

CORN: STEADY-HIGHER

May corn is on a leash as they have followed the general direction of beans and wheat the last few sessions, and expect that to continue for the time being as the market is indifferent to the relatively bullish fundamentals. The board is now sitting at all-time record highs in OI at 1.8m contracts. Corn inspections were at the top end of expectations at 1.377m mt with Japan (360k mt) and Mexico (310.8k mt) being the top destinations. Milo inspections were at 193.5k mt with 179.3k mt of that going to China. Corn inspections are still 3.95m mt (7%) behind pace. And milo is .12m mt (2%) behind pace. Private Exporters reported 210K mt of 17/18 corn to South Korea this morning. JBS, Brazil's largest corn consumer, interestingly bought 30k mt of corn from Argentina and is looking for more. It is interesting as Argentine values have crept 5-10cents/bu higher each week and looks to continue as farmer selling has been slight and the vessel lineup is mounting. It could be a matter of time until US corn is competitive to Brazil in the C&F market. Australia's BOM stated that La Nina is over and be looking at other agencies to see if they follow. Look for higher trade for most of the day unless wheat and beans take a turn lower even though the corn charts look the best of the three. Resistance sits at \$3.93 ¼ and a close above it suggests rallies to \$3.96 ¼. Support sits at \$3.88 and \$3.85 ½.

As of the break, CK18 is 1 ¼ higher.

SOYBEANS: HIGHER

Reuters released an old testament style article stating the bean crop in Argentina is dead and is beyond repair, and the market will continue to watch estimate releases with a microscope. Safras released their Brazilian estimate yesterday 1.7 higher MoM at 117.3m mt, which is the highest private estimate out there. Export inspections were decent at 910.2k mt, which was on the higher end of estimates but not enough to give people hope for the USDA's number. Beans are currently 6.27m mt (11%) behind pace. Scattered rains are developing in NW Argentina and look to remain before shifting westward in the 11-15 day outlook. Brazil is trending dryer, which limits any concerns on field work during the last portion of bean harvest. Beans have stopped the bleeding on the sell-off post report, but it's hard to tell if this is a bounce or not. A close above \$10.48 suggests further tests to \$10.52 ½ which is the number needed to confirm this isn't a bounce. A close \$10.34 is needed to suggest further selloffs to \$10.20 and below. Look for higher trade today over doom and gloom in Argentina.

As of the break, SK18 is 6 ¼ higher.

WHEAT: HIGHER

The market turned higher late in Monday's session, and that has continued into today, with dryness a major factor on new crop potential. Export inspections totaled 389 TMT last week, which led to the pace to reach USDA estimate to eclipse 600 TMT per week. Class breakdown: SWW 141 TMT, HRW 97 TMT, SRW 80 TMT and HRS 59 TMT. Forecasts for the 6-10 day range are a little more favorable, with cooler temperatures and more normal precipitation for KS, OK and TX. State crop condition updates showed small improvement in OK & TX, while KS fell 1% g/e last week. The KS crop also saw 3% of the crop move into the poor/very poor designation, as the drought continues to advance in western areas. Grains have effectively ignored outside markets latterly, as USD up 120 points and Crude Oil down 50 points. Look for wheat to ride the wave of poor conditions and lack of rain higher, as row crops see gains, too.

As of the break, KWK18 is 4 ½ higher.

CATTLE: STEADY

Cattle futures opened higher and stayed that way for all of about 30 seconds yesterday morning before trading weaker through the balance of the session. Nearby April LC futures down \$1.57 surrendered all of Friday's solid gains plus some as the industry focuses on record large Q2 production, a need to structure itself in a way that pulls cattle marketings forward, or both. I also sense some disappointment in last week's sub-600K head slaughter total and yesterday's daily kill of just 113K head and reported mechanical problems at one major plant aren't helping industry angst over the perceived need to stay super current before market ready supplies really begin to expand this next month. This week's showlist count looks bigger in the South and smaller North. Cutout indexes were just mixed yesterday, and considering declining load counts in recent days, it would appear four week rally may be stalling. Last week's jobs and consumer confidence data were quite good, however, and would tend to support ideas of still-healthy demand in the big picture.

Fund Position	Accumulative	Yesterday
Corn	189,614	9,000
Soybeans	159,831	7,000
Soybean Meal	98,291	-3,000
Soybean Oil	-18,412	2,000
Chicago Wheat	-27,600	3,000
KC Wheat	19,401	0



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