

What is currently priced in?

Corn and soybeans finished mixed as they sort out money flow and production cuts from South America from multiple entities. The newest release came from AgRural cut their Brazilian soybean production to 133.4 MMT from 144.7 which is the lowest level we have seen so far. Many believe the driest areas of S Brazil & Paraguay will not be able to recover giving analysts the confidence to cut production estimates. No major showers are forecasted until next week with times hovering around 100 degrees. Still looking for buyers on breaks this week.

Today's Corn Outlook: Corn lost 7 cents yesterday and are off a couple of cents overnight. Last week's export sales were dismal at 256,000 MT. It was a holiday week but still pretty weak numbers. Overnight corn dropped below 6.00 but has recovered this morning. Corn really needs to get up and challenge 6.15 area before next week's report to keep the momentum going.

March Corn Technicals: Corn market is bullish and is looking to run at 6.15 while bears need a move below 5.82.

Today's Soybean Outlook: Beans added another 5 cents yesterday but showed some weakness overnight dropping 20 cents at one point. Currently 11 cents lower but with more negative news out of SA the market should stay supportive. Exports were weak in soybean also to finish the last week of the year but we have started to see some small flash sales this week.

March Soybean Technicals: The soybean market is still slightly bullish but a move below 13.25 and sentiment will turn negative. Bulls need a move back over 13.65 to solidify.

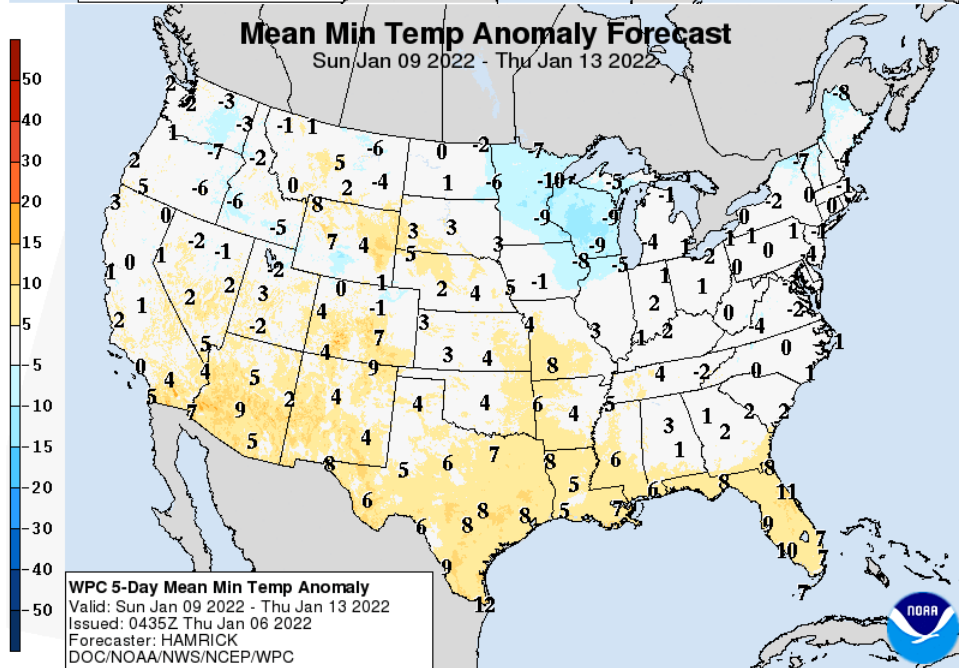
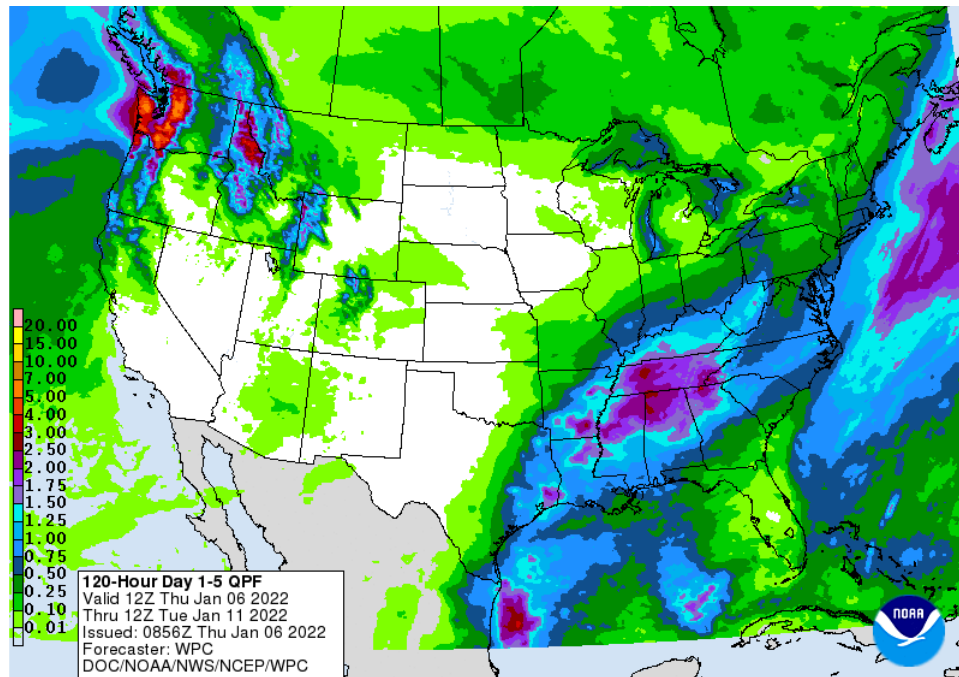
Exports: 102k tons of soybeans to Mexico.

Weather: Patchy rains in C. Brazil & Paraguay this week while Argy dryness expands this week with 100 degree temperatures.

Dollar Index: The dollar is trading 12 ticks higher this morning at 96.18.

Brazilian Real: The Real is trading 2 ticks higher this morning at 1750.

Additional Comments:



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