



# Corn

Benson Quinn Commodities Inc.  
Minneapolis, MN

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Review: Corn closed higher once again as it followed wheat which happened to make new 13 month highs today. Another firm overnight session in European wheat provided the catalyst for a strong showing at the CBOT. French wheat's inability to hold its early session gains and actually closing lower on the day provided a minor mid-day sell-off in Chicago but wheat managed to come back towards its highs at the close and that helped in keeping corn as well as soybeans in positive territory. Funds were estimated to have bought in excess of 5,000 contracts on the day or approximately one-half of what the trade projected they did yesterday.

Europe's ability to make new contract highs once again in their overnight session seemed to provide the catalyst for the CBOT to find follow through support. Private weather services continuing to call for much above temperatures as well as below precipitation through next week in a large portion of the Black Sea grain growing region was where much of the spark came from. Wire service reports that the Ukraine may also be considering the slowdown or stoppage of exports as the Russians were reported to have been considering yesterday also provided support to the cash as well as the futures markets. To our knowledge there has not been anything official from either government as to what their export intentions are for next year but we would suspect that the various markets are on edge as to what they intend to do as well as what their final ending production levels end up being. Russia supposedly has curtailed the shipment of feed grains but we have seen no mention as to either their or the Ukraine's intentions with regards to wheat.

Today's weekly export sales report was considered supportive for wheat, soybeans, and corn as they were all above trade expectations. Some in the trade were attempting to tie the more than double expected sales of wheat to the ongoing situation in the FSU and EU. Old as well as new crop corn sales was mainly routine business to Japan, South Korea and Mexico. China accounted for 47% of the soybean sales with an unknown destination providing 21% of the total. The USDA was also seen announcing through their daily reporting system that 30,000t of corn had been sold to Mexico for the 09/10 crop year and 116,000t for 10-11.

### USDA Weekly Sales Recap Week Ending July 22<sup>nd</sup>

Commodity	Old & New Crop	Est. Range Combined
Wheat	919,000 - 000	300 - 400
Corn	432,300 - 528,100	800 - 1,000
Soybeans	339,000 - 1,144,200	900 - 1,050
Soybean Meal	23,800 - 43,000	75 - 150
Soybean Oil	3,200 - 4,300	40 - 50
Cotton	600 - 236,800	150 - 220

**Reminder: First notice day for August soybeans, soybean meal and soybean oil will be on Friday July 30<sup>th</sup>.**

Jon Michalscheck

### Settlements:

	Close	Change	High	Low
CUo	379 1/4	+3	385 1/2	375 1/2
CZo	393 3/4	+3	399 1/2	390
CH1	406 1/2	+3	411 3/4	403
CK1	414	+2 1/2	419 1/4	410 1/2
CN1	420 3/4	+2 1/4	426 1/4	417 3/4
CZ1	425 1/2	+1 3/4	429 1/2	422 1/2

### Volume/Open Interest (# of Contracts):

	Vol Elec	Vol Pit	O/I	Change
Total	231,392	22,080	1,217,547	-1,241
CUo	64,312	11,539	376,395	-5,022
CZo	127,091	6,830	554,386	+4,679

### Technical:

	Support	Resist	20-Day MA	50-Day MA
CUo	359	407	377 1/2	367 3/4
CZo	367	414	390 1/4	379

### USDA Weekly Export Data:

	Date	Trade Est.	Actual
Inspect (Mil. Bu.)	07/22/10	28 - 35	42,421
Sales (MT)	07/29/10	800 - 1,000	960,400

### River Markets (St. Paul and Savage):

Mo.	Barge Frt.		St. Paul		Savage	
	Bid	Offer	Basis	Chg	Basis	Chg
Jly	450	460	-57U	---	-60U	-2
Aug	460	470	-57U	-2	-60U	-4
Sep	525	550	-50U	+1	-57U	-6

### Shuttle/Rail Markets:

Mo.	BN PNW	BN PNW	CP PNW	FOB CP
	2YC	3YC O/B	3YC O/B	SINGLES
Jly	+80U	+55U	+55U	-70U
Aug	+75U	+55U	+55U	-70U
Sep	+70U	+55U	+55U	-65U

### Gulf Market (CIF):

Mo.	Basis	Change	Domestic Market:	Basis
July	/34	/--	Chicago	-15U
Aug	38/42	/+5	Toledo	-12U
Sep	/50	/--	Decatur	-06U
Oct	48/50	-1/--	Marshall	-60U

### Cost of Carry:

Spreads	Carry	Full Carry	% of Full Carry
CUo/CZo	14 1/4	17 1/2	81
CZo/CH1	13	17 1/2	74
CZo/CN1	27 1/2	41	67

### CBOT Deliverable Stocks (Thou Bus):

	As of July 23 <sup>rd</sup>	Previous Wk	Year Ago
	All Warehouses	All Warehouses	All Warehouses
Del	4,150	5,163	2,676
Non	710	490	444
Total	4,860	5,653	3,120

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