



<i>Wednesday, June 29, 2016 Closing Prices</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Sep</i>	<i>3.78</i>	↓	<i>20</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>11.40</i>	↑	<i>05</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.45</i>	↓	<i>30</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>5.06</i>	↓	<i>30</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.20</i>	↓	<i>30</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>2.02</i>	↓	<i>09</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7704</i>	↓	<i>.90</i>	<i>points</i>

CORN: Prices on the July contract hit the skids after six attempts to break through the \$4.40 level on the July futures failed. The selloff was significant as prices reached \$3.62 on June 30 after the report. This move gave us a red sell signal on the daily and weekly charts.

We are now quoting the September futures. The September contract is currently trading at the April 1 lows of \$3.55. It will be interesting to see where it ends the day. Both the quarterly stocks and carryout numbers were higher the trade estimates.

Today, June 30 is somewhat of a triple witching day as the United States Department of Agriculture (USDA) report, first notice day for the July contracts, and a long weekend in the U.S. adds to the volatility of these markets.

Support levels on the July contract are at \$3.50 and again at \$3.20 or \$3.60 and \$3.25 based on the September futures. Indicators are negative and the main trend continues to be down.

SOYBEANS: We are switching to the August contract for our soybean analysis as June 30 is first notice day for the July contract. The July soybean contract hit our \$11 support line on June 24 closing at \$11.02. Although today's report by the USDA showed quarterly stocks higher than the average guess, the soybean acres was in line with the trade guesses. For the time being, we have found good support at the \$11 level basis the August contract, however we find stiff resistance at the \$11.80 level and again at the \$12-\$12.10 based on the August contract. The \$12 per bushel price is the big obstacle going forward as the recent price action to that level stopped just short of turning our long term trend indicators positive. Unlike the corn and wheat, the pullback in the soybeans so far has been positive for our charts as it was getting quite overbought. From here we hope to see a test of the recent highs around that \$12 mark during the month of July. A close above the \$12 highs could set us up for a run higher, but for now we need to focus on the old highs. A failure to close above that level could produce a much bigger selloff in the coming weeks.



Short and medium term indicators remain neutral to bullish, while the long term trend is still negative.

WHEAT: The USDA numbers for quarterly stocks and acres planted were pretty much inline with expectations so there were no huge surprises. The September contracted traded down to \$4.36 while the old July contract actually traded down to our support level at \$4.25. Our charts are telling us that the correction is getting overdone after falling a full dollar on the futures in the past two weeks. With the first notice day upon us and all of the negative news as of late, we could actually see some support at these levels. Long weekends in the US have produced surprises before and the triple threat of a USDA report, first notice day and a long weekend could produce surprises still. Of course, you would have to look back at this date in three to six months from now to see if it was a bottom as I am not willing to wager on the outcome. Both the daily and weekly indicators have now flashed sell signals and of course the main trend continues to be down.

HARVEST 2016 CROP CASH PRICES as of CLOSE on June 29, 2016

SWW @ \$183.34/MT (\$4.99/bu), HRW @ \$180.96/MT (\$4.92/bu),
HRS @ \$212.66/MT (\$5.79/bu), SRW @ \$180.96/MT (\$4.92/bu).

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