

**THE MARKETS AT A GLANCE:**

**Stock Market:**

U.S. equities rose sharply Friday, ending their fourth-straight positive week on a strong note as signs of stabilization in durable goods and housing boosted investors' appetite for risk.

**Financials:**

U.S. Treasury prices declined, pushing 10-year yields up from three-week lows, after a government report said U.S. durable-goods orders improved in certain sectors last month.

**Foreign Exchange:**

The Swiss franc reached a new high against the dollar, as Japan's intervention in the market for yen stoked demand for an alternative to the yen amid speculation the U.S. economy will weaken.

**Energy:**

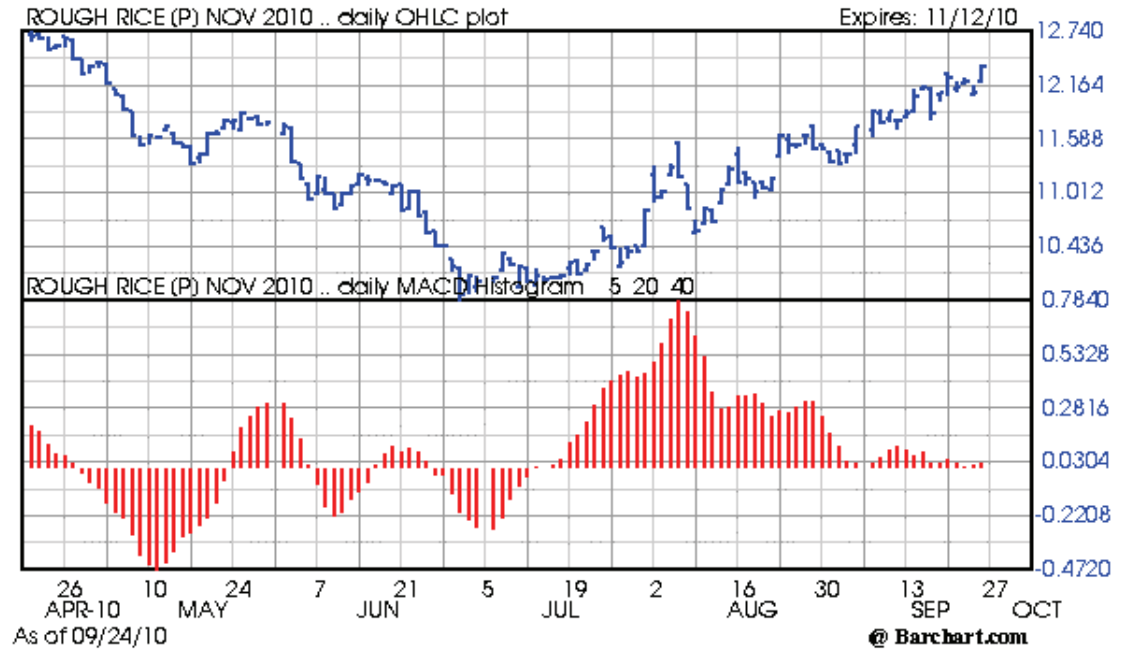
Crude oil prices rose, as the dollar fell against the euro, bolstering the appeal of commodities as an alternative investment.



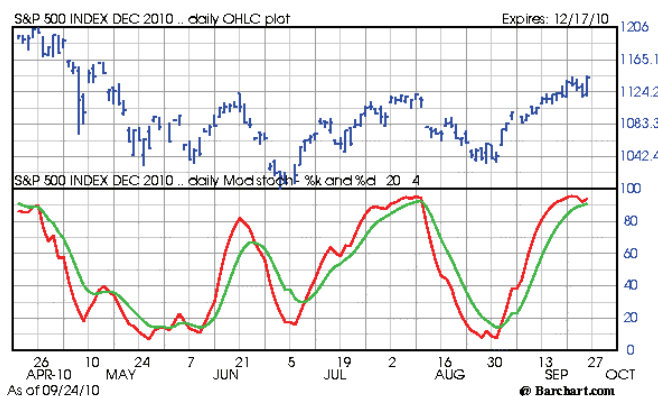
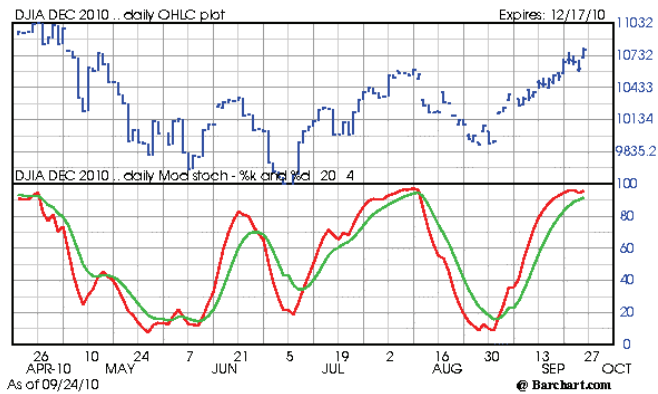
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**Nov. Rough Rice to benefit from a weaker USD, may reach 14.00**



*A weaker dollar helps boost agriculture prices by making grain exports more attractive to overseas buyers, and by boosting demand for alternative investments. The dollar slid as much as 0.9 percent to a seven-month low against a basket of six major currencies, and may weaken further. Rough rice also benefits from this dollar weakness, which may eventually boost prices to at least 14.00 at least.*



**US Stock Market:**

**U.S. equity futures** prices rose sharply Friday, ending their fourth-straight positive week on a strong note as signs of stabilization in durable goods and housing boosted investors' appetite for risk. The **Dow Jones** advanced 197.84 points, or 1.86%, to 10860.26, its biggest one-day rise since Sept. 1. The Dow rose 2.38% last week and 8.44% for the month. The **Nasdaq Composite** added 54.14, or 2.33%, to 2381.22. The **S&P's 500** gained 23.84, or 2.12%, to 1148.67, with all sectors in positive territory. The industrial and financial sectors led the gains.

The rally came after August results for U.S. durable-goods orders and sales of new homes, as investors took comfort in upward revisions in both areas for July, as well as increasing signs of stability. The durable-goods data showed gains in machinery, computers and fabricated-metal products, while a barometer of capital spending by businesses rose. New-home sales, meanwhile, were unchanged from July. The lack of a drop, combined with other readings on housing last week that topped expectations, provided relief to investors who had been fearful of further deterioration in the industry in the face of high unemployment.

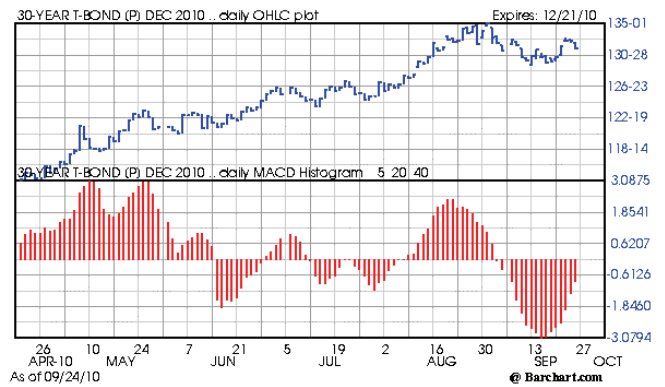
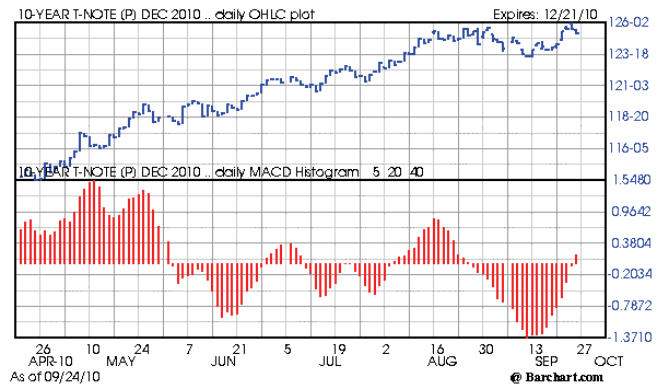
Overseas, the market was bolstered by an unexpected rise in the Ifo index in Germany, a gauge of business sentiment. That helped ease near-term worries over a possible growth slowdown in Europe's biggest economy.

## Interest Rates:

**U.S. Treasury** prices declined on Friday, pushing 10-year yields up from three-week lows, after a government report said U.S. durable-goods orders improved in certain sectors last month. A separate report showed sales of new homes held steady in August. Yields on **10-year notes** gained 6 basis points to 2.61%. Yields on **2-year notes** increased 2 basis points to 0.44%. **Thirty-year bond** yields jumped 6 basis points to 3.79%.

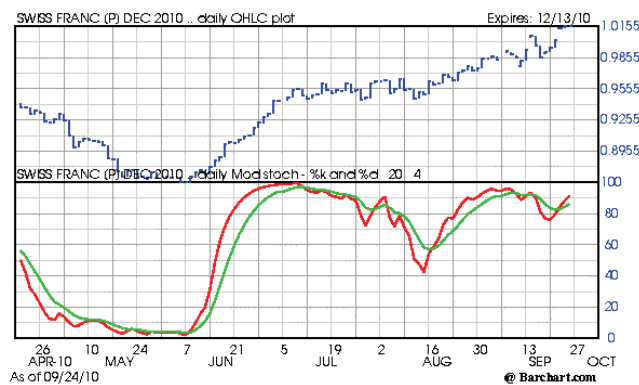
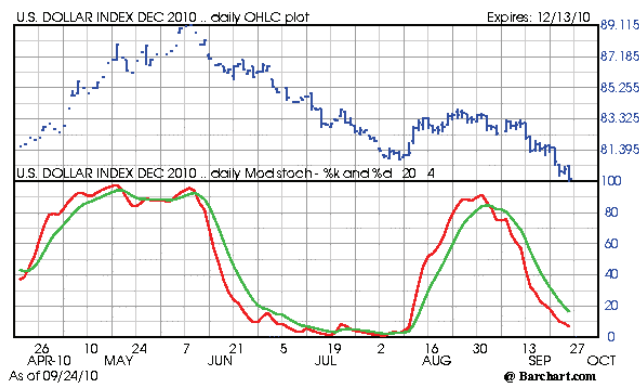
Treasuries traded mixed earlier last week, with short-term yields rising and long-term yields declining. Bonds were pulled by a report that German business confidence improved as well as suspicions that Japan had intervened in foreign-exchange market again. Limiting some decline, the Federal Reserve Bank of New York purchased \$3.89 billion in Treasury debt maturing from 2014 to 2016 on Friday, part of officials' pledge to reinvest cash from maturing mortgage-backed securities and housing agency debt back into the bond market to support the economic recovery.

On Thursday, 10-year note yields touched the lowest in three weeks, aided by worries about the financial health of Ireland and some weak U.S. data. The securities had the best weekly rally since mid August, spurred by the Fed's official statement earlier in the week hinting that the central bank is closer to going back to directly buy U.S. debt to stave off deflation and support economic growth. Treasuries have lost 0.3% this month, but are still up almost about 8% this year. Corporate bonds have returned 0.2% for September, almost 11% returns so far this year.



## Currencies:

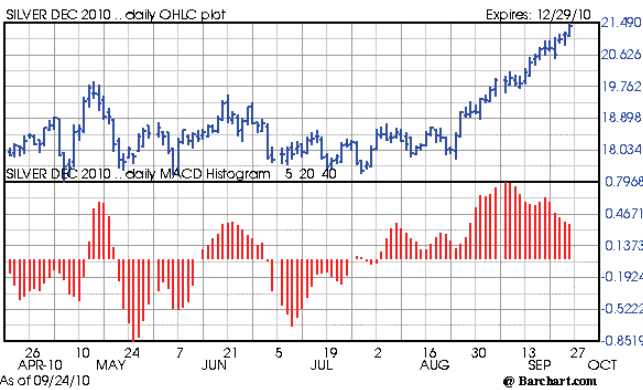
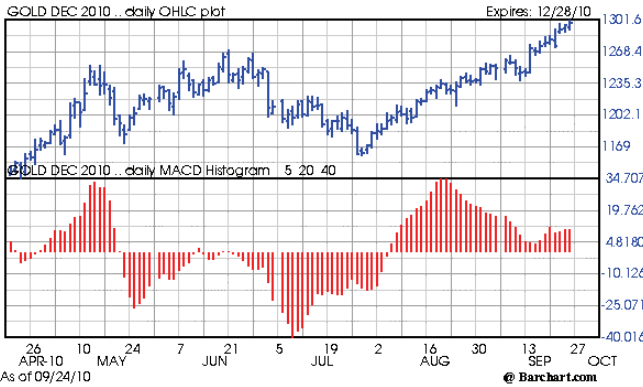
The **U.S. dollar** declined against the euro and other major currencies Friday, as big gains by U.S. stock benchmarks and gold overshadowed interest in the dollar. The greenback fell back against the yen as doubts grew over Japanese authorities' rumored intervention during the session to sell yen and buy dollars. The U.S. dollar index (DXY), which tracks the U.S. unit against a basket of six major currencies, declined to 79.333, down from 79.644. The dollar index has fallen for a third week, this time by 2.5%. It's still up 1.9% so far in 2010. Against the yen, the dollar traded at ¥84.34, off marginally from ¥84.37.



The **Japanese yen** slid as much as 1.1% against the dollar in the biggest intraday decline since the BOJ intervened on Sept. 15 before erasing the drop as traders speculated whether or not Japan sold the currency to protect exporters. Japanese government officials declined to comment on whether Prime Minister Naoto Kan's administration had intervened in the currency market Friday. Finance Minister Yoshihiko Noda publicly confirmed the Sept. 15 move within minutes of the start of the yen sales, which are ordered by his ministry and conducted by the BOJ.

The **euro** rallied, erasing early weakness to rise to \$1.3486, up from \$1.3333. The euro has advanced 3.3% last week, the biggest weekly gain since March 2009. For the year, however, it's still down 5.9%. The euro had gained after Germany's Ifo Institute said its business-climate index for the largest European economy unexpectedly rose to its highest level since June 2007.

The **Swiss franc** rose as much as 0.8% versus the dollar to 97.79 centimes, passing the 97.86 level set in March 2008, when markets were roiled by the U.S. sub prime-mortgage crisis. The franc rose 0.2% against the yen to 85.78, and weakened 1% versus the euro to 1.3250. The franc climbed 4.6% this year against a basket of currencies. The franc reached a record level of 1.2766 per euro on Sept. 8.



**Metals:**

**Gold futures** prices ended at a record high, as the dollar weakened and investors continued to flock to the metal as a hedge against fears of inflation and currency weakness. **December gold** settled \$1.80 higher at \$1,298.10 an ounce, just \$2 shy of the key psychological mark of \$1,300 an ounce. Gold has settled at a record high, ending the week up 1.6%. Gold's gains intensified after the Fed said it stood ready to inject more cash into financial systems to support the U.S. recovery. **December silver** rose 19 cents, 0.9%, to \$21.39/ounce, gained 2.7% for the week. **January platinum** retreated \$4.80 to \$1,645.40/ ounce. **December palladium** rose \$3.65 to \$560.50/ ounce.

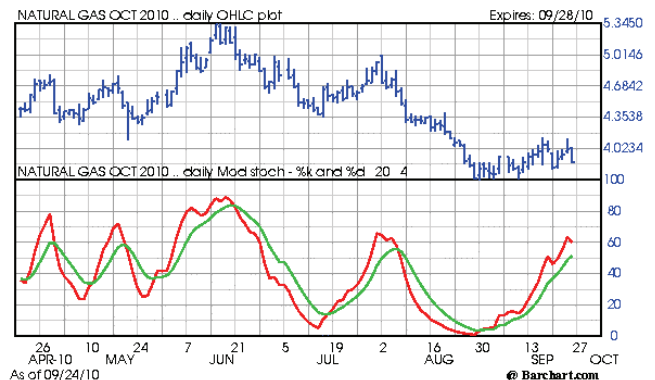
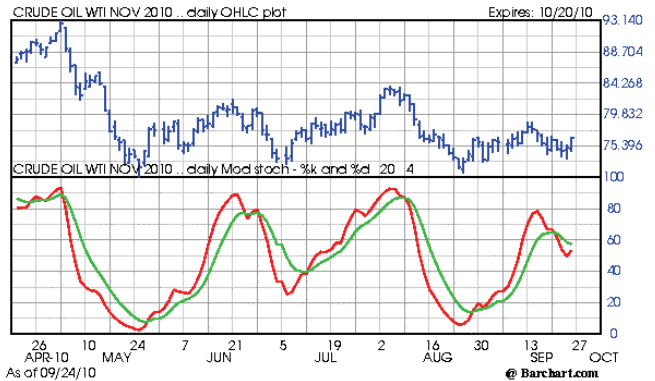
**Copper futures** prices closed in on a two-year high as improving economic data and a weaker dollar supported the metal's rally. **December copper** settled up 0.8%, or 2.75 cents at \$3.6180 a pound, less than 2 cents short of a two-year high. Prices were supported by an increase in August durable-goods orders for machinery, computers and fabricated metal products in durable goods data. Copper prices have risen by more than 30% since early June, as demand from China has stayed robust amid signs that global supplies may be tightening. Moves in the metal are often closely correlated with the outlook for industrial production around the world.

**Energy:**

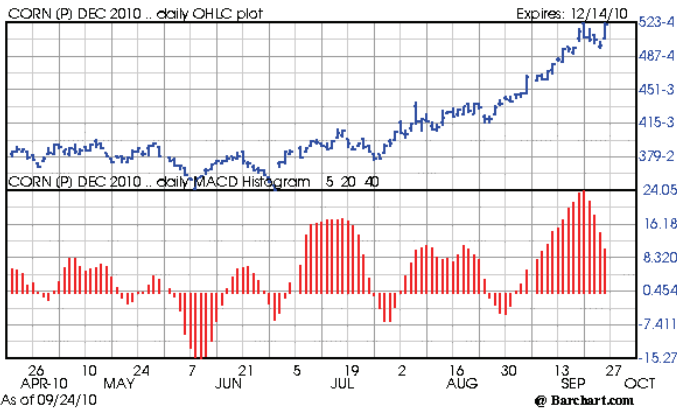
**Crude oil futures** rose nearly 2% Friday, getting a lift from capital-spending data and a weaker dollar. **November crude oil** gained \$1.31, or 1.7%, to \$76.49 a barrel. **November Brent crude oil** gained 76 cents, or 1%, to end the session at \$78.87 a barrel. Prices have risen 3.8% Friday, which included a roll from the October to November contracts. Most investment banks and crude analysts believe demand for oil is still robust. J.P. Morgan increased its oil price forecast, saying oil is likely to be trading around \$90 a barrel by the end of next year. However, oil trimmed its advance modestly after the Commerce Department said that sales of new homes in the U.S. were flat in August.

**U.S. consumption of petroleum products** fell 1.8% to 19.2 million barrels a day last week, the Energy Department reported on Sept. 22. Total petroleum supplies, including crude oil and fuel, rose 3.3 million barrels to 1.14 billion last week, the highest level since at least 1990. **October reformulated** gasoline rose 3 cents, or 1.4%, to \$1.95 a gallon. On the week, gasoline added 1.6%. **Heating oil** increased 2 cents, or .72% to 2.13 a gallon.

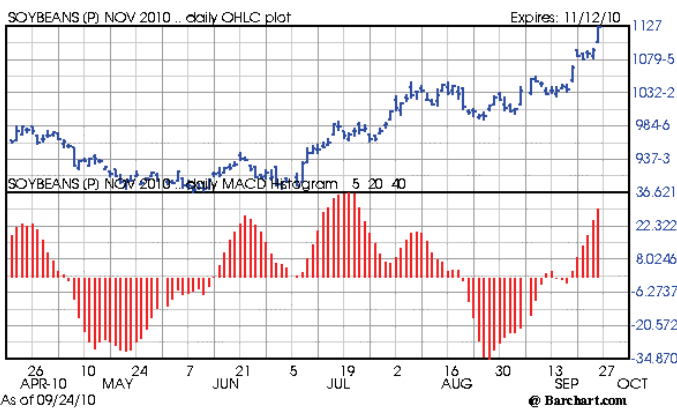
**Natural gas futures** prices slid Friday, eliminating a three-day rally in one session as Tropical Storm Matthew began tracking away from the gas-rich Gulf of Mexico, dashing chances it would interrupt production. **October natural gas** settled 13.8 cents, or 3.4%, lower at \$3.881 a million Btus. Tropical storm Matthew gained speed and swept across the Caribbean Sea. Last week, the storm made landfall in Central America and began working its way into Mexico. But before it has a chance to reach the Gulf of Mexico, which is home to 11% of U.S. gas production, Matthew veered back into the Caribbean. Though demand remained high throughout a hot summer that drew on gas-fired electricity to run air conditioners, supplies have since stockpiled as temperatures fell. Even as the inventory surplus showed signs of easing last week, natural gas in U.S. storage for the week ended Sept. 17 stood above the five-year average at 3.340 trillion cubic feet, while the gas rig count is about 37% higher than last year.



**Grains:**



**Wheat futures** gained in a rebound from a slide to a three-week low Thursday. Traders had hoped the setback would attract buyers to the market. **CBOT December wheat** closed up 22 3/4 cents, or 3.3%, at \$7.20 a bushel, down 19 1/4 cents on the week. **KCBT December wheat** jumped 20 1/4 cents, or 2.7%, to \$7.57 1/2 a bushel. **MGE December wheat** soared 19 cents, or 2.6%, to \$7.62 1/2 a bushel.



**Corn futures** jumped sharply, rebounding from a corrective tone that lasted all week to establish a new high close for the bull market. **December corn** ended up 22 1/2 cents, or 4.5%, to \$5.213/4 a bushel. **March corn** closed up 22 cents to \$5.34 1/4. **Oats futures** rallied sharply in concern with other grains. **December oats** gained 14 cents, or 4.1%, to \$3.52 a bushel while **March oats** gained 14 cents to \$3.58 1/4.

**Rice futures** rallied amid widespread commodity gains. **November rice** closed up 27 1/2 cents, or 2.3%, at \$12.36 per hundredweight. **January rice** settled up 28 1/2 cents at \$12.63 1/2.

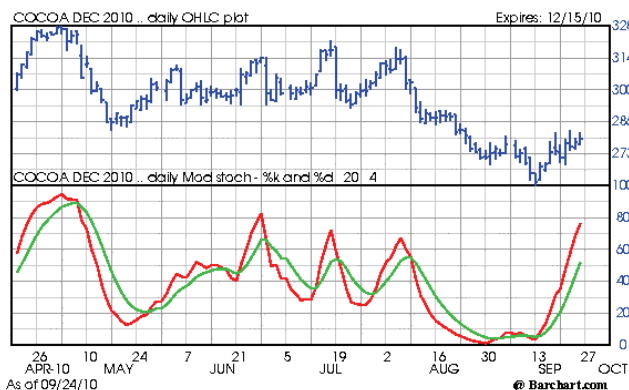
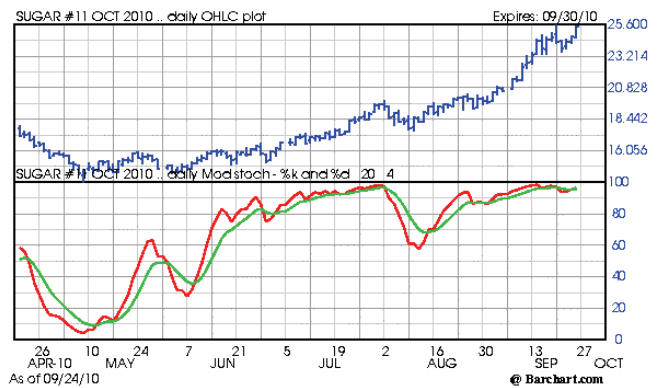
**Soybean futures** rose to a fresh one-year high on worries about world supplies, solid export demand and technical momentum. **November soybeans** climbed 32 1/2 cents, or 3.0%, to \$11.26 per bushel. **January soybeans** ended up 32 1/4 cents at \$11.35 1/2.

**Food/Softs:**

**Coffee futures** prices closed lower as rain has started to fall in Brazil's main coffee growing regions after months of drought. **December Arabica** dropped 1.05 cents to finish at \$1.8060 per lb, finishing the week down 4.6%, the biggest weekly losses in seven weeks. **November Robusta** fell \$10 to close at \$1,727 per ton. Coffee growing states of Minas Gerais, Parana and Sao Paulo. The rain should bring some 30-50 millimeters of rain to coffee-growing areas such as southern Minas Gerais over the next five days.

**World raw sugar futures** prices settled at a seven-month high on joining a broad based commodities rally, and adding to bullishness by revising down a forecast for global sugar supplies. **October sugar** is 1.6% higher at 24.70 cents a pound. ISO's forecast for a 1.7% increase in global sugar demand this year that will cut the inventory-to-consumption ratio to a 20-yr low of 32%. ABN Amro and VM Group lowered their estimate of the global surplus to 1.2 million tons for the season starting Oct. 1, from 5.64 million forecast in June.

**Frozen concentrated orange juice** prices closed higher on bullish conditions last week. **November FCOJ** rose 1.1 cents, or 0.7%, to settle at \$1.582 a pound. The price has gained 23% this year. A tropical weather system may form in the western Caribbean this week, boosting the risk of damage to citrus groves in Florida, the world's second-largest orange grower.

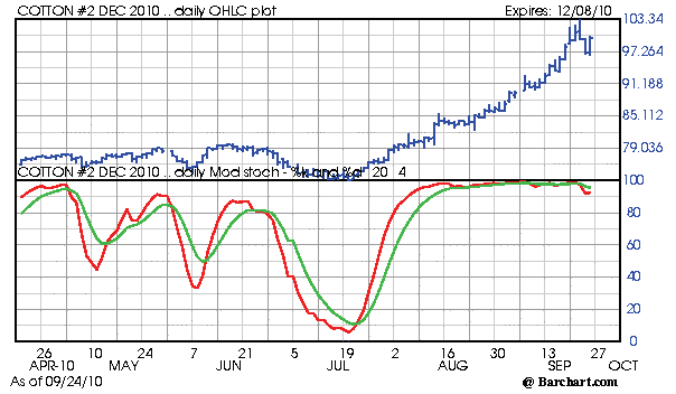


**Cocoa futures** prices flitted between small gains and losses as traders tried to appropriately value the market. **December cocoa** down \$17, or 0.6%, was recently at \$2,762 a ton. Prices fell throughout August and into September before rebounding late last week. Participants are monitoring an upcoming election in cocoa-producing Ivory Coast for turmoil that could shut down ports and hurt supplies. Moreover, top producing West Africa's crop continued to look good with weather conditions mostly favorable, but rains forecast could be a worry for crop quality.



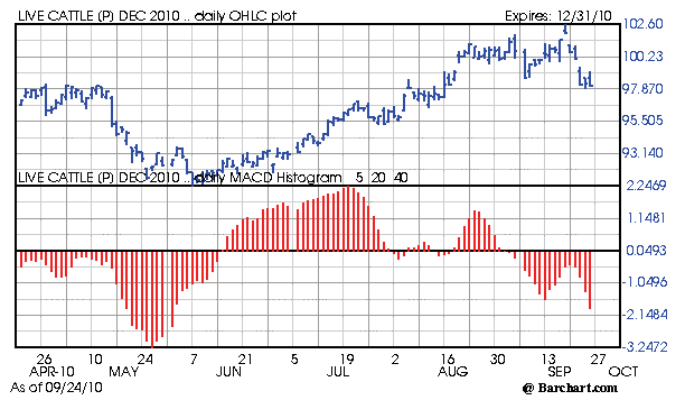
**Fibers:**

**U.S. cotton futures** prices rebounded as traders bought on renewed concerns that global demand is outpacing supply. **October cotton** settled 3.53 cents, or 3.6%, higher at \$1.0130 a pound. After India's announcement it did not plan to completely ban cotton exports, the market once again posted gains based on the commodity's worldwide shortage. Bad weather throughout Asia has hurt harvests, and India-- second largest cotton grower and shipper-- has asked to delay its export process. That has left mills scrambling to buy their share of cotton, even if it's at higher prices than normal.



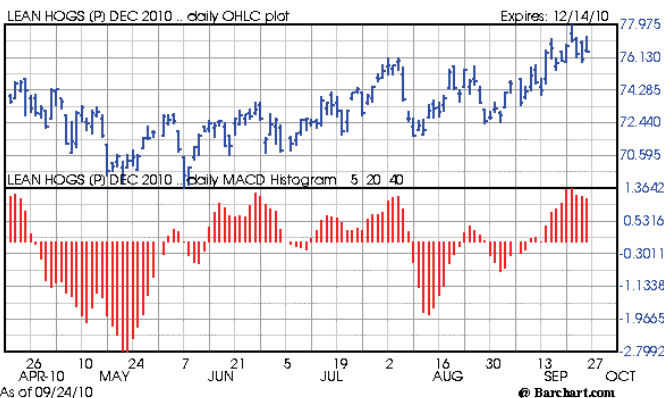
**Meats:**

**Live cattle futures** prices ended weak with late-day selling after traders squared positions before the weekend. **October live cattle** ended down 0.10 cent a pound, or 0.10%, at 96.02 cents. **December cattle** finished down 0.12 cent, or 0.13%, at 98.12 cents. Live cattle rose initially on short-covering and fund buying. Also, the spot-October month was bullish undervalued compared with last week's cash cattle price outcome. Cash-basis cattle last week brought mostly \$98 per hundredweight, which was steady compared with a week earlier. CME live cattle traders Friday operated in a fundamental void after last week's cash cattle business concluded by midweek. That caused live cattle market participants to turn elsewhere for inspiration, including CBOT corn that shot up dramatically on crop production woes. Those in CME's livestock pits believe higher corn costs could support cash cattle and hog prices in the months ahead because it might discourage producers from expanding their herds.



**Feeder cattle futures** prices mostly lower on live cattle's late-day pullback and CBOT corn's surge. Expensive feed is bearish for feeder cattle futures because it implies higher input costs for cattle feeders. **September feeder cattle** ended up 0.40 cent, or 0.4%, at 109.50 cents, as it prepares to expire on Sept. 30. **October feeders** finished down 0.62 cent, or 0.6%, at 108.67 cents. **November feeders** closed 0.75 cent lower, or 0.7%, at 109.10 cents.

**Hogs futures** prices closed higher after traders bought back previously sold positions, heading into Friday's third-quarter hog report. **October lean hogs** ended at 79.02 cents a pound, up 0.60 cents, or 0.7%. **December hogs** finished up 0.42 cent, or 0.6%, at 76.45 cents. USDA's hog survey expect the numbers to show ongoing U.S. hog herd reduction during the third quarter, but at a slower rate than in previous quarters. That, analysts said, should underpin cash hog prices going forward. Other livestock markets at the CME posted losses by day's end. Also, bullish hog futures traders targeted spot-October's 4.75-cent-a-pound discount to CME's hog index at \$83.17 per hundredweight for Sept. 21, which was quoted by the exchange late Thursday. The discount was based on the October contract's 78.42-cents a pound settlement Thursday. CME's hog index reflects the actual value of hogs on a lean basis as quoted by the U.S.D.A and lags behind the spot trading month by two days.



**U.S. Government Required Disclaimer:**

**Commodity Futures Trading Commission**

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Every effort has been made to ensure that the information contained herein, which has been derived from reputable sources is accurate

## Futures Trade Analyzer — Weekly Summary

Instrument*	Contract	Position	Start Date	Entry Price	Support/Sell Stop	Resistance/Buy Stop
<a href="#">Dow 30/Wall St</a>	Dec 10	None from Short				
<a href="#">Nasdaq 100 (Tech 100)</a>	Dec 10	None ◀▶				
<a href="#">S&amp;P 500 (SPX)</a>	Dec 10	Short ▼	23/8/10	1071		1165
<a href="#">Germany 30 (DAX)</a>	Dec 10	None ◀▶				
<a href="#">U.S. T-Bonds(decimalized)</a>	Dec10	Long ▲	16/8/10	13215	12850	
<a href="#">Australian Dollar/US\$</a>	Dec10	None ◀▶				
<a href="#">British Pound/US\$</a>	Dec10	None ◀▶				
<a href="#">Canadian Dollar/US\$</a>	Dec10	None ◀▶				
<a href="#">US Dollar Index(basket)</a>	Dec10	Long ▲	16/8/10	8303	7900	
<a href="#">Euro/Dollar FX</a>	Dec10	None ◀▶				
<a href="#">Japanese Yen/US\$</a>	Dec10	Long ▲	19/7/10	11540	11600	
<a href="#">Swiss Franc/US\$</a>	Dec10	Long ▲	23/8/10	9670	9700	
<a href="#">High Grade Copper</a>	July10	None ◀▶				
<a href="#">Gold (US)</a>	Dec10	Long ▲	6/9/10	1251	1270	
<a href="#">Silver (US)</a>	Dec 10	Long ▲	20/9/10	20.81	17.00	
<a href="#">Platinum (US)</a>	Oct10	Long ▲	6/9/10	1561	1570	
US Light <a href="#">Crude Oil</a>	Oct10	None ◀▶				
<a href="#">No Lead Gasoline.</a>	August10	None ◀▶				
<a href="#">Natural Gas</a>	July10	None ◀▶				
<a href="#">Heating Oil</a>	August10	None ◀▶				
<a href="#">Soyabeans</a>	Nov 10	Long ▲	13/9/10	1030		995
<a href="#">Corn</a>	Dec 10	Long ▲	6/9/10	464	430	
<a href="#">Oats</a>	Dec 10	Long ▲	20/9/10	356	290	
<a href="#">Rough Rice</a>	Nov 10	Long ▲	2/8/10	10555	11200	
<a href="#">Wheat CBT</a>	Dec10	Short ▼	9/8/10	755.3		795.0
<a href="#">Cocoa (US)</a>	Dec10	Short ▼	23/8/10	2827		2850
<a href="#">Coffee Arabica</a>	Dec10	None from Long				
<a href="#">NY Orange Juice</a>	July10	None ◀▶				
<a href="#">Lumber</a>	July10	None ◀▶				
<a href="#">Cotton</a>	Dec10	Long ▲	26/7/10	75.30	9200	
<a href="#">Sugar 11</a>	Oct10	Long ▲	14/6/10	1584	2200	
<a href="#">Live Cattle</a>	Dec10	None ◀▶				
<a href="#">Pork Bellies</a>	Feb11	None ◀▶				
<a href="#">Hogs, Lean</a>	Dec10	None ◀▶				

\* These entries are hyperlinked. Clicking on the links will call up the charts of the indicated instruments.