

Corn and soybeans settled lower on Wednesday as the energy markets put on the downward pressure along with China uncertainty. Ethanol and Gasoline weekly numbers were bullish as fuel demand is growing on state economies opening back up. Overnight energy markets rebounded and are pulling grains with them. Some cold weather is coming thru with frost potential in some areas of the Midwest. Exports were a little lighter than expected but not a disaster. USTR Lighthizer has a scheduled call with Chinese trade minister Liu to discuss the status of Phase 1. It will be the first time they have talked since the signing. If energy markets can keep gains we should see positive price movement in the grains.

**Today's Corn Outlook:** Corn settled 2.75 cents lower yesterday but rallied 3.25 cents overnight. China bought 686K tonnes of corn yesterday and export sales were a little low this morning overall tone of exports is good. Energy markets have taken back yesterday's losses and are poised to move higher as demand is growing. Look for firm prices if energy holds.

**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 3.22 <sup>3</sup>/<sub>4</sub> to turn sentiment.

**Today's Soybean Outlook:** Beans settled 7 cents lower on Wednesday but have traded 3.75 cents higher this morning as energy is higher but concerns linger on larger acres and crush demand weakening due to hog liquidation. Must watch energy short term and then keep track of packing plant progress to get a feel for Crush demand. Weak SA currencies still killing export market.

**July Soybean Technicals:** The soybeans are bearish and a move under 8.29 will open up a challenge of the recent lows. Bulls need a close over 8.47.

**Exports: 686K corn to China.**

**EIA weekly ethanol:** Production last week rose 61K barrels per day to 598K while stocks went down 725K barrels.

**Weather:** Midwest frost likely for Sat & Early next week. Brazil rains limited as stress builds in 2<sup>nd</sup> crop corn.

**Dollar Index:** The dollar is trading 17 ticks higher this morning at 100.32.

**Brazilian Real:** The Real is trading 44 ticks lower this morning at 1711.

**Additional Comments:**

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