

Grainscoop I

Subject: RJO Soy-complex technical comments from Toth...

Sent: Monday, June 03, 2013 9:27 AM

Subject: RJO Soy-complex technical comments from Toth...

In sum, a bullish policy and exposure remain advised with weakness below at least 15.09 and preferably 14.71 required to defer or threaten this call. In lieu of such weakness, further and possibly accelerated gains remain expected.

JUL SOYBEANS

While the clear and present and impressive rally has reached the 50% retrace of Sep'12 - Apr's 17.89 - 13.41 decline on a weekly log scale active-continuation chart below, traders are reminded that such merely *derived* technical levels like trend lines, various "bands", the always-useless moving averages and even the Fibonacci relationships we use extensively never have been nor ever will be reliable, objective technical reasons to buck a trend without an accompanying bearish (in this case) divergence in momentum needed to stem the trend. Coming off a *confirmed* bullish divergence in *weekly* momentum above 14.98, a more extensive correction or reversal of Sep-Apr's decline remains arguable intact and should not surprise by its continuance.



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013

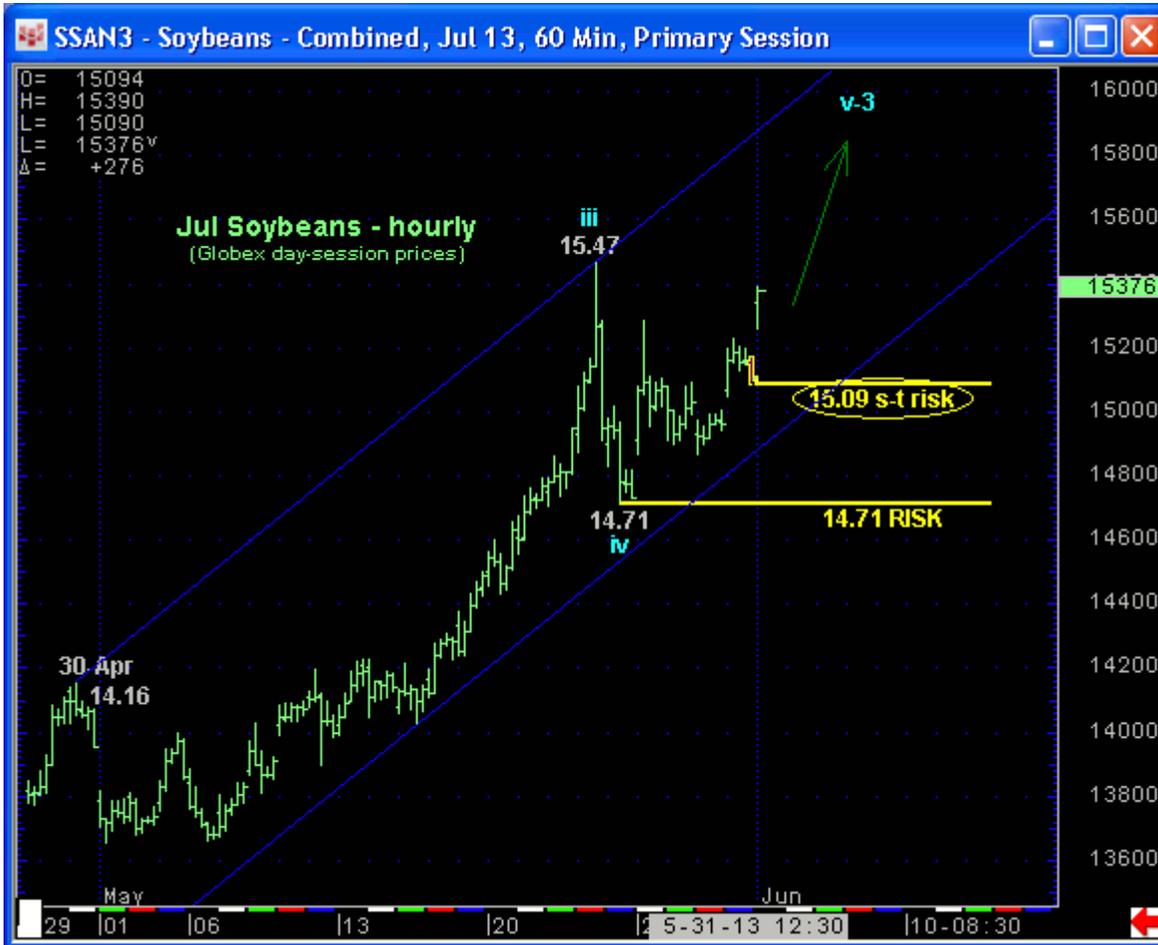


Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com> Mon Jun 03 2013

The extent and impulsiveness of the past month's rally is clear in the daily chart above with the recent setback to 24-May's 14.71 low considered a (4th-Wave) correction within an eventual 5-wave rally from 05-Apr's 13.36 low. On this scale a failure below 14.71- which defines our new long-term risk parameter- is required to *confirm* a bearish divergence in momentum of a scale sufficient to break the uptrend from 13.36.

On a shorter-term basis detailed in the hourly chart below and as a direct result of today's strength, the rally has left Fri afternoon's 15.09 low in its wake as the latest corrective low and

new short-term risk parameter this market is now minimally required to break to even defer the bull, let alone threaten it. In sum, a bullish policy and exposure remain advised with weakness below at least 15.09 and preferably 14.71 required to defer or threaten this call. In lieu of such weakness, further and possibly accelerated gains remain expected.

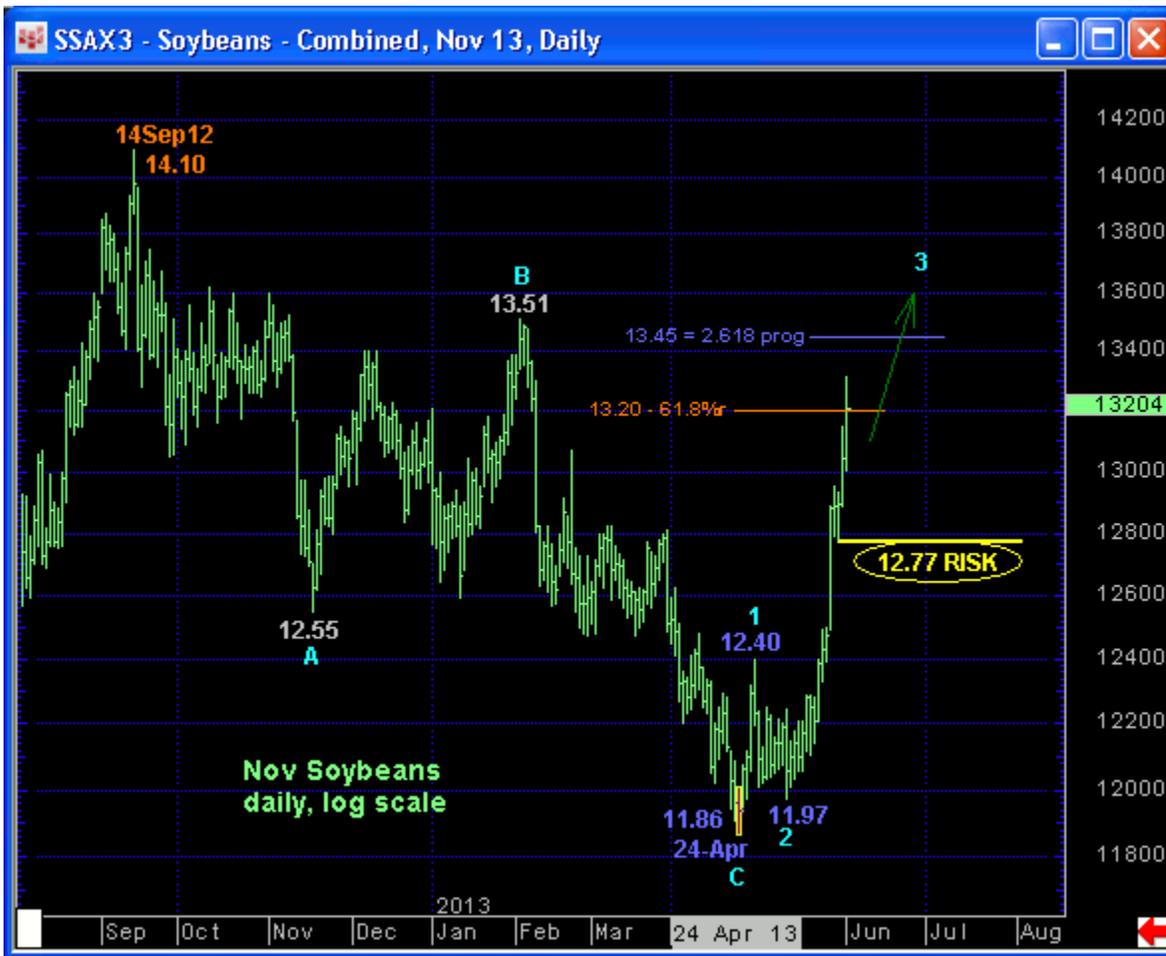


Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com> Mon Jun 03 2013

NOV SOYBEANS

To our point about "derived" technical levels above, the daily log scale chart of Nov beans below shows that this market blew through the 38.2% and 50% retraces of Sep - Apr's 14.10 - 11.86 decline and looks to be doing the same today with the (13.20) 61.8% retrace. Also in the for-what-it's-worth category is the (13.45) 2.618 progression of late-Apr's 11.86 - 12.40 1st-Wave rally from 10-May's 11.97 low. While worth knowing where this progression cuts across, like the retraces it is NOT to be considered resistance without an accompanying *confirmed* bearish divergence in momentum. The suspected 3rd-Wave from 11.97 looks to be "extending", and this

warns of not only further gains but also a more extensive (4th-Wave) "slowdown" process that could span weeks before the rally is considered in jeopardy of ending.



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013

The hourly chart below details the impulsiveness of the past month's rally with weakness below at least Fri afternoon's 13.01 minor corrective low and new short-term risk parameter required to even defer the rally, let alone threaten it. On a scale sufficient to break the rally from 24-Apr's 11.86 low we believe proof of weakness below 30-May's 12.77 corrective low is needed.

In sum, a bullish policy is advised with weakness below at least 13.01 and preferably 12.77 required to defer or threaten this call. In lieu of such weakness, further and possibly accelerated gains are expected.



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013

JUL SOYBEAN MEAL

Virtually identically to the analysis detailed above for Jul soybeans, the weekly log scale chart below shows Jul meal kissing the (459.6) 50% retrace of Sep-Apr's 541.8 - 389.8 decline. Especially on the heels of a confirmed bullish divergence in *weekly* momentum above 443.9 however, traders are urged NOT to consider this merely derived Fib retrace as anything more than a notable in the absence of a confirmed bearish divergence in momentum. So as is the case with all clear and present uptrends, the major technical focus is now on prior corrective lows as the key risk parameters this market is required to fail below to defer or threaten a bullish count.



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com> Mon Jun 03 2013 08:49:42

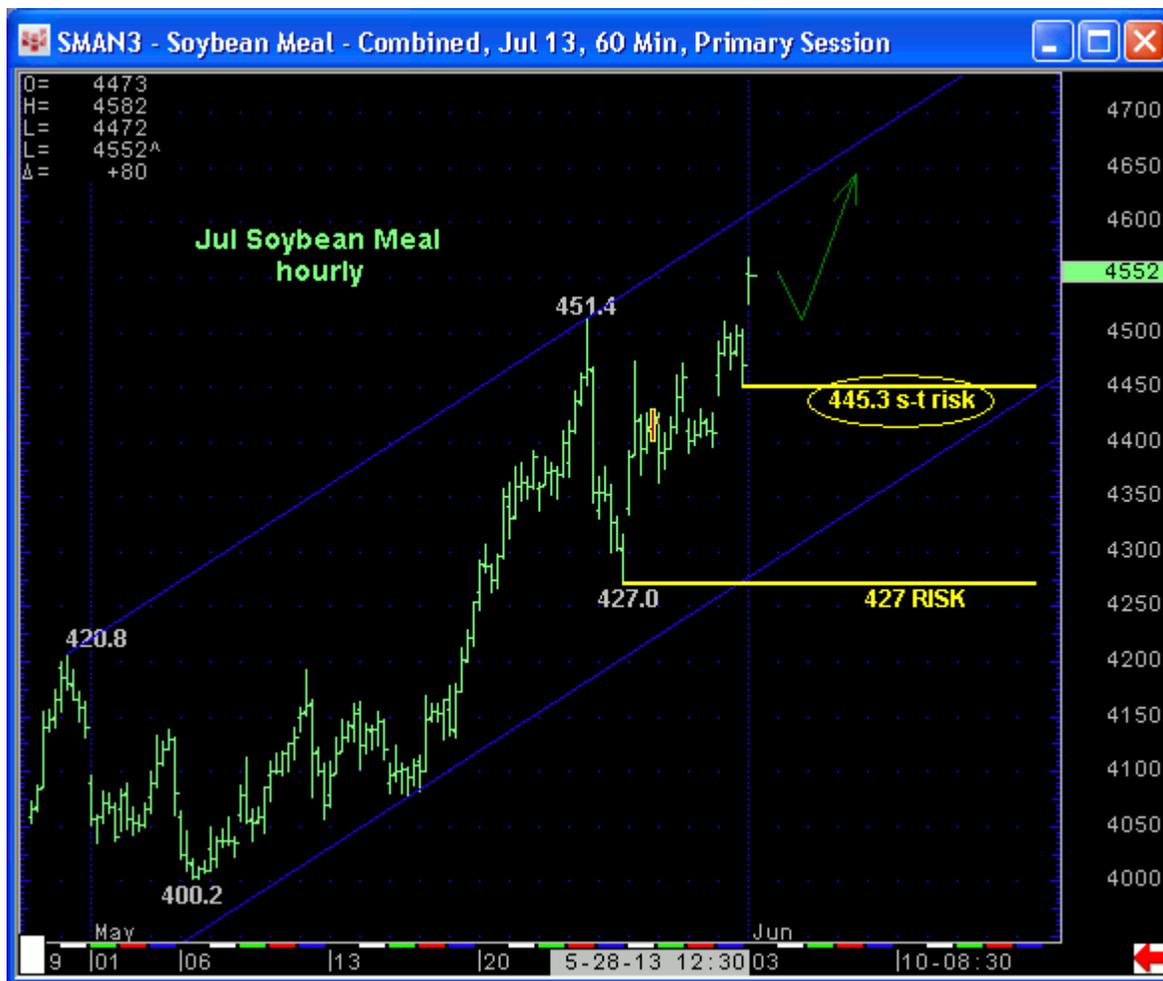


Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013

As the daily chart above and hourly chart below show, the market's in a very nice, impulsive uptrend that we expect to ultimately unfold in a nice 5-wave sequence up from 16-Apr's 388.0 low. To this point we don't even think Wave-3 of this sequence has been completed. But regardless, the trend is considered up and expected to continue until or unless the market fails below recent corrective lows at 445.3 (tight) and 427.0. Per such, a bullish policy and exposure remain advised with protective sell-stops at 445.2 for shorter-term traders with tighter risk profiles and a failure below 427.0 required to for even long-term players to step aside. In lieu

of such weakness, further and possibly accelerated gains remain expected.



Source: CQG Inc. © 2013 All rights reserved worldwide. <http://www.cqg.com>

Mon Jun 03 2013

R. J. O'Brien & Associates, LLC Disclaimer:

This material has been prepared by a sales or trading employee or agent of R.J. O'Brien and is, or is in the nature of, a solicitation. This material is not a research report prepared by R.J. O'Brien's Research Department. By accepting this communication, you agree that you are an experienced user of the futures markets, capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.

DISTRIBUTION IN SOME JURISDICTIONS MAY BE PROHIBITED OR RESTRICTED BY LAW. PERSONS IN POSSESSION OF THIS COMMUNICATION INDIRECTLY SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH PROHIBITION OR RESTRICTIONS. TO THE EXTENT THAT YOU HAVE RECEIVED THIS COMMUNICATION INDIRECTLY AND SOLICITATIONS ARE PROHIBITED IN YOUR JURISDICTION

WITHOUT REGISTRATION, THE MARKET COMMENTARY IN THIS COMMUNICATION SHOULD NOT BE CONSIDERED A SOLICITATION.

The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. Past performance, whether actual or indicated by simulated historical tests of strategies, is not indicative of future results. Trading advice is based on information taken from trades and statistical services and other sources that R.J. O'Brien believes are reliable. We do not guarantee that such information is accurate or complete and it should not be relied upon as such. Trading advice reflects our good faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice we give will result in profitable trades.