



CURRENT TREND: Mixed **REASON:** Grains mostly shrug off foreign equity market influence; beans still rolling with \$15 test

EXPORT SALES @ 7:30 AM

MORNING TRIVIA: This restaurant chain was founded in 1958 in Wichita, KS, with the first franchise (now 11,000 worldwide) located in Topeka...

MARKET HEADLINES

- *Quick Editorial:* nearby beans continue to be the strongest performers, with most of the corn and soy complex in the red this morning; however, wheat has continued its steady bounce, highlighting the fact that the grains (the spot contracts at least) are just as interesting technically today as fundamentally. July corn doesn't look like it's up to the challenge at \$6.60, while July beans (the clear volume leader overnight) couldn't hold at \$15, though most would see that to be only a brief road bump. July Chicago wheat turned \$6.75 into a nice support level early this week but has a tough passage ahead at \$7/bu on up.
- Japan bought 122,222 tonnes of food wheat as planned this week, with a combined 68k tonnes of three U.S. wheat varieties, 22k from Canada, and 32k from AUS. Loadings are set for late June-late July, with arrival by Aug 31.
- Strategie Grains cut their 2013/14 European Union soft wheat production estimate this morning, by 200k tonnes to 129.8 MMT, due to lower acreage in key producers Germany and France; corn output was also cut slightly (-100k tonnes) to 64.5 MMT on planted area cuts in those two countries. EU-27 barley output did rise by 1.1 MMT this month to 55.3 MMT, with production up a combined 700k tonnes in France, Germany, and the United Kingdom.
- The latest and greatest Argentine labor strike is by Rosario port workers, reaching three days yesterday and delaying more than 50 cargo ships in the country's main grain hub; negotiations between the two sides are set for today
- '12/13 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**
 Corn: **100-200 / 219.9** Beans: **0-100 / 15.3** Wheat: **0-200 / 125.0**
 Meal: **0-100 / 82.8** Oil: **0-15 / -5.2**
- '13/14 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**
 Corn: **100-300 / 38.6** Beans: **350-450 / 346.6** Wheat: **300-400 / 415.7**
 Meal: **50-100 / 109.7** Oil: **0-0 / 0.0**

NIGHT SESSION (to 7:00 AM): Grain Volume: 74,453

Symbol	High	Low	Last	Chg	Vol
CN3	658.00	654.75	656.75	-1.75	5,457
CU3	560.75	556.25	557.75	-2.00	1,032
CZ3	532.50	527.50	527.75	-2.75	5,552
WN3	698.00	687.00	693.50	+5.00	7,583
KWN3	752.00	741.50	746.25	+3.00	560
SN3	1502.50	1491.00	1495.50	+1.25	13,709
SQ3	1413.75	1404.25	1406.25	+0.75	1,080
SX3	1249.00	1234.50	1237.50	-1.25	9,745
SMN3	442.00	438.40	439.10	-1.50	4,956
BON3	49.83	49.33	49.49	-0.15	7,440
CLN3	94.18	92.67	93.14	-1.14	46,736
DXY	84.60	83.85	84.00	-0.46	27,603

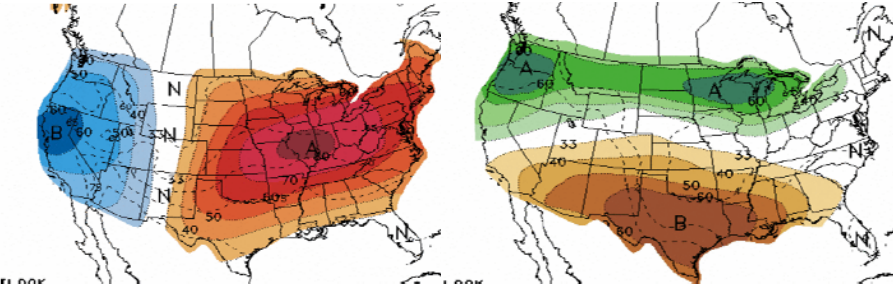
FUNDAMENTAL UPDATE

Total U.S. fuel ethanol production has now increased in each of the last two weeks, and six of the last eight, with a rise to 875k bpd last week, the best output in 11 months. Cumulative production since Sep 1 (just over 70% of the corn marketing year) is now running at 816k bpd, down 92.5k from the same span last season. Both those numbers still suggest an annual corn usage more than 100 million bushels below the USDA's current (increased) '12/13 est.

WEATHER UPDATE:

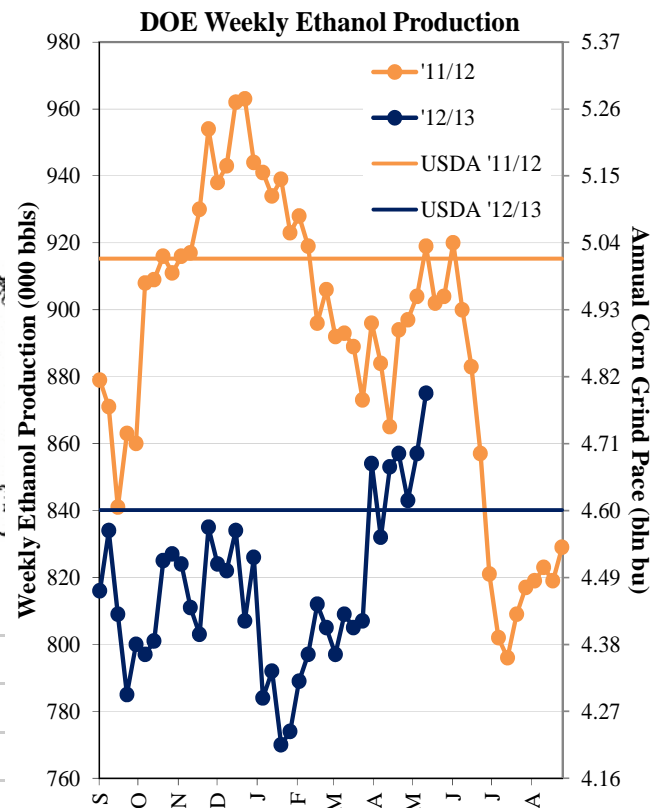
- Significant 24-hour rain totals were confined mostly to WI and MI, with lighter 0.1-0.25" numbers falling in parts of the northern and eastern belt; those rains will finally move out today but it will basically only be a 2-3 day dry stretch for most, as the next system moves back in to the Plains tonight and tomorrow, and the north-central corn belt basically for Saturday onward. That next system looks to be absolutely parked over the northern half of the corn belt all the way up through the 6-10 day period, with southern growing areas staying much drier. The north-central belt could finally dry up by the 11-15 day period. Temps definitely look warm at this point for the 6-10, though highly variable forecasts say that no real extended pattern will be here to stay.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

	Corn	Beans	Meal	Oil	Wheat	KC Wht
Daily	12,000	7,000	3,000	1,000	2,000	0
Est Net	104,085	116,211	53,157	-18,179	-28,916	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





TRIVIA ANSWER: Pizza Hut

CORN COMMENTS

July corn jumped right back up through a range of moving averages, adding 18 1/2 cents to re-approach the key 660 level, where it has topped out most of this month and where the 23% retracement lies. Resistance past that is at 669 and 675-676.

SUPPORT / RESISTANCE OUTLOOK

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

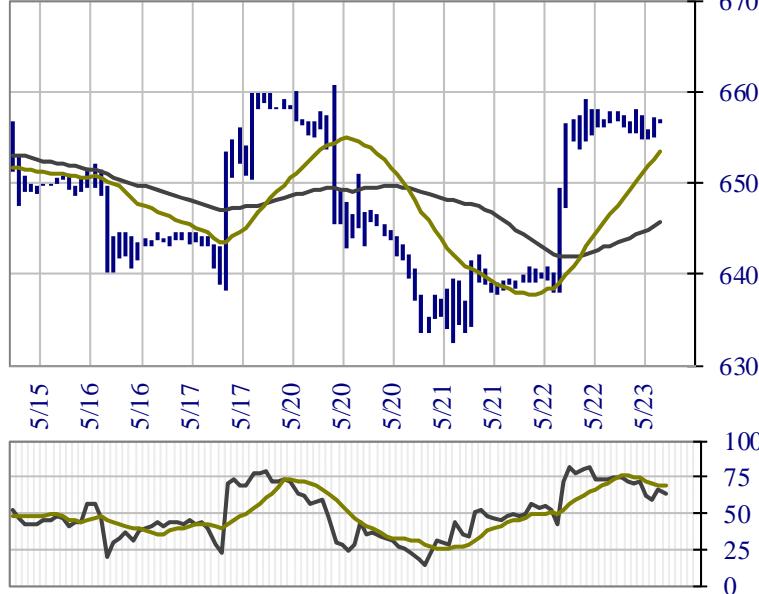
TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	645.64	653.46	Higher
Day Chart	638.88	647.58	Higher

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Neutral	Neutral

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



SOYBEAN COMMENTS

July beans just keep on rolling, continuing their quest for a test of \$15 (attempted overnight) with a fifth straight double-digit up day yesterday; resistance past that is at the 23% contract retracement at 1514, then the 38% spot mark at 1527 1/4.

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	1424.00	1502.50	Positive
Long	1341.00	1502.50	Neutral

TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	1481.19	1490.03	Higher
Day Chart	1392.04	1416.39	Higher

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Increasing	Heavy	Neutral	Very Overbought

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



WHEAT COMMENTS

July wheat finally broke a string of lower highs and lows with a moderate eight-cent rebound yesterday, leaving support intact at 675, and lows near 665 & 660; a continued bounce finds resistance at \$7 with a cluster of MA's coming shortly after.

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	674.00	698.00	Negative
Long	674.00	736.75	Neutral

TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	685.04	690.60	Higher
Day Chart	702.88	704.46	Higher

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Increasing	Normal	Low	Neutral

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



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