Ontario Grain Market Commentary for ***August 23***, 2017

Wednesday, August 23 2017 Closing Prices					
COMMODITY	*PERIOD*	*PRICE*	*WEEKLY MOVEMENT*		
Corn CBOT	*Sept*	*3.42*	↓	*10*	*cents*
Soybeans CBOT	*Nov*	*9.38*	↑	*13*	*cents*
Wheat CBOT	*Sept*	*4.03*	↓	*17*	*cents*
Wheat Minn.	*Sept*	*6.40*	↓	*33*	*cents*
Wheat Kansas	*Sept*	*3.98*	↓	*22*	*cents*
Chicago Oats	*Sept*	*2.40*	↓	*20*	*cents*
Canadian $	*Sept*	*.7980*	↑	*.95*	*points*

Corn:

It was another heavy week as corn continued its lower, albeit slower, grind downward. We lost about 7 cents per bushel on the September CBOT contract since our last commentary, but more than 50 cents since our July 11 high of $4.04. Unfortunately, we also received the red sell signal this week, which is an indicator that we may see lower prices into the September, especially given the fact that next week we could be facing even more pressure from the first notice day in corn futures. The charts really don't look supportive, and that, along with the red signal, is now indicating that we could see at least a retest of the $3.30 levels from last December. If that level fails to hold, the next major support is at the $3 level on the lead month contract at the time it reaches there.

Initial support on the September futures is still seen here around the $3.50 level, while overhead resistance is still at $4 (also on the September contract). Short term indicators are negative and the primary trend is still down.

Soybeans:

Soybeans had a quiet week with just a 30 cent range. We are currently sitting at the $9.30 support level on the November contract; however, there is a very good chance we will test the $9 level in the coming weeks. There is quite a lot of support in the $8.50 - $9 level on these soybeans, and chances are that this will eventually be the bottom area once we break into 2018.

Our red sell signal from August 3 is still intact, but we are in the oversold territory on our short term indicators. This would at least suggest a pop in prices in the fall.

Initial support is at $9 with overhead resistance at $9.75 - $10 on the November contract.

Short term indicators are negative and the primary trend is still down.

Wheat:

Our June 1 rally in wheat gave us some hope for a bright future, with prices surging into the first week of July – then came the reversal. This has not just been a normal reversal, rather a trend reversal drop that wiped out the entire rally and posted new lows from the June 1 date – all within a six-week period. We had a support line at the $4.20 level on the September contract, and we closed August 16 at $4.19 ¼ . This move has rattled our markets, but it has lead me to believe that there still may be a chance that a breath of life in the trend changing move may still exist since the bear market has been neutralized (if not reversed). That being said, we could see the market slowly regain some strength in the coming months. For the time being, we need to view any rallies in the coming weeks as selling opportunities. Support lines cut across the $4.16 level on the September chart while the bullish indicator we received back in January is actually still intact on the weekly chart.

Harvest 2017 prices as of the close, **August 23** are as follows:
SWW @ $171.75/MT ($4.67/bu), **HRW** @ $178.67/MT ($4.86/bu),
HRS @ $242.69/MT ($6.61/bu), **SRW** @ $176.37/MT ($4.80/bu),

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