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RAIN IN ARGENTINA. DRY WEATHER IN BRAZIL FUELS THIS WEEK'S ACTIVITY

Higher to sharply higher closes for oats, rough rice, corn, Kansas City and Chicago wheat along with soybeans and soybean meal while lower for Minneapolis wheat and soybean oil. BIG CHANGES TECHNICALLY THIS WEEK DUE TO WEATHER PROBLMES IN SOUH AMERICA. WHAT CAN'T BE IGNORED IS THAT CORN HAS HELD THE 350 AREA FOR MONTHS WHILE THE GRAIN COMPLEX ALSO CONTINUES TO HOLD UP IN THE FACE OF A POTENTIALLY LARGE GRAIN CROP IN SOUTH AMERICA ALONG WITH LARGE GRAIN STOCKS IN THE UNITED STATES. WHAT FORTY - THREE YEARS OF EXPERIENCE HAVE TAUGHT ME IS THAT THE MARKET IS NEVER WRONG AND IT ALWAYS LOOKS THE WORST AT THE BOTTOM. JUST LOOK AT THE STOCK MARKET'S HISTORY FOR EXAMPLE, THAT'S WHY MY LONG TERM SIGNALS ARE BASED ON THE TECHICNALS SINCE THIS, AFTER ALL, IS THE FUTURES MARKET! With that being said, Tuesday's action in the wheat complex says GET OUT OF YOUR MINN/KC OR WHEAT SPREADS AS SOON AS POSSIBLE AND STAND ASIDE. The REVERSAL TYPE ACTION in Minneapolis after making its best high since July while KC had its best high and close since late June and Chicago since October, looks like a warning sign that those spreads are finally going to correct. Who knows until after the fact but we can't deny how much those spreads have already moved without much of a correction so far. Also, KC and Chicago wheat gave me BUY SIGNALS off of a breakout for former and a W reversal formation for the latter. Minneapolis has its nearest support around 545 while KC's next resistance is near 500 while Chicago is at the upper end of its resistance. Last weeks grain reports were bearish in the numbers but bullish compared to the month before. Oats continue to trend higher making its highest high and close since last August. Rice continues to look bearish even after making its best high and close since December now residing in some resistance. Corn continues now looks like it's poised for a breakout after making its highest high and close since late October now at the upper end of an important resistance area. A close over 370 should do it and that's when and if I give a buy signal. Four dollar corn is as far as I would expect this grain to go but that formation below looks potentially pretty good for a possible strong rally in spite of the fundamentals not agreeing. Continue to figure trading off the 340 to 370 range until a breakout occurs in either direction. The bean complex last week looked toppy to me but now that's changed with meal giving me a BUY SIGNAL while oil has started losing ground against the meal which is normally seen when the beans rally. Finally, oil is starting to look toppy to me as seen below. BUY SIGNALS FOR OATS, MIINEAPOIS, KANSAS CITY AND CHICAGO WHEAT, SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL. SELL SIGNAL FOR 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



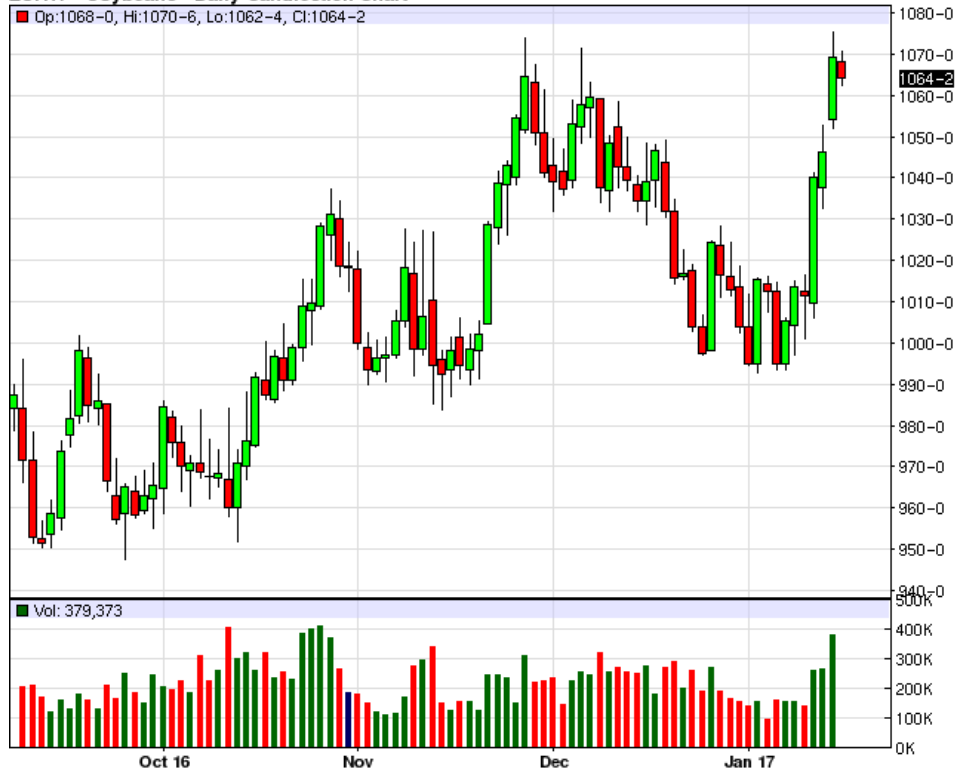
ZRH17 - Rough Rice - Daily Candlestick Chart



ZCH17 - Corn - Daily Candlestick Chart



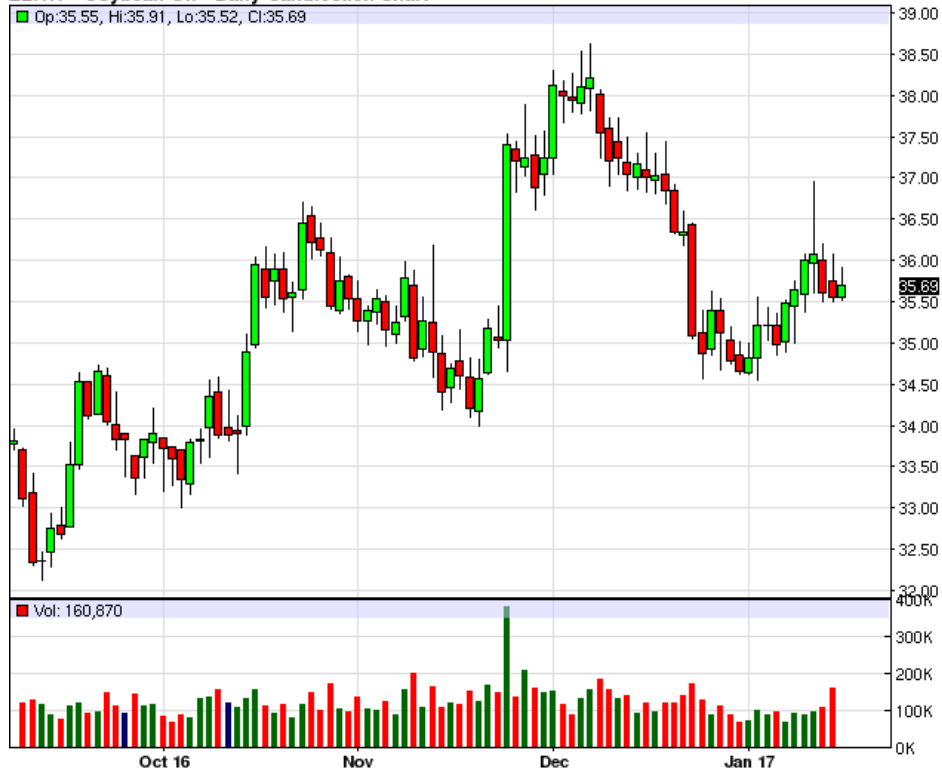
ZSH17 - Soybeans - Daily Candlestick Chart



ZMH17 - Soybean Meal - Daily Candlestick Chart



ZLH17 - Soybean Oil - Daily Candlestick Chart



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