Ontario Grain Market Commentary for ***June 7***, 2017

Wednesday, June 8, 2017 Closing Prices					
COMMODITY	*PERIOD*	*PRICE*	*WEEKLY MOVEMENT*		
Corn CBOT	*July*	*3.84*	↑	*15*	*cents*
Soybeans CBOT	*July*	*9.37*	↑	*10*	*cents*
Wheat CBOT	*July*	*4.47*	↑	*17*	*cents*
Wheat Minn.	*July*	*6.05*	↑	*32*	*cents*
Wheat Kansas	*July*	*4.51*	↑	*20*	*cents*
Chicago Oats	*July*	*2.48*	↑	*01*	*cents*
Canadian $	*June*	*.7405*	↑	*0.05*	*points*

Corn: We currently sit at our $3.80 resistance line, and the charts are looking positive. With a little help, we hope to challenge the all-important $4 trend line in the coming weeks. It is likely that we will have a correction once this goal is accomplished. With the unusual weather this season, we could be looking at the year of the trend change, but first we need to close through that $4 barrier with confidence. Support on the July contract is seen at $3.60, while overhead resistance is still at $3.80, with major resistance at the $4 mark based on the lead month contract.

Short term indicators are turning positive, but the main trend is still down.

SOYBEANS: Our $9.40 support level, which was broken last week, now becomes our overhead resistance on the July contract. Soybeans still look like they need a major story to turn the tide and stop the downward pressure on prices. Unfortunately, the late spring could likely translate into even more acres. Our red sell signal on May 19 is still intact, and we will possibly see more downside after the next bounce in prices have been completed. Overhead resistance is seen at $9.50 and again at $9.80, while support in the July contract is now at the $9 mark. It is very likely we will see a test of the $9 price on the July contract in the coming weeks. It is important that this level holds, as there isn’t much support below there until we approach the $8.50 level.

Short term indicators are all negative, and the main trend is still down.

WHEAT: Spring wheat has been front and center for the past two weeks, as prices have rocketed more than 70 cents per bushel on the July contract. The chart indicators that we mentioned in the previous commentaries have performed as expected. We are currently challenging the primary or main trend line that has been in place since 2008. This won’t go without a fight, and for that reason I expect we could see a correction from these levels.

According to our charts, we are looking at a major trend-line that runs between $6.20 and $6.40 on the July Spring contract. This is a 9 year old trend-line that will require work to be negated. Having said that, I think it will eventually be broken, and the trend will change to the upside. This of course could take patience. Meanwhile, our intermediate trend is positive on the spring wheat. As for Chicago, the charts are looking positive but not to the same degree. We have our five wave formation that suggests we could be looking at $6 wheat by July. The trend-line on the Chicago contract is around that level; while it is very likely to be tested, breaking through it may not be as easy. Meanwhile, solid support is seen at $4.20 while our resistance at $4.60 and again closer to the $5 mark.

Short term indicators are have turned positive, but the primary trend is down.

Harvest 2017 prices as of the close, **June 8** are as follows:
SWW @ $215.27/MT ($5.86/bu), **HRW** @ $212.79/MT ($5.79/bu),
HRS @ $249.49/MT ($6.79/bu), **SRW** @ $215.27/MT ($5.79/bu),

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