

New Crop balance sheet today

Corn and soybean prices are a little higher this morning as we move towards the release of the May WASDE report. The general sentiment is the corn report will bearish and looking at the new crop carryout with trendline yield and bigger acres that rings true. The other big concern is the growing carryout for 22/23 with the USDA needing to cut more export demand and possibly a future cut to ethanol as well. The quandary for us is the big inversion in the old crop market. If we really have a 1.5-billion-bushel carryout can the short crop in the west be the only driver for the inversion? Time will tell but there could be the argument that we are getting a little ahead of ourselves before we get through the summer. On the soybean side, the demand is not a problem, and we will be bringing in a tight carry in number for the new crop balance sheet. Crush capacity is increasing, and exports have been good so far. The only real concern is the forward bookings for next year have been light so that will be on our radar going forward. We are looking for some sort of relief rally into next week as there seems to be enough bad news priced in for now. We still have the whole growing season ahead of us. For today, we will use 5.80 & 13.98 for support and 5.92 & 14.18 as resistance.

July Corn Technicals: The market is bearish and trade below 5.72 will open further breaks. Bulls need to see trade above 6.03.

July Soybean Technicals: The market has turned negative and close under 13.92 is bearish. Bulls need a close over 14.10 for starters.

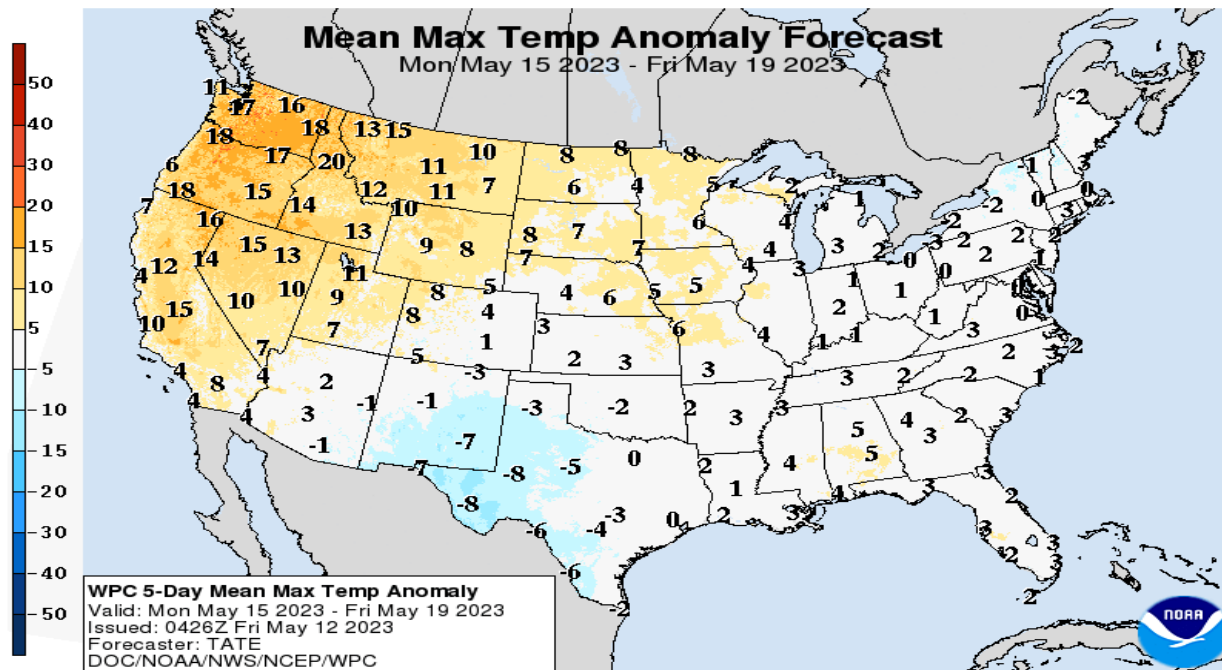
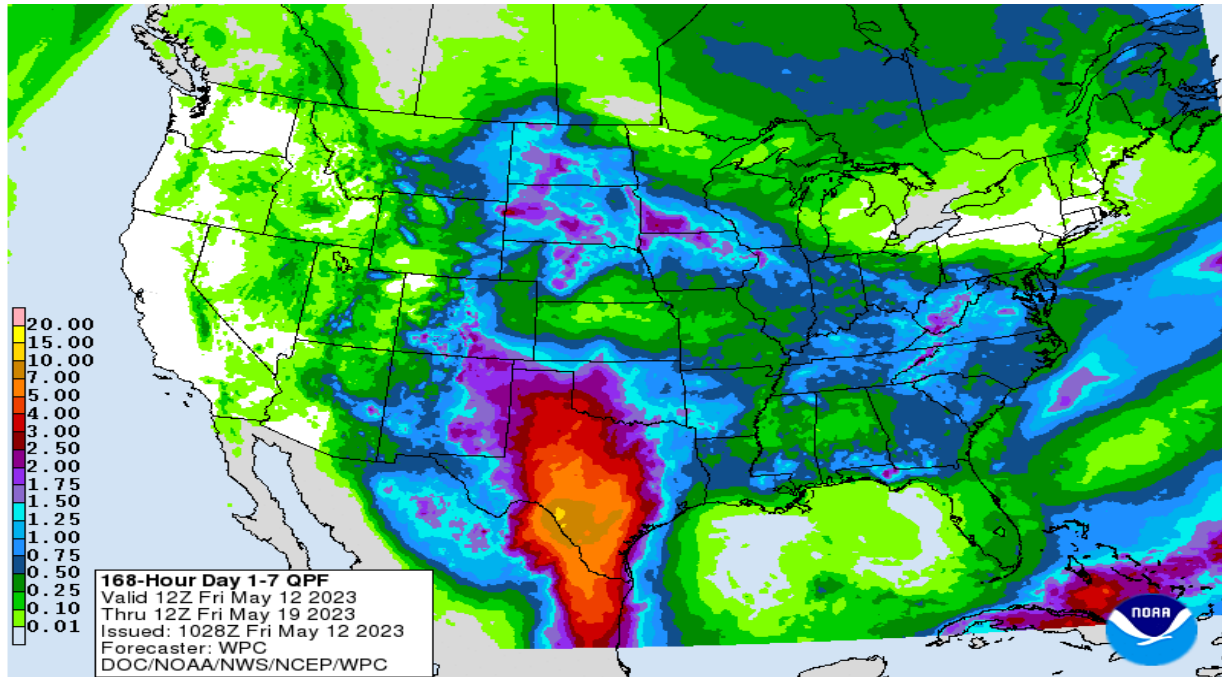
Exports: None to report.

Weather: Argy weekend rains reduces stress. Brazil is dry until 2 weeks out. More rain in the N Plains this week will slow planting progress.

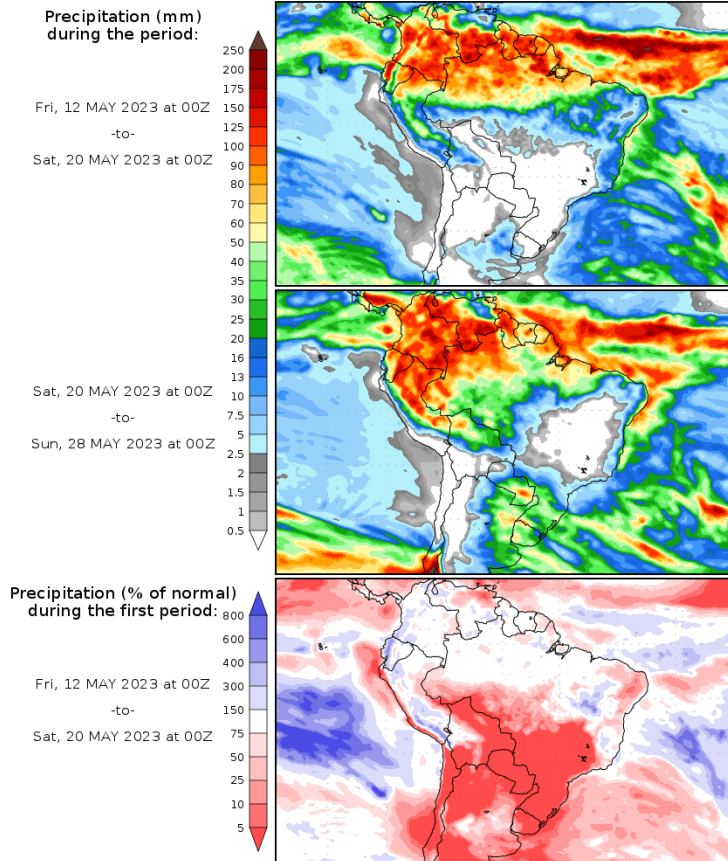
Dollar Index: The dollar is trading **15 ticks higher** this morning at 102.21.

Brazilian Real: The Real is trading **5 ticks lower** this morning at 20.22.

7-day weather maps



Precipitation Forecasts



Precipitation forecasts from the National Centers for Environmental Prediction. Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003. Forecast Initialization Time: 00Z12MAY2023

GRADS/COLA

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