

ADMIS DAILY ENERGY & SOFTS MARKETS

Thursday July 29, 2010

Today's Market Outlooks

ENERGY: Most factors seem to come down in the bull's camp again today

COTTON: Yesterday's price action signaling the need for a pause on the way up.

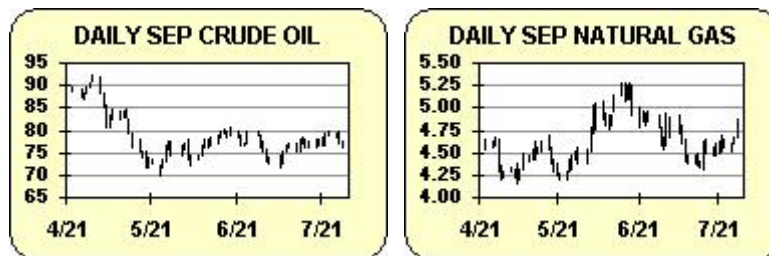
COFFEE: Declining exchange stocks and some concerns for Colombia production

COCOA: More positive global economic view supports but trend still down

SUGAR: In steady uptrend with 19.29 next key resistance; top soon?

Overnight Price Changes

CRUDE +24, HEATING OIL +89, UNLEADED GAS +14



Crude Markets Overview

September crude oil grinded higher overnight and approached yesterday's highs. A portion of the early strength comes from higher global stock markets and a weaker U.S. dollar that has broken down into new three month lows.

Natural Gas Market Overview

September natural gas traded higher overnight as it tried to overcome Wednesday's late day sell off. August natural gas went off the board Tuesday, and spurred a short covering rally that helped fuel early strength. Trading volumes were very active during the wide range blast higher.



Soft Market Outlooks

COTTON: The market may be in the process of pausing near its 100-day moving average as it looks for the fresh buying interest or fresh direction from outside markets that will be needed to take the market higher. The 6-day advance in December cotton slowed yesterday as the market started the day with new highs for the move and then closed lower. In doing so the market may be signaling that the current rally will not be a major trend-turner to

the upside as has apparently been the case with wheat.

COFFEE: Although coffee prices remain entrenched within the recent trading range, September coffee was able to finish with the highest settlement price since July 1st yesterday, as near-term tight supplies continued to hold the upper hand with the market. Prices were able to retest early highs made during a sharp mid-session rally, but once again the market was reluctant to make a run beyond the 170.00 area. A weaker Dollar lent solid support, as did yesterday's moderately large decline in deliverable coffee stocks, which are now at their lowest levels in over 10 years.

COCOA: The range trade continues but maybe not for too much longer. Wednesday's trading action was one of the tightest trading ranges for September cocoa within the last month and is indicative of a market that is coiling and due for a significant move. Brazil's new crop (2010/11) cocoa arrivals were estimated down 6.9% last week, and that brings the cumulative figure down 7.44% (to 1.12 million bags) from the same period last year.

SUGAR: The new low for the move for the US dollar and continued strong gains in equity markets around the world have been enough to support continued strong buying of sugar by speculators and enough to drive the sugar market to the highest level since early March in overnight trade. The rally overnight took out the highs from Tuesday and negated the reversal on the charts. This could slow any long liquidation selling trend that was seen earlier this week.

Price Outlooks

COTTON: Buy December futures and calls on a pullback to 75.45 with a near term objective at 77.48 and a longer term objective at 79.75.

COFFEE: For now, stocks are on the decline and the market remains in a short-term uptrend. If there is another move at the 170.00 level for September coffee, position traders could use this as a selling opportunity.

SUGAR: Watch for signs of a near-term top near the 19.29 level. The market remains in a solid uptrend, and new sellers may want to wait and see how it acts up near resistance levels.

****The data, comments and/or opinions contained herein are provided solely for informational purposes by ADM Investor Services, Inc. ("ADMIS") and in no way should be construed to be data, comments or opinions of the Archer Daniels Midland Company. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. This report should not be construed as a request to engage in any transaction involving the purchase or sale of a futures contract and/or commodity option thereon. The risk of loss in trading futures contracts or commodity options can be substantial, and investors should carefully consider the inherent risks of such an investment in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of ADMIS is strictly prohibited. Again, the data, comments and/or opinions contained herein are provided by ADMIS and NOT the Archer Daniels Midland Company. Copyright (c) ADM Investor Services, Inc.*