

Markets sharply higher overnight. Volume totals of 64K corn and 57K soybeans to this point. On yesterday's rally corn open interest grew 7K contracts with soybean OI dropping near 5K. Interesting to see OI in beans today.

At 0600 CZ20 trading 4 ½¢ higher at \$4.09 ¾ with SF21 13¢ higher at \$10.99 ¼. Chi and KC wheat 10 and 9¢ higher.

Dow futures sharply higher this morning and have traded a scratch above yesterday's 28194 high.

SX20 close at \$10.79 yesterday was the highest close on a spot bean contract since July 13th of 2016. SF21 making a new high for the move overnight and now \$2.68 ¼ off the May 21st low of \$8.35 ¾.

USDA monthly Supply / Demand and Production reports next Tuesday. Trade looking for a scratch lower corn and soybean yields. Corn carryout to drop 134 mln bu with soybean C/O down 55 mln bu. Yesterday looked at a well followed firm suggesting US soybean carryout at 163 mln bu. Would make a stock use ratio of 3.5%.

Ethanol production 2.1 percent higher last week. Implied weekly corn grind 97.03 mln bu, below the required rate to keep pace with USDA's current forecast by 1.6 mln bu. Still, a significant improvement over the average of 5.6 mln bu so far this year.

Export sales at 0730. Trade looking for corn sales of up to 2.5 mmt on the high side with beans at 1.7 mmt.

Dryness to build in western, central and southern areas of Brazil through the weekend. Rains in central areas next week. Better than expected rains yesterday in southern Arg and outside major soybean areas. Limited showers in Arg through the weekend allow dryness and stress to build. Overall conditions in Argentina declining. Neutral in Brazil.

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