

Tennessee Market Highlights

UT Extension

July 5, 2013

Number: 27

Trends for the Week Compared to a Week Ago

Slaughter Cows

No reporting this week

Slaughter Bulls

No reporting this week

Feeder Steers

No reporting this week

Feeder Heifers

No reporting this week

Feeder Cattle Index

Tuesday's index \$140.44

Fed Cattle

5 area live price of \$119.58 is down \$1.24 and the dressed price is down \$0.59 at \$192.59

Corn

September closed at \$5.25 a bushel, down 22 cents a bushel since last Friday

Soybeans

August closed at \$14.32 a bushel, up 1 cent a bushel since last Friday

Wheat

September closed at \$6.60 a bushel, up 3 cents a bushel since last Friday

Cotton

October closed at 86.43 cents per lb, up 0.82 cents per lb since last Friday

Livestock Comments by Dr. Andrew P. Griffith

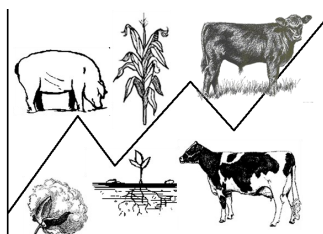
FED CATTLE: Fed cattle traded steady to \$1 lower compared to a week ago. Live prices ranged from \$119 in Kansas and Texas to \$122 in Iowa while dressed trade primarily took place between \$191 and \$194. The 5-area weighted average prices thru Thursday were \$119.58 live, down \$1.24 from last week and \$192.59 dressed, up \$0.59 from a week ago. A year ago prices were \$117.05 live and \$187.67 dressed. Live cattle cash trade is carrying a negative \$2 to negative \$3 basis compared to the August futures price. It is not uncommon for the basis to be negative this time of year, but the average basis is generally closer to negative \$1 this time of year. Some people are wondering if the live cattle market has reached its bottom. It is hard to tell given that live cattle prices tend to bottom out between the end of June and the first of September. It would not be surprising if fed cattle dipped another dollar or two over the next month.

BEEF CUTOUT: At midday Friday, the Choice cutout was \$196.63 down \$1.10 from Thursday and down \$0.89 from last Friday. The Select cutout was \$188.02 down \$0.45 from Thursday and up \$0.73 from last Friday. The Choice Select spread was \$8.61 compared to \$10.26 last week. Independence Day has now passed and the cutout is being adversely affected by the "dog days of summer." Hamburgers and hotdogs tend to be the hot commodities on the fourth of July. The hope for the beef industry is that consumers are taking a four day weekend and grilling a few extra hamburgers to help support beef prices. Middle meat purchases tend to slow down from now through Labor Day weekend when purchases take off which is more than a month down the road. It may be hard for the Choice cutout to receive much support until temperatures cool a bit. This is evident in that the Choice Select spread has narrowed the past five weeks with Choice prices softening more than \$10 since the end of

May and Select prices being fairly steady over the same time period. Packers have had most of the control over the beef complex as cutout prices remain relatively strong and live cattle prices have softened. This combination has resulted in improving margins for the packer while feeders continue to fight through elevated feed costs and lower output prices. Leverage may shift this fall, but doubtful in the near future.

TENNESSEE AUCTIONS: No Tennessee auctions were reported this week due to Independence Day. Most markets will resume their regular schedule next week. However, the Oklahoma City Feeder Auction reported feeder cattle values increasing \$3 to \$5 from last week while calves were not well tested.

OUTLOOK: The outlook remains positive for feeder cattle to be sold late summer and early fall. The key drivers will be corn price and low feeder cattle numbers. It is certain that feeder cattle numbers will be down compared to last year, but corn yield and corn price will be highly dependent on the weather. States east of the Mississippi River have generally had abundant rainfall, but much of the western United States as well as many of the Plains states could use another drink or two to better solidify corn prospects. If corn prices fall to somewhere around \$5 then the fall market is likely to be very favorable to sellers. Lower feed costs mean the feedlot can pay more for feeder cattle which may result in a tremendous bidding war between buyers to obtain quality feeder cattle. Precipitation will also be a key player in the fall calf market as many southeastern cattle head west for wheat pasture. Last fall's local markets were extremely weak due to the lack of wheat pasture. It may seem early to be thinking about fall and winter wheat pasture but rest assured that wheat farmers in Kansas, Oklahoma and the Texas Panhandle



(Continued on page 2)

Livestock Comments by Dr. Andrew Griffith

(Continued from page 1)

are already gearing up and making preparations for the fall and winter. Regardless of what happens out west, the prospects of retaining ownership of fall weaned cattle this year and selling them as yearlings next spring looks positive. For some producers this may not be a feasible option due to current resources. However, if rainfall is plentiful and provides grazing and the opportunity to stockpile forage or harvest larger quantities of hay than average then it will be beneficial to put pencil to paper to determine if a larger return can be had by backgrounding calves weaned this fall and then marketing them in the spring of 2014. If there are concerns related to a potential price collapse during the retained ownership period then livestock risk protection (LRP) insurance can be purchased. LRP is an insurance policy that can protect against adverse price movements in the feeder cattle market.

TECHNICALLY SPEAKING: Based on Wednesday's closing prices, August closed at \$121.95. Support is at \$121.72, then \$121.10. Resistance is at \$122.35, then \$122.97. The RSI is 56.12. October closed at \$126.22. Support is at \$125.95, then \$125.45. Resistance is at \$126.45, then \$126.95. The RSI is 60.67. De-

cember closed at \$128.25. Support is at \$127.73, then \$127.50. Resistance is at \$128.30, then \$128.35. The RSI is 60.96. August feeders closed at \$150.95. Support is at \$150.58, then \$149.91. Resistance is at \$151.26, then \$151.93. The RSI is 65.66. October feeders closed at \$154.83. Support is at \$153.40, then \$153.15. Resistance is at \$154.85, then \$154.90. The RSI is 67.47. January feeders closed at \$157.03. Support is at \$156.58, then \$156.53. Resistance is at \$157.50, then \$158.25. The RSI is 72.12. Friday's closing prices were as follows: Live/fed cattle – August \$121.95 +0.00; October \$126.25 +0.03; December \$128.10 -0.15; Feeder cattle - August \$151.80 +0.85; October \$155.78 +0.95; November \$156.78 +0.65; January \$157.73 +0.70; July corn closed at \$6.85 up \$0.07 from Thursday.

Milk Futures

Wednesday, July 3, 2013

Month	Class III Close	Class IV Close
Jun	18.02	18.88
Jul	17.20	19.10
Aug	18.07	19.45
Sept	18.60	19.57
Oct	18.54	19.35

Average Daily Slaughter

	Cattle	Hogs
	----- Number of head -----	
This week (3 days)	124,667	423,333
Last week (3 days)	119,000	402,333
Year ago (2 days)	130,000	419,000
This week as percentage of		
Week ago (%)	105%	105%
Year ago (%)	96%	101%

USDA Box Beef Cutout Value

	Choice 1-3 600-900 lbs	Select 1-3 600-900 lbs
	----- \$/cwt -----	
Wednesday	197.73	188.47
Week ago	196.51	186.51
Year ago	193.22	177.36
Change from week ago	+1.22	+1.96
Change from year ago	+4.51	+11.11

Crop Comments by Dr. Aaron Smith

	Previous	Current	Change
USD	83.38	84.69	1.31
Crude Oil	96.55	103.12	6.57
Dow	14,948	15,082	134

Overview

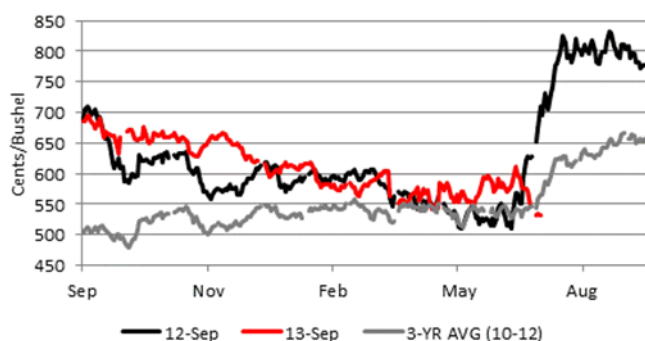
Corn was down; soybeans and wheat were mixed; and cotton was up for the week. The June 28th USDA Acreage report indicated corn acreage of 97.4 million acres, 2+ million more than many anticipated contributing to a decrease in December corn to close below \$5.00. Weather conditions going forward appear to be very supportive to corn and soybean growth in the Corn Belt. Hot and dry weather conditions in west Texas have lent support to cotton

prices. Winter wheat harvest is approaching the half way mark with reported yields slightly higher than projections.

Corn

Weekly exports were within expectations with net sales of 12.4 million bushels (9.2 million bushels for the 2012/13 marketing year and 3.2 million bushels for the 2013/14 year). Exports were 13.9 million bushels. Last week ethanol production increased 22,000 barrels per day to 863,000 barrels per day. June 28th ending ethanol stocks decreased to 15.4 million barrels from 16.3 million. July corn futures were \$6.84. Sep/Dec, Jul/Sep, and Jul/Dec future spreads were -34 cents, -159 cents, and -193 cents, respectively.

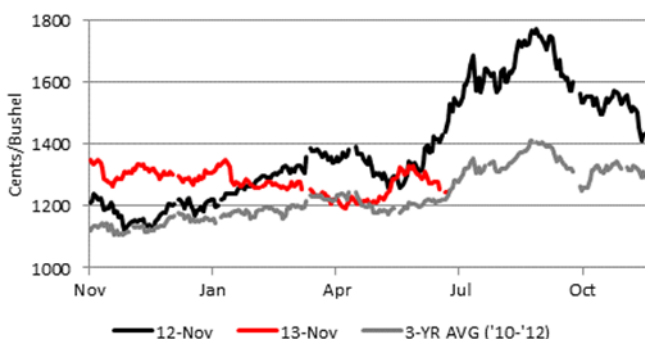
September Corn Futures



Corn	September	Change	December	Change
Price	\$5.25	-\$0.22	\$4.91	-\$0.20
Support	\$5.21	\$0.01	\$4.93	\$0.04
Resistance	\$5.44	-\$0.43	\$5.14	-\$0.37
20 Day MA	\$5.70	-\$0.10	\$5.36	-\$0.10
50 Day MA	\$5.69	-\$0.02	\$5.39	-\$0.03
100 Day MA	\$5.72	-\$0.02	\$5.45	-\$0.02
4-Week High	\$6.10	\$0.00	\$5.71	-\$0.02
4-Week Low	\$5.25	-\$0.15	\$4.91	-\$0.19
Technical	Strong Sell	=	Strong Sell	=

Crop progress report released July 1st reported corn silking at 3% compared to 22% last year and 9% for the 5-year average. Corn condition was reported as 67% good to excellent compared to 65% last week and 48% last year; 8% poor to very poor the same as last week and 22% last year. In Tennessee corn silking or beyond was reported at 35% (5-year average 54%) and corn condition was 79% good to excellent and 5% poor to very poor. Producers should evaluate their current pricing position and proceed cautiously between now and harvest. December corn is currently slightly above \$5.00, unless adverse weather conditions occur in key corn producing areas it is unlikely that the harvest price will move substantially higher between now and harvest. Having at least 40% of production priced at this point is beneficial and producers should look for any rallies as an opportunity to price additional production. It is important for producers to evaluate all alternatives available when looking at potential marketing strategies. From a price risk management standpoint a \$5.30 September Put Option costing 22 cents would establish a \$5.08 futures floor or a \$5.00 December Put Option costing 37 cents would establish a \$4.63 futures floor.

November Soybean Futures



Soybeans	August	Change	November	Change
Price	\$14.32	\$0.01	\$12.28	-\$0.24
Support	\$14.24	\$0.30	\$12.32	\$0.01
Resistance	\$14.58	-\$0.06	\$12.68	-\$0.22
20 Day MA	\$14.34	-\$0.03	\$12.82	-\$0.14
50 Day MA	\$13.98	\$0.10	\$12.57	\$0.03
100 Day MA	\$13.80	\$0.01	\$12.54	-\$0.03
4-Week High	\$14.66	\$0.00	\$13.33	\$0.00
4-Week Low	\$14.01	\$0.00	\$12.27	-\$0.23
Technical	Strong Buy	=	Sell	=

Soybeans

Weekly exports were above expectations with net sales of 13.6 million bushels (4.4 million bushels for 2012/13 and 9.2 million bushels for 2013/14). Exports were 4.3 million bushels. July soybean futures closed at \$15.88. Jul/Nov and Aug/Nov future spreads were -\$3.60 and -\$2.04.

Soybean planting was reported July 1st at 96% compared to 92% last week, 100% last year, and a 5-year average of 98%. Soybeans emerged were 91% compared to 81% last week, 99% last year, and a 5-year average of 94%. Soybean condition was reported as: 67% good to excellent compared to 65% last week and 45% last year; 7% poor to very poor the same as last week and 22% last year. In Tennessee soybeans planted was reported at 85% (5-year average 94%), soybeans emerged were 67% (5-year average 85%), and crop condition was 82% good to excellent and 3% poor to very poor. Having 40% of the crop priced at this point should be considered. Downside protection could be achieved by purchasing a \$12.40 November Put Option which would cost 60 cents and set an \$11.80 futures floor.

December Cotton Futures



Cotton	October	Change	December	Change
Price	86.43	0.82	85.03	1.02
Support	85.63	0.99	84.08	1.15
Resistance	88.21	1.41	86.72	2.15
20 Day MA	86.90	0.22	85.84	0.04
50 Day MA	85.72	0.15	85.21	0.01
100 Day MA	86.03	0.13	85.53	0.10
4-Week High	90.69	0.00	89.56	0.00
4-Week Low	83.97	2.14	83.05	1.33
Technical	Buy	+	Buy	+

Cotton

All cotton weekly export net sales increased slightly from last week with sales of 80,600 running bales (34,500 bales of Upland cotton for 2012/13; 41,500 bales of Upland cotton for 2013/14; 2,900 running bales of Pima cotton for 2012/13; and 1,700 bales of Pima cotton for 2013/14. Exports were 196,200 bales of upland cotton and 5,500 of Pima. July 5th adjusted world price (AWP) increased 0.44 cents to 71.12 cents. July cotton futures were 83.54 cents. Jul/Dec and Oct/Dec future spreads were 1.35 cents and -1.40 cents.

Cotton squaring was reported at 37% this week compared to 23% last week, 47% last year, and a 5-year average of 45%. Cotton setting bolls was reported at 6% compared to 13% last year and a 5-year average of 11%. Cotton condition was: 47% good to excellent compared to 43% last week and 47% last year; 17% poor to very poor compared to 23% last week and 18% last year. In Tennessee cotton squaring was reported at 29% compared to 56% last year and a 5-year average of 49% and cotton condition was reported as 67% good to excellent and 9% poor to very poor. Purchasing an 86 cent December Put Option costing 4.55 cents would establish an 81.45 futures floor.

September Wheat Futures



Wheat	September	Change	December	Change
Price	\$6.60	\$0.03	\$6.70	-\$0.01
Support	\$6.51	\$0.10	\$6.64	\$0.09
Resistance	\$6.78	-\$0.08	\$6.90	-\$0.10
20 Day MA	\$6.85	-\$0.11	\$6.99	-\$0.11
50 Day MA	\$7.01	-\$0.04	\$7.16	-\$0.04
100 Day MA	\$7.11	-\$0.05	\$7.25	-\$0.05
4-Week High	\$7.18	-\$0.06	\$7.30	-\$0.08
4-Week Low	\$6.52	-\$0.04	\$6.66	-\$0.04
Technical	Strong Sell	=	Strong Sell	=

Wheat

Weekly exports were within expectations with net sales of 21.8 million bushels for 2013/14 marketing year. Exports were 25.3 million bushels. On Thursday South Korea lifted the ban on U.S. wheat imports providing support to prices. July wheat future price was \$6.56. Jul/Sep and Sep/Dec future spreads were -4 cents and 10 cents.

Winter wheat harvest reported as of July 1st was reported at 43% compared to 20% last week, 73% last year, and a 5-year average of 52%. Crop condition ratings for winter wheat were: 34% good to excellent compared to 32% last week; 42% poor to very poor compared to 43% last week. In Tennessee, winter wheat was reported as: 98% ripe compared to a 5-year average 91% and 80% harvested compared to a 5-year average 94%.

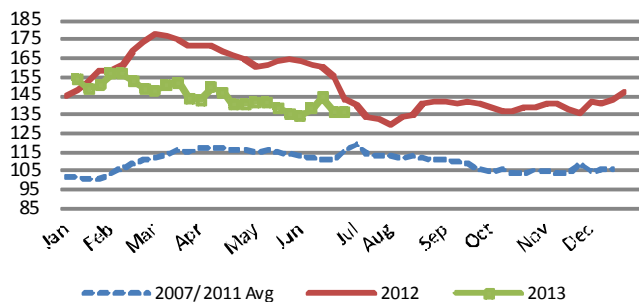
Nationally, spring wheat emerged was 93% compared to 90% last week, 100% last year, and a 5-year average of 99%. Spring wheat headed was 18% (5-year average of 32%). Spring wheat condition was reported as: 68% good to excellent compared to 70% last week and 71% last year; 5% poor to very poor the same as last week and last year. A \$6.60 September Put Option would cost 25 cents and set a \$6.35 futures floor.

Prices on Tennessee Reported Livestock Auctions for the week ending July 5, 2013

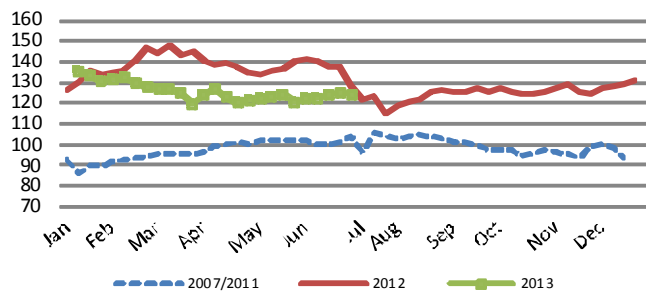
	This Week			Last Week	Year Ago
	Low	High	Weighted Average	Weighted Average	Weighted Average
	----- \$/cwt -----				
Steers: Medium/Large Frame #1-2					
300-400 lbs	----	----	----	155.29	153.91
400-500 lbs	----	----	----	144.67	150.22
500-600 lbs	----	----	----	136.25	139.94
600-700 lbs	----	----	----	129.65	125.75
700-800 lbs	----	----	----	124.33	121.24
Steers: Small Frame #1-2					
300-400 lbs	----	----	----	149.32	----
400-500 lbs	----	----	----	128.14	----
500-600 lbs	----	----	----	119.61	----
600-700 lbs	----	----	----	----	----
Steers: Medium/Large Frame #3					
300-400 lbs	----	----	----	138.86	132.00
400-500 lbs	----	----	----	130.35	126.96
500-600 lbs	----	----	----	124.62	----
600-700 lbs	----	----	----	115.90	----
700-800 lbs	----	----	----	108.38	----
Holstein Steers					
300-400 lbs	----	----	----	105.96	----
500-600 lbs	----	----	----	81.22	----
700-800 lbs	----	----	----	----	----
Slaughter Cows & Bulls					
Breakers 75-80%	----	----	----	76.93	80.92
Boners 80-85%	----	----	----	78.94	80.19
Lean 85-90%	----	----	----	71.72	72.44
Bulls YG 1				97.05	97.19
Heifers: Medium/Large Frame #1-2					
300-400 lbs	----	----	----	136.73	136.45
400-500 lbs	----	----	----	131.05	135.32
500-600 lbs	----	----	----	124.64	120.85
600-700 lbs	----	----	----	117.29	117.50
Heifers: Small Frame #1-2					
300-400 lbs	----	----	----	129.08	----
400-500 lbs	----	----	----	111.90	----
500-600 lbs	----	----	----	107.91	----
600-700 lbs	----	----	----	103.81	----
Heifers: Medium/Large Frame #3					
300-400 lbs	----	----	----	124.78	114.59
400-500 lbs	----	----	----	121.80	110.74
500-600 lbs	----	----	----	113.68	101.86
600-700 lbs	----	----	----	108.92	90.74

Cattle Receipts (# sales): This week: () Week ago: () Year ago: ()

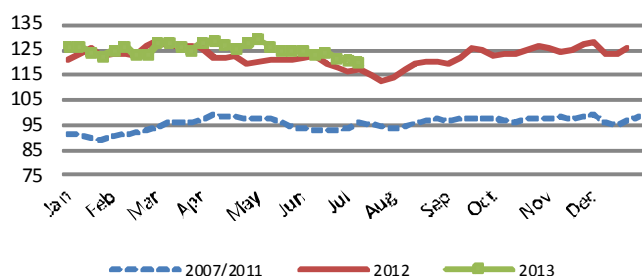
Tennessee 500-600 lbs. M-1 Steer Prices
2012, 2013 and 5-year average



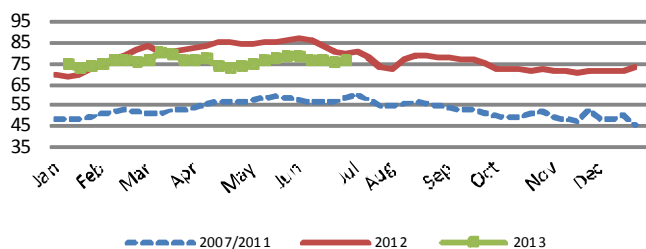
Tennessee 700-800 lbs. M-1 Steer Prices
2012, 2013 and 5-year average



5-Area Finished Cattle Prices
2012, 2013 and 5-year average



Tennessee Slaughter Cow Prices
Breakers 75-80%
2012, 2013 and 5-year average



Prices Paid to Farmers by Elevators

Friday, June 28, 2013 — Thursday, July 4, 2013

	Friday		Monday		Tuesday		Wednesday		Thursday		Thursday Harvest	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
----- \$/bushel -----												
No. 2 Yellow Soybeans												
Memphis	15.78-16.09		15.84-15.90		15.82-16.13		15.82-16.13		----		----	
N.W. B.P.	15.68-16.01		15.74-16.07		15.74-15.74		15.82-15.83		----		----	
N.W. TN	15.78-15.99		15.61-15.78		15.58-15.80		15.66-15.89		----		----	
Upper Md.	15.59-15.61		15.65-15.66		15.63-15.74		15.71-15.82		----		----	
Lower Md.	15.31-15.31		15.36-15.36		15.34-15.34		15.41-15.41		----		----	
Yellow Corn												
Memphis	7.06-7.19		6.65-6.82		6.24-6.83		6.24-6.83		----		----	
N.W. B.P.	6.99-7.16		6.75-6.93		6.05-6.06		6.24-6.24		----		----	
N.W. TN	7.24-7.30		7.00-7.10		7.17-7.27		6.92-7.35		----		----	
Upper Md.	6.99-7.34		6.56-6.75		6.00-6.58		5.99-6.58		----		----	
Lower Md.	6.97-6.97		6.82-6.82		6.83-6.83		6.82-6.82		----		----	
Wheat												
Memphis	6.35-6.35		6.32-6.36		6.54-6.55		6.54-6.55		----		----	

Tennessee Sheep and Goat Auction

6/24/13 Tennessee Livestock Producers Graded Goat and Sheep Sale, Columbia, TN.

Receipts: 1134 (841 Goats; 293 Sheep) Last Sale 1081

Next Sale July 8, 2013. (Second and fourth Monday of each month)

Goats sold per hundred weight (cwt) unless otherwise noted, weights, actual or estimated.

Slaughter Classes: Kids

Selection 1

25-35 lbs few 127.00-140.00

36-50 lbs 158.50-174.00

51-65 lbs 160.00-173.00

66-80 lbs 151.00-160.00

81-90 lbs 138.50-151.00

Selection 2

25-35 lbs 140.00-145.00

36-50 lbs 138.00-149.00

51-65 lbs 140.00-150.00

66-80 lbs 125.00-137.00

81-100 lbs

Selection 3

25-35 lbs 125.00-130.00

36-50 lbs 126.00-128.00

51-65 lbs 100.00-120.00

66-80 lbs

Yearlings Selection 2-3

55-117 lbs few 70.00-133.00

Slaughter Bucks/Billies

All Wgts 60.00-83.50

Slaughter Nannies/Does

All wgts 53.00-100.00, mostly 53.00-88.00

Kids Feeders Selection 3

Not well tested

SHEEP

Slaughter Lambs-Includes all breeds, sold per hundred weight (cwt).

Choice and Prime 40-60 lbs 105.50-118.00

Good 94.00-111.00, mostly 94.00-100.00

Choice and Prime 61-80 lbs 91.00-107.00

Good 81.00-91.50

Choice and Prime 81-100 lbs 85.00-98.00, mostly 89.50-100.00

Good 87.00-91.00

Choice and Prime 100-120 lbs 85.00-100.00

Good

Choice and Prime 120-150 lbs few 83.00-90.00

Slaughter Ewes Utility and Good:

All wgts 43.50-59.00

Slaughter Rams:

All Wgts 52.00-53.00

Futures Settlement Prices: Crops & Livestock

Friday, June 28, 2013 — Thursday, July 4 2013

Commodity	Contract Month	Friday	Monday	Tuesday	Wednesday	Thursday
Soybeans (\$/bushel)	Jul	15.64	15.70	15.73	15.83	----
	Aug	14.31	14.36	14.33	14.41	----
	Sep	13.03	12.96	12.94	12.97	----
	Nov	12.52	12.43	12.42	12.51	----
	Jan	12.57	12.49	12.48	12.56	----
	Mar	12.56	12.50	12.50	12.59	----
Corn (\$/bushel)	Jul	6.79	6.55	6.73	6.78	----
	Sep	5.47	5.31	5.33	5.32	----
	Dec	5.11	5.01	5.03	5.03	----
	Mar	5.22	5.13	5.15	5.15	----
	May	5.29	5.21	5.22	5.22	----
	Jul	5.35	5.28	5.29	5.29	----
Wheat (\$/bushel)	Jul	6.48	6.46	6.49	6.58	----
	Sep	6.58	6.55	6.58	6.65	----
	Dec	6.71	6.69	6.71	6.77	----
	Mar	6.84	6.83	6.85	6.91	----
	May	6.93	6.93	6.94	6.97	----
Soybean Meal (\$/ton)	Jul	490	485	487	491	----
	Aug	435	433	433	433	----
	Sep	401	395	395	396	----
	Oct	377	369	369	371	----
	Dec	374	366	366	368	----
	Jan	374	367	367	370	----
Cotton (¢/lb)	Jul	82.71	84.29	83.22	84.39	----
	Oct	85.61	86.92	86.22	87.14	----
	Dec	84.01	85.54	84.72	85.74	----
	Mar	82.48	83.82	83.53	84.96	----
	May	81.86	83.33	83.17	84.89	----
Live Cattle (\$/cwt)	Aug	122.02	122.17	121.90	121.95	----
	Oct	125.67	126.12	125.92	126.22	----
	Dec	127.80	128.07	127.72	128.25	----
	Feb	128.77	129.20	128.92	129.10	----
	Apr	129.70	130.05	129.92	130.42	----
Feeder Cattle (\$/cwt)	Aug	149.45	151.22	150.90	150.95	----
	Sep	151.60	153.32	153.32	153.30	----
	Oct	153.15	154.85	154.90	154.82	----
	Nov	154.50	156.02	156.27	156.12	----
	Jan	154.97	156.57	156.52	157.02	----
	Mar	155.95	157.25	157.50	157.90	----
Market Hogs (\$/cwt)	Jul	101.27	101.07	101.00	101.62	----
	Aug	97.45	97.00	96.62	96.85	----
	Oct	85.80	85.80	85.30	85.15	----
	Dec	82.65	82.50	82.10	82.15	----
	Feb	83.80	83.70	83.55	83.70	----

Beef Industry News

Featured Article from [Beefboard.org](http://www.beefboard.org) 2013 Beef Demand Determinant Study

In Fiscal Year 2013, the Beef Checkoff Program commissioned a Beef Demand Determinant Study to identify the beef demand drivers on which the checkoff programs should focus to have the most compelling effects on beef demand moving forward.

[To read the report visit this website:](http://www.beefboard.org/evaluation/130612demanddeterminantstudy.asp)

[http://www.beefboard.org/
evaluation/130612demanddeterminantstudy.asp](http://www.beefboard.org/evaluation/130612demanddeterminantstudy.asp)

Additional Information, by Aaron Smith

What is *Support and Resistance* in the corn, soybean, cotton and wheat Tables?

Support and resistance are tools used by technicians to help them identify and follow price trends. Horizontal lines are drawn on the bar chart to indicate areas of support and resistance. The troughs or reaction lows on a price chart are identified as support. Support is an area on the chart where buying pressure overtakes selling pressure and the market reacts higher. Usually support is identified by a previous reaction low or trough on the bar chart. Resistance is an area on the chart where selling pressure overtakes buying pressure and the market reacts lower. A resistance level is identified by a previous price high or peak on the bar chart.

If you require further information, clarification, or would like to be added to our email list please contact me at aaron.smith@utk.edu.

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