

CORN: STEADY - BETTER

The market continued higher yesterday as rain chances dissipate for the weekend. A very strong cash market also supported the front end of the market. Funds were also noted buyers of 7K contracts. Overnight we opened lower and then traded higher in spite of weakness in the bean market. Technically, July has reached a short term goal of \$6.30, but a close above \$6.37 (the 100-day moving average) may bring out more enthusiasm. Support for July is \$6.16 and then \$5.90. Resistance is at \$6.32 and then \$6.58. Commercials and funds continue to be good buyers on breaks. Farmer selling is light in the old crop, but picking up in the new crop. It looks like we are heading into a good old-fashioned weather market.

Overnight trade settled 4 higher in CN12.

SOYBEANS: MIXED - WEAKER

Beans moved in favor of the bulls yesterday, gaining back some of their early week losses. The momentum built, however, did not transfer into the overnights (-5 3/4). The weather outlook is still inadequate for jump starting the crop, but traders have mixed emotions about the commodity. Beans did not meet haughty expectations this week, and that has the market concerned we are priced way out of the international market. This is evident as Dalian futures pushed deeper to the low side, now down over the equivalent of \$1/bu since posting April highs. There is strong support in beans at \$13.76 and stronger resistance holding at \$14.49 3/4. Look for beans to trade mostly lower today, but at points possibly mixed. Crude is currently down 30 cents and the USD is relatively unchanged.

Overnight trade settled 5 3/4 lower in SN12.

WHEAT: HIGHER

Wheat again traded higher yesterday (+16 KWN), and the market added over 60 cents to July futures this week. With flat price holding steady producers should be reaping the rewards as they sell this rally, new and old crop. Overnight, the trend continued and that "snowball" of momentum should roll into today's session. Fundamentally little has changed, with traders hanging on to weather concerns of heat and dryness. Some areas yesterday evening in the dry western Kansas did receive some needed showers. Much more of this is needed to bring this crop back to where it was going into

the Kansas Wheat Tour. More areas of Oklahoma are harvesting, reporting good quality and above average yields. With the exception of a small chance this weekend, the HRWW region looks to remain dry over the next six days with warming weather. This is nothing new and the traders are certainly aware, hence the impressive market rally we have seen. As the market continues its nearby trend, look for resistance around \$6.90.

Overnight trade settled 5 1/2 higher in KWN12.

CATTLE: STEADY - HIGHER

Nearby cattle futures traded firmer again yesterday and closed at their highest levels in seven weeks. June futures are now more than \$5 off their lows in just the past three weeks as the cash cattle market remains resilient and pulls futures higher for convergence. We did see some light cash cattle trade in the North yesterday at \$122, generally up \$1 from last week for that region, but the majority of the country continues to pass \$118-119 bids with the anticipation of a \$121+ market by day's end. The USDA will be releasing their monthly Cattle on Feed report this afternoon and it is not uncommon for the cash trade to commence after we see the data with both sides hoping it will improve their bargaining power. We will be looking for the May 1 on feed supply to be up 0.3% from last year, April placements down 11.6%, and April marketings down 1.4%. Look for a firmer start in the cattle market again this morning as nearby June futures continue to lead the market higher. Any cash trade \$121 or firmer likely finds futures remaining firm to higher. Do note yesterday's weekly slaughter report shows the average steer and heifer carcass up two pounds from the prior week, perhaps putting in our seasonal low and still 17-18 pounds heavier than last year and average.

Please Note: The CME is revising the new trading hours, and will **not** be put in effect this Sunday.

Fund Position	Accumulative	Yesterday
Corn	+147,572	+7,000
Soybeans	+249,923	+6,000
Soybean Meal	+102,111	+3,000
Soybean Oil	+14,865	+4,000
Chicago Wheat	-48,884	+6,000
KC Wheat	+3,210	+300



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