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Bi-Weekly Investment Comments #568
Sunday January 6th, 2019

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

"There is only one side of the market and it is not the bull side or the bear side, but the right side."
-- Jesse Livermore --

Sunday January 6th, 2019
5:00 AM, South Florida Beach Time

THE SENSATIONAL STOCK AND BOND MARKETS

Traders should remain nimble and stay tuned for flashes, updates and recommendations. Let us know if you need analysis for markets not covered today. Hedgers and investors should keep close contact with us for ideas and trades. If you have questions or need help about any market, call or send an email. Be aware of Geo-political new and comments and actions by global policy makers that impact markets. How much more turbulence both up and down the stock market will go thru is unknown. Our long-term work has rolled over to the downside for most U.S. averages, so wide ranges are likely. Germany rolled over to the downside a while back and Japan's long-term work is now rolling over. China's stock market bounced after policy makers reduced bank reserve requirements ahead of the Chinese New Year. Bonds fell apart after the jobs report and comments from Fed Chairman Powell. The government remains in partial shutdown and a lot of published government reports will not be available. Use the volatility to trade the markets, pay attention to the numbers.

Onto the Nitty Gritty.

DOW JONES INDUSTRIAL AVERAGE

Support is at 22,750.00 to 22,670.00 and the 22,260.00 to 22,190.00 region.

Resistance is at 24,110.00 to 24,190.00 and the 24,610.00 to 24,690.00

MARCH E-MINI SP500

Support should appear near 24,69.00 to 24,610.00 and the 2370.00 to 2354.00. Below that buyers should appear near the 2089.00 to 2080.00 region.

Resistance should appear near 2552.00 to 2568.00 and the 2612.00 to 2620.00 region. Beyond that sellers should appear near the 2663.00 to 2672.00 region.

NASDAQ COMPOSITE

Support should appear near 6673.00 to 6659 and the 6350.00 to 6337 region. Below that buyers should appear near 6035.00 to 6023.00.

Resistance should appear near 6836.00 and the 6909.00 to 6919.00 region. Beyond that sellers should appear near 7074.00 to 7088.00.

MARCH 30 YR BONDS

Resistance should appear near 147-07 and 147-21. Beyond that sellers should appear near 149-07 and 149-21

Support is near 145-21 and 145-07, below that 143-17 should hold.

MARCH 10 YR NOTES

Resistance should appear near 122-21. Beyond that sellers should appear near 123-07 and 123-21

Support should appear near 121-21 then 120-07 to 119-21. Below that 119-07 should hold.

THE FRENZIED FOREX FRONT

Comments from global central banks and policy makers is non-stop. The yen had wide range. The comments from Bank of Japan's Kuroda are pretty much the same comments he has been making for the last several years. The Brexit debate by the policy makers in the U.K. are ongoing and the time to leave is coming up. Expect a wide range for British pound. North of the border the Canadian dollar range has been wide. The Canadian dollar is up on the month. The Aussie dollar range has been wide, and it is up on the month but lower from a year ago. The Dollar acts sloppy and is a trading affair.

Stay tuned for flashes.

MARCH DOLLAR INDEX

Resistance should appear near 9706 to 9737 and the 9821 to 9837 region.

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

MARCH JAPANESE YEN

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

Support should appear near 9237 and the 9156 to 9140 region. Below that buyers should appear near 9060 to 9044.

MARCH EURO CURRENCY

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

Resistance should appear near 11500 and the 11640 to 11690 region.

MARCH SWISS FRANC

Resistance should appear near 10320 to 10360 and 10470.

Support should appear near 10136 to 10104 and 10037 to 10021

MARCH BRITISH POUND

Support should appear near 12740 to 12680 and the 12380 to 12320 region.

Resistance should appear near 12890 and the 13040 to 13100 region.

MARCH CANADIAN DOLLAR

Resistance should appear near 7587 to 7601 and the 7763 to 7777 region

Support should appear near 7428 to 7414 and the 7342 to 7328 region.

MARCH AUSSIE DOLLAR

Resistance should appear near 7242 to 7255 and the 7328 to 7342 region.

Support should appear near 7088 to 7074 and the 6919 to 6906 region.

THE PRECIOUS METALS

Copper Gold and silver are up a little on the month. Platinum as bounced a little from decade lows.

Seasonally silver typically acts ok into February.

FEBRUARY GOLD

Resistance should appear near 1304.0 to 1310.0 and 1334.0 to 1346.0

Support should appear near 1274.0 to 1268.0 and the 1238.0 to 1232.0 region.

MARCH COPPER

Resistance should appear near 27160 to 27240 and the 28200 to 28290 region.

Support should appear near 26200 to 26120 and the 25290 to 25100 region.

MARCH SILVER

Resistance should appear near 1609.0 to 1615.0 and the 1642.0 to 1655.0 region.

Support should appear near 1569.0 and the 1536.0 to 1529.0 region. Below that 1496.0 to 1484.0 should hold.

THE EXCITING ENERGIES

Babble from global policy makers along with government reports should keep crude oil active. Crude is up on the month and lower from a year ago. Crude typically acts better after January and February. The Products are all over the place, unleaded lost a good part of Friday's gains as the day wore on. Crude and the products are a trading affair. Pick your poison.

FEBRUARY CRUDE OIL

Support should appear near 4446 to 4425 and the 4381 to 4370 region. Below that 4056 to 4046 should hold.

Resistance should appear near 4845 to 4856 region. Beyond that sellers should appear near 4973 to 4995 and 5056 to 5067 region.

FEBRUARY HEATING OIL

Support should appear near 17460 to 17340 and the 16960 to 16890 region.

Resistance should appear near 18080 to 18220 and the 18580 to 18650 region.

FEBRUARY UNLEADED GAS

Support should appear near 13460 to 13340 and the 12380 to 12320 region.

Resistance should appear near 13770 to 13830 and the 14150 to 1420 region.

FEBRUARY NATURAL GAS

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

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

THE GRANDE' GRAINS

Global trade news and southern hemisphere weather along with crop size should keep agricultural markets active. Stay tuned for flashes and prepare for wide ranges. Be aware of comments from trade policy officials or lack of comments along with rumors that impact markets. Unless the shutdown ends, the USDA reports will not be published on January 11. Index fund rebalancing should start next week and last for about a week they're expected to sell about 50,000 contracts of corn and about 30,000 contracts of wheat. Estimates for Brazil's soybean production are near 117 to 118 million tons, Brazil's government's estimate was 120 million tons and the recent USDA estimate was 122 million tonnes. Argentina's is expected to see some excessive rain and they may have to replant some soybeans. Brazil's December soybean exports were about 4.1 million tons up from last month of 3.9 million and about 59% above last year's figure of 2.58 million tons. Brazil's soybean production has essentially doubled over the last decade. Debates about how much and what farmers in the US will plant is ongoing. Corn acres are expected to increase by a little more than two million tonnes and guesstimates are showing up that soybean acres will fall by around 3 million acres to around 86 million acres. If the yield is around 51 bushels per acre, which is less than last year then the ending stocks for beans may be over a billion bushels versus 197 million bushels 2015 to 2016 season. If the corn acreage increases to 91 million acres and yield comes in around 176.5 bushels per acre, then ending stocks the 2019 to 2020 season will drop to about 1.387 billion bushels from 2.93 billion bushels during the 2016/2017 season. Wheat is higher from a year ago and news from impacts regarding Russia exports, crop size in the U.S. and global supplies has kept trading active. While seasonally corn prices tend to be steady and show improvement next week until March and Soybeans late this month until the end of February. Many seasonal trades have shown massive distortions over the last year or two for all markets. Soybeans are a little lower than end of year 2017. Corn is a little higher and wheat is higher.

MARCH SOYBEANS

Resistance should appear near $931 \frac{3}{4}$ to $934 \frac{3}{4}$ and the $952 \frac{3}{4}$ to $954 \frac{1}{4}$ region.

Support should appear near 906 to $904 \frac{1}{2}$ and the $868 \frac{1}{4}$ to $866 \frac{3}{4}$ region.

MARCH SOYOIL

Support should appear near 2775 to 2758 and the 2724 to 2716 region.

Resistance should appear near 2874 to 2883 and the 3036 to 3045 region.

MARCH SOYMEAL

Resistance should appear near 326.1 to 327.0 and the 331.9 to 332.8 region.

Support should appear near 304.5 to 303.6 and the 299.0 to 297.2 region.

MARCH CORN

Resistance should appear $398 \frac{1}{4}$ to $399 \frac{1}{4}$ and the $404 \frac{3}{4}$ to $405 \frac{3}{4}$ region.

Support should appear near $374 \frac{1}{4}$ $373 \frac{1}{2}$ and the $368 \frac{1}{4}$ to $366 \frac{1}{2}$ region.

MARCH WHEAT

Support should appear near $506 \frac{3}{4}$ to $505 \frac{3}{4}$ then $499 \frac{1}{2}$ to $497 \frac{1}{4}$ and the $478 \frac{1}{2}$ to $477 \frac{1}{2}$ region.

Resistance should appear near $525 \frac{3}{4}$ to $528 \frac{1}{4}$ and the $534 \frac{1}{2}$ to $535 \frac{3}{4}$ region.

Trade accordingly and stay tuned for flashes

THE LIVELY LIVESTOCK

The winter weather has abated for the plains, but rain is expected. Temperatures are above normal in the Midwest. February hogs are up a little on the month, supplies are still at records and some weights increased. Summer Hogs are trading sideways with moderate to wide ranges. Cattle fell back from recent highs as beef demand eroded a little from the holiday. Seasonally summer hogs, June into August firm against the April, for instance buying August and selling April tends to make money now into February. Seasonally April cattle firms from the end of January to March. Expect a trading affair. Domestic beef and pork production is expected to increase during 2019 maybe at a slower pace. But supplies are still ample. China's problem with ASF Swine Flu is ongoing and the impacts on markets can cause wide ranges. On the demand side, retailers are expected to feature pork items during January, and export demand continues to show improvement. The beef retail index during the three weeks before Christmas showed rise of 3.4% last year and was 9% higher than the five-year average as retailers featured Beef. However, the pork loin retail feature index during first two weeks of December was 5% lower than a year ago and 25% lower than the five-year average. This was occurring when pork production hit all record levels. For the month of December pork loin retail features were 11% lower than a year ago and 24% lower than the five-year average. Chicken retail prices were very competitive with pork and may impact both beef and pork if turmoil the stock market starts to impact the actual economy.

Stay tuned for updates and trading Flashes.

FEBRUARY CATTLE

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

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

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.

FEBRUARY HOGS

Resistance should appear near 6337 to 6357 and the 6657 to 6672 region

Support should appear near 6037 to 6022 and the 5880 to 5852 region.

APRIL HOGS

Resistance should appear near 6807 to 6837 and the 6987 to 7007 region.

Support should appear near 6597 to 6582 and the 6357 to 6337 region

JUNE HOGS

Resistance should appear near 8197 to 8227 then 8297 to 8317 and the 8392 to 8407 region.

Support should appear near 8047 to 8027 and the 7957 to 7937 region.

Trade accordingly and stay tuned for flashes and updates.

THE SATISFYING SOFTS

Cotton recovered as the stock mkt rose on Friday. Cotton is unchanged on the month and lower from a year ago. Coffee is rangebound just above contract lows, coffee tends to make yearly highs in the spring. Brazil is expected to see an off year in coffee production. Coffee is unchanged on the month. Sugar bounced Friday and is lower on the month and tends to act a little weak during the end of January into early February. Cocoa fell early Friday and bounce a bit and is now lower on the month. hot and dry weather in Africa has been supportive. All are trading affairs.

MARCH COFFEE

Resistance should appear near 10320 to 10360 and the 10580 to 10680 region.

Support should appear near 9935 to 9920 and the 9740 to 9705 region

MARCH COCOA

Resistance should appear near 2411 to 2419 and the 2662 to 2568 region.

Support should appear near 2275 to 2267 and the 2089 to 2080 region.

MARCH SUGAR

Support appear near 1169 to 1164 and the 1136 to 1130 region.

Resistance should appear near 1192 to 1203 and the 1232 to 1238 region.

MARCH COTTON

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

Support should appear near 7088 to 7074 and the 6919 to 6906 region.

Trade accordingly and stay tuned for flashes.

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

Happy Trading!

Bill wil@futurescom.com

Sunday January 6th, 2019

11:55 AM, South Florida Beach Time

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