The Hightower Report
Futures Analysis & Forecasting

Daily Fundamental and Technical Recaps
Thursday September 16, 2010

GRAINS

SOY COMPLEX RECAP

9/16/2010

November Soybeans finished down 6 1/4 at 1036 1/4, 10 1/4 off the high and 3 1/4 up from the low. January Soybeans closed down 6 3/4 at 1046. This was 2 1/2 up from the low and 10 3/4 off the high.

December Soymeal closed down 1.4 at 296.3. This was 2.3 up from the low and 2.1 off the high.

December Soybean Oil finished down 0.26 at 41.75, 0.4 off the high and 0.15 up from the low.

November soybeans traded on both sides of yesterday's close overnight and into the start of the day session before pushing into negative territory into late morning. The dollar was lower, but crude oil was also lower and traders said that this, plus a generally active harvest outlook in the Delta, SE and parts of the Midwest helped to pressure the soybean market. Meal and soy oil were also lower today with light trade and little direction noted in the meal/oil spread. The USDA announced a sale of 170,500 tonnes of US soybeans to China this morning for delivery in 2010/11. This total is not included on the weekly sales report. On this week's report, net sales for soybeans came in at 668,600 tonnes. As of September 9, cumulative soybean sales stand at 45.7% of the USDA forecast for 2010/2011, well above the 5-year average of 28.9%. Sales need to average 431,000 tonnes each week to reach the USDA forecast. Net meal sales came in at -58,100 tonnes for old crop and 123,300 for new crop for a total of 65,200 tonnes. Net oil sales came in at 28,600 tonnes old crop and 103,500 for next year for a very impressive total of 132,100 tonnes. China was a buyer of 60,000 tonnes for 2010/11 and "unknown" bought 24,000 tonnes for old crop and 29,500 for new crop. Cumulative soybean oil sales stand at a whopping 34.7% of the USDA forecast for 2010/11, far ahead of the 5-year average of 5.6%. Oil sales need to average just 11,000 tonnes each week to reach the USDA forecast.

Technical Outlook

SOYBEANS (NOV) 09/17/2010: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The close below the 1st swing support could weigh on the market. The next downside objective is 1024 1/2. The next area of resistance is around 1043 and 1051 1/2, while 1st support hits today at 1029 1/2 and below there at 1024 1/2.

SOYMEAL (DEC) 09/17/2010: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 291.9. The next area of resistance is around 298.5 and 300.6, while 1st support hits today at 294.1 and below there at 291.9.

SOYBEAN OIL (DEC) 09/17/2010: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 42.36. The next area of resistance is around 42.02 and 42.36, while 1st support hits today at 41.48 and below there at 41.27.

CORN MARKET RECAP

9/16/2010

December Corn finished up 3/4 at 496, 1 1/2 off the high and 6 1/2 up from the low.

December corn managed to post a new high close for the move today, pushing above the overnight and day session highs prior to the close. Traders indicated that concerns over yield and test weights in the US are helping to push the corn market higher. An added boost came from a lower dollar today, although traders noted that lower crude oil and a somewhat disappointing Export Sales report were viewed as negative factors during much of the session. Net weekly export sales for corn came in at 584,200 tonnes, which was only about 2/3rds of trade expectations. As of September 9th, cumulative corn sales stand at 29.9% of the USDA forecast for 2010/2011 season versus a 5 year average of 25.2%. Sales need to average 733,000 tonnes each week to reach the USDA forecast. The Buenos Aires Grains Exchange said today that farmers are making rapid progress planting corn in the past week.

Technical Outlook

CORN (DEC) 09/17/2010: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 502 3/4. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 500 and 502 3/4, while 1st support hits today at 492 and below there at 486 3/4.

WHEAT MARKET RECAP

9/16/2010

December Wheat finished down 7 1/2 at 719 1/4, 18 1/2 off the high and 7 3/4 up from the low.

December wheat traded mostly higher overnight, but pushed lower from the start of the day session through late morning. Prices remained near the lows into early afternoon. Today's action took the December to its lowest level since September 9th. Traders said that lower than expected export sales helped to trigger selling, although sales for the current crop year were about in line with the average needed each week to reach the USDA's current export projection. They also noted that despite a lower dollar, outside markets were a mixed to somewhat negative factor. Net weekly export sales for wheat came in at 484,600 tonnes for the current marketing year and -165,000 for next marketing year for a total of 319,600. As of September 9th, cumulative wheat sales stand at 45.6% of the USDA forecast for 2010/2011 versus a 5-year average of 49.1%. Sales need to average 489,000 tonnes each week to reach the USDA forecast. Argentina's Ministry of Agriculture projects this year's wheat crop at 10.0 to 11.2 million tonnes. The USDA is currently projecting 2010/11 production at 12.0 million tonnes. Planting in Argentina has been complete for several weeks. Tunisia bought 67,000 tonnes of soft milling wheat on a scheduled tender. There was no indication if this was from the US or France. Talk of high stocks in the US and the outlook for increased planted area in the US and many other key exporters helped to pressure. While traders see the possibility of tightening ending stocks ahead "if" the USDA is forced to raise exports further, US ending stocks are currently pegged at the second highest level in 11 years.

Technical Outlook

WHEAT (DEC) 09/17/2010: A bearish signal was triggered on a crossover down in the daily stochastics. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 695 3/4. The next area of resistance is around 732 1/4 and 748, while 1st support hits today at 706 1/4 and below there at 695 3/4.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
GRAIN COMPLEX										
CNAZ0	496	86.22	80.61	95.74	96.50	492.44	479.11	457.13	427.48	415.03
CNAH1	508 3/4	86.38	80.98	96.27	96.66	505.56	492.33	470.40	440.43	427.85
SSAX0	1036 1/4	54.99	56.31	67.70	67.64	1037.19	1040.17	1025.14	1013.17	991.40
SSAF1	1046	55.47	56.78	69.79	69.45	1047.00	1049.67	1034.11	1020.97	999.52
SMAZ0	296.3	48.30	51.28	46.42	38.81	296.00	299.39	297.36	292.87	286.73
BOAZ0	41.75	59.16	57.62	76.33	83.38	41.82	41.66	40.91	40.84	40.07
WHAZ0	719 1/4	49.17	52.38	67.67	64.54	731.75	732.14	716.63	697.95	657.00
WHAH1	748 3/4	50.97	54.04	74.46	70.87	761.00	760.03	741.69	719.19	679.52
RCAX0	11.875	57.88	59.61	84.49	81.47	11.98	11.89	11.69	11.11	10.89
KWAZ0	750 1/2	54.50	56.92	79.08	77.63	761.50	756.72	736.28	705.49	664.56
MWAZ0	753 1/2	56.81	58.19	80.04	79.68	760.81	756.11	735.67	707.13	670.28
OTAZ0	342 1/2	84.62	80.48	90.35	92.47	340.00	322.31	300.64	287.97	281.40

Calculations based on previous session. Data collected 09/16/2010
Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAZ0	Corn	486 3/4	492	494 3/4	500	502 3/4
CNAH1	Corn	500	505	507 1/2	512 1/2	515
SSAX0	Soybeans	1024 1/2	1029 1/2	1038	1043	1051 1/2
SSAF1	Soybeans	1034 3/4	1039 1/2	1048	1052 1/2	1061 1/4
SMAZ0	Soymeal	291.8	294.0	296.2	298.5	300.6
BOAZ0	Soybean Oil	41.26	41.47	41.81	42.02	42.36
WHAZ0	Wheat	695 3/4	706	722	732 1/2	748 1/4
WHAH1	Wheat	726 1/2	736 1/2	751 1/4	761	776
RCAX0	Rice	11.507	11.665	11.927	12.085	12.347
KWAZ0	KC Wheat	729 3/4	738 1/2	753 1/2	762 1/2	777 1/4
MWAZ0	MINN Wheat	733 1/2	743	754 1/2	764	775 1/2
OTAZ0	Oats	334 3/4	339	341 1/2	346	348 1/4

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ENERGIES

ENERGY MARKET RECAP

9/16/2010

October Crude Oil closed down 1.59 at 74.43. This was 0.32 up from the low and 1.56 off the high.

October Heating Oil closed down 3.86 at 209.40. This was 0.99 up from the low and 3.72 off the high.

October RBOB Gasoline finished down 3.90 at 192.35, 2.93 off the high and 2.35 up from the low.

October Natural Gas finished up 0.06 at 4.06, 0.09 off the high and 0.21 up from the low.

October crude oil prices trended lower throughout the session in response to news that the Enbridge 6A pipeline would be ready for operation early Friday morning. Crude oil prices slumped around 2% ahead of the anticipated re-opening, while they also lost this week's earlier gains that had been caused by supply fears due to the outage. Some traders noted that with the Enbridge pipeline back in operation, the market now looks to outside supply and demand factors to determine direction. This morning's August Producer Price Index matched expectations but seemed to be supported by a 7.5% jump in gasoline prices and 7.0% jump in heating oil prices. Meanwhile, the National Hurricane Center upgraded Karl to a category 1 hurricane earlier than expected. As a result of the worsening conditions, two major Mexican oil exporting ports were closed.

Technical Outlook

CRUDE OIL (OCT) 09/17/2010: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 72.86. The next area of resistance is around 75.37 and 76.62, while 1st support hits today at 73.49 and below there at 72.86.

RBOB GAS (OCT) 09/17/2010: The close below the 60-day moving average is an indication the longer-term trend has turned down. A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 187.22. The next area of resistance is around 194.98 and 197.77, while 1st support hits today at 189.71 and below there at 187.22.

HEATING OIL (OCT) 09/17/2010: A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 205.38. The next area of resistance is around 211.75 and 214.79, while 1st support hits today at 207.05 and below there at 205.38.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
ENERGY COMPLEX										
CLAV0	74.43	44.61	45.60	69.38	65.67	76.11	75.39	74.44	76.86	76.79
CLAX0	75.61	44.25	45.71	74.02	68.56	77.15	76.66	75.60	77.67	77.54
HOAV0	209.40	53.82	52.92	81.81	80.25	2.12	2.10	2.06	2.08	2.08
HOAX0	211.36	53.51	52.51	81.85	80.51	2.14	2.12	2.08	2.11	2.10
RBAV0	192.35	46.98	48.23	76.83	70.33	1.96	1.95	1.91	1.95	1.95
RBAX0	192.43	47.37	48.50	78.55	72.91	1.96	1.95	1.91	1.95	1.94
NGAV0	4.057	59.16	50.62	46.57	63.21	3.99	3.91	3.89	4.27	4.38
NGAX0	4.229	54.11	46.56	44.92	60.85	4.19	4.14	4.13	4.49	4.62

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
ENERGY COMPLEX						
CLAV0	Crude Oil	72.86	73.49	74.74	75.37	76.62
CLAX0	Crude Oil	74.14	74.72	75.91	76.49	77.68

HOAV0	Heating Oil	205.37	207.04	210.08	211.75	214.79
HOAX0	Heating Oil	207.37	209.05	211.98	213.66	216.59
RBAV0	RBOB Gas	187.21	189.70	192.49	194.98	197.77
RBAX0	RBOB Gas	187.81	189.97	192.73	194.89	197.65
NGAV0	Natural Gas	3.735	3.910	4.027	4.202	4.319
NGAX0	Natural Gas	3.941	4.100	4.199	4.358	4.457

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LIVESTOCK

LIVE CATTLE RECAP

9/16/2010

October Live Cattle closed up 1.18 at 99.30. This was 2.32 up from the low and 0.10 off the high.

October Feeder Cattle finished up 0.57 at 112.07, 0.42 off the high and 0.92 up from the low.

December cattle closed 67 higher on the session and up 172 from the lows of the day. News that cash cattle traded at $98.00 on the week helped support the market off of the lows and offset early weakness which stemmed from a sharp break in pork and a weaker stock market. The market was a bit surprised that cash cattle traded steady on the week with beef prices at the lowest level since mid-August. Positioning ahead of the USDA Cattle-on-Feed report for Friday may have added to the choppy trade. Weekly U.S. beef export sales for came in at just 6,700 metric tonnes, compared with the prior 4-week average of 11,625. Cumulative sales for 2010 have reached 477,100 metric tonnes, up 26.4% from last year's pace. Boxed-beef cut-out values were down 76 cents at mid-session to $157.52 as compared with $160.73 last week at this time.

Technical Outlook

LIVE CATTLE (OCT) 09/17/2010: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. The outside day up and close above the previous day's high is a positive signal. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 101.168. The next area of resistance is around 100.512 and 101.168, while 1st support hits today at 98.088 and below there at 96.319.

LEAN HOGS RECAP

9/16/2010

October Lean Hogs closed down 0.67 at 78.58. This was 1.10 up from the low and 1.08 off the high.

October hogs closed sharply lower on the session and at one point the market was down as much as 177 lower on the day. Talk that Russia banned pork imports from two US plants sparked fairly aggressive long liquidation selling. Cash hogs were steady to lower which added to the negative tone. Ideas that the slaughter pace will pick-up seasonally and that fresh belly prices could top out soon helped pressure the market as well. After posting a new contract high overnight, February hogs closed lower on the session and the reversal is seen as a negative technical development by some traders. Traders see the recent jump in open interest as a sign of active speculative buying and that any turn down in futures sparked by increasing supply ahead could spark long liquidation selling.

Technical Outlook

LEAN HOGS (OCT) 09/17/2010: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 80.756. The next area of resistance is around 79.687 and 80.756, while 1st support hits today at 77.513 and below there at 76.407.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
MEAT COMPLEX										
GLEV0	99.300	66.21	63.36	45.58	58.63	98.27	97.69	98.07	96.36	95.11
FCV0	112.075	36.56	39.67	16.30	13.54	112.01	112.39	114.42	114.28	114.01
HEV0	78.600	61.57	58.74	67.65	78.91	78.24	77.41	76.74	76.42	76.15

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
MEAT COMPLEX						
GLEV0	Live Cattle	96.318	98.087	98.743	100.512	101.168
FCV0	Feeder Cattle	110.600	111.400	111.950	112.750	113.300
HEV0	Lean Hogs	76.406	77.512	78.581	79.687	80.756

Calculations based on previous session. Data collected 09/16/2010
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FINANCIALS

BOND MARKET RECAP

9/16/2010

December Bonds finished down 0-250 at 129-280, 1-040 off the high and 0-150 up from the low.

December 10 Yr Treasury Notes closed down 0-090 at 123-290. This was 0-090 up from the low and 0-185 off the high.

The Treasury market showed ongoing weakness in the wake of scheduled data that was better than expected and in some views might have depicted some positive action in the economy. The Treasury market probably didn't come away from the Philly Fed readings with a definitive stance on the economy as some of those readings were countervailing. Seeing a noted decline in US equities might have served to limit the losses in Treasuries but the bull camp didn't see the type of information they wanted and even the inflation readings were a bit undermining as the headline reading was a little hot. It is also possible that renewed currency manipulation charges from the US toward China was at least a partial undermine for US Treasuries as China might decide to fire a shot across the US's bow in response to the US charges.

Technical Outlook

BONDS (DEC) 09/17/2010: The close below the 40-day moving average is an indication the longer-term trend has turned down. Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 128-110. The next area of resistance is around 130-220 and 131-240, while 1st support hits today at 129-000 and below there at 128-110.

10 YR TREASURY NOTES (DEC) 09/17/2010: The major trend has turned down with the cross over back below the 40-day moving average. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 124-265. The next area of resistance is around 124-105 and 124-265, while 1st support hits today at 123-155 and below there at 123-040.

STOCK INDICES RECAP

9/16/2010

December S&P closed up 1.9 at 1122.6. This was 9.6 up from the low and 1.4 off the high.

December S&P E-Mini finished up 1.75 at 1122.5, 1.5 off the high and 9.75 up from the low.

December Dow finished up 41 at 10550, equal to the high and 92 up from the low.

The December S&P 500 managed to eek out a higher price high near the opening last night and spent the rest of the session inside the previous day's range. There were early reports from FedEx that showed quarterly profits below street expectations. The company also reduced its outlook for second quarter earnings, which also seemed to be a factor weighing on prices. This morning's U.S. economic data began with an unexpected decline in Initial Jobless Claims back down to the 450,000 level. While there has been improvement in the claims data in recent weeks, traders indicate that the number remains high, and that could be a factor that undermines future economic growth. Next was the September Philadelphia Manufacturing Survey, which came in worse than expected and marked its second consecutive month below zero. That data point seemed to pressure prices down to new lows on the session. While the flow of economic data did improve from their previous readings, they did seem to indicate that the pace of recovery would be slow. However, a late day recovery in tech related companies managed to boost all three of the major U.S. indices into positive territory for the day.

Technical Outlook

S&P 500 (DEC) 09/17/2010: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 1131.55. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 1128.10 and 1131.55, while 1st support hits today at 1117.10 and below there at 1109.55.

S&P E-MINI (DEC) 09/17/2010: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 1131.68. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 1128.12 and 1131.68, while 1st support hits today at 1116.88 and below there at 1109.19.

NASDAQ (DEC) 09/17/2010: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 1966.75. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 1960.50 and 1966.75, while 1st support hits today at 1939.00 and below there at 1923.75.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW	14 DAY SLOW	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG

				STOCH D	STOCH K					
FINANCIAL COMPLEX										
USAAZ0	129-270	39.91	45.25	27.63	21.81	130.69	131.12	132.38	129.78	128.63
TYAAZ0	123-290	45.19	48.23	33.14	35.09	124.11	124.08	124.57	123.76	123.11
SPAZ0	1122.60	72.60	65.33	91.23	95.81	1118.83	1106.33	1082.69	1086.44	1077.51
EPZ0	1122.50	71.48	64.58	90.63	95.50	1118.81	1106.42	1082.99	1086.56	1077.55
TFEZ0	648.0	64.25	59.52	87.10	91.30	648.65	640.02	625.22	628.97	625.73
NDAZ0	1949.75	79.60	70.79	92.21	96.67	1932.13	1899.58	1847.50	1850.76	1834.96
YMZ0	10550	70.46	63.85	89.24	94.97	10498.50	10412.11	10238.78	10280.42	10187.03
DFAZ0	10481	64.86	60.52	89.73	94.59	10481.25	10405.44	10230.33	10277.44	10184.80

Calculations based on previous session. Data collected 09/16/2010
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
FINANCIAL COMPLEX						
USAAZ0	Bonds	128-100	128-310	130-010	130-220	131-240
TYAAZ0	10 Yr Treasury Notes	123-035	123-150	123-310	124-105	124-265
SPAZ0	S&P 500	1109.55	1117.10	1120.55	1128.10	1131.55
EPZ0	S&P E-Mini	1109.18	1116.87	1120.43	1128.12	1131.68
TFEZ0	Mini-Russell 2000	636.0	642.5	646.8	653.3	657.5
NDAZ0	NASDAQ	1923.75	1939.00	1945.25	1960.50	1966.75
YMZ0	Mini-Dow	10422	10497	10527	10602	10632
DFAZ0	Dow	10430	10454	10484	10508	10538

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CURRENCIES

CURRENCY MARKET RECAP

9/16/2010

December US Dollar closed down 0.256 at 81.495. This was 0.160 up from the low and 0.375 off the high.

December Euro closed up 0.79 at 130.81. This was 1.1 up from the low and 0.31 off the high.

December Canadian Dollar finished up 0.06 at 97.21, 0.24 off the high and 0.23 up from the low.

December British Pound closed up 0.11 at 156.2. This was 0.92 up from the low and 0.2 off the high.

December Swiss finished down 1.16 at 98.53, 1.56 off the high and 0.14 up from the low.

December Japanese Yen finished down 0.31 at 116.6, 0.85 off the high and 0.12 up from the low.

The Dollar gave back a large portion of yesterday's gains, but held up before reaching this week's lows as the threat of further central bank intervention provided some measure of support. While early US economic data was mostly positive, a negative reading from the Philadelphia Fed survey revived risk concerns with the market and gave the Dollar a minor amount of safe haven support. Although the Bank of Japan took a break from intervention today, the December Yen continued to be weak as the market remains apprehensive towards taking long positions in that currency just yet. The December Euro was able to maintain its recent rally to reach the highest price levels since early August, supported by a positively received Spanish bond auction. While the market was not surprised when benchmark Swiss interest rates were kept unchanged this morning, a negative outlook from the Swiss National Bank put the December Swiss under severe pressure as the market ended the session well away from the highs.
A weak UK Retail Sales number took some of the December Pound's upside momentum away, but it was still

able to hold onto positive territory later on in the day.
The Dec Canadian was able to hold near the upper end of the recent rally, as elevated market risk concerns were unable to derail the current upmove.

Technical Outlook

JAPANESE YEN (DEC) 09/17/2010: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 115.80. The next area of resistance is around 117.05 and 117.73, while 1st support hits today at 116.09 and below there at 115.80.

EURO (DEC) 09/17/2010: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 132.01. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 131.50 and 132.01, while 1st support hits today at 130.10 and below there at 129.20.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
CURRENCY COMPLEX										
DXAZ0	81.49	33.19	37.08	24.26	16.42	81.69	82.36	82.80	82.60	83.19
JYAZ0	116.57	37.42	43.59	59.63	37.46	118.41	118.80	118.57	117.04	116.11
EUAZ0	130.80	71.00	64.11	69.33	84.35	129.89	128.50	127.78	128.93	127.95
BPAZ0	156.21	61.40	57.25	54.97	74.76	155.45	154.64	154.54	155.34	154.24
CAAZ0	97.22	63.18	58.81	78.70	86.53	97.23	96.61	95.51	95.97	95.86
SFAZ0	98.54	51.00	54.72	77.18	67.29	99.53	99.03	98.34	96.75	96.00
DAAZ0	92.72	70.09	67.33	91.08	90.97	0.93	0.92	0.90	0.89	0.88

Calculations based on previous session. Data collected 09/16/2010
Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
CURRENCY COMPLEX						
DXAZ0	US Dollar	81.01	81.22	81.54	81.76	82.08
JYAZ0	Japanese Yen	115.79	116.08	116.76	117.05	117.73
EUAZ0	Euro	129.19	130.09	130.60	131.50	132.01
BPAZ0	British Pound	154.90	155.65	156.02	156.77	157.14
CAAZ0	Canadian Dollar	96.74	96.98	97.21	97.45	97.68
SFAZ0	Swiss	97.19	97.69	98.89	99.39	100.59
DAAZ0	Australian Dollar	92.01	92.38	92.69	93.06	93.37

Calculations based on previous session. Data collected 09/16/2010
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METALS

PRECIOUS METALS RECAP

9/16/2010

December Gold closed up 7 at 1275.7. This was 9.6 up from the low and 3.8 off the high.

December Silver finished up 0.2 at 20.771, 0.054 off the high and 0.136 up from the low.

Gold: The gold market wasn't initially able to hold the latest move to new high ground as the press coverage of the historic run up in gold seems to have prompted an increase in long profit taking and some negative spin from the mining sector. After a major gold miner earlier this week suggested they were raising capital to liquidate hedges, one analyst suggested that a measure of investors want the exposure to further appreciation in gold prices and might look unfavorably upon those companies who lock in gold prices with hedges. Therefore, it would appear that the gold market is poised to see more developments from the hedge front ahead. The Dollar was generally weaker today and that in conjunction with increased tensions between the US and China on the currency manipulation front probably served to keep uncertainty up in the face of slightly better than expected US data flows.

Silver: The silver market managed a fresh new high for the move rally and generally seemed to be capable of holding most of those gains. Some players suggested that strength in gold spilled over into silver, while others suggested that potential tensions between US and China inspired safe haven buying of silver. Apparently news of a fresh silver find was almost completely discounted by silver as the focus of the trade seemed to be hinged to the prospect of an ongoing flow of investment demand.

Technical Outlook

COMEX SILVER (DEC) 09/17/2010: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 2110.2. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 2099.0 and 2110.2, while 1st support hits today at 2062.0 and below there at 2036.3.

COMEX GOLD (DEC) 09/17/2010: The market made a new contract high on the rally. The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 1287.6. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 1282.3 and 1287.6, while 1st support hits today at 1269.0 and below there at 1260.9.

COPPER MARKET RECAP

9/16/2010

December Copper closed up 2.70 at 349.35. This was 0.90 up from the low and 2.35 off the high.

The copper market was at least initially emboldened by the better than expected US scheduled data flows. However, copper might have second guessed part of its initial run up because of the potential for a US/China trade flap. It is also possible that copper was partially put off balance because of the weakness in the US equity markets. In the end, seeing decent US economic numbers probably helps the copper market firm up support levels just under the Thursday lows.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
METALS COMPLEX										
GCAZ0	1275.7	74.52	71.05	81.20	83.60	1265.80	1258.72	1249.91	1219.85	1220.83
SIAZ0	2080.5	85.04	78.22	92.95	94.79	2048.98	2017.01	1959.67	1872.58	1863.08

PLAV0	1611.10	75.39	68.32	84.73	89.66	1590.18	1570.68	1550.58	1546.72	1544.32
CPAZ0	349.10	60.57	60.01	78.72	78.98	347.63	346.96	341.75	332.35	324.72

Calculations based on previous session. Data collected 09/16/2010
Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
METALS COMPLEX						
GCAZ0	COMEX Gold	1260.8	1269.0	1274.2	1282.3	1287.6
SIAZ0	COMEX Silver	2036.2	2062.0	2073.2	2099.0	2110.2
PLAV0	COMEX Platinum	1584.55	1598.90	1608.95	1623.30	1633.35
CPAZ0	COMEX Copper	341.21	345.42	348.56	352.77	355.91

Calculations based on previous session. Data collected 09/16/2010
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SOFTS

COCOA MARKET RECAP

9/16/2010

December Cocoa finished up 50 at 2739, 45 off the high and 45 up from the low.

December cocoa continued with a sharp rally away from the recent lows, but could not maintain its upside momentum and fell back from today's highs by the close. Cocoa exports from Nigeria this season were up over 40% from last year through the end of June, mainly due to good weather over the course of the growing season. There were 29,910 tonnes of cocoa delivered against September LIFFE contracts, far below the over 240,000 tonnes during the July contract delivery period. Cocoa arrivals in Brazil are over 9% behind last season's levels at this time of the year.

Technical Outlook

COCOA (DEC) 09/17/2010: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 2829. The next area of resistance is around 2784 and 2829, while 1st support hits today at 2694 and below there at 2649.

COFFEE MARKET RECAP

9/16/2010

December Coffee closed down 2.35 at 191.80. This was 1.20 up from the low and 5.80 off the high.

December coffee could not sustain an early drive to new highs for the move, as the market reversed itself with a late sharp selloff and ended the day with sizable losses. There was little near-term change from the supply/demand side of the market, but prospects for large production increases from upcoming harvest in South and Central America have been projected from quite some time. US Green coffee stocks fell almost 169,000 bags during August. Although rejecting a test of the recent highs, December coffee is still over 13 cents higher for the month of September.

Technical Outlook

COFFEE (DEC) 09/17/2010: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 199.95. The next area of resistance is around 195.30 and 199.95, while 1st support hits today at 188.30 and below there at 185.95.

SUGAR MARKET RECAP

9/16/2010

October Sugar closed up 0.66 at 24.48. This was 1.15 up from the low and 0.21 off the high.

October sugar closed sharply higher on the session and managed a new high close for the move. The early selling pushed the market to within 2 ticks of the Wednesday reversal-day lows but the lows held and buying emerged to support the market to close 66 higher on the day and up 115 points from the lows. It was still an inside trading session as the rally fell short of Wednesday's highs. Ideas that the Brazil crop outlook for next year continues to decline due to dry conditions in many of the growing areas helped to support the market as light showers in some areas was not seen as enough to promote growth.

Technical Outlook

SUGAR (OCT) 09/17/2010: The daily stochastics gave a bullish indicator with a crossover up. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 25.60. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 25.16 and 25.60, while 1st support hits today at 23.80 and below there at 22.89.

COTTON MARKET RECAP

9/16/2010

December Cotton finished up 2.14 at 95.76, 0.73 off the high and 2.26 up from the low.

December cotton rocketed to a new 26 1/2 month high today following the release of a much better than expected Export Sales report. The nearby September contract moved to a new 15-year high on the nearby continuation chart. Traders said that added support came from a lower dollar. Net weekly export sales for cotton came in at 570,200 running bales for the current marketing year and 256,000 for next year for a total of 826,200 bales. Traders said that the market was not only encouraged by the size of this week's sales, but by the fact that they occurred when the December futures contract was nearing or above the 90.00 cent level 1-2 weeks ago. These were at or near 2-year highs. The biggest buyer in both crop years was Mexico, followed by China in the current crop year and Columbia next year. As of September 9, cumulative cotton sales stand at 50.9% of the USDA forecast for 2010/2011 versus a 5 year average of 33.0%. Sales need to average 153,000 running bales each week to reach the USDA forecast. Stocks registered for delivery against the ICE contract remained unchanged today at 16,569 bales.

Technical Outlook

COTTON (DEC) 09/17/2010: The daily stochastics have crossed over up which is a bullish indication. Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 98.36. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 97.25 and 98.36, while 1st support hits today at 94.27 and below there at 92.39.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
SOFTS MARKETS COMPLEX										
SBAV0	24.48	79.95	76.85	90.33	90.38	24.00	22.73	21.39	19.71	18.90
CTAZ0	95.76	84.08	82.61	87.72	89.06	94.15	92.17	89.19	83.03	81.28
CCAZ0	2739	50.41	44.94	27.60	40.68	2679.25	2698.67	2726.72	2891.00	2930.53
OJAX0	148.40	70.80	64.16	87.60	94.84	147.26	143.64	141.35	142.66	143.03
KCAZ0	191.80	60.10	60.62	80.06	80.45	192.60	191.63	184.52	176.46	173.57
MAV0	16.14	80.46	75.60	89.26	94.69	15.97	15.82	15.70	15.29	15.17

Calculations based on previous session. Data collected 09/16/2010
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
SOFTS MARKETS COMPLEX						
SBAV0	Sugar	22.88	23.80	24.24	25.16	25.60
CTAZ0	Cotton	92.38	94.26	95.37	97.25	98.36
CCAZ0	Cocoa	2649	2694	2739	2784	2829
OJAX0	Orange Juice	146.45	147.55	148.15	149.25	149.85
KCAZ0	Coffee	185.95	188.30	192.95	195.30	199.95
MAV0	Milk	15.96	16.07	16.10	16.21	16.24

Calculations based on previous session. Data collected 09/16/2010
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