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Bi-Weekly Investment Outlook # 543
Sunday January 14th, 2018

Equity Indices • Treasuries • Forex • Precious Metals • Energy • Grains • Livestock • Softs • Socio Economics since 1979

“A lot of people approach risk as if it’s the enemy, when it’s really fortunes accomplice.”

Sunday January 14, 2018

03:00 AM, South Florida Beach Time

Traders should remain nimble and stay tuned for flashes and recommendations for all markets.

Contact our office if you need long or short-term analysis for markets not covered today.

U.S. stock market averages all ended the week at record highs. The U.S. Dollar index accelerated to the downside and is lower on the month and year over year, our long-term work remains negative and has worsened. Longer dated U.S. treasury futures remain largely rangebound within the last year’s range and traded sloppy last week. March 30 year treasury futures made new contract lows last week. March Ten-year notes and shorter time frames are at or near contract lows. The babble from global central banks is ongoing.

Generally speaking; most market participants consider geopolitical risks as negligible and they are likely not.

Precious Metals; We have rolled gold analysis to April. We will send out flashes for February until near the end of the month and time for delivery. Gold and Silver have been trading firm, copper is a little sloppy. Gold and silver are higher on the month and copper is a little lower. Seasonally silver tends to act firm into the middle of February and copper tends to stabilize from the end of January till the end of February. Stay tuned for flashes.

Energies;

Crude Oil, heating oil and unleaded futures all ended the week higher on the month and at or near contract highs for the nearby months. Natural gas remains a weather market and trading affair. Natural gas is higher on the month. Typically, selling May Nat gas into strength early next week tends to make money by the first week of February. Additionally, crude oil and unleaded gas both tend to rise or at least stay stable during January and February until early March. Traders should continue to expect a wide trading range in energies, with lots of noise globally. Pick your poison and stay tuned for flashes and recommendations.

Grains;

The USDA released the monthly supply and demand reports on Friday. The USDA Quarterly Grain Stocks report showed usage for the first quarter of the 2017-2018 crop year down for corn, soybeans and wheat. The agency lowered the record soybean production in the annual summary by 34 million bushels to 4.39 billion bushels. The agency increased corn production by 26 million bushels to 14.6 billion bushels. U.S. ending stocks estimates were about the same as pre-report estimates for corn and soybeans. Wheat data was negative. The December 1, grain stocks was a bit negative for corn, a little positive for soybeans and neutral for wheat. USDA global ending stocks estimates were negative for corn and neutral for soybeans and wheat. The U.S. winter wheat seedings report was considered neutral for wheat prices. Globally the USDA showed Brazilian soybean production around 110 million metric tons and Argentine soybean production at 57 million metric tons. U.S. Winter wheat acreage totaled 32.6 million acres, down 1% from last year, the winter wheat acreage is the lowest in more than a century. Soybean futures are a little higher on the month. Soybean oil is unchanged on the month. Soymeal at Friday's close was a little higher on the month. Soybean oil tends to stabilize from now to the end of February. Soybean futures tend to stabilize after the end of January into Mid to late February. Nearby Corn futures made new contract lows on Friday. Wheat ended Friday's session lower on the month. Traders should consider the grain markets a trading affair, attention now will continue to focus on South American weather for corn and beans and the crop year ahead in the U.S. Wheat remains a trading affair with focus on overseas supplies and global weather.

Livestock;

Wide ranges are expected for livestock futures and they remain trading affairs. Traders should stay tuned for flashes. Live Cattle futures ended Friday's session a little higher on the day but lower on the month after a steep decline. A good amount of rolling from February to April and back has occurred in both cattle and hog futures. Hog futures are about unchanged on the month. Technically, April hogs made a new contract high last week and ended the week lower, producing a weekly outside reversal down. The cold weather continues to provide volatility with impacts on supply and demand. Cattle and hog producers continue to show expansion of the herds. On the global trade front. The US continues to urge Japan to rescind import restrictions on US beef aimed at preventing the spread of mad cow disease. Current rules in Japan allow only beef from cattle aged 30 months or younger. The upcoming NAFTA negotiations has introduced some volatility. Also, worth mentioning the US government finalized a rule that allows increased pork imports from Mexico to the US. Mexico is the US leading export market for pork and over the last year or so has made plans to increase domestic pork production in partnerships with some of the large global pork producers. During late 2007 Mexico requested market access to the United States for pork from eight states and later amended that request to include all Mexican states. The US at that time conducted reviews and determined Mexico's control programs for Classical Swine Fever (CSF) was not good enough to classify the country as a 'negligible risk' for the disease. The new US rule will allow Mexico to show that the control programs are working. The result of everything is the USDA has now concluded that the risk of CSF from pork imports from Mexico is now negligible.

Soft Commodities;

Coffee futures ended the session lower on the day and is lower on the month. Coffee remains a trading affair. Coffee is just above the levels where the Brazilian gov't stepped in to support prices a few years ago. Market focus continues to be on available supplies from Asia and Brazil. March coffee is just a little above contract lows. Cocoa futures ended Friday's session a little higher on the day and month. Sugar ended the session a little higher but is now lower on the month and far closer to contract lows than contract highs. Sugar futures are about the same price as they were a year ago. Cotton futures ended Friday's session well off the highs of the day. While historically May Cotton tends to firm up from mid-January to the last week of February, during Friday's session March cotton made new contract highs and closed lower on the day and inside Thursday's range. Additionally, March Cotton missed a FuturesCom non-linear 'band' at the high. Cotton is now a trading affair for those who 'sleep on a bed of nails'.

On to the Nitty Gritty.

THE SENSATIONAL STOCK AND BOND MARKET

DOW JONES INDUSTRIAL AVERAGE

Support is at 25,680.00 to 25,552.00.

Resistance is at 26,630.00 and 26,720.00 and 27,160.00 to 27,240.00

DOW JONES TRANSPORTS

Support should appear near 11,360.00 to 11,300.00

Resistance should appear near 11,920.00 to 12,030.00

MARCH E-MINI SP500

Resistance should appear near 2820.00 to 2829.00 and 2928.00 to 2937.00

Support should appear near 2775.00 to 2758.00.

NASDAQ COMPOSITE

Resistance should appear near 7328.00 to 7342.00 and 7763.00 to 7777.00

Support should appear near 7255.00 to 7242.00 and 7088.00 to 7074.00

MARCH E-MINI NASDAQ 100

Support should appear near 6755.00 to 6743.00 and 6673.00 to 6659.00

Resistance is at 6809.00 to 6836.00 and 6909.00 to 6919.00

MARCH E-MINI RUSSELL 2000

Resistance should appear near 1642.00 to 1655.00 and 1689.00 to 1676.00

Support should appear near 1576.00 to 1569.00

MARCH 30 YR BONDS

Resistance should appear near 151-21 and 153-07 to 153-21.

Support is near 148-21 and 145-21 to 145-07

MARCH 10 YR NOTES

Resistance should appear near 123-21 and 125-07 to 125-21.

Support should appear near 120-21 and 119-21

THE FRENZIED FOREX FRONT

MARCH DOLLAR INDEX

Resistance is near 9100 and 9140 to 9156. Beyond that sellers should appear near 9236 and the 9316 to 9347 region.

Support should appear near 8964 to 8934 and 8871 to 8856.

MARCH JAPANESE YEN

Resistance should appear near 9140 to 9156 and 9316 to 9347.

Support should appear near 8964 to 8934. Below that buyers should appear near 8871 to 8856.

MARCH EURO CURRENCY

Support should appear near 12175 and the 12030 and 11920 region. Below that buyers should appear near 11805.

Resistance should appear near 12320 to 12360, beyond that a test of 12530 and the 12680 to 12740 is likely. Traders can buy at 12030 for a bounce and hold for higher prices.

MARCH SWISS FRANC

Resistance should appear near 10470 and the 10580 to 10680 region.

Support should appear near 10360 to 10320 and 10185.

MARCH BRITISH POUND

Support should appear near 13530 and 13460 to 13340.

Resistance should appear near the 14150 to 14210 region.

MARCH CANADIAN DOLLAR

Resistance should appear near 8029 to 8044 and the 8119 to 8134 region.

Support should appear near 7954 to 7939 and region 7864 to 7836. Below that 7777 to 7763 should hold.

MARCH AUSSIE DOLLAR

Resistance should appear near 8029 to 8044 and the 8119 to 8134 region.

Support should appear near 7864 to 7836 and the 7777 to 7763 region.

THE PRECIOUS METALS

APRIL GOLD

Resistance should appear near 1377.0 to 1383.0 and the 1415.00 to 1421.00 region.

Support should appear near 1338.0 and the 1310.0 to 1304.0 region.

MARCH COPPER

Resistance should appear near 33190 to 33280 and the 33770 to 33860 region.

Support should appear near 32130 to 31940 and the 30450 to 30360 region.

MARCH SILVER

Resistance should appear near 1731.0 to 1738.0 and the 1774.0 to 1780.0 region.

Support should appear near 1696.0 to 1689.0 and the 1655.0 to 1642.0 region.

THE EXCITING ENERGIES

MARCH CRUDE OIL

Support should appear near 6430 to 6417 and 6113 to 6101.

Resistance should appear near 6659 to 6673 and the 6743 to 6755 region

MARCH HEATING OIL

Support should appear near 19960 to 19820 and the 19530 to 19460 region.

Resistance should appear near 21260 to 21340 and 2315 to 23220.

MARCH UNLEADED GAS

Support should appear near 18580 and the 17800 to 17740 region, where buyers should appear and contain a decline.

Resistance should appear near 19020 to 19090 and 22190 to 22260.

MARCH NATURAL GAS

Resistance should appear near 3035 to 3045 and the 3245 to 3443 region.

Support should appear near 2775 to 2758 and 2672 to 2663

THE GRANDE' GRAINS

MARCH SOYBEANS

Resistance should appear near $970 \frac{3}{4}$ to $973 \frac{3}{4}$ and the $1002 \frac{1}{4}$ to $1003 \frac{3}{4}$ region.

Support should appear near $934 \frac{3}{4}$ to $931 \frac{3}{4}$. Below that a test of 906 to $904 \frac{1}{2}$ is likely.

MARCH SOYOIL

Support should appear near 3270 to 3261 and the 3213 to 3194 region.

Resistance should appear near 3377 to 3388 and the 3425 to 3443 region.

MARCH SOYMEAL

Resistance should appear near 319.4 to 321.3 and the 331.9 to 332.8 region.

Support should appear near 304.5 to 303.4 and the 293.7 to 292.8 region.

MARCH CORN

Support should appear $338 \frac{3}{4}$ to $331 \frac{3}{4}$ and the $321 \frac{1}{4}$ to $319 \frac{1}{2}$ region.

Resistance should appear near $361 \frac{1}{4}$ to $362 \frac{1}{4}$ and $366 \frac{1}{4}$ to $368 \frac{1}{4}$.

MARCH WHEAT

Support should appear near 412 to 411 and $380 \frac{3}{4}$ to $375 \frac{1}{2}$.

Resistance should appear near $430 \frac{1}{2}$ to $431 \frac{1}{2}$, beyond that sellers should appear near 437 to $438 \frac{1}{4}$.

THE LIVELY LIVESTOCK

FEBRUARY CATTLE

Support should appear near 1690 to 11640, an extended trade under is negative and augurs for a test of 11360 to 11320.

Resistance should appear near 11814 and the 11920 to 12030 region

APRIL CATTLE

Support should appear near 11920 and the 11690 to 11640 region.

Resistance should appear near 120930 and the 12320 to 12380 region

FEBRUARY HOGS

Resistance should appear near 7242 to 7255 and the 7327 to 7342 region.

Support should appear near 7142 and 7007 to 6990.

APRIL HOGS

Resistance should appear near 7587 to 7602 and the 7762 to 7777

Support should appear near 7342 to 7327 and the 7007 to 6992 region.

Traders should sell if a close under 7327 occurs.

JUNE HOGS

Resistance should appear near 8387 to 8407 and the 8482 to 8507 region.

Support should appear near 8317 to 8300 and the 8047 to 8027 region.

THE SATISFYING SOFTS

MARCH COFFEE

Resistance should appear near 12320 to 12380 region. Beyond that sellers should appear near 12680 to 12740 and the 13040 to 13100 region. Where sellers should appear and cap a rally.

Support should appear near 12030 to 11920 and the 11690 to 11640 region.

MARCH COCOA

Resistance should appear near 1946 to 1956 and the 1982 to 1996 region.

Support should appear near 1822 to 1808 and the 1780 to 1774 region

MARCH SUGAR

Support appear near 1346 to 1334 and the 1310 to 1304 region.

Resistance should appear near 1453 to 1459 and the 1529 to 1535 region.

MARCH COTTON

Resistance should appear near 8300 to 8314 and the 8663 to 8683 region.

Support should appear near 7777 to 7763 and the 7342 to 7328 region.

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

Happy Trading!

Bill wil@futurescom.com

Sunday January 14, 2018

11:00 AM, South Florida Beach Time

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