



# Soy Complex

Benson Quinn Commodities Inc.  
Minneapolis, MN

February 3, 2012

**Review:** Beans closed higher for fourth consecutive session on technical buying, firm cash market and today's private analyst estimate for South American production that was lower than what market has been trading. Beans closed at 3-week highs in the front month and 3-month high for new crop posting substantial gains on the week despite better weather and improving crop conditions in Argentina. Firmer export cash markets with China buying 2 cargos from the US this week and lack of producer selling after Monday's sharp sell-off were supportive trade balance of the week. This week's mostly weaker dollar and "risk on" trade in the macros on improving global economic conditions offered additional support on new fund buying. Fund buying was estimated at 6,000 beans, 2,000 meal and 3,000 soyoil on the day. Since Tuesday, funds bought an estimated 23,000 beans, 7,000 meal and 10,000 soyoil after being sellers on Monday of 10,000 beans, 2,000 meal and 4,000 soyoil.

The overnight session was modestly higher in light volume with weak dollar supportive. The day session opened better than the calls on outside macro support but quickly retreated falling in sympathy with corn and wheat as funds turned sellers. Beans then rebounded off lower trade and with release of Informa's lower South American production estimate rallied to fresh weekly highs. March futures gained 15 1/2-cents on the day and 13 1/2-cents for the week after posting 33 3/4-cent loss on Monday. The weekly trading range is an outside reversal higher and looks supportive going into next week's trade. November futures were up 13 1/2-cents on the day and 15-cents on the week also posting an outside reversal higher for the week. The March/May spread narrowed into 7 1/4-cents during the session but settled at 8 1/4-cents, narrowing a nominal 1/4-cent on pick up in producer selling on the day's rally.

Informa Economics released its world and US crop and balance sheet estimates today ahead of next week's USDA monthly report. Their South American soybean production estimates caught trade off guard cutting production 7.6 MMT from the last month. Argentine production was estimated at 46.5 MMT, down 4.5 MMT from January and Brazilian production was cut 2.0 MMT to 70.0 MMT. The trade has more recently been estimating Argentina at 48 to 49 MMT and Brazil at 71 to 72 MMT.

Technically, the soybean market appears well supported into next week's trade with USDA monthly report on Thursday. Global headlines though will dictate Sunday night opening calls.

### Commitment of Traders Supplemental with Options

		Long	Short	Net
Large Funds	Actual	78,521	59,074	19,447
	Change	+1,538	+7,162	(5,624)
Commercial Hedger	Actual	138,225	228,849	(150,624)
	Change	+17,702	+9,736	(7,965)
Small Trader	Actual	47,333	85,803	(38,470)
	Change	(551)	+2,173	+2,723
Index Funds	Actual	199,407	29,760	169,647
	Change	+337	(44)	382

Kim Rugel

### Settlements:

	Close	Change	High	Low
SH12	1232 1/2	+15 1/2	1236 1/2	1214
SK12	1240 3/4	+15 1/4	1244 1/2	1222 3/4
SN12	1250 1/4	+15 1/4	1253 1/2	1231 3/4
SX12	1237 1/4	+13 1/2	1239	1220
SMH12	328.60	+5.20	329.80	322.10
BOH12	51.65	+0.46	51.69	51.08
RSH12	522.70	-1.10	525.80	521.70

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

	Vol Elec	Vol Pit	O/I	Change
Total	156,595	12,433	504,393	+537
SH12	89,591	6,941	187,197	-3,266
SK12	28,997	3,057	120,867	+2,919
SN12	24,713	1,007	97,273	-700

### Technicals:

	Support	Resist	20-Day MA	50-Day MA
SH12	1199	1244 3/4	1204 3/4	1175 3/4
SX12	1207	1251	1205 1/4	1180

### USDA Weekly Export Data:

	Date	Trade Est.	Actual
Inspect (Mil. Bus.)	1/30/12	24-32	41,503
Bean Sales (MT)	2/2/12	350-550	368,400
Meal Sales (MT)	2/2/12	75-150	74,700
Oil Sales (MT)	2/2/12	0-10	6,700

### River Markets:

Mo	CIF	Chg	St. Paul	Chg	Sav.	Chg
FH Feb	+74H	-3	-40H	+2	NA	--
LH Feb	+73H	-2	NB	---	NA	--

### Rail Markets:

Mo	PNW	Chg	Gulf	Chg	Chgo	Chg
FH Feb	+102H	-4	+77H	-3	-10H	---
LH Feb	+107H	-3	+74H	-1	-10H	---

### Processor Markets:

Mo	MKTO	Chg	Decatur	Chg	Lincoln	Chg
Feb	-25H	---	+8H	---	-14H	---
March	-25H	---	+5H	---	-14H	---

### Brazilian Market: (previous day)

Mo	Beans	Chg	Meal	Chg	Oil	Chg
Feb	+69/+74	-3/-1	NA	---	NA	---
Mar	+69/+71	-1	0/+1	-3	-60/0	---

### CBOT Deliverable Stocks (Thou Bus):

	Jan 27, 2012	Week Ago	Year Ago
	All Warehouses	All Warehouses	All Warehouses
Del	7,500	8,045	6,192
Non	1,585	1,834	1,237
Total	9,085	9,879	7,429

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