

HIGHLIGHTS:

- The grain markets finished mixed today as beans once again closed higher in spite of lower corn and wheat.
- Weather looks favorable again for harvest this weekend, and Monday's harvest progress report should reflect another decent weekly gain in corn harvest.

CORN RECAP:

- Drought conditions in Mexico could increase their corn imports by 20% this year. A representative from the Mexican government estimated this year's corn harvest at 21-22mmt down from 24mmt last year.
- The \$4.00 strike talk this week in the market proved to be a non-event today as corn prices traded a tight range and did not make an attempt to push those calls into the money.

SOYBEAN RECAP:

- Today's price action matched yesterday's very well as beans once again opened lower but managed to push higher throughout the session and post decent gains on the day. January soybeans were up almost 60 cents on the week.
- Strong demand for soymeal and the constant stream of exports to China are the major culprits in this week's soybean run.

WHEAT RECAP:

- Wheat prices sank lower for the third straight session today as shaky demand seems to be unable to keep up with futures prices.
- French exporters seem pleased with the new import requirements from Egypt as the higher quality control puts them in a favorable position to their Russian competition.

Brian Liedl

bliedl@countryhedging.com

Closes	Dec	Jan	Mar	May	July 10	Sep 10	Nov 10	Dec 10
Corn	3.91	---	4.07	4.17	4.25 ½	4.30 ¼	---	4.35 ½
Soybeans	---	10.46	10.50 ¼	10.50 ½	10.53 ½	10.32	10.22 ½	---
Soymeal	317.10	310.10	304.00	301.40	301.60	299.00	---	292.60
Soyoil	39.71	40.15	40.55	40.84	41.11	41.26	---	41.48
Wheat	5.59 ¾	---	5.80 ¾	5.92 ¼	6.02 ¾	6.17 ½	---	6.37
KC wheat	5.56 ¾	---	5.72 ¾	5.83 ¾	5.95	6.06 ¼	---	6.24 ¾
MW wheat	5.64	---	5.81 ¼	5.92 ¼	6.06 ¾	6.17 ½	---	6.35 ½

Commodity	Front Month Spread	Change	% Full Carry	Basis
Corn	-16.00	-.50	87.3%	CIF: down 2 to up 1
Soybeans	-4.50	1.25	25.6%	CIF: unch to up 10
Chic wheat	-21.25	.25	106.5%	SRW: unchanged
KC wheat	-15.75	.00	85.4%	HRW: unchanged
MGE wheat	-17.00	-.75	85.0%	Spot bids: 13's option price
Interest rate used to calculate full carry		4.00%		14's 130-170 over
negative numbers represent carries				15's 335 over