THE *COMMODITY* TRADER'S GUIDE TO MAJOR MARKETS

PHILIP J ALLWRIGHT



ENERGY

03 LIGHT CRUDE OIL	Stay BULLISH	while above	69.00	(Sep-07)
--------------------	--------------	-------------	-------	----------

Of NATURAL GAS Stay BEARISH at least while below 6.80 (Sep-07)

8 <u>HEATING OIL</u> Stay **BULLISH** particularly while above 2.0000 (Sep-07

METALS

GOLD	Stay	be	elow	718	3.00	(Dec	c-07)
A	~ .				^ ^	. ~	0.7.

14 SILVER Stay BEARTSH below 13.99 (Sep-07)

7 HIGH GRADE COPPER Stay BEARISH while below 377.90 area (Sep-07)

GRAINS AND SOFTS

19 SOYBEANS Stay BULLISH while above 757.00 (Nov-07)

1 WHEAT Stay BULLISH for 686 target (Continuation)

Stay Board will above 5.10 (oct 57)

GO BEARTSH ON CLOSE DELOW 1920-1900 (Sep-07)

27 <u>COFFEE</u> Stay <u>BULLISM</u> while above 109.80 (Sep-07

OTHER

29 COTTON NO. 2 Stay BULLISH above 56.80-56.27 (Dec-07)

32 LUMBER Stay BULLISH above 260.00 (Sep-07

4 <u>CRB INDEX</u> Stay SQUAR

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

WEB SITE SEVENDAYSAHEAD.COM

This information memorandum has been prepared solely for informational purposes for customers of SevendaysAhead and is based on publicly available information from sources believed to be reliable. It is not an offer, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. No representation is made as to the completeness or accuracy of any statements or forecasts contained herein and no responsibility or liability is accepted for losses arising from transactions undertaken or investments purchased, sold or held on its recommendation. Consequently, any persons acting on information contained herein do so entirely at their own risk. Although the opinions contained herein were considered valid at the time of release, financial markets are subject to rapid and unexpected movements. Seven Days Ahead, its associated companies, their directors, employees, other customers or connected persons may from time to time undertake transactions or deal in investments mentioned in this information memorandum or have a material interest. relationship or arrangement in relation to them

ABOUT SEVEN DAYS AHEAD

Seven Days Ahead publishes a variety of trading guides suitable for experienced market operators.

ABOUT THIS GUIDE

Philip Allwright has developed his analytical style over 22 years, initially looking at stocks and commodities, followed by financial futures and then foreign exchange. Together with classical bar chart analysis to identify time-tested patterns, he is a great believer in the natural growth and contraction (retracement) of markets, with the help of Fibonacci-related tools. The over-riding principal is to keep things as simple as they can be, however, in order not to lose sight of the wood for the trees.

Each market is analyzed over several time periods. With this multi-layered approach, market moves can be anticipated over the next few days, the next few weeks and the next few months.

The Commodity Trader's Guide helps traders take advantage of money-making opportunities and avoid loss-making traps in a concise and readable report.

ABOUT PHILIP ALLWRIGHT

Philip Allwright has worked in the financial markets as a technical analyst for 20 years, developing a hobby into a successful career.

Initially he analyzed indices and stocks, particularly Japanese, at Cresvale Limited in London.

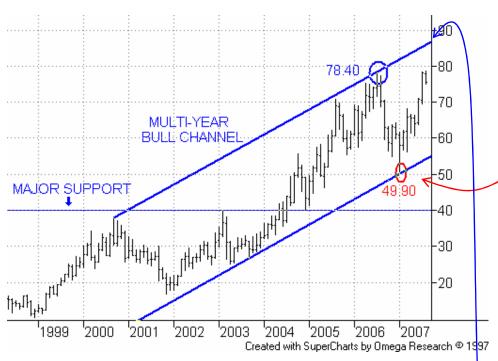
At UBS Futures & Options Ltd he developed his skills as a financial futures broker and analyst of intraday movements and latterly became a director.

He then worked at (Standard & Poors) MMS as senior foreign exchange technical analyst, and most recently has continued the foreign exchange analysis as a consultant to the web-based G7FOREX.

Energy

The bullish trends in **Crude Oil** and **Heating Oil** remain sound, inverse Head and Shoulders patterns visible on both daily charts, but there are hints that s/term upside may become limited. **Natural Gas** has been swinging sharply the other way, confirming our s/term bearish stance here, but we are on the lookout for support.

Light Crude Oil (NYMEX)

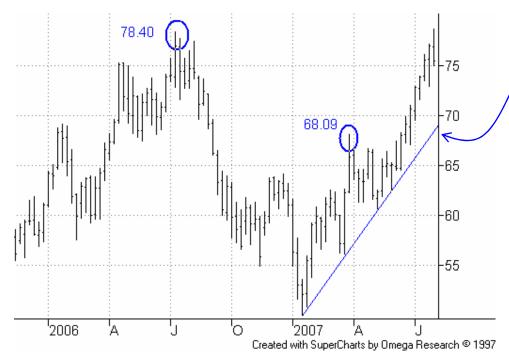


MONTHLY CHART - CONTINUATION:
Overall price action contained within a long term bull channel.

The base of this plus the 49.90 Jan low offer key support now.

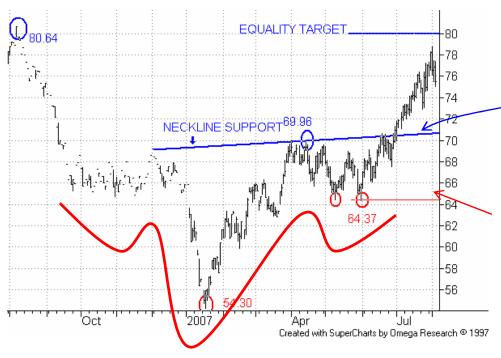
Retest to the 78.40 high (seen last week, although 80.64 is high on the front month Sep) and beyond has been our longer term bullish objective. Note potential resistance from the channel top.

But price may initially struggle to HOLD above this high.



WEEKLY CHART - CONTINUATION:

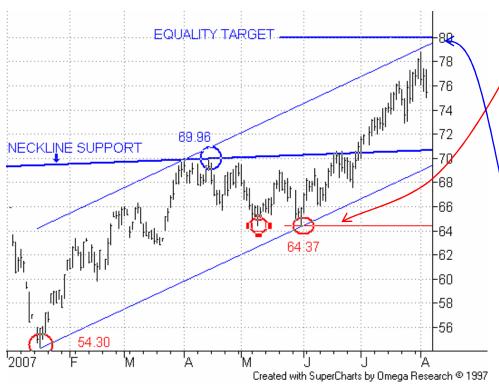
The 2007 uptrend and 68.09 Mar high should ideally stay intact now, if the upmove is to retain maximum momentum.



DAILY CHART SEP-07:
On this chart
note the
completed inverse
Head & Shoulders,
the neckline just
above 70 plus
69.96 13-Apr high
offering first
good support.

Lower 64.37 must ultimately hold else the whole 2007 uptrend could unravel.

Bulls clearly favoured while above here.

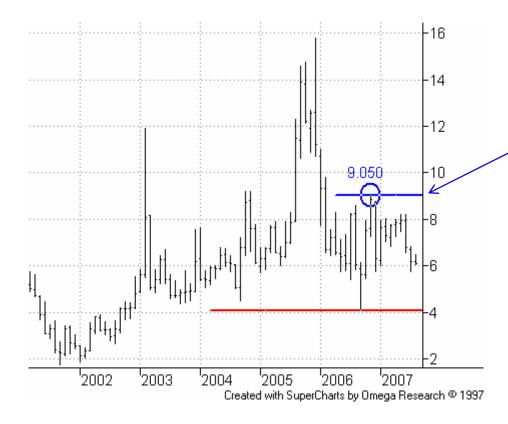


DAILY CHART SEP-07:
The impulsive
upmove from the
64.37 31-May low
is still
developing
nicely.

Ahead of 80.64
Aug-06 high note
the 79.00-80.00
resistance area
that we
highlighted last
week - top of the
2007 bull channel
and equality
target off 64.37,
to prior 54.3069.96 Jan-Apr
upleg.

This is resisting well s/term - bulls may well start to struggle up here.

Natural Gas (NYMEX)

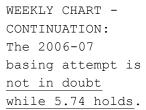


MONTHLY CHART - CONTINUATION:

Price remains broadly consolidative above the 4.00 2006 spike low and below the 9.05 Nov-06 high.

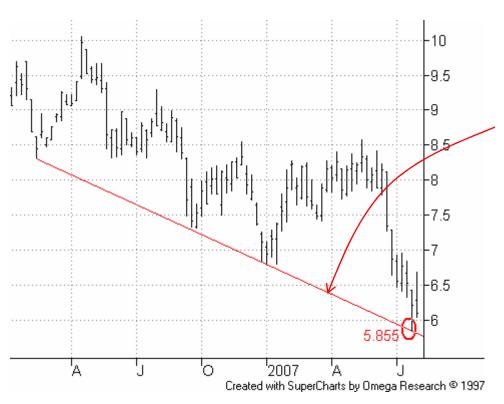
It is <u>still</u>
possible that a
long term base is
forming.





However, it is only just holding... a decisive break below here could seriously delay long term recovery potential.

We have sketched in a possible bear channel, base of which runs through 4.70 approx.



WEEKLY CHART - SEP-07:

Also note that
the weekly chart
of the front
month displays an
interesting
falling support
line off prior
2006/07 lows -

- it has been effective so far.

DAILY CHART SEP-07:
Our bearish
stance was
reinforced by the
previous breach
of 6.80 Jan low
(which reverted
and remains
resistance).

8.5

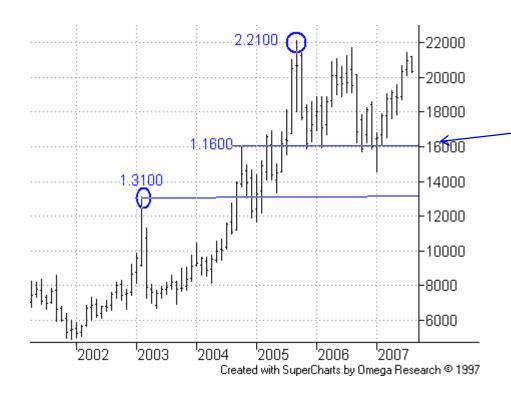
Mindful of the 5.74 level on the weekly chart we also note the 1.618 swing off prior 6.80-8.57 Jan-May upmove, at 5.70.

We previously highlighted a clear divergence signal on the RSI, hinting at bear fatigue...

The recent downtrend line has been eroded, but a push through the 6.80 area is still required by the bulls.

Meanwhile <u>bears</u> must remain favoured.

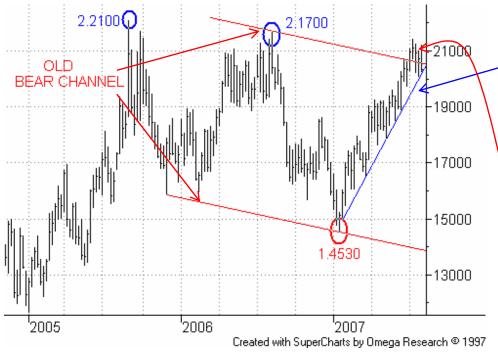
Heating Oil (CBOT)



MONTHLY CHART - CONTINUATION:

So far price has failed to hold below the 1.1600 support area...

...which keeps long term bulls in favour.



WEEKLY CHART - CONTINUATION:

The 2007 uptrend line remains <u>very</u> effective support for now.

The recent breach of the 2006-2007 bear channel exposed the 2.1700-2.2100 highs.

But an uptrend failure (is this happening in the front month..?) would postpone tests of these.

.8447

DAILY CHART SEP-07:
The inverse Head
& Shoulders has
completed.

Neckline and 2007 uptrend line support is coming under attack though.

Note main resistance above the 2.1616 Jul high comes from the 2.2578 Aug-06 high.

DAILY CHART - SEP-07:

Below 2.0500/400 support sees 2.0000 as needing to stay intact, in order to preserve momentum, and we are right to remain s/term bullish while this holds.

-19000

18500

-18000

In the end 1.8447 key support must hold to prevent a full bear takeover.

Return to Contents

Created with SuperCharts by Omega Research @ 1997

Metals

The **Gold** and **Silver** daily charts have treaded water, but remain vulnerable to further weakness, while patient **Copper** bears during a recent corrective recovery have their first sign of fresh weakness.

Gold (COMEX)



MONTHLY CHART - CONTINUATION:

Overall momentum

intact while

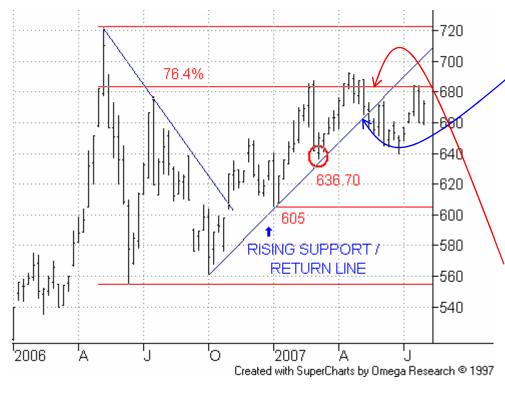
2005-07 trend

line around 655

holds.

More serious is any violation of the 555 Jun-06 low.

The slow progress back towards 723 May-06 high has currently run out of steam. But an eventual break above here would see 825 become a a medium term target (a 1.618 swing target off the 723-555 fall.



WEEKLY CHART CONTINUATION
After the break
of the 8-month
rising support
line the medium
term outlook
remains more
negative.

One interesting feature is how price has continued to fail to hold above the 76.4% retracement level.



DAILY CHART DEC-07:
Failure of the
latest bounce to
exceed the old
support line
keeps bear
interest high.

A break/hold
below the 653.50
Jun low would
confirm medium
term bearish
implications,
completing a top
formation, next
target towards
626.00 76.4%.

Interestingly the 1.618 swing target off 653.50-701.00 lies very close, at 624.00.

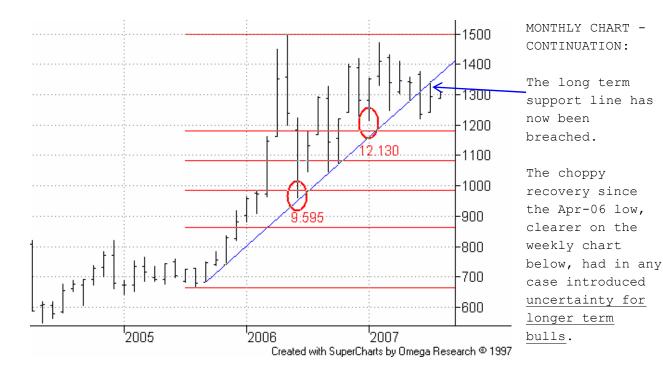


DAILY CHART DEC-07:
The 700.00 area
offers first
resistance, while
the 718.00 highs
and 715.00 area
are key above
here.

Note possible intermediary support below 653.50 from the bear channel base projection around 646/45.00 currently.

However it is right to stay negative for now.

Silver (COMEX)



14.720

OVERLAPPING WAVES WITHIN

APPEARANCE

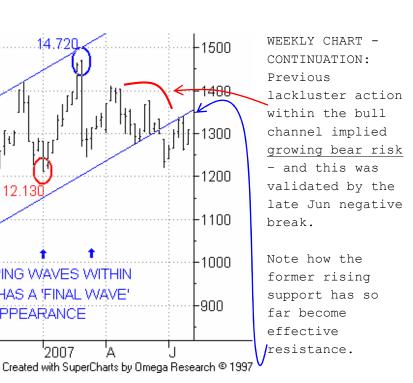
2007

Ά

BULL CHANNEL HAS A 'FINAL WAVE'

0

IJ



-900

¹2006

Ά

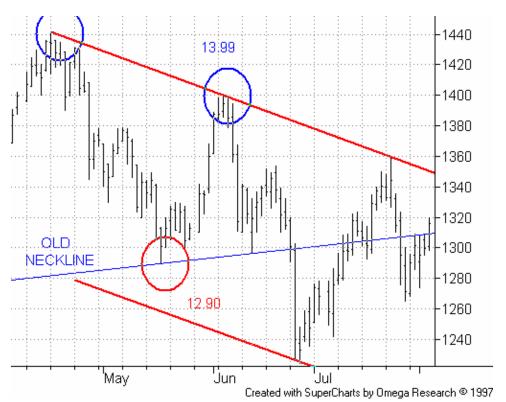


DAILY CHART SEP-07:
There remains a
type of <u>Head &</u>
Shoulders pattern
completed here,
even though
neckline
resistance was
violated.

Note the effective falling resistance line from 14.42 Apr high.

A possible bear channel base currently coincides with the 61.8% level near to 12.00.

Lower 76.4% at 11.23 could come under closer scrutiny later on.



DAILY CHART - SEP-07:

We have previously stated that only a move back above falling resistance and 13.99 high would completely negate the current bearish outlook, and this remains the case for now.

High Grade Copper (COMEX)



MONTHLY CHART - CONTINUATION:

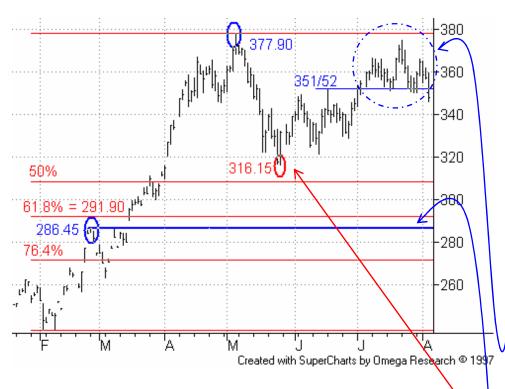
Key 238.00 50% support provided a springboard for a sharp recovery.

This has so far fallen short of the major 416 high.



WEEKLY CHART - CONTINUATION:

The continued failure to hold above 76.4% keeps bear risk quite high, while last week's negative reversal/outside week provided an additional bearish sign which so far remains valid.



DAILY CHART - SEP-07:

Having viewed the (now substantial) recovery from 316.15 May low as being corrective, ahead of further weakness, the first negative clue has emerged.

This is the breach of 351/52 support which has completed an, albeit modest, Head & Shoulders pattern.

Ultimately, however, the bear view would only be confirmed by a drop below that 316.15 low.

This would herald a <u>deeper</u> corrective phase, when the 291.90-286.45 area (includes 61.8%) would offer interesting support.

Grains and Softs

Soybeans remain overall bullish but a s/term pullback phase continues to unfold, and Wheat's previously strong upmove seems in its final stage ahead of correcting.

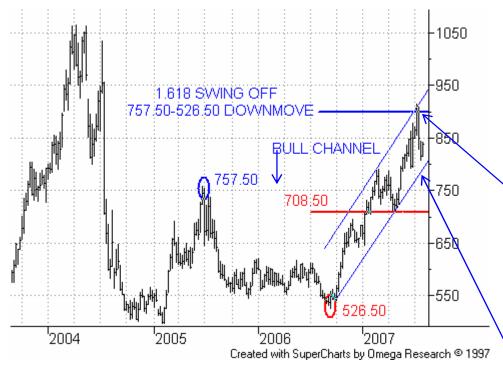
Sugar may have completed its medium/long term downmove, now in the process of turning. Cocoa's has turned back down following a decent bull move while Coffee still holds promise for patient bulls.

Soybeans (CBOT)



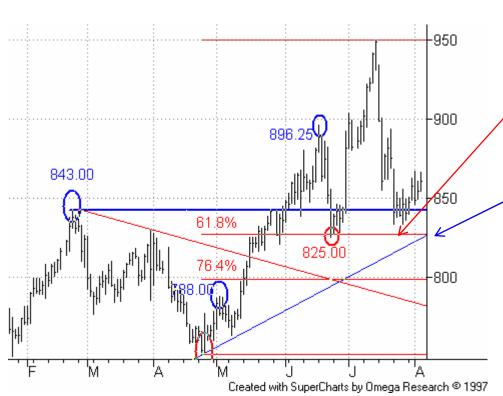
MONTHLY CHART - CONTINUATION:
The medium term upmove, after clearing the old 757.50 high, has extended towards the 932 76.4% retracement level, before pausing.

The HOLD above the 757 area was a good sign that medium/long term bulls had regained control.



WEEKLY CHART CONTINUATION:
The recent strong
rally failed
around the two
resistance areas
we had pointed
out - the bull
channel top and
the 1.618 swing
target of the
prior 757.50526.50 fall.

The medium term upmove remains impulsive, however, and the 800 bear channel base & old 757.50 high offer first main support.

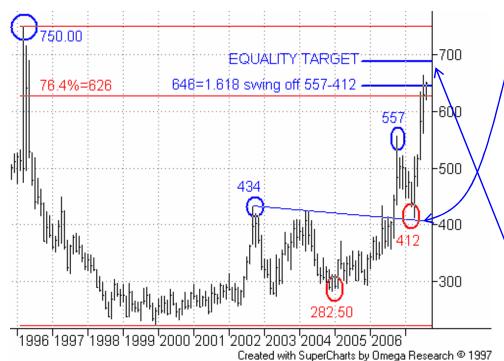


DAILY CHART - NOV-07: The smart drop from 950.00 stopped short of the prior 825.00/61.8% support.

Here, long term rising support lies at 825.00, not 800.00 as per the weekly chart. But 800.00 coincides with the 76.4% level - so this latter could yet prove of greater interest.

The picture is s/term bearish, but with possible limited downside.

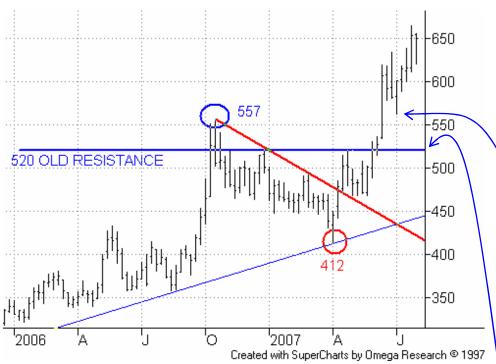
Wheat (CBOT)



MONTHLY CHART CONTINUATION:
Continued
recovery off the
old resistance/
return line has
been powerful and
exceeded our 626646 target area.

This now sets focus on the '282.50-557' equality target off 412, at 686.

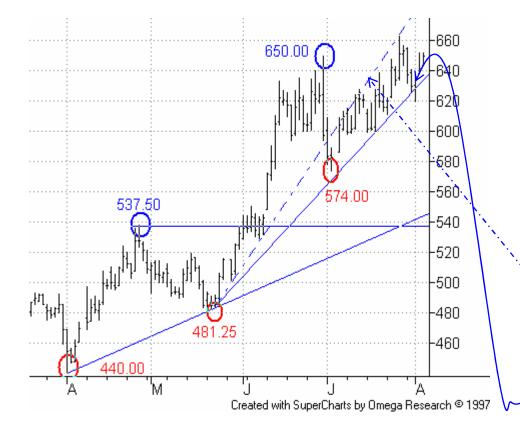
Beyond here there is not much in the way of a 750.00 return.



WEEKLY CHART CONTINUATION:
Our bullish
stances stays
valid, but note
the rise from
412.00 has a 5wave (impulsive)
look, the
5th/final wave
well underway
now.

Later losses
would be deemed
corrective, but
would gain
momentum below
the 557 Oct-06
high.

The 520 area would then offer further support.



DAILY CHART - SEP-07:

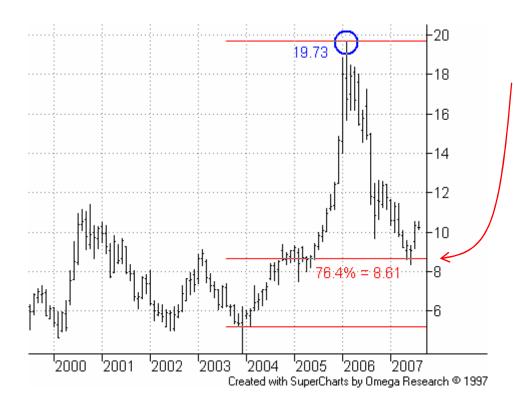
Our bullish view here remains correct, but the upleg from 574.00 03-Jul low may be the 5th and final wave in the move from 440.00 Apr low.

The rising return line off 481.25 21-May low remains effective resistance.

We still need to see a proper break of the rising support line off 481.25 to conclude a pullback is underway.

Meanwhile we remain bulls for now.

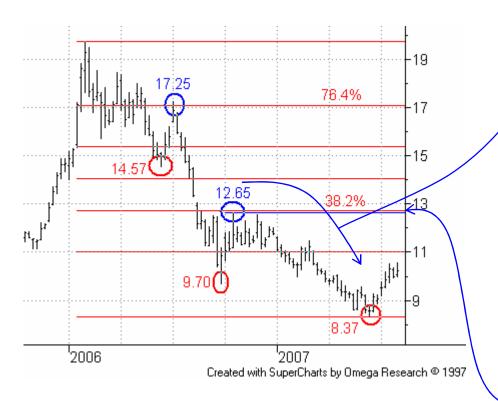
Sugar 11 (NYBOT)



MONTHLY CHART - CONTINUATION:
After testing the 76.4% level, as part of a possible final bear wave, we have been on the lookout for support signs.

We had previously suggested that price may struggle to hold below 76.4%.

However, the <u>long</u> term trend is still down, for now.



WEEKLY CHART CONTINUATION:
The presumed last
downleg, from
12.65, in which
momentum has not
been relatively
strong, may have
completed.

The 38.2% level sometimes coincides with a prior notable high and the start of the final leg, which differs in character. THIS HAS CURRENTLY HAPPENED HERE AFTER THE 12.65 HIGH.



DAILY CHART OCT-07:
The previously
noted <u>divergence</u>
signal from the
/RSI proved a good
one.

However, the -10.40 area plus main falling resistance line from 12.65 Oct-06 high has, as expected, helped to hinder progress to a (medium term?) recovery phase.



DAILY CHART - OCT-07:

The 9.83 Jun high offers small support but it is the 9.18 02-Jul low that now needs to hold to confirm that bears are tiring.

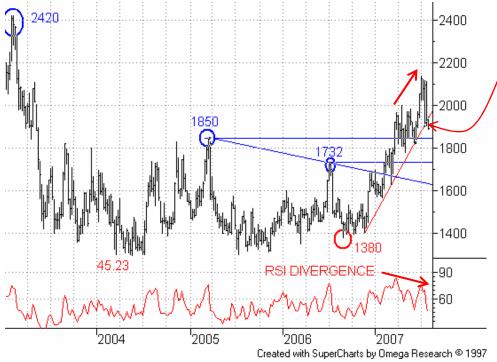
Note that Jun proved to be <u>a</u> (albeit modest) reversal month.

Cocoa (NYBOT)



MONTHLY CHART - CONTINUATION:
After the break above the 2005
1850 high, the uptrend has faltered at the 76.4% level.

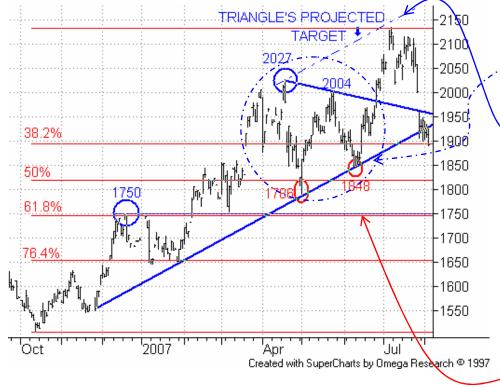
There remains, however, <u>later</u> scope to extend towards the major 2420 high.



WEEKLY CHART CONTINUATION:
The rising
support line has
been eroded now,
the old 1850 high
offering next
support. This
protects lower
1732 2006 high.

We had already observed <u>negative</u> RSI divergence - heralding a shorter term bear phase.

However, the bullish medium term outlook still remains in place.

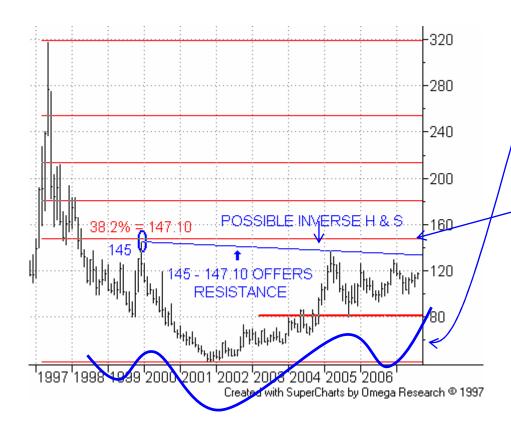


DAILY CHART SEP-07:
The continuation
triangle worked
nicely, price
nearly reaching
the projected
target before
dropping back.

Last week's closes below uptrend support signal deeper losses to come s/term, and the 26/27-Jul down gap should add bear pressure.

The old 1750 support/ resistance area takes on more interest as it coincides with 61.8% now.

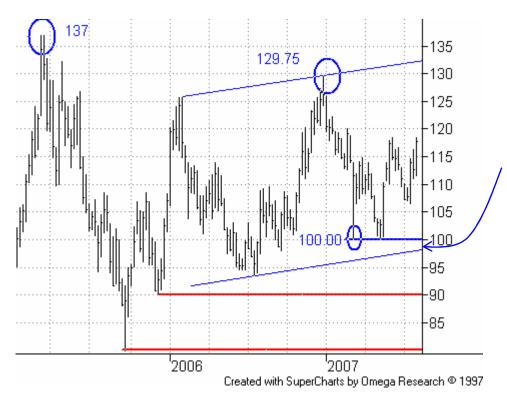
Coffee (NYBOT)



MONTHLY CHART CONTINUATION:
A large <u>inverse</u>
head & shoulders
seems near to
completion.

Above the 134 neckline sees 145.00-147.10 as offering important future resistance.

The <u>long term</u> <u>bias remains up</u>, particularly while key 80.00 support area holds.



WEEKLY CHART CONTINUATION:
The 100.00 round
number support
has been
effective,
keeping lower
bull channel base
out of reach.

These levels protect against anything more serious on the downside

The current consolidation keeps the medium term picture broadly neutral.



DAILY CHART - SEP-07:

Focus has been on whether price could continue to hold above the 76.4% pullback area (failure to do so would put the 106.40 01-May low at risk).

Ultimately a break above the 120.85-121.50 area (includes the rising resistance line) is needed to provide a boost, when we can start looking at some higher % retracement levels.

S/term bulls
remain in favour.

Other

Cotton remains in pullback mode following a very strong upmove. There looks to be a base forming in Lumber. The short term chart of the CRB index remains uncertain after recent choppy action, but upside could well be limited.

Cotton No. 2 (NYSE)



MONTHLY CHART - CONTINUATION:

The <u>bullish break</u> from the 2005-07 consolidation has yet to close above the Apr-05 60.50 high.

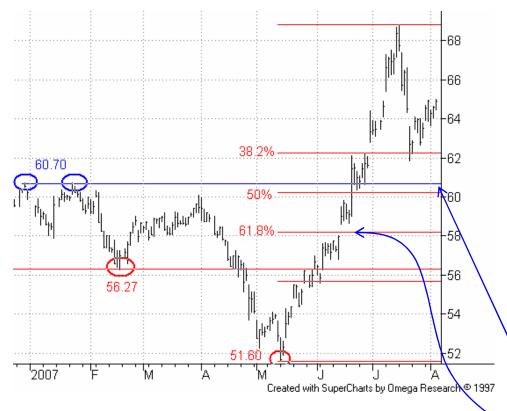
But the initial projected target has been reached/exceeded and the long term picture looks to have shifted from neutral to bullish.



WEEKLY CHART - CONTINUATION:
After 2 ½ years of failing to do so there has now been a close above the previous 58.50 and 60.50 major highs.

Our 66.20 1.618
swing target (off
prior 58.50-46.00
decline) has so
far proved very
effective as
resistance.

Any down-swing could now prove corrective only, those 60.50/58.50 highs and 57.50 falling return line drawn off them, offering the obvious potential supports.

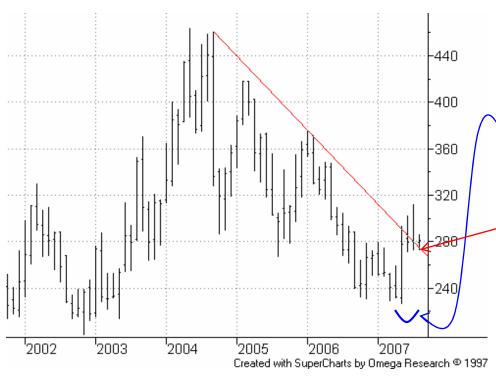


DAILY CHART DEC-07:
The very strong
upmove, which was
first heralded by
the mid-May
reversal week,
breached all the
significant highs
on the Dec-07
contract.

The 38.2% pullback area has initially thwarted s/term bears but we remain alert to further s/term losses, when the 60.70 Dec-06/Jan-07 highs offer next support. Also note lower 61.8% level which lies nicely within the 13/14-Jun gap.

Losses are viewed as corrective, and <u>bulls await</u> <u>later</u> opportunities.

Lumber (CME)



MONTHLY CHART - CONTINUATION:

A strong end to May produced a potentially bullish key reversal month.

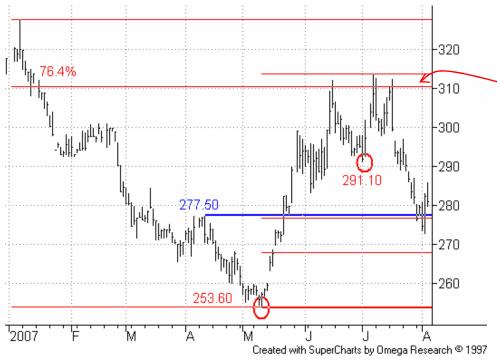
This has now led to an initial break of the long term downtrend line, setting up a possible medium term recovery phase.



WEEKLY CHART CONTINUATION:
The 2006-07
downtrend line
breach and broad
HOLD above the
key 280 level
suggests a double
bottom base now
in place.

Currently note that the 1.618 swing off prior 279.50-227.00 downmove, around 312.00, has worked well as resistance.

Ideally 260.00 will support any deeper pullback now.

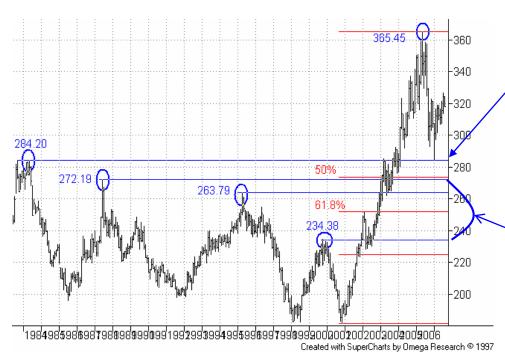


DAILY CHART - SEP-07:
Recovery from the May low was unable to HOLD above the 76.4% level.

The support from 277.50 we had noted has been eroded but, as before, we must ultimately allow for 260.00 - see weekly chart).

The situation is bullish overall, the current pullback classifiable as corrective only.

CRB Index (CBOT)

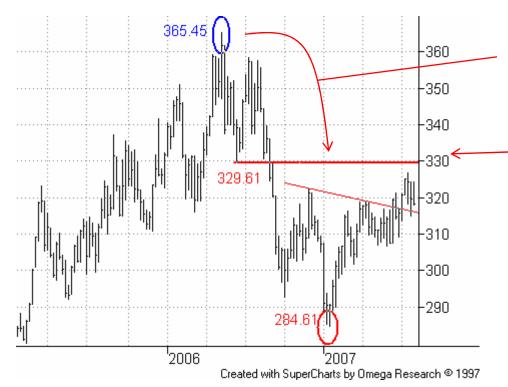


MONTHLY CHART:

The pullback from 365.45 has so far found support from the first of four old major highs.

Over the medium term, a break below this would put the lower ones at risk.

On balance the long term outlook is <u>bearish</u>, the current bounce corrective.



WEEKLY CHART:
The 365.45-284.61
decline displays
a clear 5-wave,
impulsive
structure.

Only above 330.00 would seriously question bears' resolve and we stay bearish while 330.00 resists



DAILY CHART:

The choppy nature of the daily chart maintains <u>s/term</u> uncertainty.

Key support remains at 306.80, but also from the 311.00 bull channel base. Breaks below here would signal a fresh bear move underway.

The channel top has been very effective resistance so far and is the barrier to 330.00, mentioned above.