



## Rick Alexander

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### **BASICALLY HOLDING GAINS WHILE BEAN CRUSH MARGINS CONTINUE TO IMPROVE**

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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, rough rice soybeans, soybean meal and soybean oil while lower for oats. Dry conditions in Oklahoma, Kansas and Texas along with parts of Canada, the Black Sea and Australia while wet conditions in other parts of Canada along with Brazil have helped to sustain the grains overall at this time. We saw Minneapolis (best high since 10/4/15), KC (12/18/15) and Chicago (11/9/15) spike up last Thursday and close down in reversal type action that lasted a couple of days before the wheat complex rebounded partway back so far. After the smoke cleared we see below that Minneapolis continues to gain over KC with the former making higher highs and lows since the beginning of March while the latter has been basically been range bound between 450 and 500 since the middle of December. I managed to buy July 500 wheat puts and dump them out at a decent profit after holding them just a couple of days. Like I mentioned before, I still don't trust the wheat complex and hope to take advantage of any sharp rallies in the same manner until it doesn't work anymore. I realized the grade of the wheat stocks isn't that good but the overall world supply is pretty high. Meanwhile, I want to see the July Minneapolis wheat contract settle over 580 and KC over 500 again to feel better about the rally continuing. KC is now in a decent resistance area and should continue to lag behind Minneapolis keeping me on the sidelines. Chicago looks better than KC but not as strong as Minneapolis which gives me reason for concern for how much higher the wheat complex will go. I trade off of technicals for timing but we all know it's the fundamentals that dictate long term trends in the end. Oats also made their best high since 12/30/15 before reversing last week and, while not giving me a buy signal, has caused me to stand aside for now. I want to see a close over 215 to possibly give a buy signal. It does show signs of bottoming type action in my opinion. On the other hand rice has been rallying since late February and is nearing its 1980 resistance area. I will continue to keep my sell signal for the long term but I may have 'missed the boat' on this one. Corn gave me a buy signal a week ago Monday but I still want to see a close over four dollars. I'm having trouble with this rally after its last very bearish grain report but as I like to say 'it is what it is' and the MARKET IS NEVER WRONG. Obviously, corn has been helped by the beans and meal and, let's face it, the corn and bean complex generally go in tandem. The last time corn closed over four dollars was 10/15/16. The bean complex had received a nice boost from the dry weather in Brazil (mostly affecting corn though) and wet weather in Argentina (beans) along with a rising Brazilian real and a falling dollar. Remember, most bull and bear markets are led by the meal due to the crush breakdown and the margins have been gradually improving. Beans had their highest high last week since 1/2/16 and the meal since early August last year. Oil remains basically stagnant with the meal/oil spreads working in favor of the meal. BUY SIGNALS FOR MINNEAPOLIS AND CHICAGO WHEAT, SOYBEANS. SOYBEAN MEAL, SOYBEAN OIL AND CORN. SELL SIGNAL FOR ROUGH RICE. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

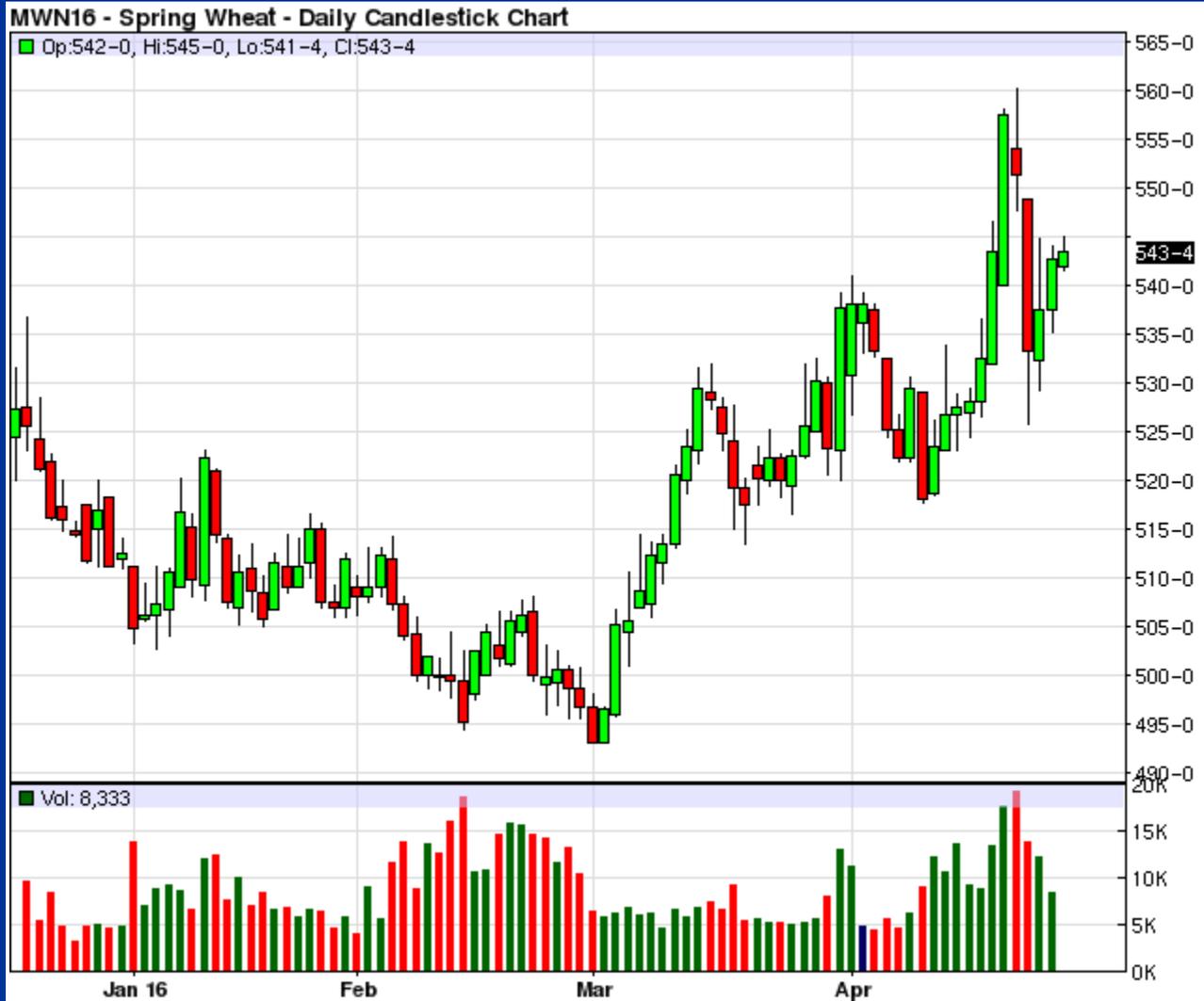
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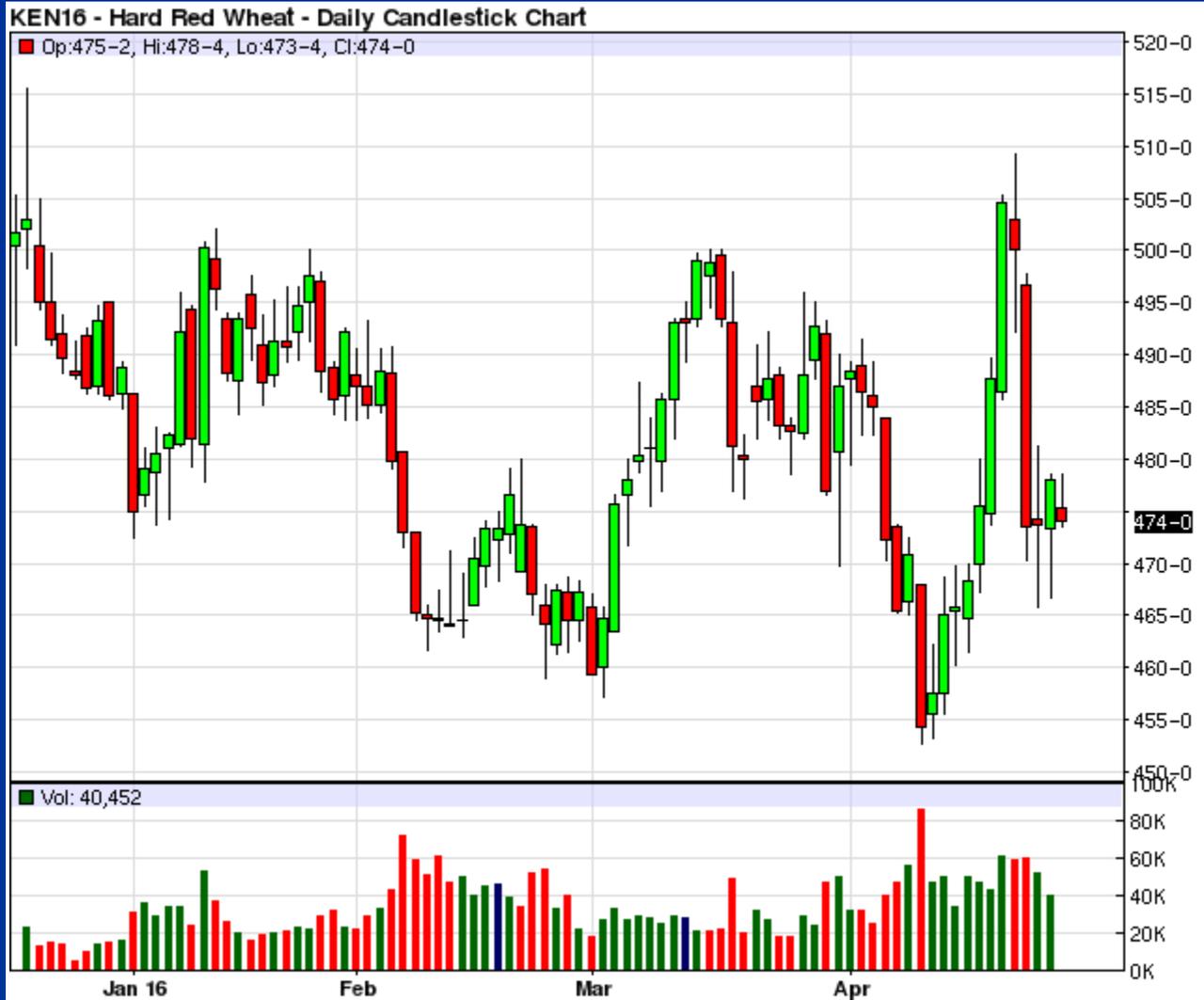
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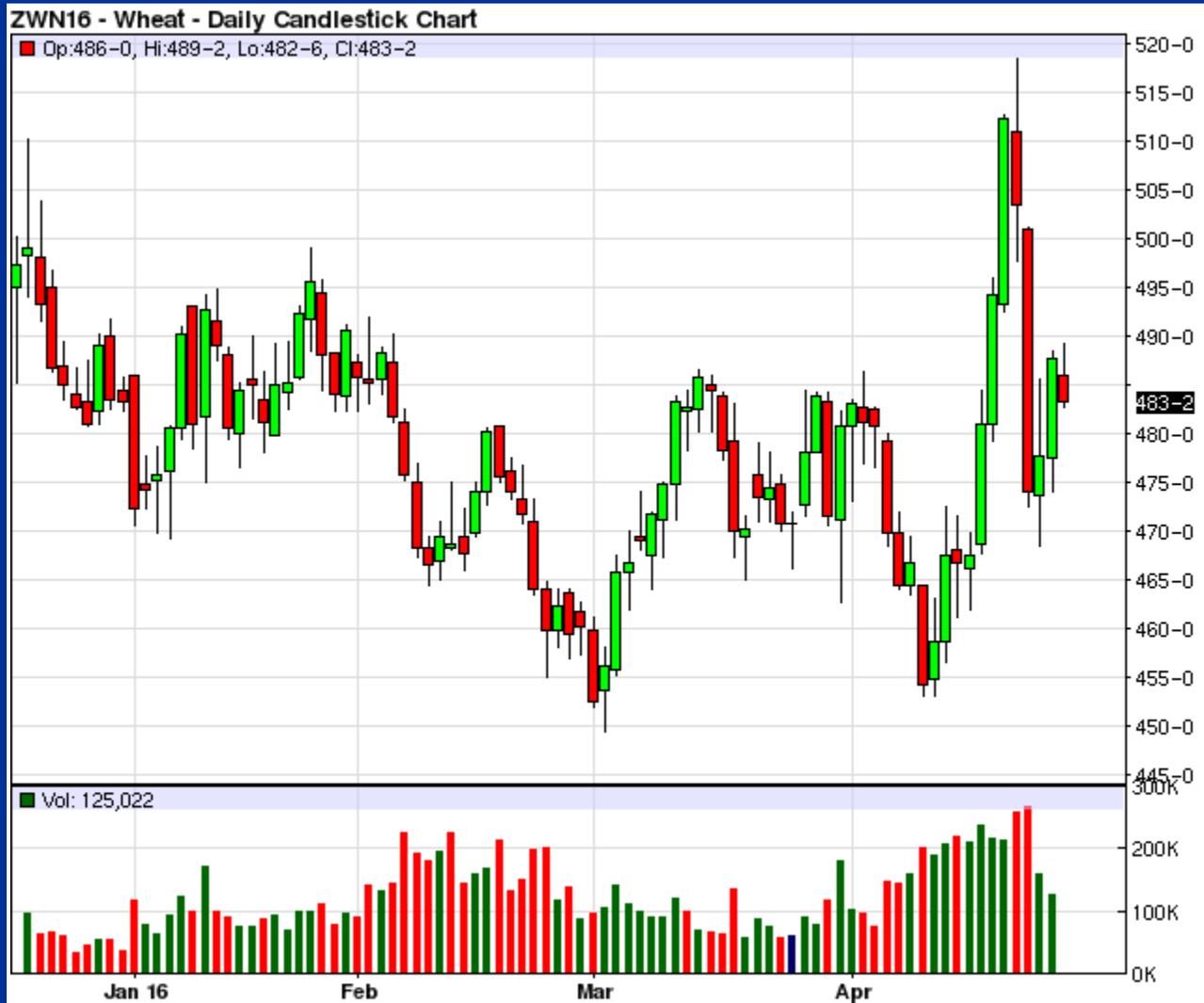
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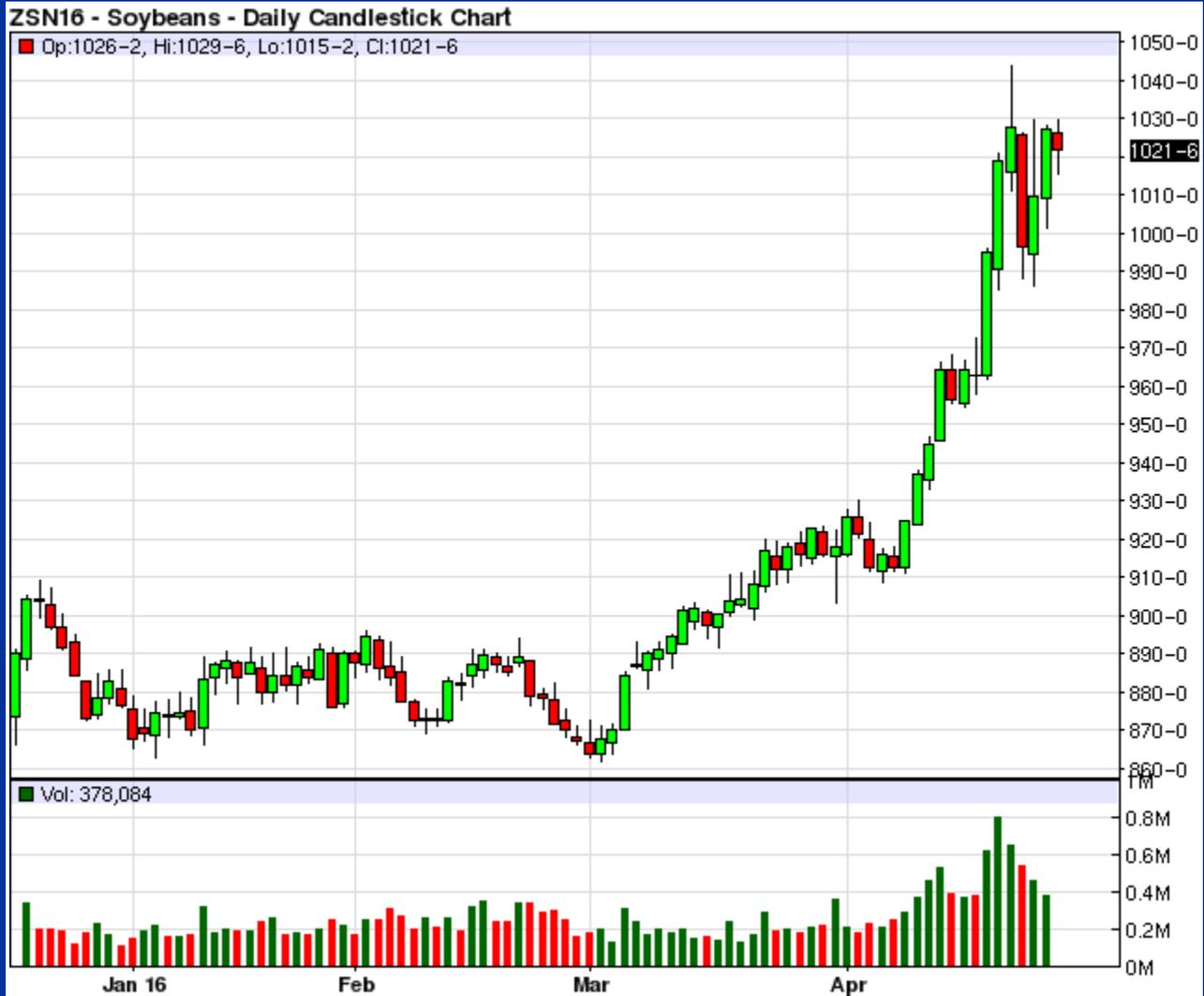
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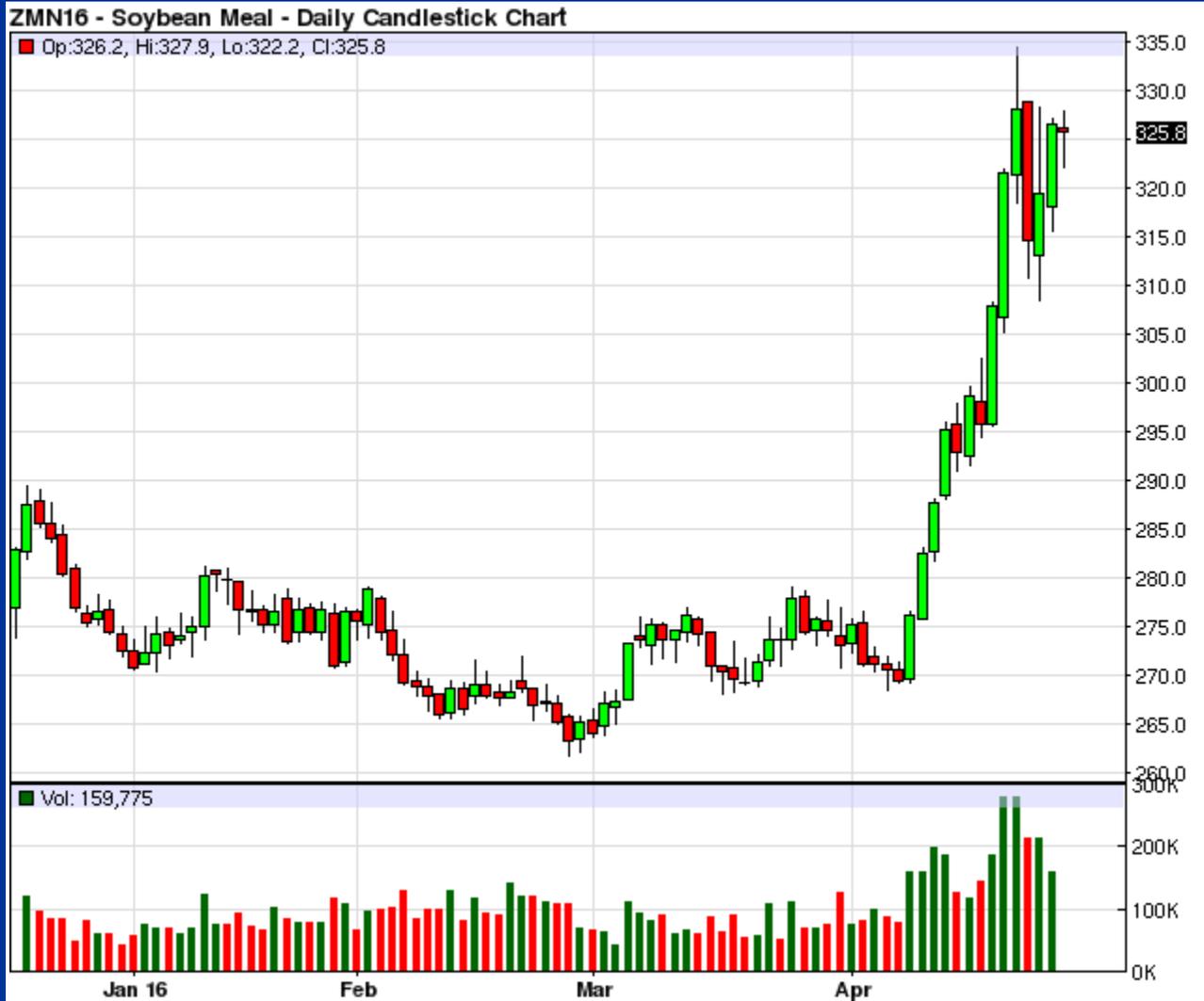
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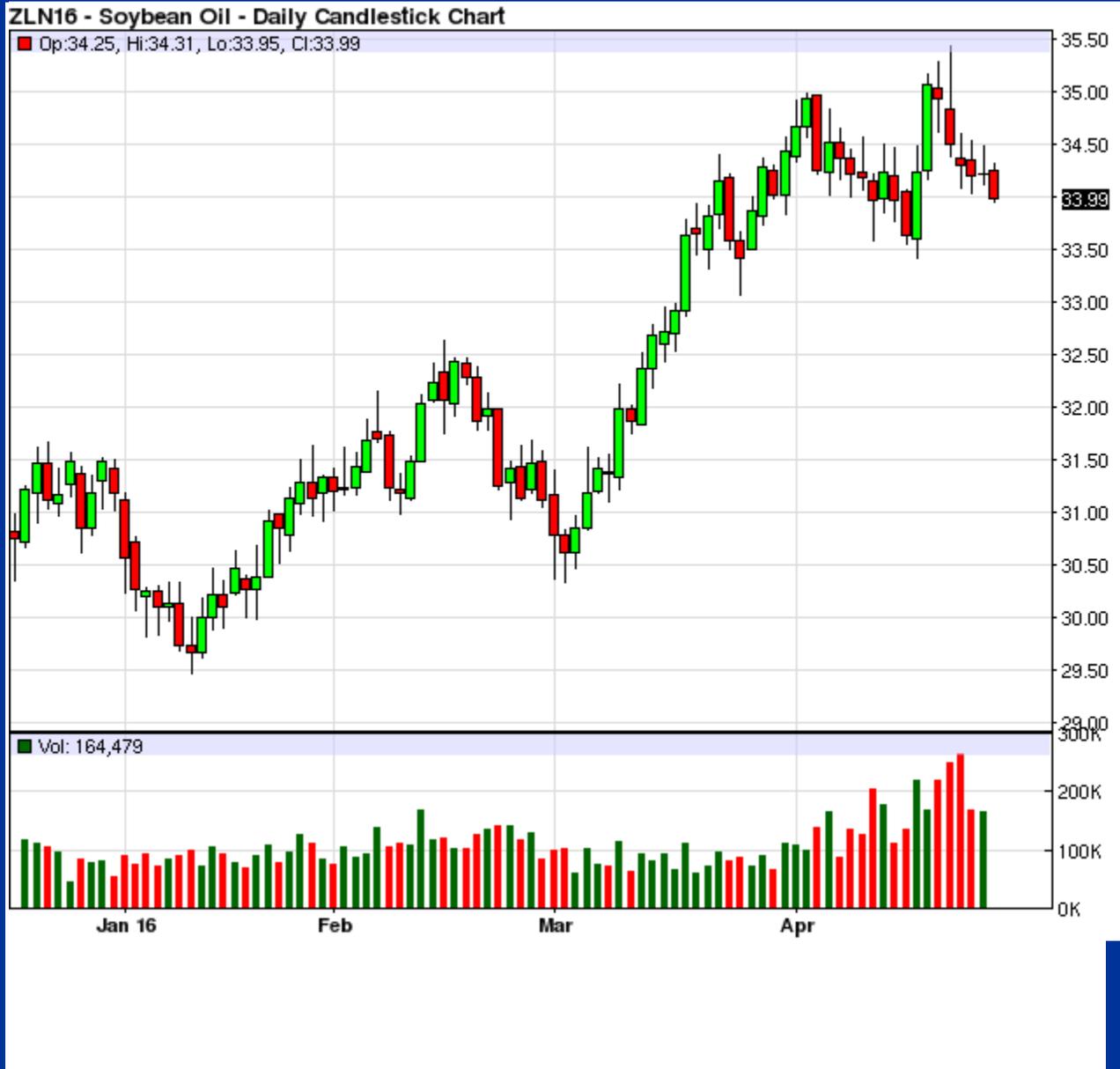
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