

FRONTIER FUTURES, INC.

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Wednesday March 3rd, 2010

OVERNIGHTS	MGE (K)	KC (K)	WHEAT (K)	CORN (K)	SOYBEANS (K)
HIGH	518 ¾	510 ½	506 ¾	384 ½	968 ¾
LOW	517	508	503 ¾	380 ¾	962
LAST	518 ¾	510 ½	506	383 ¼	968 ¾
NET (VOLUME)	+ 1 (31)	+ 2 (92)	+ 1 ½ (1188)	+ 1 ¾ (4653)	+ 5 ¼ (4719)
TECHNICALS	MWK0	KWK0	WK0	CK0	SK0
RESISTANCE	547-552	533-540	532 ¾ - 541	397-403	995-1001
RESISTANCE	532 - 536 ¼	522-525	520-524	388-392	975-980
SETTLE	517 ¼	508 ½	504 ½	381 ½	963 ½
SUPPORT	514-515 ¾	505-507 ½	492-496 ¼	373 ¼ - 378 ¼	941-948
SUPPORT	504 ¾ - 510 ¼	486 ¾ - 492 ¼	472-480 ¾	359	912
100 DAY MA	552	540	541	400	997

GENERAL

- **Macros as of 7:30 AM CST:** The dollar index is down .30, gold is up 4.00, crude is up .50, the S&P is unch, the Dow is unch, and bonds are unch. Dollar index failed against resistance this week at 81.50 and has now formed a double top. Gold is above its Feb highs at 1137 and appears to be heading up towards 1165 and maybe 1229. S&P is also above its Feb. highs at 1116 and appears to be heading up to 1150. Dow is still below the Feb highs. Bonds failed last week at Feb highs and have formed a double top.
- Overnight ags: Moderate volume, light range trade in beans and corn. Wheat did not participate. Chicago front month May wheat had a grand total of 1188 volume. In 13 hours of trading.
- Labor department Feb unemployment numbers come out Friday.

WHEAT Opening call: 2 higher

- CCC is in Mar 4 for 73,290 HRW for donation to Ethiopia for Apr 10-May 10 shipment. Bangladesh is in Mar 25 with validity to Apr 15 for 70,00 MT of wheat for shipment within 60 days of sale.
- Japan is in for 132,000 MT of wheat on their regular weekly tender tomorrow afternoon. This week they are looking for 16,000 US western white, 25,000 US HRW, 24,000 US DNS, 46,000 Canadian WRS, and 21,000 Aussie standard whites.
- Kazakhstan says it has exported 4.8 MMT of grain and flour from the 2009 harvest, about a million higher than this time last year. Exports are mainly headed to Iran, Afghanistan, and central Asia.

CORN Opening call: 1 higher

- CCC is in Mar 4 for 18,290 sorghum for donation to Ethiopia for Apr 10-May 10 shipment. Taiwan's MFIG is in this week for 42,000-60,000 MT of US or S American corn for Apr 26-May 10 shipment.
- Japan bought 7,200 feed wheat and 137,800 feed barley on their SBS tender for 30,000 and 200,000 that closed overnight.
- KFA tendered overnight for 55,000 worldwide corn and passed due to high prices offered.

SOYBEANS Opening call: 5 higher

- Taiwan's Taichung division of BSPA is in this week for 40,000-60,000 MT of US or Brazilian beans for Mar 1-15 shipment. The vegetable oils and food industry association in Uzbekistan is in Mar 15 for 50,000 MT of Brazilian beans for shipment by Apr 15.
- Yesterday we brought you loan prices. Today, despite the fact that new crop bean loan is 9.20 we are recommending that producers buy SX800 puts at 21 cents, yesterday's settlement. Why, if loan is 9.20,

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would you do that? Because a loan is not a sale. Buy the puts (they are only 25 volatility, relatively cheap given that beans are a 10 dollar item right now) and you can still take the loan. That way, if everything works out well during spring weather markets and N hemisphere gets gobs of beans planted, you won't be crying "remember when I could have sold my crop at 9.50." The at-the-money put is 75 cents, too much premium. What we are recommending is getting a cheap floor on sales prices, and then having the whole season to plant and grow before having to make a price marketing decision. Remember, in June these puts will be worth at least a dime unless the board is above 10 bucks, in which case you don't care about the 20 cents you paid anyway, so your real risk is really about a dime to have a floor in through the whole spring planting season.

- Oil World says a strong increase in global palm oil exports will cut stocks in coming months despite a rise in production. Global palm oil stocks are likely to fall to 6.68 MMT in Sep 2010 from 6.93 MMT in Sep 2009. So says Oil World.

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