

The Hightower Report

Futures Analysis & Forecasting

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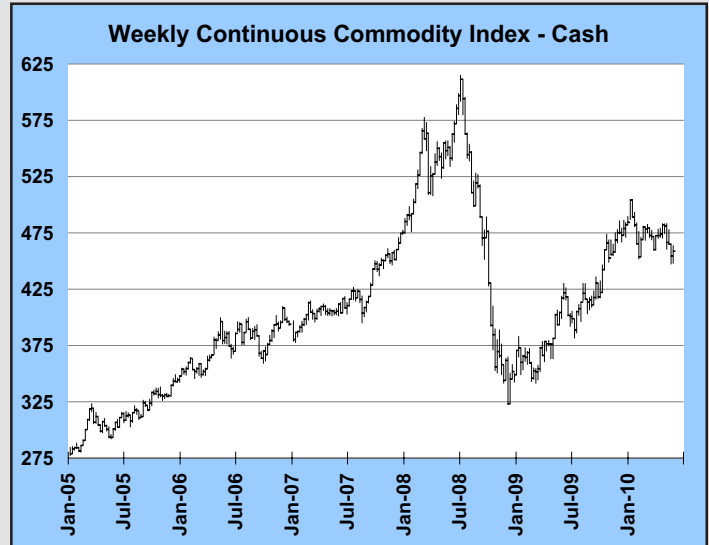
June 7, 2010 - Trades good through June 18, 2010 - Next Issue June 21, 2010

Commodity Outlook

An unfortunate thing happened on the way to the “recovery.” The Euro zone crisis managed to entrench itself in the headlines, and that in turn kept consumer and investor sentiment off balance. While many economists had predicted a long, slow recovery process in the wake of the sub-prime mess, events like the early-May US equity market debacle could string the recovery process out even further. About the only positive from the May event was a sharp decline in energy prices. But under the current set of conditions, a little extra disposable income is hardly going to be the spark that reignites the recovery fire.

In our opinion, the market still needs to see a massive, coordinated intervention by the G20 in favor of the Euro to keep negative speculation about the Euro zone in check and, hopefully, allow for a gradual recovery in confidence. We suspect that some central bankers have already come to the conclusion that the only way out of the crisis is to foster inflation by firing up the printing presses. But since so many countries are dominated by leadership that wants to rely solely on government spending, it could be a while before the right steps are taken. Apparently the US still has borrowing capacity, as Washington is tossing around the idea of another stimulus package. But it is likely that only a small measure of that funding will be channeled toward job creation, as the political preference might be to extend unemployment insurance again.

In the meantime traders should be on the lookout for commodity and financial instruments that move to factor in a sustained slowing of the economy, as those markets might be the place to look for value after the full negative influence off the May debacle has been registered in the scheduled data flow. Unfortunately, the ill effects of the event might not pass until the last of the May readings have been seen, which would be



into the end of June. In the meantime, we suspect that the commodity markets will encounter bouts of deflationary liquidation. We think that eventually the Euro zone story will lose its importance and the resiliency of the US and Chinese powerhouses will be cause for a mid-summer rally in equities. While we leave the near term edge with the bear camp, we will be watching the Canadian Dollar, RBOB, corn and platinum for significant bottoming action. Markets like crude oil, soybeans, cotton, sugar, livestock and gold could be set to deflate in the coming two weeks, as the prospect of a double dip recession looks to catch those markets in a vulnerable condition.

Best Near Term Uptrending Markets

Hogs
T - Bonds
US Dollar

Best Near Term Downtrending Markets

Soybeans
Coffee
Euro

Corn and Soybeans

In our last issue we laid out a strategy to trade the soybean market from the short side until the weather turns more threatening in the US Midwest, at which point traders can shift gears and trade the corn market from the long side. So far, the weather and crop outlook is nearly ideal and we will need to stay in the bear camp. If we see good weather continue through the month of June, the soybean outlook will remain bearish.

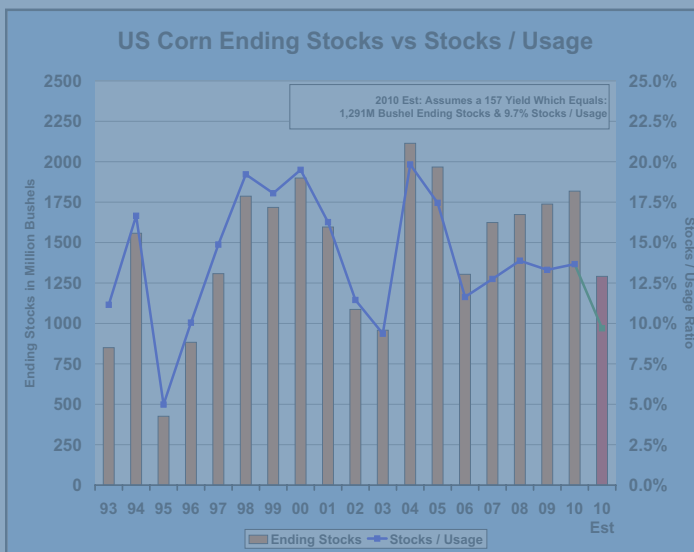
On June 1st November soybeans saw their lowest close since October 5th, as traders became convinced that growing conditions were really good. As of Sunday May 30th, the weekly crop progress report showed 74% of the crop had been planted, up from 53% the previous week and 63% last year. The 10 year average for this time of year is 74%. Illinois was 73% planted compared with 31% last year at this time. More plantings were accomplished ahead of a heavy rain system that fell across the heart of the Midwest on June 2nd, so the crop has likely gotten off to a fast start. As of this writing

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DUE TO THE VOLATILE NATURE OF FUTURES MARKETS, THE INFORMATION CONTAINED HEREIN MAY BE OUTDATED UPON ITS RELEASE.

the 6-10 day forecast was calling for a warm and wet trend, which is nearly ideal for early development of the crop.

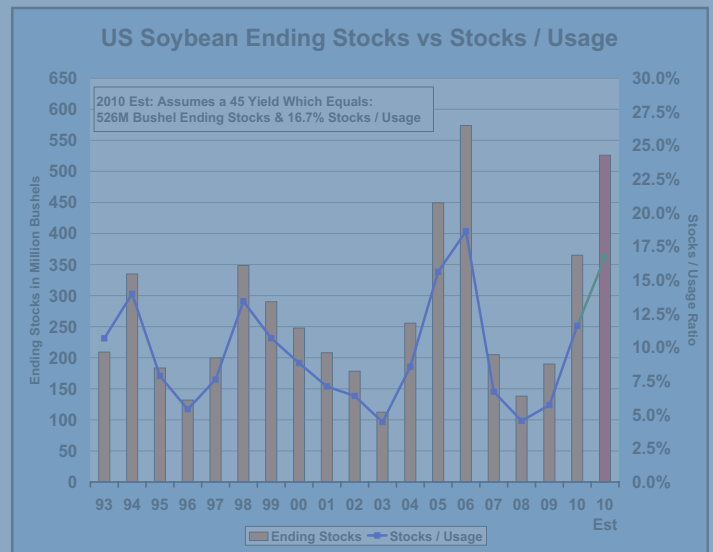
Basis levels have stabilized in the US, as Chinese demand has slowed due to weaker crush margins and record bookings for arrival this month and maybe next. Brazil exported 5.7 million tonnes of soybeans in May, which was a record for that month and compares with 4.7 million tonnes last year. In the world supply/demand report from May, the USDA forecast production from Argentina and Brazil combined at 32.2 million tonnes higher this season than last year, and this excess supply could work its way onto the world market during the June-August time frame. This leaves the export outlook for US soybeans and products weak in the months just ahead. The market seems to have the fundamentals to push lower on its own merit, but if we see fund traders shift away from commodity markets in general due to the European debt crisis or continued weakness in the US stock market, the selling could intensify.



As we indicated last month, if yield happens to push to a new record high of 45 bushels/acre, up from 44 last year, US ending stocks could reach 525 million bushels in 2010/100, up from 190 million for 2009/10 and 138 million in 2008/09. This would result in a stocks/usage ratio of 16.7%, up from 11.6% in 2009/10 and 5.7% in 2008/09. World soybean ending stocks for the 2010/11 season are already expected to swell to record highs, and if the US has a better than expected crop, this estimate is likely to rise. As of the May report, world ending stocks were expected to reach a record 66.09 million tonnes, up from 63.76 million for 2009/10 and 43.04 million tonnes for 2008/09.

As traders are well aware, weather could shift from “nearly ideal” to threatening very quickly. While so far we have to stick with our bearish outlook due to the heavy supply, traders could become concerned that a shift in the overall weather pattern from an El Nino pattern last year to a La Nina this year could cause a hot and dry summer in the Midwest. The US Climate Prediction Center has indicated that the likelihood of a La Nina event in the second half of 2010 is growing. The next NOAA monthly outlook is due out on June 3rd, and it might give some insight into July and August weather.

If the bearish weather reaches a peak into mid-June and the market is already pricing in a record-type corn yield and a



more deflationary tone to the world economy at that time, traders might watch for a technical sign of a low in the corn market. Corn demand is improving, and China is importing corn for the first time in 14 years. China’s weather will be as important as weather in the US this season. So far, their weather has been suspect, with cold and wet weather early causing planting delays and some hot and dry weather in the forecast for early June.

Corn is off to a very fast start in the US, and the trade already considers the USDA yield forecast at 163.5 (second highest in history) as too low. Good-to-excellent ratings are near record highs, and the crop was 97% planted as of May 30 compared with the 10-year average for this time of year at 92%. Crops rated good to excellent reached 76% compared to a ten-year average for this time of year at 67%. Historically, the highest percent rated good/excellent was 78% in 2007. Minnesota came in at an astounding 92% good-to-excellent with North Dakota at 87% and Nebraska at 84%. Current ratings would suggest a higher yield than the current USDA projection.

As we mentioned, the 6-10 day weather outlook as of this writing was warm and wet. The 11-14 day model is hot and dry, and a dry trend with much above normal temperatures for the second half of June could quickly lower the yield outlook. But for now, we will have to assume record yields for corn and soybeans and the potential for outside market forces to be negative over the next few weeks. As a result, we will stick with trading ideas that are similar to the ones in our previous issue.

Suggested Trading Strategies: 1) Sell November Soybeans at 919 3/4 with objectives of 855 1/2 and 809. Risk to 942. 2) Sell 1 September Corn 370 call at 18 cents and buy 4 of the September 420 calls at 6 each. Risk a total of 15 cents on the entire spread. If we break to 345 in September Corn, traders will be in a position to take about an 8-cent gain on the short call and hold the 4 calls with a relatively tight stop. If September rallies to 455, exit the position. If this occurs one month from now, the 420 calls should be near 46 cents each and the 370 call near 86 cents. In other words, the spread value is 6 cents to start, and the trader would exit at a value of 98 cents.*

*Option values are based on pricing models and are not guaranteed.

Swiss Franc

Market turbulence in the wake of the EU sovereign debt crisis had a wide reach throughout the financial markets, but it had its greatest impact within the continent of Europe. Although there was an initial rally for the Swiss Franc from a flight to quality move out of the Euro Zone, the Swiss National Bank made it abundantly clear that it would not tolerate a record high valuation above the 1.4 Swiss/Euro level by selling Swiss Francs over the course of the past month. The net result of these actions has meant that the Swiss Franc, in spite of being outside the EU, has been caught up in negative sentiment towards the Euro Zone during the past few weeks. This period of extended weakness culminated with a selloff over the Memorial Day weekend, the result of which had the Swiss Franc posting a new 13-month low against the Dollar. What has made this selloff all the more surprising has been the comparative advantage that the Swiss economy holds over the Euro Zone. This could lead to an extended move towards the upside for the Swiss Franc once events in Europe begin to settle down.

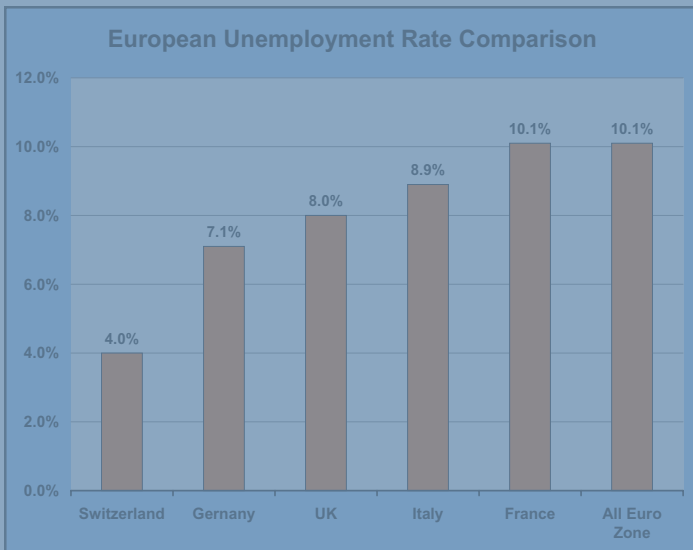
Suggested Trading Strategies: 1) Buy the September Swiss Franc at 85.88 with an objective of 89.72. Risk the trade to a move below 85.24. 2) Bull Call Spread: Buy the September Swiss Franc 88.00 call and sell the September Swiss Franc 90.00 call at a net premium of 64 ticks, with an objective of 172 ticks. Risk the trade to a move below 32 ticks.

RBOB Gasoline

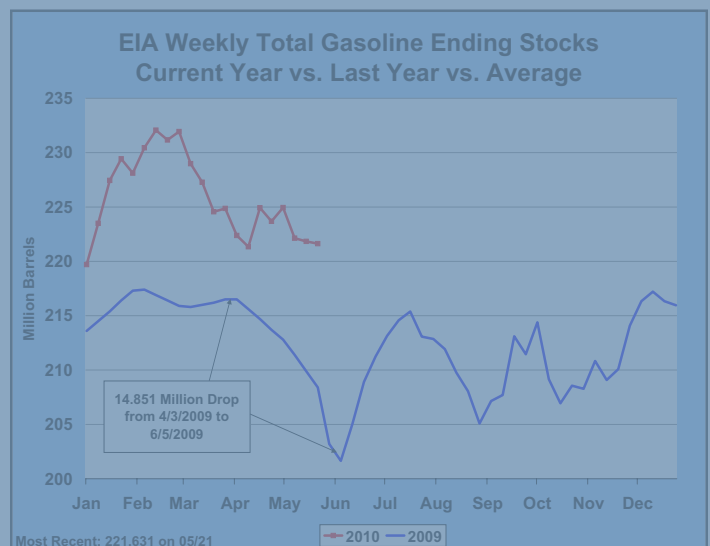
The energy complex saw an aggressive liquidation wave in the month of May, and that wasn't surprising considering that at the May high crude oil was trading \$18 per barrel above the February lows. In retrospect, the washout was justified from both fundamental and technical perspectives. In addition to a mountain of physical supply sitting inside the US, the market was picking up on the prospect of reduced global demand. With the COT reports at times this spring showing speculators holding a massive net long position in crude oil, even the technical condition of the market was screaming for a correction. Surprisingly, crude oil market seemed to get around news of a slight slowdown in the Chinese purchasing managers reading, even though the prospect of strong Asian demand was helping to discount the ultra-high level of crude oil supplies on hand in Cushing, Oklahoma. With gasoline stocks failing to continue a pattern of declines seen earlier in the year and demand not ramping up as expected in the wake of positive views on the economy, there were just too many negatives for the market to ignore as it went into the May debacle.

With the probe below \$67.50 in July crude oil and in the face of periodic bouts of deflation, we suspect that many US refiners will begin to ratchet down their activity, which could ultimately bring about a very solid low in prices. In the meantime, to avoid a retest of the May lows, it would probably require evidence of rising weekly gasoline demand and a pattern of falling refinery operating rates. In other words, to see a bull market mentality return to the energy complex, we probably need to see some proof of tightening US gasoline stocks. Last year US gasoline stocks saw a decline of roughly 15 million barrels in the April through June time frame. It could take that size decline and perhaps even more to fully restart the bull market action in the energy complex.

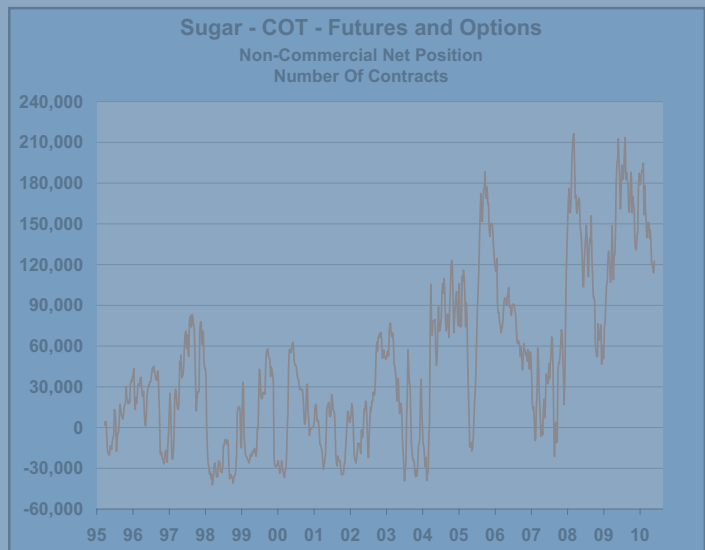
It is possible that RBOB pricing will begin to garner some support from a seasonal pick-up in demand, and that demand



Even before you factor the impact of the 750 billion Euro crisis prevention package on economic projections, the Swiss would still be in a much healthier position than most of Europe. The most glaring difference may be with employment levels, where a recent pattern of Swiss payroll increases will likely magnify an already sharp contrast with the Euro Zone once new austerity measures from the debt crisis package start to kick in. Although the chances of central bank intervention have not been removed from the market, they are greatly diminished as long as the Euro/Swiss cross rate stays away from the 1.4 Swiss per Euro level. In addition, the Swiss National Bank will likely take stronger steps to soak up excess Swiss Franc liquidity from intervention once market volatility starts to die down. While it has been difficult to forecast the end of Euro Zone debt problems, the EU crisis prevention package from earlier this month may have at least put a ringfence around the potential for contagion beyond the weaker peripheral EU nations. If Euro Zone problems can move towards the market's back burner, then a move back to the recent lows for the September Swiss could prove to be a base for an extended move to the upside.



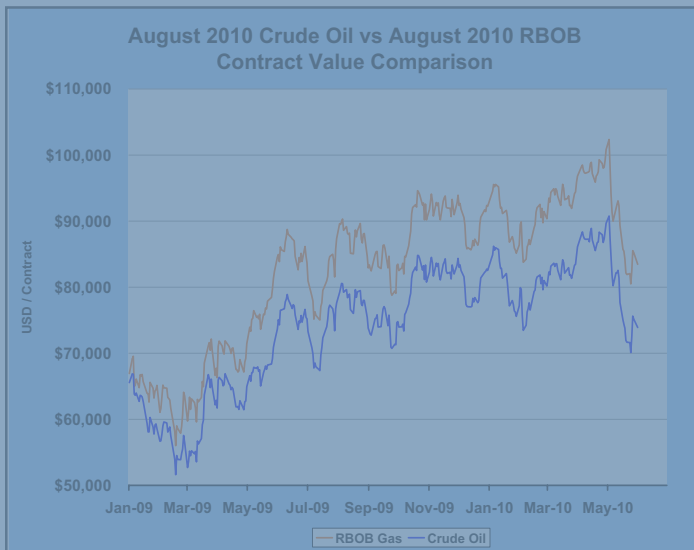
pattern might also serve to cushion gasoline prices against the residual slowing fears that look to be propagated by the ongoing travails inside the Euro zone. Still, it might take a temporary return to the late May low of \$1.8888 in July RBOB to put gasoline prices back into a deflated/cheap condition. Talk of stronger summer air travel this year and fairly active US trucking activity would seem to suggest that the product markets have a much better fundamental outlook than crude oil, which might see its physical supply condition worsen markedly in the face of scaled back US refinery activity. Therefore, we see RBOB pricing gaining on crude oil, and we see RBOB managing to gain on heating oil toward the end of June. For those that look at spread strategies, we think that RBOB will hold up better than crude oil on any near term weakness, and we expect RBOB to spring higher than crude in the event that the entire energy complex rebounds off of improving global psychology.



attempts. The latest COT report also showed non-commercial traders (traditionally funds) continued to hold a net long position of 122,593 contracts. While this is a 43% reduction from March 2008 extremes, it continues to reflect a market composition worthy of lower prices in search of value. Rally attempts so far have been feeble and short-lived. October sugar saw a two-cent short covering rally in May that made a push for the March/April lows of 16.00, which appeared sufficient to work off extremely oversold conditions. This left sugar in a rally or bust situation that has so far been a bust for the bulls and has left the market vulnerable to another leg down. So far, there have been two waves down from the January 2010 highs at 22.78 with a good chance for number three. The next area of support comes in at the May spike lows from 14.20 to 13.67. We expect these levels to become violated and are looking for a further downside extension that takes sugar to downside objective of 11.50 prior to expiration.

A lack of support from outside markets and fears of bigger supply ahead could help keep the trend down over the short-term. With the larger supply and good weather outlook, any shift to bearish outside market forces leaves the market vulnerable to increased long liquidation selling from fund traders. The Brazil Cane Industry Association indicated that the center-south sugar production from the start of the season through May 16th reached 4.43 million tonnes, up 38.7% from last year. Ethanol production reached 3.78 billion liters, up 21.1% from a year ago. Many traders look for total sugar production from Brazil for the 2010/11 season to be up 16-20% from last year, as expanded acreage, much improved weather and an early start to the crushing season help boost production. Russia imported a record 1.4 million tonnes of raw sugar in May, but traders see virtually no imports for June or July, as import tariffs jump to \$200/tonne this month from \$50 last month. Traders see tightness in China for the second half of the year, with talk of a production deficit for the second year in a row. This may help the market forge a low into the summer, but for now the outlook for India to shift from a major importer to an exporter for the coming season and the record crop from Brazil could spark another leg down. The lack of a weather issue so far from key growers India and China along with expectations of a bumper harvest from Brazil could keep the short-term trend in the spot market weak.

Suggested Trading Strategies: 1) Buy the October Sugar 13.50 put at 61 with an objective of 129. Risk 32 from entry.



Suggested Trading Strategy: Look to buy August RBOB on a pullback to \$1.8810 with an initial objective of \$2.1100. Risk the trade to \$1.8690.

Sugar Strategies

The agricultural markets could be somewhat vulnerable to bearish outside market forces if the turmoil in European debt issue remains a negative force for financial markets. Weakness in world equity markets and the surge higher in the US Dollar could slow world demand, and some agricultural markets seem more vulnerable than others to short-term weakness if speculators were to exit long-held long positions in those commodities. A look at the Commitments of Traders Supplemental Report provides a hint as to which markets could be especially vulnerable to selling pressures if financial market anxiety worsens. Trend-following fund traders or hedge funds (non-commercial, no-CIT Traders) hold large net long positions in live cattle, sugar, cotton and corn. If traders move to the sidelines, these markets could fall under a short-term long liquidation trend.

Sugar already saw a clear and decisive downtrend since March, but trend-following funds still hold a net long position of nearly 64,000 contracts. A resumption of the downtrend could attract increased long liquidation selling. The bears continue to unwrap the sugar market, but it may need more downside in order to lay a firm foundation for any meaningful rally

2) *Bear Put Spread: Buy the October Sugar 14.00 put and sell the October Sugar 12.50 put for a net cost of 42 with an objective of 88. Risk 21 from entry.*

Cotton

The cotton market was a leader to the upside in the commodity sector during much of the February through May 2010 period, but it may be in the process of shifting to a leadership role to the downside. Last week started with a sharp break in the face of somewhat supportive developments in outside markets. The initial weakness in cotton was led by the July contract, which had long traded at a premium to December due to strong old crop export demand. However in recent weeks this has been outweighed by concern over the longer term demand picture in Europe following the sovereign debt crisis there and in the US as the stock market has sagged and job creation lags.

A favorable crop outlook and increased acreage in the US add to the more somber price outlook, as do technical factors. The July contract has recently pushed below its 100-day moving average, and the December contract rolled over to the downside at the start of June after ending May with a push to new 20-month highs. Cotton has shown a tendency to be economically sensitive, and further weakness in the world financial markets could spark a long liquidation selling trend for this market as well. With trend following funds net long more than 47,000 contracts, a turn lower in the cotton market could spark some heavy long liquidation selling.

July cotton has been trading at a premium to December since late 2009 in a classic inversion that was based on strong demand and tightening ending stocks estimates for 2009/10. The

Cotton - COT - Futures and Options CIT

Non-Commercial - No CIT - Net Position
Number Of Contracts



July premium peaked in late April and has since eroded by nearly 80% from its highs. While this provided temporary support for the December contract, the liquidation of bull spread positions may no longer be enough to support December. With both the July and December contracts now headed lower, these old and new crop contracts could take turns leading the overall cotton market lower.

July cotton charts display a market breaking down out of a head and shoulder pattern that has bearish implications. Prices have confirmed penetration below the neckline (80.10), which points to a further decline down to 72.58. This also corresponds to test of the early February 2010 lows.

Suggested Trading Strategy: Sell July Cotton at 80.08 with an objective of 72.60. Risk the trade to 81.52.

Commitment Of Traders With Options: Record Long / Short Levels

Commitment of Traders With Options: Extreme Ranges
Data for the week ending 5/11/2010

Legend
Value = Extreme Level
Value = Within 5% of Extreme Level

Market	NON-COMMERCIAL					NONREPORTABLE					NON-COMMERCIAL AND NONREPORTABLE COMBINED				
	Net As Of 5/11/2010	Record Net Long	Date	Record Net Short	Date	Net As Of 5/11/2010	Record Net Long	Date	Record Net Short	Date	Net As Of 5/11/2010	Record Net Long	Date	Record Net Short	Date
Currencies															
Canadian Dollar	51,464	84,725	10/9/2007	-85,114	1/9/2007	21,531	36,271	3/4/2003	-13,477	3/20/2007	72,995	105,719	3/23/2010	-86,451	1/9/2007
Euro	26,754	42,276	2/2/2010	-27,952	7/24/2007	3,221	4,369	1/26/2010	-5,259	5/6/2003	29,975	46,307	2/2/2010	-30,547	7/24/2007
	-105,145	119,189	5/15/2007	-105,145	5/11/2010	-10,004	43,714	6/14/2005	-12,869	4/13/2010	-115,149	139,964	5/15/2007	-115,149	5/11/2010
Energies															
Crude Oil	170,027	219,720	4/6/2010	-63,543	12/30/1997	31,259	39,146	12/23/2002	-30,031	9/23/2003	201,286	242,210	4/13/2010	-92,355	12/30/1997
Gas (RBOB)	52,937	80,867	5/4/2010	2,474	11/7/2006	7,989	16,644	10/27/2009	-3,067	4/4/2006	60,926	93,188	5/4/2010	2,357	10/31/2006
Heating Oil	21,344	46,774	5/15/2007	-21,473	7/18/1995	16,542	35,138	9/30/1997	-7,876	2/21/2006	37,886	69,502	10/27/2009	-20,069	1/23/2007
Natural Gas	-106,487	54,288	8/17/1999	-297,972	7/1/2008	30,259	55,956	7/14/2009	-2,624	11/27/2001	-76,228	85,586	8/29/2006	-242,712	7/1/2008
Financials															
Bonds	-89,120	101,649	12/14/2004	-172,009	5/2/2006	16,480	62,132	8/18/1998	-92,110	4/25/2006	-72,640	138,850	6/16/1998	-255,084	5/2/2006
Dow Jones	25,755	3/6/2007	-10,386	8/19/2003	-	22,119	7/18/2006	-12,019	3/9/2004	-	40,716	2/27/2007	-16,874	8/19/2003	
Dow Jones S&P 500	8,392	49,036	6/6/2006	-29,032	6/5/2007	273	25,813	12/13/2005	-47,274	9/5/2006	8,665	59,073	12/13/2005	-50,000	3/13/2007
E-Mini S&P 500	-698	393,444	3/3/2009	-401,264	9/18/2007	114,978	448,612	6/10/2003	-332,429	3/10/2009	114,280	445,459	11/11/2008	-521,003	9/18/2007
Nasdaq Mini S&P 500	14,263	95,765	12/23/2004	-151,275	8/1/2006	65,291	181,061	1/30/2004	-156,111	2/22/2005	79,554	249,547	11/30/2004	-203,893	10/18/2005
S&P 500	-15,960	60,857	10/14/2008	-69,384	2/23/2010	10,733	123,465	3/10/2009	-38,000	10/2/2007	-5,227	110,336	3/6/2007	-70,478	9/25/2007
T-Notes	-160,128	668,018	8/7/2007	-269,879	4/13/2010	-13,019	38,955	5/12/1998	-391,067	3/15/2005	-173,147	572,683	8/14/2007	-621,803	3/22/2005
Grains															
Corn	106,091	346,768	2/20/2007	-129,284	2/8/2005	-149,726	31,081	11/19/2002	-179,258	1/26/2010	-43,635	286,978	2/20/2007	-178,513	2/8/2005
KC Wheat	14,985	70,392	7/11/2006	-18,588	2/8/2005	-10,492	17,751	5/1/2001	-17,124	5/20/2008	4,493	71,212	7/11/2006	-20,686	2/8/2005
Minn Wheat	10,497	19,331	3/13/2007	-10,577	1/11/2005	-4,374	7,743	11/20/2001	-5,343	5/23/2006	6,123	19,204	3/13/2007	-9,455	1/18/2005
Oats	2,794	7,009	6/19/2007	-2,794	5/11/2010	1,377	8,080	5/2/2000	-1,910	10/23/2007	-1,417	10,297	3/30/2004	-2,926	3/3/2009
Rice	-874	8,138	12/4/2007	-2,097	2/23/1999	259	4,790	3/25/2003	-1,540	2/23/1999	-615	11,218	2/19/2008	-3,637	2/23/1999
Soybeans	39,782	156,188	12/11/2007	-56,442	2/8/2005	-59,944	39,075	5/23/2000	-65,028	4/13/2010	-20,162	118,587	12/11/2007	-102,586	4/4/2006
Soymeal	33,760	79,657	12/11/2007	-47,891	9/12/2006	11,073	33,298	11/7/1995	-1,519	4/11/2006	44,833	107,044	12/11/2007	-43,489	2/8/2005
Soyoil	-2,656	86,091	4/10/2007	-44,346	2/8/2005	-1,071	32,076	11/5/2002	-5,604	2/16/1999	-3,727	107,322	2/17/2004	-43,744	2/8/2005
Wheat	-25,224	50,921	6/26/2007	-60,208	12/6/2005	-22,040	34,096	11/14/2000	-41,108	10/23/2007	-47,264	50,363	9/17/2002	-70,689	4/6/2010
Livestock															
Cattle	141,270	141,270	5/11/2010	-15,270	2/10/1998	-53,554	11,429	2/3/1998	-53,554	5/11/2010	87,716	87,716	5/11/2010	-29,877	3/28/2006
Feeder Cattle	18,184	20,630	4/27/2010	-3,290	7/21/1998	-16,724	2,790	8/6/1996	-16,804	5/4/2010	1,460	4,172	3/30/2010	-6,943	1/23/2007
Hogs	54,751	60,264	5/4/2010	-20,480	7/7/2009	-14,388	4,136	11/11/1997	-22,474	6/13/2006	40,363	49,731	4/13/2010	-33,882	4/18/2006
Metals															
Copper	10,558	48,142	10/14/2003	-27,654	2/17/2009	-2,186	17,112	5/11/1999	-7,894	5/9/1995	8,372	61,109	10/14/2003	-29,127	2/17/2009
Gold	276,309	280,626	10/13/2009	-88,342	4/6/1999	48,079	66,628	9/28/2009	-12,386	6/1/1999	324,388	328,344	10/20/2009	-85,267	4/6/1999
Palladium	16,185	16,185	5/11/2010	-1,373	6/16/1998	2,141	3,759	2/7/2006	-864	11/19/2002	18,525	18,326	5/11/2010	-1,635	8/6/2002
Platinum	22,416	24,037	4/13/2010	-5,078	10/6/1998	4,188	7,204	12/24/1996	-786	4/3/2001	26,604	28,327	4/13/2010	-3,709	10/6/1998
Silver	40,054	72,657	12/7/2004	-12,516	7/29/1997	16,001	35,847	4/27/2004	4,242	9/25/2001	56,055	67,635	3/9/2004	5,271	7/29/1997
Softs															
Cocoa	32,688	63,735	1/15/2008	-27,816	6/3/2003	1,668	29,035	2/8/2000	-3,659	3/9/1999	34,356	73,654	1/15/2008	-29,850	6/3/2003
Coffee	12,287	61,628	2/12/2008	-23,760	11/25/2003	272	13,745	3/23/2004	-4,408	2/24/2009	12,559	69,191	2/12/2008	-15,242	12/9/2008
Cotton	54,275	99,866	2/26/2008	-30,994	4/25/2006	8,477	23,916	1/15/2008	-5,746	7/25/1995	62,752	123,098	2/26/2008	-28,876	12/16/1997
Lumber	3,232	4,748	4/27/2010	-1,803	10/28/2008	220	1,757	7/6/1999	-1,712	3/18/2008	3,452	5,068	4/20/2010	-2,245	1/21/2009
Milk	-4,118	10,590	9/2/2003	-9,183	2/24/2009	-4,225	1,294	4/12/2004	-12,303	1/6/2009	-8,343	10,042	9/2/2003	-17,782	1/6/2009
OJ	12,717	19,339	4/4/2006	-8,546	7/8/2003	1,976	22,102	10/7/1997	-2,464	6/16/1998	14,693	33,170	11/18/1997	-9,101	7/3/2001
Sugar	115,705	216,497	3/4/2008	-42,256	3/10/1998	18,020	90,112	2/19/2008	-13,086	11/12/1996	133,725	303,210	2/26/2008	-42,896	10/9/2001

***The information presented here is opinion, and should be treated as such. Futures trading can be risky! Investors should consider the inherent risks associated with trading in light of their financial condition.

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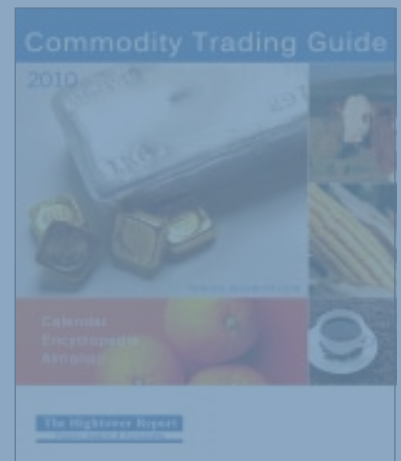
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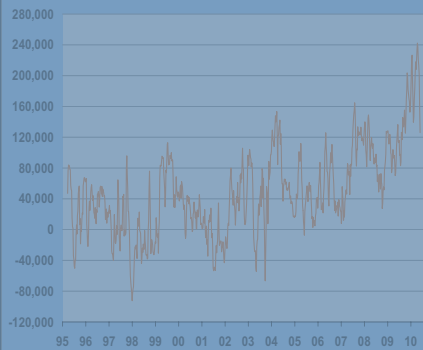
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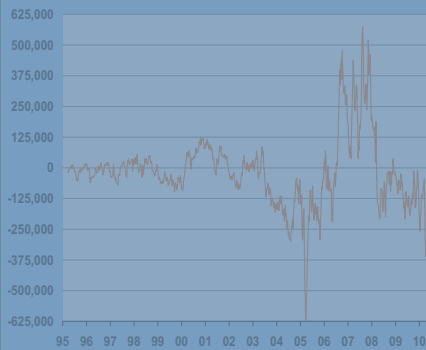
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OPTION STRATEGIES

Crude Oil - COT - Futures and Options
Non-Commercial and Nonreportable Combined Net Position
Number Of Contracts



T-Notes - COT - Futures and Options
Non-Commercial and Nonreportable Combined Net Position
Number Of Contracts



UNDERVALUED OPTIONS

Buy Aug E-Mini S&P 1040 put @ .37
Buy Aug Mini Dow 10,100 put @ .450

OVERVALUED OPTIONS

Sell Sept Copper \$3.30 call @ 1800*
Sell Sept Canadian 93 put @ 165*
Sell Sept Natural Gas \$4.00 put @ 270*

OPTIONS FOR TREND REVERSALS

Buy Dec Cotton 70 put @ 180
Buy Oct Sugar 16 call @ 75

* When selling options, only risk to double the premium received

These opinions can be a valuable addition to the investment or hedging goals of our readers. Investors are reminded of the inherent risks associated with trading futures contracts much like any leveraged investment vehicle. Market conditions may prevent stop-loss or other liquidating orders from being executed at a particular price. REFUND POLICIES ARE PRO-RATED WITH AN ADDITIONAL \$20 SERVICE CHARGE PLUS CHARGES FOR ANY FREE RESEARCH MATERIAL RECEIVED.