



<i>Wednesday, February 25, 2014</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>May</i>	<i>3.84</i>	↓	<i>8</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>May</i>	<i>10.11</i>	↑	<i>11</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>May</i>	<i>4.97</i>	↑	<i>25</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>May</i>	<i>5.57</i>	↑	<i>23</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>May</i>	<i>5.31</i>	↓	<i>19</i>	<i>cents</i>
<i>Canadian \$</i>	<i>June</i>	<i>.8038</i>	↑	<i>.001</i>	<i>points</i>

#### **CORN:**

Societe Generale (SocGen), the French multinational Investment banking company, has commented on the U.S. Department of Agriculture's (USDA's) February 20 release of its first full estimates for U.S. crop balance sheets in 2015-16,. SocGen assessed the estimate for year-end corn stocks as significantly too generous. SocGen forecasts U.S. corn stocks ending next season at 1.56 billion bushels, some 126 million bushels below the USDA estimate.

On the charts: This week we saw a retest of the \$4.00 overhead resistance level on the May contract that failed miserably as the contract ended up closing near the lows of \$3.72 on February 25. A stress test of the \$3.65 level seems inevitable at this point. The long-term indicators are looking bearish while the intermediate and daily charts are still neutral.

#### **SOYBEANS:**

Oil World increased slightly its forecast for global soybean production in 2014/15 to 312.2 million tonnes. That's up slightly from its previous forecast of 312.1 million tonnes and well above last year's 283.8 million tonnes.

On the charts: The week of February 23 saw a healthy range on the March soybean contract as they traded between \$9.90 and \$10.30 per bushel. We actually received weak bullish signals on two of our three indicators. Next week should clarify whether or not these are legitimate signals or just a false blip. As I mentioned before, a breakout for any reason could see a significant spike upwards to the \$11.50- \$12.00 level due to short fund covering. But I don't believe we will see that move with the USDA report due out on March 31. Indicators are neutral to slightly positive on the day and weekly chart but still remain bearish on the long term charts. We have now switched to the May contract. The main trend is still down.



## **WHEAT:**

According to a Reuters report of 12 traders and analysts on February 23, Canadian farmers are leaning toward planting slightly less canola and more durum wheat.

Farmers still have plenty of time to change plans for seeding, which starts in most of the Prairies by May, but many have already bought some of their seed.

Canada will plant 23.9 million acres of "all wheat," which includes spring wheat and durum, as well as winter wheat that matures this summer, according to the average estimate. That would be slightly more than last year's 23.8 million acres, and the second-biggest area in six years.

On the charts: As you are aware by now, the \$5.20 support level did not hold and the May wheat contract is at the February 3 low as we are writing this report. This \$3.90 level may find temporary support but a close below there would suggest a test of the weekly contract lows of \$3.70 based on the May contract price. At this point, all three indicators are negative confirming that this downtrend still remains intact.

### **2014 CROP CASH PRICES AS OF CLOSE February 25, 2015**

SWW @ \$259.31/mt (\$7.06/bu), SRW @ \$225.01/mt (\$6.12/bu),  
HRW @ \$243.31/mt (\$6.62/bu), HRS @ \$235.99/mt (\$6.42/bu).

Marty Hibbs, Grain Farmers of Ontario