

**Saturday, 23 January 2021**

## Eddie's Crayons...on GRAINS & STARCHES...Part 1

Weekly Technicals from Eddie Tofpik, Head Of Technical Analysis & Senior Markets Analyst at ADMISI

Quality of Support or Resistance...



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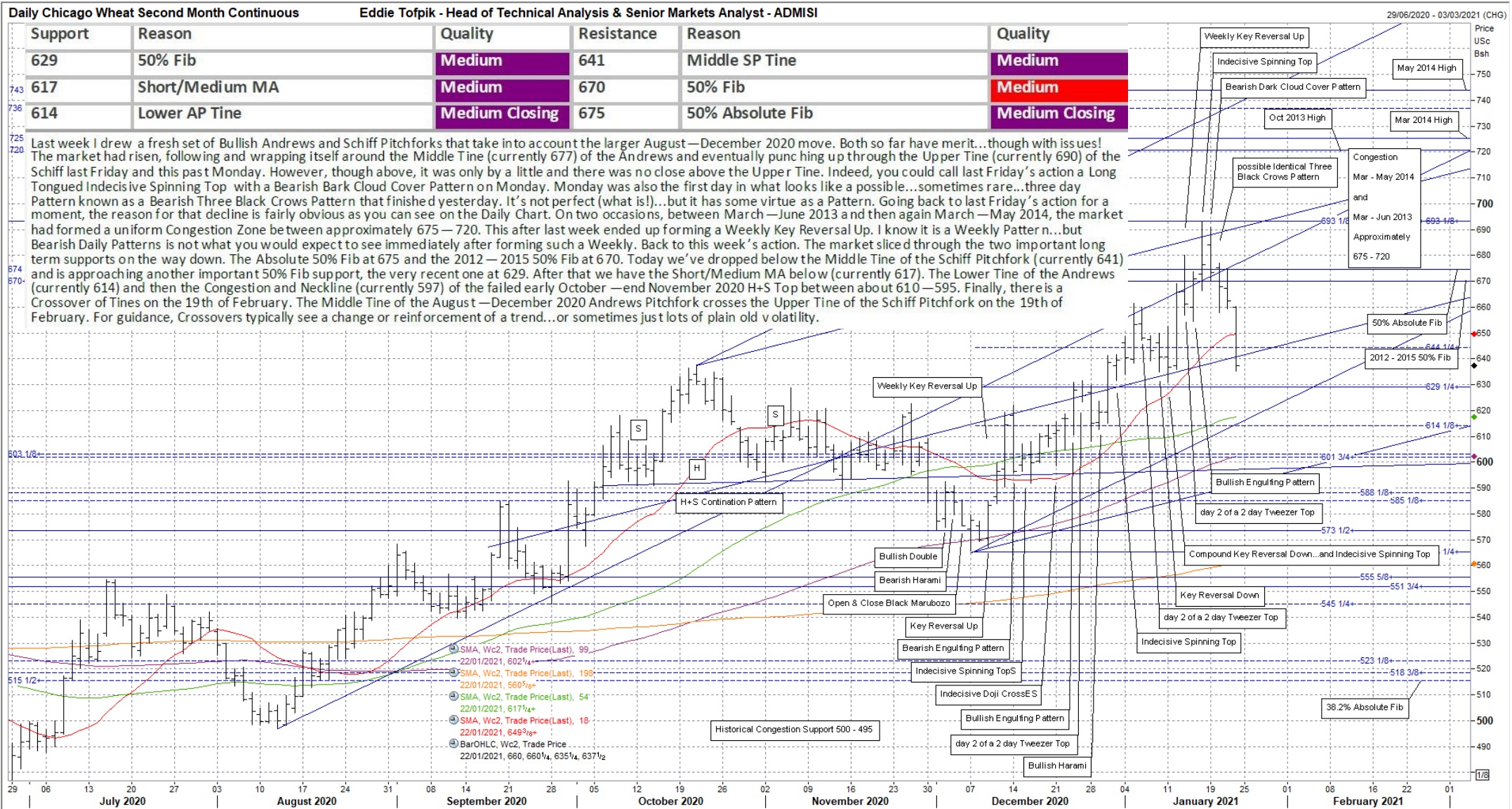
Low

Medium

**Strong**

Daily Chicago Wheat Second Month Continuous			Eddie Tofpik - Head of Technical Analysis & Senior Markets Analyst - ADMISI			
	Support	Reason	Quality	Resistance	Reason	Quality
	629	50% Fib	Medium	641	Middle SP Tine	Medium
743	617	Short/Medium MA	Medium	670	50% Fib	Medium
736	614	Lower AP Tine	Medium Closing	675	50% Absolute Fib	Medium Closing

720 Last week I drew a fresh set of Bullish Andrews and Schiff Pitchforks that take into account the larger August—December 2020 move. Both so far have merit...though with issues! The market had risen, following and wrapping itself around the Middle Tine (currently 677) of the Andrews and eventually punching up through the Upper Tine (currently 690) of the Schiff last Friday and this past Monday. However, though above, it was only by a little and there was no close above the Upper Tine. Indeed, you could call last Friday's action a Long Tongued Indecisive Spinning Top with a Bearish Bark Cloud Cover Pattern on Monday. Monday was also the first day in what looks like a possible...sometimes rare...three day Pattern known as a Bearish Three Black Crows Pattern that finished yesterday. It's not perfect (what is!)...but it has some virtue as a Pattern. Going back to last Friday's action for a moment, the reason for that decline is fairly obvious as you can see on the Daily Chart. On two occasions, between March—June 2013 and then again March—May 2014, the market had formed a uniform Congestion Zone between approximately 675—720. This after last week ended up forming a Weekly Key Reversal Up. I know it is a Weekly Pattern...but Bearish Daily Patterns is not what you would expect to see immediately after forming such a Weekly. Back to this week's action. The market sliced through the two important long term supports on the way down. The Absolute 50% Fib at 675 and the 2012—2015 50% Fib at 670. Today we've dropped below the Middle Tine of the Schiff Pitchfork (currently 641) and is approaching another important 50% Fib support, the very recent one at 629. After that we have the Short/Medium MA below (currently 617). The Lower Tine of the Andrews (currently 614) and then the Congestion and Neckline (currently 597) of the failed early October—end November 2020 H+S Top between about 610—595. Finally, there is a Crossover of Tines on the 19th of February. The Middle Tine of the August—December 2020 Andrews Pitchfork crosses the Upper Tine of the Schiff Pitchfork on the 19th of February. For guidance, Crossovers typically see a change or reinforcement of a trend...or sometimes just lots of plain old volatility.



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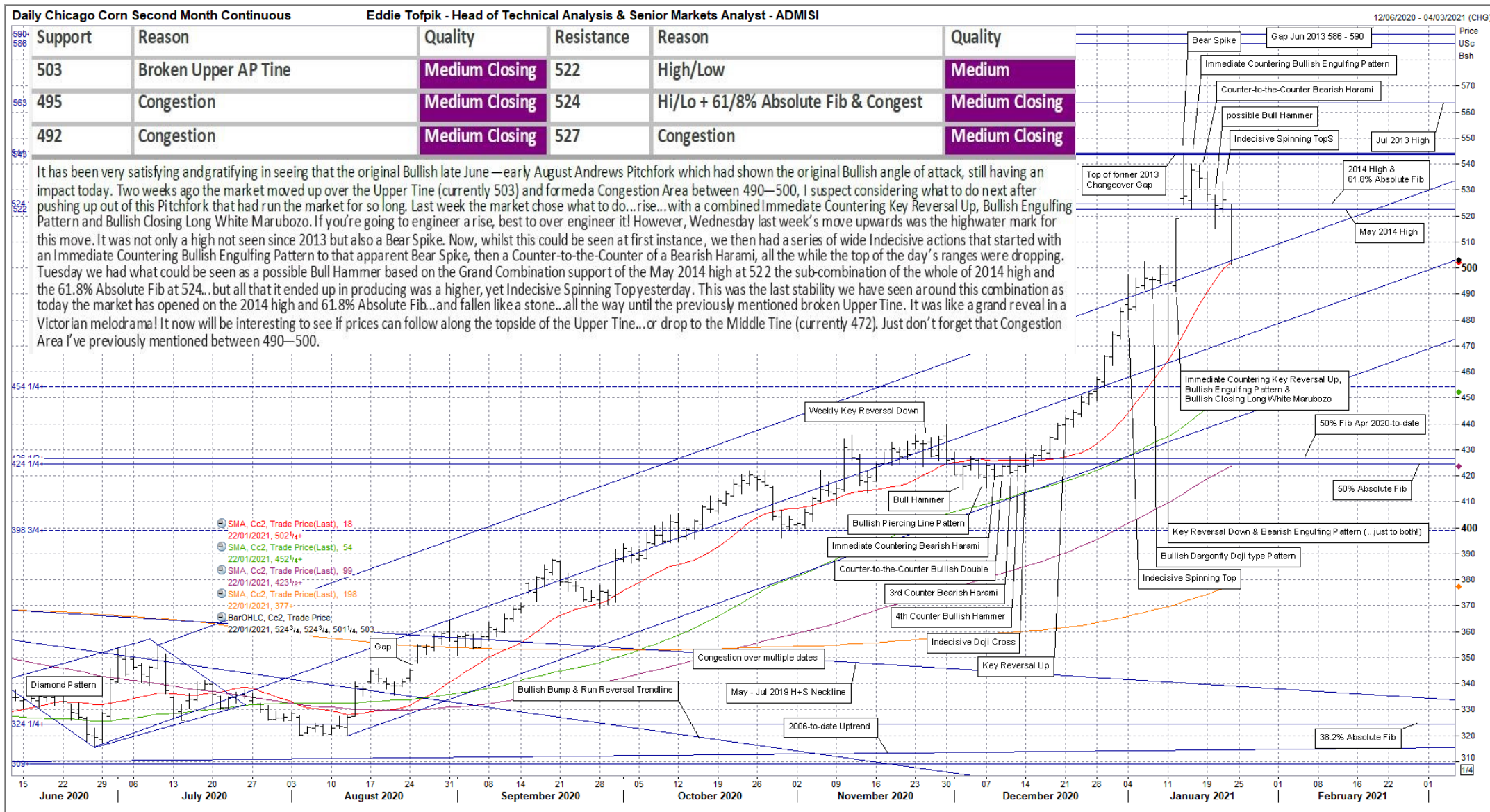
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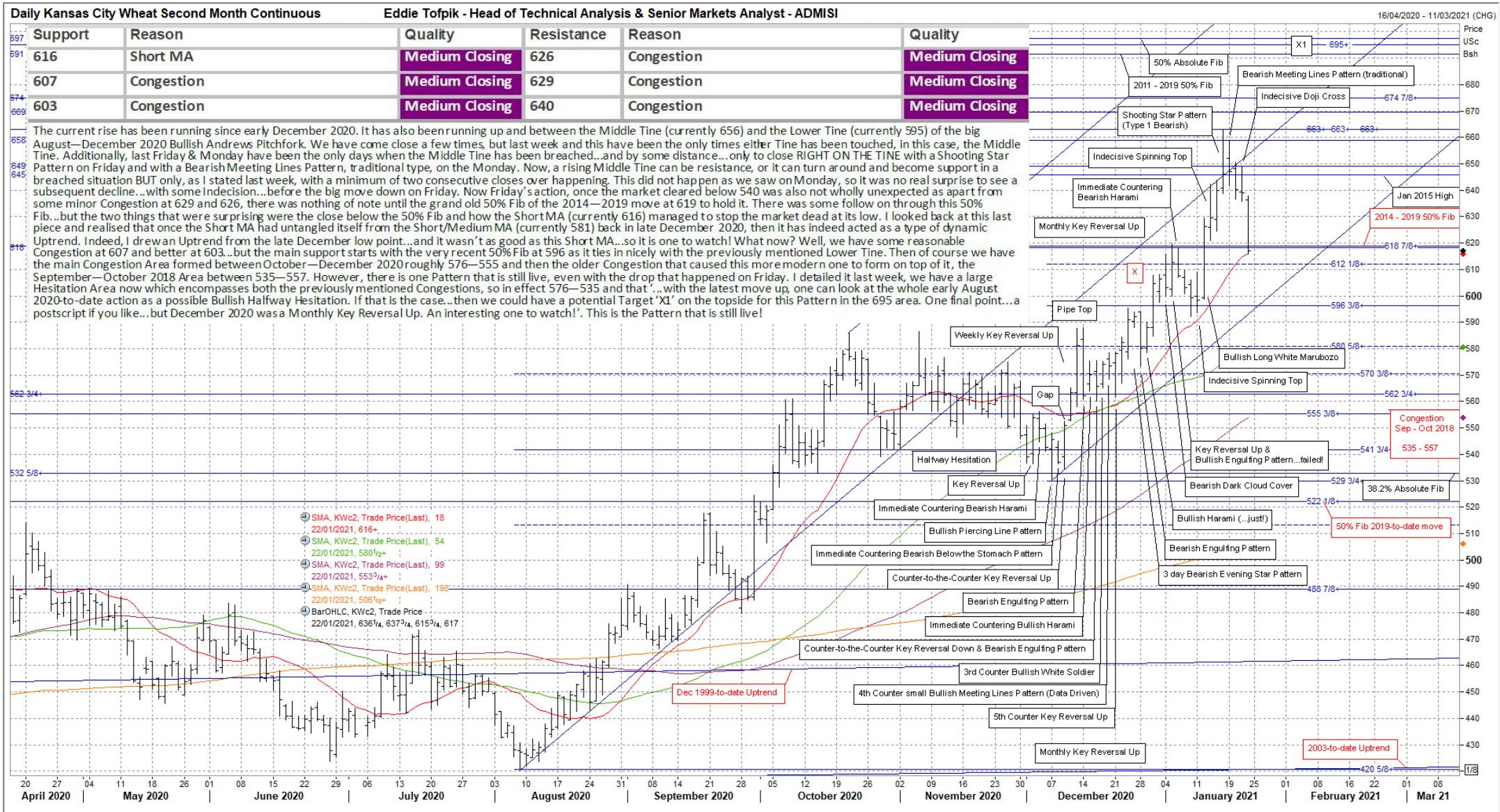
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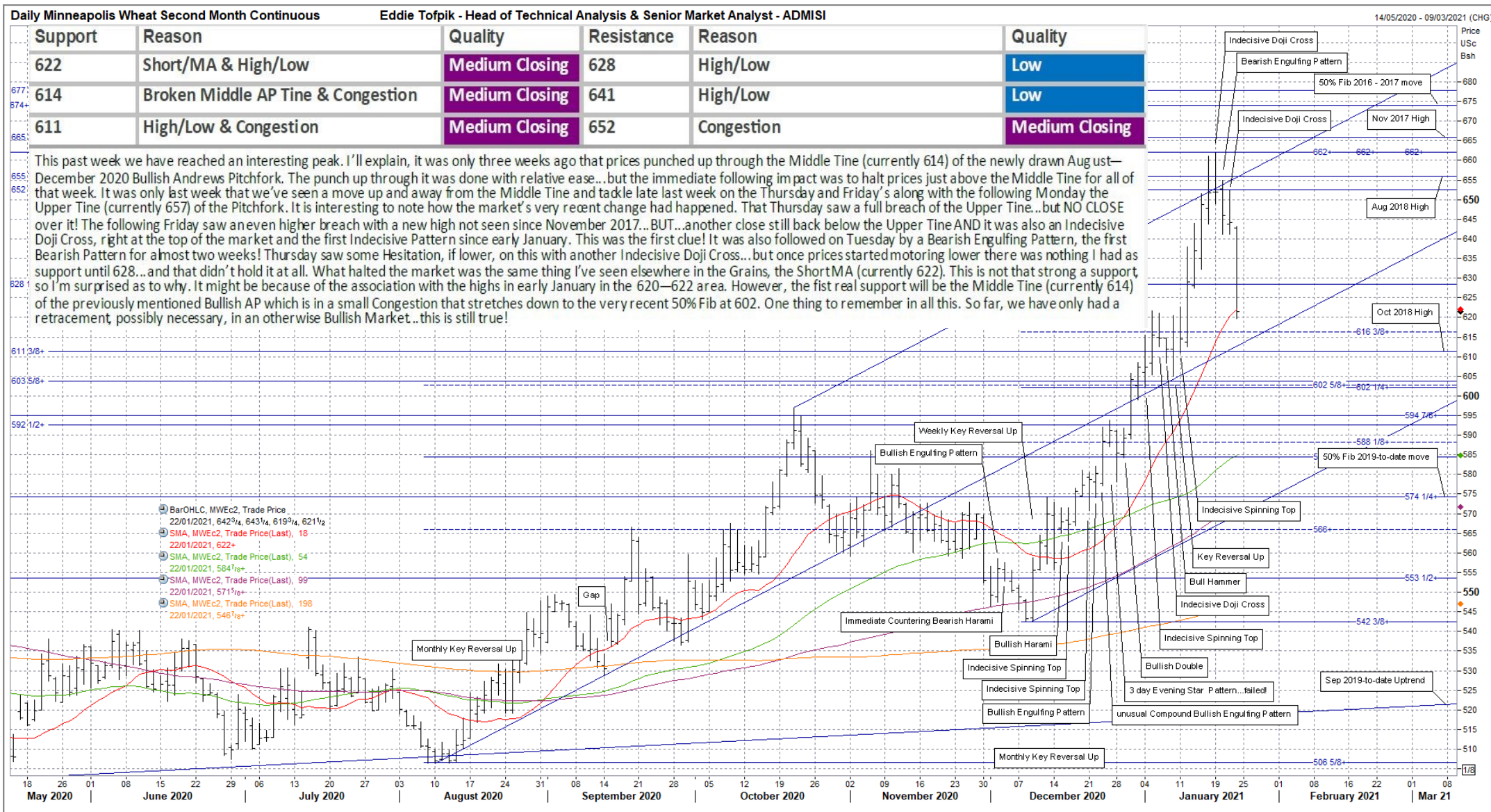
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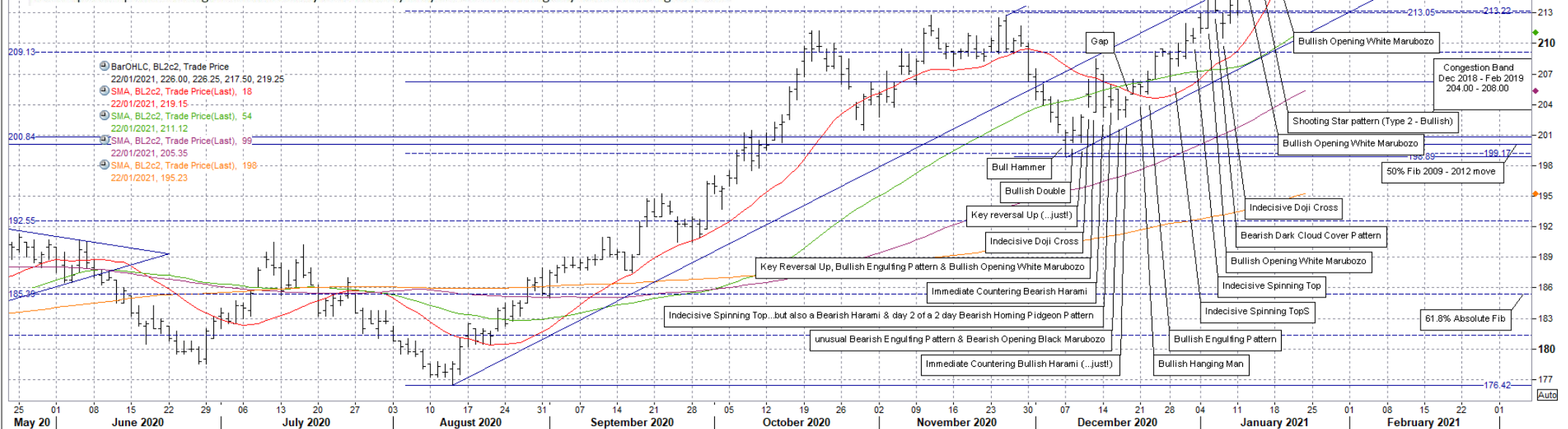
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Daily Paris European Milling Wheat Second Month Continuous Eddie Tofpik - Head of Technical Analysis & Senior Markets Analyst - ADMISI

Support	Reason	Quality	Resistance	Reason	Quality
219.25	Broken Middle AP Tine & Short MA	Medium Closing	228.25	Broken Upper AP Tine	Medium Closing
217.50	50% Fib	Medium	230.75	Former Gap	Low
213.00	Fib & Market Congestion	Medium Closing	236.00	High/Low	Medium

The main Bullish driving action here has been the August—December Bullish Andrews Pitchfork which has shown the Bullish angle of attack. There is a structural point I'd like you to note. I chose the second high point on the 25th of November 2020 rather than the earlier and equal one the 21st of November 2020. This is my usual practise...but I am still contemplating whether I should draw a second Bullish AP for that date. I'm still not sure! This original Pitchfork has been great in its role with both the ascending Lower Tine (currently 211.25) and the Middle Tine (currently 219.75) showing appropriate support and resistance as needed. It was not until the week before last week that we saw a true challenge to the Upper Tine (currently 228.25) with a Gapping move higher. However, as soon as this happened the market started to show contrary Patterns. First, a Bearish Black Marubozzo. Then an Immediate Countering Bullish Opening White Marubozzo and a Counter-to-the-Counter Bearish Dark Cloud Cover Pattern at the very peak of the market. The market then paused then with a lower but still Indecisive Spinning Top before restarting on Thursday with a vengeance with a Bearish Engulfing Pattern. Three things now...firstly I wrote last week '...there is a reasoning behind this that also may go some way to explain why the market has started to act oddly when it rose into the 220's...or to be more exact...over 219.75! If you go back historically, you will find a Changeover Gap of really large proportions back in March 2013. The extent of that Gap is between 219.75—230.75...quite large! That is why, I suspect, we have seen such odd behaviour last week. May I point also out that though you may think we've filled that Gap...well...in truth...we haven't! From Thursday into Friday last week there is still a Gap between 226.50—227.00. Which means that a small shard of the March 2013 Gap is still alive.' Well, last Wednesday finally filled in the tiny bit of leftover Gap from March 2013. The second thing is the Bullish Andrews Pitchfork. I normally allow a few days to see if the market settles on the Upper Tine and starts to run along the topside, still utilising the Bullish angle of attack...but outside the actual Tines. This did not happen here as the market closed below the Upper Tine last Thursday and motored lower on Friday...so I was about to retire it when I noticed a key feature about the Pitchfork. The close on Friday was right on the Middle Tine and oddly enough...the Short MA (currently 219.25). This sort of thing does not happen by accident! I suspect the broken Bullish AP still has some influence upon this market...so for now...another week...I will keep it on the Daily Chart. As for the Short MA...that is a new one now to watch. Finally, the third piece! The low of the big move down was caught by the very recent 50% Fib at 217.50. This is also not coincidence! Looking into next week, beyond the 50% Fib we have limited support, but a Gap 216.25—216.75, until we start hitting late last year's Congestion from about 213.00 until we peak at a mess of 50% Fibs between 200.00—200.75. This Congestion looks quite capable...though I think Monday and Tuesday may be an interesting day with resorting to these.



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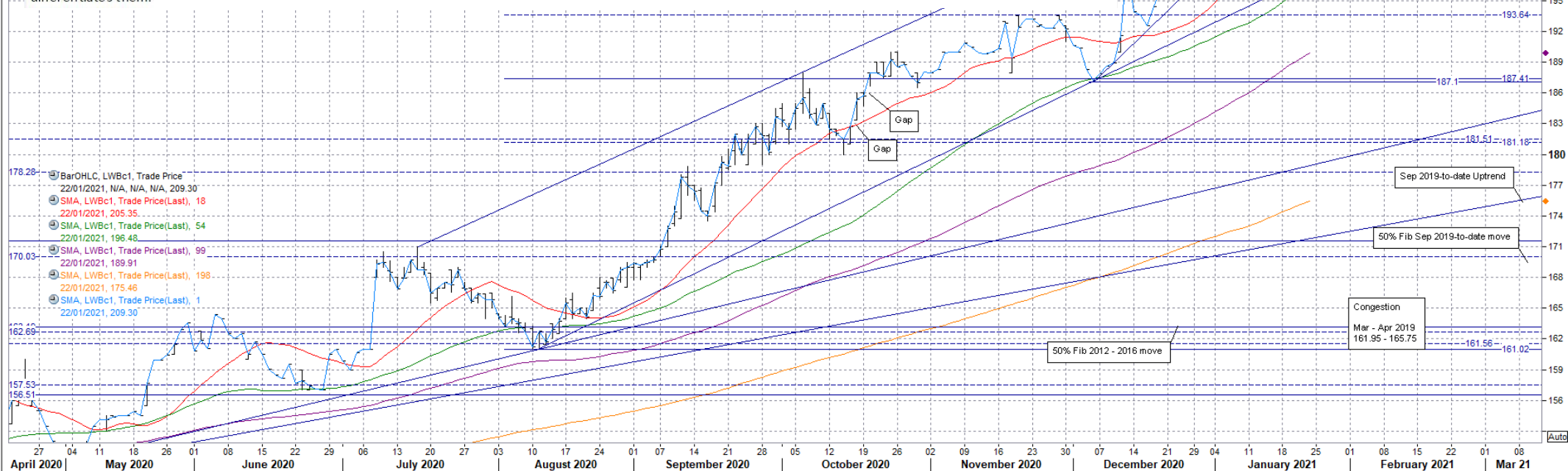
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Daily ICE UK Feed Wheat Front Month Continuous

Eddie Tofpik - Head of Technical Analysis & Senior Markets Analyst - ADMISI

Support	Reason	Quality	Resistance	Reason	Quality
209.30	Broken Upper Bull Channel Line	Medium Closing	209.85	High/Low	Medium
206.00	High/Low	Low	212.65	Unverified possible Rising Wedge Trgt	Medium
205.05	High/Low	Low	215.00	High/Low & Congestion	Medium Closing

The July 2020-to-date Bull Channel (currently 197.60 — 210.80) has been the main rising influence on this market since August 2020, though there are two key points to consider when looking at this. Firstly, until the last two weeks, the market has only touched the Upper Bull Channel line and the Lower Bull Channel Line only twice on each side. To verify any Channel Line you would need a minimum of three times...and we haven't 'really' done that as yet. The second point is related to my placing the word 'really' in apostrophes. It is because we've recently punched out of the Upper Channel Line and consecutively closed over it before pulling back within the now broken Bull Channel. Not what you'd like to see if you follow the idea of a Bull Channel. I suspect the prompting for this has been the strong Uptrend, a four/five pointer indeed, that has formed since the start of December 2020 (currently 208.00). Now last week I wrote the following 'I could see some looking at the December action and calling it a Bullish Rising Wedge that has broken out on the upside. Whilst the number of times the side of the Wedge are acceptable, I'm just not wholly comfortable with that. I recognise those that may follow that idea...so whilst I may not draw it on my Daily Chart nor label a Target 'X', I will nevertheless name a potential number for it in the 212.65 area. It's not that far away...but then...it's not that big a Wedge after all'. Well, my naturally conservative nature got the better of me there. We did indeed have a Bullish Rising Wedge Pattern that saw the market reach Target 'X' at the start of this past week. What was beautiful was how the market, once reaching the Target then immediately headed back down and settled just under the broken Upper Bull Channel Line. Interestingly, the market is not that far now from the strong (now) five pointer Uptrend and it will be interesting to see how the coming week treats this Uptrend. You see, overhead we are in fairly free territory until the 2013 high at 215.00 right now. You'd have to look up to the levels of 227.30 area to start seeing some stronger resistance. I suppose it is still my conservative nature in these things that wants me now to wait and see if the Bull Channel idea is finally dead before looking further...maybe to this new Uptrend? I still suppose one can say that all the ideas on this market seem to be Bullish at the moment...but just by how much is what differentiates them.



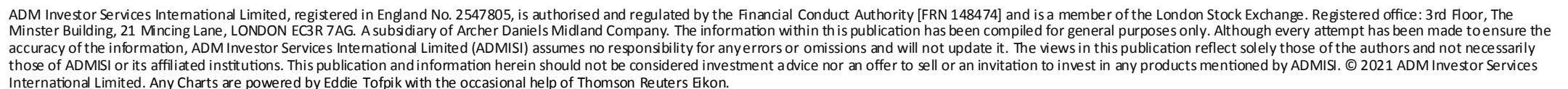
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