

# FRONTIER FUTURES, INC.

460N Grain Exchange Building, 301 S 4<sup>th</sup> Ave, Minneapolis, MN 55415

612-672-9868

www.ffutures.com

*Wednesday June 23<sup>rd</sup>, 2010*

OVERNIGHTS	MGE (N)	KC (N)	WHEAT (N)	CORN (N)	SOY (N)
HIGH	540 ¼	499 ¾	464 ¾	351 ¾	966 ¼
LOW	530 ¼	492 ¼	458 ¼	349 ½	959 ¼
LAST	540 ¼	499 ¾	464 ¾	350 ¾	962 ¾
NET CHG (VOLUME)	+ 5 ½ (296)	+ 5 ¾ (678)	+ 4 (4503)	- ¾ (5326)	- 2 ¾ (2250)
TECHNICALS	MWNO	KWNO	WNO	CNO	SN0
RESISTANCE	603	518 - 528 ¼	512-517	385-389 ¼	1020
RESISTANCE	542-548 ¾	502-508	473 ½ - 476	370 - 373 ¾	973 ½ - 976
<b>SETTLE</b>	<b>534 ¾</b>	<b>494</b>	<b>460 ¾</b>	<b>351 ½</b>	<b>965 ½</b>
SUPPORT	518-528	493-498 ½	456 ¼ -460 ½	351 ½ - 355	960-964
SUPPORT	484 ½ - 492 ½	455 ¼	425 ¼	335	926 ¼
100 DAY MA	521	502	488	370	960

## GENERAL

- **Macros as of 8:00 AM CST:** The dollar index is slightly lower, crude is down .70, gold is unch, the S&P is up 6, the Dow is up 40, and bonds are slightly lower. On the charts: Sep dollar index at 86.25 remains above right shoulder support at 85.75. Aug crude at 77.50 is consolidating at support between 76.30-77.30. Aug gold at 1245 continues to hold above the support trendline and is only 20 bucks from all time highs. Sep S&P at 1097 is bouncing after a pretty big fall yesterday. Sep Dow at 10285 is also bouncing today after a big fall yesterday. Sep bonds at 124.24 are testing short term resistance at 125 with major resistance at the contract highs of 126.05 after that.
- Overnight ag markets: No idea why, but the wheat rallied independently in the few hours of the overnight session. Corn was a dog, beans were a dog, wheat just kept on rallying and even got propped higher still on the overnight close.
- Weather:

Rain expected over the next 3-4 days in the N plains and the northern part of both the ECB and WCB. both northern corn belts. Then we get questionable weather through the remainder of the 10 day forecast, followed by normal/normal predicted out to 14 days. The EU model and US model once again are not in agreement for the 10 day forecast, with the EU model hotter in the south. The US model says that by next week the high pressure will move west allowing cooler conditions to prevail with increased chances of rain in the S plains next Mon/Tues. Bottom line is you can't take much from the current forecasts other than the delta will be hot/dry for the next week or so. So it will be interesting to see which way the corn market goes, being a pretty good proxy for the general bullishness/bearishness in the market since the weather gurus are not helping much in establishing a trend.

China is expected to remain hot and dry over the next 10 days. That forecast needs to change soon or we will probably see the Chinese pick up another half to 1 MMT of US corn on a just in case hedge. The Chinese domestic corn price has stabilized and the last Chinese gov't auction was well undersold vs offers, but the market there remains nervous and wants to see rain on their crops or they will soon go into panic mode again.

- StatsCan report data. Again, this report is based off of late May numbers and will not show the big changes expected from the wet weather so the report numbers are all but meaningless. In million acres planted:

	<u>Jun 2010</u>	<u>Mar 2010</u>	<u>Avg Est</u>	<u>Range of Est</u>	<u>2009 final</u>
All wheat	22.72	23.22	22.40	23.30-24.46	24.46
Barley	8.05	8.34	8.20	7.50- 8.90	8.66
Oats	3.74	3.99	3.90	3.60- 4.20	3.73
Canola	17.90	16.91	17.20	16.20-18.20	16.20

- USDA ag report on June 30.

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**WHEAT** Opening call: 4-6 higher, no idea why and zero confidence in this call

- Bangladesh is in with validity until July 7 for 100,000 MT of wheat for arrival by Sep 7. Japan is in June 25 for 40,000 MT of food wheat for July/Aug shipment. Algeria is in June 29<sup>th</sup> for opt-origin wheat. Bangladesh is in July 5 with validity until July 20 for 50,000 MT of opt-origin wheat for shipment by the end of Aug. Iraq is in July 11 with validity until July 18 for at least 100,000 MT of opt-origin wheat for Oct/Nov shipment. Bangladesh is in July 14 with validity until Aug 4 for 100,000 MT of wheat for arrival by Sep 1.
- Japan is in for 125,500 tonnes wheat on their regular tender Wed evening. This week they are looking for 31,000 US western white, 14,000 US HRW, 45,000 US DNS, 17,500 Canadian WRS, and 18,000 Aussie standard white.
- Reports of much better protein coming in HRW harvest both in Texas and central KS has taken the starch out of the 12.5 pro bids in the cash market.
- Cocereal trimmed its estimate for EU 2010 wheat harvest to 132.22 MMT from 133.47 in March.

**CORN** Opening call: 1-2 lower

- Israeli private buyer is in June 24 for 60,000 MT of European origin feed wheat and 25,000 MT of European origin feed barley for July 25-Sep 15 shipment. Japan is in June 25 under SBS for 23,000 MT of food barley and 8,000 MT of beer barley for July/Aug shipment.
- Japan bought 7,000 MT of feed wheat and 104,950 MT of feed barley on their tender for 20,000 feed wheat and 200,000 MT feed barley under SBS that closed overnight.
- Ukrainian feed wheat is rumored to be some 30/MT cheaper than US corn currently.
- Cocereal cut its estimate for EU 2010 barley harvest to 55.34 MMT from 56.58 MMT in March.

**SOYBEANS** Opening call: 2-4 lower

- S Korea's Agro-Fisheries Trade Corp is in June 24 for 30,000 MT of non-gmo beans for Sep 5 arrival. CCC is in June 30 for 5,300 MT of soyoil for donation to Guatemala for shipment between Sep 10-Nov 20.

Scott O'Donnell

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