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Bi-Weekly Investment Outlook # 520
Sunday February 26th, 2017

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

"Among the hazards of speculation the happening of the unexpected -I might even say the unexpectable - ranks high. There are certain chances that the most prudent man is justified in taking -chances that he must take if he wishes to be more than a mercantile mollusk" - Reminiscences of a Stock Operator-

**Saturday February 25, 2017
7:00 AM, South Florida Beach Time**

Contact our office if you need long or short term analysis for global equities or foreign exchange markets and commodities not covered in our Bi-Weekly Investment Outlooks.

Stay tuned for updates and flashes for all markets.

U.S. stock indices continue to trade near or at all -time highs. The Dow Transports act a bit sloppy. 30-yr bond futures remain rangebound.

Forex Markets; The U.S. dollar index is drifting around. Europe's Euro continues to trade in a moderate range along with Cable and Yen. The Canadian Dollar and Australian Dollar are both higher on the year and trading sideways.

Precious Metals and Energy; Gold and silver continue to trade firm. Copper acts sloppy and is likely to trade in a range now. Crude Oil is a little higher on the month. Unleaded gas tends to firm until late March and April. Buy dips. Natural gas fell apart over the last two weeks. Generally, back-end Nat gas futures tend to firm from Mid-March until Mid-June.

Grains; Soybean acreage plans and weather will now be in focus as spring approaches. The USDA acreage estimate for upcoming season is 88.0 million acres. Beans tend to firm into mid-April. Look for a trading range. Soybeans are trading unchanged to a little higher on the year and a little lower on the month. Wheat fell apart after testing the late summer highs, wheat futures typically drift lower after February ends into April and many times into the harvest in July. The USDA estimate for all wheat planted area is 46 million acres, down 4.6 million acres from last year. Global wheat supplies remain large and competition from overseas producers is relentless. Look for a trading range. Corn acreage and weather for the planting season ahead will be in focus for corn futures. The USDA estimate for corn acreage is 90.0 million acres. December Corn should find support near 368, over 405 appears expensive without any weather issues.

Livestock; The cattle and hog markets remain volatile. Hogs fell apart last week and cattle acted lousy on Friday. Cattle tends to work lower from the middle of March to the end of March. The USDA cold storage report showed January 31st frozen beef supplies of 537.5 million pounds up 0.6% from last year and 5.3% from December's data. The nations freezers have never had a larger supply of beef for the January 31st report. Beef production for the week ending February 11th was 473.0 million pounds, up over 6 1/2 % from a year ago. The USDA monthly cattle-on-feed report was released Friday after the close. The report showed cattle and calves on feed for the slaughter market totaled 10.8 million head on February 1, 2017, 0.7 % above a year ago. Placements in feedlots during January totaled 1.98 million head, 11.4 % above a year ago. Marketings of fed cattle during January totaled 1.75 million head, 10.2 % above a year ago. Generally, hogs tend to drift lower into the third week of March. Spread traders should consider buying June or August Hogs and Selling April. The USDA Monthly Cold Storage report showed the January 31st frozen pork supply at 526.7 million pounds which was down 15.8% from last year and up 10.8% from December 31st. U.S. pork production for the week ending February 11th was 500.8 million pounds up 8.35 percent from a year ago.

Soft's; Coffee remains a trading affair and is higher on year and lower on the month. Coffee tends to make highs into the 'Ides of March' and drift lower into April. Sell a rally. Sugar is unchanged on the year and a lower on the month and acts sloppy. Sell rallies. Cotton is rangebound and up on the year and month. The USDA estimate for cotton acreage is at 11.5 million acres, up over 14 percent from a year ago. The agency sees ending U.S. cotton supplies at 5.2 million bales, around a nine-year high. If you are a cotton producer and are looking at upcoming corporate tax cuts, less regulation and a normal growing year you may want to consider some hedges.

Cocoa bounced, global cocoa supplies remain large. The Ivory Coast government stepped in to support cocoa exporters and producers who have suffered large losses on cocoa contracts and defaulted agreements due to large supplies. Look for a trading range in Cocoa.

On to the Nitty Gritty.

THE SENSATIONAL STOCK AND BOND MARKET

DOW JONES INDUSTRIAL AVERAGE

Support is at 20,610.00 and the 20,420.00 to 20,340.00 region.

Resistance is at 20,890.00 and the 21,260.00 to 21,340.00 region.

DOW JONES TRANSPORTS

Support should appear near 9,347.00 to 9,316.00, below that a test of the 9156.00 to 9140.00 region is likely.

Resistance should appear near 9,625.00 to 9,641.00 and the 9,706.00 to 9,737.00 region.

MARCH E-MINI SP500

Resistance should appear near 2390.5 and the 2411.00 to 2419.00 region.

Support should appear near 2354.00 and the 2322.00 to 2315.00 region.

Traders can buy June at 2315 for a bounce and risk a close under 2312.00 for three days in row.

NASDAQ COMPOSITE

Resistance should appear near 5855.00 to 5880.00 and the 5945.00 to 5957.00 region.

Beyond that sellers should appear near 6023.00 to 6035.00

Support should appear near 5729.00 to 5716.00 and the 5577.00 to 5553.00 region.

MARCH E-MINI NASDAQ 100

Support should appear near 5282.00 to 5259.00 and the 5067.00 to 5056.00 region.

Resistance is at 5418.00 to 5430.00 and the 5492.00 to 5504.00 region.

MARCH E-MINI RUSSELL 2000

Resistance should appear near the 1415.00 to 1421.00 region. Beyond that sellers should appear near 1453.00 to 1459.00

Support should appear near 1383.00 to 13277.00 and 1346.00 to 1334.00.

JUNE 30 YR BONDS

Resistance should appear near 153-07 and 153-21. Beyond that sellers should appear near 154-21 and 155-07.

Support should appear near 151-07 and 150-21. Below that a test of 149-07 is likely .

JUNE 10 YR NOTES

Resistance should appear near 125-21 and 126-21. Beyond that 127-07 should cap a rally.

Support should appear near 123-21 and 123-07. Below that buyers should appear near 121-21.

THE FRENZIED FOREX FRONT

MARCH DOLLAR INDEX

Resistance is near 10185 and 10237. Beyond that a test of 10320 to 10360 is likely.

Support should appear near 10037 to 10021. Below that 9937 to 9921 should bring out buyers.

MARCH JAPANESE YEN

Resistance should appear at near 8934 to 8964 and the 9044 to 9060 region.

Support should appear near 8777 to 8762 and 8683 to 8668.

MARCH EURO CURRENCY

Support should appear near at 10360 to 10320 and 10104 to 10136

Resistance should appear near 10580 to 10680 then 10747 and 10815.

MARCH SWISS FRANC

Resistance should appear near 10021 to 10037 and 10104 to 10136

Support should appear near 9837 to 9821 and 9737 to 9706.

MARCH BRITISH POUND

Support should appear near 12380 to 12320 and 12175

Resistance should appear near 12680 to 12740 and 12890

MARCH CANADIAN DOLLAR

Resistance should appear near 7675 to 7689 and the 7763 to 7777 region.

Support should appear near 7601 to 7587 and 7513 to 7486.

MARCH AUSSIE DOLLAR

Resistance should appear near 7675 to 7689 and the 7836 to 7864 region.

Support should appear near 7601 to 7587 and 7513 to 7486.

Stay tuned for forex flashes.

THE PRECIOUS METALS

APRIL GOLD

Resistance should appear near 1268.0 to 1274.0 and 1304.0 to 1310.0

Support should appear near 1238.0 to 1232.0 and 1203.0 to 1192.0.

MAY COPPER

Resistance should appear near 27580 to 27750 and 28200 to 28290. Beyond that sellers should appear near 28740 to 28830 and cap a rally.

Support should appear near 26200 to 26120 and the 25680 to 25520 region.

MAY SILVER

Resistance should appear near 1858.0 to 1865.0 and the 1902.0 to 1909.0 region.

Support is at 1780.0 to 1774.0 and the 1738.0 to 1731.0 region. Below that buyers should appear near 1696.0 to 1689.0.

THE EXCITING ENERGIES

APRIL CRUDE OIL

Support should appear near 5456 to 5344 and the 5282 to 5259 region. Under that buyers should appear near 5211.00 to 5200.

Resistance should appear near 5494 to 5504 and the 5640 to 5653 region.

MAY CRUDE OIL

Support should appear near 5355 to 5344 and 5282 to 5259. Under that buyers should appear near 5211 to 5200.

Resistance should appear near 5494 to 5504 and the 5553 to 5577 region. Beyond that sellers should appear near 5716 to 5729. Traders should go long if a close over 5507 occurs, stay tuned for flashes

MAY BRENT CRUDE OIL

Support should appear near 5577 to 5553 and the 5430 to 5418 region.

Resistance should appear near 5716 to 5729 and the 5855 to 5880 region.

APRIL HEATING OIL

Support should appear near 16150 to 16090 and the 15760 to 15690 region.

Resistance should appear near 16890 to 16960, a close over is friendly and augurs for a test of the 17310 to 17380 region.

APRIL UNLEADED GAS

Support should appear near 17310 and the 16960 to 16840 region.

Resistance should appear near 17740 to 17800 and the 18080 to 18220 region.

MAY NATURAL GAS

Support should appear near 27240 to 27160 and the 2620 to 2612 region.

Resistance should appear near 2928 to 2937 and the 3036 to 3045 region.

THE GRANDE' GRAINS

MAY SOYBEANS

Resistance should appear near 1032 to 1036 and the 10958 to 1068 region.

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

Traders can buy at $994 \frac{1}{4}$ and risk a close under $990 \frac{3}{4}$ for three days in a row.

MAY SOYOIL

Support should appear near 3157 to 3148 and the 3045 to 3036 region.

Resistance should appear near 3377 to 3386 and the 3493 to 3503 region.

MAY SOYMEAL

Resistance should appear near 342.5 to 344.3 and the 355.3 to 356.3 region.

Support should appear near 315.7 to 314.8 and the 293.7 to 292.8 region.

MAY CORN

Support should appear $362 \frac{1}{4}$ to $361 \frac{1}{4}$ and the $350 \frac{1}{4}$ to $349 \frac{1}{4}$ region.

Resistance should appear near $385 \frac{3}{4}$ to $386 \frac{1}{2}$ and $404 \frac{3}{4}$ to $405 \frac{3}{4}$

MAY WHEAT

Support should appear near $418 \frac{1}{4}$ to $416 \frac{1}{4}$ and the $405 \frac{3}{4}$ to $404 \frac{3}{4}$ region.

Resistance should appear near $442 \frac{1}{2}$ to $444 \frac{3}{4}$ and $450 \frac{1}{4}$ to $451 \frac{1}{4}$

THE LIVELY LIVESTOCK

APRIL CATTLE

Support should appear near 11360 to 11300 and the 11010 to 10960 region.

Resistance should appear near 11640 to 11690 then 11807 and 11920 to 12030.

JUNE CATTLE

Support should appear near 10360 to 10320 and the 10137 to 10107 region.

Resistance should appear near 10580 to 10680 and 10960 to 11010.

APRIL HOGS

Resistance should appear near 6907 to 6917 and the 6992 to 7007 region. Traders can sell at 6977 and hold for lower prices. Beyond that sellers should appear near 7072 to 7087 and the 7142 to 7172 region and should cap a rally.

Support should appear near 6757 to 6742 and 6672 to 6657. Below that a test of the 6512 to 6482 region is likely.

JUNE HOGS

Resistance should appear near 7832 to 7867 and the 8027 to 8047 region.

Support should appear near 7692 to 7672 and the 7607 to 7587 region.

Stay tuned for livestock flashes

THE SATISFYING SOFTS

MAY COFFEE

Resistance should appear near 14840 to 14960 and the 15290 to 15350 region.

Traders can sell at 15270 and hold for lower prices. Beyond that sellers should appear near 15690 to 15760.

Support should appear near 14590 to 14520, a close under is negative and augurs for a test of the 14210 to 14150 region. Below that a test of 13830 to 13770 is likely.

MAY COCOA

Resistance should appear near 2034 to 2042 and 2080 to 2089. Traders can sell at 2079 and initially risk 30 points. Beyond that sellers should appear near 2126 to 2124.

Support should appear near 1909 to 1902 and the 1865 to 1858 region.

MAY SUGAR

Resistance should appear near 1996 and 2034 to 2042. Beyond that sellers should appear near 2080 to 2089.

Support should appear near 1953 to 1946, below that as test of 1909 to 1902 is likely.

MAY COTTON

Support should appear near 7601 to 7587 and the 7342 to 7328 region.

Resistance should appear near 7763 to 7777 and the 8029 to 8044 region.

Stay tuned for Flashes and Updates in all Markets

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

Happy Trading!

Bill wil@futurescom.com

Sunday February 26th, 2017

7:00 AM, South Florida Beach Time

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