** **BEARISH**	Jun low breached

Energy

Brent Crude has rebounded after nearing a support area centring on a 61.8% retracement. **Heating Oil** losses briefly violated a 76.4% retracement area and paused. **Natural Gas** weakness has paused after making a new 2013 low.

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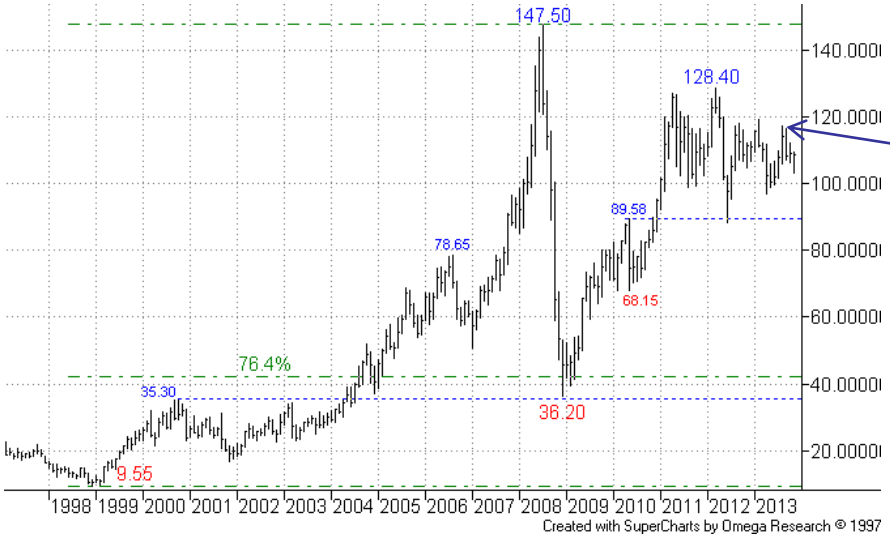
Energy: Brent Crude Oil (ICE)



Monthly Chart – Continuation:

The 2013 recovery looks to be over now.

More

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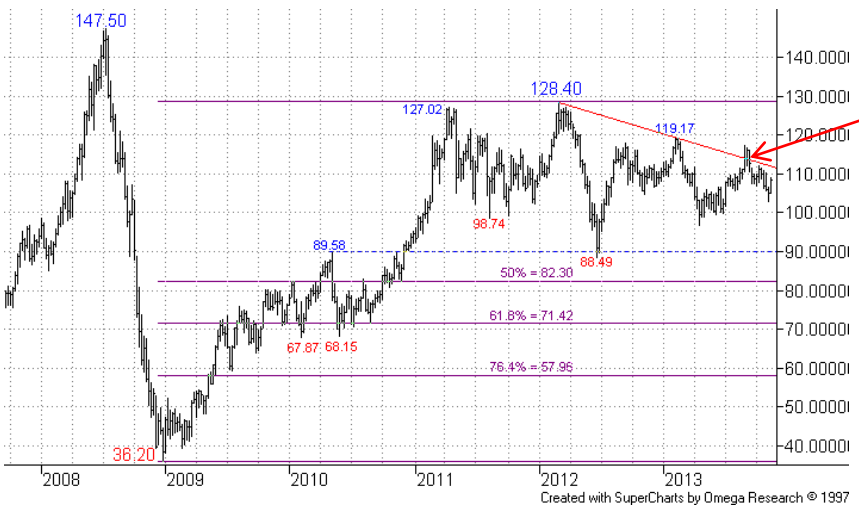
Energy: Brent Crude Oil (ICE)



Weekly Chart – Continuation:

The falling resistance line was recently eroded, but this was a false break.

More

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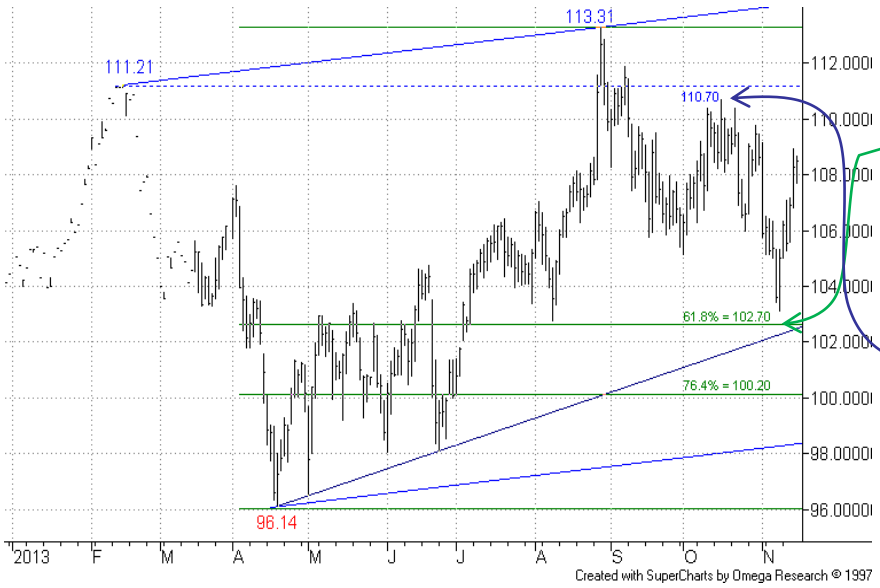
Energy: Brent Crude Oil (ICE)



Daily Chart – Jan-14:

On the Jan-14 chart the recent drop back found support just above the 61.8% pullback area. We had said that a s/term rebound from around here would not be surprising technically.

Expectations of later weakness can remain in place while the 110.70 16-Oct high stays intact.

We stay on the sidelines for now.

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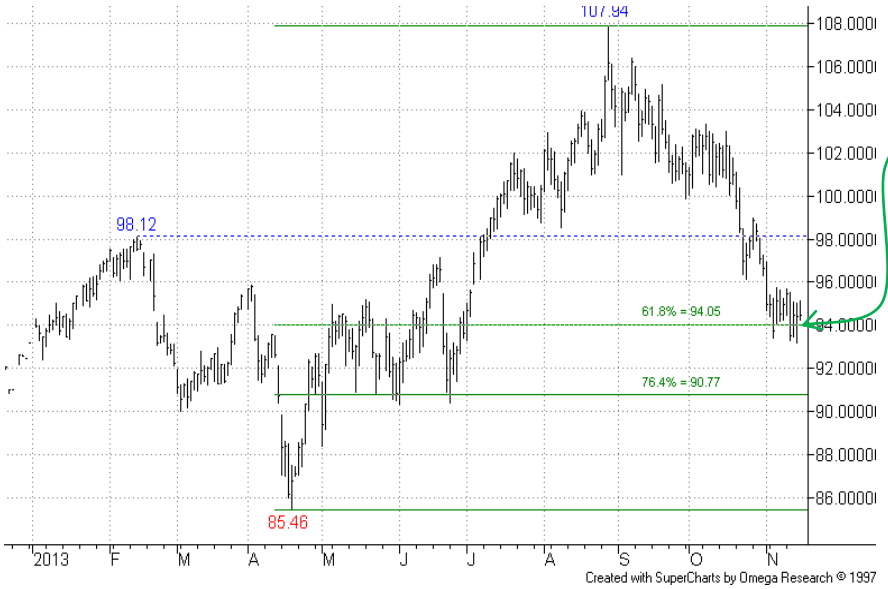
Energy: Light Crude Oil (NYMEX)



Daily Chart – Jan-14:

The pullback here has found temporary support in the 61.8% retracement area. As before, it is the lower 76.4% area (coinciding with Jun lows) that is seen perhaps as potentially a more effective support.

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Energy: Natural Gas (NYMEX)

Monthly Chart – Continuation:

The recovery stopped just short of the 23.6% retracement at 4.685.

Weekly Chart – Continuation:

The rebound from the 50% retracement stopped short of resistance on this continuation chart from the 3.933 Nov-12 high.

More

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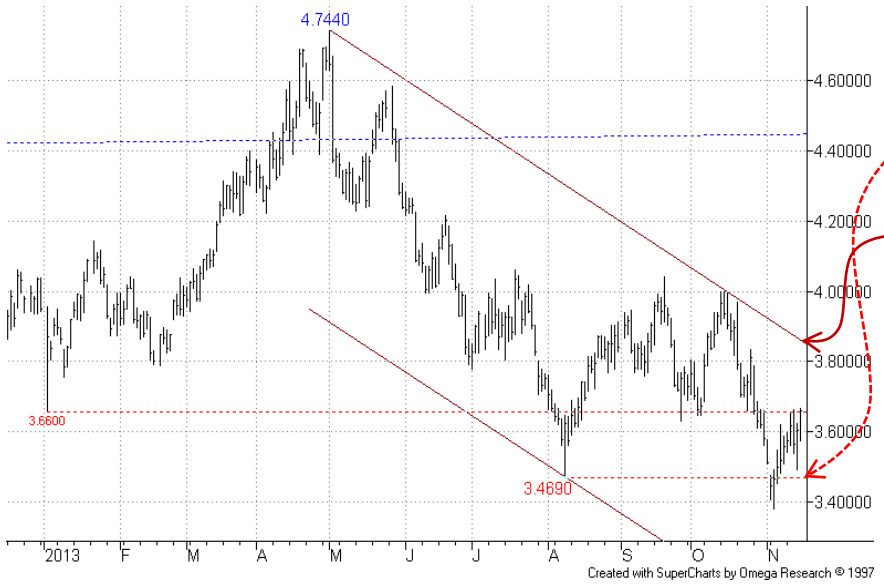
Energy: Natural Gas (NYMEX)



Daily Chart – Dec-13:

After a new 2013 low was made recently, with a brief dip below the Aug low, the market is trying to bounce. The picture remains weak overall, but a rally through the falling resistance line would interest the bulls.

We maintain a sidelined stance for now.

More

SEVEN DAYS AHEAD

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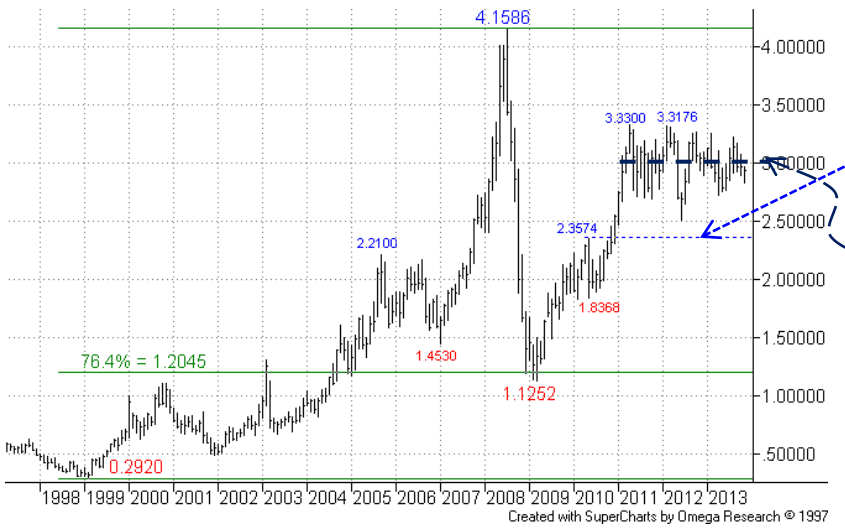
Energy: Heating Oil (NYMEX)



Monthly Chart – Continuation:

After an earlier dip stopped short of the 2.3574 May-10 high area subsequent recovery stopped short of the 2011 high. Prices remain in a congestion area that centres on 3.0000.

Weekly Chart – Continuation:

The market continues to ease away from the falling resistance line, avoiding a bull signal.

More

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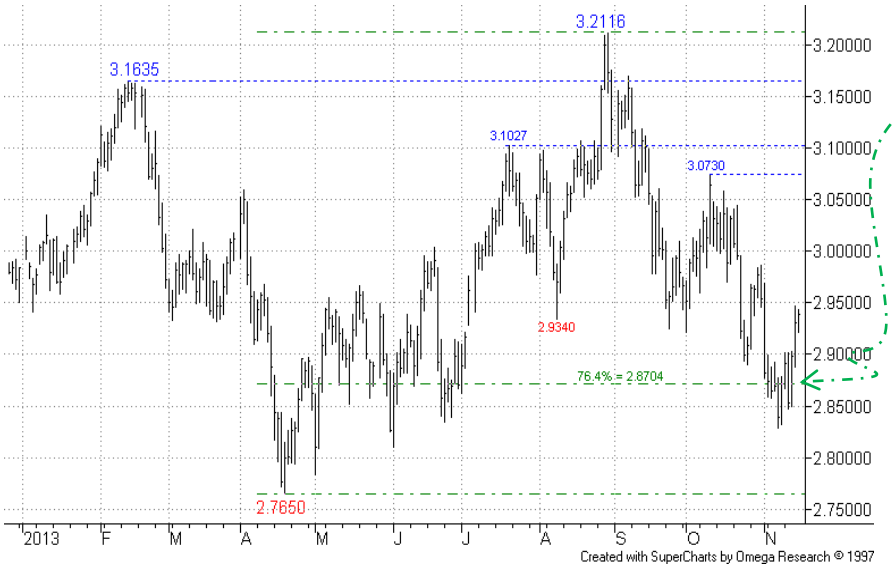
Energy: Heating Oil (NYMEX)



Daily Chart – Dec-13:

Weakness saw brief breach of the 76.4% retracement – so far price action has failed to hold below here, postponing a test of the Apr low.

As before, rallies are not expected to be deep at this stage.

We maintain a bearish stance here.

Metals

Gold stays looking weak, not far from a 76.4% pullback level. **Silver** has also slipped, retesting earlier rebound. **Copper** is weakening following a consolidation period.

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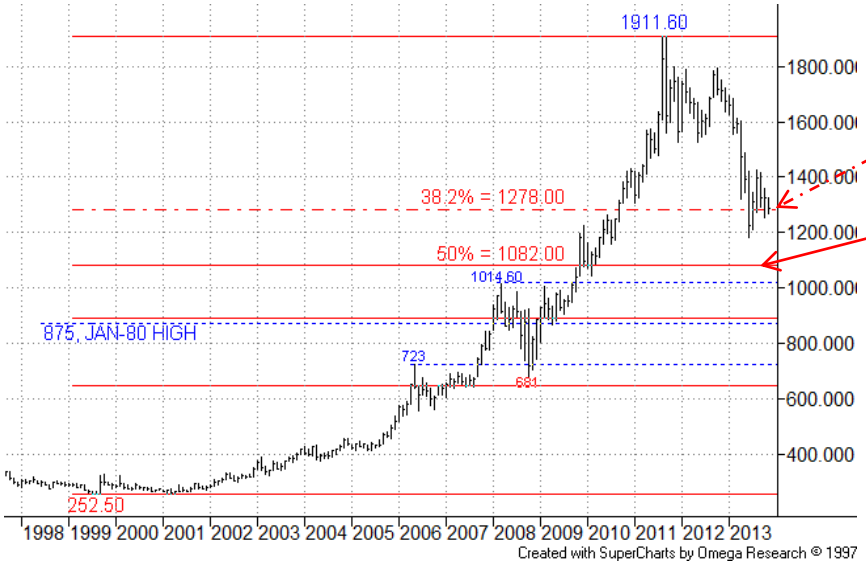
Metals: Gold (COMEX)



Monthly Chart - Continuation:

The 38.2% retracement was recently breached, opening the way towards the 1082.00 50% level.

More

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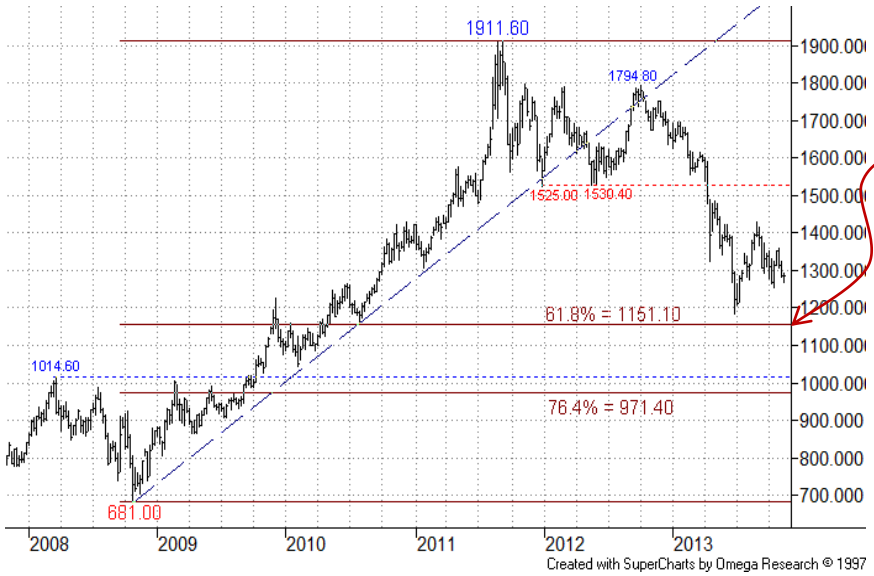
Metals: Gold (COMEX)



Weekly Chart – Continuation:

Downside focus remains on the 1151.10 61.8% retracement level.

More

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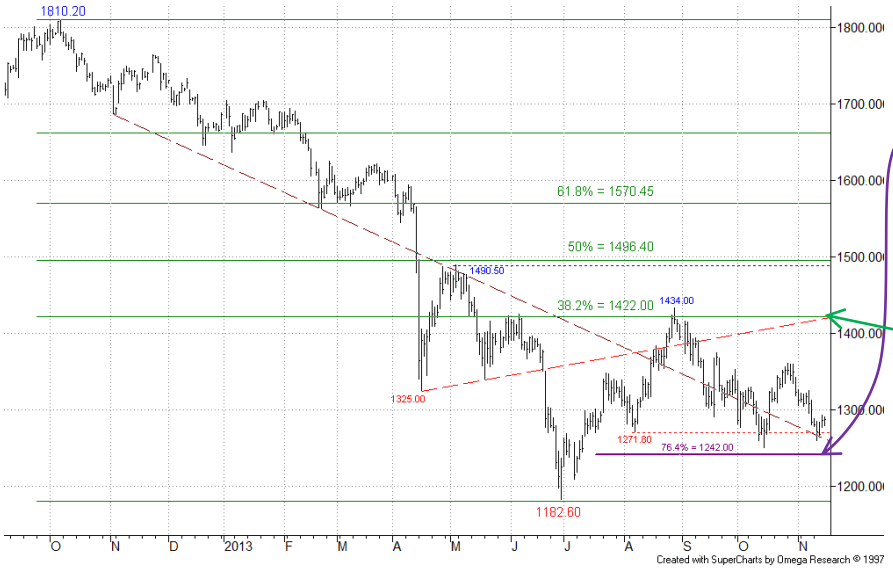
Metals: Gold (COMEX)



Daily Chart – Dec-13:

The drift back in prices has returned focus back to the 1242.00 76.4% pullback level. Failure here would be a fresh signal for the bears, and put the 1182.60 Jun low at risk.

Any further challenge to key 38.2% resistance remains shelved for now.

<u>We remain on the sidelines here.</u>

More

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Metals: Silver (COMEX)

Monthly Chart – Continuation:

Support from the 18.40 76.4% retracement has prompted a only a modest rebound so far.

Weekly Chart – Continuation:

The 18.400 76.4% level proved good support, subsequent recovery halting ahead of resistance offered by the prior 26.070/26.385 lows area.

More

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Metals: Silver (COMEX)

Daily Chart – Dec-13:

Price has slipped back to the support from around the 20.64 23-Jul high. This and the lower 19.85 76.4% pullback level holds the key to a fresh bear signal. We await clarity s/term.

We stay on the sidelines for now.

More

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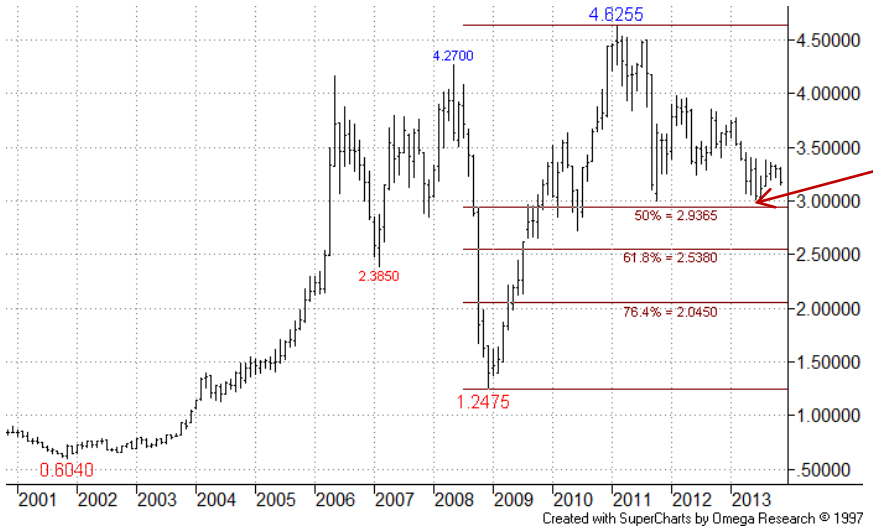
Metals: High Grade Copper (COMEX)



Monthly Chart – Continuation:

The latest earlier returned towards the 2.9365 50% pullback level, which previously provided support, in 2011.

Weekly Chart – Continuation:

Earlier breach of the rising support line gave a clear bear signal. The Oct-11 low provided good support, with recovery retesting resistance from the old rising return line, which has held.

More

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Metals: High Grade Copper (COMEX)

Daily Chart – Dec-13:

Following a consolidation period a weakness bout has seen breach of the rising support line, sidelining earlier bulls. There is chance of a degree of support around the area of the old May low of 3.0980.

Failure here would lead to a test of the Jun low.

<u>We step to the sidelines now.</u>

Grains and Softs

Soybeans are holding above channel base support for now. **Wheat** has weakened towards its August low. **Sugar** has pulled back to a 76.4% retracement. **Cocoa** recovery has paused, with pullback muted so far. The downmove in **Coffee** is putting pressure on a long term 76.4% level. **Cotton** has found temporary support from a channel base.

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Grains and Softs: Soybeans (CBOT)

Monthly Chart - Continuation:

Pressure remains on the long term bull channel base support – failure here would give the bears a boost.

More

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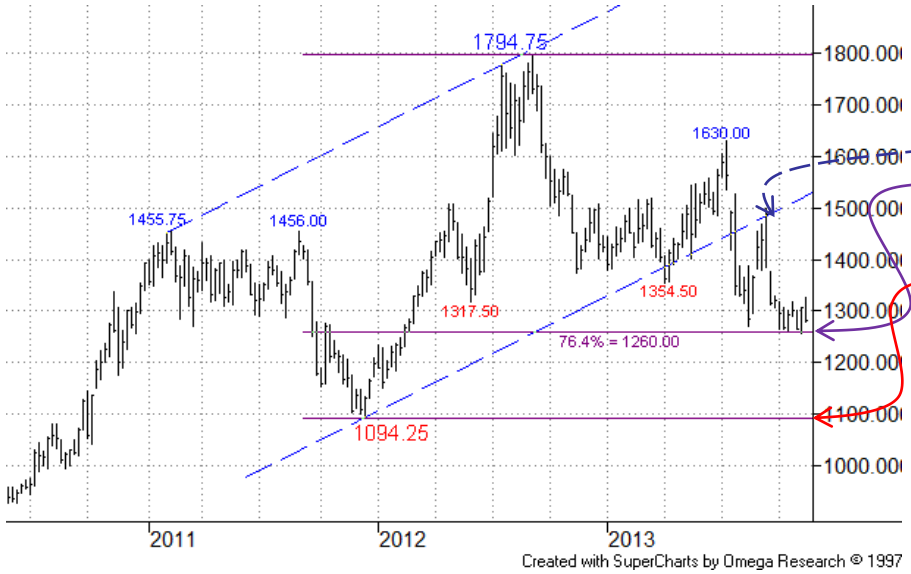
Grains and Softs: Soybeans (CBOT)



Weekly Chart – Continuation:

After resistance from the old channel base the slip back returned to the 76.4% level, which raises expectations of a break lower. This would then expose the 1094.25 Dec-11 low.

More

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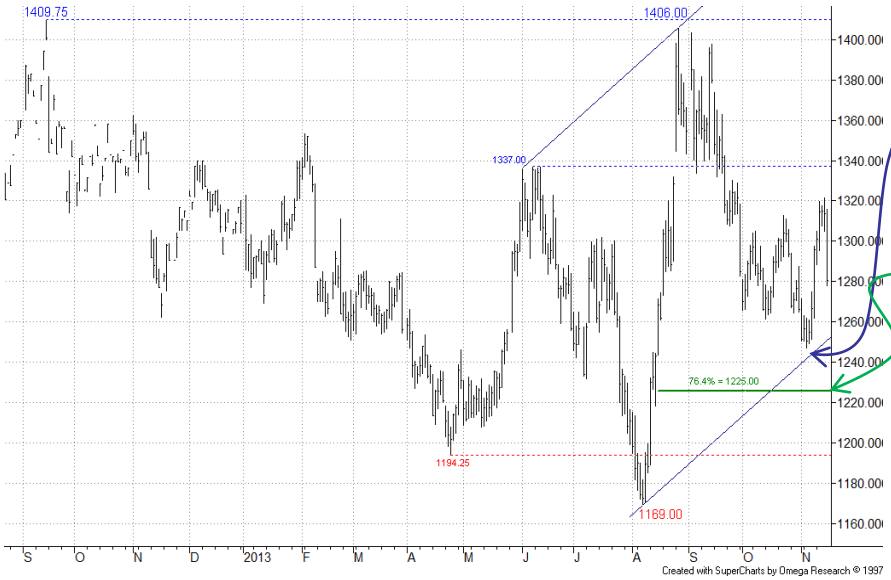
Grains and Softs: Soybeans (CBOT)



Daily Chart – Jan-14:

Recovery from channel base support has so far not reached resistance offered by the 1337.00 Jun high. S/term we wait to see if fresh downside pressure can bear on the channel base and 1225.00 76.4% retracement. Sellers will look in command if these are violated.

We stay on the sidelines here.

More

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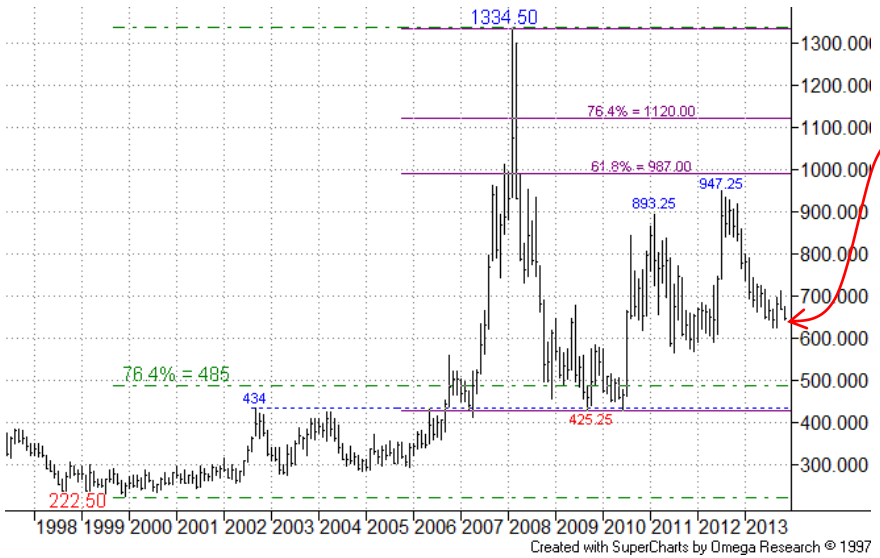
Grains and Softs: Wheat (CBOT)



Monthly Chart - Continuation:

The drop back from the 947.25 Jul-12 high has been as deep as the earlier pullback from the 893.25 Feb-11 high, not a sign of strength, and any rebound could well prove temporary.

Weekly Chart - Continuation:

The drop back from resistance from the old support/return line is now retesting the projected channel base, with 61.8% retracement level just beneath.

More

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Grains and Softs: Wheat (CBOT)

Daily Chart – Dec-13:

The slide back from 23.65 resistance has neared the Aug low. A break lower would encourage the bears, but note possible support from a channel base projection, where the next rebound would be likely.

We maintain a bear stance here.

More

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Grains and Softs: Sugar (ICE)

Monthly Chart - Continuation:

The downmove has paused ahead of the second rising support line.

Weekly Chart - Continuation:

Recovery from the Jul low neared the 20.69 23.6% retracement, resistance appearing just ahead of this.

More

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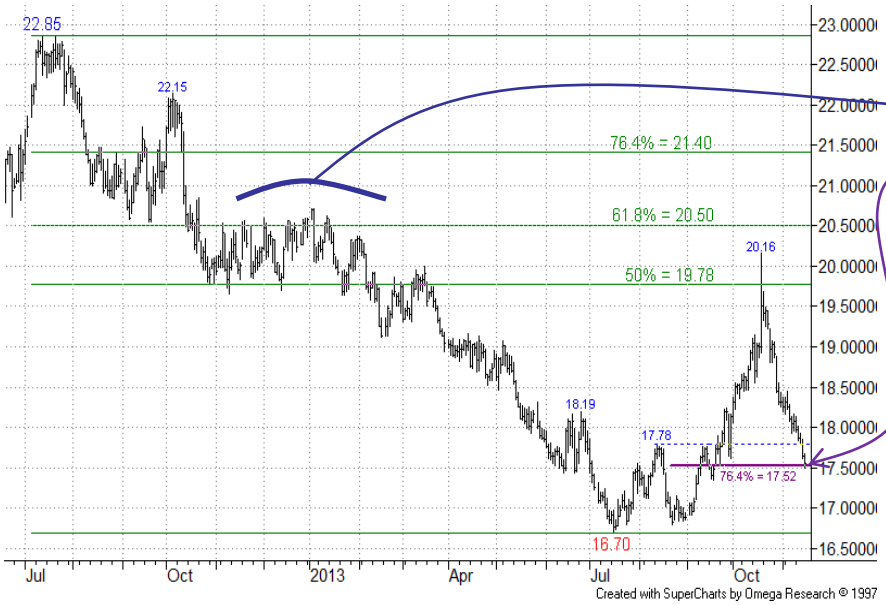
Grains and Softs: Sugar (ICE)



Daily Chart – Mar-14:

Pullback from the resistance area of the congestion of Nov-12/Jan-13 has now tested the 17.52 76.4% retracement. This needs to hold otherwise bulls will sideline and the longer term downtrend could reassert itself.

We maintain a bull stance for now.

More

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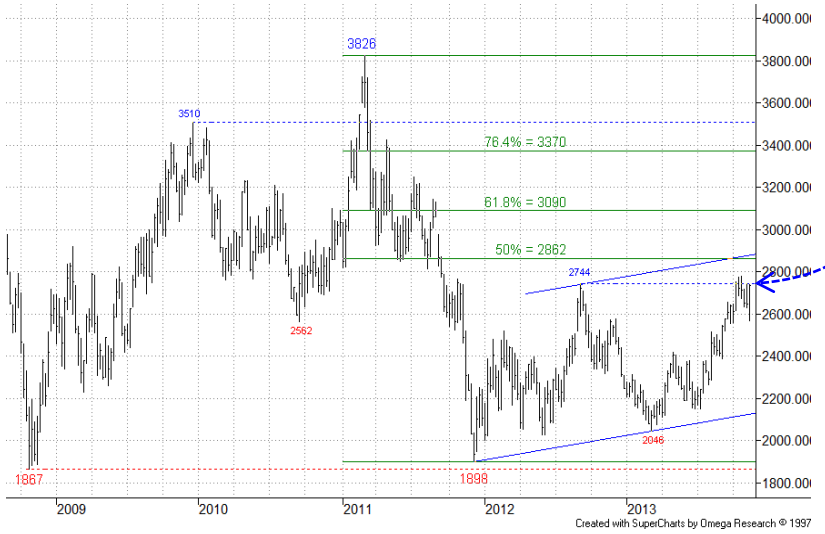
Grains and Softs: Cocoa (ICE)

Monthly Chart – Continuation:

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



Weekly Chart – Continuation:

The recovery remains around its 2012 continuation chart high.

More

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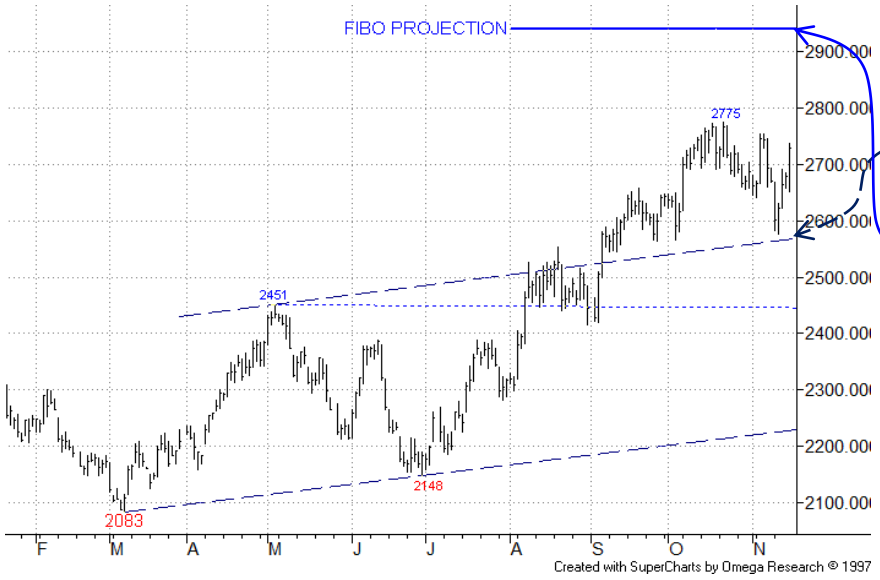
Grains and Softs: Cocoa (ICE)



Daily Chart – Mar-14:

Pullback from the Oct high has been muted, holding above the old channel top, the first support. Currently the market remains on track to push on towards a Fibo projection at **2940.**

We maintain a bull stance here.

More

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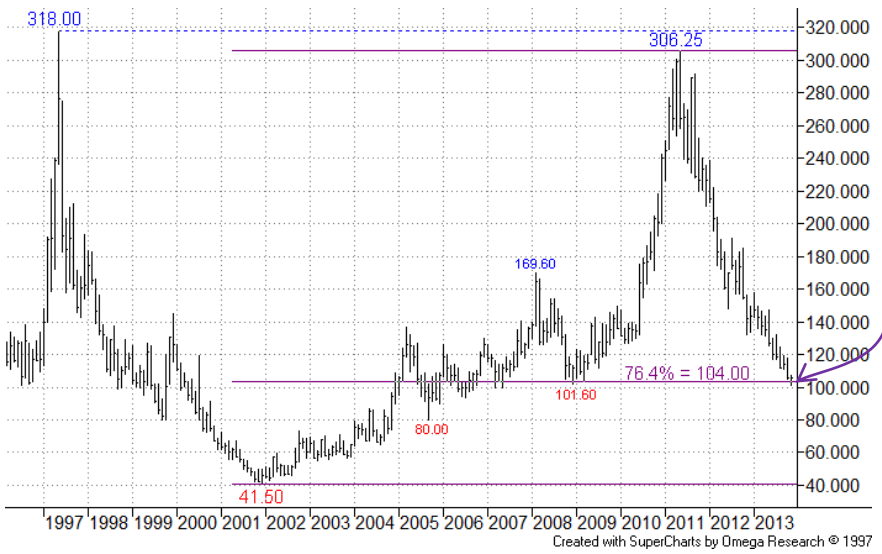
Grains and Softs: Coffee (ICE)



Monthly Chart – Continuation:

Downside focus is on the 104.00 76.4% retracement – support is possible now.

Weekly Chart – Continuation:

The downmove violated the level of the Fibo projection just below **120.00**, exposing the 101.60 late 2008 low.

More

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Grains and Softs: Coffee (ICE)

Daily Chart – Mar-14:

The market remains weak, holding somewhat above the falling 'support' line at 94.75 currently. As before, a rebound beyond the 121.05 10-Oct high would be the first sign that bulls were trying to take charge.

We maintain a bear stance for now.

More

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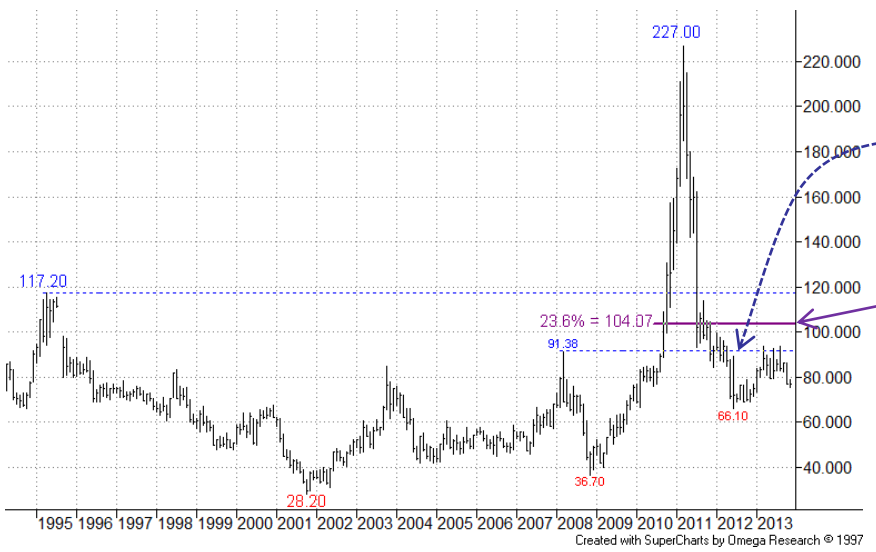
Grains and Softs: Cotton No.2 (ICE)



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:

Earlier recovery from the 2012 low has been impeded by resistance around the Mar-08 high area.

More

Summary

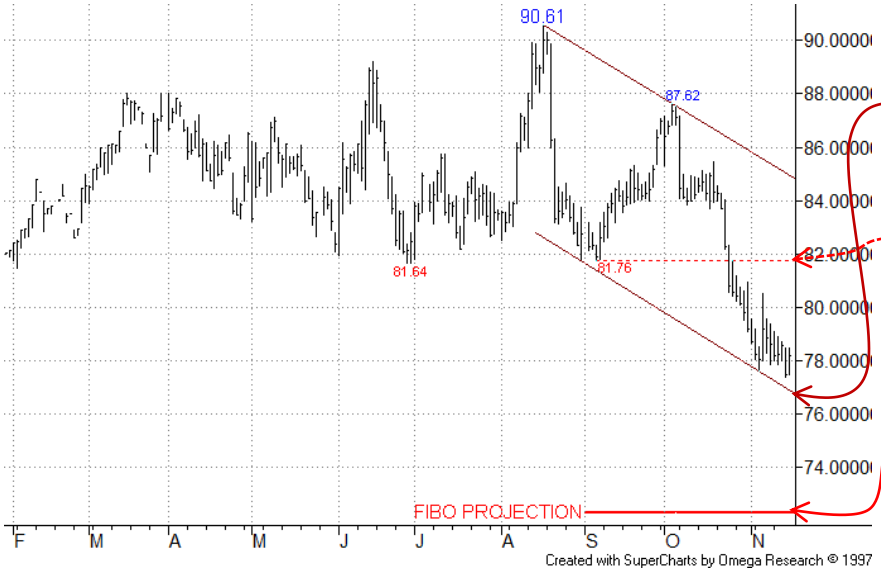
Energy
+ Brent Crude Oil
+ Natural Gas
+ Heating Oil

Metals
+ Gold
+ Silver
+ High Grade Copper

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

Other
+ Carbon Emissions
+ CRB Index

Grains and Softs: Cotton No.2 (ICE)



Daily Chart – Mar-14:

S/term support is emerging from the bear channel base projection on the Mar chart. But rallies could well prove temporary. First interesting resistance comes from the 81.76 05-Sep low.

A later breach of the channel base would open up a potential move towards the Fibo projection at **72.25.**

We maintain a bear stance here.

Other

In **EUA (Carbon Emissions)** 38.2% retracement support is under pressure. The **CRB Index** has slipped further, making a new 2013 low.

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, but look closer.

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: EUA – Carbon Emission Allowances (ICE ECX)

Weekly Chart – Continuation:

Recovery earlier neared resistance offered by the 5.99 Apr-12 low and the 6.17 23.6% recovery level, which remains intact 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: EUA – Carbon Emission Allowances (ICE ECX)

Daily Chart – Dec-13:

The 38.2% pullback support remains under pressure for now. As before, bulls can hold their position while this holds. We wait to see if fresh upside impetus can be found, that challenges the 50% area again.

We maintain a bull stance here.

More

Other: CRB Index (CBOT)

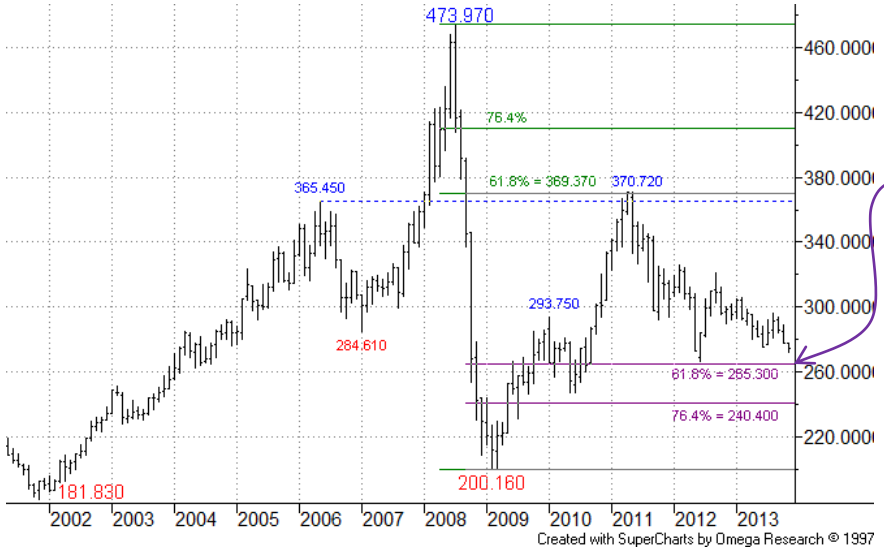
Summary

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:

The index had been slipping back towards the 285.300 61.8% retracement, site of previous support. Will it hold above here?

Weekly Chart – Continuation:

Resistance from the old Oct-11 low came under pressure but was not overcome, sending the Index back south..

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

The Index has held on to the lower ground after recently moving sub-Jun low. Current downside focus remains on the channel base projection at 269.00 ahead of falling resistance around 266.75. As before, rallies should prove temporary at this stage.

We maintain a bear stance here.

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Back to main menu