



<i>Wednesday, October 1, 2014</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Dec</i>	<i>3.21</i>	↓	<i>09</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Nov</i>	<i>9.17</i>	↓	<i>20</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Dec</i>	<i>4.79</i>	↓	<i>01</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Dec</i>	<i>5.32</i>	↓	<i>06</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Dec</i>	<i>5.57</i>	↓	<i>7</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Dec</i>	<i>0.8927</i>	↓	<i>95</i>	<i>points</i>

CORN:

December corn futures made new contract lows for the fourth consecutive week and last week broke below the 2010 low on the nearby continuation chart to a five-year low. Corn harvest is expected to be about 25% complete as of Sunday.

Chart patterns suggest that corn futures could test \$3.00 possibly ahead of or after the October crop report next week.

December corn stood at \$3.21 a bushel as of this writing, down almost 50 cents a bushel in the month of September encouraged along by better than expected yields and a strengthening U.S. dollar.

SOYBEANS:

Soybean futures have fallen to five-year lows with the November contract approaching the \$9.00 mark. While harvest is just underway, it's enough to signal the transition in the cash market to the 2014 harvest. The benchmark central Illinois spot basis plunged \$1.28 per bushel last week. Early reports from Ontario growers are suggesting yields as high as 70 bushels per acre in some areas.

On the charts, Chicago soybeans are sitting at the \$9.00 level. There are a lot of stops below this level. If prices do not recover from a rash of stop orders and close below the \$9.00 level, it would suggest to me that we are heading toward the next major support. Charts show the long term trend line around \$8.00-\$8.25 per bushel on Chicago. The velocity at which we have dropped from the recent highs suggest we could get a significant rebound but places major resistance back at the \$10.20 level on the nearby month.



WHEAT:

The downward bias over grain prices drove hedge funds to raise bets on falling prices to a record high. Chicago-traded soft red winter wheat derivatives took the brunt of the bearish spree, with investors raising to nearly 79,000 lots. This is their net short position –the extent to which short holdings, which profit when values fall, exceed long bets, which benefit when prices rise.

That is the largest net short on records going back to 2006, beating by a margin the previous high of 73,088 lots set eight months ago, and reflects the downward sentiment on grain markets reinforced by estimates for record world wheat and corn production this season.

On the charts, Chicago wheat is still entrenched in a downward spiral, however, the indicators are oversold and we are seeing the downward momentum waning. We could be seeing a short term bottom sometime in October. Remember, a single rally does not an up- trend make. We need a lot of work before we get a direction change and December wheat is trading at \$4.84 a bushel as of this writing. Next week's crop report is expected to cause some volatility in these markets.

2014 harvest prices as of the close of October 1 are as follows:

SWW at \$201.27/mt (\$5.48/bu), **HRW** at \$205.39/mt (\$5.59/bu),

HRS at \$200.45/mt (\$5.46/bu), **SRW** at \$186.87/mt (\$5.09/bu).