

**OPENING CALLS:** Steady      **REASON:** Grains holding reasonably steady in the face of volatile outside market activity

**CFTC COMMITMENT OF TRADERS @ 2:30 PM; FEBRUARY USDA S&D REPORT TUESDAY @ 7:30 AM**

**MORNING TRIVIA:** Born on this day in 1964, Duff McKagan is best known as the bass player for 13 years in this band...

**MARKET HEADLINES:**

- *Quick Editorial:* the grains are little-changed again this morning, after a surprisingly adequate close amid outside market mayhem yesterday; but then again they've participated in their own collapse over the past month, and can theoretically only fall so far. The trade expects slightly supportive corn & bean carryout changes next Tuesday, but nothing life-changing.
- Taiwan flour millers will tender next Thursday for 41k tonnes of U.S. wheat
- Russia's Ag Ministry reported slightly higher 2010 grain plantings, at 77.9 million hectares, up 395k ha (+0.5%) from 2009. Winter plantings grew by 5.6% this year, while spring grain area will decline slightly from last year, and average plantings of 31-32 mln ha. Production is widely expected to exceed 90 MMT, compared to 97 MMT in 2009 and 108 MMT in 2008.
- France's Farm Ministry is expecting a 4% rise in soft wheat plantings for 2010, at 4.92 million hectares, up from 4.89 MMT in its previous forecast.
- The Buenos Aires Grains Exchange estimated the 2009/10 Argentine soybean crop at 52 million tonnes yesterday, up from 51 MMT previously, and the drought-reduced 32 MMT crop last year. They left their corn production estimate steady at 18.4 MMT, up from 12.6 MMT last season.
- A USDA attaché in Canberra reported 2009/10 Australian wheat production at 22.5 million tonnes yesterday, even with their current Jan figure, and up from 20.94 MMT last year and the 10-year average crop of 19.7 MMT.
- *Export Sales (000 tonnes):*  
 Corn: **923.2** / 750-1000 / 902.3  
 \*Wheat: **482.7** / 350-550 / 689.2  
 Oil: **58.8** / 10-20 / 46.0
- *Feb Carryout Estimates (bln bu):*  
 Corn: **1.747** / 1.602-1.815 / 1.764  
 Wheat: **0.974** / 0.876-1.001 / 0.976

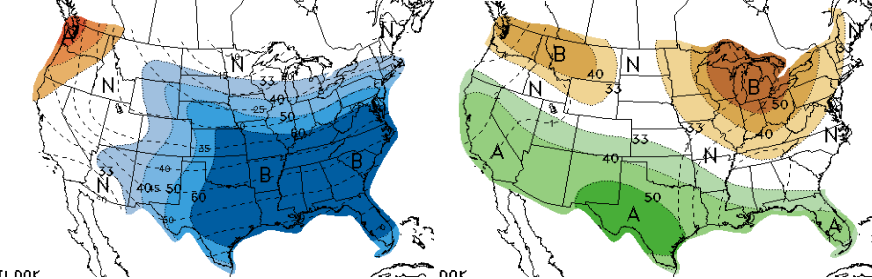
**This Week / Estimates / Last Week**  
 Beans: **381.5** / 650-800 / 857.1  
 Meal: **134.9** / 150-250 / 268.2  
 \*old + new crop combined

**Avg Est / Est Range / Jan USDA**  
 Beans: **0.217** / 0.170-0.240 / 0.245

**WEATHER UPDATE:**

• It's quite an impressive radar picture for the U.S. this morning, with rain, snow, or a mix of the two stretching from the far northern Plains to the Delta and far southeastern U.S., and the eastern seaboard as well. Once heavy rains have fallen in the southern half of that mass, moderate snows (1-3") cover the Plains & corn belt, and a messy mix strikes the northeast, we'll essentially see no break before precip re-develops again on Sunday. Snows won't exit the ECB until at least Tuesday, after a few more inches fall across the belt. Extended forecasts show fairly dry conditions after that, but those maps are turning colder and colder for the next two weeks.

**NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP**



**TRADITIONAL FUNDS & RECORD POSITIONS:**

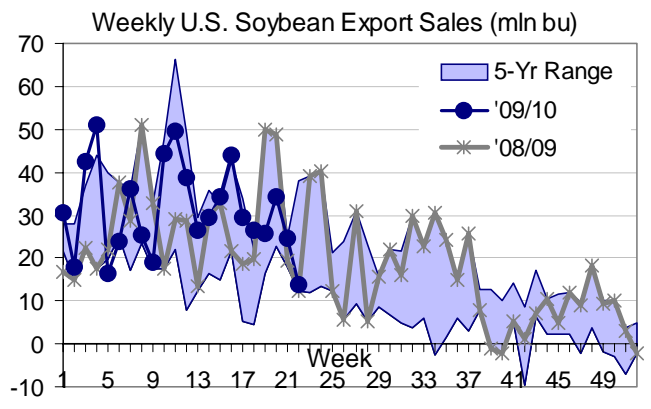
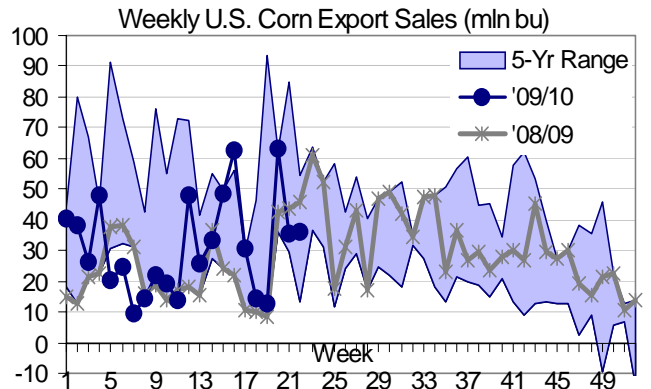
	Corn	Beans	Meal	Oil	Wheat	KC Wht
<b>Daily</b>	2,000	5,000	1,000	3,000	4,000	0
<b>Net</b>	138,112	34,096	27,162	1,628	-51,827	16,507
<b>Rec +</b>	395,081	155,278	77,636	89,459	42,092	70,497
<b>Rec -</b>	-114,265	-78,161	-43,052	-38,849	-58,011	-39,895

**NIGHT SESSION ACTIVITY: Grain Volume: 47,295**

Symbol	High	Low	Last	Chg	Vol
<b>CHO</b>	355.50	351.50	<b>351.50</b>	<b>-2.50</b>	7,720
<b>CKO</b>	366.50	363.00	<b>363.25</b>	<b>-2.00</b>	5,733
<b>CZO</b>	391.25	387.75	<b>388.00</b>	<b>-1.75</b>	998
<b>WHO</b>	476.25	471.75	<b>472.25</b>	<b>-3.50</b>	3,961
<b>KWHO</b>	487.75	483.00	<b>485.25</b>	<b>-3.25</b>	301
<b>SHO</b>	919.25	910.00	<b>917.00</b>	<b>+3.00</b>	5,937
<b>SKO</b>	930.00	921.00	<b>927.50</b>	<b>+2.75</b>	2,023
<b>SXO</b>	914.00	906.00	<b>914.00</b>	<b>+4.00</b>	744
<b>SMHO</b>	272.90	270.10	<b>272.10</b>	<b>+0.90</b>	1,234
<b>BOHO</b>	37.25	36.93	<b>37.16</b>	<b>-0.05</b>	3,711
<b>CLHO</b>	73.64	72.46	<b>72.96</b>	<b>-0.18</b>	52,634
<b>DXY</b>	80.59	80.24	<b>80.36</b>	<b>+0.29</b>	6,284

**FUNDAMENTAL UPDATE:**

Soybean export sales came in at their worst total of the marketing year so far, at 14.0 million bushels, but that still beat the comparable week last year. Cumulative bean sales of 1284 mbu are now a whopping 386 mbu ahead of last year's pace; even removing large carryover sales to start out the year with, week-to-week sales are about 100 mbu better than last year through 22 weeks, with the USDA only projecting a 92-mbu YTY increase for the entire '09/10 season.





**TRIVIA ANSWER:** Guns N' Roses

### CORN COMMENTS

March corn somehow added a penny yesterday amid plunging outside markets, but the damage was already done with a new post-report low. If CH can close below the 350 mark, support is essentially non-existent until lows near 315, and \$3.

#### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	349.00	368.25	Negative
Long	349.00	426.25	Negative

#### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	355.88	353.86	Lower
Day Chart	389.75	371.91	Lower

#### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Heavy	Neutral	Oversold

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



### SOYBEAN COMMENTS

March beans added six cents yesterday after touching the \$9 mark for the first time since early October, and rebounding from there. The \$9 level and lows around 888 will try to hold up in the short-term. Initial resistance comes near 924 (10-day)

#### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	900.00	934.00	Negative
Long	900.00	1074.75	Negative

#### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	915.07	913.88	Lower
Day Chart	994.48	950.80	Lower

#### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Normal	Neutral	Oversold

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



### WHEAT COMMENTS

March wheat posted a decent close and 6 3/4-cent gains, but not before new post-report lows; WH is inching closer and closer to contract lows near 460, with only the 450 mark and multi-year continuous lows near 425 for support after that.

#### SUPPORT / RESISTANCE OUTLOOK

Term	Support	Resistance	Our Bias
Short	466.50	494.75	Negative
Long	466.50	575.00	Negative

#### TREND OUTLOOK

Term	40-Per MA	20-Per MA	Trend
60 Minute	475.35	474.03	Lower
Day Chart	521.18	503.18	Lower

#### TECHNICAL INDICATORS

Open Int	Volume	Volatility	RSI Levels
Decreasing	Heavy	Neutral	Oversold

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



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