



Morning Grain Comments for Thursday June 13, 2013

OVERNIGHT RECAP:

CORN: Corn trading mixed this morning to slightly lower. Funds sold 11k contracts yesterday and open interest increased by the same amount, indicating fresh shorts being established. Goldman roll finishes up today. Weather forecast still has a series of showers moving through the next 10 days, which is great for the areas that are planted (not so for the areas not planted yet in northern Midwest). China's GNGOIC report they have stockpiled 30.8 mmt of corn (1.2 bln bu) which is about 10 mmt larger than traders expected. Recall that Chinese govt had extended the stockpiling program (buying from farmers) by a month thru May. Weekly export sales again on the low side for US corn, see table below. In other news S. Korea booked 2 cargoes of corn with one 60k ton cargo from S. America for Sept 20 arrival while the 2nd cargo for Oct 30 arrival was bought option origin. The Sept cargo was \$297.82 a ton landed and \$276.50 for the October cargo. Argentine farmer strike next week is expected to hamper corn loadings for a few days but no long term impacts. Interior US corn basis holding steady to firm on lack of old crop movement. New crop sales also slowed with Dec futures back under \$5.50 again. Look for consolidating lower grinding type trade today.

WHEAT: Wheat is slightly lower in light volume and follow through from yesterday's negative USDA crop report. European prices bouncing a little last night. Weekly export sales report this morning was neutral, see table. In other news overnight Japan booked 157k tons of wheat in their weekly tender with 94k tons from the US (65k DNS, balance HRW). Taiwan tenders for 85,500 tons of US wheat, their 1st tenders since the GMO find. Jordan tenders for 100k tons of wheat and 100k tons of feed barley. Good weather seen for HRW harvest to pick up speed in coming weeks. SRW harvest still behind normal due to maturity of crop being behind. Mpls wheat continues to be supported on wet forecast for Northern Plains next 10-15 days.

SOY-COMPLEX: The soy-complex is lower this morning with weekly export sales on meal as expected while beans were on the low side. Crush margins are holding for US processors and allowing them to push on beans for replacement grind. Goldman roll finishes up today. Open interest in Jly beans fell over 12k contracts yesterday while Nov was up just over 13k contracts. We look for the old/new crop bean and meal spreads to remain volatile next 30 days with any more strikes in Argentina or Brazil just further delaying imports of beans/meal into the US. Support for Nov beans toward \$13.00.

Export Estimates:	Corn		Soybeans		old crop	new crop	old crop	new crop	Wheat
	Old crop	New Crop	Old crop	New Crop	Soymeal	Soymeal	Soyoil	Soyoil	
Thousand tons:	100-200	150-250	0-50	450-600	75-150	50-150	10-20	0	400-600
Mln Bushels	4.0-8.0	6.0-10.0	0-2.0	16.5-22.0					14.5-22.0
Actual Sales									
Tons (Thou)	<u>81.5</u>	<u>68.0</u>	<u>33.5</u>	<u>447.1</u>	<u>97.7</u>	<u>47.1</u>	<u>13.2</u>	<u>0.0</u>	<u>427.2</u>
Bushels (mln)	<u>117.6</u>	<u>2.7</u>	<u>1.2</u>	<u>16.4</u>					<u>15.7</u>

Central Iowa cash bean crush margin -Wednesdays

