

### **Dryness expanding into Iowa and Illinois**

Corn, soybeans and wheat futures held most to all of their gains from Wednesday and are higher in the overnight session. The “drone strike” on the Kremlin seems to have stymied the selling pressure we have seen for 2 weeks across all commodity markets. Funds had been big sellers the 2<sup>nd</sup> half of April as demand concerns and the prospect of excellent planting progress in the heart of the Corn Belt gave them confidence to keep selling. We also have macroeconomic headwinds jumping on board as the Fed keeps fighting inflation. Can we sustain this upward momentum? Have we spooked the funds enough to stop their selling bias? Argentina is likely to lose more production from the already massively cut estimates. Brazil basis has improved as early harvest selling has slowed and dry conditions are expanding east into much of Iowa and parts of Illinois. So not all news is bearish currently and you have seasonal support in your favor as well. For today, we will use 5.81 & 14.10 for support and 5.95 & 14.40 for resistance.

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

**July Soybean Technicals:** The market is negative and building momentum looking to test the recent low of 13.96. Bulls need to see a move over 14.30.

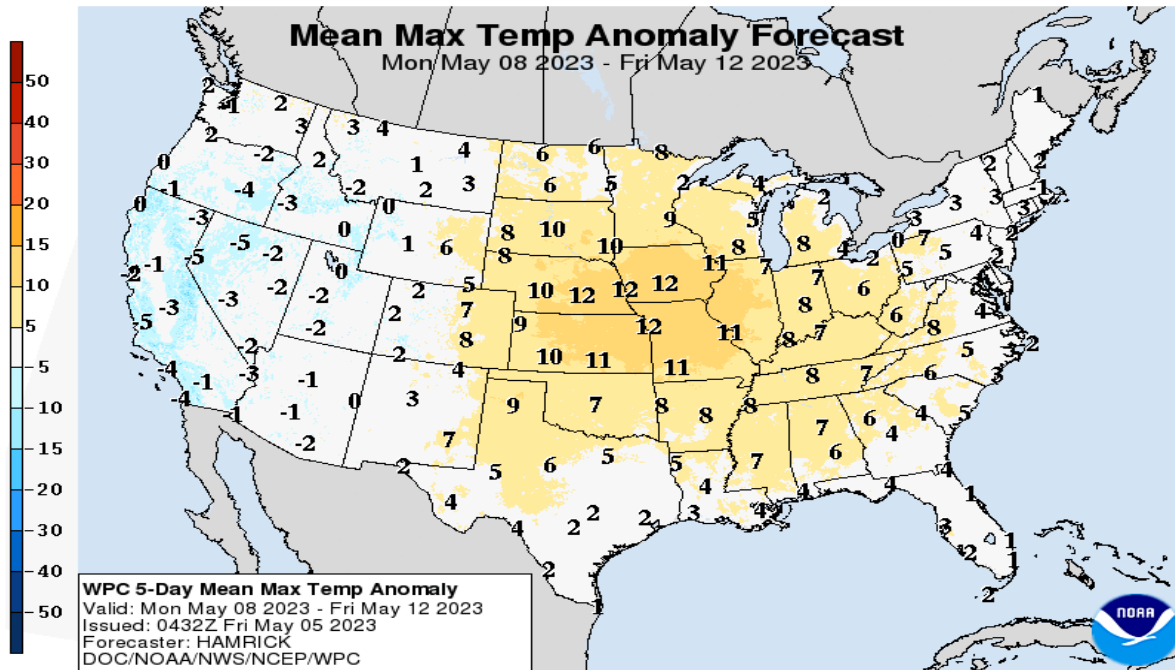
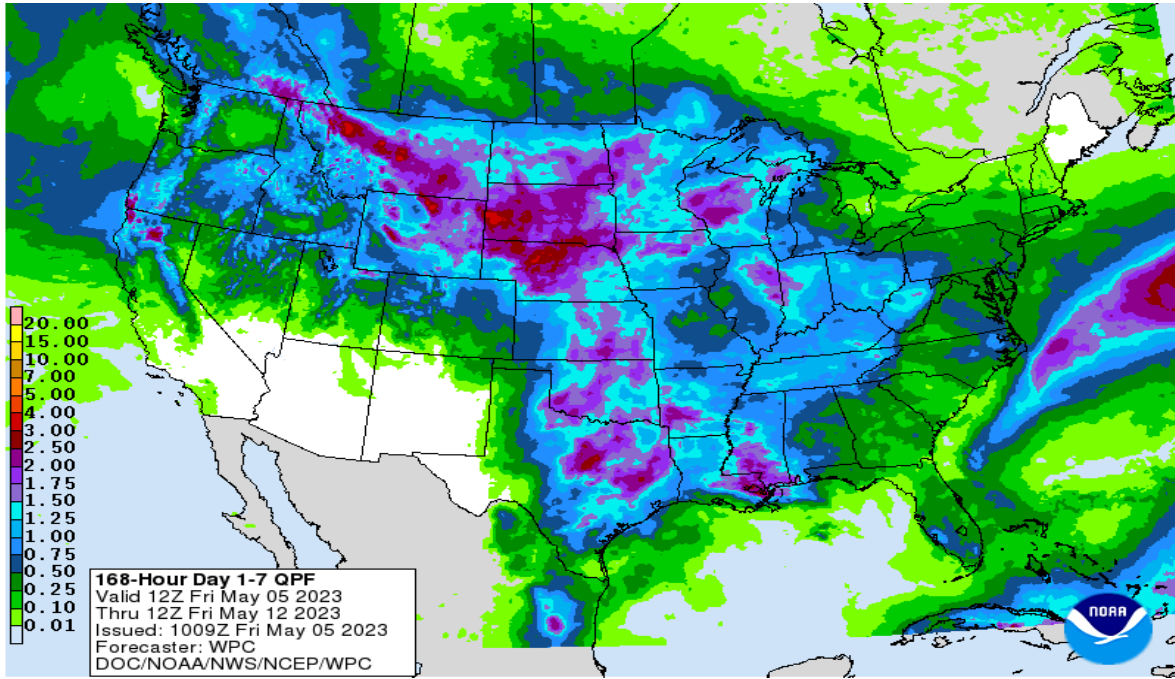
***Exports: None to report.***

***Weather: Argy dryness continues stress on late crops. Brazil rains benefit 2<sup>nd</sup> crop corn but Euro model has dry risks . US weather looks to dry up and warm up this week but the forecast has more rain for the N Plains.***

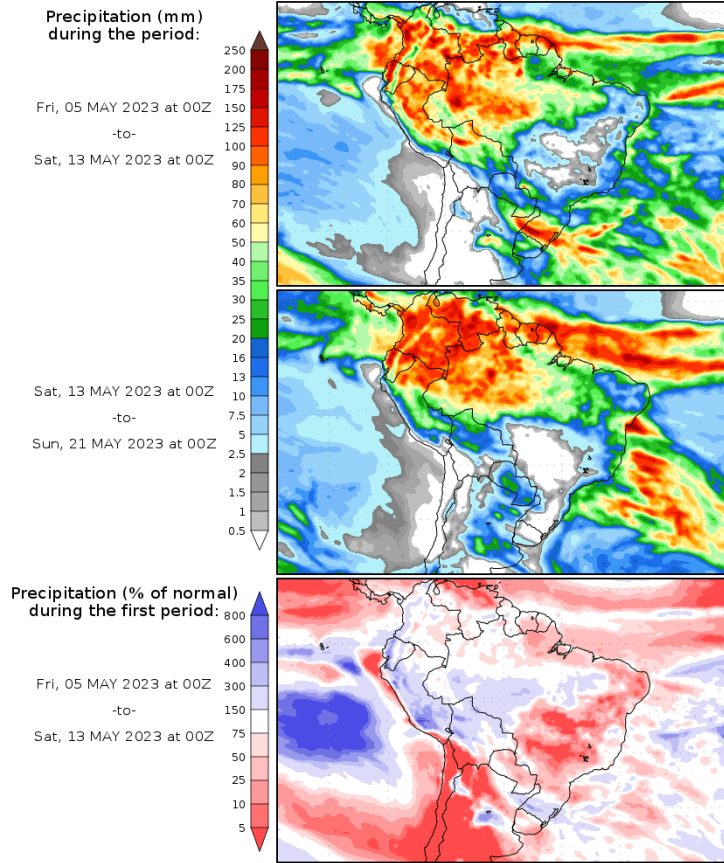
***Dollar Index:*** The dollar is trading **25 ticks higher** this morning at 101.64.

***Brazilian Real:*** The Real is trading **6 ticks higher** this morning at 20.12.

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: 00Z05MAY2023

GrADS/COLA

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