January 26, 2015

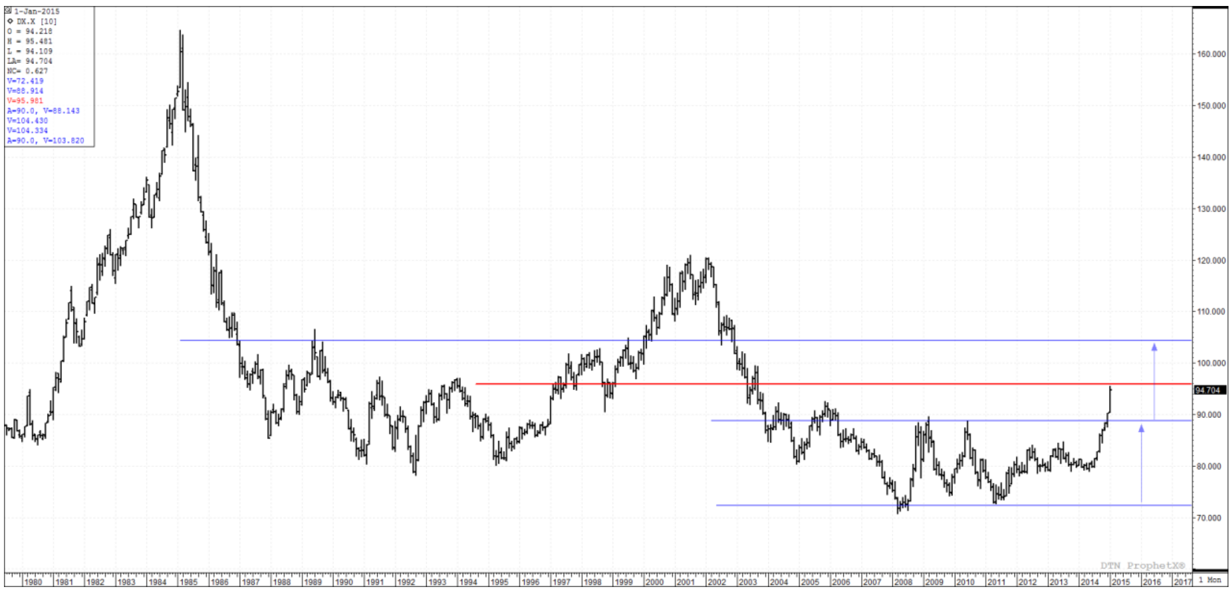
Last week I misdrew a fibonanci retracement chart for the U-S Dollar index – drawing it off a interium high vs the annual high.  I appologize for that.  The current discussion more accurately reflects Dan Zwicker's comments and that of some of our other analysts which we discussed the dollar last week.

We begin our discussion of the futures market today not looking at the week's technical trends in corn and soybeans, nor fundamentals which largely have been fully priced in the market place.  Rather we begin with a look at the U-S dollar and the threat is poses on export disapearance if it continues to rally.  This past week foreign buyers booked 86 million bushels of corn even as the dollar continued to rally due largely to ecconomic woes in the European Union and China.  Friday the U-S dollar index spiked SHARPLY higher, confirming for those left doubting that the index has broken out of a multi year sideways trading range.

***U-S Dollar Index (Composite Monthly)***

The dollar has been on a multi-week rally to post its strongest gains in the past eleven years. Could the dollar continue to rally – perhaps after a pause or future consolidation – and if so what would potentially be the upside target?

### *U-S Dollar Index (Composite Monthly)*




### *U-S Dollar Index (Composite Monthly)*


The two charts above show just how strong the U-S dollar has been and what are analysts suggest are upside techical targets. The first chart shows the sideways trading range the dollar has been in since 2004. That range can be used as a technical measuring stick; twice that range puts the dollar at a technical target of 104.43.  Note the red line at the 94.49 area; this has been point of overhead resistence back into the 1990s. The second chart is a fibonanci retracement drawn of the 2002 highs. Note that this week the dollar is trying to clear the 50 percent retracement level which has historically been either a stout line of support or resistence depending on which side of the line the market is trading.  We will need to closely monitor whether there is follow through and closes above this level early next week.

We had a long discussion regarding the dollar on Thursday with Dan Zwicker of CGB Enterprises in Mandeville Louisana:

***[http://audio01.will.illinois.edu/ag-zwicker150122.mp3](http://audio01.will.illinois.edu/ag-zwicker150122.mp3)***