



ADMIS Morning Grain Market Comments

March 10, 2010

USDA report day. Overnight, SK was up 6 cents and near 9.53. Soyoil is up 36 points and near 40.66. CK was down 1 cent and near 3.68. WK was also down 1 cent and near 4.88. Crude is a little higher and the dollar is a little lower. USDA raised US and World corn carryout more than expected. Calls are 10-15 cents lower. US raised World soybean and wheat carryout but did lower US soybean carryout. Higher World stocks could open soybeans and wheat 5-7 cents lower. USDA did not lower the 2009 corn and soybean crop as much as longs as hoped. USDA dropped the corn crop 20 mil bu and soybeans 2 mil bu.

2009 US CROP PRODUCTION ESTIMATES (Million Bushels)

	2008 Final	Current USDA	USDA	Avg. Trade Estimate	Trade Range
Corn	12,101	13,151	13.131	13,081	12,838 – 13,200
Soybeans	2,967	3,361	3,359	3,350	3,210 – 3,375

2009/10 ENDING STOCKS ESTIMATES (Million Bushels, Except Cotton in Million Bales)

Crop	USDA February	USDA March	Avg. Trade Estimate	Trade Range
Corn	1,719	1,799	1,720	1,602 – 1,814
Soybeans	210	190	194	170 – 233
Wheat	981	1001	971	876 – 1,001
Cotton	3.30	3.20	3.18	2.70 – 3.80

FAPRI est US 2010 soybean acres near 76.6 vs 77.5 last year. They est 2010 corn acres at 89.6 mil vs 86.5 ly. At a Farmer meeting in Indiana yesterday, most of the 400 farmers look for US soybean acres to increase in 2010 and they are still long a lot of cash corn. Quality of the stored corn is declining as temps rise. Most have started hedging 2010 crops but are hoping for a spring weather rally to sell more. All are bearish esp soybeans. Large farmer panel said they were buying storage and trying to maximize production. Technician was bearish CZ to fall low near 2.40 and SX low near 7.00.

Traditional funds sold 1,000 contracts of soybeans on Tue. They are estimated to be net short 15,100. They sold 500 soymeal and bought 500 soyoil. They are net long 17,600 soymeal and 13,500 soyoil contracts. Funds sold 7,000 corn and are net long 27,800 contracts. They sold 3,000 Chicago wheat and are net short 64,700 contracts.

Index funds are estimated to be long 170,600 soybeans (up slightly from last week). They are long 103,100 soyoil contracts (+7k). They are also long 454,100 corn contracts (+5k). They are long 216,800 Chicago wheat (+1k).

SK	support 9.32	resistance 9.54
BOK	support 39.91	resistance 40.91
SMK	support 254.7	resistance 259.9
CK	support 3.64	resistance 3.73

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WK support 4.81 resistance 4.96
KWK support 4.92 resistance 5.08

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