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Bi-Weekly Investment Outlook # 546
Saturday February 24th, 2018

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

“Perfection is not attainable, but if we chase perfection we can catch excellence.” -- Vince Lombardi-

**Saturday February 24, 2018
04:00 AM, South Florida Beach Time**

Investors and traders should remain nimble and stay tuned for specific recommendations for all markets.

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

Stock index futures ended Friday's session near the highs of the day. Most indices remain lower on the month and up on the year. Long term support remains well below current levels near the highs from last summer. Long-term resistance from the advance after the great recession during the previous decade is on top. Investors and traders should continue to be aware of constant 'babble' from various global government officials and central banks that may impact various markets in either direction. We expect more stock market volatility.

Geopolitical risk is slightly elevated. The White House confirmed today that Mexican president Nieto has called off an official trip to Washington to meet with President Trump after a phone call between the two leaders on February 20. The impact on the upcoming scheduled NAFTA negotiations is unknown. Italian elections are scheduled for early March.

The U.S. Dollar index has become a trading affair and is a little above the recent lows as we head into the end of February. Our long-term work remains negative and a wide trading range is expected. The near term is

friendly. The dollar made it's 2017 highs a year ago in March. Historically, the Canadian dollar tends to firm against the US dollar into April. While the British pound tends to move up from mid-March into May. Our long-term work for British pound against the U.S. dollar has turned positive.

Treasury futures are a little above the recent lows after a relentless grind higher in US interest rates. Some stability is expected ahead of the Federal Reserve Chairman Powell's testimony to Congress next week. During and after the testimony is anyone's guess. Seasonally, ten-year note futures tend to stabilize now until April. 30-year treasury futures set new contract lows last week. Ten-year notes remain near contract lows.

Precious Metals; Gold and silver are both lower on the month. Gold is higher on the year, silver is lower on the year and year over year. Copper's trading range has expanded. Copper is a little lower on the month and year and is likely to trade in a range for now.

Energies; Crude Oil moved up last week and is a little lower on the month and higher year over year. Traders should expect opportunities on both sides of the market. Unleaded gas tends to firm until late March and April. Consider buying a dip. Natural gas remains soft. Generally, back-end Nat gas futures tend to firm from Mid-March until Mid-June.

Grains; U.S. farmer plans for soybean acreage and weather ahead is likely to be in focus as spring approaches. Beans tend to firm into mid-April. Look for a trading range. Soybeans are trading higher on the month and year and are unchanged from a year ago.

Wheat futures typically drift lower after February ends into April and many times into the harvest in July. Global wheat supplies remain adequate and competition from overseas producers is at times relentless. Look for a trading range. Corn acreage and weather for the planting season ahead will be in focus for corn futures. December Corn should find support near 368, over 415 appears expensive without any weather issues. Beans and corn tend to act better against wheat during this period.

Livestock; The cattle and hog markets remain volatile. Last week, cattle backed away from the recent highs. Cattle tends to work lower from the middle of March to the end of March. Cattle is near long term resistance and support is well under the market. Cattle futures are a little higher on the month and lean hogs are a little lower. Last week, the USDA cold storage report showed frozen red meat supplies on January 31st were up 9% from December 31st and up 1 % from a year ago. Total pounds of beef in the U.S. freezers were up 2 percent from the previous month but down 7 percent from last year.

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 11.8 million head on February 1. The inventory was 8 % above a year ago. Placements in feedlots during January totaled 2 million head, 4 % above a year ago. The supply data in the USDA report was at the upper end of the pre-report estimate. Marketings of fed cattle during January totaled 1.86 million head, 6% above a year ago.

Lean Hogs; Generally, hogs tend to drift lower into the third week of March. The USDA Monthly Cold Storage report showed the frozen pork supply was up 8 percent from last year and up 16 percent from December 31st. Poultry supplies remain large and the expansion in poultry has continued. Both cattle and hogs are trading affairs, traders should stay tuned for recommendations. Some price competition from poultry does at times adversely impact both cattle and hog prices. NAFTA negotiations are scheduled for the next two weeks and may impact trading.

Softs; Coffee futures remain sloppy. Coffee is lower on the month, year over year and on the year. Market focus continues to be on available coffee supplies from Asia and Brazil and demand from consumers. Coffee tends to make highs into the 'Ides of March' and drift lower into April. Value levels appear to be nearby, expect a trading affair. Sugar is unchanged on the month and lower on the year. Sugar typically drifts lower from now into April. Look for a trading range. Cotton acts better and is up on the month. Global cotton demand for U.S. cotton remains supportive. Cocoa acts better, some typical weakness in cocoa is normal from now until late April, expect a wide trading range in cocoa.

On to the Nitty Gritty.

THE SENSATIONAL STOCK AND BOND MARKET

DOW JONES INDUSTRIAL AVERAGE

Support is at 25,190.00 to 25,110.00 and 24,690.00 to 24,610.00

Resistance is at 25,520.00 to 25,680.00 and 26,120.00 to 26,200.00

DOW JONES TRANSPORTS

Support should appear near 10,360.00 to 10,320.00 and 9,737.00 to 9,706.00.

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

MARCH E-MINI SP500

Support should appear near 2672.00 to 2663.00 and 2519.00 to 2511.00.

Resistance should appear near 2758.00 to 2775.00 and 2820.00 to 2829.00

NASDAQ COMPOSITE

Resistance should appear near 7487.00 to 7513.00 and 7763.00 to 7777.00

Support should appear near 7088.00 to 7074.00 and 7003.00 to 6990.00

MARCH E-MINI NASDAQ 100

Resistance should appear near 6906.00 to 6919.00 and 7074.00 to 7088.00

Beyond that 7328.00 to 7342.00 should cap a rally.

Support should appear near 6673.00 to 6659.00 and 6350.00 to 6337.00

MARCH E-MINI RUSSELL 2000

Resistance should appear near 1569.00 to 1576.00 and 1609.00 to 1615.00

Support should appear near 1496.00 to 1484.00 and 1459.00 to 1453.00

JUNE 30 YR BONDS

Resistance should appear near 144-21 then 145-07 and 145-21

Support is near 142-07 to 141-21 and 138-07 to 137-21.

JUNE 10 YR NOTES

Resistance should appear near 121-07 and 121-21. Beyond that sellers should appear near 123-21.

Support should appear near 119-07. Under that some buyers should appear near 116-21.

THE FRENZIED FOREX FRONT

MARCH DOLLAR INDEX

Resistance should appear near 9044 to 9060 and 9140 to 9156.

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

MARCH JAPANESE YEN

Resistance should appear near 9429 to 9445 and 9706 to 9737

Support should appear near 9347 to 9316 and the 9156 to 9140 region.

MARCH EURO CURRENCY

Support should appear near 12175 and 12030 to 11920

Resistance should appear near 12320 to 12380 and 12530.

MARCH SWISS FRANC

Resistance should appear near 10820 and 10960 to 11010

Support should appear near 10580 and 10470.

MARCH BRITISH POUND

Support should appear near 13830 to 13770 and 13460 to 13340

Resistance should appear near 13990 then 14150 to 14210 and 14530 to 14590.

MARCH CANADIAN DOLLAR

Resistance should appear near 8029 to 8044 and the 8119 to 8314 region.

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

MARCH AUSSIE DOLLAR

Resistance should appear near 7939 to 7954 and 8029 to 8044

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

THE PRECIOUS METALS

APRIL GOLD

Resistance should appear near 1334.0 to 1346.0 and 1377.0 to 1383.0.

Support should appear near 1310.0 to 1304.0 and the 1274.0 to 1268.0 region.

MAY COPPER

Resistance should appear near 32610 to 32700 and 33190 to 33280

Support should appear near 30450 to 30360 and 29370 to 29280.

MAY SILVER

Resistance should appear near 1689.0 to 1696.0 and 1774.0 to 1780.0

Support should appear near 1615.0 to 1609.0 and 1576.0 to 1569.0

THE EXCITING ENERGIES

APRIL CRUDE OIL

Support should appear near 6350 to 6335 and the 6035 to 6023 region.

Resistance should appear near 6577 to 6591 and the 6743 to 6755 region.

APRIL HEATING OIL

Support should appear near 19530 to 19460 and the 19090 to 19020 region.

Resistance should appear near 19820 to 19960 and the 21260 to 21340 region.

Traders should consider buying dips

APRIL UNLEADED GAS

Support should appear near 19530 to 19460 and the 19090 to 19020 region.

Resistance should appear near 20340 to 20460 and the 21260 to 21340 region.

Traders can buy June on dips.

MAY NATURAL GAS

Resistance should appear near 2820 to 2829 and 2874 to 2883 region

Support should appear near 2620 to 2612 and 2519 to 2511.

THE GRANDE' GRAINS

MAY SOYBEANS

Resistance should appear near 1058 to 1068 and the 1096 to 1101 region.

Support should appear near 1036 to 1032 and 1013 $\frac{3}{4}$ to 1010

MAY SOYOIL

Support should appear near 3213 to 3194 and 3157 to 3148

Resistance should appear near 3261 to 3270 and 3319 to 3328

MAY SOYMEAL

Resistance should appear near 385.8 to 386.7 and 390.9 to 392.9

Support should appear near 374.3 to 373.4 and 368.2 to 366.3

MAY CORN

Support should appear 356 $\frac{1}{4}$ to 355 $\frac{1}{2}$ and the 344 $\frac{1}{4}$ to 342 $\frac{1}{2}$ region.

Resistance should appear near 379 $\frac{1}{2}$ to 380 $\frac{3}{4}$ and the 385 $\frac{3}{4}$ to 386 $\frac{1}{2}$ region.

MAY 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 469 $\frac{1}{2}$ to 471 $\frac{3}{4}$ and the 477 $\frac{1}{2}$ to 478 $\frac{3}{4}$ region

Consider selling a rally.

THE LIVELY LIVESTOCK

APRIL CATTLE

Support should appear near 12380 to 12320 and the 12030 to 11920 region.
Resistance should appear near 12680 to 12740 and 13040 to 13100.

JUNE CATTLE

Support should appear near the 11360 to 11300 region.
Resistance should appear near the 11920 to 12030 region.

APRIL HOGS

Resistance should appear near 7327 to 7342 and the 7412 to 7432 region.
Support should appear near 7007 to 6990 and the 6672 to 6657 region.

JUNE HOGS

Resistance should appear near 8392 to 8407 and the 8482 to 8507 region.
Support should appear near 8047 to 8029 and the 7777 to 7762 region.

THE SATISFYING SOFTS

MAY COFFEE

Resistance should appear near 12320 to 12380 and the 12680 to 12740 region.
Support should appear near 12030 to 11920 and 11690 to 11640 region.

MAY COCOA

Resistance should appear near 2315 to 2322 and the 2411 to 2419 region..
Support should appear near 2089 to 2080 and the 2042 to 2034 region.

MAY 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.

MAY COTTON

Resistance should appear near 8300 to 8314 and 8668 to 8683

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

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

Happy Trading!

Bill wil@futurescom.com

Sunday February 25, 2018

12:45 AM, South Florida Beach Time

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