



<i>Wednesday, March 18, 2015</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>May</i>	<i>3.75</i>	↓	<i>16</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>May</i>	<i>9.65</i>	↓	<i>28</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>May</i>	<i>5.11</i>	↑	<i>12</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>May</i>	<i>5.78</i>	↑	<i>11</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>May</i>	<i>5.53</i>	↑	<i>12</i>	<i>cents</i>
<i>Canadian \$</i>	<i>June</i>	<i>.7888</i>	↑	<i>.40</i>	<i>points</i>

#### **CORN:**

Rice Dairy flagged the potential for a "sharp increase" in corn prices, assuming US yields follow the historical pattern of following a record season with a significantly lower result the following year. The Chicago-based broker, which has a large number of dairy industry clients, urged milk producers to cover some of their forward corn needs, flagging a potential risk of prices of the grain topping \$4.50 a bushel this summer.

On the charts: May corn lost ground for the fourth straight session on March 17, breaking below January 30 lows at \$373 and hitting a new five-month bottom, though it held up overnight at the 62% retracement at 372. Next support is at 365, followed by 350. This lower price on the May chart has flashed yet another sell signal in the short term indicators. Our shorter term trend indicators remain confused, but the main trend remains negative. The March 31 United States Department of Agriculture (USDA) report should set the tone for the next few months.

#### **SOYBEANS:**

Farm Futures lifted the bar on forecasts for U.S. soybean sowings this year, foreseeing a jump of more than three million hectares in plantings by farmers championing a crop with relatively low production costs.

U.S. growers will lift sowings of the oilseed this year to 87.25 million acres, the magazine said, after a survey of nearly 1,300 farmers in 41 states.

On the charts: We had a very harsh week with regard to the futures prices with the May contracting hitting six-month lows and confirming our very bearish patterns. We are set up to revisit the all-important \$9 level on the lead month futures. Our long term charts look as



though we could actually see prices below \$8. If there were no fundamental considerations and someone showed me this chart, I would say that the \$6 mark is possible by harvest 2015. Of course, this is just technical analysis and should not be construed as the only way to determine markets.

Meanwhile, I will continue to view the \$9 support level and the \$10.75 resistance level as the current trading range until I am given reason to think otherwise. The USDA report due out on March 31 just might give us something to shake things up. The main trend is still down.

#### **WHEAT:**

May wheat gave up most of its gains from the March 16 bullish outside reversal, but still wound up with a higher high - closing out the day at \$5.15, a fresh two week high. We saw a very minor buy signal, but I feel it was premature and would not get too excited.

On the charts: Of the three grains, wheat looks technically the most stable. The chart patterns suggest a possible double bottom in the making. Failing the \$4.70 level being maintained, the next major support is around \$4.25 on the lead month. Not exactly cheery, but a lot better looking than the soybean chart. The March 31 USDA report should determine if we finally get a spring rally or if the wheat will follow the entire commodity sector lower. For the time being, all three indicators are still negative, thus confirming that this downtrend remains intact.

#### **2014 CROP CASH PRICES AS OF CLOSE March 18, 2015**

SWW @ \$270.22/mt (\$7.35/bu), SRW @ \$235.35/mt (\$6.40/bu),  
HRW @ \$253.95/mt (\$6.91/bu), HRS @ \$250.22/mt (\$6.81/bu).

Marty Hibbs, Grain Farmers of Ontario