



Wednesday, August 27, 2014					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Sep</i>	<i>3.60</i>	↑	<i>2</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Sep</i>	<i>11.21</i>	↑	<i>41</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>5.40</i>	↑	<i>12</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>6.10</i>	↑	<i>6</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>6.15</i>	↑	<i>11</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sept</i>	<i>0.9114</i>	↑	<i>32</i>	<i>points</i>

CORN:

The Commodity Futures Trading Commission in the weekly Commitments of Traders report revealed that long positions in corn futures and options hit 315,126 contracts, their highest level since September 2012. In short, speculators are sitting on more than 1.5 billion bushels of corn on both the long and short sides of the market, which marks the largest balanced exposure held by the speculator community in more than eight years. This will, if nothing else, cause extreme volatility when those positions eventually have to be lifted. The direction is the unknown but the price action will prove interesting.

Meanwhile, corn futures are holding in a trading range established since the U.S. Department of Agriculture's (USDA's) crop production report earlier this month. The corn market is awaiting additional input regarding the magnitude of future yield increases as well as final planted acreage. On the technical picture nothing has changed since last week. We are showing the short term indicators with a positive bias while the main trend is still negative. As we stand today with the harvest pressure approaching, there is a better chance of corn seeing the \$3.00 level than \$4.00. Major support sits at \$3.00 while major overhead resistance is \$4.00 basis the lead month futures contract.

SOYBEANS:

Those who were hoping that the inverted market we've experienced (which had been something of a beacon of hope for bulls) would continue and drag the back months along, had their hopes dashed as the lead month crashed more than \$1.25 in the two day trading period last Monday and Tuesday. Recent updated numbers from the U.S may point to this inversion ending soon as the harvest progresses and record yields are confirmed. On the charts, the September contract rallied as expected past \$11.60 and closed the trading gap. The main trend is definitely down and rallies should be viewed as selling opportunities at this point.



WHEAT:

As the Chinese harvest looms next month, the country is on track for an 11th year of bumper grain crops, says Dow Jones News.

But production is too much, even for the world's most populous nation, with warehouses bursting at the seams and posing a dilemma for policy makers.

Estimates from state media say the government will be sitting on 150 million tonnes of grains that include three of the most important crops for China: rice, wheat, and corn. That is double the 75 million tonnes last year and adds to an oversupply of these agricultural commodities that is pressuring prices lower, says Dow Jones

On the technical picture, wheat is holding the short term support at \$5.15-20 on the lead month chart. With quality issues at the forefront, only time will tell how widespread this problem is and how it will affect prices. The main trend on the long term charts is still negative and unless fundamentals change we could eventually revisit the next major support level of \$4.20 on the lead month contract.

2014 harvest prices as of the close of August 27 are as follows:

SWW at \$227.68/mt (\$6.20/bu), **HRW** at \$231.72/mt (\$6.31/bu),

HRS at \$221.84/mt (\$6.04/bu), **SRW** at \$213.57/mt (\$5.81/bu).