



| Wednesday, January 10, 2017 Closing Prices | | | | | |
|---|---------------|--------------|------------------------|-------------|---------------|
| <i>COMMODITY</i> | <i>PERIOD</i> | <i>PRICE</i> | <i>WEEKLY MOVEMENT</i> | | |
| <i>Corn CBOT</i> | <i>Mar</i> | <i>3.49</i> | ↓ | <i>03</i> | <i>cents</i> |
| <i>Soybeans CBOT</i> | <i>Mar</i> | <i>9.55</i> | ↓ | <i>15</i> | <i>cents</i> |
| <i>Wheat CBOT</i> | <i>Mar</i> | <i>4.34</i> | ↓ | <i>02</i> | <i>cents</i> |
| <i>Wheat Minn.</i> | <i>Mar</i> | <i>6.34</i> | ↑ | <i>14</i> | <i>cents</i> |
| <i>Wheat Kansas</i> | <i>Mar</i> | <i>4.40</i> | ↑ | <i>03</i> | <i>cents</i> |
| <i>Chicago Oats</i> | <i>Mar</i> | <i>2.45</i> | ↓ | <i>06</i> | <i>cents</i> |
| | | | | | |
| <i>Canadian \$</i> | <i>Mar</i> | <i>.7984</i> | ↑ | <i>0.01</i> | <i>points</i> |

Corn:

Corn continues to track sideways as we are finding good support on at the \$3.40 - \$3.45 level on the March contract. Our weekly charts show a positive tone with a red buy signal from the middle of December. I am expecting the \$3.40 level to be supportive as we move into the gap on the weekly chart. If however, we breach the \$3.40 on a close we could see further downside to test a key support level at the \$3.30 level on the weekly chart.

Indicators are still oversold and a move above the \$3.50 level is necessary to start a rally with momentum heading into the spring.

Support is still seen at the \$3.40 level on the March contract, while overhead resistance is seen at \$3.50.

Short term indicators are still negative, with the continuation chart looking more constructive for a spring rally.

The primary trend is still down.

Soybeans:

We have seen this scenario play out many times before as we watch the price swings from \$9 support to the \$10.25 resistance. There is no reason to think we will not test the \$9 support level on the March contract yet again. However, my indicators are suggesting that this winding up of pressure will eventually cause an elastic effect on prices once we breach the \$10.25 level on the next go round. There is a chance we may not get all the way back to \$9 or, we may see a complete blow-off in prices and head towards the \$8.50 level before an obvious reversal candle indicates that we have finally bottomed. I expect it will be a memorable moment as many



traders get caught on the wrong side of the market. The funds will scramble to cover their multi-year shorts and possibly reverse their positions.

Support is seen on the March charts at the \$9.50 level. A failure to hold this area could see a further decline towards the \$9 - \$9.20 level to retest that support area.

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

Wheat:

Looking constructive is the key word to describe the wheat charts. While the daily March contract shows a red buy signal on January 3, the daily continuation chart has a well-defined gap with a price support at the \$4 level. December 15 shows a perfect marubozu or long white candle and the indicators are in oversold territory. This looks like a recipe for a bottom formation.

This is not to say that this is the bottom, but rather that we need to be aware that we are possibly close to the end of a multi-year bear market.

We will be watching the other markets for similar indicators.

Good support is seen around the \$4 to \$4.10 mark on the March futures chart. Overhead resistance is still viewed at \$4.35.

Indicators are showing oversold conditions. Short term indicators are bullish, but the primary trend is still down.

Cash Grain prices as of the close, **January 10**, are as follows:
SWW @ \$188.96/MT (\$5.14/bu), **HRW** @ \$193.58/MT (\$5.27/bu),
HRS @ \$244.25/MT (\$6.65/bu), **SRW** @ \$188.96/MT (\$5.14/bu).

Marty Hibbs, Grain Farmers of Ontario