

October 31, 2007

Just a quick note, the market action in WN08 the last 3 days has created a potential "Death Star". This pattern fulfills about 90% of the time. If new contract highs are made, the pattern is null and void and actually becomes a bullish indicator. BUT, until that happens, 100% of all new crop wheat should be price protected somehow.

Also, when we have a "death star" in one of the three big grains, c- w- sb, the other 2 rarely move higher. It happens but rarely. These gaps down need to be filled very quickly to avoid a substantial decline.

Be safe,
Ken