

Crop report out of the way with few surprises. Corn carryout, both old and new showed negative numbers but short-term dynamics and market make up open the door for additional price strength.

At 0630 this morning CZ19 trading \$0.04 higher at \$3.71 ¼ with SX19 \$0.03 ¼ higher at \$8.98 ¾. KC and Chi wheat trading \$0.05 ¾ and \$0.04 ¾ higher as well.

Some trying to talk up of a Key Reversal on CZ19 daily chart. Did have a higher close than the previous days high but did not make a new contract low which would have made it a textbook example. Open interest up 5K contracts yesterday on solid volume also a characteristic of a key reversal.

Last time CZ19 showed a key reversal a \$1.09 rally unfolded. Technical traders who bought into that reversal rewarded as the fundamental picture evolved with delayed planting. Will they be rewarded once again with a fundamental story yet to unfold? Technical traders don't let the fundamental noise of the day dictate their position.

Soybean open interest up 7K contracts yesterday on volume of 345K contracts. Volume more than half the total open interest.

Yesterday mentioned trade sources indicating Chinese interest in US soybeans. Same sources now indicate at least 10 cargoes of beans were booked which represents near 22 mln bushels.

Open chart gap on CZ19 between \$3.92 ¾ and \$3.88 a legitimate target?

Spreads tighter on price action. CZCN trading \$0.28 this morning and risk trading tighter on market action. Funds net short 142K contracts after covering an estimated 18K yesterday. CFTC data updated this afternoon.



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