

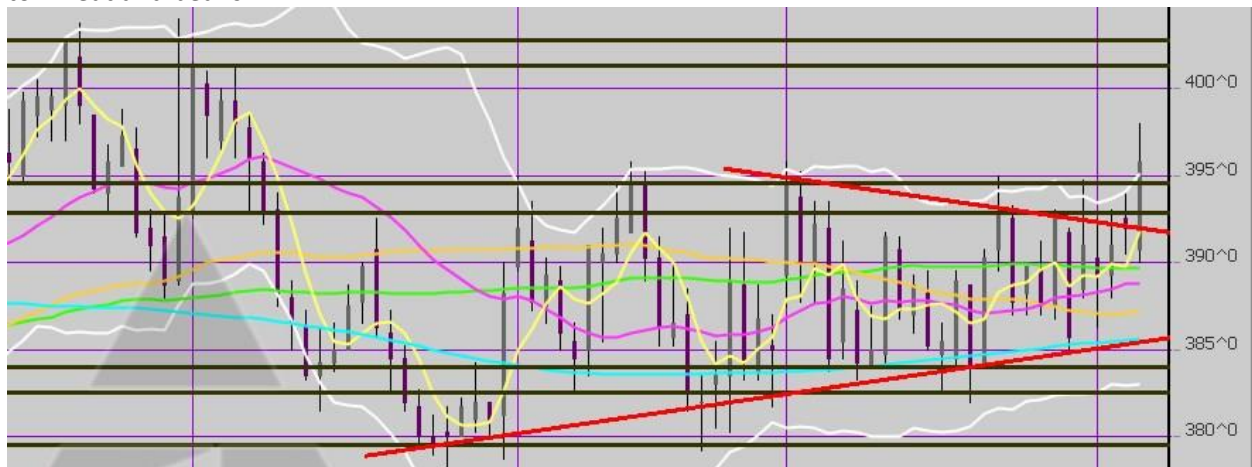
### **Technically Speaking!**

I know for many producers market technical comments are equivalent to used car salesman performing gypsy magic. I get it. I was there once before, but as with most things, there is a time and place to pay attention and Dec corn futures have given us a reason to pay attention. Wait...wheat was the clear leader today right? Up 8 cents vs corns 4, right? Wheat had a nice day but the charts show the difference in the work that was put in today.

**First July 2017 KC Wheat** – Nice day trading as high as \$4.42  $\frac{3}{4}$ , but it couldn't close above \$4.39  $\frac{3}{4}$ . This area is proving to be strong resistance. Continued Dryness in the Dakota wheat area plus potential harvest lost production surprise in Western KS could continue a rally past this point...time will tell. At this point most harvest reports in OK and TX are above average, which was expected.



**Now Dec 2017 Corn** – Yesterday was a close above downtrend resistance (red line) and today's action was a firm close above \$3.94 or \$3.95 resistance. Perhaps more importantly this was done on solid volume, specifically contract high volume. This marks a shift in trading since the beginning of March. Fundamental support - Corn conditions in several important corn states are low, ethanol profitability is solid, weather market time, concerns about dryness in some areas. A corn rally should provide support to wheat and beans.



### Money Matters! – Follow up

Real vs Dollar – Heading the wrong way for the US again. Concern could be when the South American Farmer finally sells... this could cut us twice. Once by soaking export demand, twice by selling into futures rally and stalling it out.



**US Dollar** – Continues to move lower in an attempt to help the farmer.



### General

USDA report – **June 9<sup>th</sup>**, June 30<sup>th</sup> Planted Acreage

**Keyword's this week** – Crop conditions, continued dryness, wheat concerns, wheat harvest continues.

### Futures Comments and Targets

**July 17 Soybean Daily Chart** – Not as impressive a Nov Beans. Need to watch! Appears to be separating from new crop.



**Nov 17 Soybean Daily Chart** – Not as impressive a corn...but did close above down trend resistance. Nov beans traded up to \$9.40. This was a test and fail at \$9.40, but closing above \$9.30 is still a positive day. Need more corn action!



**July 17 Corn Daily Chart** – Similar story to nearby beans. Good day but didn't close above resistance like new crop corn did.



**Dec 17 Corn Daily Chart** – Shown above.

**July 17 Wheat Daily Chart** – Shown above

**July 18 Wheat Daily Chart** – Steady volume the past week.





### Chart Legend

#### Simple moving averages (SMA)

SMA 5 day – light yellow, SMA 25 day - Pink, SMA 60 day – Gold, SMA 90 day – Lime Green, SMA 200 day – light blue.

**Upper and Lower Bollinger Bands** – Solid white

**Trend lines** – Dark blue

**Support and Resistance** – Black

	Futures Price Targets			Support		API
July 17 Wheat	\$ 4.40	\$ 4.42	\$ 4.50	\$ 4.23	\$ 4.14	\$ 0.20
July 18 Wheat	\$ 5.20	\$ 5.30	\$ 5.34	\$ 5.00	\$ 4.94	\$ 0.20
July 17 Corn	\$ 3.78	\$ 3.82	\$ 3.89	\$ 3.66	\$ 3.63	\$ 0.14
Dec 17 Corn	\$ 4.01	\$ 4.06	\$ 4.20	\$ 3.84	\$ 3.79	\$ 0.14
July 17 Beans	\$ 9.30	\$ 9.41	\$ 9.56	\$ 9.12	\$ 8.85	\$ 0.28
Nov 17 Beans	\$ 9.40	\$ 9.56	\$ 9.70	\$ 9.17	\$ 9.08	\$ 0.22

**Futures Price Targets** are technical points of resistance that a particular futures contract has created as it has traded. Typically these are previous highs or lows. They can also be points created by tracking various daily moving averages (30,60,90 day averages), simple trend lines, and numerous other methods for establishing trends.

**Support** is a technical point of resistance for a declining market. They are determined the same way as the Futures Price Targets, but serve as a potential floor to market movement.

**AgMark Pricing Index (API)** is a measure of volatility that can be used to establish an upper and lower trading range. The larger the number, the wider the range. API is an average of weekly trading ranges. It can be used to gauge how long it may potentially take to reach a price target. For example, if an API is \$0.10, there is a higher chance of that futures contract to trade \$0.10 higher or lower in that week. So, if you are waiting on a \$0.20 move up (or down) it is more likely it would take 2 weeks in an upward (or downward) trending market than 1 week.