



**CURRENT TREND:** Steady/Mixed **REASON:** Spreads re-adjusting as trade waits for further fundamental data, planting to progress

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

**MORNING TRIVIA:** Besides any member of the Boston Celtics, which NBA player has the most championship rings? (hint: 7, won from '94-'07)

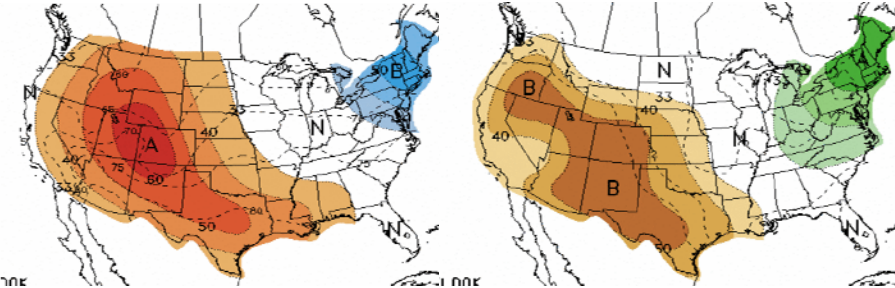
**MARKET HEADLINES**

- *Quick Editorial:* "range-bound" seems to be apt description of the grain market this morning, though Dec corn is showing some signs of life by refusing to fill last week's gap and regaining a few cents after a rough week. Weather forecasts continue to be incredibly consistent, with no real breaks on the way.
- Japan bought 163,605 tonnes of milling wheat as planned in their regular weekly tender today, including 61k tonnes of U.S. wheat (HRW and DNS, not western white), 49k from Canada, and over 53k from Australia.
- The United Nations FAO reported their food price index at 215.2 points in May, down slightly from 215.8 in April, and 10% below its peak in Feb 2011. The food agency sees a 10% rise in global corn production in 2013, with wheat output rebounding to a new record as well. They also see Chinese wheat and rice imports stabilizing over the next ten years, with a 98% self-sufficiency rate seen over that span, a slight increase from 2012 estimates.
- Informa yesterday pegged 2013 U.S. winter wheat at 1,494 million bushels, up 8 mbu from the USDA May, but still 151 mbu behind last year. Informa's World Report showed a 2.2 MMT gain in Brazil's '12/13 corn crop, to 78.5 MMT (2.5 MMT above the USDA), with Argentine beans down 3.0 MMT to 50.0 MMT (1.0 MMT below the USDA). Informa also cut their 2013 Russian wheat estimate by 4 MMT to 52.0 MMT (4 MMT below the USDA), with Ukraine down 1.0 MMT to 21.4 MMT (0.6 MMT below the USDA May).
- '12/13 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**  
 Corn: **100-200 / 85.7** Beans: **0-0 / -108.0** Wheat: **0-0 / 35.9**  
 Meal: **50-150 / 149.2** Oil: **25-45 / 2.8**
- '13/14 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**  
 Corn: **500-700 / 789.6** Beans: **350-650 / 756.6** Wheat: **400-600 / 728.3**  
 Meal: **0-50 / 40.9** Oil: **0-0 / 0.0**

**WEATHER UPDATE:**

• Wraparound rains will continue to pester parts of the corn belt today, followed by the next system moving in from the northern Plains tomorrow night, into the corn belt Saturday-Sunday; our lead forecaster expects around two-thirds of the belt to see 0.5-1.0" rains from this next one. It looks like another very brief break between rains before more settle in for mid-next week, providing for another wet 6-10 day forecast for the Midwest. Dry conditions will definitely remain southwest of the main growing areas that really need them, with a wetter zone around the Great Lakes, and a battle zone keeping the wetness rolling through the Midwest. Temperatures are trending a bit warmer in general, favoring the above-normal side into the next two weeks.

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



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

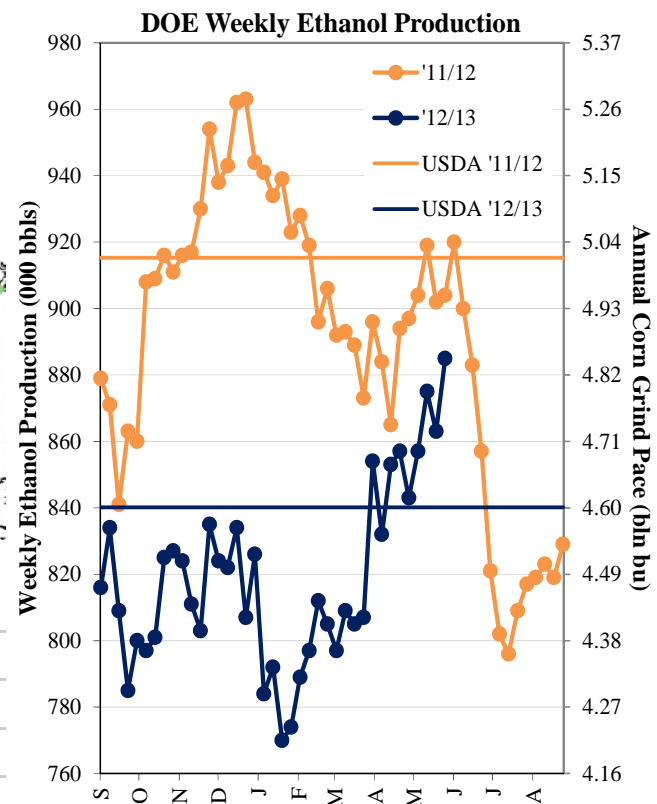
	Corn	Beans	Meal	Oil	Wheat	KC Wht
<b>Daily</b>	-8,000	-4,000	1,000	-4,000	-3,000	0
<b>Est Net</b>	118,952	125,721	63,229	-19,270	-36,329	10,212
<b>Rec +</b>	409,444	240,937	98,846	83,895	73,662	61,669
<b>Rec -</b>	-33,141	-45,088	-54,855	-56,629	-56,406	-3,855

**NIGHT SESSION (to 7:00 AM): Grain Volume: 66,871**

Symbol	High	Low	Last	Chg	Vol
CN3	661.25	656.25	<b>660.00</b>	<b>-0.75</b>	4,230
CU3	573.75	569.25	<b>573.50</b>	<b>+2.50</b>	2,777
CZ3	545.00	539.50	<b>544.00</b>	<b>+1.75</b>	6,571
WN3	703.00	698.75	<b>701.00</b>	<b>-0.50</b>	3,481
KWN3	744.75	742.00	<b>743.00</b>	<b>-0.25</b>	513
SN3	1533.00	1519.25	<b>1527.25</b>	<b>-4.75</b>	9,788
SQ3	1454.00	1441.50	<b>1448.00</b>	<b>-6.75</b>	1,127
SX3	1300.00	1285.25	<b>1297.75</b>	<b>-2.25</b>	11,090
SMN3	456.60	451.60	<b>454.40</b>	<b>-1.50</b>	3,251
BON3	48.44	48.16	<b>48.39</b>	<b>+0.09</b>	5,886
CLN3	94.46	93.69	<b>94.35</b>	<b>+0.61</b>	28,865
DXY	82.69	82.37	<b>82.41</b>	<b>-0.20</b>	9,324

**FUNDAMENTAL UPDATE**

Total weekly U.S. fuel ethanol production rebounded to its highest level in just shy of a year, according to the DOE, at 885,000 barrels per day for the week ending Friday, May 31. That puts cumulative output through three-quarters of the 2012/13 corn marketing year at 819k bpd, down from 908k bpd over the same span LY; however, ethanol production only ran at an 838k bpd pace over the final fourth (June -Aug) of '11/12, even counting a 920k bpd peak in June '12





**TRIVIA ANSWER:** Robert Horry

## CORN COMMENTS

July corn wound up just a quarter-cent higher yesterday with a weak close, clinging to that 660 area, unable to make a real test of resistance at 670. Moving average support remains from 660 on down through 650, all the way to 643 (45-day MA).

### SUPPORT / RESISTANCE OUTLOOK

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

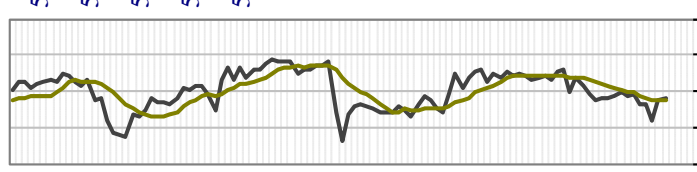
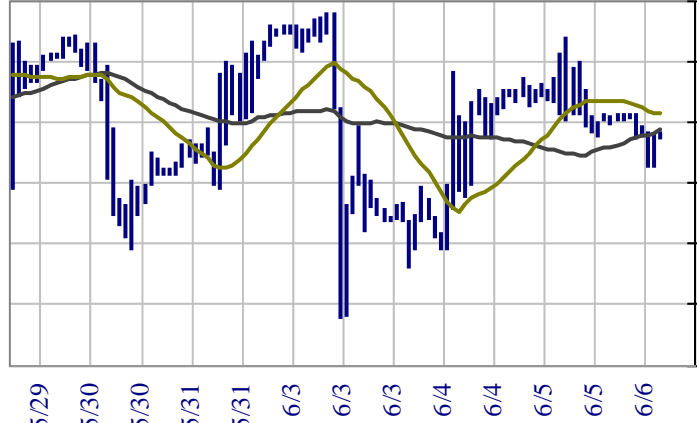
### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	659.33	660.65	Higher
Day Chart	645.64	654.45	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 put in a second straight inside session yesterday, with its first fairly weak close in over a week, testing out MA support though hanging up above \$7. A continued decline has support at 690, with resistance above 705 at 714 1/2-715.

### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	692.50	714.50	Neutral
Long	674.00	736.75	Neutral

### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	705.39	702.89	Lower
Day Chart	704.18	699.49	Lower

### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Low	Neutral

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## SOYBEAN COMMENTS

July beans closed in the bottom half of its range yesterday, though that was still good for a 3 1/4-cent gain after a new nine-month contract high at 1549. Resistance past 1549-1550 is pretty thin until the \$16 level and contract highs at 1605 3/4.

### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	1494.25	1549.00	Positive
Long	1341.00	1549.00	Positive

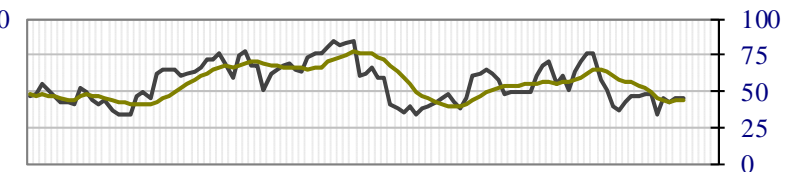
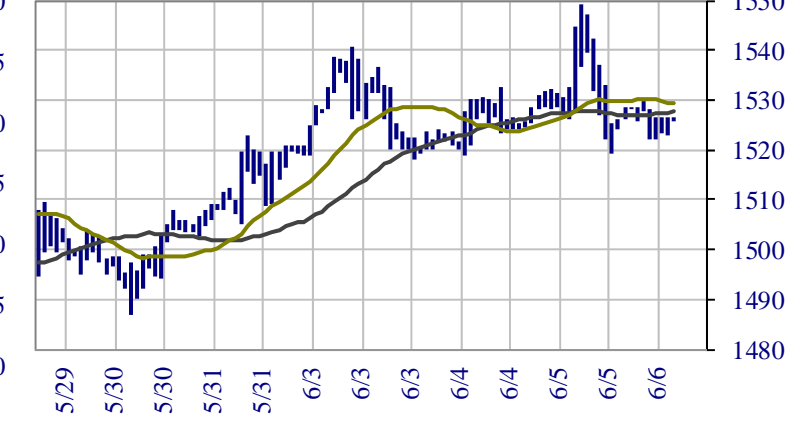
### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	1527.59	1529.38	Higher
Day Chart	1425.35	1473.95	Higher

### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Light	Neutral	Overbought

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



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

