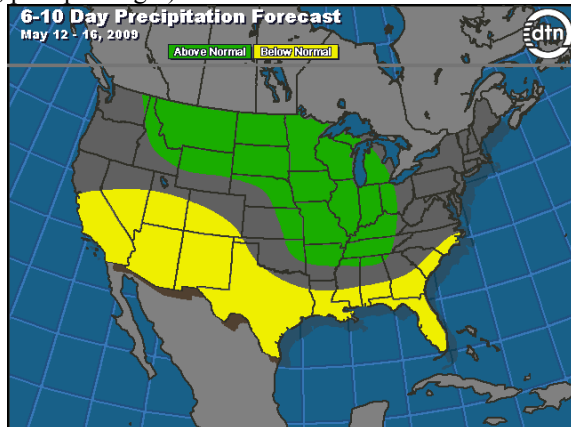
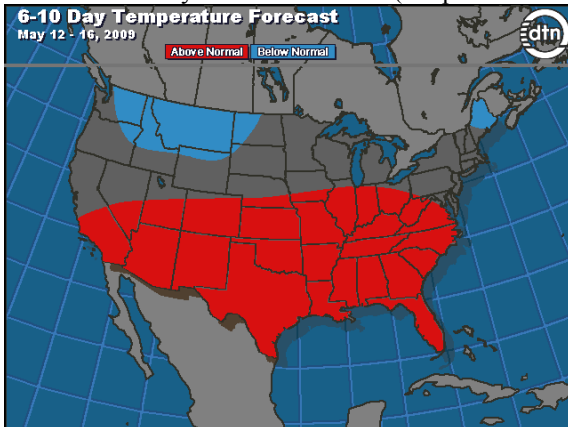


Thursday May 7th, 2009

OVERNIGHTS	MGE (N)	KC (N)	WHEAT (N)	CORN (N)	SOYBEANS (N)
HIGH	683 ½	614 ½	569 ¾	414	1131
LOW	677 ¼	606 ¾	559	406 ¼	1108 ¾
LAST	682 ¾	611	563 ½	413 ¾	1129
NET (VOLUME)	+ 4 ½ (97)	+ 4 (422)	+ 4 ¾ (4198)	+ 6 ¼ (9191)	+ 11 (9913)
TECHNICALS					
	MWN9	KWN9	WN9	CN9	SN9
RESISTANCE	699	692	670	449 ¼	1222-1230
RESISTANCE	686 ¾	622 ½ - 627	574-584 ½	415 ¾-417 ½	1150
SETTLE	678 ¼	607	558 ¾	407 ½	1118
SUPPORT	669 ¼	600	550 ½	395-398	1064 - 1076
SUPPORT	633	548-557	511-514	370	967-975
100 DAY MA	633	600	565	398	967

GENERAL

- The USDA weekly export sales report has been delayed due to unknown technical problems. They did give us the total sales numbers, just not the breakdowns.
- **As of 7:30M CST:** The dollar index is up .20, gold is up 14.00, crude is up 1.50, the S&P is up 10, the Dow is up 80, and bonds are down over a point. On the charts: The dollar is range bound. Gold is slightly above old April highs at 920 in GCM which if it holds today projects to a run up to 970-1000. Crude is within spitting distance of 60.00 a barrel and on the monthly chart the 38% retracement is 77.00 and the 50% retracement is 90.00. The stock markets are within a decent rally today of reaching resistance from back in Dec 08/Jan 09. Bonds have FINALLY broken out to the downside and into the chart gaps left in Nov 08. This event was extremely predictable using the technical analysis method known as “fade me when I finally sell my puts since the bonds won’t break.” True story, we sold our long June puts yesterday. Oops. Everyone keeps telling us its way too early for inflation to rear its ugly head. Sure looks inflationary, though.
- Overnight ags: higher all night in the ags on good volume.
- We’re done reporting this H1N1 stuff for awhile since it seems to be much ado about a case of the sniffles. If people start dying again, it spreads to more than 10,000 people, or spreads to Asia we will start up again. But for now it just seems like we are worrying about something that requires Kleenex to cure. Still wondering why so many people died from it in Mexico, though.
- Next USDA report is Tues 5/12 at 7:30AM.
- 6-10 day weather forecasts (temps on left chart, precip on right):



WHEAT: 4-7 higher, no idea why

- Iraq is in May 3 with validity until May 7 for opt-origin wheat, minimum 50,000 MT. USDA is in May 13 for 56,750 HRW for donation to Ethiopia and 8,800 HRW for donation to Uganda for June 5-15 shipment. Jordan is in May 27 for 100,000 MT opt-origin hard wheat for LH Jul/FH Aug shipment.
- Weekly export sales were 386,300 vs expectations of 300,000-400,000. HRW crop tour is out there. Yesterday they were in the western 1/3 and southern part of KS and OK. The KS scouts estimate yesterday's area will yield 40.6 bpa vs 43.3 on the same locations last year and 39 bpa over the past 8 yr average. In OK, scouts found disappointing fields. Their estimate was an average yield of 20.3 bpa and the entire state at 77.4 million bushels. That is way down from last years actual production in OK of 166.5 million bushels and yields of 37 bpa. One more day of the crop tour today (TX).
- Informa put 2009 US winter wheat at 1.535 billion bushels, down 333 million from last year. The estimated HRW at 882 million bushels, SRW at 436, and winter whites at 216.
- Turkey announced they did not foresee wheat import tenders by the Turkish Grain Board (TMO) this year as it expects Turkish wheat production will rise to 20 MMT from last year's 17.8 MMT.
- Indian state agencies have bought record amounts of wheat from farmers in the Punjab and Haryana, putting more pressure on the government to allow exports this year.

CORN: 4-6 higher

- Weekly export sales were 611,100 vs expectations of 800,000-1,200,000.
- CN9 was back down to 160+ under WN9 last night before charging back and finishing the overnight with gains vs wheat. 160 has been the magic number in the wheat/corn spread the past 2 plus months. Every time the WN9/CN9 goes to that level, it immediately falls apart. We see no reason to buck that trend and will be selling wheat/buying corn today if it pops back up near 160 in the day session.

SOYBEANS: a million billion higher, or 8-15 higher, depending on who you believe

- S Korea is in May 8 for 20,000 MT of non-gmo US beans for Aug 15 delivery. Philippine millers expected next week for 45,000 opt-origin soymeal for June shipment. Egypt's FIHC is in May 12 for 25,000 MT of soyoil for LH June shipment. Egypt's Meditrade is in May 14 for up to 40,000 MT of soyoil and sunoil for FH July shipment.
- July beans look kind of good on the charts. Nov beans look kind of good on the charts. Beans look ridiculously good on the monthly charts. The SN9/SX9 spread looks kind of good on the charts. The SX9-CZ9 looks good on the charts. If only we could see a trend ...
- Weekly export sales were 775,400 vs expectations of 600,000-900,000.
- The Brazilian ag ministry estimated their bean crop at 57.6 MMT, down slightly from their April estimate of 58.1 MMT.

Scott O'Donnell

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