

Highlights

- As of 7:00 central time, the US \$ index was up 0.240, Crude oil was down \$0.52 and Gold was up \$4.30.
- The weather models are in fairly good agreement that the next 10 days will see continued colder than normal temps in the central US, while the southern regions will continue to see active storm tracks that suggests much above normal precipitation over the next 10 days.

Corn

- Open interest in corn futures was up another 5,696 contracts on Friday. The most significant gain was seen in Dec '10, up 2.2K contracts.
- Over the last three sessions the May '10 / July '10 corn spread has been trading at 11 to 11 ¼ cents carry. Thinking back, it is following a very similar pattern as the Mar '10 / May '10 corn spread that only got as wide as 11 ¾ cents carry (Feb. 9 through 19.)

Early Call... 1 to 2 lower, based on a firmer US dollar

Soybeans

- Option volatility across the soybean complex is sitting at or near its lowest levels in the last 4 weeks and is much lower than the grains. For example November 2010 at the money soybean volatility is at 23.5%. That compares to Dec '10 corn volatility of 32.5% and Dec '10 Chicago wheat volatility of 30.75%. (KCBT and MGE vols. are both higher than CME.)
- Palm oil futures were down 56 ringgits finishing at 2,575.
- An industry official said on Monday, that productions of "Green" Palm oil output double to 3 MMTs by the end of this year. "Green" palm oil is produced in a manner that does not cut down forests and harm wildlife.

Early call... 1 to 3 lower, the weakness in palm oil is not supportive to beans

Wheat

- French customs data shows that France exported 1.4 MMTs of soft wheat in January. This brings their year to date total to 9.0 MMTs, down 6% from last year.
- A director of Japan's Ministry of Agriculture confirmed that Japan is studying samples of Black Sea wheat as a possible new source of grain. He stated, "We are aware of other countries, such as Russia and Ukraine, that grow abundant wheat and we have begun taking samples and analyzing the types of the wheat and their safety."

Early call... 1 to 2 lower, also based on a firm dollar

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E-cbot as of 7:15 am CT

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	CK	SK	SMK	BOK	WK	KWK	MWK
CT HIGH	7.13 ¼	10.87 ½	328.10	42.81	7.45	7.72	8.28
R2	3.91	9.64 ¼	266.90	42.81	5.00	5.13	5.36 ¼
R1	3.72 ¾	9.38	258.50	41.05	4.92	5.01 ¼	5.24 ½
CLOSE	3.64 ¼	9.25 ½	251.30	39.55	4.85 ¼	4.94 ¾	5.13 ½
E-CBOT	3.62 ¾	9.24 ¼	251.90	39.38	4.84 ¼	4.93 ½	5.12 ¾
S1	3.61 ½	9.23	250.00	39.02	4.75 ½	4.86	5.02 ½
S2	3.59	9.11	242.00	37.98	4.72	4.75	5.00
CT LOW	3.25	8.19 ¾	242.00	32.15	4.72	4.86	5.02 ½
Est. FF Pos.	27,600	-31,400	6,000	9,000	-57,800	--	--