



**CURRENT TREND:** Mostly Lower **REASON:** Front end propping up grains, new crop contracts (CZ in particular) looking range-bound

**INFORMA @ 10:30 AM; EXPORT SALES @ 7:30 AM TOMORROW; JUNE USDA S&D NEXT WEDNESDAY (6/12) @ 11 AM**

**MORNING TRIVIA:** What NBA team holds the greatest individual game winning percentage in the Finals, at 16-6 in four appearances?

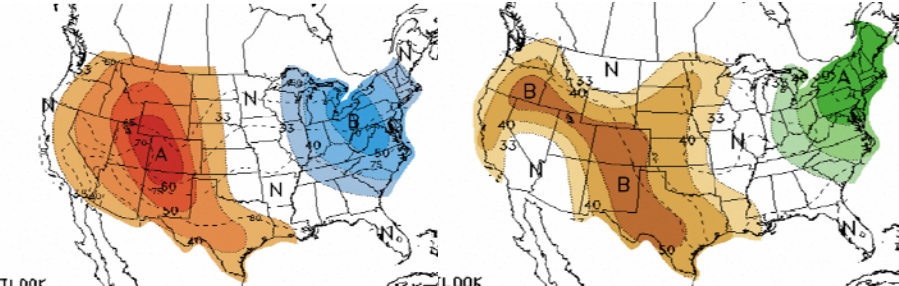
**MARKET HEADLINES**

- *Quick Editorial:* the opinion gap appears to be widening over production prospects, with new crop contracts reverting from highs this week while the bull camp protests get louder and louder; that noise won't die down any time soon with the north-central/NW corn belt forecast showing little sign of letting up...
- Taiwan's BSPA bought two cargoes of Brazilian soybeans overnight, totaling 124,000 tonnes, at around \$597 and 599/tonne; shipments are set for early September and mid-August, respectively. That's the organization's first purchase of bean cargoes since Aug-Sept last year, when they bought at least seven cargoes for up to a year in advance; they had been buying beans in containers since that time, at a slight discount to bulk shipments.
- Iran bought 60k tonnes of corn from the Black Sea region, for June shipment.
- South Korean millers announced that they wouldn't jump right back in to U.S. wheat imports, despite recent clean tests of Oregon wheat shipments—they'll wait until U.S. investigations are complete.
- Algeria bought at least 425,000 tonnes of milling wheat, at around \$289/tonne, for Aug-Sept shipment; the wheat will likely be sourced from France.
- Russia's Ag Ministry said the government may start intervention purchases starting July 1, in order to keep the exportable grain surplus in line with their own estimates; government stocks are seen down to 1.3 MMT on that date, compared to 4.8 MMT a year ago. The '13/14 exportable surplus is seen at 18-20 MMT; total '12/13 exports are seen around 15.5 MMT through this month
- Ukraine's Ag Minister said 2012/13 grain exports will reach 23 MMT, basically even with last year, with one million more tonnes expected for export in June (equal to May); total '12/13 exports are seen reaching 25-26 MMT.
- The European Union cut their 2013 wheat crop forecast to 127.9 MMT, down 1.8 MMT from last month but still 4.1 MMT above last year; corn output was raised 900k tonnes to 66.2 MMT (now 7.9 MMT above 2012), while barley output gained 1.4 MMT to 56.6 MMT (now 2.4 MMT above last season).

**WEATHER UPDATE:**

- 0.5-1.0" rains have fallen mostly in OK, KS, IA, and MN over the past 24 hours, though coverage hasn't been overly heavy; mostly smaller 0.1-0.5" amounts will fall as this system moves eastward through tomorrow. More rain is on the way starting Friday night already in the northern Plains and far NW corn belt, and Saturday-Sunday throughout most of the Midwest. The 6-10 day period today definitely looks wetter for the central and eastern corn belt, with drier conditions setting up towards the SW belt; 11-15 day outlooks keep most precip towards normal. Temps won't move to any extremes either way.

**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>	0	-2,000	-1,000	0	0	0
<b>Est Net</b>	126,952	129,721	62,229	-15,270	-33,329	10,212
<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

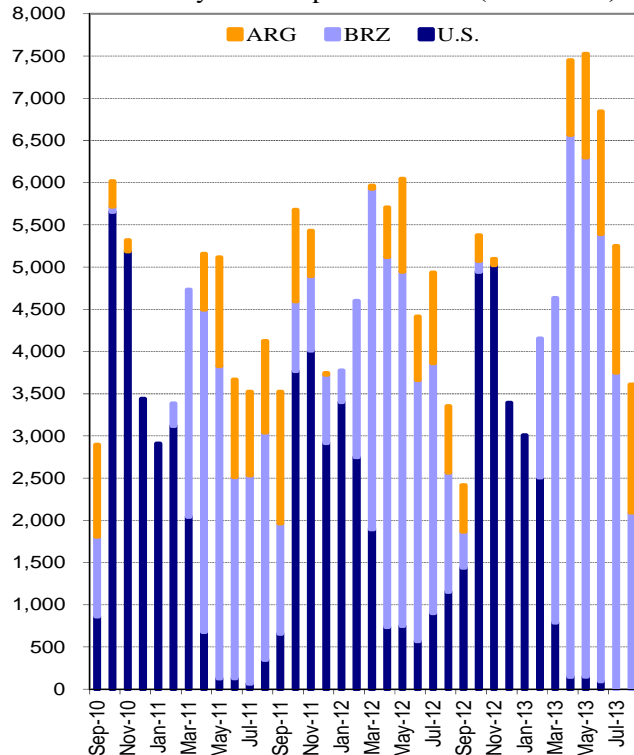
**NIGHT SESSION (to 7:00 AM): Grain Volume: 75,323**

Symbol	High	Low	Last	Chg	Vol
CN3	663.75	658.50	662.00	+1.50	6,136
CU3	584.00	577.75	579.50	-4.25	4,218
CZ3	553.50	548.00	548.50	-4.50	7,524
WN3	712.50	706.75	708.00	-1.00	3,740
KWN3	753.25	750.25	750.50	-0.25	794
SN3	1532.50	1523.25	1527.50	-1.25	9,964
SQ3	1456.50	1448.25	1451.25	-0.75	1,513
SX3	1317.00	1306.00	1306.00	-10.00	11,309
SMN3	454.30	451.00	452.50	+0.00	3,175
BON3	48.64	48.37	48.50	-0.09	5,616
CLN3	93.99	93.41	93.79	+0.48	25,407
DXY	82.91	82.61	82.74	-0.07	5,261

**FUNDAMENTAL UPDATE**

Today's charts show monthly soybean exports to China (in thousands of metric tonnes) from the three main exporters, over the past three U.S. marketing years (data courtesy of Informa Economics). Informa estimated that 6.15 MMT of Brazil's May exports (which wound up officially coming in at a record 7.95 MMT) went to China, with the U.S. share dwindling down towards zero; however, total three-country exports to China were seen nearing or exceeding the 7.5 MMT mark in both April and May, easily a new record.

Monthly Bean Exports to China (000 tonnes)





**TRIVIA ANSWER:** San Antonio Spurs

**CORN COMMENTS**

July corn put up moderate gains yesterday with a fairly strong close, following Monday's outside reversal; the range is fairly well defined at this point, with resistance at 670 and plenty of MA support from 660 on down thru 650, to 642 1/2 (45-day).

**SUPPORT / RESISTANCE OUTLOOK**

Term	Support	Resistance	Our Bias
Short	643.75	669.00	Neutral
Long	610.00	669.75	Negative

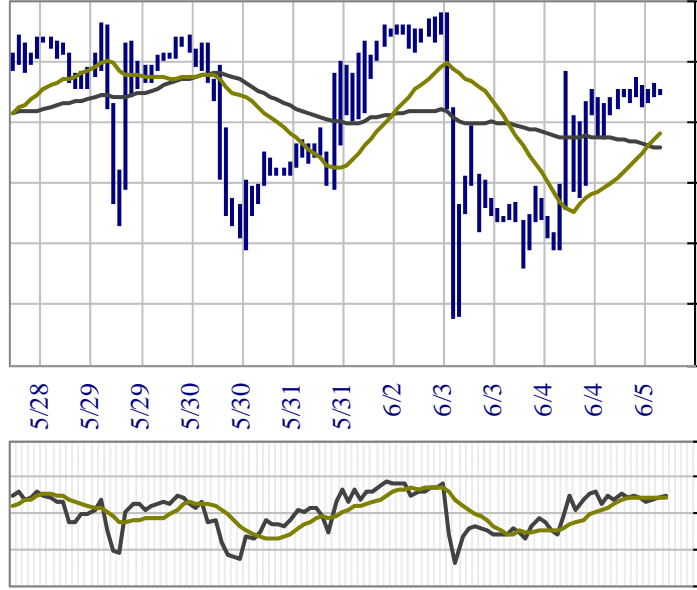
**TREND OUTLOOK**

Term	40-Per MA	20-Per MA	Trend
60 Minute	657.82	658.99	Higher
Day Chart	645.03	653.25	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 lost three cents yesterday after Monday's strong gain, but closed near session highs nonetheless, still pushing recent highs at 1540 3/4 and 1546 3/4. Strong support remains back at the \$15 level, and the 23% rally retracement at 1498.

**SUPPORT / RESISTANCE OUTLOOK**

Term	Support	Resistance	Our Bias
Short	1487.00	1540.75	Positive
Long	1341.00	1546.75	Positive

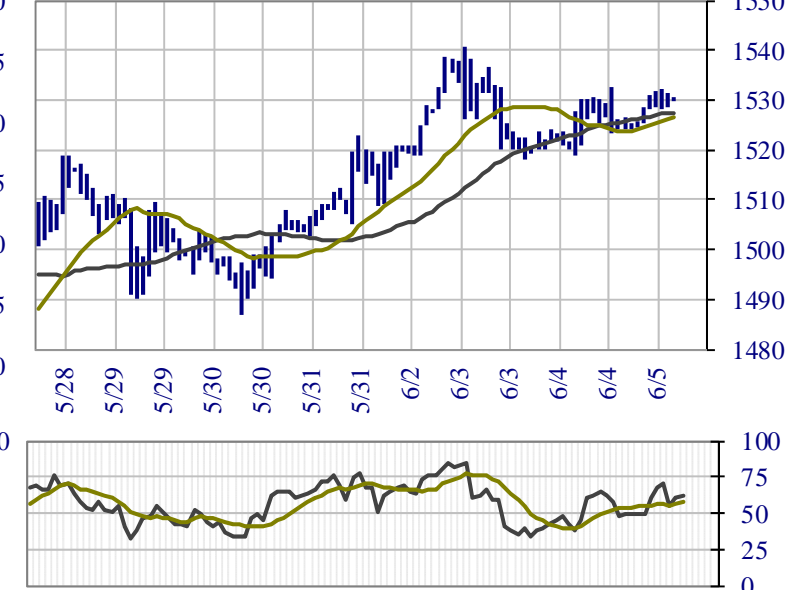
**TREND OUTLOOK**

Term	40-Per MA	20-Per MA	Trend
60 Minute	1527.45	1526.61	Lower
Day Chart	1421.36	1467.14	Higher

**TECHNICAL INDICATORS**

Open Int	Volume	Volatility	RSI Levels
Decreasing	Light	Low	Very Overbought

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



**WHEAT COMMENTS**

July wheat squeaked out another positive session yesterday and stood strong with support right at \$7, and moving averages (thru the 50-day) clustered from there up to 705. Initial resistance is at 713-715, including the 62% spot retracement.

**SUPPORT / RESISTANCE OUTLOOK**

Term	Support	Resistance	Our Bias
Short	687.50	714.50	Neutral
Long	674.00	736.75	Neutral

**TREND OUTLOOK**

Term	40-Per MA	20-Per MA	Trend
60 Minute	707.21	708.64	Higher
Day Chart	704.41	700.10	Lower

**TECHNICAL INDICATORS**

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Neutral	Neutral

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



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