* * Glen Ring's *VIEW ON FUTURES DAILY UPDATE* 01/18/06 * *

 31633 120th St., Cedar Falls, IA 50613
319-268-1883, fax: 319-277-1997; e-mail: gring@glenring.com (*markets*); dianew@glenring.com ***(customer service)***

Breaks in the Nasdaq and S&P 500 are fully consistent with corrective retests of broken resistance. The Dow, however, is in danger of having posted a failed breakout. Bulls would be well-served by stout late-week recoveries.

I was stopped out of my long March Dow at 10,852 for a 42-point gain. I will *consider* another buy.

T-bonds and T-notes pushed through previous highs. Both, however, posted modest reversals – leaving both with possible failed breakouts. *Significant* followthrough losses are needed to up the risk of larger tops.

I am long March bonds at 113-26. I will raise my stop to 113-13. March T-bonds closed down 4 at 114-24.

The U.S. dollar index needs to close above recent highs to greatly up the chances that a bigger correction has come to an end. Either way, a sharp swing appears to be near.

The European currency unit continues to be turned back by stiff overhead resistance. However, the market must close solidly below last week's low to provide definitive evidence of a bigger correction being complete.

I am short the March European currency unit at 121.26. I will keep my stop at 122.29. The March European currency unit closed up .12 at 121.47.

A close below Tuesday's low in the Japanese yen would up the odds of a bigger corrective rebound to be complete.

I am short the March Japanese yen at 8782. I will keep my stop at 8884. On a trade below 8684, I will lower my stop to 8828. The March yen closed up 24 at 8739.

Wednesday's plunge in the CRB index is a reminder that the risk of a seasonal high (maybe even a major top) is very real. Followthrough losses and/or a low-range weekly close would add to this risk. Bulls need some recovery into Friday to (*likely*) retain firm control. The CRB index finished down 5.08 at 349.42.

Weekly closes could be key in soybeans. Low closes, in particular, would suggest bigger downtrends are renewing.

March corn is *likely* to challenge bigger support in the 200 area. Jabbing into the 195 area is not out of the question. But if 195 does not hold, much lower prices are possible before winter comes to an end. Yet, *after breaking 209*, a high-range weekly close would raise the *possibility* that the recent break was corrective.

I am short March corn at 214 3/4. I will keep my stop at 216 1/2. March corn closed down 3 at 205 3/4.

Wheat has *some* history to post seasonal lows in the January time frame (though more occur in February and early March). Thus, it is prudent to be watching for signs that a three-count corrective break *might* be completing. One more jab to new lows would raise this possibility.

Cattle need to close above last week's high to signal the market is back on a (bullish) seasonal track.

I am long April cattle at 9420. I will keep my stop at 9297. On a trade above ***9525***, I will raise my stop to ***9342***. April cattle closed down 45 at 9450.

April hogs plunged through support in the 6325 to 6350 area. However, the market came within a dime of an exact 50% retracement of the June to December advance. In addition, numerous contracts show potential to be very close to completing downmoves – be they corrections or initial swings of even longer-term declines. Plus, *the cash market is showing signs of posting a seasonal bottom*.

In short, whether the winter high proves to be a major top or not ***or*** recent slides were corrections within an even larger uptrend, there is a very good chance that a sizable recovery is coming.

Hogs often post "V" turns at major bottoms. But these should not be of that size. So, it is about a *60:40* call as to whether the market would turn on a dime (if a turn does occur) or would form a base – which hogs are known to do with a double bottom spread over a multi-week (from about two to eight weeks) span.

I will cancel my buy in hogs. However, depending on what follows, I may try again before the week is out.

March cotton failed at minor resistance near 56. Yet, if there is little followthrough weakness, Wednesday's plunge could be most of the C-wave of a minor three-count correction. But the bulls must act quickly.

As implied Tuesday, coffee bulls need to avoid having the market post a weekly reversal down. *This is a risk.* But the bulls can keep control by holding current levels.

Though by no means the same , sugar faces a challenge not unlike that seen in coffee. With the market in the midst of a band of major resistance, a weekly reversal down could lead to a devastating downturn.

March cocoa should have a fight in the 1605 to 1640 area.

There is a very real danger that gold is topping. Bulls do not want to see the market post a low-range weekly close – especially considering this is the middle of the strongest time of year to post a major top.

A close below Wednesday's low in silver would add to the danger of at least a daily double top being in place. A hard slide into late-January is possible.

Concern about Iran ups risk in the energy complex. However, seasonal highs are due – and may well be in place (as long as the Iranian situation does not heat up).

I will *lightly* sell March crude oil at 6560 stop. If filled, I will place a stop at 6760. ("***Deep*** pocket" accounts only.)