HowardTyllas Daily Numbers & Hedge Ideas

8:45 p.m. Chicago Time 6/29/16 | **Thursday June 30, 2016**

http://futuresflight.com/ Editor/Author: [Howard Tyllas]()

July 2015 Corn

3.92	
3.87 ¼	
--------------3.73	Pivot
3.58 ¾	
3.51 ¼	Contract Low
5 day chart….	Down from last week same day
Daily chart …	sideways
Weekly chart…	sideways
Monthly ct…….. Down	3.87 is the 200 DMA
ATR 13	Ex. Oversold 00%

For 6/30/16: I continue to say "Bracket lines support and resist".

In my daily May 2015 corn numbers on Wednesday; my resistance was **.01** from the actual high, my support was **.01 ¼** from the actual low.

In 2010 $3.24 ($3.18 spot continuation chart) is now support and was the bear's target, with the next objective of $2.90.

July 2015 Wheat

4.55 ¼	
4.47 ¼	
4.38 ¾	
------------4.28 ¾	Pivotal new Contract Low
4.18 ¾	
4.15	
5 day chart….	Down from last week same day
Daily chart …	Down
Weekly chart …	Down
Monthly chart …Down	4.88 is the 200 DMA
ATR 13	Ex. Oversold 1%

For 6/30/16: Contract low is pivotal now, the bracket line resist, daily numbers support.

In my daily May 2015 wheat numbers on Wednesday; my resistance was the **EXACT** actual high, my support was **.02 ½** from the actual low.

July 2015 Soybeans

11.78	
11.65 ½	
11.59 ¾	
----------11.44	Pivot
11.28 ¼	
10.99 ¼	Near Uptrend Line Support
5 day chart...	Up from last week same day
Daily chart...	Sideways
Weekly chart ... Up	(SX daily numbers >>>>>>
Monthly chart .... Up	9.44 is the 200 DMA
ATR 28	Balanced 69%

For 6/30/16: Uptrend line is pivotal, uptrend line and then the bracket line supports, daily numbers resist.

My daily July numbers on Wednesday; my resistance was **.04** from the actual high, my support was **.03 ¼** from the actual low.

My SX pivot acted as resistance was **.02 ¾** from the actual high, my support was .05 ¼ from the actual low.

SX for 6/30/16

1149

1136 ¾

1125 ½

----------------1112 ¾ pivot

1100

1072 ½ ATR 27 Balanced 52%

Farmers and speculators should never assume that they can just do what they want and then just hope that it all works out for the best; if they have failed to plan, then they have planned to fail.

My approach is not to buy the low and sell the high even though I attempt to do so when possible, but rather to take what the market has to offer me and risk a minimum to go for a good reward when my numbers hold.

When a gap is filled the market then has a 50/50 chance to move in either direction. Until the gap is filled it acts as resistance if it is above the market (last trade price), support if the gap is below the market.

Gambling means risking money you cannot afford to lose, but making a "bet" on something is just that, a bet, and I try to get odds in my favor before I place a "bet". When you are unhedged I have been saying you are gambling with your income, and certainly that means money you cannot afford to lose.

In my opinion, only 1 out of 100 speculators will trade successfully the first year, and those who do have a 50% chance of repeating the success the second year.

The numbers do not tell you what to do; they just tell you the possible location for the days actual high and low.

Commentary for Thursday 6/30/16

6/30/16

Grains: I have said it every year including this year and I will say it again "easy come easy go"! I also say "you never know what the market will do, but you should always know what you are doing and why". "Prices are fleeting; take advantage of the market extreme swings". "Do not worry about what you do not make, be happy that you grabbed what you got".

Wheat just lost $1 in 3 weeks, if you think that soybeans or corn are immune to a drawdown or for that matter a significant rally from here, think again, wheat is a good example of "markets can and will do anything". You just have seen what trying to run with the bulls can do when they are trying to run from the slaughterhouse. If the unhedged did not hedge when you had $4+ corn, or $5 wheat, what is the plan now that you are losing more than what was in your hand? No plan up, no plan down, how smart is that? And stress, you might have mixed feelings on what you have not done, but one thing is undeniable, you have almost no stress compared to even those who are only half hedged, let alone the unhedged. Imagine not being hedged and waking up today, what would be your plan? The unhedged right now are lucky to have the funds providing a price above last year's high, but the corn and wheat unhedged are starting to have a real problem and unhedged have much more to worry about than you. These are not the years where corn has a total range for the year of $.40; the risk was much less being unhedged then, now we move more than that in a week.

Bottom line is always having a plan, or you plan to fail.

I really do not care what the report has to say, it has nothing to do with my plan that is based on charts and price levels, rather than figure out what the price should be based on the report. It can be a bullish report and the market could go down sharply, so how do the fundamentals help me in my pursuit of price discovery, and how does the report help me in planning where to buy and sell? The charts do that for me. Yes, I will look at the report after the close, but all it does is telling me the supply situation and if stocks are tight or plentiful. That helps me in this way, if stocks are tight, I know the funds probably will run with that ball in the future, but if stocks are plentiful rallies will be limited, except this year the funds have broken the boundaries of normal.

The next 2 days the market can be sharply higher and sharply lower, and close unchanged. This report is like the playoff's to see who gets into the Superbowl on Tuesday, when the big game begins. The report will bring out the emotions in the market, make sure your position/hedge allows you to be unemotional, and then you can carry out your plans.

"All I have seen fundamentals do fir traders, is justify staying in a losing position for way too long, and lose much more than they should have. When you are right, you need no excuses, when I am wrong I want to have lost a known risk, or use a line in the sand to get out. It does not matter to me as to why the chart level I am betting on failed to hold.

Soybeans are closer to the top of its chart, corn below the middle of its chart, and wheat is at the bottom of its chart, beans are a sell, flip a coin for corn, and wheat is a buy. If I was long soybeans I would be out, and my bullish bias way to be long would be not to take a sell. I would do nothing in corn, and if I was short wheat I would be out and my bearish bias way to be short is to not take a buy to get long.

My idea continues to be we will be at $10 or lower on expiration, and after making most of my losses for June back, I have reduced my position. $.20 up or even better if $.50 lower, I should be well positioned to make money. If the market does go extreme, I have plenty of room to take profits if lower, or sell some back again at a higher level.

Lastly, think about today, then on Friday you must have a plan for the 3 day weekend. If your hedge needs to do nothing, sit back and watch the show until the act comes on the stage you can stand up and applaud/do something.

6/29/16

Grains: I think that we will slow down and be less volatile the closer we get to the report. Then, anything can and will happen. I reduced my position once again and adjusting it for exactly the position I want going into the report. I will be going into it with a bearish position, but short extra puts below the put spreads I have on. That way, if the market is lower I will make money, but if higher I will not lose as much because of my extra short puts. $.20 higher to $.30 lower I should be a winner. I am more interested in trading the market AFTER a significant move, rather than bet on a move before the report. If the market rallies near $11.40 basis SX before the report, I will increase my short position.

I asked you to write down your guesses as to what price we will close every day before the report, and Friday settlement, please do that for yourself. Here are my guesses: Look at the last 2 ½ weeks in SN, the high was $12.08 ½ for 2016, and the low was $10.99 ¼, which makes the pivot $11.54 and the price I guess before the report, after the report it can easily go to that high or low and retest it, that is about $.50 up or down after the report. If we close above the 2016 high, or below $11.00, we could continue that direction for another day or two, then it could retrace giving back some of the move. Corn I guess will remain in the sideways pattern restricted by the bracket lines. $3.85 my guess before the report, and $.20 up or down from there after the report. Wheat is under pressure making new contract lows, more downside is the likely direction, but a surprise can send it into a sharp corrective rally. $4.49 ½ the bracket line is where I think we will be before the report, $.10 lower or $.30 higher after the report.

Have a plan, but known risk strategies are the only thing I would bet on. Hedgers and speculators have a plan for before and after the report, but there is just as much or more risk after we come back from the 3 day weekend. This is paramount; adjust your hedge or speculators speculative positions to make yourself as comfortable as possible. Next week after the smoke clears and the market stabilizes, out of the money options will come down greatly, as well as premiums. Only continued volatile price action will keep premiums expensive.

6/28/16

Grains: Underwater once again for the month, but I did reduce my exposure/position by 1/3 on Monday. I plan to make myself even more comfortable today, and as we approach the report on the 30th. I never know what the market will do, but I always know what I am doing and why. I can say that about my long term subscribers too. New subscribers, whatever you can learn in the short term and improves what you were doing before, will get even better in time as you experience the markets and gain wisdom.

This week I as well as you should be focused on the 30th and after the 4th, make sure if you need to do something before the report, do it. Charts will show you the best places to buy or sell before the report, but make sure you take risk off the table and or get more protection if cheap. This week is a setup for something to come, and the only thing I am pretty sure of, is that it will be volatile, prices will be a moving target, and the funds will be in charge of the game.

Long term subscribers will remember my explaining possible "abandonment" of "in the money" calls and puts that are in the money, but after the close (I think you still can abandon on Saturday morning, at least they used to) they told their clearing firm NOT to exercise their in the money options. The CBOT report the funds did exactly that, not just beans, but all 3 markets. Now, those who had thought their short was offset by the in the money put (they are long at the put strike which would offset their short) found themselves NOT long and still have their short position, now THEY join the need to buy to get flat crowd, they were "trapped". They did the same in corn and wheat. I have talked about this many times over the years, the difference is these are mega funds, and they did it for just a few thousand contracts, in the future they can play games with tens of thousands of contracts. This also proves the funds are not just in total command of the rallies, but how far it breaks too! Mega money, in a small fish grain market, win or lose, they are having fun. Like you gambling with ten year olds.

With corn and wheat lagging going into the 4th, at this time of the year it would mean concern for hot dry weather forecasts for soybean pollination, where time is in the near term for corn pollination. The "what if" is always more the farther out in time you go, because less time like in options reduces the chances for something to occur.

Crops look good and about unchanged in the progress report, and I would think we would reduce G/E by now because that is normal at this time of the year and going forward.

Keep it real, what do you think prices will be on Wednesday, Thursday, and Friday's close. Please, just guess if you say like I do " I have no clue", then this is a good reality check to what your task is, and what you really think, so if Friday you say this and that, you can keep it real and look at what you REALLY thought. If those prices appear before the report, and you can improve your hedge, YOUR thoughts tell you to do something.

6/27/16

Grains: July soybeans have come down $1.10 in two weeks, this correction continues. Corn was $.65 lower today than last Friday, and wheat has collapsed over $.80 in less than two weeks after making new highs for 2016 to new contract lows! This can and will happen in any market. We have seen many a report that has gone from one extreme to the other in 1 or 2 days. If you have been with me since 2009, or 2012, you have seen this many times, because it is the reality of markets. Prices are fleeting, so capture what you can when you can, and do not worry what you might be leaving on the table if it continues higher, but worry about not filling your belly before the price gets rotten. I never care what I do not make, but I care about locking in profits as I seek more income. Half full is what you capture, half empty is complaining for something not captured AFTER the fact. Usually like the unhedged, sure it keeps going higher but they never capture anything, and now it is much lower and for sure they will not sell now. When will they sell? When the market goes so far down the banks tell them they have no choice. They were bulls last week; they will turn bears when at significant supports. You must have a plan, or you plan to fail.

June turns into a winner for me now, even though the market is still $.23 higher for the month.

Huge fund long position accumulation is what sends the market higher, holding that position underpins the market in the short term, but at some time and price, the funds will want to reduce their positions. When the upside becomes harder to realize, and or the fundamentals change, their ideas must eventually change too. Never forget that markets are an "auction process", and when the price goes up you lose people willing to bid for it, and when prices start going down less people are willing to sell. I want to sell when nobody wants to sell it, and I want to buy when nobody wants to buy it, you have seen this in my service year in and year out. The tasks I have is choosing the price/chart levels I want to bet on, managing risk, and have a plan where to exit and take a loss, and a place I will take a profit. The plan might cover many chart levels although maybe only the first level is seen and you never accumulate the position you would desire, but if you bet too much on a level you cut off the possibility to enter more contracts at a better price level. With a known risk strategy you buy the time to see if your idea will be profitable 4 months from now, if not you know the risk which eliminates the stress of the unknown possible loss. Every trade idea, must have a plan, and time will tell if profitable or not, but the plan must be based on solid decisions you make. I make my decisions on the charts I use, the timeframe for my idea, the strategy I use, and I make the decisions on how much to allocate on the idea. All trades are NOT created equal, the trades in the middle of a sideways range does not warrant the bet I would make at a bracket line. Selling against the years high or buying against the years low no matter if it is to enter or take profit, is easy to execute, it is when in the middle and could go to the next level/number that I bet less on.

Huge long speculative positions, stronger dollar, high grain prices, good crop conditions, bullish reports that are "in the market", add up to favor the bears. Now the task shifts to the bulls, as to what support they are willing to bet will hold. The current rally was unimaginable when trading over last year's high; at least the bulls can see what support has held this year on the way up.

The BIG picture is that you must be planning for NOW, is for the report on the 30th and the July 4th 3 day weekend. The ONLY thing that I can plan on is what I will do no matter if it goes limit up or limit down and beyond. Speculator or hedger the task is the same. I will be reducing my position every day this week, taking a more neutral position to be able to take advantage of any price swing at an extreme. If at this price level, I will go into the report with a bearish position, but if at a lower level and support, I do not plan to have much on. If we are at a higher level, I would keep what I have and maybe add some shorts. I am looking to take some profits on Monday/Tuesday, and if it rallies I will sell it back, if it breaks further I will adjust and keep a reduced position.

July soybeans have the uptrend line at $10.90 to support, but the real support I would take profits at is the bracket line at $10.70 if seen by Tuesday. The uptrend line at $10.15 would be a gift before the report and I would be taking profits on whatever I have left, and would stand aside and wait to sell if we can rally back to $12 after the report. These are my plans; I will see what opportunities the market presents. The market can move, and my plan can be tweaked or changed, but one way or another I do not want to risk much going into the report. The market would do well if it can get back to the uptrend line at $11.30, if it recaptures that line the bulls would be in control once again.

Corn was a sideways market, and now once again it is sideways, and the chart clearly shows what has supported and resisted. Basically we are trading the same price we were in November.

Wheat did not get the help of the funds like corn and soybeans, and could care less what the other crops are doing as it posted new contract lows. “Trade what you watch and watch what you trade”, I have always told you, because if you bought wheat on the strength of the other 2 crops, well it worked for a few sessions here and there, but as soon as the other 2 turned sellers it was lights out for wheat. It would have been lights out sooner or later no matter what corn was doing. The only reason to remember, if there are more buyers than sellers the market will go up to fulfill the buy orders, and when more sellers than buyers the market will go down until the sell orders are filled. This is no place to sell, and I would only buy the weakest market on the board for a day trade only. I would rather sell at a significant rally.

6/24/16

Grains: For the week, all 3 grain markets are down between $.35 and $.40. This looks to be the second week in a row that soybeans will close lower, but still is $.52 higher for the month basis the SX contract. As I said, oversold overbought means nothing, the fundamentals mean nothing, market herd trying to run with the fund bulls are always a day late and a dollar short from catching up with them and what they are doing/going. You NEED to have a plan based on your NEED for protection/capture, and the plan also includes the upside you are going after. If you do not know what to capture and when, and you do not know what upside you are willing to sell, that means you do not want to make a decision, but rather have the market make the decisions for you. It also means you have NO PLAN, because if you did you would know what you are doing and why.

You MUST be happy when you do something, or why did you do it? The market does not make what you did right or wrong, it must be the right thing for you or why did you do it? Let’s say you raised your put and sold a new call spread, it was the right thing for you to do or why did you do it? If you say that idea was no good because the market rallies another $.50, and now it is $.50 lower than when you did it and you say to yourself I am glad I did it, I want you to look in the mirror and see what the old lady at the racetrack looks like. Shame on you if you are still the old lady after 1 or 2 years of my service!

I have taught, or still teaching you how to be self directed, and how to make decisions, and the reality that goes with it. I taught you that prices are fleeting, and to have a plan that is good for you, reflecting your thoughts and ideas. I also taught you no matter what YOU think, always have some kind of a hedge on, and you can take advantage if the market moves significantly one way or the other, or both, and always do it CHEAPLY. Ask yourself, what “out there” comes close to the mindset, discipline, and strategy you can now say you know and are using? Nothing, be proud of yourself. Live in the half full.

The repairman for the broken clock almost has it working the way it was in the beginning of the month. One more down day, and I will have recouped the $11,000 I was down for the month of June. I did add at higher levels, but I never increased my position size, only adjusted the strikes, and day traded or swing traded inside of my position. I never risk more when losing than I allocated for, and so I trade smaller when wrong (known risk automatically does that for you) and as I get right my short position increases automatically too.

Volatile day, opening and going $.14 lower to $.07 higher, and close making new lows for the day, volatile enough for you? Just wait; this is only practice for what is to come between the 30th and after the 4th. Did you feel like your old self when the market rallied and you wanted your upside back and of course at another strong resistance level that I would bet on or take advantage of by selling? Do you feel like your old self when the market went down like it has and if you did not have a hedge you would be crying to sell? Basically, do you feel like the 99% I talk about that buys where you should be selling and selling where you should be buying? Yes, this rally blew through every resistance level in an unimaginable rally that I have not seen in my 40 years trading grains, and my account still stands, wounded but quite alive, and well enough to see if my original idea that soybeans would be under $9 (now I will take under $10) by the time the SX options which expire in 4 months from tomorrow. Only known risk strategies could survive being completely wrong, and still have time to be completely right, without the unlimited risk faced with using futures. I know as you should what we are doing and why. Get or take the odds when handed to you and as a hedger it is AFTER the fact, no matter what you think. Not like the unhedged betting that it will go up before it does. Or capturing or getting more protection before it goes down. You sell or improve on rallies, you buy back or reduce your call spreads when it goes down, and the common theme, do it cheaply. You take advantage of the herd, you never run with them. Let the herd now run with the bears, we want that now, but when at a significant support and it looks like nobody want to buy, and THEN you can buy something cheaply.

I talked many a producer this week out of buying (where they should have been selling). They know my intentions are to tell them the right thing, not what is right for me. It would have been right for me to make commissions, but not right to be buying where they should be selling. NOW since it has come down, and if they still want to buy and is much cheaper, do it, and then I make my money the old fashioned way, "I earned it". If they never reduce, and I never get the commission, I am happy and so are they. I do not need to make money I do not earn, especially if I make it the wrong way. Sure it could have gone up, but the odds in the long run are to do the right things, especially eliminate emotions. I am not emotional losing or making money; I would only become emotional if I started to do the wrong things no matter making or losing money, I am always in control of what I do, and know the risks and rewards. I am doing everything right, still losing money, but doing everything right, that is what is important to me. If you do the right things long enough, your account should grow in time. It is not what you make (winners are never a problem); it is what you do not lose. I have always said in this service, not losing money is the same thing as making money. In life, it is not what you make that is a problem, it is what you spend.

Tonight things are quiet, and have been on both sides of unchanged. Today the July options expire, so that is in play too. Everything continues to be extremely oversold, but as I have said it no longer matters since March 1st. The question and answer is all in the funds hand now, they are the ones with large profits, but still have large positions too. The correction continues, and I guess it will end when the funds turn buyers again. But if their plan is to liquidate half their length, we should go down to $10.50 basis SX where the month of June started. Maybe they need some hot dry weather forecast change over the weekend, to give them courage to renew buying. Maybe if they get some bullish weather, they will use that as an opportunity to continue their liquidation. You will never know what the market will do, but you must know what you are doing and why. If you have a plan, you reflect everything you think, and if the plan works for YOU, that is all that counts. When your thoughts change, change your plan. But I only change my plan when the chart tells me to change.

You have today to let your July options to turn into futures, and if not you must initiate an August option contract (based on August soybean futures, and September corn and wheat futures) and another chance to completely reflect what you think about protection that you need, and the upside you want.

The bigger picture for the new crops, what do you think, and what is your plan, going into the 30th and after the 4th? If you do not have the answer now, you really have NO thoughts and NO idea, so if you can do something cheaply to improve your position before then, just do that on half your hedge, that way you cannot be more than half right or half wrong. If you have a conviction you would do them all. If you have no idea, have a "wish list price" and if it goes way up or way down there, complete the wish by executing it.

6/23/16

Grains: Corn closed $.45 off from Friday's close, which is 10% of its total value in 3 days, and more than half way back to its contract low. What took 3 months to rally from its contract low to the 2016 high it just made, took 3 days to lose more than half. All charts are the same when it comes to rallies, they come in the door one at a time, and all try to exit the same door all at once. Like in a movie theater, they come in orderly, but a fire breaks out, and they rush to exit at the same time but the door is only so big, some might die trying to get out. I speak to you about this every year when a rally takes place, to remind you to have a plan because if you think about it for just 3 days, look what happens. Unhedged even with a plan, if they did not capture something by finally selling something, now what since it lost over $.45? Were they looking to make $.45

more than the $4.40? Worse, if they had orders to sell at $4.50 another $.10 income, and did not use a $.10 stop in case it went down, they are now losing $.45 to make the last $.10.

Every year I talk about objectives, and the closer you get to it, the harder it is to obtain, and the risk greatly outweighs the last drop in the bucket. The last few miles in a marathon is much harder and takes more energy than the first few miles in the run. It is the same with commodity prices. I, the casino, never want to risk more money than I am willing to make. It does not matter if you bought November soybeans at $9 and now it is let's say $11.75 looking for $12, your reward is $.25 if it gets to $12, so you should have a stop no lower than $11.50 which is risking the same as the reward. Now at $11.15 "Mr. No Stop" is losing $.60 going after $.25, and worse if he has no plan or risking even more. Does this sound or look like a professional?

The market can and will do anything, knowing that it is easy to have a plan that always has that thought included, and for me to make a plan reflecting my thoughts, just as doing my numbers. With option knowledge, you become the casino, and increases profits when right, and decreases losses when wrong (when right it increases in value, when wrong it can only go down to worthless). The charts also give me the odds too like a casino, knowing the probable support and resistance I can bet on, rather than being "random".

Corn is in the middle of its entire movement so I consider it in balance, and wheat is extremely oversold near the contract low so no place to get short, hedgers should allow room for new contract lows when you "morph" to August options (based on September futures), July options expire on Friday. I am not interested in trading wheat, for a day trade I could take the buy signals, but longer term I would want to sell resistance levels.

Soybeans are in correction mode, and I think by the 30th we will be lower than here going into the report (weather permitting). Beans are oversold now and at support basis the uptrend line, but just like the way up, it could continue to stay oversold for quite some time. The funds have the answer, no matter what fundamentals you think are in play. I liked adding a little when at resistance on Wednesday, and for day trading I like it even more. I have no problem taking profits at supports. Use a stop to protect any idea.

6/22/16

Grains: I am holding my short position looking for lower prices.

Hedger or speculator, if you mumbled the words woulda shoulda or coulda, it means you did not do what you were supposed to do according to your plan. If you had no plan, it meant you would not, should not, could not follow a plan when there was none. Only an old lady at the race track, could have a plan to bet a race AFTER it is over. This is the first day of the rest of your life, so new subscribers as well as old subscribers should take the wisdom gained from your knowledge through experience, and use it to improve how you do things going forward. It is a mindset you must battle first; my strategy eliminates the emotions and fulfills the task of having some protection as you pursue more income. But your battle is the same as mine; you must make decisions and live with them. I said "start over" on hedges, "raise long puts when cheap", and be willing at these price levels to "sell a call spread above the current price". What held you back if your hedges warranted improving or capturing cheaply? Greed, and emotions, and the mindset that lives in the half empty, not happy with the full in what you capture, but instead unhappy with what you did not get empty. Trading involves mindset being the foundation to any trader, because your approach, how you handle risk, is the key to success, no matter what "system" you use to trade with.

I say at least a few times every year, "prices are fleeting and like moving targets, if the price comes into the crosshairs of your plan, fire/execute", otherwise you might find yourself shooting your foot, like the unhedged are doing now. Price means nothing unless YOU capture it.

I have told you before, and it goes for any year any price, when the old crop is in the bin, and the calls you sold are deep in the money, when you market (sell cash) at the same time just buy back your short calls, and

LEAVE ON the cheap or almost worthless put side. Today, puts that were worthless, are more than $.20 "in the money", and that is one way how I AM THE CASINO, having the odds in my favor, lose in this case nothing, to make a windfall profit. NOT like the producers I talked out of wanting to raise the short $4.40 call higher or lower the lets say $5.50 call, they are players, buying where they should be selling, and risking much more than they would make if right. Being long above the $3.80 put is not enough for traders and producers to $4.40, and wants to pay $.09 for just the $4.40 to $4.60 call, REALLY? Look what $.09 would have bought you if you spent that on your current hedge.

Learn to have a plan, always, no matter what it is to improve your hedge (same for speculators), and follow it. Yes, you can improve your plan as time goes on, but always capture something of what the market gives you, and do not risk too much money on any idea. The unhedged have no plan, they are victims or heros, but the market has total control of that, the unhedged have no control. They are always looking at the same question, where do I sell it? You never sell it, you only sell a fraction or fractions of the unlimited price spectrum, and only buy fractions of protection, but it is that protection that gives courage, takes away emotion, and gives you the control to make sound and wise BUSINESS decisions.

If July closes below the low of the last 2 weeks at $11.27 ¼, next support is 11 Bucks. Gap resistance is $11.59 ½ which is now strong resistance going forward. Market is extremely oversold, which would normally caution me to take profits if short or wanted to get long because we are at good support after the best correction in almost 4 months. But this is NOT a normal market; it never went balanced let alone oversold until last week. So we could now see the opposite, it might stay oversold for several more trading days.

Bracket lines "frame" the corn market parameter extremes. Wheat is testing its contract low, no place to be short as a speculator, but is a place to take profits if short.

Easy come, and quickly go, just look at the charts, they speak for itself. I have always said "actions speak louder than words", I knew that clearly since I was a child, and is a rule I have always lived by. I also learned the first part of that too, "talk is cheap, and actions speak louder than words"! Have a plan based on your thoughts and ideas, and when you can execute, do so, otherwise what kind of plan also includes failure to implement it?

Charts at supports now, so I have a friendly bias for day trading today, swing trades I would look to sell a resistance. Use a stop to protect any idea.

6/21/16

Grains: All 3 markets posted a gap from Friday's close, and they are now resistance. Until the gap is filled and the market closes above it, bears are now in control short term. I am holding my long term short position looking for lower prices.

Market was expecting corn and soybean ratings would go down 1 or 2% each, according to Barchart. Rating improved for soybeans by 2%, and the improvement came from fair ratings up to excellent. G/E condition is now 74% compared to last year at 67%.

Corn rating was still 75% but 1% moved up from good to excellent. This compares to last year at 73%.

Normally, ratings start to deteriorate as summer begins, and maybe the market was expecting the dryness to trim yield potential. Instead, conditions improved, and this week is starting off to benefit crops potential, not decrease it.

Yes, conditions got dryer in the topsoil, but subsoil is still very good and on par with last year. Other crops are also improved conditions from last week.

I always bet on "normal" weather, people who bought the idea that the Corn Belt would get the weather we have in Vegas, will lose the bet for now. Maybe down the road, there is a lot of time for the crops to be threatened, or "made".

I see the COT report stating corn fund longs increased by 41,000 contracts to 362,000 contracts, but Barchart says it is 252,000; I am confused as to how they think that. Soybeans they bought 5,000 to 246,000, Barchart says 207,000.

Weather favors the bears, crop ratings favor the bears, huge speculative bull positions at these high price levels favors the bears, and the chart now favors the bears in the short term. Now bears have solid resistance to sell against, with 2016 highs as major resistance just below the weekly strong downtrend line. Gaps since March 1st were all to the upside, now the gaps are to the downside.

Bottom line is the funds will do what they want, and the fundamentals will not help you. It seems they continue to toy with the market, but the bigger picture for them and everyone else in the longer term time frame is what will happen on the 30th and the 4th? Both are primed for a limit move one way or the other.

Markets are oversold now, so I would trade without bias today, and use a stop to protect any idea. Improve your hedge when possible this week, when cheap only.

6/20/16

Grains: For the first time I am looking at weather maps, the trouble is, good crop or bad crop I do not think it will help you in discovering what the price will be next month, or at harvest. It might be just another trap. If the weather turns positive and the market goes down, it could be just what the mega funds are looking for, another buying opportunity and could buy another 100,000 or more contracts. Or negative weather sparks anther leg up on the rally, and to a price level the funds will be taking profits. You just seen the market go down $.80 in a couple of days, anything is possible, and the future is a crap shoot, so you MUST have a plan even if it is to do nothing at the current price level. I have no idea what the market will do (do you?), but I do know what I am doing and why I do it.

No matter what the market does, before the quarterly stocks report on the 30th, get your hedge and speculators get your position in order, because the market should be more volatile after that, and even more so going into and after the July 4th weekend.

Soybeans did take a breather last week, and posted its worst decline since March 1st, but on Friday it rallied sharply to get back most of its losses for the week. Maybe it was the weather, but knowing the reason does not answer my question of "how high is high and how low is low". Numbers are spot on daily, and corn and soybeans did get to the previous week low, but that was all the bears could do, and with the sharp break allowed the bears the chance to take something off the table, so if it did rally they would not spin their wheels, instead have less risk, and can sell again at a higher level. Have a plan, always.

I said a few times in the past, to reduce your contract size no matter making money or not, because of the increasing ATR's at the time, and the volatile nature of the increasing contract ownership of the funds and speculative bulls. It is not easy being long and watching the market implode for a couple of days, before trimming the losses.

Be cautious now, I cannot stress to you more about the violent phase the markets are entering, as we count down to the July 4th weekend and beyond. Funds are in uncharted waters, and the market action at these price levels does not fit the crop progress reports and possibility of a bumper crop. Does not matter if the weather is in play and we keep going higher, your task as a hedger is to capture what you can CHEAPLY by raising your long puts, and when YOU want to lock in more, sell a $.60 or more call spread that is at a higher price level, that way you are forcing the market on expiration to stay above your long put, and get into or above the new call spread, which also means you will get the money from the long put to the short call. If it does not get up there on expiration, at least you collected some money from the call spread sold, which helped pay for your long put you kept raising.

July soybeans support this week is $11.29 which held last week, if that goes a deeper correction should follow in search of the next support that might hold, daily numbers resist. Soybeans are oversold, which has only happened a couple of times since March 1st.

The 2016 high in corn at $4.39 ¼ resists, but if we close above there it will become support. No place to buy here, and the bracket line has been solid support at $4.23.

Flip a coin in wheat, until it gets closer to its bracket line support or resistance.

6/17/16

Grains: Spot on numbers make the task easier for day trading or if you need to buy or sell something as a hedger. Extreme chart levels also make it easier for longer term ideas.

Last week's low held, and if that goes the uptrend line at $11.10 is next. Soybeans broke about $.80 from the high, and now the bulls need to stabilize the market to be able to make another run to the upside. It is easy for the bulls to know now what supports are likely to hold, unlike the bears task to find a resistance that would hold on the way up. It was unimaginable that we would need to go back to 2014 to find something that might resist. But it was the weekly downtrend line near $12.25 that was and will be the strongest resistance this year. Your guess is as good as anyone as to which support will stop the correction. We rallied $1.50 in the month of June so far, and have pulled back half way. It could go either way today.

The June 30th report is huge, and then the July 4th weekend, and before then you should make your position/or hedge comfortable. Known risk strategies is the only way I would have a position going into that timeframe.

Corn hit the wall at $4.40 the last 2 weeks, and like soybeans continue a pullback. Since 4/10/16 this market has rallied almost $.90, hard to imagine, but reality is always the last trade price. Take a look at the put side, and if you can get more protection cheaply you should do so on some of your contracts. Hard to capture more income, because with volatility and time until expiration, it is too expensive for now.

Wheat rotated again, in the last 10 day it rallied and broke basically $.50. In sideways markets, you take the sell signals or improve your hedge by capturing or buying more protection when at bracket line resistance, and take the buy signals at bracket line support and reduce your call spreads when cheap if you can. This goes for any market with a sideways pattern.
I do not look for much to happen today, but Sunday night and Monday should be volatile.

6/16/16

Grains: First time since March 1st that July soybeans are in oversold territory. The November is still in balance, and both markets are in correction mode. This is the biggest pullback in the same timeframe, and it looks like the correction is on its way headed to uptrend line supports. I continue to sell rallies adding to my short position and holding longer term. All 3 markets are "painting/trading" by my numbers, and the main reason I am here today. We all have and are using my numbers, I take credit for the best numbers on the planet, and you my subscribers know better than anyone. I do not take credit for how well you use them, or abuse them (by selling where you should be buying, or buying where you should be selling). I do not take credit when you lose on 2 contracts and win on the 10 contract trades. YOU must take credit for what you do, or not do. No matter trader, or hedger, YOU are in control of yourself, and must take responsibility for your successes and failures. The how and why as to what I do as a trader, is what you should be doing as a hedger.

New subscribers might be thinking the broken clock was right again today for 1 second, but tomorrow the clock might be getting fixed. $10.50 soybeans would mean the repairman has it working again. Remember my trade idea that soybeans will be at $9.20 or lower on expiration, now $9.80 would do nicely to bring the money back into the piggy bank. One day at a time, you do the best you can, and also remember a penny saved is a penny earned, in this business a penny NOT LOST is a penny earned.

Bulls are becoming Nero now, and could be watching their money burn. Those who added longs in soybeans above $11.90, and corn above $4.30, are now long more contracts and raised their average price, not good. Take profits on significant rallies and if the market continues higher just stand aside or look to take a sell signal instead. Your way of being long at these levels, is by not selling.

Tonight he markets are under pressure, and nothing looks like it has in the past few months, you can see the change developing. "Things do what they do until they do not do it anymore" and it looks like the market is not going straight up anymore. Bulls who think that they now are willing to sell it higher than here, might not get the opportunity again, at least not on this run. They might want to sell it $.10 higher, that would be the profit than not selling here, but to sell it $.10 higher, how much are they risking if it goes down instead? Also, if they do sell it $.20 lower instead via sell stop or decision to exit, the risk reward is a failed plan, whenever you risk more than you are willing to make, from here.

Usually when I smell smoke, the fire is not too far away, except when the biggest rally in 40+ years took its place in the history books. But I have warned at these lofty levels, and the major downtrend line at $12.25 sure makes it easy to sell against. I would have added much more than I did if we got up there, and still would, but I did havce a plan to sell which I have done a few times the last 5 trading days. Have a plan, mine was to sell every significant resistance, and if it sustained trading above the downtrend line, I would hold my known risk strategy at least through the July 4th weekend.

I warned the biggest event could occur after the July 4th weekend, and the last report was just practice for what is to come. On June 30th the quarterly stocks report will come out, and could send the market into a frenzy. If that does not do it, the July 4th 3 day weekend is likely to be chaotic and volatile. You MUST have a plan from now through the big 4th weekend, otherwise you plan to fail. My plan, even though it has not worked, is orderly and just did not work, and I know why, the resistance numbers did not hold the market from further advance until now. Know what you are doing and why, and then you can make plans you can not only live with, but reflect what you think. No matter what you think, take advantage of what the market gives you, and that can be done easily. If the old lady comes into your being because the market moves and you are not happy with what you did but were happy when you did it, you better look in the mirror and tell the person what reality is, or go see a psychiatrist. People, who live AFTER the fact, are people who think the glass is half empty, and do not like making decisions they can live with. I stay away from negative people, and people who always know what to do after the answer is clear. I would rather admit to myself what I can do better, than blame someone or the markets, because I am in control of what I do, the market does not control me, or the grain gurus, weather forecasters, or the "Wizard of OZ", I have always taken responsibilities for what I do, good or bad, since I was a young boy. "Grownup's" who cannot, are weak, and should not be in leadership roles, they change with the wind or what makes them feel good. The TRUTH whatever it might be, has always been my friend, because it does not change because what one might think.

Corn and soybeans I would day trade today without bias and use a stop to protect any idea, and wheat is extremely oversold so I would want to buy at support and use a sell stop to protect.

6/15/16

Put yourself in a position to make money, use the daily numbers service!

1-312-823-9189

Ideas and strategies are to help educate you to my trading structure and style. Only you can know what is right for you and your account size, trading style, risk tolerance and so on.

My mission is to educate you, giving you my 40 years experience, wisdom, and knowledge from which you will then be able to use and benefit from at will. I know what will help you make money, and I know what will insure failure. Use my services and prevent, **if I only knew.**