



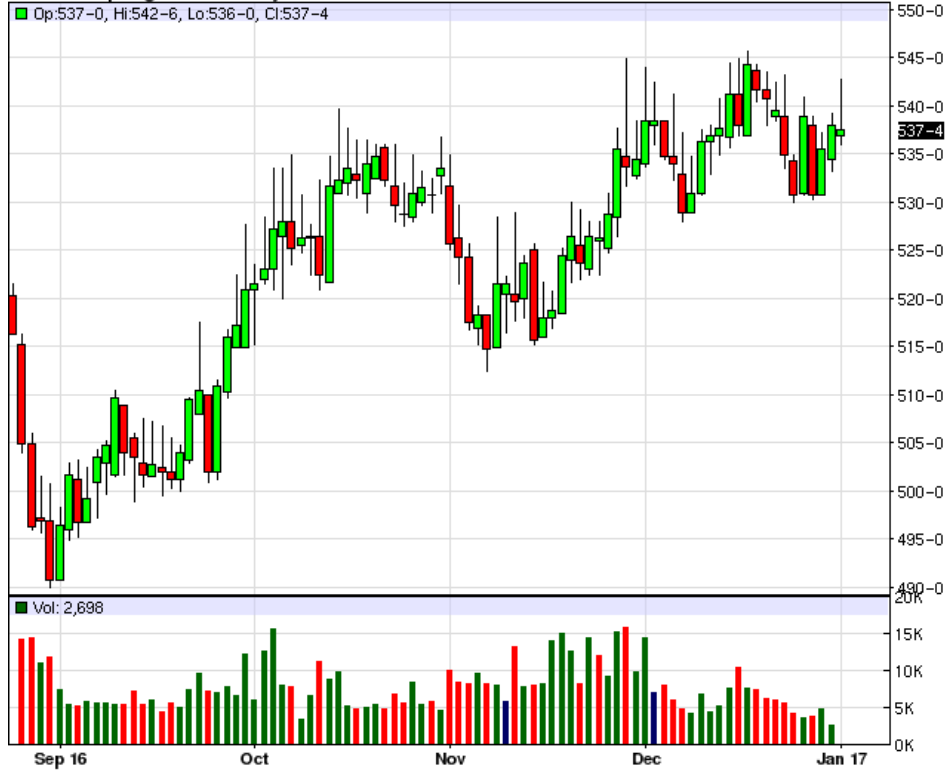
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1/4/2017

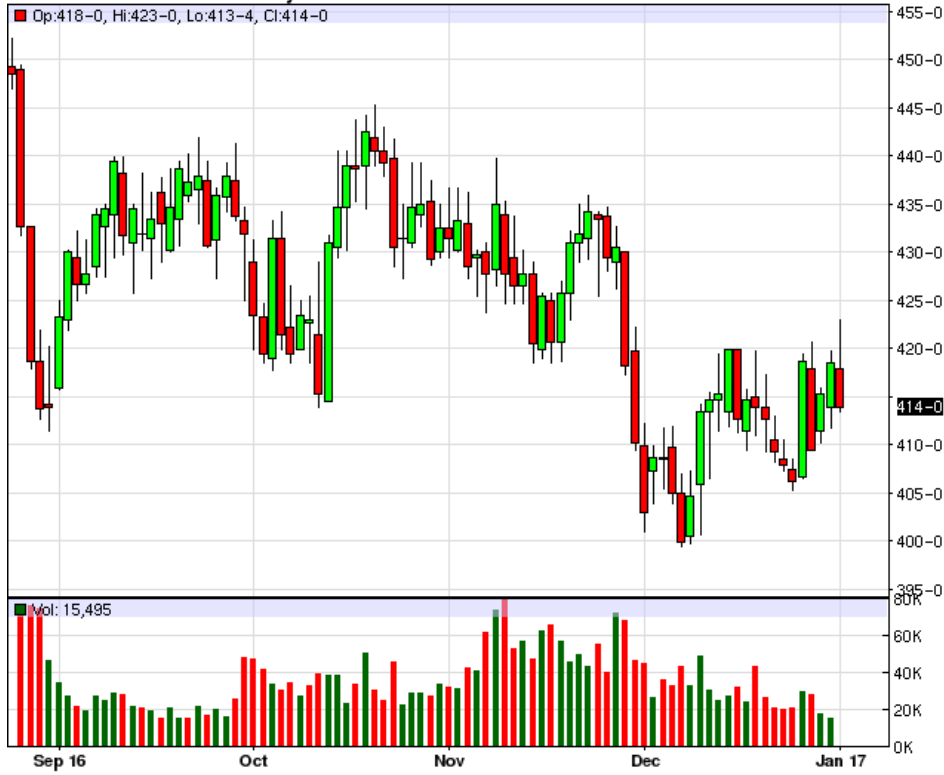
HAPPY NEW YEAR!

Higher closes for oats, corn and soybean oil while lower for rough rice, soybeans, soybean oil along with Minneapolis, Kansas City and Chicago wheat. It seems to be getting harder and harder for me to come up with something new to expound on. However, one good constant has kept the corn and bean complex from much lower prices in my opinion and that's exports. Yes, exports are down right now but, seasonally, are pretty good considering the holidays we just experienced. With the possibility of a good harvest in South America and the chance of just at least a normal crop year in the United States, good exports have become a greater need than normal. Otherwise, grain prices could be in the doldrums for a long time making hedging a difficult proposition. Minneapolis wheat continues to look higher overall with a chart pattern that could see prices moving in either direction whereby we might just have to wait for a direction off of a breakout. Watch 545 overhead and 527 along with 515 below. KC and Chicago remain lower but at least we can see possible bottoms forming at this time. However, huge resistance areas remain overhead not to mention the continuation of large wheat stocks around the world. Minn/KC and Minn/Chicago grain spreads on any decent setbacks continue to be the best way to go in my opinion. Consult your broker for help if you need on where to enter. On the other hand rough rice made a new CONTRACT LOW (12/29) before settling higher in reversal type action again just like I mentioned in last week's report the key being and new contract low keeping this grain bearish overall and still no end in sight. Another tough grain to trade at this time is corn which has been trading in a sideways pattern since the beginning of October which I continue to find impressive considering the stocks and growing conditions in South America. Trading on both sides of 350 since July can be easily seen on a weekly chart. Four dollar corn is as far as I would expect this grain to go and that would take some effort in my opinion. Figure trading off the 340 to 370 range until a breakout occurs in either direction. In summary the best thing you can say about corn is that it hasn't really gone anywhere since around the middle of July in spite of bearish fundamentals everywhere you look including a sharply rising dollar on top of all that. The one bright spot for corn is that exports continue to be okay. If corn is lucky enough to get anywhere near 380 start thinking about putting on some hedges. I can't tell you how next year's crop will turn out but always except a normal crop year and go from there. The beans look topy but have landed in a good support area and are a better buy than sell at this juncture. However, the long term outlook for beans prices remain bleak in my opinion, But then again I said the same thing about the stock market! Meal also looks topy but not nearly as severe since its uptrend hadn't looked that strong to begin with and it remains in a trading range between 310 and 330 since late October leading me to recommend using those parameters to trade off of. Oil has had a decent size correction now residing in a support area and should still be considered bullish with a possible top forming. BUY SIGNALS FOR OATS, MINNEAPOLIS WHEAT, SOYBEANS AND SOYBEAN OIL. SELL SIGNALS FOR KANSAS CITY AND CHICAGO WHEAT ALONG WITH ROUGH RICE. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

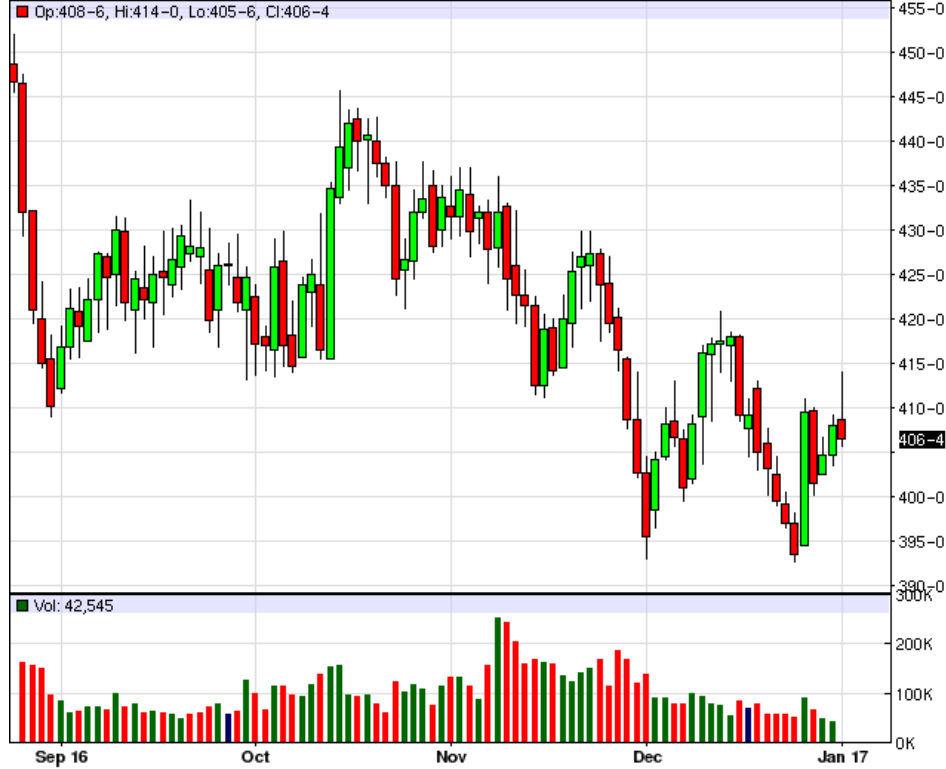
MWH17 - Spring Wheat - Daily Candlestick Chart



KEH17 - Hard Red Wheat - Daily Candlestick Chart



ZWH17 - Wheat - Daily Candlestick Chart



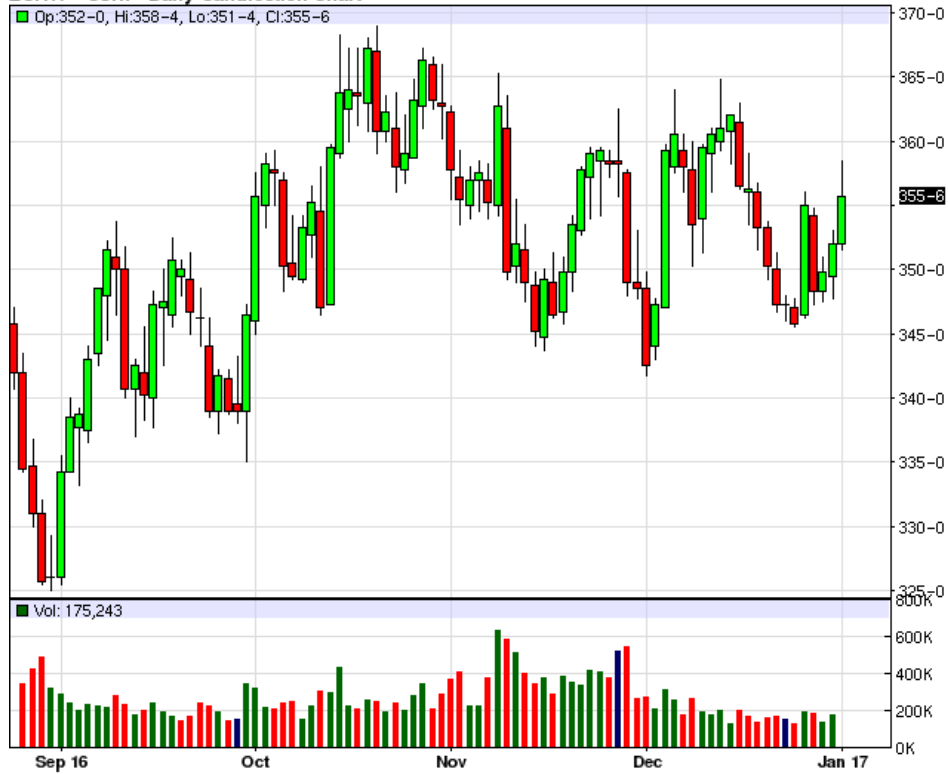
ZOH17 - Oats - Daily Candlestick Chart



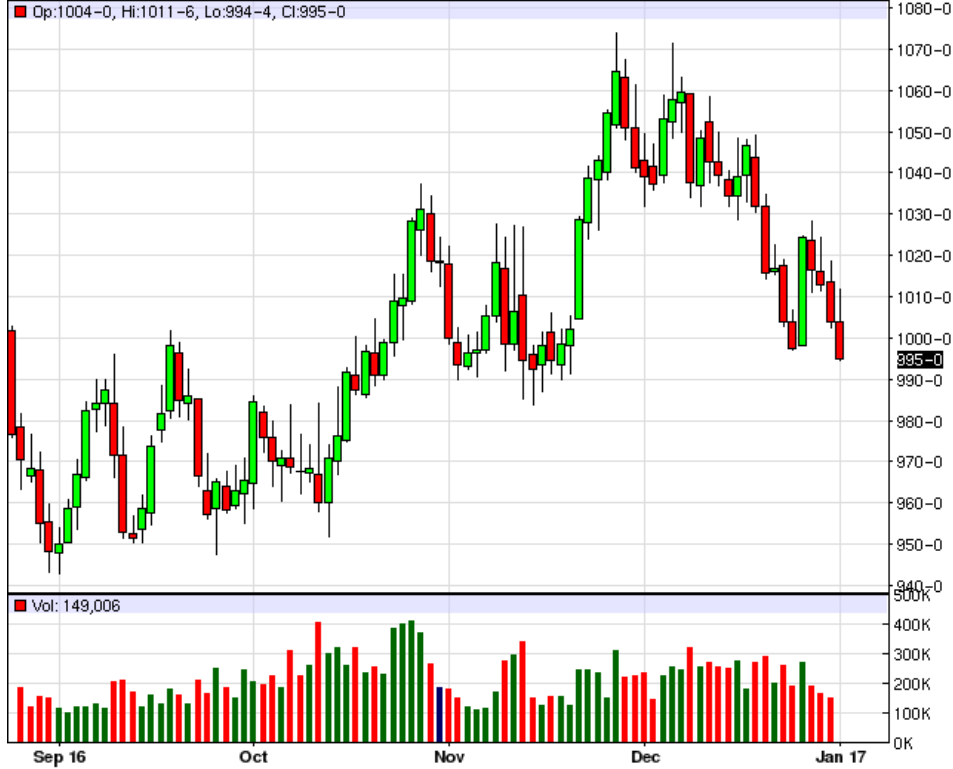
ZRH17 - Rough Rice - Daily Candlestick Chart



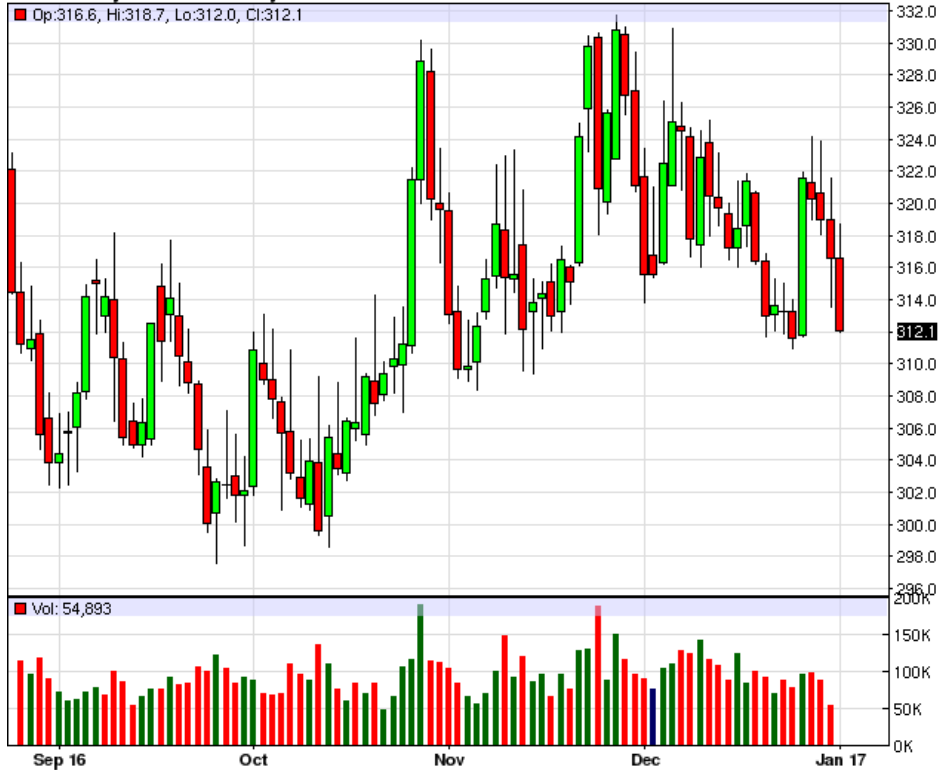
ZCH17 - Corn - Daily Candlestick Chart



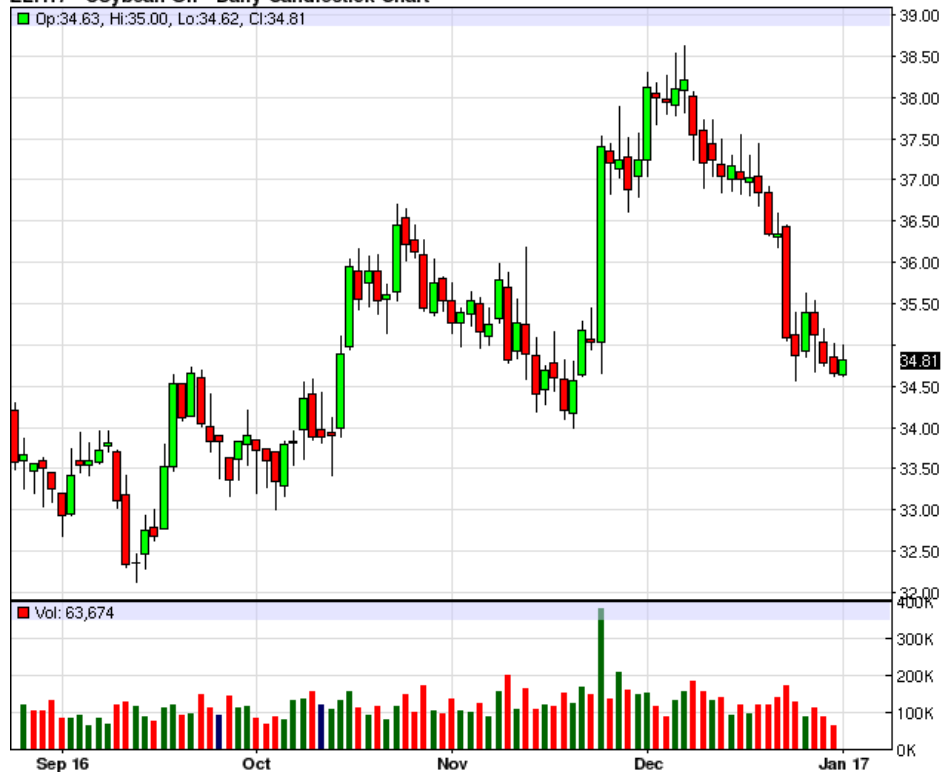
ZSH17 - Soybeans - Daily Candlestick Chart



ZMH17 - Soybean Meal - Daily Candlestick Chart



ZLH17 - Soybean Oil - Daily Candlestick Chart



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