



Wednesday, May 2, 2018 Closing Prices					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>July</i>	<i>4.05</i>	↑	<i>09</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>10.43</i>	↑	<i>05</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>5.27</i>	↑	<i>28</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>6.24</i>	↑	<i>18</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>5.55</i>	↑	<i>29</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>July</i>	<i>2.36</i>	↑	<i>07</i>	<i>cents</i>
<i>Canadian \$</i>	<i>June</i>	<i>.7797</i>	↓	<i>0.05</i>	<i>points</i>

Corn:

Exciting times as we finally broke through the intermediate resistance at \$4. Although we have been anticipating the corn market changing from neutral to bullish in the intermediate trend for the past couple of months, we are now ready for an assault on the final resistance point that separates us from a full blown bull market.

The \$4.40 level that we have spoken of so often is the last barrier. This may take yet still more work, but at least it looks like we have seen the bottom in the corn. Our next step may be a short covering rally which could push us towards the \$4.40 in the coming weeks, or we could simply languish and enjoy the fact that the price has broken free of its constraints and it needs time to rest before continuing on its journey to the \$4.40 trend-line.

Our Intermediate trend is still bullish while the primary trend is still down. This week's move has moved the corn from a bear market to a neutral market. Our charts indicate we still need a close above the \$4.40 level on the lead month contract before we can even suggest that we have a bullish primary trend on our hands.

Soybeans:

The soybean contract is still working on its bullish pattern although we are not there yet.

The intermediate trend is definitely bullish but we still need a break above \$10.80 to confirm a complete bullish reversal on the primary trend which would finally end a six- year-old bear market.

Meanwhile, here is where we stand. The July contract is looking constructive and should challenge the \$10.70 -\$10.80 mark in the near future. If the resistance is too much, we may pull back one more time before another attempt is made. Coming into May we could see some



downward pressure on prices as the physical crop could pressure prices if there is not an immediate shortage. May is still the charted month on the long term contract, but going forward if we can stay above \$10.80 on July this would negate the primary trend line and produce a bullish pattern on our weekly charts.

The primary down-trend line is still at the \$10.80 level. Our intermediate trend is bullish and we are waiting now on the Primary trend to challenge and penetrate the all-important \$10.80 to get this party started.

Short term indicators are mixed but the intermediate trend is bullish as we await the challenge of the \$10.80 level. Until then the primary trend is still down.

Wheat:

We are now using the July Chicago wheat futures for all of our analysis. We had a very positive week with regards to hitting our important targets for our analysis. As we mentioned many times over the past few months, the \$5.20 on the May contract was an important price point on our charts. This front month futures price negates the 10-year-old down trend line and is a very important indicator. We are currently trading at \$5.29 on May which is very constructive seeing that this represents the actual cash market.

Going forward we will now assume that the primary trend has indeed been negated and the only question left is how this will play out. Here are two scenarios: we now focus entirely on the July contract and based on it we see resistance here at \$5.30 with a possibly pullback to the \$5 level; or we could see a significant pop in prices due to short covering by the funds. If this last one is the case, I feel we will revisit this level once the excitement is over and the shorts have been run out of town.

If you are looking for forward guidance on the July futures, I believe that we have now established \$5 as a very good support level whether we rally first or correct first.

The short term target to the upside would be \$5.50 based on the lead month contract. The weekly chart is very bullish and we will look for a move towards the \$5.80 level based on the July futures. Finally, the monthly chart is the big news as it has at least broken the back of the 10-year-old down trend line and is now considered neutral with the possibility of forming a bull market that could last for years.

Our signals are as follows: the daily charts are bullish, the intermediate or weekly charts are bullish, and the monthly or primary charts are at least neutral with a red buy signal received this last week.



Ontario Grain Market Commentary for **May 2**, 2018

Harvest 2018 Grain prices as of the close, **May 2, 2018** are as follows:

SWW @ \$244.25 (\$6.65/bu), **HRW** @ \$239.52/MT (\$6.52/bu),
HRS @ \$245.90/MT (\$6.69/bu), **SRW** @ \$237.15/MT (\$6.45/bu).

Marty Hibbs, Grain Farmers of Ontario