

September 24, 2009

Friends:

While it is very unconventional to forecast a low in the corn market, I must report what I see in the technical and timing data. This seems impossible in the face of such a huge corn crop, yet that can be offset by basis bids being above the board of trade which they are right now.

A look at OATS will show you an extremely bullish chart pattern. we went long today and we seldom trade oats. :-)

All of this is quite disturbing for a hog feeder. IF this is as low as corn goes, the death of hog farms is just getting started. So, there is not much joy in my report this evening on this end, just reporting what I see.

A 21 day rally followed by a 21 day decline into a higher harvest low would have just about everyone bamboozled. Which is indeed the purpose of markets after all.

Good luck...take a look at oats, guys. All of us together could do enough volume to turn the trend around for awhile ;-)

By the way, the bean market is hanging on the edge of a cliff, a great place to trade from really. This week's lows must hold or the thing goes into melt down mode. So, we have amazing divergence in corn and soy. Of course, if beans hold in here they could easily rally a few weeks before failing again.

That's what I see.

Ken