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Bi-Weekly Investment Outlook # 544
Sunday January 28th, 2018

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

“Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time.”
–Thomas A. Edison–

Saturday January 27, 2018

02:00 AM, South Florida Beach Time

The end of the month is just around the corner, 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.

President Trump will give the annual ‘State of the Union’ speech to the nation on Tuesday and some infrastructure spending will likely be announced. During February global leaders will likely gather at various Olympic venues in South Korea. Traders should expect continuous ‘babble’ from various global government officials and central banks that may impact various markets in either direction over the next few weeks.

U.S. stock market averages ended the week at or near record highs. Dow Transports moved sideways a little. The U.S. Dollar index moved lower last week and is lower on the month and year over year, our long-term work remains negative. The March U.S. dollar index made new contract lows last week and bounced a bit. U.S. treasury futures traded sloppy. March 30-year treasury futures set new contract lows last week. March Ten-year notes are near contract lows. Our long-term work in British Pounds has moved to a positive posture for the first time in three years. All the trading ranges in most major forex markets have expanded.

Precious Metals; Gold and Silver set back after moving up and are now a trading affair. Copper's trading range has widened. Gold and silver are higher on the month and copper is lower. 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. Natural gas is higher on the month and remains a weather market and trading affair. While crude oil and unleaded gas both tend to rise or at least stay stable during February until early March they are now likely trading affairs. Traders should expect wide trading ranges in energies with ample opportunities on both sides of the market.

Pick your poison and stay tuned for flashes and recommendations.

Grains;

Soybean futures moved up and then slipped over the last few days, soybeans are higher on the month. Soybean oil is lower on the month. Soymeal at Friday's close was higher on the month. Soybean oil tends to stabilize to the end of February. Soybean futures have become a trading affair and tend to stabilize after the end of January into Mid to late February.

During 2017 sales of soybeans from U.S. farmers to china were around worth \$14 billion. South American soybean stocks remain abundant. During December Chinese soybean imports were up a little over 6% from a year ago. Brazil's soybean exports during December were up 500% from a year ago and U.S. soybean exports to China were down a little under 24% from a year ago. Putting things into perspective, a decade ago China imported about 38% of their soybeans from the U.S. and 34% of their soybeans Brazil. During 2017 China imported 57% of their soybeans from Brazil and 31% from the US. That trend is likely to continue. In our opinion, to prepare for the future U.S. soybean producers should consider recent changes in regulations and tax laws and consider expanding acreage to appropriately compete with southern hemisphere supplies.

Corn futures are a little higher on the month and traded firm over the last couple weeks. Wheat ended Friday's session up on the month. The focus for soybeans and corn will be on South American weather and the crop year ahead in the U.S. Wheat remains a trading affair with focus on overseas supplies and weather.

Livestock;

Wide ranges are expected for livestock futures. Traders should stay tuned for flashes.

Live Cattle futures are a little higher on the month. The USDA Cattle on Feed report was released Friday after the close. USDA data showed placements during December were 101 % of a year ago. The agency reported that marketings during December were 99 % of last year and the nation's' on-feed cattle supply on January 1st was 108 % of last year. Ahead of the report the average guesstimate for December placements was 96.9%. The December placement number is the largest since 2005. Cattle on feed numbers now stand at the largest number since 2012 and are up 8.3% from last year.

Bottom line; cattle and hog producers continue to show moderate herd expansion, additionally chicken supplies continue to increase.

Hog futures are mixed on the month. Nearby February is higher on the month April and June are lower, July is higher while August is nearly unchanged. Seasonally August tends to firm against April hogs during February. Looking ahead buying August and selling June tends to work from mid- February until late April. Historically April tends to grind lower during February. Impacts from perceived increases in spending by the consumer resulting from recent tax changes and weather continue to provide volatility. The ongoing NAFTA negotiations and simmering global trade spats has introduced some volatility in hogs.

Soft Commodities;

Coffee futures ended the week higher on the day and a little lower on the month. Market focus continues to be on available coffee supplies from Asia and Brazil. Columbia's coffee production is expected to decline a little. Cocoa futures have firmed up and are higher on the month. European cocoa grindings were the only area of the globe that met expectations for cocoa demand. The firm British Pound and Euro have been supportive. Seasonally selling May cocoa at the end of the first week of February tends to make money by the first week of April. Sugar remains range bound just above recent contract lows. Cotton futures ended Friday's session well off the highs of the day. Cotton is a trading affair. U.S. cotton acreage is expected to rise about 5%.

On to the Nitty Gritty.

THE SENSATIONAL STOCK AND BOND MARKET

DOW JONES INDUSTRIAL AVERAGE

Support is at 26,415.00 and 26,200.00 to 26,120.

Resistance is at 26,630.00 and 26,720.00 then 27,160.00 to 27,240.00 and 27,580.00 to 27,775.00

DOW JONES TRANSPORTS

Support should appear near 11,010.00 to 10,960.00 and 10,680.00 to 10,580.00

Resistance should appear near 11,300.00 to 11,360.00 and 11,640.00 to 11,690.00

MARCH E-MINI SP500

Resistance should appear near 2928.00 to 2937.00 and 2972.00 to 2990.00

Support should appear near 2874.00 then 2851.50 and 2829.00 to 2820.00.

NASDAQ COMPOSITE

Resistance should appear near 7675.00 to 7689.00 then 7763.00 to 7777.00 and 8029.00 to 8044.00.

Support should appear near 7342.00 to 7328.00 and 7255.00 to 7242.00.

MARCH E-MINI NASDAQ 100

Support should appear near 7003.00 to 6990.00 and 6836.00 to 6809.00

Resistance is at 7242.00 to 7255.00 and 7414.00 to 7428.00

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 149-21 then 151-07 and 152-21.

Support is near 145-21 to 145-07 then 143-21 and 142-07

MARCH 10 YR NOTES

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

Support should appear near 121-21 then 120-21 and 119-07.

THE FRENZIED FOREX FRONT

MARCH DOLLAR INDEX

Resistance should appear near 8934 to 8964 and 9044 to 9060.

Support should appear near 8871 to 8856 then 8777 to 8762 and the 8683 to 8668 region

MARCH JAPANESE YEN

Resistance should appear near 9316 to 9347 and the 9429 to 9445 region.

Support should appear near 9156 to 9140 and the 9060 to 9044 region.

MARCH EURO CURRENCY

Support should appear near 12380 to 12320 and 12175. Below that buyers should appear near 12030.

Resistance should appear near 12530 and the 12680 to 12740.

Traders can buy at 12177 and hold for higher prices.

MARCH SWISS FRANC

Resistance should appear near 10820 and 10960 to 11010

Support should appear near 10680 to 10580 and 10470.

MARCH BRITISH POUND

Support should appear near 14150 then 13990 and 13830 to 13770

Resistance should appear near 14210 and 14530 to 14590.

MARCH CANADIAN DOLLAR

Resistance should appear near 8194 to 8223 and the 8300 to 8314 region.

Support should appear near 8044 to 8029 and the 7954 to 7939 region.

MARCH AUSSIE DOLLAR

Resistance should appear near 8119 to 8134 and the 8300 to 8314 region.

Support should appear near 8044 to 8029 and the 7954 to 7939 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 1346.00 to 1334.0 and the 1310.0 to 1304.0 region.

MARCH COPPER

Resistance should appear near 32610 to 32700 and 33190 to 33280.

Support should appear near 31570 to 31480 and the 30450 to 30360 region.

MARCH SILVER

Resistance should appear near 1756.0 and the 1774.0 to 1780.0 region.

Support should appear near 1738 to 1731.00 then 1696.0 to 1689.0 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 20890 to 20800 and the 19960 to 19820 region.

Resistance should appear near 21260 to 21340 then 22670 to 22750 and the 23150 to 23220 region.

MARCH UNLEADED GAS

Support should appear near 19090 to 19020 and the 18650 to 18580, where buyers should appear and contain a decline.

Resistance should appear near 19820 to 19960 and the 2120 to 21340 region.

APRIL NATURAL GAS

Resistance should appear near 2972 to 2990 and the 3036 to 3043 region.

Support should appear near 2775 to 2758 and the 2672 to 2663 region.

THE GRANDE' GRAINS

MARCH SOYBEANS

Resistance should appear near $992 \frac{1}{4}$ to $993 \frac{3}{4}$ then $1002 \frac{1}{4}$ to $1003 \frac{3}{4}$ and the $1010 \frac{1}{2}$ to $1013 \frac{3}{4}$ region.

Support should appear near $973 \frac{3}{4}$ to $970 \frac{3}{4}$ and $934 \frac{3}{4}$ to $931 \frac{3}{4}$.

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

Support should appear near 332.8 and the 319.4 to 321.3 region.

Resistance should appear near 343.5 to 344.3 and the 355.3 to 356.3 region.

MARCH CORN

Support should appear $344 \frac{1}{4}$ to $342 \frac{1}{2}$ and the $338 \frac{3}{4}$ to $331 \frac{3}{4}$ 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 $431 \frac{1}{2}$ to $430 \frac{1}{2}$ and the $425 \frac{1}{4}$ to $423 \frac{3}{4}$ region.

Resistance should appear near $450 \frac{1}{4}$ to $451 \frac{1}{2}$ and the $457 \frac{1}{4}$ to $458 \frac{1}{4}$ region.

THE LIVELY LIVESTOCK

APRIL CATTLE

Support should appear near 12380 to 12320 and the 12030 to 11920 region.

Resistance should appear near 12530 and the 12680 to 12740 region.

JUNE CATTLE

Support should appear near 11507 and the 11360 to 11300 region.

Resistance should appear near 11690 then 11820 and the 11920 to 12030 region.

APRIL HOGS

Resistance should appear near 7412 to 7432 and 7487 to 7507. Beyond that sellers should appear near the 7587 to 7607 region. Traders can sell at 7537 and hold for lower prices..

Support should appear near 7342 to 7327 then 7172 to 7142 and the 7092 to 7072 region.

JUNE HOGS

Resistance should appear near 8392 to 8407 and 8492 to 8507

Support should appear near 8317 to 8300 and 8137 to 8117.

THE SATISFYING SOFTS

MARCH COFFEE

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

Support should appear near 12380 to 12320 and the 12030 to 11920 region.

MARCH COCOA

Resistance should appear near 2034 to 2042 and the 2126 to 2134 region.

Support should appear near 1956 to 1943 and the 1909 to 1902 region.

MARCH SUGAR

Support appear near 1310 to 1304 and the 1274 to 1268 region.

Resistance should appear near 1377 to 1383 and the 1415 to 1421 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 28, 2018

10:00 AM, South Florida Beach Time

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