



**Rick Alexander**

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## **MEAL CONTINUES TO LEAD THE CORN AND SOYBEAN COMPLEX HIGHER**

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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 rough rice, corn, soybeans and soybean meal while one tick lower for soybean oil. The Minneapolis/KC spreads continue to widen in favor of the former but only slightly since my report last Wednesday. Minneapolis has been holding around a strong looking support area while continuing to make higher lows since the beginning of March. On the other hand KC (now in resistance) has had mixed results since my last report. On one hand it made a new CONTRACT LOW last Thursday but, on the other hand, ended up higher with a KEY REVERSAL and has rallied ever since. Of course, if you look at its chart below you will see a strong down trending market since it reversed on the 21st of April. I have to admit Chicago has held up since the beginning of March also making higher lows since then while basically staying between 455 and 485 except for one brief week where it went sharply higher and then sharply lower before settling back in said range. Like I said last week three different types of wheat and three different chart formations. You just don't see that very often. Also, the grade of the wheat stocks isn't that good but the overall world supply remains high and should continue to keep a lid on how higher the wheat prices will go. Of course, history has proven that things change and you can't be blind to what's happening no matter how strong your convictions are. Believe me, those convictions can get you into a lot of trouble from time to time. I learned that the hard way which seems to be how I've learned everything during my life! Meanwhile, like a broken record, I still want to see the July Minneapolis wheat contract settle over 580 and KC along with Chicago over 500. While oats overall have been in a down trend since last December, they have held their lows since the beginning of March but making them difficult to trade. I am continuing to stand aside this grain looking for other markets that seem to have a better potential for making money. You tell me if I'm wrong about my evaluation. I still want to see a close over 215 to possibly give me a buy signal. Rice continues to trend higher by making its best high and close since around the middle of January. As mentioned before I 'flat out' missed a buy signal and see no end in sight for this bull market at this time. July corn made its best high and close in two weeks while the December contract its highest close since last October. Pretty impressive considering how bearish the last stocks report was. This is a perfect example why fundamentals and technicals need to work hand in hand in order to help avoid disasters. Of course, there are times when nothing can save you but history says this is the best way. You can see corn is still in the 350 to 400 range for July but December is closer to possibly breaking out. I FEEL THE KEY FOR THE CORN IS TO KEEP AN EYE ON THE RAMPAGING SOYMEAL MARKET FOR GUIDANCE. Play this range in July for as long as you can and don't assume anything. You may be surprised at the results. After all, the corn stocks are pretty significant at this time. Now for the bean complex. Due to a surprisingly lower bean stock estimates on its last report a couple of weeks ago, the beans, led by meal, continue to hold its rally only having minor corrections. Meal has acted even stronger culminating in its best high and close since June 2014! I DON'T KNOW HOW FAR THE BEANS AND MEAL WILL GO BUT WILL FOLLOW THE MEAL/OIL SPREADS. IF AND WHEN OIL BECOMES STRONGER THAN MEAL, THEN I WOULD LOOK FOR A POSSIBLE DECENT SIZE CORRECTION. Oil, meanwhile, has been at least consolidating while bouncing off some minor support. I would stand aside and watch for a close either below 3200 or above 3375 for a direction. BUY SIGNALS FOR MINNEAPOLIS WHEAT, SOYBEANS. SOYBEAN MEAL, ROUGH RICE AND CORN WHILE SELL SIGNALS FOR KANSAS CITY WHEAT AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to [markethead.com](http://markethead.com).

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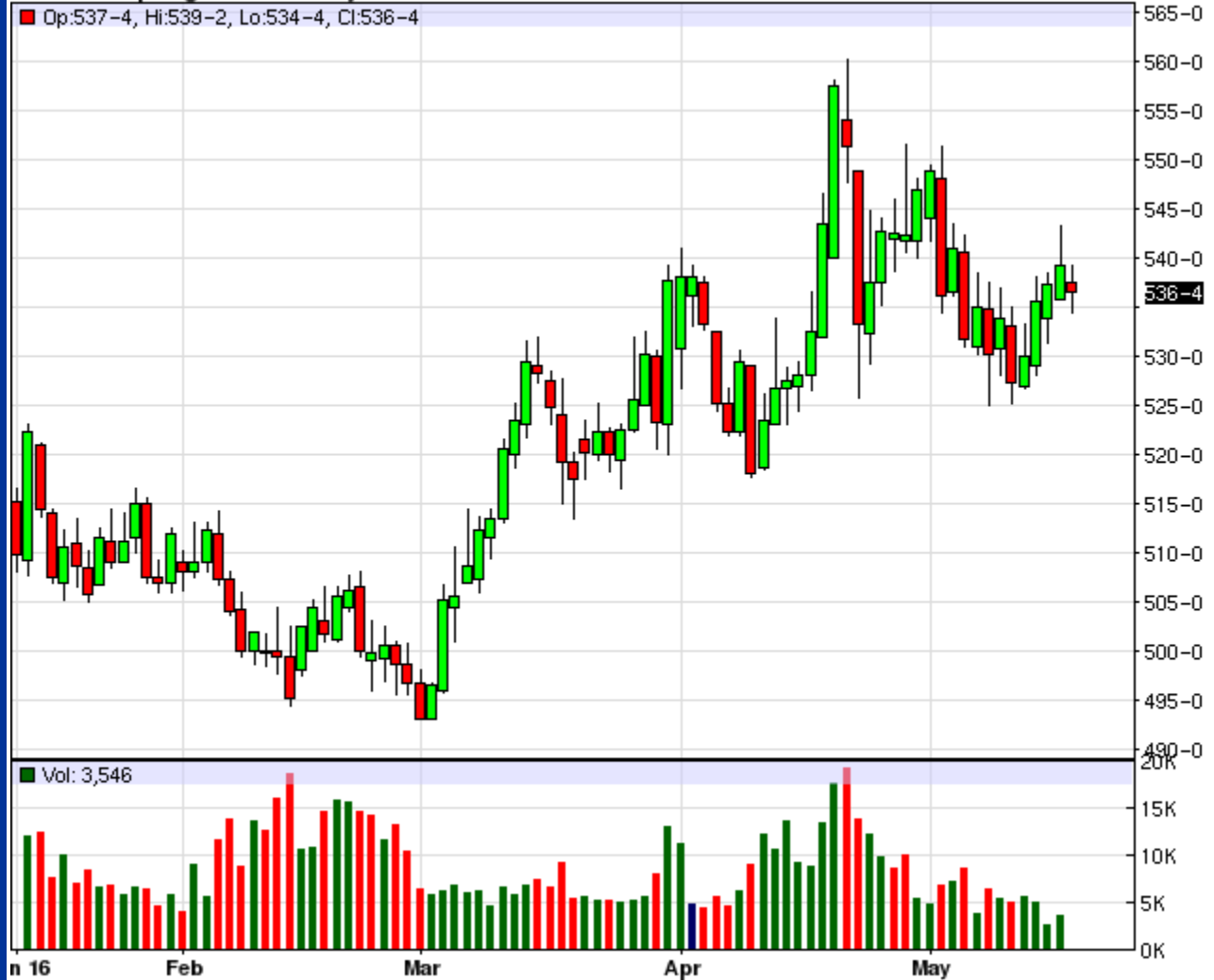


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### MWN16 - Spring Wheat - Daily Candlestick Chart



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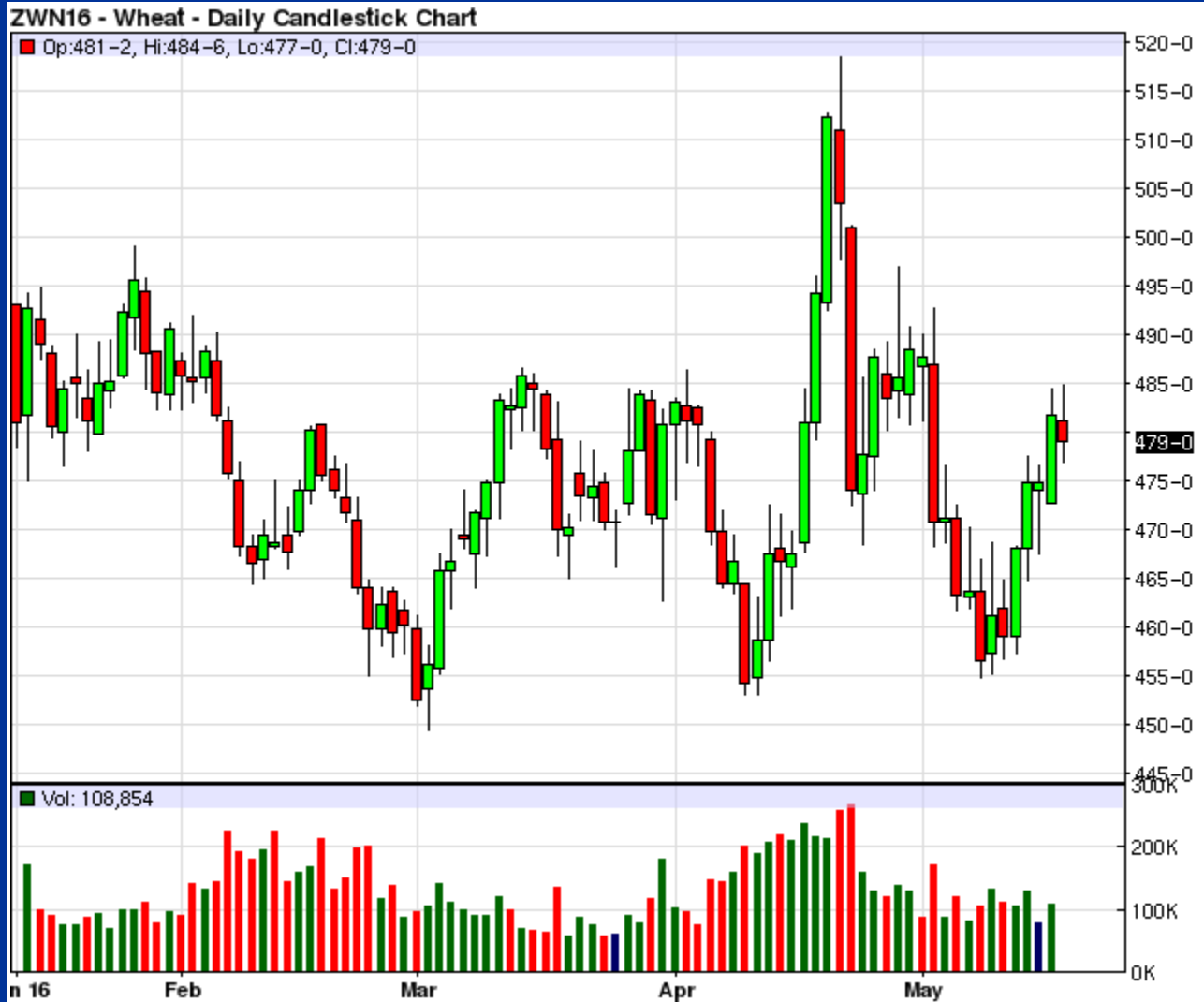
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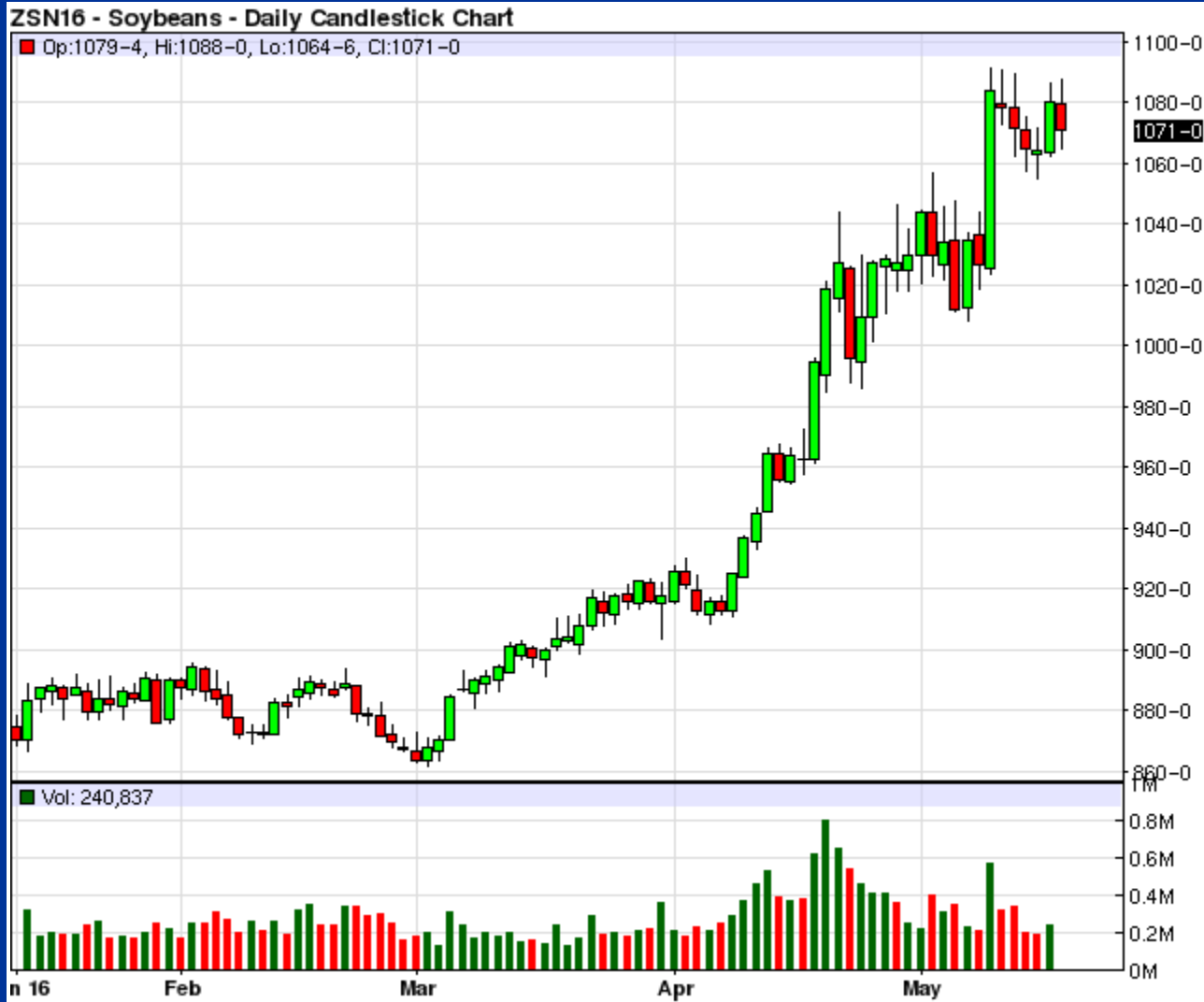
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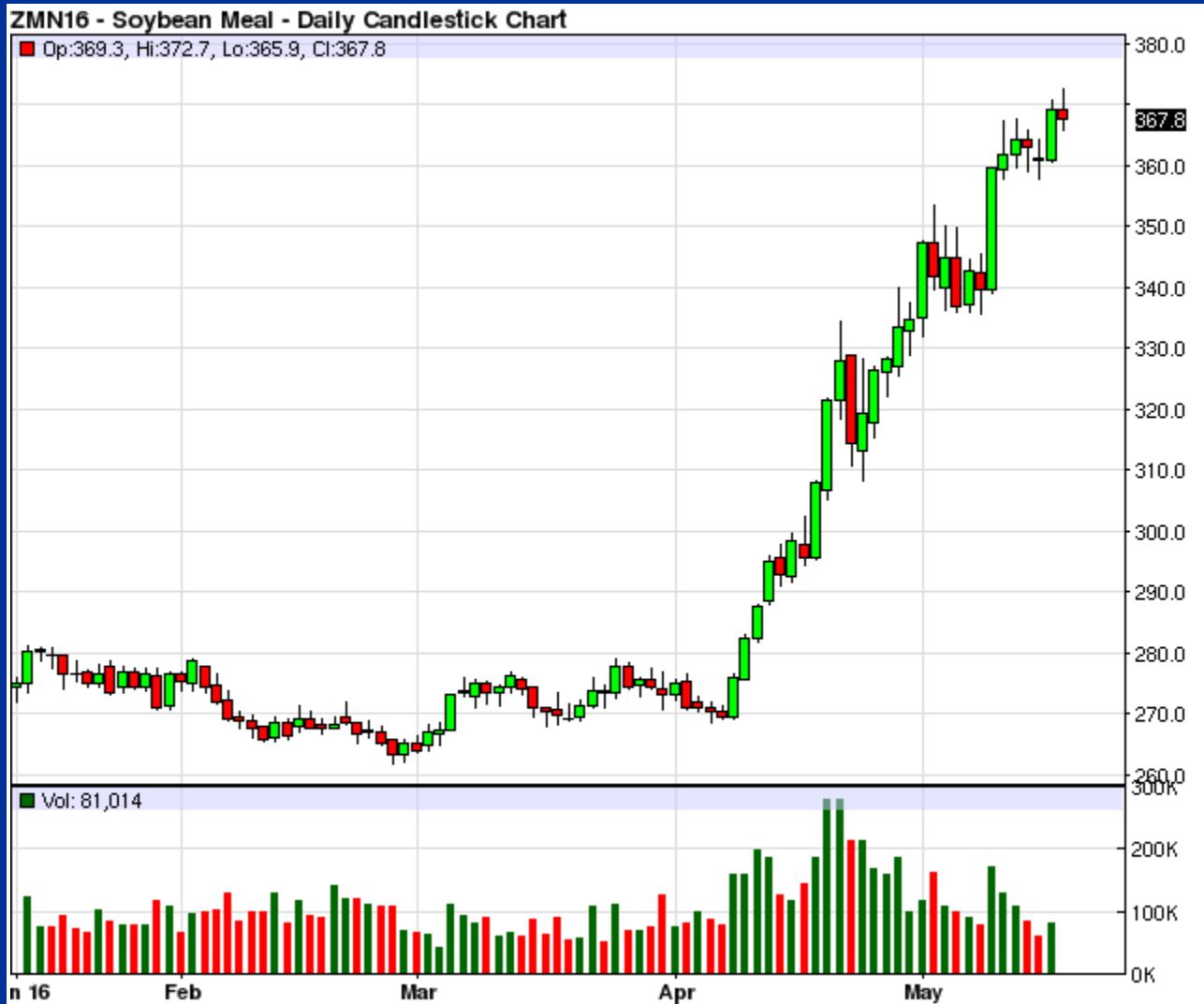




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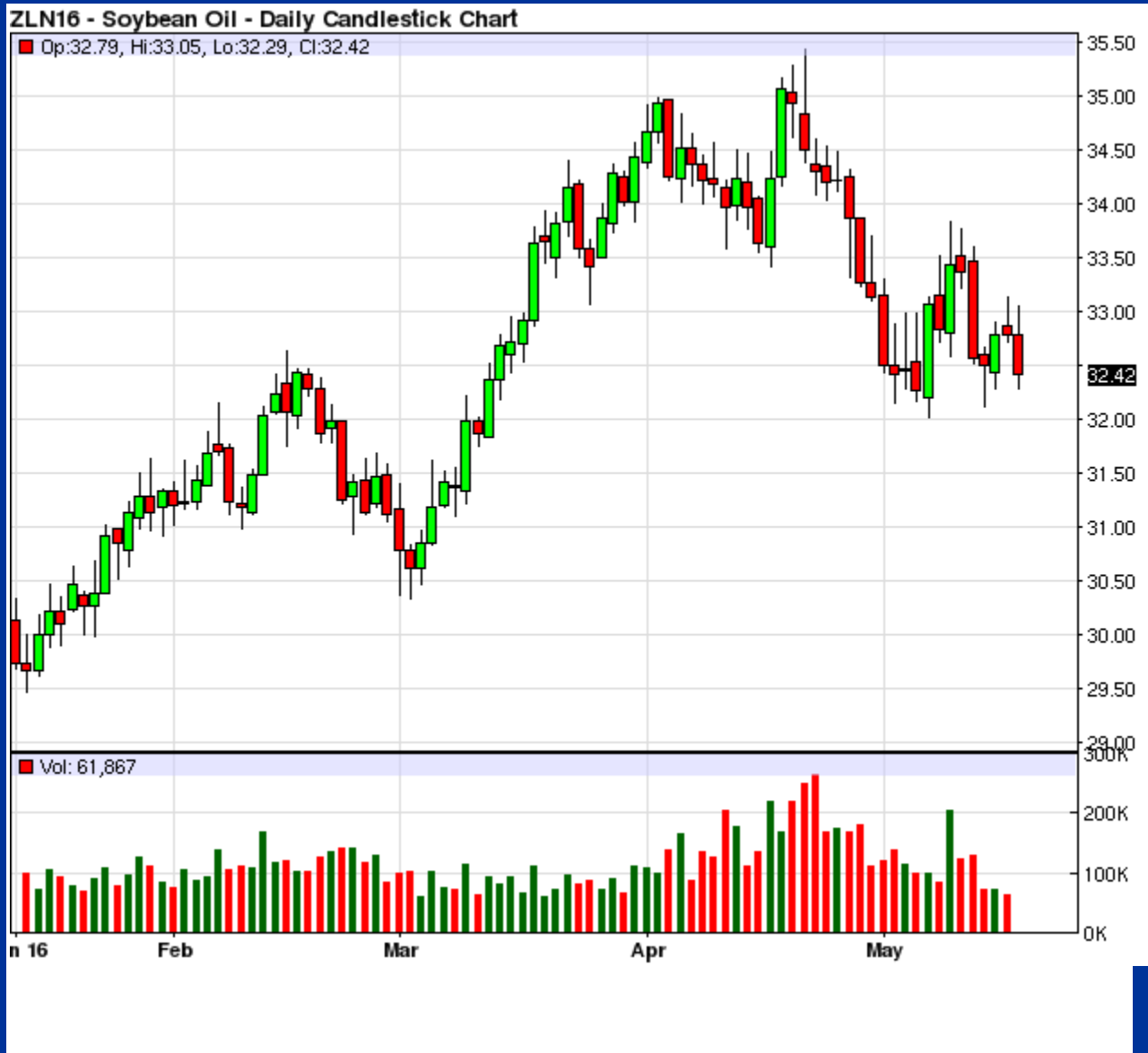
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