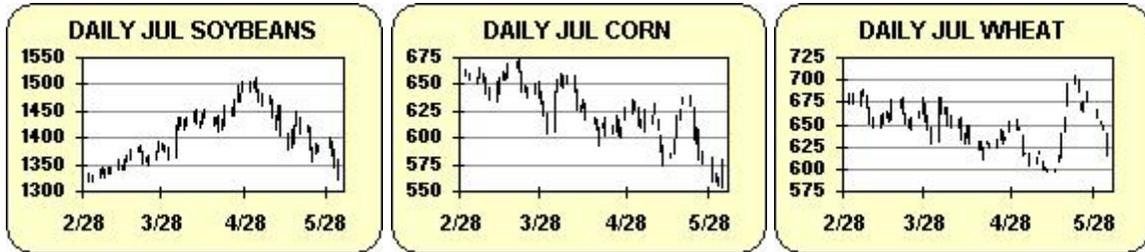


# ADMIS DAILY GRAIN & LIVESTOCK MARKETS

## Monday June 04, 2012

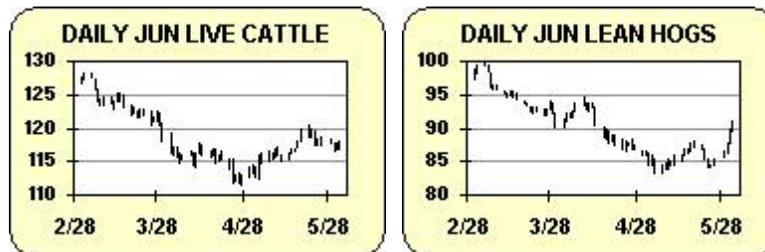


### Grain Outlooks

**BEANS:** Drier than normal trend for US and questionable China weather; firm

**CORN:** Not as much weekend rain as expected; drier than normal to continue

**WHEAT:** Still no sign of near-term lows as harvest ongoing



### Livestock Outlooks

**CATTLE:** Good recovery bounce from lows last week but upside limited

**HOGS:** Upside appears limited; potential for slower exports and high weights

### Overnight Price Changes

**CORN +13.6, SOY BEANS +5.0, BEAN OIL -0.4, SOYMEAL +6.1**

### Grain Markets Fundamental Overview

**SOYBEANS:** The weather forecast is not especially bullish but just not enough rain to improve the crops. Some heat may emerge in the extended two-week models and traders will monitor the southern Midwest/northern delta region for crop deterioration due to the dry May. The tightening supply outlook is a bullish force and buying could emerge ahead of the June supply/demand update.

**CORN:** The weather outlook is not necessarily supportive unless a drier than normal trend continues into late June. There seems to be just enough rain to hold crops stable but there could be some areas in stress into mid-June due to the warm and dry May. The USDA is likely to lower their yield estimate for the June report. The fund traders long liquidation selling spree may be close to complete.

**WHEAT:** The market has pulled back further than expected and the turn higher in the other grains might help provide some support.

### **LIVESTOCK FUNDAMENTAL OVERVIEW**

**CATTLE:** If we include much higher than normal weights, slower exports and higher imports, the per capita supply of beef in the next month may come in much higher than expected.

**HOGS:** The upside seems limited by sluggish global demand and the increasingly bearish tone toward commodity markets. The rally is impressive but the market appears to be in a short-term overbought condition.

### **TODAY'S GRAIN MARKET OUTLOOKS**

**SOYBEANS:** A 50% correction of the Dec-April rally for July soybeans comes in at 1319 with 1392 and 1415 as resistance. Buyers can get active near the 1341 to 1337 zone. November support is 1258 with 1302 resistance. Consider buying breaks.

**CORN:** The short-term trend is down but the market may be getting close to a near-term low. Consider buying calls or futures on a further set-back. December corn support is at 518 1/4 and 505 with 564 3/4 as first good resistance if the weather turns.

**WHEAT:** December wheat key support failed to hold on Friday at 673 3/4 and this becomes light resistance today with further resistance at 687 1/2. Support is at 652 and 644.

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