



# CommTrendz Research

## Weekly Snapshots 14-May-2007

### Comex Gold (June)

Gold futures pulled back higher on Friday on bargain hunting after falling sharply lower during the week. The dollar fell lower after a weak US PPI and a surprising decline in retail sales, signs that bolstered the view of a slowing economy boosted by a weaker dollar and fund buying, again giving rise to hopes for a test of the psychological resistance at \$700. The dollar fell against the euro after a report showed that US payrolls growth for April was the lowest since November 2004 and weaker than economists' expectations. Despite the sell-off during the week a consolidation is expected in gold futures and believe the overall trend to be intact. COMEX gold futures retreated lower after failing to follow-through in the \$693-95 range. A crucial rising trend line in the \$675-78 has broken, indicating bearishness and this region could cap



initial advances in the coming week. More important resistance is in the \$683-85 levels and a rise above \$688 again could rekindle bullish expectations. The volatility in gold has been quite strong off late and therefore see more range-based movement in the weeks to come before it ultimately breaks higher above \$700 levels. We still believe the overall up trend to be intact despite the recent fall.

There is a possibility of prices testing \$645 on the downside in case it fails to gather support in the \$660 region. We believe that the third wave could have ended at \$732 and the current move being a fourth wave consolidation and the beginning of a fifth wave impulse will be confirmed above \$698. RSI is in the neutral zone indicating that it is neither overbought nor oversold. The averages in MACD are above the zero line of the indicator suggesting bullishness. Prices are below the short-term 8-day period EMA at \$682 indicating bearishness followed by the 21-day period EMA at \$682.75. Therefore, expect gold futures to test the resistance levels and fall lower subsequently.

**Close:** 672.50  
**Supports:** 665 658 645  
**Resistances:** 678 683 688

### Mcx Gold (June)

Prices moved lower during the week. Near term support is seen at 8930 a break of this level could see a test of 8825 levels. Resistance is likely to be seen at 9130 ,a move above could see a test of 9240 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover below this line will bring about bearishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold. Prices have closed above the 8-day EMA at 9319 and below the 21-day EMA is at 9297. Favored view expects 8934/8903 to hold for a bounce back to 9131. However fall below 8892 would cause doubt about his bullish view and could stretch towards 8782 levels.



**Close:** 9030  
**Supports:** 8930 8825 8750  
**Resistances:** 9130 9240 9350



### Comex Silver (July)

Comex silver futures closed lower last week. The week saw a continuation of the long liquidation from the previous sessions as the precious metals complex fell with low investment demand. Weakness in copper futures pressured the precious metals complex. A rally in the Dollar saw selling across the precious metals. The market is clearly following the dollar for direction in precious metals. The market will continue to look for important data releases namely PPI and Retail Sales next week for further direction. Near term support is seen at 1313 a break of this level could see a test of 1275 levels. Resistance is likely to be seen at 1380 a move above could see a test of 1420 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover above this line will bring about bearishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold.



Prices have closed between both the 8-day EMA at 1361 and the 21-day EMA is at 1309.

Favoured view expects that nearer supports around 13.25 would hold for a push above 13.40 opening the way for further rally. Fall below 13.15 is needed to change this view, as such a dip would signal weakness towards 13.00/12.95.

**Close:** 1331.50  
**Supports:** 1313 1275 1225  
**Resistances:** 1380 1420 1460

### Mcx Silver (July)

Prices moved lower during the week. Near term support is seen at 18627 a break of this level could see a test of 18455 levels. Resistance is likely to be seen at 19250, a move above could see a test of 19575 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover below this line will bring about bearishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold. Prices have closed below both the 8-day EMA at 19360 and the 21-day EMA is at 19275. Favoured view expects that nearer supports around 18477 would hold for a push above 18686 opening the way for further rally. Fall below 18338 is needed to change this view, as such a dip would signal weakness towards 18128/18059.



**Close:** 18580  
**Supports:** 18280 18000 17700  
**Resistances:** 19250 19575 19850



### Nymex Crude (June)

Oil prices closed higher on Friday amid concerns about the possible mismatch due to an expected jump in demand for oil-based products. A report from the International Energy Agency sighted concerns over the ability of refiners to meet product demand. The EIA reported a rise in gasoline stocks by 400,000 barrels last week. Gasoline supplies in the last two weeks are at the lowest levels since October 2005. Continued violence in Nigeria, Africa's largest oil producer and a leading supplier to the United States, has also been supporting higher oil prices. Prices closed higher during the week. Near term support is seen at 61.50 a break of this level could see a test of 60.05 levels. Resistance is likely to be seen at 63.50, a move above could see a test of 64.75 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover below this line will bring about bearishness. RSI is in neutral



conditions indicating prices are neither overbought nor oversold. Prices have closed below both the 8-day EMA at 63.70 and the 21-day EMA is at 63.27.

Favored view expects supports near 61.60 to hold for a rise towards 63.40 or 64.20. However a fall below 61.30 is needed to prove this view wrong as such a dip could drag the price to 60.65.

**Close:** 62.48  
**Supports:** 61.50 60.05 59.26  
**Resistances:** 63.50 64.75 65.50

### Mcx Crude (June)

Prices moved higher during the week. Near term support is seen at 2620 a break of this level could see a test of 2580 levels. Resistance is likely to be seen at, 2680 a move above could see a test of 2730 levels. Averages in MACD are below the zero line indicating bearishness; only a crossover above this line will bring about bullishness. RSI is in neutral condition indicating prices are neither overbought nor oversold. Prices have closed below both the 8-day EMA at 2739 and the 21-day EMA is at 2814. Favored view expects supports near 2636 to hold for a rise towards 2710 or 2743. However a fall below 2623 is needed to prove this view wrong as such a dip could drag the price to 2597.



**Close:** 2650  
**Supports:** 2620 2580 2550  
**Resistances:** 2680 2730 2750



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### CBOT Soy Oil (July)

CBOT Soy oil futures closed higher last week. Gains in palm oil futures on the BMD lent support to the bullish sentiment. The USDA's first estimates of the 2007-2008-soybean crop year predicted 320 million bushels, down from 610 million bushels in 2006-2007. Brazil's top soybean producing state Mato Grosso is unlikely to have an expansion in fields next year due to logistical problems coupled with weakness in the Dollar which has seen a fall in profit margins, which is a supporting factor. The prevalent dry and warm conditions has seen the farmers planting corn at a rapid rate, which has led to a belief there wont be a major shift in acreage from corn to soybeans. Prices moved higher during the week. Near term support is seen at 33.20 a break of this level could see a test of 32.20 levels. Resistance is likely to be



seen at 35.50, a move above could see a test of 36.55 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover below; this line will bring about bearishness. RSI is in overbought conditions indicating prices could correct lower. Prices have closed above the 8-day EMA at 33.10 and above the 21-day EMA at 32.10. Favoured view for the week is as long as 33.50/33.60 supports expect prices to edge higher towards 35.10 or even 35.20 levels.

**Close:** 34.39  
**Supports:** 33.20 32.20 31.00  
**Resistances:** 35.50 36.55 37.50

### Mcx Soyoil (June)

Prices moved lower during the week. Near term support is seen at 475.65 a break of this level could see a test of 470.50 levels. Resistance is likely to be seen at 484.55, a move above could see a test of 488.50 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover below this line will bring about bearishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold Prices have closed above the 8-day EMA at 479.83 and the 21-day EMA is at 477.94 indicating bullishness. Favoured view for the week is for as long as 477-477.50 holds support expect prices to edge higher towards 486 or even 489 levels.



**Close:** 480.80  
**Supports:** 475.65 470.50 466  
**Resistances:** 484.55 488.50 493



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### MDEX Palm Oil (July)

Malaysian crude palm oil futures ended higher lifted by a sharp decline in palm oil stocks and a steady increase in exports. CPO active July contract moved perfectly in line with expectations. With the indicators still displaying highly overbought conditions, a good corrective dip is in the offing. As expected supports at 2240 Malaysian ringgit (MYR) tonne levels held well and the rally could continued higher towards 2352 MYR/tonne levels. Further upside can be seen towards 2465-80 MYR/tonne levels. A daily close below 2240 MYR/tonne will be the first sign of major correction to begin. We are in the fifth wave move of that impulse. We can expect a corrective A-B-C to take place in the coming weeks. The averages in MACD are still above the zero line in the indicator suggesting bullishness to be intact. Prices are above the short-term 8-day period EMA

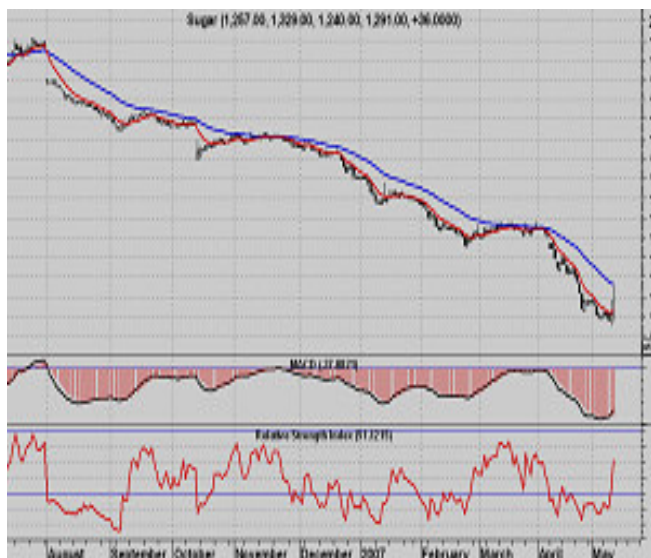


at 2218 MYR/tonne and the 21-day period EMA is at 2158 MYR/tonne. Therefore, look for palm oil futures to test the resistance levels and then correct lower sharply.

**Close:** 2325  
**Supports:** 2310 2278 2240  
**Resistances:** 2379 2400 2452

### Ncdex Sugar (June)

Prices moved higher during the week. Near term support is seen at 1262 a break of this level could see a test of 1235 levels. Resistance is likely to be seen at 1337, a move above could see a test of 1360 levels. Averages in MACD are below the zero line indicating bearishness; only a crossover above this line will bring about bullishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold. Prices have closed above the 8-day EMA at 1267.11 and below the 21-day EMA is at 1333.31. Favoured view for the week is for as long as 1250-1255 holds support expect prices to edge higher towards 1350-1355 levels.



**Close:** 1291  
**Supports:** 1262 1235 1200  
**Resistances:** 1337 1360 1384



### Ncdex GuarGum (June)

Prices moved lower during the week. Near term support is seen at 4478 a break of this level could see a test of 4352 levels. Resistance is likely to be seen at 4644, a move above could see a test of 4729 levels. Averages in MACD are below the zero line indicating bearishness; only a crossover above this line will bring about bullishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold. Prices have closed above the 8-day EMA at 4538.78 and below the 21-day EMA is at 4757.42. Favoured view for the week As long as 4480-4500 holds support expect prices to edge higher towards 4700 or even higher towards 4770 levels.



**Close:** 4560  
**Supports:** 4478 4352 4271  
**Resistances:** 4644 4729 4846

### Ncdex Pepper (June)

Prices lower during the week. Near term support is seen at 15050 a break of this level could see a test of 14700 levels. Resistance is likely to be seen at 15938 ,a move above could see a test of 16477 levels. Averages in MACD are above the zero line indicating bullishness; only a crossover below this line will bring about bearishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold. Prices have closed below both the 8-day EMA at 15707.92 and the 21-day EMA is at 15616.35. Favoured view for the week is for Expect prices to edge lower towards 14600 and find support there.



**Close:** 15400  
**Supports:** 15050 14700 14200  
**Resistances:** 15938 16477 16820



### Ncdex Guar seed (June)

Prices moved lower during the week. Near term support is seen at 1767 a break of this level could see a test of 1739 levels. Resistance is likely to be seen at 1861, a move above could see a test of 1897 levels. Averages in MACD are below the zero line indicating bearishness; only a crossover above this line will bring about bullishness. RSI is in neutral conditions indicating prices are neither overbought nor oversold. Prices have closed above the 8-day EMA at 1820.71 and below the 21-day EMA is at 1936.80. Favoured view for As long as 1770-1780 holds support expect prices to edge higher towards 1900 levels.



<b>Close:</b>	<b>1825</b>			
<b>Supports:</b>	<b>1767</b>	<b>1739</b>	<b>1709</b>	
<b>Resistances:</b>	<b>1861</b>	<b>1897</b>	<b>1918</b>	



### Weekly Calander

Date	Time (ET)	Statistic	For	Actual	Briefing Forecast	Market Expects	Prior	Revised From
May 15	8:30 AM	Core CPI	Apr	-	NA	NA	0.1%	-
May 15	8:30 AM	CPI	Apr	-	0.5%	0.5%	0.6%	-
May 15	8:30 AM	NY Empire State Index	May	-	NA	NA	3.8	-
May 15	8:30 AM	Core CPI	Apr	-	0.2%	0.2%	0.1%	-
May 15	8:30 AM	NY Empire State Index	May	-	8.0	10.0	3.8	-
May 15	9:00 AM	Net Foreign Purchases	Mar	-	-	-	\$58.1B	-
May 16	8:30 AM	Housing Starts	Apr	-	1480K	1475K	1518K	-
May 16	8:30 AM	Building Permits	Apr	-	1525K	1530K	1564K	-
May 16	9:15 AM	Capacity Utilization	Apr	-	NA	NA	81.4%	-
May 16	9:15 AM	Industrial Production	Apr	-	0.2%	0.3%	-0.2%	-
May 16	9:15 AM	Capacity Utilization	Apr	-	81.4%	81.5%	81.4%	-
May 16	10:30 AM	Crude Inventories	05/11	-	NA	NA	5511K	-
May 17	8:30 AM	Initial Claims	05/12	-	315K	NA	297K	-
May 17	12:00 PM	Philadelphia Fed	May	-	3.0	2.0	0.2	-
May 18	10:00 AM	Mich Sentiment-Prel.	May	-	85.0	87.0	87.1	-