

Soybeans

Tuesday, June 29, 2010

GRAINS / OILSEEDS AFTERNOON UPDATE

Soy-complex ended sharply lower led by very weak outside markets as China's stock market was down 4.3% overnight and made 14 month lows. The reason for the China stock market break was tied to the fact that the Conference Board sharply revised lower its April leading economic indicator for the country and then on top of that the move by the Agriculture Bank of China to cut the price range for the local portion of it estimated \$23 billion initial public offering continued to send stock prices into a complete tail-spin there. All this was followed today by a sharply higher USDlr, crude values down over \$2.50 and the Dow Jones ending nearly 250 points lower – one would say a complete commodity meltdown.

Trade awaiting the USDA Quarterly Stocks report in addition to the Planting Intentions Report – due out Wednesday morning.

The USDA is scheduled to release June 1st Stocks in addition to updated Planting Intentions Wednesday morning. Average estimate for soybean planted acreage at 78.292 million acres, up 194,000 acres from the March projection of 78.098 million estimates ranged between 76.528 million and 79.600 million acres.

The USDA is expected to report soybean stocks at 592 million bushels in its quarterly grain stocks report. Estimates ranged from 575 million to 620 million. Stocks as of March 1 totaled 1.270 billion.

Short-term and long-term technical trend indicators are lower for July Soybeans July Soyoil, short-term trend for soy meal is higher while the long-term technical trend is lower.

Corn

Corn ended sharply lower led by non-threatening US Midwest weather forecasts and very weak outside markets as China's stock market was down 4.3% overnight and made 14 month lows. The reason for the China stock market break was tied to the fact that the Conference Board sharply revised lower its April leading economic indicator for the country and then on top of that the move by the Agriculture Bank of China to cut the price range for the local portion of it estimated \$23 billion initial public offering continued to send stock prices into a complete tail-spin there. All this was followed today by a sharply higher USDlr, crude values down over \$2.50 and the Dow Jones ending nearly 250 points lower – one would say a complete commodity meltdown.

Trade awaiting the USDA Quarterly Stocks report in addition to the Planting Intentions Report – due out Wednesday morning.

The USDA is scheduled to release June 1st Stocks in addition to updated Planting Intentions Wednesday morning. Average estimates for corn plantings is 89.302 million acres, up from a March 31 projection of 88.978 million and up from the 2009 total of 86.5 million estimates ranged from 88.1 million acres to 90.153 million. The corn stocks in all positions as of June 1 are projected at 4.613 billion bushels. That would be up from 4.261 billion at the same time a year ago. The range of estimates was 4.459 billion to 4.784 billion.

This week's export inspections for corn were 35.4 million bushels, up from last week's very poor total of 29.2 million. This is still well below the average inspections of 47.7 million bushels that are needed each week to reach the USDA's current export projection for 2009/2010. Cumulative inspections stand at 75.9% of the USDA projection versus a 5 year average of 78.1%.

Short-term and long-term technical trend indicators are lower for July corn.

Wheat



Wheat futures ended lower off of active winter wheat harvest in addition to very weak outside market in what was termed a bit of a commodity meltdown today.

Trade awaiting the USDA Quarterly Stocks report in addition to the Planting Intentions Report – due out Wednesday morning.

Short -term and long-term technical trend indicators are lower for July wheat.

USDA CROP REPORT – Due out Wednesday – June 30th – 7:30 (cst.)

Convenience table for USDA June crop reports

The following table is for the U.S. Department of Agriculture's June plantings and quarterly stocks reports to be released at 7:30 a.m. CST on Wednesday.

The data for acreage are in millions of acres and the quarterly stocks data are in billions of bushels. The quarterly stocks report is based on total supply of each commodity in the United States as of June 1, 2010.

June Plantings

USDA Average of Range of USDA USDA

June 30 Analysts' Analysts' March 31 2009 final

2010 Estimates Estimates 2010 Planted

Corn _____ 89.229 88.100-90.153 88.800 86.500

Soybean _____ 78.183 76.528-78.900 78.100 77.500

All wheat _____ 53.825 53.500-54.087 53.800 59.133

Spring _____ 13.732 13.056-14.000 13.900 13.268

Durum _____ 2.327 2.200-2.600 2.200 2.554

USDA Quarterly Stocks

USDA Average of Range of USDA USDA

June 30 Analysts' Analysts' March 1 June 1

2010 Estimates Estimates 2010 2009

Wheat _____ 0.940 0.929-0.950 1.352 0.657

Corn _____ 4.598 4.459-4.784 7.694 4.261

Soybeans _____ 0.594 0.580-0.620 1.270 0.596

Regards, Tim Anderson

The risk of loss in trading futures and options can be substantial, therefore only genuine "risk" funds should be used in such trading. Futures and options may not be a suitable investment for all individuals and individuals should carefully consider their financial condition in deciding whether to trade. Option traders should be aware that the exercise of a long option will result in a futures position.

“This report is contributed by Tim Anderson. Please send email to info@gatetrade.com, if you are interested in learning more about commodity futures and option trading in addition to more extensive research.”