

OPENING CALLS: Slightly Lower **REASON:** Corn weighed by acreage, beans take profits, wheat down on Black Sea export prospects

USDA AG FORUM THURSDAY/FRIDAY; EXPORT SALES (7:30 AM), CATTLE ON FEED (2 PM), CFTC (2:30 PM) FRIDAY

MORNING TRIVIA: Name four the five main “super majors”, or world’s largest publicly-owned oil and gas companies...

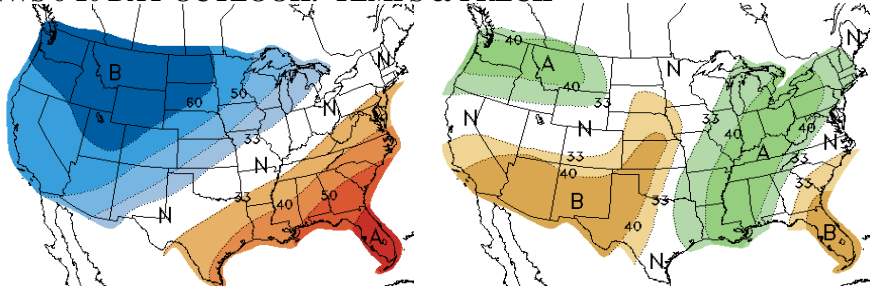
MARKET HEADLINES:

- *Quick Editorial:* the grains have their reasons for overnight losses, but it’s the upcoming Ag Forum that’s keeping the heat on, likely the overriding factor as the conference opens tomorrow and provides grain & oilseed outlooks Friday.
- Taiwan’s BSPA bought 58,000 tonnes of soybeans from Brazil this morning, in a tender for either Brazilian or U.S. soy, for March/April shipment.
- Ukraine’s Ag Minister estimated the 2012 grain crop in a 42-50 MMT range, though they noted that even under the pessimistic (42 MMT) scenario, there would be no threat of domestic shortages. Grain output hit a record 56.7 MMT in 2011, with wheat at 22.3 MMT; the Ag Min sees wheat production at 15-16 MMT for 2012. The gov’t reiterated that no limits or curbs had been placed on grain exports, saying that stocks would be sufficient to allow for the 300-500k tonnes of wheat per month likely to be shipped in the near future.
- The Russian Grain Union is keeping up hope for strong exports of their own, saying this morning that they expect to maintain annual volumes of 22 MMT for wheat in 2012/13 (July/June), and a 25 MMT grain total. Those numbers are basically identical to the current year, with winter crop damage “minimal”
- Private analysts Oil World warned that another cut of their Brazilian soybean crop estimate could be upcoming, after slashing the number from 72.8 MMT in December to 70 MMT on Jan. 31 to 69.5 MMT on Feb. 14; Brazil harvested 75.3 MMT of soy in 2011. Dr. Michael Cordonnier lowered his own Brazil soy estimate by another million tonnes to 68.0 MMT yesterday, while Paraguay lost another half-million tonnes to 5.0 MMT; Oil World left their Paraguayan estimate at 4.6 MMT this week. Both analysts left their 2011/12 Argentine soy number at 47.0 MMT, down from 49.2 MMT last season.
- The U.N. FAO pegged Brazil’s corn crop at a record 60.0 MMT yesterday, up from 57.5 MMT last year, but still below official numbers from Conab (60.83 MMT) and the USDA (61.0 MMT) this month. ‘11/12 corn exports are seen at 10 MMT, 1 MMT above the USDA Feb but down from 11.7 MMT LY.
- *Export Inspections (mtn bu):* **This Week / Estimates / Last Week**
Corn: **34.8/ 32-38/ 29.2** Beans: **38.4/ 26-31/ 39.1** Wheat: **22.2/ 15-19/ 18.9**

WEATHER UPDATE:

- The northern Plains and corn belt look to get some moisture help both through tomorrow and over the upcoming weekend, though the Delta and Southeast will again be the favored areas for precip over the next two weeks. Southern Brazil and Paraguay’s rain chances are lessened in this morning’s forecasts, but 1-2” is still likely through the weekend. Argentina will dry out a bit in the next 6-7 days, but revert back to wet conditions again for the 6-10 day period.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



TRADITIONAL FUNDS & RECORD POSITIONS:

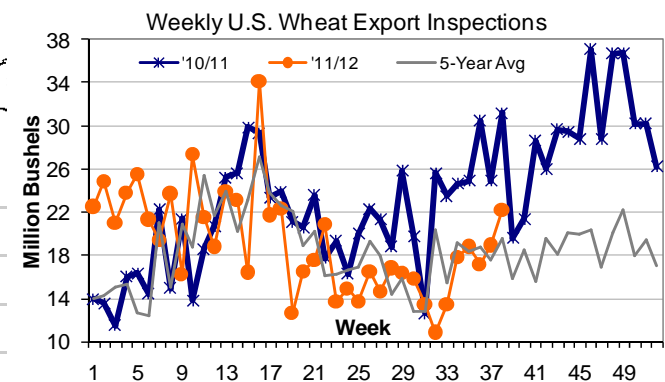
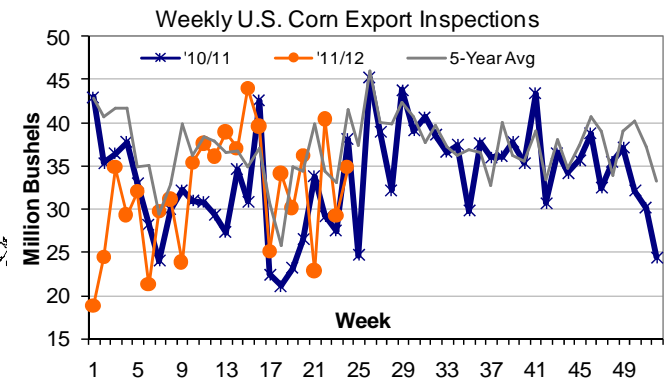
	Corn	Beans	Meal	Oil	Wheat	KC Wht
Daily	-12,000	2,000	-2,000	4,000	-3,000	-300
Est Net	224,841	102,599	1,901	15,543	-55,893	19,297
Rec +	498,177	228,273	77,636	99,178	42,635	83,394
Rec -	-114,265	-78,161	-43,052	-38,849	-62,545	-39,895

NIGHT SESSION ACTIVITY: Grain Volume: **62,093**

Symbol	High	Low	Last	Chg	Vol
CH2	630.75	625.75	627.25	-2.25	6,153
CK2	634.50	630.00	631.50	-2.00	4,388
CZ2	565.00	560.00	561.50	-2.25	1,284
WH2	633.75	628.50	630.25	-2.75	2,154
KWH2	678.75	675.00	677.00	+0.00	535
SH2	1271.00	1263.00	1266.25	-4.75	9,205
SK2	1276.50	1269.00	1272.25	-4.75	5,726
SX2	1260.50	1253.75	1256.00	-6.25	2,005
SMH2	330.60	328.80	329.40	-0.80	3,321
BOH2	54.10	53.70	53.87	-0.19	7,827
CLJ2	106.41	105.62	105.94	-0.31	28,913
DXY	79.41	79.08	79.31	+0.17	6,278

FUNDAMENTAL UPDATE:

Corn export inspections rebounded to 34.8 million bushels this week, up more than 5 mbu from the previous week but still 3.3 mbu behind the comparable week last year; that leaves cumulative corn inspections only 3 mbu behind last year’s pace as we approach the halfway point of 2011/12. Wheat inspections rebounded to 22.2 mbu this week, up 3 mbu from last week but nearly an equal amount behind the same week LY; cumulative wheat inspections stand just 128 mbu behind ‘10/11 through over 2/3 of the marketing year.



TRIVIA ANSWER: B.P., Chevron, ExxonMobil, Royal Dutch Shell, Total S.A.

CORN COMMENTS

March corn dropped double-digits yesterday, taking out all goodwill from last week's late-week rally; support finally held up at the 50-day MA just above 625. Further support stands near 622, followed by the 38% spot retracement at 618 1/2.

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	621.75	646.75	Neutral
Long	592.50	663.00	Neutral

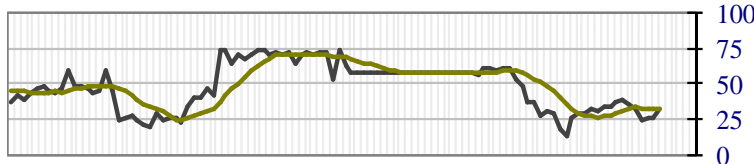
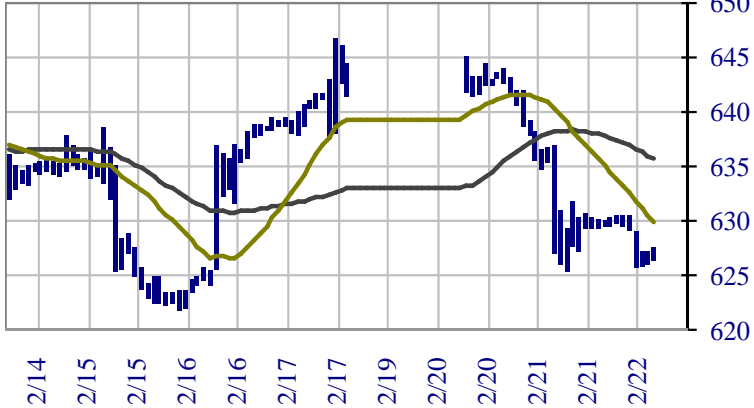
TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	635.73	629.90	Lower
Day Chart	633.98	637.19	Higher

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Neutral	Neutral

60 MINUTE MAR CORN - eCBOT, w/ MA's & RSI



WHEAT COMMENTS

March wheat posted an interesting technical session yesterday, losing double-digits but still closing mid-range after an outside day. Support held up at the 625 area, with WH now smack in the middle of an MA range, topped near 650 (20-day MA).

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	621.00	648.75	Neutral
Long	590.00	683.75	Neutral

TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	636.53	631.55	Lower
Day Chart	638.22	647.78	Higher

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Light	Neutral	Neutral

SOYBEAN COMMENTS

March beans continued its steady run with another higher high and low yesterday, and another four-month best at 1276. Past the 1275 mark, further resistance remains at 1286 (200-day MA) and 1290 (50%). Initial support stands at the 1250 level.

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	1246.25	1276.00	Positive
Long	1150.00	1276.00	Neutral

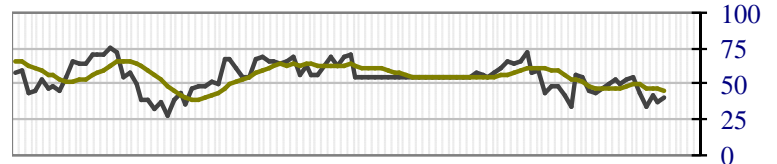
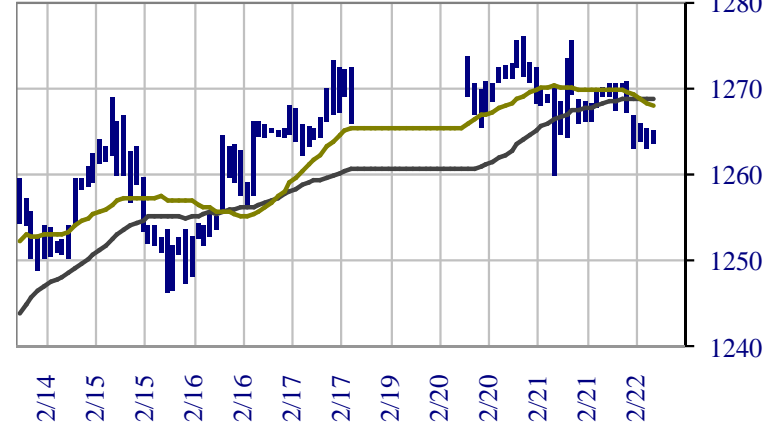
TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	1268.74	1267.89	Lower
Day Chart	1218.54	1234.34	Higher

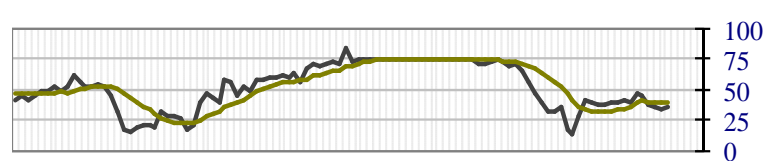
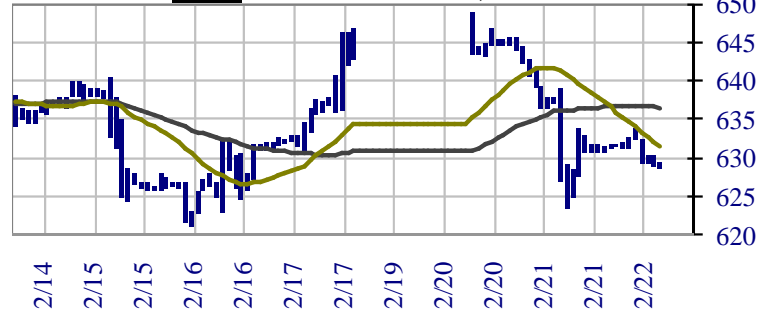
TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Low	Overbought

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



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



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