



CURRENT TREND: Lower **REASON:** U.S. fires another shot in China trade war; trade concern over soy exports rises

TOMORROW: EXPORT SALES @ 7:30 AM, USDA JULY S&D REPORT @ 11 AM

MORNING TRIVIA: On this day in 1921, which former U.S. President became the only one ever to also be sworn in to the U.S. Supreme Court?

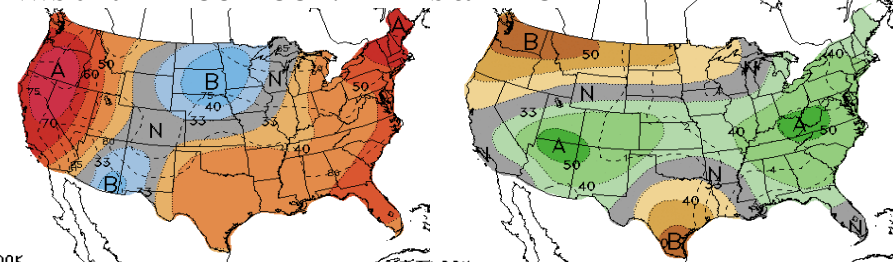
MARKET HEADLINES

- Quick editorial:** the U.S. government is now apparently preparing a list of \$200 billion more in Chinese goods to hit with tariffs, calling negotiations unsuccessful so far; the President of China's COFCO responded by saying they'd make every effort to source soybeans from other countries and reduce reliance on the U.S. That looks better on paper than in reality short-term, but the longer this spat drags on, the tougher it is for the soy market to ignore...
- Egypt's GASC yesterday bought 175k tonnes of Russian wheat for August 21 -31 delivery, priced at \$219-221/tonne cost plus freight.
- China sold 172k tonnes of beans from reserves, or 35% of the total offered.
- FranceAgriMer raised their 2017/18 soft wheat ending stocks estimate, pegging inventories at 3.0 MMT at the end of June, up from their previous 2.6 MMT estimate last month. '17/18 wheat exports outside the European Union were lowered from 8.4 to 8.2 MMT (still up from 5.0 MMT in '16/17), while shipments inside the Union rose from 9.0 to 9.3 MMT this month. Ending corn stocks rose from 2.8 to 2.9 MMT, with barley up from 1.4 to 1.7 MMT.
- Brazil's Conab raised the official 2017/18 soybean crop estimate from 118.05 to 118.88 MMT this month, compared to last year's record 114.08 MMT; total corn production fell from 85.0 to 82.92 MMT (versus 97.84 MMT LY) with second-crop output down from 58.2 to 56.0 MMT (vs 67.4 MMT LY).
- USDA '17/18 Carryout (bln bu):** **Avg Est / Est Range / June USDA**
Corn: **2.107** / 2.052-2.177 / 2.102 Beans: **0.507** / 0.478-0.530 / 0.505
- USDA 2018 Yield (bpa):** **Avg Est / Est Range / June USDA**
Corn: **174.9** / 172.6-179.5 / 174.0 Beans: **48.6** / 47.0-49.5 / 48.5
- USDA 2018 Production (bln bu):** **Avg Est / Est Range / June USDA**
Corn: **14.269** / 14.045-14.683 / 14.040 Beans: **4.314** / 4.200-4.402 / 4.280
- USDA '18/19 Carryout (bln bu):** **Avg Est / Est Range / June USDA**
Corn: **1.712** / 1.545-1.922 / 1.577 Beans: **0.471** / 0.390-0.571 / 0.385
Wheat: **0.973** / 0.924-1.021 / 0.946
- World '18/19 Carryout (MMT):** **Avg Est / Est Range / June USDA**
Corn: **156.27** / 151.0-163.0 / 154.69 Beans: **88.15** / 85.0-92.0 / 87.02
Wheat: **265.50** / 262.0-268.0 / 266.16
- July CBOT Deliveries:** corn 249 contracts, with next trade date 7/10/18; soybeans 447 & 7/10; oil 878 & 7/10; Chi wheat 1 & 6/26; KC wheat 70 & 7/9.

WEATHER UPDATE

- Heavy rains fell at the ND/SD/MN corner overnight, dry elsewhere save for some scattered ECB action; activity will start to pick up in the NW belt tonight and spread through the Midwest into the weekend, with the heaviest amounts again likely favoring the northern belt. The 6-10 day time frame brings better rains to the heart of the belt, with plenty of chances lasting into the 11-15 day time frame as well. Temperatures will remain warm, though dipping back much closer to normal next week for that 6-10 day period.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	-14,000	-4,000	-2,000	3,000	-8,000	0
Est Net	-126,396	-66,162	55,024	-85,483	-1,251	16,702
Rec +	409,444	260,433	132,126	125,722	73,662	72,845
Rec -	-242,884	-101,752	-54,855	-63,489	-171,269	-30,005

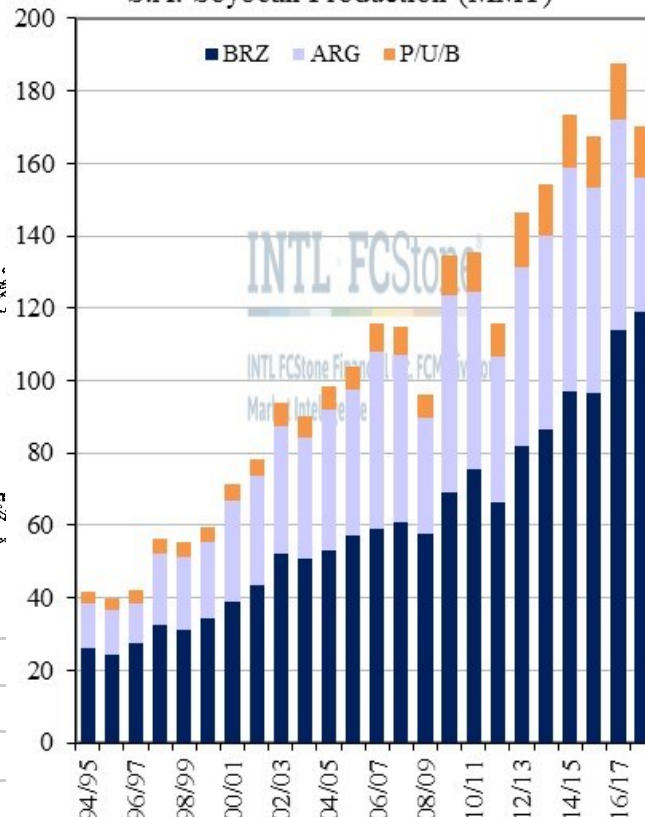
NIGHT SESSION (to 7:00 AM): Grain Volume: 149,243

Symbol	High	Low	Last	Chg	Vol
CN8	336.00	336.00	336.00	-3.75	79
CU8	345.75	343.00	344.50	-3.25	13,788
CZ8	358.75	355.75	357.50	-3.25	25,607
WU8	490.50	483.50	485.25	-6.75	10,804
KWU8	493.75	486.25	487.25	-7.50	1,177
SN8	840.50	837.50	837.50	-14.75	7
SU8	856.00	844.00	846.25	-14.75	2,023
SX8	866.75	854.50	856.75	-14.75	25,536
SMZ8	329.40	326.60	327.90	-2.40	7,879
BOZ8	29.30	28.90	28.93	-0.49	9,579
CLQ8	74.26	73.17	73.50	-0.61	163,245
DXY	94.21	93.88	94.13	+0.24	7,505

FUNDAMENTAL UPDATE

Today's chart shows combined South American soybean production since 1994/95, up through the current '17/18 growing season, with recent forecasts from both the Argentine and Brazilian governments included. Conab's 118.9-million-tonne Brazilian estimate exceeds even last year's record crop by almost 5 MMT, offsetting at least a minor portion of the Argentine loss. The Argentine government stands at 37.2 MMT there, more than a 20 MMT year-over-year decline and their worst harvest in nearly a decade.

S.A. Soybean Production (MMT)



This material should be construed as market commentary, merely observing economic, political and/or market conditions, and not intended to refer to any particular trading strategy, promotional element or quality of service provided by the FCM Division of INTL FCStone Financial Inc. The FCM Division of INTL FCStone Financial Inc. is not responsible for any redistribution of this material by third parties, or any trading decisions taken by persons not intended to view this material. Information contained herein was obtained from sources believed to be reliable, but is not guaranteed as to its accuracy. Contact designated personnel from the FCM Division of INTL FCStone Financial Inc. for specific trading advice to meet your trading preferences. These materials represent the opinions and viewpoints of the author, and do not necessarily reflect the viewpoints and trading strategies employed by the FCM Division of INTL FCStone Financial