



ADMIS Morning Grain Market Comments

July 2, 2010

Overnight grain trade is mixed on light volume. Corn and wheat is seeing a wave of profit taking in front of the long US holiday weekend. CZ is down 2 cents and near 3.82. WZ is down 1 cent and near 5.22. Both prices are near critical levels. Normal 2010 World and US weather and these prices are near a top. Bad weather either in the US or China or Europe or Russia could send prices higher. SX is up 3 cents and near 9.08. Most are guessing normal US summer weather and SX is near a top. Outside markets are mixed with dollar sharply lower and energies also lower.

Shortterm US Midwest weather calls for mostly clear weather over the weekend with temps near normal. Maps suggest that most of the Midwest could see good rains next week. The problem is that the American model calls for normal July weather and the European model turns warm and dry.

Informa will release today their latest est of US 2010 corn and soybean production. USDA will not issue an official est until August. Informa numbers could be larger than what the market may be looking for esp corn if they decide to increase the yield over the last USDA guess.

Quick trip through central Illinois yesterday found a good corn crop but a late soybean crop. The soybean crop just does not look that good so far. Some corn fields in west central Illinois has been damaged beyond repair from too much rain.

Traditional funds bought 2,000 soybean contracts on Thursday and are net long 14,600. They are net short 23,600 soyoil and net long 52,100 soymeal. Funds bought 15,000 corn for a net long of 56,200. Funds bought 15,000 Chicago wheat for a net short of 15,100.

Index funds are net long 147,500 soybeans (+2), net long 400,300 corn (+10), and net long 185,300 wheat (+1). Commercials are net short 123,200 soybeans (+19), net short 330,400 corn (+36), and net short 121,800 wheat (+8).

SX	support	9.00	resistance	9.15
BOZ	support	36.50	resistance	37.50
SMZ	support	259.5	resistance	264.9
CZ	support	3.79	resistance	3.90
WZ	support	5.15	resistance	5.25
KWZ	support	5.20	resistance	5.30

Freed