



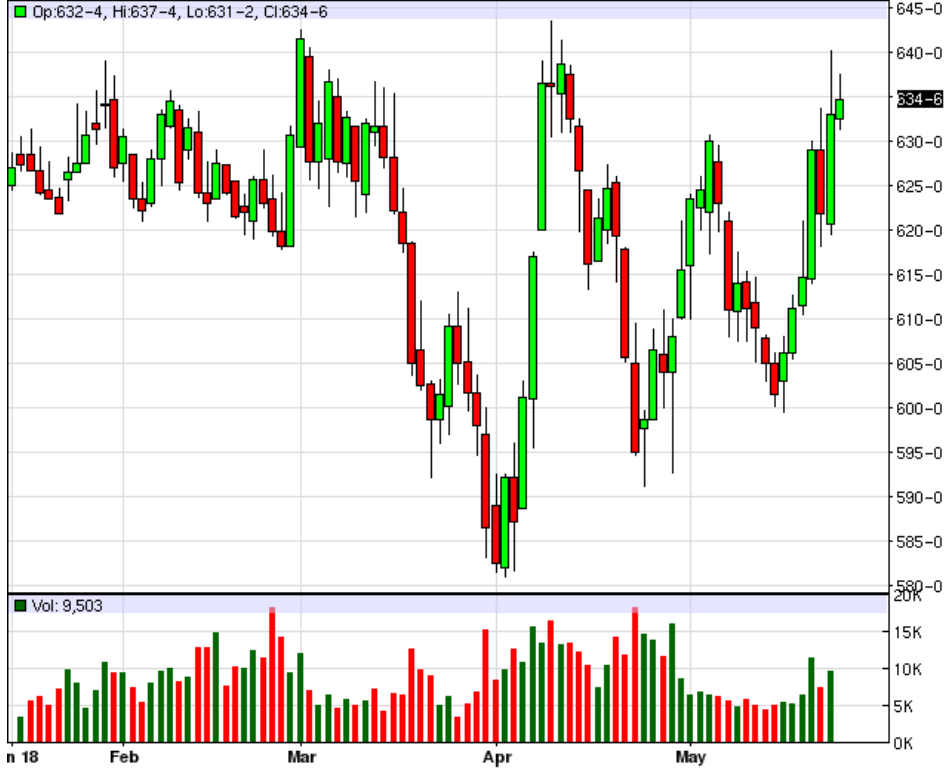
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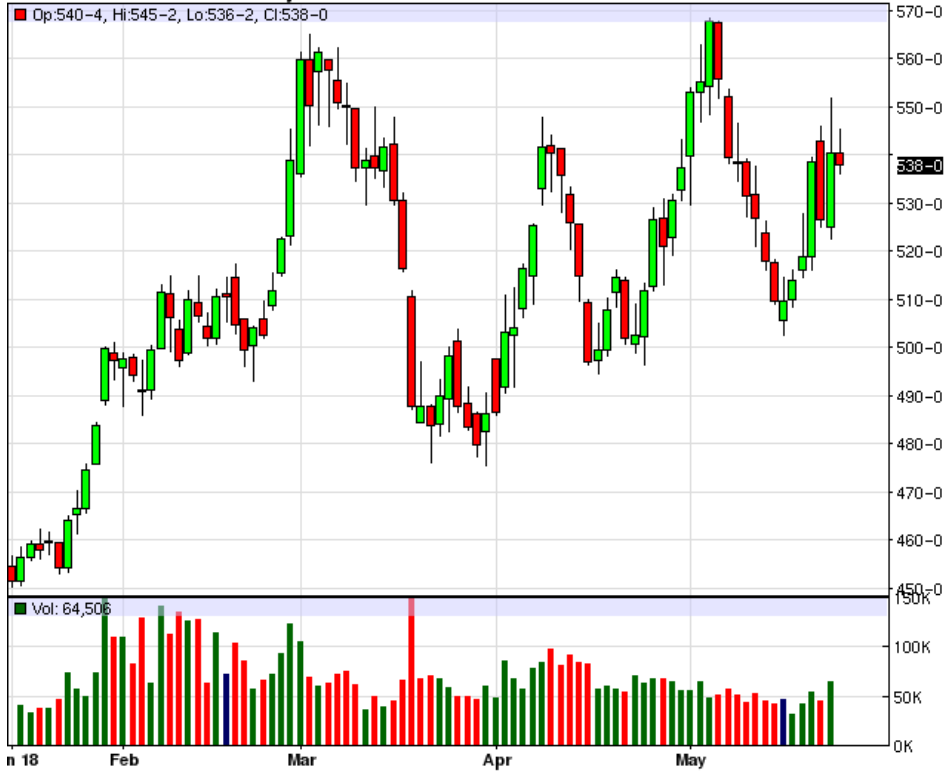
CONCERNS OF DRY WEATHER IN CANADA, RUSSIA AND US HELP FUEL WHEAT RALLY BUT HOW BAD IS IT REALLY?

Higher closes for Minneapolis, Kansas City and Chicago wheat along with oats, soybeans and soybean oil, while lower for corn, rough rice, and soybean meal. I'm not as concerned about the dry weather as the market seems to be lately. It's true that Russia's wheat forecast is slightly lower than last years record crop and that there are more lower grades of wheat around the world than normal, but I still fill the stocks and the abundance of wheat will overcome the price advances in the end. Still, technically the wheat looks higher with only Minneapolis at the upper end of a solid resistance area, Because of the large potential bottoming formation I am going to remove my sell signal until I get a better handle on its direction from its present price area. A close over 640 would look pretty good no matter what I think. KC and Chicago continue to look higher overall both with similar bullish looking chart patterns. Technicians should be bullish and fundamentalists wary about how far higher wheat prices will go from here in my opinion. Oats just gave me a BUY SIGNAL making its best high and close since the middle of March and settling over 245.. However, good resistance stands in the way around 265. On the other hand if it did break out of a head and shoulders bottom, then it would not be unreasonable to look for a rally up to at least 270. Rice has tumbled down its lowest low and close since January looking by far the weakest grain in the complex, giving me a SELL SIGNAL. Corn continues to move higher overall in an orderly fashion and the DOUBLE TOP on May 3rd and 4th has held so far which, to tell you the truth, I thought would have been taken out by now. Still, due to continuing dry weather conditions over the winter in Brazil that, at least, haven't been getting worse lately, corn remains in a bull market while large stocks and a new planting and growing season in the United States remain a concern. Beans continue to look weak making their worst low last Thursday since April 4th. Meal remains in the same area as it was at the end of March in spite of a strong rally at the beginning of May while oil is attempting to bottom out with strong resistance above 3150 in the way. BUY SIGNALS FOR KANSAS CITY AND CHICAGO WHEAT ALONG WITH OATS, CORN AND SOYBEAN MEAL. SELL SIGNALS FOR MINNEAPOLIS WHEAT, ROUGH RICE, SOYBEANS AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

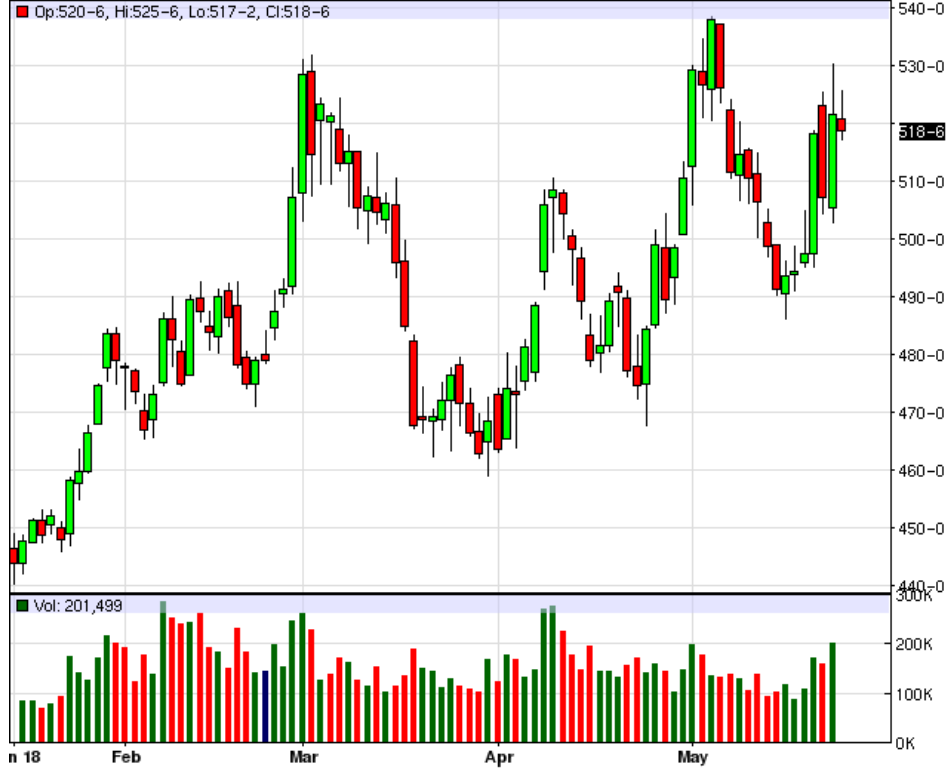
MWN18 - Spring Wheat - Daily Candlestick Chart



KEN18 - Hard Red Wheat - Daily Candlestick Chart



ZWN18 - Wheat - Daily Candlestick Chart



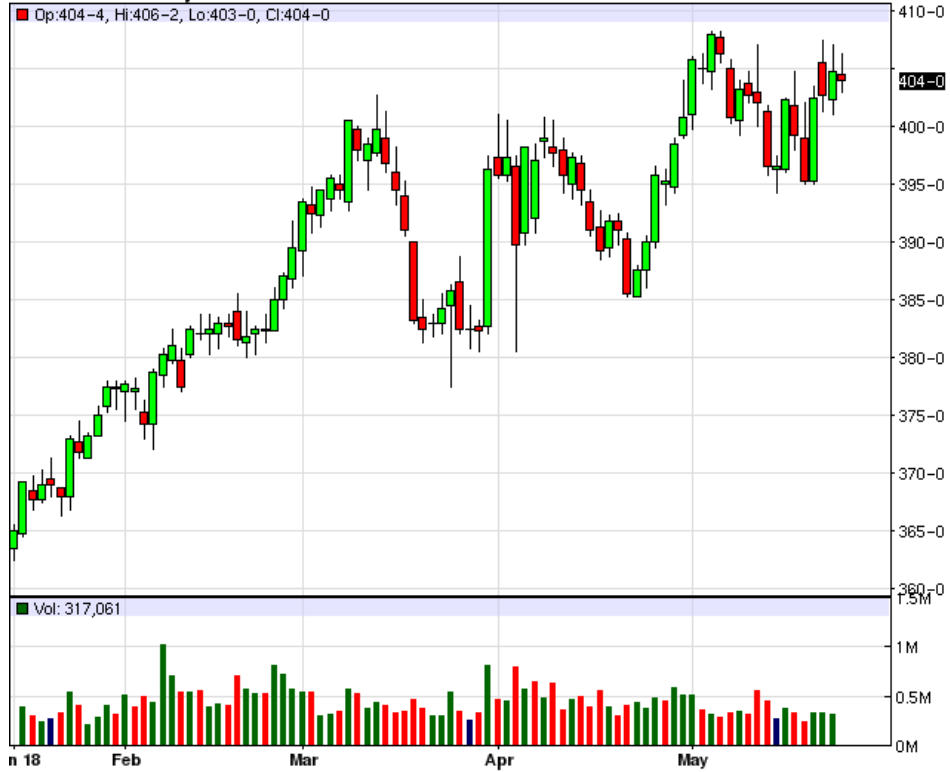
ZON18 - Oats - Daily Candlestick Chart



ZRN18 - Rough Rice - Daily Candlestick Chart



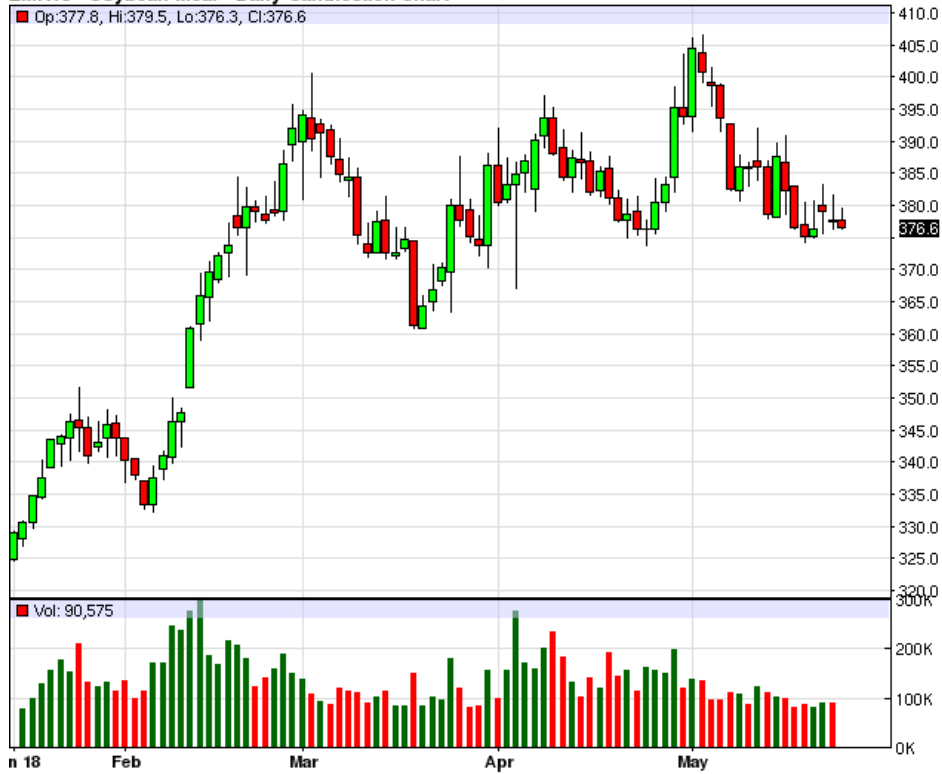
ZCN18 - Corn - Daily Candlestick Chart

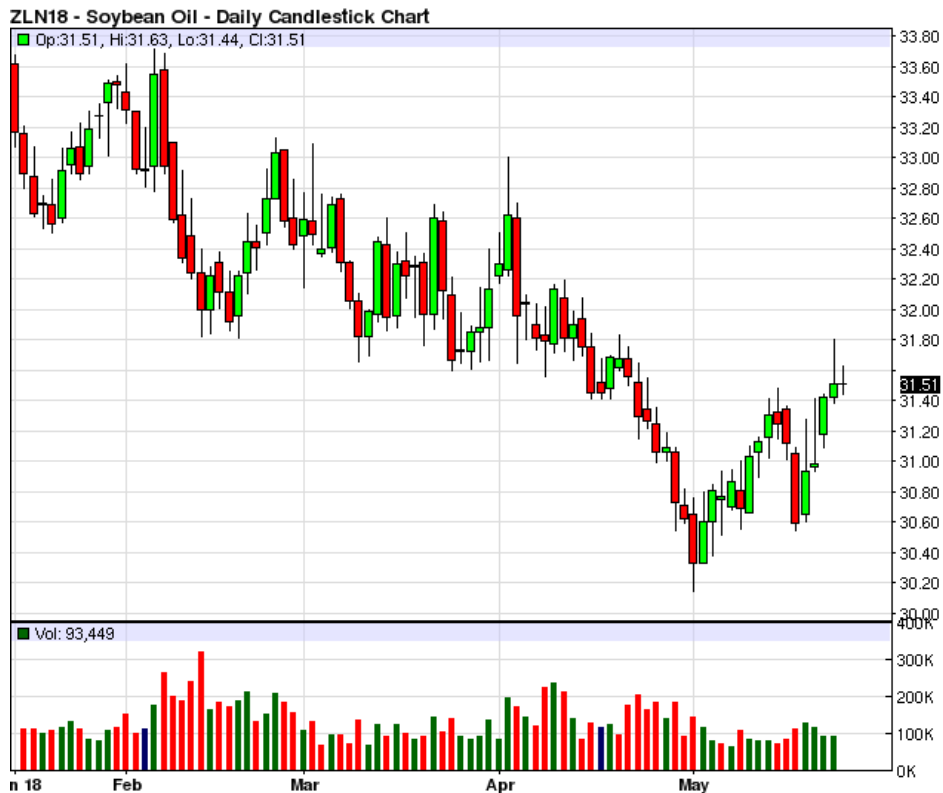


ZSN18 - Soybeans - Daily Candlestick Chart



ZMN18 - Soybean Meal - Daily Candlestick Chart





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