

Forecast holds buy prices backing off

Last week: July Corn +49.5 cents, July beans +30.0 cents, July wheat +11 cents Dec corn +34.75 cents and Nov beans +14.0 cents. The markets were trying to price in the dry hot weather forecasted for the start of June. The forecast did not change over the weekend, but prices are backing up. The market is trying to decide if there is enough risk premium in the market now. Brazil has started harvesting its massive 2nd corn crop as estimates for its size continues to grow. Funds were sellers again last week (no surprise!) and as of Tuesday they were short 98k corn and long only 4,100 contracts of soybeans. There was buying to end the week so we will likely see a net positive change on the short week report. We will have to see if there are some day session buyers that want to own these contracts going into this dry hot stretch. For today, we will watch 5.93 & 13.15 for support and 6.09 & 13.40 as resistance in July. New crop contracts, we will use 5.23 & 11.72 for 1st support and 5.41 & 12.10 as resistance. Many are watching 11.53 ½ as critical support for new crop soybeans.

July Corn Technicals: The market has turned short-term bullish and needs to move back over 6.00. Bears need a move back below 5.86.

July Soybean Technicals: The market is bearish in the short term, and the bulls need to a move over 13.65. Bears will watch for trade below 13.00.

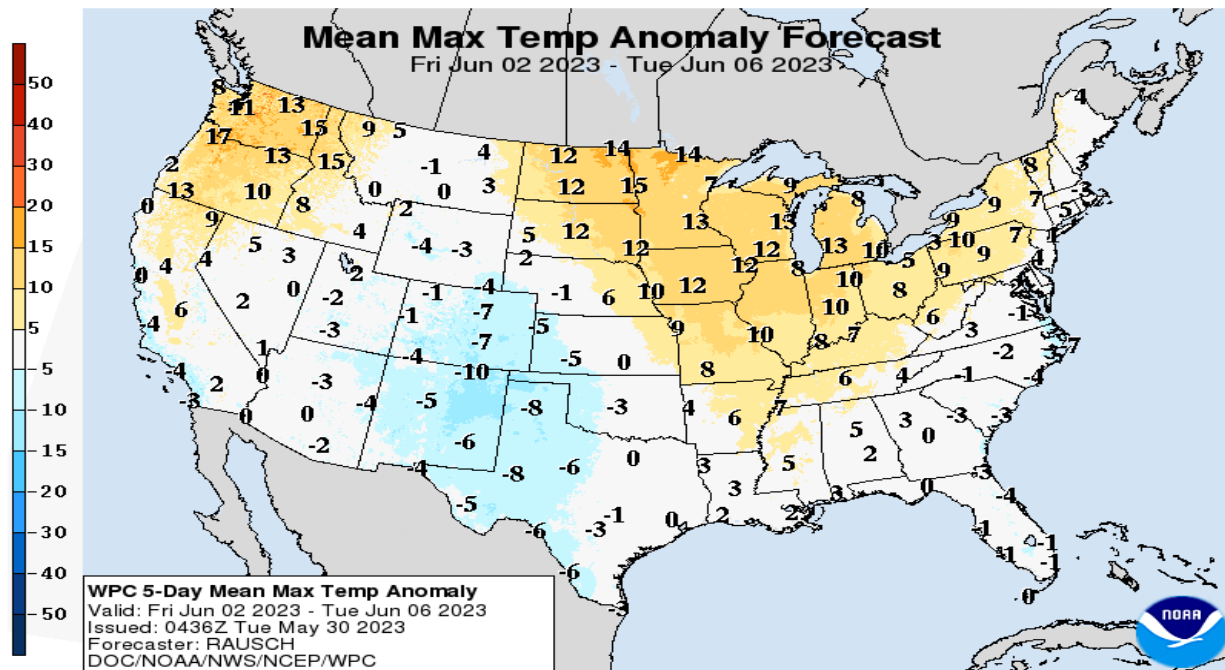
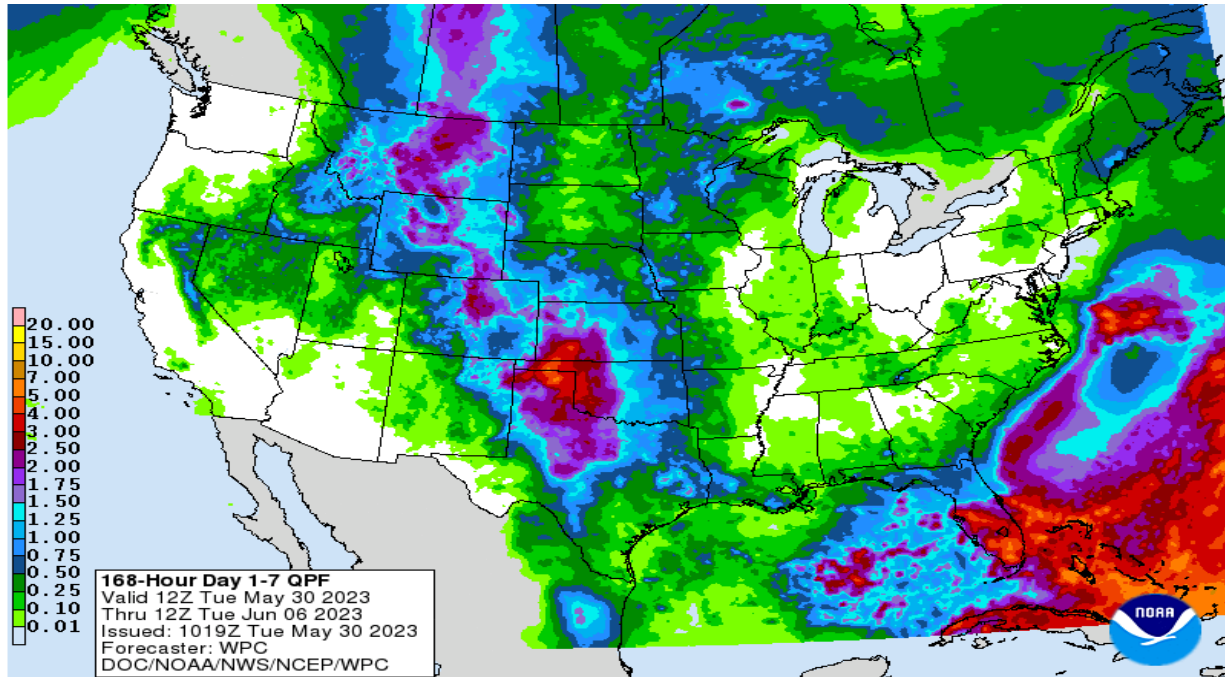
Exports: None to report.

Weather: S Brazil continues receive stress relieving rains. The Central Midwest will be experiencing hot and dry weather through the week.

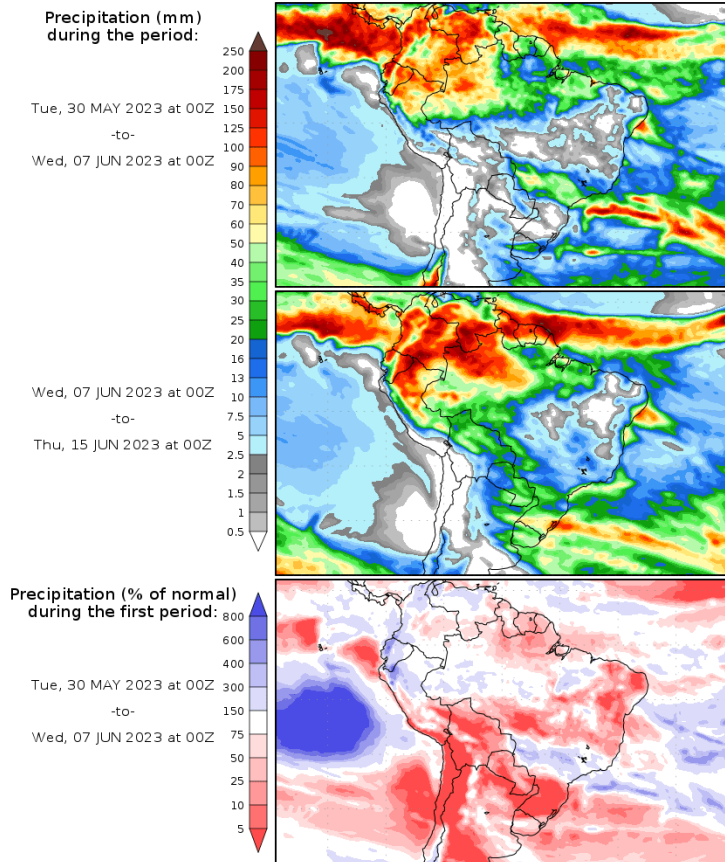
Dollar Index: The dollar is trading **23 ticks lower** this morning at 103.96.

Brazilian Real: The Real is trading **13 ticks higher** this morning at 19.88.

7-day weather maps



Precipitation Forecasts



GRADS/COLA

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