

June 3, 2010

Friends:

I must say that we are quite pleased to see the grain markets declining sharply. This further increases our confidence that a valid reason will exist to exit our hedges on lows in June. We wanted the lows to be somewhat painful or concerning to holders of inventory. This is happening.

As for the Dollar Index, we exited the short just now at 86.78, closing 20 tics or so on the deal. The sales signal, 3 down 3 up, should have been followed by the next low breaking the low of the pattern, which it did not. The market seems to be building an ascending triangle now. So, the point of the short DX is no longer valid and I learned a long time ago to exit when your strategy is not validated. At breakeven is a gift really and far better than the stop at 88.20.

Just wanted to keep you all updated.

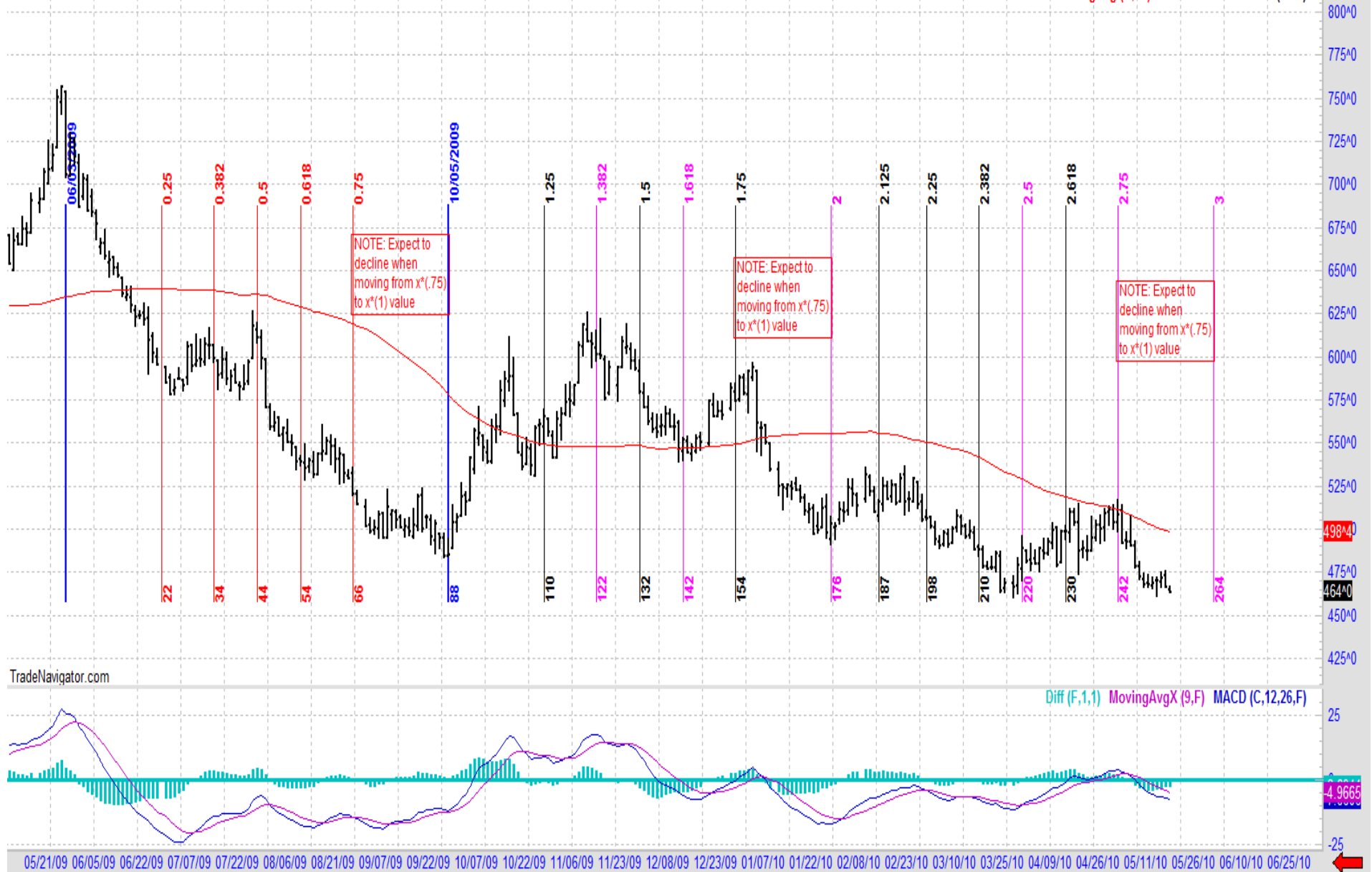
Ken



W2-201007: Wheat CBT (Comb) Jul 2010 (Daily bars)

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MovingAvg (C,88) 5/24/10 22:28 = 464^0 (-2^6)

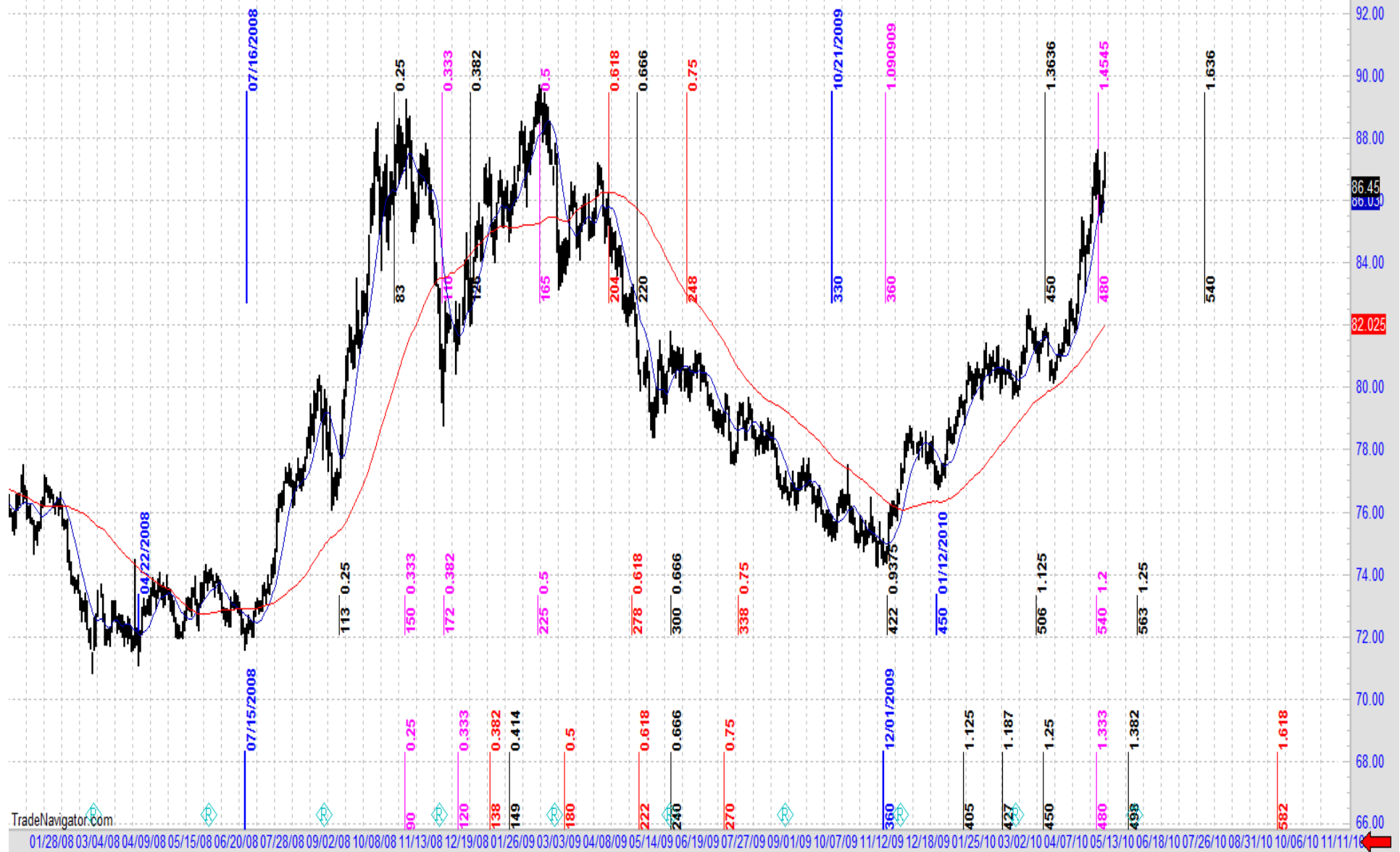




DX-056: US Dollar Index (ETH) Cont Exp (Daily bars)

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MovingAvg (C,72) MovingAvg (C,10.5) 5/25/10 17:48 = 86.45 (-0.15)

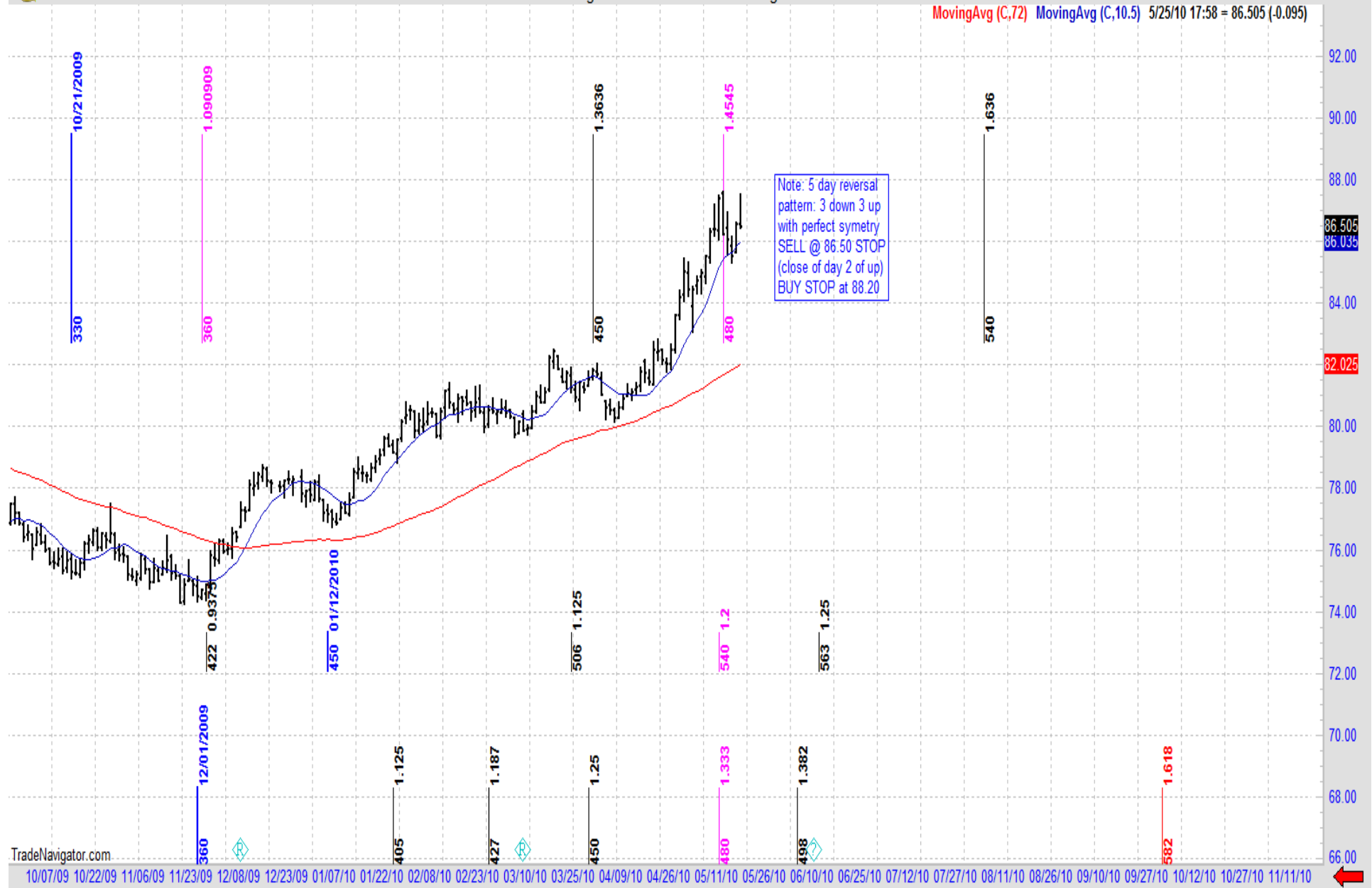




DX-056: US Dollar Index (ETH) Cont Exp (Daily bars)

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MovingAvg (C,72) MovingAvg (C,10.5) 5/25/10 17:58 = 86.505 (-0.095)





SM2-201005: Soybean Meal (Comb) May 2010 (Daily bars)

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SM2-201012: Soybean Meal (Comb) Dec 2010 (Daily bars)

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