

June 4, 2009

Friends:

I have received a fair number of questions on where the sales trigger stops would be now.

For corn, parabolic (66 day) stop would be at 4.54 today, with yesterdays low at 4.54 we would use a 4.52 stop. For corn the previous weeks low is at 4.45, stop would be at 4.43.

For beans, parabolic (66 day) stop would be at 10.44 today. Last week's low stop would be at 10.30 this week.

I am quite impressed how much respect the markets are showing to the 10.60 level in SX and 4.50 in corn. How much bullish news can possibly be found and the markets just cannot get away from these areas.

Beans have a very nasty 2 day island top above 10.60 and then gapped back below it.

To repeat the timing, harmonics, and price resistance levels are very strong right now. Manage your business accordingly. IF you have a rev product on beans the price rally has far exceeded the deductible for example.

We are meeting next week to find a way to stop using meal on the hog farm. The money is running out and it is time to actually make some tough management decisions.

OF note, just look at how weak actually demand for wheat is. Once the artificial demand from specs is removed it collapses 54 cents in one day. Almost 10% of value. Applied to corn or beans that would be 45 cents or 1.06.

Regardless of how your crops look, have the triggers in place. It is more important to sell a reduced well than it is to sell a great one.

Good luck,  
Ken