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Bi-Weekly Investment Outlook # 542
Monday January 1st, 2018

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-

Sunday December 31st, 2017

12:00 Noon, 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 remain near record highs. Most U.S. stock index futures closed at or near the lows of the session on the last day of the year, month and quarter. SP500 futures made new contract highs on Friday and closed on the lows of the day, below the last eight session lows. Stock markets were sloppy, considering it was the last day of trading for the month, quarter and year. Seasonally the NASDAQ 100 acts soft after the first week of January into the end of the month. The Schiller adjusted for inflation PE ratio will start the year just over 32. Over the last 135 years or so only four times has this reading of price to earnings been this high to start a year; 1998, 1999, 2000, 2001. March U.S. 30-year bond futures ended Friday's session up on the month. Both 30-year bond futures and 10-year note futures typically act 'stable to firm' until mid-January (just before the Martin Luther King holiday). With all the excitement about the signing of new tax law behind us, it's worth mentioning that unemployment was about 7% on average basis at the onset of the previous nine or so tax-cuts, unemployment last month was 4.1%. The U.S. Dollar index ended the year and month lower. The dollar index continues to be a trading affair, our long-term work remains negative. Europe's Euro ended the month and year higher.

The British Pound ended the month a bit lower and the year higher. Cable is a trading affair. Yen futures were a little lower on the month and higher on the year. The Australian dollar up on the year and on the month and is a trading affair.

Precious Metals; Gold, Silver and copper ended the month and year higher. Seasonally silver tends to act firm until Mid - February. Stay tuned for flashes.

Energies; Crude Oil, heating oil and unleaded all ended the month higher. Natural gas is now at weather market. Typically, crude oil and unleaded gas both tend to rise or at least stay stable during January and February until early March. Considering the recent strength traders should expect a wide trading range in energies. March crude oil made new contract highs last week.

Grains; Soybeans, soymeal and soybean oil ended the month lower. Soybeans and soybean oil were also lower on the year. Soymeal was unchanged on the year. Historically soybean oil tends to firm or at least stabilize from the middle of January to the end of February. Corn and Wheat were both lower on the month on the last day of the trading for the year. Corn ended 2017 nearly unchanged on the year and wheat a little higher. Traders should consider the grain markets a trading affair.

Livestock; Live Cattle futures ended the month lower and Hog futures were higher on the month. Historically buying August Hogs and selling April hogs tends to work until late February. August cattle tends to firm against February cattle until the second week of January. October cattle tends to firm against April until early February. The bitter cold weather across much of the country can impact both supply and demand. Both cattle and hog producers are showing herd expansion. Supplies of chicken and turkey are plentiful. Wide ranges are expected for livestock futures and they are trading affairs. Stay tuned for flashes.

Soft Commodities; Cocoa futures closed Friday's session lower on the month and year. Sugar ended the year and lower and unchanged to a bit higher on the month. Cotton futures ended the month and year higher. Traders should consider cotton a trading affair. Historically May Cotton tends firm from mid-January to the last week of February. Cotton has moved up nicely recently, look for mid-month dip during January to buy for a bounce. Coffee futures ended the month a little lower and lower on the year. Coffee remains a trading affair. Looking ahead, Coffee tends to make highs into the 'Ides of March'. Consider buying dips for a trade. On to the Nitty Gritty.

THE SENSATIONAL STOCK AND BOND MARKET

DOW JONES INDUSTRIAL AVERAGE

Support is at 24,610.00 and 24,400.00. Below that buyers should appear near the 24,190.00 to 24,110.00 region.

Resistance is at 24,900.00 and the 25,110.00 to 25,190.00 region.

DOW JONES TRANSPORTS

Support should appear near 10,580.00 and the 10,360.00 to 10,320.00 region.

Resistance should appear near 10,680.00 and the 10,960.00 to 1101.00 region.

MARCH E-MINI SP500

Resistance should appear near 2694.00 and the 2716.00 to 2724.00 region.

Support should appear near 2663.00 and the 2620.00 to 2612.00 region.

NASDAQ COMPOSITE

Resistance should appear near 6990.00 to 7003.00 and the 7074.00 to 7088.00 region.

Support should appear near 6836.00 to 6809.00 and the 6755.00 to 6743.00 region.

MARCH E-MINI NASDAQ 100

Support should appear near 6350.00 to 6337.00 and 6270.00 to 6257.00 region. Below that a test of 6190.00 to 6165.00 is likely.

Resistance is at 6417.00 to 6430.00 and the 6483.00 to 6509.00 region. Beyond that sellers should appear near 6577.00 to 6591.00.

MARCH E-MINI RUSSELL 2000

Resistance should appear near 1552.00 and the 1569.00 to 1575.00 region.

Support should appear near the 1496.00 to 1484.00 region.

MARCH 30 YR BONDS

Resistance should appear near 153-07 and 153-21. Beyond that seller should appear near 155-07 and 156-21.

Support is near 152-07 and 151-21, under that buyers should appear near 150-07.

MARCH 10 YR NOTES

Resistance should appear near 124-07 and 125-21. Beyond that sellers should appear near 126-21
Support should appear near 123-21. Below that buyers should appear near 123-07 and 122-21.

THE FRENZIED FOREX FRONT

MARCH DOLLAR INDEX

Resistance is near 9236 and the 9316 to 9347 region.

Support should appear near 9156 to 9150 and the 9044 to 9029 region.

MARCH JAPANESE YEN

Resistance should appear near 8934 to 8964, a close over is friendly and augurs for a test of 9044 to 9060 and 9140 to 9156.

Support should appear near 8871 to 8856. Below that buyers should appear near 8777 to 8762.

MARCH EURO CURRENCY

Support should appear near the 12030 and 11920. Below that buyers should appear near 11805 and the 11690 to 11640 region.

Resistance should appear near 12175 and 12320 to 12360.

Traders can buy at 11975 for a bounce and hold for higher prices.

MARCH SWISS FRANC

Resistance should appear near 10360, an extended trade or close over is friendly and augurs for a test of 10580 to 10680.

Support should appear near 10185 and 10136 to 10104.

MARCH BRITISH POUND

Support should appear near 13460 to 13340.

Resistance should appear near the 13770 to 13830 region.

MARCH CANADIAN DOLLAR

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

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

MARCH AUSSIE DOLLAR

Resistance should appear near 7836 to 7864 and the 7939 to 7954 region.

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

THE PRECIOUS METALS

FEBRUARY GOLD

Resistance should appear near 1322.00 and the 1334.0 to 1346.0 region.

Support should appear near the 1289.00 and the 1274.00 to 1268.00 region.

Traders can buy at 1289.7 for a bounce and hold for higher prices.

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 5957 to 5945 and the 5880 to 5855 region.

Resistance should appear near 6023 to 6035. A close over is friendly and augurs for a test of 6337 to 6350.. Trade accordingly.

MARCH HEATING OIL

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

Resistance should appear near 20800 to 20890 and the 21260 to 21340 region.

MARCH UNLEADED GAS

Support should appear near 17800 to 17740 and the 17380 to 17310 region , where buyers should appear and contain a decline.

Resistance should appear near 18220 and the 18580 to 18650 region. Beyond that sellers should appear near 19020 to 19090.

MARCH NATURAL GAS

Support should appear near 3035 to 3045 and the 3148 to 3157 region.

Resistance should appear near 2829 to 2820 and 2775 to 2758 region.

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 $931 \frac{3}{4}$ and $915 \frac{3}{4}$ to 914. 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 $424 \frac{1}{2}$ to $423 \frac{3}{4}$ and the 412 to 411 region.

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 12030 to 11920 and the 11690 to 11640 region.

Resistance should appear near 12320 to 12380 and 12680 to 12740.

APRIL CATTLE

Support should appear near 12175 and the 12030 to 11920 region.

Resistance should appear near 12320 to 12380 and the 12680 to 12740 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. Below that a test of 6837 to 6807 is likely.

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.

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 12680 to 12740, a close over is friendly and augurs for a test of 13040 to 13100, where sellers should appear and cap a rally.

Support should appear near 12530 and the 12380 to 12320 region. Traders can buy at 12380 for a bounce and risk a close under 12315 for three days in a row.

MARCH COCOA

Resistance should appear near 1902 to 1909 and the 1946 to 1956 region.

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

MARCH SUGAR

Support appear near 1459 to 1453 and the 1346 to 1334 region.

Resistance should appear near 1529 to 1535 and the 1569 to 1576 region.

MARCH COTTON

Resistance should appear near 80290 to 8044 and the 8119 to 8134 region.

Support should appear near 7003 to 6990 and the 6673 to 6657 region.

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

Happy Trading!

Bill wil@futurescom.com

Sunday December 31st, 2017

4:00 PM, South Florida Beach Time

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