



RICK ALEXANDER, MARKET STRATEGIST
ZANER GROUP

7/17/2019

WHEAT STALLS AFTER REACHING CRITICAL RESISTANCE. LONG TERM STILL DOWN BUT AFFECTED BY SPREADING

THIS TIME I'M BACK FROM UNEXPECTED SIDE EFFECTS DUE TO MY SURGERY!

Lower closes for rough rice, oats, corn, Minneapolis, Kansas City and Chicago wheat along with soybeans, soybean meal and soybean oil. LOOKING AT THE OVERALL GRAIN SITUATION, THE COMPLEX SEEMS TO HAVE REACHED ITS FIRST PEAK IN JUNE AND NOW HAS BEEN IN A CONSOLIDATION MODE OVERALL. THIS IS IN SPITE OF THE TARIFF SITUATION AND TOUGH WEATHER MARKETS. The wheat complex basically has been in critical resistance area (weekly charts) recently with important prices at both ends of the spectrum. For Minneapolis watch 582 1/4 and 515 for breakouts in either direction. However, the overall trend remains down (weekly charts) and I expect wheat to either trend sideways or mover lower from now on. KC prices to watch are 508 1/4 and 432 1/2 while Chicago would be 547 3/4 along with 490 3/4. Also Minneapolis looks like it's topping out, KC had a FAILED BULL TRIANGLE and Chicago could be in a possible TOPPING FORMATION too. As confusing as this all looks, the wheat complex should move lower overall while having been in a range since the middle and late May. Oats could be in a BULL TRIANGLE at this time that started in May. Stay long for now but use 299 and 272 1/2 as trading parameters. Rough rice also continues to look strong but has been bucking against a decent resistance area over the last week. Watch 1202 and 1120 for a longer term direction. Corn has been trading between 470 and 420 since May and could go in either direction. Most reports look for higher corn due to delayed plantings tempered by the questionable government report of a high carryover. IN MY 44 + YEARS I HAVE BEEN FOOLED AT TIMES IN THE PAST BY BULLISH GRAIN MARKETS DUE TO TOO MUCH RAIN ONLY TO SEE THE PRICES CRASHING BY THE END OF THE YEAR. RAIN MAKES GRAIN HAPPENS MORE TIMES THAN NOT SO, EVEN WITH THE RECORD AMOUNT OF RAINFALL BE CAREFUL ESPECIALLY SINCE THE OVERALL CONSENSUS REMAINS BULLISH FOR CORN. WHEAT AND BEANS COULD BE ANOTHER STORY HOWEVER. The beans look like they are possibly forming a large bottom, meal looks like it may have topped for now while oil continues to inch higher. I rarely trust a bullish bean market with oil leading the way but it can and has happened from time to time. Still, I do feel the bean complex with be lower by the end of year but that's just me talking. Finally, GAPS REMAIN FOR CORN, SOYBEANS AND SOYBEAN MEAL JUST TO CONFUSE THE SITUATION! BUY SIGNALS FOR CORN, ROUGH RICE, OATS AND SOYBEANS. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 day trial to markethead.com.

MWU19 - Spring Wheat - Daily Candlestick Chart



KEU19 - Hard Red Wheat - Daily Candlestick Chart



ZWU19 - Wheat - Daily Candlestick Chart



ZOZ19 - Oats - Daily Candlestick Chart



ZCZ19 - Corn - Daily Candlestick Chart



ZSX19 - Soybean - Daily Candlestick Chart



ZMZ19 - Soybean Meal - Daily Candlestick Chart



ZLZ19 - Soybean Oil - 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.