



<i>Wednesday, July 13, 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>3.66</i>	↓	<i>22</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>11.28</i>	↑	<i>27</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.40</i>	↑	<i>12</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>5.02</i>	↑	<i>01</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.22</i>	↑	<i>07</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>2.10</i>	↑	<i>18</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7715</i>	↓	<i>.10</i>	<i>points</i>

CORN: Prices ran sideways the week of July 11 as we found initial support at our \$3.40 area on the September contract. The indicators are very oversold after the more than \$1 drop in prices the past three weeks. Today is the last trading day for the July grain contracts and this may alleviate some downward pressure on the forward contracts. As I mentioned in June, the long weekend in July is usually full of surprises - including possible reversals in the markets. I know it's early but so far the July 4 long weekend is in fact the low of the futures. This of course is not something we can trade off, it's just an anomaly I've noticed in my years as a trader. More obvious is the looming \$3.20 lows of 2014. With just 20 more cents, I feel there is still a chance we may visit this major support before a bottom is in place. It will be interesting to see if we do challenge that support. Either way, I feel the dog days of summer may in fact turn out to be a major bottom and we will see much higher prices in the years to come. This of course is this one man's opinion but one I feel confident with putting out there. We are trading at \$3.55 on the September as of July 13 and have begun our corrective bounce which could set us up for a 40% rise from the recent lows. This should put us back towards the \$3.75 - \$3.85 level on the September futures in the very near future.

Indicators are in oversold territory but still negative and the main trend continues to be down.

SOYBEANS: Soybeans fell to the \$10.50 area on the August futures this week and rebounded quickly. Like the other grains, the beans are looking for direction in the form of weather forecasts. With July and August being critical development stages in the Mid-West, a prolonged dry forecast could send the soybeans back to the highs in short order, however, as time decays, and accommodating rains should appear, we will continue to see slippage in the prices going forward. Currently, we have good support at the \$10.25 area and again at the big \$10 number. With oversold futures, prices should remain firm for the month of July but our charts show stiff resistance at the \$11.60 through \$12 area. Signals are currently mixed, with pressure on the short term indicators, but the longer term indicators are still neutral to bullish.



WHEAT: Futures prices are experiencing lows that have not been seen since 2010 and before that 2007. Needless to say, the bear market has taken its toll on prices and proves only that once intact, a trend needs significant intervention to turn the corner. When this will happen will be anyone's guess, but it serves as a lesson to us all that the trend is your friend and trading against it can be detrimental. Having said that, there comes a time when prices will reverse and this market is no exception. Looking hard at the charts for hints of such a turn, we find only a few that could change the tone of the market. One is that we are approaching 10 year lows on the futures contracts, second is the severity at which the wheat market has sold off recently. These are a few earmarks of a possible bottoming action. Finally a combination of the July contract expiry and continued hot and dry weather could reverse things quite quickly. Meanwhile, we still have our July 4 long weekend hook reversal intact, so for the moment we do have a temporary bottom.

Major support is seen at \$3. - \$3.20 on September and the indicators remain negative but oversold. The main trend continues to be down.

HARVEST 2016 CROP CASH PRICES as of CLOSE on July 13, 2016

SWW @ \$183.44/MT (\$4.99/bu), HRW @ \$178.67/MT (\$4.86/bu),
HRS @ \$210.83/MT (\$5.74/bu), SRW @ \$181.05/MT (\$4.93/bu).

Marty Hibbs, Grain Farmers of Ontario