



### Corn and Soybean Bulls and Bears Standoff

By Chris Lehner (Aug 10)

By the time you read this report the WASDE report will have been released on Thursday and markets will have reacted to the way traders decide to move the market. (This report was written on August 10<sup>th</sup> around 10:00AM central time).

Report days remind me of the old west gunfighters facing off. The traders left standing, not being stopped out, are the gunfighters who first enter the largest orders just like the gunfighter with the fastest draw. But after the dust and smoke settle, and after the fast trading algorithmic traders have exited their trades, fundamentals move the report. For a day or two they may have to sit aside after being wounded, but fundamentals are left standing to fight another day.

Over the past week, trading has been relatively quiet and trade volume has been fairly light. Cash basis remains wide as farmers are moving old crop and merchandisers are controlling what they need by keeping the basis wide.

Below are some targets on charts, depending whether the report is bullish or bearish.

#### NOVEMBER 2017 SOYBEANS



CHARTS AS OF 10:00AM CENTRAL TIME 8/10/17 AND ARE FROM eSignal Interactive, Inc.

The Relative Strength Index is neutral at 49.75. At this time, the RSI isn't giving a clue to market direction. A week ago, traders filled a gap from 9.63 to 9.58 and as you can see from the closes since then, trading has come to a standstill as traders wait to see the report. There is an overhead trend line that may be a target at 1019.75, a near term support line at 965.25 and a big support trend line at 9.12.

### DECEMBER 2017 CORN



As I write, corn is off the recent 3.75 low by 14 cents. Like soybeans, the RSI at 50.06 is neutral. Downside support first is the June 23<sup>rd</sup> low at 3.74 and a trend line at 3.711/2. Because there isn't a good overhead trend line I have used Fibonacci retracements. Like a rain gauge, if the report is bearish, the 3.74 target will be a support and if bullish and depending on how bullish, the three retracements and then up to the July 11<sup>th</sup> high will be like an indicator on how much or how little rain has fallen since the past WASDE report and how much old crop may or may not keep a lid on the market.

Next week I will update the charts and give my opinion on the report. If you want up to the time of market movement and recommendations on trades, it is as easy as open an account with me. Call me at 913 787 6804 or send me an email at [chris.lehner@archerfinancials.com](mailto:chris.lehner@archerfinancials.com). Thank you.

Would you like to open an account with Chris? Go to our interactive New Account application at [Open An Account](#). It is fast, saves on postage and it's green.

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