



FinWave Financial Services

Technical Analysis at its best...

The Never Ending Bull Run....

8th November, 2009

Don't be surprised. I know most of the people won't agree with it and find it awkward. As Most assets, go up and then come down too, some to make life time lows, whether it is equity, interest rate futures or currencies. Equities do sometimes even collapse to non existing levels when the companies shut down their doors, having eroded the shareholder's wealth completely.

But Still, there are somethings which keep on climbing new heights, with little corrections over the time. Somethings which we cannot survive without, somethings which we have early morning when we get up. Your must have got it by now. The very food items, Pulses, Spices, Edible Oil etc. and etc.

Do you remember, your father telling you, in my time, 1 Re. was enough for a dinner.? Do you get the same in 1Re. Now?. Never, that's because of the never ending Bull run in Agri commodities. The pace ofcourse , keeps on changing.

The last time we saw prices shooting up last year was more because of the rise in Crude Oil prices, which effect the overall price of the basic commodities reaching us. The Crude Oil have seen a big correction since then and recovered too to some extent. But it's the time now for the Basic Commodities itself to shoot over the roof.

Government, ofcourse will try to keep the prices down, control the inflation in whatever measure it can, but it cannot produce basic commodities overnight to supply in the market. It's a truth that India had bad monsoon or late monsoon. The prices of many commodities have been kept under pressure by govt. for last year, but if I can read my charts clear now, the markets are to shoot up.

Enough of Theory, now lets come to the actual price movements and ofcourse, our Technical Charts.

Wheat, Sugar, Potato have already rallied to some extent and not traded on the exchange regularly. So, we will talk about commodities, which are expected to rally soon and are traded on exchanges.

The hottest things on charts for now are **Chana, Jeera, Pepper** the Yellow Metal **Gold**.

CHANA:

Chana has been more on sideways trend since beginning of 2007 and traded in the range of 2000-3000 levels. But is trading near the high of that range for now, almost at yearly highs and with bad monsoon and less crops, we expect the chana to break the range, move out of the pole and flag pattern on the charts for a target of 3900. Traders or Investors, can Buy Positional Chana if it sustains above 3100 levels for target of 3900 in next 1-2 years.



Chana Weekly Chart

JEERA

Jeera too has been consolidating since April 2007 and trading in the range of 8000-15000 levels. Not a small range , but it was a consolidation after a rise from 5500 to 14500 levels. Jeera has already broken out of a small triangle between the range and now its time to taste the range at 14600 levels. If Jeera sustains above 14600 levels for some, time will go up to do its technical target of 17500/20000. Traders or Investors can buy above 14600 for target of 17500-20000 in next 1-2 years.



Jeera Weekly Chart

PEPPER

Pepper too has been consolidating since April, 2007 from the highs of around 17000 levels to lows of around 9700 levels. It's going to test the previous highs again. The crop world over have not been that good with crops in Indonesia/Malaysia too spoilt due to bad weather and storms.

Traders or Investors buy Pepper if it sustains above 17000 for target of 20000/22000 in coming 1-2 years.



Pepper Weekly Chart

GOLD

Last year, when we were talking of a big rally in Gold , people were not believing us. But Gold in Indian markets did rally from 11400 levels last diwali to a high of 16700 now and we say, there is more to go.

The Glittering Yellow Metal “**Gold**”. Favourite of Ladies is now becoming favourite of The Central Banks of Countries too. Due to the recession in America and weakening dollar, The focus of Central Banks and Treasuries is shifting to Gold from Dollar now. Which will give more support to the upmove in Gold. Gold recently broke above its all time high of around 1035 \$ and is sustaining well above it. The minimum target of Gold on this upmove seems to be 1200 \$. If sustains above 1200\$, it can further rally to 1400\$ with supports at around 930\$. Those holding Gold, keep it holding tight. Other people should look for corrections to buy. And Ladies will have to get habitat to buy it at current prices or prices higher than this.

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Gold Quarterly Chart

Note:

The Above calls are not intraday or short term trading calls. They are Long term positional calls. If picked in Futures market, one will have to keep the rollover premium for month to month futures rollover in mind and ofcourse the other broking expenses.

Wish you Profitable Years of Trading and Investing Ahead.

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