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## **LOWER YIELDS IN ARGENTINA (BEANS). DRY WEATHER IN BRAZIL (CORN) AND SOUTH AFRICA (CORN)**

Posted on 5/25/2016 7:11:42 AM

WE HAVE A VERY GOOD HEDGING DEPARTMENT HEADED BY TED SEIFRIED. WHY NOT TALK TO HIM OR ANY OF OUR OTHER HEDGING BROKERS. NO ONE WILL PRESSURE YOU AND WHAT HAVE YOU GOT TO LOSE? I'VE BEEN A LICENSED FUTURES BROKER FOR OVER 43 YEARS AND TRUST NO ONE MORE THAN TED AND HIS GROUP.

Higher close for soybean meal while lower for Minneapolis, Kansas City and Chicago wheat along with rough rice, corn, soybeans and soybean oil. IN MY OPINION LOWER BEAN YIELDS IN ARGENTINA ALONG WITH DRY WEATHER IN BRAZIL AND SOUTH AFRICA SHOULDN'T HIDE THE FACT THAT, BARRING DROUGHT LIKE GROWING CONDITIONS IN THE UNITED STATES, THERE SHOULD STILL BE SUBSTANTIAL GRAIN STOCKS BY THE END OF THE YEAR. Of course, nothing is guaranteed or why should anyone like me be writing comments. The Minneapolis/KC wheat spreads stayed about the same since my last Wednesday's report which could be signifying a drop is imminent for Minneapolis. Also, Minneapolis (July) is now in a possible topping formation and needs to hold the 515 and especially the 500 area in my opinion. KC, after being unable to break through decent resistance looks poised to continue falling with little in the way of support underneath. Still, it hasn't taken out its contract low (key reversal) from May 12th giving the bulls some hope. Also, the grade of the wheat stocks isn't that good but the overall world supply remains high and should continue to keep a lid on how high the wheat prices will go. I still want to see the July Minneapolis wheat contract settle over 580 and KC along with Chicago over 500 but that seems to be fading in the distance. Finally, I feel Chicago needs to hold the 450 area basis the July contract. TO SUM UP THE WHEAT COMPLEX, ALL THREE WHEAT HAVE BEEN IN DOWNTRENDS SINCE THE JULY CONTRACT CAME ON THE BOARD! While oats overall have been in a down trend since last December, they continue to hold their lows since the beginning of March and need to hold 180 are and close above 215 to possibly give me a buy signal. Rice has finally been correcting and now is closing in on its nearest support area (below 1140). Meanwhile, corn continues to rally being helped by dry weather conditions mentioned above and a very strong meal market. December has already settled over four dollars and July isn't far behind. I FEEL THE KEY FOR CORN IS TO KEEP AN EYE ON THE SOYMEAL MARKET FOR GUIDANCE. Due to surprisingly lower bean stock estimates on its last report a couple of weeks ago coupled with lower yield estimates in Argentina, the beans led by meal continue to look strong overall. I DON'T KNOW HOW FAR THE BEANS AND MEAL WILL GO BUT I WILL FOLLOW THE MEAL/OIL SPREADS CLOSELY. IF AND WHEN OIL BECOMES STRONGER THAN MEAL, THEN I WOULD LOOK FOR A POSSIBLE DECENT SIZE CORRECTION. Oil, meanwhile, resumed falling which culminated in its worst low and close since the beginning of March. BUY SIGNALS FOR MINNEAPOLIS WHEAT, SOYBEANS. SOYBEAN MEAL, ROUGH RICE AND CORN. SELL SIGNALS FOR KANSAS CITY WHEAT AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

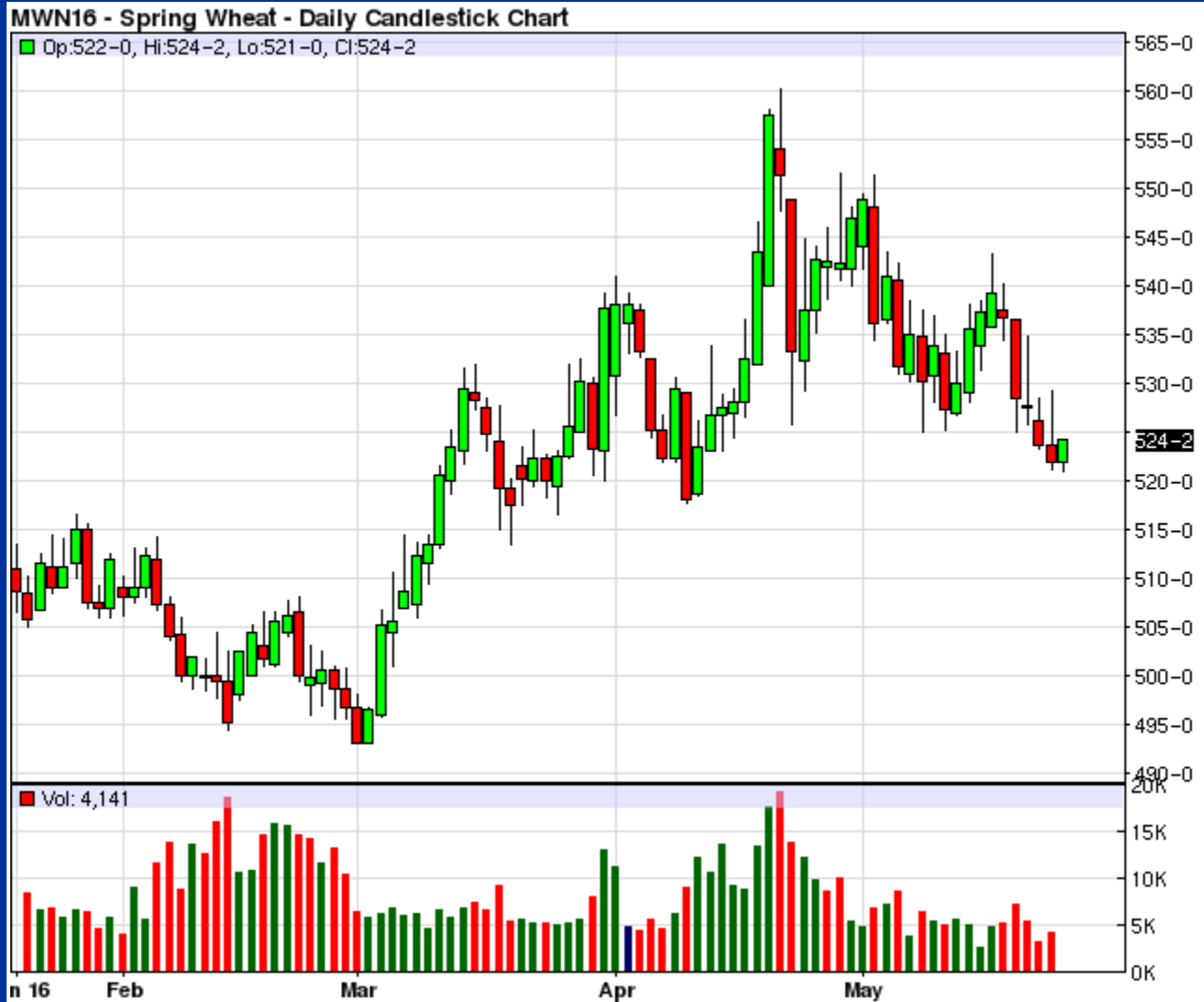
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ZWN16 - Wheat - Daily Candlestick Chart



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