



Soy Complex

Benson Quinn Commodities Inc.
Minneapolis, MN

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Review: Beans climbed to one-week highs on support from new highs in US and French wheat, strong export sales, a warmer and drier midday forecast and broad commodity buying. Uncertainties about size of northern hemisphere crops have quieted the supply bears despite the favorable weather that the US has been experiencing with the key yield determining stage still ahead. At the same time demand for US beans is solid with China once again a big buyer of both old and new crop beans in this week's weekly export sales report. Outside markets were strong for raw commodities with the CRB and CCI indices rallying sharply today to 3-month and 6-month highs respectively as the US dollar swung to fresh 3-month low.

The overnight session ended at session highs on spillover support from wheat, which continues to climb higher on concerns about FSU production and export capabilities. The day session rallied from the open on strong exports and spillover from better outside markets. Markets backed-off from the highs as French milling wheat futures reversed from new highs to end lower while weaker US equity markets were also offering some downward pressure. But with US wheat markets holding onto some of the day's gains on unexpectedly strong export sales and a mid-day weather forecast that tossed a "ridge" back into the outlook, beans clawed back to make new intraday highs into the close settling near session highs. August futures closed at a 6-month high with first notice day tomorrow and zero contracts registered for delivery. November futures settled at a one-week high of \$9.88, which is equal to the new six-month high close on July 15. The products rallied in unison with beans. Soymeal closed at one-week high on prospect for shift in feed-demand due to potentially tighter global feed wheat stocks. Soyoil closed at a three-month high on sales to China announced under daily reporting and spillover support from \$1+ rally in crude. Allied Asian markets were higher overnight. Malaysian palm oil futures closed higher on global weather and production concerns coupled with firm demand outlook. Chinese Dalian futures were higher on prospect the central bank would maintain moderately loose monetary policy.

Exports sales were better-than-expected as China continues to buy both old and new crop US beans. Old crop sales were 339,000 MT mostly to China (235,000 MT). Year to date sales have reached 1,494 million bushels, 34 million above USDA estimate. Accumulated shipments are 1,387 million with 5 weeks left in the marketing year. There are sales of 1.2 MMT outstanding for China. New crop sales were 1,144,200 MT including 459,000 MT to China and 308,000 MT to unknown destination. New crop sales have reached 305.7 million bushels compared to 266.8 million at this time last year.

Tomorrow is first notice for August futures as well as month-end. Market will be anticipating month-end profit taking, especially from the funds, with November futures up 85 1/2-cents for the month. But with broad commodity indices into new recent highs – sellers will be cautious of potential for new month buying next week.

Kim Rugel

Settlements:

	Close	Change	High	Low
SQ10	1026 3/4	+16 1/4	1028 1/4	1011 1/2
SX10	988	+10	990 1/4	978 1/2
SF11	995 1/2	+8 3/4	997 3/4	987
SX11	986 3/4	+5	990	979 1/2
SMZ10	286.90	+2.70	288.10	284.10
BOZ10	40.00	+0.43	40.09	39.49
RSX10	455.80	+4.70	457.70	450.50

Volume/Open Interest (# of Contracts):

	Vol Elec	Vol Pit	O/I	Change
Total	100,542	18,453	475,132	-3,037
SQ10	17,328	9,459	19,386	-8,087
SX10	55,897	5,629	300,139	+4,221
SF11	4,749	595	53,084	+4,221

Technicals:

	Support	Resist	20-Day MA	50-Day MA
SQ10	994 3/4	1030	994 3/4	958
SX10	958 1/4	990	958 1/4	930 1/2

USDA Weekly Export Data:

	Date	Trade Est.	Actual
Inspect (Mil. Bus.)	7/26/10	5-9	6,595
Bean Sales (MT)	7/29/10	900-1,050	1,483,200
Meal Sales (MT)	7/29/10	75-150	66,800
Oil Sales (MT)	7/29/10	40-50	7,500

River Markets:

Mo	CIF	Chg	St. Paul	Chg	Savage	Chg
Jul	+117X	---	+12X	-6	NB	---
FHAug	+115X	-3	+12X	-6	NB	---

Rail Markets:

Mo	PNW	Chg	Gulf	Chg	Chgo	Chg
Aug	+125X	+2	+105X	-13	+30X	-3
Sep	+92X	---	+82X	---	NA	---

Processor Markets:

Mo	MKTO	Chg	Decatur	Chg	Lincoln	Chg
Jul	+25X	-5	+65X	---	+15X	---
FHAug	+25X	-5	+65X	---	-15X	---

Brazilian Market: (previous day)

Mo	Beans	Chg	Meal	Chg	Oil	Chg
Aug	+100/+103	-1/-2	+8/+11	-1	+150/+210	--/-10
Sep	+120/+125	-3/-5	+18/+19	-3/-4	+90/+110	-20/-15

CBOT Deliverable Stocks (Thou Bus):

	July 23, 2010	Week Ago	Year Ago
	All Warehouses	All Warehouses	All Warehouses
Del	1,770	1,904	1,519
Non	422	614	565
Total	2,192	2,518	2,084

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