



Wednesday, July 11, 2018 Closing Prices					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>Sep</i>	<i>3.40</i>	↓	<i>03</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>Sep</i>	<i>8.38</i>	↓	<i>15</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>Sep</i>	<i>4.72</i>	↓	<i>19</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>Sep</i>	<i>5.25</i>	↓	<i>10</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>Sep</i>	<i>4.74</i>	↓	<i>10</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>Sep</i>	<i>2.36</i>	↑	<i>01</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7590</i>	↓	<i>0.15</i>	<i>points</i>

Corn:

The corn futures saw a sideways action in the last two weeks as markets digest the impact of the “Trump Tariffs.” Although corn may not be directly impacted, soybean exports are being hit and in turn dragging corn along for the wild ride.

Technically, we have re-tested the \$3.35 support level and the low from November 2017. This, coupled with oversold indicators along with divergence on one of my indicators, suggests we could see continued support for the short haul. It also includes the possibility of a bounce from these oversold conditions before more downside probing.

The red sell signal from June 4 on the daily chart has now been accompanied by another red sell signal, this time on the weekly chart. The recently broken down-trend line has faltered and we once again find ourselves below that line. This turns our indicators negative and reinforces the idea that we may see possible \$3.xx corn futures before the downside move is completed.

Current overhead resistance is still seen at the \$3.60 level in September, while support is seen at the \$3.25 level and again at the \$3. mark.

The primary trend is still down.

Soybeans:

The \$8.40 lows from the price route is still intact as of this writing. The pressure is mounting and the longer we stay at this level, the harder the next leg down will be.

Like corn, the soybean red sell signal from June 5 has now been accompanied by a red sell signal on the weekly chart during the week of June 15. We are sitting on a 10-year-old support line from 2008. This pattern does not look supportive and I would expect that if it broke, we



could see a precipitous fall of at least 75 cents to a dollar lower. The only consolation in this outlook is it could mark the bottom of this 10-year old bear market.

Technical analysts generally look for a blow-off top or bottom on their charts to mark a major turning point in the primary trend. If soybeans were to drop into the \$7.xx price range and rebound quickly, we would have a potential reversal indicator on our charts.

Meanwhile, short term indicators are negative, but oversold and in need of a decent bounce. The intermediate and primary markers suggest a mere resting point before we head lower. Overhead resistance is at the \$9.10 - \$9.25 level while good support is seen at the \$8.40 level, based on the September futures. The charts suggest that a bounce even as high as \$9.75-\$10 is possible, but will not change the fact that we will likely retest this \$8.40 in the weeks or months ahead.

The primary trend remains down.

Wheat:

Wheat is the stronger of the grains in general; however is languishing somewhat as we approach harvest in Ontario. A sampling of farmers with whom I've spoken is indicating good quality but lower than average yields.

As for the technical picture, the red sell signal received on June 15 seems valid and the chart formation is indicating lower prices are possibly ahead. Our support level at the \$4.75 on the September futures is also the extension of the red sell signal move. This indicates that there is a good chance we will see at least the \$4.75 level tested. If we fail to find necessary support at that level, we will likely visit the major support level, which is back to the \$4.40 level based on the lead month futures contract. If this is the case, it will indicate that soybeans would need the nasty break that we thought possible. Any such move on wheat would be short-lived and could also mark the bottom of the wheat market for 2018.

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 now neutral.

Harvest 2018 Grain prices as of the close, **July11, 2018** are as follows:

SWW @ \$218.90/MT (\$5.96/bu), HRW @ \$223.74/MT (\$6.09/bu),

HRS @ \$216.74/MT (\$5.90/bu), SRW @ \$221.32/MT (\$6.02/bu).



Ontario Grain Market Commentary for ***July 11***, 2018