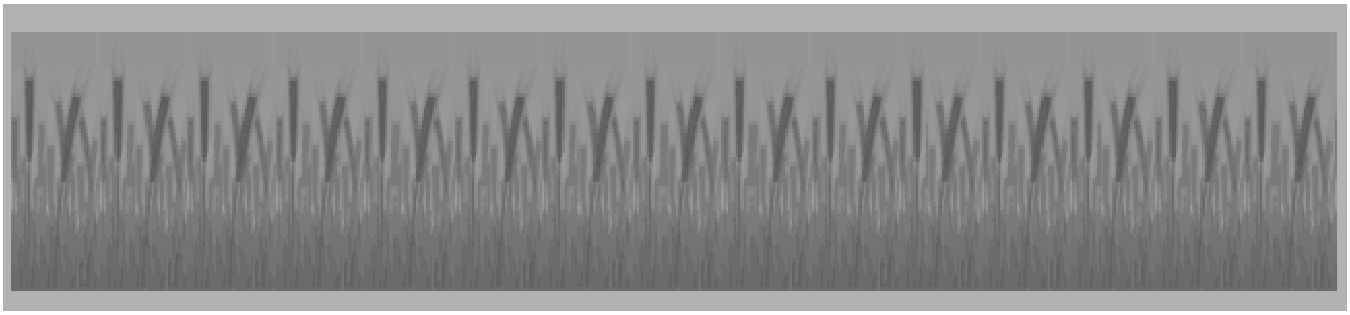
# *2006*
# *Grain Trader's Almanac*



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The Grain Trader's Almanac is intended to be used as an organizer. It contains a plethora of information presented on a calendar basis, to serve as a reminder as well as to guide thoughts to certain subjects through out the year.

Its purpose is to enlighten and make the business of analyzing the grain markets easier. Even if in your interest in the grain markets you pay little attention to cycles, indicators, seasonality, the relationship of supply to demand, or historical patterns, your success in the grain futures markets could hinge on your interpretation of one of the studies presented within these pages:

- It keeps you updated on important potentially price affecting grain market reports.
- It highlights important stages of development of crops and potential pitfalls which may have an affect on prices.
- It provides a broad view of the grain markets, providing both historic pricing information as well as supply and usage statistics.
- It provides a wealth of information in one central location to help you make more informed decisions in today's fast-paced grain futures markets.

Please read the following disclaimer. Though our intention is to help participants in the grain markets by helping them to develop independent thought through the use of historical examples, we do feel it is important point out the limitations of this style of analysis.

# *Introduction to the 6th Edition of the Grain Trader's Almanac*

In each of the last 6 years I have written and published the Grain Trader's Almanac. The Almanac started off when I was an analyst for a brokerage firm, and I used a binder to organize my thoughts and keep records. After a while, I found myself copying the binder frequently for brokers, and neatening it up for client use. Keeping with the same theme of the Almanac as a tool, the 6th Edition has seen a few changes, such as the inclusion of more spreads as well as putting more emphasis on recent data and trends, given the changing nature of the cycles in grain production due to the increases in production in South America and China.

The purpose of the Grain Trader's Almanac is to help organize your thoughts around certain key market principles at the appropriate time of the year. It is designed as a general road map to the market, not promising you riches in just 15 easy minutes a night, but a guide for helping you to make informed decisions in the grain markets. It's purpose is to alert you to the nuances of the grain trade and the factors that may affect prices throughout the year. For example:

- How grain prices are affected by the cycle of uncertainty and certainty of future supply. How historically, grain prices have increased from March through May, as spring crops are planted and how as the crop approaches pollination, prices discount the future supply of harvest.

- How to understand the relationship of supply to demand in the grain markets and use this information to discern value. The modified Grandmill method presented in Appendix 2 serves as a useful guide for discerning value or over valuation based on the relationship between supply and usage.

- Historical Supply and Usage statistics so that you can judge the relative size of the current and future crops and the possible implications this may have upon pricing of grain futures. Normal crop development and conditions are shown as well, so that you can spot potential changes to the supply and usage patterns in advance and hopefully react before the effects are fully priced in.

- How behavior at certain times of the year can be used as a guide to anticipate future pricing. This year we took our scenario behavior a step further, in the Grain Strategy pages, detailing complete trading plans for taking advantage of trends and trend reversal surrounding specific times of the year.

As in years past, we again are backing the 2006 Grain Trader's Almanac with an unconditional "money back" guarantee. If you are unsatisfied with your purchase, simply return the Almanac in good condition (or delete the pdf version from your computer) to CFEA and we will issue you a refund.

Hopefully, you will find the Almanac to be both interesting and useful in your market operations. Though every year in the markets is unique, and cycle of behavior can and do change the basic themes and information presented in the following pages are designed to give you enough information to hopefully make informed decisions in the Grain markets.

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# *Grain Informational Appendices*

# *Reading the Fundamental Overviews*

Each month the 2006 Grain Trader's Almanac provides its readership with a general overview of the past several years fundamental figures.

### CBOT Corn

**1**

| Crop Year | 99/00 | 98/99 | 97/98 | 96/97 | 95/96 |
|---|---|---|---|---|---|
| **Beginning Stocks** | 1787 | 1308 | 883 | 426 | 1558 |
| **Production** | 9437 | 9761 | 9366 | 9293 | 7374 |
| **Total Supply** | 11239 | 11079 | 10259 | 9729 | 8942 |
| **Domestic Use** | 7550 | 7570 | 7665 | 6870 | 6285 |
| **Exports** | 1975 | 1700 | 1750 | 1900 | 2150 |
| **Total Use** | 9525 | 9270 | 9415 | 8770 | 8435 |
| **Ending Stocks** | 1714 | 1809 | 844 | 959 | 507 |
| **Average Farm Price** | | | | | |
| **High** | 2.10 | 2.10 | 2.75 | 2.85 | 3.40 |
| **Low** | 1.70 | 1.80 | 2.45 | 2.55 | 3.00 |
| **May Futures Price** | | | | | |
| **High** | 2.28 | 2.85 | 2.98 | 3.91 | 2.44 |
| **Low** | 2.10 | 2.70 | 2.66 | 3.62 | 2.37 |

Source: Monthly WASDE Report for January

**2**

**General Comments:** January Grain Stocks Report tends to dominate trade ■ Large "On Farm" stocks (as % of Total) have seen nasty "February Breaks" ■ January Crop Production report also important ■ Southern hemisphere crops are "silking", so watch weather for surprises ■ emphasis on trade post Stocks Report tends to be on usage (exports and feed) ■ New Year tax abated sales tend to weigh on prices

**3** **January Grain Stocks Report Highlight -**

| | ON Farms | OFF Farms | Totals |
|---|---|---|---|
| | | *(In 1,000 bushels)* | |
| **1999** | 5,180,000 | 2,839,860 | 8,019,860 |
| **1998** | 5,320,000 | 2,731,846 | 8,051,846 |
| **1997** | 4,822,000 | 2,407,825 | 7,229,825 |
| **1996** | 4,800,000 | 2,102,974 | 6,902,974 |
| **1995** | 3,960,000 | 2,140,852 | 6,100,852 |

**1** Supply and Usage Balance Sheet: This table represents the 5 years worth of monthly crop size and usage estimates as were reported during the month in question in the World Agricultural Supply and Demand Estimates Report (WASDE). Please note that these are not final estimates, but are preliminary estimates as they were released.

**2** General Comments: This field contains general statements about the stage of development of the crop as well as statements of opinions about what factors the market has generally paid attention to in the past. Statements regarding the tendencies of the USDA/NASS to "over" or "under" estimate certain key factors have been taken directly from USDA/NASS reports regarding the accuracy of their own materials.

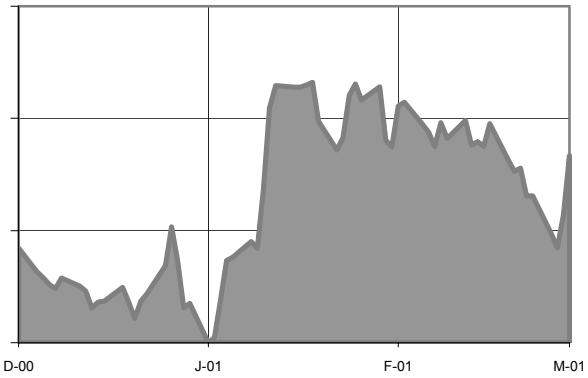
**3** Highlights: This brief table generally portrays a specific report, outside the general WASDE Report which may have an impact on trade during the month in question. The title of the report, plus the source of the data if not self evident, is provided so that readers can compare the actual figures for themselves. The data provided in this field ranges from the Quarterly Stocks Report (shown above), to Crop Progress Timetables, to end-of-month Crop Progress and Condition summaries.

# *Reading the Technical Overviews*

Each calendar month, the 2006 Grain Traders Almanac provides readers with a general over view of past market performance in a graphic and tabular format. Each field is numbered and explained briefly as to its meaning and calculation as follows:

**1 Commodity**

**2 Futures Contract**
**19-Year Seasonal Average**




Years 1982 to 2000 settlement values used.

**General Comments:** The "February Break" tends to start in mid-January ▪ 19 Year Batting Average for May Contract is Up 10 & Down 9 ▪ Especially strong Januarys follow weak Decembers ▪ Weak Januarys tend to see lower lows in February ▪ If a strong January then expect the low to hold ▪ Expect monthly high mid month ▪ 3rd strongest month historically

**- 19 Year Monthly Performance Summary -**

| | | | |
|---|---|---|---|
| 3 # Years Up | 10 | 10 # Higher Highs | 11 |
| 4 # Years Dn | 9 | 11 # Lower Lows | 7 |
| 5 Total Change | 54 ¾ | 12 # Expanded Range | 10 |
| 6 Avg Change | 3 | 13 # Narrow Range | 9 |
| 7 Avg Gain | 10 ¼ | | |
| 8 Avg Loss | - 5 ¼ | 14 5 yr high | 378 |
| 9 Avg Range | 16 ¾ | 15 5 yr low | 207 ¾ |

**1** This title depicts the Commodity in Question. For example: CBOT Corn, CBOT Soybeans, or CBOT Wheat

**2** This is the specific futures contract used to create the seasonal chart as well as the specific contract used to derive all of the Hypothetical Performance results depicted in **3** through **15.** The seasonal chart depicted below this is a composite of the last 19 years, highlighting the month being depicted in the title, as well as the previous and following month. For example, this may read May CBOT Corn Futures.

**3** # Years Up: This refers to the total number of years during the tested month that the specific futures contract in question settled the month higher than the previous month. For example, in January the May Corn futures have settled higher than the previous December's monthly settlement 10 times in the last 19 years.

**4** # Years Dn: This refers to the total number of years during the tested month that the specific futures contract in question settled the month lower or down (Dn) than the previous month. For example, in January the May Corn futures have settled lower than the previous December's monthly settlement 9 times in the last 19 years.

**5** Total Change: This refers to the total change in price of the specific futures contract, on a monthly settlement basis during the last 19 years. For example, in the last 19 years, May Corn futures have gained a TOTAL of 54 ¾ cents during the month of January.

**6** Avg Change: This refers to the average change in price of the specific futures contract, on a monthly settlement basis during the last 19 years. For example, in the last 19 years, May Corn futures have gained an AVERAGE of 3 cents during the month of January. This figure is rounded to the nearest ¼ cent increment.

**7** Avg Gain: This is the average of the monthly gains. This field is calculated by summing only those months which settled the month in question higher and dividing by the frequency of such occurrences. For example, in the 10 years which May Corn settled the month of January higher, May Corn futures gained an average of 10 ¼ cents.

**8** Avg Loss: This is the average of the monthly losses. This field is calculated by summing only those months which settled the month in question lower and dividing by the frequency of such occurrences. For example, in the 9 years which May Corn settled the month of January lower, May Corn futures lost an average of 5 ¼ cents.

**9** Avg Range: This is the average of the monthly range. This field represents the average distance between the monthly high and low. For example, in January on average the difference between the monthly high and low for May Corn has been 16 ¾ cents.

**10** # Higher Highs: This is the number of times the highest price during the month being analyzed has exceeded the highest price achieved during the previous calendar month. For example, May Corn prices have exceeded the December High in January 11 times in the last 19 years during the month of January.

**11** # Lower Lows: This is the number of occurrences where the lowest price recorded during the tested month has been lower than the lowest prices recorded during the previous calendar month. For example, in the last 19 years, May Corn futures have exceeded the December lows in January 7 times.

**12** # Expanded Range: This is the number of times that the difference in price between the monthly high and low has exceeded the price differential of the previous month's high and low. For example, since 1982, May Corn futures have had larger monthly price range (monthly high - monthly low) in January 10 times versus the previous month's range.

**13** # Narrow Range: This is the number of times that the difference in price between the monthly high and low has been less than or equal to the price differential of the previous month's high and low. For example, since 1982, May Corn futures have had smaller monthly price range (monthly high - monthly low) in January 9 times versus the previous month's range.

**14** 5 yr High: This represents the highest price achieved by the futures contract in question during the month being analyzed during the last 5 years. For example, the highest price of the May Corn futures during the month of January in the last 5 years has been 378.

**15** 5 yr Low: This represents the lowest price achieved by the futures contract in question during the month being analyzed during the last 5 years. For example, the lowest price of the May Corn futures during the month of January in the last 5 years has been 207 ¾.

Each of these statistics, plus general commentary are provided each calendar month for specific contracts to help participants make more informed trading decisions. These figures are not intended to be buy or sell recommendations but merely representations of historic performance. The General Comments are statements of opinion and are subjective in nature

# *Seasonality & the Grain Markets*

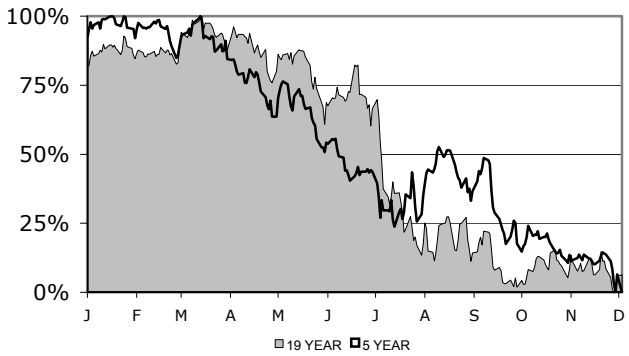
The seasonal charts depicted in this publication are a pictorial presentation of the normal behavior of the markets. The charts are made for specific contract months, so that the trader can see the behavior of the specific contract they are looking at. This detail is of the utmost importance in markets with new and old crop contracts, such as the grain futures markets.

The charts depict behavior on a relative basis, meaning the actual prices are not forecast, just the relative position of the market versus its contract high and low. On the seasonal charts, the high is depicted as 1.0, or 100%, while the low is depicted as 0.0 or 0%. Using a 12-month period, we rank all 19 years analyzed in terms of where each day falls as a percentage of the highest and lowest price of that 12-month period for each specific year. These prices are then averaged and the average is depicted in our charts.

To read the chart, just follow the chart and remember that the top of the chart is the forecasted contract high for the 12 months displayed, and the bottom is the forecasted contract low.

For example, assume you are following the December Corn futures. Using the chart above you can see that on average in the last 19 years, December Corn futures have reached their highest price for the 12 months being studied around the second week of March. From these April highs, prices have tended to break until early June, posting a rally during much of June, before falling sharply off. You will also notice that no price scale is used on the vertical scale, as this type of chart depicts average relative behavior versus the high and low. Pricing has intentionally been left off, so that users of these charts use them to ascertain the normal trend, not to try to pick absolute price levels.

**December Corn Futures Seasonal Average**
(1986 to 2005)




Source: Data compliments of Gecko Software. Closing values used. Past performance is not necessarily indicative of future results.

Each month, in the Technical Overview section, the most liquid grain futures contract is shown on a seasonal basis. Only the month being presented, and the month preceding and following are shown to give the user a more detailed look at how the futures contract in question has acted historically. This chart becomes instructive because one already knows the price range for the contract in question in the previous month, and can judge how the current month has normally reacted. One can judge if the previous pattern has held true to form, or if the market is reacting to other events outside the norm. For example, historically after a sharp drop in September, December Corn futures have tended to bottom and rally in the first weeks of October. Producers could use this information to post pone marketing later into October, while purchasers may wish to look to buy at the beginning of the month. Speculators can use this information to assess positions and trends, or time the entry of new positions.

The important thing to remember in using Seasonal Charts, and HYPOTHETICAL studies in general is that they are reflections of what has happened in the past, and do not necessarily predict what will happen. However, by understanding what has happened and why, one can make a judgment about whether or not it will happen again this year. Seasonal charts show the average behavior of the contract, implying a normal condition. Obviously history never repeats itself exactly and no year is exactly normal! But understanding how things have affected prices in the past and what a normal situation looks like may help you to view the current situation within its proper context and thereby allowing you to make a more informed- *and hopefully accurate*- decision as to what the future may hold.

# *Risk Premiums & the "Three Destructions"*

The grain markets follow a fixed cycle of production, flowing from planting to harvesting at specific times of the year. The National Oceanic and Atmospheric Administration and the United States Department of Agriculture (NOAA/USDA) Joint Agricultural Weather Facility refer to these stages as moisture and temperature sensitive stages of development. During these stages of development, the crop is vulnerable to damage from the forces of nature.

During planting, too much rainfall can make fieldwork difficult to impossible. Late plantings can result in loss of acreage or late development, which can result in a lower quality crop or lower yields. Too little rain can prevent seeds from proper germination, resulting in loss of production as well. Hence, during the planting effort, farmers are somewhat at the mercy of nature, and thus the risk to the crop is great.

During pollination, or the reproductive stage of crop development, excessive heat and a lack of precipitation result in poor pollination and lower yields. Extremely low temperatures and/or excessive rainfall can hamper pollination as well, resulting in crop loss. Excessive heat, lack of wind, or drought conditions can also hamper pollination, or stress the crop causing a poor pollination. Because this stage of development is so extremely weather sensitive, prices tend to rise reflecting the risk to the crop.

During the later stages of maturation and/or harvest, excessive heat can cause crop damage. Prolonged exposure to moisture can reduce quality, allow mold-based diseases to spread, as well as delay the harvesting effort due to the ground being to muddy for fieldwork. Early frosts can damage crops as well.

Because grains are produced annually (once a year, in most cases), supply is replenished only once a year. Grain usage, though it ebbs and flows, is spread out throughout the year. Thus, yearly production must be rationed. The rationing mechanism is **PRICE**.

Price is a function of not only current supply but perceptions of future supply as well. When current supply is plentiful and/or future supply appears abundant, grain prices tend to decrease as consumers become less anxious to secure supply at today's prices and producers market their crops more aggressively to secure today's pricing before prices erode more. When supply is relatively scarce and/or future supply looks uncertain, consumers tend to be more aggressive in pursuing available supply and producers less ready to part with production, which results in rising prices.

The amount of change in price due to future supply perceptions is known as the **RISK PREMIUM**. When future supply is perceived to be tight or limited, the futures markets tend to "build a risk premium" into prices, with prices tending to be higher than one would expect based on current supply and usage patterns. As future supply perceptions become more secure, the futures markets tend to "remove the risk premium" from prices, resulting in pricing closer to the lower level that reflects supply and usage patterns. Hence, the futures markets tend to reflect the marketplace's perception of future supply by increasing or decreasing the risk premium factored into prices based upon how secure it feels future supply is.

Because crops are most vulnerable to damage at Planting, Pollination (reproduction), and Harvest, futures prices tend to reflect this by increasing in prices to compensate for the uncertainty surrounding future supply. Because markets are emotional, driven by the forces of fear and greed, prices can reflect irrational expectations about the future… essentially destroying the crops in the pits of Chicago based on these emotions during the three critical stages of development.

# *Risk Premiums & the "Three Destructions"*

**( continued )**

We have coined the term **The Three Destructions of Grain Crops** as a description of the "*irrational exuberance*" – to quote Federal Reserve Chairman Greenspan- which occurs in the building and removing of risk premiums. Understanding the relative risk associated with a crop during certain stages of development can be a useful guide in understanding grain pricing. The size and extent of risk premium varies greatly from year to year, based on current and perceived supply and usage patterns. Though there is no guarantee that this pattern will continue in the future, it has served as a guideline in the past.

***Total Gain (Loss) in the Last 19 Years***
(in cents per bushel)

| | Corn | Soybeans | Wheat |
|---|---|---|---|
| **January** | 39 | -113 3/4 | 44 1/2 |
| **February** | 58 3/4 | 243 1/4 | -101 1/2 |
| **March** | 31 1/4 | 216 1/2 | -6 |
| **April** | -33 1/4 | 159 3/4 | 99 |
| **May** | 3/4 | -49 1/2 | -145 3/4 |
| **June** | -29 | 37 3/4 | -96 1/4 |
| **July** | -255 1/2 | -470 | -80 3/4 |
| **August** | 34 1/2 | 222 | 129 1/2 |
| **September** | -92 3/4 | -171 | 19 1/2 |
| **October** | 48 3/4 | 14 3/4 | 23 1/4 |
| **November** | -39 1/2 | 186 3/4 | 4 3/4 |
| **December** | -13 1/4 | -64 1/4 | -41 |

*Past Performance is not necessarily indicative of future results.*

**Spring Planted Crops**

Corn and Soybeans are planted in the spring. Corn planting in the United States typically begins in late March and is completed by mid to late May. During March and April, possibly in response to planting worries, Corn futures have lost a total of -2 cents in the last 19 years and Soybeans have gained 376 1/4 cents – *see table at right.* Winter Wheat is planted in September through early November, and has gained a total of 42 ¾ cents during the period studied.

***Three Destructions Vs Rest of Year***
(total gain(loss) in cents during past 19 years)

| | Corn | Soybeans | Wheat |
|---|---|---|---|
| **Planting** | -2 | 376 1/4 | 42 3/4 |
| **Pollination** | -28 1/4 | -11 3/4 | 93 |
| **Harvest** | 48 3/4 | 201 1/2 | -96 1/4 |
| **Three Destructions** | 18 1/2 | 566 | 39 1/2 |
| **Rest of the Year** | -268 3/4 | -353 3/4 | -190 1/4 |

*Past Performance is not necessarily indicative of future results.*

Notes: the tables above uses futures data provided by Gecko Software from 1985 to 2004, or the most current 19 years. The following futures contracts were used for each month: Jan-Feb (CK,SK), Mar-May (CN,SN), Jun-Jul (CU,SX), Aug-Sep (CZ,SX), Oct (CZ,SF), Nov (CH,SF), Dec (CH,SH) Planting, Emergence, and Harvest are based on the USDA/NASS Crop Progress Timetables

The Spring Planted Crops typically pollinate in June and July. Corn futures have lost a total of -28 1/4 cents in May and June during Pollination, while Soybeans have lost -11 3/4 cents in May and June. Winter Wheat emerges and heads in March and April and has gained a total of 93 cents in the last 19 years during this critical stage of development.

Harvest delays, or at least the fear of such, tend to grip the market most years. Corn is typically harvested in October, which in the last 19 years has seen prices rally a total of 18 1/2 cents. Soybeans are typically harvested in October and November, which combined have seen Soybean prices increase a total of 201 1/2 cents in the last 19 years, despite all the talk of harvest pressure. Winter Wheat is the only grain which has declined during its harvest period, which is typically done in June.

The most telling evidence that the futures market builds a risk premium into prices during the Three Destructions (planting, pollination, and harvest) can be seen in the table entitled, **Three Destructions Vs. Rest of Year.**

Though one can't say for sure that these tendencies will continue in the future – given changes in farming and different production dynamics, and a whole host of other changing cycles – but historically the grain markets have experienced the bulk of there gains during times of the year when the crop is susceptible to damage… **The Three Destructions**. **(Continued)**

# *Risk Premiums & the "Three Destructions"*

**( continued )**

At first glance, it looks like one of the keys to Grain Market timing is to simply look at the planting, pollination and harvest cycle of the markets in question. Though this is an excellent tool, the end results can be rather frustrating, as often times the market will only post a major rally during one of the Three Destructions.

One of the keys to figuring out which one can be accomplished by looking at the current Ending Stocks number as you enter into each of the Three Destructions. For example, in years when Ending Stocks are greater than the previous year, Corn and Soybean futures tend to decline during planting. The strongest Planting Premium's are built in years when Ending Stocks are below the previous year's level.

The same general idea is true at Pollination and Pollination in general, but be sure to check the following table for the specific commodity.

| | Corn | | Soybeans | | Wheat | |
|---|---|---|---|---|---|---|
| | **Decrease** | **Increase** | **Decrease** | **Increase** | **Decrease** | **Increase** |
| **Planting** | -15 3/4 | 13 3/4 | 236 | 140 1/4 | 104 1/4 | -87 1/4 |
| **Pollination** | 66 1/2 | 140 1/4 | 216 1/2 | 140 1/4 | -40 3/4 | -87 1/4 |
| **Harvest** | 41 1/2 | 41 1/2 | 216 1/2 | -61 1/2 | -40 3/4 | -131 |
| **Sum** | 92 1/4 | 195 1/2 | 669 | 219 | 22 3/4 | -305 1/2 |

*Past Performance is not necessarily indicative of future results.*

Notes: the tables above uses futures data provided by Gecko Software from 1984/85 to 2002/03, or the most current 19 years. The following futures contracts were used for phase: Corn Planting - July, Corn Pollination - July, Corn Harvest - December; Soybean Planting – July, Soybean Pollination – November, Soybean Harvest – November; CBOT Wheat Planting – December, CBOT Wheat Pollination – July, CBOT Wheat Harvest – July

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Simply by checking the Stocks figure one can greatly increase their chances of successfully navigating the Grain markets. For example, since 1987, Corn futures have gained a total of 195 1/2 cents during the Three Destructions in years when Ending Stocks were lower than the previous year. But, during the years when Ending Stocks were forecast to increase Corn futures increased by a only 92 1/4 cents during the Three Destruction period. The results are even more impressive for the Soybean market, and almost opposite for Wheat.

Another point that can be gleaned is that in years when Ending Stocks are seeing a draw down, the strength in the market is often seen earlier in the crop season – with the planting rally being the largest. In years of plentiful supply, often the markets rally going into harvest (at least Corn and Beans).

By combining broad based fundamental analysis – or simply looking at the seasonal pattern in the context of the supply/demand picture – with seasonality, one may definitely get an edge over many others in the grain markets, and make more profitable decisions. Of course every year will not be profitable simply following this strategy, and the cycle may change, but the logic of looking to be more bullish when the crop is at risk and supply is tight and more bearish when the crop is not at risk and supply is plentiful makes sense.

# *December 2005*

### March Corn Statistics for Week #52

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 7 | 14 |
| # Down | 2 | 3 | 5 |
| Total Change | 1 1/4 | 15 | 27 1/2 |
| Avg Change | 1/4 | 1 1/2 | 1 1/2 |
| Avg Up | 2 3/4 | 3 1/2 | 2 3/4 |
| Avg Dn | -3 1/2 | -3 | -2 1/4 |
| Avg Range | 5 1/4 | 6 1/4 | 5 |
| # Higher Highs | 2 | 5 | 7 |
| # Higher Lows | 3 | 5 | 7 |

### January Soybeans Statistics for Week #52

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 11 |
| # Down | 3 | 5 | 8 |
| Total Change | 26 | 33 3/4 | 54 |
| Avg Change | 5 1/4 | 3 2/4 | 2 3/4 |
| Avg Up | 20 | 10 3/4 | 9 |
| Avg Dn | -4 2/4 | -4 | -5 3/4 |
| Avg Range | 26 3/4 | 21 | 16 2/4 |
| # Higher Highs | 2 | 3 | 9 |
| # Higher Lows | 5 | 8 | 11 |

### March CBOT Wheat Statistics for Week #52

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 11 |
| # Down | 2 | 4 | 8 |
| Total Change | 6 | 22 | 39 |
| Avg Change | 1 1/4 | 2 1/4 | 2 |
| Avg Up | 8 2/4 | 7 3/4 | 7 |
| Avg Dn | -10 | -6 1/4 | -4 2/4 |
| Avg Range | 14 | 12 2/4 | 10 2/4 |
| # Higher Highs | 3 | 6 | 11 |
| # Higher Lows | 2 | 3 | 5 |

**Monday**
**26**

**Christmas Day Observed - Holiday**

**Tuesday**
**27**

**Wednesday**
**28**

Broiler Hatchery
Weather & Crop Summary
Quarterly Hogs and Pigs

**Thursday**
**29**

Ag Prices
Weekly Export Report

**Friday**
**30**

Dairy Product Prices
Poultry Slaughter

**Saturday**
**31**

❍ Full Moon

**Sunday**
**1**

🍸 **New Year's Day**

Past performance is not necessarily indicative of future results. Data compliments of Gecko Software, Inc. No guarantee is made as to accuracy or completeness of data. See Risk Disclaimer at front of document for further details regarding risk. For an explanation of tables and figures see calculations section at the front of the almanac.

# *Sell January Rallies In Wheat*

March CBOT Wheat has declined in 16 of the last 19 years during February, the only grain that truly lives up to the reputation of the fabled "February Break." However, the bulk of these breaks start with a January rally, and as such traders may wish to look at standing in front of a January rally.

The following table shows the performance of the March CBOT Wheat futures following a rally above the December settlement of 10 cents or more.

| | Entry Date | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| | | | | ***No Trade Initiated*** | | | |
| 2004 | 387 | 407 | 364 | 380 ¾ | 6 1/4 | -20 | 23 |
| 2003 | 335 | 339 | 307 1/2 | 312 ½ | 22 1/2 | -4 | 27 1/2 |
| 2002 | 299 | 313 1/4 | 266 1/4 | 267 ¼ | 31 3/4 | -14 1/4 | 32 3/4 |
| 2001 | 289 1/2 | 294 1/2 | 256 1/4 | 265 | 24 1/2 | -5 | 33 1/4 |
| 2000 | 258 1/2 | 273 1/2 | 241 | 247 | 11 1/2 | -15 | 17 1/2 |
| 1999 | 286 1/4 | 294 | 236 1/2 | 237 ¼ | 49 | -7 3/4 | 49 3/4 |
| 1998 | 335 3/4 | 348 | 316 | 327 ½ | 8 1/4 | -12 1/4 | 19 3/4 |
| 1997 | 391 1/4 | 399 3/4 | 351 | 373 | 18 1/4 | -8 1/2 | 40 1/4 |
| 1996 | 522 1/4 | 533 | 473 | 512 ½ | 9 3/4 | -10 3/4 | 49 1/4 |
| | | | | ***No Trade Initiated*** | | | |
| 1994 | 388 1/4 | 394 1/2 | 340 | 342 ½ | 45 3/4 | -6 1/4 | 48 1/4 |
| 1993 | 363 3/4 | 393 | 353 | 372 ¼ | -8 1/2 | -29 1/4 | 10 3/4 |
| 1992 | 414 3/4 | 463 1/4 | 392 1/2 | 401 ½ | 13 1/4 | -48 1/2 | 22 1/4 |
| | | | | ***No Trade Initiated*** | | | |
| | | | | ***No Trade Initiated*** | | | |
| | | | | ***No Trade Initiated*** | | | |
| 1988 | 320 3/4 | 339 | 309 1/2 | 315 1/2 | 5 1/4 | -18 1/4 | 11 1/4 |
| 1987 | 284 1/2 | 293 3/4 | 267 1/2 | 282 3/4 | 1 3/4 | -9 1/4 | 17 |

| | | | cents/bu | $ | | cents/bu | $ |
|---|---|---|---|---|---|---|---|
| **# Trades** | 14 | **Total P&L** | 239 1/4 | $ 11,962.50 | **Average Draw** | -15 | $ (750.00) |
| **# Win** | 13 | **Average P&L** | 17 | $ 850.00 | **Worst Draw** | -48 2/4 | $(2,425.00) |
| **# Loss** | 1 | **Average Win** | 19 | $ 950.00 | **Average Fav** | 28 3/4 | $ 1,437.50 |
| **% Win** | 93% | **Average Loss** | -8 2/4 | $ (425.00) | **Worst Draw on Win** | -48 2/4 | $(2,425.00) |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitiations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

Though the performance results on this strategy are impressive, nothing in the futures markets is without risk – simply take a look at the performance of this strategy in '92, when a trader would have had to sit through almost a -50 cent adverse move before a profit could have been achieved. In most years the volatility during January in CBOT is mild, but some years can be extremely volatile and hence traders should be warned.

Like any cycle/pattern, this one is subject to change. Hopefully traders will realize that nothing is for sure and cycles/patterns such as this one will eventually be "arbitraged" out of the market. However, in the mean time, based on the dynamics of the grain industry currently (see the December Reverse Barometer) this may continue to be a viable strategy for the coming year.

For traders who prefer options over futures, in-the-money Bear Call Spreads may present a viable limited risk/reward way to take advantage of a break in CBOT Wheat futures following a January rally of +10 cents or more. Traders may wish to use May options instead of March options to take advantage of this strategy as the February options expire before the end of February – a period which has seen this strategy pick up steam historically.

### March Corn Statistics for Week #1

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 7 |
| # Down | 3 | 7 | 12 |
| Total Change | 1/4 | -21 3/4 | -34 3/4 |
| Avg Change | 0 | -2 1/4 | -1 3/4 |
| Avg Up | 4 3/4 | 4 | 3 |
| Avg Dn | -3 | -4 3/4 | -4 3/4 |
| Avg Range | 7 3/4 | 8 1/4 | 7 |
| # Higher Highs | 3 | 6 | 10 |
| # Lower Lows | 2 | 6 | 14 |

### March Soybeans Statistics for Week #1

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 7 |
| # Down | 3 | 5 | 12 |
| Total Change | -15 3/4 | -28 2/4 | -61 |
| Avg Change | -3 1/4 | -2 3/4 | -3 1/4 |
| Avg Up | 11 2/4 | 8 2/4 | 8 |
| Avg Dn | -12 3/4 | -14 1/4 | -9 3/4 |
| Avg Range | 18 2/4 | 18 3/4 | 16 2/4 |
| # Higher Highs | 3 | 5 | 9 |
| # Lower Lows | 3 | 6 | 13 |

### March CBOT Wheat Statistics for Week #1

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 7 |
| # Down | 2 | 6 | 12 |
| Total Change | 20 1/4 | -14 1/4 | -20 1/4 |
| Avg Change | 4 | -1 2/4 | -1 |
| Avg Up | 11 1/4 | 9 1/4 | 8 2/4 |
| Avg Dn | -6 3/4 | -8 2/4 | -6 3/4 |
| Avg Range | 15 3/4 | 15 | 13 1/4 |
| # Higher Highs | 5 | 8 | 11 |
| # Lower Lows | 2 | 6 | 12 |

### Monday 2

**New Year's Holiday**

### Tuesday 3

Weather Crop Summary

### Wednesday 4

### Thursday 5

### Friday 6

### Saturday 7

### Sunday 8

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# *January 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 958 | 1,087 | 1,596 | 1,899 | 1,718 |
| Production | | 11,807 | 10,114 | 9,008 | 9,507 | 9,968 |
| Total Supply | | 12,780 | 11,211 | 10,619 | 11,416 | 11,696 |
| Domestic Use | | 8,870 | 8,255 | 7,845 | 7,895 | 7,740 |
| Exports | | 1,950 | 1,975 | 1,850 | 1,975 | 2,150 |
| Total Use | | 10,820 | 10,230 | 9,695 | 9,870 | 9,890 |
| Ending Stocks | | 1,960 | 981 | 924 | 1,546 | 1,806 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 210 | 245 | 255 | 215 | 205 |
| Low Estimate | | 180 | 215 | 215 | 185 | 165 |
| Mar Futures High | | 209 ¾ | 281 ½ | 246 | 209 ¾ | 232 |
| Mar Futures Low | | 195 ¼ | 247 ¾ | 228 ½ | 198 ½ | 206 ½ |

Source: Monthly WASDE Report for January

**Comments:** Trade tends to focus on Crop Production and Quarterly Grain Stocks reports ~ Large "On Farm" supplies tend to see heavy selling and lower prices in late January/February ~ Tax abatement selling also tends to pressure prices ~ Southern hemisphere crops are silking, watch weather for potential production problems

**December Grain Stocks**

| Year | On-Farm | Off-Farm | Total |
|---|---|---|---|
| | In 1,000 bushels | | |
| **2005** | | | |
| **2004** | 6,144,000 | 3,304,798 | 9,448,798 |
| **2003** | 5,286,000 | 2,658,779 | 7,944,779 |
| **2002** | 4,800,000 | 2,833,427 | 7,633,427 |
| **2001** | 5,275,000 | 2,898,257 | 8,264,257 |

## CBOT Soybean Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 112 | 178 | 208 | 248 | 290 |
| Production | | 3,141 | 2,418 | 2,730 | 2,891 | 2,770 |
| Total Supply | | 3,258 | 2,604 | 2,940 | 3,143 | 3,063 |
| Crushing | | 1,660 | 1,455 | 1,655 | 1,675 | 1,600 |
| Exports | | 1,010 | 900 | 930 | 1,010 | 975 |
| Total Use | | 2,823 | 2,479 | 2,750 | 2,858 | 2,743 |
| Ending Stocks | | 435 | 125 | 190 | 285 | 320 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 545 | 760 | 580 | 470 | 500 |
| Low Estimate | | 475 | 690 | 510 | 390 | 450 |
| Mar Futures High | | 551 | 855 | 585 | 454 ½ | 510 |
| Mar Futures Low | | 510 | 785 ½ | 549 | 415 ¾ | 456 ¼ |

Source: Monthly WASDE Report for January

**Comments:** Trade is heavily influenced by Southern Hemisphere production, with South American Beans flowering ~ Be wary of large "On-farm" supplies, for they often foreshadow nasty February Breaks ~ Crop and Quarterly Grain Stocks report tend to see volatility ~ New Year selling tends to weigh on prices in beans as well in mid-January

**December Grain Stocks**

| Year | On-Farm | Off-Farm | Total |
|---|---|---|---|
| | In 1,000 bushels | | |
| **2005** | | | |
| **2004** | 1,300,000 | 1,004,880 | 2,304,880 |
| **2003** | 820,000 | 866,381 | 1,686,381 |
| **2002** | 1,170,000 | 944,482 | 2,114,482 |
| **2001** | 1,240,000 | 1,035,713 | 2,275,713 |

## CBOT Wheat Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 546 | 491 | 777 | 876 | 950 |
| Production | | 2,158 | 2,337 | 1,616 | 1,958 | 2,223 |
| Total Supply | | 2,770 | 2,903 | 2,469 | 2,929 | 3,268 |
| Domestic Use | | 1,187 | 1,219 | 1,126 | 1,258 | 1,329 |
| Exports | | 1,000 | 1,125 | 925 | 1,000 | 1,125 |
| Total Use | | 2,187 | 2,344 | 2,051 | 2,258 | 2,454 |
| Ending Stocks | | 583 | 559 | 418 | 671 | 814 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 345 | 345 | 380 | 285 | 275 |
| Low Estimate | | 325 | 325 | 350 | 275 | 255 |
| Mar Futures High | | 312 | 407 | 339 | 313 ¼ | 294 ½ |
| Mar Futures Low | | 287 ½ | 373 | 307 ½ | 283 ¼ | 268 |

Source: Monthly WASDE Report for January

**Comments:** Winter wheat is dormant, but still vulnerable to thawing and re-freezing (heaving/winter kill) ~ Southern hemisphere harvest delays in Australia & Argentina can be supportive ~ Trade tends to be dominated by USDA reports mid Month ~ Large On-Farm supplies also tend to weigh on prices, adding to New Year selling pressure & February Breaks

**December Grain Stocks**

| Year | On-Farm | Off-Farm | Total |
|---|---|---|---|
| | In 1,000 bushels | | |
| **2005** | | | |
| **2004** | 531,020 | 899,718 | 1,430,738 |
| **2003** | 491,925 | 1,029,159 | 1,521,084 |
| **2002** | 384,800 | 936,199 | 1,320,999 |
| **2001** | 517,890 | 1,105,485 | 1,623,375 |

**March Corn Statistics for Week #2**

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 10 |
| # Down | 4 | 6 | 9 |
| Total Change | -10 1/4 | 12 1/4 | 29 1/2 |
| Avg Change | -2 | 1 1/4 | 1 1/2 |
| Avg Up | 2 | 7 3/4 | 5 1/4 |
| Avg Dn | -3 | -3 1/4 | -2 1/2 |
| Avg Range | 7 1/2 | 9 3/4 | 8 1/4 |
| # Higher Highs | 2 | 5 | 12 |
| # Lower Lows | 3 | 5 | 10 |

**March Soybeans Statistics for Week #2**

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 10 |
| # Down | 4 | 6 | 9 |
| Total Change | -41 | 6 2/4 | 30 |
| Avg Change | -8 1/4 | 3/4 | 1 2/4 |
| Avg Up | 2 2/4 | 16 | 11 3/4 |
| Avg Dn | -11 | -9 3/4 | -9 3/4 |
| Avg Range | 19 2/4 | 21 | 20 |
| # Higher Highs | 2 | 5 | 11 |
| # Lower Lows | 4 | 6 | 12 |

**March CBOT Wheat Statistics for Week #2**

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 6 | 10 |
| # Down | 3 | 4 | 9 |
| Total Change | -24 3/4 | 1 3/4 | 6 |
| Avg Change | -5 | 1/4 | 1/4 |
| Avg Up | 4 1/4 | 7 2/4 | 8 3/4 |
| Avg Dn | -11 | -10 3/4 | -9 |
| Avg Range | 14 3/4 | 15 3/4 | 15 1/4 |
| # Higher Highs | 3 | 6 | 11 |
| # Lower Lows | 3 | 5 | 10 |

**Monday 9**

**Tuesday 10**

Weather Crop Summary

**Wednesday 11**

**Thursday 12**

Cotton Ginnings
Crop Production & Annual
WASDE & Annual
Grain Stocks
Rice Stocks
Winter Wheat Seedings

**Friday 13**

LT: S, SM, BO

**Saturday 14**

**Sunday 15**

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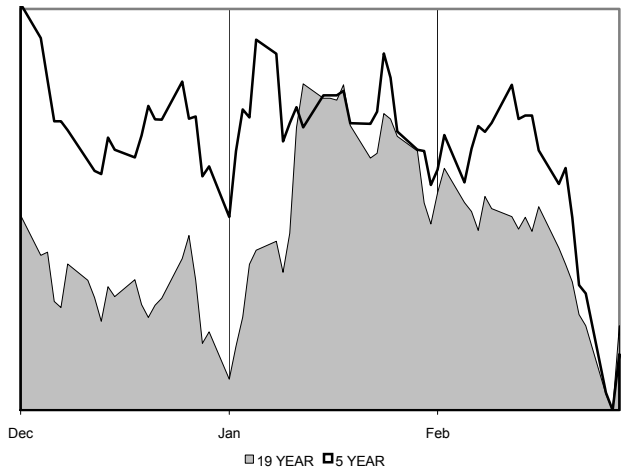
# *January 2006 Technical Overview*

## March Corn Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

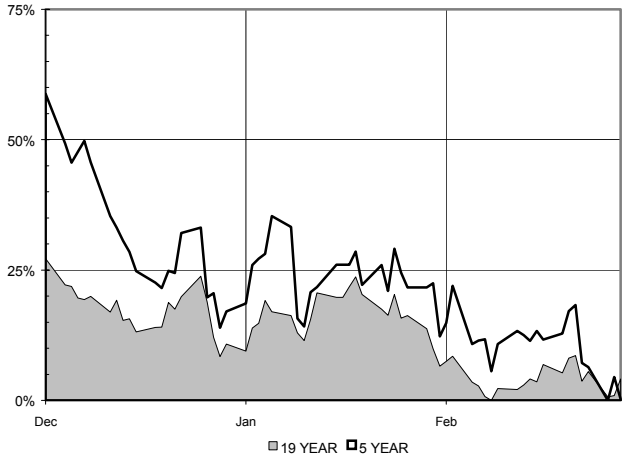
**COMMENTS:** January has moved in the opposite direction of December in 13 of the last 19 years ~ 6 of the last 8 December rallies have faded in January ~ 7 of the last 11 down January's have been followed by weak February's, basis March Corn futures ~ Best February's have followed extremely strong January's.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 13 |
| **# Years Dn** | 10 | **# Lower Lows** | 10 |
| **Total Change** | 39 | **# Expanded Range** | 13 |
| **Avg Change** | 2 | **# Narrow Range** | 6 |
| **Avg Gain** | 11 ¾ | | |
| **Avg Loss** | -6 ½ | **5 Yr High** | 285 ¾ |
| **Avg Range** | 18 1/2 | **5 Yr Low** | 202 ¾ |

## March Soybean Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

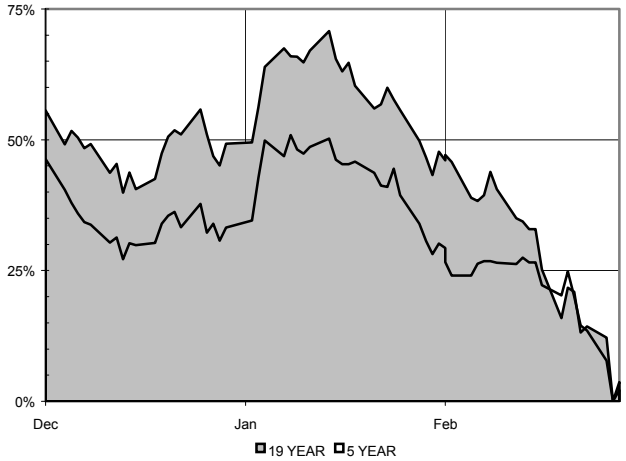
**COMMENTS:** Generally a down month, especially following a strong December (6 out of 6) ~ Third weakest month on record (behind July and December) ~ January weakness leads to lower monthly lows in February (10 out of 12) ~ February follows January's direction in Meal ~ January weakness is often reversed in February in Beanoil (9 out 12)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 11 |
| **# Years Dn** | 12 | **# Lower Lows** | 11 |
| **Total Change** | -113 ¾ | **# Expanded Range** | 11 |
| **Avg Change** | -6 | **# Narrow Range** | 8 |
| **Avg Gain** | 21 | | |
| **Avg Loss** | -21 ¾ | **5 Yr High** | 853 ½ |
| **Avg Range** | 45 | **5 Yr Low** | 419 ¾ |

## March CBOT Wheat

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

**COMMENTS:** January tends to move in the opposite direction of December (13 out of 19 – see December Reverse Barometer) ~ Volatility tends to increase (14 out of 19 monthly range expansions) ~ Sell January strength as it is often reversed in February (10 out of 10) ~ February Break is approaching as 16 out of the last 19 years have seen February Breaks.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 11 | **# Higher Highs** | 12 |
| **# Years Dn** | 8 | **# Lower Lows** | 10 |
| **Total Change** | 61 ¾ | **# Expanded Range** | 13 |
| **Avg Change** | 3 ¼ | **# Narrow Range** | 6 |
| **Avg Gain** | 13 ½ | | |
| **Avg Loss** | -11 | **5 Yr High** | 409 |
| **Avg Range** | 28 ½ | **5 Yr Low** | 280 |

### March Corn Statistics for Week #3

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 9 |
| # Down | 3 | 5 | 10 |
| Total Change | 8 | 28 1/2 | 16 1/4 |
| Avg Change | 1 1/2 | 2 3/4 | 3/4 |
| Avg Up | 12 1/4 | 10 3/4 | 8 1/2 |
| Avg Dn | -5 1/2 | -5 | -6 |
| Avg Range | 7 1/2 | 10 3/4 | 9 3/4 |
| # Higher Highs | 2 | 6 | 12 |
| # Lower Lows | 3 | 5 | 8 |

### March Soybeans Statistics for Week #3

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 9 |
| # Down | 3 | 5 | 10 |
| Total Change | 26 2/4 | 34 | -34 |
| Avg Change | 5 1/4 | 3 2/4 | -1 3/4 |
| Avg Up | 28 | 17 2/4 | 14 |
| Avg Dn | -9 3/4 | -10 3/4 | -16 |
| Avg Range | 16 1/4 | 20 2/4 | 22 1/4 |
| # Higher Highs | 2 | 6 | 11 |
| # Lower Lows | 3 | 6 | 11 |

### March CBOT Wheat Statistics for Week #3

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 10 |
| # Down | 2 | 6 | 9 |
| Total Change | - 2/4 | -20 | -12 1/4 |
| Avg Change | -0 | -2 | - 3/4 |
| Avg Up | 5 | 7 1/4 | 6 3/4 |
| Avg Dn | -8 | -8 | -8 3/4 |
| Avg Range | 11 3/4 | 14 2/4 | 14 1/4 |
| # Higher Highs | 2 | 3 | 7 |
| # Lower Lows | 2 | 6 | 11 |

**Monday 16**

**Martin Luther King, Jr. Day**

**Tuesday 17**

**Wednesday 18**

Weather Crop Summary

**Thursday 19**

**Friday 20**

Livestock Slaughter
Cattle on Feed

**Saturday 21**

**Sunday 22**

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# *Seasonal Spread Highlight for January …*

Looming supplies from harvest and a clogging of the transportation system tends to cause supplies of Wheat to back-up in the interior, softening prices. Add in the increased pressure on marketings in the New Year to pay taxes and equipment leases, it is easy to see why the market favors "Bear Spreads."

- *Long July 2006 CBOT Wheat, Short March 2006 CBOT Wheat*
- *Enter on roughly the 6th trading day of January, Exit on roughly the 9th trading day of February*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 1/14/1991 | 15 3/4 | 2/12/1991 | 20 | 4 1/4 | 20 | 4 1/4 | 15 3/4 | 0 |
| 1/9/1992 | -55 1/2 | 2/13/1992 | -26 1/4 | 29 1/4 | -26 1/4 | 29 1/4 | -55 1/2 | 0 |
| 1/8/1993 | -48 1/2 | 2/11/1993 | -44 | 4 1/2 | -41 3/4 | 6 3/4 | -56 | -7 1/2 |
| 1/10/1994 | -44 1/2 | 2/11/1994 | -26 3/4 | 17 3/4 | -23 | 21 1/2 | -44 1/2 | 0 |
| 1/10/1995 | -44 3/4 | 2/13/1995 | -33 1/2 | 11 1/4 | -27 1/4 | 17 1/2 | -44 3/4 | 0 |
| 1/9/1996 | -63 3/4 | 2/12/1996 | -57 | 6 3/4 | -57 | 6 3/4 | -77 3/4 | -14 |
| 1/8/1997 | -45 1/2 | 2/12/1997 | -15 1/4 | 30 1/4 | -13 | 32 1/2 | -45 1/2 | 0 |
| 1/9/1998 | 15 1/4 | 2/12/1998 | 19 1/4 | 4 | 19 1/4 | 4 | 14 1/2 | - 3/4 |
| 1/11/1999 | 20 1/2 | 2/11/1999 | 20 1/2 | 0 | 21 | 1/2 | 19 1/2 | -1 |
| 1/10/2000 | 21 1/4 | 2/11/2000 | 22 | 3/4 | 22 1/2 | 1 1/4 | 20 3/4 | - 1/2 |
| 1/9/2001 | 21 1/2 | 2/13/2001 | 23 1/4 | 1 3/4 | 23 1/2 | 2 | 20 3/4 | - 3/4 |
| 1/9/2002 | -8 1/4 | 2/13/2002 | 9 3/4 | 18 | 10 1/4 | 18 1/2 | -8 1/4 | 0 |
| 1/9/2003 | -10 | 2/13/2003 | -7 1/2 | 2 1/2 | - 1/2 | 9 1/2 | -10 | 0 |
| 1/9/2004 | -15 1/4 | 2/12/2004 | -12 1/2 | 2 3/4 | -9 3/4 | 5 1/2 | -17 | -1 3/4 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 134 3/4 | $6,737.50 | Worst Loss | 0 | $ - |
| # Win | 14 | Avg P&L | 9 | $ 449.17 | Worst Draw | -14 | $(700.00) |
| # loss | 1 | Avg Win | 9 3/4 | $ 481.25 | Avg Draw | -1 3/4 | $ (87.50) |
| % Win | 93.3% | Avg Loss | 0 | $ 0.00- | Worst Draw Win | -14 | $(700.00) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### March Corn Statistics for Week #4

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 3 | 6 | 9 |
| Total Change | -3 | -6 3/4 | -4 |
| Avg Change | - 1/2 | - 3/4 | - 1/4 |
| Avg Up | 3 3/4 | 2 1/4 | 2 1/2 |
| Avg Dn | -3 1/2 | -2 1/2 | -3 |
| Avg Range | 5 1/2 | 6 1/4 | 5 3/4 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 3 | 4 | 7 |

### March Soybeans Statistics for Week #4

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 3 | 8 |
| # Down | 4 | 7 | 11 |
| Total Change | -18 3/4 | -22 1/4 | -36 |
| Avg Change | -3 3/4 | -2 1/4 | -2 |
| Avg Up | 3 2/4 | 9 1/4 | 5 |
| Avg Dn | -5 2/4 | -7 1/4 | -6 3/4 |
| Avg Range | 18 2/4 | 18 1/4 | 17 |
| # Higher Highs | 3 | 5 | 9 |
| # Lower Lows | 2 | 4 | 9 |

### March CBOT Wheat Statistics for Week #4

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 6 |
| # Down | 4 | 7 | 12 |
| Total Change | -37 2/4 | -33 3/4 | -39 |
| Avg Change | -7 2/4 | -3 2/4 | -2 |
| Avg Up | 2 | 10 3/4 | 9 1/4 |
| Avg Dn | -10 | -8 | -8 |
| Avg Range | 12 3/4 | 13 2/4 | 13 3/4 |
| # Higher Highs | 1 | 3 | 7 |
| # Lower Lows | 5 | 8 | 12 |

**Monday 23**

Cold Storage

**Tuesday 24**

Weather Crop Summary

**Wednesday 25**

Cotton Ginnings

**Thursday 26**

**Friday 27**

Dairy Products Prices
Cattle Inventory

**Saturday 28**

**Sunday 29**

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# *Fade January Rallies In Wheat*

March CBOT Wheat has declined in 16 of the last 19 years during February, the only grain that truly lives up to the reputation of the fabled "February Break." January strength which has occurred in 10 of the last 19 years has been reversed in February on all occasions. Of course, at some point in the future (maybe in 2006) this cycle/pattern will stop working, but perhaps it won't. After all, the dynamic of tax abatement, coupled with winter transportation problems eating into export business is a powerfully logic reason for this to continue – *but remember markets are not always logical.*

The following table shows the performance of the March CBOT Wheat futures following a rally in January.

| | Entry Date | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| | | | | **No Trade** | | | |
| 2004 | 389 | 395 | 364 | 380 3/4 | 8 1/4 | -6 | 25 |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| 2000 | 256 1/4 | 273 1/2 | 244 | 247 | 9 1/4 | -17 1/4 | 12 1/4 |
| | | | | **No Trade** | | | |
| 1998 | 337 1/4 | 347 | 316 | 327 1/2 | 9 3/4 | -9 3/4 | 21 1/4 |
| | | | | **No Trade** | | | |
| 1996 | 519 1/2 | 533 | 495 | 512 1/2 | 7 | -13 1/2 | 24 1/2 |
| | | | | **No Trade** | | | |
| 1993 | 380 | 380 1/2 | 356 1/4 | 372 1/4 | 7 3/4 | - 1/2 | 23 3/4 |
| 1992 | 440 1/4 | 463 1/4 | 401 | 401 1/2 | 38 3/4 | -23 | 39 1/4 |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| 1988 | 326 | 339 | 309 1/2 | 315 1/2 | 10 1/2 | -13 | 16 1/2 |
| 1987 | 288 1/4 | 290 1/4 | 272 | 282 3/4 | 5 1/2 | -2 | 16 1/4 |

| | | | **cents/bu** | **$** | | **cents/bu** | **$** |
|---|---|---|---|---|---|---|---|
| # Trades | 10 | Total P&L | 104 1/4 | $ 5,212.50 | Average Draw | -8 2/4 | $ (425.00) |
| # Win | 10 | Average P&L | 10 2/4 | $ 525.00 | Worst Draw | -23 | $(1,150.00) |
| # Loss | 0 | Average Win | 10 2/4 | $ 525.00 | Average Fav | 21 2/4 | $ 1,075.00 |
| % Win | 100% | Average Loss | n/a | n/a | Worst Draw on Win | -23 | $(1,150.00) |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitiations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

Though the performance results on this strategy are impressive, nothing in the futures markets is without risk – remember that cycles/patterns such as this one are ever changing and the marketplace is quite efficient at arbitraging out opportunities that look too good to be true.

Futures traders, who should always be concerned with risk, should use a -17 ½ cent stop loss as only 1992 saw a draw down (or unrealized adverse price movement) greater than this amount.

Options traders may wish to consider using this study as a backdrop for establishing May Bear Call Spreads using at-the-money calls and two strikes further out, if the risk to rewards of this position look favorable to the trader. Remember, the March options expire in mid February and hence do not cover the entire time period of the study in question.

### March Corn Statistics for Week #5

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 7 |
| # Down | 2 | 6 | 11 |
| Total Change | 3 1/4 | 2 | -8 1/4 |
| Avg Change | 3/4 | 1/4 | - 1/2 |
| Avg Up | 1 3/4 | 3 3/4 | 2 1/2 |
| Avg Dn | -1 | -2 | -2 1/4 |
| Avg Range | 6 | 7 1/2 | 6 1/4 |
| # Higher Highs | 2 | 6 | 10 |
| # Lower Lows | 4 | 6 | 11 |

### March Soybeans Statistics for Week #5

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 6 |
| # Down | 3 | 6 | 12 |
| Total Change | -32 | -61 | -102 2/4 |
| Avg Change | -6 2/4 | -6 | -5 2/4 |
| Avg Up | 5 1/4 | 7 | 7 3/4 |
| Avg Dn | -14 1/4 | -14 3/4 | -12 2/4 |
| Avg Range | 16 | 17 1/4 | 17 |
| # Higher Highs | 1 | 2 | 6 |
| # Lower Lows | 4 | 7 | 14 |

### March CBOT Wheat Statistics for Week #5

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 10 |
| # Down | 3 | 5 | 9 |
| Total Change | 2 3/4 | 11 3/4 | 16 2/4 |
| Avg Change | 2/4 | 1 1/4 | 3/4 |
| Avg Up | 9 | 9 | 7 1/4 |
| Avg Dn | -5 | -6 3/4 | -6 1/4 |
| Avg Range | 11 3/4 | 13 1/4 | 12 3/4 |
| # Higher Highs | 1 | 4 | 9 |
| # Lower Lows | 4 | 6 | 11 |

**Monday 30**

**Tuesday 31**

Weather Crop Summary
Agricultural Prices
Capacity of Refrigerated Warehouses

**Wednesday 1**

**Thursday 2**

**Friday 3**

**Saturday 4**

**Sunday 5**

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# *February 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 958 | 1,087 | 1,596 | 1,899 | 1,718 |
| Production | | 11,807 | 10,114 | 9,008 | 9,507 | 9,968 |
| Total Supply | | 12,780 | 11,211 | 10,619 | 11,416 | 11,696 |
| Domestic Use | | 8,870 | 5,800 | 7,865 | 7,895 | 7,755 |
| Exports | | 1,900 | 2,510 | 1,825 | 1,975 | 2,050 |
| Total Use | | 10,770 | 10,310 | 9,690 | 9,870 | 9,805 |
| Ending Stocks | | 2,010 | 901 | 929 | 1,541 | 1,891 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 205 | 255 | 250 | 215 | 190 |
| Low Estimate | | 185 | 235 | 220 | 185 | 170 |
| May Futures High | | 225 | 304 ¾ | 245 ¾ | 216 ½ | 223 ½ |
| May Futures Low | | 202 | 274 | 232 | 205 ¼ | 202 ½ |

Source: Monthly WASDE Report for February

**Comments:** Trade tends to be dominated by tax related selling & the fabled "February Break" ~ Producer selling tends to step up as taxes, lease, and equipment payments are due at the beginning of March ~ Southern hemisphere crop is silking to filling during February… basically out of risk which tends to add to pressure on prices ~ In the last 19 years the USDA has over estimated domestic use 11 times, and under estimated ending stocks 11 times ~ Towards the end of the month, trade talk begins to turn towards prospective plantings and crop mixes

## CBOT Soybean Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 112 | 178 | 208 | 248 | 290 |
| Production | | 3,141 | 2,418 | 2,730 | 2,891 | 2,770 |
| Total Supply | | 3,258 | 2,604 | 2,940 | 3,143 | 3,063 |
| Crushing | | 1,655 | 1,465 | 1,655 | 1,680 | 1,590 |
| Exports | | 1,010 | 890 | 940 | 1,020 | 960 |
| Total Use | | 2,818 | 2,479 | 2,775 | 2,873 | 2,718 |
| Ending Stocks | | 440 | 125 | 165 | 270 | 345 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 540 | 755 | 570 | 460 | 480 |
| Low Estimate | | 480 | 715 | 510 | 400 | 450 |
| May Futures High | | 624 | 941 | 583 ¾ | 449 ¾ | 477 ½ |
| May Futures Low | | 501 | 793 | 552 ½ | 429 ½ | 444 ¼ |

Source: Monthly WASDE Report for February

**Comments:** Brazilian soybeans are maturing and filling ~ Argentina's soybean crop is podding, and sensitive to hot/dry weather during this stage of development ~ Southern hemisphere production is extremely important, as Brazil and Argentina have accounted for roughly a 1/3$^{rd}$ of the world's production in recent years ~ Tax related selling – especially in years with large on-farm stocks – has tended to weigh on prices ~ The USDA has under estimated World production in 15 of the last 19 years in February ~ But, the USDA has also tended to under estimate US crushings and Ending Stocks

## CBOT Wheat Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 546 | 491 | 777 | 876 | 950 |
| Production | | 2,158 | 2,337 | 1,616 | 1,958 | 2,223 |
| Total Supply | | 2,770 | 2,903 | 2,469 | 2,929 | 3,268 |
| Domestic Use | | 1,187 | 1,209 | 1,124 | 1,258 | 1,329 |
| Exports | | 1,025 | 1,150 | 900 | 1,000 | 1,100 |
| Total Use | | 2,212 | 2,359 | 2,024 | 2,258 | 2,429 |
| Ending Stocks | | 558 | 544 | 445 | 671 | 839 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 345 | 340 | 365 | 285 | 270 |
| Low Estimate | | 330 | 330 | 355 | 275 | 260 |
| May Futures High | | 346 ½ | 404 | 336 ½ | 291 ½ | 284 ¾ |
| May Futures Low | | 295 | 371 | 309 | 275 | 268 |

Source: Monthly WASDE Report for February

**Comments:** Because the winter wheat crop is still at risk and its production cycle, Wheat tends to suffer the least from a New Year break (the fabled "February Break") ~ Winter kill and heaving concerns tend to diminish during the harsh weather of February ~ However, early planting in southern Europe can occur which usually pressures prices slightly ~ Most southern hemisphere winter wheat crops are heading, and as such are extremely susceptible to a lack of precipitation and extreme weather ~ Watch weather in Argentina and India for possible droughts or extreme weather

### March Corn Statistics for Week #6

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 11 |
| # Down | 2 | 4 | 8 |
| Total Change | 0 | 0 | 5 1/4 |
| Avg Change | 0 | 0 | 1/4 |
| Avg Up | 1 1/4 | 1 3/4 | 2 3/4 |
| Avg Dn | -1 3/4 | -2 1/2 | -3 |
| Avg Range | 6 | 6 3/4 | 6 1/2 |
| # Higher Highs | 4 | 6 | 11 |
| # Lower Lows | 1 | 4 | 10 |

### March Soybeans Statistics for Week #6

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 10 |
| # Down | 1 | 4 | 9 |
| Total Change | 60 | 60 2/4 | 35 |
| Avg Change | 12 | 6 | 1 3/4 |
| Avg Up | 18 | 15 2/4 | 12 1/4 |
| Avg Dn | -12 1/4 | -8 | -9 2/4 |
| Avg Range | 26 | 21 3/4 | 19 |
| # Higher Highs | 5 | 6 | 8 |
| # Lower Lows | 2 | 5 | 11 |

### March CBOT Wheat Statistics for Week #6

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 7 |
| # Down | 4 | 8 | 12 |
| Total Change | -21 3/4 | -35 2/4 | -31 1/4 |
| Avg Change | -4 1/4 | -3 2/4 | -1 3/4 |
| Avg Up | 3 1/4 | 8 | 7 1/4 |
| Avg Dn | -6 1/4 | -6 2/4 | -6 3/4 |
| Avg Range | 9 3/4 | 11 3/4 | 12 1/4 |
| # Higher Highs | 1 | 2 | 7 |
| # Lower Lows | 3 | 7 | 11 |

**Monday 6**

**Tuesday 7**

Weather Crop Summary

**Wednesday 8**

**Thursday 9**

Crop Production
WASDE
Cotton Ginnings

**Friday 10**

**Saturday 11**

**Sunday 12**

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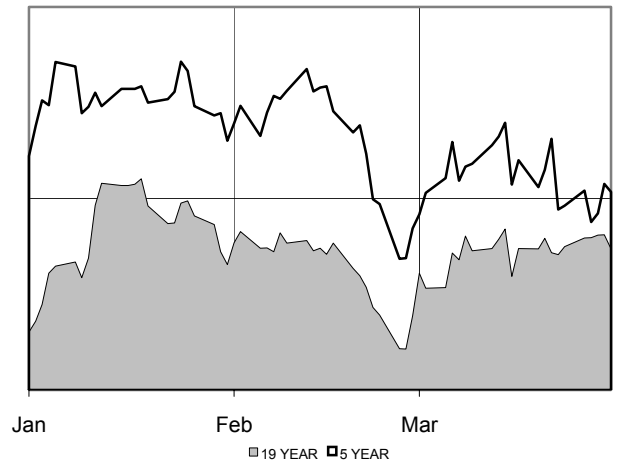
# *February 2006 Technical Overview*

## May Corn Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

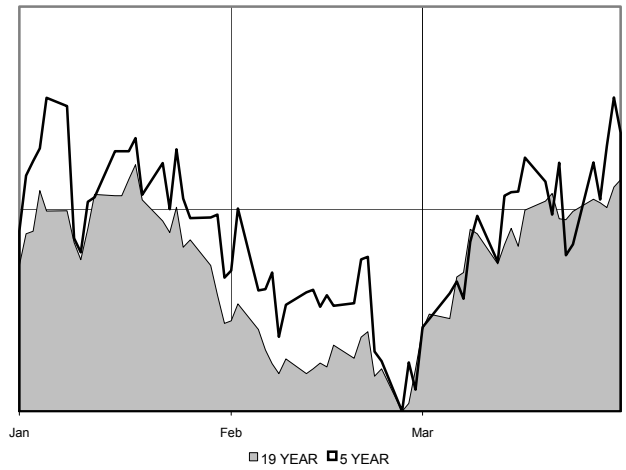
**COMMENTS:** January strength tends to followed through in February ~ mildly up or weak January's tend to see February Breaks ~ January lows following strength have only been penetrated to the downside in February once ~ Expect a March rally and higher highs following February strength (6 of 9) ~ March is the 3rd strongest month on record for Corn prices.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 8 |
| **# Years Dn** | 10 | **# Lower Lows** | 8 |
| **Total Change** | 58 ¾ | **# Expanded Range** | 7 |
| **Avg Change** | 3 | **# Narrow Range** | 12 |
| **Avg Gain** | 12 ½ | | |
| **Avg Loss** | -5 ½ | **5 Yr High** | 304 ¾ |
| **Avg Range** | 15 ¼ | **5 Yr Low** | 202 |

## May Soybean Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

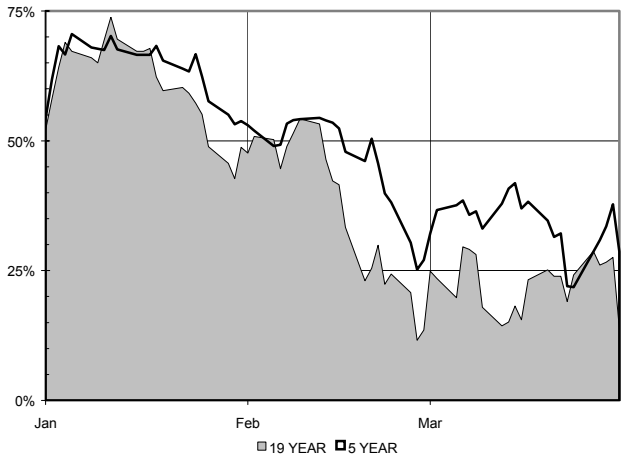
**COMMENTS:** Least volatile month on record with an average range of only 33 ¾ cents ~ February Breaks are often reversed in March (6 of 10) in Beans and especially Meal (7 of 10) ~ February strength tends to be continued in March (6 out of 9, with 7 out of 9 higher highs in March) ~ Meal tends to be the strongest complex member in March especially following a strong February.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 11 | **# Higher Highs** | 7 |
| **# Years Dn** | 8 | **# Lower Lows** | 11 |
| **Total Change** | 243 ¼ | **# Expanded Range** | 8 |
| **Avg Change** | 12 ¾ | **# Narrow Range** | 11 |
| **Avg Gain** | 33 ¼ | | |
| **Avg Loss** | -15 ¼ | **5 Yr High** | 941 |
| **Avg Range** | 44 ¼ | **5 Yr Low** | 429 ½ |

## May CBOT Wheat

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

**COMMENTS:** Worst batting average of any month with weakness in 16 of the last 19 years ~ Expect lower monthly lows following January weakness (7 out of 8) ~ Beware of higher highs in February as 5 of 7 have seen monthly declines ~ Though rare, strong February's usually lead to strong March's (2 out of 3 in CBOT, 5 out of 5 in MW) ~ CBOT Wheat is the weakest Wheat in February.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 4 | **# Higher Highs** | 9 |
| **# Years Dn** | 15 | **# Lower Lows** | 10 |
| **Total Change** | -53 | **# Expanded Range** | 6 |
| **Avg Change** | -2 ¾ | **# Narrow Range** | 13 |
| **Avg Gain** | 24 ½ | | |
| **Avg Loss** | -10 | **5 Yr High** | 404 |
| **Avg Range** | 26 ¾ | **5 Yr Low** | 268 |

### March Corn Statistics for Week #7

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 7 | 10 |
| # Down | 1 | 3 | 9 |
| Total Change | 1/4 | 15 3/4 | -5 1/2 |
| Avg Change | 0 | 1 1/2 | - 1/4 |
| Avg Up | 2 1/4 | 4 1/4 | 3 1/2 |
| Avg Dn | -8 1/2 | -4 1/2 | -4 1/2 |
| Avg Range | 6 | 7 1/4 | 7 1/4 |
| # Higher Highs | 2 | 4 | 9 |
| # Lower Lows | 1 | 2 | 6 |

### March Soybeans Statistics for Week #7

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 11 |
| # Down | 2 | 4 | 8 |
| Total Change | 18 2/4 | 32 1/4 | 52 3/4 |
| Avg Change | 3 3/4 | 3 1/4 | 2 3/4 |
| Avg Up | 10 2/4 | 12 1/4 | 10 2/4 |
| Avg Dn | -6 3/4 | -10 2/4 | -8 |
| Avg Range | 17 1/4 | 20 | 17 3/4 |
| # Higher Highs | 3 | 7 | 12 |
| # Lower Lows | 1 | 3 | 8 |

### March CBOT Wheat Statistics for Week #7

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 5 | 7 |
| # Down | 2 | 5 | 12 |
| Total Change | 5 3/4 | -2 | -63 2/4 |
| Avg Change | 1 1/4 | - 1/4 | -3 1/4 |
| Avg Up | 4 2/4 | 5 2/4 | 5 |
| Avg Dn | -4 | -5 3/4 | -8 1/4 |
| Avg Range | 10 1/4 | 12 2/4 | 13 3/4 |
| # Higher Highs | 3 | 4 | 7 |
| # Lower Lows | 1 | 4 | 10 |

### Monday 13

### Tuesday 14

**Valentine's Day**
Weather Crop Summary

### Wednesday 15

Crop Values

### Thursday 16

### Friday 17

### Saturday 18

### Sunday 19

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# *Seasonal Spread Highlight for February …*

The "February Break" which is associated with increased marketings to pay for taxes, planting, and equipment leases tends to pressure the nearby contracts more than the distant months, thus favoring "Bear Spreads", especially in Wheat.

- *Long July 2006 CBOT Wheat, Short May 2006 CBOT Wheat*
- *Enter on roughly the 1st trading day of February, Exit on roughly the 6th trading day of April*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 2/1/1991 | 10 | 4/8/1991 | 10 | 0 | 10 3/4 | 3/4 | 8 1/2 | -1 1/2 |
| 2/3/1992 | -34 1/2 | 4/8/1992 | -10 1/2 | 24 | -8 1/4 | 26 1/4 | -34 1/2 | 0 |
| 2/1/1993 | -21 1/4 | 4/12/1993 | -36 1/4 | -15 | -17 1/4 | 4 | -44 1/4 | -23 |
| 2/1/1994 | -11 | 4/11/1994 | -5 1/2 | 5 1/2 | -2 | 9 | -17 1/4 | -6 1/4 |
| 2/1/1995 | -21 | 4/10/1995 | 1 | 22 | 1 | 22 | -25 1/4 | -4 1/4 |
| 2/1/1996 | -35 3/4 | 4/9/1996 | -29 3/4 | 6 | -25 1/2 | 10 1/4 | -42 1/2 | -6 3/4 |
| 2/3/1997 | -12 | 4/8/1997 | 4 | 16 | 4 | 16 | -15 1/4 | -3 1/4 |
| 2/2/1998 | 7 1/2 | 4/8/1998 | 10 1/2 | 3 | 10 1/2 | 3 | 7 1/4 | - 1/4 |
| 2/1/1999 | 9 | 4/9/1999 | 10 1/2 | 1 1/2 | 11 | 2 | 9 | 0 |
| 2/1/2000 | 10 1/2 | 4/10/2000 | 12 1/4 | 1 3/4 | 12 1/2 | 2 | 9 1/2 | -1 |
| 2/1/2001 | 11 | 4/9/2001 | 11 3/4 | 3/4 | 12 | 1 | 10 1/4 | - 3/4 |
| 2/1/2002 | 3 3/4 | 4/8/2002 | 6 3/4 | 3 | 6 3/4 | 3 | 2 | -1 3/4 |
| 2/3/2003 | -3 1/2 | 4/8/2003 | 6 | 9 1/2 | 6 | 9 1/2 | -11 1/4 | -7 3/4 |
| 2/2/2004 | -4 1/2 | 4/8/2004 | 9 1/2 | 14 | 6 | 10 1/2 | -11 1/4 | -6 3/4 |
| 2/1/2005 | 6 1/2 | 4/8/2005 | 10 | 3 1/2 | 10 1/2 | 4 | 4 3/4 | -1 3/4 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 95 2/4 | $4,775.00 | Worst Loss | -15 | $ (750.00) |
| # Win | 13 | Avg P&L | 6 1/4 | $ 318.33 | Worst Draw | -23 | $(1,150.00) |
| # loss | 2 | Avg Win | 8 2/4 | $ 425.00 | Avg Draw | -4 1/4 | $ (216.67) |
| % Win | 86.7% | Avg Loss | -7 2/4 | $ (375.00) | Worst Draw Win | -7 3/4 | $ (387.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### May Corn Statistics for Week #8

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 9 |
| # Down | 3 | 6 | 10 |
| Total Change | -2 1/2 | 10 3/4 | 5 3/4 |
| Avg Change | - 1/2 | 1 | 1/4 |
| Avg Up | 2 | 6 | 4 1/2 |
| Avg Dn | -2 1/4 | -2 1/4 | -3 1/2 |
| Avg Range | 6 1/4 | 7 | 7 |
| # Higher Highs | 2 | 3 | 8 |
| # Lower Lows | 3 | 5 | 7 |

### May Soybeans Statistics for Week #8

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 13 |
| # Down | 1 | 4 | 6 |
| Total Change | 111 1/4 | 93 1/4 | 128 1/4 |
| Avg Change | 22 1/4 | 9 1/4 | 6 3/4 |
| Avg Up | 29 1/4 | 23 3/4 | 14 1/4 |
| Avg Dn | -6 | -12 2/4 | -9 3/4 |
| Avg Range | 28 2/4 | 23 3/4 | 19 1/4 |
| # Higher Highs | 4 | 6 | 12 |
| # Lower Lows | 2 | 5 | 8 |

### May CBOT Wheat Statistics for Week #8

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 5 |
| # Down | 4 | 8 | 14 |
| Total Change | -39 | -62 1/4 | -63 |
| Avg Change | -7 3/4 | -6 1/4 | -3 1/4 |
| Avg Up | 1 | 8 3/4 | 10 1/4 |
| Avg Dn | -10 | -10 | -8 1/4 |
| Avg Range | 13 | 14 1/4 | 13 2/4 |
| # Higher Highs | 1 | 2 | 4 |
| # Lower Lows | 4 | 8 | 13 |

**Monday 20**

**Presidents' Day**

**Tuesday 21**

Cold Storage & Annual

**Wednesday 22**

Weather Crop Summary

**Thursday 23**

Monthly Agnews

**Friday 24**

Livestock Slaughter
Cattle on Feed
Price Reactions After USDA
Livestock Reports

OE: C, W, S, SM, BO

**Saturday 25**

**Sunday 26**

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# *The Spring Rally: Winter Lows to Spring Highs*

One of the common themes throughout the Grain Trader's Almanac is that prices tend to reflect risk! When the risk to a crop is great, prices tend to rally. This is known as building a "risk premium." During the spring months of planting and winter wheat heading, the risk to the crop is great. Is it any wonder that the spring/early summer months tend to see rallies?

The table below shows the performance of the July futures from their winter lows to their spring highs. Though the table is a bit miss leading, in that it is impossible to know where the winter lows or spring highs will occur, it is none-the-less instructive to show the power of Spring Rallies.

| | July Corn | | | July Soybeans | | | July CBOT Wheat | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov – Feb Low | Mar – Jun High | Change | Nov – Feb Low | Mar – Jun High | Change | Nov – Feb Low | Mar – Jun High | Change |
| **2005** | 209 | 222 | 13 | 506 | 752 1/4 | 246 1/4 | 325 1/2 | 376 | 50 1/2 |
| **2004** | 237 1/2 | 342 | 104 1/2 | 700 | 1064 | 364 | 347 | 430 1/2 | 83 1/2 |
| **2003** | 234 1/4 | 259 | 24 3/4 | 536 | 658 | 122 | 298 1/2 | 345 3/4 | 47 1/4 |
| **2002** | 212 | 230 | 18 | 425 | 543 | 118 | 278 1/2 | 308 | 29 1/2 |
| **2001** | 223 1/2 | 233 3/4 | 10 1/4 | 450 1/4 | 488 | 37 3/4 | 279 1/4 | 299 1/2 | 20 1/4 |
| **2000** | 209 | 258 1/4 | 49 1/4 | 465 | 582 1/2 | 117 1/2 | 256 3/4 | 286 | 29 1/4 |
| **1999** | 215 1/2 | 240 1/4 | 24 3/4 | 465 1/2 | 515 | 49 1/2 | 257 1/2 | 307 | 49 1/2 |
| **1998** | 267 1/4 | 289 | 21 3/4 | 656 1/2 | 684 | 27 1/2 | 334 | 359 | 25 |
| **1997** | 259 | 320 3/4 | 61 3/4 | 668 | 902 | 234 | 328 | 459 | 131 |
| **1996** | 325 | 518 1/2 | 193 1/2 | 686 1/2 | 847 | 160 1/2 | 405 1/2 | 636 | 230 1/2 |
| **1995** | 232 1/2 | 285 | 52 1/2 | 559 1/4 | 618 1/2 | 59 1/4 | 330 | 452 | 122 |
| **1994** | 270 1/2 | 297 3/4 | 27 1/4 | 638 | 732 1/2 | 94 1/2 | 310 | 345 | 35 |
| **1993** | 225 | 239 1/2 | 14 1/2 | 562 | 654 1/2 | 92 1/2 | 311 1/2 | 320 3/4 | 9 1/4 |
| **1992** | 257 | 285 | 28 | 563 | 637 | 74 | 315 | 395 | 80 |
| **1991** | 241 1/2 | 268 1/2 | 27 | 576 | 623 1/2 | 47 1/2 | 262 | 305 | 43 |
| **1990** | 243 | 298 | 55 | 578 | 671 1/2 | 93 1/2 | 342 | 355 1/2 | 13 1/2 |
| **1989** | 270 | 288 1/2 | 18 1/2 | 740 | 804 1/2 | 64 1/2 | 372 | 422 | 50 |
| **1988** | 189 | 354 1/2 | 165 1/2 | 540 | 1099 1/2 | 559 1/2 | 279 | 405 | 126 |
| **1987** | 154 | 202 3/4 | 48 3/4 | 477 | 604 | 127 | 239 | 316 1/2 | 77 1/2 |
| **Average Spring Rally** | 5 yr avg 34 / 19yr avg 50 ½ | | | 5 yr avg 177 ½ / 19yr avg 141 ½ | | | 5 yr avg 46 ¼ / 19yr avg 66 | | |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of future results.

On average, July Corn futures have rallied 50 ½ cents from their November to February lows to their March to June highs. Over half of these rallies exceeded 25 cents. July Soybeans have rallied on average 141 ½ cents from the winter lows to the spring highs in the last 19 years, with 13 occurrences exceeding $0.75. July Wheat futures have posted an average gain of 66 cents from the lows of winter to the highs of spring, exceeding the 40 cent barrier 13 of the last 19 years.

Though some years tend to see a distinct lack of a spring time rally – like 2001 as "Mad Cow"/Hoof and Mouth disease, bumper South American crops, and large beginning stocks all served to lessen the risk associated with the crop, most years tend to see some type of risk premium built into prices. Last year we warned readers to expect at the very least a normal "Spring Rally" in the grains due to the tightening supply/use relationship. However, this year we expect a smaller than average rally, based on the record crop sizes produced this year. The moral of this story may be to look to buy long dated "out-of-the-money" call options during the winter, when volatility is low and a potential rally could occur. Or, option writers may wish to sell "out-of-the-money" long dated puts to collect the premium, or a combination of both for the ***advanced options trader who understands the risks involved in such a strategy.***

### May Corn Statistics for Week #9

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 10 |
| # Down | 1 | 4 | 9 |
| Total Change | 38 | 21 3/4 | 23 1/4 |
| Avg Change | 7 1/2 | 2 1/4 | 1 1/4 |
| Avg Up | 9 1/2 | 7 1/4 | 5 3/4 |
| Avg Dn | - 1/4 | -5 1/2 | -3 3/4 |
| Avg Range | 9 3/4 | 9 1/4 | 7 3/4 |
| # Higher Highs | 4 | 6 | 11 |
| # Lower Lows | 1 | 4 | 9 |

### May Soybeans Statistics for Week #9

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 11 |
| # Down | 1 | 4 | 8 |
| Total Change | 120 1/4 | 95 2/4 | 101 2/4 |
| Avg Change | 24 | 9 2/4 | 5 1/4 |
| Avg Up | 33 | 24 2/4 | 17 |
| Avg Dn | -11 3/4 | -13 | -10 3/4 |
| Avg Range | 30 3/4 | 25 1/4 | 21 |
| # Higher Highs | 4 | 6 | 11 |
| # Lower Lows | 2 | 4 | 10 |

### May CBOT Wheat Statistics for Week #9

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 8 |
| # Down | 2 | 4 | 11 |
| Total Change | 43 3/4 | 47 3/4 | 15 2/4 |
| Avg Change | 8 3/4 | 4 3/4 | 3/4 |
| Avg Up | 16 3/4 | 12 | 11 1/4 |
| Avg Dn | -3 1/4 | -6 | -6 3/4 |
| Avg Range | 16 | 15 | 13 3/4 |
| # Higher Highs | 4 | 7 | 9 |
| # Lower Lows | 2 | 4 | 10 |

**Monday 27**

Chickens and Eggs Annual

FN: C, W, S, SM, BO

**Tuesday 28**

Poultry Slaughter Annual
Weather Crop Summary
Agricultural Prices

**Wednesday 1**

**Thursday 2**

**Friday 3**

Livestock Slaughter Annual

**Saturday 4**

**Sunday 5**

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# *March 2006 Fundamental Overview*

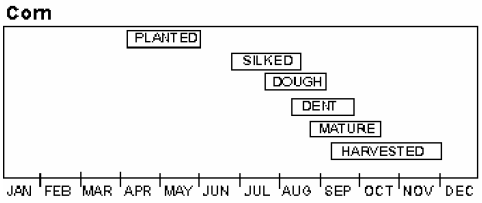
## CBOT Corn Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 958 | 1,087 | 1,596 | 1,899 | 1,718 |
| Production | | 11,807 | 10,114 | 9,008 | 9,507 | 9,968 |
| Total Supply | | 12,775 | 11,211 | 10,619 | 11,416 | 11,696 |
| Domestic Use | | 8,870 | 5,800 | 7,865 | 7,895 | 7,755 |
| Exports | | 1,850 | 2,510 | 1,750 | 1,925 | 2,000 |
| Total Use | | 10,720 | 10,310 | 9,615 | 9,820 | 9,755 |
| Ending Stocks | | 2,055 | 901 | 1,004 | 1,596 | 1,941 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 215 | 255 | 240 | 205 | 190 |
| Low Estimate | | 195 | 235 | 220 | 185 | 170 |
| May Futures High | | 231 | 321 ¾ | 241 ¼ | 212 ¼ | 225 ¾ |
| May Futures Low | | 209 ¼ | 291 | 227 ¼ | 201 ¾ | 193 ¼ |

Source: Monthly WASDE Report for March

**Comments:** Talk of planting, field prep, and the freeing up of transportation routes tends to support prices ~ Prospective planting report at months end gives the first real look at the 05/06 crop ~ Extremely wet weather can slow planting progress, which tends to be supportive, while dry/warm weather can lead to early planting (bearish)

**USDA/NASS Crop Progress Timetable**



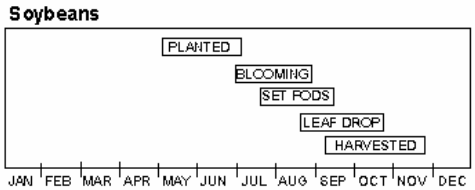

## CBOT Soybean Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 112 | 178 | 208 | 248 | 290 |
| Production | | 3,141 | 2,418 | 2,730 | 2,891 | 2,770 |
| Total Supply | | 3,258 | 2,604 | 2,940 | 3,141 | 3,063 |
| Crushing | | 1,650 | 1,465 | 1,640 | 1,685 | 1,590 |
| Exports | | 1,045 | 890 | 960 | 1,020 | 975 |
| Total Use | | 2,848 | 2,479 | 2,780 | 2,876 | 2,733 |
| Ending Stocks | | 410 | 125 | 160 | 265 | 330 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 545 | 755 | 560 | 440 | 465 |
| Low Estimate | | 505 | 715 | 520 | 410 | 445 |
| Jul Futures High | | 691 ½ | 1057 | 581 ½ | 479 ¼ | 470 |
| Jul Futures Low | | 609 | 899 | 558 | 445 | 428 |

Source: Monthly WASDE Report for March

**Comments:** Early wetness and planting delays have been behind most major bull markets in the grains ~ Watch for spring rally as a “risk premium” is built into prices to induce planting ~ End of month planting report gives the first indication of the 05/06 crop ~ Soybeans tend to be strong grain in spring ~ Southern hemisphere crop is setting pods/filling

**USDA/NASS Crop Progress Timetable**



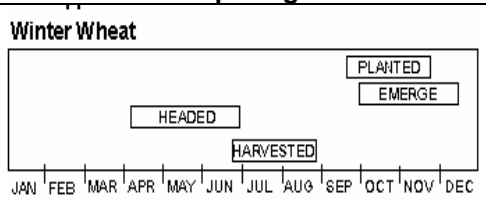

## CBOT Wheat Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 546 | 491 | 777 | 876 | 950 |
| Production | | 2,158 | 2,337 | 1,616 | 1,958 | 2,223 |
| Total Supply | | 2,770 | 2,903 | 2,459 | 2,929 | 3,268 |
| Domestic Use | | 1,167 | 1,209 | 1,119 | 1,253 | 1,334 |
| Exports | | 1,050 | 1,150 | 875 | 975 | 1,100 |
| Total Use | | 2,217 | 2,359 | 1,994 | 2,228 | 2,434 |
| Ending Stocks | | 553 | 544 | 465 | 701 | 834 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 345 | 340 | 365 | 285 | 270 |
| Low Estimate | | 335 | 330 | 355 | 275 | 260 |
| May Futures High | | 369 | 422 ¾ | 319 ¾ | 295 | 288 |
| May Futures Low | | 330 | 360 | 277 ½ | 269 ½ | 254 |

Source: Monthly WASDE Report for March

**Comments:** As the winter wheat crop emerges from dormancy, it is extremely vulnerable to thawing and re-freezing (heaving damage) ~ Heaving separates the root system from the stem, effectively killing the crop ~ Southern Asian monsoons can cause damage ~ Export activity tends to pick up as inland waterways become navigable

**USDA/NASS Crop Progress Timetable**



### May Corn Statistics for Week #10

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 5 | 9 |
| # Down | 5 | 5 | 10 |
| Total Change | -22 3/4 | 4 | 1 |
| Avg Change | -4 1/2 | 1/2 | 0 |
| Avg Up | n/a | 5 1/4 | 4 1/2 |
| Avg Dn | -4 1/2 | -4 1/2 | -4 |
| Avg Range | 6 1/2 | 7 1/2 | 7 |
| # Higher Highs | 2 | 4 | 9 |
| # Lower Lows | 1 | 3 | 6 |

### May Soybeans Statistics for Week #10

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 8 | 14 |
| # Down | 0 | 2 | 5 |
| Total Change | 22 2/4 | 52 | 86 3/4 |
| Avg Change | 4 2/4 | 5 1/4 | 4 2/4 |
| Avg Up | 4 2/4 | 9 | 9 1/4 |
| Avg Dn | n/a | -9 2/4 | -8 3/4 |
| Avg Range | 16 | 16 3/4 | 16 2/4 |
| # Higher Highs | 4 | 6 | 13 |
| # Lower Lows | 0 | 2 | 4 |

### May CBOT Wheat Statistics for Week #10

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 9 |
| # Down | 3 | 5 | 10 |
| Total Change | -14 2/4 | -5 3/4 | -21 1/4 |
| Avg Change | -3 | - 2/4 | -1 |
| Avg Up | 4 1/4 | 6 | 5 |
| Avg Dn | -7 2/4 | -7 | -6 3/4 |
| Avg Range | 11 3/4 | 13 2/4 | 12 3/4 |
| # Higher Highs | 2 | 6 | 9 |
| # Lower Lows | 3 | 5 | 10 |

**Monday 6**

**Tuesday 7**

Weather Crop Summary

**Wednesday 8**

**Thursday 9**

**Friday 10**

Crop Production
WASDE

**Saturday 11**

**Sunday 12**

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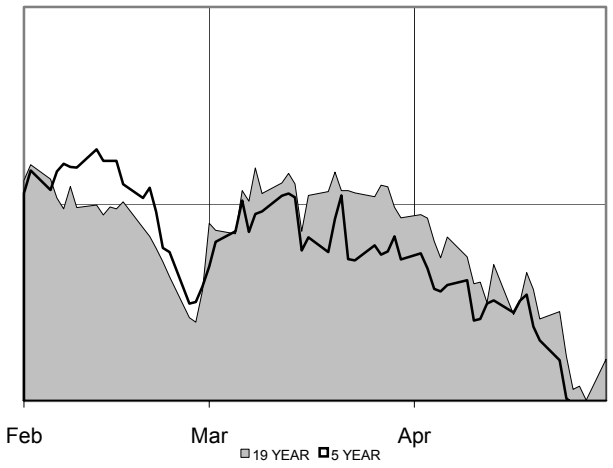
# *March 2006 Technical Overview*

## July Corn Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

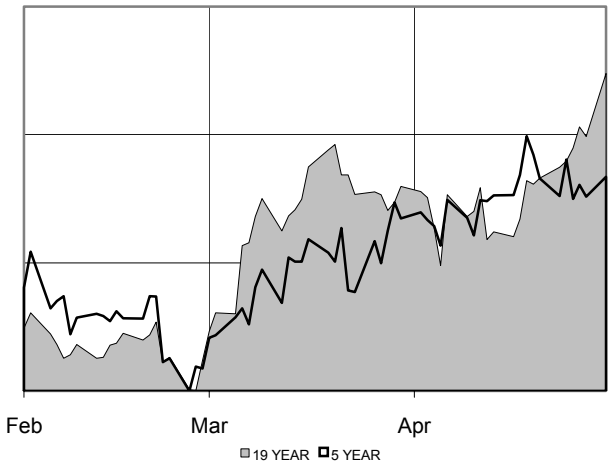
**COMMENTS:** 3rd strongest month on record behind October ~ Best batting average with 12 up and only 7 down (6 following up February's, 6 following down Februarys) ~ Following February strength, March has seen higher monthly highs (6 of 6) ~ Weak March's have seen continued weakness in April (7 of 7) ~ Beware of March weakness (9 of 12 March rallies have reversed in April)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 12 | **# Higher Highs** | 14 |
| **# Years Dn** | 7 | **# Lower Lows** | 7 |
| **Total Change** | 31 ¼ | **# Expanded Range** | 15 |
| **Avg Change** | 1 ¾ | **# Narrow Range** | 4 |
| **Avg Gain** | 9 ¼ | | |
| **Avg Loss** | -11 ½ | **5 Yr High** | 327 ¾ |
| **Avg Range** | 18 ¼ | **5 Yr Low** | 208 ½ |

## July Soybean Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

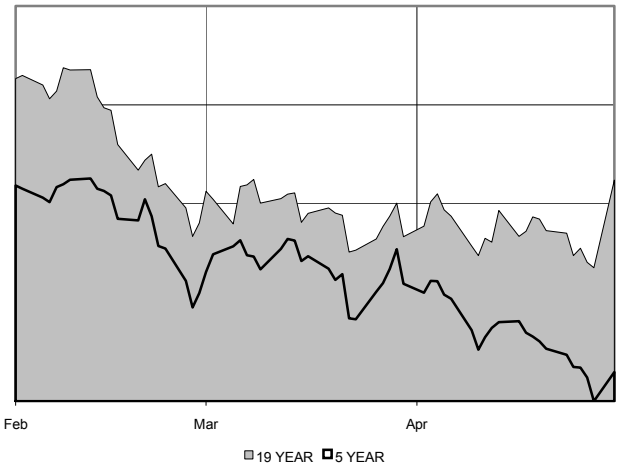
**COMMENTS:** 2nd Strongest month on record behind November ~ Best March's have followed strong February's (6 out of 9 higher basis July contract) ~ March strength continues into April briefly (with 10 of 12 seeing higher highs, but only 6 gains on a settlement basis) ~ Meal tends to rally the strongest and 6 of 9 rallies have continued into April, the strongest month for Meal on record.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 12 | **# Higher Highs** | 13 |
| **# Years Dn** | 7 | **# Lower Lows** | 5 |
| **Total Change** | 216 ½ | **# Expanded Range** | 11 |
| **Avg Change** | 11 ½ | **# Narrow Range** | 8 |
| **Avg Gain** | 26 ¼ | | |
| **Avg Loss** | -14 ¼ | **5 Yr High** | 1057 |
| **Avg Range** | 47 | **5 Yr Low** | 432 |

## July CBOT Wheat

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

**COMMENTS:** Volatility tends to increase (14 out of 19 have seen monthly range expansion) ~ March weakness is often reversed in April (6 out of 10 basis CBOT, KCBT, & 5 of 9 in MW) ~ MW and KCBT tend towards more strength in April following a strong March ~ Look to establish longs below February lows for a April rally (strongest month on record for all Wheat classes)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 11 |
| **# Years Dn** | 10 | **# Lower Lows** | 14 |
| **Total Change** | -15 ¼ | **# Expanded Range** | 15 |
| **Avg Change** | 15 ½ | **# Narrow Range** | 4 |
| **Avg Gain** | 15 ½ | | |
| **Avg Loss** | 15 ½ | **5 Yr High** | 426 ¾ |
| **Avg Range** | 30 ¾ | **5 Yr Low** | 265 ½ |

### May Corn Statistics for Week #11

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 8 |
| # Down | 3 | 5 | 11 |
| Total Change | -3 | -1 3/4 | -16 1/4 |
| Avg Change | - 1/2 | - 1/4 | - 3/4 |
| Avg Up | 6 | 4 | 3 3/4 |
| Avg Dn | -5 | -4 1/2 | -4 1/4 |
| Avg Range | 9 1/2 | 10 1/4 | 8 3/4 |
| # Higher Highs | 1 | 6 | 12 |
| # Lower Lows | 5 | 6 | 11 |

### May Soybeans Statistics for Week #11

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 7 | 11 |
| # Down | 2 | 3 | 8 |
| Total Change | 11 2/4 | 62 3/4 | 58 1/4 |
| Avg Change | 2 1/4 | 6 1/4 | 3 |
| Avg Up | 12 3/4 | 14 | 13 2/4 |
| Avg Dn | -13 2/4 | -11 2/4 | -11 1/4 |
| Avg Range | 31 2/4 | 28 2/4 | 23 |
| # Higher Highs | 3 | 8 | 11 |
| # Lower Lows | 4 | 5 | 8 |

### May CBOT Wheat Statistics for Week #11

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 5 | 9 |
| # Down | 4 | 5 | 10 |
| Total Change | -11 1/4 | 3 1/4 | -30 2/4 |
| Avg Change | -2 1/4 | 1/4 | -1 2/4 |
| Avg Up | 21 | 11 2/4 | 8 |
| Avg Dn | -8 | -10 3/4 | -10 1/4 |
| Avg Range | 15 3/4 | 16 1/4 | 15 |
| # Higher Highs | 2 | 6 | 10 |
| # Lower Lows | 4 | 5 | 11 |

**Monday 13**

**Tuesday 14**

Weather Crop Summary

LT: C, W, S, SM, BO

**Wednesday 15**

**Thursday 16**

**Friday 17**

**St. Patrick's Day**

**Saturday 18**

**Sunday 19**

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# *Seasonal Spread Highlight for March …*

The uncertainty associated with planting as well as a draw down in supplies from harvest and with South American supplies still not available on the World market, the market tends to favor "old crop" versus "new crop" as worries mount about the supply side of the equation, especially in the Meal market..

- *Long July 2006 Soymeal, Short December 2006 Soymeal*
- *Enter on roughly the 5th trading day of March, Exit on roughly the 7th trading day of May*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 3/7/1991 | -7.5 | 5/10/1991 | -6.6 | 0.9 | -3.7 | 3.8 | -9.2 | -1.7 |
| 3/9/1992 | -18.9 | 5/8/1992 | -18.7 | 0.2 | -13.9 | 5.0 | -20.6 | -1.7 |
| 3/8/1993 | -6.8 | 5/10/1993 | -1.5 | 5.3 | 5.2 | 12.0 | -6.9 | -0.1 |
| 3/7/1994 | 4.5 | 5/10/1994 | 6.7 | 2.2 | 9.5 | 5.0 | 3.8 | -0.7 |
| 3/7/1995 | -8.9 | 5/10/1995 | -8.0 | 0.9 | -4.9 | 4.0 | -9.9 | -1.0 |
| 3/7/1996 | 2.6 | 5/10/1996 | 8.0 | 5.4 | 17.6 | 15.0 | -0.5 | -3.1 |
| 3/7/1997 | 39.6 | 5/9/1997 | 66.4 | 26.8 | 101.0 | 61.4 | 39.6 | 0.0 |
| 3/9/1998 | -6.4 | 5/8/1998 | -4.4 | 2.0 | 0.0 | 6.4 | -8.2 | -1.8 |
| 3/8/1999 | -8.9 | 5/10/1999 | -6.5 | 2.4 | -2.7 | 6.2 | -8.9 | 0.0 |
| 3/7/2000 | -1.3 | 5/10/2000 | -0.5 | 0.8 | 0.7 | 2.0 | -4.0 | -2.7 |
| 3/7/2001 | 2.2 | 5/10/2001 | 9.2 | 7.0 | 16.2 | 14.0 | 2.0 | -0.2 |
| 3/7/2002 | 1.1 | 5/10/2002 | 4.8 | 3.7 | 19.1 | 18.0 | 1.1 | 0.0 |
| 3/7/2003 | 16.4 | 5/9/2003 | 27.6 | 11.2 | 44.2 | 27.8 | 16.3 | -0.1 |
| 3/8/2004 | 59.5 | 5/10/2004 | 85.5 | 26.0 | 124.5 | 65.0 | 59.5 | 0.0 |
| 3/7/2005 | -1.3 | 5/10/2005 | 1.3 | 2.6 | 6.2 | 7.5 | -1.3 | 0.0 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 97.4 | $ 9,740.00 | Worst Loss | 0.0 | $ - |
| # Win | 15 | Avg P&L | 6.5 | $ 649.33 | Worst Draw | -3.1 | $ (310.00) |
| # loss | 0 | Avg Win | 6.5 | $ 649.33 | Avg Draw | -0.9 | $ (87.33) |
| % Win | 100.0% | Avg Loss | n/a | n/a | Worst Draw Win | -3.1 | $ (310.00) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### May Corn Statistics for Week #12

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 12 |
| # Down | 4 | 6 | 7 |
| Total Change | - 3/4 | 11 1/4 | 34 1/4 |
| Avg Change | - 1/4 | 1 1/4 | 1 3/4 |
| Avg Up | 10 3/4 | 9 1/2 | 5 1/4 |
| Avg Dn | -3 | -4 1/2 | -4 |
| Avg Range | 7 3/4 | 9 1/2 | 7 1/2 |
| # Higher Highs | 2 | 4 | 9 |
| # Lower Lows | 3 | 5 | 8 |

### May Soybeans Statistics for Week #12

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 11 |
| # Down | 1 | 4 | 8 |
| Total Change | 145 | 142 | 148 2/4 |
| Avg Change | 29 | 14 1/4 | 7 3/4 |
| Avg Up | 38 | 28 3/4 | 18 3/4 |
| Avg Dn | -6 2/4 | -7 2/4 | -7 1/4 |
| Avg Range | 37 | 31 1/4 | 23 |
| # Higher Highs | 4 | 6 | 11 |
| # Lower Lows | 2 | 5 | 8 |

### May CBOT Wheat Statistics for Week #12

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 11 |
| # Down | 3 | 5 | 8 |
| Total Change | 15 | -3 | 25 3/4 |
| Avg Change | 3 | - 1/4 | 1 1/4 |
| Avg Up | 15 3/4 | 9 2/4 | 8 3/4 |
| Avg Dn | -5 2/4 | -10 | -9 |
| Avg Range | 18 3/4 | 18 2/4 | 15 3/4 |
| # Higher Highs | 3 | 5 | 8 |
| # Lower Lows | 2 | 5 | 10 |

**Monday 20**

Vernal Equinox

**Tuesday 21**

Weather Crop Summary

**Wednesday 22**

Cotton Ginnings
Cold Storage

**Thursday 23**

**Friday 24**

Livestock Slaughter
Cattle on Feed
Chickens and Eggs
Monthly Agnews

**Saturday 25**

**Sunday 26**

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# *The April Break In Corn*

In 16 of the last 19 years, July Corn futures have fallen during the month of April. March usually see's a planting premium built into Corn prices, as July Corn futures have posted gains in March in 12 of the last 19 years. However, these premiums tend to be fleeting when they are built, and when weakness occurs going into planting the trend tends to continue.

According to our "count" – with 9 of the last 12 March monthly rallies seeing April declines. On average after a March advance basis the July Corn futures, prices have settled the month of April lower 9 times (75% or 9 out of 12 years). As such, traders should be very apprehensive of new highs in April (April high greater than March monthly high). The trend in April basis July Corn tends to be down, especially when March is a weak month as evidenced by April's down 7 of the last 7 years following a March decline.

The following table shows the performance of the July Corn futures following wither a rally above the March highs or a decline in March on a monthly basis from the settlement price in March to April's monthly settle.

| | Entry Date | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| 2005 | 221 | 223 3/4 | 211 1/4 | 213 1/2 | 7 1/2 | -2 3/4 | 9 3/4 |
| 2004 | 327 1/2 | 342 | 303 | 320 1/4 | 7 1/4 | -14 1/2 | 24 1/2 |
| 2003 | 242 3/4 | 246 1/2 | 229 1/2 | 231 1/4 | 11 1/2 | -3 3/4 | 13 1/4 |
| 2002 | 209 | 211 1/4 | 199 1/2 | 200 1/2 | 8 1/2 | -2 1/4 | 9 1/2 |
| 2001 | 212 | 222 3/4 | 201 1/2 | 207 1/2 | 4 1/2 | -10 3/4 | 10 1/2 |
| ***No Trade: No Higher High and no monthly decline*** | | | | | | | |
| ***No Trade: No Higher High and no monthly decline*** | | | | | | | |
| 1998 | 265 3/4 | 268 | 251 1/4 | 252 1/4 | 13 1/2 | -2 1/4 | 14 1/2 |
| 1997 | 311 1/2 | 320 3/4 | 290 | 293 1/4 | 18 1/4 | -9 1/4 | 21 1/2 |
| 1996 | 395 | 484 | 394 1/2 | 452 | -57 | -89 | 1/2 |
| 1995 | 258 1/2 | 260 | 249 | 255 1/4 | 3 1/4 | -1 1/2 | 9 1/2 |
| 1994 | 279 3/4 | 282 | 257 3/4 | 272 | 7 3/4 | -2 1/4 | 22 |
| 1993 | 237 3/4 | 239 1/2 | 227 3/4 | 232 1/2 | 5 1/4 | -1 3/4 | 10 |
| 1992 | 269 1/4 | 270 | 249 1/4 | 249 1/2 | 19 3/4 | - 3/4 | 20 |
| 1991 | 267 1/4 | 268 1/2 | 253 3/4 | 254 | 13 1/4 | -1 1/4 | 13 1/2 |
| 1990 | 265 1/2 | 285 | 265 | 283 | -17 1/2 | -19 1/2 | 1/2 |
| 1989 | 271 | 283 | 261 | 270 1/2 | 1/2 | -12 | 10 |
| 1988 | 217 3/4 | 219 1/4 | 207 | 211 1/4 | 6 1/2 | -1 1/2 | 10 3/4 |
| 1987 | 167 3/4 | 184 1/2 | 160 1/2 | 184 1/4 | -16 1/2 | -16 3/4 | 7 1/4 |

| | | | cents/bu | $ | | cents/bu | $ |
|---|---|---|---|---|---|---|---|
| **# Trades** | 17 | **Total P&L** | 36 1/4 | $ 1,812.50 | **Average Draw** | -11 1/4 | $ (562.50) |
| **# Win** | 14 | **Average P&L** | 2 1/4 | $ 112.50 | **Worst Draw** | -89 | $(4,450.00) |
| **# Loss** | 3 | **Average Win** | 9 | $ 450.00 | **Average Fav** | 12 1/4 | $ 612.50 |
| **% Win** | 82% | **Average Loss** | -30 1/4 | $ (1,512.50) | **Worst Draw on Win** | -14 2/4 | $ (725.00) |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitiations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

Traders should notice that in the years that the strategy of either selling a higher April high or following a March decline that when the strategy did work, it has never suffered a loss greater than -14 ½ cents/bu. As such, the use of stop losses – which have their own limitations – may be in order. Of course, as always cycles/patterns such as this are subject to change, and therefore traders should use this study as a guide in conjunction with their own analysis to reach any real trading decisions.

### May Corn Statistics for Week #13

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 7 |
| # Down | 4 | 6 | 12 |
| Total Change | -10 1/4 | 9 1/2 | 8 |
| Avg Change | -2 | 1 | 1/2 |
| Avg Up | 11 1/4 | 10 1/2 | 7 1/2 |
| Avg Dn | -5 1/2 | -5 1/4 | -3 3/4 |
| Avg Range | 7 1/2 | 9 1/4 | 7 1/4 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 3 | 5 | 10 |

### May Soybeans Statistics for Week #13

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 6 | 8 |
| # Down | 4 | 4 | 11 |
| Total Change | -30 | 26 | -11 1/4 |
| Avg Change | -6 | 2 2/4 | - 2/4 |
| Avg Up | 10 3/4 | 11 1/4 | 11 3/4 |
| Avg Dn | -10 1/4 | -10 1/4 | -9 2/4 |
| Avg Range | 23 | 23 2/4 | 20 1/4 |
| # Higher Highs | 3 | 6 | 9 |
| # Lower Lows | 2 | 3 | 9 |

### May CBOT Wheat Statistics for Week #13

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 6 | 8 |
| # Down | 3 | 4 | 11 |
| Total Change | -14 3/4 | 31 3/4 | -5 3/4 |
| Avg Change | -3 | 3 1/4 | - 1/4 |
| Avg Up | 9 1/4 | 11 3/4 | 10 1/4 |
| Avg Dn | -11 | -9 3/4 | -8 |
| Avg Range | 13 1/4 | 16 1/4 | 14 2/4 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 3 | 6 | 10 |

**Monday 27**

**Tuesday 28**

Weather Crop Summary

**Wednesday 29**

**Thursday 30**

Agricultural Prices

**Friday 31**

Grain Stocks
Poultry Slaughter
Prospective Plantings
Rice Stocks
Quarterly Hogs and Pigs

**Saturday 1**

**Sunday 2**

**Daylight Saving Time begins**

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# *April 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 958 | 1,087 | 1,596 | 1,899 | 1,718 |
| Production | | 11,807 | 10,114 | 9,008 | 9,507 | 9,968 |
| Total Supply | | 12,775 | 11,211 | 10,619 | 11,416 | 11,696 |
| Domestic Use | | 8,870 | 5,800 | 7,935 | 7,870 | 7,795 |
| Exports | | 1,800 | 2,050 | 1,675 | 1,925 | 1,950 |
| Total Use | | 10,560 | 10,405 | 9,610 | 9,765 | 9,745 |
| Ending Stocks | | 2,055 | 806 | 1,009 | 1,621 | 1,951 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 210 | 245 | 235 | 195 | 190 |
| Low Estimate | | 200 | 255 | 225 | 185 | 180 |
| Jul Futures High | | 223 ¾ | 342 | 246 ½ | 211 ¼ | 222 ¾ |
| Jul Futures Low | | 211 ¼ | 303 | 229 ½ | 199 ½ | 201 ½ |

Source: Monthly WASDE Report for April

**Comments:** Planting is the most critical stage of development, and planting concerns dominate trade ~ Planting delays, such as too much rain or cold weather are bullish ~ Early planted crops tend to be bigger and weigh on prices ~ Look for prices to continue any March enthusiasm over planting problems ~ In the last 19 years the USDA has over estimated domestic use 13 times, and under estimated ending stocks 11 times

**End of Month Crop Progress**

| | % Planted |
|---|---|
| 2005 | 30 |
| 5 Year Average | 22 |

## CBOT Soybean Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 112 | 178 | 208 | 248 | 290 |
| Production | | 3,141 | 2,418 | 2,730 | 2,891 | 2,770 |
| Total Supply | | 3,258 | 2,604 | 2,940 | 3,141 | 3,063 |
| Crushing | | 1,650 | 1,475 | 1,620 | 1,685 | 1,590 |
| Exports | | 1,080 | 900 | 995 | 1,020 | 990 |
| Total Use | | 2,883 | 2,489 | 2,795 | 2,876 | 2,763 |
| Ending Stocks | | 375 | 115 | 145 | 265 | 300 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 555 | 765 | 560 | 440 | 455 |
| Low Estimate | | 525 | 735 | 530 | 410 | 445 |
| Jul Futures High | | 656 ¾ | 1064 | 631 ½ | 484 | 449 |
| Jul Futures Low | | 610 ½ | 921 | 573 | 456 | 422 |

Source: Monthly WASDE Report for April

**Comments:** Planting typically begins towards the end of the month ~ Planting delays in corn tend to weigh slightly on soybeans, as crop rotation is anticipated ~ Brazilian harvest begins, but do not expect to see supply hit the market for several months ~ In the last 19 years, the USDA has underestimated foreign production 15 times, domestic production 12 times, US exports and crushings 12 times, and over stated US ending stocks 11 times

**End of Month Crop Progress**

| | % Planted |
|---|---|
| 2005 | |
| 5 Year Average | 2 |

## CBOT Wheat Fundamentals

| Crop Year | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 | 00/01 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 546 | 491 | 777 | 876 | 950 |
| Production | | 2,158 | 2,337 | 1,616 | 1,958 | 2,223 |
| Total Supply | | 2,775 | 2,903 | 2,464 | 2,934 | 3,263 |
| Domestic Use | | 1,184 | 900 | 1,144 | 1,226 | 1,334 |
| Exports | | 1,050 | 1,207 | 875 | 975 | 1,100 |
| Total Use | | 2,234 | 1,170 | 2,019 | 2,201 | 2,434 |
| Ending Stocks | | 541 | 2,377 | 445 | 733 | 829 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 345 | 340 | 365 | 285 | 270 |
| Low Estimate | | 335 | 330 | 355 | 275 | 260 |
| Jul Futures High | | 340 | 430 ½ | 296 ½ | 293 ½ | 284 |
| Jul Futures Low | | 311 | 375 | 279 | 264 ½ | 267 |

Source: Monthly WASDE Report for April

**Comments:** Good moisture and warm weather is desirable for heading of winter wheat ~ Lack of rain can cause poor kernel development, while too much rain increases risks of fungal diseases – like the Karnal Bunt outbreak in 1997 ~ Chinese crops are in the same stage of development, so watch weather on both continents

**End of Month Crop Progress**

| | % Headed |
|---|---|
| 2005 | 18 |
| 5 Year Average | 17 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 1 | 6 | 25 | 51 | 17 |
| 5 yr Avg | 7 | 12 | 29 | 43 | 10 |

### May Corn Statistics for Week #14

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 9 |
| # Down | 1 | 4 | 9 |
| Total Change | 31 3/4 | 19 3/4 | -5 |
| Avg Change | 6 1/4 | 2 | - 1/4 |
| Avg Up | 8 3/4 | 9 1/4 | 8 |
| Avg Dn | -2 3/4 | -9 | -8 3/4 |
| Avg Range | 13 | 15 1/2 | 12 3/4 |
| # Higher Highs | 3 | 8 | 14 |
| # Lower Lows | 3 | 7 | 12 |

### May Soybeans Statistics for Week #14

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 11 |
| # Down | 1 | 5 | 8 |
| Total Change | 77 2/4 | 48 3/4 | 30 3/4 |
| Avg Change | 15 2/4 | 5 | 1 2/4 |
| Avg Up | 20 2/4 | 19 1/4 | 12 2/4 |
| Avg Dn | -4 2/4 | -9 2/4 | -13 1/4 |
| Avg Range | 33 1/4 | 30 2/4 | 24 1/4 |
| # Higher Highs | 3 | 7 | 12 |
| # Lower Lows | 3 | 5 | 9 |

### May CBOT Wheat Statistics for Week #14

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 7 |
| # Down | 3 | 7 | 12 |
| Total Change | -3 2/4 | -37 1/4 | -42 3/4 |
| Avg Change | - 3/4 | -3 3/4 | -2 1/4 |
| Avg Up | 9 | 13 3/4 | 11 2/4 |
| Avg Dn | -7 1/4 | -11 1/4 | -10 1/4 |
| Avg Range | 15 | 19 3/4 | 18 1/4 |
| # Higher Highs | 2 | 6 | 11 |
| # Lower Lows | 3 | 5 | 10 |

**Monday 3**

Crop Progress

**Tuesday 4**

Weather Crop Summary

**Wednesday 5**

**Thursday 6**

**Friday 7**

**Saturday 8**

**Sunday 9**

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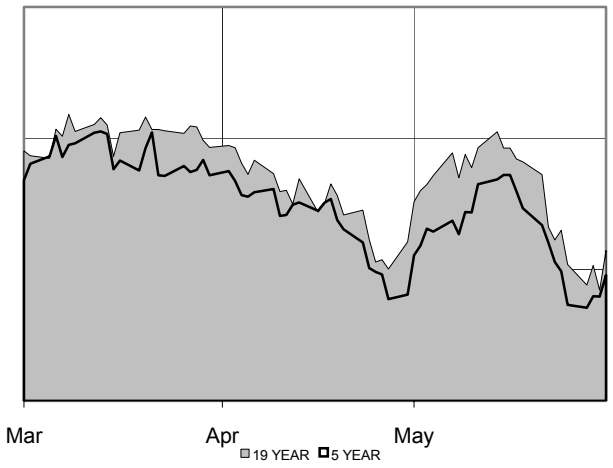
# *April 2006 Technical Overview*

## July Corn Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

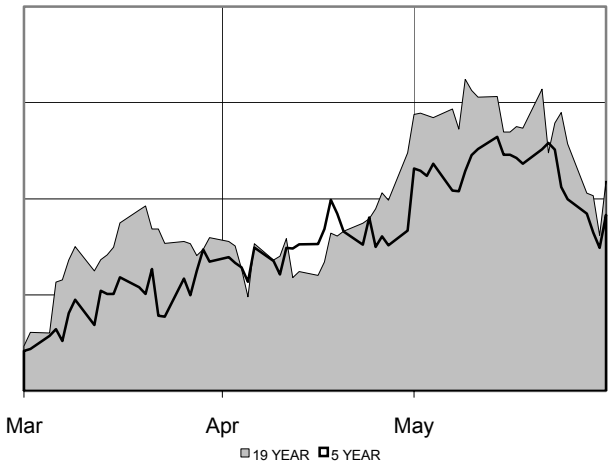
**COMMENTS:** March rallies fizzle in April, while March weakness accelerates in April ~ Worst batting average of any month, declining in 16 of last 19 years and 9 of the last 9 years ~ Expect March rallies to reverse after making new highs (10 of 13) ~ Rare April strength has lead to higher highs in May (2 of 3) with an average gain of 8 1/4 cents ~ Expect lower lows in May (14 out of 19)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 3 | **# Higher Highs** | 10 |
| **# Years Dn** | 16 | **# Lower Lows** | 8 |
| **Total Change** | -33 ¼ | **# Expanded Range** | 11 |
| **Avg Change** | -1 ¾ | **# Narrow Range** | 8 |
| **Avg Gain** | 32 | | |
| **Avg Loss** | -8 | **5 Yr High** | 342 |
| **Avg Range** | 22 ½ | **5 Yr Low** | 199 ½ |

## July Soybean Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

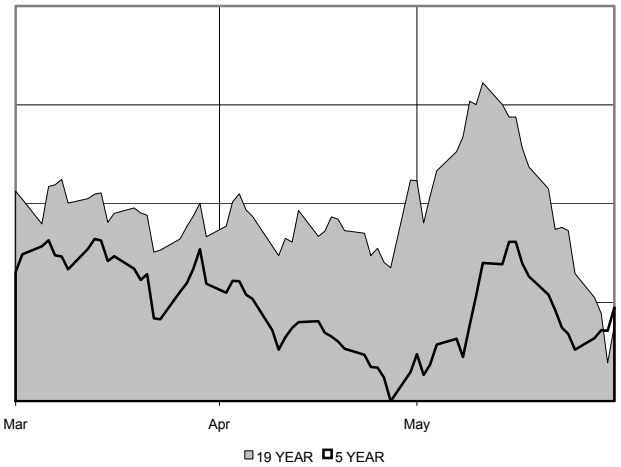
**COMMENTS:** April tends to see March gains consolidated ~ Worst April breaks have followed weakness in March (5 of 7 lower lows and 4 lower settlements) ~ April breaks in Meal often precede strong May's (6 of 10 with an average gain of $2.40/ton) ~ April strength is often reversed in Beanoil after higher highs in May (8 of 11 April rallies reversed in May, but 10 higher highs scored first)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 11 |
| **# Years Dn** | 10 | **# Lower Lows** | 6 |
| **Total Change** | 159 ¾ | **# Expanded Range** | 5 |
| **Avg Change** | 8 ½ | **# Narrow Range** | 14 |
| **Avg Gain** | 29 ½ | | |
| **Avg Loss** | -10 ½ | **5 Yr High** | 1064 |
| **Avg Range** | 45 ½ | **5 Yr Low** | 422 |

## July CBOT Wheat

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

**COMMENTS:** Strongest month on record ~ When strong, April tends to be very strong (average gain of +25 cents in CBOT, +29 ¾ in KCBT & +22 ¼ in MW) ~ April rallies tend to be reversed in May (especially in MW with 9 of 11 April rallies reversed in May) ~ April highs are often violated before reversing ~ KCBT Wheat tends to be the leader of the pack in April and May.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 9 |
| **# Years Dn** | 10 | **# Lower Lows** | 11 |
| **Total Change** | 44 | **# Expanded Range** | 9 |
| **Avg Change** | 2 ¼ | **# Narrow Range** | 9 |
| **Avg Gain** | 23 ½ | | |
| **Avg Loss** | -16 ¾ | **5 Yr High** | 430 ½ |
| **Avg Range** | 36 ½ | **5 Yr Low** | 264 3/4 |

### May Corn Statistics for Week #15

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 7 |
| # Down | 2 | 5 | 10 |
| Total Change | -6 1/4 | 9 | 6 |
| Avg Change | -1 1/4 | 1 | 1/4 |
| Avg Up | 1 1/2 | 8 1/4 | 6 |
| Avg Dn | -4 3/4 | -4 3/4 | -3 1/2 |
| Avg Range | 7 | 10 1/2 | 9 |
| # Higher Highs | 2 | 4 | 9 |
| # Lower Lows | 2 | 4 | 11 |

### May Soybeans Statistics for Week #15

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 6 |
| # Down | 3 | 7 | 13 |
| Total Change | -83 | -76 1/4 | -48 3/4 |
| Avg Change | -16 2/4 | -7 3/4 | -2 2/4 |
| Avg Up | 16 2/4 | 21 | 20 1/4 |
| Avg Dn | -38 2/4 | -20 | -13 |
| Avg Range | 30 1/4 | 27 1/4 | 22 1/4 |
| # Higher Highs | 3 | 4 | 8 |
| # Lower Lows | 0 | 3 | 6 |

### May CBOT Wheat Statistics for Week #15

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 3 | 6 | 9 |
| Total Change | -13 1/4 | 51 2/4 | 81 3/4 |
| Avg Change | -2 3/4 | 5 1/4 | 4 1/4 |
| Avg Up | 3 1/4 | 24 2/4 | 15 1/4 |
| Avg Dn | -6 2/4 | -7 3/4 | -7 3/4 |
| Avg Range | 12 1/4 | 19 2/4 | 17 1/4 |
| # Higher Highs | 2 | 4 | 7 |
| # Lower Lows | 4 | 6 | 11 |

### Monday 10

Crop Production
WASDE
Crop Progress

### Tuesday 11

Weather Crop Summary

### Wednesday 12

**Passover begins at sundown**
Crop Production Historical Track Records

### Thursday 13

### Friday 14

**Good Friday**

### Saturday 15

### Sunday 16

**Easter Sunday**

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# *Seasonal Spread Highlight for April …*

The uncertainty associated with planting as well as a draw down in supplies from harvest and with South American supplies still not available on the World market, the market tends to favor "old crop" versus "new crop" as worries mount about the supply side of the equation.

- *Long July 2006 Soybean, Short November 2006 Soybean*
- *Enter on roughly the 6th trading day of April, Exit on roughly the 2nd trading day of May*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 4/8/1991 | -19 | 5/2/1991 | -14 1/4 | 4 3/4 | -14 1/4 | 4 3/4 | -19 1/2 | - 1/2 |
| 4/8/1992 | -13 | 5/4/1992 | -15 1/4 | -2 1/4 | -13 | 0 | -16 1/2 | -3 1/2 |
| 4/8/1993 | -9 1/4 | 5/4/1993 | -1 1/2 | 7 3/4 | -1 1/2 | 7 3/4 | -9 1/4 | 0 |
| 4/11/1994 | 40 | 5/3/1994 | 41 | 1 | 46 | 6 | 38 3/4 | -1 1/4 |
| 4/10/1995 | -16 | 5/2/1995 | -16 3/4 | - 3/4 | -13 | 3 | -18 | -2 |
| 4/9/1996 | 14 1/4 | 5/2/1996 | 31 1/4 | 17 | 44 1/4 | 30 | 11 1/2 | -2 3/4 |
| 4/8/1997 | 155 1/4 | 5/2/1997 | 184 | 28 3/4 | 189 1/2 | 34 1/4 | 134 1/2 | -20 3/4 |
| 4/8/1998 | 18 1/2 | 5/4/1998 | 23 1/4 | 4 3/4 | 24 3/4 | 6 1/4 | 17 1/4 | -1 1/4 |
| 4/9/1999 | -15 | 5/4/1999 | -13 | 2 | -12 3/4 | 2 1/4 | -15 1/2 | - 1/2 |
| 4/10/2000 | -12 3/4 | 5/2/2000 | -11 1/4 | 1 1/2 | -11 1/4 | 1 1/2 | -13 1/4 | - 1/2 |
| 4/9/2001 | 4 | 5/2/2001 | 5 3/4 | 1 3/4 | 8 | 4 | 1 1/2 | -2 1/2 |
| 4/8/2002 | 1 1/2 | 5/2/2002 | 9 | 7 1/2 | 13 3/4 | 12 1/4 | 1 1/2 | 0 |
| 4/8/2003 | 68 3/4 | 5/2/2003 | 73 3/4 | 5 | 83 3/4 | 15 | 68 3/4 | 0 |
| 4/8/2004 | 210 1/2 | 5/4/2004 | 245 1/2 | 35 | 268 1/4 | 57 3/4 | 205 1/2 | -5 |
| 4/8/2005 | 13 | 5/3/2005 | 6 1/4 | -6 3/4 | 20 | 7 | 5 1/4 | -7 3/4 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 107 | $ 5,350.00 | Worst Loss | -6 3/4 | $ (337.50) |
| # Win | 12 | Avg P&L | 7 1/4 | $ 356.67 | Worst Draw | -20 3/4 | $(1,037.50) |
| # loss | 3 | Avg Win | 9 3/4 | $ 486.46 | Avg Draw | -3 1/4 | $ (160.83) |
| % Win | 80.0% | Avg Loss | -3 1/4 | $ (162.50) | Worst Draw Win | -20 3/4 | $(1,037.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### May Corn Statistics for Week #16

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 5 | 8 |
| # Down | 4 | 5 | 10 |
| Total Change | -30 1/2 | -24 1/2 | -37 1/4 |
| Avg Change | -6 | -2 1/2 | -2 |
| Avg Up | 2 1/4 | 2 1/4 | 3 1/2 |
| Avg Dn | -8 1/4 | -7 1/4 | -6 1/2 |
| Avg Range | 9 1/2 | 11 1/4 | 10 |
| # Higher Highs | 1 | 3 | 6 |
| # Lower Lows | 3 | 6 | 13 |

### May Soybeans Statistics for Week #16

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 5 | 11 |
| # Down | 5 | 5 | 8 |
| Total Change | -79 2/4 | -43 | -15 1/4 |
| Avg Change | -16 | -4 1/4 | - 3/4 |
| Avg Up | n/a | 7 1/4 | 9 |
| Avg Dn | -16 | -16 | -14 1/4 |
| Avg Range | 19 2/4 | 21 3/4 | 19 2/4 |
| # Higher Highs | 1 | 4 | 9 |
| # Lower Lows | 4 | 6 | 11 |

### May CBOT Wheat Statistics for Week #16

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 10 |
| # Down | 3 | 5 | 9 |
| Total Change | -33 1/4 | 17 2/4 | 7 |
| Avg Change | -6 3/4 | 1 3/4 | 1/4 |
| Avg Up | 3 2/4 | 14 1/4 | 9 1/4 |
| Avg Dn | -13 1/4 | -10 3/4 | -9 2/4 |
| Avg Range | 11 2/4 | 18 2/4 | 15 2/4 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 3 | 6 | 10 |

**Monday 17**

Crop Progress

**Tuesday 18**

Weather Crop Summary

**Wednesday 19**

**Thursday 20**

**Friday 21**

Livestock Slaughter
Cattle on Feed
Chickens and Eggs
Cold Storage

OE: C, W, S, SM, BO

**Saturday 22**

**Sunday 23**

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# *Soy Complex Futures Seasonality*

The following table details 15 *HYPOTHETICAL* seasonal tendencies to help guide grain traders in making their decisions throughout the year. Each of these tendencies has historically been at least 80% accurate and has displayed a good risk to reward profile in the past.

| Contract | Position | Entry Date | Exit Date | # Win | # Loss | Avg Trade | Avg Loss |
|---|---|---|---|---|---|---|---|
| March '06 Soymeal | SM2006H | Short | 01/24/06 | 02/07/06 | 13 | 2 | $ 315.33 |
| May '06 Soymeal | SM2006K | Long | 02/27/06 | 04/28/06 | 12 | 3 | $ 807.33 |
| July '06 Soymeal | SM2006N | Long | 04/11/06 | 05/05/06 | 12 | 3 | $ 511.33 |
| September '06 Soymeal | SM2006U | Short | 07/17/06 | 08/07/06 | 12 | 3 | $ 800.67 |
| December '06 Soymeal | SM2006Z | Long | 08/07/06 | 09/05/06 | 12 | 3 | $ 782.67 |
| December '06 Soymeal | SM2006Z | Short | 09/08/06 | 10/03/06 | 12 | 3 | $ 602.00 |
| May '06 Soyoil | BO2006K | Long | 02/07/06 | 03/09/06 | 12 | 3 | $ 550.40 |
| May '06 Soyoil | BO2006K | Long | 03/02/06 | 03/17/06 | 12 | 3 | $ 222.00 |
| July '06 Soyoil | BO2006N | Short | 05/01/06 | 06/15/06 | 12 | 3 | $ 776.80 |
| July '06 Soyoil | BO2006N | Short | 07/14/06 | 07/31/06 | 12 | 3 | $ 414.00 |
| December '06 Soyoil | BO2006Z | Long | 11/01/06 | 11/20/06 | 12 | 3 | $ 338.00 |

Though at first glance these tendencies may appear to be wonderful, traders should take the time to realize that they are based on “normal market conditions” and therefore past performance may not be duplicated in the current year. As such, the ideas are presented above should be used as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade with genuine risk capital only. See the disclaimer and warning below.

### July Corn Statistics for Week #17

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 5 | 8 |
| # Down | 4 | 5 | 10 |
| Total Change | -30 1/2 | -24 1/2 | -37 1/4 |
| Avg Change | -6 | -2 1/2 | -2 |
| Avg Up | 2 1/4 | 2 1/4 | 3 1/2 |
| Avg Dn | -8 1/4 | -7 1/4 | -6 1/2 |
| Avg Range | 9 1/2 | 11 1/4 | 10 |
| # Higher Highs | 1 | 3 | 6 |
| # Lower Lows | 3 | 6 | 13 |

### July Soybeans Statistics for Week #17

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 10 |
| # Down | 3 | 5 | 8 |
| Total Change | 32 2/4 | 59 3/4 | 105 3/4 |
| Avg Change | 6 2/4 | 6 | 5 2/4 |
| Avg Up | 24 | 18 2/4 | 18 1/4 |
| Avg Dn | -5 1/4 | -6 3/4 | -9 2/4 |
| Avg Range | 26 2/4 | 27 2/4 | 25 |
| # Higher Highs | 2 | 6 | 13 |
| # Lower Lows | 3 | 5 | 9 |

### July CBOT Wheat Statistics for Week #17

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 7 |
| # Down | 3 | 7 | 12 |
| Total Change | -26 1/4 | 49 3/4 | 71 1/4 |
| Avg Change | -5 1/4 | 5 | 3 3/4 |
| Avg Up | 3 1/4 | 38 1/4 | 22 1/4 |
| Avg Dn | -11 | -9 1/4 | -7 |
| Avg Range | 12 2/4 | 22 1/4 | 18 |
| # Higher Highs | 1 | 3 | 7 |
| # Lower Lows | 5 | 8 | 13 |

**Monday 24**

Crop Progress

**Tuesday 25**

Weather Crop Summary
Monthly Agnews

**Wednesday 26**

**Thursday 27**

Dairy Products Annual
Meat Animals - PDI
Poultry – Production and Value

FN: C, W, S, SM, BO

**Friday 28**

Poultry Slaughter
Agricultural Prices

**Saturday 29**

**Sunday 30**

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# *Corn Futures Seasonality*

The following table details 8 *HYPOTHETICAL* seasonal tendencies to help guide grain traders in making their decisions throughout the year. Each of these tendencies has historically been at least 80% accurate and has displayed a good risk to reward profile in the past.

| Contract | Position | Entry Date | Exit Date | # Win | # Loss | Avg Trade | Avg Loss |
|---|---|---|---|---|---|---|---|
| May '06 Corn | C2006K | Long | 02/24/06 | 03/13/06 | 14 | 1 | $ 223.33 |
| May '06 Corn | C2006K | Short | 04/04/06 | 04/20/06 | 12 | 3 | $ 131.67 |
| July '06 Corn | C2006N | Short | 05/19/06 | 06/29/06 | 12 | 3 | $ 683.33 |
| July '06 Corn | C2006N | Short | 06/01/06 | 06/29/06 | 13 | 2 | $ 590.83 |
| December '06 Corn | C2006Z | Short | 09/11/06 | 09/29/06 | 12 | 3 | $ 466.67 |
| December '06 Corn | C2006Z | Short | 10/20/06 | 11/29/06 | 12 | 3 | $ 149.17 |
| March '07 Corn | C2007H | Short | 11/20/06 | 12/07/06 | 12 | 3 | $ 168.33 |

Though at first glance these tendencies may appear to be wonderful, traders should take the time to realize that they are based on “normal market conditions” and therefore past performance may not be duplicated in the current year. As such, the ideas are presented above should be used as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade with genuine risk capital only. See the disclaimer and warning below.

### July Corn Statistics for Week #18

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 9 |
| # Down | 1 | 5 | 10 |
| Total Change | 36.75 | 14.25 | 9 |
| Avg Change | 7 1/4 | 1 1/2 | 1/2 |
| Avg Up | 10 1/4 | 11 1/2 | 8 1/4 |
| Avg Dn | -4 | -8 1/2 | -6 1/2 |
| Avg Range | 15 1/4 | 15 | 11 1/2 |
| # Higher Highs | 5 | 6 | 13 |
| # Lower Lows | 2 | 5 | 7 |

### July Soybeans Statistics for Week #18

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 11 |
| # Down | 1 | 4 | 8 |
| Total Change | 68 3/4 | 89 | 115 |
| Avg Change | 13 3/4 | 9 | 6 |
| Avg Up | 20 3/4 | 21 1/4 | 17 2/4 |
| Avg Dn | -14 1/4 | -9 3/4 | -9 3/4 |
| Avg Range | 35 1/4 | 32 2/4 | 26 3/4 |
| # Higher Highs | 5 | 7 | 13 |
| # Lower Lows | 0 | 2 | 5 |

### July CBOT Wheat Statistics for Week #18

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 10 |
| # Down | 1 | 5 | 9 |
| Total Change | 51 3/4 | -7 | -3 3/4 |
| Avg Change | 10 1/4 | - 3/4 | - 1/4 |
| Avg Up | 13 2/4 | 14 2/4 | 10 2/4 |
| Avg Dn | -2 2/4 | -15 3/4 | -12 |
| Avg Range | 20 1/4 | 22 1/4 | 17 3/4 |
| # Higher Highs | 5 | 6 | 12 |
| # Lower Lows | 2 | 5 | 9 |

**Monday 1**

Crop Progress

**Tuesday 2**

Weather Crop Summary

**Wednesday 3**

**Thursday 4**

**Friday 5**

Cattle Death Loss

**Saturday 6**

**Sunday 7**

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# *Wheat/Oat Futures Seasonality*

The following table details 9 *HYPOTHETICAL* seasonal tendencies to help guide grain traders in making their decisions throughout the year. Each of these tendencies has historically been at least 80% accurate and has displayed a good risk to reward profile in the past.

| Contract | Position | Entry Date | Exit Date | # Win | # Loss | Avg Trade | Avg Loss |
|---|---|---|---|---|---|---|---|
| March '06 CBOT Wheat | W2006H | Short | 01/31 | 02/27 | 13 | 2 | $ 560.00 |
| December '06 CBOT Wheat | W2006Z | Short | 06/13 | 07/07 | 12 | 3 | $ 776.67 |
| December '06 KCBT Wheat | KW2006U | Long | 08/03 | 08/24 | 12 | 3 | $ 350.83 |
| December '06 MPLS Wheat | MW2006Z | Long | 10/05 | 10/19 | 12 | 3 | $ 285.83 |
| March '07 MPLS Wheat | MW2007H | Short | 11/17 | 12/14 | 12 | 3 | $ 454.17 |
| May '06 Oats | O2006K | Long | 02/17 | 03/10 | 12 | 3 | $ 227.50 |
| May '06 Oats | O2006K | Short | 03/30 | 04/27 | 13 | 2 | $ 430.00 |
| July '06 Oats | O2006N | Short | 06/02 | 06/27 | 12 | 3 | $ 253.33 |
| December '06 Oats | O2006Z | Short | 11/15 | 11/29 | 12 | 3 | $ 174.17 |

Though at first glance these tendencies may appear to be wonderful, traders should take the time to realize that they are based on “normal market conditions” and therefore past performance may not be duplicated in the current year. As such, the ideas are presented above should be used as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade with genuine risk capital only. See the disclaimer and warning below.

### July Corn Statistics for Week #19

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 10 |
| # Down | 3 | 5 | 9 |
| Total Change | -22 1/4 | 7 3/4 | 12 3/4 |
| Avg Change | -4 1/2 | 3/4 | 3/4 |
| Avg Up | 2 3/4 | 8 1/2 | 6 1/2 |
| Avg Dn | -9 1/4 | -7 | -5 3/4 |
| Avg Range | 9 3/4 | 13 | 10 1/2 |
| # Higher Highs | 2 | 5 | 8 |
| # Lower Lows | 2 | 4 | 8 |

### July Soybeans Statistics for Week #19

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 10 |
| # Down | 1 | 4 | 9 |
| Total Change | 46 2/4 | 49 1/4 | 60 |
| Avg Change | 9 1/4 | 5 | 3 1/4 |
| Avg Up | 13 1/4 | 11 1/4 | 12 |
| Avg Dn | -6 2/4 | -4 2/4 | -6 3/4 |
| Avg Range | 22 3/4 | 21 3/4 | 21 |
| # Higher Highs | 3 | 5 | 9 |
| # Lower Lows | 1 | 2 | 5 |

### July CBOT Wheat Statistics for Week #19

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 7 | 13 |
| # Down | 2 | 3 | 6 |
| Total Change | 21 1/4 | 66 3/4 | 110 |
| Avg Change | 4 1/4 | 6 3/4 | 5 3/4 |
| Avg Up | 11 | 11 2/4 | 11 |
| Avg Dn | -5 3/4 | -4 3/4 | -5 2/4 |
| Avg Range | 14 2/4 | 20 | 16 1/4 |
| # Higher Highs | 3 | 6 | 12 |
| # Lower Lows | 2 | 4 | 6 |

**Monday 8**

Crop Progress

**Tuesday 9**

Weather Crop Summary

**Wednesday 10**

**Thursday 11**

**Friday 12**

Cotton Ginnings Annual
Crop Production
WASDE

LT: C, W, S, SM, BO

**Saturday 13**

**Sunday 14**

**Mother's Day**

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# *May 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,215 | 806 | 1,059 | 1,621 | 1,998 |
| Production | | 10,985 | 10,425 | 10,060 | 9,935 | 9,575 |
| Total Supply | | 13,210 | 11,246 | 11,129 | 11,571 | 11,583 |
| Domestic Use | | 8,720 | 8,405 | 7,975 | 7,910 | 7,740 |
| Exports | | 1,950 | 2,100 | 1,850 | 2,100 | 1,925 |
| Total Use | | 10,670 | 10,505 | 9,825 | 10,010 | 9,665 |
| Ending Stocks | | 2,540 | 741 | 1,304 | 1,561 | 1,918 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 195 | 295 | 230 | 215 | 205 |
| Low Estimate | | 155 | 255 | 190 | 175 | 165 |
| Jul Futures High | | 227 ½ | 326 ½ | 259 | 216 ¾ | 211 ½ |
| Jul Futures Low | | 203 | 287 ½ | 230 ¼ | 198 | 187 ¾ |

Source: Monthly WASDE Report for May

**Comments:** As planting is completed the risk premium built into prices tends to diminish ~ Trade is dominated by the May crop report which gives the first indication of USDA thoughts on yield and usage for the new crop ~ Weather also becomes a dominate feature of trade, with rain perceived as bearish - "Rain Makes Grain"

**End of Month Crop Progress**

| | % Planted | % Emerged |
|---|---|---|
| 2005 | 100 | 85 |
| 5 Year Average | 93 | 80 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 1 | 6 | 31 | 54 | 8 |
| 5 yr Avg | 1 | 5 | 27 | 55 | 13 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 355 | 115 | 135 | 260 | 295 |
| Production | | 2,895 | 2,965 | 2,855 | 2,850 | 2,985 |
| Total Supply | | 3,253 | 3,085 | 2,994 | 3,114 | 3,283 |
| Crushing | | 1,690 | 1,665 | 1,620 | 1,710 | 1,625 |
| Exports | | 1,125 | 1,080 | 960 | 975 | 980 |
| Total Use | | 2,964 | 2,895 | 2,749 | 2,859 | 2,783 |
| Ending Stocks | | 290 | 190 | 245 | 255 | 500 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 570 | 685 | 545 | 490 | 450 |
| Low Estimate | | 470 | 585 | 445 | 400 | 390 |
| Jul Futures High | | 686 | 1036 ½ | 658 | 503 ¼ | 453 ¾ |
| Jul Futures Low | | 606 ½ | 812 | 616 | 457 | 434 |

Source: Monthly WASDE Report for May

**Comments:** Slow plantings in Corn and/or Cotton tend to weigh on beans due to potential crop rotation ~ May Crop report has underestimated US usage 14 of last 20 years and over-stated ending stocks an equal number ~ Risk premiums tend to fade and attention focuses on weather from May through September

**End of Month Crop Progress**

| | % Planted | % Emerged |
|---|---|---|
| 2005 | 90 | 70 |
| 5 Year Average | 82 | 63 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 1 | 6 | 31 | 54 | 8 |
| 5 Year Avg | 1 | 6 | 30 | 53 | 10 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 541 | 526 | 448 | 738 | 829 |
| Production | | 2,185 | 2,080 | 2,113 | 1,886 | 1,961 |
| Total Supply | | 2,796 | 2,671 | 2,651 | 2,729 | 2,886 |
| Domestic Use | | 1,168 | 1,197 | 1,190 | 1,235 | 1,295 |
| Exports | | 950 | 975 | 950 | 875 | 1,000 |
| Total Use | | 2,118 | 2,172 | 2,140 | 2,110 | 2,295 |
| Ending Stocks | | 678 | 499 | 511 | 619 | 591 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 305 | 385 | 365 | 310 | 335 |
| Low Estimate | | 255 | 325 | 305 | 250 | 275 |
| Jul Futures High | | 341 | 416 | 345 ¾ | 284 | 286 ¾ |
| Jul Futures Low | | 302 ½ | 356 ¾ | 279 | 265 ¾ | 258 ½ |

Source: Monthly WASDE Report for May

**Comments:** Spring wheat plantings in southern locals tend to weigh on prices ~ With the crop almost fully headed, it is "made" and almost invulnerable to damage ~ Expect wheat to lag other grains ~ USDA tends to underestimate usage ~ Watch the dollar as a strong dollar can hurt exports at this critical time

**End of Month Crop Progress**

| | % Headed |
|---|---|
| 2005 | 79 |
| 5 Year Average | 73 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 3 | 13 | 36 | 38 | 10 |
| 5 yr Avg | 9 | 14 | 30 | 39 | 9 |

### July Corn Statistics for Week #20

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 7 |
| # Down | 4 | 8 | 12 |
| Total Change | -35 1/4 | -35 | -19 1/2 |
| Avg Change | -7 | -3 1/2 | -1 |
| Avg Up | 2 3/4 | 12 1/2 | 7 1/2 |
| Avg Dn | -9 1/2 | -7 1/2 | -6 |
| Avg Range | 6 3/4 | 9 1/4 | 9 3/4 |
| # Higher Highs | 0 | 1 | 6 |
| # Lower Lows | 4 | 8 | 13 |

### July Soybeans Statistics for Week #20

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 9 |
| # Down | 3 | 7 | 9 |
| Total Change | -122 3/4 | -172 | -66 1/4 |
| Avg Change | -24 2/4 | -17 1/4 | -3 2/4 |
| Avg Up | 8 3/4 | 7 1/4 | 19 1/4 |
| Avg Dn | -46 3/4 | -27 3/4 | -26 2/4 |
| Avg Range | 30 | 27 1/4 | 28 3/4 |
| # Higher Highs | 4 | 4 | 9 |
| # Lower Lows | 3 | 7 | 10 |

### July CBOT Wheat Statistics for Week #20

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 6 |
| # Down | 4 | 8 | 13 |
| Total Change | -78 2/4 | -114 1/4 | -118 |
| Avg Change | -15 3/4 | -11 2/4 | -6 1/4 |
| Avg Up | 2/4 | 4 3/4 | 9 1/4 |
| Avg Dn | -19 3/4 | -15 2/4 | -13 1/4 |
| Avg Range | 15 3/4 | 15 3/4 | 15 1/4 |
| # Higher Highs | 1 | 1 | 6 |
| # Lower Lows | 4 | 5 | 9 |

**Monday 15**

Crop Progress

**Tuesday 16**

Weather Crop Summary

**Wednesday 17**

Agricultural Chemical Usage – Field Crops

**Thursday 18**

**Friday 19**

Livestock Slaughter
Cattle on Feed
Cold Storage
Farm Labor

**Saturday 20**

**Sunday 21**

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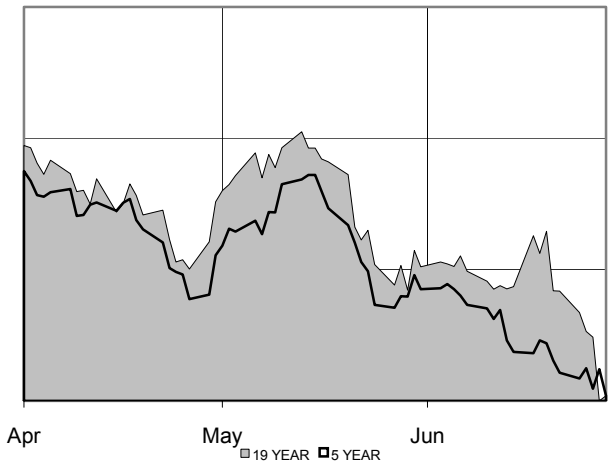
# *May 2006 Technical Overview*

## July Corn Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

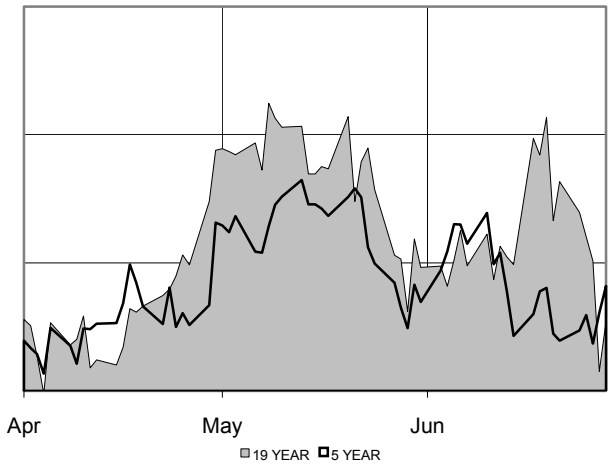
**COMMENTS:** April highs and lows have been violated in the direction of the trend in 17 of the last 19 years ~ Best May's have followed strong April's and vice versa ~ May weakness is usually followed through in June (6 of 9) ~ Expect lower June lows following a weak May (9 of 9) ~ Volatility tends to increase ~ Market favors "old crop" over "new crop" – Bull Spreads.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 10 | **# Higher Highs** | 9 |
| **# Years Dn** | 9 | **# Lower Lows** | 14 |
| **Total Change** | ¾ | **# Expanded Range** | 11 |
| **Avg Change** | 0 | **# Narrow Range** | 7 |
| **Avg Gain** | 10 ½ | | |
| **Avg Loss** | -11 ¾ | **5 Yr High** | 326 ½ |
| **Avg Range** | 25 ¼ | **5 Yr Low** | 187 ¾ |

## July Soybean Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

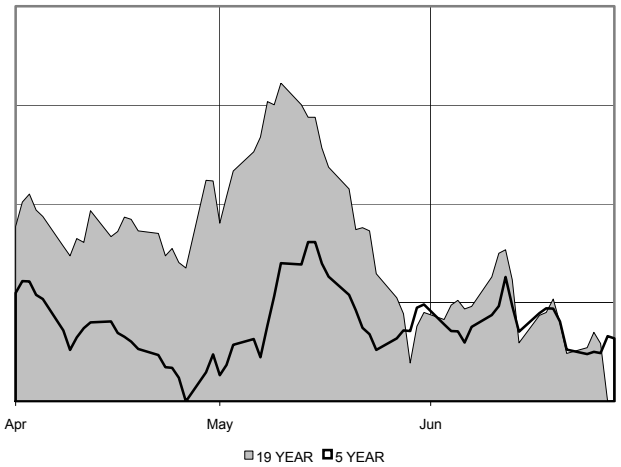
**COMMENTS:** Best May's have followed weak April's (but only in4 of the last 5 occurrences) ~ Expect Volatility to increase (15 of 19 years saw monthly range expansion) ~ May weakness is often followed by weakness in June (8 of 11 on a closing basis, and 9 of 10 lower lows) ~ May weakness in Beanoil has been continued in June 10 of the last 12 occurances

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 14 |
| **# Years Dn** | 10 | **# Lower Lows** | 8 |
| **Total Change** | -49 ½ | **# Expanded Range** | 16 |
| **Avg Change** | -2 ½ | **# Narrow Range** | 3 |
| **Avg Gain** | 33 | | |
| **Avg Loss** | -34 ½ | **5 Yr High** | 1036 ½ |
| **Avg Range** | 65 | **5 Yr Low** | 434 |

## July CBOT Wheat

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

**COMMENTS:** Worst month on record with total loss of –129 ¾ cents since 1986 ~ April rallies often reversed in May (especially in MW with 9 of 11 April rallies reversed in May) ~ May weakness is often carried over into June (especially in KCBT, where 10 of the last 11 weak May's have been followed by weak Junes) ~ CBOT Wheat has gained ground in the last 2 years in May and 3 of the last 5 years.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 8 | **# Higher Highs** | 10 |
| **# Years Dn** | 11 | **# Lower Lows** | 11 |
| **Total Change** | -95 | **# Expanded Range** | 12 |
| **Avg Change** | -5 | **# Narrow Range** | 7 |
| **Avg Gain** | 18 | | |
| **Avg Loss** | -21 ¾ | **5 Yr High** | 416 |
| **Avg Range** | 40 ½ | **5 Yr Low** | 258 ½ |

### July Corn Statistics for Week #21

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 5 | 8 |
| # Down | 2 | 5 | 11 |
| Total Change | 8 1/2 | -25 3/4 | -38 3/4 |
| Avg Change | 1 3/4 | -2 1/2 | -2 |
| Avg Up | 6 1/2 | 4 1/4 | 5 |
| Avg Dn | -5 1/2 | -9 1/2 | -7 1/4 |
| Avg Range | 8 | 11 1/2 | 10 1/2 |
| # Higher Highs | 3 | 5 | 8 |
| # Lower Lows | 4 | 8 | 14 |

### July Soybeans Statistics for Week #21

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 2 | 5 |
| # Down | 3 | 7 | 13 |
| Total Change | -29 | -95 | -162 1/4 |
| Avg Change | -5 3/4 | -9 2/4 | -8 2/4 |
| Avg Up | 18 2/4 | 18 2/4 | 12 2/4 |
| Avg Dn | -22 | -18 3/4 | -17 1/4 |
| Avg Range | 21 3/4 | 23 1/4 | 26 2/4 |
| # Higher Highs | 1 | 1 | 5 |
| # Lower Lows | 2 | 7 | 12 |

### July CBOT Wheat Statistics for Week #21

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 7 |
| # Down | 1 | 5 | 12 |
| Total Change | 22 2/4 | -23 1/4 | -57 1/4 |
| Avg Change | 4 2/4 | -2 1/4 | -3 |
| Avg Up | 8 3/4 | 7 3/4 | 10 |
| Avg Dn | -12 | -12 2/4 | -10 3/4 |
| Avg Range | 13 3/4 | 15 3/4 | 16 |
| # Higher Highs | 2 | 2 | 6 |
| # Lower Lows | 2 | 5 | 11 |

**Monday 22**

Crop Progress

**Tuesday 23**

Weather Crop Summary

**Wednesday 24**

**Thursday 25**

Monthly Agnews

**Friday 26**

**Saturday 27**

**Sunday 28**

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# *Seasonal Spread Highlight for May …*

As the planting effort draws to a close in the spring, the premium commanded by "old crop" tends to diminish, as supply risk is centered around the "new crop" contracts. This is the logic as to why December Corn has tended to gain relative to July Corn around this time of the year.

- *Long December 2006 Corn, Short July 2006 Corn*
- *Enter on roughly the 9th to last trading day of May, Exit on roughly the 2nd trading day of June*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 5/21/1990 | -11 3/4 | 6/4/1990 | -8 1/2 | 3 1/4 | -7 1/2 | 4 1/4 | -11 3/4 | 0 |
| 5/20/1991 | -1 1/4 | 6/4/1991 | -1 | 1/4 | -1 | 1/4 | -2 3/4 | -1 1/2 |
| 5/18/1992 | 3 3/4 | 6/2/1992 | 7 3/4 | 4 | 7 3/4 | 4 | 2 | -1 3/4 |
| 5/18/1993 | 10 | 6/3/1993 | 10 3/4 | 3/4 | 12 | 2 | 10 | 0 |
| 5/18/1994 | -12 1/4 | 6/2/1994 | -10 3/4 | 1 1/2 | -7 3/4 | 4 1/2 | -12 1/2 | - 1/4 |
| 5/18/1995 | 8 1/2 | 6/2/1995 | 11 | 2 1/2 | 11 | 2 1/2 | 8 1/2 | 0 |
| 5/20/1996 | -153 1/2 | 6/4/1996 | -102 1/2 | 51 | -102 1/2 | 51 | -159 1/4 | -5 3/4 |
| 5/19/1997 | -19 | 6/3/1997 | -17 3/4 | 1 1/4 | -12 1/4 | 6 3/4 | -19 | 0 |
| 5/18/1998 | 12 1/2 | 6/2/1998 | 7 3/4 | -4 3/4 | 12 3/4 | 1/4 | 7 1/2 | -5 |
| 5/19/1999 | 13 1/4 | 6/2/1999 | 14 | 3/4 | 14 1/2 | 1 1/4 | 13 1/4 | 0 |
| 5/18/2000 | 18 1/4 | 6/2/2000 | 19 1/2 | 1 1/4 | 19 1/2 | 1 1/4 | 18 1/4 | 0 |
| 5/18/2001 | 19 | 6/4/2001 | 19 1/4 | 1/4 | 19 1/4 | 1/4 | 18 1/2 | - 1/2 |
| 5/20/2002 | 15 | 6/4/2002 | 16 1/2 | 1 1/2 | 17 | 2 | 15 | 0 |
| 5/19/2003 | -2 1/4 | 6/3/2003 | - 1/4 | 2 | 0 | 2 1/4 | -2 1/4 | 0 |
| 5/18/2005 | 18 | 6/2/2005 | 18 | 0 | 18 1/4 | 1/4 | 16 | -2 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 65 2/4 | $ 3,275.00 | Worst Loss | -4 3/4 | $ (237.50) |
| # Win | 13 | Avg P&L | 4 1/4 | $ 218.33 | Worst Draw | -5 3/4 | $ (287.50) |
| # loss | 2 | Avg Win | 5 2/4 | $ 270.19 | Avg Draw | -1 | $ (55.83) |
| % Win | 86.7% | Avg Loss | -2 2/4 | $ (118.75) | Worst Draw Win | -5 3/4 | $ (287.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### July Corn Statistics for Week #22

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 5 | 9 |
| # Down | 2 | 5 | 10 |
| Total Change | 16 3/4 | -6 1/2 | 3 3/4 |
| Avg Change | 3 1/4 | - 3/4 | 1/4 |
| Avg Up | 9 3/4 | 6 1/4 | 7 |
| Avg Dn | -6 1/2 | -7 1/2 | -6 |
| Avg Range | 10 | 12 1/4 | 11 1/4 |
| # Higher Highs | 3 | 4 | 10 |
| # Lower Lows | 2 | 6 | 9 |

### July Soybeans Statistics for Week #22

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 5 | 9 |
| # Down | 2 | 5 | 10 |
| Total Change | -9 1/4 | 1 2/4 | 47 2/4 |
| Avg Change | -1 3/4 | 1/4 | 2 2/4 |
| Avg Up | 16 3/4 | 19 2/4 | 24 |
| Avg Dn | -30 | -19 1/4 | -16 3/4 |
| Avg Range | 24 2/4 | 27 3/4 | 27 2/4 |
| # Higher Highs | 3 | 6 | 9 |
| # Lower Lows | 3 | 7 | 11 |

### July CBOT Wheat Statistics for Week #22

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 2 | 6 |
| # Down | 3 | 8 | 13 |
| Total Change | 15 3/4 | -65 3/4 | -48 |
| Avg Change | 3 1/4 | -6 2/4 | -2 2/4 |
| Avg Up | 16 2/4 | 16 2/4 | 12 3/4 |
| Avg Dn | -5 3/4 | -12 1/4 | -9 2/4 |
| Avg Range | 15 3/4 | 17 1/4 | 15 2/4 |
| # Higher Highs | 3 | 3 | 5 |
| # Lower Lows | 1 | 6 | 10 |

**Monday 29**

**Memorial Day**

**Tuesday 30**

Crop Progress

**Wednesday 31**

Poultry Slaughter
Weather Crop Summary
Agricultural Prices

**Thursday 1**

**Friday 2**

**Saturday 3**

**Sunday 4**

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# *June 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,215 | 806 | 1,084 | 1,621 | 2,048 |
| Production | | 10,985 | 10,425 | 10,060 | 9,650 | 9,575 |
| Total Supply | | 13,210 | 11,246 | 11,154 | 11,286 | 11,633 |
| Domestic Use | | 8,720 | 8,405 | 7,975 | 7,910 | 7,740 |
| Exports | | 1,950 | 2,100 | 1,850 | 2,075 | 2,000 |
| Total Use | | 10,670 | 10,505 | 9,825 | 9,985 | 9,740 |
| Ending Stocks | | 2,540 | 741 | 1,329 | 1,301 | 1,893 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 195 | 295 | 230 | 230 | 210 |
| Low Estimate | | 155 | 255 | 190 | 190 | 170 |
| Jul Futures High | | 236 ½ | 327 ½ | 248 ¼ | 226 ½ | 201 ½ |
| Jul Futures Low | | 209 | 258 ¼ | 228 | 204 | 184 |

Source: Monthly WASDE Report for June

**Comments:** With the crop beginning to silk, weather becomes of paramount importance ~ Hot/dry can hamper pollination and reduce yields ~ Watch for weather scares surrounding lack of rain ~ Late season drought scares in '99 & '00 caused abnormally strong post pollination markets ~ June crop report tends to be a non-event

**End of Month Crop Progress**

| | % Emerged | % Silking |
|---|---|---|
| 2005 | 100 | 4 |
| 5 Year Average | 100 | 5 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 2 | 8 | 25 | 50 | 15 |
| 5 yr Avg | 4 | 9 | 24 | 46 | 17 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 320 | 115 | 140 | 240 | 270 |
| Production | | 2,895 | 2,965 | 2,855 | 2,870 | 2,985 |
| Total Supply | | 3,218 | 3,085 | 2,999 | 3,114 | 3,258 |
| Crushing | | 1,680 | 1,650 | 1,620 | 1,710 | 1,645 |
| Exports | | 1,135 | 1,065 | 960 | 965 | 995 |
| Total Use | | 2,964 | 2,865 | 2,749 | 2,849 | 2,818 |
| Ending Stocks | | 255 | 220 | 250 | 265 | 440 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 595 | 670 | 545 | 490 | 470 |
| Low Estimate | | 495 | 570 | 445 | 400 | 390 |
| Jul Futures High | | 752 ¼ | 940 | 645 | 524 ¼ | 488 |
| Jul Futures Low | | 647 | 801 | 610 | 487 | 448 ¾ |

Source: Monthly WASDE Report for June

**Comments:** With the crop planted and emerged, weather is important as the crop prepares to bloom/set pods ~ Look for Brazilian beans to hit US markets and harvest delays in Argentina ~ Truly a weather market, with lack of rain very bullish ~ Quarterly grain stocks report tends to give a better indication of use than June crop report

**End of Month Crop Progress**

| | % Emerged | % Blooming |
|---|---|---|
| 2005 | 96 | 6 |
| 5 Year Average | 93 | 5 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 3 | 8 | 30 | 48 | 11 |
| 5 yr Avg | 2 | 7 | 27 | 51 | 13 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 527 | 541 | 468 | 758 | 854 |
| Production | | 2,140 | 2,061 | 2,176 | 1,823 | 1,941 |
| Total Supply | | 2,737 | 2,667 | 2,744 | 2,685 | 2,890 |
| Domestic Use | | 1,168 | 1,197 | 1,190 | 1,230 | 1,305 |
| Exports | | 950 | 975 | 950 | 900 | 1,000 |
| Total Use | | 2,118 | 2,172 | 2,140 | 2,130 | 2,305 |
| Ending Stocks | | 619 | 495 | 604 | 555 | 585 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 315 | 385 | 350 | 325 | 335 |
| Low Estimate | | 265 | 325 | 290 | 265 | 275 |
| Jul Futures High | | 345 ½ | 391 | 339 ½ | 308 | 272 |
| Jul Futures Low | | 310 ½ | 328 | 294 ½ | 272 ¾ | 242 ½ |

Source: Monthly WASDE Report for June

**Comments:** Crops which received good precipitation during heading usually yield good protein content ~ Crop quality during harvest is watched closely and tends to be a determining factor, especially for exports ~ Spring wheat is heading ~ Too much rain can cause harvest delays as fields are too wet to work in

**End of Month Crop Progress**

| | % Harvested |
|---|---|
| 2005 | 48 |
| 5 Year Average | 46 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 4 | 13 | 34 | 38 | 11 |
| 5 yr Avg | 11 | 16 | 31 | 34 | 8 |

### July Corn Statistics for Week #23

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 7 |
| # Down | 2 | 6 | 11 |
| Total Change | 5 1/4 | -24 1/2 | -10 1/4 |
| Avg Change | 1 | -2 1/2 | - 1/2 |
| Avg Up | 3 1/4 | 3 1/4 | 6 1/2 |
| Avg Dn | -2 1/4 | -6 1/4 | -5 |
| Avg Range | 9 1/4 | 12 1/2 | 12 |
| # Higher Highs | 4 | 6 | 11 |
| # Lower Lows | 2 | 4 | 10 |

### July Soybeans Statistics for Week #23

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 9 |
| # Down | 2 | 6 | 10 |
| Total Change | 16 | -51 2/4 | -14 1/4 |
| Avg Change | 3 1/4 | -5 1/4 | - 3/4 |
| Avg Up | 14 2/4 | 12 1/4 | 11 2/4 |
| Avg Dn | -13 3/4 | -16 3/4 | -11 3/4 |
| Avg Range | 25 | 25 2/4 | 25 2/4 |
| # Higher Highs | 4 | 5 | 10 |
| # Lower Lows | 2 | 5 | 7 |

### July CBOT Wheat Statistics for Week #23

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 2 | 7 |
| # Down | 3 | 8 | 12 |
| Total Change | 6 | -27 2/4 | -7 |
| Avg Change | 1 1/4 | -2 3/4 | - 1/4 |
| Avg Up | 13 3/4 | 13 3/4 | 10 2/4 |
| Avg Dn | -7 | -6 3/4 | -6 3/4 |
| Avg Range | 17 | 16 1/4 | 15 2/4 |
| # Higher Highs | 4 | 4 | 11 |
| # Lower Lows | 2 | 7 | 10 |

**Monday 5**

Crop Progress

**Tuesday 6**

Weather Crop Summary

**Wednesday 7**

**Thursday 8**

**Friday 9**

Crop Production
WASDE

**Saturday 10**

**Sunday 11**

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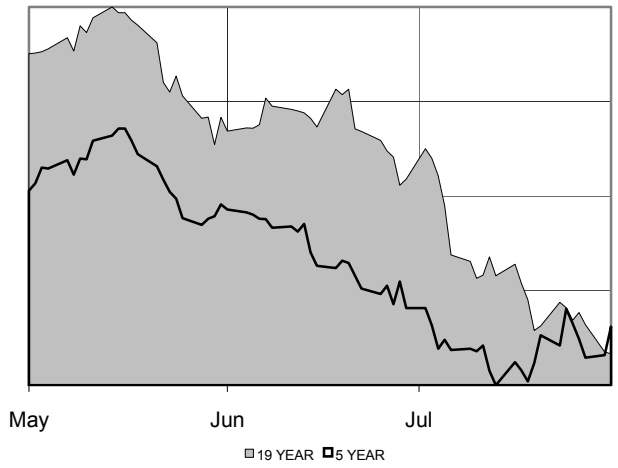
# *June 2006 Technical Overview*

## September Corn Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

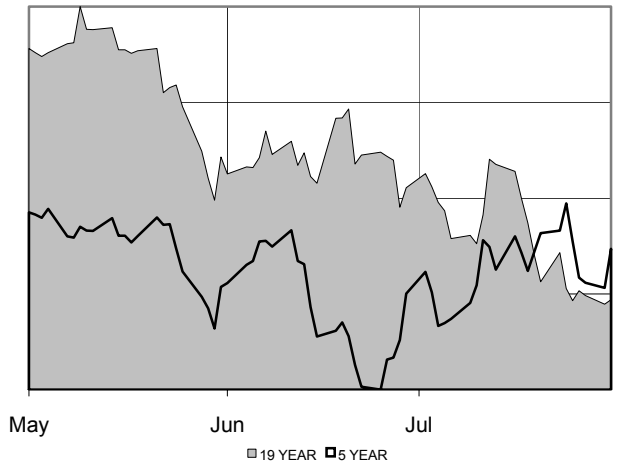
**COMMENTS:** Enter weather markets and volatility (15 of last 19 years have seen range expansion) ~ when strong, it is a very strong month (average rally of 27 ¾ cents) ~ Only rallied in 6 of last 19 years (down 4 of last 5) ~ Best June's follow May strength, but 5 of last 10 May rallies were reversed in June ~ Sell into June rallies, July is weakest month on record

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 6 | **# Higher Highs** | 9 |
| **# Years Dn** | 13 | **# Lower Lows** | 13 |
| **Total Change** | -29 | **# Expanded Range** | 15 |
| **Avg Change** | -1 ½ | **# Narrow Range** | 4 |
| **Avg Gain** | 27 ¾ | | |
| **Avg Loss** | -15 | **5 Yr High** | 322 ½ |
| **Avg Range** | 35 | **5 Yr Low** | 192 |

## November Soybean Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

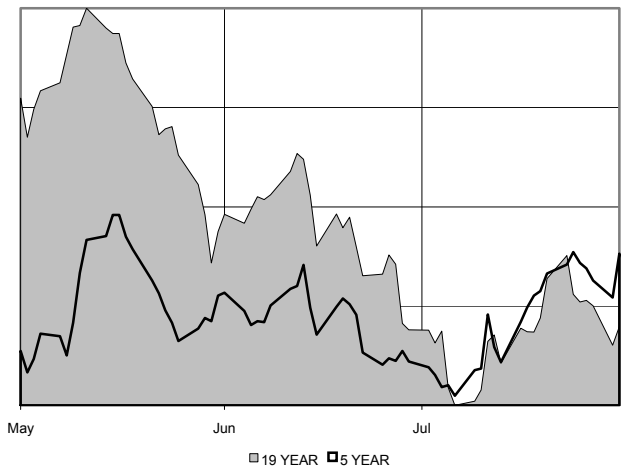
**COMMENTS:** Expect lower lows following a weak May (9 of 11 occurrences basis November contract) ~ June weakness tends to be continued in July (8 out of 12, with 9 of 12 seeing lower monthly lows in July) ~ Volatility tends to increase and continues to increase into July ~ June rallies are more often than not reversed, especially in Beanoil (5 of 7) ~ June weakness tends to be continued

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 10 |
| **# Years Dn** | 12 | **# Lower Lows** | 11 |
| **Total Change** | 37 ¾ | **# Expanded Range** | 9 |
| **Avg Change** | 2 | **# Narrow Range** | 10 |
| **Avg Gain** | 48 ½ | | |
| **Avg Loss** | 25 ¼ | **5 Yr High** | 734 ½ |
| **Avg Range** | 68 ½ | **5 Yr Low** | 429 |

## September CBOT Wheat

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

**COMMENTS:** Worst Junes have followed weak Mays (especially in KCBT where 10 of 11 May breaks have seen June breaks) ~ Weak Mays have continued lower through June in 7 of the last 7 occurrences in CBOT ~ June rallies tend to fizzle out in July (4 out of 6 in CBOT and MW, 3 of 5 in KCBT) ~ Watch for volatility to contract

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 5 | **# Higher Highs** | 6 |
| **# Years Dn** | 14 | **# Lower Lows** | 11 |
| **Total Change** | -102 ¾ | **# Expanded Range** | 7 |
| **Avg Change** | -5 ½ | **# Narrow Range** | 11 |
| **Avg Gain** | 27 ¾ | | |
| **Avg Loss** | -17 ¼ | **5 Yr High** | 399 |
| **Avg Range** | 37 | **5 Yr Low** | 254 |

### July Corn Statistics for Week #24

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 11 |
| # Down | 3 | 6 | 8 |
| Total Change | -35 1/2 | -41 1/2 | 36 |
| Avg Change | -7 | -4 1/4 | 2 |
| Avg Up | 1 | 2 3/4 | 8 1/2 |
| Avg Dn | -12 1/2 | -8 3/4 | -7 1/4 |
| Avg Range | 10 1/2 | 11 | 13 1/4 |
| # Higher Highs | 0 | 1 | 6 |
| # Lower Lows | 3 | 7 | 10 |

### July Soybeans Statistics for Week #24

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 11 |
| # Down | 3 | 6 | 8 |
| Total Change | 4 1/4 | 3 3/4 | 161 3/4 |
| Avg Change | 3/4 | 2/4 | 8 2/4 |
| Avg Up | 11 3/4 | 11 3/4 | 21 1/4 |
| Avg Dn | -6 1/4 | -7 1/4 | -9 1/4 |
| Avg Range | 27 | 27 | 32 2/4 |
| # Higher Highs | 3 | 4 | 10 |
| # Lower Lows | 3 | 7 | 12 |

### July CBOT Wheat Statistics for Week #24

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 0 | 3 |
| # Down | 5 | 10 | 16 |
| Total Change | -50 2/4 | -73 2/4 | -75 2/4 |
| Avg Change | -10 | -7 1/4 | -4 |
| Avg Up | n/a | n/a | 7 |
| Avg Dn | -10 | -7 1/4 | -6 |
| Avg Range | 11 | 13 1/4 | 14 2/4 |
| # Higher Highs | 0 | 2 | 8 |
| # Lower Lows | 4 | 7 | 10 |

**Monday 12**

Crop Progress

**Tuesday 13**

Weather Crop Summary

**Wednesday 14**

**Thursday 15**

**Friday 16**

**Saturday 17**

**Sunday 18**

**Father's Day**

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# *Seasonal Spread Highlight for June …*

Winter Wheat is at its harvest lows, while Corn prices tend to be near their pollination risk highs. With the future getting progressively uncertain for Wheat, and more certain with Corn as the crop progresses, Wheat prices tend to gain relative to Corn prices in much of the later half of the year.

- *Long December 2006 CBOT Wheat, Short December 2006 Corn*
- *Enter on roughly the last trading day of June, Exit on roughly the 8th to last trading day of July*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 6/28/1991 | 64 3/4 | 7/22/1991 | 52 1/4 | -12 1/2 | 64 3/4 | 0 | 47 | -17 3/4 |
| 6/30/1992 | 104 3/4 | 7/22/1992 | 120 3/4 | 16 | 121 1/2 | 16 3/4 | 94 1/2 | -10 1/4 |
| 6/30/1993 | 60 1/2 | 7/21/1993 | 71 | 10 1/2 | 71 | 10 1/2 | 56 3/4 | -3 3/4 |
| 6/30/1994 | 92 1/4 | 7/20/1994 | 121 1/2 | 29 1/4 | 121 1/2 | 29 1/4 | 92 1/4 | 0 |
| 6/30/1995 | 170 | 7/20/1995 | 179 3/4 | 9 3/4 | 179 3/4 | 9 3/4 | 143 1/2 | -26 1/2 |
| 6/28/1996 | 131 | 7/22/1996 | 137 3/4 | 6 3/4 | 141 3/4 | 10 3/4 | 119 3/4 | -11 1/4 |
| 6/30/1997 | 107 | 7/22/1997 | 114 3/4 | 7 3/4 | 114 3/4 | 7 3/4 | 95 3/4 | -11 1/4 |
| 6/30/1998 | 43 3/4 | 7/22/1998 | 49 3/4 | 6 | 54 1/2 | 10 3/4 | 43 3/4 | 0 |
| 6/30/1999 | 53 1/4 | 7/21/1999 | 54 1/2 | 1 1/4 | 63 1/2 | 10 1/4 | 53 1/4 | 0 |
| 6/30/2000 | 81 | 7/20/2000 | 66 3/4 | -14 1/4 | 81 | 0 | 66 1/2 | -14 1/2 |
| 6/29/2001 | 64 3/4 | 7/20/2001 | 77 1/2 | 12 3/4 | 77 1/2 | 12 3/4 | 51 3/4 | -13 |
| 6/28/2002 | 80 | 7/22/2002 | 92 3/4 | 12 3/4 | 102 3/4 | 22 3/4 | 80 | 0 |
| 6/30/2003 | 96 3/4 | 7/22/2003 | 130 | 33 1/4 | 133 1/2 | 36 3/4 | 94 3/4 | -2 |
| 6/30/2004 | 90 1/4 | 7/21/2004 | 103 | 12 3/4 | 133 1/2 | 43 1/4 | 94 3/4 | 4 1/2 |
| 6/30/2005 | 112 1/4 | 7/20/2005 | 96 | -16 1/4 | 112 1/2 | 1/4 | 93 | -19 1/4 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 115 3/4 | $ 5,787.50 | Worst Loss | -16 1/4 | $ (812.50) |
| # Win | 12 | Avg P&L | 7 3/4 | $ 385.83 | Worst Draw | -26 2/4 | $(1,325.00) |
| # loss | 3 | Avg Win | 13 1/4 | $ 661.46 | Avg Draw | -8 1/4 | $ (416.67) |
| % Win | 80.0% | Avg Loss | -14 1/4 | $ (716.67) | Worst Draw Win | -26 2/4 | $(1,325.00) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### July Corn Statistics for Week #25

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 8 |
| # Down | 3 | 6 | 11 |
| Total Change | 10 1/2 | 12 3/4 | 7 3/4 |
| Avg Change | 2 | 1 1/4 | 1/2 |
| Avg Up | 17 1/4 | 14 1/4 | 12 |
| Avg Dn | -8 | -7 1/4 | -8 |
| Avg Range | 11 | 12 | 12 1/4 |
| # Higher Highs | 2 | 3 | 8 |
| # Lower Lows | 3 | 7 | 11 |

### July Soybeans Statistics for Week #25

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 6 | 10 |
| # Down | 1 | 4 | 9 |
| Total Change | 122 2/4 | 123 1/4 | 145 3/4 |
| Avg Change | 24 2/4 | 12 1/4 | 7 3/4 |
| Avg Up | 31 3/4 | 31 1/4 | 28 2/4 |
| Avg Dn | -4 | -16 | -15 2/4 |
| Avg Range | 32 3/4 | 30 | 31 3/4 |
| # Higher Highs | 4 | 5 | 10 |
| # Lower Lows | 1 | 3 | 7 |

### July CBOT Wheat Statistics for Week #25

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 11 |
| # Down | 2 | 4 | 8 |
| Total Change | 14 3/4 | 14 3/4 | 25 2/4 |
| Avg Change | 3 | 1 2/4 | 1 1/4 |
| Avg Up | 12 | 9 3/4 | 10 2/4 |
| Avg Dn | -10 3/4 | -11 | -11 1/4 |
| Avg Range | 15 | 17 2/4 | 18 1/4 |
| # Higher Highs | 2 | 5 | 11 |
| # Lower Lows | 4 | 8 | 12 |

**Monday 19**

Crop Progress

**Tuesday 20**

Weather Crop Summary

**Wednesday 21**

Summer Solstice

**Thursday 22**

Cold Storage
Monthly Agnews

**Friday 23**

Livestock Slaughter
Cattle on Feed
Chickens and Eggs

OE: C, W, S, SM, BO

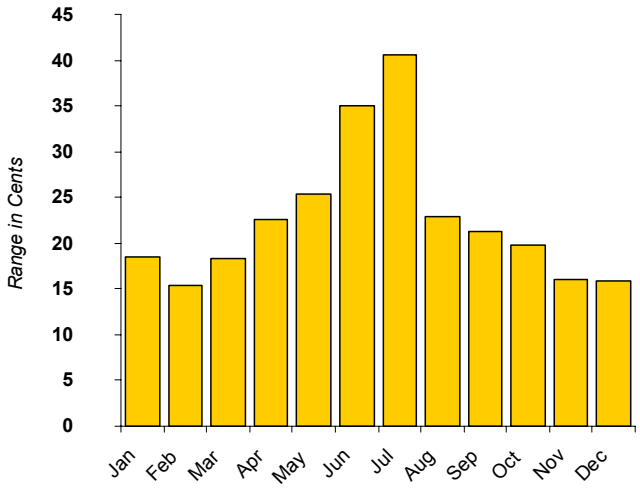
**Saturday 24**

**Sunday 25**

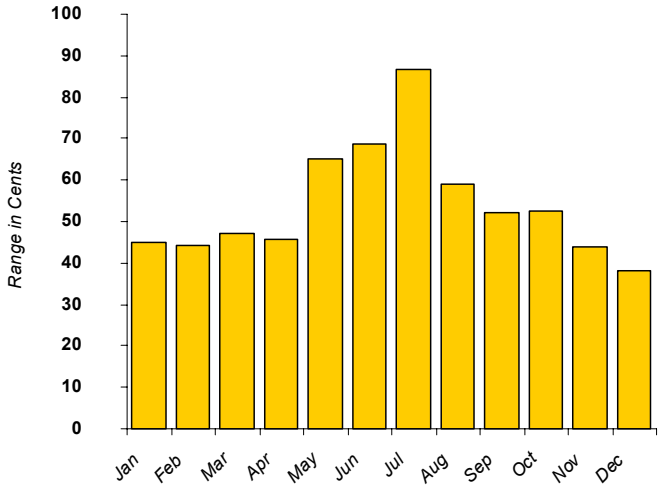
# *Wild Times Ahead! Monthly Ranges*

As the grain markets ebb and flow through production and consumption cycles, the futures markets react to potential crop threats. This can be seen clearly in the "weather markets" during the summer months when volatility - as measured by the average monthly difference between high and low prices- increases. From May through July, volatility tends to increase as the crop conditions change and future supply is still a great unknown. The fall and winter months tend to see volatility contract, as future supply becomes more certain.

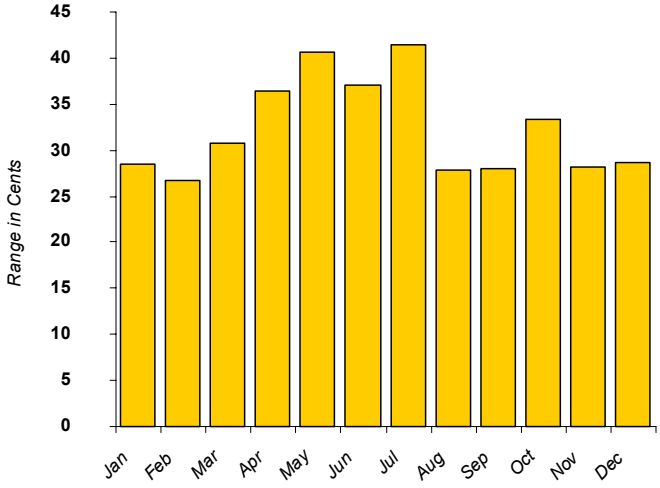
**Front Month Corn Average Range**




**Front Month Soybean Average Range**




**Front Month CBOT Wheat Average Range**




Data compliments of www.geckosoftware.com
Past performance is not necessarily indicative of future results.

Being aware of volatility is extremely important for speculators, as increased volatility goes hand in hand with increased risk and profit potential. Producers and purchasers also need to pay attention to volatility, as volatility is a key ingredient in pricing options, which can be used to hedge their physical grain market positions.

Volatility is also extremely important for options traders, so much so that we have included information on historical average volatilities in **Appendix 4**.

**July Corn Statistics for Week #26**

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 9 |
| # Down | 1 | 5 | 10 |
| Total Change | 6 1/4 | 1/2 | 2 1/4 |
| Avg Change | 1 1/4 | 0 | 0 |
| Avg Up | 2 3/4 | 11 1/2 | 10 |
| Avg Dn | -4 3/4 | -11 1/4 | -8 3/4 |
| Avg Range | 9 3/4 | 17 | 17 1/4 |
| # Higher Highs | 2 | 4 | 6 |
| # Lower Lows | 3 | 6 | 13 |

**July Soybeans Statistics for Week #26**

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 4 | 8 |
| # Down | 1 | 6 | 11 |
| Total Change | 125 2/4 | 29 1/4 | -33 3/4 |
| Avg Change | 25 | 3 | -1 3/4 |
| Avg Up | 32 2/4 | 32 2/4 | 26 |
| Avg Dn | -4 3/4 | -16 3/4 | -22 |
| Avg Range | 34 2/4 | 34 | 38 |
| # Higher Highs | 4 | 5 | 8 |
| # Lower Lows | 2 | 6 | 12 |

**September CBOT Wheat Statistics for Week #26**

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 2 | 6 |
| # Down | 3 | 8 | 13 |
| Total Change | -11 3/4 | -60 2/4 | -25 2/4 |
| Avg Change | -2 1/4 | -6 | -1 1/4 |
| Avg Up | 8 | 8 | 12 1/4 |
| Avg Dn | -9 1/4 | -9 2/4 | -7 2/4 |
| Avg Range | 9 1/4 | 14 1/4 | 17 3/4 |
| # Higher Highs | 1 | 1 | 6 |
| # Lower Lows | 3 | 7 | 14 |

**Monday 26**

Crop Progress

**Tuesday 27**

Weather Crop Summary

**Wednesday 28**

**Thursday 29**

Agricultural Prices

FN: C, W, S, SM, BO

**Friday 30**

Grain Acreage
Grain Stocks
Poultry Slaughter
Quarterly Hogs and Pigs

**Saturday 1**

**Sunday 2**

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# *July 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,115 | 896 | 1,009 | 1,621 | 2,053 |
| Production | | 10,785 | 10,635 | 10,270 | 9,790 | 9,495 |
| Total Supply | | 12,910 | 11,546 | 11,289 | 11,426 | 11,563 |
| Domestic Use | | 8,720 | 8,455 | 8,100 | 7,910 | 7,760 |
| Exports | | 1,950 | 2,100 | 1,850 | 2,050 | 1,975 |
| Total Use | | 10,670 | 10,555 | 9,950 | 9,960 | 9,735 |
| Ending Stocks | | 2,240 | 991 | 1,339 | 1,466 | 1,828 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 210 | 270 | 230 | 220 | 215 |
| Low Estimate | | 170 | 230 | 190 | 180 | 175 |
| Sep Futures High | | 263 | 263 ½ | 225 ¾ | 250 | 235 ½ |
| Sep Futures Low | | 219 | 216 ½ | 204 ½ | 220 ¼ | 194 |

Source: Monthly WASDE Report for July

**Comments:** The Corn crop tends to pollinate in the 1st week of July ~ Usually after pollination the crop is perceived as invulnerable to weather, so view weather rallies with great trepidation ~ Weather is still at the forefront of trade, but its importance is decreasing ~ USDA has underestimated usage in 13 of the last 20 years

**End of Month Crop Progress**

| | % Silk | % Dough |
|---|---|---|
| 2005 | 79 | 14 |
| 5 Year Average | 65 | 13 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 7 | 14 | 26 | 39 | 14 |
| 5 yr Avg | 7 | 12 | 28 | 40 | 13 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 290 | 105 | 155 | 210 | 255 |
| Production | | 2,890 | 2,940 | 2,885 | 2,860 | 2,935 |
| Total Supply | | 3,183 | 3,050 | 3,044 | 3,074 | 3,194 |
| Crushing | | 1,690 | 1,645 | 1,625 | 1,715 | 1,660 |
| Exports | | 1,135 | 1,050 | 990 | 955 | 1,015 |
| Total Use | | 2,973 | 2,841 | 2,784 | 2,844 | 2,849 |
| Ending Stocks | | 210 | 210 | 260 | 230 | 345 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 610 | 670 | 535 | 505 | 500 |
| Low Estimate | | 510 | 570 | 435 | 415 | 400 |
| Nov Futures High | | 751 | 685 | 561 ½ | 560 | 538 |
| Nov Futures Low | | 666 | 568 | 507 ½ | 498 | 460 ½ |

Source: Monthly WASDE Report for July

**Comments:** As flowering (blooming) begins, the crop is susceptible to damage ~ Weather is still a concern for beans until pollination in the 3rd or 4th week of the month ~ Warm/wet weather is best, hot/dry tends to fuel higher prices ~ In the last 20 years the USDA has over estimated ending stocks 13 times and underestimated usage 13 times

**End of Month Crop Progress**

| | % Blooming | % Set Pods |
|---|---|---|
| 2005 | 81 | 36 |
| 5 Year Average | 68 | 26 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 4 | 12 | 30 | 43 | 10 |
| 5 yr Avg | 3 | 9 | 28 | 46 | 13 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 540 | 546 | 492 | 772 | 873 |
| Production | | 2,208 | 2,059 | 2,311 | 1,749 | 1,974 |
| Total Supply | | 2,818 | 2,665 | 2,903 | 2,626 | 2,942 |
| Domestic Use | | 1,168 | 1,196 | 1,190 | 1,206 | 1,282 |
| Exports | | 950 | 975 | 975 | 900 | 1,050 |
| Total Use | | 2,118 | 2,171 | 2,165 | 2,106 | 2,332 |
| Ending Stocks | | 700 | 494 | 738 | | 610 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 310 | 380 | 340 | 335 | 330 |
| Low Estimate | | 260 | 320 | 280 | 275 | 270 |
| Sep Futures High | | 354 | 351 ½ | 355 ½ | 343 | 295 |
| Sep Futures Low | | 323 ½ | 310 | 304 ½ | 314 ½ | 256 ½ |

Source: Monthly WASDE Report for July

**Comments:** Market attention focuses on the spring wheat crop as the winter wheat crop is usually fully harvested by month end ~ Watch Minneapolis Wheat futures for clues about prospects of spring wheat crop ~ European wheat is maturing, southern Russia is harvesting and Northern Russian crops are heading so world supply still uncertain

**End of Month Crop Progress**

| | % Harvested |
|---|---|
| 2005 | 100 |
| 5 Year Average | 85 |

**End of Month Crop Condition ***

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 4 | 13 | 34 | 38 | 11 |
| 5 yr Avg | 11 | 16 | 31 | 34 | 8 |

* Beginning of July Values Used

### September Corn Statistics for Week #27

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 6 | 10 |
| # Down | 0 | 4 | 9 |
| Total Change | 50 | 15 1/2 | -37 3/4 |
| Avg Change | 10 | 1 1/2 | -2 |
| Avg Up | 10 | 9 1/4 | 7 1/2 |
| Avg Dn | n/a | -9 3/4 | -12 1/2 |
| Avg Range | 14 | 12 | 13 3/4 |
| # Higher Highs | 5 | 6 | 10 |
| # Lower Lows | 0 | 4 | 8 |

### November Soybeans Statistics for Week #27

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 6 |
| # Down | 3 | 7 | 13 |
| Total Change | -104 2/4 | -184 1/4 | -215 2/4 |
| Avg Change | -21 | -18 2/4 | -11 1/4 |
| Avg Up | 26 1/4 | 18 2/4 | 27 1/4 |
| Avg Dn | -52 1/4 | -34 1/4 | -29 |
| Avg Range | 48 3/4 | 36 | 37 |
| # Higher Highs | 2 | 3 | 7 |
| # Lower Lows | 3 | 7 | 12 |

### September CBOT Wheat Statistics for Week #27

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 2 | 5 |
| # Down | 3 | 8 | 14 |
| Total Change | 1/4 | -56 1/4 | -129 1/4 |
| Avg Change | 0 | -5 3/4 | -6 3/4 |
| Avg Up | 11 | 11 | 5 3/4 |
| Avg Dn | -7 1/4 | -9 3/4 | -11 1/4 |
| Avg Range | 12 3/4 | 13 | 16 |
| # Higher Highs | 3 | 3 | 5 |
| # Lower Lows | 3 | 8 | 14 |

**Monday 3**

Crop Progress

**Tuesday 4**

**Independence Day**

**Wednesday 5**

Weather Crop Summary

**Thursday 6**

**Friday 7**

**Saturday 8**

**Sunday 9**

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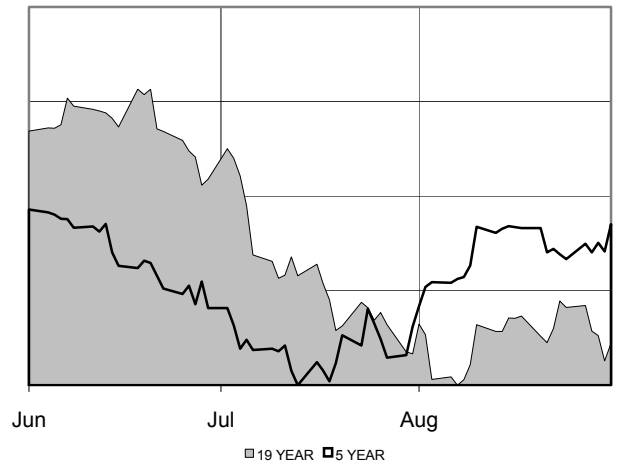
# *July 2006 Technical Overview*

## September Corn Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

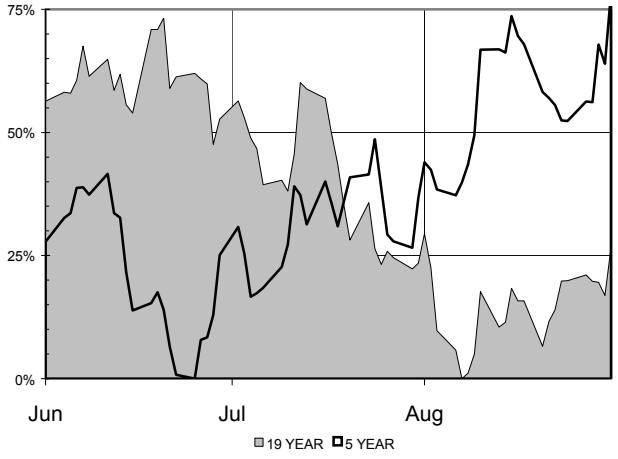
**COMMENTS:** Worst month on record, down 12 of the last 19 years losing a total of –255 ½ cents (corn did rally in '01 and '02) ~ Most volatile month on record ~ The July high has held in August 15 of the last 19 years (though 3 of the 4 higher August highs have occurred in the last 6 years) ~ Weak July's tend to continue into August (8 of 12 times), gaining a total of +28 ¼ cents since 1987

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 10 |
| **# Years Dn** | 12 | **# Lower Lows** | 13 |
| **Total Change** | -255 ½ | **# Expanded Range** | 13 |
| **Avg Change** | -13 ½ | **# Narrow Range** | 6 |
| **Avg Gain** | 17 ½ | | |
| **Avg Loss** | -31 ½ | **5 Yr High** | 263 ½ |
| **Avg Range** | 40 ½ | **5 Yr Low** | 194 |

## November Soybean Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

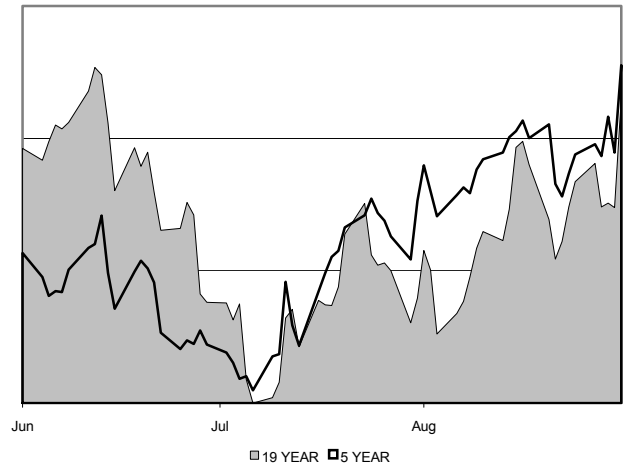
**COMMENTS:** Weakest month on record ~ Worst July's have been reversals of June strength (average loss following strong June is –35 ¼ cents vs –12 ¼ cents following a weak June) ~ August tends to move in the opposite direction of July (13 of the last 19 years) ~ 8 of 12 July breaks have been followed by August Rallies in Beans, 9 of 12 times in Meal and 8 of 14 times in Beanoil

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 9 |
| **# Years Dn** | 12 | **# Lower Lows** | 15 |
| **Total Change** | -470 | **# Expanded Range** | 15 |
| **Avg Change** | -24 ¾ | **# Narrow Range** | 4 |
| **Avg Gain** | 35 ¼ | | |
| **Avg Loss** | -59 ¾ | **5 Yr High** | 685 |
| **Avg Range** | 86 ¾ | **5 Yr Low** | 445 ½ |

## September CBOT Wheat

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

**COMMENTS:** Worst month on record for all Wheat types (for the month CBOT –73 ½, KCBT –85 ½, & MW –155 ¾) ~ Expect lower monthly lows (14 out of 19) ~ July's strength tends to be continued into August (CBOT 7 of 9, KCBT 6 of 9, & MW 6 of 8) ~ July weakness is often reversed in August (especially in CBOT with 7 of 10 July breaks followed by August rallies) ~ Expect Volatility to increase (14 out of 19 years)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 8 | **# Higher Highs** | 6 |
| **# Years Dn** | 11 | **# Lower Lows** | 13 |
| **Total Change** | -96 | **# Expanded Range** | 12 |
| **Avg Change** | -5 | **# Narrow Range** | 7 |
| **Avg Gain** | 21 ½ | | |
| **Avg Loss** | -24 ¼ | **5 Yr High** | 355 ½ |
| **Avg Range** | 41 ½ | **5 Yr Low** | 256 ½ |

### September Corn Statistics for Week #28

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 8 | 10 |
| # Down | 0 | 2 | 9 |
| Total Change | 85 | 100 3/4 | 86 1/2 |
| Avg Change | 17 | 10 | 4 1/2 |
| Avg Up | 17 | 14 1/2 | 14 1/2 |
| Avg Dn | n/a | -7 3/4 | -6 1/2 |
| Avg Range | 29 3/4 | 23 3/4 | 19 1/2 |
| # Higher Highs | 5 | 7 | 8 |
| # Lower Lows | 0 | 4 | 12 |

### November Soybeans Statistics for Week #28

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 6 | 9 |
| # Down | 3 | 4 | 10 |
| Total Change | -42 1/4 | 71 | 61 1/4 |
| Avg Change | -8 2/4 | 7 | 3 1/4 |
| Avg Up | 8 3/4 | 24 1/4 | 25 1/4 |
| Avg Dn | -20 | -18 2/4 | -16 3/4 |
| Avg Range | 38 | 38 2/4 | 37 2/4 |
| # Higher Highs | 2 | 5 | 5 |
| # Lower Lows | 2 | 4 | 12 |

### September CBOT Wheat Statistics for Week #28

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 5 | 7 |
| # Down | 2 | 5 | 12 |
| Total Change | 37 2/4 | 55 3/4 | 60 1/4 |
| Avg Change | 7 2/4 | 5 2/4 | 3 1/4 |
| Avg Up | 14 3/4 | 14 3/4 | 14 3/4 |
| Avg Dn | -3 2/4 | -3 3/4 | -3 3/4 |
| Avg Range | 16 | 18 | 18 |
| # Higher Highs | 3 | 6 | 9 |
| # Lower Lows | 0 | 4 | 11 |

**Monday 10**

Crop Progress

**Tuesday 11**

Weather Crop Summary

**Wednesday 12**

Crop Production
WASDE

**Thursday 13**

**Friday 14**

LT: C, W, S, SM, BO

**Saturday 15**

**Sunday 16**

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# *Seasonal Spread Highlight for July …*

The marketing season for Wheat is beginning a fresh and Hard Wheat rules over Soft Wheat, as the higher protein content tends to command the "lions share" of the available demand on the world market..

- *Long December 2006 KCBT Wheat, Short December 2006 CBOT Wheat*
- *Enter on roughly the 3rd to last trading day of July, Exit on roughly the first trading day of October.*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 7/26/1991 | -3 1/4 | 10/3/1991 | 3 1/4 | 6 1/2 | 3 1/2 | 6 3/4 | -5 1/2 | -2 1/4 |
| 7/27/1992 | -8 | 10/2/1992 | -7 | 1 | -1 1/2 | 6 1/2 | -12 1/4 | -4 1/4 |
| 7/26/1993 | -1 1/2 | 10/1/1993 | 4 1/4 | 5 3/4 | 6 1/2 | 8 | -4 1/2 | -3 |
| 7/26/1994 | 2 3/4 | 10/3/1994 | 4 1/2 | 1 3/4 | 7 1/2 | 4 3/4 | -1 | -3 3/4 |
| 7/26/1995 | 3 1/2 | 10/3/1995 | 11 | 7 1/2 | 11 | 7 1/2 | -2 | -5 1/2 |
| 7/26/1996 | 32 | 10/3/1996 | 12 1/2 | -19 1/2 | 32 3/4 | 3/4 | -1 3/4 | -33 3/4 |
| 7/28/1997 | 8 | 10/3/1997 | 10 3/8 | 2 3/8 | 13 | 5 | 3 1/2 | -4 1/2 |
| 7/27/1998 | 22 1/2 | 10/2/1998 | 32 | 9 1/2 | 34 | 11 1/2 | 19 1/2 | -3 |
| 7/26/1999 | 19 1/4 | 10/1/1999 | 20 3/4 | 1 1/2 | 23 1/2 | 4 1/4 | 16 1/2 | -2 3/4 |
| 7/26/2000 | 33 1/2 | 10/3/2000 | 51 3/4 | 18 1/4 | 55 | 21 1/2 | 32 1/4 | -1 1/4 |
| 7/26/2001 | 31 3/4 | 10/3/2001 | 15 1/4 | -16 1/2 | 33 | 1 1/4 | 15 1/4 | -16 1/2 |
| 7/26/2002 | 28 | 10/3/2002 | 92 3/4 | 64 3/4 | 92 3/4 | 64 3/4 | 26 1/2 | -1 1/2 |
| 7/28/2003 | -11 3/4 | 10/3/2003 | 2 1/4 | 14 | 4 3/4 | 16 1/2 | -11 3/4 | 0 |
| 7/26/2004 | 27 | 10/1/2004 | 30 3/4 | 3 3/4 | 30 3/4 | 3 3/4 | 13 1/4 | -13 3/4 |
| 7/26/2005 | 6 3/4 | 10/3/2005 | 33 | 26 1/4 | 43 | 36 1/4 | 6 3/4 | 0 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 126 3/4 | $ 6,343.50 | Worst Loss | -19 2/4 | $ (975.00) |
| # Win | 13 | Avg P&L | 8 2/4 | $ 422.90 | Worst Draw | -33 3/4 | $(1,687.50) |
| # loss | 2 | Avg Win | 12 2/4 | $ 626.42 | Avg Draw | -6 2/4 | $ (319.17) |
| % Win | 86.7% | Avg Loss | -18 | $ (900.00) | Worst Draw Win | -13 3/4 | $ (687.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### September Corn Statistics for Week #29

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 4 | 7 |
| # Down | 5 | 6 | 12 |
| Total Change | -76 1/4 | -91 1/4 | -162 1/4 |
| Avg Change | -15 1/4 | -9 1/4 | -8 1/2 |
| Avg Up | n/a | 11 1/2 | 8 1/2 |
| Avg Dn | -15 1/4 | -22 3/4 | -18 1/2 |
| Avg Range | 22 1/2 | 23 3/4 | 19 |
| # Higher Highs | 0 | 2 | 5 |
| # Lower Lows | 0 | 3 | 9 |

### November Soybeans Statistics for Week #29

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 7 |
| # Down | 2 | 4 | 12 |
| Total Change | 46 3/4 | 40 3/4 | -215 |
| Avg Change | 9 1/4 | 4 | -11 1/4 |
| Avg Up | 24 3/4 | 26 3/4 | 24 3/4 |
| Avg Dn | -13 3/4 | -29 3/4 | -32 2/4 |
| Avg Range | 40 1/4 | 42 | 40 |
| # Higher Highs | 2 | 5 | 8 |
| # Lower Lows | 4 | 5 | 11 |

### September CBOT Wheat Statistics for Week #29

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 3 | 6 | 9 |
| Total Change | -1 2/4 | -18 3/4 | 11 3/4 |
| Avg Change | - 1/4 | -2 | 2/4 |
| Avg Up | 5 3/4 | 9 2/4 | 10 1/4 |
| Avg Dn | -4 1/4 | -9 2/4 | -10 |
| Avg Range | 14 | 16 1/4 | 16 1/4 |
| # Higher Highs | 3 | 5 | 10 |
| # Lower Lows | 2 | 5 | 9 |

**Monday 17**

Crop Progress

**Tuesday 18**

Weather Crop Summary

**Wednesday 19**

**Thursday 20**

**Friday 21**

Livestock Slaughter
Agricultural Prices Annual
Cattle
Cattle on Feed
Chickens and Eggs
Cold Storage
OE: S, SM, BO

**Saturday 22**

**Sunday 23**

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# *Fade July Trends in Soybeans During August*

In previous Almanac's, we have spoken about the July Reverse Barometer or the tendency for August prices to move in the opposite direction as July. This year, we are highlighting the Soybean market as the tendency is the strongest in this market.

The table below shows the performance of establishing a position based on the following rules:

- ***Following a July rally in November Soybeans, establish a short position if November Soybeans rally +10 cents or more in August. Use a +40 cent stop loss, hold position until the end of August.***
- ***Following a July break in November Soybeans, establish a long position if November Soybeans break by -10 cents or more in August. Use a -40 cent stop loss, hold position until the end of August.***

| | Entry Date | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| 2005 | 696 3/4 | 709 | 595 1/2 | 598 3/4 | 98 | -12 1/4 | 101 1/4 |
| 2004 | 559 | 629 | 552 | 627 1/4 | 68 1/4 | -7 | 70 |
| 2003 | 499 | 597 | 509 3/4 | 589 | 90 | 10 3/4 | 98 |
| 2002 | 546 1/2 | 579 1/2 | 520 1/2 | 544 3/4 | 1 3/4 | -33 | 26 |
| 2001 | 522 1/2 | 520 | 473 1/2 | 486 | 36 1/2 | 2 1/2 | 49 |
| 2000 | 444 | 505 1/2 | 446 | 505 | 61 | 2 | 61 1/2 |
| 1999 | 423 1/4 | 503 | 445 | 483 | 59 3/4 | 21 3/4 | 79 3/4 |
| 1998 | 550 3/4 | 555 1/2 | 510 1/2 | 511 1/2 | -39 1/4 | -40 1/4 | 4 3/4 |
| 1997 | 668 | 667 | 604 | 625 1/2 | 42 1/2 | 1 | 64 |
| 1996 | 723 | 802 | 720 1/2 | 794 1/2 | 71 1/2 | -2 1/2 | 79 |
| 1995 | 624 | 624 1/2 | 585 | 623 | 1 | - 1/2 | 39 |
| 1994 | 555 3/4 | 578 1/4 | 551 | 573 3/4 | 18 | -4 3/4 | 22 1/2 |
| 1993 | 698 | 709 | 648 | 663 1/2 | 34 1/2 | -11 | 50 |
| 1992 | 542 | 557 1/4 | 527 1/2 | 541 | -1 | -14 1/2 | 15 1/4 |
| 1991 | 610 1/2 | 650 | 529 | 590 1/2 | 20 | -39 1/2 | 81 1/2 |
| 1990 | 600 | 645 3/4 | 588 1/2 | 613 3/4 | 13 3/4 | -11 1/2 | 45 3/4 |
| 1989 | 568 3/4 | 602 | 562 | 587 1/2 | 18 3/4 | -6 3/4 | 33 1/4 |
| 1988 | 777 1/2 | 903 | 812 | 867 1/2 | 90 | 34 1/2 | 125 1/2 |
| 1987 | 515 3/4 | 530 | 491 3/4 | 504 1/4 | -11 1/2 | -24 | 14 1/4 |

| | | | cents/bu | $ | | cents/bu | $ |
|---|---|---|---|---|---|---|---|
| **# Trades** | 19 | **Total P&L** | 673 2/4 | $ 33,675.00 | **Average Draw** | -7 | $ (350.00) |
| **# Win** | 16 | **Average P&L** | 35 2/4 | $ 1,775.00 | **Worst Draw** | -40 1/4 | $(2,012.50) |
| **# Loss** | 3 | **Average Win** | 45 1/4 | $ 2,262.50 | **Average Fav** | 55 3/4 | $ 2,787.50 |
| **% Win** | 84% | **Average Loss** | -17 1/4 | $ (862.50) | **Worst Draw on Win** | -39 2/4 | $(1,975.00) |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

Like all other strategies, this one is not without risk. Notice how in years like 1998, when prices broke they continued to fall – resulting in large losses. Of course, cycles/patterns such as this one can change as well.

Hopefully, this little trading tip will work for a few more years before the markets efficiency arbitrages it away. In the mean time, this appears to be a solid cycle/pattern that may be suitable for traders willing to take the risks associated with such a pattern.

Using this strategy as a backdrop, options traders may wish to establish "Bear Call Spreads" following a strong July, or "Bull Put Spreads" following a weak July. These limited risk/reward strategies will also benefit from time decay, and volatility decreases which usually occur in August.

### September Corn Statistics for Week #30

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 5 | 8 |
| # Down | 0 | 5 | 11 |
| Total Change | 57 1/2 | 2 | -40 |
| Avg Change | 11 1/2 | 1/4 | -2 |
| Avg Up | 11 1/2 | 11 1/2 | 10 1/2 |
| Avg Dn | n/a | -11 | -11 1/4 |
| Avg Range | 19 3/4 | 15 3/4 | 15 |
| # Higher Highs | 0 | 1 | 2 |
| # Lower Lows | 5 | 8 | 15 |

### November Soybeans Statistics for Week #30

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 2 | 5 |
| # Down | 3 | 8 | 14 |
| Total Change | -80 | -172 3/4 | -247 1/4 |
| Avg Change | -16 | -17 1/4 | -13 |
| Avg Up | 14 2/4 | 14 2/4 | 19 |
| Avg Dn | -36 1/4 | -25 1/4 | -24 2/4 |
| Avg Range | 49 2/4 | 37 2/4 | 34 1/4 |
| # Higher Highs | 1 | 2 | 4 |
| # Lower Lows | 4 | 7 | 12 |

### September CBOT Wheat Statistics for Week #30

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 7 |
| # Down | 3 | 5 | 12 |
| Total Change | -1 2/4 | -10 2/4 | -55 |
| Avg Change | - 1/4 | -1 | -3 |
| Avg Up | 5 1/4 | 7 | 8 |
| Avg Dn | -4 | -9 | -9 1/4 |
| Avg Range | 13 3/4 | 17 1/4 | 17 |
| # Higher Highs | 1 | 5 | 9 |
| # Lower Lows | 3 | 6 | 11 |

**Monday 24**

Crop Progress

**Tuesday 25**

Weather Crop Summary
Monthly Agnews

**Wednesday 26**

**Thursday 27**

**Friday 28**

FN: S, SM, BO

**Saturday 29**

**Sunday 30**

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# *The Fall Break: Summer Highs to Fall Lows*

Grain prices are a combination of current and future supply and demand. The largest variable in this equation is future supply, as is evident by the fact that grain prices tend to be the highest when the risk to the crop – and future supply – is the greatest. However, once the crop is "made", prices begin to reflect the upcoming harvest in the spring planted grains. Winter wheat discounts the harvest in fall as well, but the break tends to be somewhat shallower as planting - future supply uncertainty - is also closer.

The table below shows the performance of the December/November futures from their summer highs to their fall lows. Though the table is a bit miss leading, in that it is impossible to know where the summer highs or fall lows will occur, it is none-the-less instructive to show the extent of fall breaks in grain prices.

| | December Corn | | | November Soybeans | | | December CBOT Wheat | | |
|---|---|---|---|---|---|---|---|---|---|
| | May - Jul High | Aug - Oct Low | Change | May - Jul High | Aug - Oct Low | Change | May - Jul High | Aug - Oct Low | Change |
| **2005** | 322 1/4 | 197 | -125 1/4 | 789 | 506 | -283 | 430 | 326 | -104 |
| **2004** | 322 1/4 | 197 | -125 1/4 | 588 | 527 | -61 | 430 | 297 | -133 |
| **2003** | 253 | 213 | -40 | 789 | 589 | -200 | 365 | 321 | -44 |
| **2002** | 260 | 243 1/4 | -16 3/4 | 588 | 544 3/4 | -43 1/4 | 352 | 343 | -9 |
| **2001** | 247 | 202 | -45 | 560 | 428 1/2 | -131 1/2 | 312 | 260 1/2 | -51 1/2 |
| **2000** | 273 1/4 | 185 1/2 | -87 3/4 | 538 | 459 3/4 | -78 1/4 | 312 | 246 | -66 |
| **1999** | 240 1/2 | 197 1/2 | -43 | 594 1/2 | 470 1/2 | -124 | 298 1/4 | 250 1/2 | -47 3/4 |
| **1998** | 274 | 197 | -77 | 505 | 511 1/2 | 6 1/2 | 343 | 251 | -92 |
| **1997** | 280 | 248 1/2 | -31 1/2 | 657 | 621 1/2 | -35 1/2 | 451 | 348 1/2 | -102 1/2 |
| **1996** | 389 | 265 1/2 | -123 1/2 | 714 | 667 3/4 | -46 1/4 | 618 1/2 | 370 | -248 1/2 |
| **1995** | 300 1/4 | 270 | -30 1/4 | 825 | 623 | -202 | 485 1/2 | 423 3/4 | -61 3/4 |
| **1994** | 277 | 213 1/4 | -63 3/4 | 661 | 536 | -125 | 363 | 341 3/4 | -21 1/4 |
| **1993** | 261 | 232 1/2 | -28 1/2 | 699 | 619 3/4 | -79 1/4 | 334 | 303 1/4 | -30 3/4 |
| **1992** | 274 1/4 | 204 3/4 | -69 1/2 | 757 1/2 | 540 3/4 | -216 3/4 | 387 1/2 | 312 1/2 | -75 |
| **1991** | 265 1/2 | 235 1/4 | -30 1/4 | 651 | 558 | -93 | 318 3/4 | 291 1/2 | -27 1/4 |
| **1990** | 296 1/2 | 221 1/2 | -75 | 618 | 592 | -26 | 374 | 260 | -114 |
| **1989** | 278 | 218 1/2 | -59 1/2 | 682 | 558 1/2 | -123 1/2 | 438 | 387 1/2 | -50 1/2 |
| **1988** | 370 | 272 1/2 | -97 1/2 | 729 | 776 1/2 | 47 1/2 | 431 | 383 1/2 | -47 1/2 |
| **1987** | 216 | 161 3/4 | -54 1/4 | 1046 | 504 1/4 | -541 3/4 | 325 | 272 | -53 |
| **Average Fall Break** | **5 yr Avg -70 1/2 / 19 yr Avg -64 1/2** | | | **5 yr Avg -143 ¾ / 19 yr Avg -124** | | | **5 yr Avg -68 ¼ / 19 yr Avg -72 ½** | | |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of future results. Note: summer highs are defined as the highest price achieved from May through July, while fall lows are defined as the lowest price achieved from August through October – basis the respective futures contract.

The lesson to be learned here is that in most years, after the summer, grain prices tend to break, often undoing a large portion of the buildup in prices. Though upon occasion, prices do continue higher into the fall, it is rare. In the last 19 years, December Corn futures have settled the month of October higher than their summer highs only twice, while November Beans have settled October higher than their respective summer highs 3 out of 19 years – with 2003 blowing through them by more than $2.00/bushel to make the exception that proves the rule. December CBOT Wheat has finished the month of October higher than its summer highs a mere 5 out of 19 years, the best of the bunch, but still not supporting traders to be overly "bulled up" in the summer months.

***… Remember supply does happen in most years and supply weighs on prices!***

### September Corn Statistics for Week #31

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 3 | 6 |
| # Down | 5 | 7 | 13 |
| Total Change | -50 | -5 | 7 |
| Avg Change | -10 | - 1/2 | 1/4 |
| Avg Up | n/a | 18 | 17 1/4 |
| Avg Dn | -10 | -8 1/2 | -7 1/2 |
| Avg Range | 10 3/4 | 13 1/4 | 11 1/2 |
| # Higher Highs | 0 | 3 | 4 |
| # Lower Lows | 0 | 2 | 9 |

### November Soybeans Statistics for Week #31

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 9 |
| # Down | 2 | 4 | 10 |
| Total Change | -21 3/4 | 52 1/4 | 163 3/4 |
| Avg Change | -4 1/4 | 5 1/4 | 8 2/4 |
| Avg Up | 12 1/4 | 20 1/4 | 33 2/4 |
| Avg Dn | -29 1/4 | -17 1/4 | -13 3/4 |
| Avg Range | 30 1/4 | 25 3/4 | 29 1/4 |
| # Higher Highs | 1 | 3 | 8 |
| # Lower Lows | 1 | 3 | 9 |

### September CBOT Wheat Statistics for Week #31

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 10 |
| # Down | 3 | 5 | 9 |
| Total Change | -34 2/4 | -25 1/4 | -51 3/4 |
| Avg Change | -7 | -2 2/4 | -2 3/4 |
| Avg Up | 7 | 9 2/4 | 8 1/4 |
| Avg Dn | -16 1/4 | -14 2/4 | -15 |
| Avg Range | 11 3/4 | 13 | 14 2/4 |
| # Higher Highs | 2 | 4 | 7 |
| # Lower Lows | 3 | 5 | 9 |

**Monday 31**

Poultry Slaughter
Agricultural Prices
Crop Progress

**Tuesday 1**

Weather Crop Summary

**Wednesday 2**

**Thursday 3**

Farm Production Expenditures

**Friday 4**

**Saturday 5**

**Sunday 6**

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# *August 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,110 | 914 | 1,009 | 1,636 | 2,003 |
| Production | | 10,350 | 10,923 | 10,064 | 8,886 | 9,266 |
| Total Supply | | 12,470 | 11,852 | 11,084 | 10,537 | 11,284 |
| Domestic Use | | 8,620 | 8,620 | 8,100 | 7,770 | 7,825 |
| Exports | | 1,950 | 2,100 | 1,800 | 2,000 | 2,000 |
| Total Use | | 10,570 | 10,720 | 9,900 | 9,770 | 9,825 |
| Ending Stocks | | 1,900 | 1,132 | 1,184 | 767 | 1,459 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 220 | 245 | 240 | 270 | 230 |
| Low Estimate | | 180 | 205 | 200 | 230 | 190 |
| Sep Futures High | | 238 ¾ | 235 | 234 ½ | 277 | 225 ½ |
| Sep Futures Low | | 200 | 215 ¼ | 206 | 245 | 208 ¾ |

Source: Monthly WASDE Report for August

**Comments:** In the last several years, August has seen some bottoms as unseasonably warm weather has caused fear ~ However, corn crop is made and not much damage to yields can be done, so watch for demand support as well ~ August crop report is the first to use field samples and surveys, it can hold surprises so be aware

**End of Month Crop Progress**

| | %Dough | % Dent | %Mature |
|---|---|---|---|
| 2005 | 91 | 61 | 11 |
| 5 Year Average | 84 | 52 | 12 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 8 | 14 | 26 | 39 | 13 |
| 5 yr Avg | 7 | 12 | 28 | 40 | 13 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 300 | 105 | 145 | 195 | 250 |
| Production | | 2,791 | 2,877 | 2,862 | 2,628 | 2,867 |
| Total Supply | | 3,094 | 2,988 | 3,011 | 2,829 | 3,121 |
| Crushing | | 1,670 | 1,625 | 1,625 | 1,680 | 1,655 |
| Exports | | 1,095 | 1,030 | 1,000 | 820 | 995 |
| Total Use | | 2,914 | 2,798 | 2,791 | 2,674 | 2,821 |
| Ending Stocks | | 180 | 190 | 220 | 155 | 300 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 650 | 640 | 555 | 605 | 535 |
| Low Estimate | | 550 | 540 | 455 | 515 | 435 |
| Nov Futures High | | 709 | 669 | 597 | 579 ½ | 520 |
| Nov Futures Low | | 595 ½ | 552 | 509 ¾ | 520 ½ | 473 ½ |

Source: Monthly WASDE Report for August

**Comments:** August crop report utilizes sampling and surveys giving the most accurate count to date on supply ~ Post pollination beans need less moisture but are still susceptible to extreme heat, especially if it has been a dry summer ~ However, expect weather rallies to be fleeting as the crop is made ~ Look for increased usage

**End of Month Crop Progress**

| | % Set Pod | % Drop Leaf |
|---|---|---|
| 2005 | 97 | 6 |
| 5 Year Average | 95 | 7 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 5 | 12 | 30 | 41 | 12 |
| 5 yr Avg | 7 | 14 | 30 | 39 | 10 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 540 | 546 | 492 | 772 | 873 |
| Production | | 2,167 | 2,123 | 2,292 | 1,686 | 1,985 |
| Total Supply | | 2,777 | 2,729 | 2,874 | 2,563 | 2,948 |
| Domestic Use | | 1,168 | 1,201 | 1,180 | 1,196 | 1,282 |
| Exports | | 975 | 950 | 1,050 | 900 | 1,050 |
| Total Use | | 2,143 | 2,151 | 2,230 | 2,096 | 2,332 |
| Ending Stocks | | 634 | 578 | 644 | 467 | 616 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 335 | 355 | 370 | 380 | 330 |
| Low Estimate | | 285 | 295 | 310 | 320 | 270 |
| Sep Futures High | | 335 ½ | 324 | 387 | 363 | 279 ½ |
| Sep Futures Low | | 300 ¾ | 295 ½ | 347 | 332 | 262 |

Source: Monthly WASDE Report for August

**Comments:** With the winter wheat crop fully harvested and the spring wheat crop harvest in full tow, expect trade to begin to be less volatile ~ Market attention focuses on exports and usage ~ Remember, quality wheat crops are in demand world wide, while sub standard crops have to compete against countries with lower costs ~ Winter Wheat planting begins in Northern Europe, Russia, and Northern China, so weather and planting delays can be an issue ~ Southern hemisphere wheat is heading ~ USDA tends to over estimate US exports, while under-estimating world exports ~ World ending stock have been underestimated in 13 of the last 20 years

### September Corn Statistics for Week #32

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 6 | 10 |
| # Down | 0 | 4 | 9 |
| Total Change | 57 1/2 | 23 | -11 1/4 |
| Avg Change | 11 1/2 | 2 1/4 | - 1/2 |
| Avg Up | 11 1/2 | 10 1/2 | 8 |
| Avg Dn | n/a | -9 3/4 | -10 1/4 |
| Avg Range | 16 3/4 | 16 3/4 | 14 1/4 |
| # Higher Highs | 5 | 6 | 9 |
| # Lower Lows | 5 | 9 | 15 |

### November Soybeans Statistics for Week #32

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 9 |
| # Down | 3 | 5 | 10 |
| Total Change | 33 1/4 | 55 1/4 | -88 1/4 |
| Avg Change | 6 3/4 | 5 2/4 | -4 3/4 |
| Avg Up | 33 3/4 | 25 | 18 3/4 |
| Avg Dn | -11 2/4 | -14 | -25 3/4 |
| Avg Range | 32 3/4 | 32 3/4 | 34 |
| # Higher Highs | 3 | 8 | 12 |
| # Lower Lows | 2 | 6 | 11 |

### September CBOT Wheat Statistics for Week #32

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 7 | 11 |
| # Down | 0 | 3 | 7 |
| Total Change | 36 3/4 | 44 | 49 3/4 |
| Avg Change | 7 1/4 | 4 2/4 | 2 2/4 |
| Avg Up | 7 1/4 | 8 | 7 1/4 |
| Avg Dn | n/a | -4 | -4 1/4 |
| Avg Range | 16 3/4 | 17 2/4 | 16 2/4 |
| # Higher Highs | 4 | 6 | 11 |
| # Lower Lows | 3 | 7 | 11 |

**Monday 7**

Crop Progress

**Tuesday 8**

Weather Crop Summary

**Wednesday 9**

**Thursday 10**

**Friday 11**

Cotton Ginnings
Crop Production
WASDE

**Saturday 12**

**Sunday 13**

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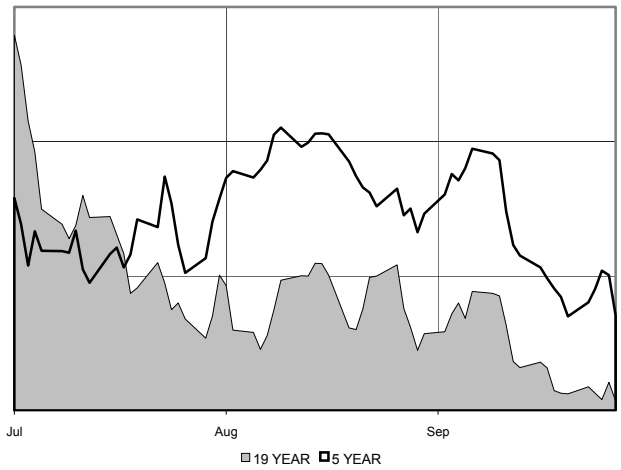
# *August 2006Technical Overview*

## December Corn Futures

### 19 year Seasonal Average




Years 1983 to 2001 settlement values used.

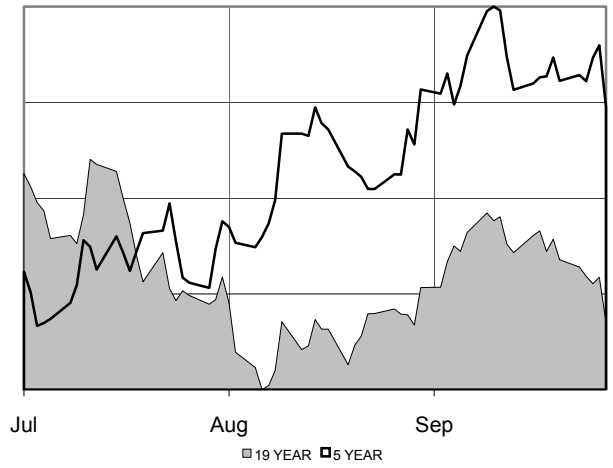
**COMMENTS:** Last 4 strong July's have been followed by August Strength (4 out of 6 in total) ~ Expect lower lows following a weak July (9 out of 12) ~ August rallies tend to be fleeting (9 of 11 have reversed in September) while August breaks are corrected (5 of 8 have reversed in September) ~ Volatility tends to decline in August ~ September tends to reverse August's

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 11 | **# Higher Highs** | 5 |
| **# Years Dn** | 8 | **# Lower Lows** | 11 |
| **Total Change** | 34 ½ | **# Expanded Range** | 2 |
| **Avg Change** | 1 ¾ | **# Narrow Range** | 13 |
| **Avg Gain** | 11 | | |
| **Avg Loss** | -10 ¾ | **5 Yr High** | 288 ½ |
| **Avg Range** | 22 ¾ | **5 Yr Low** | 185 ½ |

## November Soybean Futures

### 19 year Seasonal Average




Years 1987 to 2005 settlement values used.

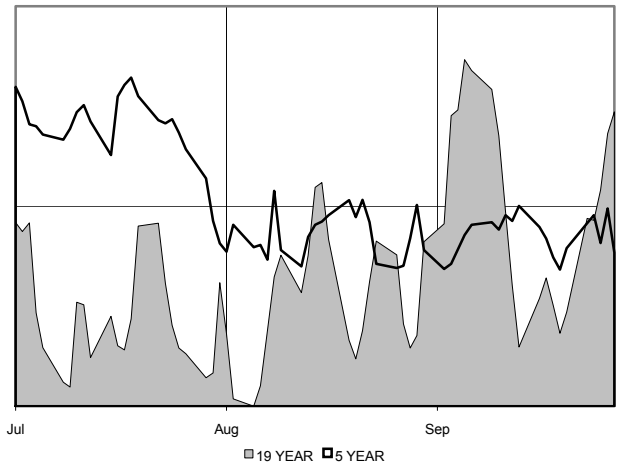
**COMMENTS:** August tends to move in the opposite direction of July (13 of the last 19 years) ~ 8 of the last 12 down July's have finished August higher, while 5 of the last 7 strong July's have seen August breaks ~ Volatility tends to contract ~ Meal has reversed July's direction 14 of the last 19 years ~ August Beanoil rallies tend to be fleeting (8 of 11 reversed in September)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 11 | **# Higher Highs** | 6 |
| **# Years Dn** | 8 | **# Lower Lows** | 9 |
| **Total Change** | 222 | **# Expanded Range** | 4 |
| **Avg Change** | 11 ¾ | **# Narrow Range** | 15 |
| **Avg Gain** | 38 | | |
| **Avg Loss** | -24 ½ | **5 Yr High** | 629 |
| **Avg Range** | 59 | **5 Yr Low** | 446 |

## December CBOT Wheat

### 19 year Seasonal Average




Years 1983 to 2001 settlement values used.

**COMMENTS:** 2nd strongest month on record (behind April) and the start of planting premium building ~ Especially strong month following strong July's (average gain +14 ¼ in CBOT, +16 ¼ in KCBT) ~ Spring Wheat (MW) tends to under-perform others in August & September ~ Strong Augusts have a tendency to see strong Septembers (9 out 10 in MW & 8 out of 10 in KCBT)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 13 | **# Higher Highs** | 7 |
| **# Years Dn** | 5 | **# Lower Lows** | 5 |
| **Total Change** | 129 ½ | **# Expanded Range** | 3 |
| **Avg Change** | 6 ¾ | **# Narrow Range** | 16 |
| **Avg Gain** | 14 ¼ | | |
| **Avg Loss** | -11 ¼ | **5 Yr High** | 399 |
| **Avg Range** | 27 ¾ | **5 Yr Low** | 250 ½ |

### September Corn Statistics for Week #33

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 4 | 10 |
| # Down | 5 | 6 | 8 |
| Total Change | -31 1/4 | -22 1/4 | -6 1/2 |
| Avg Change | -6 1/4 | -2 1/4 | - 1/4 |
| Avg Up | n/a | 3 1/2 | 3 1/2 |
| Avg Dn | -6 1/4 | -6 | -5 1/4 |
| Avg Range | 10 1/2 | 12 1/2 | 11 |
| # Higher Highs | 0 | 2 | 4 |
| # Lower Lows | 0 | 2 | 8 |

### November Soybeans Statistics for Week #33

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 6 | 13 |
| # Down | 3 | 4 | 6 |
| Total Change | -12 3/4 | 28 3/4 | 86 |
| Avg Change | -2 2/4 | 3 | 4 2/4 |
| Avg Up | 27 3/4 | 17 3/4 | 14 2/4 |
| Avg Dn | -22 3/4 | -19 2/4 | -17 1/4 |
| Avg Range | 28 1/4 | 24 | 22 3/4 |
| # Higher Highs | 2 | 5 | 8 |
| # Lower Lows | 4 | 5 | 9 |

### September CBOT Wheat Statistics for Week #33

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 3 | 9 |
| # Down | 4 | 6 | 9 |
| Total Change | -51 1/4 | -61 | -35 2/4 |
| Avg Change | -10 1/4 | -6 | -1 3/4 |
| Avg Up | n/a | 4 | 6 |
| Avg Dn | -12 3/4 | -12 1/4 | -10 |
| Avg Range | 12 2/4 | 14 2/4 | 14 |
| # Higher Highs | 1 | 5 | 10 |
| # Lower Lows | 3 | 3 | 5 |

**Monday 14**

Crop Progress

LT: S, SM, BO

**Tuesday 15**

Weather Crop Summary

**Wednesday 16**

**Thursday 17**

**Friday 18**

Cattle on Feed
Farm Labor

**Saturday 19**

**Sunday 20**

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# *Seasonal Spread Highlight for August …*

The marketplace tends to build a premium going into planting to induce farmers to plant. This coupled with ease of storing recently harvested supplies, tends to create a situation of tightness in nearby supply and great risk, which favors "bull spreads" in the HRW market.

- *Long December 2006 KCBT Wheat, Short July 2007 KCBT Wheat*
- *Enter on roughly the 3rd to last trading day of August, Exit on roughly the 6th trading day of November*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 8/29/1990 | -22 1/4 | 11/26/1990 | -12 | 10 1/4 | -12 | 10 1/4 | -22 1/4 | 0 |
| 8/29/1991 | 1 1/2 | 11/26/1991 | 21 | 19 1/2 | 21 3/4 | 20 1/4 | 1 | - 1/2 |
| 8/31/1992 | -5 1/4 | 11/25/1992 | 18 1/2 | 23 3/4 | 22 1/2 | 27 3/4 | -5 1/4 | 0 |
| 8/30/1993 | 6 1/4 | 11/26/1993 | 36 1/2 | 30 1/4 | 36 1/2 | 30 1/4 | 4 1/4 | -2 |
| 8/29/1994 | 9 1/2 | 11/25/1994 | 12 | 2 1/2 | 25 1/2 | 16 | 4 1/2 | -5 |
| 8/29/1995 | 35 1/4 | 11/24/1995 | 48 | 12 3/4 | 48 | 12 3/4 | 27 3/4 | -7 1/2 |
| 8/29/1996 | 21 | 11/26/1996 | 74 3/4 | 53 3/4 | 76 1/4 | 55 1/4 | 16 1/2 | -4 1/2 |
| 8/29/1997 | -6 1/2 | 11/26/1997 | -19 1/2 | -13 | -6 1/2 | 0 | -21 1/2 | -15 |
| 8/31/1998 | -22 1/4 | 11/25/1998 | -19 1/4 | 3 | -14 | 8 1/4 | -22 1/4 | 0 |
| 8/30/1999 | -21 3/4 | 11/26/1999 | -25 1/4 | -3 1/2 | -21 3/4 | 0 | -26 | -4 1/4 |
| 8/29/2000 | -22 3/4 | 11/24/2000 | -23 1/2 | - 3/4 | -17 1/4 | 5 1/2 | -25 1/4 | -2 1/2 |
| 8/29/2001 | -19 1/4 | 11/26/2001 | -13 1/4 | 6 | -10 3/4 | 8 1/2 | -20 3/4 | -1 1/2 |
| 8/29/2002 | 19 1/2 | 11/26/2002 | 33 1/2 | 14 | 49 | 29 1/2 | 18 | -1 1/2 |
| 8/29/2003 | 6 1/2 | 11/26/2003 | 7 1/4 | 3/4 | 7 1/4 | 3/4 | -12 1/4 | -18 3/4 |
| 8/29/2004 | -13 1/2 | 11/26/2004 | 9 1/4 | 22 3/4 | 11 1/2 | 25 | -15 | -1 1/2 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 182 | $ 9,100.00 | Worst Loss | -13 | $ (650.00) |
| # Win | 12 | Avg P&L | 12 1/4 | $ 606.67 | Worst Draw | -18 3/4 | $ (937.50) |
| # loss | 3 | Avg Win | 16 2/4 | $ 830.21 | Avg Draw | -4 1/4 | $ (215.00) |
| % Win | 80.0% | Avg Loss | -5 3/4 | $ (287.50) | Worst Draw Win | -18 3/4 | $ (937.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### September Corn Statistics for Week #34

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 1 | 6 |
| # Down | 5 | 9 | 13 |
| Total Change | -5 | -5 | - 1/4 |
| Avg Change | -1 | - 1/2 | -0 |
| Avg Up | n/a | 11 3/4 | 5 1/4 |
| Avg Dn | -1 | -1 3/4 | -2 1/2 |
| Avg Range | 8 3/4 | 9 1/4 | 9 |
| # Higher Highs | 0 | 1 | 6 |
| # Lower Lows | 5 | 8 | 11 |

### November Soybeans Statistics for Week #34

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 7 | 13 |
| # Down | 1 | 3 | 6 |
| Total Change | -21 3/4 | -12 2/4 | -1 2/4 |
| Avg Change | -4 1/4 | -1 1/4 | -0 |
| Avg Up | 4 3/4 | 5 1/4 | 6 3/4 |
| Avg Dn | -40 2/4 | -16 2/4 | -15 |
| Avg Range | 24 | 21 3/4 | 24 |
| # Higher Highs | 2 | 3 | 11 |
| # Lower Lows | 1 | 4 | 6 |

### September CBOT Wheat Statistics for Week #34

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 7 | 13 |
| # Down | 0 | 3 | 6 |
| Total Change | 51 1/4 | 53 1/4 | 75 3/4 |
| Avg Change | 10 1/4 | 5 1/4 | 4 |
| Avg Up | 10 1/4 | 9 3/4 | 8 |
| Avg Dn | n/a | -5 1/4 | -4 3/4 |
| Avg Range | 15 3/4 | 14 3/4 | 14 1/4 |
| # Higher Highs | 4 | 5 | 8 |
| # Lower Lows | 3 | 6 | 10 |

**Monday 21**

Crop Progress

**Tuesday 22**

Weather Crop Summary
Chickens and Eggs
Cold Storage

**Wednesday 23**

**Thursday 24**

Monthly Agnews

**Friday 25**

Livestock Slaughter

OE: C, W, S, SM, BO

**Saturday 26**

**Sunday 27**

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# *The August Reverse Barometer*

August tends to undo a lot of the damage done to the grains in July. Since 1986, December Corn futures have rallied in August 12 times, with 8 of these rallies occurring after a weak July. November Soybeans have rallied in August 11 times, with 9 of the 11 occurring following a weak July. Similarly, December CBOT Wheat futures have posted 5 of their 13 strong Augusts following a weak July.

However, the August bounces are often undone in September, especially in the Corn market. In the last 19 years, December Corn has settled the month of September in the opposite direction of its August settlement 13 times, a tendency we call the "**August Reverse Barometer**." Though the tendency is not as accurate in November Soybeans, notice that trend reversals in September tend to be about 50% more powerful than trend continuations.

| | Corn | | | Soybeans | | | Wheat | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Aug Change | Sep Change | Comments | Aug Change | Sep Change | Comments | Aug Change | Sep Change | Comments |
| **2005** | -31 1/4 | -11 | same | -78 | -25 2/4 | same | -24 3/4 | 28 3/4 | Opposite |
| **2004** | 12 1/4 | -32 1/4 | Opposite | 58 1/4 | -100 1/4 | Opposite | -2 3/4 | -16 | same |
| **2003** | 29 3/4 | -21 2/4 | Opposite | 80 | 88 1/4 | same | 22 | -20 3/4 | Opposite |
| **2002** | 11 2/4 | -16 2/4 | Opposite | 8 1/4 | 1 | same | 26 | 26 2/4 | same |
| **2001** | 2 | -17 3/4 | Opposite | -26 2/4 | -34 3/4 | same | -3 2/4 | -18 1/4 | same |
| **2000** | 4 1/4 | 1 1/4 | same | 51 | -14 2/4 | Opposite | 4 1/4 | -3 1/4 | Opposite |
| **1999** | 4 3/4 | -11 | Opposite | 49 3/4 | 8 1/4 | same | 2 2/4 | -6 2/4 | Opposite |
| **1998** | -24 1/4 | 9 2/4 | Opposite | -49 1/4 | 9 1/4 | Opposite | -14 1/4 | 15 1/4 | Opposite |
| **1997** | 1 2/4 | -11 2/4 | Opposite | -32 2/4 | -4 | same | 17 2/4 | -39 3/4 | Opposite |
| **1996** | 24 | -47 | Opposite | 61 2/4 | -36 2/4 | Opposite | 8 2/4 | -17 1/4 | Opposite |
| **1995** | 12 2/4 | 18 | same | 9 | 23 | same | -8 3/4 | 29 2/4 | Opposite |
| **1994** | 3/4 | -7 | Opposite | 8 | -37 3/4 | Opposite | 35 | 24 1/4 | same |
| **1993** | -4 1/4 | 7 1/4 | Opposite | -24 2/4 | -33 3/4 | same | 3 | 3 1/4 | same |
| **1992** | -5 2/4 | -2 | same | -11 | - 1/4 | same | 5 2/4 | 17 1/4 | same |
| **1991** | -8 2/4 | -5 2/4 | same | -10 | -3 2/4 | same | 12 3/4 | 11 2/4 | same |
| **1990** | -22 1/4 | -5 1/4 | same | 3 3/4 | 3 3/4 | same | -27 2/4 | 1/4 | Opposite |
| **1989** | 16 1/4 | -3 3/4 | Opposite | 8 3/4 | -19 2/4 | Opposite | 2 2/4 | 8 | same |
| **1988** | 12 3/4 | -10 3/4 | Opposite | 80 | -54 2/4 | Opposite | 35 1/4 | -1 | Opposite |
| **1987** | -7 | 13 1/4 | Opposite | -21 2/4 | 27 3/4 | Opposite | 11 2/4 | 2 2/4 | same |

| | Corn | Soybeans | Wheat |
|---|---|---|---|
| **# Trend Reversals** | 13 | 8 | 10 |
| **Average Trend Reversal** | 16 | 37 2/4 | 16 1/4 |
| **#Trend Continuation** | 6 | 11 | 9 |
| **Average Trend Continuation** | 7 1/4 | 20 2/4 | 14 1/4 |

*Past performance is not necessarily indicative of future results. Data compliments of Gecko Software Track 'n Trade Pro.*

This strategy is not without risk – like all futures trading. Even when correct, August trend continuation can be strong in early September. For example, in 2002 December corn prices increased +28 cents – continuing August's strength – before finally breaking. However, only 4 years (2005, 2002, 1991, and 1990) saw trend continuation of more than 10 cents. On average, the reversals – as measured from the August settlement to the corresponding September close – have been a reversal of +/- 16 cents.

The August Reverse Barometer is a very tradable idea in the Corn market, as can be seen on the following pages, especially when the Corn market exhibits strength in August.

### September Corn Statistics for Week #35

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 5 | 8 | 12 |
| # Down | 0 | 2 | 6 |
| Total Change | 21 1/4 | 17 3/4 | 16 3/4 |
| Avg Change | 4 1/4 | 1 3/4 | 1 |
| Avg Up | 4 1/4 | 5 | 5 1/4 |
| Avg Dn | n/a | -11 | -7 3/4 |
| Avg Range | 7 1/4 | 8 3/4 | 9 1/2 |
| # Higher Highs | 5 | 8 | 13 |
| # Lower Lows | 0 | 2 | 8 |

### November Soybeans Statistics for Week #35

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 7 | 12 |
| # Down | 3 | 3 | 7 |
| Total Change | 2 2/4 | 95 | 128 3/4 |
| Avg Change | 2/4 | 9 2/4 | 6 3/4 |
| Avg Up | 13 | 17 | 16 2/4 |
| Avg Dn | -7 3/4 | -7 3/4 | -10 |
| Avg Range | 27 1/4 | 25 3/4 | 25 1/4 |
| # Higher Highs | 2 | 6 | 12 |
| # Lower Lows | 3 | 3 | 5 |

### September CBOT Wheat Statistics for Week #35

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 12 |
| # Down | 3 | 5 | 7 |
| Total Change | 1 2/4 | 13 3/4 | 32 2/4 |
| Avg Change | 1/4 | 1 2/4 | 1 3/4 |
| Avg Up | 22 2/4 | 14 3/4 | 9 2/4 |
| Avg Dn | -14 2/4 | -12 | -11 3/4 |
| Avg Range | 16 2/4 | 15 3/4 | 15 1/4 |
| # Higher Highs | 2 | 6 | 12 |
| # Lower Lows | 1 | 3 | 5 |

**Monday 28**

Crop Progress

**Tuesday 29**

Weather Crop Summary

**Wednesday 30**

Rice Stocks

FN: C, W, S, SM, BO

**Thursday 31**

Poultry Slaughter
Agricultural Prices

**Friday 1**

**Saturday 2**

**Sunday 3**

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# *Fade August Rallies in Corn*

September has historically been an abysmal month for Corn prices as harvest approaches and the plethora of supply looms over the market. Since 1987, December Corn futures have rallied in August 10 times, and following these rallies December Corn futures have broken in August 9 times.

The following table shows the performance of the July Corn futures following an August rally, entering a short position in December Corn in September after a +2 ½ cent rally above the August settlement price.

| | Entry Price | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| | | | | **No Trade** | | | |
| **2004** | 240 1/4 | 245 | 204 | 205 1/2 | 34 3/4 | -4 3/4 | 36 1/4 |
| **2003** | 244 1/4 | 247 1/4 | 220 | 220 1/4 | 24 | -3 | 24 1/4 |
| **2002** | 270 1/2 | 296 | 249 1/2 | 251 1/2 | 19 | -25 1/2 | 21 |
| | | | | **No Trade** | | | |
| **2000** | 199 | 199 3/4 | 186 3/4 | 197 3/4 | 1 1/4 | - 3/4 | 12 1/4 |
| **1999** | 221 3/4 | 226 1/2 | 207 3/4 | 208 1/4 | 13 1/2 | -4 3/4 | 14 |
| | | | | **No Trade** | | | |
| **1997** | 271 3/4 | 274 | 255 1/2 | 257 3/4 | 14 | -2 1/4 | 16 1/4 |
| | | | | **No Trade** | | | |
| **1995** | 296 1/4 | 314 3/4 | 289 3/4 | 311 3/4 | -15 1/2 | -18 1/2 | 6 1/2 |
| **1994** | 225 1/4 | 228 | 214 | 215 3/4 | 9 1/2 | -2 3/4 | 11 1/4 |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| | | | | **No Trade** | | | |
| **1989** | 239 1/4 | 240 | 226 1/2 | 233 | 6 1/4 | - 3/4 | 12 3/4 |
| **1988** | 299 | 306 | 280 | 285 3/4 | 13 1/4 | -7 | 19 |
| | | | | **No Trade** | | | |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

Trader's who may wish to follow this strategy should consider using a stop loss of -10 cents. Though this will decrease the accuracy of this strategy – as traders would have been stopped out for a loss in 1999 of -10 cents as opposed to a profit of +19 cents holding the position until the end of the month – may find that it is more applicable.

Because option volatility tends to decline in August and September, options traders may wish to use this study as a back-drop for writing "Bear Call Spreads" following an August rally.

Cycles/patterns such as this one are based upon solid logic – see August Reverse Barometer – however such cycles/patterns are subject to change and therefore this type of trading is not without risk.

### December Corn Statistics for Week #36

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 8 |
| # Down | 2 | 6 | 11 |
| Total Change | -4 | -19 1/2 | -12 1/4 |
| Avg Change | - 3/4 | -2 | - 3/4 |
| Avg Up | 1 1/2 | 2 3/4 | 3 3/4 |
| Avg Dn | -4 1/4 | -5 | -3 3/4 |
| Avg Range | 11 3/4 | 11 1/4 | 9 1/2 |
| # Higher Highs | 3 | 5 | 8 |
| # Lower Lows | 1 | 4 | 10 |

### November Soybeans Statistics for Week #36

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 9 | 15 |
| # Down | 1 | 1 | 3 |
| Total Change | 58 3/4 | 94 3/4 | 104 3/4 |
| Avg Change | 11 3/4 | 9 2/4 | 5 2/4 |
| Avg Up | 15 2/4 | 10 3/4 | 10 2/4 |
| Avg Dn | -3 | -3 | -17 1/4 |
| Avg Range | 32 3/4 | 26 1/4 | 23 3/4 |
| # Higher Highs | 3 | 8 | 13 |
| # Lower Lows | 2 | 2 | 6 |

### December CBOT Wheat Statistics for Week #36

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 3 | 9 |
| # Down | 4 | 7 | 10 |
| Total Change | -37 | -38 3/4 | -16 2/4 |
| Avg Change | -7 2/4 | -4 | - 3/4 |
| Avg Up | 4 3/4 | 7 | 6 |
| Avg Dn | -10 2/4 | -8 2/4 | -7 |
| Avg Range | 19 1/4 | 18 | 14 2/4 |
| # Higher Highs | 2 | 4 | 10 |
| # Lower Lows | 2 | 4 | 7 |

**Monday 4**

**Labor Day**

**Tuesday 5**

Crop Progress

**Wednesday 6**

Weather Crop Summary

**Thursday 7**

**Friday 8**

**Saturday 9**

**Sunday 10**

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# *September 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,125 | 954 | 1,009 | 1,636 | 1,938 |
| Production | | 10,639 | 10,961 | 9,944 | 8,849 | 9,238 |
| Total Supply | | 12,774 | 11,929 | 10,964 | 10,499 | 11,186 |
| Domestic Use | | 8,695 | 8,620 | 8,100 | 7,770 | 7,850 |
| Exports | | 2,000 | 2,100 | 1,800 | 2,000 | 1,975 |
| Total Use | | 10,695 | 10,720 | 9,900 | 9,770 | 9,825 |
| Ending Stocks | | 2,079 | 1,209 | 1,061 | 729 | 1,361 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 210 | 240 | 250 | 275 | 235 |
| Low Estimate | | 170 | 200 | 210 | 235 | 195 |
| Dec Futures High | | 222 ½ | 245 | 247 ¼ | 296 | 232 |
| Dec Futures Low | | 202 ½ | 204 | 220 | 249 ½ | 213 ¾ |

Source: Monthly WASDE Report for September

**Comments:** Corn is drying in the fields (maturing), with the only real risk left to the crop being that it may be too wet to do field work (harvest delays) ~ Prices tend to stable as the industry as a pretty good handle on supply ~ In 13 of the last 20 years the USDA has under-estimated production and domestic use13 times ~ Expect volatility to dry-up

**End of Month Crop Progress**

| | %Dent | %Mature | %Harvest |
|---|---|---|---|
| 2005 | 100 | 76 | 18 |
| 5 Year Average | 100 | 71 | 18 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 8 | 13 | 27 | 38 | 14 |
| 5 yr Avg | 7 | 11 | 27 | 41 | 14 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 295 | 105 | 140 | 195 | 240 |
| Production | | 2,856 | 2,836 | 2,643 | 2,656 | 2,834 |
| Total Supply | | 3,155 | 2,947 | 2,787 | 2,856 | 3,078 |
| Crushing | | 1,685 | 1,615 | 1,555 | 1,675 | 1,660 |
| Exports | | 1,115 | 1,000 | 940 | 850 | 990 |
| Total Use | | 2,950 | 2,758 | 2,652 | 2,696 | 2,823 |
| Ending Stocks | | 205 | 190 | 135 | 160 | 255 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 605 | 625 | 615 | 605 | 540 |
| Low Estimate | | 515 | 535 | 525 | 515 | 440 |
| Nov Futures High | | 618 | 652 | 591 | 591 | 486 |
| Nov Futures Low | | 556 ½ | 522 ½ | 569 ½ | 544 ¾ | 450 ½ |

Source: Monthly WASDE Report for September

**Comments:** Unseasonably warm weather can cause crop conditions to deteriorate ~ Harvest usually begins in the South late in the month ~ Argentina and Brazil are planting, with delays construed as extremely bullish ~ Very rarely an early frost can damage the crop, though scares are more common ~ Harvest lows are usually made around here

**End of Month Crop Progress**

| | % Drop Leaf | % Harvest |
|---|---|---|
| 2005 | 83 | 19 |
| 5 Year Average | 72 | 14 |

**End of Month Crop Condition**

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 5 | 11 | 29 | 42 | 13 |
| 5 yr Avg | 8 | 15 | 31 | 38 | 9 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 540 | 546 | 492 | 772 | 873 |
| Production | | 2,167 | 2,123 | 2,292 | 1,686 | 1,991 |
| Total Supply | | 2,787 | 2,729 | 2,864 | 2,543 | 2,954 |
| Domestic Use | | 1,188 | 1,201 | 1,170 | 1,186 | 1,272 |
| Exports | | 975 | 950 | 1,050 | 950 | 1,050 |
| Total Use | | 2,163 | 2,151 | 2,220 | 2,136 | 2,322 |
| Ending Stocks | | 624 | 578 | 644 | 407 | 632 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 340 | 350 | 350 | 405 | 310 |
| Low Estimate | | 300 | 300 | 310 | 345 | 270 |
| Dec Futures High | | 353 | 341 ½ | 379 | 440 | 288 |
| Dec Futures Low | | 317 ½ | 305 ¾ | 338 ¼ | 372 ½ | 260 ½ |

Source: Monthly WASDE Report for September

**Comments:** Field preparation begins early in the month, with more southern locations beginning to plant at months end ~ Most major supply lead wheat rallies have begun with planting delays ~ Ideal planting weather is adequate moisture, especially after sewing to allow for proper germination ~ USDA tends to over-estimate US exports, and under estimate world production and ending stocks ~ Prices typically stay above harvest lows and begin building a risk premium

**End of Month Crop Progress**

| | % Planted |
|---|---|
| 2005 | 39 |
| 5 Year Average | 36 |

### December Corn Statistics for Week #37

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 0 | 1 | 3 |
| # Down | 5 | 8 | 15 |
| Total Change | -54 | -62 1/2 | -88 |
| Avg Change | -10 3/4 | -6 1/4 | -4 3/4 |
| Avg Up | n/a | 10 1/4 | 7 1/4 |
| Avg Dn | -10 3/4 | -9 | -7 1/4 |
| Avg Range | 10 | 11 | 10 |
| # Higher Highs | 0 | 2 | 6 |
| # Lower Lows | 5 | 8 | 12 |

### November Soybeans Statistics for Week #37

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 3 | 8 |
| # Down | 4 | 7 | 11 |
| Total Change | -39 1/4 | -86 3/4 | -113 2/4 |
| Avg Change | -7 3/4 | -8 3/4 | -6 |
| Avg Up | 15 | 8 3/4 | 9 2/4 |
| Avg Dn | -13 2/4 | -16 | -17 1/4 |
| Avg Range | 27 | 25 | 25 |
| # Higher Highs | 1 | 3 | 9 |
| # Lower Lows | 4 | 7 | 10 |

### December CBOT Wheat Statistics for Week #37

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 7 |
| # Down | 3 | 7 | 12 |
| Total Change | -13 3/4 | -60 | -66 2/4 |
| Avg Change | -2 3/4 | -6 | -3 2/4 |
| Avg Up | 11 | 7 2/4 | 6 2/4 |
| Avg Dn | -11 3/4 | -11 3/4 | -9 2/4 |
| Avg Range | 18 3/4 | 18 2/4 | 16 |
| # Higher Highs | 1 | 2 | 8 |
| # Lower Lows | 5 | 8 | 14 |

### Monday 11

**Always Remember**
Crop Progress

### Tuesday 12

Cotton Ginnings
Crop Production
WASDE
Weather Crop Summary

### Wednesday 13

### Thursday 14

LT: C, W, S, SM, BO

### Friday 15

### Saturday 16

### Sunday 17

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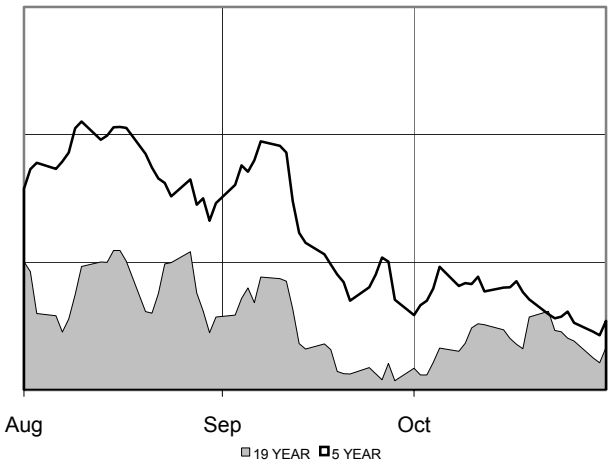
# *September 2006Technical Overview*

## December Corn Futures

**19 year Seasonal Average**




Years 1983 to 2001 settlement values used.

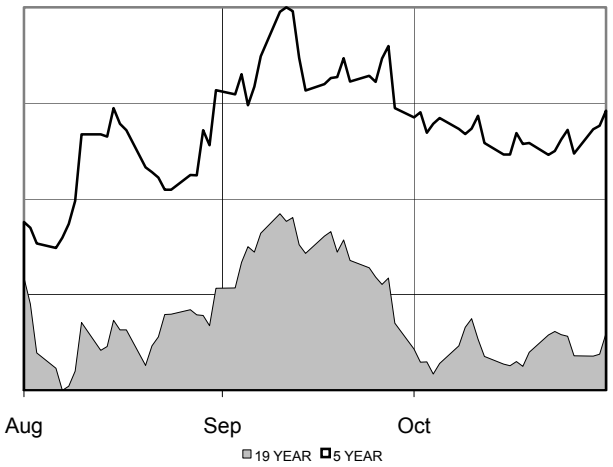
**COMMENTS:** 2nd worst month on record (behind July) ~ September tends to move in the opposite direction of August (14 out of 19) ~ Volatility tends to contract ~ September rallies tend to continue into October (5 of 7) ~ Weak Septembers tend to see lower lows in October (9 of 11) ~ Strong Septembers also see higher highs (6 of 7)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 8 |
| **# Years Dn** | 12 | **# Lower Lows** | 11 |
| **Total Change** | -92 ¾ | **# Expanded Range** | 11 |
| **Avg Change** | -5 | **# Narrow Range** | 7 |
| **Avg Gain** | 9 ½ | | |
| **Avg Loss** | -13 ¼ | **5 Yr High** | 296 |
| **Avg Range** | 21 ¼ | **5 Yr Low** | 186 ¾ |

## November Soybean Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

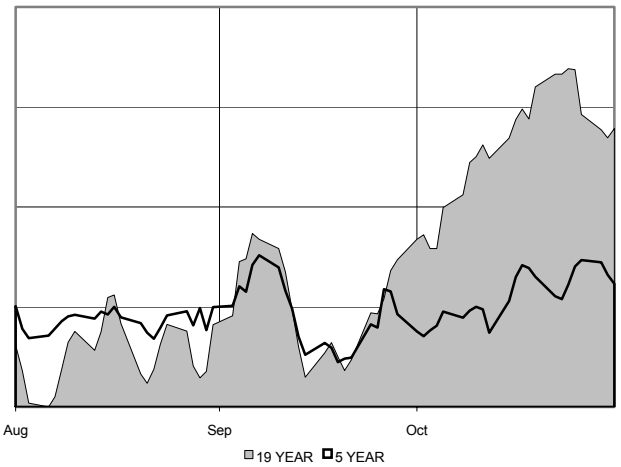
**COMMENTS:** 3rd worst month on record ~ Volatility tends to increase but not above July's levels in most years ~ October has continued in September direction 14 of the last 19 years ~ Beanoil has continued its September direction into October in 13 of the last 19 years ~ Meal exhibits the same tendency, just not as reliably, with a stronger bias towards strength

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 8 | **# Higher Highs** | 11 |
| **# Years Dn** | 11 | **# Lower Lows** | 6 |
| **Total Change** | -171 | **# Expanded Range** | 5 |
| **Avg Change** | -9 | **# Narrow Range** | 14 |
| **Avg Gain** | 21 | | |
| **Avg Loss** | -30 ¾ | **5 Yr High** | 691 |
| **Avg Range** | 52 1/4 | **5 Yr Low** | 450 ½ |

## December CBOT Wheat

**19 year Seasonal Average**




Years 1983 to 2001 settlement values used.

**COMMENTS:** Typically a positive month, but when it is weak it is very weak (average gain +12 ¾ cents, average loss –15 ¼ cents) ~ Best Septembers have followed the rare weak Augusts ~ Expect September strength to carryover into October (10 out of 12 higher highs following strength, and 9 out of 12 higher monthly settles) ~ 5 of 7 weak Septembers have seen lower October lows

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 11 | **# Higher Highs** | 10 |
| **# Years Dn** | 8 | **# Lower Lows** | 10 |
| **Total Change** | 19 ½ | **# Expanded Range** | 11 |
| **Avg Change** | 1 | **# Narrow Range** | 7 |
| **Avg Gain** | 13 | | |
| **Avg Loss** | -15 ¼ | **5 Yr High** | 440 |
| **Avg Range** | 28 | **5 Yr Low** | 246 |

### December Corn Statistics for Week #38

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 5 |
| # Down | 4 | 8 | 14 |
| Total Change | -7 1/2 | -15 1/4 | -23 |
| Avg Change | -1 1/2 | -1 1/2 | -1 1/4 |
| Avg Up | 6 1/4 | 6 1/4 | 4 1/2 |
| Avg Dn | -3 1/2 | -3 1/2 | -3 1/4 |
| Avg Range | 6 1/4 | 7 1/4 | 7 |
| # Higher Highs | 0 | 1 | 3 |
| # Lower Lows | 4 | 6 | 14 |

### November Soybeans Statistics for Week #38

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 3 | 8 |
| # Down | 4 | 7 | 11 |
| Total Change | -42 | -44 | -73 |
| Avg Change | -8 2/4 | -4 2/4 | -3 3/4 |
| Avg Up | 18 2/4 | 13 1/4 | 9 |
| Avg Dn | -15 1/4 | -12 | -13 1/4 |
| Avg Range | 19 3/4 | 18 2/4 | 19 3/4 |
| # Higher Highs | 1 | 2 | 6 |
| # Lower Lows | 4 | 9 | 13 |

### December CBOT Wheat Statistics for Week #38

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 11 |
| # Down | 4 | 6 | 8 |
| Total Change | -5 | 2 | 27 2/4 |
| Avg Change | -1 | 1/4 | 1 2/4 |
| Avg Up | 2 2/4 | 5 | 5 |
| Avg Dn | -2 | -3 | -3 2/4 |
| Avg Range | 13 2/4 | 14 | 12 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 3 | 6 | 10 |

**Monday 18**

Crop Progress

**Tuesday 19**

Weather Crop Summary

**Wednesday 20**

**Thursday 21**

Cold Storage

**Friday 22**

Livestock Slaughter
Cattle on Feed
Chickens and Eggs

OE: SM, BO

**Saturday 23**

Autumnal Equinox

**Sunday 24**

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# *Seasonal Spread Highlight for September …*

The bulk of the Wheat grown in the United States is Hard Red Winter, or KCBT Wheat. This higher protein Wheat tends to command a premium to Soft Red Winter Wheat (CBOT) during the planting effort, as the crop is more at risk since production is greatly centered in the U.S.

- *Long December 2006 KCBT Wheat, Short December 2006 CBOT Wheat*
- *Enter on roughly the 3rd trading day of September, Exit on roughly the last trading day of November*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 9/6/1990 | -1 3/4 | 11/29/1990 | 15 1/2 | 17 1/4 | 15 1/2 | 17 1/4 | -2 1/4 | - 1/2 |
| 9/6/1991 | -3 1/2 | 11/29/1991 | 1/2 | 4 | 8 3/4 | 12 1/4 | -4 | - 1/2 |
| 9/8/1992 | -7 1/2 | 11/27/1992 | -11 1/4 | -3 3/4 | -2 1/2 | 5 | -15 1/4 | -7 3/4 |
| 9/7/1993 | 1 3/4 | 11/29/1993 | 25 3/4 | 24 | 25 3/4 | 24 | - 3/4 | -2 1/2 |
| 9/6/1994 | 2 1/2 | 11/29/1994 | 13 1/2 | 11 | 17 3/4 | 15 1/4 | 1 3/4 | - 3/4 |
| 9/6/1995 | 4 1/2 | 11/29/1995 | 11 1/2 | 7 | 21 3/4 | 17 1/4 | 0 | -4 1/2 |
| 9/6/1996 | 3 | 11/29/1996 | 43 1/2 | 40 1/2 | 43 1/2 | 40 1/2 | -1 3/4 | -4 3/4 |
| 9/8/1997 | 5 1/4 | 11/28/1997 | 15 3/4 | 10 1/2 | 16 1/4 | 11 | 4 3/4 | - 1/2 |
| 9/8/1998 | 24 3/4 | 11/27/1998 | 37 | 12 1/4 | 37 | 12 1/4 | 23 1/4 | -1 1/2 |
| 9/7/1999 | 18 1/4 | 11/29/1999 | 28 1/2 | 10 1/4 | 29 | 10 3/4 | 18 1/4 | 0 |
| 9/6/2000 | 40 3/4 | 11/29/2000 | 54 3/4 | 14 | 57 3/4 | 17 | 38 3/4 | -2 |
| 9/6/2001 | 23 | 11/29/2001 | 7 | -16 | 29 1/4 | 6 1/4 | 0 | -23 |
| 9/6/2002 | 54 1/4 | 11/29/2002 | 59 3/4 | 5 1/2 | 103 | 48 3/4 | 29 1/2 | -24 3/4 |
| 9/8/2003 | -2 3/4 | 11/28/2003 | 10 3/4 | 13 1/2 | 10 3/4 | 13 1/2 | -12 3/4 | -10 |
| 9/7/2004 | 18 1/4 | 11/29/2004 | 49 1/2 | 31 1/4 | 51 | 32 3/4 | 18 1/4 | 0 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 181 1/4 | $ 9,062.50 | Worst Loss | -16 | $ (800.00) |
| # Win | 13 | Avg P&L | 12 | $ 604.17 | Worst Draw | -24 3/4 | $(1,237.50) |
| # loss | 2 | Avg Win | 15 2/4 | $ 773.08 | Avg Draw | -5 2/4 | $ (276.67) |
| % Win | 86.7% | Avg Loss | -10 | $ (493.75) | Worst Draw Win | -24 3/4 | $(1,237.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### December Corn Statistics for Week #39

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 9 |
| # Down | 3 | 6 | 10 |
| Total Change | -7 1/4 | -19 | -6 3/4 |
| Avg Change | -1 1/2 | -2 | - 1/4 |
| Avg Up | 2 | 2 3/4 | 3 1/2 |
| Avg Dn | -3 3/4 | -5 | -3 3/4 |
| Avg Range | 8 | 8 3/4 | 8 1/4 |
| # Higher Highs | 2 | 3 | 8 |
| # Lower Lows | 4 | 9 | 12 |

### November Soybeans Statistics for Week #39

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 4 | 7 |
| # Down | 2 | 6 | 12 |
| Total Change | -25 | -42 | -131 2/4 |
| Avg Change | -5 | -4 1/4 | -7 |
| Avg Up | 8 2/4 | 6 2/4 | 5 |
| Avg Dn | -25 1/4 | -11 2/4 | -13 3/4 |
| Avg Range | 22 1/4 | 18 | 18 |
| # Higher Highs | 1 | 4 | 5 |
| # Lower Lows | 3 | 4 | 13 |

### December CBOT Wheat Statistics for Week #39

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 13 |
| # Down | 2 | 4 | 6 |
| Total Change | 3 | 12 | 34 |
| Avg Change | 2/4 | 1 1/4 | 1 3/4 |
| Avg Up | 13 2/4 | 11 3/4 | 8 1/4 |
| Avg Dn | -19 | -14 3/4 | -12 2/4 |
| Avg Range | 21 2/4 | 19 3/4 | 16 2/4 |
| # Higher Highs | 3 | 6 | 13 |
| # Lower Lows | 3 | 6 | 9 |

### Monday 25

Cotton Ginnings
Crop Progress

### Tuesday 26

Weather Crop Summary
Monthly Agnews

### Wednesday 27

### Thursday 28

Agricultural Prices

FN: SM, BO

### Friday 29

Grain Stocks
Poultry Slaughter
Small Grains Summary
Quarterly Hogs and Pigs

### Saturday 30

### Sunday 1

**Yom Kippur begins at sundown**

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# *October 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,112 | 958 | 1,086 | 1,599 | 1,899 |
| Production | | 10,857 | 11,613 | 10,207 | 8,970 | 9,430 |
| Total Supply | | 12,980 | 12,586 | 11,303 | 10,584 | 11,338 |
| Domestic Use | | 8,760 | 8,820 | 8,150 | 7,820 | 7,830 |
| Exports | | 2,000 | 2,075 | 1,800 | 2,000 | 2,050 |
| Total Use | | 10,760 | 10,895 | 9,950 | 9,820 | 9,880 |
| Ending Stocks | | 2,220 | 1,691 | 300 | 764 | 1,458 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 205 | 215 | 230 | 270 | 230 |
| Low Estimate | | 165 | 175 | 190 | 230 | 190 |
| Dec Futures High | | 209 ½ | 209 ½ | 251 | 261 ¾ | 216 ¾ |
| Dec Futures Low | | 196 | 197 | 213 ¼ | 243 ¼ | 202 |

Source: Monthly WASDE Report for October

**Comments:** Trade tends to be dominated by the October Crop Report as supply concerns are nill with the crop usually three-quarters harvested ~ In the last 20 years, the USDA has under-estimated production 12 times, under-estimated domestic use 11 times, and over estimated exports 11 times ~ Prices typically find support as fears of harvest delays and basic "over-sold" conditions are the justification for minor rallies

**End of Month Crop Progress**

| | % Harvested |
|---|---|
| 2005 | 80 |
| 5 Year Average | 74 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 256 | 112 | 169 | 208 | 248 |
| Production | | 2,967 | 3,107 | 2,468 | 2,654 | 2,907 |
| Total Supply | | 3,227 | 3,225 | 2,645 | 2,865 | 3,158 |
| Crushing | | 1,695 | 1,645 | 1,510 | 1,675 | 1,660 |
| Exports | | 1,115 | 1,025 | 870 | 850 | 980 |
| Total Use | | 2,966 | 2,820 | 2,515 | 2,690 | 2,813 |
| Ending Stocks | | 260 | 405 | 130 | 175 | 345 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 580 | 550 | 695 | 595 | 470 |
| Low Estimate | | 500 | 470 | 605 | 505 | 390 |
| Jan Futures High | | 611 | 548 ½ | 805 | 568 ¾ | 503 ¾ |
| Jan Futures Low | | 566 | 513 ½ | 671 | 528 | 464 ½ |

Source: Monthly WASDE Report for October

**Comments:** The southern hemisphere planting effort is in full swing, with possible delays and the uncertainty of there crops being the justification for lows to be made in prices ~ Risk of an early frost before the US harvest also tends to support prices, but frost damage is pretty rare (but fear of such is not) ~ Pacific storm can cause South American export delays ~ USDA tends to underestimate usage/exports while overstating production in the October crop report

**End of Month Crop Progress**

| | % Harvested |
|---|---|
| 2005 | 92 |
| 5 Year Average | 86 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 540 | 547 | 491 | 777 | 876 |
| Production | | 2,098 | 2,164 | 2,337 | 1,625 | 1,958 |
| Total Supply | | 2,718 | 2,770 | 2,903 | 2,487 | 2,924 |
| Domestic Use | | 1,188 | 1,226 | 1,220 | 1,166 | 1,247 |
| Exports | | 1,000 | 975 | 1,050 | 950 | 1,025 |
| Total Use | | 2,188 | 2,201 | 2,270 | 2,116 | 2,272 |
| Ending Stocks | | 530 | 569 | 633 | 371 | 652 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 360 | 350 | 340 | 395 | 300 |
| Low Estimate | | 320 | 310 | 310 | 355 | 270 |
| Dec Futures High | | 352 | 326 | 384 | 418 ¾ | 297 |
| Dec Futures Low | | 315 ½ | 297 | 321 | 360 | 261 ½ |

Source: Monthly WASDE Report for October

**Comments:** US winter wheat planting is usually almost totally completed by the end of the month ~ With the crop emerging, some locations are grazing their wheat ~ Southern Hemisphere producers are planting, while more Northern producers are waiting for the onset of winter and dormancy ~ Mild falls with adequate precipitation is best, while early snow or heavy rains can reduce yields or stress the current crop in the ground

**End of Month Crop Progress**

| | % Planted | % Emerged |
|---|---|---|
| 2005 | 92 | 76 |
| 5 Year Average | 88 | 73 |

### December Corn Statistics for Week #40

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 9 |
| # Down | 3 | 7 | 10 |
| Total Change | -13 3/4 | -31 3/4 | -9 |
| Avg Change | -2 3/4 | -3 1/4 | - 1/2 |
| Avg Up | 3 1/4 | 4 1/2 | 5 1/2 |
| Avg Dn | -6 3/4 | -6 1/2 | -5 3/4 |
| Avg Range | 9 1/4 | 9 1/2 | 9 1/2 |
| # Higher Highs | 3 | 6 | 13 |
| # Lower Lows | 4 | 7 | 10 |

### November Soybeans Statistics for Week #40

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 5 |
| # Down | 3 | 6 | 14 |
| Total Change | 18 | -62 | -110 |
| Avg Change | 3 2/4 | -6 1/4 | -5 3/4 |
| Avg Up | 23 1/4 | 15 3/4 | 16 1/4 |
| Avg Dn | -9 2/4 | -20 3/4 | -13 3/4 |
| Avg Range | 29 3/4 | 28 2/4 | 24 3/4 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 4 | 9 | 16 |

### December CBOT Wheat Statistics for Week #40

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 11 |
| # Down | 3 | 7 | 8 |
| Total Change | -30 | -69 3/4 | -9 3/4 |
| Avg Change | -6 | -7 | - 2/4 |
| Avg Up | 3 | 2 1/4 | 6 2/4 |
| Avg Dn | -12 | -11 | -10 |
| Avg Range | 15 3/4 | 16 1/4 | 14 2/4 |
| # Higher Highs | 2 | 4 | 11 |
| # Lower Lows | 2 | 5 | 7 |

**Monday 2**

Crop Progress

**Tuesday 3**

Weather Crop Summary

**Wednesday 4**

Agricultural Chemical Usage – Restricted Use Summary

**Thursday 5**

**Friday 6**

**Saturday 7**

**Sunday 8**

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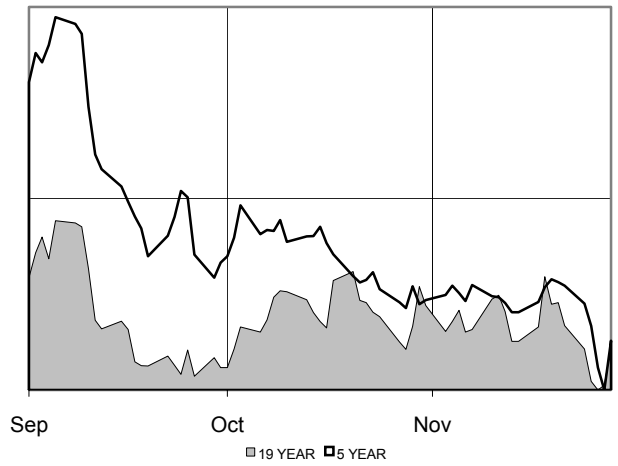
# *October 2006Technical Overview*

## December Corn Futures

**19 year Seasonal Average**




Years 1983 to 2001 settlement values used.

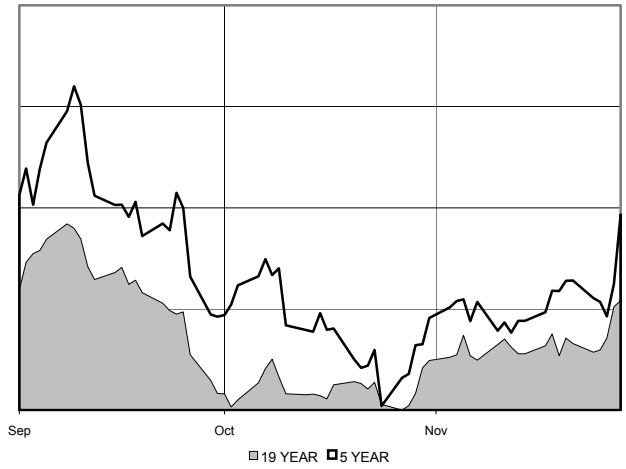
**COMMENTS:** October tends to follow September's direction (11 of 19) especially to the upside (5 of 7) making it a good idea to buy October dips in a bull market ~ Trade tends to be extremely quiet with a slight bias for following the existing trend ~ Weak October's tend to see lower monthly lows in November (7 out of the last 8)

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 10 | **# Higher Highs** | 9 |
| **# Years Dn** | 8 | **# Lower Lows** | 9 |
| **Total Change** | 48 ¾ | **# Expanded Range** | 10 |
| **Avg Change** | 2 ½ | **# Narrow Range** | 7 |
| **Avg Gain** | 11 ¾ | | |
| **Avg Loss** | -8 ½ | **5 Yr High** | 261 ¾ |
| **Avg Range** | 19 ¾ | **5 Yr Low** | 196 ¾ |

## January Soybean Futures

**19 year Seasonal Average**




Years 1987 to 2005 settlement values used.

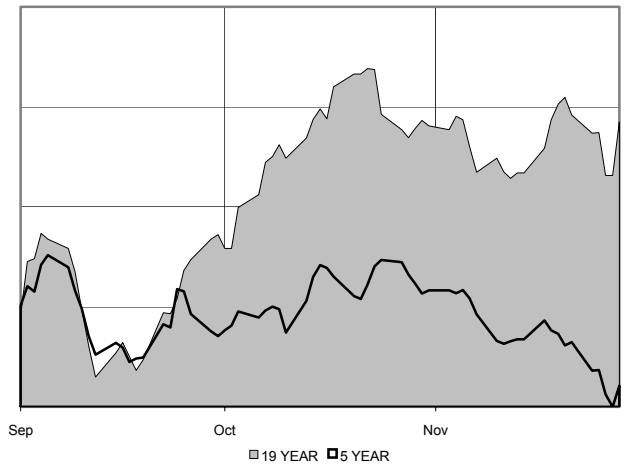
**COMMENTS:** Expect the September lows to be violated (14 out of 19) ~ October strength tends to be continued into November (8 out 10 for an average gain of +9 ½ cents) ~ Meal and Oil also tend towards extending October gains (Meal 7 out of 9 times, and Beanoil 6 out of 6 times) ~ November tends towards strength, especially for Meal.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 6 |
| **# Years Dn** | 10 | **# Lower Lows** | 14 |
| **Total Change** | 14 ¾ | **# Expanded Range** | 11 |
| **Avg Change** | ¾ | **# Narrow Range** | 8 |
| **Avg Gain** | 32 ¼ | | |
| **Avg Loss** | -27 ¾ | **5 Yr High** | 805 |
| **Avg Range** | 52 ½ | **5 Yr Low** | 426 ½ |

## December CBOT Wheat

**19 year Seasonal Average**




Years 1983 to 2001 settlement values used.

**COMMENTS:** Best Octobers have followed strong Septembers (9 out of 12) ~ More higher monthly highs than any other month (14 out of 19) ~ October highs tend to hold in November (14 out of 19) ~ Volatility tends to increase (16 out of 19 years have seen monthly range expansion) ~ October highs have not been violated in November in 10 of the last 10 years until 2004!

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 13 | **# Higher Highs** | 13 |
| **# Years Dn** | 6 | **# Lower Lows** | 8 |
| **Total Change** | 23 ¼ | **# Expanded Range** | 15 |
| **Avg Change** | 1 ¼ | **# Narrow Range** | 4 |
| **Avg Gain** | 12 ¾ | | |
| **Avg Loss** | -23 ¾ | **5 Yr High** | 418 ¾ |
| **Avg Range** | 33 ¼ | **5 Yr Low** | 250 ½ |

### December Corn Statistics for Week #41

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 6 | 9 |
| # Down | 3 | 4 | 10 |
| Total Change | 1 | 49 | 42 |
| Avg Change | 1/4 | 5 | 2 1/4 |
| Avg Up | 6 1/4 | 11 | 8 1/4 |
| Avg Dn | -3 3/4 | -4 1/4 | -3 1/4 |
| Avg Range | 8 1/4 | 12 3/4 | 9 1/2 |
| # Higher Highs | 1 | 4 | 8 |
| # Lower Lows | 4 | 6 | 9 |

### November Soybeans Statistics for Week #41

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 3 | 6 | 9 |
| Total Change | 7 2/4 | -8 | -15 3/4 |
| Avg Change | 1 2/4 | - 3/4 | - 3/4 |
| Avg Up | 16 3/4 | 20 1/4 | 13 1/4 |
| Avg Dn | -8 2/4 | -14 3/4 | -16 2/4 |
| Avg Range | 21 3/4 | 26 1/4 | 24 |
| # Higher Highs | 3 | 4 | 9 |
| # Lower Lows | 2 | 5 | 10 |

### December CBOT Wheat Statistics for Week #41

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 6 | 10 |
| # Down | 4 | 4 | 9 |
| Total Change | 20 | 64 1/4 | 50 |
| Avg Change | 4 | 6 2/4 | 2 3/4 |
| Avg Up | 47 2/4 | 15 1/4 | 10 2/4 |
| Avg Dn | -7 | -7 | -6 1/4 |
| Avg Range | 21 | 19 1/4 | 16 1/4 |
| # Higher Highs | 3 | 5 | 11 |
| # Lower Lows | 3 | 5 | 10 |

**Monday 9**

**Tuesday 10**

Crop Progress

**Wednesday 11**

Weather Crop Summary

**Thursday 12**

Cotton Ginnings
Crop Production
WASDE

**Friday 13**

LT: SM, BO

**Saturday 14**

**Sunday 15**

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# *Follow The October Trend In Soymeal*

Soymeal is the winter feed of choice for Cattle as well as poultry due to its high fat and protein contents. With the Soybean harvest just beginning in the Northern Hemisphere, the supply of Soymeal can be somewhat tight. Thus when supplies are tight, as evidenced by a rally during October, the bulk of these rallies have continued in November. However, when supply is plentiful, October weakness tends to continue in November.

The table below shows the performance of the December Soymeal contract either following an October rally of +2.50 or an October break of -2.50. Positions are held until the end of November.

| | Entry Date | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| 2004 | 156.4 | 163.2 | 146.6 | 154.2 | 2.2 | -6.8 | 9.8 |
| 2003 | 249.6 | 256.0 | 223.1 | 228.4 | -21.2 | -26.5 | 6.4 |
| 2002 | 172.2 | 174.0 | 161.3 | 166.1 | 6.1 | -1.8 | 10.9 |
| 2001 | 158.3 | 167.0 | 157.5 | 163.3 | 5.0 | -0.8 | 8.7 |
| 2000 | 167.1 | 196.0 | 164.8 | 193.8 | 26.7 | -2.3 | 28.9 |
| 1999 | 150.7 | 156.3 | 144.6 | 150.7 | 0.0 | -5.6 | 6.1 |
| 1998 | 141.1 | 153.0 | 139.7 | 148.6 | 7.5 | -1.4 | 11.9 |
| | | | | ***No Trades*** | | | |
| 1996 | 222.0 | 241.3 | 215.7 | 239.5 | -17.5 | -19.3 | 6.3 |
| 1995 | 205.8 | 213.5 | 204.6 | 211.8 | 6.0 | -1.2 | 7.7 |
| | | | | ***No Trades*** | | | |
| 1993 | 195.2 | 214.3 | 192.1 | 205.9 | -10.7 | -19.1 | 3.1 |
| | | | | ***No Trades*** | | | |
| | | | | ***No Trades*** | | | |
| 1990 | 180.7 | 182.3 | 169.2 | 172.9 | 7.8 | -1.6 | 11.5 |
| | | | | ***No Trades*** | | | |
| 1988 | 256.1 | 269.0 | 236.6 | 248.2 | 7.9 | -12.9 | 19.5 |
| 1987 | 179.4 | 223.0 | 176.0 | 219.4 | 40.0 | -3.4 | 43.6 |

| | | | $/Ton | $ | | $/Ton | $ |
|---|---|---|---|---|---|---|---|
| # Trades | 13 | Total P&L | 59.8 | $ 2,987.50 | Average Draw | -7.9 | $ (400.00) |
| # Win | 9 | Average P&L | 4.6 | $ 225.00 | Worst Draw | -26.5 | $(1,325.00) |
| # Loss | 4 | Average Win | 12.1 | $ 612.50 | Average Fav | 13.4 | $ 675.00 |
| % Win | 69% | Average Loss | -12.4 | $ (612.50) | Worst Draw on Win | -12.9 | $ (650.00) |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

Like all other strategies, this one is not without risk. Notice the large losses in 2003, 1996, and 1993. However, the logic of the lag time between the soybean harvest and processing (crushing) is valid.

Traders may wish to look for additional confirmation from the rest of the Soy-Complex futures, meaning traders should be apprehensive in years when Soymeal is either the only member rallying or breaking. Remember that birds of a feather tend to flock together and as such a simple look at the charts of Soybeans and Soyoil may be able to help traders avoid a painful situation – but of course, historically such analysis would have missed some opportunities as well.

Options traders may wish to establish “Bear Call Spreads” following an October Break or a “Bull Put Spread” following an October rally, using further out options, as the December Soymeal optiosn expire in mid November, missing roughly two weeks of the time period covered by this analysis.

### December Corn Statistics for Week #42

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 8 |
| # Down | 3 | 5 | 10 |
| Total Change | -6 1/2 | -4 1/2 | -5 1/4 |
| Avg Change | -1 1/4 | - 1/2 | - 1/4 |
| Avg Up | 2 1/4 | 3 1/2 | 3 3/4 |
| Avg Dn | -3 | -3 3/4 | -3 1/2 |
| Avg Range | 6 | 8 1/4 | 7 3/4 |
| # Higher Highs | 0 | 4 | 10 |
| # Lower Lows | 3 | 4 | 10 |

### November Soybeans Statistics for Week #42

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 12 |
| # Down | 1 | 5 | 7 |
| Total Change | 56 3/4 | 6 3/4 | 37 2/4 |
| Avg Change | 11 1/4 | 3/4 | 2 |
| Avg Up | 17 3/4 | 14 3/4 | 12 |
| Avg Dn | -14 2/4 | -13 2/4 | -15 |
| Avg Range | 29 | 25 | 22 1/4 |
| # Higher Highs | 4 | 5 | 11 |
| # Lower Lows | 3 | 7 | 11 |

### December CBOT Wheat Statistics for Week #42

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 3 | 6 | 9 |
| Total Change | 3 | 4 3/4 | 21 |
| Avg Change | 2/4 | 2/4 | 1 |
| Avg Up | 8 3/4 | 10 2/4 | 8 1/4 |
| Avg Dn | -4 3/4 | -6 1/4 | -6 3/4 |
| Avg Range | 17 3/4 | 17 1/4 | 15 2/4 |
| # Higher Highs | 4 | 7 | 12 |
| # Lower Lows | 3 | 4 | 7 |

**Monday 16**

Crop Progress

**Tuesday 17**

Weather Crop Summary

**Wednesday 18**

**Thursday 19**

**Friday 20**

Livestock Slaughter
Cattle on Feed
Cold Storage

**Saturday 21**

**Sunday 22**

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# *Seasonal Spread Highlight for October …*

The bulk of the Wheat grown in the United States is Hard Red Winter, or KCBT Wheat. This higher protein Wheat tends to command a premium to Soft Red Winter Wheat (CBOT) during the planting effort, as the crop is more at risk since production is greatly centered in the U.S.

- *Long December 2006 KCBT Wheat, Short December 2006 CBOT Wheat*
- *Enter on roughly the 2nd to last trading day of October, Exit on roughly the 2nd to last trading day of November*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 10/30/1990 | 2 1/2 | 11/28/1990 | 15 1/4 | 12 3/4 | 15 1/4 | 12 3/4 | 2 1/2 | 0 |
| 10/30/1991 | 6 1/4 | 11/26/1991 | 7 3/4 | 1 1/2 | 8 3/4 | 2 1/2 | 0 | -6 1/4 |
| 10/30/1992 | -15 | 11/25/1992 | -13 1/4 | 1 3/4 | -6 | 9 | -15 1/4 | - 1/4 |
| 10/30/1993 | 1/2 | 11/26/1993 | 22 1/4 | 21 3/4 | 22 1/4 | 21 3/4 | - 3/4 | -1 1/4 |
| 10/30/1994 | 9 | 11/28/1994 | 14 3/4 | 5 3/4 | 17 3/4 | 8 3/4 | 2 1/2 | -6 1/2 |
| 10/30/1995 | 15 1/2 | 11/28/1995 | 12 3/4 | -2 3/4 | 21 3/4 | 6 1/4 | 5 1/2 | -10 |
| 10/30/1996 | 34 1/4 | 11/26/1996 | 37 | 2 3/4 | 42 1/4 | 8 | 9 3/4 | -24 1/2 |
| 10/30/1997 | 10 1/2 | 11/25/1997 | 13 | 2 1/2 | 15 | 4 1/2 | 9 | -1 1/2 |
| 10/30/1998 | 33 3/4 | 11/25/1998 | 35 3/4 | 2 | 36 3/4 | 3 | 28 | -5 3/4 |
| 10/30/1999 | 21 1/4 | 11/26/1999 | 29 | 7 3/4 | 29 | 7 3/4 | 19 3/4 | -1 1/2 |
| 10/30/2000 | 50 1/4 | 11/28/2000 | 55 1/4 | 5 | 57 3/4 | 7 1/2 | 47 3/4 | -2 1/2 |
| 10/30/2001 | 6 | 11/28/2001 | 6 1/2 | 1/2 | 17 1/2 | 11 1/2 | 0 | -6 |
| 10/30/2002 | 55 1/4 | 11/26/2002 | 54 1/4 | -1 | 103 | 47 3/4 | 29 1/2 | -25 3/4 |
| 10/30/2003 | -1 3/4 | 11/26/2003 | -7 1/4 | -5 1/2 | 17 1/2 | 19 1/4 | 0 | 1 3/4 |
| 10/29/2004 | 30 1/2 | 11/29/2004 | 49 1/2 | 19 | 103 | 72 1/2 | 29 1/2 | -1 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 73 3/4 | $ 3,687.50 | Worst Loss | -5 2/4 | $ (275.00) |
| # Win | 12 | Avg P&L | 5 | $ 245.83 | Worst Draw | -25 3/4 | $(1,287.50) |
| # loss | 3 | Avg Win | 7 | $ 345.83 | Avg Draw | -6 | $ (303.33) |
| % Win | 80.0% | Avg Loss | -3 | $ (154.17) | Worst Draw Win | -24 2/4 | $(1,225.00) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### December Corn Statistics for Week #43

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 6 |
| # Down | 4 | 7 | 12 |
| Total Change | 5 1/4 | -3 | 5 1/4 |
| Avg Change | 1 | - 1/4 | 1/4 |
| Avg Up | 20 3/4 | 14 1/4 | 8 |
| Avg Dn | -4 | -4 1/2 | -3 1/2 |
| Avg Range | 9 1/4 | 9 | 8 1/4 |
| # Higher Highs | 2 | 4 | 7 |
| # Lower Lows | 4 | 7 | 11 |

### November Soybeans Statistics for Week #43

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 7 | 8 |
| # Down | 1 | 3 | 11 |
| Total Change | 49 | 65 1/4 | 20 2/4 |
| Avg Change | 9 3/4 | 6 2/4 | 1 |
| Avg Up | 16 2/4 | 13 3/4 | 13 1/4 |
| Avg Dn | -17 1/4 | -10 2/4 | -7 3/4 |
| Avg Range | 27 2/4 | 24 | 21 |
| # Higher Highs | 4 | 5 | 9 |
| # Lower Lows | 1 | 5 | 9 |

### December CBOT Wheat Statistics for Week #43

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 5 |
| # Down | 3 | 7 | 13 |
| Total Change | 28 3/4 | 7 3/4 | -11 3/4 |
| Avg Change | 5 3/4 | 3/4 | - 2/4 |
| Avg Up | 22 | 16 2/4 | 13 3/4 |
| Avg Dn | -5 | -6 | -6 1/4 |
| Avg Range | 20 1/4 | 19 1/4 | 16 3/4 |
| # Higher Highs | 4 | 6 | 8 |
| # Lower Lows | 1 | 4 | 8 |

## Monday 23

Chickens and Eggs
Crop Progress

## Tuesday 24

Weather Crop Summary
Monthly Agnews

## Wednesday 25

Cotton Ginnings

## Thursday 26

## Friday 27

Rice Stocks

OE: S

## Saturday 28

## Sunday 29

**Daylight Saving Time ends**

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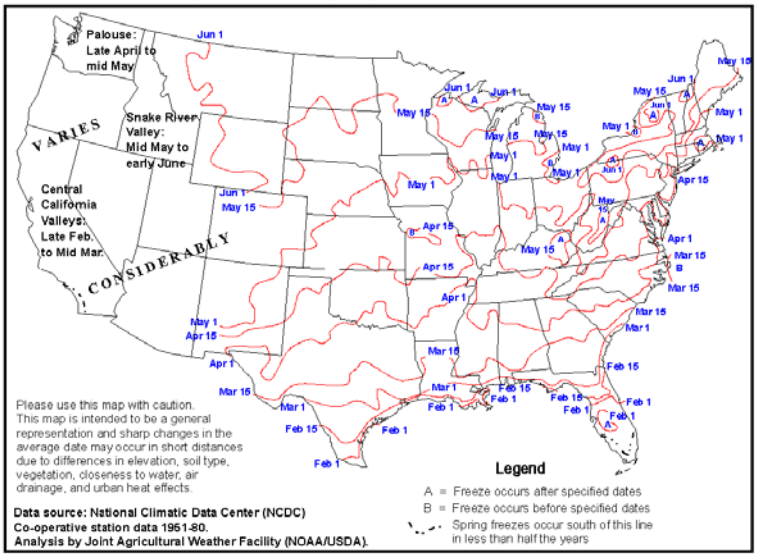
# *Last Frost Dates*

Weather and the potential affect it can have on grain crops is tremendous. An early frost can cause harvest problems – especially in the Soybean market, while a late frost can cause serious damage to the freshly planted crops (Corn and Soybeans) and frost damage to Winter Wheat during while it is heading is a constant concern for farmers.

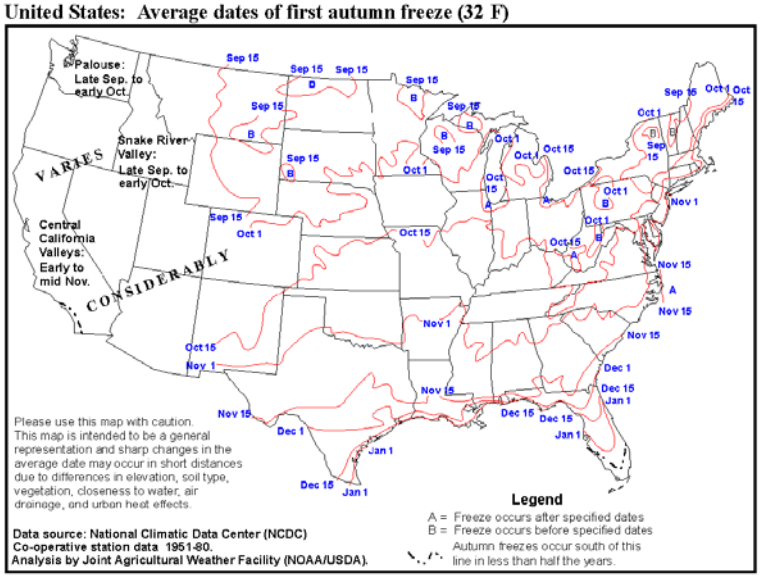
As the old saying goes… Everybody complains about the weather, but nobody does anything about it!

The Maps below depicts the usual dates for the last and first frosts to occur in the United States, using data compiled by the National Climatic Data Center (NCDC) and analysis by the United States Department of Agriculture and the National Agricultural Statistics Service (USDA/NASS).

**United States: Average dates of last spring freeze (32 F)**




**United States: Average dates of first autumn freeze (32 F)**




Despite the shortcomings in this chart, it is valuable for grain traders as well as farmers to know when on average the risk of frost has tended to diminish and the possible affect it may have on the pricing of grain futures.

### December Corn Statistics for Week #44

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 7 | 11 |
| # Down | 1 | 3 | 8 |
| Total Change | 17 1/2 | 1/2 | 5 1/2 |
| Avg Change | 3 1/2 | 0 | 1/4 |
| Avg Up | 7 1/4 | 5 | 4 3/4 |
| Avg Dn | -11 3/4 | -11 1/4 | -6 |
| Avg Range | 11 | 10 3/4 | 10 1/4 |
| # Higher Highs | 3 | 4 | 8 |
| # Lower Lows | 3 | 7 | 11 |

### January Soybeans Statistics for Week #44

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 5 | 12 |
| # Down | 2 | 5 | 7 |
| Total Change | 15 1/4 | -4 1/4 | 70 1/4 |
| Avg Change | 3 | - 2/4 | 3 3/4 |
| Avg Up | 18 | 15 1/4 | 13 1/4 |
| Avg Dn | -19 1/4 | -16 | -12 3/4 |
| Avg Range | 24 1/4 | 24 1/4 | 21 1/4 |
| # Higher Highs | 4 | 6 | 12 |
| # Lower Lows | 2 | 5 | 9 |

### December CBOT Wheat Statistics for Week #44

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 10 |
| # Down | 1 | 5 | 8 |
| Total Change | -12 3/4 | -52 3/4 | -34 |
| Avg Change | -2 2/4 | -5 1/4 | -1 3/4 |
| Avg Up | 4 2/4 | 3 3/4 | 4 2/4 |
| Avg Dn | -31 | -14 1/4 | -9 3/4 |
| Avg Range | 16 | 16 1/4 | 13 2/4 |
| # Higher Highs | 2 | 3 | 7 |
| # Lower Lows | 3 | 7 | 11 |

**Monday 30**

Crop Progress

FN: S

**Tuesday 31**

**Halloween**
Poultry Slaughter
Weather Crop Summary
Agricultural Prices

**Wednesday 1**

**Thursday 2**

**Friday 3**

**Saturday 4**

**Sunday 5**

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# *November 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 2,112 | 958 | 1,086 | 1,599 | 1,899 |
| Production | | 11,032 | 11,741 | 10,278 | 9,003 | 9,546 |
| Total Supply | | 13,154 | 12,714 | 11,374 | 10,618 | 11,454 |
| Domestic Use | | 8,835 | 8,845 | 8,150 | 7,845 | 7,830 |
| Exports | | 2,000 | 2,050 | 1,875 | 1,925 | 2,050 |
| Total Use | | 10,835 | 10,895 | 10,025 | 9,770 | 9,880 |
| Ending Stocks | | 2,319 | 1,819 | 1,349 | 848 | 1,574 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 200 | 210 | 230 | 260 | 220 |
| Low Estimate | | 160 | 170 | 190 | 220 | 180 |
| Dec Futures High | | | 205 | 246 | 249 ½ | 208 |
| Dec Futures Low | | | 195 ½ | 230 ¼ | 234 | 201 ½ |

Source: Monthly WASDE Report for November

**Comments:** Corn is typically harvested by mid month (2nd to 3rd week) ~ On very rare occasions, an early snow fall can delay harvest and cause acreage loss ~ In very tight supply years – like 1993 and 2003 - December Corn should be very well bid going into expiration ~ November crop report tends to be extremely accurate measure of supply though it has tended to underestimate usage in 13 of the last 20 years ~ Watch for changes in farm bills in new congressional sessions

**End of Month Crop Progress**

| | % Harvested |
|---|---|
| 2005 | 95 |
| 5 Year Average | 99 |

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 256 | 112 | 169 | 208 | 248 |
| Production | | 3,043 | 3,150 | 2,452 | 2,690 | 2,923 |
| Total Supply | | 3,303 | 3,269 | 2,629 | 2,900 | 3,175 |
| Crushing | | 1,720 | 1,645 | 1,485 | 1,660 | 1,665 |
| Exports | | 1,075 | 1,010 | 890 | 890 | 980 |
| Total Use | | 2,953 | 2,808 | 2,505 | 2,715 | 2,820 |
| Ending Stocks | | 350 | 460 | 125 | 185 | 355 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 575 | 535 | 755 | 585 | 470 |
| Low Estimate | | 495 | 455 | 665 | 495 | 390 |
| Jan Futures High | | | 562 | 805 ½ | 579 ½ | 509 ½ |
| Jan Futures Low | | | 503 | 730 ¾ | 558 | 469 ½ |

Source: Monthly WASDE Report for November

**Comments:** The Soybean harvest is usually completed by the end of October or the 1st week of November ~ Market focus post harvest is on marketing and usage ~ Southern hemisphere planting is usually completely by mid to late month, with south American weather becoming less of an issue for a couple of weeks ~ November beans tend to be strong, especially in tight supply years, into delivery – even in years of abundance

**End of Month Crop Progress**

| | % Harvested |
|---|---|
| 2005 | 100 |
| 5 Year Average | 100 |

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | 540 | 547 | 491 | 777 | 876 |
| Production | | 2,098 | 2,158 | 2,337 | 1,616 | 1,958 |
| Total Supply | | 2,718 | 2,770 | 2,903 | 2,474 | 2,924 |
| Domestic Use | | 1,188 | 1,227 | 1,220 | 1,166 | 1,247 |
| Exports | | 1,000 | 975 | 1,075 | 950 | 1,025 |
| Total Use | | 2,188 | 2,202 | 2,295 | 2,116 | 2,272 |
| Ending Stocks | | 530 | 568 | 608 | 358 | 652 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | 355 | 350 | 340 | 395 | 300 |
| Low Estimate | | 325 | 320 | 310 | 365 | 270 |
| Dec Futures High | | 331 ½ | 314 | 408 | 417 | 291 ¾ |
| Dec Futures Low | | 298 ½ | 296 | 361 | 377 | 281 |

Source: Monthly WASDE Report for November

**Comments:** US Weather is becoming a factor for winter wheat as an early frost, thaw cycle can severely stress the crop before it goes into dormancy ~ Late planted crops are especially vulnerable to weather ~ Europe and Northern Africa are planting, while the Australian harvest is in full swing ~ Australia is a major exporter of quality wheat

**Mid Month Crop Progress**

| | % Planted | % Emerged |
|---|---|---|
| 2005 | 100 | 88 |
| 5 Year Average | 100 | 85 |

**End of Month Crop Condition ***

| | VP | P | F | G | EX |
|---|---|---|---|---|---|
| 2005 | 3 | 8 | 33 | 48 | 8 |
| 5 yr Avg | 4 | 12 | 34 | 43 | 7 |

### December Corn Statistics for Week #45

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 8 |
| # Down | 3 | 6 | 10 |
| Total Change | -8 3/4 | -13 1/4 | -22 3/4 |
| Avg Change | -1 3/4 | -1 1/4 | -1 1/4 |
| Avg Up | 3 3/4 | 4 | 2 3/4 |
| Avg Dn | -5 1/2 | -5 | -4 1/2 |
| Avg Range | 6 3/4 | 8 1/4 | 7 1/2 |
| # Higher Highs | 1 | 2 | 4 |
| # Lower Lows | 3 | 7 | 11 |

### January Soybeans Statistics for Week #45

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 11 |
| # Down | 2 | 3 | 7 |
| Total Change | -28 2/4 | 16 2/4 | -16 1/4 |
| Avg Change | -5 3/4 | 1 3/4 | - 3/4 |
| Avg Up | 10 3/4 | 16 1/4 | 13 |
| Avg Dn | -30 2/4 | -27 | -23 |
| Avg Range | 21 2/4 | 23 1/4 | 23 3/4 |
| # Higher Highs | 3 | 5 | 10 |
| # Lower Lows | 3 | 4 | 8 |

### December CBOT Wheat Statistics for Week #45

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 9 |
| # Down | 3 | 6 | 10 |
| Total Change | -8 3/4 | -10 1/4 | -28 2/4 |
| Avg Change | -1 3/4 | -1 | -1 2/4 |
| Avg Up | 8 | 8 1/4 | 5 3/4 |
| Avg Dn | -8 1/4 | -7 1/4 | -8 |
| Avg Range | 19 | 16 2/4 | 14 3/4 |
| # Higher Highs | 3 | 3 | 8 |
| # Lower Lows | 4 | 8 | 11 |

**Monday 6**

Crop Progress

**Tuesday 7**

Weather Crop Summary

**Wednesday 8**

**Thursday 9**

Cotton Ginnings
Crop Production
WASDE

**Friday 10**

**Saturday 11**

**Veterans' Day**

**Sunday 12**

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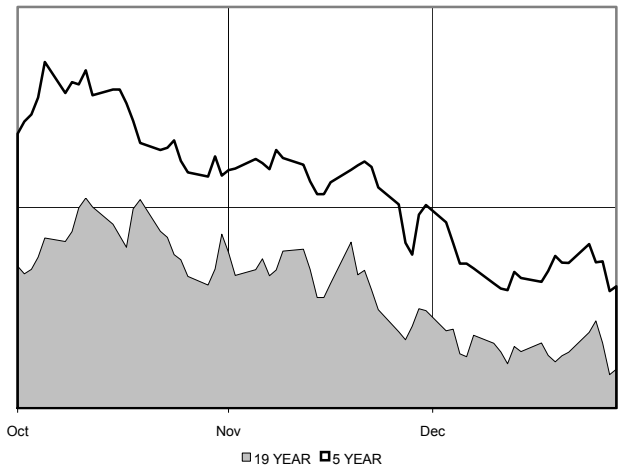
# *November 2006Technical Overview*

## March Corn Futures

### 19 year Seasonal Average




Years 1986 to 2004 Settlement values used.

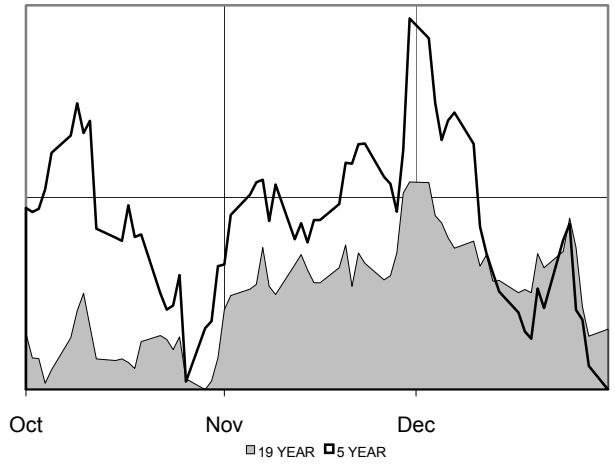
**COMMENTS:** October weakness tends to be carried into year end (8 for 8 in last 19 years) ~ November highs tend to hold until year end (13 of the last 19 years, with '01 and '00 seeing higher December highs) ~ 5 of the last 7 November rallies have reversed in December and 6 of the last 11 November declines have continued in December

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 6 |
| **# Years Dn** | 11 | **# Lower Lows** | 11 |
| **Total Change** | -39 ½ | **# Expanded Range** | 9 |
| **Avg Change** | -2 | **# Narrow Range** | 10 |
| **Avg Gain** | 6 | | |
| **Avg Loss** | -7 ¼ | **5 Yr High** | 253 ¼ |
| **Avg Range** | 16 | **5 Yr Low** | 203 ¾ |

## January Soybean Futures

### 19 year Seasonal Average




Years 1986 to 2004 Settlement values used.

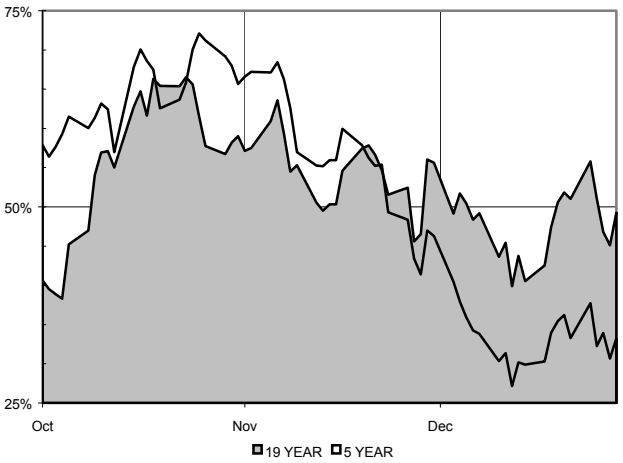
**COMMENTS:** Strongest month on record ~ Strong Novembers tend to follow strong Octobers (8 out of 10 for an average gain of 9 ¾ cents) ~ November rallies tend to fade off in December (9 out of 13 have reversed) ~ Volatility tends to contract ~ 9 of 12 Beanoil rallies have reversed in December, while November weakness has continued in December 5 of 7 times.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 14 | **# Higher Highs** | 12 |
| **# Years Dn** | 5 | **# Lower Lows** | 6 |
| **Total Change** | 186 ¾ | **# Expanded Range** | 7 |
| **Avg Change** | 9 ¾ | **# Narrow Range** | 12 |
| **Avg Gain** | 20 ¾ | | |
| **Avg Loss** | -20 ¾ | **5 Yr High** | 805 ½ |
| **Avg Range** | 43 ¾ | **5 Yr Low** | 434 ¼ |

## March CBOT Wheat

### 19 year Seasonal Average




Years 1986 to 2004 Settlement values used.

**COMMENTS:** Best Novembers have followed strong Octobers ~ Novembers Winter Wheat direction tends to be continued into December (14 out of 19 basis CBOT, 13 out of 19 basis KCBT) ~ 7 of 10 strong Novembers have seen December strength in CBOT Wheat ~ 7 of 9 weak Novembers have seen weak Decembers in CBOT Wheat

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 10 | **# Higher Highs** | 6 |
| **# Years Dn** | 9 | **# Lower Lows** | 7 |
| **Total Change** | -29 ¼ | **# Expanded Range** | 9 |
| **Avg Change** | -1 ½ | **# Narrow Range** | 10 |
| **Avg Gain** | 11 ¾ | | |
| **Avg Loss** | -16 ¼ | **5 Yr High** | 418 ½ |
| **Avg Range** | 28 ¼ | **5 Yr Low** | 269 |

### December Corn Statistics for Week #46

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 7 | 12 |
| # Down | 1 | 3 | 7 |
| Total Change | 11 3/4 | 3 3/4 | -10 1/4 |
| Avg Change | 2 1/4 | 1/2 | - 1/2 |
| Avg Up | 3 1/4 | 2 3/4 | 2 1/2 |
| Avg Dn | - 3/4 | -5 | -5 1/2 |
| Avg Range | 7 1/4 | 8 3/4 | 8 |
| # Higher Highs | 4 | 6 | 7 |
| # Lower Lows | 2 | 6 | 12 |

### January Soybeans Statistics for Week #46

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 8 | 14 |
| # Down | 1 | 2 | 5 |
| Total Change | 78 | 84 | 92 |
| Avg Change | 15 2/4 | 8 2/4 | 4 3/4 |
| Avg Up | 19 3/4 | 12 2/4 | 11 |
| Avg Dn | -1 1/4 | -8 2/4 | -12 1/4 |
| Avg Range | 23 | 23 3/4 | 22 1/4 |
| # Higher Highs | 4 | 7 | 12 |
| # Lower Lows | 1 | 4 | 8 |

### December CBOT Wheat Statistics for Week #46

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 6 |
| # Down | 4 | 8 | 13 |
| Total Change | 6 1/4 | -1 1/4 | - 3/4 |
| Avg Change | 1 1/4 | - 1/4 | -0 |
| Avg Up | 27 2/4 | 23 | 13 2/4 |
| Avg Dn | -5 1/4 | -6 | -6 1/4 |
| Avg Range | 16 2/4 | 16 1/4 | 15 1/4 |
| # Higher Highs | 2 | 4 | 7 |
| # Lower Lows | 3 | 6 | 12 |

**Monday 13**

Crop Progress

**Tuesday 14**

Weather Crop Summary

LT: S

**Wednesday 15**

**Thursday 16**

**Friday 17**

Cattle on Feed
Farm Labor

**Saturday 18**

**Sunday 19**

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# *Seasonal Spread Highlight for November …*

With planting drawing to a close, future supply is more certain. This coupled with increasingly difficult transportation, tends to create supply gluts in the countries interior, which tend to pressure nearby contracts more than distant contracts.

- *Long July 2006 CBOT Wheat, Short March 2007 CBOT Wheat*
- *Enter on roughly the 10th to last trading day of November, Exit on roughly the 2nd trading day of February*

**Hypothetical Performance Record**

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 11/19/1990 | 15 1/2 | 2/27/1991 | 22 | 6 1/2 | 22 | 6 1/2 | 9 1/4 | -6 1/4 |
| 11/15/1991 | -30 | 2/27/1992 | -23 3/4 | 6 1/4 | -17 3/4 | 12 1/4 | -64 3/4 | -34 3/4 |
| 11/16/1992 | -49 1/4 | 2/25/1993 | -55 1/4 | -6 | -35 3/4 | 13 1/2 | -56 1/4 | -7 |
| 11/16/1993 | -21 1/2 | 2/25/1994 | -11 1/2 | 10 | -9 | 12 1/2 | -45 1/2 | -24 |
| 11/16/1994 | -50 | 2/27/1995 | -19 1/2 | 30 1/2 | -19 1/2 | 30 1/2 | -62 1/4 | -12 1/4 |
| 11/16/1995 | -75 3/4 | 2/28/1996 | -44 | 31 3/4 | -44 | 31 3/4 | -84 | -8 1/4 |
| 11/15/1996 | -37 3/4 | 2/27/1997 | -2 3/4 | 35 | -2 3/4 | 35 | -52 1/4 | -14 1/2 |
| 11/14/1997 | 13 3/4 | 2/26/1998 | 21 | 7 1/4 | 21 | 7 1/4 | 10 1/4 | -3 1/2 |
| 11/16/1998 | 19 1/4 | 2/25/1999 | 20 3/4 | 1 1/2 | 21 | 1 3/4 | 18 3/4 | - 1/2 |
| 11/16/1999 | 20 | 2/28/2000 | 23 | 3 | 24 1/4 | 4 1/4 | 19 1/4 | - 3/4 |
| 11/16/2000 | 21 1/2 | 2/27/2001 | 23 | 1 1/2 | 23 1/2 | 2 | 19 3/4 | -1 3/4 |
| 11/16/2001 | 2 1/4 | 2/27/2002 | 12 | 9 3/4 | 12 | 9 3/4 | -9 | -11 1/4 |
| 11/15/2002 | -69 1/4 | 2/27/2003 | -5 | 64 1/4 | - 1/2 | 68 3/4 | -69 1/4 | 0 |
| 11/17/2003 | -45 | 2/26/2004 | 8 1/2 | 53 1/2 | - 1/2 | 44 1/2 | -69 1/4 | -24 1/4 |
| 11/16/2004 | 14 1/2 | 2/25/2005 | 16 | 1 1/2 | 16 | 1 1/2 | 12 1/2 | -2 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 256 1/4 | $12,812.50 | Worst Loss | -6 | $ (300.00) |
| # Win | 14 | Avg P&L | 17 | $ 854.17 | Worst Draw | -34 3/4 | $(1,737.50) |
| # loss | 1 | Avg Win | 18 3/4 | $ 936.61 | Avg Draw | -10 | $ (503.33) |
| % Win | 93.3% | Avg Loss | -6 | $ (300.00) | Worst Draw Win | -34 3/4 | $(1,737.50) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### December Corn Statistics for Week #47

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 3 | 8 |
| # Down | 3 | 5 | 9 |
| Total Change | -12 1/2 | -7 1/2 | 3/4 |
| Avg Change | -2 1/2 | - 3/4 | 0 |
| Avg Up | 1/4 | 2 1/4 | 3 |
| Avg Dn | -4 1/4 | -2 3/4 | -2 3/4 |
| Avg Range | 7 1/2 | 6 3/4 | 6 1/2 |
| # Higher Highs | 2 | 2 | 5 |
| # Lower Lows | 3 | 3 | 7 |

### January Soybeans Statistics for Week #47

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 8 |
| # Down | 3 | 6 | 11 |
| Total Change | -13 3/4 | -22 3/4 | 24 1/4 |
| Avg Change | -2 3/4 | -2 1/4 | 1 1/4 |
| Avg Up | 10 | 9 | 13 |
| Avg Dn | -11 1/4 | -9 3/4 | -7 1/4 |
| Avg Range | 16 2/4 | 16 | 16 3/4 |
| # Higher Highs | 3 | 4 | 8 |
| # Lower Lows | 1 | 2 | 5 |

### December CBOT Wheat Statistics for Week #47

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 9 |
| # Down | 2 | 4 | 9 |
| Total Change | -7 | 8 2/4 | 30 |
| Avg Change | -1 2/4 | 3/4 | 1 2/4 |
| Avg Up | 5 1/4 | 6 3/4 | 9 2/4 |
| Avg Dn | -11 2/4 | -8 1/4 | -6 |
| Avg Range | 15 3/4 | 15 1/4 | 14 1/4 |
| # Higher Highs | 2 | 4 | 10 |
| # Lower Lows | 2 | 5 | 8 |

**Monday 20**

Crop Progress

**Tuesday 21**

Weather Crop Summary
Chickens and Eggs
Cold Storage

OE: C, W, SM, BO

**Wednesday 22**

**Thursday 23**

**Thanksgiving Day**

**Friday 24**

Cotton Ginnings
Livestock Slaughter
Dairy Products Prices
Monthly Agnews

**Saturday 25**

**Sunday 26**

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# *STANDARDS OF WEIGHT AND MEASURE*

| **MEASURES OF WEIGHT** | **EQUIVALENT** |
|---|---|
| 1 Kilogram | 32.15075 Troy Oz. |
| 1 Kilogram | 2.20462 Lbs. |
| 1 Metric Quintal | 220.462 Lbs. |
| 1 Metric Ton | 2204.62 Lbs. |
| 1 Short Ton | 2000 Lbs. |
| 1 Long Ton | 2240 Lbs. |
| 1 Metric Ton | 1000 Kilograms |
| 1 Metric Ton | 1.10231 Short Tons |
| 1 Metric Ton | 0.98421 Long Tons |

| **MEASURES OF LENGTH AND AREA** | |
|---|---|
| 1 Centimeter | 0.39370 inches |
| 1 Meter | 39.370 inches |
| 1 Meter | 3.2808 Feet |
| 1 Kilometer | 0.6214 miles |
| 1 Square Meter | 1550.003 square inches |
| 1 Square Meter | 10.7639 square feet |
| 1 Hectare | 2.47105 acres |
| 1 Hectare | 10.000 square meters |

| **MEASURES OF TEMPERATURE** | |
|---|---|
| Celsius Degrees | .556 x (fahrenheit degrees)-32 |
| Fahrenheit Degrees | 1.8 x (celcius degress)+32 |

**DOMESTIC AND METRIC CONVERSION FACTORS FOR BUSHELS AND YIELDS**

| | **WEIGHT** | **Bushels** |
|---|---|---|
| 60 Lb. Bushel: Wheat, White Potatoes, Soybeans | | |
| | 1 Metric Ton | 36.74 Bushels |
| | 1 Metric Ton/Hectare | 14.869 Bushels/Ac. |
| | 1 Quinta/Hectare | 1.4869 Bushels/Ac. |
| | 1 Short Ton | 33.33 Bushels |
| | 1 Long Ton | 37.33 Bushels |
| 56 Lb. Bushel: Corn, Rye, Sorghum Grain, Flaxseed | | |
| | 1 Metric Ton | 39.37 Bushels |
| | 1 Metric Ton/Hectare | 15.932 Bushels/Ac. |
| | 1 Quinta/Hectare | 1.5932 Bushels/Ac. |
| | 1 Short Ton | 35.71 Bushels |
| | 1 Long Ton | 40.00 Bushels |

Source: National Bureau of Standards

### March Corn Statistics for Week #48

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 8 |
| # Down | 4 | 8 | 11 |
| Total Change | -3 | -7 3/4 | -5 1/4 |
| Avg Change | - 1/2 | - 3/4 | - 1/4 |
| Avg Up | 7 3/4 | 5 1/2 | 3 1/4 |
| Avg Dn | -2 3/4 | -2 1/4 | -2 3/4 |
| Avg Range | 8 1/4 | 7 1/2 | 7 1/2 |
| # Higher Highs | 2 | 4 | 8 |
| # Lower Lows | 3 | 6 | 12 |

### January Soybeans Statistics for Week #48

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 8 | 13 |
| # Down | 2 | 2 | 6 |
| Total Change | -27 2/4 | 7 2/4 | 21 1/4 |
| Avg Change | -5 2/4 | 3/4 | 1 |
| Avg Up | 3 2/4 | 5 3/4 | 6 2/4 |
| Avg Dn | -19 1/4 | -19 1/4 | -10 3/4 |
| Avg Range | 21 | 19 1/4 | 19 |
| # Higher Highs | 2 | 5 | 11 |
| # Lower Lows | 3 | 5 | 8 |

### March CBOT Wheat Statistics for Week #48

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 1 | 7 |
| # Down | 4 | 9 | 12 |
| Total Change | -31 3/4 | -64 1/4 | -28 1/4 |
| Avg Change | -6 1/4 | -6 2/4 | -1 2/4 |
| Avg Up | 11 | 11 | 8 1/4 |
| Avg Dn | -10 3/4 | -8 1/4 | -7 1/4 |
| Avg Range | 21 | 18 | 15 2/4 |
| # Higher Highs | 2 | 4 | 10 |
| # Lower Lows | 4 | 7 | 11 |

**Monday 27**

Crop Progress

**Tuesday 28**

Weather Crop Summary

**Wednesday 29**

Broiler Hatchery

FN: C, W, SM, BO

**Thursday 30**

Poultry Slaughter
Agricultural Prices

**Friday 1**

**Saturday 2**

**Sunday 3**

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# *December 2006 Fundamental Overview*

## CBOT Corn Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | | 958 | 1,086 | 1,599 | 1,899 |
| Production | | | 11,741 | 10,278 | 9,003 | 9,546 |
| Total Supply | | | 12,714 | 11,374 | 10,618 | 11,454 |
| Domestic Use | | | 8,870 | 8,150 | 7,875 | 7,830 |
| Exports | | | 2,000 | 1,925 | 1,900 | 2,050 |
| Total Use | | | 10,870 | 10,075 | 9,775 | 9,880 |
| Ending Stocks | | | 1,844 | 1,299 | 843 | 1,574 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | | 210 | 240 | 260 | 215 |
| Low Estimate | | | 170 | 200 | 220 | 185 |
| Mar Futures High | | | 209 ½ | 254 ½ | 244 ¼ | 216 ¼ |
| Mar Futures Low | | | 201 | 229 | 235 | 205 |

Source: Monthly WASDE Report for December

**Comments:** Trade tends to be extremely slow during December as US Corn is already harvested, transportation tends to be slow due to weather, and Southern Hemisphere crops are not in critical stages of production ~ The freezing of inland waterways makes barge traffic difficult and train transportation is also slowed due to snow and the Holiday season ~ Trade attention tends to focus on the postponement of marketing (selling) into the New Year for tax purposes (tax abatement) ~ Generally expect trade to be extremely docile

## CBOT Soybean Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | | 112 | 169 | 208 | 248 |
| Production | | | 3,150 | 2,452 | 2,690 | 2,923 |
| Total Supply | | | 3,269 | 2,604 | 2,900 | 3,175 |
| Crushing | | | 1,645 | 1,485 | 1,660 | 1,670 |
| Exports | | | 1,010 | 890 | 900 | 1,000 |
| Total Use | | | 2,808 | 2,505 | 2,725 | 2,845 |
| Ending Stocks | | | 460 | 125 | 175 | 330 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | | 530 | 765 | 585 | 480 |
| Low Estimate | | | 460 | 685 | 505 | 400 |
| Mar Futures High | | | | 802 ¼ | 583 | 452 |
| Mar Futures Low | | | | 733 | 549 | 421 |

Source: Monthly WASDE Report for December

**Comments:** Trade tends to be extremely slow during December as US Beans are already harvested, transportation tends to be slow due to weather, and South American crops are through planting but not yet blooming ~ Transportation problems and difficulties slow exports ~ December Crop Report has over estimated US Production in 13 of the last 19 years ~ The USDA has also under estimated US crushing and domestic usage in 13 of the last 19 years during December ~ Expect liquidity in the markets to dry up, causing either an extreme lack of volatility or some very wild, “thin” trade near Christmas

## CBOT Wheat Fundamentals

| Crop Year | 06/07 | 05/06 | 04/05 | 03/04 | 02/03 | 01/02 |
|---|---|---|---|---|---|---|
| | In million bushels | | | | | |
| Beg Stocks | | | 547 | 491 | 777 | 876 |
| Production | | | 2,158 | 2,337 | 1,616 | 1,958 |
| Total Supply | | | 2,770 | 2,903 | 2,474 | 2,924 |
| Domestic Use | | | 1,217 | 1,219 | 1,176 | 1,237 |
| Exports | | | 1,000 | 1,125 | 950 | 1,000 |
| Total Use | | | 2,217 | 2,344 | 2,126 | 2,237 |
| Ending Stocks | | | 553 | 559 | 348 | 687 |
| Farm Price Est | In cents per bushel | | | | | |
| High Estimate | | | 350 | 345 | 395 | 295 |
| Low Estimate | | | 320 | 325 | 365 | 275 |
| Mar Futures High | | | 311 ¾ | 421 ½ | 384 ½ | 294 ½ |
| Mar Futures Low | | | 295 | 358 | 321 | 277 |

Source: Monthly WASDE Report for December

**Comments:** The USDA has under-estimated Foreign Wheat production in 12 of the last 19 years in its December crop report ~ In the last 19 years, the USDA has under-estimated foreign exports 16 times, and World ending stocks 12 times ~ Due to the slow down in transportation, export activity tends to be extremely light in December ~ The only risk to the crop is from heaving (warming and freezing cycle which separates the root from the shaft) but this is extremely rare, even in the more southern winter wheat growing regions ~ **Happy Holiday from Commodity Futures and Equity Analytics!**

### March Corn Statistics for Week #49

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 3 | 7 |
| # Down | 3 | 7 | 12 |
| Total Change | -2 1/4 | -11 3/4 | -18 |
| Avg Change | - 1/2 | -1 1/4 | -1 |
| Avg Up | 1 1/2 | 3 1/4 | 3 |
| Avg Dn | -1 3/4 | -3 | -3 1/4 |
| Avg Range | 5 1/2 | 7 1/4 | 7 |
| # Higher Highs | 0 | 2 | 7 |
| # Lower Lows | 3 | 7 | 12 |

### January Soybeans Statistics for Week #49

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 5 | 10 |
| # Down | 1 | 5 | 9 |
| Total Change | 14 3/4 | -10 3/4 | -25 2/4 |
| Avg Change | 3 | -1 | -1 1/4 |
| Avg Up | 6 | 8 2/4 | 6 1/4 |
| Avg Dn | -9 | -10 3/4 | -10 |
| Avg Range | 18 | 20 1/4 | 18 1/4 |
| # Higher Highs | 2 | 5 | 10 |
| # Lower Lows | 2 | 5 | 8 |

### March CBOT Wheat Statistics for Week #49

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 2 | 7 |
| # Down | 4 | 8 | 12 |
| Total Change | -34 3/4 | -65 | -41 |
| Avg Change | -7 | -6 2/4 | -2 1/4 |
| Avg Up | 10 2/4 | 5 3/4 | 7 2/4 |
| Avg Dn | -11 1/4 | -9 2/4 | -7 3/4 |
| Avg Range | 20 2/4 | 17 | 15 |
| # Higher Highs | 2 | 3 | 9 |
| # Lower Lows | 4 | 8 | 11 |

**Monday 4**

**Tuesday 5**

Weather Crop Summary

**Wednesday 6**

**Thursday 7**

**Friday 8**

**Saturday 9**

**Sunday 10**

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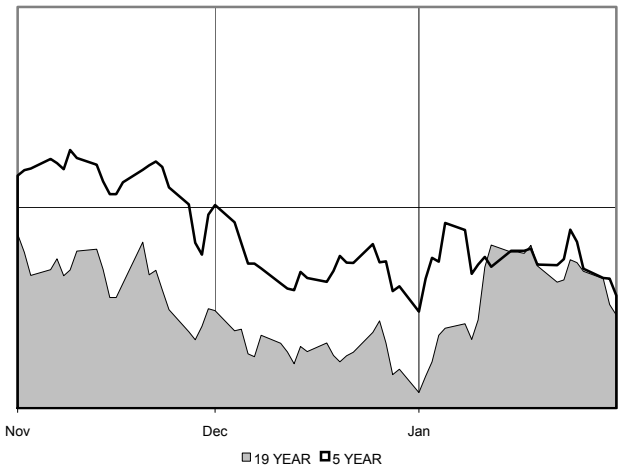
# *December 2006 Technical Overview*

## March Corn Futures

### 19 year Seasonal Average




Years 1986 to 2004 Settlement values used.

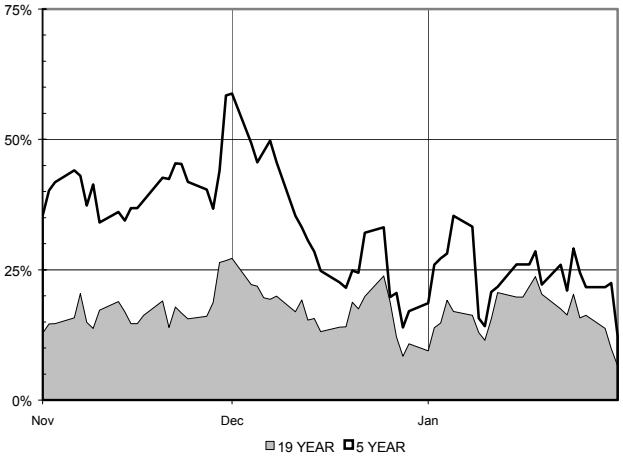
**COMMENTS:** Attention turns to the holidays, and trade becomes very quiet ~ Weak Novembers often spawn the worst Decembers ~ Strong Decembers tend to be reversed after making higher highs, while weakness is reversed in January as well

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 8 | **# Higher Highs** | 6 |
| **# Years Dn** | 11 | **# Lower Lows** | 12 |
| **Total Change** | -13 ¼ | **# Expanded Range** | 7 |
| **Avg Change** | -3/4 | **# Narrow Range** | 12 |
| **Avg Gain** | 11 ¾ | | |
| **Avg Loss** | -9 ¾ | **5 Yr High** | 254 ½ |
| **Avg Range** | 15 ¾ | **5 Yr Low** | 201 |

## March Soybean Futures

### 19 year Seasonal Average




Years 1986 to 2004 Settlement values used.

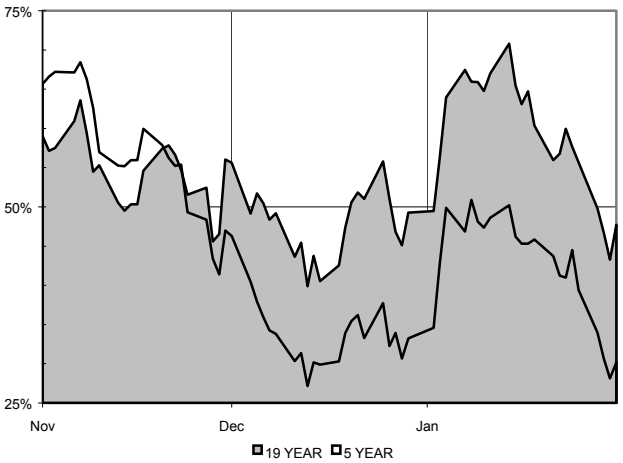
**COMMENTS:** November rallies are often reversed in December (9 of 13) ~ January has reversed December's direction in 13 of the last 19 years in Beans and Meal and 12 times in Beanoil ~ Beanoil tends to be the laggard of the complex declining 14 of the last 19 years in December and moving in the opposite direction of its November trend 14 times as well.

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 7 | **# Higher Highs** | 7 |
| **# Years Dn** | 12 | **# Lower Lows** | 9 |
| **Total Change** | -64 ¼ | **# Expanded Range** | 8 |
| **Avg Change** | -3 ½ | **# Narrow Range** | 11 |
| **Avg Gain** | 26 ½ | | |
| **Avg Loss** | -21 | **5 Yr High** | 802 ¼ |
| **Avg Range** | 38 ¼ | **5 Yr Low** | 421 |

## March CBOT Wheat

### 19 year Seasonal Average




Years 1986 to 2004 Settlement values used.

**COMMENTS:** December tends to follow through on Novembers direction (14 out of 19 in CBOT and 13 out of 19 in KCBT) ~ 7 of the 10 strong Decembers have followed strong Novembers & 7 of the 9 weak Decembers have followed weak Novembers ~ January tends to move in the opposite direction of December (13 out of 19 in CBOT & KCBT) ~ **Happy Holidays!**

**19 Year Monthly Performance Summary**

| | | | |
|---|---|---|---|
| **# Years Up** | 9 | **# Higher Highs** | 10 |
| **# Years Dn** | 10 | **# Lower Lows** | 8 |
| **Total Change** | -43 ¼ | **# Expanded Range** | 9 |
| **Avg Change** | -2 ¼ | **# Narrow Range** | 9 |
| **Avg Gain** | 14 ½ | | |
| **Avg Loss** | -17 ½ | **5 Yr High** | 421 ½ |
| **Avg Range** | 28 ½ | **5 Yr Low** | 264 ½ |

### March Corn Statistics for Week #50

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 1 | 4 | 9 |
| # Down | 4 | 6 | 9 |
| Total Change | -8 1/2 | -9 3/4 | 8 |
| Avg Change | -1 3/4 | -1 | 1/2 |
| Avg Up | 4 | 3 | 4 |
| Avg Dn | -3 1/4 | -3 3/4 | -3 1/4 |
| Avg Range | 6 1/4 | 6 1/2 | 6 3/4 |
| # Higher Highs | 3 | 5 | 9 |
| # Lower Lows | 2 | 5 | 10 |

### January Soybeans Statistics for Week #50

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 2 | 5 | 8 |
| Total Change | 26 2/4 | 1 2/4 | 15 2/4 |
| Avg Change | 5 1/4 | 1/4 | 3/4 |
| Avg Up | 15 3/4 | 12 3/4 | 8 2/4 |
| Avg Dn | -2 2/4 | -10 | -8 3/4 |
| Avg Range | 14 1/4 | 17 3/4 | 17 |
| # Higher Highs | 3 | 4 | 8 |
| # Lower Lows | 2 | 6 | 10 |

### March CBOT Wheat Statistics for Week #50

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 12 |
| # Down | 3 | 5 | 7 |
| Total Change | -8 1/4 | 1 1/4 | 23 1/4 |
| Avg Change | -1 3/4 | 1/4 | 1 1/4 |
| Avg Up | 2 1/4 | 4 2/4 | 5 |
| Avg Dn | -4 1/4 | -4 1/4 | -5 1/4 |
| Avg Range | 10 3/4 | 12 3/4 | 12 2/4 |
| # Higher Highs | 1 | 3 | 9 |
| # Lower Lows | 3 | 7 | 11 |

**Monday 11**

Cotton Ginnings
Crop Production
WASDE

**Tuesday 12**

Weather Crop Summary

**Wednesday 13**

**Thursday 14**

LT: C, W, SM, BO

**Friday 15**

**Hanukkah begins at sundown**

**Saturday 16**

**Sunday 17**

# *Seasonal Spread Highlight for December …*

With planting completed and the crop in dormancy, coupled with transportation difficulties due to the onset of winter and freezing and flooding of inland waterways, nearby contracts tend to be pressured more than deferred contracts which still have production risk.

- *Long July 2007 CBOT Wheat, Short March 2007 CBOT Wheat*
- *Enter on roughly the 2nd to last to last trading day of December, Exit on roughly the 2nd trading day of February*

## Hypothetical Performance Record

| Entry Date | Spread Entry | Exit Date | Spread Exit | P&L | Best Price | Best P&L | Worst Price | Worst P&L |
|---|---|---|---|---|---|---|---|---|
| 12/28/1990 | 10 1/4 | 2/27/1991 | 22 | 11 3/4 | 22 | 11 3/4 | 9 3/4 | - 1/2 |
| 12/30/1991 | -58 1/4 | 2/27/1992 | -23 3/4 | 34 1/2 | -17 3/4 | 40 1/2 | -62 | -3 3/4 |
| 12/29/1992 | -36 | 2/25/1993 | -55 1/4 | -19 1/4 | -36 | 0 | -56 1/4 | -20 1/4 |
| 12/29/1993 | -30 3/4 | 2/25/1994 | -11 1/2 | 19 1/4 | -9 | 21 3/4 | -45 1/2 | -14 3/4 |
| 12/29/1994 | -55 1/2 | 2/27/1995 | -19 1/2 | 36 | -19 1/2 | 36 | -55 1/2 | 0 |
| 12/28/1995 | -70 3/4 | 2/28/1996 | -44 | 26 3/4 | -44 | 26 3/4 | -77 3/4 | -7 |
| 12/27/1996 | -47 3/4 | 2/27/1997 | -2 3/4 | 45 | -2 3/4 | 45 | -47 3/4 | 0 |
| 12/30/1997 | 14 | 2/26/1998 | 21 | 7 | 21 | 7 | 12 1/2 | -1 1/2 |
| 12/30/1998 | 19 1/2 | 2/25/1999 | 20 3/4 | 1 1/4 | 21 | 1 1/2 | 19 1/2 | 0 |
| 12/29/1999 | 20 1/2 | 2/28/2000 | 23 | 2 1/2 | 24 1/4 | 3 3/4 | 20 | - 1/2 |
| 12/28/2000 | 21 | 2/27/2001 | 23 | 2 | 23 1/2 | 2 1/2 | 20 3/4 | - 1/4 |
| 12/28/2001 | -5 1/4 | 2/27/2002 | 12 | 17 1/4 | 12 | 17 1/4 | -9 | -3 3/4 |
| 12/30/2002 | -27 1/2 | 2/27/2003 | -5 | 22 1/2 | - 1/2 | 27 | -27 1/2 | 0 |
| 12/30/2003 | -11 1/2 | 2/26/2004 | 8 1/2 | 20 | - 1/2 | 11 | -27 1/2 | -16 |
| 12/29/2004 | 13 3/4 | 2/25/2005 | 16 | 2 1/4 | 16 | 2 1/4 | 13 | - 3/4 |

| | | | in cents | in $'s | | in cents | in $'s |
|---|---|---|---|---|---|---|---|
| # Trades | 15 | Total P&L | 228 3/4 | $11,437.50 | Worst Loss | -19 1/4 | $ (962.50) |
| # Win | 14 | Avg P&L | 15 1/4 | $ 762.50 | Worst Draw | -20 1/4 | $(1,012.50) |
| # loss | 1 | Avg Win | 17 3/4 | $ 885.71 | Avg Draw | -4 2/4 | $ (230.00) |
| % Win | 93.3% | Avg Loss | -19 1/4 | $ (962.50) | Worst Draw Win | -16 | $ (800.00) |

Monthly spread trading ideas are presented as a beginning basis for trading ideas. Be sure to check the current fundamental and technical nature of the market before initiating a trade. See disclaimer and warning below.

### March Corn Statistics for Week #51

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 10 |
| # Down | 2 | 4 | 9 |
| Total Change | 7 1/4 | 12 1/2 | 3 1/2 |
| Avg Change | 1 1/2 | 1 1/4 | 1/4 |
| Avg Up | 4 | 5 | 3 3/4 |
| Avg Dn | -2 1/2 | -4 1/2 | -3 3/4 |
| Avg Range | 5 1/4 | 6 1/2 | 6 |
| # Higher Highs | 2 | 5 | 9 |
| # Lower Lows | 1 | 4 | 9 |

### January Soybeans Statistics for Week #51

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 4 | 10 |
| # Down | 3 | 6 | 9 |
| Total Change | -20 1/4 | -18 | -28 |
| Avg Change | -4 | -1 3/4 | -1 2/4 |
| Avg Up | 2 2/4 | 7 1/4 | 5 2/4 |
| Avg Dn | -8 1/4 | -7 3/4 | -9 1/4 |
| Avg Range | 15 | 16 2/4 | 16 |
| # Higher Highs | 3 | 6 | 10 |
| # Lower Lows | 2 | 4 | 9 |

### March CBOT Wheat Statistics for Week #51

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 4 | 8 | 13 |
| # Down | 1 | 2 | 5 |
| Total Change | 10 3/4 | 12 3/4 | 29 3/4 |
| Avg Change | 2 1/4 | 1 1/4 | 1 2/4 |
| Avg Up | 5 1/4 | 4 1/4 | 5 |
| Avg Dn | -9 3/4 | -10 1/4 | -7 1/4 |
| Avg Range | 12 2/4 | 13 1/4 | 11 1/4 |
| # Higher Highs | 2 | 4 | 10 |
| # Lower Lows | 3 | 6 | 10 |

**Monday 18**

**Tuesday 19**

Weather Crop Summary

**Wednesday 20**

**Thursday 21**

Cold Storage

**Friday 22**

Cotton Ginnings
Livestock Slaughter
Cattle on Feed
Monthly Agnews

Winter Solstice

**Saturday 23**

**Sunday 24**

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# *December Reverse Barometer and Corn*

The December Reverse Barometer is a powerful pattern/cycle in the Corn and Wheat markets especially. Given the strong tendency for Wheat prices to reverse January rallies, we feel a best play for this strategy is in the Corn market.

The table below shows the performance of establishing a position based on the following rules:

- ***Following a December rally in March Corn, establish a short position if March Corn rally +2 ½ cents or more in January. Use a +7 ½ cent stop loss, hold position until the end of January.***
- ***Following a December break in March Corn, establish a long position if December Corn break by -2 ½ cents or more in December. Use a -2 ½ cent stop loss, hold position until the end of December.***

| | Entry Date | High Price | Low Price | Exit Price | Closed P&L | Draw down | Favorable Move |
|---|---|---|---|---|---|---|---|
| 2005 | 209 3/4 | 209 3/4 | 195 1/4 | 197 | 12 3/4 | 0 | 14 1/2 |
| | | | No Trade | | | | |
| 2003 | 230 3/4 | 246 | 228 1/2 | 238 1/4 | 7 1/2 | -2 1/4 | 15 1/4 |
| | | | No Trade | | | | |
| | | | No Trade | | | | |
| 2000 | 209 1/2 | 228 1/4 | 200 1/2 | 220 | -10 1/2 | -18 3/4 | 9 |
| | | | No Trade | | | | |
| 1998 | 260 | 283 1/2 | 257 | 273 | 13 | -3 | 23 1/2 |
| | | | No Trade | | | | |
| 1996 | 374 1/4 | 375 1/4 | 347 1/2 | 369 | 5 1/4 | -1 | 26 3/4 |
| 1995 | 236 | 236 3/4 | 227 3/4 | 229 1/2 | 6 1/2 | - 3/4 | 8 1/4 |
| 1994 | 311 | 311 3/4 | 287 1/2 | 290 1/4 | 20 3/4 | - 3/4 | 23 1/2 |
| | | | No Trade | | | | |
| 1992 | 256 1/2 | 265 | 248 | 264 1/4 | -7 3/4 | -8 1/2 | 8 1/2 |
| | | | No Trade | | | | |
| | | | No Trade | | | | |
| 1989 | 289 1/2 | 292 3/4 | 264 3/4 | 274 3/4 | 14 3/4 | -3 1/4 | 24 3/4 |
| | | | No Trade | | | | |
| 1987 | 155 | 162 3/4 | 152 3/4 | 157 | 2 | -2 1/4 | 7 3/4 |

| | | | cents/bu | | $ | | cents/bu | | $ |
|---|---|---|---|---|---|---|---|---|---|
| # Trades | 10 | Total P&L | 64 1/4 | $ | 3,212.50 | Average Draw | -4 | $ | (200.00) |
| # Win | 8 | Average P&L | 6 2/4 | $ | 325.00 | Worst Draw | -18 3/4 | $ | (937.50) |
| # Loss | 2 | Average Win | 10 1/4 | $ | 512.50 | Average Fav | 16 1/4 | $ | 812.50 |
| % Win | 80% | Average Loss | -9 1/4 | $ | (462.50) | Worst Draw on Win | -3 1/4 | $ | (162.50) |

*Past performance is not necessarily indicative of future performance. All results are subjective to the limitations of HYPOTHETICAL TESTING, and therefore traders should read the hypothetical disclaimer presented at the front of this text for further details about the limitations of this type of analysis.*

This strategy has been applicable in roughly half of the last 19 years, and as such the sample size is somewhat small. Like any other cycle/pattern this one is subject to change, especially since the grain markets tend to be less liquid in January than other times of the year and as such are more easily moved and manipulated. However, we believe this cycle is a solid one and should be somewhat durable based on tax laws and the producer's incentive for tax abatement and transportation problems during the winter months.

Despite trading lore about the "fabled February Break" the Corn market has tended towards strength in February, most likely due to early marketings following strong December's and increased marketings during weak December's which lead to rallies and a lack of supply.

### March Corn Statistics for Week #52

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 7 | 14 |
| # Down | 2 | 3 | 5 |
| Total Change | 1 1/4 | 15 | 27 1/2 |
| Avg Change | 1/4 | 1 1/2 | 1 1/2 |
| Avg Up | 2 3/4 | 3 1/2 | 2 3/4 |
| Avg Dn | -3 1/2 | -3 | -2 1/4 |
| Avg Range | 5 1/4 | 6 1/4 | 5 |
| # Higher Highs | 2 | 5 | 7 |
| # Lower Lows | 3 | 5 | 7 |

### January Soybeans Statistics for Week #52

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 2 | 5 | 11 |
| # Down | 3 | 5 | 8 |
| Total Change | 26 | 33 3/4 | 54 |
| Avg Change | 5 1/4 | 3 2/4 | 2 3/4 |
| Avg Up | 20 | 10 3/4 | 9 |
| Avg Dn | -4 2/4 | -4 | -5 3/4 |
| Avg Range | 26 3/4 | 21 | 16 2/4 |
| # Higher Highs | 2 | 3 | 9 |
| # Lower Lows | 5 | 8 | 11 |

### March CBOT Wheat Statistics for Week #52

| | 5 Year | 10 Year | 19 Year |
|---|---|---|---|
| # Up | 3 | 6 | 11 |
| # Down | 2 | 4 | 8 |
| Total Change | 6 | 22 | 39 |
| Avg Change | 1 1/4 | 2 1/4 | 2 |
| Avg Up | 8 2/4 | 7 3/4 | 7 |
| Avg Dn | -10 | -6 1/4 | -4 2/4 |
| Avg Range | 14 | 12 2/4 | 10 2/4 |
| # Higher Highs | 3 | 6 | 11 |
| # Lower Lows | 2 | 3 | 5 |

### Monday 25

**Christmas Day**

### Tuesday 26

### Wednesday 27

Weather Crop Summary
Broiler Hatchery
Quarterly Hogs and Pigs

### Thursday 28

Agricultural Prices

### Friday 29

Dairy Products Prices
Poultry Slaughter

### Saturday 30

### Sunday 31

**New Year's Eve**

Past performance is not necessarily indicative of future results. Data compliments of Gecko Software, Inc. No guarantee is made as to accuracy or completeness of data. See Risk Disclaimer at front of document for further details regarding risk. For an explanation of tables and figures see calculations section at the front of the almanac.

# *Appendix #1*

# *Grain Market Fundamental Statistics*

# *U.S. Corn Supply and Usage*

| Crop Year | Supply | | | | | | Usage | | | | Ending Stocks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Planted Acres | Harvested Acres | Yield per Acre | Begin Stocks | Prod | Total Supply | Feed | Food-Seed Industry | Exports | Total Use | |
| | In million acres | | Bushels/acre | In 1,000 bushels | | | | | | | |
| 1987-88 | 66.2 | 59.5 | 119.8 | 4,882 | 7,131 | 12,016 | 4,789 | 1,251 | 1,716 | 7,757 | 4,259 |
| 1988-89 | 67.7 | 58.3 | 84.6 | 4,259 | 4,929 | 9,191 | 3,934 | 1,297 | 2,028 | 7,260 | 1,930 |
| 1989-90 | 72.3 | 64.8 | 116.3 | 1,930 | 7,532 | 9,464 | 4,382 | 1,370 | 2,367 | 8,120 | 1,344 |
| 1990-91 | 74.2 | 67.0 | 118.5 | 1,344 | 7,934 | 9,282 | 4,609 | 1,425 | 1,727 | 7,761 | 1,521 |
| 1991-92 | 76.0 | 68.8 | 108.6 | 1,521 | 7,475 | 9,016 | 4,798 | 1,533 | 1,584 | 7,915 | 1,100 |
| 1992-93 | 79.3 | 72.1 | 131.5 | 1,100 | 9,477 | 10,584 | 5,252 | 1,556 | 1,663 | 8,471 | 2,113 |
| 1993-94 | 73.2 | 62.9 | 100.7 | 2,113 | 6,338 | 8,472 | 4,680 | 1,613 | 1,328 | 7,621 | 850 |
| 1994-95 | 78.9 | 72.5 | 138.6 | 850 | 10,051 | 10,910 | 5,460 | 1,715 | 2,177 | 9,352 | 1,558 |
| 1995-96 | 71.5 | 65.2 | 113.5 | 1,558 | 7,400 | 8,974 | 4,693 | 1,628 | 2,228 | 8,548 | 426 |
| 1996-97 | 79.2 | 72.6 | 127.1 | 426 | 9,233 | 9,672 | 5,277 | 1,714 | 1,797 | 8,789 | 883 |
| 1997-98 | 79.5 | 72.7 | 126.7 | 883 | 9,207 | 10,099 | 5,482 | 1,804 | 1,504 | 8,791 | 1,308 |
| 1998-99 | 80.2 | 72.6 | 134.4 | 1,308 | 9,759 | 11,085 | 5,471 | 1,846 | 1,981 | 9,298 | 1,787 |
| 1999-00 | 77.4 | 70.5 | 133.8 | 1,787 | 9,431 | 11,232 | 5,664 | 1,913 | 1,937 | 9,515 | 1,718 |
| 2000-01 | 79.6 | 72.4 | 136.9 | 1,718 | 9,915 | 11,639 | 5,838 | 1,967 | 1,935 | 9,740 | 1,899 |
| 2001-02[1/] | 75.8 | 68.8 | 138.2 | 1,899 | 9,507 | 11,416 | 5,874 | 2,054 | 1,889 | 9,817 | 1,599 |
| 2002-03[1/] | 78.9 | 69.3 | 129.3 | 1,596 | 8,697 | 10,578 | 5,563 | 2,340 | 1,588 | 9,491 | 1,087 |
| 2003-04[1/] | 78.7 | 71.1 | 142.2 | 1,087 | 10,114 | 11,215 | 5,783 | 2,577 | 1,897 | 10,257 | 958 |
| 2004-05[1/] | 80.9 | 73.6 | 160.4 | 958 | 11,807 | 12,775 | 6,160 | 2,688 | 1,815 | 10,663 | 2,112 |
| 2005-06[1/] | 81.6 | 74.3 | 146.1 | 2,112 | 10,857 | 12,980 | 5,875 | 2,885 | 2,000 | 10,760 | 2,220 |

# *World Corn Supply & Usage*

| Crop Year | Begin Stocks | Prod | Total Supply | Feed | Other | Total Usage | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | | | In million metric tons | | | | |
| 1987-88 | 205.1 | 451.1 | 656.2 | 315.6 | 143.4 | 459.1 | 197.1 |
| 1988-89 | 197.1 | 400.9 | 597.9 | 307.6 | 145.0 | 452.7 | 145.3 |
| 1989-90 | 145.3 | 461.2 | 606.5 | 324.9 | 149.1 | 474.0 | 132.5 |
| 1990-91 | 132.5 | 482.4 | 614.9 | 315.0 | 158.9 | 473.9 | 141.0 |
| 1991-92 | 141.0 | 491.4 | 632.3 | 337.1 | 154.7 | 491.8 | 140.6 |
| 1992-93 | 140.6 | 538.7 | 679.2 | 348.1 | 167.4 | 515.6 | 163.8 |
| 1993-94 | 163.8 | 476.2 | 640.0 | 341.8 | 169.6 | 511.5 | 128.5 |
| 1994-95 | 128.5 | 560.3 | 688.8 | 373.2 | 167.3 | 540.4 | 148.4 |
| 1995-96 | 148.4 | 517.4 | 665.7 | 365.4 | 176.1 | 541.5 | 124.3 |
| 1996-97 | 124.3 | 592.2 | 716.5 | 388.8 | 176.1 | 564.9 | 151.5 |
| 1997-98 | 151.5 | 575.4 | 726.9 | 401.3 | 176.6 | 577.9 | 149.1 |
| 1998-99 | 149.1 | 605.5 | 754.6 | 402.5 | 179.7 | 582.1 | 169.1 |
| 1999-00 | 169.1 | 607.0 | 776.1 | 421.0 | 184.2 | 605.2 | 170.9 |
| 2000-01 | 170.9 | 586.5 | 757.4 | 422.9 | 177.9 | 600.9 | 156.6 |
| 2001-02 | 153.5 | 596.2 | 749.6 | 439.2 | 181.6 | 620.8 | 128.4 |
| 2002-03 | 148.1 | 601.1 | 749.2 | 434.5 | 192.2 | 626.7 | 122.5 |
| 2003-04 | 122.5 | 619.0 | 741.5 | 445.9 | 199.8 | 645.7 | 95.8 |
| 2004-05 | 99.7 | 708.6 | 808.3 | 467.9 | 214.2 | 682.0 | 126.3 |
| 2005-06 | 126.3 | 668.2 | 794.4 | 464.0 | 218.5 | 682.6 | 111.9 |

# *U.S. Soybean Supply & Usage*

| | Supply | | | | | | Usage | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Crop Year** | **Planted Acres** | **Harvested Acres** | **Yield per Acre** | **Beg Stocks** | **Production** | **Total Supply** | **Crush** | **Seed** | **Resid** | **Exports** | **Total Use** | **Ending Stocks** |
| | In million acres | | Bu/Acre | In 1,000 bushels | | | | | | | | |
| 1987-88 | 58.2 | 57.2 | 33.9 | 436 | 1,938 | 2,375 | 1,174 | 56 | 39 | 804 | 2,073 | 302 |
| 1988-89 | 58.8 | 57.4 | 27.0 | 302 | 1,549 | 1,855 | 1,058 | 59 | 29 | 527 | 1,673 | 182 |
| 1989-90 | 60.8 | 59.5 | 32.3 | 182 | 1,924 | 2,109 | 1,146 | 57 | 45 | 622 | 1,870 | 239 |
| 1990-91 | 57.8 | 56.5 | 34.1 | 239 | 1,926 | 2,169 | 1,187 | 55 | 41 | 557 | 1,840 | 329 |
| 1991-92 | 59.2 | 58.0 | 34.2 | 329 | 1,987 | 2,319 | 1,254 | 55 | 48 | 684 | 2,041 | 278 |
| 1992-93 | 59.2 | 58.2 | 37.6 | 278 | 2,190 | 2,470 | 1,279 | 64 | 66 | 771 | 2,179 | 292 |
| 1993-94 | 60.1 | 57.3 | 32.6 | 292 | 1,870 | 2,168 | 1,276 | 67 | 29 | 588 | 1,961 | 209 |
| 1994-95 | 61.6 | 60.8 | 41.4 | 209 | 2,515 | 2,729 | 1,405 | 72 | 81 | 840 | 2,396 | 335 |
| 1995-96 | 62.5 | 61.5 | 35.3 | 335 | 2,174 | 2,513 | 1,370 | 72 | 40 | 849 | 2,333 | 183 |
| 1996-97 | 64.2 | 63.3 | 37.6 | 183 | 2,380 | 2,572 | 1,436 | 82 | 41 | 886 | 2,441 | 132 |
| 1997-98 | 70.0 | 69.1 | 38.9 | 132 | 2,689 | 2,826 | 1,597 | 86 | 70 | 874 | 2,626 | 200 |
| 1998-99 | 72.0 | 70.4 | 38.9 | 200 | 2,741 | 2,944 | 1,590 | 88 | 113 | 805 | 2,595 | 348 |
| 1999-00 | 73.7 | 72.4 | 36.6 | 348 | 2,654 | 3,006 | 1,578 | 90 | 75 | 973 | 2,716 | 290 |
| 2000-01 | 74.3 | 72.4 | 38.1 | 290 | 2,770 | 3,063 | 1,630 | 91 | 97 | 995 | 2,813 | 250 |
| 2001-02 | 74.1 | 73.0 | 39.6 | 248 | 2,891 | 3,141 | 1,700 | 89 | 82 | 1,063 | 2,933 | 208 |
| 2002-03 | 74.0 | 72.5 | 38.0 | 208 | 2,756 | 2,969 | 1,615 | 89 | 41 | 1,044 | 2,791 | 178 |
| 2003-04 | 73.4 | 72.5 | 33.9 | 178 | 2,454 | 2,638 | 1,530 | 92 | 19 | 885 | 2,525 | 112 |
| 2004-05 | 75.2 | 74.0 | 42.2 | 112 | 3,124 | 3,242 | 1,696 | 88 | 107 | 1,095 | 2,987 | 256 |
| 2005-06 | 72.2 | 71.3 | 41.6 | 256 | 2,967 | 3,227 | 1,695 | 90 | 66 | 1,115 | 2,966 | 260 |

# *World Soybean Supply & Usage*

| Crop Year | Begin Stocks | Production | Total Supply | Total Usage | Ending Stocks |
|---|---|---|---|---|---|
| | In million metric tons | | | | |
| 1987-88 | 19.72 | 103.51 | 123.23 | 103.80 | 19.75 |
| 1988-89 | 19.75 | 96.01 | 115.76 | 98.99 | 17.77 |
| 1989-90 | 17.77 | 107.33 | 125.10 | 104.23 | 20.19 |
| 1990-91 | 20.19 | 104.19 | 124.38 | 103.98 | 20.47 |
| 1991-92 | 20.47 | 107.36 | 127.83 | 109.83 | 18.38 |
| 1992-93 | 18.38 | 117.43 | 135.81 | 117.69 | 20.20 |
| 1993-94 | 20.20 | 117.84 | 138.04 | 121.34 | 17.34 |
| 1994-95 | 17.34 | 137.73 | 155.07 | 134.23 | 23.69 |
| 1995-96 | 23.69 | 124.98 | 148.67 | 129.88 | 17.53 |
| 1996-97 | 17.53 | 132.19 | 149.72 | 135.58 | 13.40 |
| 1997-98 | 13.40 | 158.02 | 171.42 | 148.63 | 25.08 |
| 1998-99 | 25.08 | 159.81 | 184.89 | 159.96 | 26.64 |
| 1999-00 | 26.64 | 159.86 | 186.50 | 160.72 | 26.91 |
| 2000-01 | 26.91 | 172.10 | 199.01 | 173.43 | 29.13 |
| 2001-02 | 30.92 | 184.30 | 272.93 | 183.85 | 32.45 |
| 2002-03 | 33.22 | 196.81 | 230.03 | 190.41 | 40.67 |
| 2003-04 | 40.67 | 189.55 | 230.22 | 190.50 | 39.11 |
| 2004-05 | 35.19 | 213.35 | 248.54 | 205.58 | 43.02 |
| 2005-06 | 43.02 | 220.87 | 263.89 | 215.84 | 47.41 |

# *U.S. Soybean Meal Supply & Usage*

| Crop Year | Beginning Stocks | Production | Total Supply | Exports | Domestic | Total Use | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | In 1,000 Tons | | | | | | |
| 1987-88 | 240 | 28,060 | 28,300 | 6,824 | 21,323 | 28,147 | 153 |
| 1988-89 | 153 | 24,943 | 25,113 | 5,443 | 19,497 | 24,940 | 173 |
| 1989-90 | 173 | 27,719 | 27,928 | 5,319 | 22,291 | 27,610 | 318 |
| 1990-91 | 318 | 28,325 | 28,688 | 5,537 | 22,866 | 28,403 | 285 |
| 1991-92 | 285 | 29,831 | 30,183 | 6,959 | 22,994 | 29,953 | 230 |
| 1992-93 | 230 | 30,364 | 30,687 | 6,254 | 24,229 | 30,483 | 204 |
| 1993-94 | 204 | 30,514 | 30,787 | 5,365 | 25,272 | 30,637 | 150 |
| 1994-95 | 150 | 33,265 | 33,479 | 6,715 | 26,541 | 33,256 | 223 |
| 1995-96 | 223 | 32,527 | 32,825 | 6,004 | 26,609 | 32,613 | 212 |
| 1996-97 | 212 | 34,211 | 34,524 | 6,994 | 27,322 | 34,316 | 210 |
| 1997-98 | 210 | 38,176 | 38,442 | 9,330 | 28,894 | 38,224 | 218 |
| 1998-99 | 218 | 37,792 | 38,109 | 7,122 | 30,657 | 37,779 | 330 |
| 1999-00 | 330 | 37,591 | 37,970 | 7,331 | 30,346 | 37,677 | 293 |
| 2000-01 | 293 | 39,142 | 39,475 | 7,750 | 31,450 | 39,200 | 275 |
| 2001-02 | 383 | 40,346 | 40,840 | 7,475 | 33,124 | 40,599 | 240 |
| 2002-03 | 240 | 38,213 | 38,619 | 6,019 | 32,379 | 38,399 | 220 |
| 2003-04 | 220 | 36,318 | 36,808 | 4,340 | 32,256 | 36,596 | 212 |
| 2004-05 | 211 | 40,634 | 40,960 | 7,300 | 33,400 | 40,700 | 260 |
| 2005-06 | 260 | 40,375 | 40,800 | 6,550 | 34,000 | 40,550 | 250 |

# *U.S. Soybean Oil Supply & Usage*

| Crop Year | Beginning Stocks | Production | Total Supply | Exports | Domestic | Total Use | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | In Million Ponds | | | | | | |
| 1987-88 | 1,725 | 12,974 | 14,893 | 1,874 | 10,927 | 12,801 | 2,092 |
| 1988-89 | 2,092 | 11,737 | 13,967 | 1,661 | 10,591 | 12,252 | 1,715 |
| 1989-90 | 1,715 | 13,004 | 14,741 | 1,353 | 12,083 | 13,436 | 1,305 |
| 1990-91 | 1,305 | 13,408 | 14,730 | 808 | 12,136 | 12,944 | 1,786 |
| 1991-92 | 1,786 | 14,345 | 16,132 | 1,644 | 12,249 | 13,893 | 2,239 |
| 1992-93 | 2,239 | 13,778 | 16,027 | 1,461 | 13,011 | 14,472 | 1,555 |
| 1993-94 | 1,555 | 13,951 | 15,574 | 1,531 | 12,940 | 14,471 | 1,103 |
| 1994-95 | 1,103 | 15,613 | 16,733 | 2,683 | 12,913 | 15,596 | 1,137 |
| 1995-96 | 1,137 | 15,240 | 16,472 | 992 | 13,465 | 14,457 | 2,015 |
| 1996-97 | 2,015 | 15,752 | 17,820 | 2,033 | 14,267 | 16,300 | 1,520 |
| 1997-98 | 1,520 | 18,143 | 19,723 | 3,079 | 15,262 | 18,341 | 1,382 |
| 1998-99 | 1,382 | 18,081 | 19,546 | 2,372 | 15,655 | 18,027 | 1,520 |
| 1999-00 | 1,520 | 17,825 | 19,427 | 1,376 | 16,056 | 17,432 | 1,995 |
| 2000-01 | 1,995 | 18,315 | 20,395 | 1,500 | 16,450 | 17,950 | 2,445 |
| 2001-02 | 2,877 | 18,898 | 21,820 | 2,500 | 16,960 | 19,460 | 2,360 |
| 2002-03 | 2,358 | 18,438 | 20,843 | 2,263 | 17,089 | 19,352 | 1,491 |
| 2003-04 | 1,491 | 17,077 | 18,875 | 937 | 16,881 | 17,818 | 1,057 |
| 2004-05 | 1,076 | 19,320 | 20,421 | 1,350 | 17,500 | 18,850 | 1,571 |
| 2005-06 | 1,571 | 19,155 | 20,791 | 1,300 | 17,850 | 19,150 | 1,641 |

# *U.S. All Wheat Supply & Usage*

| Crop Year | Supply | | | | | | Usage | | | | | Ending Stocks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Planted Acres | Harvested Acres | Yield per Acre | Begin Stocks | Prod | Total[2/] | Food | Seed | Feed | Exports | Total | |
| | In Million Acres | | Bu/Acre | In 1,000 Bushels | | | | | | | | |
| 1987-88 | 65.8 | 55.9 | 37.7 | 1,821 | 2,108 | 3,945 | 721 | 85 | 290 | 1,588 | 2,684 | 1,261 |
| 1988-89 | 65.5 | 53.2 | 34.1 | 1,261 | 1,812 | 3,096 | 726 | 103 | 151 | 1,415 | 2,394 | 702 |
| 1989-90 | 76.6 | 62.2 | 32.7 | 702 | 2,037 | 2,761 | 749 | 104 | 139 | 1,232 | 2,224 | 537 |
| 1990-91 | 77.0 | 69.1 | 39.5 | 537 | 2,730 | 3,303 | 790 | 93 | 482 | 1,070 | 2,435 | 868 |
| 1991-92 | 69.9 | 57.8 | 34.3 | 868 | 1,980 | 2,889 | 790 | 98 | 245 | 1,282 | 2,414 | 475 |
| 1992-93 | 72.2 | 62.8 | 39.3 | 475 | 2,467 | 3,012 | 835 | 99 | 194 | 1,354 | 2,481 | 531 |
| 1993-94 | 72.2 | 62.7 | 38.2 | 531 | 2,396 | 3,036 | 872 | 96 | 272 | 1,228 | 2,467 | 569 |
| 1994-95 | 70.3 | 61.8 | 37.6 | 569 | 2,321 | 2,981 | 853 | 89 | 345 | 1,188 | 2,475 | 507 |
| 1995-96 | 69.0 | 61.0 | 35.8 | 507 | 2,183 | 2,757 | 883 | 104 | 154 | 1,241 | 2,381 | 376 |
| 1996-97 | 75.1 | 62.8 | 36.3 | 376 | 2,277 | 2,746 | 891 | 102 | 308 | 1,002 | 2,302 | 444 |
| 1997-98 | 70.4 | 62.8 | 39.5 | 444 | 2,482 | 3,020 | 914 | 93 | 251 | 1,040 | 2,298 | 723 |
| 1998-99 | 65.8 | 59.0 | 43.2 | 723 | 2,547 | 3,373 | 910 | 81 | 394 | 1,042 | 2,427 | 946 |
| 1999-00 | 62.7 | 53.8 | 42.7 | 946 | 2,299 | 3,339 | 929 | 92 | 280 | 1,090 | 2,391 | 950 |
| 2000-01 | 62.6 | 53.1 | 42.0 | 950 | 2,223 | 3,263 | 960 | 80 | 289 | 1,061 | 2,390 | 873 |
| 2001-02 | 59.6 | 48.6 | 40.2 | 876 | 1,957 | 2,941 | 928 | 82 | 193 | 961 | 2,164 | 777 |
| 2002-03 | 60.3 | 45.8 | 35.0 | 777.0 | 1,606 | 2,468 | 923 | 83 | 120 | 850 | 1,976 | 491 |
| 2003-04 | 62.1 | 53.1 | 44.2 | 491.0 | 2,345 | 2,909 | 911 | 80 | 211 | 1,159 | 2,362 | 547 |
| 2004-05 | 59.7 | 50.0 | 43.2 | 546 | 2,158 | 2,775 | 907 | 79 | 187 | 1,063 | 2,235 | 540 |
| 2005-06 | 57.1 | 50.0 | 42.0 | 540 | 2,098 | 2,718 | 910 | 78 | 200 | 1,000 | 2,188 | 530 |

# *U.S. Hard Red and Soft Red Winter Wheat Supply & Usage*

| | Hard Red Winter Wheat | | | | | | | Soft Red Winter Wheat | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Begin Stocks | Prod | Total Supply[2/] | Use | Export | Total Use | Ending Stocks | Begin Stocks | Prod | Total Supply[2/] | Use | Export | Total Use | Ending Stocks |
| | In 1,000 Bushels | | | | | | | | | | | | | |
| 1987-88 | 973 | 1,019 | 1,992 | 524 | 901 | 1,425 | 567 | 77 | 349 | 427 | 192 | 160 | 352 | 75 |
| 1988-89 | 567 | 882 | 1,449 | 507 | 639 | 1,146 | 302 | 75 | 473 | 547 | 193 | 315 | 508 | 39 |
| 1989-90 | 302 | 711 | 1,013 | 439 | 359 | 798 | 215 | 39 | 549 | 588 | 212 | 345 | 557 | 32 |
| 1990-91 | 215 | 1,196 | 1,411 | 681 | 369 | 1,050 | 360 | 32 | 544 | 575 | 265 | 230 | 495 | 80 |
| 1991-92 | 360 | 901 | 1,261 | 507 | 559 | 1,067 | 194 | 80 | 325 | 405 | 259 | 105 | 364 | 41 |
| 1992-93 | 194 | 967 | 1,162 | 494 | 464 | 958 | 204 | 41 | 427 | 468 | 215 | 210 | 425 | 43 |
| 1993-94 | 204 | 1,066 | 1,273 | 560 | 486 | 1,046 | 227 | 43 | 401 | 444 | 226 | 173 | 399 | 45 |
| 1994-95 | 227 | 971 | 1,202 | 586 | 422 | 1,008 | 194 | 45 | 438 | 484 | 235 | 212 | 447 | 37 |
| 1995-96 | 194 | 825 | 1,019 | 481 | 384 | 865 | 154 | 37 | 456 | 492 | 207 | 250 | 457 | 35 |
| 1996-97 | 154 | 759 | 914 | 485 | 286 | 771 | 143 | 35 | 420 | 455 | 270 | 140 | 410 | 45 |
| 1997-98 | 143 | 1,098 | 1,242 | 573 | 362 | 935 | 307 | 45 | 472 | 517 | 257 | 180 | 437 | 80 |
| 1998-99 | 307 | 1,179 | 1,487 | 599 | 453 | 1,052 | 435 | 80 | 443 | 523 | 282 | 105 | 387 | 136 |
| 1999-00 | 435 | 1,051 | 1,486 | 542 | 486 | 1,028 | 458 | 136 | 454 | 590 | 287 | 170 | 457 | 133 |
| 2000-01 | 458 | 844 | 1,302 | 491 | 402 | 894 | 408 | 133 | 471 | 604 | 293 | 176 | 469 | 135 |
| 2001-02[1/] | 411 | 767 | 1,179 | 467 | 348 | 815 | 363 | 135 | 400 | 535 | 258 | 199 | 475 | 78 |
| 2002-03[1/] | 363 | 609 | 973 | 465 | 365 | 830 | 143 | 78 | 239 | 319 | 101 | 155 | 256 | 63 |
| 2003-04[1/] | 188 | 1,071 | 1,260 | 520 | 512 | 1,033 | 227 | 55 | 380 | 457 | 254 | 140 | 393 | 64 |
| 2004-05[1/] | 227 | 856 | 1,084 | 503 | 388 | 891 | 193 | 64 | 380 | 466 | 256 | 122 | 378 | 88 |
| 2005-06 | 193 | 925 | 119 | 509 | 425 | 934 | 185 | 88 | 309 | 418 | 248 | 85 | 333 | 85 |

# *World All Wheat Supply & Usage*

| Crop Year | Begin Stocks[2/] | Prod | Total Supply | Total Usage | Ending Stocks[2/] |
|---|---|---|---|---|---|
| | In Million Metric Tons | | | | |
| 1987-88 | 191.7 | 496.0 | 687.7 | 530.1 | 157.6 |
| 1988-89 | 157.6 | 495.0 | 652.6 | 518.6 | 134.0 |
| 1989-90 | 134.0 | 533.2 | 667.2 | 531.0 | 136.1 |
| 1990-91 | 136.1 | 588.1 | 724.2 | 556.1 | 168.2 |
| 1991-92 | 168.2 | 542.9 | 711.1 | 553.2 | 157.9 |
| 1992-93 | 157.9 | 562.4 | 720.3 | 550.5 | 169.8 |
| 1993-94 | 169.8 | 558.7 | 728.5 | 555.9 | 172.7 |
| 1994-95 | 172.7 | 524.0 | 696.7 | 546.2 | 150.4 |
| 1995-96 | 150.4 | 538.4 | 688.9 | 549.0 | 139.9 |
| 1996-97 | 139.9 | 581.9 | 721.8 | 576.4 | 145.4 |
| 1997-98 | 145.4 | 609.2 | 754.6 | 583.6 | 170.9 |
| 1998-99 | 170.9 | 588.8 | 759.7 | 585.1 | 174.6 |
| 1999-00 | 174.6 | 586.8 | 761.4 | 593.5 | 167.9 |
| 2000-01 | 167.9 | 578.8 | 746.7 | 589.0 | 157.7 |
| 2001-02 | 204.3 | 578.7 | 783.1 | 584.9 | 198.2 |
| 2002-03 | 202.06 | 566.9 | 769.0 | 601.6 | 167.4 |
| 2003-04 | 167.38 | 551.4 | 718.8 | 587.7 | 131.1 |
| 2004-05 | 131.67 | 625.2 | 756.8 | 608.1 | 148.7 |
| 2005-06 | 148.77 | 608.0 | 756.7 | 619.3 | 137.4 |

# *Appendix #2*

# *The Modified Grandmill Method*

# *The Modified Grandmill Method*

***The Concept of the Right Price for Grain Futures***

Much akin to a super market shopper, grain traders need to know when the price of a is "cheap" compared to supply and use, or if the price is "dear" relative to supply and use, and should be sold. The key to this right price for grain prices is the relationship between the Total Supply of a particular grain and its Total Use (demand).

The Total Supply of a grain underlying a particular grain futures market is the Beginning Stocks, plus Production, and Imports. When Total Supply is large, grain prices tend to fall under the weight of this excess, as end users put off buying the grain they need until later in the season when the current year's production is available as well. When Total Supply is tight, grain prices tend to rally very strongly from planting to pollination as end users scramble to fulfill needs ahead of schedule when faced with probable higher prices.

Total Use is the amount of grain consumed or processed in any given marketing year. This includes domestic consumption (crushing), seed use, feed and residual use, exports, and other measures of disappearance. When Use is running at a strong pace, consumers tend to be aggressive in their purchases, while producers tend to withhold supply, causing early season rallies to be strong. However, when Use is slow, consumers tend to put off purchases, to avoid higher storage costs and increased chances of having their stocks spoil or become damaged. This tends to cause prices to break, especially during periods when the risk to supply is diminished (around pollination) or when supply is plentiful (harvest).

So even though in plenty of years, grain prices do tend to rally from planting to pollination and break from pollination to harvest, in many years they do not because of the current Supply and Use situation. But, if one can understand when prices are "cheap" or "expensive" relative to Supply and Use, then this "right price" can be used in conjunction with the seasonal nature of grain prices to make more accurate price forecasts.

**Finding the "Right Price"**

The author Wm. Grandmill's greatest contribution to grain futures trading was his work with comparing Ending Stocks to Total Use. Grandmill hypothesized *(we believe correctly)* that the relationship between supply as a percentage of Total Use can correctly forecast the general trend of grain futures prices months into the future.

Ending Stocks are used because Ending Stocks represent the amount of grain left over from this crop year "carried over" into next crop year. Ending Stocks is simply the surplus left over at the end of the year.

**Total Supply - Total Use = Ending Stocks**

By using Ending Stocks as the measure of supply, one can see in a nutshell when Supply is growing relative to Use, and vice versa. Because Ending Stocks can vary greatly from year to year, and the absolute size has increased dramatically in the past decade, this figure can not be used alone. Just using ending stocks is like saying that a person who weighs 200 pounds, is fat. If this person is 6' 6" tall, then a 200 pound person would be quite thin, while a 200 pound 5' tall person, may be quite portly. Just as doctors look at height relative to weight, the commodity trader must judge Ending Stocks relative to Total Use, to get an accurate forecast of the relationship between Supply and Use.

What Grandmill did was to compare all the Ending Stocks to Use ratios (Ending Stocks / Total Use) to the price of the particular commodity. What he found was that the higher the Ending Stocks to Use ratio was, the lower prices tended to be around harvest. Lower Ending Stocks to Use ratios generated higher prices, as supply was tight.

**Modified Grandmill Method**
The same basic principles of the relationship between supply and demand are kept intact with our modifications, however we have broken down supply to use into 5 categories and we use relative changes in prices (% change) instead of absolute price levels.

We examined the last 19 years of Ending Stocks to Use ratios and separated them into five descriptive classifications for both domestic and world data sets: Excessive, Plentiful, Normal, Tight, and Extremely Tight. For each of these classifications, we have calculated a typical market behavior for the percentage change to the seasonal high and low, and the percentage change from a start date to the end of the month prior to delivery of the futures contract being analyzed.

**Sample Table for July Corn Futures**

**World**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <12% | 17.5% | -5.0% | 8.0% |
| Tight | 12 - 17 | 16.0% | -7.0% | 4.0% |
| Normal | 17 - 19 | 15.0% | -9.0% | 1.0% |
| Plentiful | 19 - 25 | 10.0% | -11.0% | -4.0% |
| Excessive | >25 | 8.0% | -13.0% | -8.0% |

**US**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <10 | 28.5% | -3.5% | 16.0% |
| Tight | 10 - 15 | 12.5% | -5.0% | -4.5% |
| Normal | 15 - 19 | 7.5% | -8.0% | -7.0% |
| Plentiful | 19 - 22 | 6.0% | -9.0% | -8.0% |
| Excessive | >22 | 5.0% | -9.5% | -8.5% |

Note: for July contract: % high refers to the average % change from the November 30th settle to highest price between December and June 30th. % Low refers to the average % change from the November 30th settle to the lowest price between December and June 30th. % Settle refers to the average % change from the November 30th settle to the June 30th Settle. December and November Contracts: same as above except the June settlement is used instead of the November settlement, and the November (October for Soybeans) settle is used instead of June. Past performance is not necessarily indicative of future results.

This methodology is intended to be used as a guide for identifying extreme pricing situations. These forecasts are not intended to predict absolute highs or lows, but are intended to identify periods where historically prices are “cheap” or “dear” relative to the known supply and usage situation. Pricing irregularities can and often do last for longer than usually can be expected, and prices can go to extremely irrational levels, well beyond what is predicted by this model. None of this discounts this method, as its purpose is to identify extreme valuation. It is our belief that this technique can assist participants in the grain futures markets to identify periods of irrational pricing, thus hopefully allowing grain traders to place the situation in its proper context and act accordingly. Obviously, past performance does not guarantee future results.

Using the Grandmill method, one can put the relationship between supply and usage into perspective. Each month, around the 12th, the USDA/NASS issues the necessary information to make a “guesstimate” of price.

For example, on June 11th, 2003, the USDA/NASS Supply and Demand Report reported the following for Soybeans:

| | |
|---|---|
| Total Supply | 2,999 million bushels |
| Total Use | 2,749 million bushels |
| Ending Stocks | 250 million bushels |

On June 30th, the last trading day in June, November '03 Soybeans settled at 552 ½ . With a Stocks to Use Ratio (Ending Stocks/Total Use) of 9.1%, we check the tables for the November contract. A 9.1% Stocks to Use ratio is classified as "VERY TIGHT" and yields the following: % Low of –6.0% and a % High of 26.0%, we can expect that November '03 Soybeans will have a range of 520 to 696 between June 1st, 2003, and October 31st, 2003, and a October 31st, 2003, settlement of 600 basis the November '03 Soybean contract. These figures were arrived at in the following fashion:

Low Price from 6/1 to 10/30 = November settle * (1+% Low)
= 552 ½ * (1-.06) = 520

High Price from 6/1 to 10/30 = November Settle * (1+% High)
= 552 ½ * (1+.26) = 696

October 31st settlement price = November Settle * (1+% settle)
= 552 ½ * (1+.085) = 600

This will yield a "guesstimate" to use as a guide to pricing grain. The tables and classifications are based on historical averages, and therefore will yield expected ranges. Some years, trading is very rational and prices stay within these ranges. However, in other years – like 2003 – the grain markets can be driven by other outside factors and market psychology which drives prices far beyond these extremes. However, in some years, like 2002, the guides can be fairly accurate. From June 1st through October 31st, the range was 467 ¼ and 591, and November '02 Soybeans settled on October 31st, 2002 at 565 ¼. Though these guestimates did not hit the highs, lows, and settlement value exactly, hey were fairly close. The same method used on Corn lead to an estimated range for December '02 Corn of 215 to 278, while the actual contract traded between 219 and 296, and appears to be set to settle very near the estimated settlement guestimate of 232 ½.

Because these guestimates are not always exactly accurate, as nothing is totally, it is advised that market participants use this methodology as a guide, understanding that it will yield results based on historical averages. In other words, just because a grain market is "under valued" or "over valued" does not mean it can not continue to go lower or higher. What this method does is present a historical standard, and it is not meant as a guide for buying or selling, but as a means of representing value.

***Before dealing with estimates, understand that they were derived on a sound principle, in the opinion of the author, but they are also subject to the limitations of hypothetical testing. As such, read these words from the CFTC regarding HPYTHETICALS:***

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL, OR IS LIKELY TO, ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM, IN SPITE OF TRADING LOSSES, ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS, IN GENERAL, OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

# *Grandmill Analysis of July Corn*

The following study covers the time period from the end of November until the end of June. All figures were calculated using the July Corn futures contract of the appropriate year and the ending stocks and total use figure for US Corn as reported by the USDA/WASDE in the July WASDE report.

## July Corn Futures

**World**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <12% | 17.0 | -5.5% | 7.5% |
| Tight | 12 - 17 | 15.0% | -9.0% | 4.0% |
| Normal | 17 - 19 | 14.0% | -11.0% | 1.0% |
| Plentiful | 19 - 25 | 9.0% | -13.0% | -4.0% |
| Excessive | >25 | 8.0% | -16.0% | -8.0% |

**US**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <10 | 24.5% | -5.0% | 12.0% |
| Tight | 10 - 15 | 12.5% | -7.0% | -4.5% |
| Normal | 15 - 19 | 10.0% | -12.5% | -7.0% |
| Plentiful | 19 - 22 | 8.0% | -10.0% | -8.0% |
| Excessive | >22 | 6.0% | -12.5% | -8.5% |

Use the following tables to record the "guesstimated" high, low, and projected month end prices for the July 2005 Corn, Soybean, and CBOT Wheat futures contracts. Use the tables on the following pages for Classification, % High, %Low, and % Settle figures.

### July 2004 Corn for the 2004/05 Crop Year

| | | | | | **November Settle** | | **219 ¼** | |
|---|---|---|---|---|---|---|---|---|
| Report Date | November | December | January | February | March | April | May | June |
| **US Corn** | | | | | | | | |
| Total Supply | 12,714 | 12,714 | 12,780 | | | | | |
| Total Use | 10,870 | 10,870 | 10,820 | | | | | |
| Ending Stocks | 1,819 | 1,844 | 1,960 | | | | | |
| Class | **18% NORMAL** | **18% NORMAL** | **18% NORMAL** | | | | | |
| Dec to June High | ***10%*** ***242*** | ***10%*** ***242*** | ***10%*** ***242*** | | | | | |
| Dec to June Low | ***-12.5%*** ***192*** | ***-12.5%*** ***192*** | ***-12.5%*** ***192*** | | | | | |
| June Settle | ***-7.0%*** ***204*** | ***-7.0%*** ***204*** | ***-7.0%*** ***204*** | | | | | |
| **World Corn** | | | | | | | | |
| Total Supply | 787.06 | | 797.95 | | | | | |
| Total Use | 678.35 | | 682.99 | | | | | |
| Ending Stocks | 108.71 | | 114.96 | | | | | |
| Class | **16.0% TIGHT** | | **16.8% TIGHT** | | | | | |
| Dec to June High | **+15.0%** **252** | | **+15.0%** **252** | | | | | |
| Dec to June Low | **-9.0%** **199** | | **-9.0%** **199** | | | | | |
| June Settle | **+4.0%** **228** | | **+4.0%** **228** | | | | | |

November figures based on WASDE Report #380. Past performance is not necessarily indicative of future results. Price estimates are strictly guides and not recommended for trading against.

# *Grandmill Analysis of December Corn*

The following study covers the time period from the end of June until the end of November. All figures were calculated using the December Corn futures contract of the appropriate year and the ending stocks and total use figure for US Corn as reported by the USDA/WASDE in the December WASDE report.

### December Corn Futures

**World**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <25% | 15.0% | -12.0% | -1.5% |
| Tight | 25 - 27 | 14.0% | -15.5% | -6.0% |
| Normal | 27 - 30 | 10.5% | -16.5% | -7.5% |
| Plentiful | 30 - 35 | 8.0% | -19.0% | -14.5% |
| Excessive | >35 | 5.0% | -21.5% | -16.0% |

**US**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <11 | 15.0% | -11.0% | -2.0% |
| Tight | 11 - 18 | 10.5% | -13.0% | -6.0% |
| Normal | 18 - 23 | 9.0% | -14.5% | -7.5% |
| Plentiful | 23 - 31 | 8.0% | -15.5% | -9.5% |
| Excessive | >31 | 4.5% | -17.0% | -14.0% |

Use the following tables to record the "guesstimated" high, low, and projected month end prices for the December 2004 Corn futures contracts. Use the above tables for Classification, % High, %Low, and % Settle figures.

### December 2005 Corn for the 2005/06 Crop Year

| | | | | | **June Settle** | | | |
|---|---|---|---|---|---|---|---|---|
| Report Date | June | June | July | August | September | October | November | December |
| **US Corn** | | | | | | | | |
| Total Supply | | | | | | | | |
| Total Use | | | | | | | | |
| Ending Stocks | | | | | | | | |
| Class | | | | | | | | |
| Dec to June High | | | | | | | | |
| Dec to June Low | | | | | | | | |
| June Settle | | | | | | | | |
| **World Corn** | | | | | | | | |
| Total Supply | | | | | | | | |
| Total Use | | | | | | | | |
| Ending Stocks | | | | | | | | |
| Class | | | | | | | | |
| Dec to June High | | | | | | | | |
| Dec to June Low | | | | | | | | |
| June Settle | | | | | | | | |

# *Grandmill Analysis of July Soybeans*

The following study covers the time period from the end of November until the end of June. All figures were calculated using the July Soybean futures contract of the appropriate year and the ending stocks and total use figure for US Corn as reported by the USDA/WASDE in the July WASDE report.

## July Soybean Futures

**World**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <12% | 23.5% | -5.0% | 18.0% |
| Tight | 12 - 17 | 19.0% | -8.0% | 6.0% |
| Normal | 17 - 19 | 15.0% | -11.0% | -1.0% |
| Plentiful | 19 - 25 | 10.0% | -14.0% | -6.0% |
| Excessive | >25 | 8.0% | -19.0% | -8.0% |

**US**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <10 | 36.5% | -3.5% | 25.0% |
| Tight | 10 - 15 | 16.5% | -5.0% | 8.5% |
| Normal | 15 - 19 | 10.0% | -9.0% | -5.0% |
| Plentiful | 19 - 22 | 8.0% | -10.0% | -7.0% |
| Excessive | >22 | 5.0% | -15.5% | -8.5% |

Use the following tables to record the "guesstimated" high, low, and projected month end prices for the July 2005 Soybean futures contracts. Use the tables on the following pages for Classification, % High, %Low, and % Settle figures.

### July 2004 Soybean for the 2004/05 Crop Year

| | | | | | **November Settle** | | | **550 3/4** |
|---|---|---|---|---|---|---|---|---|
| Report Date | November | December | January | February | March | April | May | June |
| **US Soybeans** | | | | | | | | |
| Total Supply | 3,269 | | | | | | | |
| Total Use | 2,808 | | | | | | | |
| Ending Stocks | 460 | | | | | | | |
| Class | **16.0% NORMAL** | | | | | | | |
| Dec to June High | ***+10.0%*** ***605*** | | | | | | | |
| Dec to June Low | ***-9.0%*** ***501*** | | | | | | | |
| June Settle | ***-5.0%*** ***523*** | | | | | | | |
| **World Soybeans** | | | | | | | | |
| Total Supply | 269.25 | | | | | | | |
| Total Use | 207.35 | | | | | | | |
| Ending Stocks | 61.40 | | | | | | | |
| Class | ***30.0%*** ***EXCESSIVE*** | | | | | | | |
| Dec to June High | ***+8.0%*** ***595*** | | | | | | | |
| Dec to June Low | ***-19.0%*** ***446*** | | | | | | | |
| June Settle | ***-8.0%*** ***507*** | | | | | | | |

November figures based on WASDE Report #380. Past performance is not necessarily indicative of future results. Price estimates are strictly guides and not recommended for trading against.

# *Grandmill Analysis of November Soybeans*

The following study covers the time period from the end of June until the end of November. All figures were calculated using the November Soybean futures contract of the appropriate year and the ending stocks and total use figure for US Corn as reported by the USDA/WASDE in the December WASDE report.

### November Soybeans Futures

| | World | | | |
|---|---|---|---|---|
| Class | Stocks/Use | % High | % Low | % Settle |
| Very Tight | <12% | 25.0% | -5.0% | +2.0% |
| Tight | 12 - 17 | 18.0% | -9.0% | -1.5% |
| Normal | 17 - 19 | 10.0% | -13.0% | -6.0% |
| Plentiful | 19 - 25 | 9.0% | -15.0% | -8.5% |
| Excessive | >25 | 8.0% | -19.0% | -10.0% |

| | US | | | |
|---|---|---|---|---|
| Class | Stocks/Use | % High | % Low | % Settle |
| Very Tight | <10 | 26.0% | -6.0% | 8.5% |
| Tight | 10 - 15 | 18.0% | -9.5% | -3.0% |
| Normal | 15 - 19 | 9.5% | -15.0% | -12.5% |
| Plentiful | 19 - 22 | 5.5% | -19.0% | -16.0% |
| Excessive | >22 | 4.0% | -21.5% | -18.0% |

Use the following tables to record the “guesstimated” high, low, and projected month end prices for the November 2005 Soybean futures contracts. Use the above tables for Classification, % High, %Low, and % Settle figures.

### November 2005 Soybean for the 2005/06 Crop Year

| | | | | | May Settle | |
|---|---|---|---|---|---|---|
| Report Date | May | June | July | August | September | October |
| **US Soybeans** | | | | | | |
| Total Supply | | | | | | |
| Total Use | | | | | | |
| Ending Stocks | | | | | | |
| Class | | | | | | |
| Dec to June High | | | | | | |
| Dec to June Low | | | | | | |
| June Settle | | | | | | |
| **World Soybeans** | | | | | | |
| Total Supply | | | | | | |
| Total Use | | | | | | |
| Ending Stocks | | | | | | |
| Class | | | | | | |
| Dec to June High | | | | | | |
| Dec to June Low | | | | | | |
| June Settle | | | | | | |

# *Grandmill Analysis of July CBOT Wheat*

The following study covers the time period from the end of November until the end of June. All figures were calculated using the July CBOT Wheat futures contract of the appropriate year and the ending stocks and total use figure for US Wheat as reported by the USDA/WASDE in the July WASDE report.

## July CBOT Wheat Futures

**World**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <26 | 18.0% | -8.0% | 1.0% |
| Tight | 26 to 29 | 15.0% | -9.0% | -2.0% |
| Normal | 29 to 31 | 13.0% | -10.0% | -3.0% |
| Plentiful | 31 to 33 | 11.0% | -11.0% | -4.0% |
| Excessive | >33 | 9.0% | -12.0% | -5.0% |

**US**

| Class | Stocks/Use | % High | % Low | % Settle |
|---|---|---|---|---|
| Very Tight | <22 | 18.5% | -5.5% | 1.5% |
| Tight | 22 to 30 | 15.0% | -8.5% | -1.5% |
| Normal | 30 to 41 | 12.0% | -11.5% | -3.0% |
| Plentiful | 41 to 56 | 11.0% | -12.0% | -5.5% |
| Excessive | >56 | 9.0% | -14.5% | -6.0% |

Use the following tables to record the "guesstimated" high, low, and projected month end prices for the July 2005 CBOT Wheat futures contracts. Use the tables on the following pages for Classification, % High, %Low, and % Settle figures.

### July 2005 CBOT Wheat for the 2004/05 Crop Year

| | | | | | **November Settle** | | **313 3/4** | |
|---|---|---|---|---|---|---|---|---|
| Report Date | November | December | January | February | March | April | May | June |
| **US Wheat** | | | | | | | | |
| Total Supply | 2,770 | | | | | | | |
| Total Use | 2,202 | | | | | | | |
| Ending Stocks | 568 | | | | | | | |
| Class | **26% TIGHT** | | | | | | | |
| Dec to June High | ***+15%*** ***360*** | | | | | | | |
| Dec to June Low | ***-8.5%*** ***287*** | | | | | | | |
| June Settle | ***-1.5%*** ***309*** | | | | | | | |
| **World Wheat** | | | | | | | | |
| Total Supply | 747.99 | | | | | | | |
| Total Use | 605.79 | | | | | | | |
| Ending Stocks | 142.20 | | | | | | | |
| Class | ***Very Tight*** ***23.0%*** | | | | | | | |
| Dec to June High | ***+18.0%*** ***370*** | | | | | | | |
| Dec to June Low | ***-8.0%*** ***288*** | | | | | | | |
| June Settle | ***+1.0%*** ***317*** | | | | | | | |

November figures based on WASDE Report #380. Past performance is not necessarily indicative of future results. Price estimates are strictly guides and not recommended for trading against.

# *Grandmill Analysis of December CBOT Wheat*

The following study covers the time period from the end of June until the end of November. All figures were calculated using the December CBOT Wheat futures contract of the appropriate year and the ending stocks and total use figure for US Wheat as reported by the USDA/WASDE in the December WASDE report.

### December CBOT Wheat Futures

| World | | | | |
|---|---|---|---|---|
| Class | Stocks/Use | % High | % Low | % Settle |
| Very Tight | <26 | 12.0% | -12.0% | -1.0% |
| Tight | 26 to 29 | 11.0% | -13.0% | -2.5% |
| Normal | 29 to 31 | 10.0% | -14.0% | -3.5% |
| Plentiful | 31 to 33 | 8.0% | -15.0% | -4.5% |
| Excessive | >33 | 6.0% | -16.0% | -5.5% |

| US | | | | |
|---|---|---|---|---|
| Class | Stocks/Use | % High | % Low | % Settle |
| Very Tight | <20 | 13.0% | -9.5% | 2.5% |
| Tight | 20 to 25 | 11.5% | -10.5% | 2.0% |
| Normal | 25 to 34 | 11.0% | -11.0% | 1.0% |
| Plentiful | 34 to 54 | 9.0% | -12.0% | -2.5% |
| Excessive | >54 | 8.0% | -13.0% | -4.0% |

Use the following tables to record the "guesstimated" high, low, and projected month end prices for the December 2005 CBOT Wheat futures contracts. Use the above tables for Classification, % High, %Low, and % Settle figures.

### December 2005 CBOT Wheat for the 2005/06 Crop Year

| | | | | | June Settle | | | |
|---|---|---|---|---|---|---|---|---|
| Report Date | June | June | July | August | September | October | November | December |
| **US Wheat** | | | | | | | | |
| Total Supply | | | | | | | | |
| Total Use | | | | | | | | |
| Ending Stocks | | | | | | | | |
| Class | | | | | | | | |
| Dec to June High | | | | | | | | |
| Dec to June Low | | | | | | | | |
| June Settle | | | | | | | | |
| **World Wheat** | | | | | | | | |
| Total Supply | | | | | | | | |
| Total Use | | | | | | | | |
| Ending Stocks | | | | | | | | |
| Class | | | | | | | | |
| Dec to June High | | | | | | | | |
| Dec to June Low | | | | | | | | |
| June Settle | | | | | | | | |

# *Appendix #3*

# *Grain Market Performance Statistics*

# *Monthly Corn Futures Performance Summary*

| *contract* | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 9 | 8 | 13 | 4 | 10 | 6 | 6 | 11 | 7 | 10 | 8 | 8 |
| **# Down** | 10 | 11 | 6 | 15 | 9 | 13 | 13 | 8 | 12 | 8 | 10 | 11 |
| | | | | | | | | | | | | |
| **Total Gain(Loss)** | 40 | 22 3/4 | 45 2/4 | -23 3/4 | -3 2/4 | -37 | -288 2/4 | 34 2/4 | -92 3/4 | 48 3/4 | -28 3/4 | -9 3/4 |
| **Total % Gain(Loss)** | 18% | 4% | 20% | -13% | -1% | -11% | -104% | 11% | -27% | 21% | -10% | -12% |
| **Average Change** | 2 | 1 1/4 | 2 2/4 | -1 1/4 | - 1/4 | -2 | -15 1/4 | 1 3/4 | -5 | 2 2/4 | -1 2/4 | - 2/4 |
| **Average % Change** | 1% | 0% | 1% | -1% | 0% | -1% | -5% | 1% | -1% | 1% | -1% | -1% |
| | | | | | | | | | | | | |
| **Average Gain** | 11 3/4 | 11 3/4 | 9 | 24 2/4 | 10 1/4 | 27 3/4 | 18 | 11 | 9 2/4 | 11 3/4 | 5 2/4 | 12 1/4 |
| **Average % Gain** | 5% | 4% | 4% | 9% | 4% | 12% | 8% | 4% | 5% | 5% | 2% | 4% |
| **Average Loss** | -6 2/4 | -6 2/4 | -12 | -8 | -11 3/4 | -15 3/4 | -30 2/4 | -10 3/4 | -13 1/4 | -8 2/4 | -7 1/4 | -9 3/4 |
| **Average % Loss** | -3% | -3% | -5% | -3% | -4% | -6% | -12% | -5% | -5% | -3% | -3% | -4% |
| | | | | | | | | | | | | |
| **Average Range** | 18 2/4 | 15 | 18 | 22 3/4 | 25 | 34 3/4 | 39 2/4 | 22 3/4 | 21 1/4 | 19 3/4 | 15 2/4 | 16 |
| **Average Range (%)** | 7% | 6% | 7% | 8% | 10% | 14% | 15% | 9% | 9% | 8% | 6% | 7% |
| | | | | | | | | | | | | |
| **# Higher Highs** | 12 | 7 | 13 | 10 | 9 | 8 | 9 | 5 | 8 | 9 | 7 | 7 |
| **# Lower Lows** | 9 | 8 | 8 | 8 | 13 | 14 | 14 | 11 | 11 | 9 | 10 | 11 |
| **# Expanded Ranges** | 12 | 7 | 15 | 12 | 11 | 15 | 12 | 2 | 11 | 10 | 8 | 8 |
| **# Narrower Ranges** | 7 | 12 | 4 | 7 | 7 | 4 | 7 | 13 | 7 | 7 | 11 | 11 |
| | | | | | | | | | | | | |
| **5 Year High** | 285 3/4 | 304 3/4 | 327 2/4 | 342 | 326 2/4 | 322 2/4 | 263 2/4 | 288 2/4 | 296 | 261 3/4 | 253 1/4 | 254 2/4 |
| **5 Year Low** | 207 3/4 | 205 1/4 | 208 2/4 | 199 2/4 | 187 3/4 | 192 | 177 2/4 | 185 2/4 | 186 3/4 | 196 3/4 | 200 | 195 1/4 |
| **10 Year High** | 378 | 391 | 395 | 484 | 513 2/4 | 420 | 438 | 355 | 346 | 334 | 344 1/4 | 370 2/4 |
| **10 Year Low** | 207 3/4 | 205 1/4 | 208 2/4 | 199 2/4 | 187 3/4 | 192 | 177 2/4 | 185 2/4 | 186 3/4 | 196 3/4 | 200 | 195 1/4 |
| **19 Year High** | 378 | 391 | 395 | 484 | 513 2/4 | 420 | 438 | 355 | 346 | 334 | 344 1/4 | 370 2/4 |
| **19 Year Low** | 160 1/4 | 149 1/4 | 155 | 160 2/4 | 182 3/4 | 183 | 160 2/4 | 161 3/4 | 161 | 162 1/4 | 175 1/4 | 159 |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of futures results.
Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# *Monthly Corn Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 9 | 8 | 13 | 4 | 10 | 6 | 6 | 11 | 7 | 10 | 8 | 8 |
| **# Down** | 10 | 11 | 6 | 15 | 9 | 13 | 13 | 8 | 12 | 8 | 10 | 11 |
| **Total Gain (Loss)** | 40 | 22 3/4 | 45 1/2 | -23 3/4 | -3 1/2 | -37 | -288 1/2 | 34 1/2 | -92 3/4 | 48 3/4 | -28 3/4 | -9 3/4 |
| **Average Gain(Loss)** | 2 | 1 1/4 | 2 2/4 | -1 1/4 | - 1/4 | -2 | -15 1/4 | 1 3/4 | -5 | 2 2/4 | -1 2/4 | - 2/4 |
| | | | | | | | | | | | | |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 9 | 8 | 13 | 4 | 10 | 6 | 6 | 11 | 7 | 10 | 8 | 8 |
| **#Up** | 5 | 6 | 4 | 3 | 4 | 2 | 4 | 2 | 5 | 4 | 3 | 2 |
| **#Down** | 4 | 2 | 9 | 1 | 6 | 4 | 2 | 9 | 2 | 6 | 5 | 6 |
| **% Closing Higher** | 56% | 75% | 31% | 75% | 40% | 33% | 67% | 18% | 71% | 40% | 38% | 25% |
| **Total Gain(Loss)** | 52 | 39 2/4 | 30 3/4 | 29 | 65 2/4 | -142 3/4 | 11 2/4 | -127 2/4 | 56 1/4 | -2 2/4 | -10 2/4 | -26 |
| **Average Gain (Loss)** | 5 3/4 | 5 | 2 1/4 | 7 1/4 | 6 2/4 | -23 3/4 | 2 | -11 2/4 | 8 | - 1/4 | -1 1/4 | -3 1/4 |
| **# Higher Highs** | 5 | 8 | 10 | 4 | 7 | 4 | 3 | 5 | 6 | 4 | 4 | 6 |
| **# Lower Lows** | 0 | 2 | 2 | 0 | 7 | 3 | 2 | 5 | 0 | 2 | 4 | 2 |
| | | | | | | | | | | | | |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 10 | 11 | 6 | 15 | 9 | 13 | 13 | 8 | 11 | 8 | 10 | 11 |
| **#Up** | 3 | 7 | 0 | 7 | 3 | 4 | 8 | 5 | 5 | 4 | 4 | 7 |
| **#Down** | 7 | 4 | 6 | 8 | 6 | 9 | 5 | 3 | 6 | 4 | 6 | 4 |
| **% Closing Lower** | 70% | 36% | 100% | 53% | 67% | 69% | 38% | 38% | 55% | 50% | 60% | 36% |
| **Total Gain(Loss)** | -29 1/4 | 14 2/4 | -54 2/4 | -32 2/4 | -103 | -145 3/4 | 17 1/4 | 34 3/4 | -7 2/4 | -22 2/4 | -30 3/4 | 68 3/4 |
| **Average Gain (Loss)** | -3 | 1 1/4 | -9 | -2 1/4 | -11 2/4 | -11 1/4 | 1 1/4 | 4 1/4 | - 3/4 | -2 3/4 | -3 | 6 1/4 |
| **# Higher Highs** | 2 | 6 | 0 | 5 | 2 | 5 | 2 | 3 | 3 | 2 | 2 | 6 |
| **# Lower Lows** | 8 | 6 | 6 | 13 | 9 | 11 | 10 | 6 | 9 | 7 | 7 | 8 |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of futures results.
Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# *Monthly Soybean Futures Performance Summary*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | X<br>**Jun** | X<br>**Jul** | X<br>**Aug** | X<br>**Sep** | F<br>**Oct** | F<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 7 | 10 | 12 | 10 | 8 | 7 | 7 | 11 | 8 | 10 | 13 | 7 |
| **# Down** | 12 | 9 | 7 | 9 | 11 | 12 | 12 | 8 | 11 | 9 | 6 | 12 |
| | -84 1/2 | 121 | 215 | 178 3/4 | -129 1/4 | 37 3/4 | -470 | 222 | -171 | 18 3/4 | 157 | -38 1/4 |
| **Total Gain(Loss)** | -13% | 12% | 34% | 27% | -8% | 2% | -61% | 39% | -23% | 4% | 30% | -11% |
| **Total % Gain(Loss)** | -4 2/4 | 6 1/4 | 11 1/4 | 9 2/4 | -6 3/4 | 2 | -24 3/4 | 11 3/4 | -9 | 1 | 8 1/4 | -2 |
| **Average Change** | -1% | 1% | 2% | 1% | 0% | 0% | -3% | 2% | -1% | 0% | 2% | -1% |
| **Average % Change** | 21 | 25 3/4 | 26 1/4 | 27 2/4 | 30 1/4 | 48 2/4 | 35 1/4 | 38 | 21 | 29 2/4 | 22 1/4 | 30 1/4 |
| | 4% | 4% | 4% | 4% | 5% | 7% | 7% | 7% | 4% | 5% | 4% | 5% |
| **Average Gain** | -19 1/4 | -15 | -14 1/4 | -10 2/4 | -33 3/4 | -25 1/4 | -59 3/4 | -24 2/4 | -30 3/4 | -30 2/4 | -22 | -21 |
| **Average % Gain** | -3% | -3% | -2% | -2% | -4% | -4% | -9% | -4% | -5% | -5% | -3% | -4% |
| **Average Loss** | 44 | 39 | 43 3/4 | 45 3/4 | 62 2/4 | 68 2/4 | 86 3/4 | 59 | 52 1/4 | 51 3/4 | 43 3/4 | 39 |
| **Average % Loss** | 7% | 6% | 7% | 7% | 9% | 11% | 14% | 10% | 9% | 9% | 7% | 6% |
| | 11 | 6 | 12 | 12 | 13 | 10 | 9 | 6 | 11 | 6 | 12 | 8 |
| **Average Range** | 10 | 11 | 6 | 6 | 7 | 11 | 15 | 9 | 6 | 14 | 6 | 9 |
| **Average Range (%)** | 10 | 7 | 11 | 6 | 15 | 9 | 15 | 4 | 5 | 11 | 7 | 8 |
| | 9 | 12 | 8 | 13 | 4 | 10 | 4 | 15 | 14 | 8 | 12 | 11 |
| **# Higher Highs** | 853 1/2 | 941 | 1057 | 1064 | 1036 1/2 | 734 1/2 | 685 | 629 | 691 | 805 | 805 1/2 | 802 1/4 |
| **# Lower Lows** | 419 3/4 | 429 1/2 | 432 | 422 | 434 | 429 | 445 1/2 | 446 | 450 1/2 | 426 1/2 | 434 1/4 | 421 |
| **# Expanded Ranges** | 853 1/2 | 941 | 1057 | 1064 | 1036 1/2 | 764 | 825 | 802 | 815 | 805 | 805 1/2 | 802 1/4 |
| **# Narrower Ranges** | 419 3/4 | 429 1/2 | 432 | 422 | 434 | 429 | 405 1/4 | 445 | 450 1/2 | 426 1/2 | 434 1/4 | 421 |
| | 853 1/2 | 941 | 1057 | 1064 | 1036 1/2 | 1046 | 997 | 903 | 906 | 840 1/2 | 819 | 820 |
| **5 Year High** | 419 3/4 | 429 1/2 | 432 | 422 | 434 | 429 | 405 1/4 | 445 | 450 1/2 | 426 1/2 | 434 1/4 | 421 |
| **5 Year Low** | | | | | | | | | | | | |
| **10 Year High** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **10 Year Low** | 7 | 10 | 12 | 10 | 8 | 7 | 7 | 11 | 8 | 10 | 13 | 7 |
| **19 Year High** | 12 | 9 | 7 | 9 | 11 | 12 | 12 | 8 | 11 | 9 | 6 | 12 |
| **19 Year Low** | -84.50 | 121.00 | 215.00 | 178.75 | -129.25 | 37.75 | -470.00 | 222.00 | -171.00 | 18.75 | 157.00 | -38.25 |

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# *Monthly Soybean Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | X<br>**Jun** | X<br>**Jul** | X<br>**Aug** | X<br>**Sep** | F<br>**Oct** | F<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 7 | 10 | 12 | 10 | 8 | 7 | 7 | 11 | 8 | 10 | 13 | 7 |
| **# Up** | 5 | 7 | 7 | 3 | 4 | 3 | 2 | 5 | 6 | 8 | 4 | 1 |
| **# Down** | 2 | 3 | 5 | 7 | 4 | 4 | 5 | 6 | 2 | 2 | 9 | 6 |
| **Total Gain (Loss)** | 71% | 70% | 58% | 30% | 50% | 43% | 29% | 45% | 75% | 80% | 31% | 14% |
| **Average Gain(Loss)** | 180.00 | 184.00 | 167.25 | -165.50 | 219.75 | -247.50 | -97.25 | -138.75 | 170.00 | 79.00 | -116.75 | -68.00 |
| | 25.71 | 18.40 | 13.94 | -16.55 | 27.47 | -35.36 | -13.89 | -12.61 | 21.25 | 7.90 | -8.98 | -9.71 |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | 4 | 8 | 11 | 6 | 6 | 5 | 3 |
| **Yrs Tested** | 57% | 80% | 92% | 60% | 75% | 71% | 43% | 82% | 63% | 100% | 46% | 100% |
| **#Up** | 34.88 | 36.53 | 23.73 | 34.63 | 70.17 | 56.80 | 19.50 | 25.53 | 34.10 | 13.63 | 12.79 | 16.25 |
| **#Down** | 1 | 1 | 1 | 2 | 3 | 4 | 2 | 3 | 3 | 1 | 7 | 1 |
| **% Closing Higher** | 14% | 10% | 8% | 20% | 38% | 57% | 29% | 27% | 38% | 10% | 54% | 14% |
| **Total Gain(Loss)** | -10.50 | -10.00 | -12.75 | -64.75 | -4.67 | -26.63 | -14.13 | -19.33 | -17.25 | -32.00 | -12.39 | -22.50 |
| **Average Gain (Loss)** | | | | | | | | | | | | |
| **# Higher Highs** | | | | | | | | | | | | |
| **# Lower Lows** | 12 | 9 | 7 | 9 | 11 | 12 | 12 | 8 | 11 | 9 | 6 | 12 |
| | 5 | 5 | 3 | 5 | 4 | 4 | 9 | 3 | 4 | 5 | 3 | 5 |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | 7 | 4 | 4 | 4 | 7 | 8 | 3 |
| **Yrs Tested** | 58% | 44% | 57% | 44% | 64% | 67% | 25% | 63% | 64% | 44% | 50% | 58% |
| **#Up** | -59.00 | 13.75 | 11.50 | 36.25 | -109.75 | -222.50 | 319.25 | -32.25 | -144.25 | 78.00 | 59.50 | -15.25 |
| **#Down** | -4.92 | 1.53 | 1.64 | 4.03 | -9.98 | -18.54 | 26.60 | -4.03 | -13.11 | 8.67 | 9.92 | -1.27 |
| **% Closing Lower** | 2 | 5 | 1 | 7 | 2 | 4 | 3 | 2 | 1 | 2 | 1 | 5 |
| **Total Gain(Loss)** | 17% | 56% | 14% | 78% | 18% | 33% | 25% | 25% | 9% | 22% | 17% | 42% |
| **Average Gain (Loss)** | 4.50 | 6.40 | 54.50 | 20.89 | 7.13 | 28.00 | 27.50 | 6.38 | 76.00 | 33.13 | 7.25 | 19.65 |
| **# Higher Highs** | 10 | 4 | 5 | 5 | 10 | 11 | 7 | 3 | 10 | 5 | 4 | 9 |
| **# Lower Lows** | 83% | 44% | 71% | 56% | 91% | 92% | 58% | 38% | 91% | 56% | 67% | 75% |

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# *Monthly Soybean Meal Futures Performance Summary*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 9 | 7 | 12 | 10 | 10 | 11 | 7 | 14 | 7 | 8 | 8 | 8 |
| **# Down** | 10 | 12 | 7 | 9 | 9 | 8 | 12 | 5 | 12 | 11 | 11 | 11 |
| | | | | | | | | | | | | |
| **Total Gain(Loss)** | 5.6 | -94.5 | 74.1 | 58.4 | 50.3 | 28.7 | -130.8 | 106.8 | -31.3 | 54.1 | 37.7 | -15.3 |
| **Total % Gain(Loss)** | 2% | -44% | 35% | 34% | 31% | 15% | -57% | 61% | -13% | 34% | 22% | -14% |
| **Average Change** | 0.3 | -5.0 | 3.9 | 3.1 | 2.6 | 1.5 | -6.9 | 5.6 | -1.6 | 2.8 | 2.0 | -0.8 |
| **Average % Change** | 0% | -2% | 2% | 2% | 2% | 1% | -3% | 3% | -1% | 2% | 1% | -1% |
| | | | | | | | | | | | | |
| **Average Gain** | 9.4 | 8.6 | 10.4 | 9.6 | 10.5 | 10.1 | 10.9 | 10.5 | 8.0 | 14.9 | 11.9 | 8.2 |
| **Average % Gain** | 5% | 5% | 5% | 6% | 6% | 5% | 6% | 6% | 5% | 8% | 7% | 4% |
| **Average Loss** | -7.9 | -12.9 | -7.2 | -4.2 | -6.1 | -10.3 | -17.3 | -8.1 | -7.3 | -5.9 | -5.2 | -7.3 |
| **Average % Loss** | -4% | -6% | -4% | -2% | -3% | -5% | -8% | -5% | -4% | -3% | -3% | -4% |
| | | | | | | | | | | | | |
| **Average Range** | 18.6 | 21.8 | 15.7 | 16.0 | 18.0 | 22.9 | 26.7 | 19.0 | 17.1 | 18.7 | 15.4 | 14.9 |
| **Average Range (%)** | 10% | 12% | 8% | 8% | 9% | 12% | 13% | 11% | 9% | 10% | 8% | 8% |
| | | | | | | | | | | | | |
| **# Higher Highs** | 10 | 11 | 14 | 12 | 12 | 8 | 10 | 7 | 15 | 6 | 9 | 6 |
| **# Lower Lows** | 11 | 13 | 6 | 5 | 6 | 10 | 14 | 10 | 6 | 13 | 9 | 11 |
| **# Expanded Ranges** | 13 | 14 | 14 | 6 | 12 | 10 | 11 | 5 | 9 | 10 | 8 | 9 |
| **# Narrower Ranges** | 6 | 5 | 5 | 13 | 7 | 9 | 8 | 14 | 10 | 9 | 11 | 10 |
| | | | | | | | | | | | | |
| **5 Year High** | 181.0 | 172.0 | 329.0 | 342.0 | 338.5 | 270.0 | 269.7 | 189.5 | 205.4 | 256.5 | 250.0 | 251.0 |
| **5 Year Low** | 140.0 | 127.3 | 143.8 | 145.2 | 152.9 | 152.3 | 146.4 | 146.0 | 158.8 | 152.0 | 142.0 | 141.8 |
| **10 Year High** | 237.5 | 251.5 | 329.0 | 342.0 | 338.5 | 270.0 | 269.7 | 254.5 | 261.7 | 256.5 | 250.0 | 251.0 |
| **10 Year Low** | 140.0 | 127.3 | 128.0 | 130.0 | 128.1 | 130.0 | 120.2 | 131.5 | 127.4 | 128.0 | 142.0 | 139.2 |
| **19 Year High** | 304.0 | 280.0 | 329.0 | 342.0 | 338.5 | 325.0 | 295.5 | 276.0 | 284.0 | 269.0 | 265.8 | 264.0 |
| **19 Year Low** | 140.0 | 127.3 | 128.0 | 130.0 | 128.1 | 130.0 | 120.2 | 131.5 | 127.4 | 128.0 | 136.0 | 139.2 |

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# *Monthly Soybean Meal Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 9 | 7 | 12 | 10 | 10 | 11 | 7 | 14 | 7 | 8 | 8 | 8 |
| **# Down** | 10 | 12 | 7 | 9 | 9 | 8 | 12 | 5 | 12 | 11 | 11 | 11 |
| **Total Gain (Loss)** | 5.6 | -94.5 | 74.1 | 58.4 | 50.3 | 28.7 | -130.8 | 106.8 | -31.3 | 54.1 | 37.7 | -15.3 |
| **Average Gain(Loss)** | 0.3 | -5.0 | 3.9 | 3.1 | 2.6 | 1.5 | -6.9 | 5.6 | -1.6 | 2.8 | 2.0 | -0.8 |
| | | | | | | | | | | | | |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 7 | 9 | 12 | 10 | 10 | 11 | 7 | 14 | 7 | 8 | 8 | 8 |
| **#Up** | 7 | 6 | 5 | 4 | 5 | 4 | 5 | 6 | 3 | 7 | 3 | 3 |
| **#Down** | 0 | 3 | 7 | 6 | 5 | 7 | 2 | 8 | 4 | 1 | 5 | 5 |
| **% Closing Higher** | 100% | 67% | 42% | 40% | 50% | 36% | 71% | 43% | 43% | 88% | 38% | 38% |
| **Total Gain(Loss)** | 64.6 | 68.9 | 25.8 | 20.0 | 31.1 | -117.2 | 30.7 | -8.6 | 57.8 | 63.4 | -28.4 | -35.4 |
| **Average Gain (Loss)** | 8.1 | 7.7 | 2.2 | 2.0 | 3.1 | -10.7 | 4.4 | -0.6 | 8.3 | 7.9 | -3.6 | -4.4 |
| **# Higher Highs** | 5 | 8 | 9 | 6 | 6 | 8 | 4 | 13 | 4 | 5 | 3 | 5 |
| **# Lower Lows** | 1 | 1 | 2 | 3 | 3 | 6 | 2 | 2 | 3 | 0 | 3 | 3 |
| | | | | | | | | | | | | |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 11 | 9 | 7 | 9 | 8 | 8 | 12 | 5 | 12 | 11 | 11 | 11 |
| **#Up** | 2 | 6 | 5 | 6 | 6 | 3 | 8 | 1 | 5 | 3 | 5 | 4 |
| **#Down** | 9 | 3 | 2 | 3 | 2 | 5 | 4 | 4 | 7 | 8 | 6 | 7 |
| **% Closing Lower** | 82% | 33% | 29% | 33% | 25% | 63% | 33% | 80% | 58% | 73% | 55% | 64% |
| **Total Gain(Loss)** | -42.3 | 8.8 | 32.6 | 30.3 | 11.8 | -13.6 | 113.5 | -22.7 | -3.7 | 6.5 | 13.1 | -4.8 |
| **Average Gain (Loss)** | -3.8 | 1.0 | 4.7 | 3.4 | 1.3 | -1.7 | 9.5 | -4.5 | -0.3 | 0.6 | 1.2 | -0.4 |
| **# Higher Highs** | 1 | 6 | 3 | 6 | 2 | 2 | 4 | 2 | 2 | 2 | 3 | 4 |
| **# Lower Lows** | 10 | 5 | 3 | 3 | 7 | 8 | 10 | 4 | 10 | 8 | 8 | 8 |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of futures results.
Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# *Monthly Soybean Oil Futures Performance Summary*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 7 | 13 | 8 | 12 | 6 | 7 | 5 | 12 | 8 | 9 | 13 | 6 |
| **# Down** | 12 | 6 | 11 | 7 | 12 | 12 | 14 | 6 | 10 | 9 | 6 | 13 |
| | | | | | | | | | | | | |
| **Total Gain(Loss)** | -3.80 | 3.22 | 3.20 | 6.18 | -12.07 | -2.70 | -17.47 | 6.61 | -5.39 | 1.01 | 6.91 | 0.19 |
| **Total % Gain(Loss)** | -14.1% | 6.8% | 28.1% | 21.0% | -41.5% | -15.4% | -60.2% | 31.7% | -16.1% | 4.5% | 33.2% | -3.4% |
| **Average Change** | -0.20 | 0.17 | 0.17 | 0.33 | -0.64 | -0.14 | -0.92 | 0.35 | -0.28 | 0.05 | 0.36 | 0.01 |
| **Average % Change** | -0.7% | 0.4% | 1.5% | 1.1% | -2.2% | -0.8% | -3.2% | 1.7% | -0.8% | 0.2% | 1.7% | -0.2% |
| **Average Gain** | 0.75 | 1.02 | 1.15 | 0.86 | 1.14 | 1.46 | 1.88 | 1.07 | 0.95 | 0.98 | 0.97 | 1.81 |
| **Average % Gain** | 3.6% | 4.4% | 6.4% | 3.6% | 5.9% | 6.1% | 10.5% | 5.3% | 4.7% | 4.6% | 4.4% | 8.0% |
| **Average Loss** | -0.75 | -1.67 | -0.54 | -0.60 | -1.58 | -1.08 | -1.92 | -1.03 | -1.30 | -0.87 | -0.95 | -0.82 |
| **Average % Loss** | -3.3% | -8.3% | -2.1% | -3.2% | -6.4% | -4.8% | -8.1% | -5.3% | -5.4% | -4.1% | -4.1% | -3.9% |
| | | | | | | | | | | | | |
| **Average Range** | 1.88 | 1.88 | 1.90 | 1.80 | 2.51 | 2.33 | 3.14 | 2.20 | 2.29 | 2.10 | 1.84 | 1.85 |
| **Average Range (%)** | 8.6% | 8.6% | 8.9% | 8.0% | 10.9% | 10.3% | 14.0% | 10.6% | 10.6% | 10.1% | 8.5% | 8.6% |
| | | | | | | | | | | | | |
| **# Higher Highs** | 9 | 6 | 15 | 9 | 12 | 7 | 9 | 6 | 11 | 7 | 10 | 10 |
| **# Lower Lows** | 13 | 8 | 6 | 8 | 12 | 12 | 14 | 10 | 9 | 12 | 8 | 10 |
| **# Expanded Ranges** | 10 | 7 | 10 | 8 | 14 | 8 | 14 | 6 | 12 | 9 | 11 | 9 |
| **# Narrower Ranges** | 9 | 12 | 9 | 11 | 5 | 11 | 5 | 12 | 6 | 9 | 8 | 10 |
| | | | | | | | | | | | | |
| **5 Year High** | 30.19 | 34.22 | 35.05 | 34.35 | 33.88 | 28.80 | 27.95 | 25.25 | 26.10 | 27.38 | 27.25 | 28.60 |
| **5 Year Low** | 14.78 | 14.72 | 15.80 | 14.85 | 14.49 | 15.05 | 15.35 | 15.60 | 15.45 | 14.51 | 15.05 | 14.80 |
| **10 Year High** | 30.19 | 34.22 | 35.05 | 34.35 | 33.88 | 28.80 | 28.72 | 26.81 | 27.08 | 27.68 | 27.28 | 28.60 |
| **10 Year Low** | 14.78 | 14.72 | 15.80 | 14.85 | 14.49 | 15.05 | 14.80 | 15.60 | 15.45 | 14.51 | 15.05 | 14.80 |
| **19 Year High** | 30.45 | 34.22 | 35.05 | 34.35 | 33.88 | 34.00 | 33.65 | 29.15 | 28.35 | 27.68 | 27.28 | 29.70 |
| **19 Year Low** | 14.78 | 14.72 | 15.55 | 14.85 | 14.49 | 15.05 | 14.80 | 14.02 | 13.63 | 13.88 | 15.00 | 14.80 |

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# *Monthly Soybean Oil Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 7 | 13 | 8 | 12 | 6 | 7 | 5 | 12 | 8 | 9 | 13 | 6 |
| **# Down** | 12 | 6 | 11 | 7 | 12 | 12 | 14 | 6 | 10 | 9 | 6 | 13 |
| **Total Gain (Loss)** | -3.80 | 3.22 | 3.20 | 6.18 | -12.07 | -2.70 | -17.47 | 6.61 | -5.39 | 1.01 | 6.91 | 0.19 |
| **Average Gain(Loss)** | -0.20 | 0.17 | 0.17 | 0.33 | -0.64 | -0.14 | -0.92 | 0.35 | -0.28 | 0.05 | 0.36 | 0.01 |
| | | | | | | | | | | | | |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 7 | 13 | 8 | 11 | 6 | 7 | 5 | 12 | 8 | 9 | 13 | 6 |
| **#Up** | 4 | 5 | 5 | 3 | 3 | 2 | 2 | 4 | 6 | 9 | 4 | 1 |
| **#Down** | 3 | 8 | 3 | 8 | 3 | 5 | 3 | 8 | 2 | 0 | 9 | 5 |
| **% Closing Higher** | 57% | 38% | 63% | 27% | 50% | 29% | 40% | 33% | 75% | 100% | 31% | 17% |
| **Total Gain(Loss)** | 3.37 | -3.21 | 3.26 | -12.32 | 7.00 | -5.41 | -3.55 | -6.83 | 3.87 | 9.00 | -0.98 | -4.24 |
| **Average Gain (Loss)** | 0.48 | -0.25 | 0.41 | -1.03 | 1.17 | -0.77 | -0.71 | -0.57 | 0.48 | 1.00 | -0.08 | -0.71 |
| **# Higher Highs** | 2 | 12 | 7 | 10 | 4 | 4 | 3 | 8 | 5 | 7 | 8 | 3 |
| **# Lower Lows** | 2 | 2 | 0 | 6 | 3 | 3 | 2 | 6 | 2 | 0 | 6 | 2 |
| | | | | | | | | | | | | |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 12 | 6 | 11 | 7 | 12 | 12 | 14 | 6 | 10 | 9 | 6 | 13 |
| **#Up** | 9 | 4 | 7 | 3 | 3 | 3 | 9 | 4 | 3 | 4 | 2 | 6 |
| **#Down** | 3 | 2 | 4 | 4 | 9 | 9 | 5 | 2 | 7 | 5 | 4 | 7 |
| **% Closing Lower** | 25% | 33% | 36% | 57% | 75% | 75% | 36% | 33% | 70% | 56% | 67% | 54% |
| **Total Gain(Loss)** | -0.15 | 6.08 | 2.92 | 0.25 | -11.08 | -12.06 | 6.47 | 1.44 | -2.86 | -0.84 | 1.17 | -0.75 |
| **Average Gain (Loss)** | -0.01 | 1.01 | 0.27 | 0.04 | -0.92 | -1.01 | 0.46 | 0.24 | -0.29 | -0.09 | 0.20 | -0.06 |
| **# Higher Highs** | 4 | 3 | 2 | 2 | 2 | 5 | 1 | 3 | 2 | 2 | 2 | 6 |
| **# Lower Lows** | 6 | 4 | 8 | 6 | 10 | 11 | 11 | 3 | 10 | 7 | 4 | 12 |

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# *Monthly CBOT Wheat Futures Performance Summary*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 11 | 3 | 9 | 10 | 7 | 5 | 9 | 13 | 11 | 13 | 11 | 9 |
| **# Down** | 8 | 16 | 10 | 9 | 12 | 14 | 10 | 5 | 8 | 6 | 8 | 10 |
| | | | | | | | | | | | | |
| **Total Gain(Loss)** | 44 2/4 | -101 2/4 | -6 | 99 | -145 3/4 | -96 1/4 | -80 3/4 | 129 2/4 | 19 2/4 | 23 1/4 | 4 3/4 | -41 |
| **Total % Gain(Loss)** | 14.2% | -33.1% | 1.5% | 21.8% | -30.9% | -28.5% | -15.7% | 35.5% | 5.9% | 14.8% | 0.4% | -13.6% |
| **Average Change** | 2 1/4 | -5 1/4 | - 1/4 | 5 1/4 | -7 3/4 | -5 | -4 1/4 | 6 3/4 | 1 | 1 1/4 | 1/4 | -2 1/4 |
| **Average % Change** | 0.7% | -1.7% | 0.1% | 1.1% | -1.6% | -1.5% | -0.8% | 1.9% | 0.3% | 0.8% | 0.0% | -0.7% |
| | | | | | | | | | | | | |
| **Average Gain** | 13 2/4 | 17 1/4 | 15 2/4 | 25 | 19 2/4 | 27 3/4 | 20 1/4 | 14 1/4 | 13 | 12 3/4 | 11 1/4 | 14 3/4 |
| **Average % Gain** | 4.0% | 4.7% | 4.9% | 7.0% | 6.7% | 7.8% | 6.7% | 4.1% | 3.7% | 4.2% | 3.3% | 3.9% |
| **Average Loss** | -13 1/4 | -9 2/4 | -14 2/4 | -17 | -23 2/4 | -16 3/4 | -26 2/4 | -11 1/4 | -15 1/4 | -23 3/4 | -15 | -17 2/4 |
| **Average % Loss** | -3.8% | -3.0% | -4.3% | -5.4% | -6.5% | -4.8% | -7.6% | -3.6% | -4.3% | -6.6% | -4.5% | -4.9% |
| **Average Range** | | | | | | | | | | | | |
| **Average Range (%)** | 18 2/4 | 15 | 18 | 22 3/4 | 25 | 34 3/4 | 39 2/4 | 22 3/4 | 21 1/4 | 19 3/4 | 15 2/4 | 16 |
| | 7.4% | 6.0% | 7.0% | 8.5% | 9.6% | 13.9% | 15.3% | 9.5% | 8.8% | 8.3% | 6.4% | 6.5% |
| **# Higher Highs** | | | | | | | | | | | | |
| **# Lower Lows** | 11 | 8 | 10 | 10 | 10 | 5 | 7 | 7 | 10 | 13 | 7 | 11 |
| **# Expanded Ranges** | 10 | 11 | 15 | 11 | 10 | 12 | 14 | 5 | 10 | 8 | 6 | 7 |
| **# Narrower Ranges** | 13 | 5 | 15 | 10 | 11 | 7 | 13 | 3 | 11 | 15 | 8 | 9 |
| | 6 | 14 | 4 | 8 | 8 | 11 | 6 | 16 | 7 | 4 | 11 | 9 |
| **5 Year High** | | | | | | | | | | | | |
| **5 Year Low** | 409 | 404 | 426 3/4 | 430 2/4 | 416 | 399 | 355 2/4 | 399 | 440 | 418 3/4 | 418 2/4 | 421 2/4 |
| **10 Year High** | 253 | 255 | 260 2/4 | 253 | 257 | 254 | 239 | 250 2/4 | 246 | 250 2/4 | 246 3/4 | 236 2/4 |
| **10 Year Low** | 492 | 508 2/4 | 473 3/4 | 636 | 617 | 527 | 519 | 489 | 496 3/4 | 511 2/4 | 509 | 515 |
| **19 Year High** | 253 | 248 | 260 2/4 | 253 | 246 3/4 | 254 | 239 | 250 2/4 | 246 | 250 2/4 | 246 3/4 | 236 2/4 |
| **19 Year Low** | 492 | 508 2/4 | 473 3/4 | 636 | 617 | 527 | 519 | 489 | 496 3/4 | 511 2/4 | 509 | 515 |
| **# of Years Tested** | 253 | 248 | 246 2/4 | 241 | 246 | 242 | 239 | 250 2/4 | 246 | 250 2/4 | 246 3/4 | 236 2/4 |

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# *Monthly CBOT Wheat Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 11 | 3 | 9 | 10 | 7 | 5 | 9 | 13 | 11 | 13 | 11 | 9 |
| **# Down** | 8 | 16 | 10 | 9 | 12 | 14 | 10 | 5 | 8 | 6 | 8 | 10 |
| **Total Gain (Loss)** | 44 1/2 | -101 1/2 | -6 | 99 | -145 3/4 | -96 1/4 | -80 3/4 | 129 1/2 | 19 1/2 | 23 1/4 | 4 3/4 | -41 |
| **Average Gain(Loss)** | 2 1/4 | -5 1/4 | - 1/4 | 5 1/4 | -7 3/4 | -5 | -4 1/4 | 6 3/4 | 1 | 1 1/4 | 1/4 | -2 1/4 |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 11 | 3 | 9 | 10 | 7 | 5 | 9 | 13 | 11 | 13 | 11 | 9 |
| **#Up** | 2 | 2 | 4 | 3 | 3 | 2 | 7 | 7 | 8 | 8 | 7 | 3 |
| **#Down** | 9 | 1 | 5 | 7 | 4 | 3 | 2 | 6 | 3 | 5 | 4 | 6 |
| **% Closing Higher** | 18% | 67% | 44% | 30% | 43% | 40% | 78% | 54% | 73% | 62% | 64% | 33% |
| **Total Gain(Loss)** | -57 3/4 | 24 2/4 | 51 3/4 | -146 3/4 | 54 2/4 | -8 3/4 | 103 1/4 | 4 3/4 | 69 3/4 | 11 2/4 | 32 1/4 | -68 3/4 |
| **Average Gain (Loss)** | -5 1/4 | 8 1/4 | 5 3/4 | -14 3/4 | 7 3/4 | -1 3/4 | 11 2/4 | 1/4 | 6 1/4 | 1 | 3 | -7 3/4 |
| **# Higher Highs** | 6 | 2 | 6 | 7 | 4 | 3 | 6 | 7 | 9 | 4 | 9 | 5 |
| **# Lower Lows** | 4 | 1 | 4 | 4 | 2 | 3 | 0 | 7 | 2 | 3 | 2 | 5 |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 8 | 16 | 10 | 9 | 11 | 14 | 10 | 5 | 8 | 6 | 8 | 10 |
| **#Up** | 1 | 7 | 6 | 4 | 2 | 7 | 7 | 3 | 5 | 3 | 2 | 7 |
| **#Down** | 7 | 9 | 4 | 5 | 9 | 7 | 3 | 2 | 3 | 3 | 6 | 3 |
| **% Closing Lower** | 88% | 56% | 40% | 56% | 82% | 50% | 30% | 40% | 38% | 50% | 75% | 30% |
| **Total Gain(Loss)** | -43 3/4 | -59 | 47 1/4 | 1 | -154 2/4 | -72 | 16 3/4 | 10 3/4 | -46 2/4 | -13 | -73 1/4 | 80 3/4 |
| **Average Gain (Loss)** | -5 2/4 | -3 3/4 | 4 3/4 | 0 | -13 | -5 1/4 | 1 3/4 | 2 1/4 | -5 3/4 | -2 1/4 | -9 1/4 | 8 |
| **# Higher Highs** | 2 | 8 | 4 | 3 | 1 | 4 | 2 | 2 | 4 | 0 | 2 | 6 |
| **# Lower Lows** | 7 | 13 | 7 | 6 | 11 | 11 | 6 | 3 | 6 | 4 | 5 | 5 |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of futures results.
Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# *Monthly KCBT Wheat Futures Performance Summary*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 13 | 5 | 8 | 10 | 8 | 5 | 9 | 11 | 11 | 11 | 11 | 8 |
| **# Down** | 6 | 14 | 10 | 9 | 11 | 14 | 10 | 8 | 8 | 8 | 8 | 11 |
| | | | | | | | | | | | | |
| **Total Gain(Loss)** | 20 | -53 | -2 2/4 | 161 | -92 | -81 2/4 | -85 2/4 | 120 2/4 | 90 | 11 2/4 | -13 3/4 | -32 |
| **Total % Gain(Loss)** | 5.9% | -16.4% | 0.9% | 36.8% | -14.7% | -21.9% | -15.1% | 33.5% | 26.2% | 7.2% | -1.9% | -9.5% |
| **Average Change** | 1 | -2 3/4 | - 1/4 | 8 2/4 | -4 3/4 | -4 1/4 | -4 2/4 | 6 1/4 | 4 3/4 | 2/4 | - 3/4 | -1 3/4 |
| **Average % Change** | 0.3% | -0.9% | 0.0% | 1.9% | -0.8% | -1.2% | -0.8% | 1.8% | 1.4% | 0.4% | -0.1% | -0.5% |
| | | | | | | | | | | | | |
| **Average Gain** | 10 1/4 | 16 1/4 | 16 2/4 | 29 3/4 | 17 | 32 | 19 2/4 | 16 1/4 | 19 2/4 | 12 | 10 2/4 | 15 1/4 |
| **Average % Gain** | 3.0% | 4.6% | 5.0% | 7.9% | 5.5% | 8.9% | 6.3% | 4.8% | 5.4% | 3.6% | 3.0% | 4.0% |
| **Average Loss** | -19 | -9 2/4 | -13 2/4 | -15 1/4 | -20 3/4 | -17 1/4 | -26 1/4 | -7 2/4 | -15 2/4 | -15 | -16 1/4 | -14 |
| **Average % Loss** | -5.4% | -2.8% | -3.9% | -4.6% | -5.4% | -4.8% | -7.2% | -2.3% | -4.2% | -4.1% | -4.4% | -3.8% |
| **Average Range** | | | | | | | | | | | | |
| **Average Range (%)** | 18 2/4 | 15 | 18 | 22 3/4 | 25 | 34 3/4 | 39 2/4 | 22 3/4 | 21 1/4 | 19 3/4 | 15 2/4 | 16 |
| | 7.4% | 6.0% | 7.0% | 8.5% | 9.6% | 13.9% | 15.3% | 9.5% | 8.8% | 8.3% | 6.4% | 6.5% |
| **# Higher Highs** | | | | | | | | | | | | |
| **# Lower Lows** | 11 | 7 | 10 | 10 | 11 | 6 | 5 | 8 | 11 | 10 | 6 | 10 |
| **# Expanded Ranges** | 9 | 10 | 13 | 10 | 8 | 10 | 14 | 9 | 9 | 8 | 9 | 8 |
| **# Narrower Ranges** | 13 | 4 | 14 | 8 | 10 | 8 | 13 | 5 | 10 | 7 | 7 | 8 |
| | 6 | 15 | 5 | 11 | 8 | 11 | 6 | 14 | 9 | 12 | 12 | 11 |
| **5 Year High** | | | | | | | | | | | | |
| **5 Year Low** | 412 | 406 | 429 | 434 3/4 | 429 | 339 2/4 | 374 | 416 | 494 1/4 | 487 | 465 3/4 | 424 |
| **10 Year High** | 280 3/4 | 284 | 284 2/4 | 280 | 279 | 284 3/4 | 264 | 286 2/4 | 288 2/4 | 279 2/4 | 275 2/4 | 262 2/4 |
| **10 Year Low** | 496 2/4 | 513 | 507 | 695 | 686 2/4 | 592 2/4 | 547 | 508 | 502 | 523 2/4 | 513 | 512 |
| **19 Year High** | 280 3/4 | 279 | 284 2/4 | 280 | 272 2/4 | 284 3/4 | 264 | 278 2/4 | 277 | 271 | 275 2/4 | 262 2/4 |
| **19 Year Low** | 496 2/4 | 513 | 507 | 695 | 686 2/4 | 592 2/4 | 547 | 508 | 502 | 523 2/4 | 513 | 512 |

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# *Monthly KCBT Wheat Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 13 | 5 | 8 | 10 | 8 | 5 | 9 | 11 | 11 | 11 | 11 | 8 |
| **# Down** | 6 | 14 | 10 | 9 | 11 | 14 | 10 | 8 | 8 | 8 | 8 | 11 |
| **Total Gain (Loss)** | 20 | -53 | -2 1/2 | 161 | -92 | -81 1/2 | -85 1/2 | 120 1/2 | 90 | 11 1/2 | -13 3/4 | -32 |
| **Average Gain(Loss)** | 1 | -2 3/4 | - 1/4 | 8 2/4 | -4 3/4 | -4 1/4 | -4 2/4 | 6 1/4 | 4 3/4 | 2/4 | - 3/4 | -1 3/4 |
| | | | | | | | | | | | | |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 13 | 5 | 8 | 10 | 8 | 5 | 9 | 11 | 11 | 11 | 11 | 8 |
| **#Up** | 5 | 4 | 4 | 3 | 3 | 2 | 6 | 8 | 6 | 8 | 6 | 3 |
| **#Down** | 8 | 1 | 4 | 7 | 5 | 3 | 3 | 3 | 5 | 3 | 5 | 5 |
| **% Closing Higher** | 38% | 80% | 50% | 30% | 38% | 40% | 67% | 73% | 55% | 73% | 55% | 38% |
| **Total Gain(Loss)** | 17 2/4 | 33 | 125 3/4 | -120 | 116 | -13 1/4 | 132 2/4 | 89 | 28 | 56 1/4 | 59 3/4 | -56 1/4 |
| **Average Gain (Loss)** | 1 1/4 | 6 2/4 | 15 3/4 | -12 | 14 2/4 | -2 3/4 | 14 3/4 | 8 | 2 2/4 | 5 | 5 2/4 | -7 |
| **# Higher Highs** | 7 | 4 | 7 | 8 | 5 | 2 | 6 | 8 | 9 | 5 | 9 | 5 |
| **# Lower Lows** | 4 | 2 | 2 | 2 | 2 | 2 | 1 | 3 | 2 | 2 | 3 | 4 |
| | | | | | | | | | | | | |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 6 | 14 | 10 | 9 | 11 | 14 | 10 | 8 | 8 | 8 | 8 | 11 |
| **#Up** | 0 | 5 | 6 | 5 | 1 | 7 | 6 | 3 | 5 | 4 | 2 | 9 |
| **#Down** | 6 | 9 | 4 | 4 | 10 | 7 | 4 | 5 | 3 | 4 | 6 | 2 |
| **% Closing Lower** | 100% | 64% | 40% | 44% | 91% | 50% | 40% | 63% | 38% | 50% | 75% | 18% |
| **Total Gain(Loss)** | -70 2/4 | -27 3/4 | 51 1/4 | 28 | -192 1/4 | -72 1/4 | -5 | 1 | -16 2/4 | 17 2/4 | -91 3/4 | 77 |
| **Average Gain (Loss)** | -11 3/4 | -2 | 5 1/4 | 3 | -17 2/4 | -5 1/4 | - 2/4 | 1/4 | -2 | 2 1/4 | -11 2/4 | 7 |
| **# Higher Highs** | 0 | 6 | 3 | 3 | 2 | 3 | 2 | 3 | 1 | 3 | 1 | 6 |
| **# Lower Lows** | 6 | 11 | 7 | 6 | 9 | 12 | 7 | 6 | 6 | 5 | 5 | 5 |

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Contract refers to the months futures contract used: F=January, G=February, H=March, J = April, K=May, M=June, N=July, Q=August, U=September, V=October, X=November, Z=December

# *Monthly MPLS Wheat Futures Performance Summary*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **# of Years Tested** | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 11 | 6 | 10 | 10 | 6 | 5 | 8 | 12 | 10 | 9 | 7 | 6 |
| **# Down** | 8 | 13 | 9 | 9 | 13 | 14 | 11 | 7 | 8 | 10 | 12 | 12 |
| **Total Gain(Loss)** | 19 1/4 | -50 2/4 | 34 1/4 | 108 2/4 | -93 | 7 3/4 | -170 | 96 1/4 | 71 | -6 1/4 | -62 2/4 | -51 |
| **Total % Gain(Loss)** | 7.3% | -15.2% | 11.0% | 23.2% | -19.2% | 5.8% | -40.8% | 27.5% | 16.8% | 4.8% | -12.7% | -13.6% |
| **Average Change** | 1 | -2 3/4 | 1 3/4 | 5 3/4 | -5 | 2/4 | -9 | 5 | 3 3/4 | - 1/4 | -3 1/4 | -2 3/4 |
| **Average % Change** | 0.4% | -0.8% | 0.6% | 1.2% | -1.0% | 0.3% | -2.1% | 1.4% | 0.9% | 0.3% | -0.7% | -0.7% |
| **Average Gain** | 11 2/4 | 14 | 11 2/4 | 24 2/4 | 18 | 43 | 19 2/4 | 13 2/4 | 18 1/4 | 14 | 11 | 15 3/4 |
| **Average % Gain** | 3.3% | 3.8% | 3.3% | 6.2% | 5.4% | 12.2% | 5.8% | 3.8% | 4.8% | 4.2% | 3.1% | 4.1% |
| **Average Loss** | -13 1/4 | -10 1/4 | -9 | -15 1/4 | -15 2/4 | -14 3/4 | -29 3/4 | -9 2/4 | -14 | -13 1/4 | -11 3/4 | -12 |
| **Average % Loss** | -3.6% | -2.9% | -2.5% | -4.3% | -4.0% | -3.9% | -8.0% | -2.7% | -3.8% | -3.3% | -2.9% | -3.2% |
| **Average Range** | 22 3/4 | 21 2/4 | 22 2/4 | 34 3/4 | 35 2/4 | 39 2/4 | 42 | 31 1/4 | 28 1/4 | 28 1/4 | 24 1/4 | 23 |
| **Average Range (%)** | 6.3% | 5.9% | 6.3% | 9.1% | 9.5% | 11.0% | 11.7% | 8.8% | 7.7% | 7.8% | 6.5% | 6.1% |
| **# Higher Highs** | 10 | 7 | 9 | 10 | 10 | 6 | 5 | 7 | 9 | 10 | 5 | 5 |
| **# Lower Lows** | 10 | 9 | 11 | 12 | 10 | 13 | 13 | 9 | 7 | 10 | 12 | 10 |
| **# Expanded Ranges** | 11 | 6 | 12 | 12 | 10 | 12 | 9 | 6 | 8 | 9 | 8 | 7 |
| **# Narrower Ranges** | 8 | 13 | 6 | 7 | 9 | 7 | 10 | 13 | 11 | 10 | 11 | 12 |
| **5 Year High** | 417 2/4 | 434 3/4 | 452 | 451 2/4 | 444 1/4 | 432 | 395 2/4 | 440 | 521 2/4 | 517 2/4 | 483 2/4 | 436 3/4 |
| **5 Year Low** | 303 3/4 | 294 2/4 | 300 1/4 | 290 | 289 2/4 | 300 1/4 | 297 | 302 2/4 | 305 | 299 2/4 | 305 2/4 | 299 |
| **10 Year High** | 489 | 505 | 496 | 673 | 667 | 568 | 521 | 487 1/4 | 521 2/4 | 517 2/4 | 511 | 505 2/4 |
| **10 Year Low** | 303 3/4 | 294 2/4 | 300 1/4 | 290 | 289 2/4 | 300 1/4 | 297 | 302 2/4 | 305 | 299 2/4 | 305 2/4 | 299 |
| **19 Year High** | 489 | 505 | 496 | 673 | 667 | 568 | 521 | 487 1/4 | 521 2/4 | 517 2/4 | 511 | 505 2/4 |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of futures results.
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# *Monthly MPLS Wheat Trend Continuation Study*

| | K<br>**Jan** | K<br>**Feb** | N<br>**Mar** | N<br>**Apr** | N<br>**May** | U<br>**Jun** | U<br>**Jul** | Z<br>**Aug** | Z<br>**Sep** | Z<br>**Oct** | H<br>**Nov** | H<br>**Dec** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Yrs Tested** | 11 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| **# Up** | 4 | 6 | 10 | 10 | 6 | 5 | 8 | 12 | 10 | 9 | 7 | 6 |
| **# Down** | 7 | 13 | 9 | 9 | 13 | 14 | 11 | 7 | 8 | 10 | 12 | 12 |
| **Total Gain (Loss)** | 1/3 | -50 1/2 | 34 1/4 | 108 1/2 | -93 | 7 3/4 | -170 | 96 1/4 | 71 | -6 1/4 | -62 1/2 | -51 |
| **Average Gain(Loss)** | 6 2/4 | -2 3/4 | 1 3/4 | 5 3/4 | -5 | 2/4 | -9 | 5 | 3 3/4 | - 1/4 | -3 1/4 | -2 3/4 |
| | | | | | | | | | | | | |
| ***If Previous Month is Up, then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 11 | 3 | 9 | 10 | 7 | 5 | 9 | 13 | 11 | 13 | 11 | 9 |
| **#Up** | 4 | 2 | 4 | 3 | 3 | 2 | 7 | 7 | 8 | 8 | 7 | 3 |
| **#Down** | 7 | 1 | 5 | 7 | 4 | 3 | 2 | 6 | 3 | 5 | 4 | 6 |
| **% Closing Higher** | 36% | 67% | 44% | 30% | 43% | 40% | 78% | 54% | 73% | 62% | 64% | 33% |
| **Total Gain(Loss)** | 6 2/4 | 24 2/4 | 51 3/4 | -146 3/4 | 54 2/4 | -8 3/4 | 103 1/4 | 4 3/4 | 69 3/4 | 11 2/4 | 32 1/4 | -68 3/4 |
| **Average Gain (Loss)** | 2/4 | 8 1/4 | 5 3/4 | -14 3/4 | 7 3/4 | -1 3/4 | 11 2/4 | 1/4 | 6 1/4 | 1 | 3 | -7 3/4 |
| **# Higher Highs** | 6 | 2 | 6 | 7 | 4 | 3 | 6 | 7 | 9 | 4 | 9 | 5 |
| **# Lower Lows** | 2 | 1 | 4 | 4 | 2 | 3 | 0 | 7 | 2 | 3 | 2 | 5 |
| | | | | | | | | | | | | |
| ***If Previous Month is Down then NEXT Month had the following Characteristics*** | | | | | | | | | | | | |
| **Yrs Tested** | 8 | 16 | 10 | 9 | 11 | 14 | 10 | 5 | 8 | 6 | 8 | 10 |
| **#Up** | 2 | 7 | 6 | 4 | 2 | 7 | 7 | 3 | 5 | 3 | 2 | 7 |
| **#Down** | 6 | 9 | 4 | 5 | 9 | 7 | 3 | 2 | 3 | 3 | 6 | 3 |
| **% Closing Lower** | 75% | 56% | 40% | 56% | 82% | 50% | 30% | 40% | 38% | 50% | 75% | 30% |
| **Total Gain(Loss)** | -57 | -59 | 47 1/4 | 1 | -154 2/4 | -72 | 16 3/4 | 10 3/4 | -46 2/4 | -13 | -73 1/4 | 80 3/4 |
| **Average Gain (Loss)** | -7 1/4 | -3 3/4 | 4 3/4 | 0 | -13 | -5 1/4 | 1 3/4 | 2 1/4 | -5 3/4 | -2 1/4 | -9 1/4 | 8 |
| **# Higher Highs** | 1 | 8 | 4 | 3 | 1 | 4 | 2 | 2 | 4 | 0 | 2 | 6 |
| **# Lower Lows** | 7 | 13 | 7 | 6 | 11 | 11 | 6 | 3 | 6 | 4 | 5 | 5 |

Data compliments of www.geckosoftware.com Past performance is not necessarily indicative of futures results.
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# *Appendix #4*

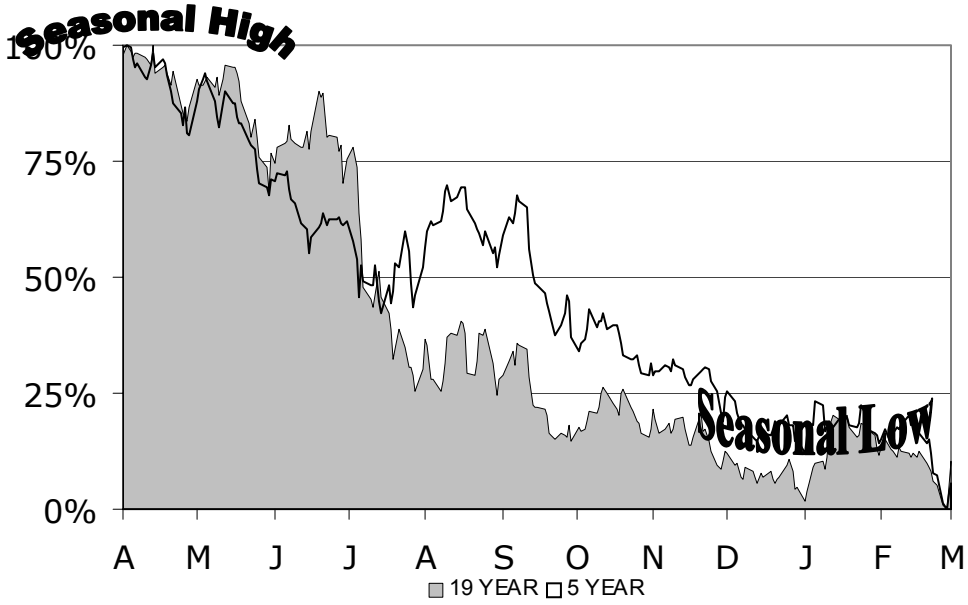
# *Seasonal Charts*

# *How To Read Seasonal Charts*

The seasonal charts depicted in this publication are a pictorial presentation of the normal behavior of the markets. The charts are made for specific contract months, so that the trader can see the behavior of the specific contract they are looking at. This detail is of the utmost importance in markets with new and old crop contracts, such as the grain futures markets.

The charts depict behavior on a relative basis, meaning the actual prices are not forecast, just the relative position of the market versus its contract high and low. On the seasonal charts, the high is depicted as 1.0, or 100%, while the low is depicted as 0.0 or 0%. Using a 12-month period, we rank all 19 years analyzed in terms of where each day falls as a percentage of the highest and lowest price of that 12-month period for each specific year. These prices are then averaged and the average is depicted in our charts, for both the 19 year period as well as the 5 year period.

To read the chart, just remember that the top of the chart is the forecasted contract high for the 12 months displayed and the bottom is the forecasted contract low.

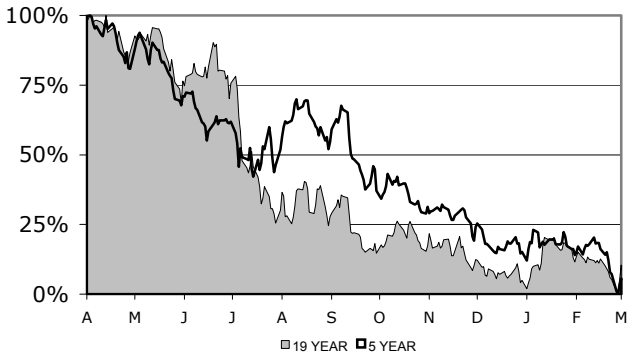



What these charts depict is the average behavior of the futures market. Similar to a map, the seasonal charts may be helpful in finding your direction and avoiding pitfalls. Trading using strictly the seasonal charts is similar to driving across the country with only a national map. You know the basic layout of the highways, but detours and construction can cause you to lose your way.

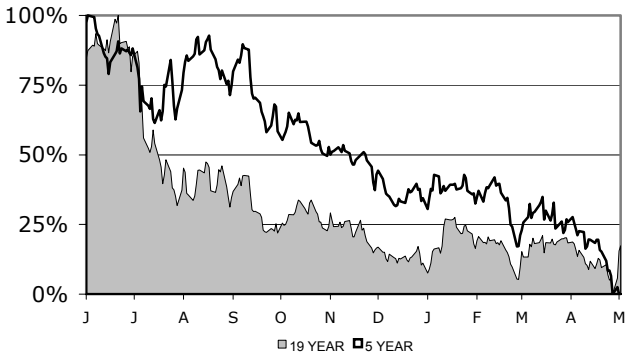
Obviously, the markets will not follow the patterns exactly, but they may be helpful in planning your market operations, showing the producer, purchaser, and speculator times of the year when the market has historically rallied or broken, and they can act accordingly. ***BUT, BE SURE TO REMEMBER THAT SEASONAL TENDENCIES ARE NOT GUARANTEED TO REPEAT THEMSELVES IN THE COMING YEAR AND SUCH PATTERNS SHOULD ONLY BE USED AS A GUIDE AS PAST PERFORMANCE IS NOT NESSARILY INDICATIVE OF FUTURE PERFORMANCE.***

# *Corn Futures Seasonal Charts*

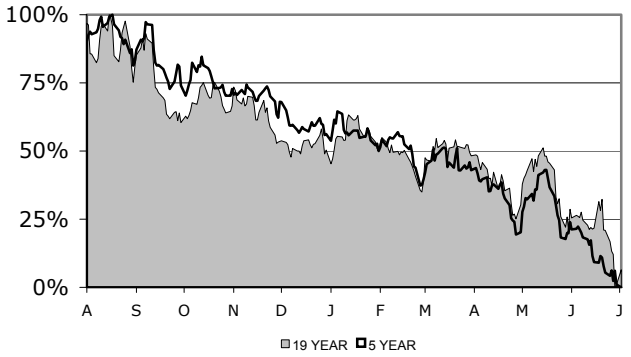
**March Corn Futures**
**19 & 5 -Year Seasonal Chart**



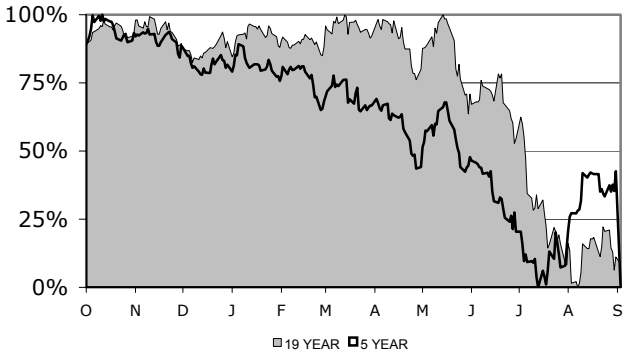

**May Corn Futures**
**19 & 5 -Year Seasonal Chart**



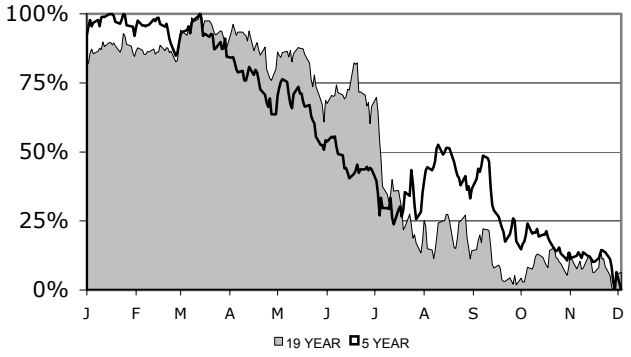

**July Corn Futures**
**19 & 5 -Year Seasonal Chart**




**September Corn Futures**
**19 & 5 -Year Seasonal Chart**



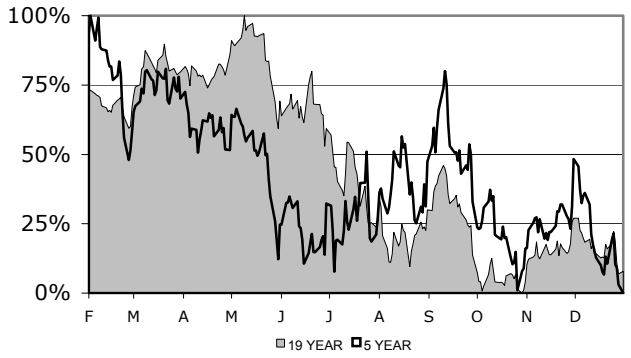

**December Corn Futures**
**19 & 5 -Year Seasonal Chart**



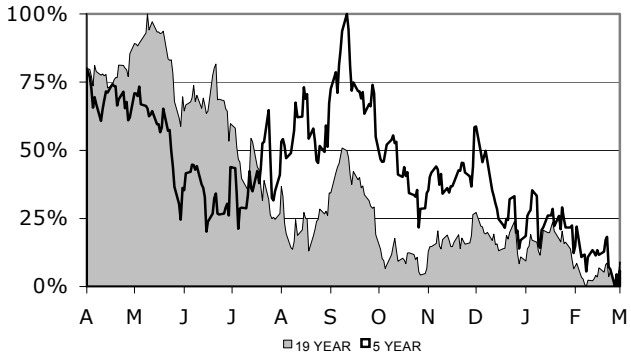

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN A SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# *Soybean Futures Seasonal Charts*

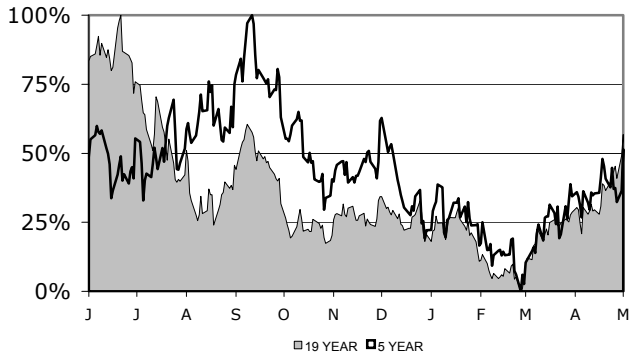
**January Soybean Futures**
**19 & 5 -Year Seasonal Chart**



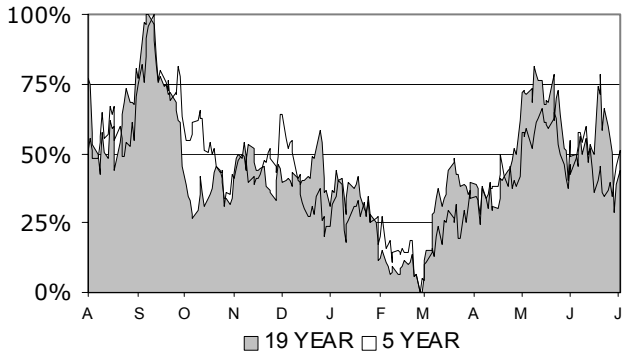

**March Soybean Futures**
**19 & 5 -Year Seasonal Chart**



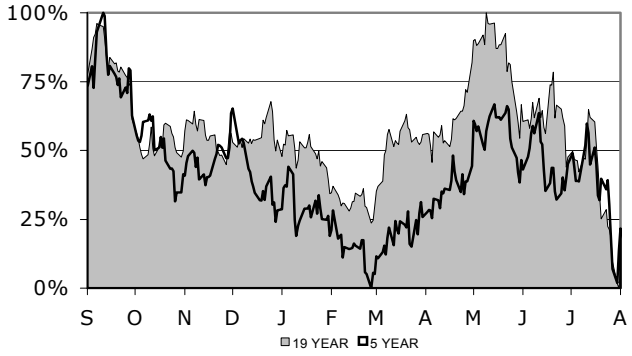

**May Soybean Futures**
**19 & 5 -Year Seasonal Chart**



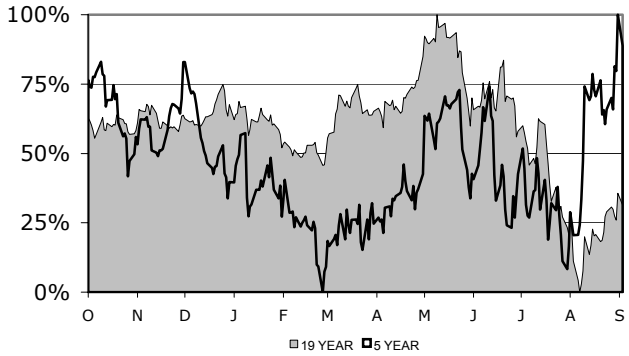

**July Soybean Futures**
**19 & 5 -Year Seasonal Chart**



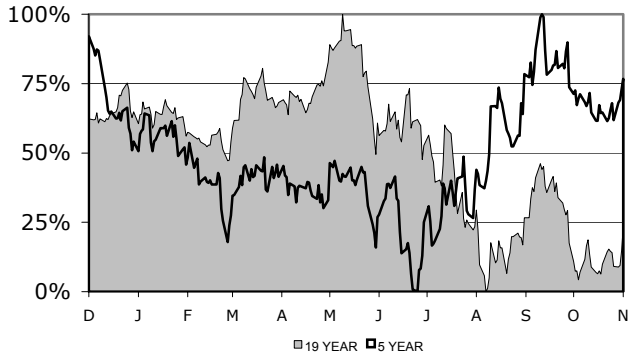

**August Soybean Futures**
**19 & 5 -Year Seasonal Chart**




**September Soybean Futures**
**19 & 5 -Year Seasonal Chart**



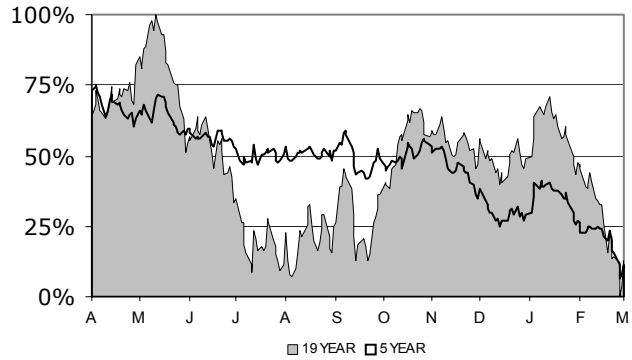

**November Soybean Futures**
**19 & 5 -Year Seasonal Chart**



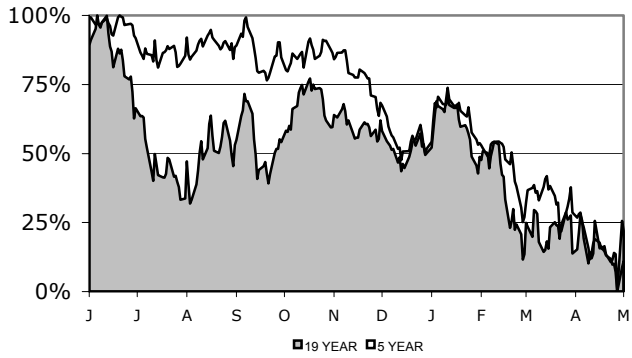

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN A SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# *CBOT Wheat Futures Seasonal Charts*

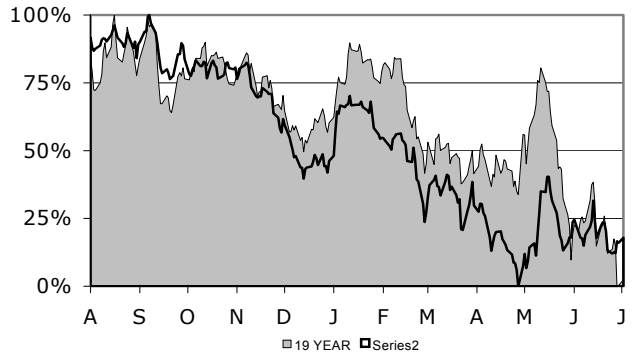
**March Wheat Futures**
**19 & 5 -Year Seasonal Chart**



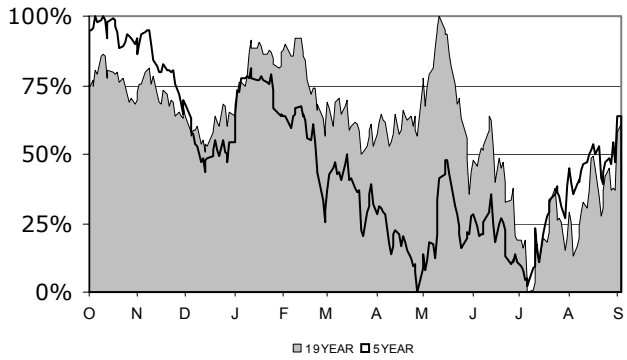

**May Wheat Futures**
**19 & 5 -Year Seasonal Chart**



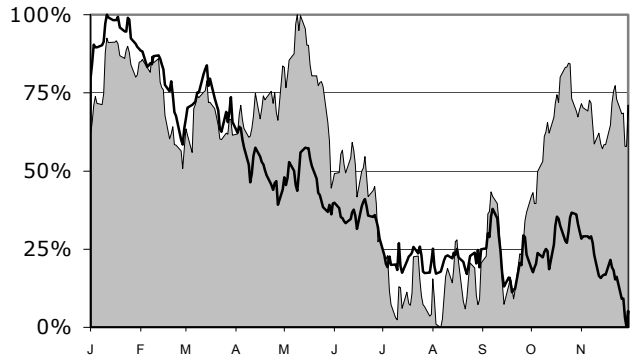

**July Wheat Futures**
**19 & 5 -Year Seasonal Chart**




**September Wheat Futures**
**19 & 5 -Year Seasonal Chart**




**December Wheat Futures**
**19 & 5 -Year Seasonal Chart**

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# *Appendix #5*

# Average Volatility Charts

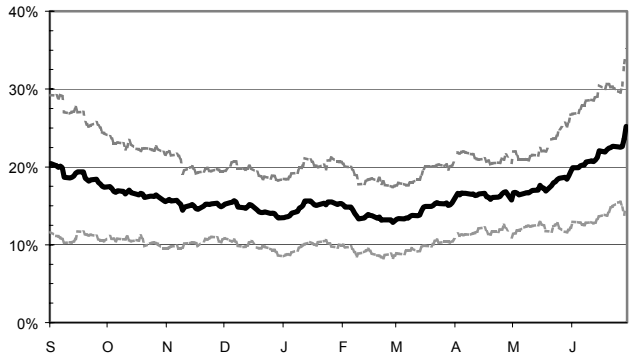
# *How to Read Average Volatility Charts*

Historic volatility is the standard deviation of the day-to-day logarithmic closing price changes, expressed as an annualized percentage. Simply put, historical volatility is the degree to which prices fluctuate over a period.

All of the volatility measures presented here are 20 day average historical volatilities for the last 19-years. This information can help speculators watch for periods of volatility, knowing when prices should be volatile and when they should not, based on the past. Though the future (or futures/options) does not necessarily have to repeat the past, these charts can help you spot periods when volatility is normally high or low, and you can plan your future market operations accordingly. For options traders, this information can be invaluable, as volatility is a key component in pricing options.

The charts depict behavior on a average basis, meaning the average volatility is plotted as the dark center line. Above and below this average is plotted the standard deviation of the average volatility, giving traders a clue when current volatility is historically high of low.

**July Soybean Futures**
**19-Year Average Volatility**

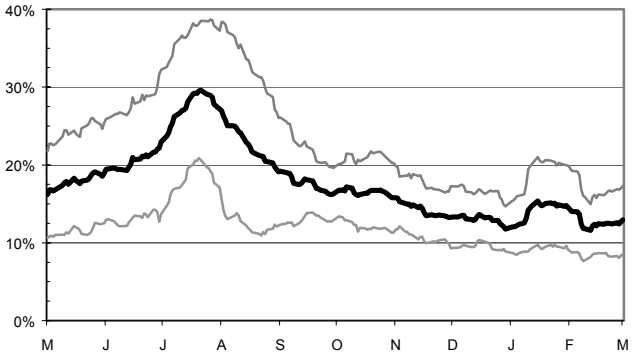



What these charts depict is the average behavior of the futures market. Similar to a map, the average volatility charts may be helpful in fine tuning stop losses, choosing to buy or sell options, as well as avoiding pitfalls. Trading using strictly the average volatility charts is similar to driving across the country with only a national map. You know the basic layout of the highways, but detours and construction can cause you to lose your way.

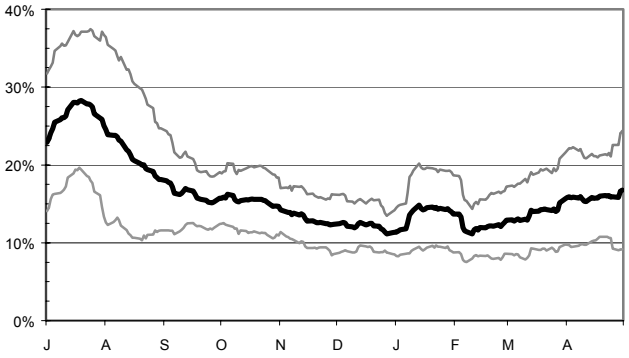
Obviously, the markets will not follow these patterns exactly, but they can be helpful in planning your market operations, showing the producer, purchaser, and speculator times of the year when the market has historically been wild or quiet, and they can act accordingly.

# *Corn Futures Average Volatility Charts*

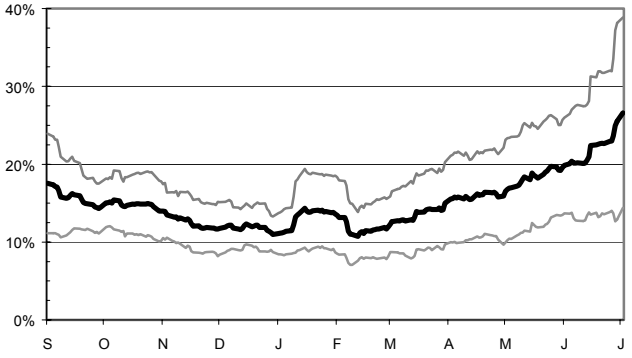
**March Corn Futures**
**19-Year Average Volatility**



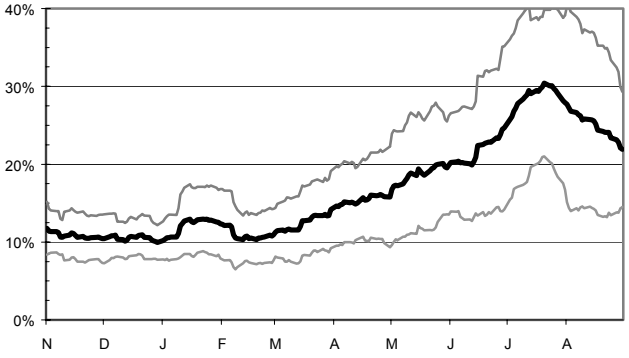

**May Corn Futures**
**19-Year Average Volatility**



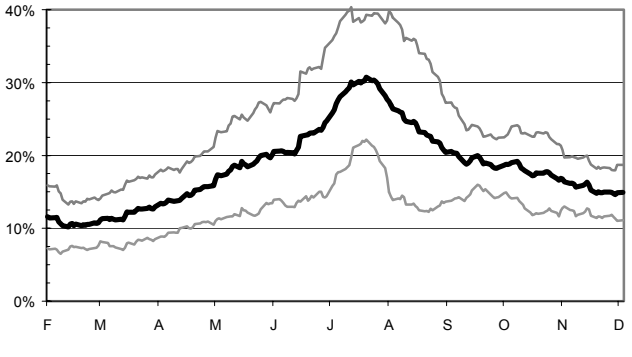

**July Corn Futures**
**19-Year Average Volatility**




**September Corn Futures**
**19-Year Average Volatility**



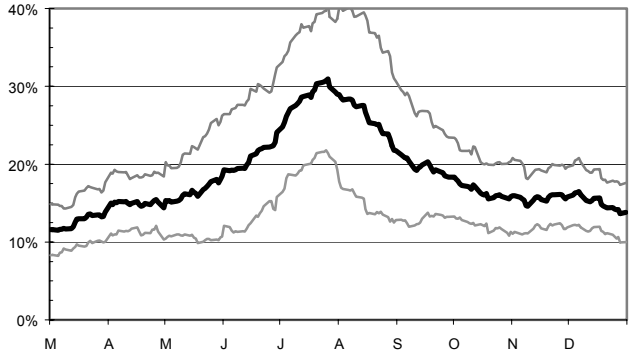

**December Corn Futures**
**19-Year Average Volatility**



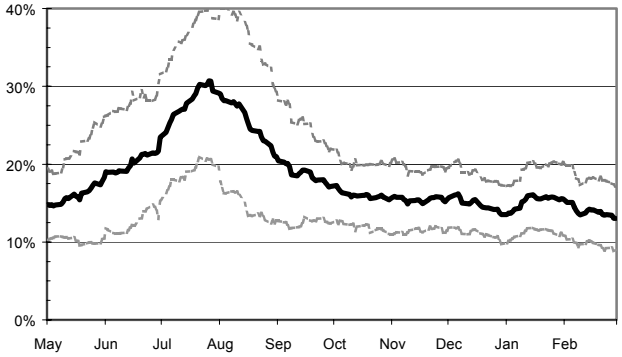

SEASONAL TENDENCIES ARE A COMPOSITE OF SOME OF THE MOST CONSISTENT COMMODITY FUTURES SEASONALS THAT HAVE OCCURRED IN THE PAST 15 YEARS. THERE ARE USUALLY UNDERLYING, FUNDAMENTAL CIRCUMSTANCES THAT OCCUR ANNUALLY THAT TEND TO CAUSE THE FUTURES MARKETS TO REACT IN A SIMILAR DIRECTIONAL MANNER DURING A CERTAIN CALENDAR YEAR. EVEN IF A SEASONAL TENDENCY OCCURS IN THE FUTURE, IT MAY NOT RESULT IN A PROFITABLE TRANSACTION AS FEES AND THE TIMING OF THE ENTRY AND LIQUIDATION MAY IMPACT ON THE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT HAS IN THE PAST, OR WILL IN THE FUTURE, ACHIEVE PROFITS USING THESE RECOMMENDATIONS. NO REPRESENTATION IS BEING MADE THAT PRICE PATTERNS WILL RECUR IN THE FUTURE.

# *Soybean Futures Average Volatility Charts*

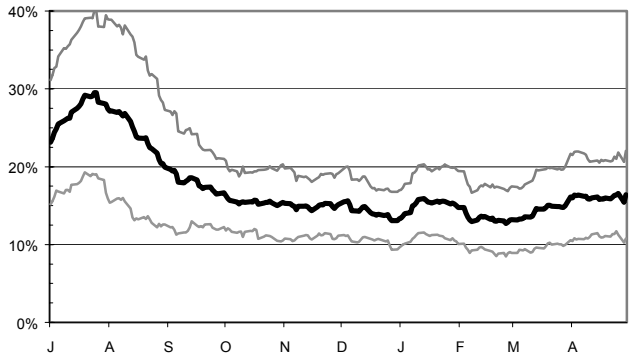
**January Soybean Futures**
**19-Year Average Volatility**



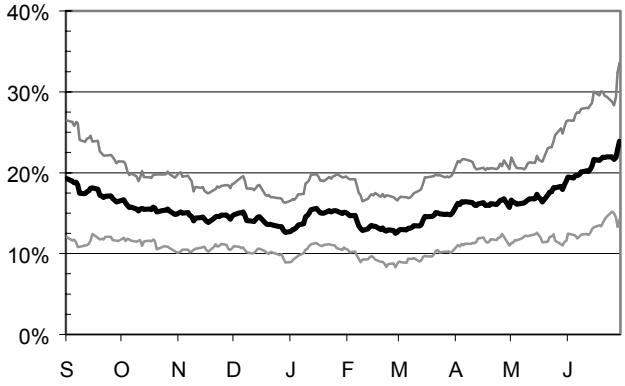

**March Soybean Futures**
**19-Year Average Volatility**



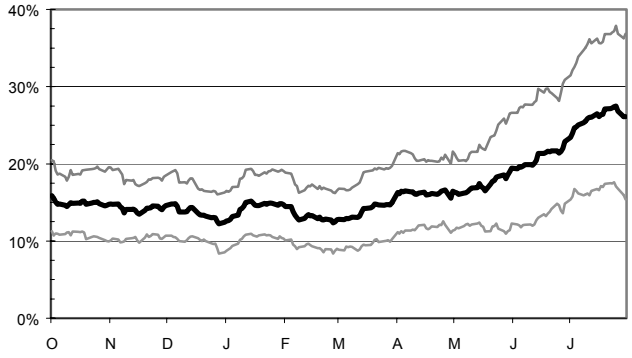

**May Soybean Futures**
**19-Year Average Volatility**



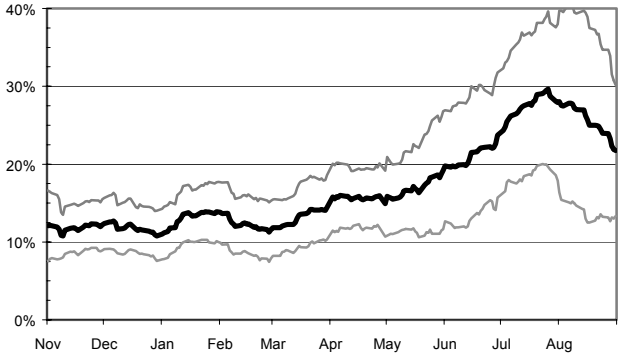

**July Soybean Futures**
**19-Year Average Volatility**



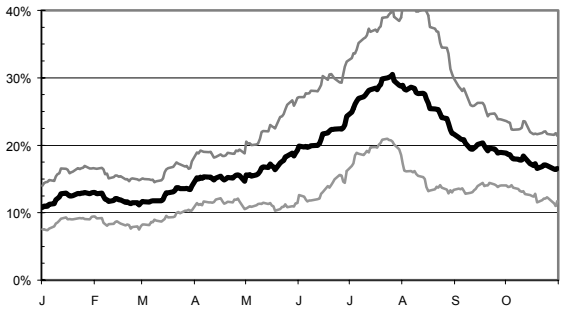

**August Soybean Futures**
**19-Year Average Volatility**




**September Soybean Futures**
**19-Year Average Volatility**




**November Soybean Futures**
**19-Year Average Volatility**

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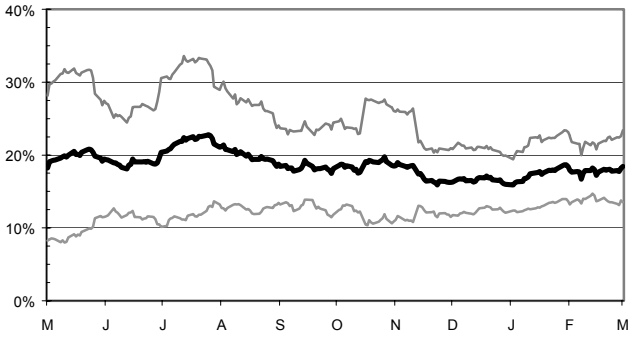
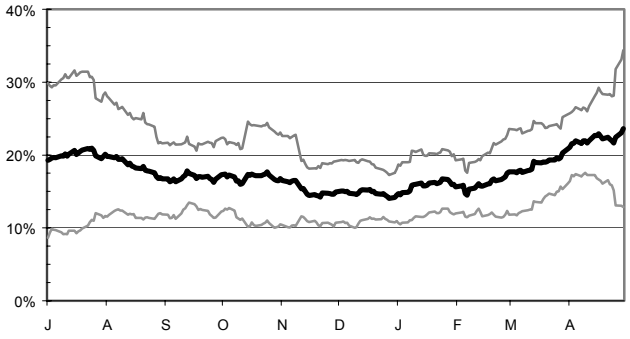
# *CBOT Wheat Average Volatility Charts*

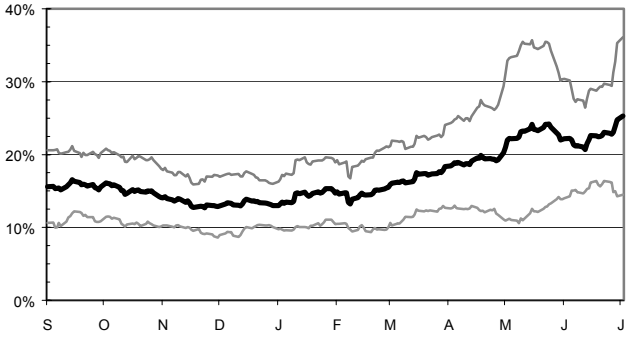
**March Wheat Futures**
**19-Year Average Volatility**



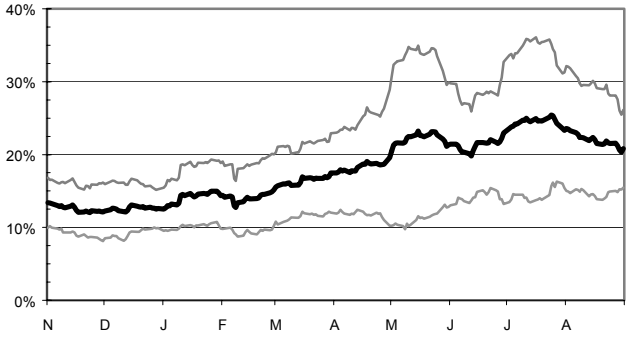

**May Wheat Futures**
**19-Year Average Volatility**



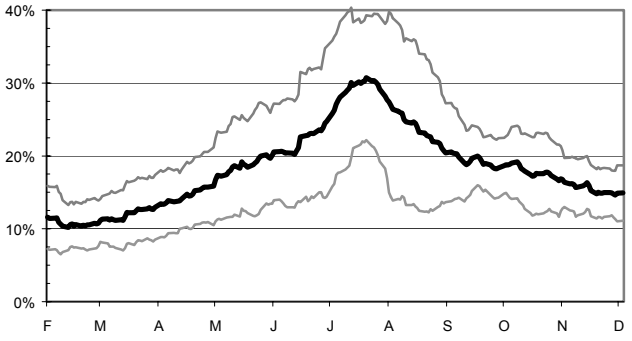

**July Wheat Futures**
**19-Year Average Volatility**




**September Wheat Futures**
**19-Year Average Volatility**




**December Wheat Futures**
**19-Year Average Volatility**

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## *Notes…*