



Time: 8:30AM

Today is FND on Aug Soy Complex Futures, No daily price limits!

Grains lower this morning following crude (dwn \$1.25) w/ US debt talks still unruly as we near Aug. 2 deadline. EU wht lower as investors await quality rpt on FR wht crop. **IGC** boosted its world wht prod ets to 674 MMT vs 666 previous (increased world wht consumption by 6 MMT to 676) w/ corn ↑ to record 859 MMT vs 827 LY (↑ consumption to 863MMT); **ICG** ↑ FR wht prod est by 1.5 MMT to 35.5, GER ↑ 1 MMT to 24, RUS up to 56 MMT vs 54 (abv LY but blw pre-drought lvls). Buenos Aires Grn Exch boosted its 10/11 corn prod est 1 MMT to 21 MMT on higher than exptcd ylds; crop currently 91% hvstd. Hog fut higher after China tells its pork suppliers to have 10-day supply on hand when they currently only have 2 days, may lead to increased impts from US.

Reminders:

Jul 29 FND Aug Soy Fut
Aug 11 USDA Crop Rpt

Market Factors

- Aug Deliveries: Beans -0-, Meal 3 ctx (1/28), Oil 1324 (7/27)
- Spr. Wht Tour concluded w/ estd yld 41.5 bpa (↓ 5 from LY)
- CFTC: Index funds 7/22/11 C +368K↓ B +167K↓ W +207K↓ Soyoil +85K↑
CFTC: Mgd funds Net (F+O) C+247K↑ B +120K↑ W -4K↑ Soyoil +36K↑

Opening Calls

Corn Down 6-7
Beans Down 5-6
Wheat Down 2-3

Morning Globex spread quotes (- = inverse)

CU1CZ1	4 ½	SX1SF2	10 ½
CZ1CH2	12 ½	SX1SN2	18 ¾
CH2CK2	6 ¾	WU1WZ1	41 ¼
SQ1SX1	3 ¾	WZ1WH2	32 ½
Sep Crush	39 ¼	KWU1KWZ1	25 ¾

Technical Factors

	Support	Resistance	RSI
CU11	670	695	47
SQ11	1344	1388	46
SMQ11	352.00	367.00	48
WU11	669	728	51
KWU11	759	800	54
NGU11	4.06	4.28	31

Other Comments/News

Heavy rains this Wed/Thurs in IA/IL have broken records (13"+ in 1 day in spots) & flooded fields, endangering low lying area crops. Rains w/ some T-storms from NE/KS through MO & S. Great Lakes this morning; these rains spread from NM up through N/Ctrl. CB this wkend. Rains (up to 3") exptcd from N. Delta through Mid-South & S.E. starting tonight. Tropical Storm Don exptcd to remain weak as it heads up to S. TX this wkend; rains may reach S/Ctrl. cotton areas but unlikely to help scorched S.W. US. Light rains may hit S. Plains & far NWCB this wkend as well. Rains averaging 2-3" will cross Midwest & N/Ctrl. Plains over nxt 7 days w/ more rains for the Dakotas, MN & W. IA after that. KS, OK, TX, N. Delta, & through S&W.CB (S. MO through S.W. OH) will miss most of these coming rains, increasing yld losses there.

- Talk heating up over a possible return of La Nina for 2012. S.W. US drought likely to continue well into nxt yr. • Fears India rice prod may mill record 102 MMT estd as rains become more scant. • UKR grain hvst at 28.1 MMT so far w/ 83% of area hvstd.
- AUS ests 11/12 cotton prod could be record 4.8 mill bales vs 4.0 LY.

Option Volatility %

	Date	Million bu.	Corn	Beans	Wheat	Milo
CU	7/25 Mon	Export inspections M bu.	35.3	5.2	22.4	1.9
CZ	726 Tues	Deliverable stocks	6.4	3.9	100.3	NA
SX	7/28 Thur	Export Sales old/new crop	13.1/6	0.4/13.3	17.4/-	6.9/1.1
SMU	7/22 Fri	Grain under loan '10 crop M bu.	186.8	20.9	2.9	0.2
WU	7/28 Thur	Census Bean Crush (Jun)		124.3		
KWU	36					

	TXG	Other basis	CORN	DDG	BEANS	WHT	MILO			
Gulf Barge	CORN	BEANS	SRW	HRW	Central IL	+68U	----	+20Q	----	----
LH Jul	+/-/88U↓	+70/76Q↓	+30/-U	Unq	KC (hrw)	+40U	----	+18Q	-20U	+19U
Aug	+/-/88U↓	+68/73Q↓	+40/-U	+72/--U	Eastern IA	+35U	\$182	-12Q	----	----
Sep	+72/76U	+61/66X↓	+50/-U	+75/--U	Mankato, MN	----	----	-35X	----	----
Oct	+67/70Z↓	+61/66X↓	+45/--Z	+75/--Z	Cinncy, OH	+50U	----	+11Q↑	-10U↓	----
Nov	+67/69Z↓	+68/72X↓	+45/--Z	+75/--Z	Hereford, TX	+125U	\$225	----	-10KWU	+85U
					Soymeal 48% (Central IL)	+4Q				

Misc news

BRG FRT STL 275/300%↔ IL 370/380%↔ Memphis 250/275%↔

- Crude headed for wkly declining on increase in US stox & lack of US debt resolution
- Chinese consulting firm sees China impting record 6 MMT corn in 11/12 to refill stockpiles

	Jul 12	11/12 S/D	11/12 S/D	11/12
	Corn	Beans	Wheat	
Carry-in	880↑	200↑	861↑	
& Product	13470↑	3225↓	2106↑	
Usage	13500↑	3264↓	2397↑	
	=9/1/12	870↑	175↓	670↓

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