



CURRENT TREND: Steady/Mixed **REASON:** Corn rally slows post-USDA, spec fund long building quickly

EXPORT SALES @ 7:30 AM TOMORROW

MORNING TRIVIA: Which is the only U.S. state bordered by exactly one other state?

MARKET HEADLINES

- *Quick editorial:* excitement has subsided a bit this morning after a justifiable corn rally, though wheat continues to peek slightly higher with problematic weather lingering in major global producing countries. The USDA's chief economist said they're now set to adjust soybean forecasts next month, hinting at late acreage switching and ultimately higher bean acreage figures...
- Taiwan's MFIG bought around 65k tonnes of corn from Brazil in an international tender closing this morning, for September-October shipment.
- South Korea's KFA bought 65k tonnes of corn in a private deal yesterday, priced at \$206/tonne C&F for Sept-Oct shipment from either the U.S. or S.A.
- Importers from the Philippines tendered for 55k tonnes of feed wheat.
- FranceAgriMer raised their '18/19 (July-June) soft wheat ending stocks estimate from 2.3 to 2.4 MMT, with corn ending stocks up from 2.7 to 3.0 MMT.
- Australia's ABARES cut their official 2019/20 wheat production estimate from 23.9 to 21.2 MMT, the third straight production season below average due to drought, and 14% below the 10-year average harvest of 24.7 MMT.
- '18/19 Carryout (bln bu):
Corn: **2.195** / 2.123 / 2.095
Wheat: **1.102** / 1.121 / 1.127
- 2019 U.S. Yield (bpa):
Corn: **166.0** / 172.4 / 176.0
- 2019 U.S. Production (bln bu):
Corn: **13.680** / 14.251 / 15.030
- '19/20 Carryout (bln bu):
Corn: **1.675** / 1.917 / 2.485
Wheat: **1.072** / 1.118 / 1.141
- '18/19 World Carryout (MMT):
Corn: **325.4** / 325.4 / 325.9
Wheat: **276.6** / 274.7 / 275.0
- '19/20 World Carryout (MMT):
Corn: **290.5** / 305.0 / 314.7
Wheat: **294.3** / 290.0 / 293.0

USDA June / Avg Est / USDA May	USDA June / Avg Est / USDA May
Beans: 1.070 / 1.004 / 0.995	Beans: 49.5 / 49.0 / 49.5
USDA June / Avg Est / USDA May	USDA June / Avg Est / USDA May
Beans: 4.150 / 4.123 / 4.150	Beans: 1.045 / 0.983 / 0.970
USDA June / Avg Est / USDA May	USDA June / Avg Est / USDA May
Beans: 112.8 / 113.3 / 113.2	Beans: 112.7 / 113.0 / 113.1

NIGHT SESSION (to 7:00 AM): Grain Volume: 141,817

Symbol	High	Low	Last	Chg	Vol
CN9	428.75	424.00	427.00	-0.75	32,991
CU9	437.25	432.50	435.50	-0.75	22,098
CZ9	448.00	442.75	446.00	-1.00	19,708
WN9	520.00	513.00	518.75	+0.75	5,997
KWN9	459.75	451.25	457.75	+0.25	3,359
SN9	860.75	853.25	857.75	-1.50	10,032
SU9	874.75	867.25	871.75	-1.50	513
SX9	888.25	880.75	885.50	-1.50	8,090
SMN9	314.40	312.00	314.40	+0.00	3,842
BON9	27.32	26.93	27.06	-0.16	8,538
CLN9	53.05	51.46	51.84	-1.43	200,204
DXY	96.74	96.55	96.71	+0.07	6,293

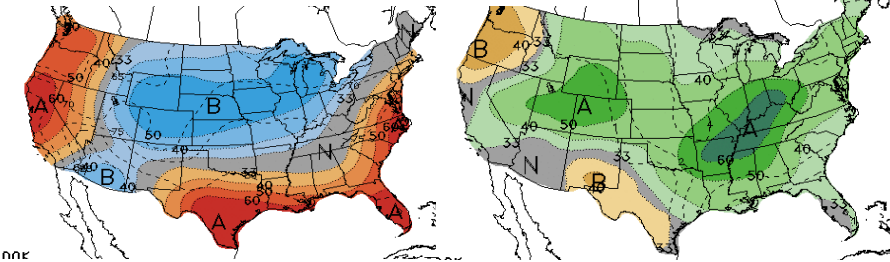
FUNDAMENTAL UPDATE

The key new-crop soybean/corn ratio has been falling since the start of April, when it was hanging at the 2.4-to-1 level, but the USDA results yesterday expedited that process and sent the ratio under 2-to-1 for the first time (in season) since 2011. That year, SX1/CZ1 went under 1.8-to-1 in early November before rebounding back to a 2-1 finish, as corn values finally came off elevated levels to re-approach the \$6/bu mark from the high side in mid/late November.

WEATHER UPDATE

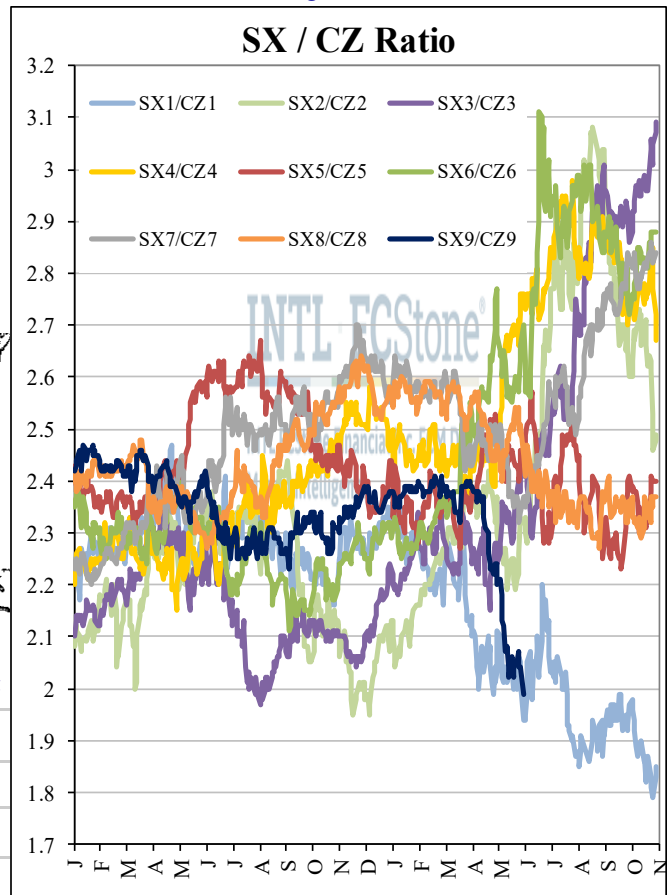
- Scattered rains fell from the southern Plains up through the northern corn belt last night with some heavy 1-3" north, and action lingering this morning; the system will move out through the northeastern belt through tomorrow, with another, more widespread system right on its heels across the weekend that will bring precip to most crop areas. Extended forecasts continue to run cool and wet for both the 6-10 and 11-15 day time frames...
- Dry conditions will remain in southern Russia and eastern Ukraine over the next two weeks, with more heat settling in next week as well.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	50,000	-5,000	3,000	-5,000	8,000	0
Est Net	133,262	-106,280	5,864	-64,890	-5,080	-25,160
Rec +	409,444	260,433	132,126	125,722	73,662	72,845
Rec -	-344,185	-171,141	-53,070	-110,846	-171,269	-59,640



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