

Corn lost 3 cents and soybeans lost 13 to start the week on a negative note as trade tensions with China moved back to the front of the queue. The White House has been rattling sabers about using tariffs to penalize China for not doing enough/misleading the world during the early stages of the pandemic. We hope that cooler heads prevail and the administration does not go this route or that it is just a ploy to get China back to buying more goods and living up to the Phase 1 agreement. Planting progress jumped more than expected but many thought it was low last week so it had ground to make up. Corn is 51% done, soybeans 23% and spring wheat 29%. Corn and soybeans are well ahead of average while SRW is lagging. The energy markets are moving higher as demand looks to improve as states continue to relax shelter in place orders. Analysts are looking at record demand this summer as business travel will move to driving instead of flying for the short term. This is obviously positive for ethanol and you may see some plants come back on line sooner than expected if margins continue to improve.

**Today's Corn Outlook:** Corn settled 3 cents lower Monday but are slightly higher this morning. Corn was weighed down by China headlines yesterday but some positive fundamental news included export inspections of 1.217 million tonnes and strength in crude and gasoline markets. Look for lows to hold unless some bad news dealing with China comes out.

**July Corn Technicals:** The corn market is bearish and is open to selling down to the low 3.10's followed by 3.03 and bulls need a close over 3.28 ¼ to turn sentiment.

**Today's Soybean Outlook:** Beans settled 13 cents lower yesterday and have only gained back 3 cents overnight. Soybeans continue to suffer on the export market with only 310K tonnes inspected for export. This looks to add to the balance sheet as USDA will be forced to cut export expectations going forward. South American currency advantages keep US soybeans uncompetitive even at these depressed prices and the pandemic is not helping the situation as the dollar is a safe haven trade while SA currencies lack confidence of the market.

**July Soybean Technicals:** The soybeans made a short-term bottoming turn and will need to move over 8.67 to bring more buying momentum while bears look for a move below 8.39.

**Exports:** 378K of soybeans to China and 109K of corn to Mexico.

**Weather:** Midwest frost concerns this week as temps drop especially late week. Brazil rains limited as stress builds in 2<sup>nd</sup> crop corn.

**Dollar Index:** The dollar is trading 21 ticks higher this morning at 99.77.

***Brazilian Real:*** The Real is trading **11ticks higher** this morning at 18.09.

***Additional Comments:***

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