



CURRENT TREND: Mostly Lower **REASON:** Grains settling back, but remain generally supported by planting/weather outlook

DELAYED ENERGY REPORTS TOMORROW MORNING, EXPORT SALES @ 7:30 AM FRIDAY

MORNING TRIVIA: Of the top four states in 'number of bars per capita', name the only one with a population above one million (hint: 5.7 mln)

MARKET HEADLINES

- **Quick Editorial:** the deferred corn contracts are the only ones left on the high side this morning, with the grains unable to sustain an early bounce from a progress report showing plenty of corn/beans/wheat left to plant; more rains on tap for the 6-10 (after what will basically amount to a washout this week) should keep the market on edge with plantings stretching into mid-June...
- South Korea's Nofi bought 55,000 tonnes of optional-origin (likely Black Sea) feed wheat overnight at \$282.50/tonne C&F, for arrival by Sept 30.
- SovEcon estimated Russia's 2013 wheat production at 50 MMT in 2013, up one-third from last year's output, with all grains at 85-89 MMT, up slightly from their previous 84-89 MMT estimate. The exportable grain surplus for 2013/14 is seen at 19 MMT, compared to a previous 16 MMT estimate; the wheat surplus of 13-15 MMT is up from 11 MMT of exports in 2012/13.
- Private analysts Oil World see May Brazilian bean exports reaching as high at 8.7-9.0 MMT, compared to 7.3 MMT a year ago; that would put Jan-May cumulative exports from BRZ at 20.4 MMT or better, up from an 18.5 MMT pace last year, and 53% of the country's expected calendar 2013 exports.
- Egypt's Supplies Minister reported the country's wheat harvest at 3.057 MMT so far, 45% ahead of last year's pace; they hope to harvest 9-9.5 MMT of domestic wheat this year, in order to cut imports from 10 MMT to 4-5 MMT.
- Yesterday afternoon's Crop Progress Report showed U.S. corn at 86% planted as of Sunday night, up from 71% last week but still behind 99% last year and the 90% five-year average; emergence of the crop rose from 19% to 54% on the week, remaining behind 89% LY and the 67% 5YA. Soybean planting went from 20% to 44% this week, behind 87% last year and the 61% 5YA, while emergence of that crop rose 11% to 14%, down from 57% LY and the 30% 5YA. National winter wheat ratings were steady at 31% good/excellent (though up 1% to 42% poor/very poor), vs 54% g/ex LY and 49% on average.
- **Export Inspections (mln bu):** **This Week / Estimates / Last Week**
 Corn: **12.4 / 9-14 / 14.6** Beans: **3.4 / 1-6 / 3.8** Wheat: **21.2 / 15-21 / 21.2**

NIGHT SESSION (to 7:00 AM): Grain Volume: 78,875

| Symbol | High | Low | Last | Chg | Vol |
|--------|---------|---------|----------------|--------------|--------|
| CN3 | 667.00 | 662.75 | 664.25 | -2.25 | 3,825 |
| CU3 | 585.50 | 581.50 | 584.75 | +1.00 | 2,835 |
| CZ3 | 554.50 | 549.00 | 553.00 | +2.00 | 10,542 |
| WN3 | 694.75 | 688.75 | 692.50 | -1.25 | 3,500 |
| KWN3 | 745.00 | 740.50 | 743.00 | -0.50 | 277 |
| SN3 | 1519.00 | 1503.00 | 1506.50 | -2.75 | 8,481 |
| SQ3 | 1440.75 | 1427.25 | 1429.25 | -4.50 | 585 |
| SX3 | 1290.00 | 1280.75 | 1286.00 | -2.00 | 12,971 |
| SMN3 | 446.20 | 440.20 | 441.80 | -0.50 | 4,088 |
| BON3 | 49.89 | 49.34 | 49.35 | -0.19 | 6,940 |
| CLN3 | 95.11 | 94.10 | 94.10 | -0.91 | 34,580 |
| DXY | 84.43 | 83.54 | 83.73 | -0.45 | 16,969 |

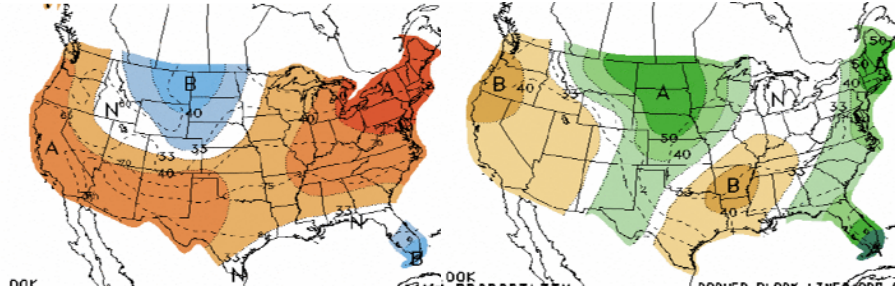
FUNDAMENTAL UPDATE

National corn planting reached 86% complete this week, actually ahead of recent slow planting years (83% in 2011 and 85% in 2009 on 5/27), and only a couple points behind the 2008-2011 average. However, what is likely to be an extremely slow planting week this coming week will find the June 3rd number matching up against these: a 97% five-year average, basically 100% planted in 2012, and 92% in 2011, easily the slowest 6/3 pace of the last ten seasons.

WEATHER UPDATE:

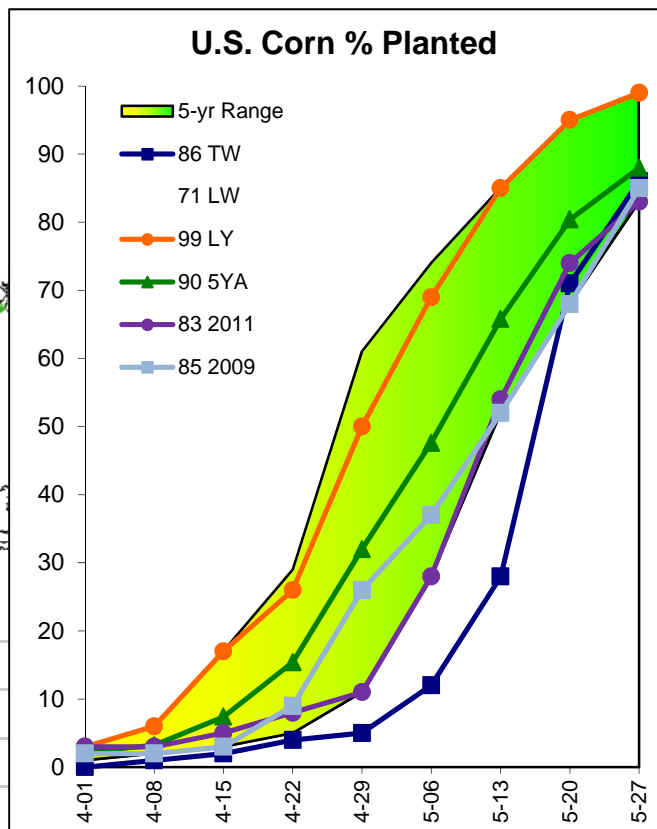
- Our lead forecaster still expects more 1-2" rains for the bulk of the Midwest over the next 3-4 days, with the subsequent break looking more and more brief every day; the next system looks to move in from the NW belt around Tuesday, making for yet another wet 6-10 day forecast. The 11-15 day period isn't too much drier at this point, with no extended dry stretches yet to be found. Temperature forecasts show no extremes, generally favoring the above-normal side of the ledger, if anything, over the next two weeks.

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 | 13,000 | 5,000 | 2,000 | -3,000 | 0 |
| Est Net | 118,682 | 119,377 | 53,735 | -11,409 | -43,565 | 9,604 |
| 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: Wisconsin

CORN COMMENTS

July corn started out the week strong with a 9 1/4-cent gain after a bullish outside reversal session, though it again was resisted at the 670 level. Past that comes the 100-day MA at 674 1/4, and 675. MA support stands at 654 1/4 on down.

SUPPORT / RESISTANCE OUTLOOK

| Term | Support | Resistance | Our Bias |
|-------|---------|------------|----------|
| Short | 637.75 | 669.75 | Neutral |
| Long | 610.00 | 669.75 | Negative |

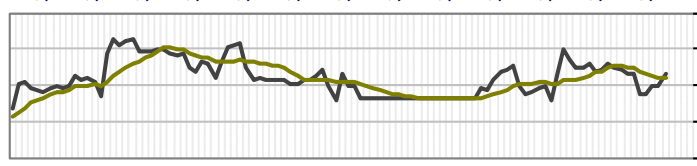
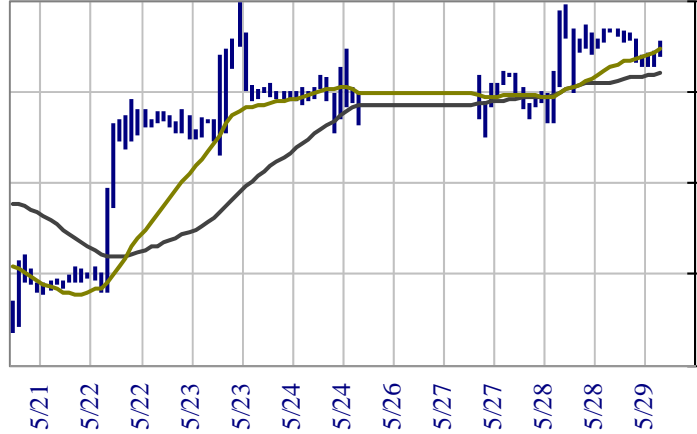
TREND OUTLOOK

| Term | 40-Per MA | 20-Per MA | Trend |
|-----------|-----------|-----------|--------|
| 60 Minute | 662.06 | 664.60 | Higher |
| Day Chart | 640.50 | 650.84 | Higher |

TECHNICAL INDICATORS

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

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



WHEAT COMMENTS

July wheat posted two straight losing sessions around the weekend, following last week's single close above \$7; MA resistance has stood up surrounding 705. Lows remain for support at 674-674, followed by 665 (contract) and 660 (spot).

SUPPORT / RESISTANCE OUTLOOK

| Term | Support | Resistance | Our Bias |
|-------|---------|------------|----------|
| Short | 680.00 | 709.00 | Negative |
| Long | 674.00 | 736.75 | Neutral |

TREND OUTLOOK

| Term | 40-Per MA | 20-Per MA | Trend |
|-----------|-----------|-----------|-------|
| 60 Minute | 696.60 | 693.71 | Lower |
| Day Chart | 704.24 | 702.06 | Lower |

TECHNICAL INDICATORS

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

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.

SOYBEAN COMMENTS

July beans followed a 23+ cent loss on Friday with a 33-cent rise to open this week, closing above \$15 for the first time since September. Resistance did emerge at the 38% retracement at 1527 1/4, with highs waiting after that at 1545-1546.

SUPPORT / RESISTANCE OUTLOOK

| Term | Support | Resistance | Our Bias |
|-------|---------|------------|----------|
| Short | 1470.50 | 1546.75 | Positive |
| Long | 1341.00 | 1546.75 | Neutral |

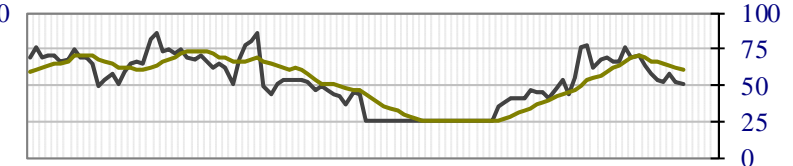
TREND OUTLOOK

| Term | 40-Per MA | 20-Per MA | Trend |
|-----------|-----------|-----------|--------|
| 60 Minute | 1496.79 | 1506.16 | Higher |
| Day Chart | 1401.11 | 1431.71 | Higher |

TECHNICAL INDICATORS

| Open Int | Volume | Volatility | RSI Levels |
|------------|--------|------------|-----------------|
| Increasing | Heavy | High | Very Overbought |

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



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

