

ADMIS DAILY GRAIN & LIVESTOCK MARKETS

Thursday July 29, 2010

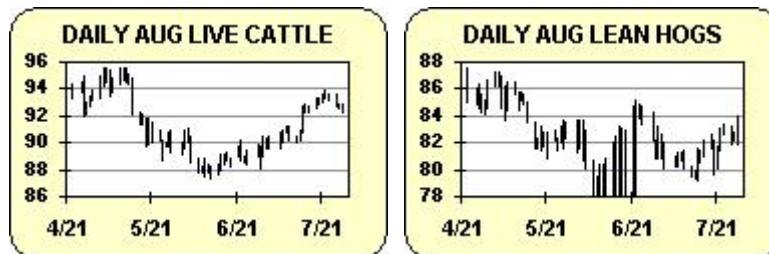


Grain Outlooks

BEANS: Look for firming to continue. Minor new highs possible in soybeans.

CORN: Lower dollar helping to turn the corn market higher.

WHEAT: The drought rally continues with no correction in sight.



Livestock Outlooks

CATTLE: Still somewhat overbought but outside market forces strong; 95.82 Oct

HOGS: Tight supply to continue for a few more weeks and pork on the move up

Overnight Price Changes

CORN +4.0, **SOY BEANS** +6.0, **BEAN OIL** -0.1, **SOYMEAL** +2.8

Grain Markets Fundamental Overview

SOYBEANS: The dollar may be the 'x factor' that pushes November soybeans and December meal to new highs for the year. Weather may be more mixed with some possible stress in the Delta and Southeastern US and in NE China along with a continued stretch of mostly above normal temperatures in major growing areas of the US Midwest. First support in November soybeans is near 9.72 to 9.73 and then at 9.60 to 9.61. First resistance is near 9.92 3/4 and then at 10.00.

CORN: The lower dollar may be a game-changer for the corn market, increasing the odds that the December contract can push through the mid July high at 410 in the December contract. A broad array of lesser factors also tend to support this outlook, particularly China's concern over grain hoarding and ideas that Russia may restrict exports of feed wheat and other feed grains. This situation is like a mini version of the recent wheat situation

where minor, localized production losses in peripheral grain producing areas such as the Southeastern US and the Black Sea region and parts of NE China will cause stepped up buying by end users and some modest inventory building amid fear of increased food inflation. First support in the December contract is near 3.86 to 3.87 1/2 with next support at 3.67 1/4 to 3.70 1/4. First resistance is near 4.01 and then at 4.10.

WHEAT: Ongoing drought in Russia has brought the predictable result of increased governmental restrictions on exports in order to control food inflation. Look for the rally to continue to as high as 735 in the December contract with few setbacks. First support is near 627 1/4 and then at 614 to 619. Resistance is at 659 3/4 and then 735.

LIVESTOCK FUNDAMENTAL OVERVIEW

CATTLE: The turn higher after a shallow 2-day correction could be a sign of strength for the cattle market. Outside market forces appear much stronger than expected, and this should help keep speculators and funds as active buyers. October cattle support moves up to 93.82 and 93.35, with 95.00 and 95.82 as the next objectives.

HOGS: Packer margins remain in the black, and the surge higher in pork values will likely spark increased interest from packers to move as many hogs as possible through the pipeline. Exports appear active, and traders expect continued tight supply ahead. October hog support is at 77.37 and 77.02, with 80.12 as the next upside target.

TODAY'S GRAIN MARKET OUTLOOKS

SOYBEANS: A test of the July highs or minor new highs in soybeans and meal may be in the works, but we do not look for a breakout rally along the lines of wheat. New highs may be a good place to take a look at cautiously buying puts.

CORN: Traders can raise their buying points in December corn to near 3.89 with 423 and 435 as next upside objective.

WHEAT: Aggressive traders can continue buying futures and calls on 10-15 cent pullbacks with the next objective remaining at 735.

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