

CORN: LOWER

Old crop corn was lower yesterday as some cash movement was noted in the central Corn Belt. New crop actually closed slightly higher after trading lower most of the day, funds were sellers of 4K contracts. Planting progress was 71% this week, up 43% for the week. This compares to an average of 79%. Many of the major states have "caught up". Illinois, Indiana, Missouri, Nebraska, Ohio, and South Dakota are all within 10% of average or higher. Resistance in CN is \$6.61 and then \$6.69. Support is \$6.36 and then \$6.25. The forecasts are mostly unchanged with scattered thundershowers for a few days this week. We should continue to make more progress this week and by next Sunday, be 85% planted. Look for the market to stay under pressure most of the day today. We need to hold this \$6.36 area or we will break an uptrend support line.

As of the break, trade was 13 ¼ lower in CN13.

SOYBEANS: EASIER

The corn planting progress showed beans are second fiddle when it comes to early planting. The lack of bean planting progress is not helping futures prices on a typical "turn-around Tuesday". There is little news other than a strong dollar to rationalize the lower market. World weather is relatively stable for oilseeds. U.S. acreage will be the next issue to wade through. Old crop/new crop spread found some weakness, but I do not expect that to be a trend until a massive move of booked meal and/or beans is switched to a different origin or outright cancelled. Basis is seeing some processor weakness the last couple of days. Not sure it can continue without some additional July strength in futures. Meal still seeing higher basis values makes one think bean basis will find strength as well. Nice volume in the whole complex yesterday with minimal liquidation in beans and meal, but nice gains in OI in the oil. Looks like end users like the sub-49 cent price. Chinese soy oil imports are down 61% YOY. S.A. bean crop is down to the last few percent of harvest. Look for lower trade, but July has the best chance to rally to the positive side. Beans: V-178,323/OI-580,233 (-563); Meal: V-83,251/OI-265,840 (-410); Oil: V-76,711/OI-358,339 (+7,469)

As of the break, trade was 2 lower in SN13.

WHEAT: LOWER

Wheat rallied into the close yesterday with traders buying into the crop progress report. Unfortunately for the bulls, this morning wheat is following closely with corn, and with a record week for progress it looks weaker this morning.

Japan is back in the market for milling wheat, seeking a total of 122K tonnes of which 68K tonnes of three varieties came from the U.S. Concerns with Black Sea wheat seem to be subsiding as timely moisture has been falling on the region especially in Russia. Yesterday HRW conditions fell 1% to 31% good/excellent, one of the worst ratings in over five years. The past 24 hours have brought scattered moisture for the region as combines begin to roll in south and central Texas. Outside markets are bearish as crude is down 22 cents and the USD is rallying over 310 points higher.

As of the break, trade was 9 lower in KWN13.

CATTLE: HIGHER

After grinding lower for much of the past three weeks, the cattle complex finally woke up to strong spot markets and posted solid 50-70 point gains in the fats and a 100+ point rally in the feeders yesterday. This came despite a slightly price-negative Cattle on Feed report released Friday afternoon which showed April placements larger than expected, April marketings smaller than expected, and ultimately left the on feed count roughly 36K head larger than we had thought. Nonetheless, futures are finally responding to a still firm boxed beef market which traded another \$0.50-1.00 higher yesterday and to yet more fresh highs in spite of a 653K head total slaughter last week, our largest of the year, and the fact that virtually all Memorial Day buying is behind us now. This week's showlist count is unsurprisingly seasonally larger than a week ago, particularly in the South, but with a firm beef trade, aggressive slaughter rates, and now a firmer futures market, the country will be looking for a firm cash trade later this week as well. Overnight futures are up another 50-150 points.

Please Note: There will be no evening trade Sunday, May 26th for trade date May 27th. Markets will have a regular Monday evening open for trade date May 28th.

Fund Position	Accumulative	Yesterday
Corn	+101,085	-4,000
Soybeans	+105,211	+4,000
Soybean Meal	+48,157	+3,000
Soybean Oil	-22,179	-3,000
Chicago Wheat	-29,916	+1,000
KC Wheat	+15,524	0



This material should be construed as market commentary, merely observing economic, political and/or market conditions, and not intended to refer to any particular trading strategy, promotional element or quality of service provided by FCStone, LLC. FCStone, LLC is not responsible for any redistribution of this material by third parties, or any trading decisions taken by persons not intended to view this material. Information contained herein was obtained from sources believed to be reliable, but is not guaranteed as to its accuracy. Contact FCStone designated personnel for specific trading advice to meet your trading preferences. These materials represent the opinions and viewpoints of the author, and do not necessarily reflect the viewpoints and trading strategies employed by FCStone, LLC.