



<i>Wednesday, August 17, 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>3.30</i>	↑	<i>08</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Sep</i>	<i>10.30</i>	↑	<i>32</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.26</i>	↑	<i>04</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>5.24</i>	↑	<i>23</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.18</i>	↑	<i>06</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>1.71</i>	↓	<i>01</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7800</i>	↑	<i>1.25</i>	<i>points</i>

CORN: Following the August 12 United States Department of Agriculture (USDA) report, corn behaved as expected from our last commentary. There was an immediate selloff in the grains after the release, and once most of the stops were eliminated, the futures contracts reversed course and closed higher on the day. In technical terms this is called a hook reversal, and it indicates that we could see higher prices in the immediate future. It does not, however, tell us how high or for how long. My guess is that we could see prices move higher until there is an update to the current supply demand or a yield adjustment. Our first upside target would be a rash of overhead barriers from \$3.40-\$3.60 on the September contract or \$3.50-\$3.70 on the December contract. Next week, we will begin to use the December futures for analysis on both corn and wheat. We have a weak buy signal on the corn, but it should be used only as an indicator of short term upside potential at this point. All other indicators are still negative, and the main trend is still down but oversold.

SOYBEANS: Soybeans continue to find good support at the \$9.75 level as suggested last week and as witnessed by the selloff on the release of the USDA report on August 12. After the initial selloff of 25 cents per bushel, the September contract closed out the day basically unchanged. This is an example of the stop running that we referred to last week. From these levels we could see some continued upside movement in the near term. Going forward, our initial headwinds on the September contract is found at the \$10.30- \$10.50 level on the futures. Our indicators are oversold. Signals are still mixed, but the main trend is still down.

WHEAT: The August 12 USDA report performed as expected with the wheat futures contract trading down 10 cents per bushel to \$4.06 on the release of the data, before closing out the trading session up 7 cents for the day. This produced a signal that could generate more upside in the near term. We are currently trading at \$4.27 as of this writing on August 17. Our overhead resistance now stands at \$4.30-\$4.40. The Minneapolis futures contract is currently leading the charge with a 40 cent move since its August 2 bottom. Even if we haven't seen the bottom in the wheat market, there is evidence that we could be getting close. We did receive a minor buy signal on both the daily and weekly charts, but it is not strong enough to conclude that a bottom is in place. We will monitor the signals going forward and hope to see a signal



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worth getting excited about. Good support is still seen at \$4 on close based on the September contract. Next week, we will switch to the December contract for analysis. The indicators are now mixed with short term indications turning positive, while the main trend is still down.

HARVEST 2016 CROP CASH PRICES as of CLOSE on August 10, 2016

SWW @ \$175.55/MT (\$4.78/bu), HRW @ \$170.82/MT (\$4.65/bu),
HRS @ \$209.15/MT (\$5.69/bu), SRW @ \$182.65/MT (\$4.97/bu).

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