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## SEVERE DROUGHT CONDITIONS PERSIST IN N. AND S. DAKOTA, MINNESOTA AND MONTANA

Higher closes for corn, rough rice, oats, soybean oil, Minneapolis, Kansas City and Chicago wheat while lower for soybeans and soybean meal. REMEMBER MY SIGNALS ARE FOR LONGER TERM TRENDS WHILE MOST OF MY TRADING RELIES ON SHORTER TERM SIGNALS WHICH YOU WILL HAVE TO CONTACT ME FOR. Well, as most of you already know, the worsening drought conditions in key spring wheat states is causing a declining wheat crop as evidenced by the Minneapolis wheat (NEW CONTRACT HIGH AND CLOSE) chart below. Really, what else can be said under the circumstances. K C (BEST CLOSE SINCE MAY 2ND) and Chicago continue to show possible bottoming formations but seem more to be related to the spring wheat surge than anything else. The last WASDE REPORT was neutral but didn't include the latest weather conditions. These are tough markets to call but I still expect, at least Chicago wheat, to have a limited upside. Obviously, Minneapolis has had a buy signal since late May but I would stay neutral for KC and Chicago at this time. Oats continue to work higher and have given me a BUY SIGNAL but it has been a choppy struggle over the last couple of weeks. Rice remains bullish climbing in a rather orderly fashion for a grain that can be volatile. On Friday rice had its best high and close since last July. Corn broke out of its 360 - 380 range which now becomes a major support area. Also, I now am taking a neutral stance needing a close over 400 in July and 420 in Dec. to give me a long term buy signal. The bean complex continues to look bearish overall as weather continues to be the main focus. BUY SIGNALS FOR MINNEAPOLIS WHEAT, OATS AND ROUGH RICE. SELL SIGNALS FOR SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

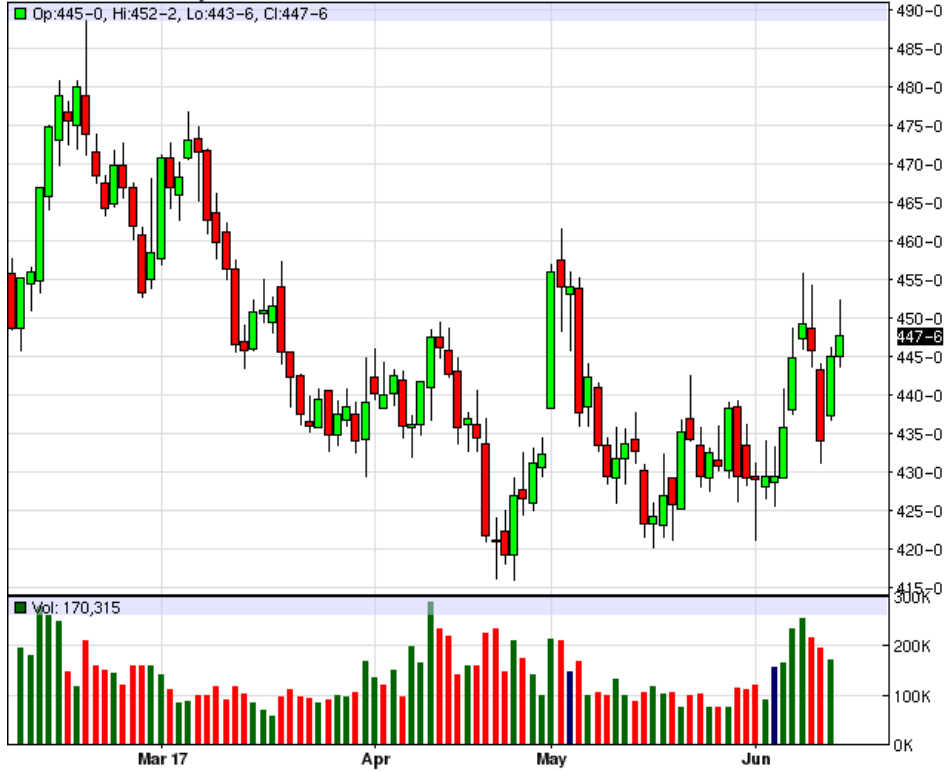
MWN17 - Spring Wheat - Daily Candlestick Chart



KEN17 - Hard Red Wheat - Daily Candlestick Chart



ZWN17 - Wheat - Daily Candlestick Chart



ZON17 - Oats - Daily Candlestick Chart



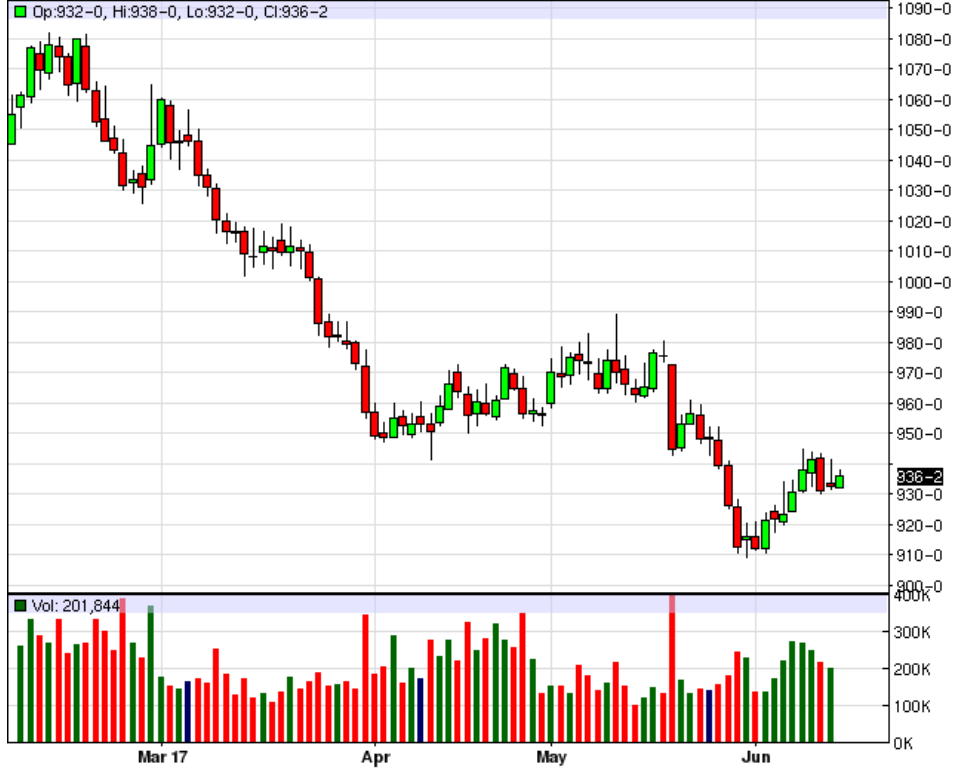
ZRN17 - Rough Rice - Daily Candlestick Chart



ZCN17 - Corn - Daily Candlestick Chart



ZSN17 - Soybeans - Daily Candlestick Chart



ZMN17 - Soybean Meal - Daily Candlestick Chart





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