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Technical observations of
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A Sweet Looking Opportunity

The scan of the COT reports this week has come up with an item we rarely watch; Sugar. Prices put in a significant low in 2015 and rallied from 10 cents to 24 cents. The Sugar ETN (SGG) rallied from 24 to 54.

This year has seen prices drop back, but not through the 2015 low. However, the speculative non-commercials have a greater net-short position and the commercials have a larger net-long position than in 2015. The is the same bearish sentiment characteristic we saw at the bottom of the Canadian Dollar in May.

A base appears to be in the making and any upside through the 50-day moving average and last week’s high in the futures and SGG would add to the constructive pattern.

The COT levels are outside the Bollinger Bands and have the most excessive RSI readings since 2006.





Futures markets with related ETF/ETNs and options that have generated historical extremes in COT numbers in the last two years:

		Extreme COT	Subsequent move
• March 2015	US Dollar interim top	100.79	93.16
	Euro bottom	104.7	114.5
• June 2015	Soybean top	10.47	8.55
• August 2015	Cdn Dlr interim low	74.30	77.93
• January 2016	Crude oil bottom	28	51
	Copper bottom	1.95	2.32
	Cdn Dlr bottom	68.60	80.00
• May 2016	Gold interim high	1306	1202
	Silver interim high	17.75	15.95
• June 2016	T-Bond top	177	148

	US Dollar bottom	94	103
	Corn top	440	312
• July 2016	Gold top	1370	1125
	Silver top	20.50	15.80
• August 2016	Platinum top	1180	900
• Sept 2016	Sugar top	24	13
• Nov 2016	Coffee top	175	133
• Dec 2016	Copper interim top	2.74	2.45
• January 2017	T-Bond bottom	150	155.50
	T-Note bottom	124	126.50
• February 2017	Crude oil top	53	43
• March 2017	Cotton top	84	67
• April 2017	Silver divergent top	18.50	16
	Wheat bottom	4.18	5.60
• May 2017	Cdn Dlr bottom	72.60	80.50
• June 2017	T-Note top	127	125
	T-Bond top	157	152
	Soybean bottom	9.00	10.25
	Coffee bottom	120	137
• July 2017	Wheat top	5.50	4.80
	Gold, Silver & Platinum bottom		
	Cocoa basing		
	US Dollar base?		
	Euro top?		
	Sugar bottom		

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