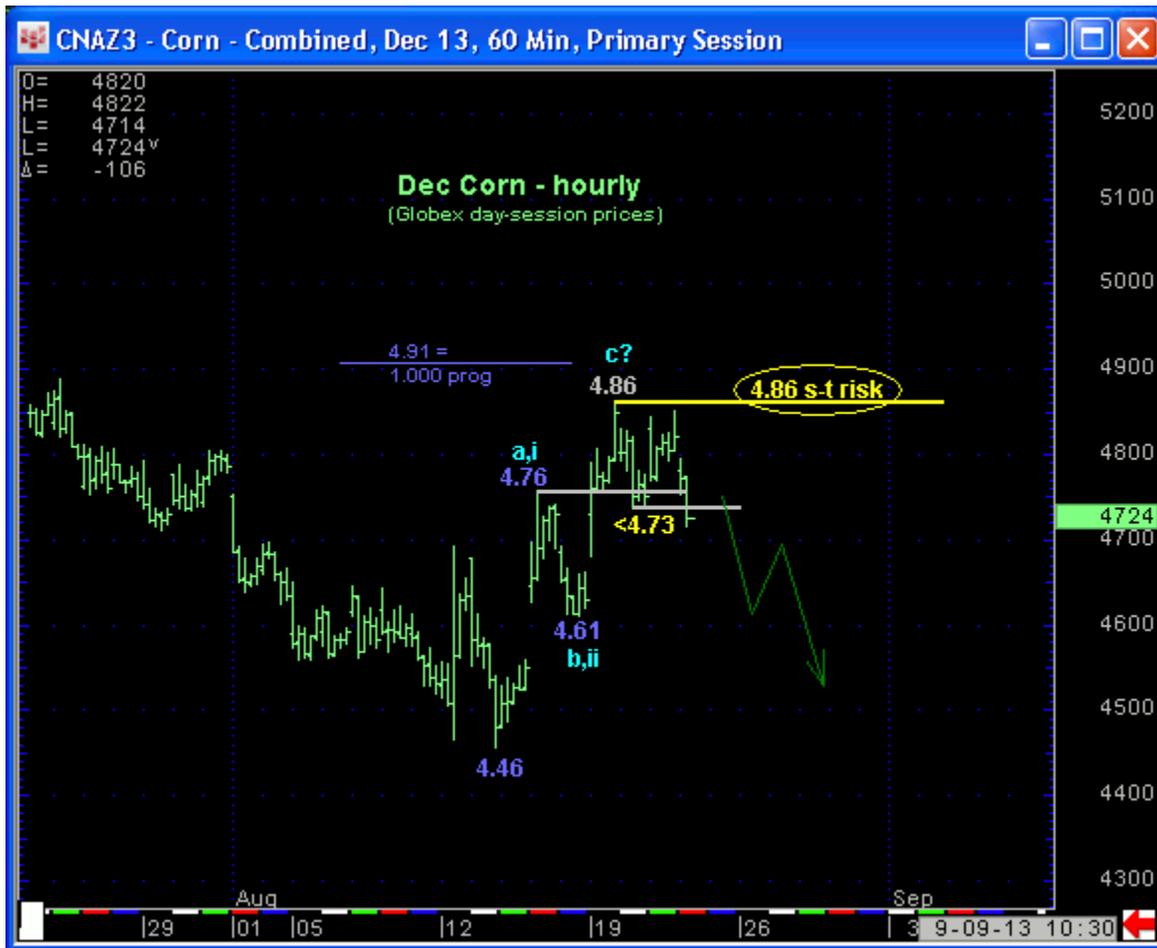


Grainscoop M1

RJO David Toth

With this morning's slip below Tue's 4.73 low detailed in the hourly chart below, the market has defined Mon's 4.86 high as one of developing importance and possibly the *end* of Aug's recovery attempt that is arguably a correction within the major downtrend. As a result of this morning's weakness, we are considering this 4.86 high as the new short-term risk parameter from which bearish exposure can once again be objectively based and managed.



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Thu Aug 22 2013

Contributing to a resumed bearish count is this month's failure thus far at a suspected resistance candidate defined by 08-Jul's 4.90 low and former support-turned-resistance as well as the (4.87) 50% retrace of Jul-Aug's 5.28 - 4.46 portion of the major downtrend. In lieu of strength above at least Mon's 4.86 high and preferably the 4.90-area in general, the daily chart below shows that this month's rebound fits well within the confines of a mere correction within the major decline from last year's 8.49 all-time high.



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Thu Aug 22 2013

In this month's earlier Technical Blogs we discussed the pair of Fibonacci relationships at 4.48 and 4.44. 4.48 is the 61.8% retrace of Sep'09 - Aug'12's 3.02 - 8.49 rally on a weekly log scale chart below while 4.44 is where the 1.618 progression of 2011-'12's 8.00 - 5.36 decline from Aug'12's 8.49 high cut across. The low to the major downtrend thus far is 4.46! Amidst relatively pessimistic levels of sentiment we do not want to ignore the prospect for a base/reversal threat.

Given the magnitude of the major downtrend however, much more significant proof of impulsive behavior higher AND 3-wave, *corrective* behavior on subsequent relapse attempts remains required before veering from a long-term bearish count can be considered an objective move. In lieu of such requirements, longer-term traders remain advised to first approach recovery attempts like this month's 4.46 - 4.86 pop corrective selling/hedging opportunities.

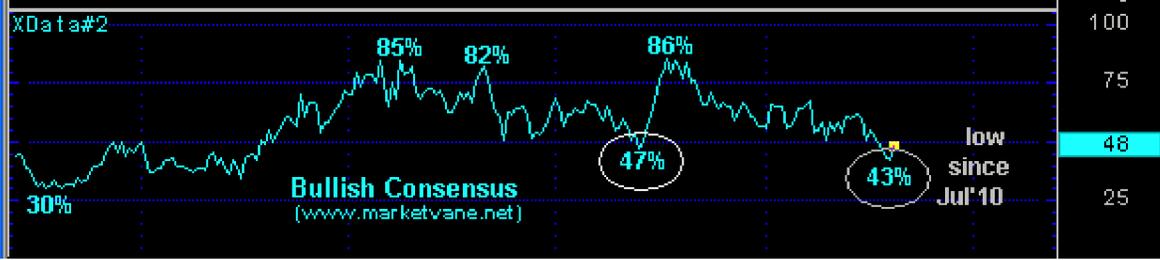
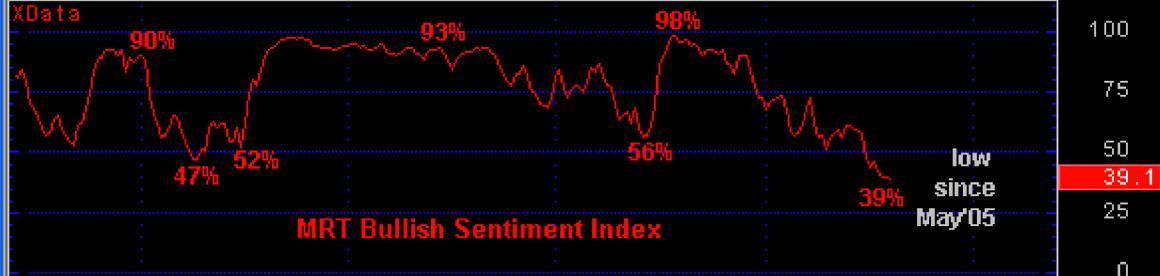
These issues considered, a bearish policy and exposure remain advised for longer-term players with strength above 4.95 the *minimum* required to threaten this view enough to warrant moving to the sidelines. Short-term traders with tighter risk profiles advised to step aside from bearish exposure following 15-Aug's bullish divergence in short-term mo above 4.69 are advised to re-establish bearish positions at-the-market (4.70) with strength above 4.86 required to negate this call. In lieu of

such 4.86+ strength, we anticipate a resumption of the major downtrend to new and potentially significant lows below 4.46.

CNA - Corn - Combined, Active Weekly Continuation



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