MORNING GRAIN COMMENTS

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INTL FCStone

CURRENT TREND: Steady/Lower **REASON:** Grains settle from yesterday's rally as forecasters search for Plains/Argy precip

THURSDAY: EXPORT SALES @ 7:30 AM, NOPA CRUSH @ 11 AM

MORNING TRIVIA: What country leads the all-time medal table in the winter Olympics, with over 100 each gold, silver, and bronze and 329 total?

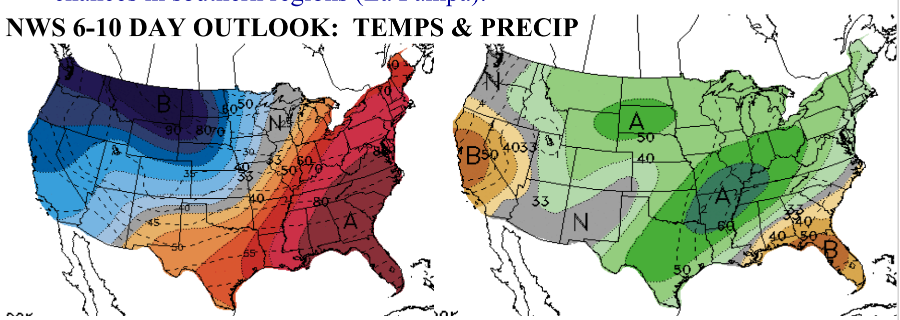
MARKET HEADLINES

- *Quick editorial*: soybeans and wheat showed some strength on the open last night but cooler heads have ultimately prevailed—not before a 6+ month spot high for Chicago wheat, while March soybeans remain above the magic $10/bushel level. Dryness concerns have definitely not subsided for either crop in those key production areas, though fundamentals continue to ultimately weigh on any over-enthusiastic rallies. Further demand data for soy this week (both exports and crush) will reinforce that weighty situation regardless of results.
- Japan is looking for 85k tonnes of milling wheat in their regular weekly tender, including 61k from the United States and 24k from Canada.
- Syria has tendered for 300k tonnes of wheat for April-June shipment, sourced from either Russia, Romania, or Bulgaria.
- China sold 280k tonnes of wheat from state reserves this morning, or nearly 14% of the total 2.06 MMT offered this time around.
- France's farm ministry increased their 2017 corn production estimate from 13.7 to 14.3 million tonnes, with yields up from 10.0 tonnes per hectare (159.3 bushels per acre) to 10.4 t/ha (165.7 bpa). 2017 soft wheat production fell for the third straight month, from 37.0 MMT in Dec to 36.6 MMT this month, due to a cut in harvested acreage; that's still up 33% from 2016. 2018 winter wheat acreage was cut from 5.03 to 4.96 million hectares (12.3 mln ac)
- Iraq's ag ministry noted that the country's 2018 wheat and barley production could both fall by 20% vs 2017, due to dry weather and low moisture supplies
- *Export Inspections (000 tonnes):* **This Week** / Estimates / *Last Week*
  Corn: **835.1** / 800-1100 / *1093.2* Beans: **1319.0** / 800-1100 / *1304.0*
  Wheat: **487.9** / 325-575 / *429.6*

WEATHER UPDATE

- Continued rain/snow chances over the next week or so should continue to skip over the heart of the U.S. Plains, with some maps looking for a bit better action in the 6-10 day time frame, though the best precip there looks to be confined to far southeastern wheat areas. The southern Midwest and Delta in particular will see lots of action into that 6-10 day, with potential localized flood risks in the northern Delta into next week.
- Brazilian corn and soybean areas saw some rain over the past 24 hours with showers favoring parts of Mato Grosso and MGDS especially; showers will favor the central and southern areas over the next two weeks with northern regions remaining drier, beneficially for harvest progress.
- Argentina was dry as usual yesterday with some light action seen this weekend in western crop areas; temperatures will be rising into the 90's as well. Forecast models are split on rain chances mid-next week, though cooler temps will at least be moving in. 6-10 day maps remain almost entirely dry save for chances in southern regions (La Pampa).

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

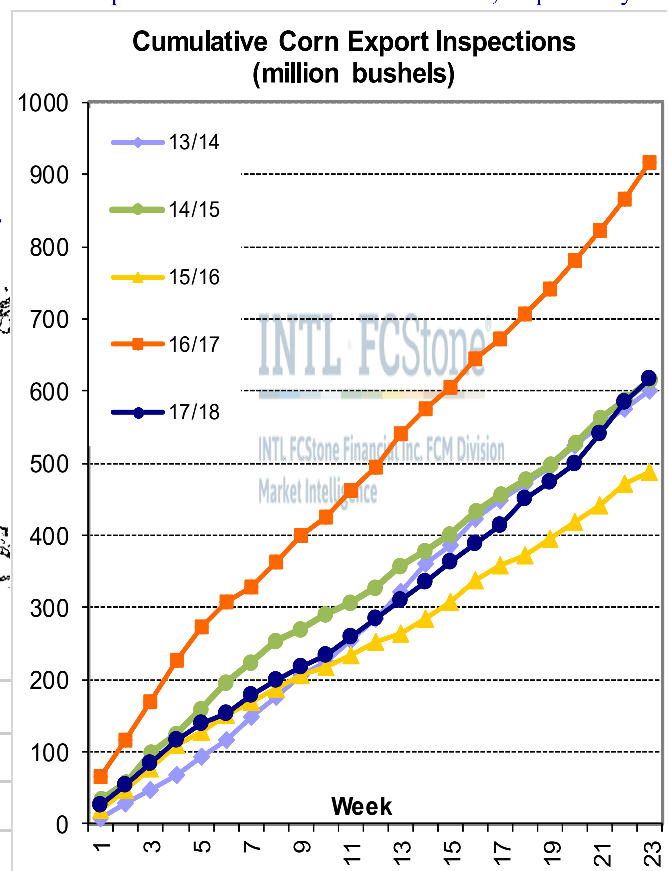
	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	20,000	17,000	13,000	-6,000	11,000	0
Est Net	-53,872	2,405	86,153	-30,636	-74,256	13,560
Rec +	409,444	260,433	98,846	125,722	73,662	72,845
Rec -	-242,884	-101,752	-54,855	-63,489	-171,269	-30,005

NIGHT SESSION (to 7:00 AM): Grain Volume: 140,972

Symbol	High	Low	Last	Chg	Vol
CH8	366.75	366.00	**366.50**	**-0.50**	11,527
CK8	374.50	373.75	**373.75**	**-1.00**	9,238
CZ8	396.75	396.00	**396.25**	**-0.75**	2,889
WH8	467.25	460.50	**461.75**	**-2.25**	14,924
KWH8	482.00	473.75	**474.50**	**-3.00**	2,601
SH8	1002.75	998.75	**1002.50**	**+0.75**	13,942
SK8	1013.50	1009.75	**1013.25**	**+0.75**	7,526
SX8	1014.25	1011.25	**1014.00**	**-0.25**	2,153
SMH8	360.30	357.20	**360.00**	**+2.20**	8,294
BOH8	32.01	31.75	**31.90**	**+0.05**	10,689
CLH8	59.73	58.87	**59.10**	**-0.19**	137,975
DXY	90.07	89.54	**89.56**	**-0.54**	9,993

FUNDAMENTAL UPDATE

The USDA aggressively added 125 million bushels to their 2017/18 corn export estimate in last week's February S&D Report, expecting final exports to hit 2.050 billion bushels from Sept-Aug; cumulative inspections after a disappointing 32.9-mln bu week this week stand at 618 mbu, with three more weeks to go in the first half of the marketing season. That's basically even with paces at this point from both 2013/14 and 2014/15, when final corn exports only wound up at 1.920 and 1.867 billion bushels, respectively.



Answer: Norway