



<i>Wednesday, January 20, 2016 Closing Prices</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Mar</i>	<i>3.69</i>	↑	<i>12</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Mar</i>	<i>8.74</i>	↓	<i>01</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Mar</i>	<i>4.71</i>	↓	<i>10</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Mar</i>	<i>4.95</i>	↓	<i>12</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Mar</i>	<i>4.67</i>	↓	<i>13</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Mar</i>	<i>2.05</i>	↓	<i>01</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Mar</i>	<i>.6885</i>	↓	<i>1.25</i>	<i>points</i>

CORN: On the charts: The \$3.50 support on the March contract continues to hold, and it looks like the January 4 low could now be supportive enough to allow us to challenge the upside resistance levels in the coming weeks. Initially, we see resistance at the \$3.75-3.80 range, and again at the important \$4 level. We have a buy signal this week on the daily indicator, but I must stress that this is only a short term cycle, and even though the weekly indicators are in an oversold condition, we have a lot of work to do to turn this market back into a bull market. The first step may just have been implemented, as long as we continue to close above the \$3.50 level on the March contract. Major support is seen at \$3.45-\$3.50, and again at \$3.20. Overhead resistance stands at \$3.80 and again at \$4. All indicators are negative and the main trend is still down.

SOYBEANS: On the charts: The March bean contract is now the lead month, as the January contract expired last week. Although we have a short term buy signal on the daily charts, I view it as a bear market rally. The real significance of the technical indicators on the soybeans, are seen clearly on the weekly and monthly charts. These charts show a deeply entrenched down-trend that needs to find support on the March contract at the \$8.50 level in the coming months or risk considerable downside. The monthly chart is especially troubling as it shows neutral conditions in the oversold indicators even though we have dropped more than \$9 per bushel since the highs of 2012. If the \$8.40-8.50 level fails to find support on any close, our next major support is around the \$7.50 price levels, according to our charts. Of course, we are referring to the technical aspects of this market only, which assumes that market fundamentals will not challenge the status quo.

Our main support continues to hold at the \$8.40-\$8.50 level on the March contract while our overhead headwinds are \$9, \$9.25 and again at \$9.50. The trend is still down.

WHEAT: On the charts: Wheat continues to track sideways with neutral short term indicators. The four challenges of the \$4.50 base that we established over the past four months have set a



Ontario Grain Market Commentary for January 20, 2016

confident tone to the wheat charts. If we can stay above the \$4.50 level on the lead month futures, we should see a spring rally. Solid support is seen at the \$4.40-\$4.50 level on March charts, while overhead resistance is at \$5 and \$5.25 on the lead month. Both the medium and long term trends remain down.

Grain Farmers of Ontario is offering another series of marketing seminars across Ontario. This time we have been focusing on "Options" on Futures. The dates that are still available include, (Belleville, January 26 ;) (Avonmore, January 27 ;) (Stratford, February 10 ;) (London, February 11 ;) and (Brantford, February 25). All other dates have either been completed or are full.

If you would like to attend, go online at www.gfo.ca/seminars; phone Marty Hibbs at 519-767-4123; or email mhibbs@gfo.ca. Seminars are limited to 25 participants per location.

HARVEST 2016 CROP CASH PRICES AS CLOSE ON January 20, 2016

SWW @ \$227.42/MT (\$6.19/bu), HRW @ \$227.42/MT (\$6.19/bu),
HRS @ \$243.17/MT (\$6.62/bu), SRW @ \$222.08/MT (\$6.04/bu).

Marty Hibbs, Grain Farmers of Ontario