

OPENING CALLS: Shade Higher **REASON:** Soybeans creeping off lows on South American shipping delays, strong U.S. crush

EXPORT SALES THURSDAY @ 7:30 AM, CATTLE ON FEED FRIDAY @ 2 PM

MORNING TRIVIA: Within five inches, what is the official U.S. NWS record for most rainfall in a 24-hour period?

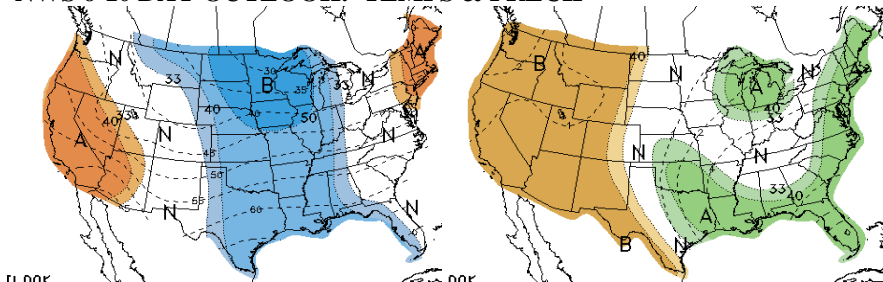
MARKET HEADLINES:

- *Quick Editorial:* soybeans led the “charge” overnight by scraping up all the positive fundamental/technical/outside market tidbits it could, but the 4-6 cent gains (and subsequent one-penny bumps in corn & wheat) hardly inspired much confidence. Trade activity remains slow, with overall grain volume again way under 25k contracts overnight, and corn just over 5k total
- Traders reported a 55,000-ton corn sale to South Korea late last week, with origins from either South America or South Africa, for August arrival. The country’s Major Feedmill group also bought 110,000 tons of global-origin feed wheat late last week, while South Korea’s Daehan Flour Mills issued a tender for 23k tone of milling wheat this morning for June/July shipment.
- Japan is seeking 136,000 tons of food wheat in its regular weekly tender, including 90k from the U.S., 25k from Australia, and 21k from Canada.
- Private analysts Australian Crop Forecasters estimated the 2010/11 wheat crop at 22.5 million tons this morning, up 4% from ‘09/10, and atop the new crop trade estimate range from 20-22.5 MMT.
- Argentina’s Agriculture Ministry reported the country’s corn harvest at 11 percent done as of Thursday, up 7% on the week and 7% ahead of last year.
- February NOPA soy crush came in at 148.35 million bushels yesterday, down from 162.4 mbu in Jan, but up from 128.7 mbu last Feb, and above the average 144.7 mbu trade guess. Estimates ranged from 143-146 mbu.
- *Export Inspections (mln bu):* **This Week / Estimates / Last Week**
Corn: **36.5/ 31-36/ 37.9** Beans: **31.5/ 32-38/ 33.9** Wheat: **9.2/ 14-20/ 21.1**

WEATHER UPDATE:

- The Plains and Midwest will see a couple more days of pleasant weather, but it’s turning fairly ugly after that; solid rains (0.5-1.0”) will enter the northern Plains and northwestern belt late Thursday, moving through the ECB over the weekend. Some snow amounts are likely, but just how much is yet to be determined. Our lead forecaster is also indicating another storm system next week. Extended forecast maps are also following the trend starting over the weekend—below-normal temps and above-normal precip.
- Rains continued over the past 24 hours in central Brazilian soybean areas, potentially resulting in some decent amounts on the MGDS/Mato Grosso border; however, rainfall through this week will likely end up around normal levels in general. No extreme rains in the forecast. Argentina will see good precip in the west and south for the next 3-4 days, with solid chances for the weekend and into the 6-10 day stretch as well. Harvesting activities will slow down a bit into next week, particularly in northern growing areas.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



TRADITIONAL FUNDS & RECORD POSITIONS:

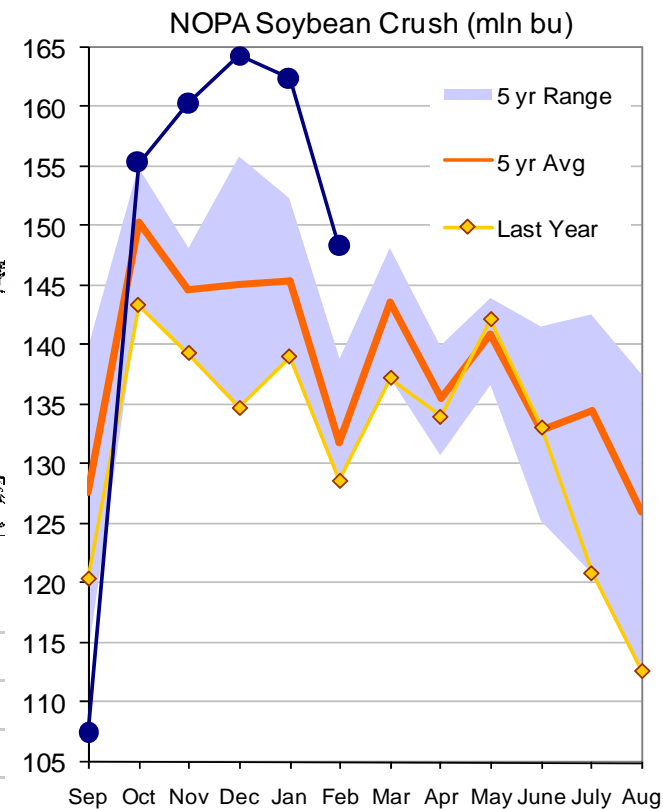
	Corn	Beans	Meal	Oil	Wheat	KC Wht
Daily	-3,000	3,000	2,000	-3,000	-2,000	0
Net	97,261	286	5,066	15,386	-42,526	12,771
Rec +	395,081	155,278	77,636	89,459	42,092	70,497
Rec -	-114,265	-78,161	-43,052	-38,849	-60,457	-39,895

NIGHT SESSION ACTIVITY: Grain Volume: **22,799**

Symbol	High	Low	Last	Chg	Vol
CK0	365.75	363.00	363.75	+0.50	2,991
CN0	376.50	374.50	374.50	+0.25	1,044
CZ0	395.00	393.00	393.50	+0.50	629
WK0	481.50	479.50	480.75	+1.50	1,619
KWK0	490.25	488.00	490.25	+2.00	293
SK0	938.00	930.50	934.50	+4.50	3,946
SN0	945.50	937.75	942.00	+4.50	1,418
SX0	921.00	912.50	917.25	+3.25	1,191
SMK0	259.30	257.10	258.40	+0.80	1,375
BOK0	39.20	38.80	39.05	+0.30	7,531
CLJ0	80.35	79.32	80.02	+0.22	27,139
DXY	80.54	80.20	80.25	-0.25	2,950

FUNDAMENTAL UPDATE:

February NOPA crush fell sharply from 160-165 million bushel levels during Nov-Dec-Jan, but the 148.4 mbu total yesterday was still well above trade estimates, and nearly 10 mbu ahead of the previous Feb record from 2008. Cumulative soy crush through six months of the bean marketing year stands at 898 mbu, 92 mbu ahead of 2008/09’s pace; the USDA’s 10 mbu increase last week (to 1.730 bln bu) still only puts their ‘09/10 estimate at 68 mbu ahead of 2008/09.





TRIVIA ANSWER: 43 inches (Alvin, TX July 1979)

CORN COMMENTS

May corn held up once again in the 362 area yesterday, but inspired little confidence with a one-cent loss altogether. If CK fails at 361 1/2-362, it has support at 359 (winter lows) and the 350 mark. Initial resistance doesn't come in until 371.

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	361.50	375.25	Negative
Long	359.00	392.00	Neutral

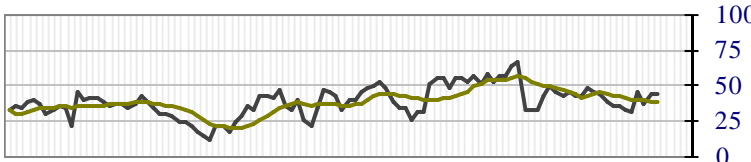
TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	364.48	363.73	Lower
Day Chart	374.56	376.11	Higher

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Increasing	Normal	Low	Oversold

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



WHEAT COMMENTS

May wheat followed a nice recovery on Friday with a bearish reversal yesterday, losing 6 cents but holding up above lows near 475. More key support comes at 472. Lots of resistance starts at 490 (10-day MA), running through \$5, up to 513.

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	475.50	494.50	Neutral
Long	475.50	526.00	Neutral

TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	481.54	482.96	Higher
Day Chart	501.78	500.99	Lower

TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Increasing	Normal	Low	Oversold

SOYBEAN COMMENTS

May beans managed to add 4 1/2 cents yesterday with a decent close, but couldn't avoid another lower high and low. SK still appears to be on track to test 911 lows, with the \$9 mark waiting after that. Sharp resistance starts around 942 (10-day MA)

SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	921.75	964.25	Negative
Long	911.00	985.00	Neutral

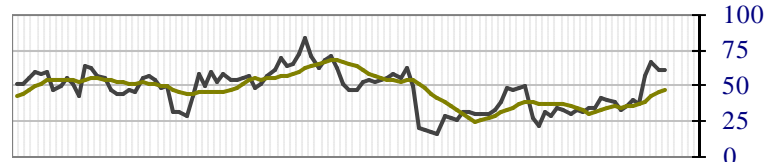
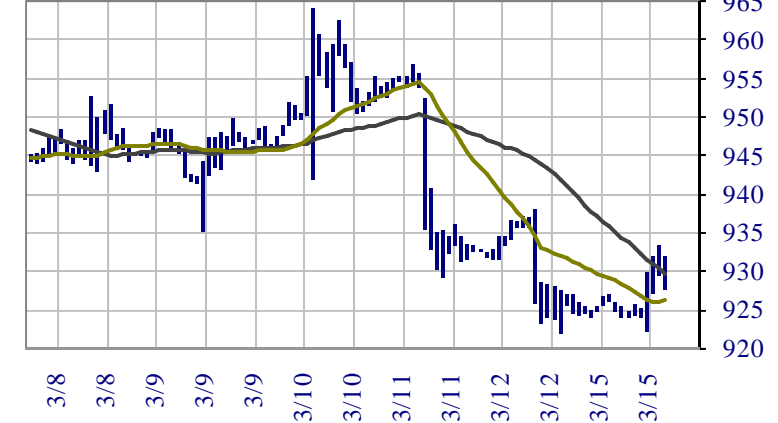
TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	929.68	926.26	Lower
Day Chart	948.90	953.19	Higher

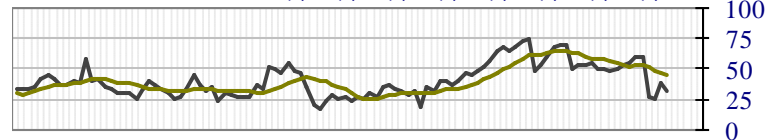
TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Increasing	Heavy	Neutral	Oversold

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



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



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