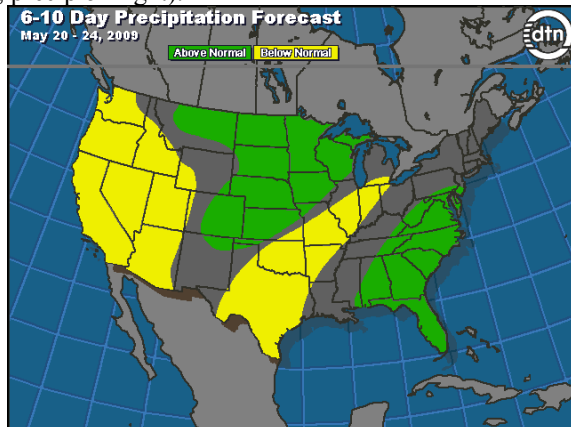
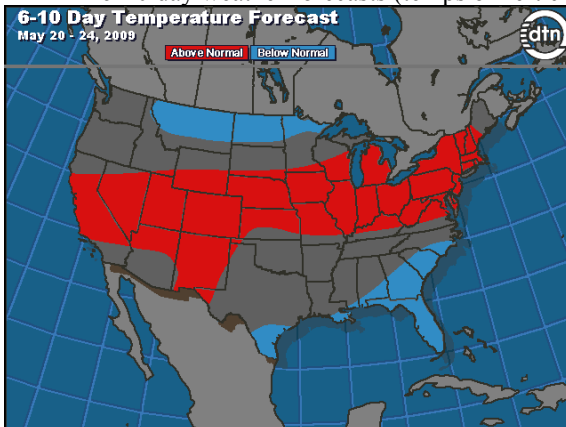


Friday May 15th, 2009

OVERNIGHTS	MGE (N)	KC (N)	WHEAT (N)	CORN (N)	SOYBEANS (N)
HIGH	726	645	595 ¼	431	1156 ¼
LOW	721 ¼	640	587 ¾	426 ¼	1144 ¼
LAST	724	641 ¼	589 ¼	428 ¾	1149
NET (VOLUME)	- 1 ¾ (36)	- 2 ½ (183)	- 4 (1579)	+ ½ (4729)	+ 1 ½ (6082)
TECHNICALS					
	MWN9	KWN9	WN9	CN9	SN9
RESISTANCE	24.00 ???	692	670	472	1325
RESISTANCE	765-783	660	627	437-449	1220-1230
SETTLE	725 ¾	643 ¾	593 ¾	428 ¼	1147 ½
SUPPORT	661-669	622-627	574-584 ½	417 ½	1116
SUPPORT	638	603	567	396-399	1064-1076
100 DAY MA	638	603	567	399	979

GENERAL

- **As of 7:00AM CST:** The dollar index is up .35, gold is unch, crude is down .75, the S&P is down 3, the Dow is down 20, and bonds are unch.
- Overnight ags: Beans were lower the first few minutes, then higher the rest of the night on decent volume. Corn was slightly lower all night before rallying a few cents after 4AM then setting back to nearly unch at the close of the session on ho-hum volume. Wheat started slightly lower, rallied all the way to about 2 higher in sympathy with the bean rally, then spend midnight to 6AM breaking on almost nonexistent volume.
- 6-10 day weather forecasts (temps on left chart, precip on right):



These charts are far from the whole story, as the US and European models do not agree in the 6-10 day window. **To add to the confusion, there is a potential freeze event for spring wheat areas this weekend.** Central ND currently has projected overnight lows Saturday of 29 degrees. The valley area projects to a low of 30. Northern SD has projected lows of 31. None of these are low enough to hurt newly emerged spring wheat, but if it gets a few degrees colder than that it will set back a crop that is already late. It is a one night event, and by Sunday the projected low temps will be fine.

- Just to make everything a little more fun, late yesterday there was a definite move of substantial chunks of fund or index fund money into long ags. A quick look at the 5 or 15 minute chart of the CRB shows the influx before the closing bell, sending most of the ags higher. If the index funds don't trust the stock markets and want to double up their long ag positions, there will be absolutely no way to stop the bull run in beans and corn, and wheat may even take off despite the global fundamentals which are decidedly bearish. We are heading for under the desk today if you need us.

WHEAT: 5 lower-unch in Chicago, no idea for KC or Minney, and we're guessing here

- Iraq is in May 17 with validity until May 21 for 50,000 MT of wheat. Taiwan is in May 22 for 33,500 US mixed wheat for June 20-July 4 shipment. Jordan is in May 27 for 100,000 MT opt-origin hard wheat for LH Jul/FH Aug shipment. Japan is in May 29 under SBS for 6,000 MT of food wheat for June-Aug shipment.
- Some stories out of W Australia are suggesting dryness is a huge problem there despite recent rains. Time to start watching that area, since it is the primary export production area to Asia.
- CCC bought 65,550 US HRW as planned for donation to Ethiopia and Uganda. They paid ADM 266.04-271.55 per MT FOB for June 5-15 shipment out of the gulf.
- Taiwan Flour Mills passed due to high prices offered on an overnight tender for 33,550 US mixed wheat.
- A Hungarian state-run think tank called MGSZH says the wheat crop there will be cut to a maximum of 4 MMT compared to 5.6 MMT in 2008 due to drought. The lack of significant rain since Mar 20 has also damaged the rapeseed crop.

CORN: mixed

- Japan is in May 22 under SBS for 100,000 MT of feed barley and 20,000 MT of feed wheat for LH June-Aug shipment.
- It is currently raining in southern IA (a good thing) and the storm is moving into central IL and points eastward of that today (not a good thing). After that system moves through there may be a period of drier weather. Then the 6-10 day kicks in, where there is little to no agreement between the US and European models. So in a nutshell the normally fickle weather market is a complete crapshoot today, with everybody being able to produce weather reports that supports their ideas. Have a nice day trading this one today.
- Israeli private buyers rejected bids overnight for 20,000 MT of US-origin corn products due to transportation issues.
- China's State Administration of Grain says it will move 3.05 MMT of state-reserve corn from storage in the NE provinces to storage in major consuming areas. That's out of a total of about 35 MMT they have bought in the NE for state reserves.

SOYBEANS: unch-10 higher, again at best a guess.

- Israeli private buyers bought 7,000 MT of US soymeal overnight for June 15-July 5 shipment.
- China has sold 85,000 MT of soymeal in the last 2 weeks, mainly to Japan and Vietnam as exports climb due to poor domestic consumption.

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