

Grains finished higher on Friday and are trying to extend gains overnight as positive news came out of China as consumption picks up. There is more dining out and they are starting to open up schools. Their trade ministry has put out recommendations to stock up on grain and oilseeds as new outbreaks could hurt the supply chain. The energy market is moving higher led by RBOB Gasoline as many forecast a record demand this summer. Citing more driving for business this summer and beyond. Funds bought soybeans and sold corn on the last report going into the report. Plentiful rains hit much of the corn belt over the weekend with some flood damage in certain areas. Fuel demand and bean oil demand with more restaurants trying to open up in the next few weeks.

Today's Corn Outlook: Corn settled 1.75 higher on Friday and gained another 1.75 cents overnight. Energy markets are higher and will support corn prices. Funds were big sellers going into report day. Look for some of that to be trimmed end of last week and early this week. They are currently short 214,054 contracts adding 23,902 last report. It should be hard for funds to stay with short positions if oil and gas rebound significantly. Ethanol margins will be improving with higher gas prices.

July Corn Technicals: The corn market is bearish and couldn't hold technical levels from Tuesday's close and if market goes thru Tuesday's low 3.14 area we could challenge contract lows. Bulls need to see trade over 3.22 and maintain that level.

Today's Soybean Outlook: Beans settled 1.5 cents higher on Friday and are up 6 cents overnight. China's prices were higher as their trade ministry recommends stocking up on grain and oilseeds as new waves of outbreaks could disrupt supply logistics. Funds have been buyers and should continue the trend as long as demand continues to grow. They are currently long 32,465 adding 23,557 last report. April crush was a monthly record and has to be looked at as positive.

July Soybean Technicals: The soybeans are gaining bullish momentum and a close above 8.56 will stoke the bullish flames. A move back below 8.29 will bring more selling pressure.

Exports: None to report.

Weather: Major rains hit a majority of the corn belt and caused flooding in some areas. Brazil rains have faltered this week allowing stress to build in a third of the 2nd crop corn area.

Dollar Index: The dollar is trading **32 ticks lower** this morning at 100.11.

Brazilian Real: The Real is trading **32 ticks higher** this morning at 1740.

Additional Comments:

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