

CORN: HIGHER

After bouncing off lows the market really caught fire yesterday, putting in 11-12 cent gains. This morning were seeing another push higher, up 4.5-5.5 cents in the overnight putting CZ just above the 30-day moving average at the break. While I don't like to gossip and spread rumors, the market loves it and sounds like a good chunk of the fuel yesterday came from concerns for flooding in China which people translated to China maybe thinking about potentially buying corn. (remember - buy the rumor sell the fact) Our estimates have funds purchasing 25k contracts yesterday. Export sales this morning were okay for the current year (21mln bu), and great for new crop sales (37mln bu). Overall, sales continue to trend above pace to meet USDA estimates, and we are in the part of the year where we see the focus of sales transition from current crop to new crop. Then on top of that, we saw a flash sale of 150k metric tons of corn headed to "Unknown" this morning.

At the break, CU25 was 4 ¾ higher.

SOYBEANS: HIGHER

Have a Happy and SAFE 4th Holiday!! The last trading day this week prior to the 3-day holiday and we have a bit of follow-through off the bounce yesterday. Several trade deals, the BBB has itself a step closer to reality and most of the renewable fuels tax credits, limits on stocks used and mandates are positive, crude had a good rally and then the rally off of all the news triggered a technical buying spree. Deliveries seem to have found a home even if temporarily due to people being on vacation with only 18 oil, 512 meal and no beans redelivered overnight. Mostly quiet on the news front unless details on trade deals begin to slip out or a major weather pattern change crops up. Export sales were status quo, so no big news there as all were in line with expectations. Better to open then see if we can find traction to close better or slip back into the close.

Beans: V-284,439/OI-848,036(+1,800); Meal: V-146,351/OI-645,653(+4,947); Oil: V-170,312/OI-606,989(+4,679)

At the break, SQ25 was 8 ½ higher.

4th of July Trading Schedule:

Today, July 3rd: Normal close/no overnight

Friday, July 4th: No day/night session

Sunday, July 6th: Normal PM open

WHEAT: HIGHER

The wheat market followed corn and soybeans higher on fund buying following reports of export business with China in the works. Buying continued overnight with Chicago heading toward its 100-day m/a, while KC approaches the 50- and 20-day m/a. Export sales were near the top of estimates at 586k MT, led by sales to the Philippines. HRW sales reported to Mexico, Nigeria switched from Unknown, and spot cargo to Mauritius. Cash markets in the interior and at the Gulf have cooled to begin the month, with buyers taking a step back as harvest progresses and exporters see limited activity for U.S. wheat. The S. Plains will see scattered rain over the weekend and into next week, but should see harvest progress over the next couple of days and between rains. Look for a strong start ahead of the July 4th holiday, as soybeans remain the leader on optimism of Chinese demand.

At the break, KWU25 was 3 ¾ higher.

CATTLE: HIGHER

Through three days, the spot choice cutout is off \$1.63 vs Friday's highs at \$395, weaker, but not exactly falling apart either. The dramatic improvement in packer margins over these past two weeks has been a blessing for that industry, but also one that is through to be extremely temporary. Perhaps we saw the first inklings of their margin structure coming unwound yesterday with cash cattle markets feeling a little more healthy than prior two weeks. The North traded moderate volume of cash at mostly \$230 live and \$368 dressed, down \$2 vs last week's trade, and then the South traded mostly \$224 live, steady vs prior week's market in TX and down \$1 in KS. Soft, but not like the past couple weeks, and better I think than what futures had anticipated. Futures did recover off their lows late in the session yesterday, and if we are on the verge of some Chinese trade deal as was rumored yesterday we should probably expect cattle futures to appreciate that as well. Chinese authorities have still not re-listed US plants for export licenses dating back to earlier this spring, which would be step one.

Fund Position	Accumulative	Yesterday
Corn	-132,396	25,000
Soybeans	53,396	9,000
Soybean Meal	-113,236	0
Soybean Oil	61,775	4,000
Chicago Wheat	-63,868	7,000
KC Wheat	-45,412	2,000

