

**Have we found the bottom of the weather selloff?**

Corn was mixed with old crop higher and new crop lower while soybeans were lower across on Tuesday. Weather forecasts continue to gyrate the markets as the Euro model is moving drier while the GFS is holding on to the moisture. There was a delay with the Euro midnight run but the wet GFS came out on time and put early morning pressure on the markets. Corn was down 7 and soybeans were down over 20 cents. The Euro model did run 2 hours late and continues to move drier and the market turned with corn finishing the overnight up 5 cents and soybeans down only 5 cents. Granted the overnight market is thinner and can be pushed around more than the day sessions but it emphasizes how these markets are trading forecast to forecast. Overall, there seems to be some concern building that these forecasted storms are not going to be what was expected earlier in the week so stay tuned as the markets have taken a lot of weather premium out the last two sessions.

**Today's Corn Outlook:** Corn added 8.25 cents in July but lost 7.5 cents in December yesterday. Corn added 5 cents in the overnight session and we got a flash sale of corn totaling 153,416 tons to unknown buyers. This is the first flash sale of corn since May 27<sup>th</sup>. Brazil has opened up imports of corn from the US as their safrina crop continues to decline. Who knows how much they will take but cannot be looked upon as a bearish development.

**July Corn Technicals:** Corn market has turn bearish in the short term and a move below 6.46 will open up 6.20. Bulls need a close back above 6.85.

**Today's Soybean Outlook:** Beans lost 6.5 cents in July and 21.75 cents in November on Tuesday. Overnight November beans traded as much as 26 cents lower before rebounding on a drier Euro forecast that came in late. Soybeans have been suffering from a lot more selling pressure than corn the last 3 sessions since the WASDE. On top of the weather, there is the biofuel issue that has caused the soyoil market to turn over and the weaker crush numbers have the demand side of the balance sheet possibly coming down. We will see if the market has taken enough premium out of the market for the short term as there are still many issue ahead of us this month.

**July Soybean Technicals:** The soybeans turned short term negative and now is looking to challenge 14.34 on the downside. Bulls need a close above 15.00.

**Exports:** 153,416 tons of corn to unknown destinations.

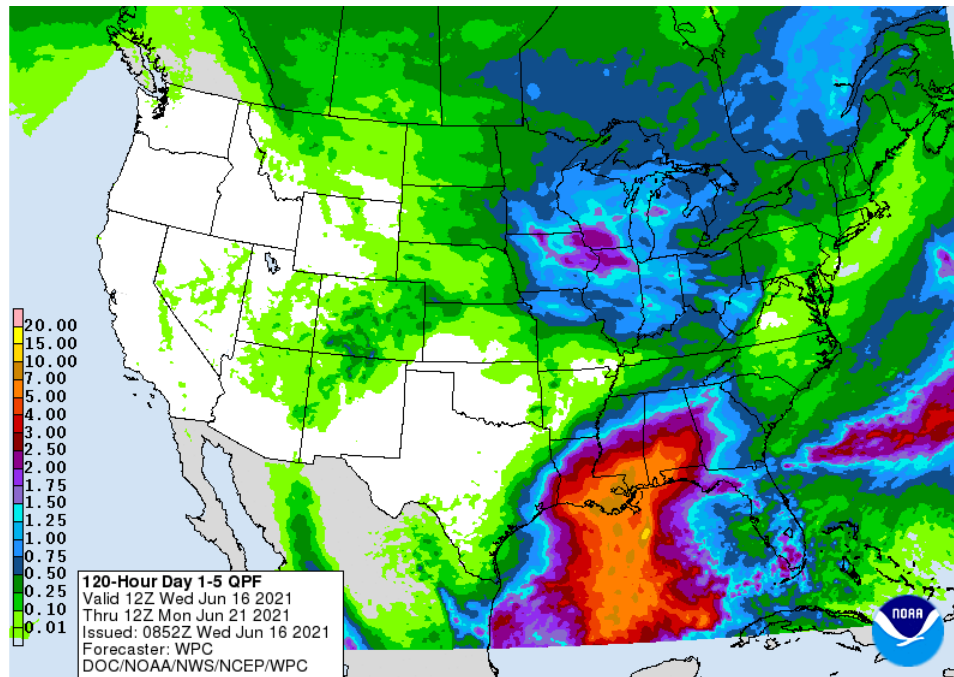
**Weather:** Weather models are mixed and the predicted precipitation is starting to look less likely or at least less coverage.

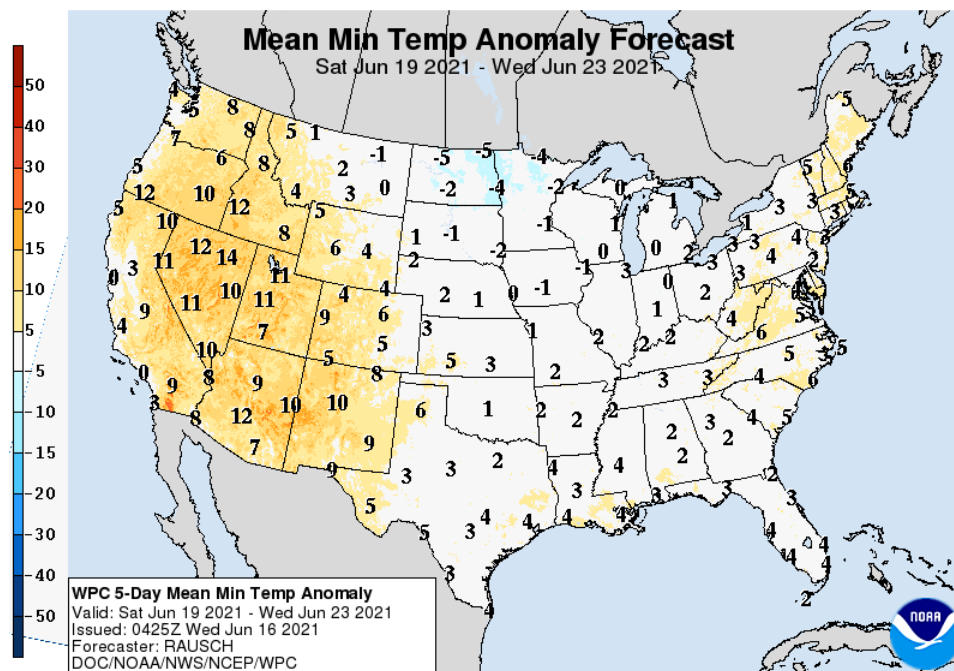
**Dollar Index:** The dollar is trading **3 ticks higher** this morning at 90.53.

**Brazilian Real:** The Real is trading flat this morning at 1979.

**Additional Comments:**

5 Day Rainfall Accumulation Forecast





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