

Thursday April 30th, 2009

OVERNIGHTS	MGE (N)	KC (N)	WHEAT (N)	CORN (N)	SOYBEANS (N)
HIGH	663 ¾	587 ½	538 ½	405 ¼	1041 ¾
LOW	652 ¼	580	529 ½	396 ¾	1019 ½
LAST	663 ¾	586 ¼	537	403 ¼	1039 ¼
NET (VOLUME)	+ 5 ½ (115)	+ 5 ¼ (243)	+ 5 (10195)	+ 2 (4012)	+ 14 ¼ (7786)
TECHNICALS					
	MWN9	KWN9	WN9	CN9	SN9
RESISTANCE	699	624-627	585	449 ¼	1663
RESISTANCE	661-669	596-598	550	417 ½	1064 ½ -1076
SETTLE	658 ¼	581	532	401 ¼	1025
SUPPORT	627-633	548-557	510 ¾ - 513 ¾	395	975
SUPPORT	589 ¾ - 595 ¼	519	497	370	952
50 DAY MA	620	582	538	90	942
100 DAY MA	627	596	563	395	952

GENERAL

- **As of 7:00M CST:** The dollar index is steady/lower, gold is down 9.00, crude is up .75, the S&P is up 14.00, the Dow is up 125, and bonds are down .12. Overnights saw a continuation of the uptrends in crude and the stock markets. The dollar at one point took out the Apr lows, but rebounded from there to currently trade unch. Bonds have now taken out the lows put in in Feb and March and will start getting into the gaps left when everything went cuckoo back in Nov of last year. All of these charts are bullish US ag markets. The bond chart for your perusal:



- Overnight ags: Every ag market tried lower, every one finished higher. Taking a huge pass on being short today. This one looks like it is setting up to be a doozy if it finishes higher today. Weather and macros both are bullish enough for a bull run. Funds chock full of new money to play with might start their inflation fear buying, and we don't want to be fading that the first couple of days if it happens.
- Swine flu update: World Health Organization raised the pandemic alert status one notch to phase 5 (out of 6 phases), meaning it believes a global outbreak of the disease is imminent. Globally there are now 2,955 suspected cases. Texas gov Rick Perry issued a disaster declaration and suspended all high school sports competitions until May 11 (of course it is not football season, so not such a big deal down in Texas).

WHEAT: 5 higher

- Iraq is in May 3 with validity until May 7 for opt-origin wheat, minimum 50,000 MT. Syria is in May 4 for 200,000 MT of opt-origin soft wheat for mid-Aug to mid-Oct delivery.
- Egypt tendered overnight for May 22-31 shipment, results TBA.
- Russian spring ag sowings are experiencing the same weather as the US spring wheat areas, with cold and wet weather keeping planting progress well behind average pace at 4.5 million hectares, 14% of the expected total planted area. The cold weather is also suspected to have damaged the winter wheat crop there.
- Weekly export sales were 142,400 old crop and 108,800 new crop for a total of 251,200 vs expectations of 350,000-450,000. Major buyers were Yemen 55, Mexico 51, and Japan 46. Sales by class were 68 HRW, 29 SRW, 77 HRS, 73 whites, and 4 durum.
- The Minney N/U spread moved higher yesterday, trading up to 14 inverse before settling 13. U/Z traded in to 3 ½ carry before settling 6. Intermarkets had slight gains. We think this market will be spending the balance of this week blowing weak shorts out of our spreads and intermarkets given the fact that planting progress next Monday will not look good. Stay out of the way of these spreads, fade them only when they start to weaken. There was heavy commercial and fund selling of the MWN/MWU in the 8-10 inverse area the past few sessions, and that is not good if those guys decide they need to get out. In other words, unlike the Minney K/N (which went to 24 inverse), we now have improperly positioned spec trades in the N/U.
- Deliveries in Minney against May were 0. Chicago wheat deliveries were 8,122 with everybody putting it out. Astro customer and Merrill customer were the largest takers. KC deliveries were 306 with Term house putting out 260 of it and Tenco house stopping it.

CORN: 2 higher

- Iran is in Apr 28 for 100,000 S American corn for June shipment. Israeli private buyers are in 4/30 for 32,000 MT of US, S American, or European corn and 30,000 MT of European feed wheat.
- Weekly export sales were 1,225,200 vs expectations of 800,000-1,200,000. Major buyers were Japan 320, S Korea 274, Unknown 269, Mexico 96, and Egypt 65.
- Corn deliveries were just 431 with Rosenthal customer putting the majority out and Man customer catching all but a few of it.
- Nonghyup bought their 220,000 US corn on their tender for the same amount of US, Chinese, or S American. They bought it from Cargill at 130-136 over CN and CU for Sep 1-Oct 10 arrival.

SOYBEANS: 10-15 higher

- S Korea is in May 8 for 20,000 MT of non-gmo US beans for Aug 15 delivery.
- Yesterday private exporters reported the sale of 100,000 US beans to unknown for 2009-10 delivery.
- The Buenos Aires grain exchange said yesterday that the Arg bean crop is now 34 MMT, down from their previous estimate of 36.2 MMT and a new low tick amongst the analysts down there who are all currently at 36-37 MMT.
- Brazilian farmers sales are accelerating into this price rally, with 75% of the new crop now sold in Mato Grosso.
- Weekly export sales were 834,600 old crop and 335,500 new crop for a total of 1,170,100 vs expectations of 700,000-1,000,000. Major buyers were China 584, Unknown 285, and Mexico 208.
- Bean deliveries were 89 with a Fortis customer putting it out and Astro customer stopping it.
- S Korea's MFG bought 55,000 S American soy meal overnight from P Cremer for Aug arrival at 397.80/MT.
- Believe it or not, the Chinese gov't now says it has raised its domestic soy buying target by 21% to 7.25 MMT because farmers are struggling to sell in a market swamped by record import volumes. The gov't will continue buying until the end of June or when the target is reached. Problems remain

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with the farmers being able to meet quality standards that the Chinese gov't has set for the purchases (moisture problems).

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