



CURRENT TREND: Shade Higher **REASON:** Token rebound from collapse pre-USDA; global wheat/grain estimates falling

EXPORT SALES @ 7:30 AM, USDA JULY S&D REPORT @ 11 AM

MORNING TRIVIA: _____ died from a gunshot wound from _____ due to the previous day's duel in New Jersey on this day in 1804...

MARKET HEADLINES

- *Quick editorial:* the USDA is on the way later this morning to hit the reset button on the S&D, with bearish numbers expected as usual; China continues to take a hard line regarding U.S. soybean imports, at least in the short-term...
- Saudi Arabia has issued a tender for 595k tonnes of hard wheat for Sept-Oct.
- China sold 1.23 MMT of corn from state reserves this morning, or 31% of the total offered, at \$228/tonne. More importantly, the Chinese media reported an Ag Min forecast of 93.85 MMT of soybean imports in 2018/19, down from their June estimate of 95.65 MMT, and state stockpiler Sinograin said they can "fully meet the needs of state soybean reserves" without U.S. imports.
- Strategie Grains cut their 2018 E.U. soft wheat production estimate from 139.9 to 132.4 MMT, now down 7% from last season's 141.8 MMT crop.
- Germany's farm cooperatives estimated the country's 2018 wheat harvest at 21.53 MMT, down from 22.89 MMT in June and now down over 12% from last season; corn output is seen down 7% from last year to 4.24 MMT.
- Russian consultancy IKAR cut their 2018 grain production estimate from 114.7 to 112.8 MMT, with '18/19 exports down from 43.2 to 41.0 MMT; wheat production fell from 71.5 to 70.8 MMT this month, with '18/19 wheat exports down half a million tonnes to 32.5 MMT. Corn output fell by 500k tonnes to 11.8 MMT, with barley down 300k to 17.5 MMT this month.
- '17/18 Export Sales Estimates (MMT): **Estimate Range / Last Week**
Corn: **400-800 / 440.7** Beans: **200-500 / 561.6** Meal: **50-250 / 132.8**
Oil: **10-30 / 36.6**
- '18/19 Export Sales Estimates (MMT): **Estimate Range / Last Week**
Corn: **250-550 / 232.1** Beans: **250-550 / 458.7** Wheat: **200-500 / 440.1**
Meal: **30-150 / 61.6** Oil: **0-10 / 3.8**
- *USDA '17/18 Carryout (bln bu):*
Corn: **2.107 / 2.052-2.177 / 2.102**
- *USDA 2018 Yield (bpa):*
Corn: **174.9 / 172.6-179.5 / 174.0**
- *USDA 2018 Production (bln bu):*
Corn: **14.269 / 14.045-14.683 / 14.040**
- *USDA '18/19 Carryout (bln bu):*
Corn: **1.712 / 1.545-1.922 / 1.577**
Wheat: **0.973 / 0.924-1.021 / 0.946**
- *July CBOT Deliveries:* corn 249 contracts, with next trade date 7/11/18; beans 313 and 7/11; oil 782 and 7/11; KC wheat 43 contracts and 7/9/18.

Avg Est / Est Range / June USDA
Beans: **0.507 / 0.478-0.530 / 0.505**

Avg Est / Est Range / June USDA
Beans: **48.6 / 47.0-49.5 / 48.5**

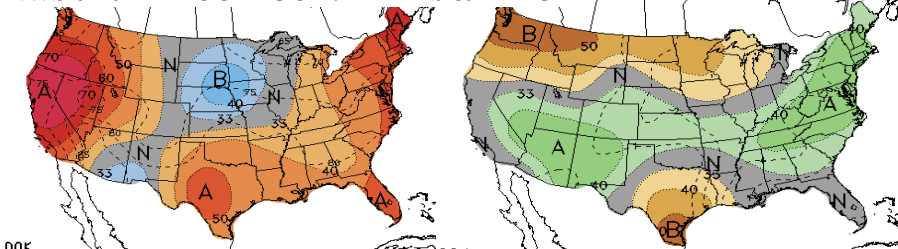
Avg Est / Est Range / June USDA
Beans: **4.314 / 4.200-4.402 / 4.280**

Avg Est / Est Range / June USDA
Beans: **0.471 / 0.390-0.571 / 0.385**

WEATHER UPDATE

- Heavy rains stayed far north over the past 24 hours and continue to this morning, but the action will shift across the belt through the weekend; heaviest amounts will favor the northern belt as usual, with the best chances shifting into the WCB for the 6-10 and 11-15 day. Temps cooling a bit in the 6-10.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

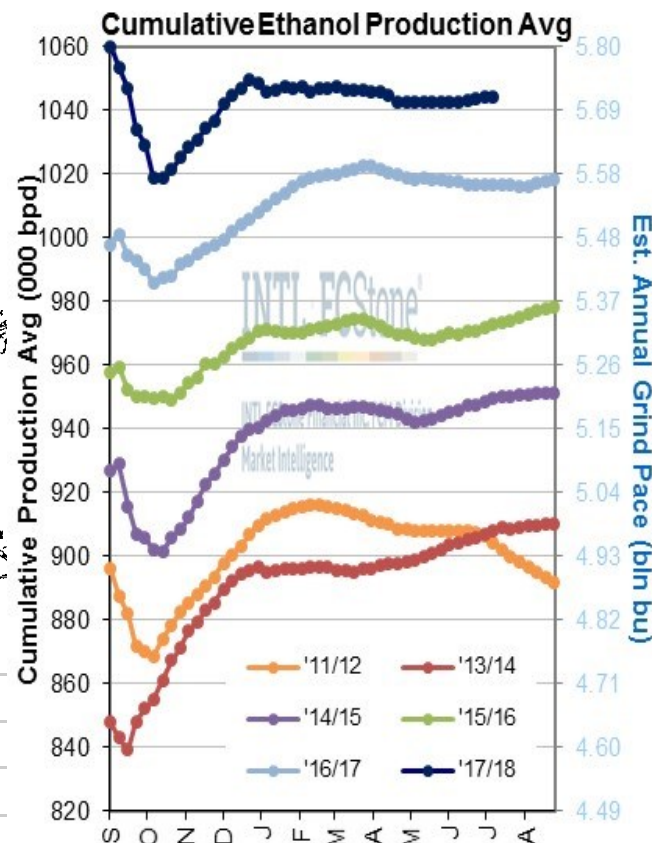
	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	-16,000	-13,000	-4,000	-5,000	-10,000	0
Est Net	-142,396	-79,162	51,024	-90,483	-11,251	16,702
Rec +	409,444	260,433	132,126	125,722	73,662	72,845
Rec -	-242,884	-101,752	-54,855	-63,489	-171,269	-30,005

NIGHT SESSION (to 7:00 AM): Grain Volume: **82,348**

Symbol	High	Low	Last	Chg	Vol
CU8	344.00	341.00	341.00	+1.00	7,426
CZ8	357.25	353.75	354.25	+1.00	13,797
CH9	368.75	366.00	366.00	+1.00	1,963
WU8	478.50	473.75	474.00	+2.25	7,884
KWU8	479.50	474.50	475.00	+1.00	1,029
SQ8	841.25	835.00	835.25	+2.25	2,865
SU8	846.25	840.25	840.75	+2.75	1,332
SX8	856.50	850.50	850.75	+2.50	10,708
SMZ8	330.40	328.10	328.70	+1.00	3,712
BOZ8	28.96	28.73	28.77	-0.05	6,860
CLQ8	71.15	70.46	70.86	+0.48	142,022
DXY	94.72	94.42	94.68	+0.19	6,433

FUNDAMENTAL UPDATE

Weekly DOE total fuel ethanol production dropped off fairly sharply last week to 1.033 million barrels per day, down from 1.067 mln bpd the week prior but still up from 1.007 mln bpd on the comparable week last season. Cumulative production since September 1 was steady at 1.044 mln bpd, up 27k bpd from last year's pace and 26k bpd ahead of last year's final figure—both those indicators are right in line with the USDA's current (June) estimate for a 143-million-bushel year-over-year corn grind increase in 2017/18.



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