COMMODITY: CANOLA

THURSDAY, MAY 21, 2026

CHART:

POINTS ON THIS CHART:

1. **Upward Ascending Wedge**: This can be a **bearish signal** if price breaks below the lower trendline. Next major support is around **720**.
2. **MACD**: Losing bullish momentum with the signal lines crossing over — clear **bearish short-term setup**.

Money Flow and RSI both show the bullish strength is weakening.

Bottom Line: The market is still strong overall, but it needs fresh news (especially weather) to keep its bullish momentum. The uptrend is still your friend for now, but it's getting tired.

TECHNICALS:

Bollinger Bands: Price is near the middle band after touching the upper side. Volatility is normal — not screaming "big move coming" yet. Suggests a calm pause, good for potential bounce higher if it holds support.
200 EMA (long-term trend line): Price is comfortably **above** it (~730 area). This is a strong bullish signal — the big picture uptrend is intact.
MA 9 (short-term): Price is around or slightly below it. Recent move has slowed, typical after a quick gain.
MACD: Still positive but momentum is cooling off. No strong sell signal, just a slowdown.
RSI (around 45): Neutral, not overbought. Room to move higher without being overheated. Good setup for another leg up on positive news.
Volume & MFI: Normal trading, no panic selling on the dip. Buyers are present but not overly aggressive.
Bottom line on charts: The uptrend is your friend right now. Watch for a bounce above 760-765 for more strength. Big support sits near 740 then 720-730.

FUNDAMENTALS:

Canada 2026-27 Crop: Seeded area around 21.8 Million acres . Production forecast ~19.2 million tonnes (AAFC) — solid but below last year's record. Some areas dry, but planting is progressing.
Supplies: Comfortable stocks expected after last year's big crop. Not super tight.
Demand: Steady crush for oil (food + biodiesel). Exports okay but global competition exists.
Global Picture: Other canola producers also expect good crops — overall balanced to slightly loose world supplies.
Key takeaway: Weather through June-July (flowering time) will be the biggest driver. **No major shortages yet, so prices won't run away easily.**

THOUGHTS:

Mildly bullish bias thanks to the chart strength and demand floor from oil prices. But fundamentals say "don't get too excited" — big supplies are capping upside. Market is pricing in a normal crop with no disasters.
Risks to watch: Hot/dry spell on the Prairies (bullish), perfect weather (bearish), or swings in oil/CAD.

Major concern is watching the soybean oil market

Farmer angle: Good time to watch for selling opportunities on strength if you need to move crop, or stay flexible.

RECOMMENDATIONS:

Bias: Neutral to mildly bullish — follow the uptrend, don't fight it.
For Producers (Selling):
Consider selling or hedging part of your crop near 760-770+ resistance.
Use elevator contracts or futures on rallies.
Entry Ideas (if trading):
Stand aside right now look for opportunities at 720 if market breaks otherwise this would be high risk trade.
Targets: 780 then 800 if weather turns hot/dry.

Alternative Scenarios:

- **Bull case (weather scares):** Price pushes to 800+.
- **Bear case (ideal growing conditions):** Drops toward 700 zone.

- **Most likely:** Choppy trading between 720-780 until crop reports or weather news hits.

20% RULE

20% Rule Confidence: Yellow-Green mix. Strong trend technically, but balanced fundamentals = trade carefully and stay with the trend.

Category	What You're Assessing	🟢 Green	🟡 Yellow	🔴 Red
Trend Strength & Direction	Price behavior across multiple timeframes	Strong uptrend: higher highs and higher lows	Sideways / choppy / unclear direction	Downtrend: lower highs and lower lows
Fundamentals (Supply & Demand)	Global balance sheet conditions	Tight supply, bullish demand shocks	Balanced supply/demand	Oversupply, weak demand outlook
Technical Structure	Price positioning and momentum structure	Above key moving averages, breakout structure	Neutral positioning, no clear edge	Below support, breakdown structure
Seasonal & Historical	Seasonal tendency and historical pattern bias	Strong bullish seasonal window	No meaningful seasonal edge	Strong bearish seasonal window
Currency & Macro Factors	FX, interest rates, and risk sentiment	Supportive macro tailwinds (weaker USD / risk-on)	Neutral macro environment	Strong headwinds (USD strength / risk-off sentiment)