



CURRENT TREND: Mostly Higher **REASON:** Some rise in farmer sales/fall in cash bids but stocks still tight; planting problematic yet

EXPORT SALES @ 7:30 AM TOMORROW

MORNING TRIVIA: Johnny Carson ended a 30-year run by hosting his last *Tonight Show*, on this day of what year?

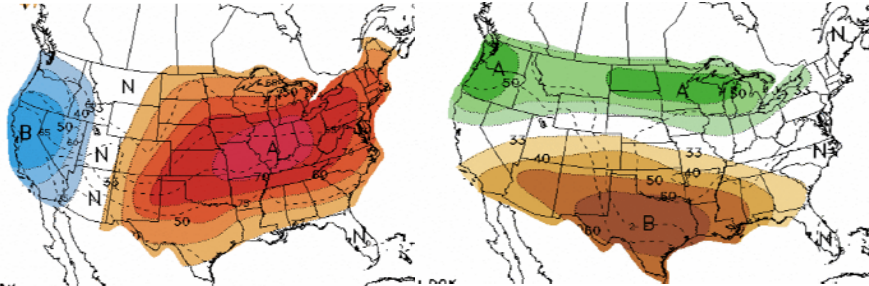
MARKET HEADLINES

- *Quick Editorial:* it's the back end of the corn and soy complexes that are keeping values afloat this morning, with the excitement of the record corn planting number sinking into the background and the reality of the next 10-14 days of Midwest weather forecasts settling in...that tenth day is now June 1...
- Taiwan's MFIG rejected all offers in a 60k-tonne corn tender yesterday, with the lowest offer of \$288.50/tonne C&F coming from Brazil, for July-August.
- Jordan passed on a 150k-tonne wheat tender yesterday, as they did in their previous effort on May 15 as well, but they re-tendered for 150k tonnes of optional-origin milling wheat today, closing next Tuesday (5/28).
- The CNGOIC said China cancelled as much as 150k tonnes of soybean oil cargoes from South America, in favor of lower-priced domestic supplies.
- Japanese customs data showed April grain imports at 1.865 MMT, down 10% from last year, with grain imports from the U.S. at 718k tonnes, down 46% from last April. Soybean imports came in at 233k tonnes in April, with 195k of that coming from the U.S.; both those figures were up 14% from April '12.
- Agriculture and Agri-Food Canada yesterday raised their 2013 production estimates, with total grain and oilseed output this year at 74.465 million tonnes, up from 73.710 MMT in April and 70.198 MMT last season. Total exports of 34.465 MMT were down from 39.490 MMT in April, as well as below 35.189 MMT in 2012/13; ending stocks for '13/14 are seen up nearly 700k from April at 11.085 MMT, now 2.6 MMT above the '12/13 carryout. For individual crop production in 2013, Ag Canada raised wheat output by a million tonnes to 29.4 MMT, now up 2.2 MMT from 2012, with corn up 1.3 MMT this month and 750k this year to 13.8 MMT. Canola production dropped 1.4 MMT this month to 14.1 MMT, still 800k above last season.
- Safras & Mercado cut their 2012/13 Brazilian soy estimate from 82.5 to 82.3 million tonnes this month, now down 1.2 MMT from the USDA's unchanged May S&D number, but still up 25% from last season's 67.8 MMT crop,

WEATHER UPDATE:

- 24-hour rainfall totals finally stayed out of the bulk of the Midwest—mostly south of the main growing areas—while rains continue mostly through the northern and eastern corn belt into tomorrow. The subsequent dry stretch will be short-lived as rains spread from the southern Plains tomorrow to the northern Plains Friday, then the Midwest (north-central corn belt in particular) over the holiday weekend. 6-10 day maps (and beyond) remain wet over at least the northern half of the corn belt, as our lead forecaster sees a summer-like warm, humid, and volatile pattern developing into the last half of next week.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

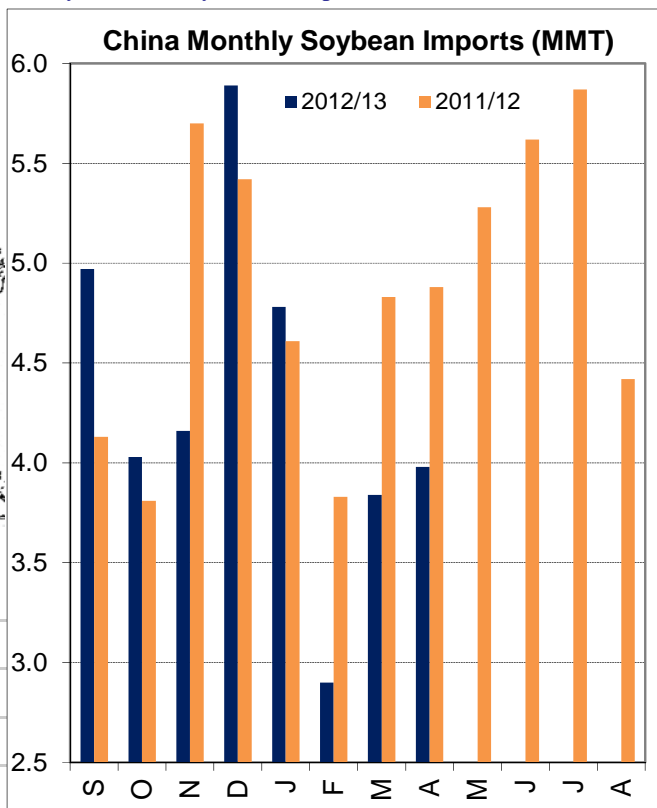
| | Corn | Beans | Meal | Oil | Wheat | KC Wht |
|----------------|---------|---------|---------|---------|---------|--------|
| Daily | -9,000 | 4,000 | 2,000 | 3,000 | -1,000 | 0 |
| Est Net | 92,085 | 109,211 | 50,157 | -19,179 | -30,916 | 15,524 |
| Rec + | 409,444 | 240,937 | 98,846 | 83,895 | 73,662 | 61,669 |
| Rec - | -33,141 | -45,088 | -54,855 | -56,629 | -56,406 | -3,855 |

NIGHT SESSION (to 7:00 AM): Grain Volume: 62,056

| Symbol | High | Low | Last | Chg | Vol |
|--------|---------|---------|---------|-------|--------|
| CN3 | 642.25 | 637.75 | 640.00 | +0.00 | 5,375 |
| CU3 | 549.25 | 546.25 | 549.00 | +2.25 | 3,095 |
| CZ3 | 524.25 | 519.25 | 523.00 | +2.75 | 6,644 |
| WN3 | 685.75 | 680.00 | 684.75 | +4.25 | 2,421 |
| KWN3 | 742.75 | 738.75 | 742.00 | +3.50 | 143 |
| SN3 | 1481.75 | 1470.75 | 1476.75 | -1.50 | 12,953 |
| SQ3 | 1394.25 | 1385.50 | 1391.50 | +1.25 | 1,190 |
| SX3 | 1228.50 | 1221.00 | 1224.75 | +4.00 | 8,088 |
| SMN3 | 439.00 | 435.40 | 436.20 | -2.50 | 4,562 |
| BON3 | 49.74 | 49.39 | 49.60 | +0.12 | 5,432 |
| CLN3 | 96.07 | 95.34 | 95.97 | -0.21 | 30,611 |
| DXY | 84.00 | 83.76 | 83.95 | -0.01 | 7,772 |

FUNDAMENTAL UPDATE

Today's chart shows monthly Chinese soybean imports, according to the country's General Administration of Customs, and adjusted into the U.S. marketing year for both last year and this year so far. YoY Chinese soy demand has lagged sharply over the last three months thanks largely to livestock disease, though it's been Brazil that has seen the bulk of that decline so far; Jan-April soy imports are down almost 15% from 2012, with imports from the U.S. only barely below last year but imports from BRZ down 46.5%.





TRIVIA ANSWER: 1992

CORN COMMENTS

July corn lost just short of double-digits yesterday though only with a mid-range close; CN remains below a cluster of resistance including MA's up to the 50-day, running up to the 23% retracement near 660. Initial support stands at 625 lows.

SUPPORT / RESISTANCE OUTLOOK

| Term | Support | Resistance | Our Bias |
|-------|---------|------------|----------|
| Short | 632.50 | 660.75 | Neutral |
| Long | 610.00 | 669.00 | Negative |

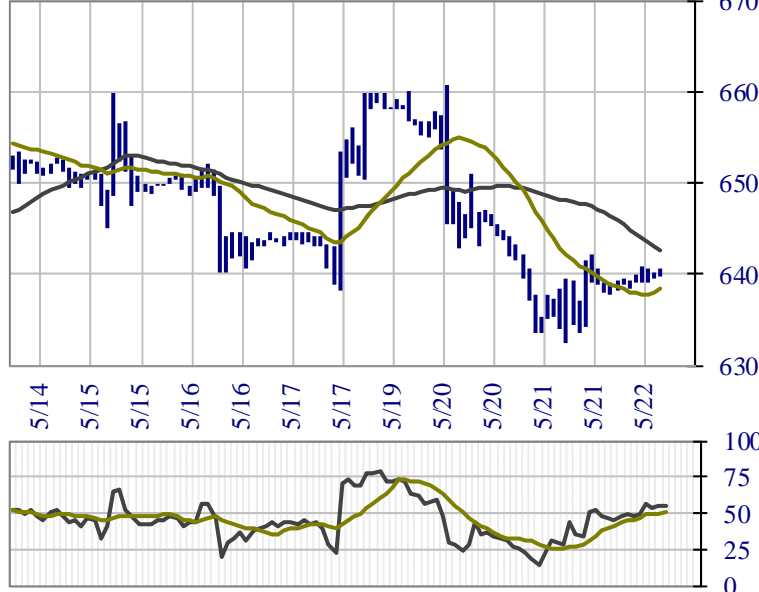
TREND OUTLOOK

| Term | 40-Per MA | 20-Per MA | Trend |
|-----------|-----------|-----------|--------|
| 60 Minute | 642.61 | 638.33 | Lower |
| Day Chart | 639.91 | 645.06 | Higher |

TECHNICAL INDICATORS

| Open Int | Volume | Volatility | RSI Levels |
|------------|--------|------------|------------|
| Decreasing | Normal | Low | Neutral |

60 MINUTE JULY CORN - eCBOT, w/ MA's & RSI



SOYBEAN COMMENTS

July beans continued to surge, adding double-digits for the fourth straight session yesterday, and approaching February highs at 1483 1/2; near-term resistance past that clearly stands at the key \$15 mark, followed by retracements at 1514 & 1527

SUPPORT / RESISTANCE OUTLOOK

| Term | Support | Resistance | Our Bias |
|-------|---------|------------|----------|
| Short | 1408.25 | 1481.75 | Positive |
| Long | 1341.00 | 1481.75 | Neutral |

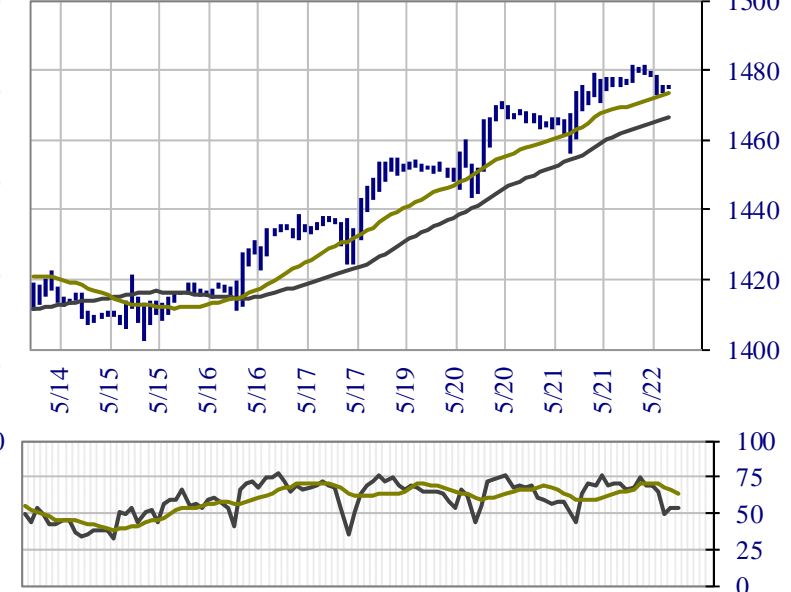
TREND OUTLOOK

| Term | 40-Per MA | 20-Per MA | Trend |
|-----------|-----------|-----------|--------|
| 60 Minute | 1466.56 | 1473.48 | Higher |
| Day Chart | 1389.92 | 1409.21 | Higher |

TECHNICAL INDICATORS

| Open Int | Volume | Volatility | RSI Levels |
|------------|--------|------------|-----------------|
| Increasing | Normal | Neutral | Very Overbought |

60 MINUTE JULY BEANS - eCBOT, w/ MA's & RSI



WHEAT COMMENTS

July wheat squeaked out a fifth straight lower low along with its eighth straight lower high yesterday, though it again found some measure of tentative support around 675; clear support past that stands at lows near 665 (contract) and 660 (spot).

SUPPORT / RESISTANCE OUTLOOK

| Term | Support | Resistance | Our Bias |
|-------|---------|------------|----------|
| Short | 674.00 | 699.00 | Negative |
| Long | 674.00 | 736.75 | Neutral |

TREND OUTLOOK

| Term | 40-Per MA | 20-Per MA | Trend |
|-----------|-----------|-----------|--------|
| 60 Minute | 680.48 | 680.55 | Higher |
| Day Chart | 703.85 | 704.80 | Higher |

TECHNICAL INDICATORS

| Open Int | Volume | Volatility | RSI Levels |
|------------|--------|------------|------------|
| Increasing | Normal | Low | Oversold |

60 MINUTE JULY WHEAT - eCBOT, w/ MA's & RSI



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