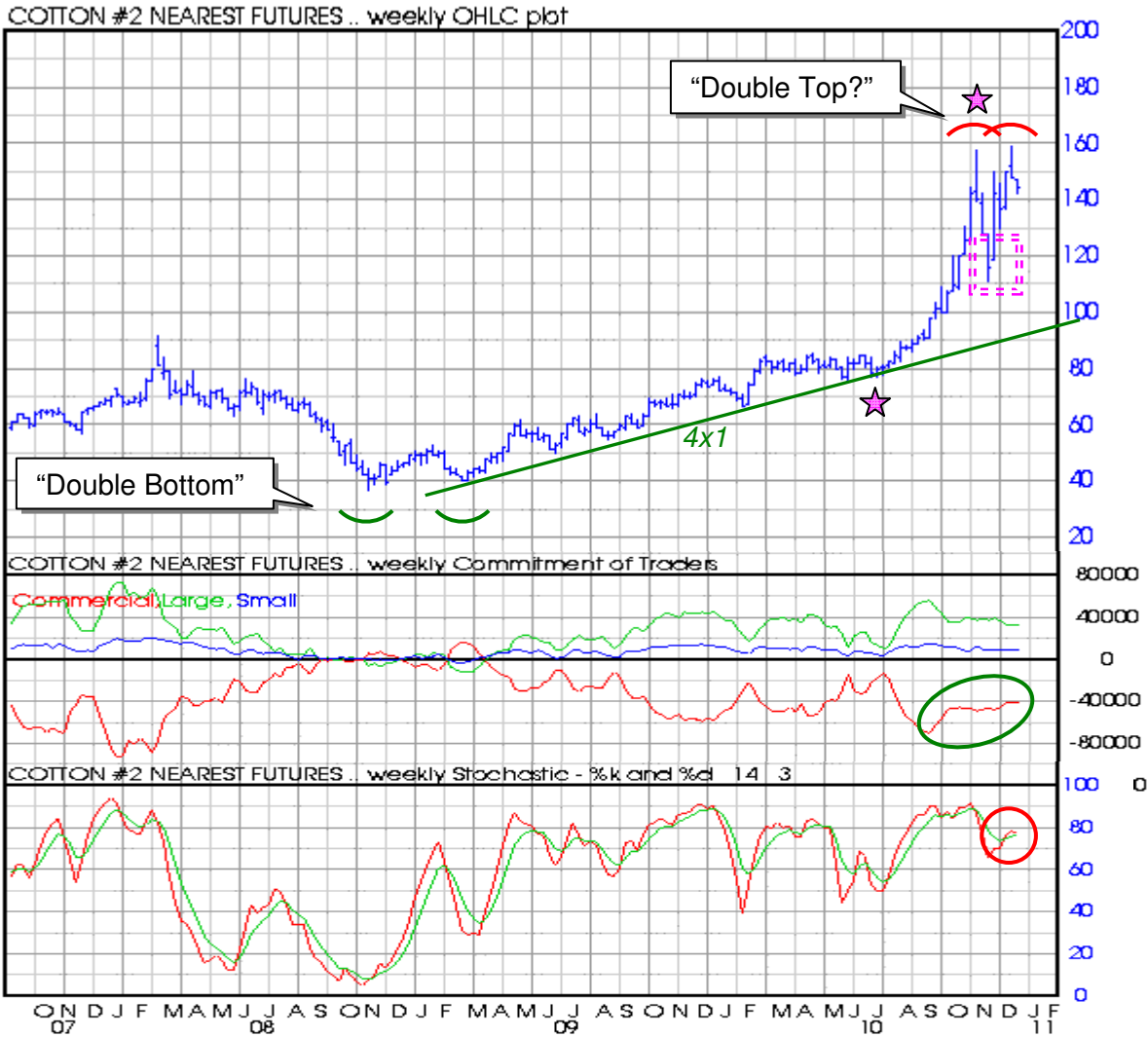


**Cotton:** Is this historical rally finally showing signs of exhaustion?



**Weekly:** 'Double Top' marking an end of a fierce bull market...or just a brief pause?

- Interesting to note values dropped deeply into standard 'Fibonacci retracement zone', just to rise again for a 2<sup>nd</sup> leg to new highs before declining again.
- Commercials' short position peaked in September when prices were trading in the mid 90's. Subsequent price rise to nearly \$1.60 saw the Commercials' short position dwindle considerably, ie, as if they were buying back their previous short contracts. Though rare, the Commercials capitulated! This may partially explain the seemingly meteoric rise since September which actually resembles a "climactic Blow-off"!
- Volume divergence: volume & open interest did not rise accordingly on the 2<sup>nd</sup> top.
- Meanwhile, 'Stochs' have turned down.

**Cotton:** Daily: "Island Reversal" Top?!



- 'Stochs' turn down.
- Note possible "Type 2 Bearish Divergence" with RSI vs prices.
- MACD on the verge of turning down.