



RICK ALEXANDER, MARKET STRATEGIST
ZANER GROUP

4/10/2019

WASDE REPORT BASICALLY NEUTRAL FOR BEANS WHILE BEARISH FOR CORN AND WHEAT BUT?

A higher close for soybean oil, unchanged for corn, oats, soybeans and soybean meal while lower for rough rice, Minneapolis, Kansas City and Chicago wheat. THE WASDE REPORT WAS BASICALLY BEARISH WITH THE BEANS BEING SOMEWHAT NEUTRAL. HOWEVER, THE CORN, BEANS AND MEAL SETTLED UNCHANGED HELPED BY SPREADING AGAINST THE WHEAT. WHAT THIS MEANS, IN MY OPINION, IS THAT THE FORMER TWO MAY BE OVERSOLD AT THE MOMENT AND A SMALL RETRACEMENT RALLY COULD HAPPEN IN THE NEAR TERM. With that being said, weather forecasts and South America grain projections continue to look bearish at this time. Minneapolis has a DOUBLE BOTTOM (May 4- 5) at CONTRACT LOWS that probably won't hold but still needs to be watched. Finally, some of Minneapolis' fall has to do with unwinding of KC and Chicago spreading against it. At least KC and Chicago have been in a consolidating trading range over the last month. Also Chicago's attempt at a bottoming formation is starting to lose steam. I need to see a close over 480 for a possible turnaround. Oats have been making higher highs and lows since the beginning of March while still having a DOUBLE BOTTOM (260) on 3/1 and 3/12 in place meaning it still looks to move higher at this time. On the other hand rough rice has settled lower nine out of its last ten trading days eliminating my buy signal. Then again, is that a possible large bottoming formation that I see on the chart below? Corn made a new contract low but did end up unchanged. Could it mean a possible retracement rally is on the horizon? Heavy resistance remains between 365 and 405 even with the funds still short overall. You can still sell rallies up to four dollars although doing so at this the time of the year along with the funds being short could cause a higher thrust than normally would be anticipated if the rally happens. The bean complex also remains downward overall with the beans making lower highs and lows since February while the meal is attempting a possible bottom forming off of meal/oil spreading. Otherwise, the bean complex remains weak overall. BUY SIGNAL FOR OATS. SELL SIGNALS FOR SOYBEANS, SOYBEAN MEAL, SOYBEAN OIL, MINNEAPOLIS, KANSAS CITY AND CHICAGO WHEAT ALONG AND ROUGH RICE. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 day trial to markethead.com.



KEK19 - Hard Red Wheat - Daily Candlestick Chart



ZWK19 - Wheat - Daily Candlestick Chart



ZOK19 - Oats - Daily Candlestick Chart



ZRK19 - Rough Rice - Daily Candlestick Chart



ZCK19 - Corn - Daily Candlestick Chart



ZSK19 - Soybean - Daily Candlestick Chart



ZMK19 - Soybean Meal - Daily Candlestick Chart**ZLK19 - Soybean Oil - Daily Candlestick Chart**

To read more economic research reports like this one or subscribe to the mailing list, visit www.zaner.com.

THIS MATERIAL IS CONVEYED AS A SOLICITATION FOR ENTERING INTO A DERIVATIVES TRANSACTION.

THIS MATERIAL HAS BEEN PREPARED BY A ZANER BROKER WHO PROVIDES RESEARCH MARKET COMMENTARY AND TRADE RECOMMENDATIONS AS PART OF HIS OR HER SOLICITATION FOR ACCOUNTS AND SOLICITATION FOR TRADES; HOWEVER, ZANER DOES NOT MAINTAIN A RESEARCH DEPARTMENT AS DEFINED IN CFTC RULE 1.71. ZANER, ITS PRINCIPALS, BROKERS AND EMPLOYEES MAY TRADE IN DERIVATIVES FOR THEIR OWN ACCOUNTS OR FOR THE ACCOUNTS OF OTHERS. DUE TO VARIOUS FACTORS (SUCH AS RISK TOLERANCE, MARGIN REQUIREMENTS, TRADING OBJECTIVES, SHORT TERM VS. LONG TERM STRATEGIES, TECHNICAL VS. FUNDAMENTAL MARKET ANALYSIS, AND OTHER FACTORS) SUCH TRADING MAY RESULT IN THE INITIATION OR LIQUIDATION OF POSITIONS THAT ARE DIFFERENT FROM OR CONTRARY TO THE OPINIONS AND

RECOMMENDATIONS CONTAINED THEREIN.

THE RISK OF LOSS IN TRADING FUTURES CONTRACTS OR COMMODITY OPTIONS CAN BE SUBSTANTIAL, AND THEREFORE INVESTORS SHOULD UNDERSTAND THE RISKS INVOLVED IN TAKING LEVERAGED POSITIONS AND MUST ASSUME RESPONSIBILITY FOR THE RISKS ASSOCIATED WITH SUCH INVESTMENTS AND FOR THEIR RESULTS. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

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

Copyright © 2010 Zaner Group LLC. All Rights Reserved.