

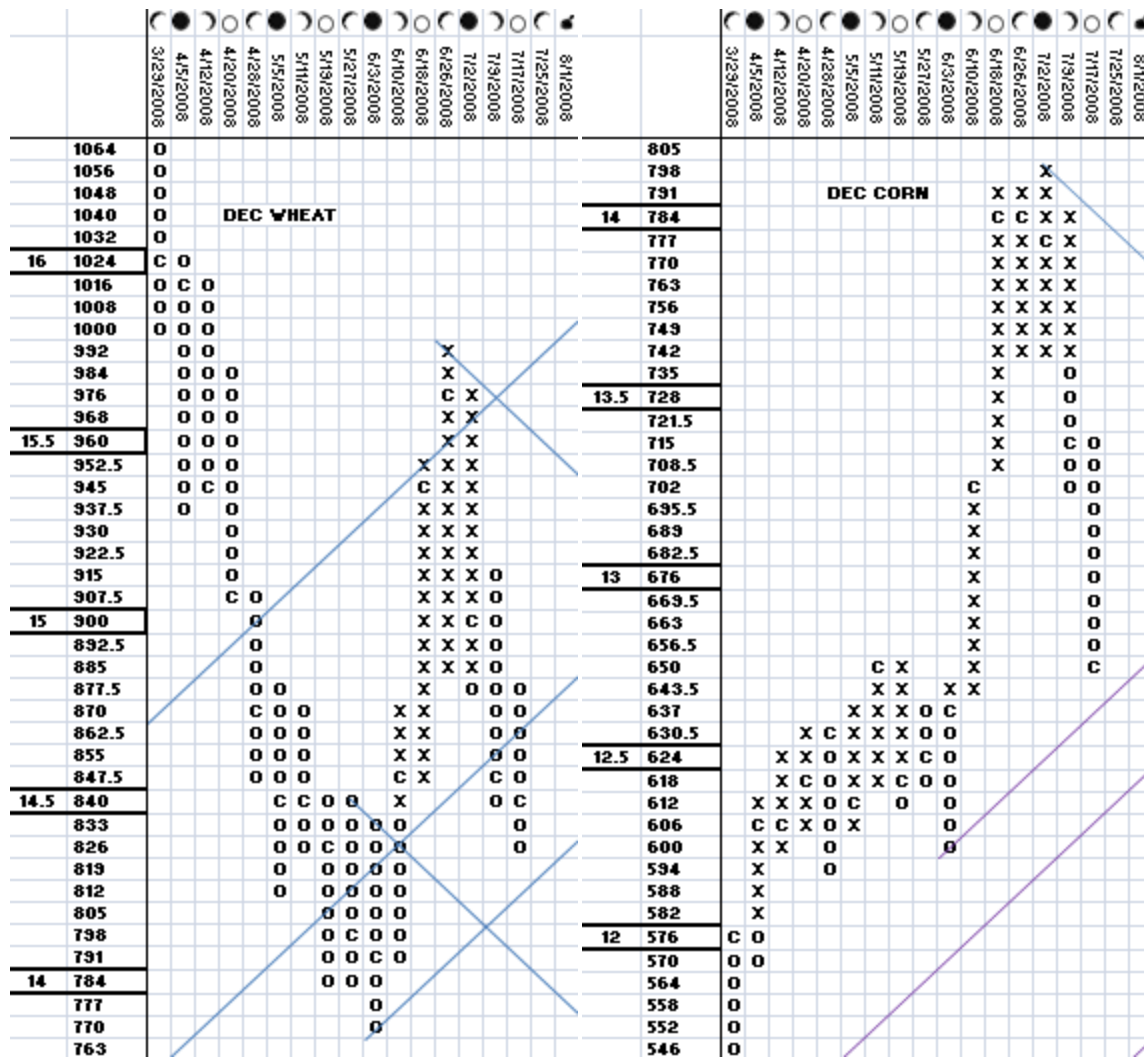


Update Tuesday, July 22, 2008

The Grain Index



As you can see the grain index is on support. If support is broken, one must assume the grain market trend is down. The bulls will need to see a strong weekly push to confirm support



The (above) Dec. Wheat and Corn charts show the trend change. Wheat made a secondary high with corn making a new high June. Wheat fell below 885 to change trend and corn fell below 735 to change the trend to the downside as bears gained control.



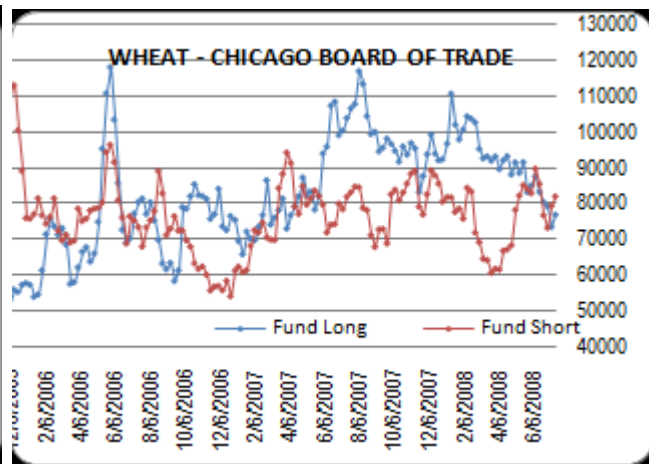
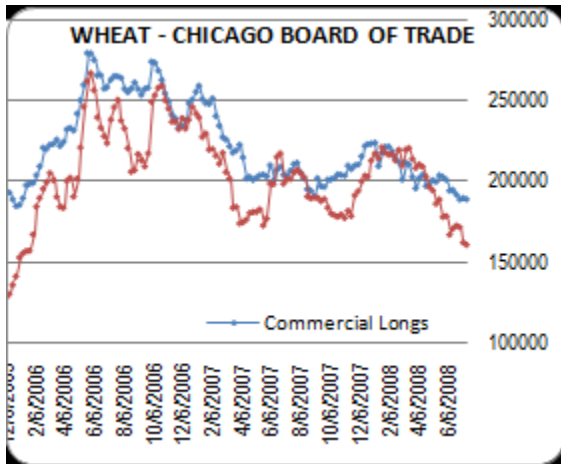
	3/29/2008	4/5/2008	4/12/2008	4/20/2008	4/28/2008	5/5/2008	5/11/2008	5/19/2008	5/27/2008	6/3/2008	6/10/2008	6/18/2008	6/26/2008	7/2/2008	7/9/2008	7/17/2008	7/25/2008	8/1/2008	
1640																			445.5
1630																			10.5 440
1620																			435
1610																			430
20 1600																			425
1590																			420
1580																			415
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1550																			10 400
1540																			395
1530																			390
19.5 1520																			385
1511																			380
1501																			375
1492																			370
1482																			365
1473																			3.5 360
1463																			355.5
1454																			351
19 1444																			346.5
1435																			342
1425																			337.5
1416																			333
1406																			328.5
1397																			3 324
1387																			319.5
1378																			315
18.5 1368																			310.5
1359																			306
1350																			301.5
1341																			297
1332																			292.5
1323																			8.5 288
1314																			284
1305																			280
18 1296																			276
1287																			272
1278																			268
1269																			264
1260																			260

The (above) charts, Nov Beans and Dec Meal show trend change. With Monday's lower prices, bulls are on the ropes. Crude oil has also broken trend which leads to the Bio-fuel convergence. Bulls will lean on the hope of turn-around Tuesday for reversals.



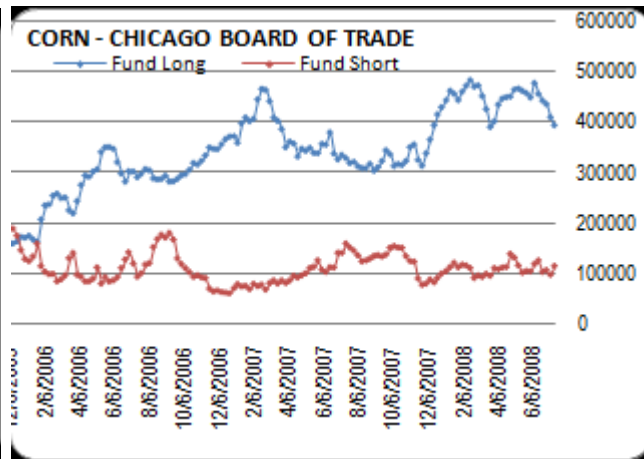
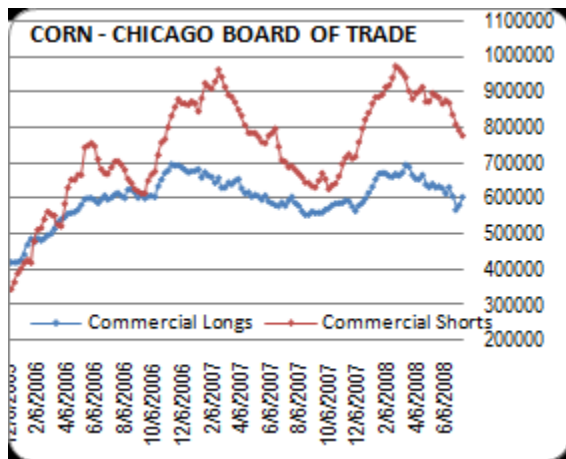
CFTC Commitment of Trader

WHEAT - CHICAGO BOARD OF TRADE								
RECORDS!	OI	FL	FS	CL	CS	Fund_Vol	Comm Vol	Spec Vol
7-YR low	81205	15689	9607	32331	25014	30186	67273	33790
7-wk low	329197	73359	73377	188310	160799	152578	349232	69100
7-wk high	367197	87470	89852	200579	178740	177322	379319	82444
Record H	538053	118023	113097	279155	267454	214519	546434	125605
Record H	5/30/2006	5/30/2006	12/13/2005	5/23/2006	5/30/2006	5/30/2006	5/30/2006	11/20/2007
7-YR low	12/10/2002	5/7/2002	10/15/2002	12/17/2007	5/21/2002	12/10/2002	5/21/2002	7/1/2003
HISTORY!	OI	FL	FS	CL	CS	Fund_Vol	Comm Vol	Spec Vol
7/15/2008	331716	76798	82143	188433	160799	158941	349232	71081
7/8/2008	329197	73359	79542	189229	162212	152901	351441	69100
7/1/2008	340835	79201	73377	188310	171781	152578	360091	74493
6/24/2008	349615	80453	76863	191393	172749	157316	364142	82444
6/17/2008	362126	83236	85643	194200	170893	168879	365093	82344
6/10/2008	360132	87470	89852	193745	167057	177322	360802	76708
6/3/2008	367197	84981	82978	200579	178740	167959	379319	78930



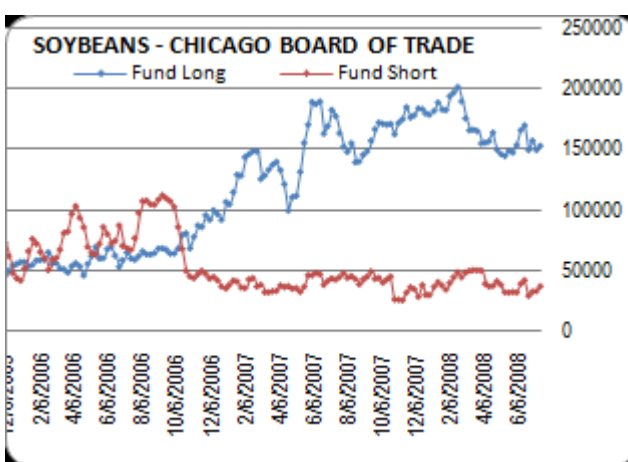
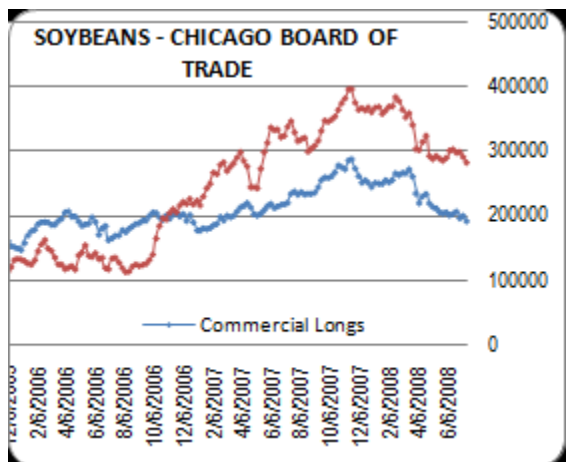
Open interest has steadily declined since 05-30-06 highs. If open interest begins to increase because of an increase in Commercials shorts and /or Fund shorts, this market is in a long-term down trend. Out of all the grains the numbers of the wheat may find a low first.

CORN - CHICAGO BOARD OF TRADE								
RECORDS!	OI	FL	FS	CL	CS	Fund_Vol	Comm Vol	Spec Vol
7-YR low	347038	52521	22505	160114	139161	88086	343190	162457
7-wk low	1282981	394361	98375	567595	774515	508796	1369927	346015
7-wk high	1425629	478165	126127	631138	873883	597504	1497750	397917
Record H	1523926	483845	194209	694925	970152	597504	1638278	476220
Record H	2/20/2007	2/19/2008	1/18/2005	11/14/2006	2/20/2007	6/10/2008	2/26/2008	11/7/2006
7-YR low	9/16/2003	9/19/2000	9/4/2001	9/10/2001	7/15/2003	7/31/2001	4/30/2002	7/6/2004
HISTORY!	OI	FL	FS	CL	CS	Fund_Vol	Comm Vol	Spec Vol
7/15/2008	1300222	394361	115125	603877	774515	509486	1378392	347654
7/8/2008	1282981	410421	98375	580827	789100	508796	1369927	346015
7/1/2008	1317496	436150	107203	567595	805714	543353	1373309	358910
6/24/2008	1366107	443320	103591	606088	833551	546911	1439639	374560
6/17/2008	1425629	456342	126127	631138	866612	582469	1497750	394669
6/10/2008	1412551	478165	119339	612962	873883	597504	1486845	397917
6/3/2008	1405256	449190	105040	627902	864360	554230	1492262	379690



Corn has bearish problem in the Fund Longs. The differential between shorts and longs is too wide. This is after a \$2 dollar drop! The potential saving grace maybe the overstated balance in Commercial shorts. Just under 800000 contracts, since the highs in Feb. exports have been good. This means the shorts will have to buy back a bunch of contracts soon.

SOYBEANS - CHICAGO BOARD OF TRADE								
RECORDS!	OI	FL	FS	CL	CS	Fund_Vol	Comm Vol	Spec Vol
7-YR low	143054	13017	5141	49152	61300	37609	125016	64170
7-wk low	459324	149602	29564	192021	282135	179166	474156	130391
7-wk high	503179	170109	42403	206919	302981	212512	506554	139177
Record H	616048	201702	111954	287873	396897	250658	684770	191219
Record H	2/19/2008	2/19/2008	9/12/2006	11/20/2007	11/20/2007	2/19/2008	11/20/2007	12/11/2007
7-YR low	5/8/2001	12/28/2001	12/31/2002	7/10/2001	5/8/2001	1/9/2002	5/15/2001	8/12/2003
HISTORY!	OI	FL	FS	CL	CS	Fund_Vol	Comm Vol	Spec Vol
7/15/2008	459324	153194	37359	192021	282135	190553	474156	139177
7/8/2008	472456	149633	33335	200484	291115	182968	491599	137861
7/1/2008	479364	157366	32924	196682	298897	190290	495579	133769
6/24/2008	476188	149602	29564	206919	297749	179166	504668	135944
6/17/2008	503179	170109	42403	203573	302981	212512	506554	139056
6/10/2008	489586	166026	39423	201278	300962	205449	502240	136085
6/3/2008	470984	153734	32332	205338	289869	186066	495207	130391



Beans and corn have a more potential for a hard collapse. The problem is the Fund longs are 50% of the commercial shorts. If, the Fund shorts increase, should cause a further decline in prices. Typically, the beans hold major prices until the critical first week of August weather is know. If weather is benign, look fund longs to bail, and funds shorts to increase.



Risk Disclosure

Please Note: All performance figures and illustrations were obtained using historical back testing on a computer and are not the results of an actual account. No guarantee is inferred that future performance will be like the results shown. Futures trading involves risk. There is a risk of loss in Commodity Futures trading.

