

“Accomplishments will prove to be a journey, not a destination.”

-Dwight D. Eisenhower-

Bi-Weekly Investment Outlook
Saturday, December 28th, 2002
3:30 AM eastern standard time

The ‘Frenzied’ Forex Front

With month-end and year-end just around the corner the Dollar index closed at it's lowest weekly level since the third week of January 2000. The Euro and Swiss Franc led the way, closing at hit multi year highs against the dollar on the back of geopolitical tensions. Notably both the Swiss and EC futures gave Weekend Buy-Rules closing at contract highs on Friday..

Sterling closed out the week firm, while the canuck wallowed lower and the aussie struggled to maintain it's posture during thin and at times volatile holiday trading last week that was fraught with Korean tension amidst the trod towards War in Iraq.

The Euro was aided by Friday's release of the French business confidence report. It showed an improved in December due to stronger order books and rising sentiment over the outlook for production. In addition French manufacturing sentiment rose three points in December to 99, above the 97 reading that had been expected and the highest level since June.

On the trail of Babble...

Japanese officials, continue to reinforce intervention talk." We are ready to take appropriate action if necessary," Head of the MOF Kuroda was quoted as saying, while Finance Minister Masajuro Shiokawa issued warnings also "We will have to take steps if there is a trend toward yen appreciation," Shiokawa said during a news conference on Friday. Implying that the MOF would not be averse to taking action at anytime, even during the extended New Year holiday in Japan. Notably Yen Bull, BOJ head Hayami has been rather quiet of late, and should remain so considering his term is Up in March..

All the while Japan's November industrial output fell 2.2% from a month earlier worse than the expectation of a 0.4% fall. Government data released Friday showed that in November spending by Japanese wage earners fell a much-wider-than-expected 3.4%, while nationwide core consumer prices declined from year-earlier levels for the 38th straight month.

Fears that Japanese authorities could intervene to weaken the yen have kept a lid on it .. but with heightened tensions in Korea and a still struggling economy I suspect some flight from the yen will occur sooner than later, regardless of intervention...

March Yen

Support should appear near the 8314 to 8300 a close under is negative and indicates a test of 8223 to 8195 and eventually the 8045 to 8025 region..

Resistance should appear near 8391 to 8406 a close over is friendly and augurs for a test of 8445.. Above that sellers should appear near the 8484 to 8499 region . Traders can sell at 8482 for a turn lower and risk a close over 8522 for three days in a row. Aggressive Traders can go short if close under 8247 occurs...

Monthly Yen



Weekly Yen



Daily Yen



March Euro Currency (EC)

Support should appear at 10360 to 10320 then 10285 and 10225 Traders can buy at 10287 and hold for higher prices.. Below that buyers should appear near 10185 and the 10136 to 10104 region , which should contain a decline for a bit

Resistance is at 10470 and the 1.0580 to 1.0630 region. Beyond that a test of 1.0680 is likely.. A close over augurs for a test of 108.20 and the 10960 to 110.10 region, where sellers should appear and Cap a rally..

Traders should go long if a close over 1.0477 occurs..

Monthly Cash EC



Weekly EC Futures



Daily EC Futures



March Swiss Franc

Resistance should appear near 7242 to 7255 , an extended trade over is friendly and augurs for a test of the 7328 to 7342 region. Beyond that a test of 7414 to 7428 is likely

Support should appear near 7170 to 7143 and 7115 .. traders can buy at 7118 for a bounce ..and hold for higher prices.. Below that 7088 to 7074 should contain a decline

Aggressive traders should go long if a close over 7218 occurs.

Monthly Swiss Franc



Weekly Swiss Franc



Daily Swiss Franc



March British Pound

Support should appear near 1.5926 and 1.5858, below that buyers should appear near 1.5760 to 1.5690

Resistance should appear near the 1.6090 to 1.6150 region. A close over is friendly and augurs for a test of 1.6284

Monthly British Pound



Weekly British Pound



Daily British Pound



March Canadian Dollar

Recommended Open BW Position , Long 6354

Support should appear near 6350 to 6337.. Below that buyers should appear near 6305 and the 6270 to 6257 region

Resistance is at 6383 and 6417 to 6430 . Beyond that a test of 6483 to 6509 is likely.

Monthly C\$



Daily C\$



March Aussie Dollar

Support is at 5553. Under that buyers should appear near 5504 to 5492 and the 5430 to 5418 region.

Resistance is at 5608 and the 5640 to 5653 region .. A closer over is friendly and augurs for a test of 5716 to 5729 and the 5792 to 5805 region. Traders should go long if a close over 5612 occurs.

Monthly Aussie \$



Weekly Aussie Dollar



Daily Aussie \$



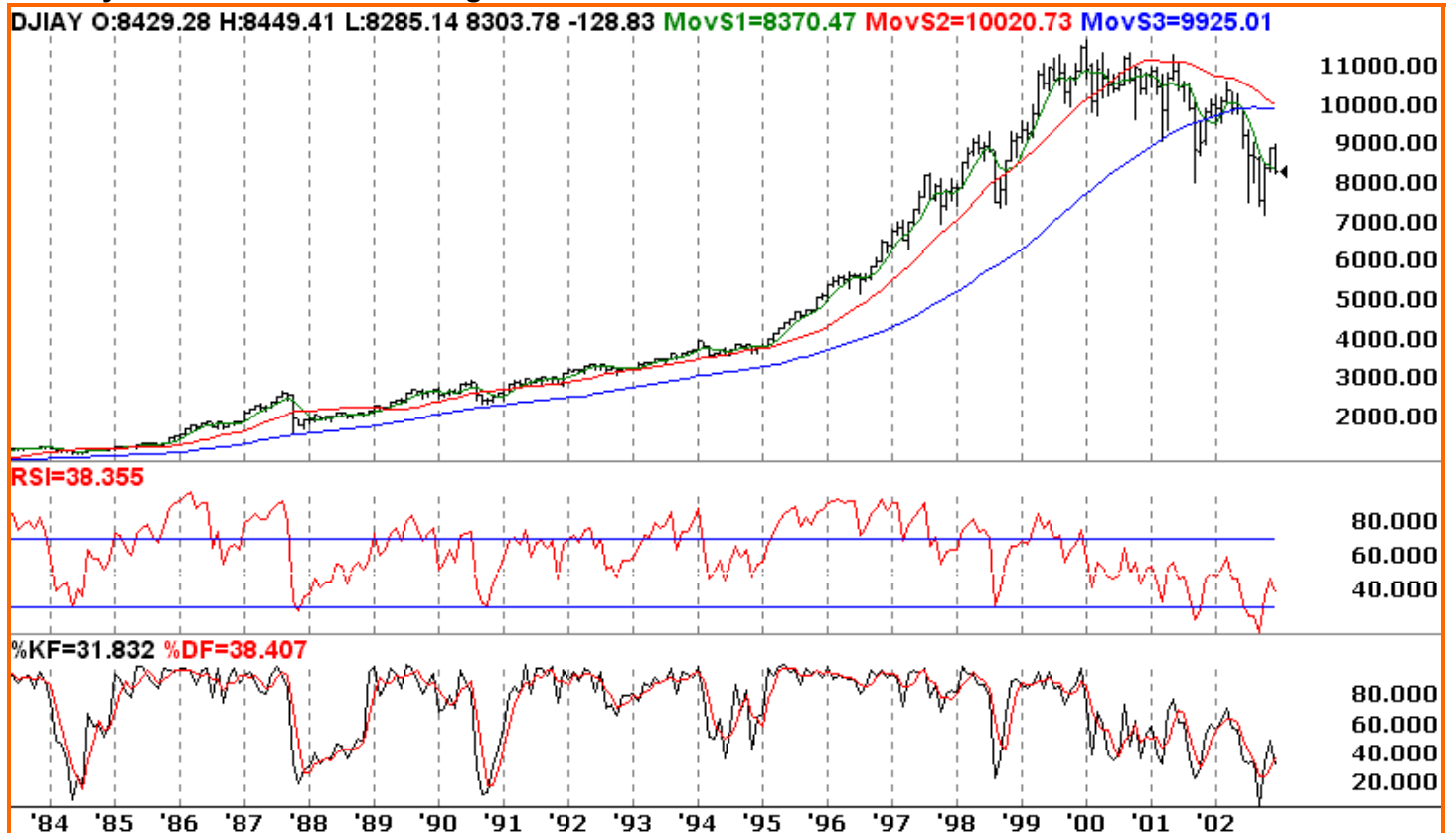
The Sensational Stock and Bond Markets

Dow Jones Industrial Average

Resistance should appear near 8314 and 8391 to 8406, beyond that sellers should appear near 8484 to 8499 and 8560 to 8589 where sellers should appear attempt to Cap an early rally. Beyond that resistance is at 8668 to 8683.

Support should appear near 8300 and the 8223 to 8194 region. Which should contain a decline for a bit. However a close under is negative and augurs for a test of 8134 to 8119 and eventually the 8044 to 8025 region.

Monthly Dow Jones Industrial Avg



Weekly Dow Jones Industrial Avg



Daily Dow Jones Industrial Avg



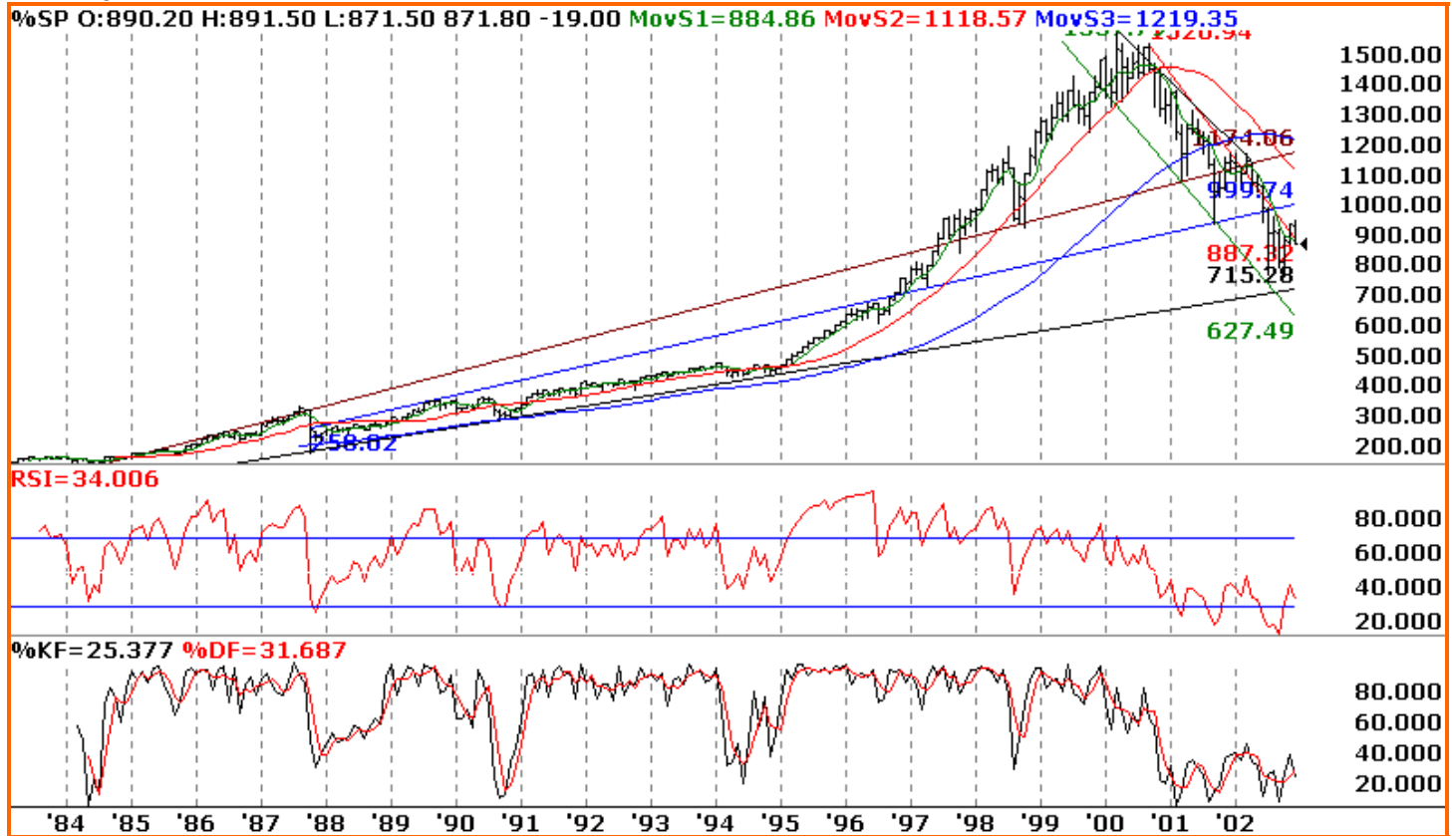
March SP500

Resistance is at 876.20 to 877.70 and 885.60 to 887.10. A close over is friendly and augurs for a test of 893.40 to 896.40 and the 904.40 to 906.00 region. . Beyond that sellers should appear near 914.00 to 915.60 and the 931.60 to 934.70 region and cap an advance for a bit..

Support should appear near 868.30 to 866.80, a close under is negative and augurs for a test of 858.90 to 856.00 and the 849.90 to 849.40 region. Below that buyers should appear near 840.60 to 839.10. Which should contain a decline

Traders should Stay tuned for BW Updates and Index program trades after the holiday , while day trades can occur at anytime ...

Monthly SP500 Future



Weekly SP500 Future



Daily SP500 Future



Nasdaq Composite

Nearby Resistance is at 1361.5 and 1377 to 1383 .. Beyond that a test of 1399 and the 1415 to 1421 region is likely and should cap a rally . Above that sellers should appear near 1453 to 1459

Support should appear near 1346 to 1334 A close under is negative and augurs for a test of the 1310 to 1304 and the 1274 to 1268 region.

Monthly Nasdaq Composite



Weekly Nasdaq Composite



Daily Nasdaq Composite



March Mini Nasdaq 100

Resistance is at 1015.50 and 1032 to 1036 beyond that a test of 1058 to 1068 is likely., a close over is friendly and augurs for a test of 1096 to 1101, which should cap a rally for a bit.

Support is at 1000, a close under is negative and augurs for a test of 993.55 to 992.00 and the 983.55 to 982.00 region. Which should contain a decline however , a close under is negative and augurs for a test of 974.00 to 970.50

Daily Nasdaq 100 Future



March Ten Year T-Notes

Resistance should appear near the 115-07 to 115-23 region. Beyond that a test of 116-07 and 116-23 is likely to occur.. Beyond that sellers should appear near 117-07 an 117-17.

Support is at 114-23 and 114-07 . A close under is negative and augurs for a test of 113-23 and 113-07 should contain a decline for a bit.

Weekly Ten-Year T-Note



Daily Ten-Year T-Note



The Precious Metals

Feb Gold

Support should appear at 344.3 to 342.5 and the 338.6 to 337.7 region. Below that 327 to 326.1 should contain a decline.

Resistance is at 350.3, a close over augurs for a test of 355.3 to 356.3 and eventually the 361.3 to 362.3 region. Beyond that sellers should appear near 373.6 to 374.3

Traders should go long if a close over 350.7 occurs

Monthly Gold



Weekly Gold



Daily Feb Gold



March Copper

Support should appear near 7005 to 6990, a close under is negative and augurs for a test of 6920 to 6905 and eventually the 6835 to 6810 region. Below that buyers should appear near 6675 to 6655.. Traders can buy at 6680 and hold for higher prices..

Resistance should appear near 7075 to 7090 then 7145 to 7170 and the 7325 to 7345 region. Traders can sell at 7315 and risk a close over 7440 for three days in a row. Beyond that resistance should appear near 7485 to 7515

Traders should go short if a close under 7035 occurs

Monthly Copper



Weekly Copper



Daily March Copper



March Silver

Nearby Support should appear near 471.5 to 469.5. Below that buyers should appear near 465 to 463.5 and the 458.5 to 457 region. Traders can buy at 466.5 and risk a close under 462.5 for three day7s in a row;

Resistance is at 477.5 to 478.5 and 484.5 to 485.5 , a close over augurs for a test of 497.0 to 499.5. Beyond that sellers should appear near 503.5 to 506.5

Aggressive Traders should go long if a close over 479.5 occurs

Monthly Silver



Weekly Silver



Daily March Silver



The Exciting Energies

Feb Crude Oil

Support should appear near 3213 to 3194 and 3157 to 3148 .. Traders can buy at 3213 for a bounce and hold for higher prices.. Below that Support is at 3102 to 3092 ..Which should contain a decline.

Resistance is at 3319 to 3328. A close over is friendly and augurs for a test of 3377 to 3386 and eventually the 3425 to 3443 region.. Beyond that sellers should appear near 3493 to 3503. Traders should go long if a

close over 3332 occurs..

Monthly Crude Oil



Weekly Crude Oil



Daily Crude Oil



Feb Unleaded Gas

Support should appear near 9155 to 9140 and the 9060 to 9045 region . Below that buyers should appear near 8875 to 8855 and contain a decline...

Resistance is at 9315 to 9345 . A close over is friendly and augurs for a test of 9425 to 9445 and the 9705 to 9735 region.. Beyond that a test of 9920 to 9935 is likely , which should cap a rally for a bit.. before an advance towards 10105 to 10135 occurs..

Traders should go long if a close over 9355 occurs..

Monthly Unleaded



Weekly Unleaded Gas



Daily February Unleaded Gas



Feb Heating Oil

Resistance is at 9225 a close over is friendly and augurs for a test of 9420 to 9450 and the 9625 to 9640 region. . Beyond that sellers should appear near 9820 to 9835

Support should appear near 8870 to 8855 and 8780 to 8760 .. Traders can buy at 8875 and risk a close under 8740 for three days in a row. Under that buyers should appear near 8315 to 8300 ...

Traders should go long if a close over 9255 occurs...

Monthly Heating Oil



Weekly Heating Oil



Daily February Heating Oil



Feb Natural Gas

Nearby Resistance is at 503.6 to 506.7, a close over is friendly and augurs for a test of 5.200 to 5.210. Beyond that sellers should appear near 5.344 to 5.356. a close over is friendly and augurs for an eventual push towards 5.418 to 5.430.. Above that 5.553 to 5.577 should Cap a rally for a bit..

Support is at 4995 to 4971..Below buyers should appear near 4.926 to 4.915 and contain a decline .. Under that support is at 4.786 to 4.775

Monthly Natural Gas



Weekly Natural Gas



Daily February Natural Gas



The Lively Livestock

Shrugging off mildly bearish cattle on Feed numbers early in the week, Feb live cattle set new contract highs early Friday. Then proceeded to reverse direction near midday and closed under the previous two session lows . Year over Year Cattle has enjoyed hefty gains in prices, however with cash at \$73.00 to \$74.00 , February appears a bit pricey.. especially with what some may consider burdensome Frozen stocks and a larger numbers of cattle expected down the road..

After the close Monday the USDA will release it's All-Important Quarterly Pig Crop numbers as of December 1st , 2002. The average guesstimates are as follows :

| | |
|--------------------|------|
| All hogs and pigs | 98.3 |
| Kept for breeding | 96.9 |
| Kept for marketing | 98.4 |

Many believe the report will be bullish as the expectations show and are looking for lower supplies of hogs in 2003 and higher prices. With cash at 42.50 and Feb Futures at 5350 , Feb may in the near term have a hard time maintaining it's price level even if the report is bullish.

As we move forward into the New Year, traders should look to buy the back end June thru August Hogs on sharp declines and maintain a long side trading posture in Bellies as well.

--Stay tuned for Updates --

February Live Cattle

Resistance should appear near 7937 to 7957.. Traders can sell at 7902 and risk a close over 7962 for three days in a row. Beyond that sellers should appear near 8027 to 8047. . and the 8112 to 8137 region..

Support is at 7867 to 7832 . Failure there indicates a trade towards 7777 to 7762 and eventually the 7692 to 7672 region.. Below that buyers should appear near 7602 to 7587, which should hold..

Traders should go short if a close under 7822 occurs.

Daily Feb Cattle



February Lean Hogs

Support is at 5342 and 5282 to 5257, a close under is negative and augurs for a test of 5212 to 5197 then 5142 to 5127 and eventually 5067 to 5037 and 4997 to 4972 region, which should hold.. Traders can buy at 5002 for a turn higher and hold for higher prices.. Risk a close under 4907 for three days in a row.

Resistance is at 5417 to 5432. Beyond that sellers should appear near 5492 to 5507 and the 5552 to 5577 region. Traders can sell at 5492 and risk a close over 5587 for three days in a row., Beyond that sellers should appear near 5637 to 5652 and 5717 to 5732..

Traders should go short if a under 5247 occurs..

February Lean Hogs



February Pork Bellies

Recommended Open BW Position Long at 8850

Support should appear at 8777 to 8762 and 8687 to 8667 .. Traders can buy at 8692 and hold for higher prices.. Below that buyers should appear near 8587 to 8557 and contain a decline.

Resistance is at 8857 to 8872 and the 8932 to 8967 region. A close over is friendly and augurs for a test of 9042 to 9062 and the 9140 to 9157 region. Which should Cap a rally for a bit.. Beyond that a test of 9237 likely..Aggressive traders should go long if a close over 8972 occurs..

- Stay tuned for Livestock and Belly Updates -

Daily Feb Bellies



The Grande' Grains

Soybeans Futures at current levels of 565 ish is above year end levels from 2001, 2000, 1999 and 1998

In Volatile trading early in week March soybeans moved to a three-week on the back announcements that 4-million bushels of U.S. soybeans had been sold to China, then gave up the gains and then some on a weekly basis although they closed higher on Friday in reaction to export news. Considering that ending stocks of soybeans are forecast to drop to their lowest levels in years while exports are expected to remain healthy look for declines to be met with decent buying and for the bull spreads to widen further..

Corn is worth watching as it appears range bound, yet is still over 2001, 2000, 1999 and 1998 year end levels..

CBOT Front end Wheat futures at current levels are above 2001,2000, 1999, 1998 and 1997 .. even with closing the week at for all practical purposes 5 month lows ..

Although near term demand has improved export competition abroad and improving soil moisture for the 2003 crop has kept bulls on the defensive amid fund selling.. On Jan 10th USDA estimates for new-crop winter wheat seedings will be released. The average guesstimate of near 46 million acres is up nearly 10% from last year and is also weighing on current prices However with current supplies still historically tight, any good export news in the near term could send prices higher on short covering alone ...

Perhaps the weak dollar will encourage exports of wheat and other grains..

March Soybeans

Resistance is at 571 $\frac{3}{4}$ to 573 and 579 $\frac{1}{2}$ to 580 $\frac{1}{2}$, beyond that sellers should appear near the 585 $\frac{1}{2}$ to 588 region .. Above that a test of 610 $\frac{1}{2}$ to 611 $\frac{1}{2}$ is likely..

Support should appear near 565 $\frac{1}{4}$ to 563 and should contain a decline for a bit. Traders can buy at 565 $\frac{3}{4}$ and risk a close under 554 $\frac{3}{4}$ for three days in a row.. Under that buyers should appear near 543 to 541 $\frac{3}{4}$. Traders should go long if a close over 573 $\frac{1}{4}$ occurs..

Monthly Soybeans



Weekly Soybeans



Daily Soybeans



Daily March Soybeans



March Soymeal

Support should appear near 165.5 to 164.2 and 161.5 to 160.9.. Below that buyers should appear near 157.6 to 156.9

Resistance is at 168.9 to 169.6. A close over augurs for a test of 173.1 to 173.8.. Beyond that sellers should appear near the 177.4 to 178.0 region

Traders should go long if a close over 169.9 occurs.

Monthly Soymeal



Weekly Soymeal



Daily March Soymeal



March Soybean Oil

Recommended Open Position , Long at 2138

Resistance should appear near 2170 to 2185 , a close over is friendly and augurs for a test of 2219 to 2226 and 2267 to 2275. Above that sellers should appear near the 2354 to 2370 region.

Support should appear near 2134 to 2126. Below that support at 2088 to 2080 should hold.

Monthly Soybean Oil



Weekly Bean Oil



Daily March Soybean Oil

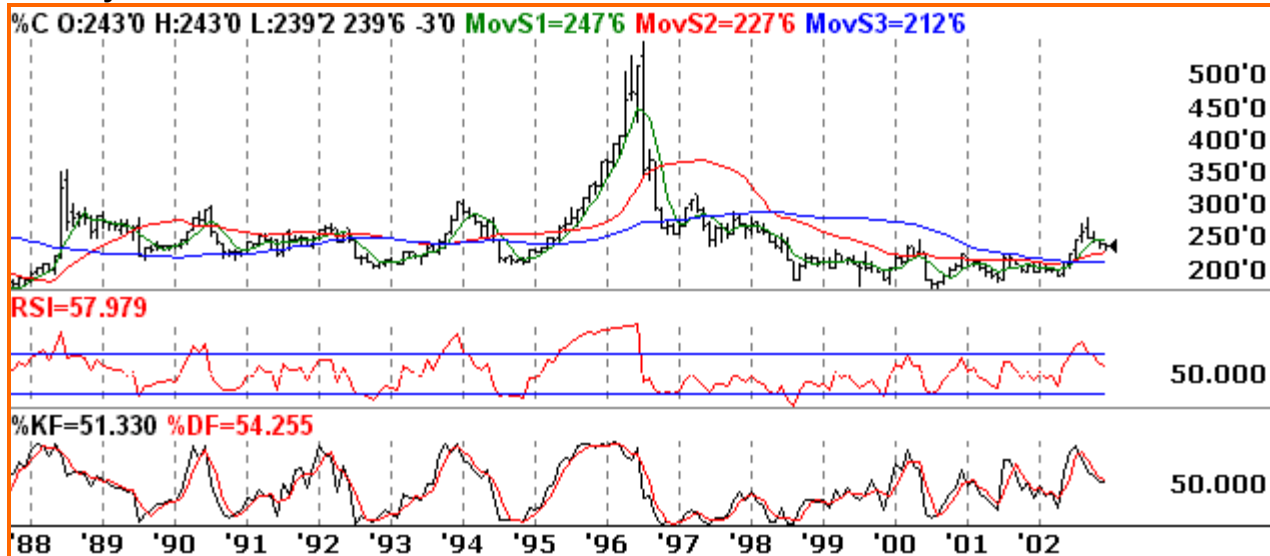


March Corn

Resistance should appear near 241 ¼ to 242 then 246 ¼ to 247 and the 251 ½ to 252 region.

Support is at the 237 to 235 ½ region.. Below that buyers should appear near 232 ¼ to 231 ½ and the 227 ½ to 226 ¾ region. Traders should go long if a close over 242 ¾ occurs.

Monthly Corn



Weekly Corn



Daily Corn Futures



Daily March Corn



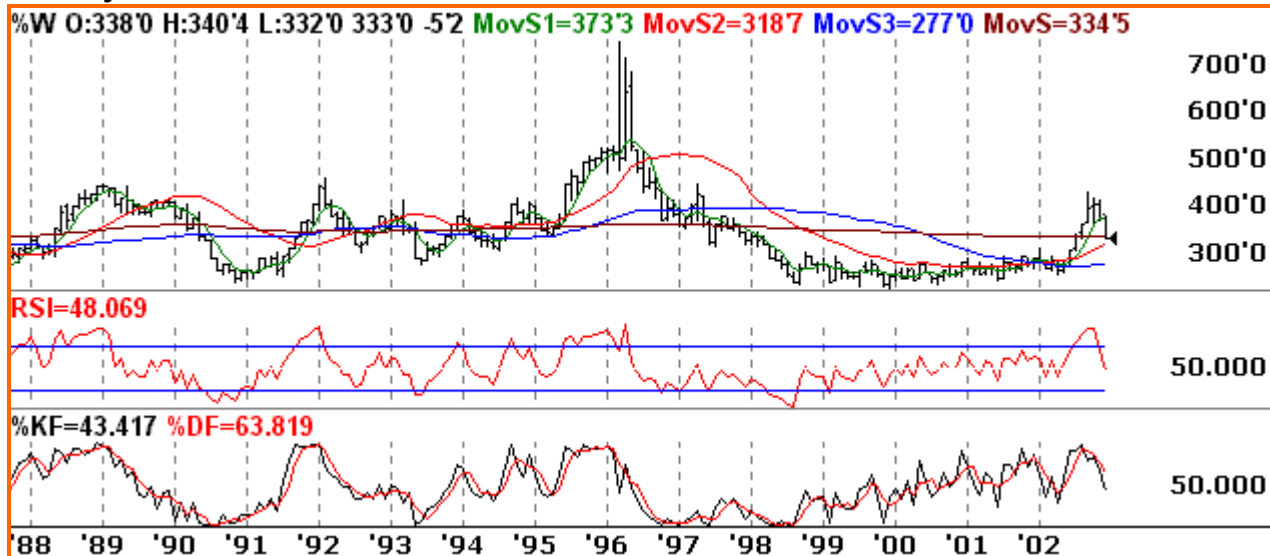
March Wheat

Recommended Open BW Position Long at 2 at 350 3/4

Support should appear at 327 to 326 1/4 below that buyers should appear near 321 1/2 to 319 1/2 and contain the decline

Resistance is at 337 3/4 to 338 3/4. A close over is friendly and augurs for a test of 342 1/4 to 344 1/2 . and the 349 1/2 to 350 1/4 region

Monthly CBOT Wheat



Weekly CBOT Wheat



Daily Wheat



The Satisfying Softs

Cocoa futures have slipped recently in the wake of hedging pressure and liquidation. Yet prices remain at levels not seen since the mid to late 1980's ..While Cocoa is still leaving the war torn Ivory Coast, tensions are thick. A rebel group has kidnapped a Baptist missionary with U.S citizenship.. Ivory Coast loyalist forces are using helicopters to attack rebel groups, with casualties and injuries being inflicted upon both citizens and warring factions .. French troops continue to be deployed in the region, monitoring a cease-fire signed in October between the Ivorian government and rebels who control the northern part of the country. A cease fire that appears to be waning after the holiday as France is reported to be sending more troops into the fray..

I see no reason to change the long side trading posture for Cocoa or Coffee , which remains higher on the year and just 5 cents under 2001 year end. Cotton appears resilient and is higher on the year.. While sugar at 740 ish is nearly the same price at year end 2001 but well under the 2000 level of just over 10.00 cents should be range bound and may firm up is there is any 'real 'conflict around the world or if the world decides to feed it's unhappy and hungry...

March Cocoa

Support is at the 1996 to 1982 region.. Below that 1909 to 1902 and the 1822 to 1808 region should contain a decline for a bit.. Traders can buy at 1827 and risk a close under 1769 for three days in a row.

Resistance should appear near 2042 to 2034 and 2080 to 2088 , a close over is friendly and augurs for a test of 2126 to 2134 and the 2170 to 2185 region. Beyond that sellers should appear near 2219 to 2226 and the 2315 2322 region.

Traders should go long if a close over 2047 occurs.

Monthly Cocoa



Weekly Cocoa



Daily Cocoa Future



March Coffee

Support is near 6115 and 6035 to 6020.. Below that buyers should appear near 5880 to 5855
Traders can buy at 5890 and risk a close under 5705 for three days in a row.

Resistance should appear near 6165 to 6190 and 6255 to 6270 . Beyond that sellers should appear near 6335 to 6350 , which should Cap a rally for a bit .. However a close over is friendly and augurs for a test of 6655 to 6675

Traders should go long if a close over 6195 occurs

Monthly Coffee



Weekly Coffee



Daily March Coffee



March Sugar

Support should appear near 739 to 735.. Traders can buy at 740 and hold for higher prices.. ..Below that 712 to 704 should hold.. Under that support should appear near the 686 to 682 and the 661 to 656 region.

Resistance should appear near the 751, a close over is friendly and augurs for a test of 763 to 767 and eventually the 791 to 795 region.. Beyond that sellers should appear near 814 to 823.

Traders should go long if a close over 752 occurs.

Monthly Sugar



Weekly Sugar



Daily March Sugar



March Cotton

Recommended Open BW Position Long at 5080

Support should appear near the 5135 to 5125 and the 4930 to 4915 region, which should hold.. Traders can buy at 5140 and risk a close under 5030 for three days in a row..

Resistance is at 5200 to 5215 and the 5345 to 5355 region. ... A close over is friendly and augurs for a test of 5550 to 5575 .. Beyond that sellers should appear near 5640 to 5655.

Monthly Cotton



Weekly Cotton



Daily March Cotton



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

Happy Trading!

Bill

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