

**GRAINS****SOY COMPLEX RECAP****2/10/2012**

March Soybeans finished up 1 1/2 at 1229, 1 3/4 off the high and 14 up from the low. May Soybeans closed up 1 1/2 at 1237 1/2. This was 14 1/4 up from the low and 1 1/2 off the high.

March Soymeal closed down 1 at 320.0. This was 3.8 up from the low and 1.0 off the high.

March Soybean Oil finished down 0.01 at 52.53, 0.08 off the high and 0.69 up from the low.

March soybeans closed 1 1/4 cents higher on the session and 3 1/2 cents lower for the week. A negative tone to outside market forces plus follow-through selling from yesterday's weak technical action helped to drive the market moderately lower on the session early. A surge higher in the US dollar and weakness in energy and metal markets helped to pressure soybeans and other commodity market early in the session. Talk of improving weather in South America added to the negative tone. Talk of increased risk of Greek default helped to pressure the market as well. Private exporters reported a sale of 120,000 tonnes of US soybeans to China this morning which helped to provide some underlying support. Talk that parts of southern Brazil are still warm and dry helped to support the market late in the day to close higher on the session. The market found support on the early break to a 5-session low and the market managed to bounce to just slightly lower on the day into the mid-session.

**Technical Outlook**

SOYBEANS (MAR) 02/13/2012: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 1210 1/4. The next area of resistance is around 1236 3/4 and 1241 1/2, while 1st support hits today at 1221 1/4 and below there at 1210 1/4.

SOYMEAL (MAR) 02/13/2012: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 314.5. The next area of resistance is around 322.4 and 324.0, while 1st support hits today at 317.6 and below there at 314.5.

SOYBEAN OIL (MAR) 02/13/2012: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. 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 target is at 53.14. The next area of resistance is around 52.91 and 53.14, while 1st support hits today at 52.15 and below there at 51.61.

**CORN MARKET RECAP****2/10/2012**

March Corn finished down 5 1/4 at 631 3/4, 7 off the high and 3 1/2 up from the low. May Corn closed down 6 at 635 1/2. This was 3 up from the low and 7 1/4 off the high.

March corn closed 5 1/4 cents lower on the session and down 12 3/4 cents for the week. The lower close for the week after positing a new high for the move is seen as a negative technical development. December corn pushed sharply lower and down to the lowest level since January 24th and closed 21 3/4 cents down for the week. Bearish outside market forces with a surge higher in the US dollar and weakness in energy and equity markets helped to pressure the market early in the day. Concerns on the Greek debt deal and further weakness in the wheat market helped pull the market lower early in the day but the market found support to bounce to near unchanged on the session into the mid-day. Private exporters reported a sale of 240,000 tonnes of US corn to Egypt this morning which helped to provide some underlying support.

### **Technical Outlook**

CORN (MAR) 02/13/2012: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 622 1/4. The next area of resistance is around 637 and 643, while 1st support hits today at 626 1/2 and below there at 622 1/4.

## ***WHEAT MARKET RECAP***

**2/10/2012**

March Wheat finished down 16 at 630, 15 3/4 off the high and 1 3/4 up from the low. July Wheat closed down 19 1/2 at 648 1/2. This was 2 up from the low and 19 3/4 off the high.

March wheat closed 16 cents lower on the session and fell 30 3/4 cents for the week. Bearish outside market forces with a surge up in the US dollar and weakness in the other commodity markets helped to pressure the market early. The set-back pushed the market down to the lowest level since January 24th before a bounce into the mid-session. Follow-through technical selling after the bearish USDA news yesterday added to the selling pressure. Record high world ending stocks and hefty soft red wheat stocks helped to pressure. Egypt announced a tender after the close.

### **Technical Outlook**

WHEAT (MAR) 02/13/2012: The major trend has turned down with the cross over back below the 40-day moving average. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 1st swing support could weigh on the market. The next downside objective is 616. The next area of resistance is around 638 3/4 and 651, while 1st support hits today at 621 1/4 and below there at 616.

## **ENERGIES**

### ***ENERGY MARKET RECAP***

**2/10/2012**

March Crude Oil closed down 0.88 at 98.96. This was 1.64 up from the low and 0.93 off the high.

March Heating Oil closed down 2.16 at 318.69. This was 1.18 up from the low and 3.31 off the high.

March RBOB Gasoline finished down 2.83 at 298.45, 3.05 off the high and 2.38 up from the low.

March Natural Gas finished down 0.00 at 2.47, 0.05 off the high and 0.02 up from the low.

March crude oil traded in negative territory throughout the session but managed a \$1.50 rally from its morning low. The market came under selling pressure throughout the overnight and early morning hours as uncertainty mounted that Greece might not receive more bailout funds without more aggressive spending cuts. These concerns tripped off a global equity market sell off and a rally in the US dollar. Some traders indicated that weakness also came into crude oil from a lower than expected 2012 global oil demand forecast from the IEA. The US product markets were also lower, with most of the weakness coming from March RBOB. March crude oil ended the week with a \$0.80 gain and just above the middle of the week's trading range.

### **Technical Outlook**

CRUDE OIL (MAR) 02/13/2012: The close under the 60-day moving average indicates the longer-term trend could be turning down. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 101.35. The next area of resistance is around 100.24 and 101.35, while 1st support hits today at 97.68 and below there at 96.22.

RBOB GAS (MAR) 02/13/2012: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The next upside target is 304.04. The next area of resistance is around 301.16 and 304.04, while 1st support hits today at 295.74 and below there at 293.19.

HEATING OIL (MAR) 02/13/2012: 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. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 323.71. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 320.93 and 323.71, while 1st support hits today at 316.45 and below there at 314.74.

## **LIVESTOCK**

### **LIVE CATTLE RECAP**

**2/10/2012**

February Live Cattle closed down 1.22 at 123.95. This was 0.10 up from the low and 1.05 off the high.

April Feeder Cattle finished down 1.50 at 155.75, 1.15 off the high and 0.05 up from the low.

April cattle closed 140 lower on the session and 60 lower for the week. The late selling pushed the market down to the lowest level since January 18th. The market traded moderately lower on the session early today as outside market forces helped to pressure. A lack of cash market trade this week added to the jittery tone from the fund traders and speculators and this may have added to the negative tone. The sharp break in the stock market and weakness in the beef market late yesterday was also seen as a bearish force. Boxed-beef cut-out values came in at \$186.41 this morning, up \$0.09 from yesterday and up from \$183.12 last week at this time. Cash cattle traded steady to \$1.00 lower at \$123.00.

### **Technical Outlook**

LIVE CATTLE (FEB) 02/13/2012: The daily stochastics gave a bearish indicator with a crossover down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 12305.000. The next area of resistance is around 12450.000 and 12532.000, while 1st support hits today at 12340.000 and below there at 12305.000.

## **LEAN HOGS RECAP**

**2/10/2012**

February Lean Hogs closed down 0.45 at 86.85. This was 0.10 up from the low and 0.35 off the high.

April hogs closed 135 lower on the session and 62 lower for the week. The market pushed sharply lower on the session and gave back all of yesterday's gains and more into the mid-session. Bearish news from outside market forces and fears that pork values will remain choppy helped to spark long liquidation selling as weakness in grains and other commodity markets helped to pressure. US pork exports for the month of December came in at 493.2 million pounds which is down a bit from November but still the second highest monthly export on record. Exports were up 22.8% from last year. December exports represented 23.9% of the total production for the month. China imported 92.7 million pounds from the US in December which is down from 117.8 million in November but also the second highest total on record. South Korea imported 37 million pounds in December.

### **Technical Outlook**

LEAN HOGS (FEB) 02/13/2012: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 8647.000. The next area of resistance is around 8705.000 and 8735.000, while 1st support hits today at 8662.000 and below there at 8647.000.

## **FINANCIALS**

### **BOND MARKET RECAP**

**2/10/2012**

March Bonds finished up 1-080 at 142-250, 0-060 off the high and 0-140 up from the low.

March 10 Yr Treasury Notes closed up 0-195 at 131-125. This was 0-080 up from the low and 0-035 off the high.

The Treasury managed to extend on the upside today in the wake of a renewed Greek debt concerns, slack US data and noted weakness in the equity markets. Perhaps the market took Bernanke comments regarding the importance of US housing as a bullish development but other comments from the Fed Chief regarding the US seeing a moderate recovery should have dampened the impact of the Fed statements today. With the Chinese news overnight depicting slowing and US consumer sentiment a touch weaker the bull camp simply had more arguments than the bear camp. In fact, the bulls were probably seeing a noted amount of classic technical stop loss buying when March bonds managed to rise above the prior two days highs.

### **Technical Outlook**

BONDS (MAR) 02/13/2012: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is 141-050. The next area of resistance is around 143-110 and 143-260, while 1st support hits today at 142-010 and below there at 141-050.

10 YR TREASURY NOTES (MAR) 02/13/2012: The market now above the 40-day moving average suggests the longer-term trend has turned up. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 130-195. The next area of resistance is around 131-210 and 131-290, while 1st support hits today at 131-005 and below there at 130-195.

## **STOCK INDICES RECAP**

### **2/10/2012**

March S&P closed down 7.7 at 1340.6. This was 7.1 up from the low and 0.6 off the high.

March S&P E-Mini finished down 7.75 at 1340.5, 7.75 off the high and 6.75 up from the low.

March Dow finished down 75 at 12767, 8 off the high and 57 up from the low.

The March S&P 500 traded lower throughout the session, pressured by uncertainty surrounding a bailout for Greece. The situation in Greece seemed to change overnight after European leaders called for more austerity reforms and a firm commitment before granting them more aid. This offered some traders a reason to bank profits, which contributed to the sell off. Another factor that contributed to the day's weakness was a round of disappointing US economic readings on US trade and consumer sentiment that fell short of expectations. All of the major S&P sectors were in negative territory, led by industrials and financials. Renewed concerns over a potential Greek debt default and risk of a debt contagion spreading to other European countries sent the regions bank shares down by more than 2.5% on the session. There also seemed to be an increase in fear in US markets, highlighted by a better than 12% gain in the CBOE Volatility Index.

### **Technical Outlook**

S&P 500 (MAR) 02/13/2012: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 1326.25. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 1347.80 and 1355.05, while 1st support hits today at 1333.40 and below there at 1326.25.

S&P E-MINI (MAR) 02/13/2012: The daily stochastics gave a bearish indicator with a crossover down. 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 market's short-term trend is positive on the close above the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 1326.25. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 1347.75 and 1355.25, while 1st support hits today at 1333.25 and below there at 1326.25.

NASDAQ (MAR) 02/13/2012: The daily stochastics gave a bearish indicator with a crossover down. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 2522.82. The 9-

day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 2561.12 and 2573.31, while 1st support hits today at 2535.88 and below there at 2522.82.

## **METALS**

### **PRECIOUS METALS RECAP**

**2/10/2012**

April Gold closed down 19.4 at 1721.8. This was 15.4 up from the low and 15.4 off the high.

March Silver finished down 0.313 at 33.604, 0.256 off the high and 0.434 up from the low.

**Gold:** The gold market came under heavy pressure during Friday's session, as a flare-up of Greek debt problems was widely seen to have flattened macro-economic sentiment. In addition, sluggish Chinese trade numbers have elevated market concerns that nation's economy may end up sustaining a "hard landing" later on during the year. US economic data today did little to improve the negative tone of the market, as a well-watched private survey of US Consumer Sentiment declined from their previous reading. In addition, reports that South Africa may increase taxes and royalties on their country's mining sector was thought to have added further pressure on prices during the session.

**Silver:** The silver market continued a recent pattern of choppy and volatile trading by posting a substantial rebound from early losses. Sluggish global equity markets and a stronger Dollar kept silver on the defensive during most of Friday's trading, although prices were able to hold within the late January/early February trading range. Ongoing market anxiety over Euro zone debt problems continue to weigh on silver prices as there have been few signs of definitive progress between Greek politicians and EU Finance Ministers.

### **Technical Outlook**

COMEX SILVER (MAR) 02/13/2012: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 3265.5. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 3392.0 and 3443.5, while 1st support hits today at 3303.0 and below there at 3265.5.

COMEX GOLD (APR) 02/13/2012: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next downside target is now at 1691.0. Bearish daily studies indicate selling minor rallies this session. The next area of resistance is around 1737.2 and 1752.6, while 1st support hits today at 1706.4 and below there at 1691.0.

### **COPPER MARKET RECAP**

**2/10/2012**

March Copper closed down 11.65 at 386.20. This was 1.05 up from the low and 5.10 off the high.

The copper market showed little negative reaction to poorly-received Chinese trade numbers during the early part of Friday's trading, as that nation's copper import levels were thought to be generally supportive for the market.

However, copper prices took a nosedive in the wake of the risk flare-up in Greece this morning, moving all the way down into negative territory for the week. Sluggish global equity markets and a relatively strong Dollar kept pressure on copper prices late into the day and week.

## **SOFTS**

### ***COCOA MARKET RECAP***

**2/10/2012**

March Cocoa finished down 80 at 2156, 70 off the high and 16 up from the low.

May Cocoa sustained heavy losses during Friday's session as a flare-up of Greek debt problems put broad-based pressure on physical commodity markets. Cocoa prices have been on the defensive this week from news that the Ivory Coast government and that nation's export firms are close to an agreement for participation in cocoa sector reforms. A selloff in the British Pound was also seen to have weakened the market as it may have encouraged arbitrage selling of ICE cocoa versus the LIFFE contract.

#### **Technical Outlook**

COCOA (MAR) 02/13/2012: The major trend has turned down with the cross over back below the 40-day moving average. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 2084. The next area of resistance is around 2199 and 2255, while 1st support hits today at 2113 and below there at 2084.

### ***COFFEE MARKET RECAP***

**2/10/2012**

March Coffee closed down 0.70 at 215.30. This was 0.85 up from the low and 2.70 off the high.

March coffee was able to avoid heavy losses suffered by other physical commodity markets in the wake of today's Greek debt risk flare-up. Reports of sharp declines with Colombian and Vietnamese coffee exports last month from last year's levels provided a large measure of support for the market. However, a large rally in the Dollar and weak global equity markets held any potential coffee recovery in check later in the session.

#### **Technical Outlook**

COFFEE (MAR) 02/13/2012: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 219.31. The next area of resistance is around 217.07 and 219.31, while 1st support hits today at 213.53 and below there at 212.22.

### ***SUGAR MARKET RECAP***

**2/10/2012**

March Sugar closed up 0.14 at 24.67. This was 0.50 up from the low and 0.06 off the high.

March sugar closed 14 higher on the session and up 73 points for the week. The market traded moderately lower on the session early in the day as a surge up in the US dollar and weakness in nearly all of the other commodity market sparked a long liquidation sell-off. However, a steady flow of commercial and trade house buying and talk that China may be a more active buyer ahead helped to spark a 50 point rally off of the lows into the close. London futures closed just slightly lower on the day and this may have encouraged new buying.

### **Technical Outlook**

SUGAR (MAR) 02/13/2012: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 25.12. The next area of resistance is around 24.95 and 25.12, while 1st support hits today at 24.39 and below there at 24.00.

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**If you need help with risk analysis or strategies, please call Dave Hightower or Terry Roggensack at 312-786-4450.**

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