



General Commentary

Time:

8:30AM

No daily price limits on Aug soy complex futures til expiration

CME raises wheat margin eff 7/30; hedgers now 25¢ (was 20¢). **French wht futures** up 2.5% today, **Canadian Wht Board** updates '10 produc #s mid morning. • Thurs' weekly **expt sales** rpt showed China bot 26M bu US sbns old+newcrop. Wheat sales hit 6 wk high incl 1st '09 sale to Egypt; repl 'lost' Black Sea production? • High temps at night in US corn/bn areas raising concerns even amid abv ave moisture. • **Interntl Grains Council** Thur estd world wht produc 651M tonnes vs 664 June est. IGC ests RUS grain expts 15 MMT vs 11 MMT estd by some private Russian analysts. This a.m. leader of one Russian party says country should stop grain exports (considered political posturing but will get attention). Financial side: US \$ flat today, crude down 50¢; gold up \$4, Dow futures ↓ 45. CFTC report tonite to confirm massive fund buying

Reminders:

- Aug 12 USDA S/D Rpt
- Aug 16 NOPA Jul Crush
- Aug 27 LTD Sep Options

Market Factors

- Farm selling ↑ on rising futures. Selling + quality problems pushing Gulf corn bids ↓ hard.
- Aug Soy Complex **Deliveries**: Bns -0- ctx, Meal -0- ctx, Soyoil 3,014 ctx
- CFTC: Index funds 7/23/10 C +486K↑ B +179K↑ W +212K↓ SML none
CFTC: Managed funds C+197K↑↑ B +84K↑↑ W +26K↑ SML +62K

Opening Calls

- Corn **Up 3**
- Beans **Up 7**
- Wheat **UP 10**

Morning Globex spread quotes (- = inverse)

CU0CZ0	14 ¼	SQ0SX0	-39 ½
CZ0CH1	13	SX0SF1	7 ¼
CZ0CK1	20 ¾	WU0WZ0	32
SQ0SU0	-35 ¾	WZ0WH1	23
Sep Crush	83	KWU0KWZ0	17

Technical Factors

	Support	Resistance	RSI
CU	374	396	57
SU	987	1006	69
SMU	292	300	64
WU	610	640	83
KWU	630	670	87
NGU	470	505	67

Other Comments/News

• Moderate, more wide-spread rains (up to 3" locally) from N. Plains to SE through the wkend. • This wkend/nxt wk seeing HOT temps (100+) stretching from TX/OK to Eastern Shore; **heat indices** to 110°F today in VA. Temps to 95+ n to Montana/Dakotas. • Models suggest intermittent cooler periods across E. US mid-Aug & return to heavier rains in CB & South. More flooding on the way for IA, WI, MI, & IL? • **RUS drought** seeing no relief next 2 wks, but Sep/Oct could see return to normal precip & temps; too late for '10 but helpful for winter wht planting? • **Ukraine** instituting additional "quality tests" on wht before customs approval for expt, making an "effective" expt ban. • Final report of Wht Quality's ND **Spr. wht tour** shows 46 bpa on Spring, 2nd highest on record, & vs 46.2LY, 38.4 vs 36.2 on durum wheat. • **CFTC** Ag Advisory committee meets next week; hot agenda item will be KCBT wheat contract, are changes needed, etc. • **Hog** futures ↑ 100+ Thurs, pork cutout 51% > last year.

Option Volatility %

	Date	Million bu.	Corn	Beans	Wheat	Milo
CU	7/26 Mon	Export inspections 09	42.4	6.6	15.4	0.7
CZ	7/27 Tues	Deliverable stocks	4.9	2.2	100.4	NA
SX	7/29 Thur	Export Sales old/new crops	17.0/20.8	12.5/42	33.8/0.0	-0.4/0.5
SMU	7/23 Fri	Grain under loan 09/10	336.8/0.0	25.9/0.0	31.6/6.2	0.5/0.0
WU	7/22	Census Crush (Jun)		129.2		
KWU						

Gulf Barge

	CORN	BEANS	SRW	TXG HRW	Other basis	CORN	DDG	BEANS	WHT	MILO
Traded					Central IL	-6U	---	+65X↓	---	---
July	---/32U	+80/85Q	+10/--U	-5/--U	KC (hrw)	-28U	---	+40X	-112U↓	-40U
Aug	---/35U	+77/86Q	+15/35U	-5/10U	Eastern IA	-25U↔	\$107	+25X	---	---
Sep	+47/51U	+85/100X	+30/--U	+--/15U	Mankato, MN	---	---	+30X	---	---
Oct	+48/50Z	+74/78X	+30/--Z	+--/25Z	Fostoria, OH	---	---	+65X	---	---
Nov	+49/53Z	+76/80X	+30/--Z	+--/30Z	Hereford, TX	+63U	\$133	---	-95KWU↓	+19U↑
					Soymeal 48% (Central IL)	+28Q				

Misc news

	BRG FRT	STL 310/330%↔	IL 385/395%↑	Memphis 280/300%↔	Carry-in	10/11 S/D Corn	10/11 S/D Beans	10/11 Wheat
						1478	175	973
					Product	13245	3345	2216
					Usage	13360	3170	2196
					=9/1/10	1373	360	1093

• In order to get a loan nowadays you must first prove you don't need it.

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