A visitor looks at gold pieces from pre-Hispanic cultures exhibited in the Gold Museum in Bogota.

REUTERS TECHNICAL ANALYSIS Q1 OUTLOOK 2013 - WANG TAO

Brent oil is likely to touch $100 per barrel and WTI is biased to revisit a low of $77.28 after a weak rebound. Precious metals will no longer be attractive, due to a stronger dollar. Base metals such as copper may develop a sharp downtrend. Agriculture products such as soybeans, corn and wheat are on a firm downtrend and are expected to drop further.

SPOT GOLD TARGETS $1,397-$1,447 RANGE IN THREE MONTHS

Spot gold is expected to drop into a range of $1,397-$1,447 per ounce over the next three months, as indicated by its wave pattern and a Fibonacci retracement analysis.

A correction from the record high of $1,920.30 has not completed, as in terms of depth the correction has reversed no more than 38.2 percent of the gain from the October 2008 low of $680.80.

Wave pattern indicates the correction has been driven by three waves labeled A, B, C.

The wave B is a flat, starting at the Dec. 29, 2011 low of $1,521.94 and ending at the Oct. 5 high of $1,795.69.

The wave C has taken over at $1,795.69 and is advancing towards $1,397, its 100 percent Fibonacci projection level, based on the length of the wave A and the peak of the wave B at $1,795.69.

A Fibonacci retracement analysis on the rise from $680.80 to $1,920.30 reveals a higher target at $1,447, the 38.2 percent level.

Resistance is at $1,754, a break above which will signal an extension of the wave B towards $1,920.30.

SPOT SILVER TO DROP TO $26.11 IN THREE MONTHS

Spot silver is expected to drop to $26.11 per ounce over the next three months, as indicated by a descending wedge and its wave pattern.

The fluctuation of the metal has been confined within the wedge ever since it touched a high at $35.36 on Oct. 1. An upward wave B, which consists of three smaller waves labelled a, b and c, has largely contributed to the formation of this pattern.

The wave c is shorter than the wave a, as indicated by a Fibonacci projection analysis, and the peak of the wave c is considered as a lower high, compared to the previous highs touched on Apr. 28, 2011 at $49.51, Aug. 23, 2011 at $44.14 and Feb. 29 at $37.46.

These lower highs obviously confirm a steady downtrend from $49.51.

Silver is riding on a downward wave C, which started at $35.36 and is capable of travelling far below $26.11.

Bulls should be cautioned if silver breaks above a resistance at $32.52, as the break could signal an extension of the uptrend that developed from the June 28 low of $26.11.

U.S. OIL TO RANGE FROM $77.28 TO $104 IN THREE MONTHS

U.S. oil will be rangebound between $77.28 and $104 over the next three months, as indicated by a wedge and its wave pattern.

It seems the consolidation from the May 2011 high of $114.83 has not completed, with an upward wave B still unfolding.

This wave consists of three smaller waves labeled a, b, c. The wave c may drive the price towards the upper trendline of the wedge, which is about $104.

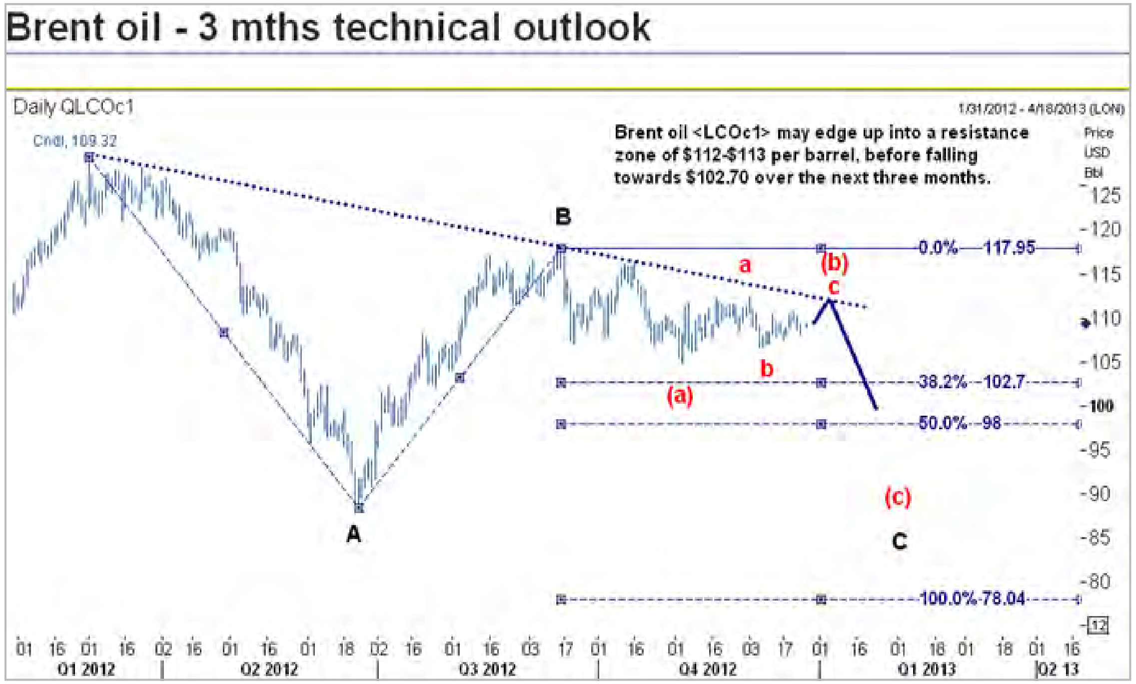
There is no guarantee that the $104 level will be touched, as the wedge looks more like a topping pattern than a continuation pattern, indicating a slim chance of the uptrend starting at the 2009 low of $32.40 to resume.

A weak wave c may stop at any levels below $104.

A big downward wave C is yet to develop, eventually to drive the price below the wedge. It does not matter whether this wave starts at about $100 or any lower levels.

Support is at $84.05, a drop below which will signal the rise from this level is indeed a weak rebound against the preceding downtrend from the Sept. 14 high of $100.42, and a bearish target at $66 will be established.

BRENT OIL TO FALL INTO $98-$102.7 RANGE IN THREE MONTHS



Brent oil may edge up into a resistance zone of $112-$113 per barrel, before falling towards $102.70 over the next three months.

A three-wave cycle starting from the March 1 high of $128.40 has not completed, as a Fibonacci projection analysis reveals that the third wave, the wave C, has traveled no more than 38.2 percent the length of the preceding wave A.

The wave C seems to have alternated with the wave A, adopting a zigzagging mode in its fall from the Sept. 14 high of $117.95.

There are three smaller waves making up the wave C, namely the wave (a), the wave (b) and the wave (c).

The wave (b) consists of three minor waves labeled a, b, c, with the wave c likely to push the price towards a trendline descending from $128.04.

The downward wave (c) will then take over and advance towards $102.70, its 38.2 percent projection level. A faster wave (c) may even travel to $98, the 50 percent projection level.

Support is at $106.63, a break below which will directly lead to a loss to $102.70.

LME COPPER MAY FALL SHARPLY TO $7,064 IN THREE MTHS

LME copper may drop sharply to $7,064 per tonne over the next three months, as it is riding on a downward wave C.

This is the third wave of a big three-wave cycle that started at the February 2011 high of $10,190. Developing from the Sept. 19 high of $8,422, this wave has been temporarily disrupted by a rebound from the Nov. 9 low of $7,506.

A Fibonacci projection on the target of this wave points to $7,064, the 38.2 percent level, based on the length of the wave A that traveled from $10,190 to $6,635 and the peak of the wave B at $8,422.

After touching a low at $6,635 on Oct. 3, 2011, copper has been bouncing up and down in a triangle, which is contracting to a point.

Given that the preceding trend is bearish prior to the formation of this triangle, there will be a good chance that the lower trendline of the pattern will be broken, leading to a sharp fall similar to the one from the Aug. 31, 2011 high of $9,304.

Resistance is at $8,162, a break above which will signal an extension of the rebound from the November low of $7,506, towards $8,832, the 61.8 percent Fibonacci retracement on the fall from $10,190 to $6,635.

LME ALUMINIUM TO CONSOLIDATE IN $1,900-$2,150 RANGE IN 3 MONTHS

LME aluminium is expected to consolidate further in a range of $1,900-$2,150 per tonne over the next three months, as indicated by a triangle and two trendlines.

The triangle has been constructed by the ratio of 0.8.

The starting point of this pattern is at the Aug. 16 low of $1,827.25. The rise from this level to the Sept. 14 high of $2,199 was reversed about 80 percent by the following drop.

Similarly, this drop was recovered about 80 percent by the subsequent gain from the Oct. 29 low of $1,887 to $2,148.

If this ratio works again, aluminium may fall to about $1,939, touching the lower trendline of the pattern.

The trendline descending from the May 3, 2011 high of $2,803 and passing through the March 2 high of $2,361.50 was broken on Sept. 13. The break only led to a sudden blowup and the metal fell deeply after hitting $2,199.

The fall could be interpreted as an overdone pullback towards the trendline.

The similar pullback could be seen towards the upper trendline which descends from $2,803 and passes through $2,199, and this pullback is expected to seek a support at the lower trendline which is about $1,900.

The bearish outlook will be revised should aluminium climb above $2,148, as the downtrend from $2,803 would be reversed further.

SHANGHAI COPPER BIASED TO FALL TO 50,760 YUAN IN THREE MONTHS

Shanghai copper is biased to drop to its October 2011 low of 50,760 yuan per tonne over the next three months, as indicated by a wedge and its wave pattern.

The wedge started to form at 50,760 yuan. Given that the preceding trend from the February 2011 high of 76,290 yuan was bearish, the future trend will be most likely downward, as a wedge is quite often a continuation pattern.

The consolidation within the wedge is considered as wave B, the second wave of a three-wave cycle that started at 76,290 yuan.

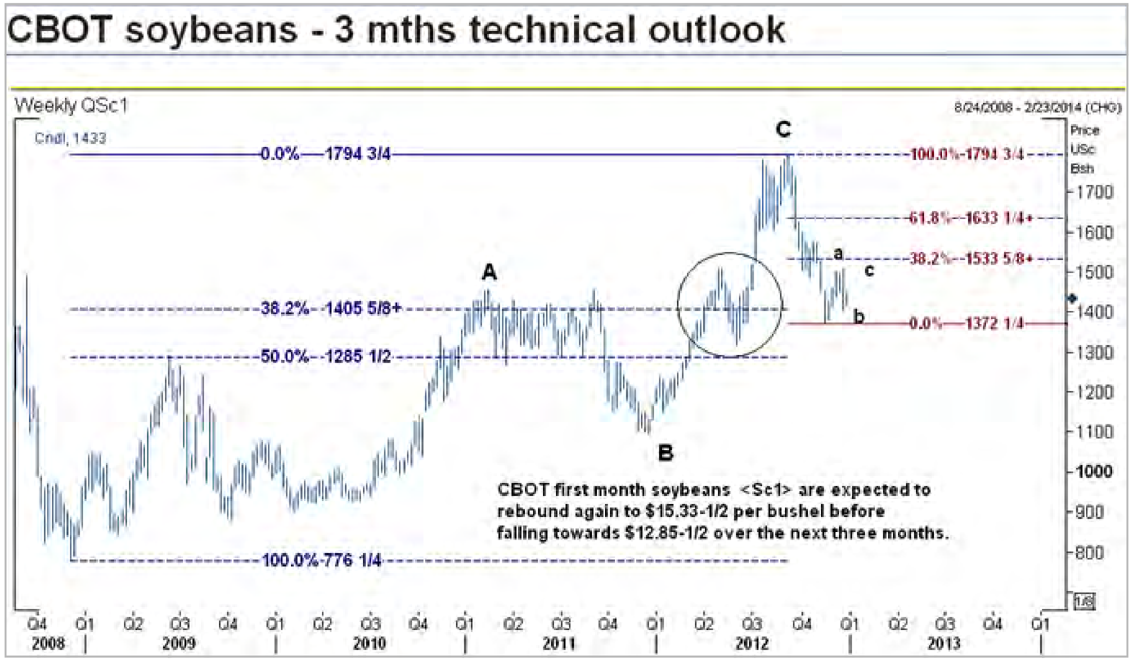
The third, wave C, will drive the price below the presumed wave A trough at 50,760 yuan.

It is not clear that wave C has started. A break below the support at 55,230 yuan will confirm its progress towards 50,760 yuan.

Resistance is at 60,000 yuan, which is provided by the upper trendline of the wedge, a break above which will signal an extension of wave B towards 63,530 yuan, the 50 percent Fibonacci retracement on the fall from 76,290 yuan to 50,760 yuan.

REUTERS

SOYBEANS TO FALL TO $12.85-1/2 IN 3 MONTHS AFTER A LIMITED REBOUND



CBOT first month soybeans are expected to rebound again to $15.33-1/2 per bushel before falling towards $12.85-1/2 over the next three months.

The rebound is labelled as a wave c, the third wave of a three-wave cycle that started at the Nov. 16 low of $13.72-1/4.

A Fibonacci retracement analysis on the fall from the Sept. 4 high of $17.94-3/4 to $13.72-1/4 reveals a target for this corrective wave cycle at $15.33-1/2, the 38.2 percent level.

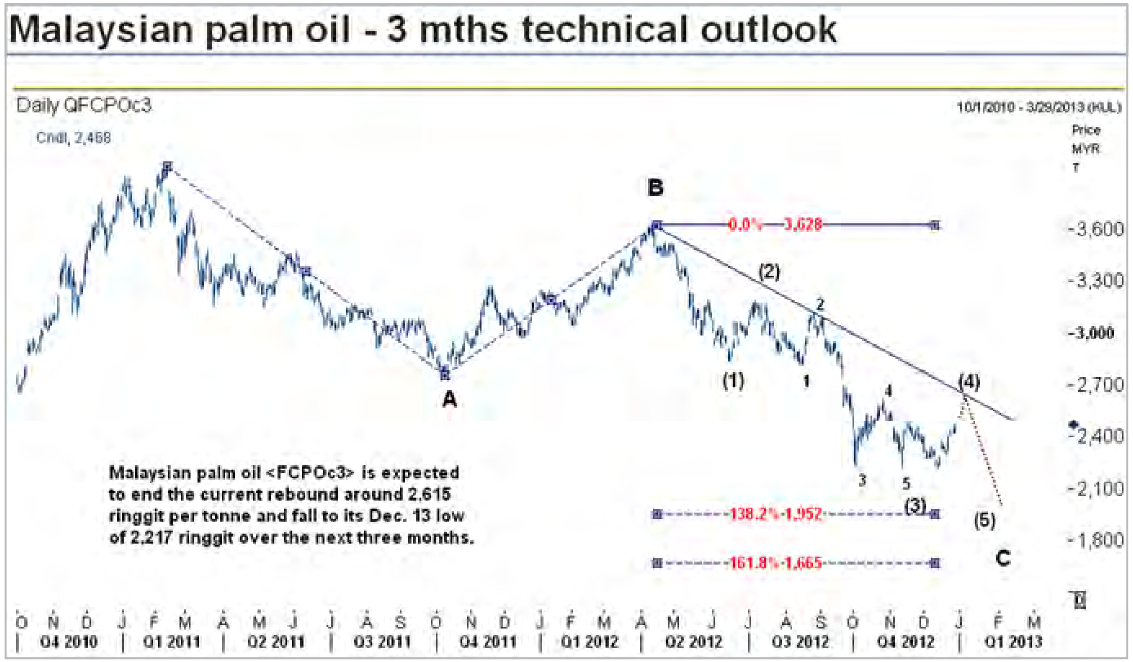
The wave c may extend to $16.33-1/4, the 61.8 percent level, if it could travel above $15.33-1/2.

The current consolidation has been triggered by a support at $14.05-1/2, the 38.2 percent Fibonacci retracement on the rise from the December 2008 low of $7.76-1/4 to $17.94-3/4.

A drop below $13.72-1/4 would confirm a valid break below the support, and the preceding downtrend would resume towards $12.85-1/2, the 50 percent level.

The symmetrical nature of the chart indicates the consolidation would have a magnitude similar to the circled retracement on the uptrend developing from the December 2011 low of $10.94-1/4.

PALM OIL'S REBOUND LIMITED, THREE-MONTH TARGET AT 2,217 RINGGIT



Malaysian palm oil is expected to end the current rebound around 2,615 ringgit per tonne and fall to its Dec. 13 low of 2,217 ringgit over the next three months.

The contract is riding on a wave C, the third wave of a three -wave cycle that developed from the Feb. 10, 2011 high of 3,967 ringgit.

This wave will consist of five smaller waves labelled (1), (2), (3), (4), (5), so far, only the first three waves have completed.

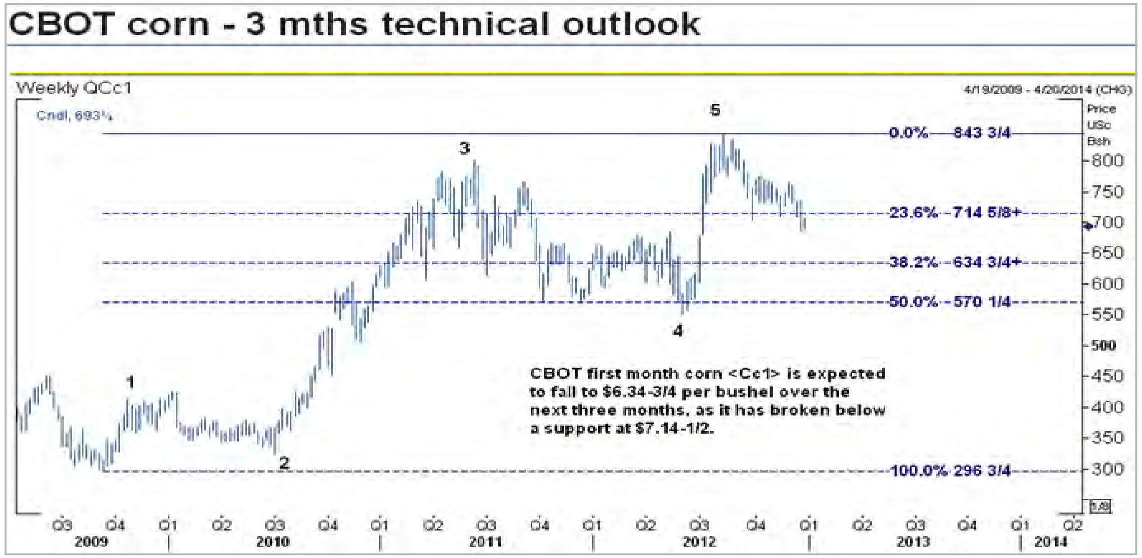
The rebound from the Nov. 12 low of 2,220 ringgit is viewed as a wave (4), to be capped at 2,615 ringgit, the peak of the wave 4 of a lesser degree.

A trendline descending from 3,628 ringgit points to a similar target for the rebound.

Upon its completion around 2,600 ringgit, the wave (4) will be followed by the downward wave (5), which will drive the price towards 2,217 ringgit.

A break below 2,217 ringgit will lead to a further loss to 1,952 ringgit, the 138.2 percent Fibonacci projection level of the wave C.

CBOT CORN TO DROP TO $6.34-3/4 IN THREE MONTHS



CBOT first month corn is expected to fall to $6.34-3/4 per bushel over the next three months, as it has broken below support at $7.14-1/2.

Support is at the 23.6 percent Fibonacci retracement on the rise from the September 2009 low of $2.96-3/4 to the Aug. 10 high of $8.43-3/4.

The next support is at $6.34-3/4, the 38.2 percent retracement.

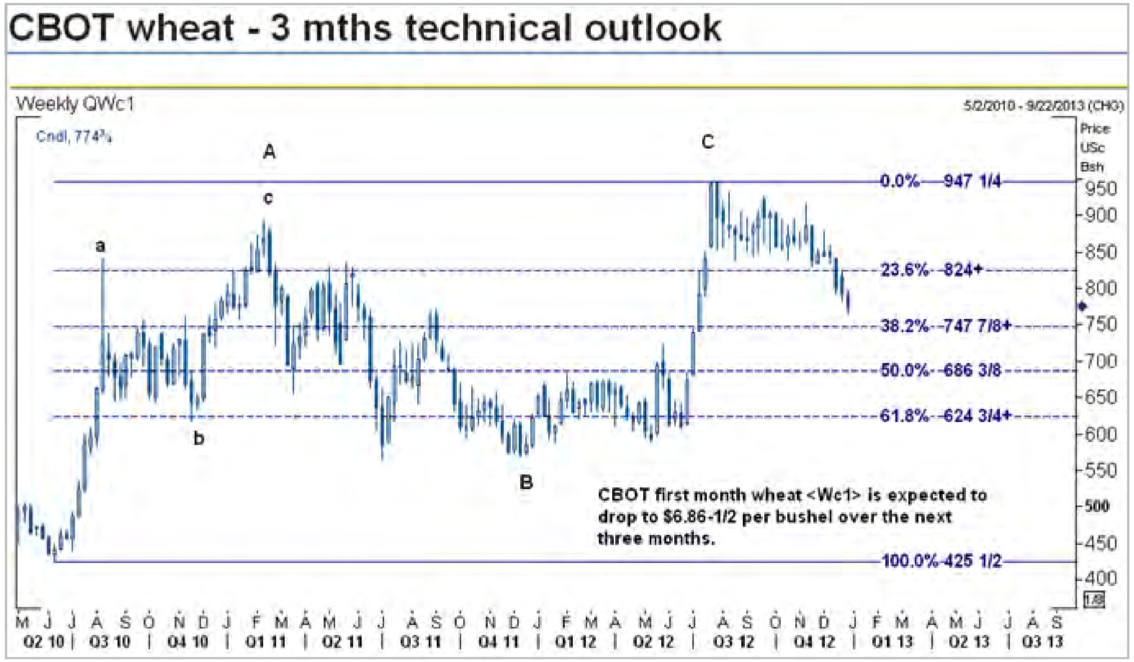
A deeper drop could even reach $5.70-1/4, the 50 percent retracement, as the drop was due to the completion of a five-wave cycle that developed from $2.96-3/4.

Wave pattern on the daily chart indicates a wave c is unfolding towards $6.24-1/4, its 100 percent projection level, which is near $6.34-3/4.

These two levels will form a strong support zone to stop the fall and probably, trigger a decent rebound.

A surge above $7.15 may be capped at $7.40.

CBOT WHEAT TO DROP TO $6.86-1/2 IN THREE MONTHS



CBOT first month wheat is expected to drop to $6.86-1/2 per bushel over the next three months, as indicated by its wave pattern and a Fibonacci retracement analysis.

A three-wave cycle that started at the June 2010 low of $4.25-1/2 has peaked at the July 23 high of $9.47-1/4. There will be two alternative modes to reverse this cycle, by space or by time.

A reversal by space means the gain from $4.25-1/2 to $9.47-1/4 will be wiped out by a big portion. Based on a Fibonacci retracement analysis, the current downtrend may reach a depth of $6.24-3/4, the 61.8 percent level.

By time means the drop will be shallow, lasting a longer time.

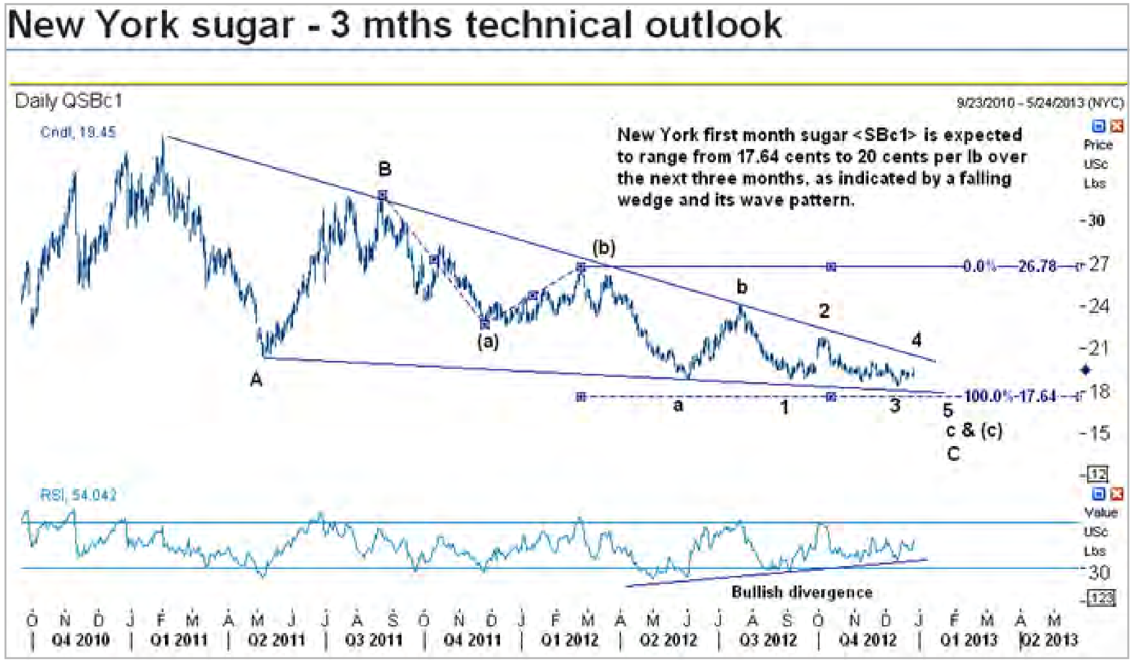
Wheat took 112 weeks to climb from $4.25-1/2 to $9.47-1/4, it may take half of this duration, which is about 56 weeks, to complete a sideways drop. So far, the drop from $9.47-1/4 has only lasted 23 weeks.

Regardless of the exact mode, the drop seems far from complete.

The speed of the drop indicates a higher chance of a reversal by space.

Wheat has approached a support at $7.48, the 38.2 percent retracement and may start rebound to $8.24 before sliding towards $6.86-1/2.

NY SUGAR BOUNDED IN 17.64-20 CENTS RANGE IN THREE MONTHS



New York first month sugar is expected to range from 17.64 cents to 20 cents per lb over the next three months, as indicated by a falling wedge and its wave pattern.

The wedge developed from the Feb. 2, 2011 high of 36.08 cents, and is contracting to a point.

Three waves labelled A, B, C have made up this pattern, with the wave C more complicated in its structure, as it could be further divided into many smaller waves.

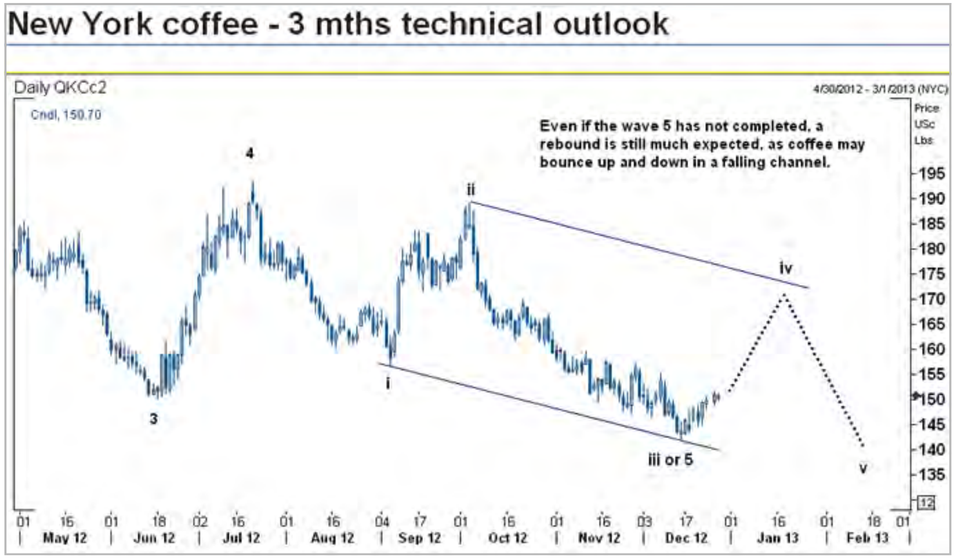
The wave C is approaching an end, as its final wave, the wave 5, is expected to end above 17.64 cents, the 100 percent Fibonacci projection level of a bigger wave (c).

Currently, sugar is riding on an upward wave 4 which will peak around 20 cents, a resistance provided by the upper trendline of the wedge. Then comes the final drop towards 17.64 cents.

The bullish divergence on the daily RSI indicator suggests a slim chance of the wave 5 to travel below 17.64 cents.

Resistance is at 21 cents, a break above which will signal a bullish reversal on the downtrend that descended from 36.08 cents and a target at 24 cents will be established.

NY COFFEE MAY REBOUND TO $1.7690 IN THREE MONTHS



New York second month coffee may rebound to $1.7690 per lb over the next three months, as a downtrend from the May 2011 high of $3.0890 is approaching an end.

A Fibonacci retracement analysis on the preceding long-term uptrend from the Oct. 2001 low of $0.4490 to $3.0890 reveals a strong support at $1.4575, the 61.8 percent level.

A doji is likely to form on the monthly candlestick chart, signalling an exhaustion of the fall and a possible bullish reversal on the downtrend.

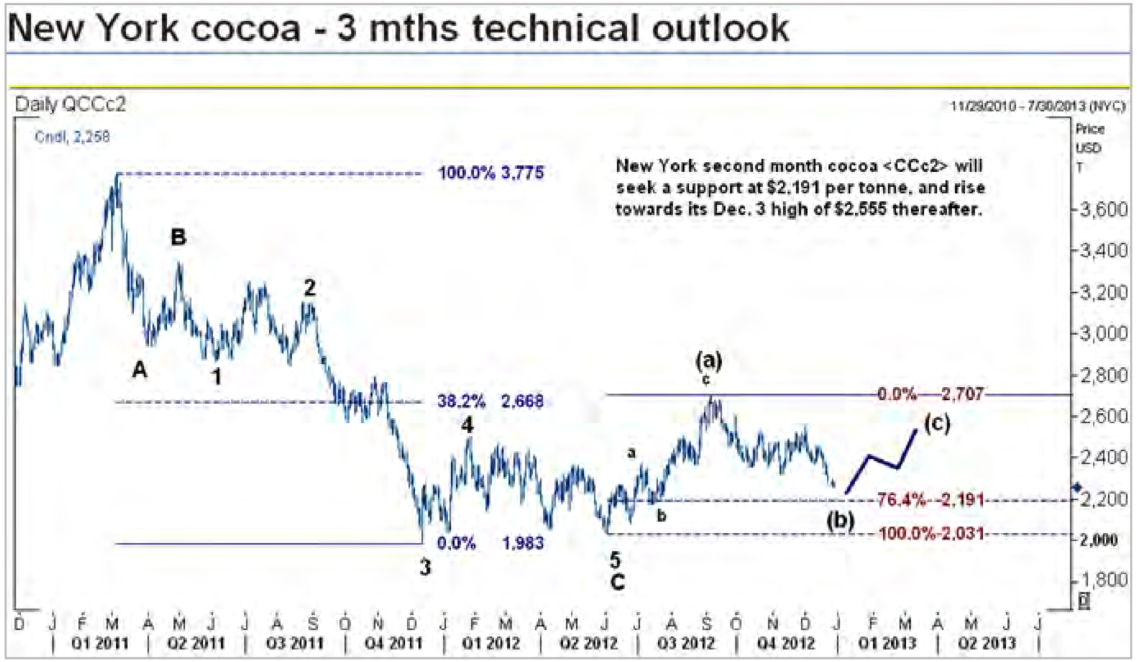
Wave pattern indicates the wave 5 of the wave C is very close to its bottom or it may have bottomed at the Dec. 14 low of $1.4220.

A dip below $1.4220 may be limited to $1.38, a support provided by the trendline ascending from $0.4490.

Even if the wave 5 has not completed, a rebound is still much expected, as coffee may bounce up and down in a falling channel.

There could be five smaller waves making up the wave 5, they are labelled i, ii, iii, iv, v, with the wave iv to push the price up towards the up channel line which is about $1.75, close to $1.7690.

NY COCOA TO KEEP REBOUNDING UNTIL NEXT FEBRUARY



New York second month cocoa would seek support at $2,191 per tonne, and rise towards its Dec. 3 high of $2,555 thereafter.

The fall from the Sept. 6 high of $2,707 is labeled as a wave (b), the second wave of a three-wave cycle that developed from the June 4 low of $2,031.

This wave is likely to end around the support at $2,191, the 76.4 percent Fibonacci retracement of the preceding wave (a), which rose from $2,031 to $2,707.

Support is close to the trough of a small wave b that makes up the wave (a), along with the other two waves labeled a and c.

The logic behind an assumption about an incomplete rebound from $2,031 is the retracement on the preceding downtrend has not been good enough.

The downtrend started at the March 4, 2011 high of $3,775 and ended at $2,031, lasting 316 trading days. The wave (a) has only reversed about 38.2 percent of the trend, as indicated by a Fibonacci retracement analysis.

That means the rebound from $2,031 may take 61.8 percent of the 316 days, about 195 trading days, to end in February 2013.

A further drop to $2,160 will make signals neutral.

BALTIC DRY INDEX TO BOTTOM SOON, THREE-MONTH TARGET AT 1,104

The Baltic dry index is expected to end the current fall in a support zone of 647-661 and rise towards its Nov. 28 high of 1,104 over the next three months.

The index has been trapped within a range of 647-1,165 since Feb. 3, 2012, and this range looks like more a triple-bottom than a triple-top.

A triple-top means the index could fall below 647 and plunge more to 129, based on the difference between the high and low of the range. But this level at 129 makes little sense, as it seems too low to be acceptable.

Strengthening the support zone is another support at 663, the Dec. 5, 2008 low, making a drop towards 129 less possible.

Most likely, the index will form a triple-bottom around 647, and revisit its recent high of 1,104.

DOLLAR INDEX TO REVISIT A HIGH OF 81.455 IN THREE MONTHS

The dollar index is expected to revisit its Nov. 16 high of 81.455 over the next three months, as indicated by its wave pattern.

The rebound from the Sept. 14 low of 78.601 has not completed, as it may consist of three waves labelled a, b, c.

The fall from 81.455 is considered as the wave b, which has bottomed at the Dec. 19 low of 79.008. The upward wave c is driving the index towards the peak of the wave a at 81.455.

The symmetrical nature of the chart also indicates the consolidation between 78.601 and 81.455 has not finished, as this part of the chart is expected to have a similar duration and magnitude with the part from the Jan. 13 high of 81.784 to the May 1 low of 78.603.

A drop below 78.601 will signal an extension of the downtrend towards 77.052, the 61.8 percent Fibonacci retracement on the rise from the May 2011 low of 72.696 to the July 2012 high of 84.10.

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