

Quiet overnight trade with corn inside a 2¢ high to low range and soybeans inside 4¢. At 0630 CZ20 unchanged at \$3.30 with SX20 off ¾ of a cent at \$8.86 ¾. Decent volume on these two contracts of 29 and 12K so far.

Dow futures 18 points higher at 26,315. Crude up 41¢ at \$43.45. US \$ Index a scratch lower.

Funds credited with selling 15K corn yesterday and now estimated holding a net short of 163K contracts. Sold 6K soybeans reducing their net long to 77K contracts.

Forecast remains rather benign heading into August and the seasonal glideslope appears intact. As noted previously, much of the expected Chinese business is to a degree already baked into the cake. Offers some support but must be much larger than current trade attitudes to shift overall balance sheet carryout expectations.

Corn spreads relaxing but well-off levels a 2 plus billion carryout would suggest. Many of the new crop spreads not even at 50% of full carry.

SXSF trading 6¢ this morning and looks to move wider in the face of strong US Gulf values for November. High basis and strong demand this fall may keep spread tighter than would expect. Flat price action between now and first notice day the likely driver. Fund position between now and then also impacting. Clock is ticking.

Additional basis appreciation at corn processors noted yesterday with limited country movement.

Brazil corn exports so far in July running well ahead of US totals. Bulk of their winter corn crop yet to move and will offer some stiff competition the balance of the summer an early fall.

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