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AS IT TURNS OUT, BASICALLY, THE GOVERNMENT GRAIN REPORTS HAVE BEEN ACCURATE

Higher closes Kansas City and Chicago wheat while lower for rice, oats, corn, soybeans, soybean oil while lower and Minneapolis wheat. Some of our brokers from the hedging department came back this week after being with the Farm Journal tour last week coming to the conclusion that the USDA grain reports have been more accurate than previously thought. This doesn't mean yield projections can't change but that the corn and bean crops will be better than thought by many people. However, at least so far, open interest remains at high levels meaning a large number of traders are still trying to pick the bottom in the grain complex which is generally not a good sign for a turnaround. So, be prepared for possible lower prices continuing with some retracement rallies for whatever reason along the way. 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. Weather remains decent in most areas not counting HARVEY down in Texas. Minneapolis wheat just made its worst low since June 22nd with little support down to the 570 area while both KC and Chicago had new CONTRACT LOWS before settling higher in REVERSAL TYPE ACTION this week. Both have their nearest resistance above 465 and 460 respectively. Also, DON'T FORGET RUSSIA'S LARGE WHEAT CROP HAS CAUSED A SHORTAGE OF FACILITIES TO STORE IT. Oats continue to look topy after a possible failed bull triangle on August 2nd culminating in what now looks like a BEAR FLAG. I still am having trouble giving a sell signal that I will probably live to regret not doing. However, I see strong looking support area below 240 on the weekly and monthly charts making a short position too risky in my opinion but buying calls the best approach if you want to trade this grain. Rice has been holding up better than the rest of the grains and has helped me to continue holding on to my buy signal. It still looks critical to hold the 1222.5 price in my opinion. Until then I will keep my buy signal. Decent support remains around twelve dollars and down. Also, rice had REVERSAL TYPE ACTION on Monday after making a new CONTRACT HIGH before settling lower. Then again rice has been making HIGHER HIGHS AND HIGHER LOWERS since May. Corn just made a new CONTRACT LOW AND CLOSE besides settling below the psychological 350 price area. If open interest is any indicator a lower forecast seems likely. The 360 - 400 range is now a formidable looking resistance area. The beans and meal are a little more difficult for me to get a handle on. The beans need to continue to hold the 900 area and meal 295.0 in my opinion. Right now that doesn't seem likely to me. Oil continues to hold up well helped by spreading against the meal for one thing. BUY SIGNALS FOR ROUGH RICE AND SOYBAN OIL. SELL SIGNALS FOR KANSAS CITY AND CHICAGO WHEAT ALONG WITH CORN, For additional charts, quotes, news, commentary & more, sign up for a FREE 30 -day trial to markethead.com.

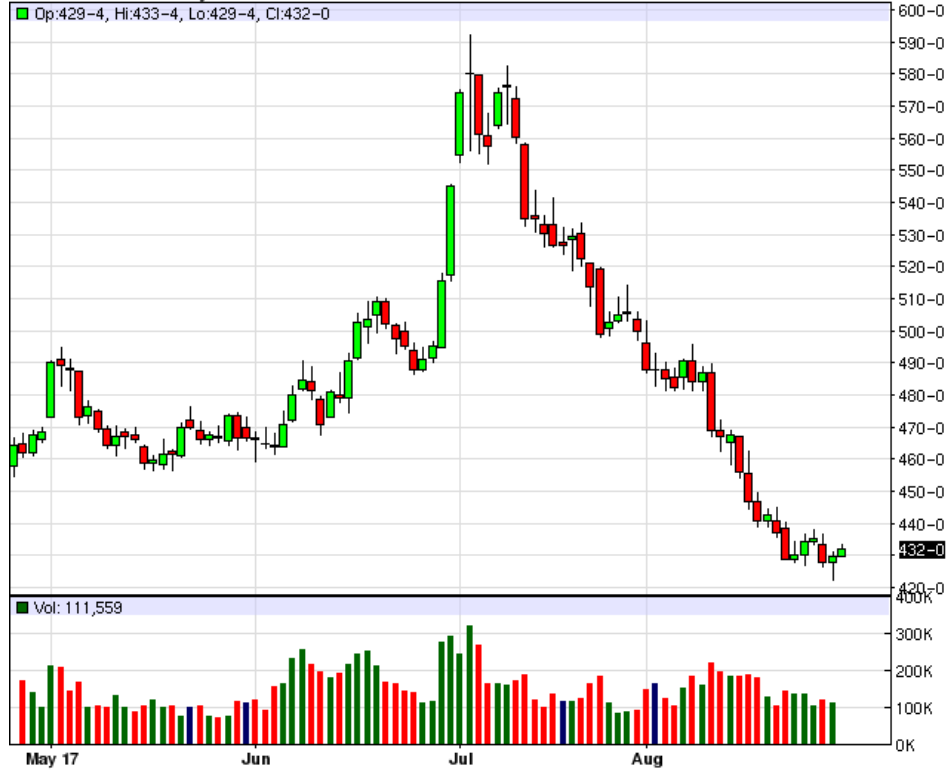
MWZ17 - Spring Wheat - Daily Candlestick Chart



KEZ17 - Hard Red Wheat - Daily Candlestick Chart



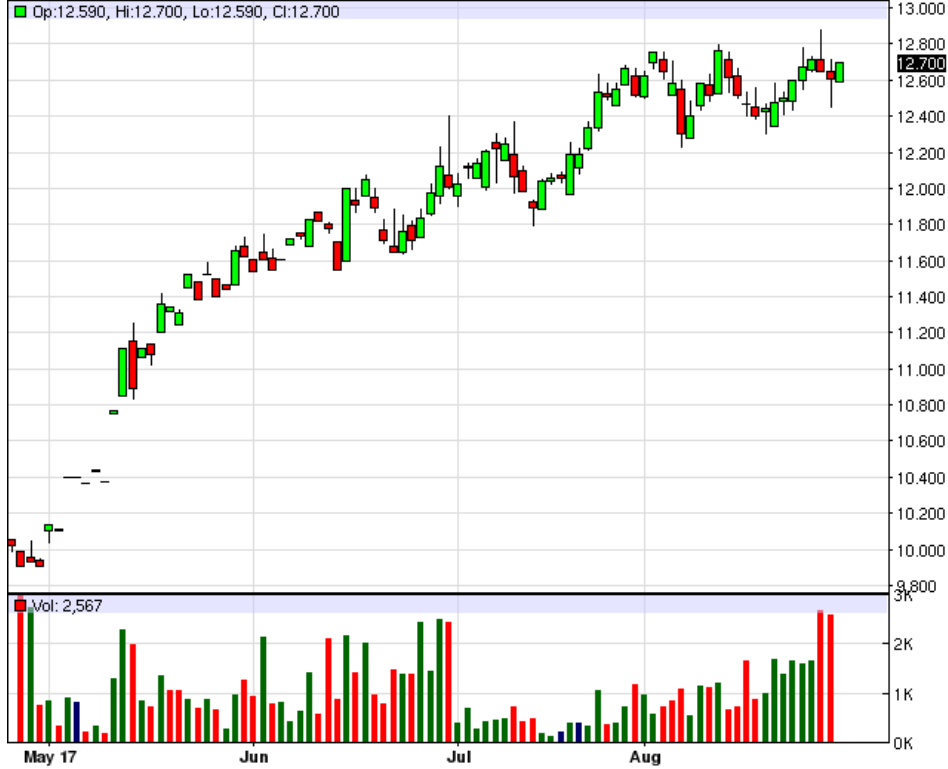
ZWZ17 - Wheat - Daily Candlestick Chart



ZOZ17 - Oats - Daily Candlestick Chart



ZRX17 - 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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