

CORN: EASIER

Corn closed sharply higher yesterday in the December, up 14 ¾ cents. Funds bought 5K contracts yesterday. Rain continues to fall over the wet areas of Corn Belt with the most falling in the north central and northwestern Corn Belt. This is the main feature that supported the market yesterday. We also saw a lot of continued liquidation in the spreads. Resistance in July is \$6.68 and then \$6.76. Support is \$6.55 and then \$6.38. Overnight, the forecast looked about the same with more rain for the balance of this week and then a drier pattern next week. On Monday's crop progress report we will see a crop rating. The trade is expecting a relatively low good to excellent rating. Look for a chance to trade both sides today.

As of the break, trade was 1 ½ lower in CN13.

SOYBEANS: LOWER

Prices were lower overnight due to weather and GMO fears. Japan is the first to deny U.S. exports to their country. So far it is only the white wheat portion, but we will see how this whole situation evolves. Technically, there is not much without at least a 20-cent move. An interesting aspect of yesterday's trading was the higher volume in products. Both meal and oil, but especially oil, had much better volume on the day. Oil had a big jump of 10K+ in OI. Meanwhile, beans were slackers with low volume and a drop in OI. Today is shaping up to be a day of politics surrounding the issues of GMO products, even if in another grain. Look for lower trading to prevail most of the day, but if focus can get centered on the weather, a rally could easily ensue. Beans: V-170,336/OI-580,305 (-1,018); Meal: V-81,118/OI-281,566 (+2,669); Oil: V-141,200/OI-369,545 (+10,902)

As of the break, trade was 9 lower in SN13.

WHEAT: LOWER

Short-covering and spreading had the market up just over four cents yesterday. This morning, Japan cancelled a shipment of white wheat due to a non-approved GMO wheat field in Oregon. They did,

however, still purchase 53K tonnes of food grade HRW and DNS varieties. This kind of news will likely hurt perception, at least in the short term, of U.S. exports as traders move into the new crop year. There were widespread rains the past twenty-four hours throughout the HRW region stretching from Texas and into Nebraska. Chances will remain in the 6-10 day for most areas with average temperatures. Harvest continues behind schedule in Texas and should get rolling into Oklahoma into the weekend. Currently crude is trading around half dollar lower and the USD is down 235 points.

As of the break, trade was 5 ¾ lower in KWN13.

CATTLE: STEADY HIGHER

Cattle futures traded modestly higher on light trade volume yesterday with the nearby June contract breaching both the 40 and 50-day moving averages for the first time in a month. This as the market continues to find support on ideas that futures have adequate seasonal discount already built in through the summer. Showlists are reportedly seasonally larger in all states except Colorado with the marketplace expecting a cash cattle trade near steady with last week's \$124-125 market. Average southern plains basis trades \$1.50-2.00 over June futures this week before seasonally weakening through late July. Firm basis and futures discounts out forward continue to give producers incentive to move animals and keep supplies current. Some traders are expecting weekly slaughter totals during June to be near 650K head, larger than anything seen yet this year, of course, but still slightly smaller than the 655K head June average last year and the 667K head three-year average. Overnight futures were quietly higher again with a firmer beef print yesterday afternoon and further technical improvement both supporting price action this morning.

Fund Position	Accumulative	Yesterday
Corn	+123,682	+5,000
Soybeans	+115,377	-4,000
Soybean Meal	+55,735	+2,000
Soybean Oil	-16,409	-5,000
Chicago Wheat	-40,565	+3,000
KC Wheat	+9,604	0



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