

CORN: BETTER

Corn prices finished mostly unchanged yesterday, finding mild support as the lower bean trade kept the market's attention. Funds have been sellers of corn this week. Traders have been watching rains move across the Corn Belt, keeping fields wet and early work delayed. This has been about the only supportive idea for corn values. Export sales were on the low end of expectations. Corn has traded below all its moving averages, and increased world stocks have weighed on US export potential. Corn was up 2 cents in overnight trade. Crude is higher this morning, and the dollar lower. Calls will start out 1 to 2 cents higher. The market will watch the forecasts into next week to see if there will be a dry out.

Overnight trade settled 2 higher in CK10.

SOYBEANS: HIGHER

Outside markets are the main influence this morning. The dollar slid nearly a full point, but at this writing is only down 375 ticks. The price of crude is up again, this time pushing above \$83 briefly and still there now. The entire bean complex closed higher except the delivery market for oil, which had 227 contract delivered against it. Meal had 105 deliveries and beans were void of intentions. Fundamental news has played itself out after the report. Yesterday's export sales on beans will be an anchor until cancellations end and net sales return to a positive balance. Looking at the USDA's number versus what is on the books, one would suspect a few weeks of net cancellations at 5-10 MB until the SA crop is off the ground, so to speak. Spreads are holding at 8 on the K/N and the N/X actually tightened after the report. Those touting a wider inverse will need help on the export front over the next 2-3 weeks or be forced to wait for the USDA numbers at month's end. Any change in the bean stocks to a lower amount will be the fuel they need to move to wider backwardation. Basis feels soft and the bids reflect a pull back in demand as the crush spread has faltered as well. Opening calls: Beans - +3 to +7; Meal - +1 to +3; Oil - +15 to +30

Overnight trade settled 6 ¼ higher in SK10.

WHEAT: BETTER

It was a very quiet day yesterday, as wheat eroded another few cents while watching the bean market collapse. Export sales for wheat (448m tons) were decent, in fact more wheat than corn, believe it or not! Japan bought 152m tons of wheat in their weekly tender (85m US, 42m Australian, 25m Canadian). Wheat values traded a little higher overnight, as the dollar is weaker this morning. Early calls are 2-4 cents better to start. End of the week positioning and short wheat positions anticipating the CFTC report this afternoon could keep support undervalued. The market has traded generally lower all week, and technicals are a little oversold. But everything has looked weak. There is a lot of bearish news factored into the wheat complex. Cash markets were not very supportive yesterday. Expect a choppy trade and look for outside markets to lead the way.

Overnight trade settled 4 ¼ higher in KWK10.

CATTLE: STEADY - HIGHER

Cattle futures traded both sides of unchanged and finished mixed yesterday in another non-inspiring session. Futures, since Monday's sharp rally, have slipped lower with the feeders now a net loser for the week. But despite the price weakness, total open interest continues its surge trading another record 337K contracts yesterday, as short hedgers and long speculators both carry large positions. There was cash cattle trade in the North yesterday coming in at \$144-145 dressed, up about \$1 from last week, and firmer than expected 24 hours ago. Southern feedyard managers will be holding firm to \$94 asking prices, and will have futures starting the day on a firmer note as well. The beef market has been quiet for a couple weeks, but remains steady in the \$148-150 area, keeping packer margins in the black and able to pay higher money for cattle inventories if necessary.

Fund Position	Accumulative	Yesterday
Corn	+89,591	0
Soybeans	+12,140	-7,000
Soybean Meal	+14,025	-2,000
Soybean Oil	+21,715	-3,000
Chicago Wheat	-49,955	-2,000
KC Wheat	+14,431	0

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