Soy Complex

Benson Quinn Commodities Inc.
Minneapolis, MN

March 9, 2010

Review: Beans settled flat to nominally lower in thin narrow trade with neither the bears nor bulls interested in pressing the market ahead of tomorrow's USDA supply and demand report. Bigger crop estimates for both Brazil and Argentina from government and private analysts weighed on the market yet an early morning break to new weekly lows triggered some modest short covering as markets ended the day flat to down 3 ½-cents. General weakness in broad commodity markets on strength in the US dollar was also seen pressuring the Ag markets during the overnight and day session as global markets turn cautious on the one year anniversary of the US stock markets bull run from its March 9, 2009 12-year lows.

The overnight session was weaker on stronger dollar and sharply lower crude with the grains and beans making session lows into suspension of trade. The day session extended the overnight losses on an opening burst of selling but bounced quickly as short covering ensued into the end of the session. May futures closed down ½-cents at $9.47 ½, settling near the session highs. November beans closed down 3 ½-cents at $9.27 ½ with market actively bull spreading old/new crop ahead of tomorrow's report. The products settled mixed with meal nominally lower and soyoil nominally higher. Allied Asian markets were mixed in overnight trade. Malaysian palm oil retreated from 2-month highs on profit taking after on highly regarded analyst gave a bearish view on soybean stocks at the start of this week's industry conference. Chinese Dalian futures closed nominally higher on pre-report positioning.

Brazil's CONAB raised its soybean production estimate to 67.6 MMT from 66.7 MMT in February due to good yields and regular rains in the major producing areas. This latest estimate has CONAB at the high end of the estimate range with other Brazilian analysts currently pegging the crop closer to 65.5 to 65.8 MMT. USDA projected the crop at 66.0 MMT in its February report. A widely followed private analyst raise its Argentine crop estimate by 1.0 MMT to 53.0 MMT compared to USDA estimate at 53.0 MMT. Estimates for the Argentine crop range from 52.0 MMT to 55.0 MMT. Big crops tend to get bigger but with only 32% of the Brazilian crop harvested and Argentine harvest in its infancy at best, I do not expect the USDA to make any adjustment to either estimate in tomorrow's report.

USDA will restate the US bean crop after resurveying western states but any changes are expected to be nominal with average estimate pegging crop at 3.350 million bushels compared to 3.361 million in January. Ending stocks are expected to decline due to increased exports but year-on-year ending stocks are still seen increasing both domestically and globally as record production refills last year's tight pipelines. Market will quickly shift focus after tomorrow's data to 2010/11 industry estimates, spring weather and planting intentions leaving the battle for price direction between the supply bears and the demand bulls unsettled.

Kim Rugel

Settlements:

	Close	Change	High	Low
SH10	941 ½	+1	941	929
SK10	947 ½	- ½	948 ½	935
SN10	956	-0-	956 ¼	943 ¼
SX10	927 ½	-3 ½	931	920
SMK10	258.70	-0-	259.00	255.00
BOK10	40.30	+0.02	40.39	39.86
RSK10	384.90	+0.30	389.70	381.80

Volume/Open Interest (# of Contracts):

	Vol Elec	Vol Pit	O/I	Change
Total	76,727	13,100	433,630	-1,678
SH10	1,408	53	1,068	-765
SK10	49,083	8.990	195,746	-642
SX10	8,655	1,223	111,481	+47

Technicals:

	Support	Resist	20-Day MA	50-Day MA
SK10	928 ¾	952 ½	955 ¼	973 ¼
SX10	917	942 ¼	929 ½	948 ¼

USDA Weekly Export Data:

	Date	Trade Est.	Actual
Inspect (Mil. Bus.)	3/8/10	35-38	30.933
Bean Sales (MT)	3/4/10	200-350	370,400
Meal Sales (MT)	3/4/10	75-125	88,900
Oil Sales (MT)	3/4/10	10-25	15,900

River Markets:

Mo	CIF	Chg	St. Paul	Chg	Savage	Chg
FHMar	+56K	+1	-65K	---	NB	---
R/O	+47K	---	-33K	---	NB	---

Rail Markets:

Mo	PNW	Chg	Gulf	Chg	Chgo	Chg
Mar 1-10	+105K	---	+60K	---	0K	---
Mar 11-20	+95K	---	+50K	---	0K	---
Mar 21-31	+85K	---	+50K	---	0K	---

Processor Markets:

Mo	MKTO	Chg	Decatur	Chg	Lincoln	Chg
Mar	-30K	---	0K	-2	-27K	---
Apr	-30K	---	-2K	-2	-32K	---

Brazilian Market: (previous day)

Mo	Beans	Chg	Meal	Chg	Oil	Chg
Mar	+25/+32	+3/+7	NA	---	-210/-180	-10
Apr	+21/+23	+1/--	0/+2	---	-220/-180	-10

CBOT Deliverable Stocks (Thou Bus):

	March 5, 2010 All Warehouses	Week Ago All Warehouses	Year Ago All Warehouses
Del	2,760	2,960	1,421
Non	363	472	594
Total	3,123	3,432	2,015