



RICK ALEXANDER, MARKET STRATEGIST
ZANER GROUP

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THE FUNDAMENTALS DON'T SEEM TO MATCH UP TO WHAT MANY FARMERS ARE SAYING!

Higher closes for Minneapolis wheat, oats, rough rice, soybeans, soybean meal and soybean oil while lower for Kansas City and Chicago wheat. 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. The government reports have shown so far that the grain crops while distressed in many areas due to drought and wet conditions depending on what the weather is at any given time, our hedge department has been hearing mostly bad news from farmers around the Midwest. I'm talking about extreme drought conditions in many areas, the vegetation health monitor not being good in many areas, low nitrogen levels, sidewall compaction for soybeans and the acres that are irrigated being okay but not great for the crops. That's just part of what we've been hearing directly from farmers. If this difference between the USDA and what we've been hearing keeps up, then we will all probably have to wait until harvest to get the actual facts of what really has happened. The drought conditions in key spring wheat states continues to play with the spring wheat as evidenced by Minneapolis wheat's rise overall even with its retracement lower over the last week or so do to increased rain in the forecasts along with the market probably being overbought. I still expect a test of its high on July 2nd. With that being said I haven't changed my mind about selling Chicago wheat and to less extent KC on rallies using technical indicators and/or options. Finally Chicago and KC filled their gaps last Friday. Last week's WASDE report was slightly bullish for beans while slightly bearish for wheat and corn but weather continues to be the overriding factor. Oats still look like they're in a possible BULL PENNANT or TRIANGLE. The oat chart continues to show a strong looking bull market at this time. Meanwhile rough rice is still in a perfectly looking bull market and should test its June 30th high. It would need to close below eleven dollars for me to change my mind on its direction. The bean complex has had a sharp downward correction since my last report but still remains in an uptrend overall in my opinion. Also keep in mind that the beans and meal still have unfilled gaps from the end of June that, while don't have to be filled, usually are sooner or later. Also, I would like to see oil close over 3440. BUY SIGNALS FOR MINNEAPOLIS, KANSAS CITY AND CHICAGO WHEAT ALONG WITH OATS, ROUGH RICE. CORN, SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

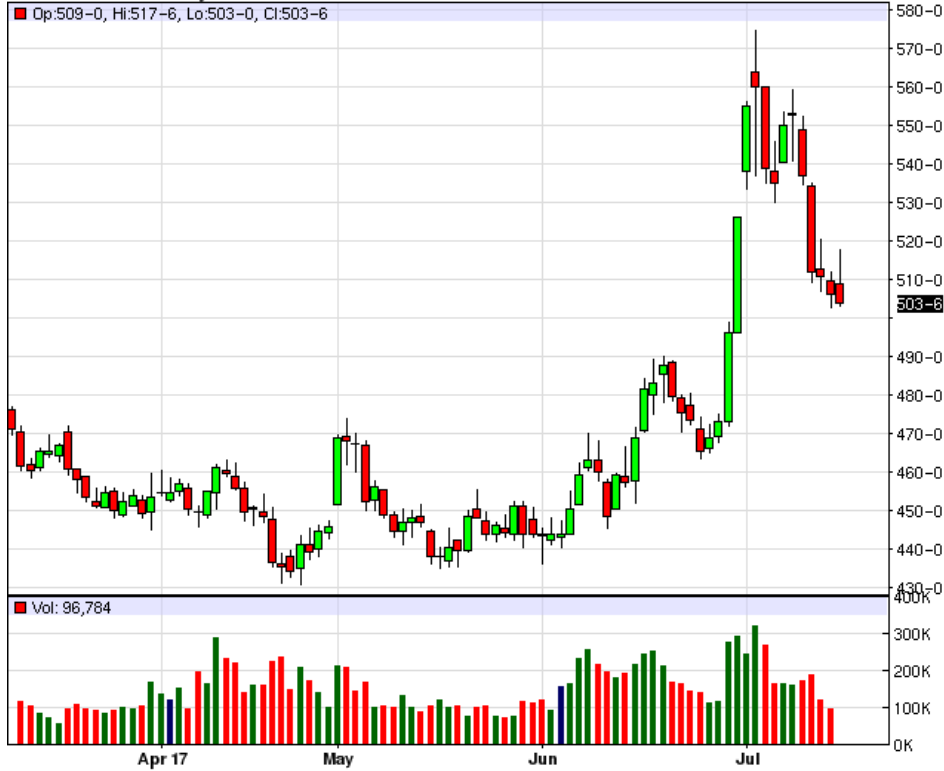
MWU17 - Spring Wheat - Daily Candlestick Chart



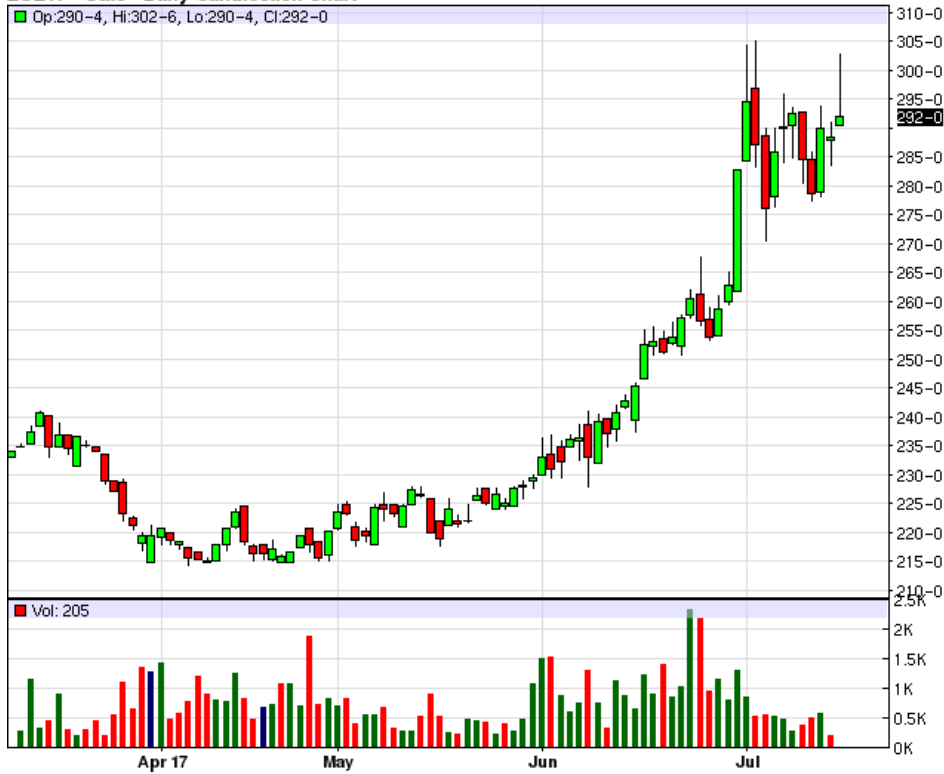
KEU17 - Hard Red Wheat - Daily Candlestick Chart



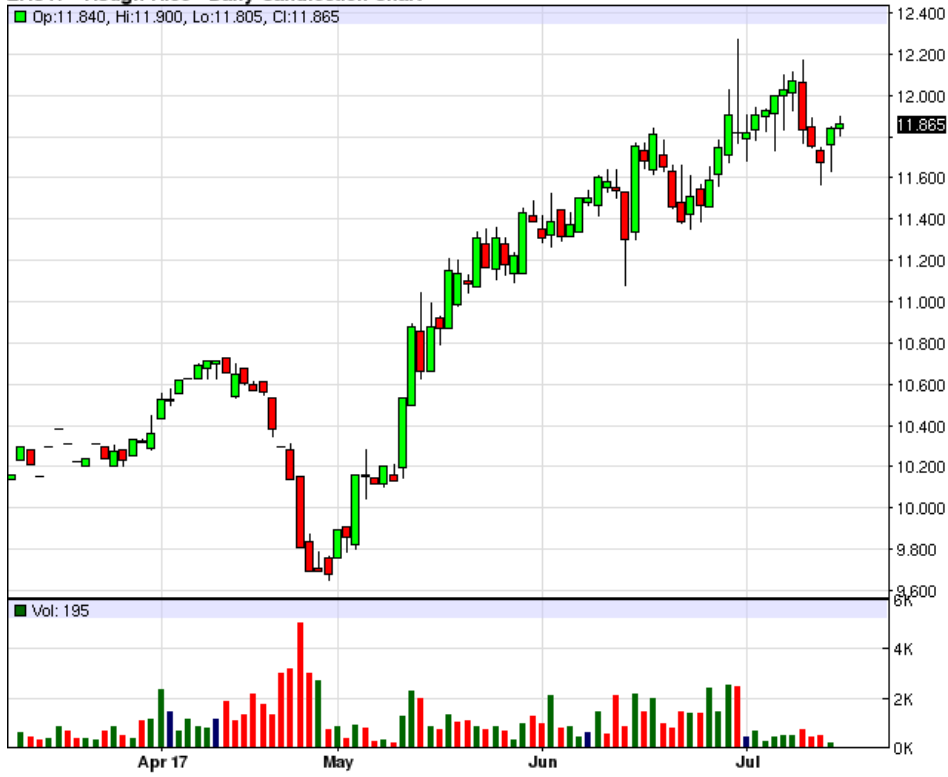
ZWU17 - Wheat - Daily Candlestick Chart



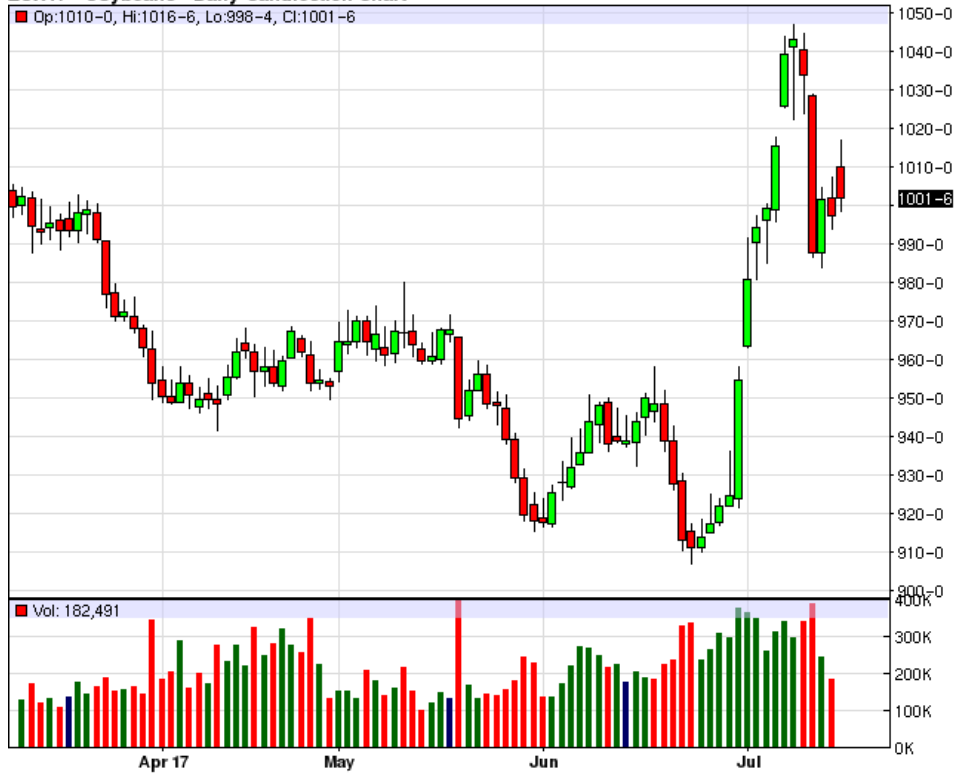
ZOZ17 - Oats - Daily Candlestick Chart



ZRU17 - Rough Rice - Daily Candlestick Chart



ZSX17 - Soybeans - Daily Candlestick Chart



ZM217 - Soybean Meal - Daily Candlestick Chart



ZLZ17 - Soybean Oil - Daily Candlestick Chart



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150 S Wacker Dr, Suite 2350 · Chicago, IL 60606 · Direct: 312-277-0050 Fax: 312-277-0150 · info@zaner.com

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