

Surprise 2% jump in corn crop conditions.

Corn and soybean futures ended the day lower on Monday. Good rains across much of the belt over the weekend and a weaker crude market were factors for the lower prices. Crude was lower as the UN released its Climate Change Report concluding that drastic changes need to be made to slow down climate change. Fossil fuels are at the top of the list so crude took a big hit yesterday. One would think blended biofuels would be a benefactor of this report but we will have to wait on the longer-term reaction as the knee jerk reaction was lower. Crop conditions came out yesterday afternoon and corn had a counter seasonal 2% jump on the back of Illinois' crop adding 11% to its GTE. The market seems a little wary of this and prices have only gone about 5 cents lower overnight. These conditions ratings have no bearing on Thursday's report so this does not signal a higher corn yield estimate. **Conab dropped its Brazilian corn production estimate to 86.7 MMT vs 93.43 previously. The USDA is at 93 currently so look for an adjustment near Conab's number.**

Today's Corn Outlook: Corn dropped 2.75 cents yesterday and another 4 cents overnight. Average estimates for corn yield is 177.4 with a carryout of 1.27 billion bushels. These numbers would be supportive one would think but don't know if corn could get back over 5.73. One has to be happy with the way the market acted overnight considering the surprise ratings jump. December did not even get to the 100 day at 5.45. We may see some selling early and will watch that 100 day for support.

Dec Corn Technicals: Corn market is short term bullish and a move over 5.72 will signal more buying. Bears need a close under 5.32.

Today's Soybean Outlook: Soybeans lost 7 cents yesterday but are up 5 cents overnight on unchanged crop conditions. The only reason conditions didn't move lower was Illinois had a 11% jump in soybeans too. Analysts looking for a 50.3 bushel per acre yield on Thursday with a 148 million bushel carryout. Pretty neutral from where we currently stand. We have seen some export demand the last few days and will see if we can keep the streak alive this morning. **Streak is alive.**

Nov Soybean Technicals: The soybeans are bearish and a close under 13.05 will open up a run at 12.85 bulls got their settle above 13.34 now they need a move to 13.63.

Exports: 132K tons of soybeans to China and another 130k to unknown buyers. 182,880 tons of corn to Mexico.

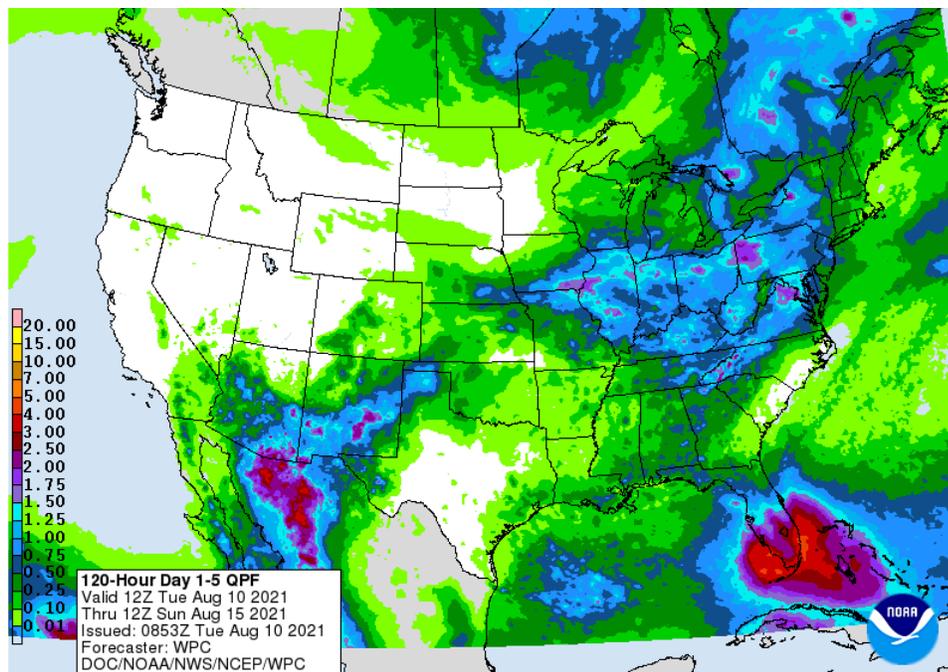
Weather: Major stress cut to 20% of the growing areas and now week 2 rains look better for N Plains.

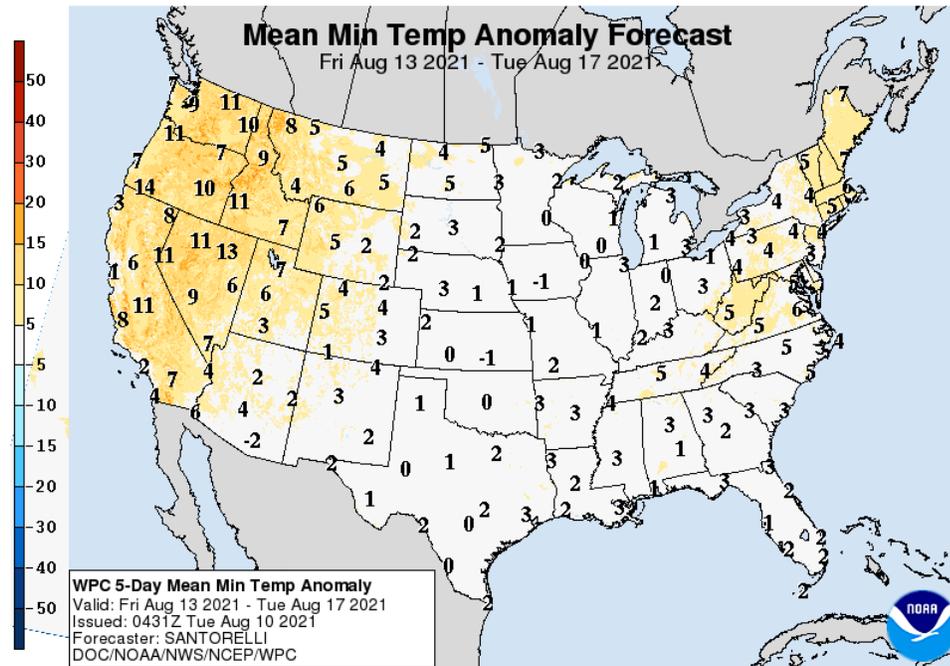
Dollar Index: The dollar is trading **13 ticks higher** this morning at 93.07

Brazilian Real: The Real is trading **3 ticks lower** this morning at 1907.

Additional Comments:

5 Day Rainfall Accumulation Forecast





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