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1ST PHASE CHINA AGREEMENT TO BE SIGNED WEDNESDAY BUT TARIFFS MIGHT STAY UNTIL AFTER ELECTION!

Higher closes for Minneapolis, Kansas City and Chicago wheat, oats, rough rice and soybean oil, unchanged for soybeans while lower for corn and soybean meal. A BEARISH CORN REPORT LAST FRIDAY ALONG WITH GOOD WEATHER IN SOUTH AMERICA WEIGHS ON THE GRAIN COMPLEX EXCEPT FOR WHEAT. ALTHOUGH THE FIRST PHASE OF THE TRADE AGREEMENT WILL BE SIGNED WEDNESDAY, THERE HAS BEEN TALK OF THE TARIFFS REMAINING UNTIL AFTER THE PRESIDENTIAL ELECTION. Minneapolis has been struggling a little in a solid resistance area but could be forming a large bottom at the same time. Therefore, I would stand aside at this time. KC had its best high and close since the middle of July looking much stronger than Minneapolis as evidenced by the spreading action. Also, KC has been making higher highs and lows since early December. The same could be said for Chicago which also made its best high and close since the middle of November while also making higher highs and lows since that time. Oats continue higher with its highest high and close since last November looking to test 329 after closing over 308 3/4 (12/10/19). To be honest I would stand aside at this time after looking at the chart below. Rough rice made a new CONTRACT HIGH AND CLOSE looking very strong at this time. I see some support in the 1320's and that's it for a while. I would also stay out of corn for now although it held strong support in the 380's but I would not play this market from the short side especially at this time of the year. Bearish fundamentals vs the tariff situation has caused a tug of war for this grain. Also, corn has been basically in a trading range (365 - 412) since the middle of August. Beans have been consolidating over the last month buoyed by China expectations against good weather in South America on the other side of the coin. I feel it's also best to stand aside at this time but don't go short. I I don't see much to do with meal either as it continues in a 296 - 307 trading range since around November 19th. Oil has sold off from its high on January 2nd while filling its gap at 3425 last Friday. There's not much support until 3330 making it difficult to add long positions in its present area. BUY SIGNALS FOR MINNEAPOLIS, KANSAS CITY AND CHICAGO WHEAT, ROUGH RICE AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for markethead.com.

MWH20 - Spring Wheat - Daily Candlestick Chart



KEH20 - Hard Red Wheat - Daily Candlestick Chart



ZWH20 - Wheat - Daily Candlestick Chart



ZOH20 - Oats - Daily Candlestick Chart



ZRH20 - Rough Rice - Daily Candlestick Chart



ZCH20 - Corn - Daily Candlestick Chart



ZSH20 - Soybean - Daily Candlestick Chart



ZMH20 - Soybean Meal - Daily Candlestick Chart**ZLH20 - Soybean Oil - Daily Candlestick Chart**

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