



**CURRENT TREND:** Mostly Higher **REASON:** GMO discovery still hurting wheat, but corn/soy buoyed on production/stocks concerns

**EXPORT SALES @ 7:30 AM, CFTC COMMITMENT OF TRADERS @ 2:30 PM**

**MORNING TRIVIA:** Which famous musician was born Farrokh Bulsara, in Zanzibar, East Africa, September 1946?

**MARKET HEADLINES**

- *Quick Editorial:* the overnight session brought a good old-fashioned spot soybean rally, with July trying its luck above \$15 this time; continually awful planting weather forecasts should keep the back end well-supported also...
- South Korean flour millers have now suspended tenders for U.S. wheat imports, following Japan's decision to do the same after an unapproved GMO strain was found in a single Oregon wheat field; Taiwan is reviewing its purchase agreements as well, possibly to seek a guarantee that only non-GMO grain will be shipped to the country. On an unrelated note, Taiwan Sugar Corp. cancelled a tender for 23k tonnes of U.S. corn and 12k tonnes of U.S. soybeans (mid-July through mid-Aug shipment) due to high prices.
- Japan also avoided any U.S. wheat purchases in an SBS tender this morning, buying 17,500 tonnes from Australia, France, and Canada.
- Iraq bought 250k tonnes of wheat from Russia overnight, in a nominal 50k tender, with delivery scheduled between August 1 and mid-September.
- UkrAgroConsult reported Ukraine's April grain exports at 1.65 MMT, including 1.32 MMT of corn and 238k tonnes of wheat; they had shipped 1.47 MMT of corn and 65k tonnes of wheat in March. Cumulative July-April grain exports stand at 19.8 MMT, up from 17.4 MMT in the same span LY.
- The Buenos Aires Exchange reported Argentina's soybean harvest at 96% this week, up 3% from last week; they still see production at 48.5 million tonnes, compared to the government's recently-reduced 50.6 MMT forecast (and the USDA's 51.0 MMT). The Exchange pegged corn harvest at 55% complete, up 4% on the week but still 7% behind last year; corn output is seen at 24.8 MMT (below the USDA's 26.5 MMT). Wheat planting was seen at 9% done.
- '12/13 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**  
Corn: **0-200 / 104.5** Beans: **0-200 / 183.5** Wheat: **0-200 / 239.0**  
Meal: **75-150 / 131.2** Oil: **5-10 / 9.6**
- '13/14 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**  
Corn: **600-800 / 341.6** Beans: **400-600 / 838.9** Wheat: **250-450 / 713.6**  
Meal: **75-150 / 125.4** Oil: **0-0 / 0.0**

**NIGHT SESSION (to 7:00 AM): Grain Volume: 55,436**

Symbol	High	Low	Last	Chg	Vol
CN3	659.50	652.25	<b>657.25</b>	<b>+3.00</b>	4,474
CU3	595.25	587.25	<b>593.75</b>	<b>+2.00</b>	1,904
CZ3	565.50	557.75	<b>564.50</b>	<b>+1.75</b>	5,626
WN3	698.50	693.75	<b>695.50</b>	<b>-3.25</b>	3,196
KWN3	745.75	741.00	<b>743.00</b>	<b>-3.00</b>	241
SN3	1512.50	1494.25	<b>1509.75</b>	<b>+14.00</b>	8,684
SQ3	1437.75	1426.50	<b>1436.25</b>	<b>+9.50</b>	698
SX3	1299.00	1288.75	<b>1298.00</b>	<b>+8.75</b>	7,662
SMN3	446.70	440.30	<b>446.20</b>	<b>+5.40</b>	2,282
BON3	48.78	48.51	<b>48.72</b>	<b>+0.14</b>	4,906
CLN3	93.85	92.68	<b>92.85</b>	<b>-0.76</b>	24,831
DXY	83.43	83.05	<b>83.25</b>	<b>+0.18</b>	9,664

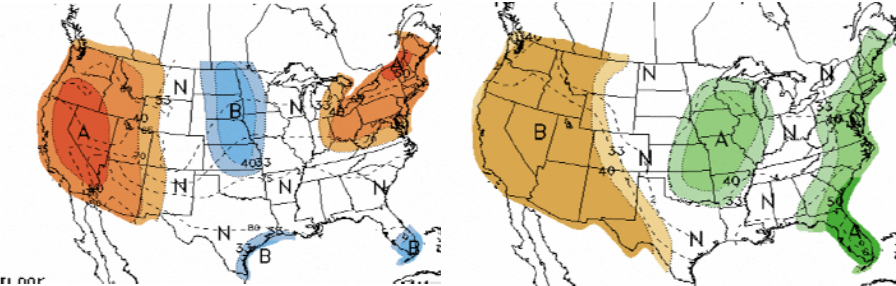
**FUNDAMENTAL UPDATE**

Weekly total fuel ethanol production declined by 12,000 barrels per day last week to 863k bpd, still the second-best output week of the 2012/13 corn marketing year so far, though also still near 40k bpd behind the same week last year. Cumulative production since Sept 1 is running at 817k bpd, 91k bpd behind the first 38 weeks of last year—both those numbers imply corn usage well behind the USDA's YTY est. Continued output of 863k bpd thru August would still leave '12/13 corn usage a bit short of the USDA guess.

**WEATHER UPDATE:**

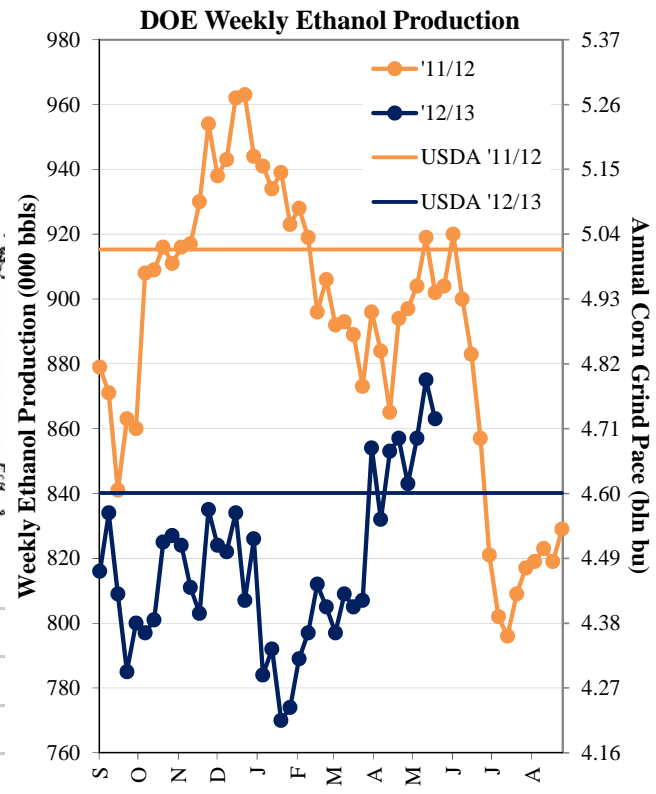
- Rains were heavy in KS, MO, and IL this time over the latest 24-hour stretch; that action will continue to move southeastward through tomorrow night but then clear out for a brief 2-3 day dry stretch. Monday night will bring the next round of corn belt showers, through mid-week, while our lead forecaster sees the next system after that settling in the following weekend. Extended maps continue to show normal-to-above precip, normal-to-below temperatures.

**NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP**



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

	Corn	Beans	Meal	Oil	Wheat	KC Wht
<b>Daily</b>	-7,000	-2,000	-2,000	0	-1,000	0
<b>Est Net</b>	116,682	113,377	53,735	-16,409	-41,565	9,604
<b>Rec +</b>	409,444	240,937	98,846	83,895	73,662	61,669
<b>Rec -</b>	-33,141	-45,088	-54,855	-56,629	-56,406	-3,855





**TRIVIA ANSWER:** Freddie Mercury

## CORN COMMENTS

July corn continued to slide with a second straight slightly lower high and low, though it again found support at 650, as well as subsequent MA support from there on down to near 640. Resistance stands near 660 (23%) and then the 670 level.

### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	649.50	669.50	Neutral
Long	610.00	669.75	Negative

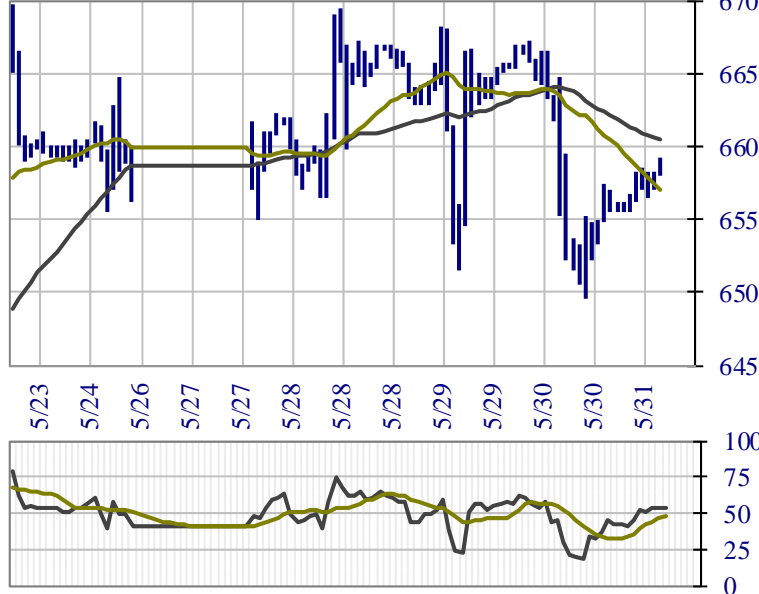
### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	660.42	657.08	Lower
Day Chart	642.08	651.00	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 suffered moderate losses for its second straight session following Tuesday's rally, finishing below the \$15 mark but in a consolidating pattern; resistance above \$15 remains at 1514, 1527 1/4, and 1546 3/4-1550. Initial support is at 1470.

### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	1471.25	1528.50	Positive
Long	1341.00	1546.75	Neutral

### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	1501.88	1501.73	Lower
Day Chart	1408.42	1444.54	Higher

### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	High	Very Overbought

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



## WHEAT COMMENTS

July wheat closed on the high end of its range yesterday but still with a four-cent loss, again unable to push past \$7 and the subsequent cluster of MA's up to 706. On the flip side, the 690 area continues to hold up as initial support on the decline.

### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	687.50	707.50	Negative
Long	674.00	736.75	Neutral

### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	696.57	695.81	Lower
Day Chart	704.35	699.84	Lower

### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Low	Neutral

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



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