

February 2, 2010

Friends:

Technology is really cool when it works. Please find attached a file of nearby soybeans.

As many of you know, I limit most of my work to studying the "time" element of the markets rather than the price element. There is a competitive advantage in this approach since almost 100% of the computer driven trading and technical indicators only study price. As we know, a force vector is made up of time multiplied by price. Basic physics really.

On the attached charts you will note that I have placed the Fibonacci spiral ratios on the time axes rather than price. From Page 1, you can see that once the high was in place on 6/11/09, putting the .618 point at the high would have given us a projected low for 10/06/2009.

As many of you know the first trading day for soybeans was 10/04 and this anniversary date has always been an important turning point. So, you can also see why it was relatively easy to expect a low at that point in time. OR at least would have been a trigger point for meal purchases for example.

From Page 2, you can see how I have placed the .382 on the high now instead of the .618 and you can see that this places the .618 instead of the 1.0 on the low on 10/06/2009 (1 day slip). This technique allows us to forecast future moments in TIME that should be very important. In this case the timing analysis projects 4/12/2010.

From Page 3, on the BOTTOM of the chart you can see how I have placed the .500 ratio at the June high. This then projected a turning point for 12/16/2009. As you know, I was pretty bearish at the end of Dec and first few days of Jan...this is ONE of the reasons why. There are lots of other harmonics around, but this one seems to be controlling for now.

From Page 3, on the TOP of the chart you can see how I have now placed the starting point at the 6/11/2009 high. You can see that now the .382, .500, and .618 ratios have been HUGE in this market. Despite what you read in the farm magazines it has been a very easy time to market soybeans. Please note that the end of this Fibonacci ratio projects a timing point of 4/9/2010.

So, let's see we have one time spiral that projects 4/12 and one that projects 4/9/2010. Anyone care to guess when I think the next major turning point will be in nearby soybeans?

Will it be a high or a low? Well, no guarantees either way. Seasonally it should be a high, but it feels like it could be a major low. The point being is that we know weeks in advance to look for it and act accordingly. As I said in the last email, IF it is going to be a high, the market must hold at these levels and rally. If it fails, then 4/10 will become a counter-seasonal low that launches the next major rally in grain prices.

PLEASE note that corn/beans/wheat are different but timing sometimes is similar. For example, seasonal high in CZ is 4/10 while in beans it is 5/6. So, maybe corn makes its high 4/10 and collapses while beans hang around and put in a lower high around 5/5. This would be very similar to what just happened with the Epiphany sales trigger where the high came 12/16/09 as the harmonics required while the sales trigger and seasonal top came in on 1/4 at a slightly lower level. This combination was why selling 1/4 was so easy to do.

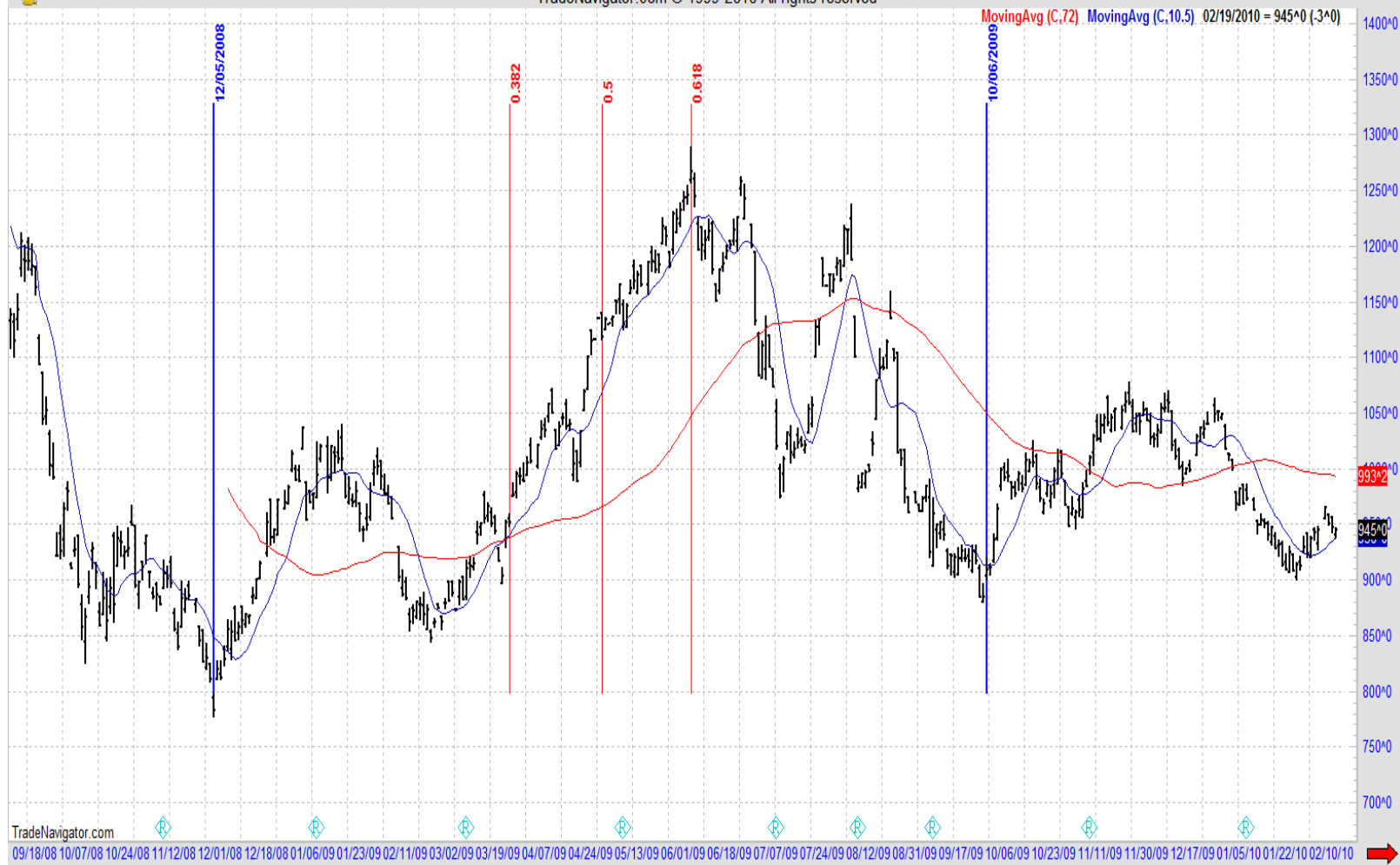
As you can tell, I am sharing with you the results of many years of research and experience. If you forward it, I would appreciate attribution. Thank you.

Ken



S-056: Soybeans CBT (Pit) Cont Exp (Daily bars)

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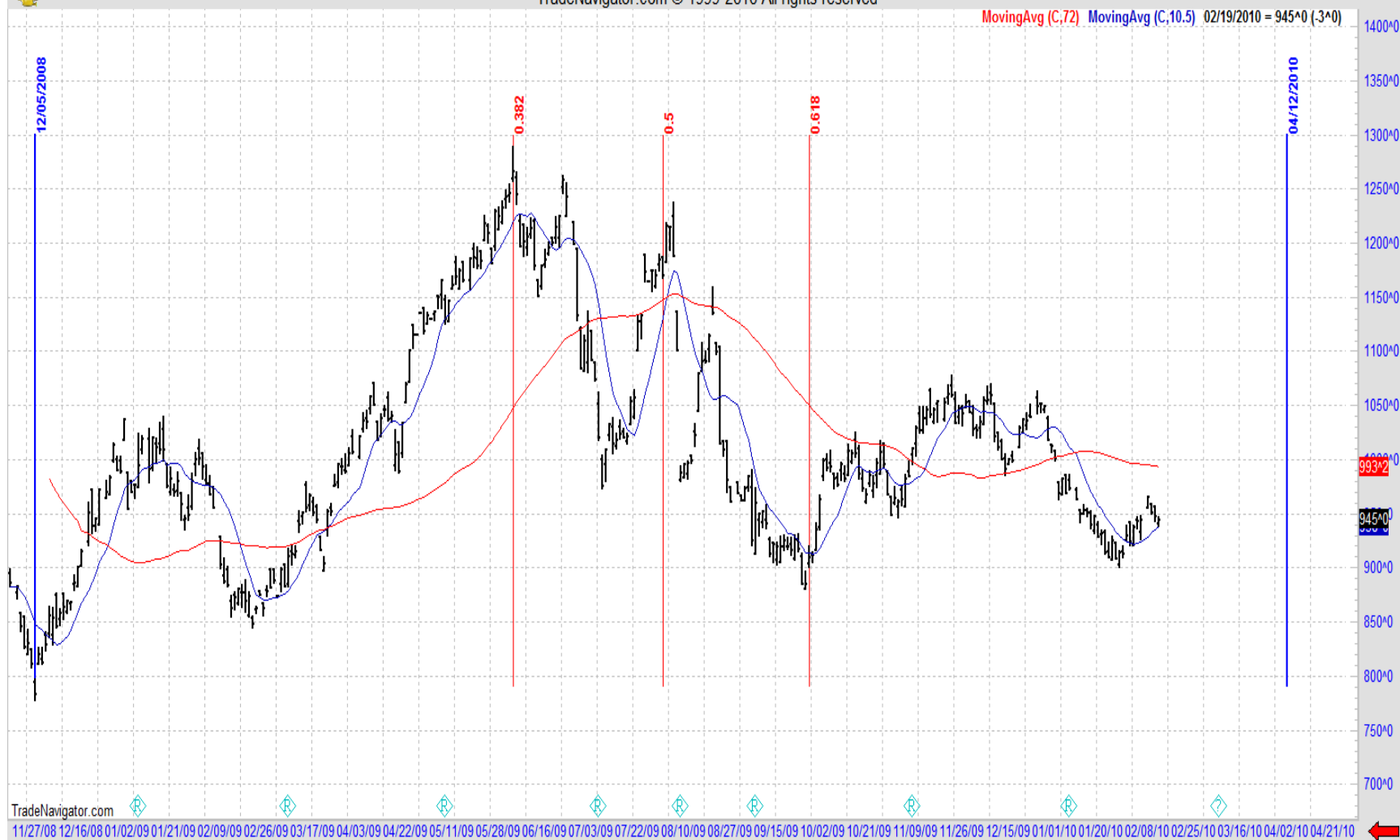




S-056: Soybeans CBT (Pit) Cont Exp (Daily bars)

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MovingAvg (C,72) MovingAvg (C,10.5) 02/19/2010 = 945*0 (-3*0)



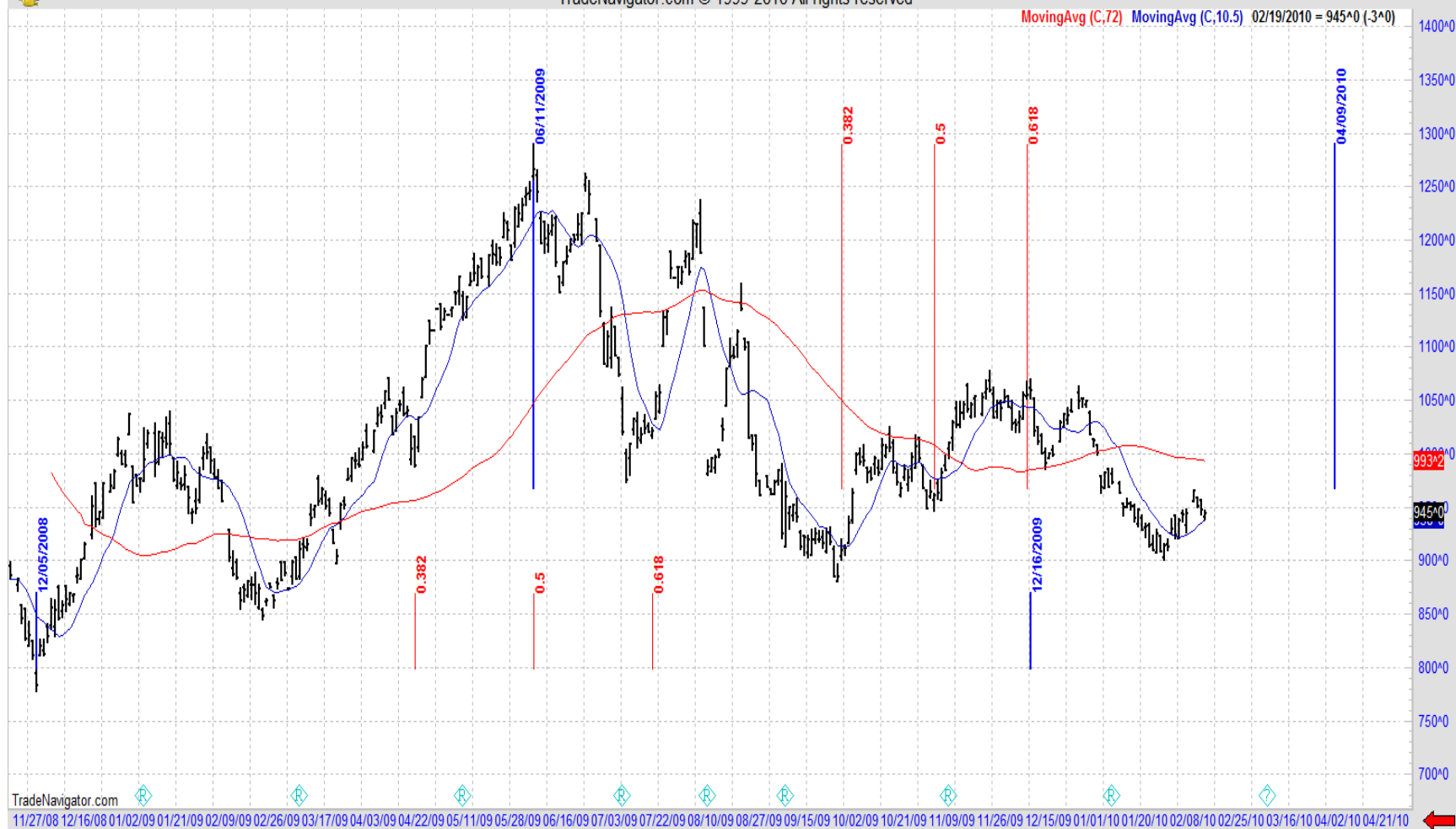
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S-056: Soybeans CBT (Pit) Cont Exp (Daily bars)

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MovingAvg (C,72) MovingAvg (C,10.5) 02/19/2010 = 945*0 (-3*0)



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11/27/08 12/16/08 01/02/09 01/21/09 02/09/09 02/26/09 03/17/09 04/03/09 04/22/09 05/11/09 05/28/09 06/16/09 07/03/09 07/22/09 08/10/09 08/27/09 09/15/09 10/02/09 10/21/09 11/09/09 11/26/09 12/15/09 01/10/10 01/20/10 02/08/10 02/25/10 03/16/10 04/02/10 04/21/10