

**Reinflation trade?**

- **Overnight-** Corn and wheat futures were higher and soybean futures were lower.
- **The May corn** moved over 4.35 which could give us a chance to get back in the 4.40's and maybe challenge last week's high.
- **The soybeans** are having trouble shaking off their dismal export situation while soybean crush remains strong it cannot counteract the lack of soybean export demand.
- **Fed speakers** yesterday were taking a hawkish tone on rate cuts and with today's strong jobs report the chance of a June rate cut is moving lower.
  - **Will the funds** decide they want to own commodities for a reinflation trade?
    - **This might be the bullish fundamental** the grain market needs so we will be watching the macro numbers closely. CPI will be out next week.

**Bottomline**

The macro-economic picture could be shifting away from multiple rate cuts this year and this could be supportive the commodity markets going forward. Weather in Brazil is non-threatening weather-wise, and the ECB is wet so could slow the early planting season on that side of the MS River. US weather moves to the forefront of traders' minds now.

**May Corn Technicals:** Corn market bounced yesterday off the lows and a close over 4.35 will be constructive. Bears want to see trade below 4.20.

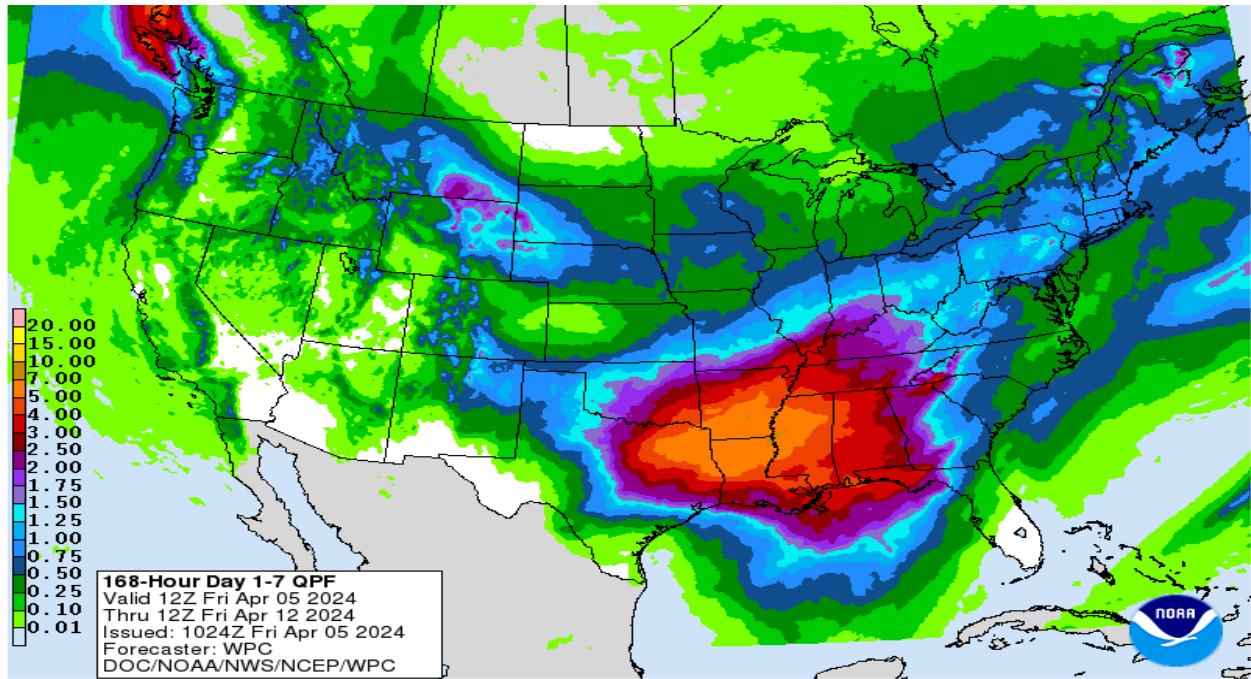
**May Soybean Technicals:** The market is neutral, and bulls need a move above 12.02 while bears are looking for a close below 11.71.

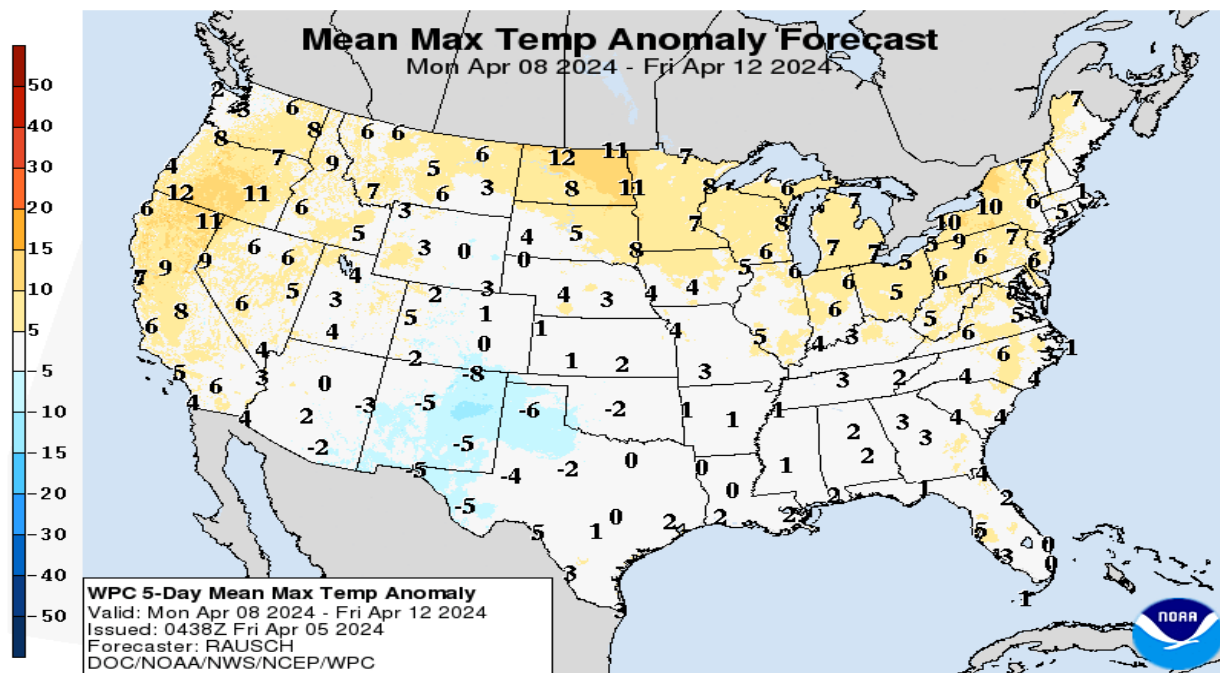
***Exports: None to report.***

***Weather: Brazil's current showers may be enough to hold the corn crop in good condition even if the weather turns dry mid-April.***

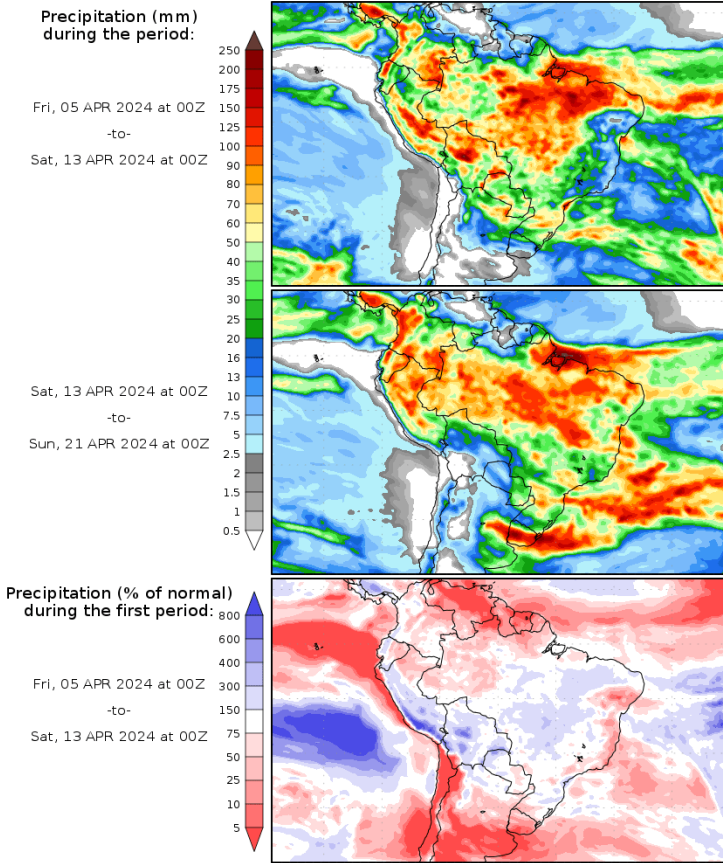
***Dollar Index:*** The dollar is trading **47 ticks higher** this morning at 104.36.

***Brazilian Real:*** The Real is trading **2.5 ticks lower** this morning at 19.75.





**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: 00Z05APR2024

GRADS/COLA

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