Ontario Grain Market Commentary for ***February 28***, 2018

Wednesday, February 28, 2018 Closing Prices					
COMMODITY	*PERIOD*	*PRICE*	*WEEKLY MOVEMENT*		
Corn CBOT	*May*	*3.74*	↑	*08*	*cents*
Soybeans CBOT	*May*	*10.55*	↑	*10*	*cents*
Wheat CBOT	*May*	*4.95*	↑	*35*	*cents*
Wheat Minn.	*May*	*6.22*	↑	*10*	*cents*
Wheat Kansas	*May*	*5.22*	↑	*40*	*cents*
Chicago Oats	*May*	*2.70*	↑	*10*	*cents*
Canadian $	*Mar*	*.7290*	↓	*1.00*	*points*

Corn:

To repeat last week's commentary, we are at the weekly trend line and could encounter stiff resistance here before a possible pullback before we punch through this area. Of course we may also not see the pull-back, in which case we could see a short covering rally from the short positions.

If the pull back is implemented, I would look for a re-test of the $3.60 - $3.70 support level, based on the May contract. Even though we may negate the $3.85 (May) trend-line on a close, this would not reverse the actual trend but rather neutralize it as we saw in the wheat. Before I am confident enough to admit a reversal of the main trend, I would need to see a close above $4 on the lead month contract (March). Meanwhile, we are currently trading at $3.85 on the May contract and are flirting with the seven- year-old downtrend being broken.

Initial support is now at $3.60 on the May contract while overhead resistance is at $3.85 also on the May contract. The primary trend is still down.

Soybeans:

The May soybean chart, which has given us two red buy signals, is behaving as expected. The four-year-old down trend line has been negated but the main trend line is still intact. This is enough to turn this weekly trend neutral. The weekly chart shows a clear break of the down trend line, and the momentum is starting to build as we push through the tough resistance from the main trend line at $10.75 - $11. Support is seen on the May charts at the $10 level while our overhead resistance level is still at the $10.75 - $11 level.

Short term indicators are positive and the primary trend is neutral. A close above $11 would be very positive and turn our bear market into a possible bullish pattern for an end of the six-year-old bear market.

Wheat:

The May contract continues to impress and even though we have been neutralized from the seven-year-old bear market for some time, we still have a little more work before we can call this a bull market. Going forward we are still working off the red buy signal received back on January 2 and we should continue to move higher into the spring.

We will move our support line on the May chart back to the $4.50 level. Our overhead resistance based on May of the $5 - $5.20 level was met this week as we reached a high of $5 on the May contract before settling back at $4.95. This is the main trendline and there is a very real possibility we could get a correction before we challenge this one again. The pullback is not mandatory but it is more common. However, if we see a strong move through this $5.10 area on a close, I would expect that we could see a larger short covering rally before the pull back to this area, which will then be viewed as the new support zone.

Indicators are positive. Both daily and weekly indicators are now bullish, and our primary trend is neutral.

Cash Grain prices as of the close, ***February 28,*** are as follows:
SWW @ $231.12 ($6.29/bu), **HRW** @ $228.76/MT ($6.23/bu),
HRS @ $243.86/MT ($6.64/bu), **SRW** @ $226.41/MT ($6.16/bu).

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