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*Bi-Weekly Investment Outlook*  
*January 27th, 2002*

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Bi-Weekly Investment Outlook

Sunday January 27th, 2001  
4:00 AM Eastern Standard Time

## Financial Markets

### On the Frenzied Forex Front



Japan's core Consumer Price Index fell 0.9% from the previous year in December, for a 27th straight month of decline. Economy Minister Heizo Takenaka said the data "confirm Japan is in a state of mild deflation."

Well if 27 straight months of a decline CPI is Mild deflation then a 105 degree temperature on an adult is just a mild case of the Flu..

Currently the Yen appears to have stabilized against the dollar , only time will tell if the perceived benefits from a lower yen will take hold. Japan has many other issues to deal with as a society. However it has essentially been brought to its knees by the great demon of deflation. As evident in the recent tumble in stock markets values to the lowest levels in 18 years. The Japanese 'powers that be' would do themselves a favor here by signaling to the Forex markets it's desire to stabilize the yen from moving too far from the current levels and give the recent downward adjustment some time to take hold. In addition , the 'get your house in order ' fiscal policies need to drastic enough of make a clean slate, but not so drastic to worsen society ..or else another Argentina or worse will be upon the world.. If that is the case a short-term spike in the yen as we head into Feb / march could be expected.. as the spec shorts run for the door...

### March Yen

**Recommended open position , long at 7515**

**Support** should appear near 7428 to 7414 and the 7342 to 7328 region.. Under that buyers should emerge near 7255 to 7240 and the 7170 to 7143 region.

**Nearby Resistance** should appear near 7486 to 7513 and the 7587 to 7601 region. A close over is friendly and augurs for a test 7675 to 7687. Beyond that, resistance should appear near 7763 to 7777.

Aggressive Traders should go long / add if a close over 7601 occurs.

### Monthly Yen Futures



In volatile trading Friday, the Euro dropped to a six-month low against the dollar, with the U.S. currency enjoying renewed confidence following Federal Reserve Chairman Alan Greenspan's assessment of the economy Thursday. This was seen as somewhat upbeat.

This is more or less a bit perverse, considering, at least in my opinion and in the opinion of many, the strong dollar does nothing good for the US economy at this point. For example, just hitting the wires from FRANKFURT as I type (courtesy of Dow Jones news wires) European Central Bank Vice-President Christian Noyer expressed concern with the strength of the dollar. **The strong dollar is "a potential danger for whole sectors of U.S. industry," Noyer said, speaking to fund managers in Paris, with the automotive and steel industries particularly at risk.**

**March Euro Currency (EC)**

**Support** should appear near the 8589 to 8560 and the 8499 to 8484 region. Under that a test of 8406 to 8399 is likely.

Below that buyers should appear near 8314 to 8300. Traders can buy at 8315 and risk a close under 8299 for three days in a row.

**Resistance** is at 8668 to 8683 and 8762 to 8777, a close over 8777 is friendly and augurs for a test of 8934 to 8964

Aggressive traders should go long if a close over 8683 occurs. Stay tuned for Updates

**Weekly EC Futures**



**March Swiss Franc**

**Resistance** should appear near 5945 to 5957 and 6023 to 6035.

**Support** should appear near 5805 to 5795 and 5729 to 5716. Below that buyers should appear near 5655 to 5640 and the 5577 to 5553 region. Traders can buy at 5578 and hold for higher prices... Traders should go long if a close over 5880 occurs.

**Weekly Swiss Franc Futures**



**March British Pound**

**Support** should appear near 1.3990 and the 1.3830 to 1.3770 region..  
**Resistance** is at 1.4150 to 1.4210. and 1.4372.

**Daily March British Pound Futures**



**March Canadian Dollar**

**Recommended Open Position , Long 2 at 6258 avg**

**Support** should appear at 6190 to 6165 and the 6115 to 6100 region. Under that 6035 to 6020 should contain a decline.

**Resistance** is at 6226 and 6256 to 6271, a close over is friendly and augurs for a test of the 6337 to 6350 region

**Weekly Canadian Dollar Futures**



**March Aussie Dollar**

**Recommended Open Position , Long at 5131**

**Support** is at 5137 to 5129 and 5098. Below that buyers should near the 5067 to 5056.. Under that the 4996 to 4975 region should bring buyers out for the woodwork contain a decline for a bit..

**Resistance** should appear near 5176 and 5200 to 5211, a close over 5211 is friendly and augurs for a test of 5250 to 5282 region...Above that that a test of the 5345 to 5355 region is likely ... Aggressive Traders should go long if a close over 5176 occurs

**Weekly Aussie Dollar Futures**



Stay tuned for Forex Updates

## The Sensational Stock and Bond Markets

Greenspan gave the market what it wanted to hear on Thursday as a result the SP500 futures closed up 4 points & change. On Friday the Futures closed unchanged from Thursday..

*However within his testimony last week there were implications that he feels there is really no need for fiscal stimulus at this point.*

Looking back, *Greenspan's personal decisions to manage the economy for purposes other than price stability has resulted in*

1. He saw the rising stock market as being inflationary...2 made the observation that the decline in unemployment and wage growth was inflationary and 3.attributed the rise in corporate bond yields as a harbinger of inflation.

I am sure there are some who would welcome a spate of inflation right about now.. at least it would show that the 'lights are on and somebody is home '..While an Increase in the velocity of money should get the horses to run a bit faster so to speak..

In fact I might say that in many corporate headquarters for the past few years the lights are on and NO ONE IS HOME..

The Enron story snuck up again last week and appears now to be heading down a road that is stirring debate amongst the committees and sessions in the hallowed halls of congress.. Undoubtedly Enron will be in the news for sometime to come, especially with Friday's tragic discovery of the Ex- Vice Chairman 's suicide..

*Our thoughts go out to his Family.. losing a loved one should not be a result of corporate policies their accountants and associated shenanigans ...*

While all this was going on, one of the Fed governors said week he saw no macro economic effects from the Enron collapse..

However... and more interesting are some polls released on Saturday :

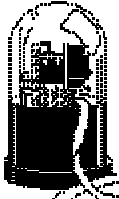
Sixty-seven percent of Americans believe the Bush administration is either hiding something or lying about its relationship with Enron Corp up from 53% the week before according to CBS-New York Times poll released Saturday.

*Not good figures considering the annual State of the Union address will be next week..*

In another poll : Seven in Ten believe the accounting practices that led to the collapse are widespread in corporate America: according to a Time-CNN poll

*Some may not 'see' any real Macro result from Enron, but the social change may be lasting.. and that my friends affects the Macro side of the economy...*

I wonder what is going to happen to the stock in some companies when congress changes law and forces Corporations to allow the 'Archie Bunkers' to exit his company stock just like the Executives who sit in the 'white towers' . Will Archie follow through on the old adage 'when in doubt get out' ?



GDF ↓ .15 HJK ↑ 1.25 RTY ↓ 1.23 IOP ↑ .05 BNN ↑ 12.0 XCV ↑ .20 QEW ↓ .65

Next week President Bush address the nation on Tuesday with the State of the Union Address... In addition We have a slew of economic reports: On Monday : Single Family Home sales expected 929,000 Tuesday : Durable goods expected to rise 1.1 % and January Consumer confidence expected to come in at 96.9 and on Wed the advance 4<sup>th</sup> Qtr GDP is expected to show a -1.0 % figure...

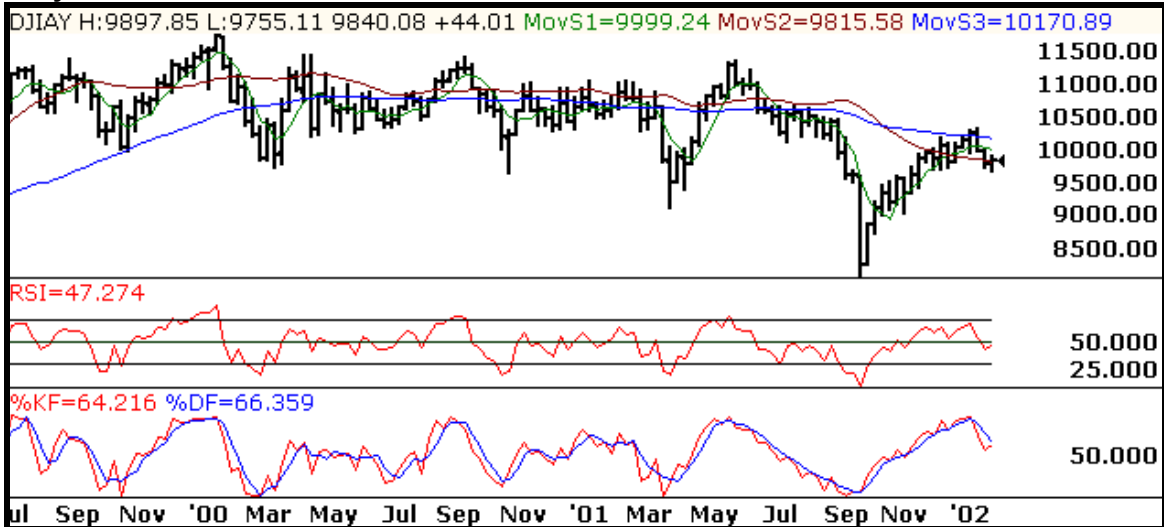
### Dow Jones Industrial Average

**Resistance** should appear near 9921 to 9937 and 10,021 to 10,037 then 10,104 to 10,136. Above that a test of 10,185 and the 10,320 to 10,360 region is likely.. An extended period over 10,360 is friendly and augurs for a test of the 10,580 to 10,680 region, which should cap a rally for a bit

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**Support** should appear near 9837 to 9821.. However another slip and particularly a close under is negative and augurs for a test of the 9737 to 9706 region. Failure there would not be good and would indicate an eventual test of 9542 to 9526 and perhaps eventually the 9350 region..

### Daily Dow Jones Industrials



### March SP500

**Recommended Open Position Short 2 at 1125.50**

**Nearby Resistance** is at 1136 then 1143 and 1150.. Beyond that sellers should appear near the 1164 to 1169 region Above that a test of 1180.50 and the 1192 to 1203 region is likely. A close over 1203 is friendly and augurs for a test of 1217.5 and the 1232 to 1238 region. Beyond that resistance should appear near 1268 to 1274.

**Nearby Support** should appear at 1130. Failure there augurs for a test of 1115.5 and eventually the 1101 to 1096 region.. Something that appears more likely than not to occur at this time.. Below that support is at 1082 under that buyers should appear near 1068 to 1063 and 1058.

\*Stay Tuned for BW Updates\* .

### Weekly SP500 Future



### Daily SP500 Future





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### Nasdaq Composite

**Resistance** is at the 1946 to 1952 and 1982 to 1996 .. Beyond that a test of 2034 to 2042 is likely.. A close over 2034 is friendly and indicates a trade towards the 2080 to 2088 region..Beyond that Sellers should appear near 2126 to 2134 and Cap a rally for a bit. Beyond that Sellers should appear near 2170 to 2185 and the 2230 region.

**Support** is at 1909 to 1902 and 1883.. Under that buyers should appear near the 1865 to 1858 region.. A close under is negative and indicates a test of 1822 to 1808 then 1780 to 1774 and eventually the 1738 to 1731 region

### Pick Your Posion...

#### Daily Nasdaq Composite



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### March Mini- Nasdaq 100

**Nearby Resistance** is at 1569 to 1576 and the 1609 to 1615, a close over 1615 is friendly and augurs for a test of 1642 to 1655 and 1689 to 1696.. Beyond that sellers should appear near the 1731 to 1738 region. Above that resistance at 1775 to 1780 should Cap a rally..

**Nearby support** is at 1552, a slip under augurs for a test of the 1535 to 1529 region.. Below that support should appear near 1496 to 1484.. Under that support is at 1459 to 1453 , while buyers should emerge from the sidelines near 1421 to 1415 and contain a decline.

Trade Accordingly and Stay tuned....

### Daily Nasdaq 100 Future



### March 10 Year T-Note

**Resistance** should appear near 106-07 and 106-23.. Beyond that resistance is at 107-04 and 107-17 to 107-23 , which should cap a rally for a bit...

**Support** is at 105-07 and 104-23.. Under that a test of 103-31 region is likely. Below that buyers should appear near 103-07 and the 102-23 to 102-17 region.

### Daily March Ten Year Note Future





## Precious Metals

### April Gold

**Support** should appear near 279.7. Under that support is at 277.5 to 275.8.. Traders can buy at 279.7 or better and hold for higher prices.. Below that that buyers should appear near 272.4 to 271.6 and the 267.2 to 266.3 region.

**Resistance** is at 282.0 to 282.8 , a close over 282.8 is friendly and augurs for a test of 287.4 to 288.3 and the 292.8 to 293.7 region.. Beyond that a test of 297.2 to 299.0 and the 303.6 to 304.20 region is likely..

Traders should go long if a close over 282.8 occurs

### Daily April Gold Futures



### March Copper

**Support** should appear near 7090 to 7075, a close under is negative and augurs for a test of the 7005 to 6990, region.

Below that a test of 6920 to 6910 and eventually the 6835 to 6805 region is likely. .Below that support is at 6755 to 6740 and the 6670 to 6655 region. Traders can buy at 6675 and risk a close under 6655 for three days in a row.

**Resistance** should appear near 7140 to 7170 a close over is friendly and augurs for a test of 7240 to 7255 then 7325 to 7340 and eventually the 7415 to 7430 region.. Beyond that sellers should appear near 7485 to 7515 the 7580 to 7605 . .

Traders should go long if a close over 7170 occurs

### Daily Copper Futures



### March Silver

**Recommended open position long at 452**

**Support** should appear near 425 to 423.5 and 418.5 to 416...Below that support should appear near the 412 to 411 region.. which should contain a decline for a bit...

**Nearby Resistance** is at 431.5 and 437 to 438.5 , a close over is friendly and augurs for a test of 442.5.to 444.5 and the 450.5 to 451.5 region. .

Aggressive Traders should go long if a close over 432.0 occurs. ..Stay tuned for Updates

### Daily March Silver Futures





## The Exciting Energies

### March Crude Oil

**Support** should appear near 1996 to 1982, under that buyers should appear near the 1953 to 1946 region. . Traders can buy at 1996 risk a close under 1946 for three days in a row..Under that support should appear near 1865 to 1858 and 1822 to 1808, which should contain a decline for a bit.. .

**Resistance** is at 204 to 2042 and 2080 to 2088, a close over is friendly and augurs for a test of 2126 to 2134 and the 2219 to 2226 region.. Beyond that sellers should appear near the 2315 to 2322 region..

### Weekly Crude Oil Futures



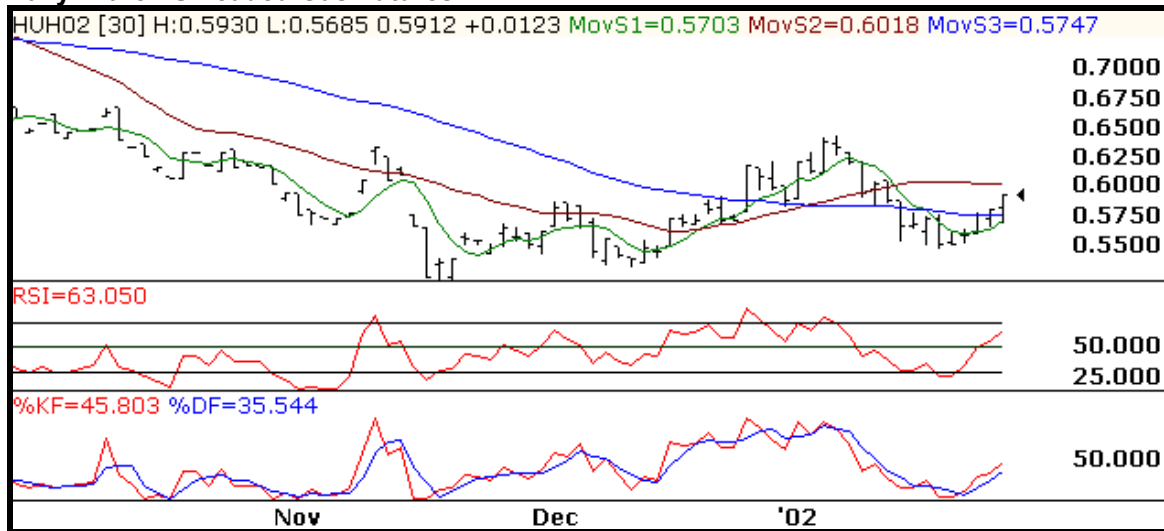
### March Unleaded Gas

**Support** should appear near 5880 to 5855 and 5805 to 5790 under that support should appear near 5730 to 5720 ..

Traders can buy at 5880 and risk a close under 5715 for three days in a row, Below that support is at 5655 to 5640 and the 5580 to 5555 region.. Which should contain a decline for a bit...

**Resistance** is at the 6020 to 6035 then 6165 to 6190 and the 6340 to 6350 region. Beyond that resistance should appear near 6480 to 6510 and the 6655 to 6670 region.. Above that sellers should appear near the 6740 to 6755 region.. Traders can sell at 6745 and risk a close over 6835 for three days in a row.

### Daily March Unleaded Gas Futures



### March Heating Oil

**Nearby Resistance** is at 5415 to 5430 then 5490 to 5505, a close over is friendly and augurs for a test of 5645 to 5655 . Above that a resistance is at 5855 to 5880 .. a close over is friendly and augurs for an eventual test of 6100 to 6115 and beyond towards the 6415 to 6430 region..

**Nearby Support** should appear near 5355 to 5345 and the 5285 to 5255 region.. Traders can buy at 5285 and risk a close under 5260 for three days in a row. Below that support should appear near 5210 to 5200 and the 5140 to 5125 region Under that 5065 to 5055 should contain a decline for a bit...

**Trade Accordingly and stay tuned for updates.**

### Daily March Heating Oil Futures





## The Lively Livestock Markets

### April Live Cattle

**Support** should appear near the 7427 to 7412 region. Below that support should appear near 7342 to 7327 and the 7272 to 7257 region.

**Resistance** is at 7487 to 7512 and 7587 to 7602 .. Traders can sell at 7487 for a turn lower, risk a close over 7602 for three days in a row. Beyond that resistance should appear near 7672 to 7692 and the 7762 to 7777 region.. Above that sellers should appear near 7832 to 7867 and cap the rally .

-Stay tuned for updates--

### Daily April Live Cattle



**April Hogs**

**Nearby Support** is at 6112 to 6102, a close under is negative and augurs for a test of the 6037 to 6022 and the 5957 to 5942 region .. Below that support should appear near 5882 to 5857 and 5807 to 5792 , which should contain a decline.. Traders can buy at 5807 and risk a close under 5712 for three days in a row. Below that buyers should emerge near the 5657 to 5647 region and contain a decline.

**Resistance** is at 6162 to 6192 and the 6257 to 6272 region.. .Beyond that sellers should appear near 6337 to 6352 and the 6417 to 6432 region..

Traders should go short if a close under 6102 occurs.

**Daily April Hog Futures**



**June Hogs**

**Nearby Support** is at 6657, a close under is negative and augurs for a test of the 6592 to 6577 and eventually the 6512 to 6482 region .. Below that support should appear near 6432 to 6417..Under that that buyers should emerge near 6352 to 6337 and the 6272 to 6257 region.. If perchance we see a decent pullback in prices over the next two weeks Traders can buy at 6272 and hold for higher prices going forward..

**Resistance** is at 6742 to 6757 and the 6807 to 6837 region.. Beyond that sellers should appear near 6907 to 6922 and the 7072 to 7087 region.



### Daily June Hog Futures



### February Pork Bellies

**Support** should appear near 7512 to 7487 and the 7342 to 7327 region...Under that buyers should appear near 7257 to 7242 and the 7172 to 7142 region Traders can buy at 7172 and hold for higher prices.. Under that Buyers should appear near 7087 to 7072 and the 7007 to 6992 region. Traders can buy at 7002 for a bounce and risk a close under 6902 for three days in a row.

**Nearby Resistance** is at 7587 to 7602 Beyond that sellers should appear near 7672 to 7687.. aggressive traders can sell at 7587 and hold for lower prices.. Above that resistance should appear near 7762 to 7777... Beyond that 7832 to 7867 and the 8027 to 8042 should Cap a rally for bit..

### Daily February Pork Bellies



*-Stay tuned for Livestock and Belly Updates and Flashes-*



## The 'Grand' Grain Markets

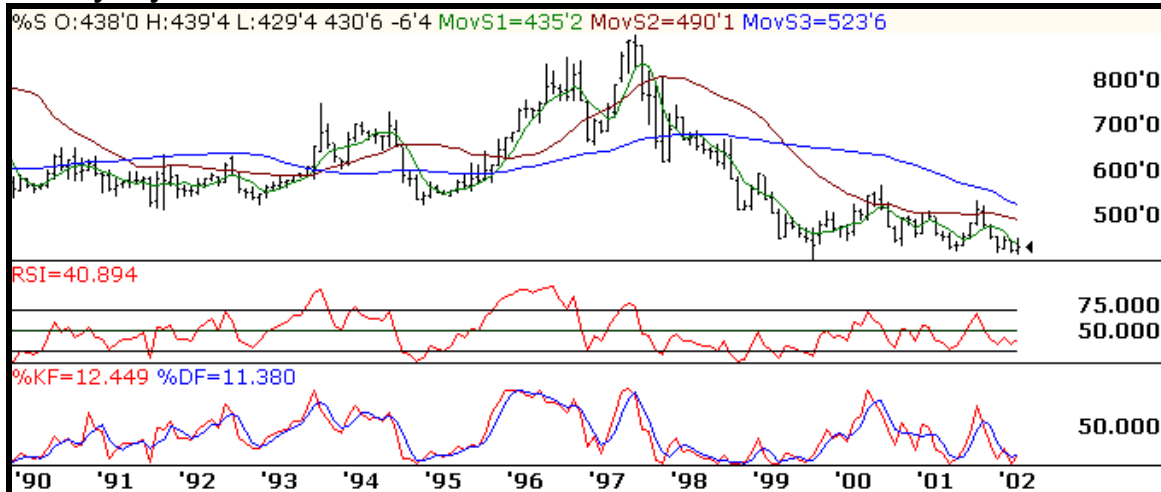
### March Soybeans

**Recommended Open Position , Long 442 3/4 avg**

**Resistance** is at to 431 1/2 then 437 to 438 1/2 and 442 1/2 to 444 3/4 .. Beyond that resistance is at 450 1/4 to 451 1/2.

**Support** should appear near 425 to 423 and the 418 1/4 to 416 1/2 region.. Under that buyers should appear near 412 to 411..

### Monthly Soybean Futures



### March Soybean Meal

**Support** should appear near 149.6 to 148.4..Below that 145.9 to 145.3 should hold.. Traders can buy at 145.9 for a bounce and risk a close under 145.3 for three days in a row. Under that support should appear near 142.1 to 141.5

**Resistance** is at 152.9 to 153.5 and 156.9 to 157.6 ..Beyond that a test of 160.9.to 161.5.is likely. Above that sellers should appear near 164.2 to 165.5

### Daily March Soybean Meal



### March Soybean Oil

**Support** is near 1496 to 1484 and the 1459 to 1453 region.. Below that a test of 1421 to 1415 and the 1383 to 1377 region is likely..

**Resistance** should appear near 1529 to 1535, a close over is friendly and augurs for a test of 1569 to 1576 and the 1609 to 1615 region.

### Weekly Soybean Oil Futures



### March Corn

**Recommended Open Position , Long at 214 3/4**

**Resistance** should appear near 212 3/4 to 213 1/2, an extended trade over augurs for a test of 217 to 218 1/2 and eventually the 221 3/4 to 222 3/4 region. .

**Support** is at 208 3/4 to 208 and the 204 1/4 to 203 1/2 region..

Traders should go, long if a close over 213 1/2 occurs..

### Weekly Corn Futures



### March Wheat

**Recommended Open Position , Long at 298**

**Nearby Support** should appear near 297 1/4 .. Below that buyers should appear near the 293 3/4 to 292 3/4. Under that 288 1/4 to 287 1/2 should contain a decline...

**Resistance** is at the 303 3/4 to 304 1/2 and the 309 1/4 to 310 1/4 region.. A close over 310 1/4 is friendly and augurs for a test of 314 3/4 to 315 3/4.. Continue to Buy Dips ... Aggressive Traders should go long if a close over 304 1/2 occurs..

### Daily March Wheat





## The Satisfying Softs

### March Cotton

**Nearby Support** should appear near 3665 and the 3565 to 3555 region. Under that buyers should appear near 3445 to 3425. Below that 3390 to 3370 should hold

**Resistance** is at the 3730 to 3745 region.. A close over is friendly and augurs for a test of 3855 to 3865 and the 3905 to 3930 region.. Beyond that resistance should appear near 3982 to 3992 band 4045 to 4055.

### Weekly Cotton Futures



**March Coffee**

**Recommended Open Position Long at 4790**

**Support** is near the 4580 to 4570 and the 4515 to 4505 region. Below that support should appear near 4315 to 4305 and the 4190 to 4160 region.

**Resistance** should appear near 4635 to 4650 and 4695 to 4715.. a close over 4715 is friendly augurs for a test of 4915 to 4925 and eventually the 4970 to 4995 region.

**Daily Coffee Futures**



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**March Sugar**

**Recommended Open Position Long at 741**

**Resistance** should appear near 721 and 735 to 739. a close over 739 is friendly and augurs for a test of 763 to 767.

**Support** should appear near 712 to 704 and the 686 to 682 region. Under that buyers should appear near 661 to 656

Trade Accordingly

### Daily Sugar Futures



### March Cocoa

**Resistance** is at 1377 to 1383 Above that sellers should appear near 1415 to 1421.. Beyond that 1453 to 1459 should cap the rally for a bit.. Traders can sell at 1452 and hold for lower prices.. Risk a close over 1496 for three days in a row.. Above that sellers should appear near 1529 to 1535..

**Support** should appear near 1346 to 1334 then 1310 to 1304.. traders can buy at 1311 and hold for higher prices.. Below that support is at 1289 and the 1274 to 1268 region.. Under that support should appear near 1238 to 1232 and the 1203 to 1192 region.. Traders can buy at 1276 and risk a close under 1232 for three days in a row..

### Daily Cocoa Futures



*A Ship in Harbor is Safe.. But that is not what ships are built for --*

**Happy Trading !**

**Bill**

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1--561-433-2995

**Sunday January 27th 2002**

**4:45 PM**

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