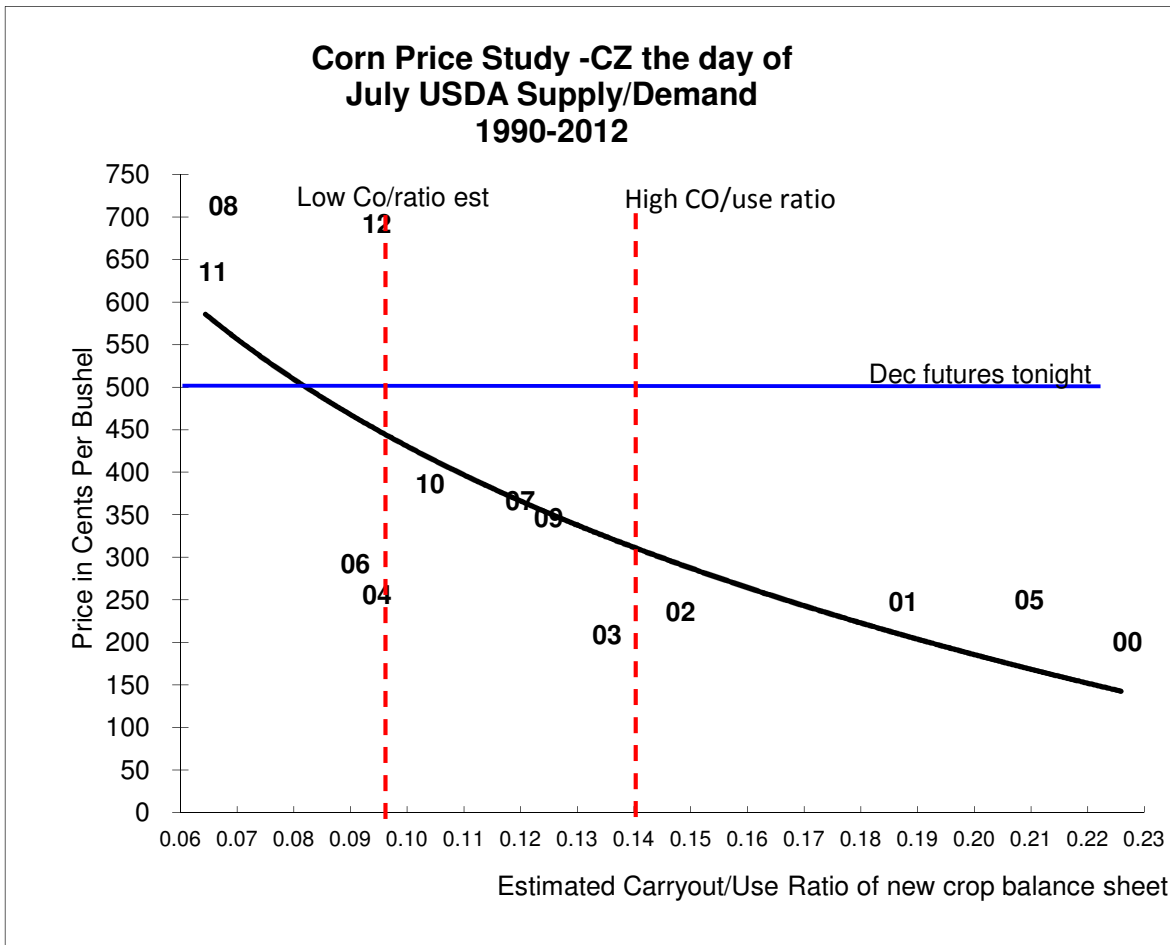


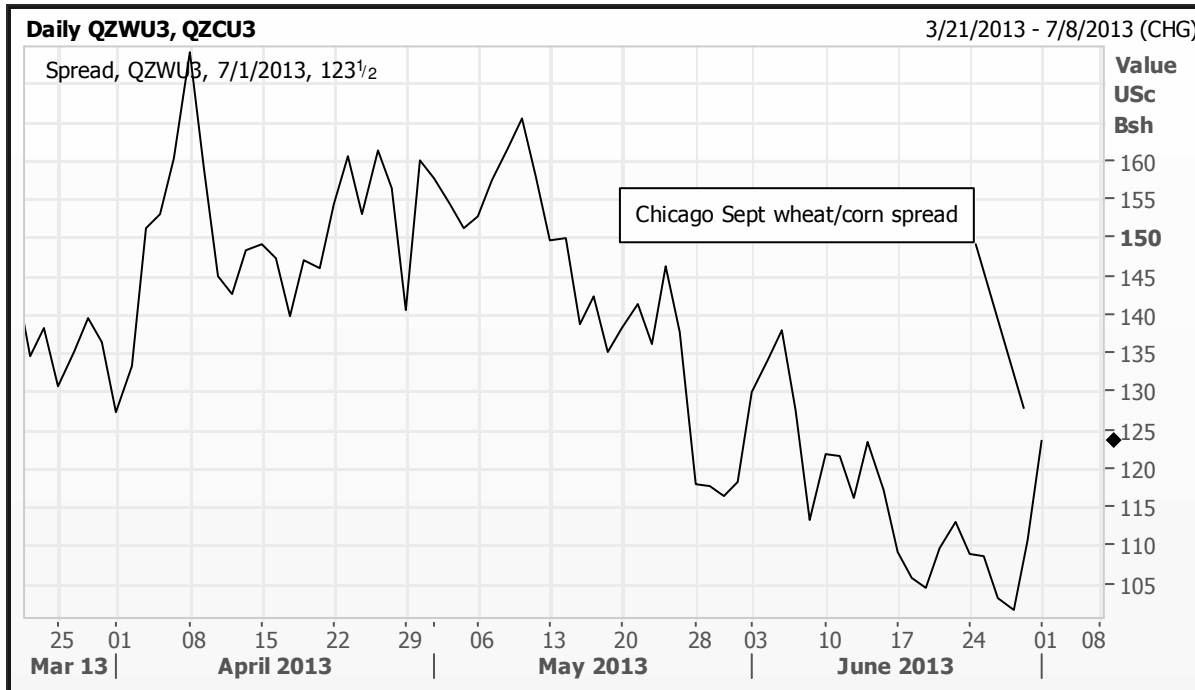
**Corn:** Volatile trading session in the old crop contracts as July corn saw a whopping 36 cent trading range while the Dec contract continued its steady grind downward. Jly corn surged early in the day on no deliveries and a solid weekly export inspection of over 14 mln bu. But then CIF and nearby corn basis broke in some markets and the profit taking kicked in on the spreads. Outright funds are thought to have sold over 20,000 contracts today (over 40,000 contracts the last 2 days) as weather forecast remains favorable with no excessive heat seen the next 10 days in the Midwest (below normal temps next 14 days). Crop ratings are expected to improve another 2-4% on G/E tonight and came in with 2% bump to 67% vs 48% last year. Silking is 3% complete vs 9% on the 5 year avg. Weather forecast remains favorable for the next 10 days with no adverse heat for the Midwest and another rain event the start of next week. Dec corn for short term finding a little support at \$5.00 & with no adverse weather could see pressure toward \$4.50-\$4.60 area.



Traders will continue to monitor Growing Degree Units running behind normal in parts of the Midwest and hope it does not become an issue unless there is an early fall. Other news was quiet today with S. Korea tendering for a couple of option origin corn cargoes along with a feed wheat cargo. Ethanol margins continue to struggle for Jly/Aug but then rebound in new crop months. Interesting to note that ethanol RINs traded over \$1.02 today. Would look for consolidation tonight with traders watching for any corn deliveries.

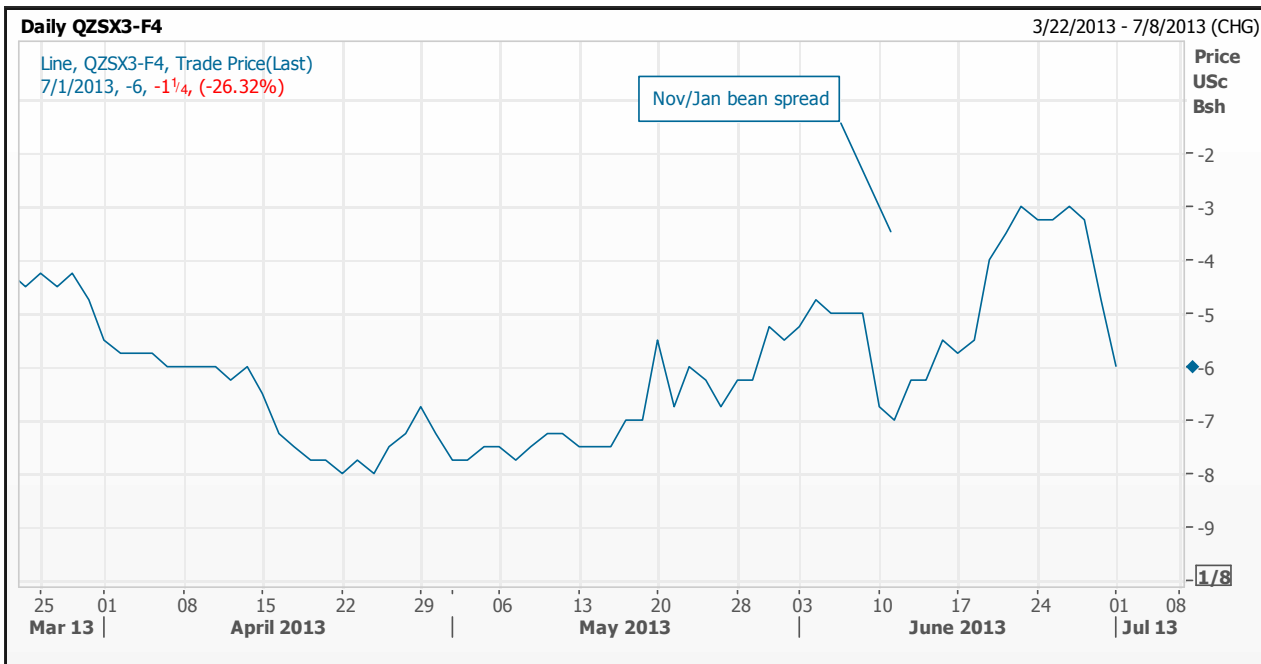
**WHEAT:** It was a mixed day in the wheat markets with KC wheat closing higher on light short covering while Chicago and Mpls wheat were slightly lower in very choppy trade. US winter wheat harvest is moving right along with it at 43% complete tonight vs 52% avg. Private estimates were that OK was 80% done and came in at 84% while TX is 73% done and KS is 57% complete (vs 67% avg). HRW yields continue to run large 40-55 bpa though protein levels remain on the low side (low 11s). SRW harvest did get hampered by some rains though IL is 45%

harvested while IN is just 27% but NC is 69% done. SRW yields remain very good though some country contacts report a decline in quality after this recent spate of rain. Harvest is also moving along in Russia with wheat prices there falling another \$5-\$8 a ton from last week as a result. Export inspections were a little better than expected at 26.4 mln bu (vs estimates of 15-20 mln bu). Traders are keeping eye on events in Egypt and the current unrest there (hoping it doesn't escalate or spread). Interesting to note that Egypt's GASC does tender tonight for option origin wheat. Would expect to see it get filled out of Europe on the bulk of it. Wheat/corn spread continues to rebound with the Sept bouncing over 20 cents, see chart below. Look for prices to find support at \$6.50 in WU and \$6.75-6.80 in KWU while Mpls should see a bump with its G/E ratings falling 2% tonight.

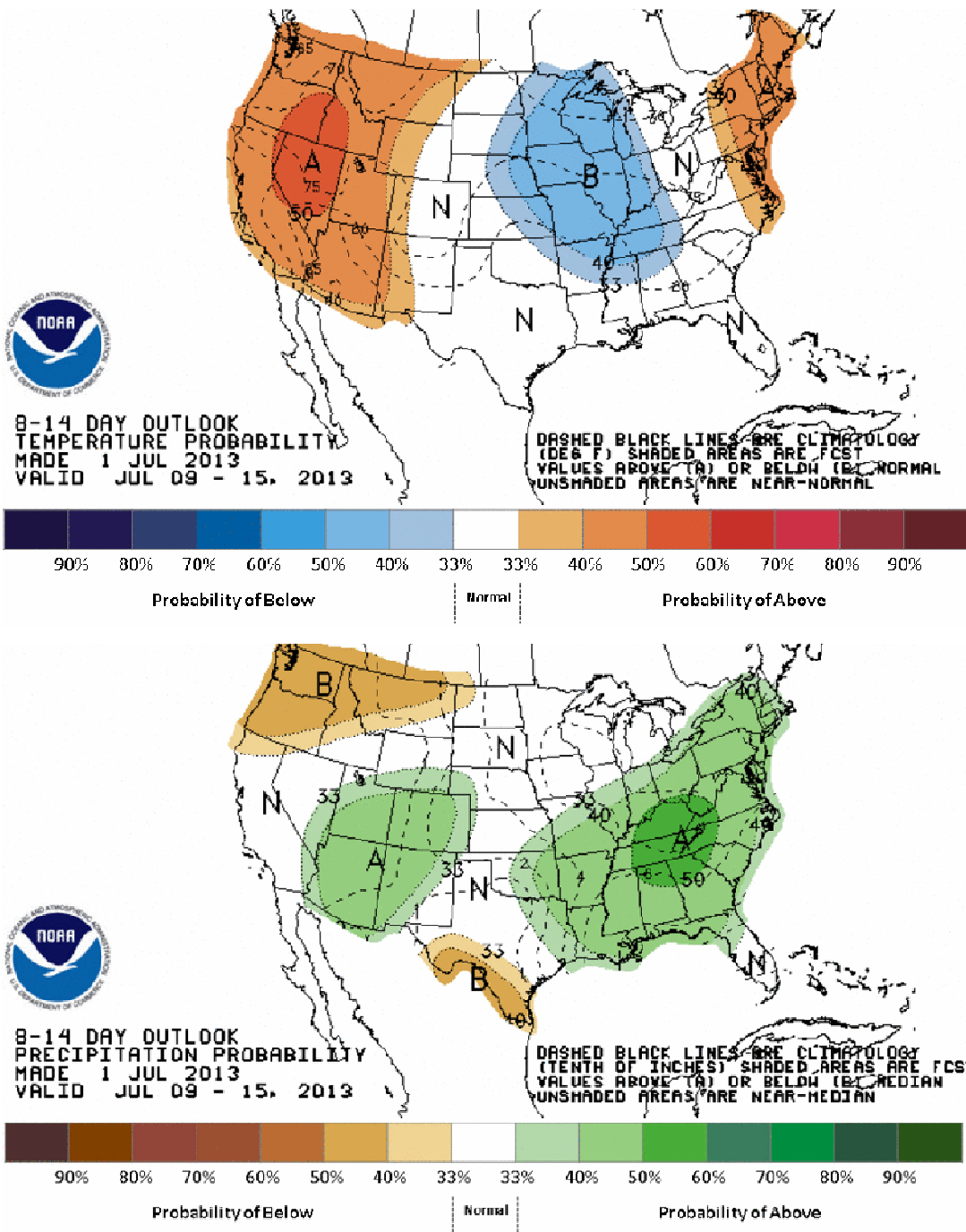


**SOY-COMPLEX:** Another session of old crop beans moving higher while Nov beans closing lower on continued favorable growing conditions. Old/new crop bean spreads surged to new highs again before backing off (Jly/Nov hit over \$3.45 today). Old crop values holding strong at the processor market though some meal basis weakness was starting to be seen. If meal basis starts to tumble then look for soybean basis to be close behind. Soyoil closing higher on profit taking of meal/oil spreads. Weekly export inspections on beans were a non-event at 4.5 mln bu. Brazil reports that they shipped 6.57 mmt of soybeans (241 mln bu) in June compared to the record 7.95

mmt (292 mln bu) in May. New crop beans continue to grind lower as the G/E rating this afternoon saw a 2% G/E bump to 67% vs 45% G/E last year. New crop spreads also weakening with Nov/Jan working back toward 6-8 cents after hitting 3 cents last week. Look for softer trade again tomorrow in Nov



beans.



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