



CURRENT TREND: Higher **REASON:** Grain rebound gathers a bit more steam on soybean, spring wheat crop ratings losses

STATSCAN ACREAGE ESTIMATES THURSDAY; USDA JUNE ACREAGE/STOCKS REPORTS FRIDAY

MORNING TRIVIA: This English rock band's prior names from 1963-65 included Sigma 6, the Screaming Abdabs, Spectrum Five, & Tea Set...

MARKET HEADLINES

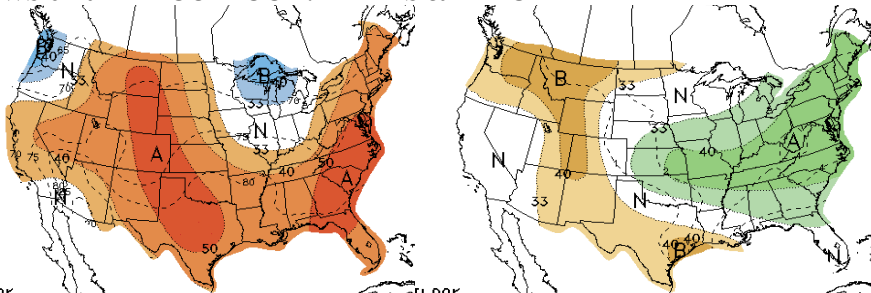
- *Quick Editorial:* a steady spot soybean rise overnight is making Friday's lows (a tick above the \$9/bu mark) look awfully interesting; spring wheat saw yet another ratings loss as well and has another reason to push highs again today.
- South Korean corn processors bought 60k tonnes of corn from South America this morning, for October 15 arrival, at \$177.50/tonne cost plus freight.
- National corn and bean crop ratings were expected to rise by a point each this week but corn was steady at 67% good/excellent (down from 75% last year and the 68% five-year average) and beans dropped a point to 66% g/ex (versus 73% LY and the 67% 5YA). The initial corn silking number was roughly in line with 5% LY and 4% on average, while bean emergence and blooming were at or slightly above comparable numbers at 94% and 9%, respectively. Winter wheat ratings were steady at 49% g/ex this week, below 65% LY but still above the 44% 5YA, with harvest of the crop up from 28% to 41% this week, compared to 42% LY and the 39% 5YA. Spring wheat ratings lost another point to 40% g/ex, down from 72% both LY and on average.
- The European Union's crop monitoring service cut its 2017 crop yield estimates this month, including soft wheat down from 5.91 to 5.86 tonnes per hectare (87.1 bu per acre) and corn down from 7.15 to 7.14 t/ha (113.8 bpa). Meanwhile, Strategie Grains cut their 2017 French wheat production estimate by 1.6 MMT from mid-month, to 35.6 MMT, due to recent hot weather.
- South Africa's CEC is expected to peg the country's 2017 corn crop at a record 15.8 MMT in their fifth production estimate for the crop tomorrow, up from their previous 15.6 MMT estimate and more than double 7.78 MMT LY.
- *Export Inspections (000 tonnes):*
 Corn: **965.6** / 900-1100 / 1220.3
 Wheat: **629.1** / 450-650 / 740.1
- *Quarterly Stocks Estimates (bln bu):*
 Corn: **5.123** / 4.690-5.360 / 4.711
 Wheat: **1.137** / 0.968-1.185 / 0.976
- *June Acreage Estimates (mln acres):*
 Corn: **89.903** / 89.0-91.0 / 89.996
 All Wheat: **46.070** / 45.7-47.4 / 46.059
 Spring: **11.206** / 11.0-11.6 / 11.308

| | This Week / Estimates / Last Week |
|---|------------------------------------|
| Beans: | 315.1 / 200-400 / 290.9 |
| Avg Est / Est Range / June 2016 | |
| Beans: | 0.983 / 0.870-1.119 / 0.872 |
| Avg Est / Est Range / March USDA | |
| Beans: | 89.750 / 88.5-90.5 / 89.482 |
| Winter: | 32.830 / 32.5-33.8 / 32.747 |
| Durum: | 2.002 / 1.9-2.2 / 2.004 |

WEATHER UPDATE

- Rain chances look strong for the northern belt through tomorrow, and the rest of the Midwest into and through the weekend as well as the 6-10 day time frame; the 11-15 day maps remain more varied, potentially a bit drier. Temperatures will be heating back up going forward, back to above-normal levels.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

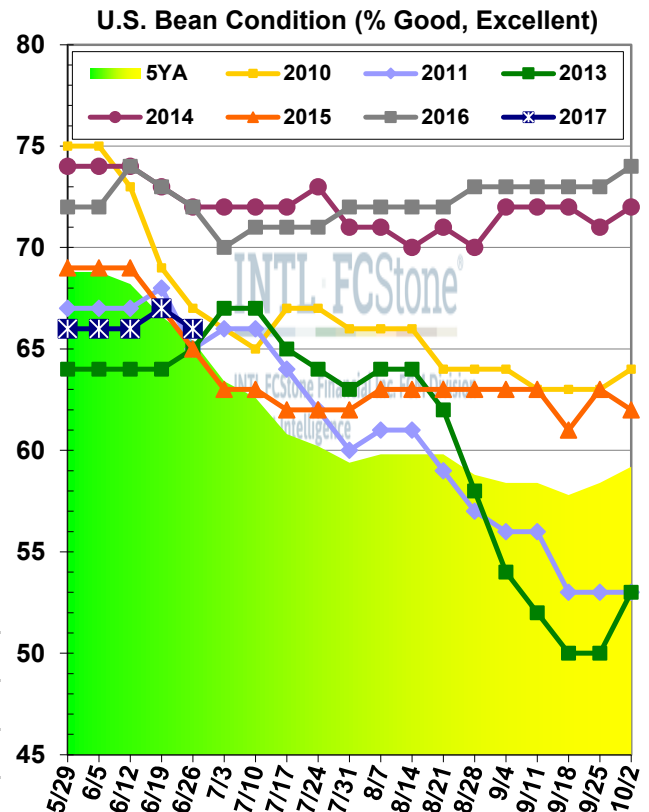
| | Corn | Beans | Meal | Oil | Wheat | KC Wht |
|----------------|----------|----------|---------|---------|----------|---------|
| Daily | 8,000 | 3,000 | 2,000 | -3,000 | -6,000 | 0 |
| Est Net | -80,327 | -121,433 | -55,027 | -6,642 | -27,789 | 32,965 |
| Rec + | 409,444 | 260,433 | 98,846 | 125,722 | 73,662 | 61,669 |
| Rec - | -236,201 | -101,752 | -54,855 | -63,489 | -171,269 | -30,005 |

NIGHT SESSION (to 7:00 AM): Grain Volume: 171,872

| Symbol | High | Low | Last | Chg | Vol |
|-------------|--------|--------|---------------|-------|---------|
| CN7 | 361.50 | 359.50 | 360.75 | +1.75 | 16,662 |
| CU7 | 370.00 | 367.75 | 369.25 | +2.00 | 25,053 |
| CZ7 | 379.75 | 377.25 | 378.50 | +1.50 | 21,224 |
| WN7 | 454.50 | 449.25 | 451.25 | +1.25 | 3,947 |
| KWN7 | 459.00 | 452.25 | 454.75 | +1.75 | 1,188 |
| SN7 | 917.25 | 909.00 | 915.00 | +8.25 | 15,631 |
| SU7 | 922.75 | 913.25 | 920.50 | +8.00 | 2,167 |
| SX7 | 924.25 | 915.00 | 921.75 | +8.00 | 16,895 |
| SMN7 | 296.20 | 294.20 | 295.30 | +1.20 | 5,148 |
| BON7 | 32.00 | 31.52 | 31.92 | +0.40 | 4,548 |
| CLQ7 | 43.92 | 43.32 | 43.89 | +0.51 | 160,027 |
| DXY | 97.16 | 96.55 | 96.55 | -0.57 | 13,113 |

FUNDAMENTAL UPDATE

National soybean ratings put in a seasonal move by losing a point this week (to 66% good/excellent), but that was counter to analysts' expectations where a one-point rise was anticipated. The current rating remains mostly in line with the majority of the last eight years, behind LY and 2014 but also way ahead of 2012. Major producer Illinois gave the national crop its biggest boost this week with a three-point rise to 70% g/ex—still behind 75% on the same week last year but ahead of the seasonally-declining 66% 5YA rate...



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