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HOT AND DRY WEATHER FEARS ABATED CAUSING SHARP CORRECTIONS LED BY THE WHEAT COMPLEX

Higher close for rough rice while lower closes for Minneapolis, Kansas City and Chicago wheat along with oats, corn, soybeans, soybean meal and soybean oil. 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. A surprising change in the weather forecasts for more rain and cooler temperatures have caused a massive correction in the grain complex. I've been through this before and what sticks out in my mind is one year where a two month forecast of hot and dry weather came out followed two days later by rain for the rest of the summer. As Chuck Berry once sang "You never can tell". Still, how much damage has really been done? Our hedge department has been hearing mostly bad news from farmers around the Midwest while the government reports haven't been as bleak. Of course, the updated weather forecasts are a factor but how much of it will be too late? I'm afraid we won't really know the answer until harvest making this summer more volatile for the grain complex than normal. Once again I haven't changed my mind about selling Chicago wheat and to lesser extent KC on rallies using technical indicators and/or options. Minneapolis has dropped a dollar twenty over the last several weeks culminating in its worst low and close since June 29th. Also, looking at the chart below, I see what looks like a failed BULL TRIANGLE. Then again, how much can the spring wheat crop will be too late to come back? There is also little support down to the 550 area. KC and Chicago have dropped over a dollar and now are in their respective support areas making their lowest low and close since June 26th and 29th respectively. Oats have been consolidating for 3 1/2 weeks needing to hold the 275 area in my opinion. Meanwhile corn had its worst close since June 29th while remaining in a major support area that it knows well for the last year! I am, for now, removing my buy signal. The beans and meal have been consolidating while the oil remains bullish mainly due to, in my opinion, unwinding of meal/oil spreads. Beans have support around 970 and meal 320. The 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, SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for a FREE 30 - day trial to markethead.com.

MWZ17 - Spring Wheat - Daily Candlestick Chart



KEZ17 - Hard Red Wheat - Daily Candlestick Chart



KEZ17 - Hard Red Wheat - Daily Candlestick Chart



ZOZ17 - Oats - Daily Candlestick Chart



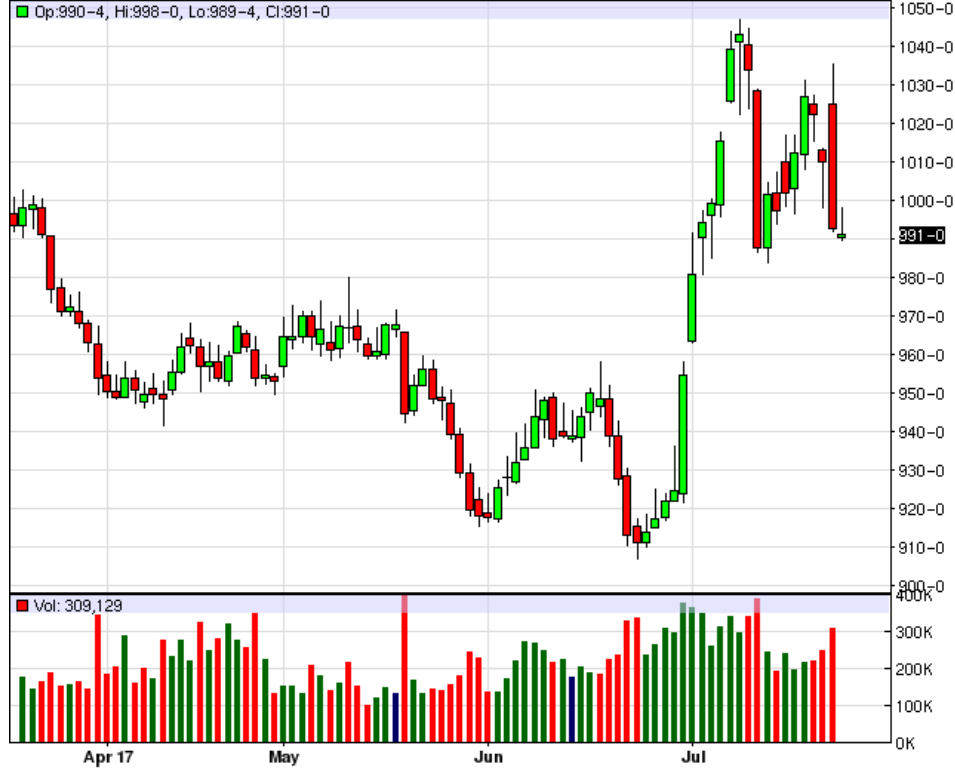
ZRU17 - Rough Rice - Daily Candlestick Chart



ZCZ17 - Corn - Daily Candlestick Chart



ZSX17 - Soybeans - Daily Candlestick Chart



ZMZ17 - Soybean Meal - Daily Candlestick Chart



ZLZ17 - Soybean Oil - Daily Candlestick Chart



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