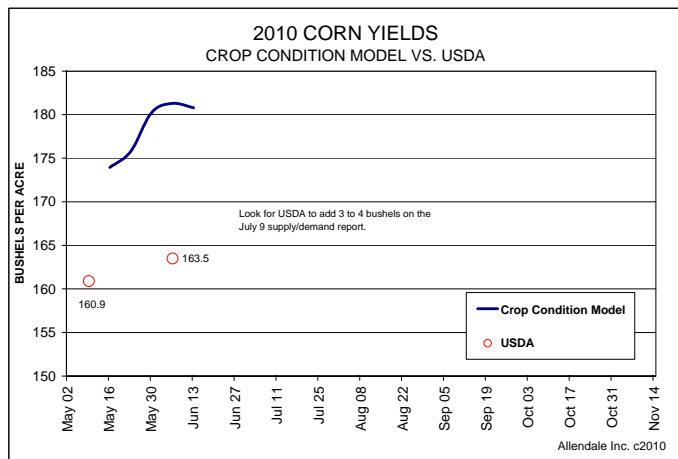


Allendale Wrap-Up for Business Day 06/14/10



Corn: As news goes, corn didn't have much today. Most trading that occurred today was based off of influence from other markets. For most of the day, the dollar was trading over a dollar lower with crude near \$2.00 per barrel higher. While on this topic, it should be noted that funds are estimated to be long just 50,000 which would mean that the dollar should have only minimal influence on corn now. Crude will now have much more influence until the funds become interested in corn again. China purchased two cargoes of corn overnight. Beans and wheat had bullish news to trade so the corn followed along. One of the factors that make us believe corn is

still holding strong is how it performed while the beans sold back at the end of the day. Beans dropped almost 10 cents from their highs going into the close while corn actually bought slightly settling right in with some of its best trade in the day session. This market looks to be one major China corn purchase or poor weather forecast away from getting us to our next hedge targets. Those targets would start around 385 as we look for producers to pick up selling at lower levels than we saw last time just because of the dismal prices we came back from. For now there is little argument that weather remains the most bearish influence. Areas in the western Midwest are seeing too much rain which could be the start of a concern there but otherwise conditions remain nearly ideal. As a whole, only a few producers have bad things to say about how their corn looks. That means this week will need to see more good demand news. We need to build in some type of premium to absorb a possible increase in corn acres at the end of the month.

There was one estimate put out recently calling for an actual drop in acres but we find that hard to believe with the great planting conditions we saw this spring. If we see both a small increase in acreage as well as yield, we will be thankful for building in premium before the end of the month. Should we find news to spark the market higher once again we will look to be sellers and that is where our focus is first in corn.

Direction: Support is now 333 3/4 July and 352 3/4 December. Corn showed good strength on the close when it did not set back as other markets did. As long as this market continues to show good support we will keep our focus on selling in the mid 380's. China will be the force to give a bounce while weather will continue to keep pressure on corn...Ryan Ettner

Working Trades:

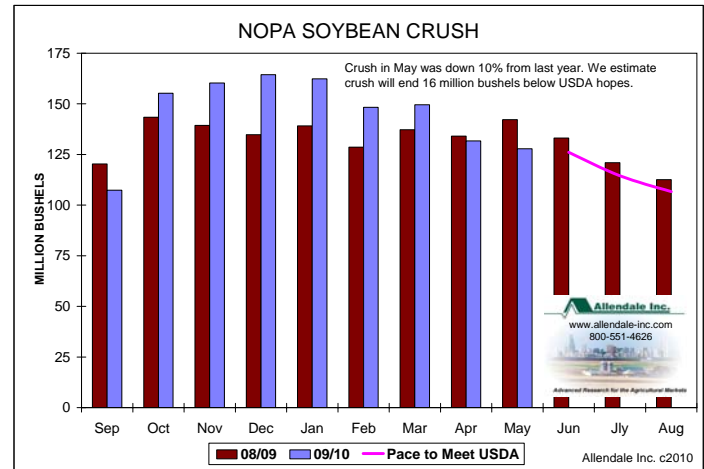
- (05/19) Sold September 330 put 8, risk 15, objective 0. Closed 6 3/8
- (06/10) Sold July 346, risk 350 filled 06/14 for **-\$200**.

*****Disclaimer***** The commentary and trades below are derived from technical indicators provided in our Allendale Advanced Charts pages and may not correspond with the fundamental commentary above.

Advanced Charts Direction: Corn took out nearby price resistance and ran for the 20 day MA. We did close above 350 and just below the 20 day. We will be getting long on a pull back to 335 using a close stop below support...Bob Dalton

Soybeans: Canada's announcement that they would lose 12.5 million acres of spring wheat, Durum, and Barley production caused sharp rallies in all grains today. Oats were limit up while Canola was only .50 higher. Traders basically picked up today from Friday's wild close when everything rallied the last few minutes. Some traders expect the funds that are now short to reverse and get long based on strong cash markets and news that China is buying US soybean oil. USDA announced 80,000 bean oil recently

sold (40,000 of that Friday) and we believe the actual number is near to 110,000 tones. USDA said weekly inspections for bean exports were 7.3 million bushels (mb) which was below the 10.1 mb we need to meet USDA's demand forecast. This trimmed enthusiasm a little today along with disappointing Crush Demand released by NOPA at 127.8 mb versus 132 expected. Despite the disappointment, funds bought 4,000 beans and with the paper demand across the board, this caused beans to close 5 higher for the day but about 7 1/4 cents off the high. Today's high was within 2 cents from hitting a moving average resistance while support is from 936 to 925. After the close, USDA announced planting advanced last week by 7% to 91% complete v 90% normal for this time. Crop conditions fell 2% at 73% v 75 last week and 66% good to excellent last year.



Direction: We are expecting a sideways market for the near term. Seasonally we typically see more traders wanting to buy the market for a summer weather rally. But with crop conditions this good and a 16 day forecast that looks favorable (drying out where we need it), we expect bulls will only buy breaks and not chase rallies. We expect sellers to show up on rallies since the crop does look good and projected stocks are expected to increase so dramatically this year. Long term into fall, we believe prices will be near or below 800. We just took profit on shorts and are waiting for our next trade. Producers are 75% to 100% hedged and have recently reviewed all positions for a summer seasonal move. We plan on getting everyone to 100% sold as well as 50% on 2011 if the seasonal move occurs...Bill Biedermann

Unplanted Acreage: With the recent moisture, and forecasts for more, there is some interest brewing over unplanted soybean acres. As this afternoon's meeting with the brokers, Paul Georgy noted clients in southern Illinois and Missouri have told him they will take preventative planting rather than be patient for the weather to change...Rich Nelson

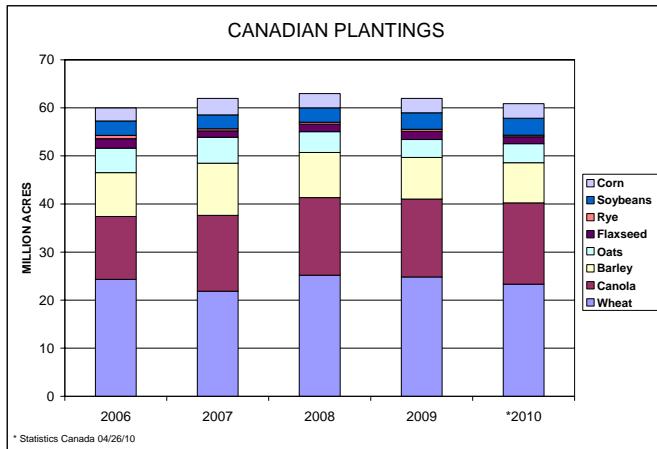
	intended acres (thousands)	percent planted	remaining acres (millions)
MO	5.400	71%	1.566
IL	9.500	91%	0.855
IN	5.500	88%	0.660
KS	4.100	84%	0.656
OH	4.600	86%	0.644
NC	1.650	75%	0.413
SD	4.400	91%	0.396
IA	9.900	97%	0.297
KY	1.370	80%	0.274
TN	1.430	81%	0.272
AR	3.300	92%	0.264
NE	4.900	96%	0.196
MI	2.050	91%	0.185
ND	4.000	97%	0.120
MN	7.200	99%	0.072
WI	1.550	97%	0.047
LA	1.010	97%	0.030
MS	2.160	99%	0.022
18 States	74.020		6.967
US Total	78.098		

Working Trades:

- (04/15) Bought Nov 940 put, sold 1040 call, sell 800 put 18, risk at 5. Objective 100. Closed 35 7/8.

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Advanced Charts Direction: A double top was made on the bean chart today @ 958. We did sell 9.55 today near the highs of the trading range. It will take a close above 9.56 to get us bullish here again...Bob Dalton



Wheat: Canada continues to capture the majority of the grain headlines as the Canadian Wheat Board now suggests 10-12 million of its crop acres may go unplanted not the 1 million acres which aired in an earlier newswire poll. What is at risk? Oats, barley, wheat and canola as well as other crops within Canada are affected. Across the border new crop plantings such as durum, spring wheat, soybeans and oats will have price impacts. Just before the close in the side by side session, there were 1,931 oats contracts in the oat “pool” with synthetic options suggesting oat futures to trade 19 cents higher on Tuesday. A close above 450 is positive

but we see winter wheat on the sell side with Minneapolis wheat on the buy side of the spread trades, call us for support and resistance levels. Allendale recommends the use of options before futures..

Direction: We remain longer term bearish wheat but respect this market’s short term need to price in the Canadian information. CBOT SRWW has a nearby range of 418 to 453 vs the July contract. Resistance for the July KCBT wheat is 490 with support at 460 and MGEX July resistance at 528 and support at 501...Joe Victor

Working Trades:

- (04/12) Sold July Chicago 440 put/sold 520 call for 24, risk 20, objective 0. Closed 7 3/8.
- (05/27) Sold September Chicago 520 call 16, risk 29, objective 0. Closed 11 7/8.

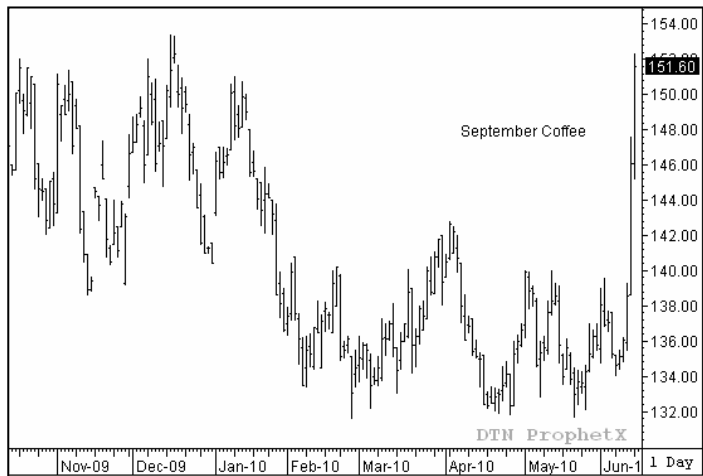
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Advanced Charts Direction: Looks like we are going to continue on up off of the inverted head and shoulders; look for a move to the 302 – 307 range. We sold at 289.00 (filled today) and risk to 297.00...Bob Dalton

Softs: Most of the soft markets closed higher due to the weaker dollar. More confidence for the Euro-zone could see more money trade out of the dollar and back to the Euro. Today’s volume was lighter than Friday’s volume but traders looked at today as follow-through buying from a strong weakly close.

Cotton: Cotton rallies more than 100 points as it used the 50 day moving average as good support. The charts are still in a big sideways range with last week’s highs as resistance (83.99) and last week’s lows as support (75.80). We are going try a sell near the upper end of the range but keeping a stop at new contract highs. No major fundamental news to report on today as the technicals are still in control.

Sugar: Sugar rallied today from spill over buying due to Friday's close. The next stop could be near the 50% retracement level of 17.64. The fundamentals are still bearish as India's Sugar Mill Association released its estimates for the 2009-2010 crop. These numbers are projecting a 4.9 million metric carry out with production estimates of 27.4 million metric tons. Consumption is pegged at 22.5 million metric tons this year. This is the same crop that they had originally estimated a potential deficit for the year. Technical's are running the show right now but we feel the lows could be tested at some point during the next few months.



Coffee: Coffee rallied again as traders are still buying from a strong technical close. The December highs were tested but closed 150 points from them. Coffee rallied with the dollar dropping as much as it has and funds looking for something to buy. Brazil's weather was the big reason for funds to start buying. They have cold temperatures coming through this week but there are no threats of frost in any of the coffee-growing regions. This may be negative as they move into harvest over the next few weeks. We are going to take another shot at the short side but we will be using options instead of

futures...Steve Georgy

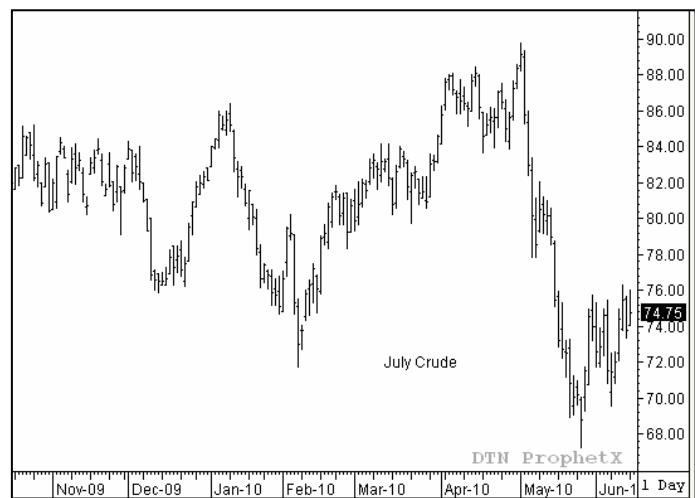
Working Trade(s):

- None

Trade Recommendation(s):

- (6/14) Buy **September** 145.00 put/Sell 135.00 put at 3.40, risk 0, objective 7.00
- (5/25) Buy **December/Sell July** at 6 cents premium July, Risk 8 cents, objective 2.50
- (5/10) Sell **July Coffee** 129.50 stop, risk 133.50, objective 123.50

Energies: July Crude Oil rallied today as the markets risk appetite increased. July crude settled 2% higher at \$75.12 which was \$1.34 higher for the session. Economic readings out of Europe showed industrial production rose more than expected. This caused a bout of short covering in the Euro and round of profit taking in the U.S. dollar. The break in the September dollar went to the lowest price in the past 12 days. This break allowed the July crude oil to try to test last week's highs. Late in the session crude oil came off its highs as Moody's cut Greece government ratings to junk status. As we stated last week, look for the energy markets to continue their erratic choppy trade until the traders get confidence with the direction of the economy. If the economy looks to be improving we look for the energy markets to rally. If the economic picture turns negative look for the energy market to sell off. We will be patient and see if we can sell it again near the 100 day MA resistance...Jim McCormick

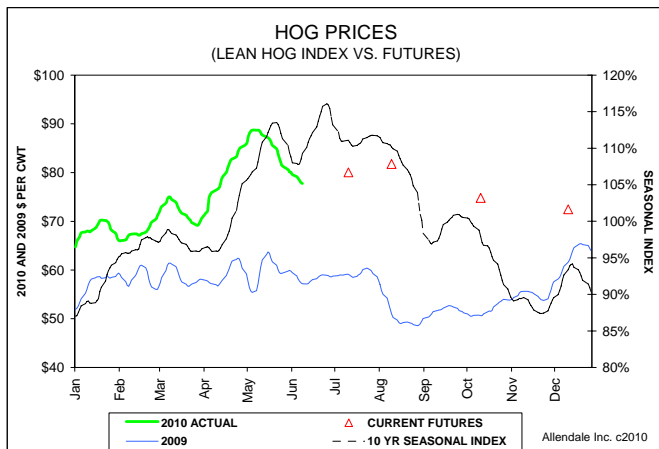


Trade Recommendation(s):

- (5/24) **Conservative Sell July Crude** 79.90. Risk 81.00, Objective 70.70.

Technical Commentary: Last week's rally took out the May 26th high of 75.75 which gave the chart a bullish tilt. Today we tried to do it again but were not able to close above it. A second close above this level would confirm a breakout to the upside and allow the market to challenge the 40 day MA at 78.12. The 50 day MA at 79.91 and the 100 day MA at 79.96. Close in support for July Crude Oil is the 10 day MA at 73.37 and last weeks low at 69.51 then the low of 67.15 that took place on May 25th. If we would take out the May 25th low the bears would gain a technical advantage.

Silver posted an inside bar today, and again closed just above the 20day MA. We will place another sell order near the June 1 high at 18.735. This market has been very choppy of late, but still near the highs of the past few months.



Lean Hogs: Better cash hog pricing after the noon hour got traders excited about confirmation of a seasonal bottom. Cash pork prices were stronger on Thursday and Friday. It is likely they will end close to unchanged today. With better feelings about cash hog pricing we will point out the lean hog index, through Friday's trade, is \$77.76. If prices are now back on the upswing we feel confident about our \$83 - \$84 upside objective for July and August futures.

Direction: Cash pork and hogs appear to have their early summer low in. It is now time to turn our attention northward. Our target for July and August

is the \$83/\$84 area...Rich Nelson

Working Trades:

- (06/04) Sold August 80 put 2.75, risk to 3.97, objective 0. Closed 2.20.
- (06/14) Bought July 79.00, risk 77.90, objective 82.00. Closed 80.30.

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Advanced Charts Direction: July Hogs are now the front month. Strong technical close today. Look for a move to the 6/3 gap on the pit chart next. We will be buying Hogs @ 76.50 risk to a close below 75.50...Bob Dalton

Live Cattle: Feedlots are placing asking prices at \$94 today. That implies they would accept prices at \$92 or \$93 which is right where last week moved numbers. It seems the industry is looking for steady at best and possibly \$1 lower this week. On the supply front we compute the past four weeks of action to show a 1% drop in beef production compared with last year. That lower tone should last through the summer. While we certainly feel the direction to cash beef and cattle will remain lower, will it fall to the \$87 level that August futures are implying? Once cash cattle bottoms we will start to take a stand and suggest futures need to re-price themselves (go higher)...Rich Nelson

Working Trades:

- (05/14) Sold August 98 call 1.20, **move risk to .67**, objective 0. Closed .17
- (05/27) Sold August 87 put 1.30, risk to 2.15, objective 0. Closed 1.67.

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Advanced Charts Direction: Cattle continued its consolidation trade. On a breakout to the down side, look for major support to come at about 87.50. Stand aside for now as next major support is more than \$2 away and the contract is over sold...Bob Dalton

For more technical information, including charts and trade recommendations, please visit the Advance Charts section of the Allendale Research Center.

As always, if you have questions or comments, please call 800 551 4626 to discuss or send an e mail to research@allendale-inc.com

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