



<i>Wednesday, January 7, 2014</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Mar</i>	<i>3.96</i>	↓	<i>1</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Mar</i>	<i>10.56</i>	↑	<i>34</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Mar</i>	<i>5.79</i>	↓	<i>11</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Mar</i>	<i>6.16</i>	↓	<i>6</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Mar</i>	<i>6.20</i>	↓	<i>6</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Mar</i>	<i>0.84.45</i>	↓	<i>152</i>	<i>points</i>

#### **CORN:**

The recent tumble in the price of crude oil has not helped corn markets. As a fundamentalist, I could say that the reason for corn dropping below \$4.00 was due to the slow ethanol demand numbers, however, as stated in our December 17 report, we have closed the gap at \$3.98 on our charts which suggests we could see lower prices.

On the charts: we are still positive on both the short and medium term indicators while the main trend is still down. A close below the \$3.90 level could see a further price correction. Support is seen at \$3.80 and again at \$3.70. The \$4.15 level proved to be a stumbling block but we may get another shot at it before long if the indicators stay strong. Both short term and medium term indicators are in bullish mode but the main trend is still down.

#### **SOYBEANS:**

Soybean futures were weaker coming to the end of 2014. Nearby futures ended 2014 down 42% from their May highs of \$15.75 bottoming out at \$9.04 in early October.

On the charts: the recoil formation on the bean chart suggests we could see a significant rally in the coming weeks. Short term indicators turned positive but we still need a close above the \$10.65- \$10.75 level to confirm this short term signal. If we get a close above \$10.65, our upside targets of \$11.50 and \$12.00 are very real. Long term indicators remain down despite the possibility of a \$2.00 rally into a bear market this winter.



## **WHEAT:**

The U.S. Department of Agriculture revealed that the condition of winter wheat fell in major growing states including Kansas, the country's top wheat growing state, last month – in some cases dramatically.

On the charts: the resistance we spoke of in our December 17 letter of \$6.60 proved to be the one that stopped the train. After reaching an intraday of \$6.76 on December 18 we closed that day just above \$6.50 and have since felt the effects of gravity and as suggested, pulled back to the \$5.75 support level. Short term indicators have turned bearish suggesting more downside is possible and a test of the \$5.55-65 support level is also possible before we turn back north. Medium term indicators remain positive while the long term trend is still down.

### **2015 HARVEST CASH PRICES AS OF CLOSE January 7, 2015**

SWW @ \$252.41/mt (\$6.87/bu), SRW @ \$237.13/mt (\$6.45/bu),  
HRW @ \$269.88/mt (\$7.34/bu), HRS @ \$248.92/mt (\$6.77/bu).

Marty Hibbs, Grain Farmers of Ontario