



<i>Wednesday, July 27, 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>3.36</i>	↓	<i>01</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Aug</i>	<i>10.10</i>	↓	<i>18</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.15</i>	↓	<i>02</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>4.88</i>	↑	<i>3</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.12</i>	↑	<i>5</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>1.97</i>	↓	<i>9</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7573</i>	↓	<i>.85</i>	<i>points</i>

CORN: Although we made new contract lows on the September 2016 contract since our last commentary, we haven't quite reached the next support level that we spoke of last week at the \$3-\$3.20 on September. With the current crop carryout situation and harvest pressure, it seems almost unimaginable that we won't run the stops at the multi-year pivot points of \$3.20 before the September contract expires. Indicators are still negative but we are getting divergence in several of these indicators, suggesting that a bounce may be overdue. Keep an eye out for a sharp drop in the coming weeks, followed by a rebound that will terminate in the futures being unchanged for that day. This would be the action of stops being triggered and funds liquidating short positions causing price pressure to subside. Of course, this doesn't always work, but it's another signal that a bottom may be forming.

All indicators are still negative and the main trend is still down.

SOYBEANS: Our \$9.80-\$10. Support has been reached and today, July 27, we are trading back above \$10.10. This move from the recent highs is an important Fibonacci number, and with the indicators getting oversold on the short term, we could be seeing a pop in prices. There is a lot of resistance overhead that only a weather-related event could overcome. We are still in a critical timeframe for soybean development in the Midwest, but each day that doesn't produce issues is one less day for this market to be concerned about the U.S crop. While support is seen at \$9.80-\$10, our overhead resistance is around the \$10.50-\$10.75 with more trouble at the \$11.25 area based on the September contract. Signals are still mixed, with the futures direction being anyone's guess. The main trend continues to be down.

WHEAT: The September futures made new contract lows since our last commentary. 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, any large rallies have to be sold. The big \$4 level is within earshot and could easily be challenged before our next commentary. Many traders will have stops below that number, and we could see some activity once we break that level. Hedge funds may opt to



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liquidate record short positions, causing a quick rebound in prices, at least for the short term. Either way, I feel it will be a slow grind higher as opposed to a quick move to normal prices. Major support is seen at \$4 on close based on the September contract, 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 27, 2016**

SWW @ \$174.67/MT (\$4.75/bu), HRW @ \$169.82/MT (\$4.62/bu),
HRS @ \$202.81/MT (\$5.52/bu), SRW @ \$174.67/MT (\$4.75/bu).

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