

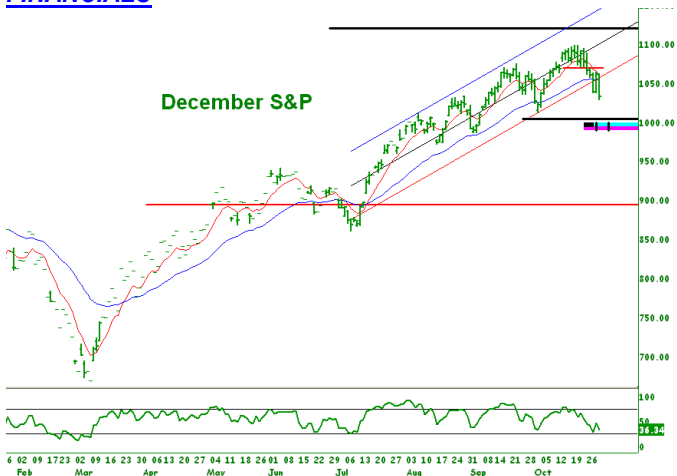
JbG Technical Analysis

Tel: (954) 971-7127 jbq@jbgtechnical.net

Markets do not turn on fundamentals.. they turn on changes in trader's sentiment

November 2, 2009

FINANCIALS



This contract fell short of the 1120 target but it did give a sell signal before breaking the lower parameter of the regression line. Either this contract moves back into the channel immediately or it faces the possibility of sagging down to just below 1000; and that may be only the first stop. In the event of a miracle, the resistance at 1120 is still there. Just like the Baseball World Series now extends into November, so can the stock market's October syndrome. I expect that this contract will continue to work lower as it corrects for the rally that began in March. There is plenty of downside for such a correction

NASDAQ



After giving a warning, this index broke and close below the regression channel. The first stop should be the MOB bar and the second the critical Gann line at 3985..and the third.....?

December 10 yr Notes

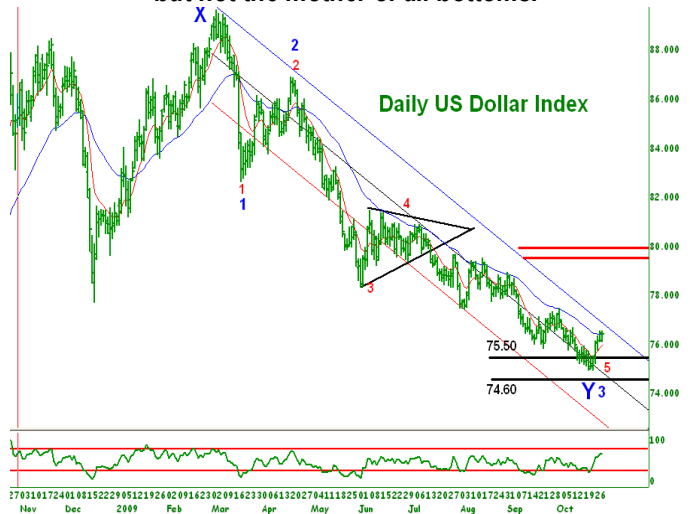
Too volatile. No positions.

CURRENCIES

You may have noticed that I have recently started to cover the US Dollar index because of the correlation between the US\$ and Energy prices. The index is traded on the ICE. That basket of six weighted currencies includes: The Euro, Japanese Yen, Swiss Franc, B Pound, Canadian Dollar and the Swedish Krona.

Weekly Cash US Dollar Index

It could be that the US\$ index put in a significant bottom but not the mother of all bottoms.



(unch) Despite the fact that this index reacted out of the target I designated on the chart, it is too early to break out the champagne.. I have been alluding to the fact that whichever label on the chart one chooses, a rally from current levels is called for. If we choose to go with the red label then it implies that the five wave down move is complete so this index should rally off an important bottom. On the other hand if one chooses to go with the blue label then prices have met the wave three target area and should launch a wave four rally to the 79.50 to 80.00 area for a wave four then a drop to new lows. My bet goes to the red label because a triangle can only be a wave 4 and an oscillator used to identify a wave four has confirmed it. I hate to throw cold water on a celebration but.. five waves cannot make up an entire correction but rather rather one leg of it. In this case it may be the A of a huge ABC. If I am wrong on both counts, then I will go back to the drawing boards. We can make an educated guess if and when prices move decisively above 80.00.

December Euro



I alluded to selling this currency in my last commentary. I have reconsidered. Rather than sell the Euro, I prefer to wait it out. Therefore no positions at this time.

December J Yen

No position.

December B Pound

No position..

December Canadian Dlr:

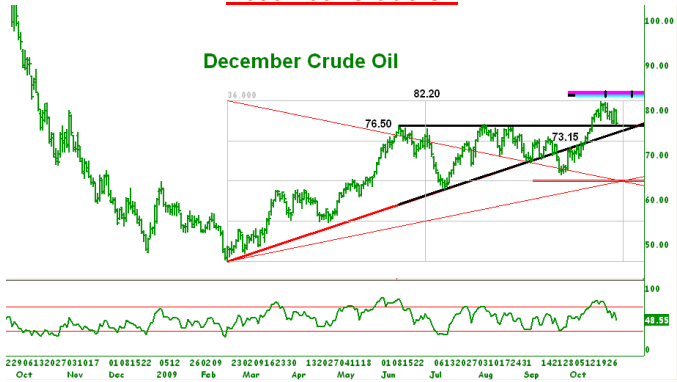
No position.

December Australian Dlr

No position.

ENERGY

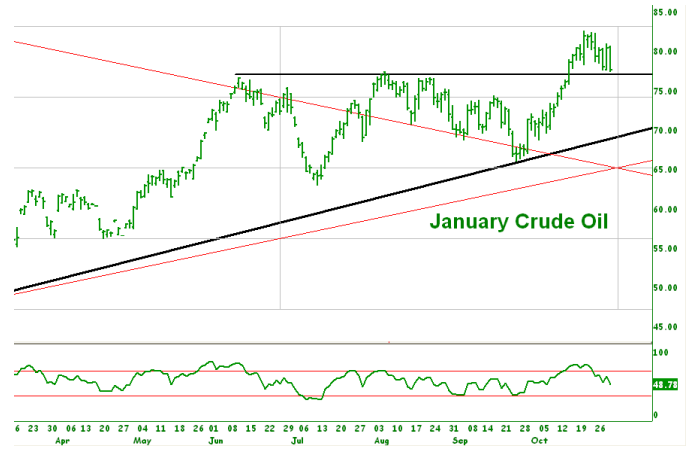
December Crude Oil



I believe we have seen the extent of this rally for the time being. Although prices came to rest at the level of the previous two tops, I do not think this contract is ready to do battle with the MOB. A test of 73.15 is next in line with the critical Gann line at 64.15 being groomed as a downside candidate. Resistance should still remain at the top of the Gann square at about 82.20.

January Crude Oil

It appears that the top of the Gann square housed enough sellers to repel prices about down about \$5.00. From an Elliott approach, I would expect prices will hold at about 77.00 then work up to new highs. Should prices break out the top of the Gann square at 83.25, it would technically justify a move up to about 90.00.



December Natural Gas



Prices crashed below the critical Gann line as if it did not exist. The MOB appears to be holding but I would not bet my money that the MOB will hold. The next stop would be 4.80 then a test of the September low at 4.34.

January Natural Gas



Here too prices are testing the MOB just below the downtrend line. It would take a move and close above 5.60 to suggest a rally is in the works and a close above 5.85 to clinch it.

MetalsDecember Gold:

No position.

December Silver

No positions.

December Copper:

(unch) Protect long positions against a close below 286.00.

AgriculturalsDecember Corn:

Short this contract and protect against a close above 3.81

November Soybeans:

No position.. Go short on a close below 9.65.

December Wheat:

Short this contract on a close below 4.93..

MeatsJanuary Feeders:

Stopped out of long positions.

February L Cattle

(unch) Raise stop for long positions to a close below 86.40.

SoftsDecember Cocoa

No positions..

December Coffee:

No positions.

March* Sugar

Stopped out of short positions. .

John Gambino
Technical Analyst