

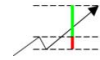
Flash Report Cocoa



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“Quantitative approach for asymmetric results”



Cocoa 6 weekly chart



The trend for the Cocoa price is for more than a year bearish. Trend that hasn't seen the end yet.

On November 2011 the price broke a 6 year long support (purple line) which is a confirmation that the bullish trend that started in 2007 is most probably over.

Once broken the support, price went up retesting the now resistance before resuming the bearish movement.

Cacao - grafico settimanale -



Currently Cocoa price is in a pull back mode which may bring Cocoa to see again the same level as the purple resistance before resuming the new bearish trend. Therefore a possible price target is around 25.50/26.60 usd and time target would be around 19-20 May. Once arrived at target, my personal idea is that Cocoa will turn to its new bearish trend where it could see the 16.50 usd by August.

This new bearish trend will be negated only when price will break above 28 usd which is the previous high between September and November 2011.

EUR/USD 6 weekly chart



It is valuable when looking at Commodities to see and to try to forecast the movement that exchange rates may have in the future since commodities are directly impacted by fluctuations in exchange rates.

The chart and my studies call for a strengthening of the US Dollar vs. the Euro, which is in line with a bearish view on Commodities. Bearish formations are present on Copper, Platinum while behavior on Gold and Silver do not exactly follow industrial production or output, since those are seen and used as a disaster protection instruments.

Cocoa ó weekly



Looking at a shorter timeframe Cocoa is now producing a pull back. If such pull back should end prematurely and price would fall below the 21.46 usd then the recent bullish movement will be negated and from that level Cocoa should arrive around 16.50 usd before the time target above mentioned.

Cocoa ó close up of the weekly chart





Mr. Maggioni has been working in the financial markets for the last 11 years covering different roles and working in tier 1 consulting companies and banks worldwide.

In recent years his studies have been focused on the psycho-emotional aspects of trading and how those aspects have an impact on traders' behavior.

Before starting this venture, he was head of a hedge fund desk at HSBC Private Bank in Monaco and before that he was employed at Credit Suisse Asset Management (CSAM) in Zurich covering the in-house single manager hedge funds.

Most of his experience in hedge funds was gained while working in a Swiss family office where he was in charge of the research and analysis as well as due diligence for US and European hedge funds. He also performed quantitative analysis and portfolio construction for several funds advised by the family office.

Prior to that he worked as an external consultant for KPMG Financial Services in the Milan office. In 2002 he has been hired by Ernst & Young LLP, San Francisco as auditor for hedge funds, auditing large single funds and fund of funds. In 2000 he joined Ernst & Young in Milan as an auditor for mid-sized companies.

Mr. Maggioni holds an MBA from IUM and a Portfolio Management degree from the University of Chicago GSB.

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| International Monetary Fund: | www.imf.org |
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