

THE LAWG 647 MODEL
PRESENTS TRENDS AND REVERSALS

For week of

2018-07-01

For the past many years we have relied on our in-house long-term model to help us in identifying the long-term underlying trends, and projecting the weekly closing prices needed to reverse those trends. Like all models, ours is not perfect or always correct but we find that it provides us with valuable information and helps in formulating our trading strategy.

WORD TO THE WISE

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WELCOME TO THE WONDERFUL WORLD OF THE

LAWG647 MODEL (*THE MODEL*)

All comments are derived from the LAWG647 MODEL

SEE BELOW

COMMODITY	TREND	REVERSES ON A FRIDAY CLOSE AT OR	LAST WEEKLY CLOSE	RSI	RED ALERT STATUS? INCREASED VOLATILITY ?	RECOMMENDED COURSE OF ACTION	<u>VOLATILITY INDEX IS</u>
DECEMBER CORN	LOWER	414 ½	371 ¼	33	<u>RED ALERT</u>	Closed 15 ¾ lower Friday to Friday. In Red Alert Status, looking for a potentially measurable move.	NEGATIVE indicator retreated slightly below the 2 nd standard deviation of 151 week average
NOVEMBER SOYBEANS	LOWER	Above 1047	880	<u>20</u>		Closed 36 cents lower Friday to Friday. So negatively overstretched I cannot recommend selling at near or current levels. Rather I will look for lower levels as short term buying opportunities.	NEGATIVE indicator once again approaching the 5 th standard deviation of 151 week average
DECEMBER SOYBEAN MEAL	LOWER	Above 38450	32990	<u>24</u>		Closed \$11.20 cents lower Friday to Friday. So negatively overstretched I cannot recommend selling at near or current levels. Rather I will look for lower levels as short term buying opportunities.	NEGATIVE indicator once again approaching the 3 rd standard deviation of 151 week average

DECEMBER WHEAT	LOWER	Above 535 ¾	516 ¾	44		Closed 4 ½ cents lower Friday to Friday. Remains in downtrend.	NEGATIVE indicator is chopping around between 1 st Standard Deviation above and below the 151 week average
DECEMBER SOYBEAN OIL	LOWER	Above 3349	2974	33		Closed 19 points lower Friday to Friday. Continues to deal with being negatively overstretched. Patiently looking for Rallies to sell	
AUGUST CATTLE	HIGHER	Below 9220	10672	59		Closed 82 points higher Friday to Friday. Will look for areas to recommend buying.	POSITIVE Indicator penetrated 1 st Standard Deviation of the 151 week average and approaching 2 nd Standard Deviation
<u>AUGUST HOGS</u>	<u>LOWER</u>	Above 8355	7645	50		Closed 1.075 points higher Friday to Friday. Trend changed look for levels to sell.	NEUTRAL Both positive and Negative indicators are chopping around beneath the 1 st Standard Deviation of the 151 week average.
AUGUST FEEDERS	HIGHER	Below 12912	15135	63		Closed 215 points higher Friday to Friday. Look for levels to buy	POSITIVE Indicator penetrated 2 nd Standard

							Deviation of the 151 week average and approaching 3rd Standard Deviation.
AUGUST GOLD	LOWER	Above 135540	125450	<u>26</u>		Gold closed \$16.20 lower Friday to Friday. Is becoming overstretched to the downside. Be careful selling at present levels.	NEGATIVE indicator is about to exceed the the 2 nd Standard Deviation above the 151 week which again suggests being careful selling at these values.
<u>JULY SILVER</u>	<u>LOWER</u>	Above 1875	16104	41		Silver closed 35.5 cents lower Friday to Friday. Trend changed look for levels to sell.	NEGATIVE indicator is heading to the 2 nd Standard Deviation above the 151 week
JULY COPPER	LOWER	Above 31250	2951	30		Copper closed 7.6 cents lower Friday to Friday. Trade remains negative look for levels to sell.	NEGATIVE indicator exceeds the 1st Standard Deviation above the 151 week
AUGUST CRUDE OIL	HIGHER	Below 6566	7415	<u>71</u>		Crude Oil closed \$5.57 higher Friday to Friday. Look for levels	POSITIVE indicator is

						to buy.	heading to the 2 nd Standard Deviation above the 151 week average.
DECEMBER COTTON	HIGHER	Below 7927	8392	41		Closed \$1.38 lower Friday to Friday. No longer overstretched to the topside. Look for levels to buy.	POSITIVE indicator was above the 2 nd Standard Deviation of the 151 week average before quickly retreating.
SEPTEMBER COCOA	LOWER	Above 2836	2512	51		Closed 2 points lower Friday to Friday. There is only a 7 point difference on Friday to Friday closes over the past 3 weeks.	NEGATIVE indicator exceeded the 2 nd Standard Deviation of the 151 week average which IMO led to the rally at the end of the week.
SEPTEMBER COFFEE	LOWER	Above 12445	11510	33		Traded \$1.85 lower Friday to Friday. Look for levels to sell	NEGATIVE indicator is approaching 1 st Standard Deviation of the 151 week average. Be mindful that

							the markets have rallied from this reality in the past.
OCTOBER SUGAR	LOWER	Above 1274	1225	48		Traded 16 points lower Friday to Friday. Sugar trying to determine if there are enough sellers to maintain downtrend. If you must trade sugar stay with trend until it shows you differently.	NEUTRAL
SEPT 30 YEAR BONDS	HIGHER	Below 13929	14500	61		Traded 33 points higher Friday to Friday. Look for levels to buy	
SEPTEMBER E-MINI S&P'S	HIGHER	Below 2657.25	2721.50	67		Closed 38 points lower Friday to Friday. Look for levels to buy.	NEUTRAL as both indicators are between the 1 st Standard Deviation below the 151 week average.
SEPTEMBER U.S. DOLLAR	HIGHER	Below 90893	94349	57		Closed about 17 point higher, look for levels to buy	POSITIVE Indicator is chopping around between the 2 nd and 3 rd Standard Deviation above the 151 week average

SEPTEMBER CANADIAN \$	LOWER	Above 8321	7616	46		Closed 75 points lower Friday to Friday. Look for levels to sell.	NEGATIVE Indicator has been very volatile above the first and second Standard Deviation of the 151 week average.
SEPTEMBER AUSSIE \$	LOWER	Above 7864	7395	40	<u>RED ALERT</u>	Closed 45 points lower Friday to Friday. Look for levels to sell	NEGATIVE Indicator has been very volatile above and below the first Standard Deviation of the 151 week average.
SEPTEMBER EURO	LOWER	Above 122535	117365	46		Closed 10 points lower Friday to Friday. Look for levels to sell	NEGATIVE Three weeks ago the negative indicator approached the 3rd Standard Deviation above the 148 week average and today it is between the 1st Standard Deviation below the 151 week average.
SEPTEMBER B. POUND	LOWER	Above 13879	13236	40		Traded 76 points lower Friday to Friday. Look for levels to sell	NEGATIVE Negative indicator

							has more definitive direction, but positive indicator is very volatile between the first Standard Deviation above and below the 151 week average.
SEPTEMBER J. YEN	LOWER	Above 92615	90675	38		Closed 86.5 points lower Friday to Friday. Look for levels to sell	NEUTRAL Positive and Negative indicators are chopping around beneath the 1 st Standard Deviation of the 151 week average.