



<i>Wednesday, May 11, 2016 Closing Prices</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>July</i>	<i>3.74</i>	↓	<i>2</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>10.78</i>	↑	<i>42</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>4.59</i>	↓	<i>12</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>5.27</i>	↓	<i>14</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>4.42</i>	↓	<i>16</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>July</i>	<i>1.88</i>	↓	<i>7</i>	<i>cents</i>
<i>Canadian \$</i>	<i>June</i>	<i>.7790</i>	↑	<i>0.15</i>	<i>points</i>

CORN: With the USDA tweaking their carryout numbers and increasing potential export numbers, corn followed soybeans higher but closed out the week basically unchanged from last Wednesday's commentary. From here, we see an uphill battle to move above the \$4. highs of April 21. If we could somehow manage this feat and close above the \$4.07 high from last week, it could ignite a further rally to the \$4.25-\$4.35 level and the start of a serious threat to the downward trend. However, before we get ahead of ourselves, we need to see significant changes in the underlying fundamentals.

We are looking at a support level of \$3.50 and overhead resistance of \$4 based on the July Chicago futures. Short term indicators are positive, while the weekly indicators are neutral to bullish. Of course, the long term trend is still down.

SOYBEANS: Soybeans were the star of the show this week, as they initially eased back towards the \$10 support before the assault on the \$10.60 top. Once they penetrated \$10.60, the short covering action drove the soybeans' limit up; hitting their 65 cent limit after the USDA report was released at noon on May 10. They settled the day just a nickel off their limit. From here, we could expect a day or two of consolidation before we re-test the newly formed high of \$10.91, providing we manage to close above \$10.40 on the July charts. A close below this level would indicate a pullback to re-test initial support at the \$10.25 level. A close below \$10.25 could indicate a short term top is in place for the next month or more.

Although the move this week was impressive, we need to remind you that the main trend is still down and this should be viewed as a selling opportunity until we see a confirmation of a trend reversal. The next upside target is to take out the \$11 level on July, and watch to see if there is any follow through to the upside.

Short term indicators remain bullish, but the long term trend is still negative.



WHEAT: July wheat had another rough week after failing to keep up with the other grains. We have a sell signal on the July contract, and we expect to see a test of the all-important \$4.40 level once again. Failure to find support and closing below this level on the July contract suggests a drop to the \$4.25, and possibly even \$4, levels. This may be temporarily delayed by the bullishness of soybeans, but if we reverse course on the other grains, the momentum will spill into wheat and possibly push us to new lows for 2016. Major overhead resistance is still at the \$5.20 - \$5.40 level based on the July contract, and all indicators remain negative.

HARVEST 2016 CROP CASH PRICES as of **CLOSE** on **May 11, 2016**

SWW @ \$192.92/MT (\$5.25/bu), HRW @ \$188.20/MT (\$5.12/bu),
HRS @ \$223.81/MT (\$6.09/bu), SRW @ \$188.20/MT (\$5.12/bu).

Marty Hibbs, Grain Farmers of Ontario