



<i>Wednesday, July 6, 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>3.42</i>	↓	<i>36</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>11.01</i>	↓	<i>39</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.28</i>	↓	<i>17</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>5.02</i>	↓	<i>04</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.15</i>	↓	<i>05</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>1.92</i>	↓	<i>09</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7720</i>	↑	<i>.20</i>	<i>points</i>

CORN: Prices continued lower again this week after receiving a red sell signal last week, losing another 40 cents per bushel on the September contract as we approached another important support level of \$3.40. The \$1 drop since June 17 was severe and emphasized how dire the supply situation will be if this year's crop is bountiful. The July 5 report showed the corn rating at 75 per cent good to excellent. Looking forward from the technical point of view, we have a two year old support line at \$3.20, and below that we have the 10 year old support line at \$3.

Indicators are still negative and the main trend continues to be down.

SOYBEANS: Beans hit our stiff resistance level of \$11.80 as mentioned in our last commentary and backed off from their overbought condition. The July 5 grain update showed 70 per cent of the US bean crop rated good to excellent. This put more pressure on the futures and led them towards our \$10.75 support line. August is a critical time for the mid-west crop and there could still be a weather threat causing a possible rally the beans back towards the June 10 top of \$12. For the time being, this correction is orderly with minor support at \$10.75 on the September contract, and more significant support at \$10.25, a 50 per cent retracement from the March 2016 to June 2016 range. Unlike corn and wheat, the soybean trend is still positive and we are in a correction. Short term indicators remain neutral to bullish, while the long term trend has turned neutral.

WHEAT: Wheat continued its downward slide this week and found support at the sloping trend line that cut across the \$4.15 level on the September contract. The good news is that we ended the day with a hook reversal on the lead month contract. This plus the fact that we have dropped more than \$1 per bushel since June 8 suggests an oversold condition, and the faster prices sink, the more violent the correction should be. Our Red Sell signal on June 22 has now seen a 44 cent drop since the signal was received. All indicators remain negative but it is worth



Ontario Grain Market Commentary for July 6, 2016

noting that the short term indicators are oversold. The next main support is seen at \$4 on September futures. All indicators remain negative and the main trend continues to be down.

HARVEST 2016 CROP CASH PRICES as of **CLOSE** on **July 6, 2016**

SWW @ \$177.53/MT (\$4.83/bu), HRW @ \$172.77/MT (\$4.70/bu),
HRS @ \$210.37/MT (\$5.73/bu), SRW @ \$175.15/MT (\$4.77/bu).

Marty Hibbs, Grain Farmers of Ontario