



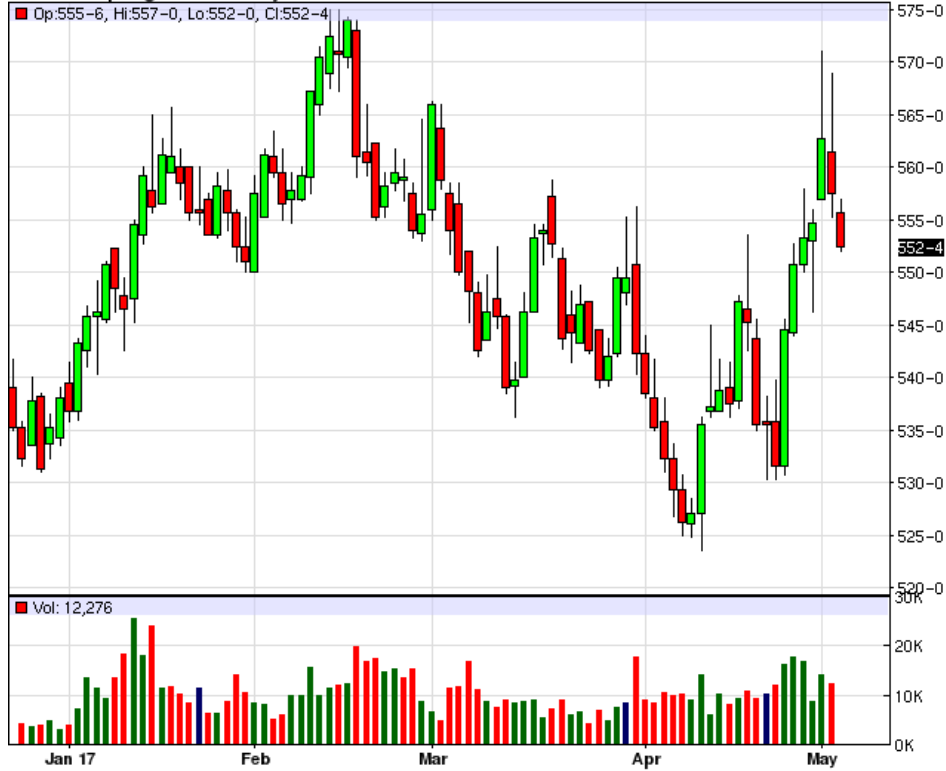
RICK ALEXANDER, MARKET STRATEGIST
ZANER GROUP

5/3/2017

WEATHER AND NOTHING DEFINITIVE ABOUT THE DAMAGE YET

Higher closes for Kansas City and Chicago wheat along with oats and soybean oil while lower for Minneapolis wheat, corn, for rough rice, soybeans, and soybean meal. Snow and flooding in the corn and wheat belt has taken over the news and for good reason. However, the question still remains how much damage has been done and will it make a significant rise in grain prices. Of course, this could also lead to more bean plantings. Without accessing the damage, I still feel there will be plenty of grain to go around and the overall prices of the grain complex with not much change significantly if the weather returns to a relatively normal pattern. Still, we don't know right now and have to make adjustments as we go along. Minneapolis had a nice forty cent rally off the heavy snow in Kansas but now resides in a decent resistance area while we assess the damage. It did at least have its best high since the middle of February. Now we see how far it retraces back down. KC made its best high and close since March 10 for the same reasons also in a resistance area but along with that, has a gap down at 439 1/2 to keep us in a state of flux at this time. Chicago also has a gap (434 1/2) along with making REVERSAL TYPE ACTION yesterday. I just don't trust the wheat complex to turn bullish based on what I've read and seen what the supplies are around the world. Either way I would tread lightly and carefully for now. Oats exploded higher over the last three sessions culminating in their best high and close since the middle of March. Oats are also now in a resistance area and I prefer to stand aside at this time. Rough rice has just had a small bounce to far and continues to look very bearish overall. Flooding in the corn belt, especially in Southern Illinois, Missouri and Indiana has caused concern while we continue to assess the damages. However, corn has been in a 360 - 380 trading range since March 9th and 350 to 390 going back to July 2016. Those are the parameters I would use until further notice no matter what the news is. These ranges in my mind really tell us the story. The soybean complex remains bearish but beans did make its best high since the end of March while oil its highest high and close since then. Then if you look closer you will see the beans have had a range between 940 and 980 and meal between 310 and 324 going back to March 29th and March 23rd respectively. On the other hand oil made its best high and close since the middle of March and could be in a ROUNDING BOTTOM. SELL SIGNALS FOR ROUGH RICE, MINNEAPOLIS, KANSAS CITY AND CHICAGO WHEAT, OATS, SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

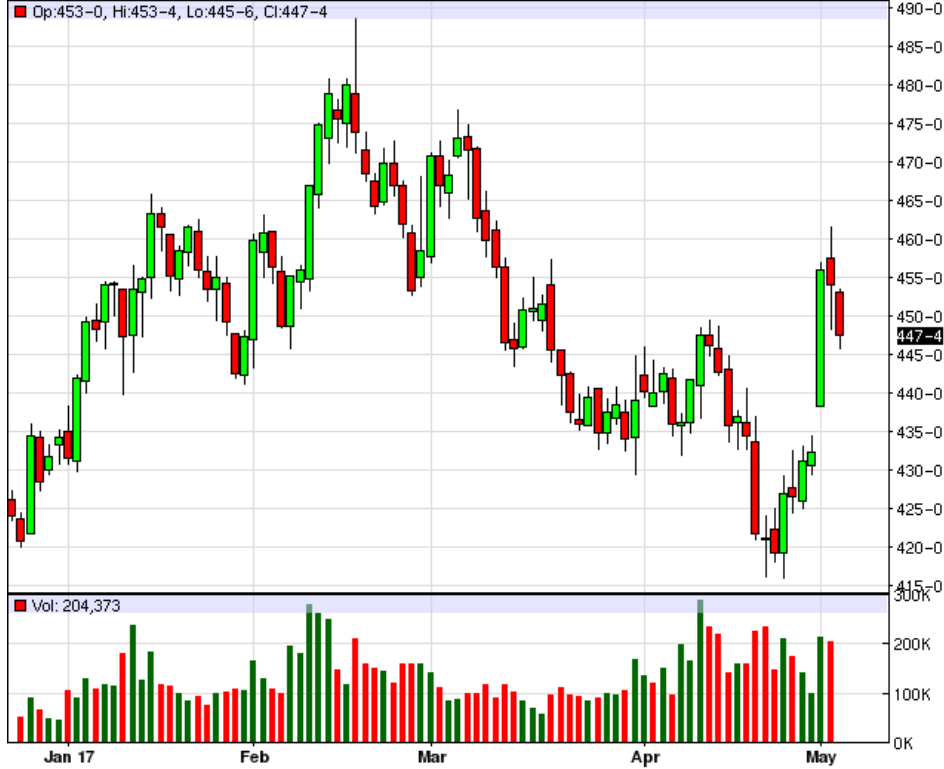
MWN17 - Spring Wheat - Daily Candlestick Chart



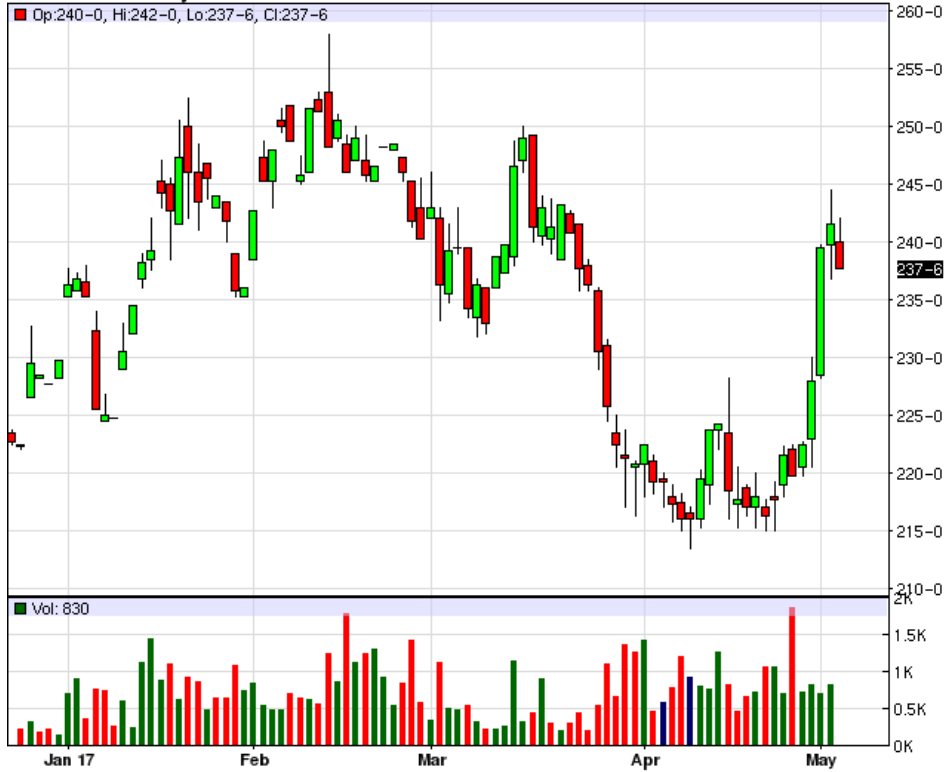
KEN17 - Hard Red Wheat - Daily Candlestick Chart



ZWN17 - Wheat - Daily Candlestick Chart



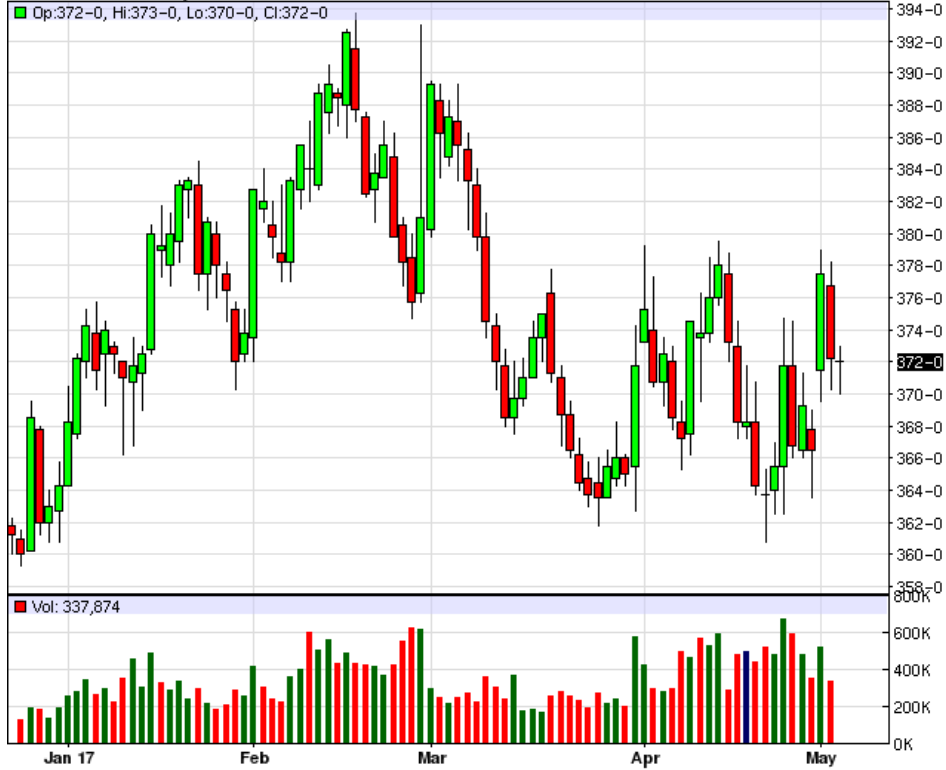
ZON17 - Oats - Daily Candlestick Chart



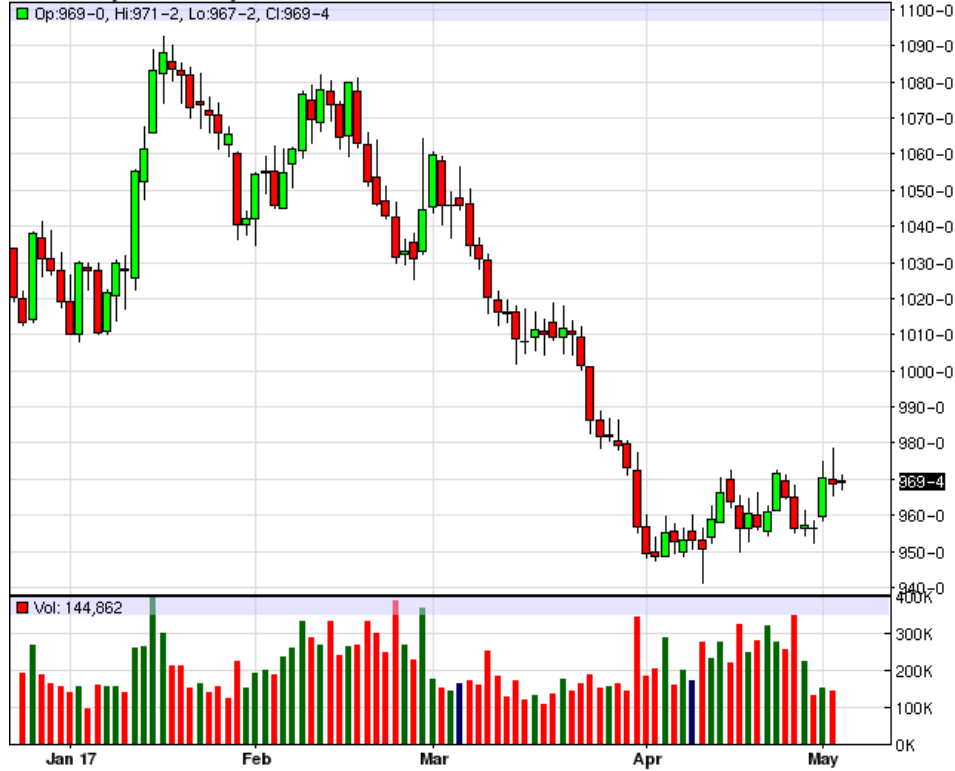
ZRN17 - Rough Rice - Daily Candlestick Chart



ZCN17 - Corn - Daily Candlestick Chart

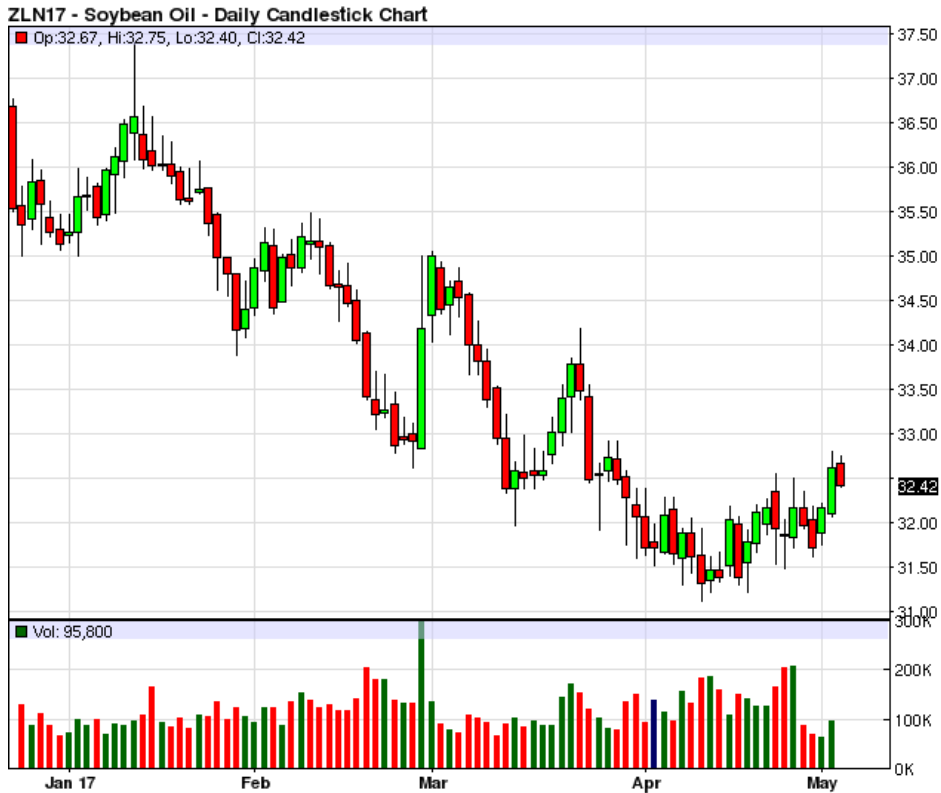


ZSN17 - Soybeans - Daily Candlestick Chart



ZMN17 - Soybean Meal - 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.