



CURRENT TREND: Steady/Mixed **REASON:** Corn weighed by massive spec position recovery but continued forecast heat is concerning

EXPORT INSPECTIONS @ 10 AM, CROP PROGRESS @ 3 PM

MORNING TRIVIA: The national drinking age was last changed from 18 to 21, on this day of what year?

MARKET HEADLINES

- *Quick Editorial:* soybeans are propping up the grain markets this morning and holding a bit closer to recent spike highs than corn, as the trade sees that crop with more to lose from extended forecasts—those maps just do not relent on above-normal Midwest temps heading into late July and early August...
- Taiwan flour millers have tendered for 105k tonnes of U.S. milling wheat.
- Jordan has re-tendered for 100k tonnes of optional-origin hard milling wheat; they made no purchase from just one reported offer in a similar tender last week, and they've struggled to garner wheat offers this summer due to new quality controls and payment terms. The country is also looking for 100k tonnes of feed barley in a separate tender this week, also optional-origin.
- Australian grain traders & economists are expecting wheat production to miss official estimates by over 20% this year due to dry weather and short soil moisture; output could fall to 19-21 MMT, versus ABARES' 24.1 MMT.
- Algeria's Ag Ministry expects 2017 grain production at 4.6 MMT, versus 3.3 MMT in 2016 thanks to better rains during the growing season.
- Brazil's main grain-transporting northern highway (BR-163) was reportedly cleared on Friday after almost two weeks of protesting.
- Friday afternoon's Disaggregated CFTC Report showed managed money traders picking up an impressive 150k+ net corn contracts on the week ending last Tuesday, with daily trade estimates missing that number by a mile as usual, and underestimating the rest of the net weekly grain moves as well—that included beans up nearly 90k net, meal up 36k, oil up 22.8K, Chicago wheat up 30k net, and KC wheat up 18.3k net (to a record 72,845-contract overall long). Producers & merchants subsequently cut over 133k net corn on the week, along with a -70k in beans, -40k meal, -33k oil, and -26k Chi wheat.
- Today's June NOPA soybean crush is expected to come in at 143.1 million bushels, down from 149.2 mbu in May and 145.1 mbu last June (though the second-largest June figure on record). Estimates range from 141.0-144.0 mbu.
- *Export Inspections Estimates (000 tonnes):* **Estimate Range / Last Week**
 Corn: **800-1100 / 1010.9** Beans: **200-400 / 475.2** Wheat: **400-600 / 533.9**

NIGHT SESSION (to 7:00 AM): Grain Volume: **163,300**

Symbol	High	Low	Last	Chg	Vol
CU7	376.25	370.50	374.75	-1.50	19,895
CZ7	389.50	383.50	388.00	-1.50	36,673
CH8	400.00	394.25	398.50	-1.75	2,740
WU7	512.00	502.75	510.50	-0.25	17,760
KWU7	512.25	503.00	509.25	-4.25	4,159
SQ7	995.00	981.75	990.75	+1.75	4,348
SU7	998.75	985.25	995.00	+2.25	2,330
SX7	1007.50	993.75	1003.25	+1.75	29,055
SMZ7	332.10	327.10	330.90	-0.30	9,275
BOZ7	33.86	33.61	33.73	+0.05	7,488
CLQ7	46.88	46.38	46.58	+0.04	141,220
DXY	95.12	94.85	94.90	-0.03	4,792

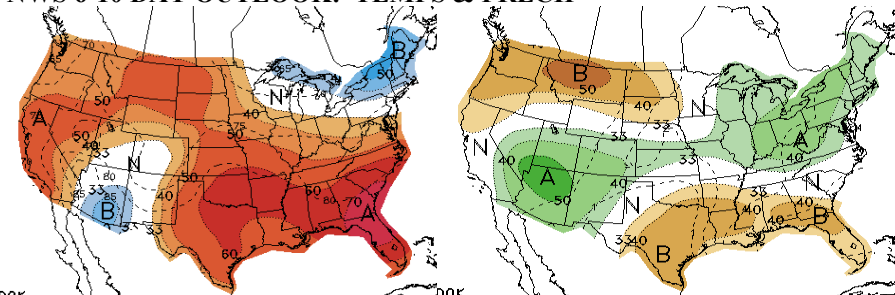
FUNDAMENTAL UPDATE

Today's chart is an update on the December corn seasonal, including all key new-crop contracts since 2010 along with the three and five-year averages, and CZ7 activity so far. CZ7 stumbled into the end of the week last week to finish at \$3.89 1/2, after finishing above \$4 in three of the previous five weeks. Moving through mid-July now, the bulls will have to look hard to find some hope for a comparable price year save for 2010, when CZ0 started to take off from similar current price levels to the \$6 mark by early Nov...

WEATHER UPDATE

- Weekend precip was extremely limited in the Plains and Midwest, save for some scattered action in ND and eastern WI; rains will develop in the northern corn belt over the next 48 hours, spreading into the eastern half of the Midwest later in the week into the weekend. Solid coverage is seen over the next 5-7 days save for the center of the corn belt to the west and southwest. Extended maps are mixed today, with some looking for decent precip, but all longer-range outlooks still pointing towards above-normal temps thru July.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

	Corn	Beans	Meal	Oil	Wheat	KC Wht
Daily	15,000	9,000	5,000	3,000	-3,000	0
Est Net	79,066	-14,788	-15,711	41,209	30,971	72,845
Rec +	409,444	260,433	98,846	125,722	73,662	72,845
Rec -	-236,201	-101,752	-54,855	-63,489	-171,269	-30,005

