

January 4, 2010

Friends:

I just wanted to remind folks about the strong sales trigger for grains that occurs on the Solar Perihelion (1/2/10), or Epiphany (1/6/10). (The epiphany was placed on the calendar in response to local customs that celebrated things like the Perihelion.) Regardless it has worked often in the past. The moon and the sun came first, so I guess it is more accurate to place Christmas as 3 days after the solar solstice, and Epiphany at the Perihelion.

Point being, the markets have given us a tremendous sales signal today with extremely easy stops to exit if today's high is broken. We are corn at 100% old crop and 80% new 2010. Beans at 100% old and 60% new as of today. (meaning we sold any extra bushels produced above average now.)

This china bubble really has some fascinating implications. None of which are controllable in my view.

Funny, I had to give my banker a pep-talk on why it was important to have new crop sales in place. "Do you know what your costs will be?" And just what in the heck do my costs have to do with the market price for corn!

Happy New year everyone,
Ken