

Corn and soybeans finished 1.5 cents higher yesterday but pulled back from their highs of the session. They are both in consolidation mode and there has not been a catalyst to push them in either direction. Improved energy markets the last couple weeks causing ethanol plants to ramp up production could not do it for corn and more Chinese buying of soybeans couldn't do it for beans. Weather has not been a huge factor yet. Some dry areas have gotten needed rains but parts of the Northern Plains are still too wet to plant and will cut into corn acres and maybe overall acres depending how it goes from here. The International Grain Council is forecasting record production this year with stagnant to lower consumption so no help there. Energy markets are trying to turn over after a nice run so we will keep our eyes on crude and rboob markets the rest of the week. We get fresh ethanol numbers this morning.

Here is a link with more details for CFAP <https://www.farmers.gov/coronavirus>.

Today's Corn Outlook: Corn settled higher 1.5 cents and added 1.25 overnight. Corn continues to bump its head against resistance in the 322-323 range. Weather has been overall good and there has been some farmer selling with CFAP payments coming. Looking for a continuation of Ethanol production build and stocks draw the morning.

July Corn Technicals: The corn market is bearish and still looking to challenge the 3.14 level on the downside. Bulls need to see trade over 3.22 and maintain that level.

Today's Soybean Outlook: Beans settled up 1.5 cents yesterday but dropped 2.25 cents overnight. China trade tensions are at the forefront and market needs to see more export buying. Cash meal basis has weakened but the dollar vs BRL has been trending positive. Would like to see July soybeans trade above 8.60 and start to get some technical buyers come to the table.

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: 168K of soymeal destination changed to Philippines.

Weather: Dryness limited in most areas but W Midwest and South are most at risk going forwr. Brazil light showers ease stress on 2nd crop corn area.

Dollar Index: The dollar is trading 21 ticks lower this morning at 98.85.

Brazilian Real: The Real is trading 6.5 ticks lower this morning at 1886.

Additional Comments:

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