



<i>Wednesday, July 20, 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>3.37</i>	↓	<i>29</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>10.28</i>	↓	<i>1.00</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.13</i>	↓	<i>27</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>4.85</i>	↓	<i>17</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.07</i>	↓	<i>15</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>2.06</i>	↓	<i>4</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7662</i>	↓	<i>.55</i>	<i>points</i>

CORN: The day after last week's commentary, we got our bounce to the \$3.75 level on the September contract that we spoke of - but it lasted all of one day. As of July 20 we have violated the July 4, long weekend lows of \$3.39 on the September contract and closed below there at \$3.37. We have now set the stage for a possible test of major support at the \$3 - \$3.20 level. This \$3 area on the futures has the distinction of being major support for the past 10 years going back to 2006. With just 20 more cents to that price zone, I feel there is a good chance we may visit this major support of \$3 - \$3.20 on the September contract. Since our red sell signal on June 22, we have dropped almost a full dollar in price on the September contract. Indicators are still negative but we are getting divergence in several of these indicators, suggesting that a bounce may be overdue. All indicators are still negative and the main trend is still down.

SOYBEANS: Our \$10.25 support level was tested on July 20 and so far it has held, closing just a little higher at \$10.27. This of course is in-line with the other grains, as crop conditions improve and the chances of a weather market diminish each day that weather isn't a serious issue. We are now entering a critical time for the soybean development in the mid-west and weather anomalies can cause wild fluctuations. The next obvious support is the big round \$10 number which is within striking distance. This also represents a 60% retracement of the March 1 lows and the June 10 highs on the lead month contract. While major support is seen at \$10, our overhead resistance is around the \$10.75 with more trouble at the \$11.50 area based on the September contract. Signals are still mixed, with weekly indicators still positive; while the short term is negative and the main trend continues to be down.

WHEAT: The September futures took out the July 4 long weekend lows of \$4.15 and in the process made new contract lows for the September contract. This event violated a 10 year low before closing on the actual support line. There is not much to say here, except that the trend is and has been down for at least three years and until the main trend actually reverses, rallies have to be sold. From these levels we could see some upside; however, I feel it will be a slow grind higher as opposed to a typical reverse move. This bear market will take time to reverse a main trend from a technical basis.



Ontario Grain Market Commentary for July 20, 2016

Major support is seen at \$4 on September, and all of the indicators remain negative but oversold. The main trend continues to be down.

HARVEST 2016 CROP CASH PRICES as of **CLOSE** on **July 20, 2016**

SWW @ \$171.68/MT (\$4.67/bu), HRW @ \$166.88/MT (\$4.54/bu),
HRS @ \$203.81/MT (\$5.55/bu), SRW @ \$171.68/MT (\$4.67/bu).

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