



RICK ALEXANDER, MARKET STRATEGIST
ZANER GROUP

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COLD WEATHER IN SOUTHERN STATES AND UKRAINE WITH LACK OF SNOW COVER.

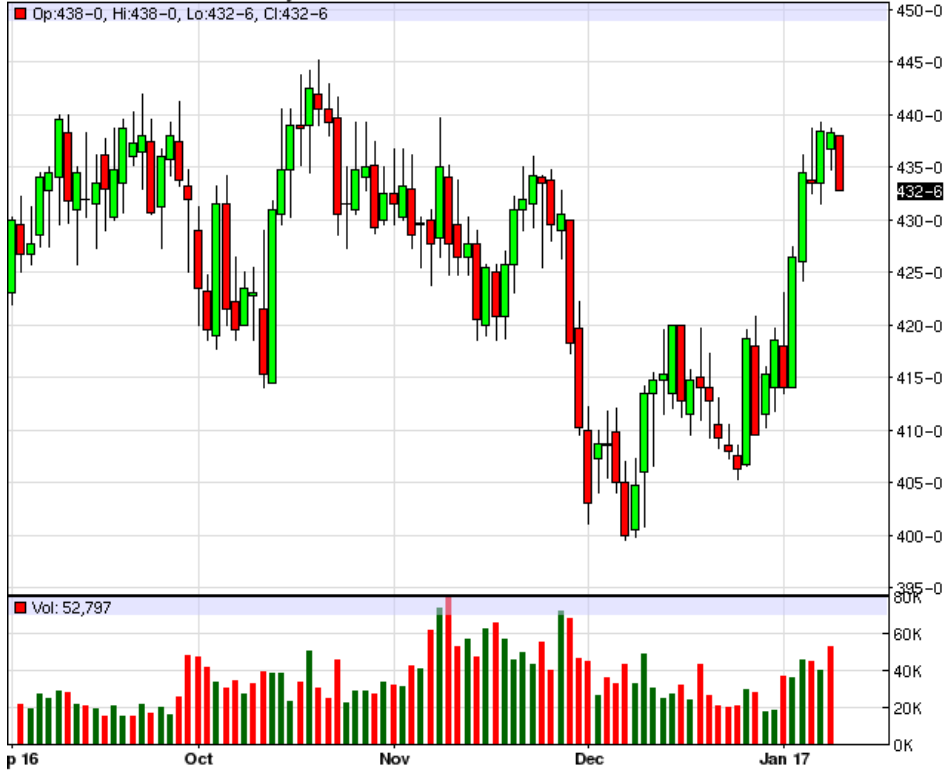
WASDE REPORT, QUARTERLY GRAIN STOCKS, CROP PRODUCTION WINTER WHEAT PLANTING ACREAGE ON THURSDAY.

Higher closes for oats soybeans Minneapolis, Kansas City and Chicago wheat along with soybeans, soybean meal and soybean oil while lower for rough rice and corn. The big story this week is the sharp rise in prices for the wheat complex due to the worries of cold weather down in the southern states and the Ukraine with no snow cover. THURSDAY WILL SEE FOUR GRAIN REPORTS THAT COULD GO A LONG WAY FOR THE DIRECTION FOR THE DIRECTION OF THE GRAIN COMPLEX. CALL FOR ESTIMATES AND THE OPINION OF OUR HEDGE DEPARTMENT. Exports have been down which is no surprise for the time of the year. Last week saw poor exports coupled with some cancellations. 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 along with mostly bearish estimates for Thursday's reports, it's kind of tough to have anything but a bearish forecast this year. Grain prices could be in the doldrums for a long time making hedging a difficult proposition. However, our hedge department has sound strategies for protecting the farmer in most scenarios. Minneapolis wheat continues to look higher overall closing higher for eight consecutive sessions (best high and close since 6/21/16) so far. Closing over 545 was impressive now making that price the beginning of its nearest resistance area. KC and Chicago also had impressive rallies since last Wednesday now at the upper end of strong resistance areas. Also, if you look at the charts below you will notice KC and especially Chicago (W) broke out of possible reversal formations. The downside to this is it was off of potentially bad weather news and the world wheat outlook remains bearish overall. Still, BUYING MINNEAPOLIS AGAINST KC AND CHICAGO CONTINUES TO PAY DIVIDENDS BUT THE RISK AT THESE LEVELS HAS NOW MADE THESE SPREADS DANGEROUS. Oats continue to trend higher in a nice orderly fashion since consolidating in early December. A sharp drop since last week puts the oats in a critical support area but should see a test of its recent highs based on this chart pattern. Rice continues to look bearish with no end in sight at this time. Corn continues to trade both side of 350 since the beginning of August. The bulls can say that this is good action considering the corn stocks and growing conditions in South American while the bears can point to the same thing expecting a normal crop year could keep corn prices down for a long time including testing the three dollar area. 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 in spite of bearish fundamentals everywhere you look including a sharply rising dollar on top of all that. The one bright spot for corn was that exports were okay until the end of December. The bean complex while holding in basically choppy action are showing possible topping signs especially for the beans and oil. Beans have been consolidating for over two weeks while meal has been working lower since the end of October while oil had a sharp drop now residing in an important support area. 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.

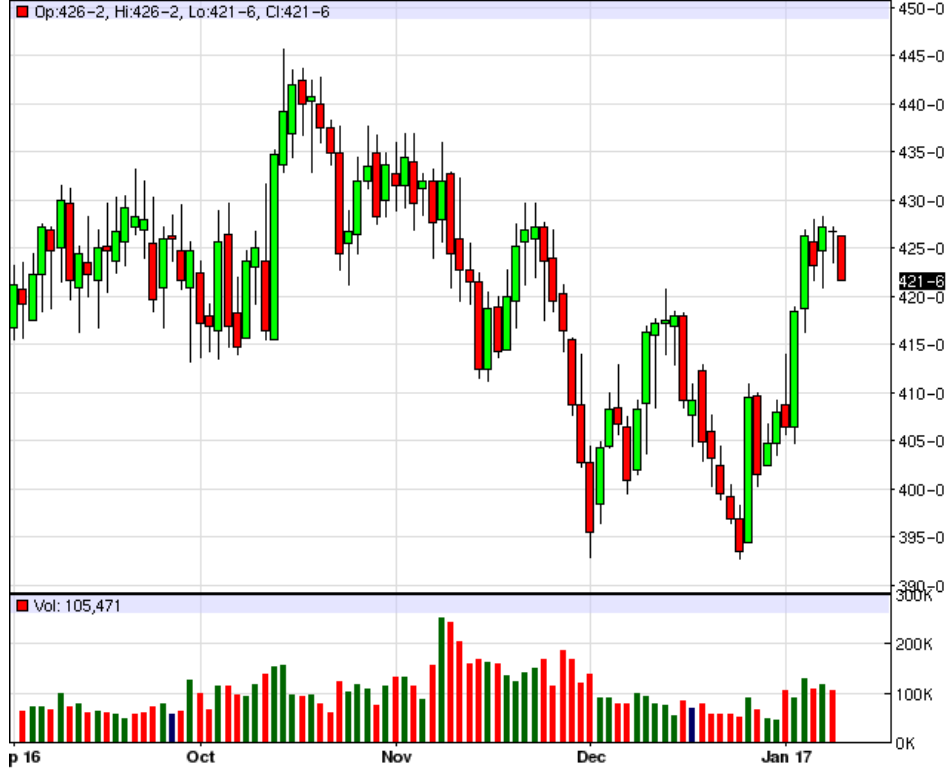
MWH17 - Spring Wheat - Daily Candlestick Chart



KEH17 - Hard Red Wheat - Daily Candlestick Chart



ZWH17 - Wheat - Daily Candlestick Chart



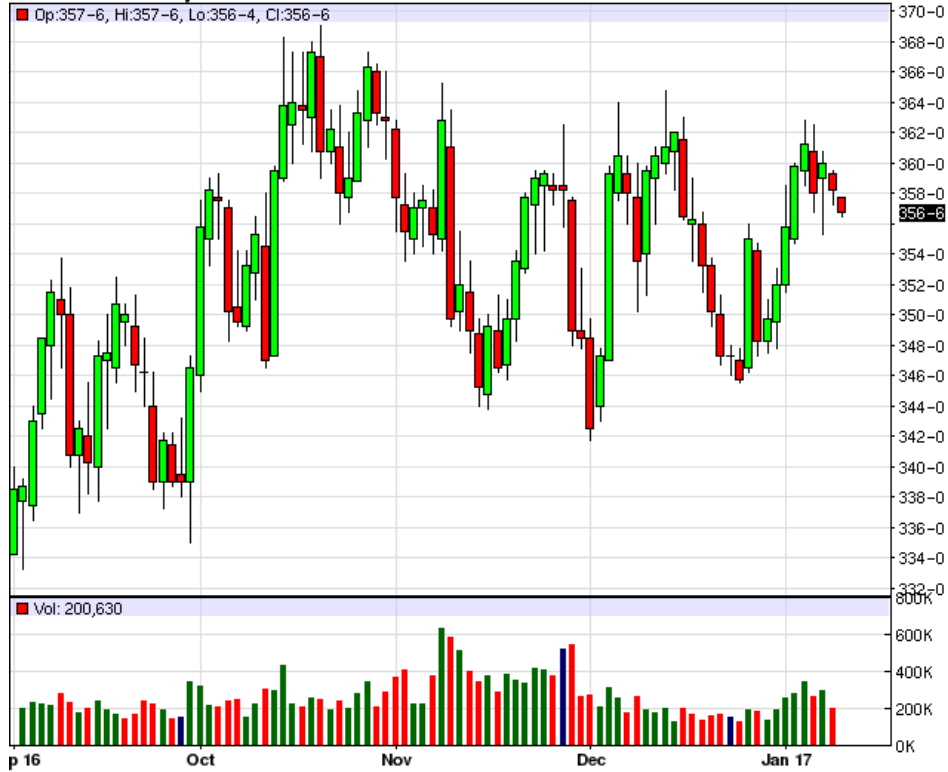
ZOH17 - Oats - Daily Candlestick Chart



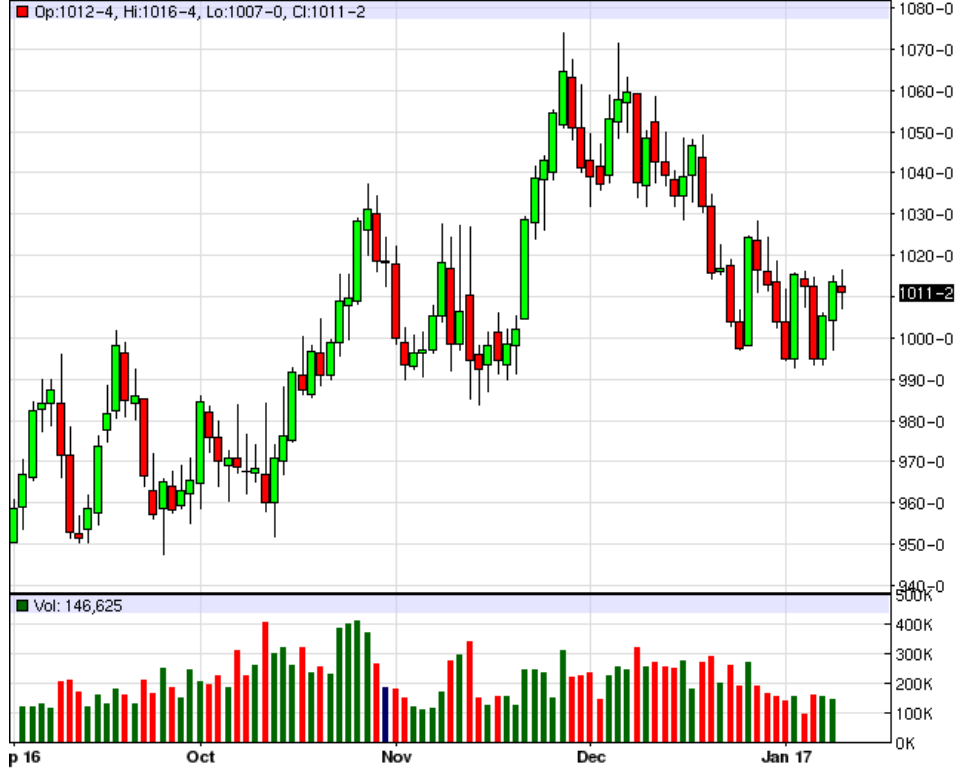
ZRH17 - Rough Rice - Daily Candlestick Chart



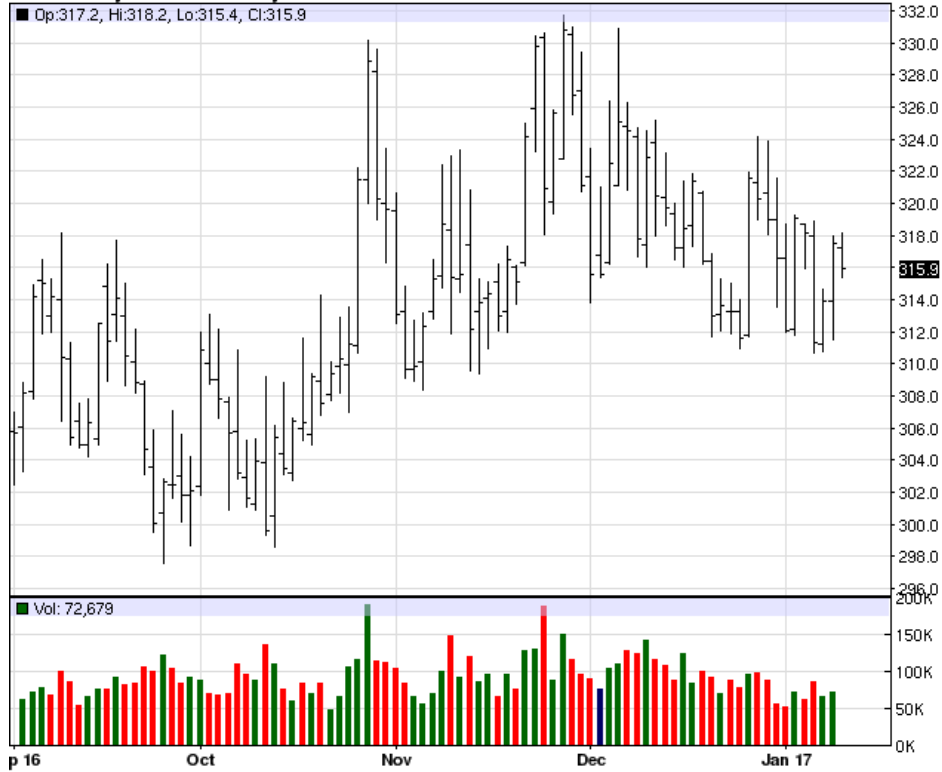
ZCH17 - Corn - Daily Candlestick Chart



ZSH17 - Soybeans - Daily Candlestick Chart



ZMH17 - Soybean Meal - Daily OHLC Chart



ZLH17 - Soybean Oil - Daily Candlestick Chart



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150 S Wacker Dr, Suite 2350 · Chicago, IL 60606 · Direct: 312-277-0050 Fax: 312-277-0150 · info@zaner.com

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