

Bill Gary's

PRICE PERCEPTIONS

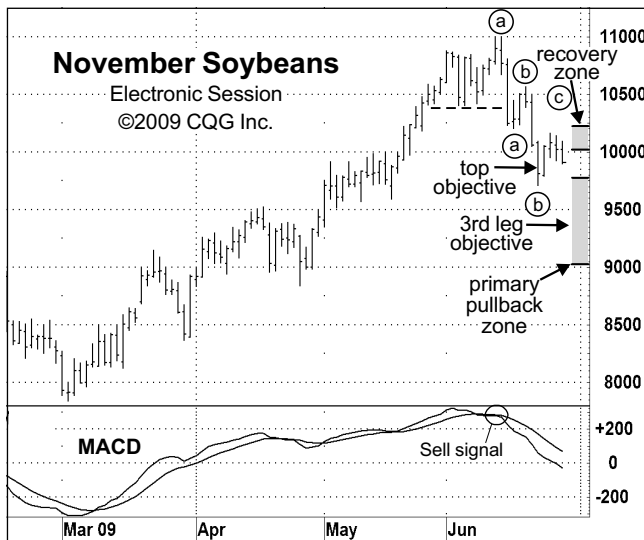
Technical Update

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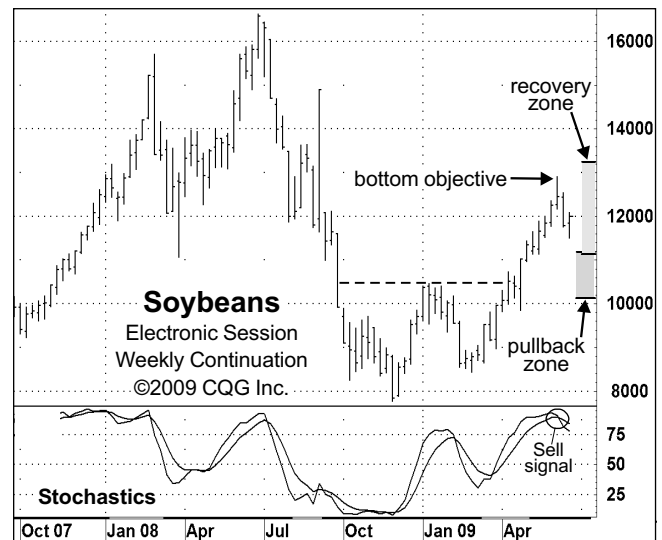


Issue #1388A • June 27, 2009

Soybeans



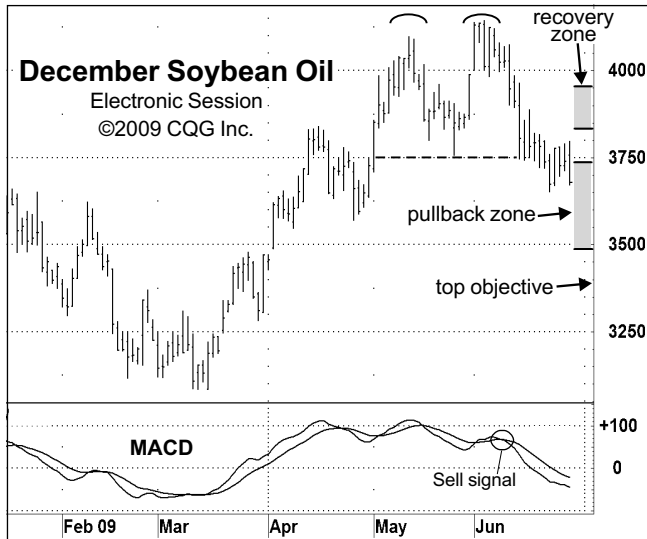
As previously illustrated, a top was completed, providing a downside objective of 9.87. That objective was attained this week. The first leg (a) of the developing bear market lost 79 cents. The second leg (b) lost 86 cents. The current recovery zone ranges from 10.04 to 10.24. Objective for the third leg (c) is 9.38. The primary pullback zone ranges from 9.04 to 9.79. The MACD gave a sell signal on 6/8/09 and remains in a negative mode.



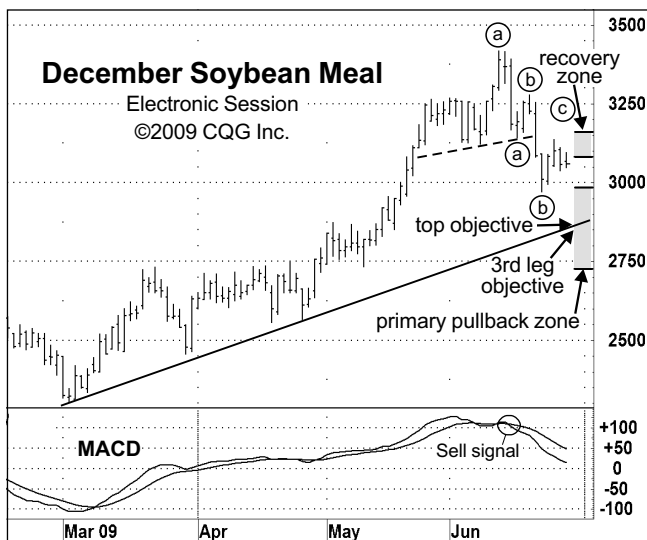
A bottom was completed in April, providing an upside objective of 12.84. That objective has been attained. From last year's historic high, the primary recovery zone ranges from 11.15 to 13.24. The next pullback zone ranges from 10.14 to 11.20. Stochastics gave a sell signal from overbought territory on 6/19/09, confirming a pullback toward the zone indicated.

Price Perceptions is published twenty-four times per year and available by mail, email or fax. **Technical Update** supplements are available by email or fax the remaining weeks of the year. Annual subscription rate is \$395 USD. For more information, phone: (800) 231-0477 or (405) 604-8726, or write: CIS, Inc., 3030 NW Expressway, #725, Oklahoma City, OK 73112. Send email to: info@cis-okc.com or visit our web site at www.cis-okc.com

Soybean Products

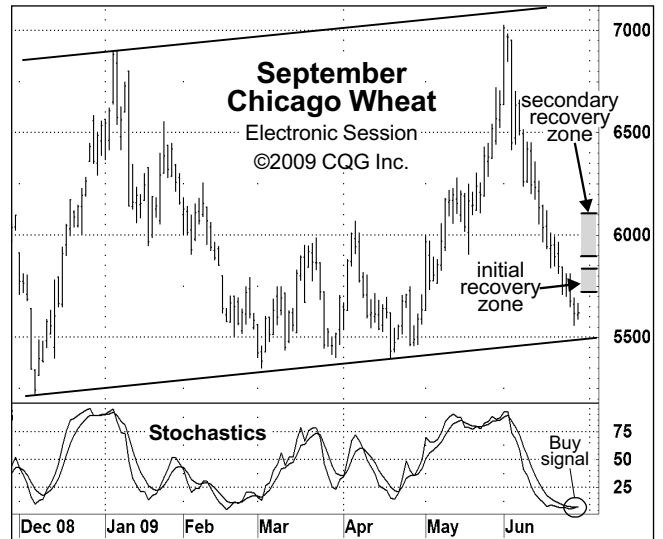


A double top was completed, providing a downside objective of 33.93. The pullback zone ranges from 34.90 to 37.40. The market entered the pullback zone this week. The current recovery zone ranges from 38.40 to 39.55. The MACD gave a sell signal on 6/9/09 and remains in a negative mode.

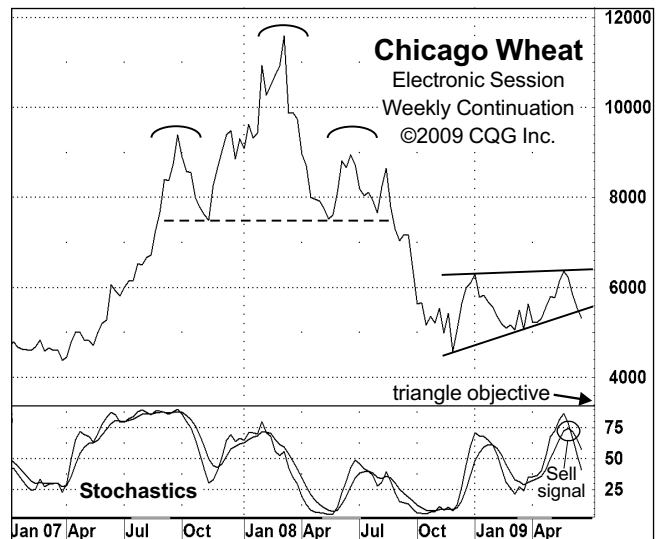


A head and shoulders top was completed, providing a downside objective of 287.00. The top objective coincides with the uptrend line. The primary pullback zone ranges from 273.00 to 299.00. The first leg down (a) lost 27.60. The second leg (b) lost 30.90. The current recovery zone ranges from 308.90 to 316.20. Objective for the third leg (c) will be 285.70. The MACD gave a renewed sell signal on 5/15/09 and remains in a negative mode.

Wheat

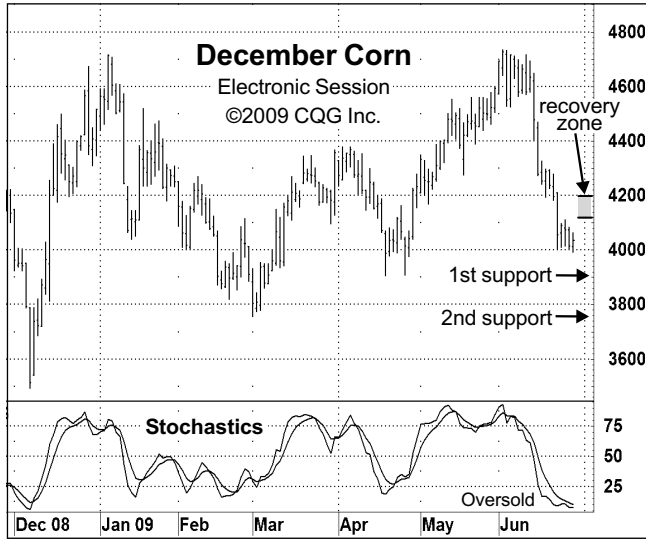


The market has traded within a wide channel since last December. A test of the lower boundary line is now in progress. The initial recovery zone ranges from 5.73 to 5.84. The secondary recovery zone ranges from 5.90 to 6.11. Stochastics gave a buy signal from extreme oversold territory on 6/25/09, indicating a recovery effort.

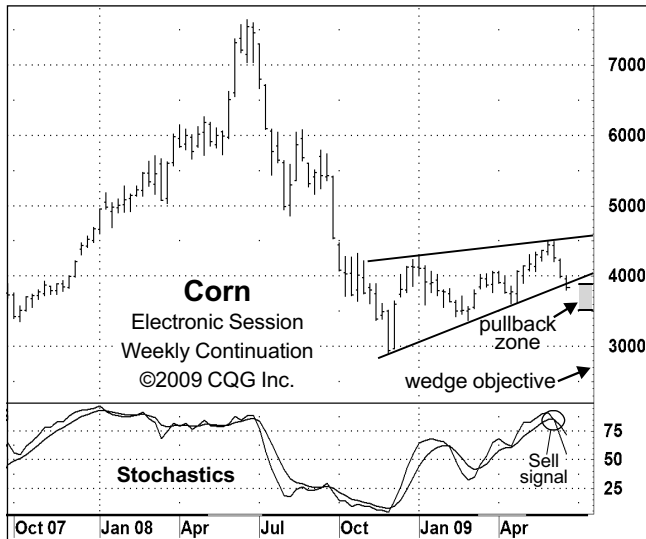


Note: A line chart was utilized to illustrate formations. A major head and shoulders top was completed in August 2008. Following a test of the 2007 low, the market moved into consolidation and formed a triangle. This week's close below the lower line indicates an objective of 3.95. Stochastics gave a sell signal from overbought territory on 6/12/09, confirming resumption of the downtrend.

Corn

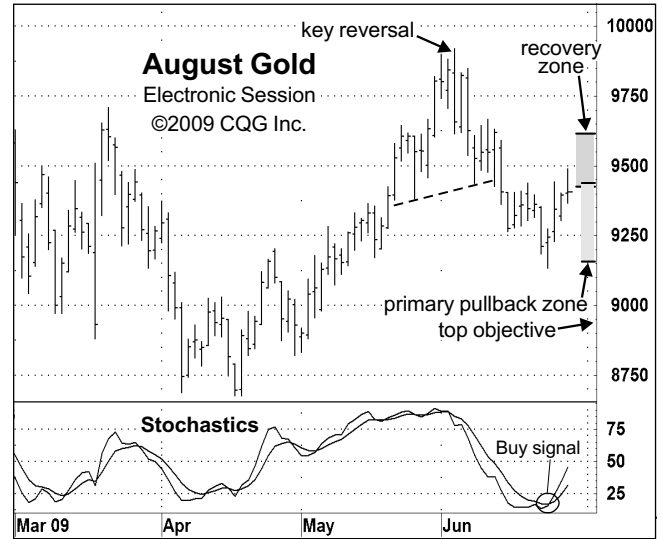


Following a test of January's high, the market moved into a collapse mode. The next recovery zone ranges from 4.12 to 4.20. The next support level is 3.91 followed by the low attained in March of 3.76. A close below 3.76 would point to a test of contract lows at 3.49. Stochastics are deep in oversold territory, but remain in a negative mode. The next buy signal should confirm a recovery effort.

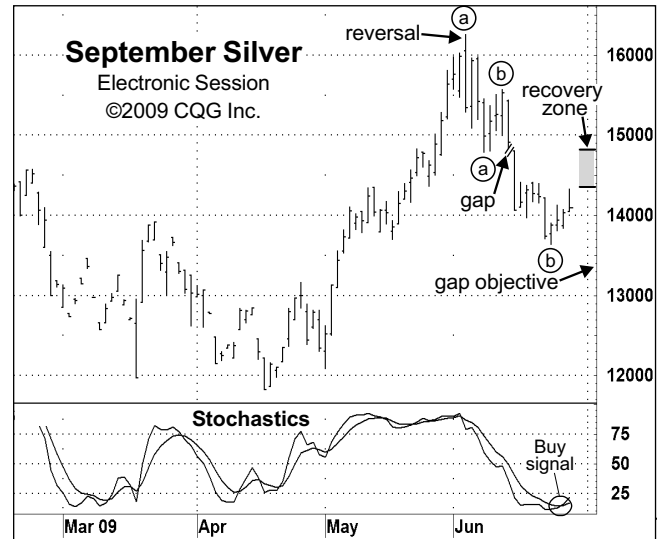


A bear wedge was completed this week, indicating a downside objective of 2.70. The current pullback zone ranges from 3.52 to 3.90. Stochastics gave a sell signal from overbought territory on 6/12/09, confirming a pullback into the zone.

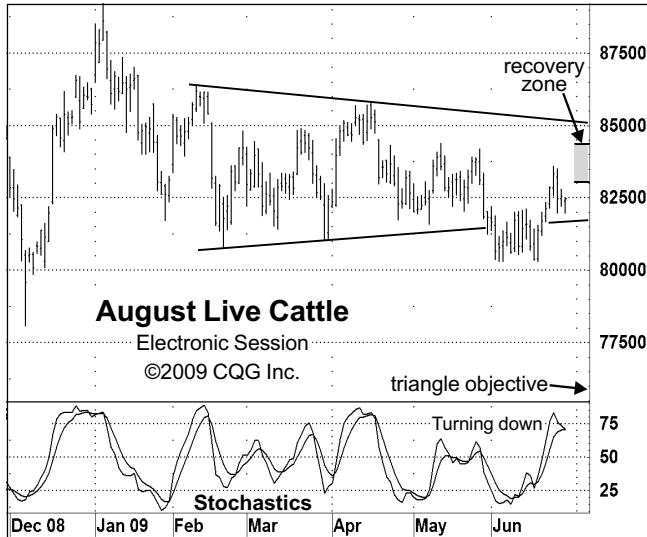
Precious Metals



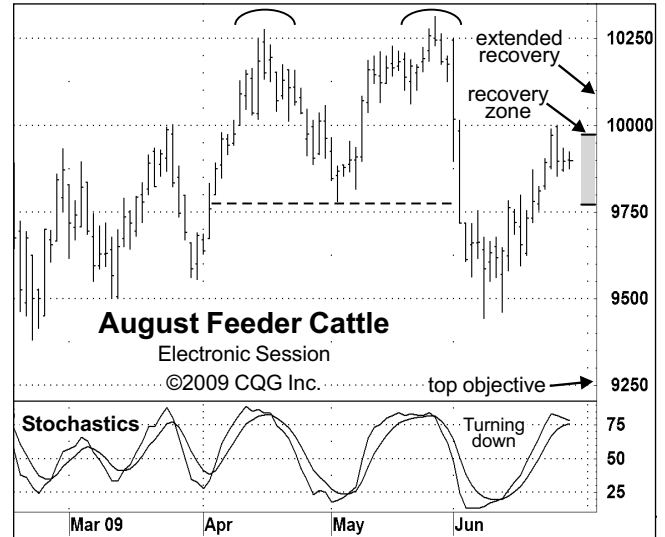
The advance into early June ended with a key downside reversal. A head and shoulders top was completed, providing an objective of 894.50. As shown in previous issues, the primary pullback zone ranged from 915.10 to 944.50. This week's low of 913.20 satisfied pullback objectives. The next recovery zone ranges from 943.30 to 962.00. Stochastics gave a buy signal on 6/24/09, confirming a recovery into the zone indicated.



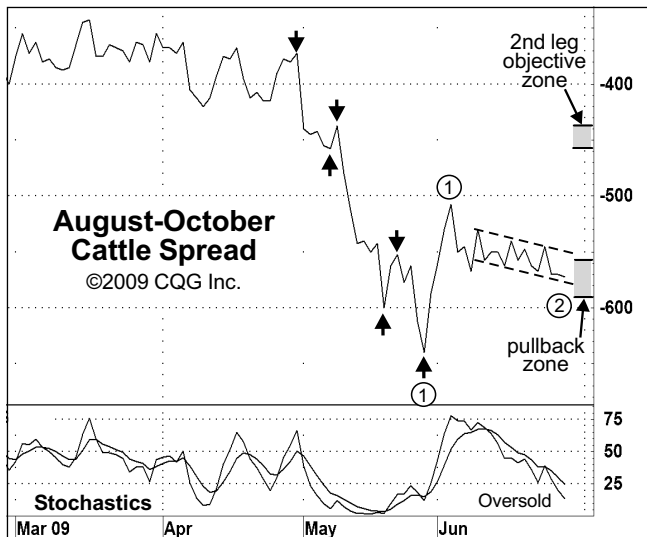
The advance into June ended with a key downside reversal. The first leg (a) of the decline fell 1.47. The second leg (b) fell 1.94. The next recovery zone ranges from 14.38 to 14.83. A measuring gap was left on 6/15/09, providing an objective of 13.38. The stochastics buy signal on 6/25/09 should confirm a recovery toward the zone indicated.



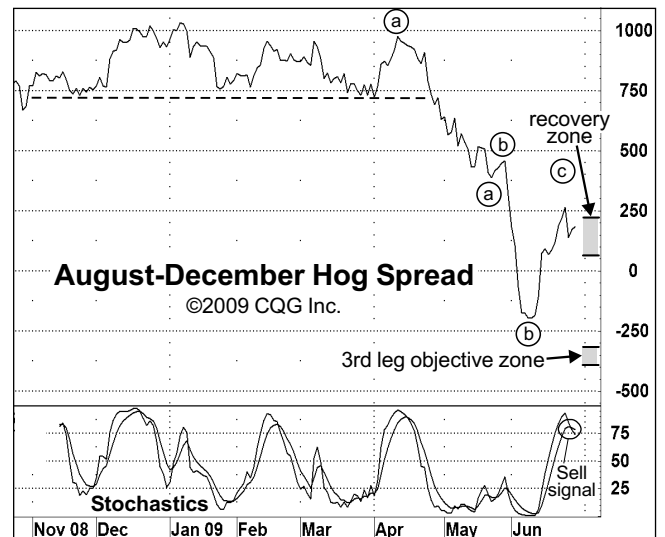
The market fell below the lower line of a triangle in early June, indicating a downside objective of 75.97. However, it failed to carry, indicating potential for a recovery. As illustrated in the last issue, the recovery zone ranged from 83.05 to 84.45. The market traded well into the zone this week. Stochastics moved into the overbought zone this week and are turning down. The next sell signal should confirm an end of the recovery and a test of recent lows.



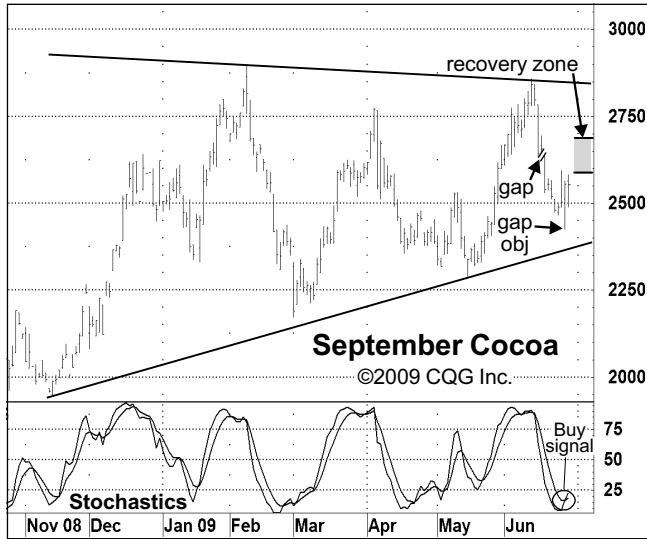
A top was completed in early June, providing a downside objective of 92.65. The recovery zone ranges from 97.75 to 99.82. If the recovery is extended, a high of 100.97 is possible. Stochastics are in overbought territory and turning down. The next sell signal should confirm an end of the recovery.



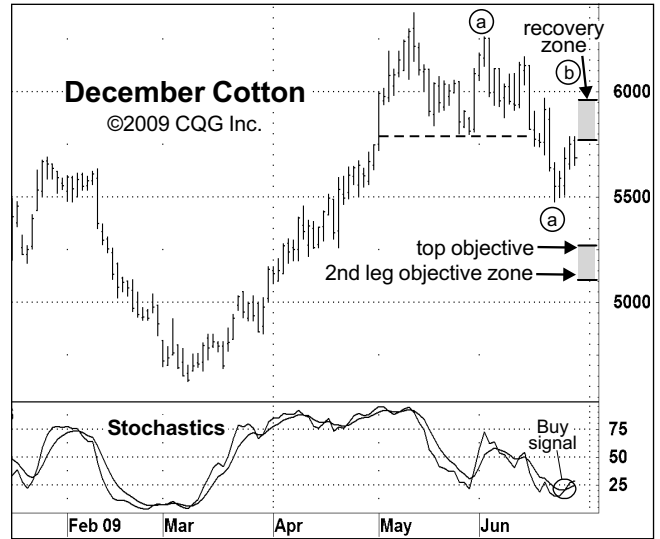
A three leg decline (arrows) was completed in May. The first leg of the recovery (1) gained 132 points. The market has pulled back into the zone shown previously from 590 to 557, premium October. The pullback has formed a small bull flag. A close above the upper line should confirm beginning of the second leg. If the second leg (2) is equal to the first, objectives will range from 457 to 435. Stochastics gave a false buy signal on 6/23/09 and are now approaching the oversold zone. The next buy signal should confirm beginning of the second leg.



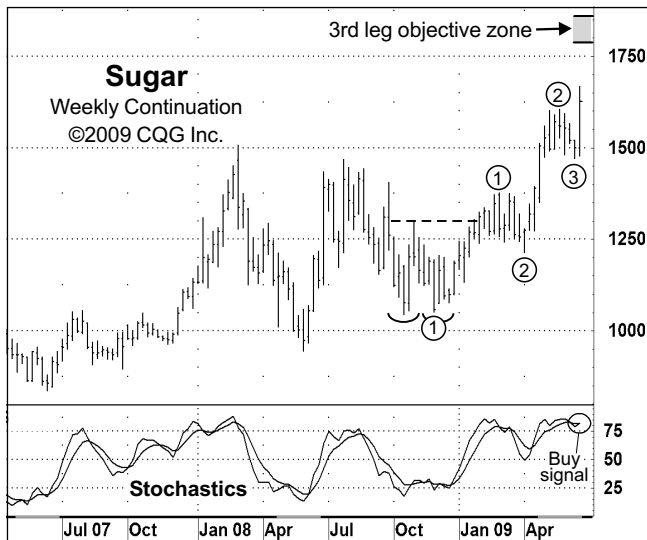
A broad top was completed in April. The first leg (a) of the decline lost 587 points. The second leg (b) lost 655. This week's rally slightly exceeded the recovery zone ranging from 52 to 207, premium August. If this week's high marks beginning of the third leg (c), objectives will range from 390 to 322, premium December. Stochastics gave a sell signal on 6/25/09, indicating completion of the recovery.



As indicated in the previous issue, the market has formed a large triangle. This week's spike low was close enough to test the triangle's lower boundary. A measuring gap was shown in the previous issue, providing a downside objective of 2426. This week's low was exactly 2426, attaining the objective. The next recovery zone ranges from 2591 to 2693. The stochastic buy signal on 6/25/09 should confirm a recovery effort.



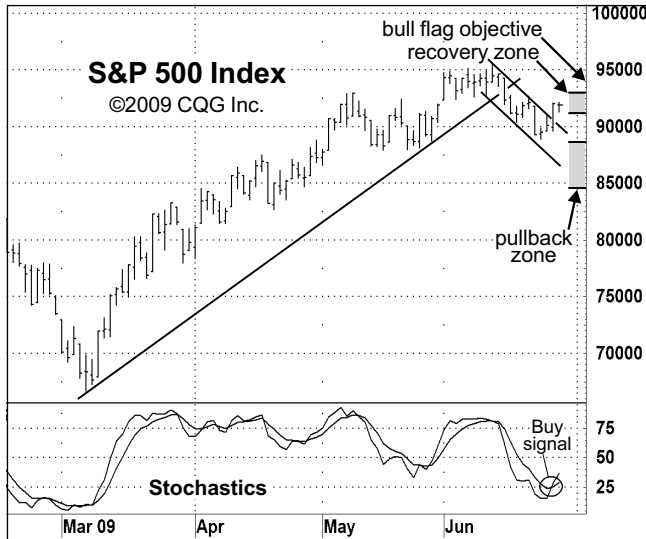
A top was completed in mid-June, providing an objective of 52.73. The first leg (a) of the decline fell 686 points. The recovery zone ranges from 57.77 to 59.63. Following the recovery, objectives for the second leg (b) will range from 51.02 to 52.77. Stochastics gave a buy signal on 6/25/09, confirming a recovery into the zone indicated.



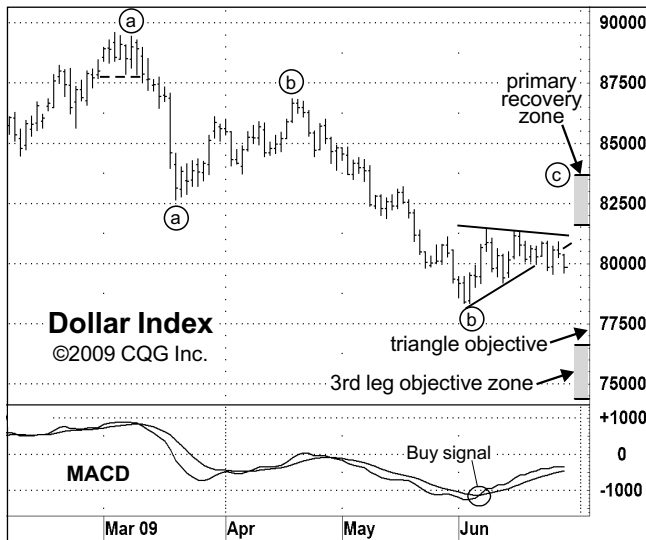
Although a small top was completed last week on daily charts, the market surged to new contract highs this week. The weekly chart illustrates the significance of this week's breakout. A small double bottom was completed in February. The first leg (1) of the advance gained 326 points. The second leg (2) gained 392 points. If the third leg (3) is equal to either of the previous, objectives will range from 17.96 to 18.62. Stochastics remain very overbought, but a new buy signal was given on 6/26/09, confirming the third leg is underway.

"HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS." **COMMODITY INFORMATION SYSTEMS, INC.** • 3030 NW EXPRESSWAY, #725 • OKLAHOMA CITY, OK 73112 • (405) 604-8726

Indices

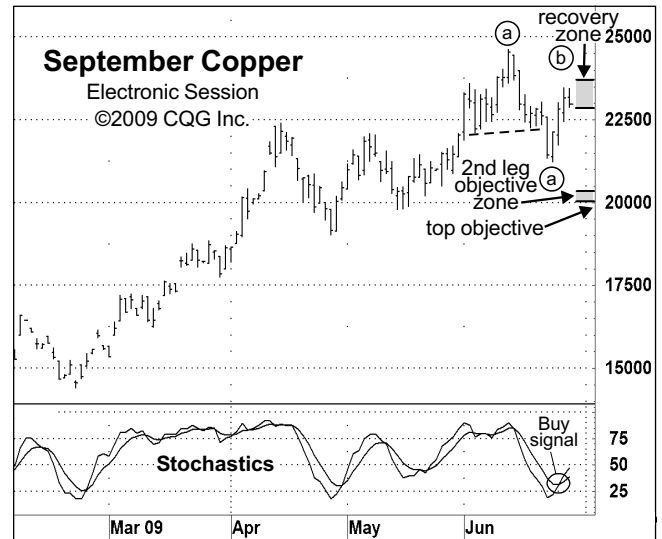


The uptrend line was decisively broken. This week, the market tested the upper end of the pullback zone shown in previous issues from 847.20 to 888.80. A small bull flag was completed this week, providing an objective of 940.70. The recovery zone ranges from 914.60 to 930.60. Stochastics gave a buy signal from oversold territory on 6/25/09, confirming a recovery into the zone indicated.



A small top was completed in March. The first leg (a) of the decline fell 700 points. The second leg (b) was extended, falling 853 points. When the second leg is larger, the third leg is usually equal to the first. The recovery zone ranges from 81.55 to 83.60. Following a recovery into the zone, objectives for the third leg (c) will range from 74.46 to 76.60. The small triangle shown previously was completed this week, providing an objective of 77.30. The MACD gave a buy signal on 6/5/09 and remains in a positive mode. The next sell signal should confirm the third leg is underway.

Copper

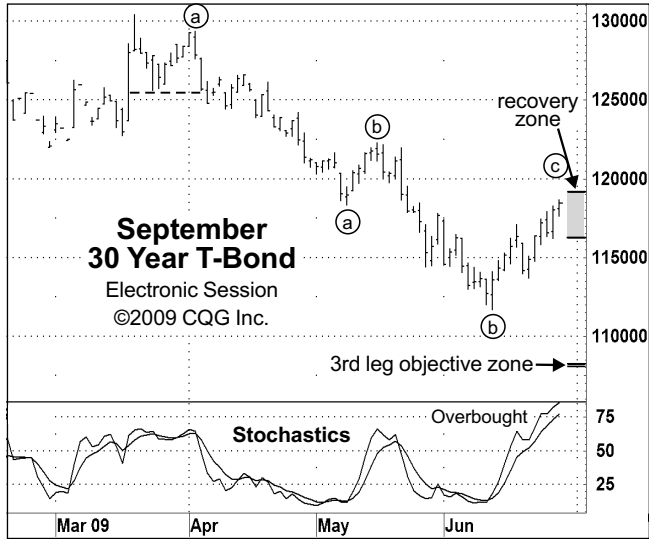


A small top was completed this week, providing a downside objective of 199.00. The market pulled back into the zone shown last week from 210.00 to 222.10. The current recovery zone ranges from 229.40 to 237.90. The first leg down (a) lost 33.95. Objectives for the second leg (b) will range from 200.70 to 203.95. Stochastics gave a buy signal on 6/25/09, confirming a recovery into the zone indicated.

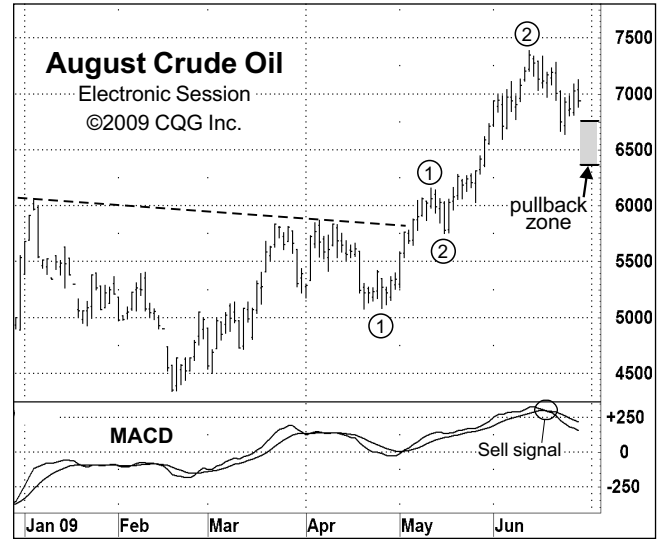
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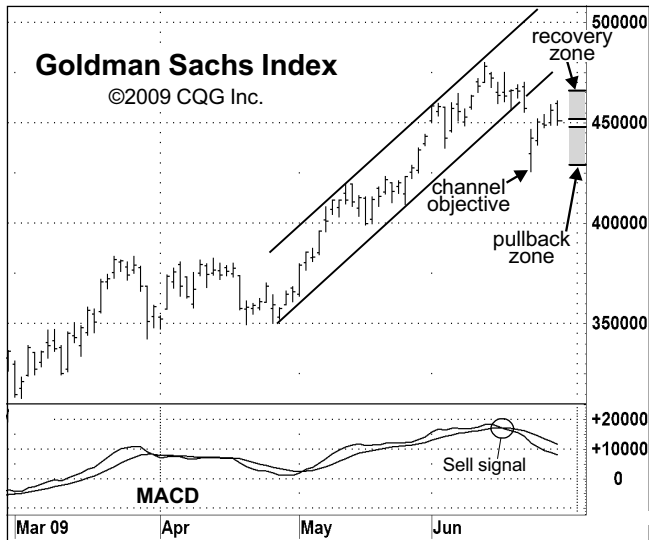
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A small top was completed in April. The first leg (a) of the decline fell 11-03. The second leg (b) fell 10-20½. The recovery zone ranges from 116-32 to 119-21. Following the recovery, objectives for the third leg (c) will range from 108-10 to 108-18. Stochastics are deep in overbought territory. The next sell signal should confirm beginning of the third leg.



A large bottom was completed in May. The first leg (1) of the advance gained 10.78. The second leg (2) was extended, gaining 16.38. As shown previously, the pullback zone ranges from 63.78 to 67.64 and remains operative. The MACD gave a sell signal on 6/17/09 and remains in a negative mode.



As illustrated in the previous issue, the index has traded within a well-defined uptrend channel. This week, the market broke below the lower line and attained the objective of 426.0 shown previously. Pullback objectives shown in last week's issue from 430.0 to 449.2 were also satisfied. The recovery zone ranges from 452.9 to 466.5. The MACD gave a sell signal on 6/16/09 and remains in a negative mode.

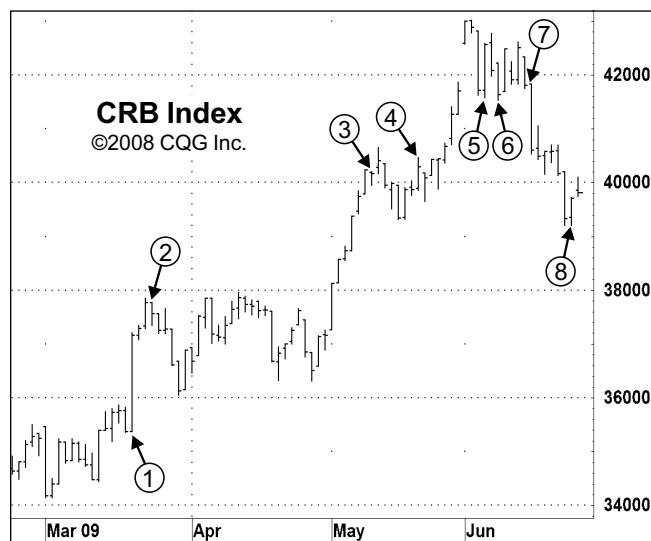
CIS publication schedule . . .

- 7/04/09 *Technical Update #1388b*
- 7/11/09 *Price Perceptions #1389*
- 7/18/09 *Technical Update #1389a*
- 7/25/09 *Price Perceptions #1390*
- 8/01/09 *Technical Update #1390a*

Grain Insight Alerts Successfully Help Commodity Traders...

Bill Gary's *Grain Insight Alerts* are designed to provide subscribers with *timely* views and analysis of ongoing events. Below are actual quotes from recent alerts pertaining to grain markets . . .

- ① 3/19/09 (9:00 AM, CST) "After yesterday's close, the Fed announced another trillion dollar bailout for the financial industry. In the near term, we view this as supportive to commodity prices. However, in the longer term, inflated commodity prices will clash with the ongoing recession and rising unemployment."
- ② 3/24/09 (9:30 AM, CST) "Both equity and commodity markets have been anticipating an answer to banking problems since early March and many believe the worst is over. We cannot argue with this general market theme. But, the initial recovery has occurred and it's now a function of the market to prove a significant low has been made. This may require several days or weeks of consolidation. Traders should be cautious with long positions until the *back and fill* period has shown enough buying power to eventually begin another leg higher."
- ③ 5/11/09 (9:11 AM, CST) "Grain markets rallied sharply last week in anticipation of bullish reports tomorrow morning. We advise those who are long grain futures to move to the sidelines and wait until after tomorrow's reports to decide whether the recent advance has the power to continue."
- ④ 5/20/09 (9:06 AM, CST) "We have reappraised the global supply/demand balance for grains and oilseeds in recent weeks and now believe prices will work higher into summer. Subscribers should expect the recent recovery to continue into early June, followed by a seasonal setback in late June."
- ⑤ 6/3/09 (8:24 AM, CST) "Some funds will be rolling long positions out of July and into deferred contracts over the next few sessions. This may result in some market distortion into next week. However, we doubt grain markets will be able to pull back substantially before the USDA reports next Wednesday."
- ⑥ 6/8/09 (11:10 AM, CST) "It appears China may be more dependent on exports than many have thought. By increasing export rebates on a wide variety of items, it appears the Chinese economy is not as strong as generally believed by the marketplace. Commodity traders should begin taking a more cautious approach to the long side."
- ⑦ 6/15/09 (9:11 AM, CST) "The latest issue of *Price Perceptions* contained an editor's note indicating there was growing evidence the recent commodity buying spree may not be sustainable. We believe the recent *mini-bubble* in commodities may be ending. Traders should begin to look for short selling opportunities."
- ⑧ 6/23/09 (9:05 AM, CST) "Commodity and stock prices have fallen sharply. Some believe the setback is a buying opportunity. Others view it as an aberration in an ongoing bull market. However, our studies indicate the world economy remains too weak to support lofty price levels of recent weeks. We advise subscribers to view minor recoveries as selling opportunities."



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