Ontario Grain Market Commentary for ***September 5, 2018***

Wednesday, September 5, 2018 Closing Prices					
COMMODITY	*PERIOD*	*PRICE*	*WEEKLY MOVEMENT*		
Corn CBOT	*Dec*	*3.65*	↑	*08*	*cents*
Soybeans CBOT	*Nov*	*8.38*	↑	*01*	*cents*
Wheat CBOT	*Dec*	*5.22*	↓	*20*	*cents*
Wheat Minn.	*Dec*	*5.49*	↓	*02*	*cents*
Wheat Kansas	*Dec*	*5.80*	↓	*11*	*cents*
Chicago Oats	*Dec*	*2.46*	↓	*07*	*cents*
Canadian $	*Dec*	*.7598*	↓	*1.50*	*points*

Corn:

It's been two weeks since my last commentary. With the volatility of the markets coupled with the change in futures from September to December, I will start fresh with my market analysis.

We recently re-tested the lows of September 2017 on the weekly corn chart and it appears that there was good support there. We have since moved higher on our December contract, but I don't trust double bottoms, and for that reason I believe we will see another re-test coming into the harvest period.

We have overhead resistance at the $3.80 level on the December futures while initial support is seen at the $3.50 level and more significant support at the $3.30 level on the December futures.

All indicators are neutral and the primary trend is still down. A close above $4.40 is currently needed to change direction to bullish in the long term.

Soybeans:

We will be switching over to the November contract for our analysis of soybeans. Like corn, we have a decent looking double bottom in the soybeans. This, however, is the short-term chart which is not the true trend. Looking at the weekly and monthly chart, we remain bearish and unless we close above the $9.25 level on the November futures, I feel we could challenge the lows of $8 heading into the harvest. We are currently in a neutral zone between $8 and $9 on November and I am keeping an eye on the price action going into the fall. The charts do not look constructive, and if I were a betting man, I think the bear flag formation that we see could cause a break in prices which could propel us towards the $7 price before Christmas. This of course is just my opinion which will change if we manage to close above the $9.25 level on our charts.

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All indicators are negative with immediate overhead resistance at the $9 level, while initial support is seen at the $8.20 level, based on the December futures. Our $8.20 lows are very critical at this point and a retest of this area, although not expected, would not be a good sign technically. The primary trend remains down.

Wheat:

Wheat continues to be the leader as we got our anticipated correction back to the $5 level on the futures as expected. The weaknesses in the other grains are weighing on wheat, but unless we break down in soybeans and corn as described above, wheat could limit its sell-off to a simple re-test of this summer's lows at the $4.50 level.

Trade issues continue to weigh heavily on these markets and if we get any nasty surprises in the coming weeks, I feel the very worst wheat could manage is a $4 futures price. Don't be alarmed, this is just a worse-case scenario if we were to see crippling prices below $7 in the soybeans this fall. Remember, we have lost more than $2.50 per bushel on soybeans since April, so a retest of wheat's lows when beans are at sub $7 is not a catastrophe.
Initial support is seen at the $4.90 level on December futures while overhead resistance is now back at $6.

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

Harvest 2018 Grain prices as of the close, ***September 5, 2018*** are as follows:
SWW @ $235.45/MT ($6.41/bu), **HRW** @ $242.70/MT ($6.61/bu),
HRS @ $236.90/MT ($6.45/bu), **SRW** @ $235.45/MT ($6.41/bu).

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