

Subject: MARKET UPDATE - JUDY CRAWFORD

MARKET UPDATE
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Trading commodity futures and options involves substantial risk of loss and may not be suitable for all investors. You should carefully consider whether trading is suitable for you in light of your circumstances, knowledge and financial resources.

GENERAL COMMENT: As everyone knows the markets are screwed up and erratic. The contradiction between the charts shows the forces pulling on them. This action is usually followed by strong moves. But in the meantime, the lack of follow through is frustrating. Or if they do follow through, it is hard to trade. All day long traders tell me they cannot find a decent trade. I know exactly what they mean. As I mentioned last time, a fundamental change is taking place. You can see it in the relationship between the dollar and gold. When relationships change there is an underlying reason. I suspect the money printing mania by the central banks is diminishing in its effectiveness. Other factors will dominate. Nothing stays the same forever in this business.

GRAINS: The sell off in the **beans** is holding in support on the daily chart. I have mentioned before that long term (monthly chart) they have the same setup that produced strong rallies in 2012 and 2010. That setup has not changed because of this sell off. They would have to sell off a lot more than what we have seen to date. Same goes for the meal. **Wheat** is at critical support and continues to hold there. Is it building a huge base for a major rally? **Corn** looks down on the long term charts but you can't trust it. Too erratic.

MEATS: The **hogs** finally reached resistance and are starting to sell off. Worth a try for a short. **Feeders** and **cattle** are maddening. I still suspect they are oversold and need a rally to resume their downtrend. Too hard to tell.

SOFTS SHOWING A PATTERN? In reviewing the long term charts after coffee's failure again yesterday I noticed something that I did not catch before on the monthly charts:

It seems that once they fail their 100 dma (and they all have), they then head for the 200 dma which is lower. It was noticeable in **cotton** and **orange juice** first and that occurred some time ago. I really did not think much of it. But now **coffee** reached its 200 dma yesterday. That is three out of five. I remember when coffee first failed the 100 dma I thought it would be a "stretch" to assume it would reach the 200 dma. Well, that is exactly what it did. So is this a key ingredient to a bottom? **Sugar** just violated its 100 dma a couple of months ago. I have to ask myself if it will do the same. That seems a bit of a stretch since its 200 dma intersects down at 12.60. But I thought the same about coffee. The last one, **cocoa**, has made numerous attempts to get back over its 100 dma but it is failing again. Is it headed for its 200 dma? That's down at 18.50. Is that why its attempt to breakout is failing? It has some unfinished business technically?

OTHER SERVICES I OFFER: In addition to the Update I also offer brokerage services. My clients range from self service to full service with the appropriate commission rate applied.

GOAL OF THE MARKET UPDATE: The purpose of the Update is to acquaint you with the technical aspects of markets and trading. What I convey to readers is not my personal opinion but what the markets are suggesting by their technical formations and action. I do the technical analysis that most of you do not have the time for. The Update is also designed to help you learn about the markets and trading. It is also a tool and guide for those who want to compare it with their own work.

TRADING THOUGHTS TO REMEMBER:

The odds of picking a top or bottom are 1 in 200. That is why you use probabilities to guide you.

EMOTION is your enemy more than any market will ever be.

IMPORTANT NOTES RE TRADE ALERTS: My trades are normally entered on buy or sell signals. I do not enter new positions during the night session. If the potential trade is not reached during the day session, the trade is not initiated. Computation of costs includes commission plus estimated exchange fees.

TRADE ALERTS:

Buy December (reg. or mini) wheat. Buy 709 1/2 stop. Protective stop 696. Potential projection 735. (Potential risk reg. contract \$675, mini \$135. Potential reward reg. contract \$1275, mini \$255). Margins: regular: \$3240, mini \$648.

Reasons for the Trade:

1. On the monthly chart wheat reached and is holding at the major uptrend formed since the June 2010 low.
2. On both the monthly and weekly charts wheat has formed a reversal bottom that is still intact.
3. On the weekly chart the recent sell off is holding at the 200 dma. That is support.
4. On the daily chart wheat sold off to the 700 support and is attempting to hold.
5. On the daily chart wheat formed a reversal bottom today. That can suggest a trend change from down to up.

Sell August hogs. Sell 96.67 stop. Protective stop 97.72. Potential projection 93.75 support. (Potential risk \$420. Potential reward \$1168). Margin: \$1418.

Reasons for the Trade:

1. On the monthly chart hogs are in resistance and at the high end of the Bollinger Band.
2. On both the monthly and weekly charts the current rally has exceeded projections, suggesting an over bought market.
3. On the weekly chart hogs rallied into resistance going back to Jul 2011 and stopped.
4. On the daily chart they are in resistance.
5. On the daily chart an attempt to take out the Monday high has been failing, suggesting a 1,2,3, top formation.
6. Today was an inside day that can trigger a signal and market direction.

Sell September mini silver. Sell 21.470 stop. Protective stop 21.960. Potential projection 20.000. (Potential risk \$490. Potential reward \$1470). Margin: \$2475.

Reasons for the Trade:

1. On the monthly chart silver failed the major uptrend formed since the 2008 low in April with continued follow through.
2. The monthly chart has a sell signal.
3. On the weekly chart silver failed the 200 dma in early April with continued follow through.

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4. The weekly chart triggered another sell last week.
5. The daily chart has a previous sell signal.
6. On the daily chart silver failed the 22,000 support again last Friday. Before when it failed it, it formed a huge major key reversal bottom the same day and closed back over it. This time it did not do so. It closed under it for the first time and attempts since to get back over it failed have failed. That is negative.
7. Today was an inside day that can trigger a signal and market direction.

GRAINS:

DEC CORN: Switching to December. It triggered a sell yesterday from an inside day and sold off to 529 today. The next support is 525. Corn is still in a huge range. On the long term charts the current sell off has not changed anything on the monthly chart. But the weekly chart is triggering a sell this week. Just watching. Closed 535 1/4, down 2 1/4.

DEC MINI WHEAT: Switching to December. It sold off to the 700 support and held again. A trade could be developing. See Trade Alert for details. Closed 706 3/4, up 1 1/2.

NOV MINI BEANS: Switching to November. They attempted to get over the 1325 resistance but finally sold off yesterday after the grain report. They reached the 200 dma on the daily chart and held. They then rallied to close back over 1300 support. Long term they are holding on support too and the weekly chart's buy signal is still intact. Closed 1300 1/2, down 13 3/4.

DEC MEAL: Switching to December. It sold off to the 380.00 support and held. Its weekly chart has a buy and it is holding on support on the monthly chart. Closed 386.50, down 3.40.

DEC BEAN OIL: It sold off to 46.85 today and then rallied back over the 47.00 support. Keep stops at 48.05. Closed 47.16, down .26.
Position: Short 47.15 (6.11).
Projection: 45.00.

MEATS:

AUG HOGS: Switching to August. Hogs seem to be losing steam in their aggressive rally. A trade could be developing. See Trade Alert for details. Closed 97.30, down .30.

AUG CATTLE: An inside day yesterday triggered a sell today. There has not been any follow through. They are in the middle of their consolidation that has been going on since late May. As of today they have failed both the 20 & the 10 dma again. This battle has been going on for weeks. Just watching. Closed 119.07, down 45.

AUG FEEDERS: They closed over the 20 & 10 dma yesterday on the daily chart. They are still stuck in their range. An inside day yesterday triggered a buy today but without follow through. Just watching. Closed 145.47, down .45.

SOFTS: Switching to September contracts except cotton to December and sugar to October.

DEC COTTON: It has been very volatile. It had a range yesterday from 84.25 up to 88.18. It formed a huge outside day but suggesting a buy off of that would require too much risk. Same as last time. Cotton continues to confirm a breakout on the long term charts. Today's high 89.28. Waiting for a setback to go long. Closed 89.15, up 1.07.

SEPT ORANGE JUICE: It is having trouble again. On the monthly chart it is backing off from the same resistance area that has troubled this market for the last two months, the 150 level. So far on the weekly chart, it is trying to hold at the 200 dma. This battle with that average has been going on for weeks. It gets over it and starts to follow through to only fail again. But when it fails, it does not stay under that average for long. Long term it continues to give the appearance of a serious attempt at a major turnaround. Closed 145.75, down 2.90.

SEPT COFFEE: Yesterday's sell off is no surprise. I pointed out that in the past when it has consolidated as it has been recently, it has tended to sell off. Sure enough, such was the case again today. The new low 122.80. In my May 28 Update I had a projection to 122.00. It is getting close. It is now sitting on the 200 dma on the monthly chart. Hopefully this will give it some support. All you can do is watch. Closed 125.40, up .95.

SEPT COCOA: It triggered a buy yesterday and the stop was reached today. It sold off to 23.03. It does have support at 23.00. Long term it is now back under the 100, 20 & 10 dma on the monthly chart. That could suggest further sell off. Just watching. Closed 23.10, down .68. Position: Long 23.79 (6.12). Exit 23.42 (6.13). Loss \$425 (+comm/fees).

OCT SUGAR: Another new low today at 16.48. Long term there is no real support until 15.00. Like coffee, it has failed both the major uptrend line and the 100 dma on the monthly chart. Not a good sign. Just watching. Closed 16.53, down .04.

METALS & ENERGY;

SEPT COPPER: Switching to September. On the monthly chart it has been attempting to hold at the 100 dma for a third month in a row. Market support is down at 300.00. The 100 dma intersects above that support at 316.00 approximately on that chart. On the weekly chart it failed the 325.00 support this week and appears headed for 300.00. The daily chart does not look much better. Both the weekly and daily charts have sell signals. Closed 319.90, down 4.10.

AUG MINI GOLD: It rallied up to the 20 dma on the daily chart and has backed off. It also has a previous sell signal. The inability of gold to rally with the dollar selling off continues to suggest that new correlations are developing. Just watching. Closed 1377.80, down 14.20.

SEPT MINI SILVER: Switching to September. I keep trying to short it. I will try again tomorrow. See Trade Alert for details. Closed 21.630, down .216.

SEPT MINI CRUDE OIL: Switching to September. It sold off to support and held. It then rallied yesterday and today. It is right back to the high end (97.00 area) of the range it has been in. The long term charts suggest there could be more to the rally. Closed 96.95, up .82.

CURRENCIES & FINANCIALS: Switching to September currencies & S&P.

SEPT MINI JAPANESE YEN: As mentioned last time it was appearing to be starting another wave up on the daily chart. Today it confirmed that when it took out the previous high (105.32). Its next resistance is around 108.00 and then 110.00. Both long term charts suggest the 110.00 target.

Watching closely. Closed 105.48, up .90.

SEPT SWISS FRANC: It has had an extensive rally but that didn't stop it from making a new high today at 109.62. It is in resistance long term. As pointed out last time, it needs to get over 110.00 to suggest a breakout from the current consolidation that on the weekly chart has been going on since March 2012. There is one difference this time on the monthly chart that suggests it may pull it off. With this current rally that is headed for 110.00, it is the *first time* that the swiss on the monthly chart is over both the 20 & 10 dma. That is a positive development and could be enough to push it over the 110.00 level. Just watching. Closed 108.59, up .02.

SEPT DOLLAR INDEX: On the monthly chart it has failed the 100 dma and is now close to the 20 dma and the uptrend formed since the 2011 low. The uptrend is still intact and it still could try for 80.000. On the weekly chart you have the uptrend line and the 100 dma intersecting around 80.000. Watching closely to buy. Closed 80.962, down .205.

SEPT MINI EURO CURRENCY: It reached 133.98 today. The 134.00 level is resistance on the daily chart. The major resistance is 135.00 on the weekly chart. However, the eurofx was in consolidation since March and it broke out over that consolidation this month. Both the monthly and weekly charts have buy signals. Just watching. Closed 133.52, up .16.

SEPT CANADIAN DOLLAR: All week it has been attempting to get over the 98.00 resistance that also happens to intersect with the 100 dma on the daily chart. It finally got over it yesterday but failed to hold it. It is right back over it again today and closed over it. Long term the cd will not reach resistance until 99.00 on the monthly chart. On the weekly chart the current rally suggests there could be more to it. Either way the charts on the cd are not clear and I'm just watching. Closed 97.98, up .29.

SEPT AUSSIE: It is making a serious attempt to hold the 94.00 support and today's rally helped that cause. As I have mentioned many times, it is very oversold. It should retrace up to 98.00 at least but its main obstacle currently is the 96.00 resistance. It is also forming a key reversal bottom on the weekly chart. That is positive. And on the monthly chart it continues to hold in previous support as I have mentioned before for many of the foreign currencies. Closed 95.41, up 118.

SEPT EMINI S&P: The recent sell off held the low made on June 6. It has rallied aggressively off of that level. Last time I said the uptrend was still intact and that remains to case. I suspect we have seen the sell off. Taking out the 1642.50 high made on Monday would be very positive. Closed 1631.00, up 27.00.

SEPT 10 YR. NOTES: After forming a key reversal bottom on Wednesday, they are now back over the 128.290 support area. Their high today 129.145. Their next resistance is 129.250. This current sell off had also reached a support area on the weekly chart going back to October 2011. So like the currencies they are bouncing off of long term support too. Their major resistance long term is 132.000. Also the monthly chart is triggering a sell this month. The weekly is triggering a sell this week. Closed 129.005, up .125.

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