



<i>Wednesday, June 15, 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>4.29</i>	↓	<i>02</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>11.56</i>	↓	<i>20</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>4.77</i>	↓	<i>45</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>5.30</i>	↓	<i>25</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>4.57</i>	↓	<i>35</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>July</i>	<i>2.04</i>	↓	<i>02</i>	<i>cents</i>
<i>Canadian \$</i>	<i>June</i>	<i>.7734</i>	↓	<i>1.50</i>	<i>points</i>

**CORN:** Corn performed as expected as it took another run on June 8 towards our \$4.40 target (as outlined in the June 7 commentary) and then retreated. From here, the corn is behaving more like the leader rather than the follower of soybeans. The \$4.40 target area is an area of significant resistance but the chart formation looks strong. The current formation is not a topping action pattern and for that reason I am expecting more upside challenges to take out the \$4.40 level on the July contract even if we decide to pull back before the assault. If we manage to close above the \$4.40 level in the coming weeks, our next target is the \$4.50 - \$4.75 on our July contract and then very little resistance until we challenge the April 2014 highs above \$5.00

Support levels on the July contract are at \$3.80 - \$4 based on Chicago July futures.

**SOYBEANS:** Soybeans saw a 60 cent trading range as we hit the bullseye target noted in our last report of \$11.90 - \$12.10. The actual high was \$12.08 ½. We have seen a minor pullback as the current price for July crop futures is \$11.60 as of June 15. Based on our charts, I feel we have at least one more push to challenge the recent top, but we see may see more of a correction before it is attempted. Our first initial support on July is \$11.25 - \$11.40 and again at \$10.75. Once our correction is complete, we should witness another push to challenge our recent top. If we manage to get through and close above the \$12.10 mark, we could be propelled towards our next target of \$13. Good support is now seen at \$10.75 and again around \$10.40, while overhead resistance remains at \$11.90 - \$12.10 with our next upside target close to the \$13 area on the lead month contract. Short and medium term indicators remain bullish, while the long term trend has flashed its first buy signal this year, according to my indicators. However, this signal is not a 'red' signal and until we see the red, I will hold off on suggesting that the major trend for soybeans has finally turned the corner. Short and medium term indicators are bullish but we are still awaiting a trend reversal confirmation.

**WHEAT:** The July wheat contract hit our target and the major downtrend line of \$5.25 as suggested in last week's commentary, then immediately backed off 45 cents to complete what



## Ontario Grain Market Commentary for June 15, 2016

should be the interim correction. A closing price of \$4.80 on July as of June 15 represents a 38% retracement. I would expect wheat to follow corn and soybeans, if they move higher, but not to the same extent. For now, I feel a challenge of last week's \$5.25; a two- -year- old downtrend line, would be possible only if the soybeans and corn made new highs in the coming weeks. The July contract now has initial support at the \$4.70 level on July with major support at the \$4.25 - \$4.40 level. The daily and weekly indicators are still bullish, but the long term trend is still down.

### **HARVEST 2016 CROP CASH PRICES as of CLOSE on June 15, 2016**

SWW @ \$203.07/MT (\$5.53/bu), HRW @ \$198.32/MT (\$5.40/bu),  
HRS @ \$228.25/MT (\$6.21/bu), SRW @ \$198.32/MT (\$5.40/bu).

Marty Hibbs, Grain Farmers of Ontario