

**Rick Alexander**

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ralexander@zaner.com **312-277-0107****FUNAMENTAL FACTORS HELP BOOST THE GRAINS ACROSS THE BOARD**

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WE HAVE A VERY GOOD HEDGING DEPARTMENT HEADED BY TED SEIFRIED. WHY NOT TALK TO HIM OR ANY OF OUR OTHER HEDGING BROKERS. NO ONE WILL PRESSURE YOU AND WHAT HAVE YOU GOT TO LOSE? I'VE BEEN A LICENSED FUTURES BROKER FOR OVER 41 YEARS AND TRUST NO ONE MORE THAN TED AND HIS GROUP.

Higher closes for Minneapolis, Kansas City and Chicago wheat along with corn, oats, rough rice soybeans, soybean meal and soybean oil. I missed last week's comments due to health issues but look at what's happened since my last report! Dry conditions in Oklahoma, Kansas and Texas along with parts of Canada, the Black Sea and Australia while wet conditions in parts of Canada also have helped sustain a nice rally in the wheat complex in spite of large US stocks (46 % of one crop year). Led by Minneapolis we've seen new highs and closes since early November for Minneapolis and early February for Chicago while just in two weeks for KC. Also, hard red winter wheat has been beaten up the most by the drought. Lately Minneapolis has led the way over KC and now the spread between the two is back to where it usually is historically. It certainly did take a while for that to happen though. In my opinion I still don't trust the wheat to continue higher for long but, for now, the technicals say otherwise and who knows how bad the wheat crop will end up although some wheat farmland has been abandoned and left for cattle to graze on. KC is now in a decent resistance area and should continue to lag behind Minneapolis keeping me on the sidelines. Closing over 490 and then 500 is still imperative in my opinion. Chicago has now given me a BUY SIGNAL, whether I like it or not, and also want to see a close over five dollars before I feel better about a possible bull market. I trade off of technicals for timing but we all know it's the fundamentals that dictate long term trends in the end. Oats made their best high and close since March 15th but still remain in a downtrend as evidenced below. At least the lower highs and lows trend seems to have ended. However, the bean complex rally has more to do with this than anything else. On the other hand rice's lower highs and lows scenario remains intact since the middle of last December while having a nice retracement rally to its nearest resistance as seen below. Corn gave me a BUY SIGNAL on Monday helped along by the bean complex at this time. I don't trust this rally but it is what it is. I still want to see a close over four dollars. Until then 'travel at your own risk'. The last time corn closed over four dollars was October 9th. The bean complex got a nice boost from the dry weather in Brazil (mostly affecting corn though) and wet weather in Argentina (beans). Bean spreading against corn has also helped this complex which is now being led by the meal. Remember, most bull and bear markets are led by the meal due to the crush breakdown. I also got a BUY SIGNAL for the meal on Monday. Back to the beans, we just saw the highest high and close since July which is pretty impressive no matter how you look at it. Now ten dollars is the next price level to close over. Also, meal had its best high and close since last October looking poised to continue higher. Finally, oil made its best high and close since June continuing its uptrend since last November and now with meal joining the trend higher, it should continue to look very good for the beans. For how long I don't yet know. BUY SIGNALS FOR MINNEAPOLIS AND CHICAGO WHEAT, SOYBEANS, SOYBEAN MEAL, SOYBEAN OIL AND CORN. SELL SIGNALS FOR ROUGH RICE AND OATS. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

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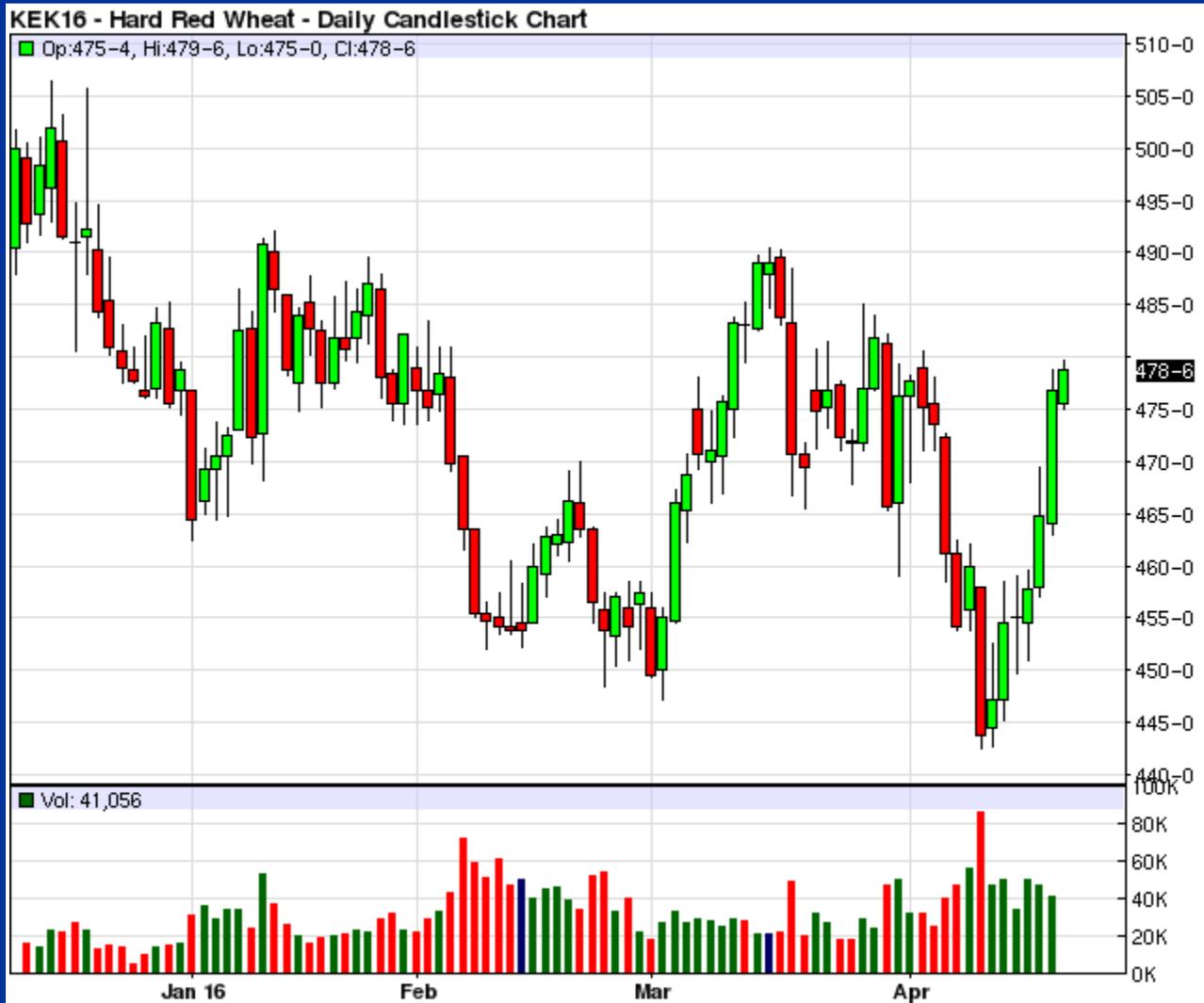
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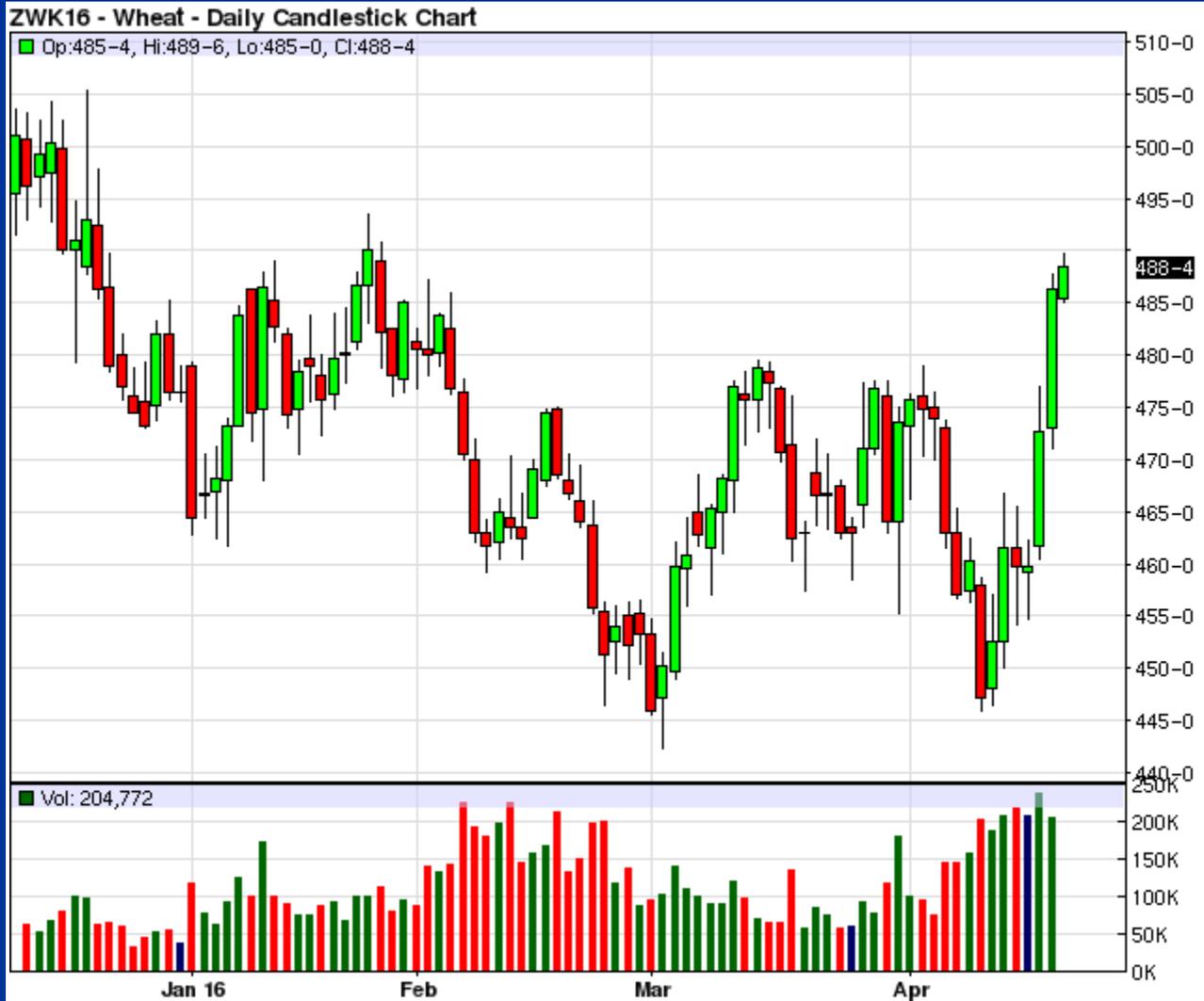
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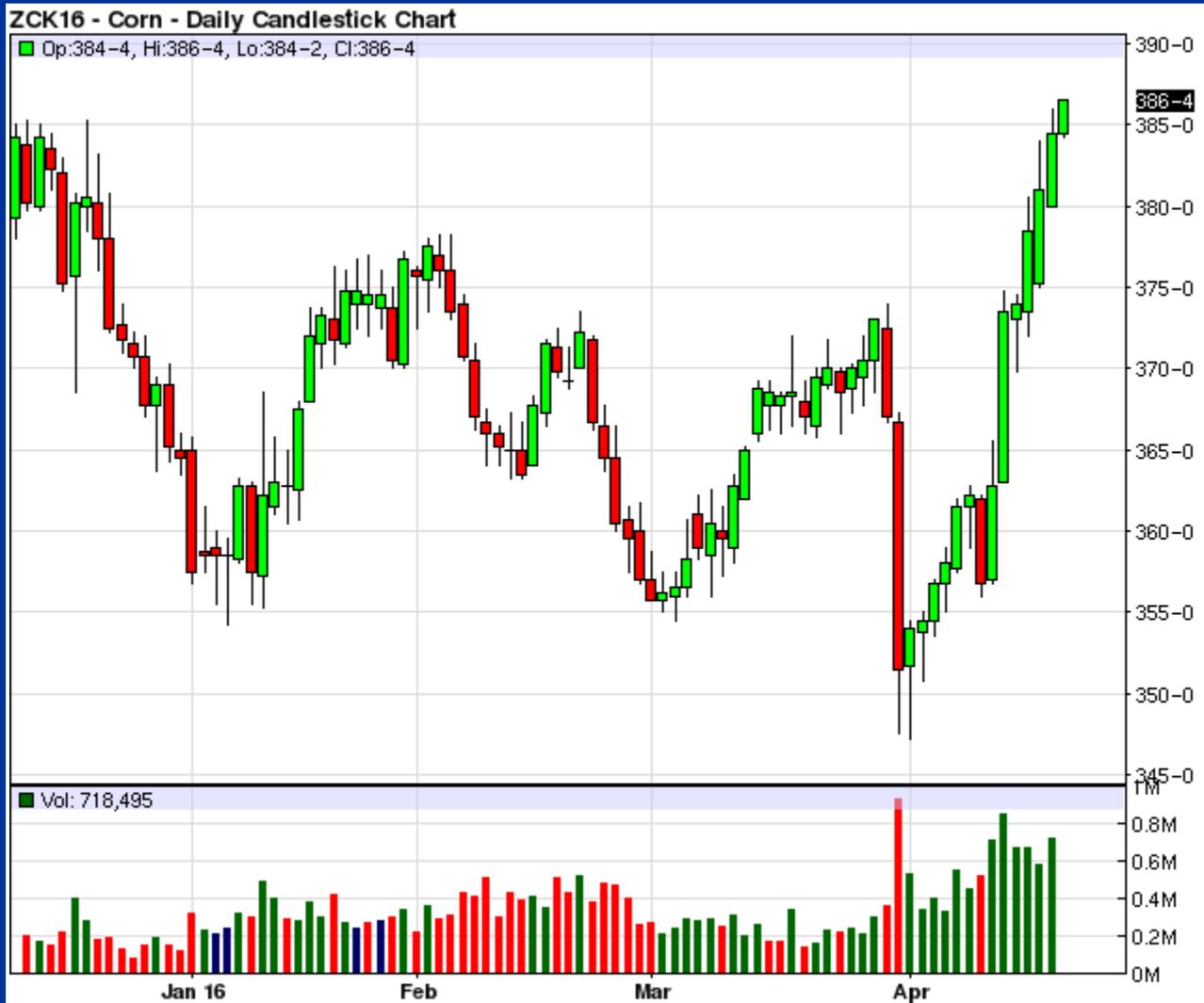
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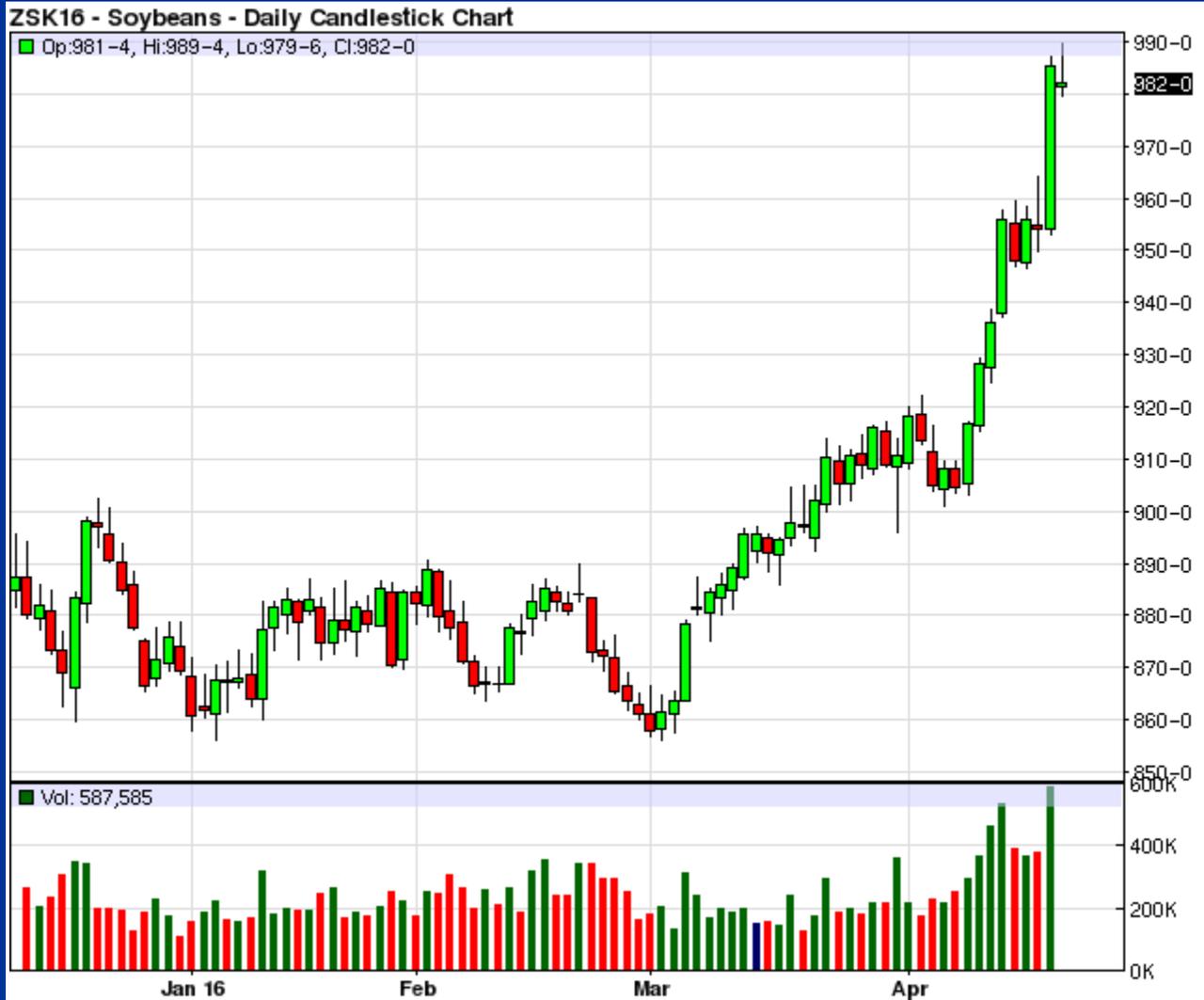
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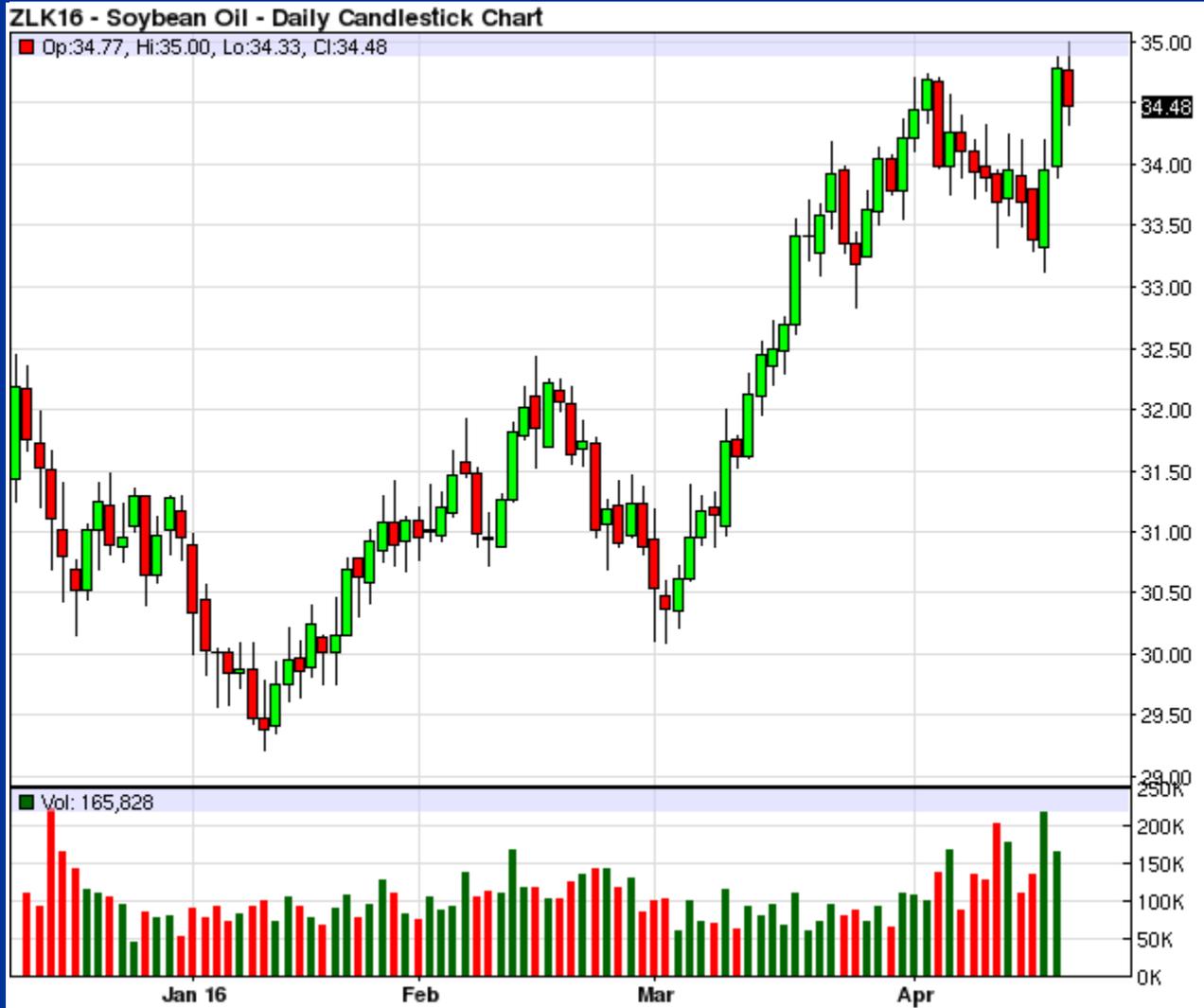
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