

Valuation & Research Specialists (VRS)  
VRS Research Team  
Spyridon Vasileiou  
info@vrs.gr ; info@valueinvest.gr

## Wheat Prices (CME Continuous Contract)

414.4 USD Cents / Bushel (~27.2 kg)

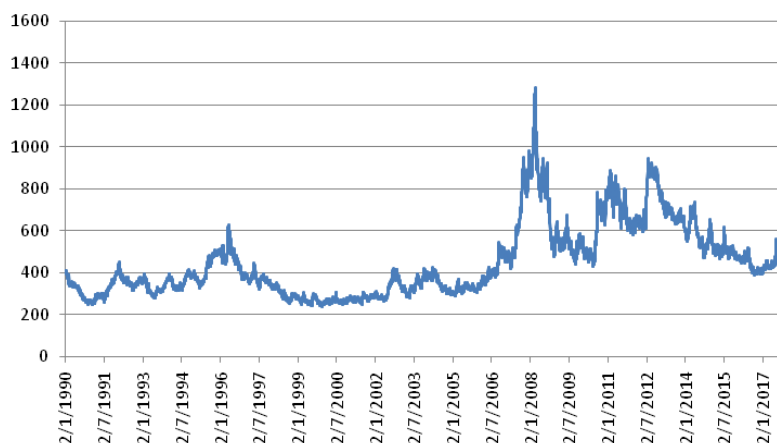
[Bloomberg Ticker: W1:COM]

### Graph Analysis and Technical View

Wheat prices remain in a long-term downtrend since the late February 2008 peak at **\$1,245**. However, the decline has not been a straight down-sloping line. After the precipitous fall of 2008, prices finally bottomed in mid-2010 and staged a spirited rally towards the **\$1,000** mark. Ever since the commodity has been in a steady decline with occasional upside bursts lasting at most a few weeks before more selling emerges. From the above graph is evident that such a rally took place in mid-summer 2017 taking prices above the log-term (down) trend line. The ensuing correction lower did not send prices to new lows. Therefore, our operative assumption at the moment is of a price base forming just above **\$400**.

In sum, after breaking above the down-sloping trend from the mid-2012 peak at **\$942** wheat prices are likely in a basing attempt. As long as the price range between **\$390** and **\$420** is not violated to the downside with sustained trading below \$390 it is likely that wheat is forming a base from which a rally may follow. Alternatively, a sustained close below **\$390** would prolong the downtrend and render the base of a consolidation for lower prices. A rally and clean close above **\$535** (the mid-July 2017 peak) would further improve the longer-term picture of wheat. Perhaps only then we could declare the end of the severe bear market from the 2008 top.

Wheat Price since Year 1990



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