



<i>Wednesday, June 27, 2018 Closing Prices</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Sep</i>	<i>3.62</i>	↓	<i>01</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Sep</i>	<i>8.78</i>	↓	<i>22</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.88</i>	↓	<i>12</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>5.41</i>	↓	<i>22</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.78</i>	↓	<i>28</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>2.41</i>	↑	<i>02</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7493</i>	↓	<i>0.37</i>	<i>points</i>

Corn:

The corn futures saw more stable prices as this week comes to an end. The initial drop in prices managed to settle down this week with the bottom prices of last week about 15 cents below the current level. The red sell signal that we received on the weekly chart is a cause for concern in the coming weeks. Meanwhile, in the immediate future, it looks like we may have overdone the sell-off and need more upside before we head back down to re-test the recent low levels.

Indicators are mixed and we now have short term indicators negative but oversold along with intermediate indicators also being negative. The long term indicators are still supportive and there is no damage on the long term charts. My best guess is that we will see slightly higher prices for the next week or two before we head back down to re-test the recent lows. If they hold, we could see some gradual movement higher over the summer; but if we fail to find support, our next support level on the September corn futures is now seen at \$3.25 on the weekly charts.

Current overhead resistance is still seen at the \$3.75 - \$4 level on September, while support is seen at the \$3.50 level.

The primary trend is still down.

Soybeans:

The \$8.50 lows from the price rout is still intact but it will be tested and it remains a critical level for a technician. We are now using the September contract for our analysis. This is still old crop and until we get past the heat of the summer, we will continue to focus on this month.

The red sell signal from June 5 translated into a \$1.75 drop in price just in the month of June.



Short term indicators are negative but oversold. The intermediate trend, as indicated on the weekly chart, is neutral. The \$8.50 support on September futures is very important and if we close below that level, there is nothing until we see \$8.

Overhead resistance is at the \$9.10 - \$9.25 level and more at \$9.50 - \$9.75 based on the September futures.

Currently all indicators are negative but oversold. If we see a retraction of Trump's hardline with China, we should expect a strong day or two of upside and a possible confirmed bottom in the bear market.

The primary trend remains down.

Wheat:

The Chicago wheat still looks stronger than its counterparts. We did however, receive a short term red sell signal which is concerning for more downside. We are finding good support at our \$4.80 support zone on the September futures. Whether or not this support holds, depends a lot on other grains behavior.

We could see more volatility if the sanctions pressure continues, and we could expect to see further sell-offs and increased volatility across the board. In the end, I still feel we will see a compromise and the grains should quickly contain losses and possibly rebound after the dust settles. Of course this is all happening as we approach harvest which in itself could produce its own issues.

Solid support is seen at a major support level near \$4.40 - \$4.50 based on the September futures contract.

Short and intermediate term indicators are negative while the primary trend is still mildly bullish.

Final comments: I feel we are putting in a bottom in all of the grains. This is identified by all of the price volatility late in a bear market. I am not recommending that anybody try to pick a bottom but I feel in the long term, we will look back to see the summer of 2018 as the year of the trend reversal. This bear market has been in place for many years and nothing lasts forever. The more volatility we see over the next few months, the greater chance that a market reversal is happening. This of course is my personal opinion.

Harvest 2018 Grain prices as of the close, **June 27, 2018** are as follows:

SWW @ \$227.33/MT (\$6.19/bu), **HRW** @ \$224.88/MT (\$6.12/bu),
HRS @ \$211.39/MT (\$5.75/bu), **SRW** @ \$227.33/MT (\$6.19/bu).



Ontario Grain Market Commentary for **June27**, 2018

Marty Hibbs, Grain Farmers of Ontario