Ontario Grain Market Commentary for ***May 9***, 2018

Wednesday, May 9, 2018 Closing Prices					
COMMODITY	*PERIOD*	*PRICE*	*WEEKLY MOVEMENT*		
Corn CBOT	*July*	*4.03*	↓	*03*	*cents*
Soybeans CBOT	*July*	*10.16*	↓	*27*	*cents*
Wheat CBOT	*July*	*5.10*	↓	*17*	*cents*
Wheat Minn.	*July*	*6.11*	↓	*13*	*cents*
Wheat Kansas	*July*	*5.32*	↓	*22*	*cents*
Chicago Oats	*July*	*2.40*	↑	*04*	*cents*
Canadian $	*June*	*.7794*	↓	*0.05*	*points*

Corn:

The United States Department of Agriculture (USDA) May report showed the 2017/18 carryout unchanged this month at 2.18 billion bushels. New crop stocks came in at slightly above expectations at 1.682 billion bushels. That was a significant decline which is attributed to acreage, yield, and production declines from 2017.

Support is still seen on the July contract around the $3.95 - $4 range. Our intermediate trend is still bullish while the primary trend is still down.

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:

Strong new crop demand is seen in May's USDA report. Exports were up 225 million bushels year over year. As we mentioned in last week's commentary, we are now seeing downward pressure as we go through May. Short term indicators are negative and suggest a test of the $10 level with stronger support seen at the $9.60 level on the nearby contract. The $9.50 level is key to a move higher in the coming months. Failure at that level could produce a sharp sell-off to the 2016 lows and support at the $8.50 level.

The primary down-trend line is still at the $10.80 level. Short term indicators are neutral but the intermediate trend is bullish as we await the challenge of the $10.80 level, possibly later this summer. Until then the primary trend is still down.

Wheat:

Not much excitement in the USDA report except to say that the food production demand increased while the export numbers offset the difference. For this reason we will stick to the technical. Last week we suggested a pullback to the $5 level, and as of this writing, we are trading at $5.01 on the July contract.

Support is seen here at the $4.90 - $5 on the July contract and we should continue higher during the month of May and possibly challenge last week's highs around the $5.40 level based on the July chart.

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 two weeks ago. Our next upside target is in the $5.75 range on July futures and according to our time analysis we should see that target before the end of June.

Harvest 2018 Grain prices as of the close, ***May 9, 2018*** are as follows:
SWW @ $236.16/MT ($6.43/bu), **HRW** @ $233.81/MT ($6.36/bu),
HRS @ $238.99/MT ($6.50/bu), **SRW** @ $231.45/MT ($6.30/bu).

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