

**Random price walk continues with markets searching for developing story as a driver. Dry conditions in extreme southern Brazil just might be that development. Corn production in parts of RGDS estimated down 30%.**

**At 0600 CH20 trading off  $\frac{3}{4}$ ¢ at \$3.84 with SH20 off 3¢ at \$9.41  $\frac{3}{4}$ . Both on continued thin volume. KC and Chi wheat lower as well.**

**Crude giving up some ground this morning at \$62.82. Dow futures a scratch higher at 28,6567. Trade nervous and waiting to see if the situation in the Mideast escalates with potential retaliation from Iranian forces.**

**Average trade guess on corn yield for Friday's report at 166.2 bpa, down from 167 in the November report. Corn harvested acres also expected to drop 400K from November. In total, trade expecting corn production to drop 148 mln bu and holding demand constant, would represent a carryout of 1,757 and stocks use ratio of 12.6. Would justify additional price strength if verified.**

**Average trade guess on soybean yield at 46.6 bpa down .3 bpa from the November report. Harvested acres at 75.5 mln a scratch lower than November. Production estimated at 3,512 from this combination down 38 mln bu from November. With no demand changes a carryout of 424 mln bu represented and a stock use near 10.5.**

**Price scatter with the above assumptions out later this morning to give some price perspective.**

**CFTC data showed Funds covered more of their net short in soybeans than trade guesses. We have them net short 6K contracts after the 4K bought yesterday. Corn short estimated at 91K.**



INTL FCStone, Inc. and its affiliates assume no liability for the use of this information contained and expresses no solicitation to buy or sell futures, options on futures contracts, or OTC products. Commodity trading involves risks and past financial results are not necessarily indicative of future performance. Any hypothetical examples given are exactly that and no representation is being made that any person will or is likely to achieve profits or losses based on those examples. Reference to and discussion of OTC products are made solely on behalf of INTL Hanley, LLC. Reproduction without authorization is forbidden. All rights reserved.