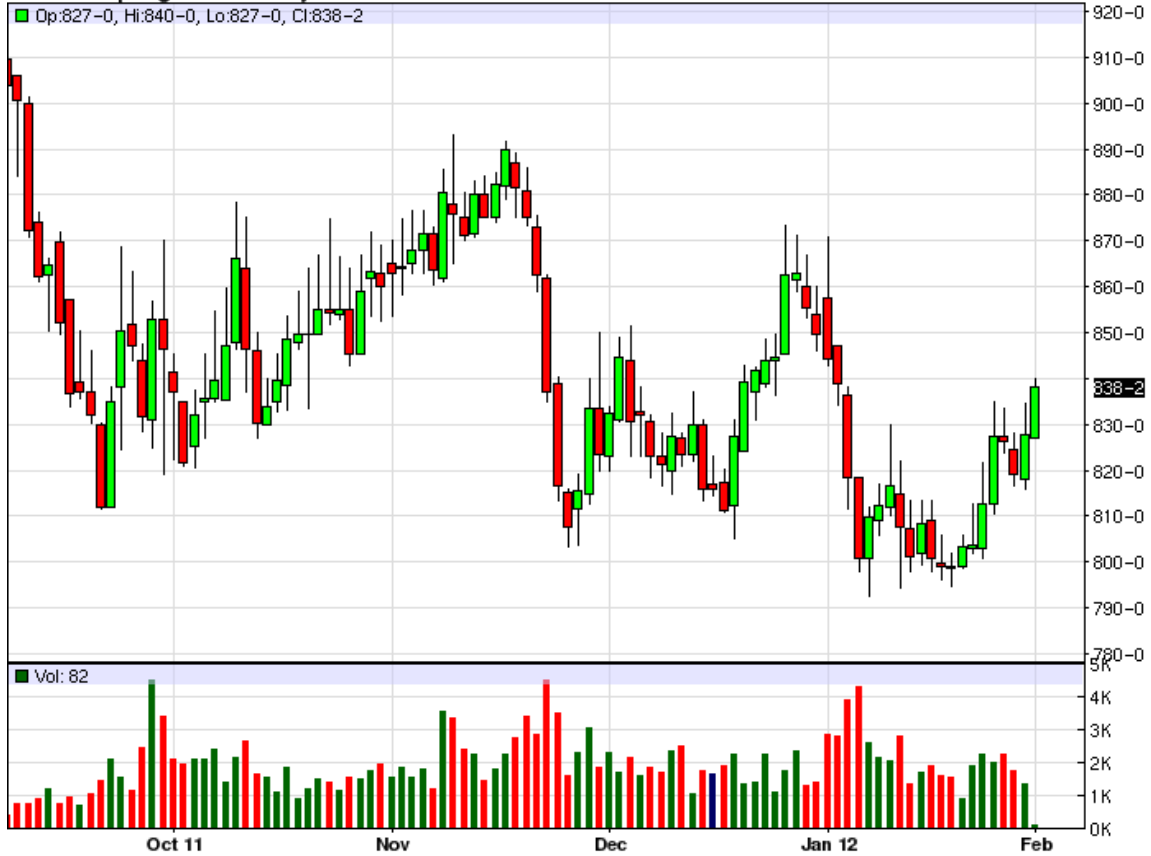


Grain comments written for February 1, 2012  
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**Trading in futures and options trading is speculative in nature and involves substantial risk of loss.**

**GRAINS: 2/1/12** Higher for corn, oats, rough rice, soybeans, soymeal, soyoil, Minneapolis, Kansas City and Chicago wheat. Minneapolis is still forming a potential bottom but, while lagging behind the rest of the wheat complex, it had its best close since January 4th and is at the upper end of a resistance area, needing to next close above 835 in my opinion. The 800 remains very important to hold since it has, on the weekly chart, only settled below this price once since last November. KC had its second highest close since November while forming what looks like a large possible bottom. A key price to watch is 732 1/2 but does have resistance over 730. Chicago continues to also be forming a possible bottom and had its best close since November while at the upper end of an important resistance area from 650 to 675 as shown below. Don't forget about its small GAP at 612. Key prices to watch are 670 3/4 and 675. Oats continue to look weak overall but has some key prices areas to keep an eye on. With resistance over 300 a key prices are 306 1/2, a DOUBLE TOP at 318 1/2, 322 1/2 along with a close over 325. Rice doesn't look good finally breaking out of a range between 149.7 and 144.0 with a vengeance to the downside. This was rice's worst low and close since December. Now contract lows will probably be tested relatively soon. Settling over 1500 would be very helpful if rice is to turn back up. **REMAINS RANGE BOUND BETWEEN 575 AND 675 SINCE THE BEGINING OCTOBER** and had taken the brunt of the short selling against the beans due to the previous bearish grain reports leading to being spread against by the beans. However, lately the spread between corn and beans has been extremely choppy. . Corn supplies near term have been tight due to farmer holding of corn to get their price(s) but success doing this that been disappointing so far. The corn crop in Argentina looks beyond repair but some snow cover and rain around the grain belt has helped the sub soil moisture on the other hand. Also, don't forget the total acreage of corn in South America is about the size of Minnesota meaning the fundamental news gets overblown in either direction at times . Not so for the beans however. Also, the nights have been cool which also helps the corn. The December corn contract does have one gap overhead at 698. You can see the major support is from 600 down to 575 and the major resistance from 650 to 675 which is still keeping me on the sidelines for long term trade recommendations. The bean complex settled sharply higher this time but no changes technically that I can see. I'm standing aside in the oil and holding on to my buy signals for the beans and meal. Also, oil is in a good support area at this time. Important prices to watch for the beans are 1150 and 1250 in my opinion. **THE DOLLAR GIVING ME A SELL SIGNAL COULD ACT AS A BUFFER FOR ANY BEARISH NEWS CONCERNING THE GRAIN COMPLEX. BUY SIGNALS FOR ROUGH RICE, SOYBEANS AND SOYMEAL. SELL SIGNALS MINNEAPOLIS WHEAT AND OATS. CALL FOR DETAILS!**

### MWH12 - Spring Wheat - Daily Candlestick Chart



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