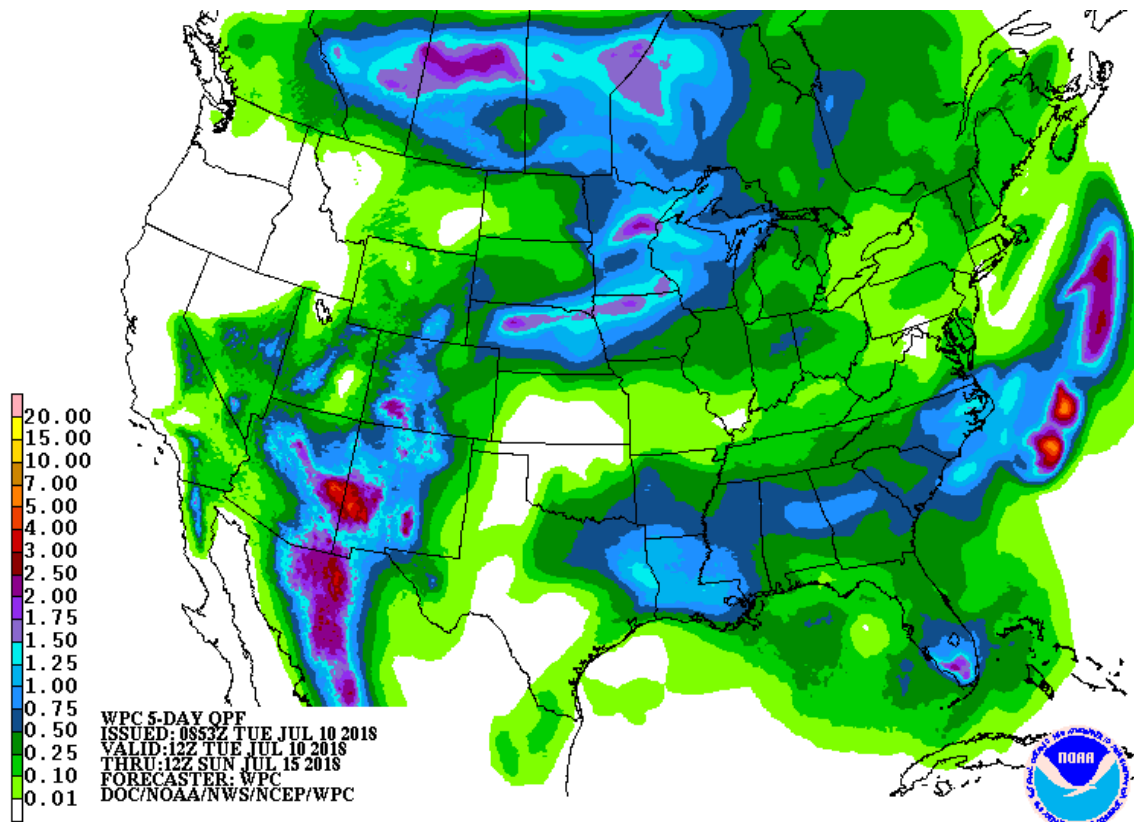




### Weather and crop conditions

- Midday models turned a touch wetter for the dry areas of Missouri and a few nearby areas in eastern Kansas into southeastern Iowa and west-central Illinois Friday into Saturday.
- There were no major changes to the US Midwestern weather forecast.
- The US Midwest will see several rounds of timely rain are expected during the next two weeks, but not heavy in any locations. Some areas may receive multiple events, resulting in slowing of development.
- Temperatures will be warmer than normal across the US this week but trend cooler by the end of the week.
- For areas that receive little or no precipitation, we believe crop stress is most vulnerable across eastern Kansas into Missouri and portions of southeastern Iowa and west-central Illinois. These areas show short top soil moisture, and should be monitored over the next couple of weeks.
- Rain prospects improve for the Delta.
- Periodic rainfall and warm temperatures should be good for summer crop development for US hard red wheat.
- The Canadian Prairies will see rain early this week.
- There are no issues with Brazil second corn crop harvesting.
- Europe will continue to see net drying in parts of the northern and western growing regions, but in general weather is expected to improve this weekend into next week for many dry areas.
- Net drying is expected to persist across eastern Ukraine and in Russia's southern, central and Volga regions.
- Australia will see an increase in net drying.

Source: World Weather Inc. and FI



## SIGNIFICANT CORN AND SOYBEAN BELT PRECIPITATION EVENTS

	WEST CORN BELT	EAST CORN BELT
Wed-Thu		Mostly dry with a few insignificant showers
Wed-Fri	75% cvg of up to 0.75" and local amts to 2.0"; far south and far NW driest	
Fri-Sat		50% cvg of up to 0.65" and local amts to 1.30"; south and east driest
Sat-Mon	80% cvg of up to 0.75" and local amts to 1.75"; far NW driest	
Sun-Jul 17		85% cvg of up to 0.75" and local amts to 2.0"
Jul 17	20% cvg of up to 0.65" and local amts to 1.35"; central areas wettest	
Jul 18		20% cvg of up to 0.65" and local amts to 1.40"; wettest SW
Jul 18-20	60% cvg of up to 0.75" and local amts to 1.50"; wettest NW	
Jul 19-20		40% cvg of up to 0.35" and local amts to 0.80"; wettest NW
Jul 21-23	60% cvg of up to 0.50" and locally more	60% cvg of up to 0.40" and locally more

## U.S. DELTA/SOUTHEAST SIGNIFICANT PRECIPITATION EVENTS

	DELTA	SOUTHEAST
Tdy		15% cvg of up to 0.50" and locally more; wettest west
Tdy-Wed	20-40% daily cvg of up to 0.60" and locally more each day; driest north	
Wed-Sun		15-35% daily cvg of up to 0.75" and locally more each day up to 0.75"
Thu-Fri	5-20% daily cvg of up to 0.30" and locally more each day	
Sat-Sun	15-35% daily cvg of up to 0.40" and locally more each day	
Mon-Jul 17	40% cvg of up to 0.60" and local amts to 1.30"; wettest north	
Mon-Jul 18		75% cvg of up to 0.75" and local amts to 2.0"
Jul 18-22	5-20% daily cvg of up to 0.30" and locally more each day	
Jul 19-22		10-25% daily cvg of up to 0.30" and locally more each day
Jul 23-24	10-25% daily cvg of up to 0.40" and locally more each day	15-35% daily cvg of up to 0.50" and locally more each day

Source: World Weather Inc. and FI

### Upcoming

TUESDAY, JULY 10:

- Cargo surveyors Intertek and AmSpec release their respective data on Malaysia's July 1-10 palm oil exports, 11pm ET Monday (11am Kuala Lumpur Tuesday); SGS data during same period, 3am ET Tuesday (3pm local time Tuesday)

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- Brazil's crop agency Conab releases soy, corn output for July, 8am ET (9am Sao Paulo), along with 2017-18 grain and oilseed crop report
- Unica bi-weekly data on Brazil Center-South sugar production, 9am ET (10am Sao Paulo)
- Malaysian Palm Oil Board (MPOB) data on stockpiles, exports, production for June, 12:30am ET (12:30pm Kuala Lumpur)
- French Agriculture Ministry publishes crop areas, production forecasts
- FAO bi-annual food outlook report, which includes food import bill
- Global Ethanol Focus conference in Singapore, 1st day of 2
- EARNINGS: PepsiCo

WEDNESDAY, JULY 11:

- EIA U.S. weekly ethanol inventories, output, 10:30am
- USDA weekly crop net-export sales for corn, wheat, soy, cotton, 8:30am
- FranceAgriMer updates cereals balance sheets
- Global Ethanol Focus conference in Singapore, final day

THURSDAY, JULY 12:

- USDA weekly net-export sales for corn, wheat, soy, cotton, 8:30am
- U.S. National Weather Service's Climate Prediction Center will release its latest forecast for El Nino, 9am
- USDA's monthly World Agricultural Supply and Demand Estimates (WASDE) report for July, noon
- Brazil coffee exporters group Cecafe releases data on shipments in June and the prospect for exports in 2018-19 crop
- Strategie Grains publishes monthly EU grains report
- Port of Rouen data on French grain exports
- Buenos Aires Grain Exchange weekly crop report
- Bloomberg weekly survey of analysts' expectations on grain, sugar prices
- EARNINGS: Suedzucker

FRIDAY, JULY 13:

- China's General Administration of Customs releases preliminary commodity trade data for June, including soy and palm oil, 10pm ET Thursday (10am Beijing Friday)
- ICE Futures Europe commitments of traders weekly report on coffee, cocoa, sugar positions, ~1:30pm ET (~6:30pm London)
- CFTC commitments of traders weekly report for period ending July 10 on positions for various U.S. futures and options, 3:30pm
- FranceAgriMer weekly updates on French crop conditions

Source: Bloomberg and FI

## Reuters poll for US Ending Stocks

PREDICTING USDA FOR 2017-18 (OLD CROP) and 2018-19 (NEW CROP):

	2017-18		2018-19		
	Corn	Soy	Wheat	Corn	Soy
Average trade estimate	2.107	0.507	0.973	1.712	0.471
Highest trade estimate	2.177	0.530	1.021	1.922	0.571
Lowest trade estimate	2.052	0.478	0.924	1.545	0.390
USDA June	2.102	0.505	0.946	1.577	0.385
Futures International	2.132	0.495	1.013	2.022	0.405

Source: Reuters, USDA and FI

## Reuters poll for US Production

PREDICTING USDA FOR 2018-19 US PRODUCTION AND YIELD:

	Corn		Soybeans	
	Production	Yield	Production	Yield
Average trade estimate	14.269	174.9	4.314	48.6
Highest trade estimate	14.683	179.5	4.402	49.5
Lowest trade estimate	14.045	172.6	4.200	47.0
USDA June	14.040	174.0	4.280	48.5
Futures International	14.555	178.0	4.310	48.5

Source: Reuters, USDA and FI

## Reuters poll for US Winter Wheat Production

USDA predictions for 2018-19 crop production:

	All Wheat	All Winter	Hard Red Winter	Soft Red Winter	White Winter	Other Spring	Durum
Average trade estimate	1.858	1.196	0.650	0.316	0.229	0.599	0.072
Highest trade estimate	1.923	1.218	0.675	0.334	0.244	0.646	0.083
Lowest trade estimate	1.825	1.178	0.634	0.305	0.202	0.568	0.060
USDA June	1.827	1.198	0.650	0.316	0.232	--	--
Futures International	1.900	1.224	0.674	0.318	0.232	0.600	0.075

Source: Reuters, USDA and FI

## Reuters poll for USDA June world crop end stocks

PREDICTING USDA FOR 2017-18 (OLD CROP) AND 2018-19 (NEW CROP):

	2017-18			2018-19		
	Wheat	Corn	Soy	Wheat	Corn	Soy
Average trade estimate	272.5	191.4	91.8	265.1	156.3	88.2
Highest trade estimate	274.5	192.9	93.0	268.0	163.0	92.0
Lowest trade estimate	271.0	189.5	89.0	262.0	151.0	85.0
USDA June	272.4	192.7	92.5	266.2	154.7	87.0
Futures International	272.9	192.0	92.0	264.9	161.0	85.6

Source: Reuters, USDA and FI

## Bloomberg News surveys

### U.S. Corn, Soy, Wheat Inventory Survey Before USDA WASDE Report

2018-19 Crop:	Survey Results			USDA
	Avg	Low	High	June
Corn	1,725	1,455	2,022	1,577
Soybeans	498	380	797	385
Wheat	985	924	1,084	946
2017-18 Crop:				
Corn	2,115	2,058	2,200	2,102
Soybeans	512	478	631	505

### U.S. Corn, Soybean Production Survey Before USDA WASDE Report

2018-19 Crop:	Survey Results			USDA
	Avg	Low	High	2017-18
Corn	14,304	14,045	14,683	14,040
Corn Yield	175.1	172.6	179.5	174.0
Soybeans	4,324	4,220	4,430	4,280
Soybean Yield	48.7	47.5	50.0	48.5

### U.S. 2018 Wheat Production Survey Before USDA WASDE Report

2018 Crop:	Survey Results			USDA
	Avg	Low	High	June
All Wheat	1,860	1,769	1,923	1,827
All Winter				
Wheat	1,199	1,178	1,224	1,198
HRW	652	634	675	650
SRW	316	305	334	316
White Winter	230	202	244	232
Durum	74	60	83	n/a
Other Spring	600	568	646	n/a

### World Corn, Soybeans, Wheat Survey Before USDA WASDE Report

2018-19 Ending Stocks:	Survey Results			USDA
	Avg	Low	High	June
Corn	155.7	151.0	163.0	154.7
Soybeans	88.7	85.6	92.0	87.0
Wheat	263.7	256.0	268.0	266.2
2017-18 Ending Stocks:				
Corn	191.6	188.0	193.7	192.7
Soybeans	92.0	89.0	94.0	92.5
Wheat	272.2	270.4	274.5	272.4

### Brazil, Argentina Corn and Soy Survey Before USDA WASDE Report

2017-18 crop:	Survey Results			USDA
	Avg	Low	High	June
Corn - Argentina	32.7	32.0	33.0	33.0
Corn - Brazil	83.2	79.2	85.5	85.0
Soybeans -				
Argentina	36.7	35.5	37.5	37.0
Soybeans - Brazil	118.9	117.0	120.0	119.0

Source: Bloomberg and FI

## Conab Brazil Supply

Soybeans	Aug. 17/18	Bloomberg Est.	Low-High	Actual-Est.	June 17/18	MOM	FI 17/18	2016-17
Est. Production (Million MT)	<b>118.89</b>	118.30	117.1-119.2	<b>0.6</b>	118.05	<b>0.8</b>	118.44	114.07
Est. Yield (000 Kg/Hectare)	<b>3.382</b>	3.380	3.350-3.430	<b>0.00</b>	3.359	<b>0.02</b>	3.370	3.364
Est. Area (Million Hectares)	<b>35.15</b>	35.00	34.7-35.2	<b>0.2</b>	35.14	<b>0.0</b>	35.15	33.91
Corn	Aug. 17/18	Bloomberg Est.	Low-High	Actual-Est.	June 17/18	MOM	FI 17/18	2016-17
Est. Production (Thousand MT)	<b>82.93</b>	82.80	78.4-87.7	<b>0.1</b>	85.00	<b>(2.1)</b>	84.36	97.85
Est. Yield (000 Kg/Hectare)	<b>4.967</b>	5.000	4.740-5.300	<b>(0.03)</b>	5.101	<b>(0.13)</b>	5.085	5.562
Est. Area (Million Hectares)	<b>16.70</b>	16.60	16.0-16.8	<b>0.1</b>	16.66	<b>0.0</b>	16.59	17.59

Source: Conab, Bloomberg and FI

### Corn.

- CBOT corn traded lower on weakness in wheat and a non-threatening US weather outlook over the next week, during the peak of US corn pollination.
- Funds sold an estimated net 15,000 corn contracts.
- Brazil's Conab estimated the 2017-18 corn production at 82.93 million tons, 2.1 million below the previous month but 100,000 tons above a Bloomberg trade guess. The yield was decreased to 4.967 tons/hectare from 5.101 tons in June. Last year Brazil produced 97.85 million tons.
- Conab's supply report was viewed neutral corn and slightly bearish for soybean futures.
- The CNGOIC estimated China corn production at 216.5 million tons, 0.3% above 2017, but revised higher from 213.7 million tons last month.
- Soybean and Corn Advisor left his US corn yield estimate unchanged at 178.0 bushels per acre. We left our 180.5 bushels per acre US corn yield unchanged from the previous week.
- USDA may increase its yield on Thursday from its current 174.0 bushels. We think they will go to 178.0 bushels.
- Mexico and China import tariffs on US pork continue to sack US prices. Futures were down more than 2 percent during mid-session trading.

### Export Developments

- Under the 24-hour reporting system, exporters reported the cancellations of 152,000 tons of sorghum for Mexico.
- US exporters also reported the 24-hour sale of 113,000 tons of corn for Egypt.

Date reported	Value (tonnes)	Commodity	Destination	Year
10-Jul	113,000	Corn	Egypt	2018/19
10-Jul	<b>(152,000)</b>	Sorghum	Mexico	2017/18
9-Jul	132,000	Soybeans	Unknown	2018/19
5-Jul	137,000	Corn	South Korea +	2018/19
25-Jun	186,000	Soybeans	Unknown	2017/18
22-Jun	117,000	Corn	Panama	2018/19
22-Jun	101,300	Corn	Mexico	2018/19
22-Jun	30,000	Corn	Mexico	2017/18

- China sold about 50-51 million tons of corn this season. China will offer more corn on July 12 & 13.

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

## US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of Ethanol
	FI Production Est.	Mbbl	Last Week	Last Year	FI Stocks Est.	Mbbl	Last Week	Last Year	
5/25/2018		1041	13	2.1%		21,263	-866	-6.6%	21.3
6/1/2018		1041	0	4.2%		21,897	634	-0.4%	20.4
6/8/2018		1053	12	5.1%		22,174	277	-1.6%	20.8
6/15/2018		1064	11	7.5%		21,647	-527	-2.8%	20.8
6/22/2018		1072	8	5.6%		21,674	27	-0.8%	20.2
6/29/2018		1067	-5	5.2%		21,975	301	1.9%	20.3
<b>7/6/2018</b>	<b>-5 to +5</b>				<b>-50 to +150</b>				

Source: EIA and FI

Corn	Change	Oats	Change	Ethanol	Settle
JUL8	339.75 (6.00)	JUL8	256.00 (2.75)	AUG8	1.43 Spot DDGS IL
SEP8	347.75 (6.25)	SEP8	235.75 (2.75)	SEP8	1.43 Cash & CBOT
DEC8	360.75 (6.25)	DEC8	239.00 (2.00)	OCT8	1.42 Corn + Ethanol
MAR9	372.25 (5.75)	MAR9	243.50 (2.00)	NOV8	1.41 Crush
MAY9	379.25 (5.50)	MAY9	245.25 (2.00)	DEC8	1.39 1.83
JUL9	385.75 (5.25)	JUL9	250.25 (2.00)	JAN9	1.39

Soybean/Corn	Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
JUL8	JUL8 2.51	512.50	6.50	JUL8	1.44	149.75	(12.25)
AUG8	SEP8 2.46	508.00	6.25	SEP8	1.41	144.25	(9.75)
SEP8	SEP8 2.48	513.25	6.25	DEC8	1.41	149.25	(8.75)
NOV8	DEC8 2.42	510.75	5.75	MAR9	1.42	155.00	(7.50)
MAR9	MAR9 2.39	518.00	6.50	MAY9	1.42	159.00	(6.75)
MAY9	MAY9 2.37	520.00	6.25	JUL9	1.41	157.50	(6.50)

### US Corn Basis & Barge Freight

Gulf Corn	BRAZIL Corn Basis	Chicago
JULY +45 / 48 n up4/up1	AUG +70 / +90 u unch	Toledo -4 u unch
AUG +47 / 51 u up2/up4	SEPT +70 / +90 u unch	Decatur -5 u unch
SEPT +53 / 57 u dn2/dn4	OCT +65 / +90 z unch	Dayton -15 u unch
OCT +53 / 56 z dn3/dn2	NOV +65 / +90 z unch	Dayton -2 u unch
NOV +53 / 56 z dn3/dn2	DEC +65 / +90 z unch	Cedar Rapic -17 u unch
		Burns Harb -27 u unch

USD/ton:	Memphis-Cairo Barge Freight (offer)
US Gulf 3YC Fob Gulf Seller (RTRS) 155.4 159.3 162.4 169.4 169.4 169.4	Jul 275 unchanged
China 2YC Maize Cif Dalian (DCE) 266.3 267.3 269.0 271.8 274.3 276.8	Aug 300 unchanged
Argentina Yellow Maize Fob UpRiver - 163.5 166.2 169.5 - -	Sep 400 unchanged

Source: FI, DJ, Reuters & various trade sources

7/6/18. September corn may trade in a large \$3.60-\$4.10 range. December corn is seen in a \$3.30-4.50 range. If the US good/excellent US corn condition hold over through July, look for December corn to possibly test the \$3.00 level.

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | treilly@futures-int.com



## Soybean complex.

- The US soybean complex was higher this morning but gains limited as the Dalian products fell hard overnight amid a CNGOIC report on lower soybean meal use, and US weather remains non-threatening. Above normal temperatures for the US this week are keeping some bulls in the market.
- US soybeans ended nearly unchanged, August meal \$2.30 higher and August soybean oil 13 higher.
- Midday weather models turned a touch wetter for the dry areas of Missouri and a few nearby areas in eastern Kansas into southeastern Iowa and west-central Illinois Friday into Saturday.
- Funds sold an estimated net 6,000 soybean contracts, bought 3,000 meal and 3,000 soybean oil.
- 29,310 tons of US soybeans arrived in Argentina's Rosario port.
- Conab's report was viewed neutral corn and slightly bearish for soybean futures.
- Brazil's Conab estimated the 2017-18 soybean production at 118.89 million tons, 0.8 million above the previous month and 600,000 tons above a Bloomberg trade guess. The yield was increased to 3.382 tons/hectare from 3.359 tons in June. Last year Brazil produced 114.07 million tons.
- The CNGOIC sees ample China soybean supplies through August as animal feed mills are reducing the soybean meal use due to low domestic pork prices.
- China September soybean futures decreased 51 yuan per ton or 1.4%, September meal was down 33 or 1.1%, China soybean oil down 60 (1.1%) and China September palm down 76 (1.6%).
- MPOB reported June Malaysian palm oil production fell 12.6 percent to 1.333 million tons (23,795 tons below expectations) from 1.525 million tons from the previous month. MPOB June ending stocks increased nearly one percent from the previous month to 2.189 million tons (43,600 tons above expectations), while exports fell to 1.129 million tons (60,912 tons below expectations), 12.6 percent below May.

### Malaysian MPOB palm S&D Reuters Poll (volumes in tonnes)

	Jun-18	June 2018 poll	Range	Act.-Poll	May-18	Apr-18
Output	<b>1,332,705</b>	1,356,500	1,321,000 - 1,600,000	<b>(23,795)</b>	1,525,405	1,558,337
Stocks	<b>2,188,660</b>	2,145,000	1,957,668 - 2,193,000	<b>43,660</b>	2,170,620	2,174,243
Exports	<b>1,129,088</b>	1,190,000	1,159,000 - 1,400,000	<b>(60,912)</b>	1,291,365	1,541,432
Imports	<b>85,889</b>	35,624	30,000 - 60,000	<b>50,265</b>	32,260	35,624

\*Denotes revised figures

Source: Reuters and FI

- Cargo surveyor SGS reported July 1-10 Malaysian palm exports at 257,096 tons, down 77,036 tons or 23% from the same period a month ago and down 124,145 tons from the same period a year ago (33% decrease). AmSpec reported palm exports at 278,048 tons, down 14 percent from the previous period last month.
- Soybean and Corn Advisor left his US soybean yield estimate unchanged at 51.0 bushels per acre. We lowered our US soybean yield to 49.2 bushels per acre from 49.4.
- We look for USDA to leave its US soybean yield estimate unchanged on Thursday.
- NOPA is due out with the US soybean crush on Monday, July 16.

## Export Developments

- No export developments on Tuesday.
- China will offer 493,000 tons of soybean reserves on July 11 and July 18. China sold 660,524 tons of soybeans out of reserves so far, this season.
- China will offer 49,000 tons of soybean oil on July 11.

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)



- China will offer 61,000 tons of rapeseed oil on July 17.
- Iran seeks 30,000 tons of sunflower oil on July 10.
- Iran seeks 30,000 tons of palm olein oils on July 10.
- Iran seeks 30,000 tons of soybean oil on August 1.

Soybeans		Change	Soybean Meal		Change	Soybean Oil		Change
JUL8	852.25	0.50	JUL8	334.40	2.60	JUL8	28.88	0.14
AUG8	855.75	0.00	AUG8	332.20	2.30	AUG8	28.99	0.13
SEP8	861.00	0.00	SEP8	332.50	2.50	SEP8	29.08	0.12
NOV8	871.50	(0.50)	OCT8	331.50	2.50	OCT8	29.18	0.13
JAN9	881.25	(0.50)	DEC8	330.30	2.50	DEC8	29.42	0.16
MAR9	890.25	0.75	JAN9	327.90	2.10	JAN9	29.68	0.16
MAY9	899.25	0.75	MAR9	323.40	1.80	MAR9	30.00	0.15

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
May/Jul	3.50	(0.50)	May/Jul	-2.20	(0.30)	May/Jul	0.11	(0.01)

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil
Month	Margin	of Oil&Meal	Con. Value	Value	Value
JUL8	201.11	JUL8 30.16%	\$ 16,112	735.68	317.68
AUG8	193.98	AUG8 30.38%	\$ 15,826	730.84	318.89
SEP8	190.38	SEP8 30.42%	\$ 15,802	731.50	319.88
NOV8	178.78	OCT8 30.56%	\$ 15,642	729.30	320.98
NOV8/DEC8	166.61	DEC8 30.81%	\$ 15,378	726.66	323.62
MAR9	151.23	JAN9 31.16%	\$ 14,982	721.38	326.48
MAY9	142.45	MAR9 31.69%	\$ 14,340	711.48	330.00
JUL9	140.60	MAY9 32.02%	\$ 13,998	708.18	333.52
AUG9	141.95	JUL9 32.12%	\$ 13,982	711.92	336.93
SEP9	147.50	AUG9 32.22%	\$ 13,900	711.70	338.25

US Soybean Complex Basis						
JULY	+55 / 60 n	dn1/unch			DECATUR	-12 q unch
AUG	+55 / 60 u	dn2/dn1	IL SBM	-14 7/3/2018	SIDNEY	-10 q unch
SEPT	+40 / 46 u	dn1/unch	CIF Meal	12 7/3/2018	CHICAGO	+5q unch
OCT	+47 / 51 x	unch	Oil FOB NOLA	250 7/3/2018	TOLEDO	-4 q unch
NOV	+53 / 59 x	unch/dn1	Decatur Oil	-25 7/3/2018	BRNS HRBR	-30 q unch
					C. RAPIDS	-30 q unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
JULY	-195 / +215 n	AUG	+10 / +12 q	up1/up2	AUG +150 / +240 q unch
AUG	-220 / +228 q	SEP	+11 / +16 q	up1/up2	SEPT +150 / +240 u unch
SEPT	-230 / +240 u	OCT	+19 / +23 v	unch/up2	OCT +140 / +240 v dn20/unch
OCT	+200 / +205 x	NOV	+19 / +23 z	unch/up2	NOV +140 / +240 v dn20/unch
FEB	+94 / +97 f	DEC	+19 / +23 z	unch/up2	DEC +140 / +240 v dn20.unch
	Argentina meal	349	17.0	Argentina oil:	Spot fob 30.8 1.76

Source: FI, DJ, Reuters & various trade sources

### 7/6/18 Trading ranges:

For long traders, we like adding positions to soybeans and products at these levels. Or consider long soybeans/short corn to limit risk. The USDA export sales report showed net increases for the week ending June 28, an indication that without China, US soybeans are attractive to alternative destinations.

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- *August soybeans are seen in a \$8.50-\$9.00 range; November \$8.00-\$10.00 range.*
- *August soybean meal \$310-360 range; December \$280-\$400 range.*
- *August soybean oil 28.00-30.00 range; December 27.00-30.50 range.*

## **Wheat.**

- US wheat futures were on the defensive from lower Paris wheat futures and US spring wheat conditions unexpectedly improving from the previous week.
- Funds today sold an estimated net 8,000 SRW wheat contracts.
- The CNGOIC estimated China wheat production at 122.5 million tons, 5.6% below 2017, down from 126.7 million tons last month.
- December Paris wheat fell 3.50 euros to 183.25 euros or nearly 2 percent on improving weather and less than expected crop losses for France.
- France's AgMin (initial) estimated the soft wheat crop at 36.1MMT, down from 36.6 million tons in 2017. Last week Strategie estimated this crop at 33.3 MMT. This could be perceived as a high estimate by the AgMin, and pressuring Parris wheat futures.
- Germany imported about 300,000 tons of feed wheat from the Black Sea region (countries that reside in the EU).
- Note a Bloomberg survey pegged German wheat production estimated at 21.5 MMT versus 24.3 MMT last year (DBV estimate). The range of estimates was 20.8-22.1 MMT.
- A recent Reuters poll pegged the EU soft wheat production at 136 million tons.
- Net drying is expected to persist across eastern Ukraine and in Russia's southern, central and Volga regions.
- Yesterday SovEcon lowered its Russia wheat crop to 69.6 million tons from 72.5 million previously. They are still perceived as on the high side for production. Grain output was pegged at 113.9 million tons, down from 118.6 million tons previously. FC Stone is at 70.8 million tons for Russia wheat output.
- Romania's wheat crop was lowered by UkrAgroConsult to 8 million tons, down 8 percent from its previous estimate. Exports in 2018-19 seen at 4.9 million tons, down from previous 5.1MMT.

## *Export Developments.*

- Egypt's GASC bought 175,000 tons of Russian wheat for August 21-31 shipment.
  - 60,000 ton at \$203.65 FOB and \$15.70 freight equating to \$219.35 C&F
  - 60,000 ton at \$204.75 FOB and \$15.70 freight equating to \$220.45 C&F
  - 60,000 ton at \$204.50 FOB and \$16.50 freight equating to \$221.00 C&F
- Japan seeks 62,865 tons of milling wheat this week. (Reuters)
 

Details are as follows (in tons):

COUNTRY	TYPE	QUANTITY	
U.S.	Western White	17,177	*
U.S.	Dark Northern Spring (protein minimum 14.0%)	11,353	*
Australia	Standard White (West Australia)	34,335	*

Shipments: \* Loading between Sept. 1 and Sept. 30, 2018
- Mauritius seeks 6,000 tons of white rice on July 13 for Sep 1-Nov 30 shipment.
- Jordan seeks 120,000 tons of barley on July 11 for Oct/Nov shipment.
- Japan in a SBS import tender seeks 120,000 tons of feed wheat and 200,000 tons of barley on July 11 for arrival by December 28.

- Results awaited: Syria seeks 200,000 tons of wheat on July 2 for Aug 1-Sep 30 shipment. Origins include Russian, Romania and/or Bulgaria.
- Jordan seeks 120,000 tons of wheat on July 19 for Oct-Nov shipment.

### Rice/Other

- China sold 145,156 tons of rice from state reserves at auction at an average price of 2248 yuan/per ton or \$339.83/ton, 6.1 percent of what was offered.

Chicago Wheat			KC Wheat			MN Wheat		
	Settle	Change		Settle	Change		Settle	Change
JUL8	489.50	(18.25)	JUL8	483.75	(3.75)	JUL8	528.50	(10.75)
SEP8	492.00	(16.00)	SEP8	494.75	(11.25)	SEP8	537.50	(10.50)
DEC8	510.00	(15.00)	DEC8	518.25	(10.50)	DEC8	554.75	(10.00)
MAR9	527.25	(13.25)	MAR9	536.00	(9.50)	MAR9	570.50	(9.75)
MAY9	538.25	(12.25)	MAY9	546.00	(8.75)	MAY9	581.25	(9.00)
JUL9	543.25	(11.75)	JUL9	552.00	(9.00)	JUL9	590.50	(8.75)
SEP9	552.00	(11.25)	SEP9	563.50	(8.75)	SEP9	598.50	(8.75)

Chicago Rice		
	Settle	Change
JUL8	11.81	(0.340)
SEP8	11.89	(0.220)
NOV8	11.79	(0.160)

US Wheat Basis			
Gulf SRW Wheat		Gulf HRW Wheat	
JULY	+53 u unch	JULY	153 n unch
AUG	+60 / u unch	AUG	153 u unch
SEPT	+65 / u unch	SEP	153 u unch
OCT	+65 z unch		
NOV	+65 z unch		
DEC	+65 z unch		

Chicago mill		World Prices \$/ton	
	Change		Change
Toledo	+7 u up2	US SRW FOB	\$216.00 \$2.70
PNW US Soft White 10.5% protein		US HRW FOB	\$242.80 \$2.60
PNW Jul	590 unchanged	Black Sea FOB Mill 11%	\$191.50 \$0.00
PNW Aug	595 unchanged	Russia FOB 12%	\$196.50 \$0.50
PNW Sep	595 unchanged	Arg. Bread FOB 12%	\$203.50 \$0.00
PNW Oct	600 -20.00	Ukraine FOB Mill 11%	\$191.50 \$0.00
		Ukr. FOB feed (Odessa)	\$184.50 \$0.50

Euronext EU Wheat		OI		World Prices \$/ton	
	Change		OI Change		Change
SEP8	181.25 (3.00)	98,194	(1,238)	US SRW FOB	\$216.00 \$2.70
DEC8	184.00 (2.75)	202,453	(2,085)	US HRW FOB	\$242.80 \$2.60
MAR9	186.25 (3.00)	40,176	(479)	Black Sea FOB Mill 11%	\$191.50 \$0.00
MAY9	187.75 (3.00)	22,008	(59)	Russia FOB 12%	\$196.50 \$0.50
EUR	1.1746	#N/A *The record could i	#N/A *The record could i	Arg. Bread FOB 12%	\$203.50 \$0.00
Rouen FOB 11%	\$217.89	\$2.25		Ukraine FOB Mill 11%	\$191.50 \$0.00
#N/A *The record could i	#N/A *The record could i	#N/A *The record could i	#N/A *The record could i	Ukr. FOB feed (Odessa)	\$184.50 \$0.50

### 7/6/18. Trading ranges:

- September Chicago wheat \$4.75-\$5.50 range.
- September KC \$4.70-\$5.40 range.
- September MN \$5.20-\$6.10 range.

## Traditional Daily Estimate of Funds 7/10/18

	(Neg)-"Short"	Pos-"Long"			
Actual less Est.	(18.9)	11.0	6.2	9.1	(10.7)
	<b>Corn</b>	<b>Bean</b>	<b>Chi. Wheat</b>	<b>Meal</b>	<b>Oil</b>
<b>Act. 7/3/18</b>	148.4	(4.7)	30.8	101.8	(45.9)
4-Jul	Holiday	Holiday	Holiday	Holiday	Holiday
5-Jul	1.0	(5.0)	9.0	(2.0)	(2.0)
6-Jul	16.0	17.0	5.0	6.0	3.0
9-Jul	(18.0)	(11.0)	(4.0)	(6.0)	(1.0)
10-Jul	(15.0)	(6.0)	(8.0)	3.0	3.0
<b>FI Est. of Futures Only 7/10/18</b>	<b>132.4</b>	<b>(9.7)</b>	<b>32.8</b>	<b>102.8</b>	<b>(42.9)</b>
<b>FI Est. Futures &amp; Options</b>	<b>25.1</b>	<b>(43.9)</b>	<b>11.9</b>	<b>94.0</b>	<b>(47.9)</b>
Futures only record long	498.2	260.4	59.5	167.5	160.2
	2/1/2011	6/27/2017	8/21/2012	5/1/2018	11/1/2016
Futures only record short	(135.3)	(94.5)	(130.0)	(49.5)	(55.1)
	10/29/2013	6/27/2017	4/25/2017	3/1/2016	8/6/2013
Futures and options record net long	458.5	259.8	64.8	132.1	159.2
	9/28/2010	5/1/2012	8/7/2012	5/1/2018	1/1/2016
Futures and options record net short	(166.8)	(113.1)	(143.3)	(64.1)	(56.6)
	11/14/2017	6/27/2017	4/25/2017	3/1/2016	4/23/2013

## Managed Money Daily Estimate of Funds 7/10/18

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	(107.4)	(64.2)	(1.3)	55.0	(89.5)
Latest CFTC F&O	(70.8)	(53.7)	(1.9)	56.0	(89.3)
<b>FI Est. Managed Fut. Only</b>	<b>(131.4)</b>	<b>(71.7)</b>	<b>1.7</b>	<b>56.5</b>	<b>(85.0)</b>
<b>FI Est. Managed Money F&amp;O</b>	<b>(94.8)</b>	<b>(61.2)</b>	<b>1.1</b>	<b>57.5</b>	<b>(84.8)</b>

## Index Funds Latest Positions (as of last Tuesday)

Index Futures & Options	269.7	131.0	128.6	NA	95.1
Change From Previous Week	(17.8)	(9.7)	(10.7)	NA	(2.1)

Source: Reuters, CFTC & FI (FI est. are noted with latest date)

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

# Disclaimer

TO CLIENTS/PROSPECTS OF FUTURES INTERNATIONAL, SEE RISK DISCLOSURE BELOW:

THIS COMMUNICATION IS CONVEYED AS A SOLICITATION FOR ENTERING INTO A DERIVATIVES TRANSACTION.

Any trading recommendations and market or other information to Customer by Futures International (FI), although based upon information obtained from sources believed by FI to be reliable may not be accurate and may be changed without notice to customer. FI makes no guarantee as to the accuracy or completeness of any of the information or recommendations furnished to Customer. Customer understands that FI, its managers, employees and/or affiliates may have a position in commodity futures, options or other derivatives which may not be consistent with the recommendations furnished by FI to Customer.

The risk of trading futures and options and other derivatives involves a substantial risk of loss and is not suitable for all persons. In purchasing an option, the risk is limited to the premium paid, and all commissions and fees involved with the trade. When an option is shorted or written, the writer of the option has unlimited risk with respect to the option written. The use of options strategies such as a straddles and strangles involve multiple option positions and may substantially increase the amount of commissions and fees paid to execute the strategy. Option prices do not necessarily move in tandem with cash or futures prices. Each person must consider whether a particular trade, combination of trades or strategy is suitable for that person's financial means and objectives.

This material may include discussions of seasonal patterns, however, futures prices have already factored in the seasonal aspects of supply and demand, and seasonal patterns are no indication of future market trends. Finally, past performance is not indicative of future results.

This communication may contain links to third party websites which are not under the control of FI and FI is not responsible for their content. Products and services are offered only in jurisdictions where solicitation and sale are lawful, and in accordance with applicable laws and regulations in each such jurisdiction.