

No follow through from Friday

Corn and soybean futures finished higher on Friday as the September WASDE report's bearish news seemed priced into the market but the overnight market on Sunday proved to be softer. Corn is off 7 cents and soybeans off 4 currently. Funds continue to liquidate long positions in both corn and soybeans as they trimmed 44K longs in corn and 11.6K longs in soybeans in the last report. Corn has dropped 45 cents and soybeans 65 cents in the last two weeks and last Friday's pop post report had not shifted momentum from the downside. Watching 5.00 level on corn and 12.70 on soybeans as first support but without buying out of the gate last night look for the bears to press early this week.

Today's Corn Outlook: Corn added 7.5 cents on Friday but is off 7 cents over night. USDA expanded acres and bumped the yield number on Friday but the market reaction was higher as many thought the market had priced more bearish news into the corn price. Overnight and early morning is telling a different story with no real buyers showing up and the negative momentum took back over. You have seasonal pressure being put on the corn market as combines get rolling. 200 day moving average is up to 5.06 a close under there could open up 4.80.

December Corn Technicals: Corn market is negative and is looking to press the 5.00 level while bulls need to move back over 5.30

Today's Soybean Outlook: Beans gained 16 cents on Friday but are off 5 cents currently. Soybean carryout was raised slightly higher with a higher yield number but lower acres. The export sales market has been consistently posting flash sales the last month but there still seems to be concern on the demand side even with a balance sheet that remains tight. 12.64 is were the November 200 day currently sits.

November Soybean Technicals: The market has turned back negative and last week's selloff opens up a possible move to 12.40. Bulls need a close over 13.13 to start.

Exports: 132K tons of soybeans to unknown.

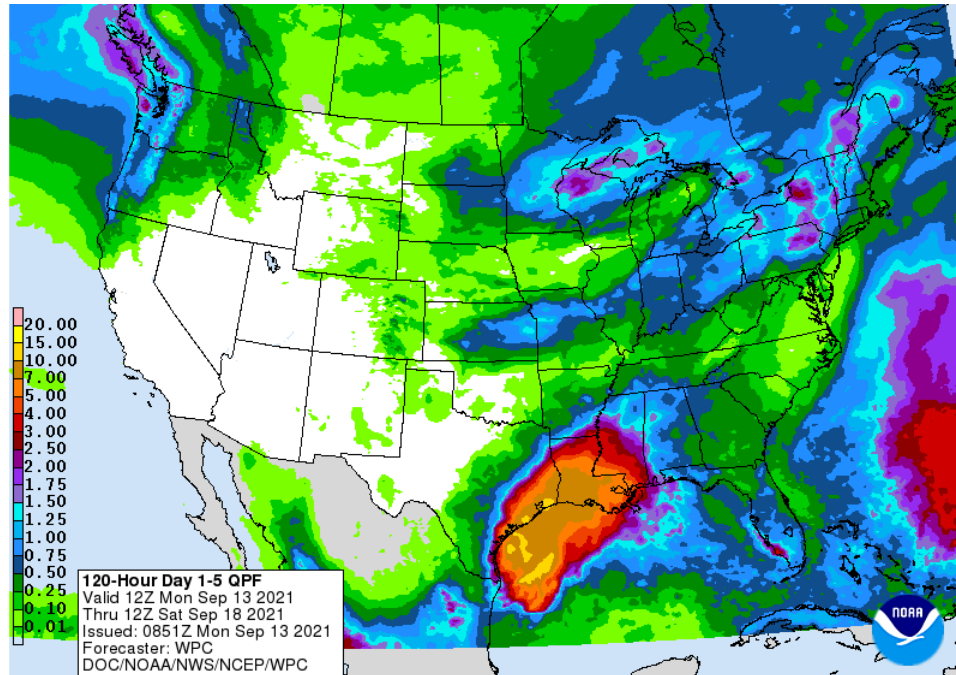
Weather: Warm temperature continue this week with some patchy showers forecasted. We will have to start paying attention to SA weather as N Brazil is looking for rains the next two weeks.

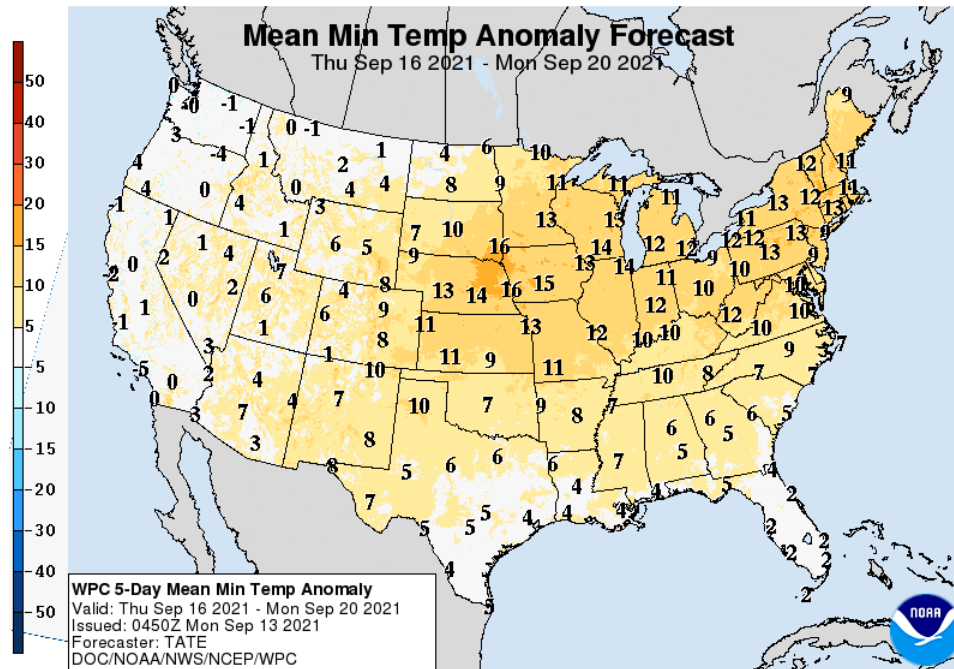
Dollar Index: The dollar is trading 12 cents higher this morning at 92.70.

Brazilian Real: The Real is trading 5 ticks higher this morning at 19.11.

Additional Comments:

5 Day Rainfall Accumulation Forecast





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