

INFINITY DAILY ENERGY AND SOFTS MARKETS

Friday July 30, 2010

Today's Market Outlooks

ENERGY: Most factors seem to come down in the bull's camp again today

COTTON: The minor uptrend has been reinforced by this week's price action.

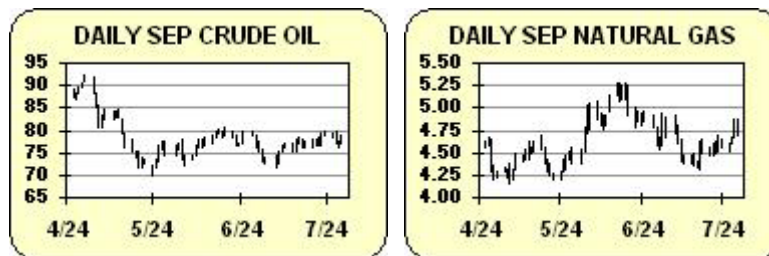
COFFEE: The coffee market continues to move towards new high ground.

COCOA: More positive global economic view supports but trend still down

SUGAR: Strong demand and still tight spot supply; too hot in Russia?

Overnight Price Changes

CRUDE -53, HEATING OIL -126, UNLEADED GAS -81

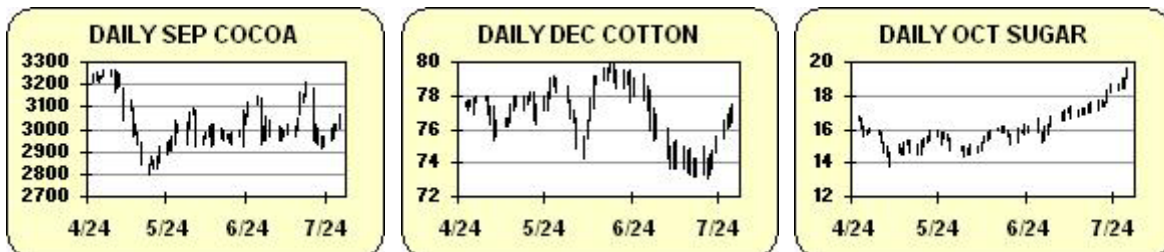


Crude Markets Overview

September crude oil prices traded lower during the early morning hours in sympathy with weaker equity markets, a rebound in the U.S. Dollar and ahead of highly anticipated U.S. GDP figures.

Natural Gas Market Overview

September natural gas traded higher overnight, established a higher price high and countered outside weakness plaguing the rest of the complex. The relative strength may have come from Thursday's EIA natural gas storage report which showed an injection of 28 bcf, which was well below expectations. It also revealed a tightening surplus of inventories with a total storage figure of 2,919 bcf.



Soft Market Outlooks

COTTON: The market is finding support from unspectacular but solid export sales along with rallies in the grains and concerns that the long run of above normal temperatures in the south will continue and possibly even intensify into August. While weather is not a major consideration just yet, forecasts raise the possibility of lower quality ratings for cotton in coming weeks. Second Quarter GDP will be out today, and this is expected to show

more evidence of an anemic US recovery into the middle months of 2010.

COFFEE: The lack of interested selling from commercial traders to offset the jump in fund trader buying interest was likely the key reason for the surge higher in coffee yesterday. The current upside breakout may have a large amount of short covering behind the upmove, as most longer-term fundamentals still point towards a large amount of supply coming onto the market during the next few months. The general boost to commodity markets from a weakening Dollar provided its share of strength as well, but it can be considered a surprise that coffee has reached these current price levels without any frost damage in Brazilian production areas.

COCOA: From Thursday's start it seemed that September cocoa had all the cards, from regulation proposals to quality concerns and positive technical price action. A plunging U.S. Dollar down to new three month lows and the British Pound posting its highest prices since February 17th were also seen as supportive to cocoa.

SUGAR: The short term trend remains, up and the trend appears to have accelerated in the past two weeks. It also appears that there will be enough sugar "eventually" to saturate demand, but traders see uncertainty over yields in eastern Europe and Russia along with a wait and see attitude for India's production as reasons to suspect a continued tight situation in the weeks just ahead. October sugar surged higher in active trade yesterday to move to its highest level since March 8th.

Price Outlooks

COTTON: Aggressive traders can raise their next buy point to 76.49 in December cotton with an objective at 79.75 to 79.90.

COFFEE: Wait for the upside momentum to subside before looking to enter this market from the short side.

SUGAR: None.

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