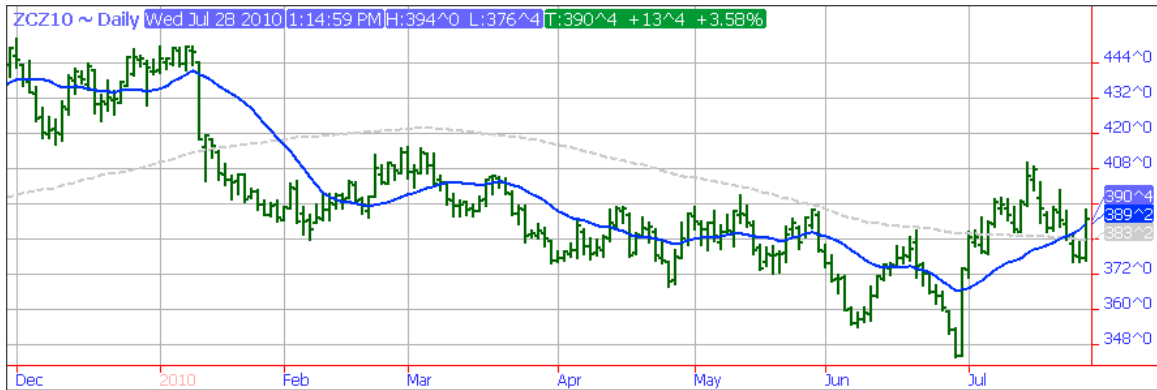


The futuresone.com Weekly Ag Market Breakdown

By David M. Fiala
Thursday, July 29th, 2010

CORN



Sep10 Support:	355	Resistance:	390
Dec10 Support:	369	Resistance:	405

Corn trade has been higher this week due to profit taking by recent market shorts. The weekly net change is 5 higher on the September contract and December is up 6. The outside market influence has been mixed; crude is \$2.14 lower, the dollar is 40 lower, and the DOW is 34 higher. On the weekly condition and progress report, Crop progress had pollination at 84% versus the 70% 5-year average and 52% a year ago. Crop conditions were steady at 72% good to excellent but 2% was moved to excellent from good. There continues to be uncertainty regarding production estimates both domestically, but particularly in Russia and the EU. Russia lowered expectations for total harvested crop this week to 70 million tons versus 97 million tons a year ago. This uncertainty, along with renewed fund and speculative buying interest, was noted for the sharply higher session on Wednesday. On the chart, the market found support around \$3.77-8 which is the 40-day and 50-day moving averages. Longer-term support is down at \$3.70, and it will likely take fresh bearish information to push below this area. We did drop nearly 35 cents from the high printed less than two weeks ago, so end user buying should show up at these levels and the market has priced in good weather and condition reports. There is still enough yield uncertainty and demand items remain good that the market should try and find a range. Strong overhead resistance will be seen from \$3.94-\$4. The weekly export sales came in at 432,300 tons of old crop and 528,100 tons of new crop; combined, this was just above expectations. Hedgers call with questions.

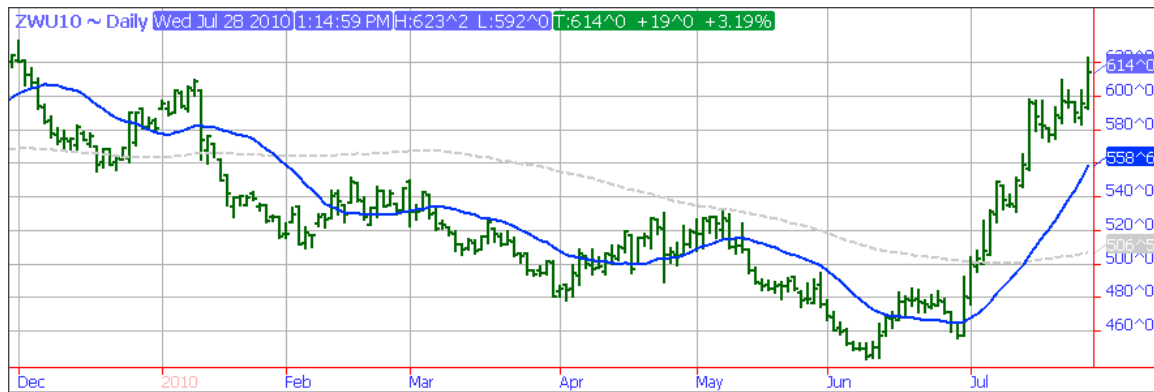
SOY COMPLEX



Nov Support:	953	Resistance:	995
Dec Meal:	272	Resistance:	293
Dec Oil:	3887	Resistance:	4021

Soybean trade has been lower this week due to light profit taking by market longs and nonthreatening weather forecasts. The weekly net changes are 6 lower on the September contract and November is down 3. Meal is \$.60 higher and oil is down 14 points. On the weekly condition and progress report, blooming was reported at 75% versus 60% last year and the 72% 5-year average. We have 35% setting pods versus the 31% 5-year average. Condition ratings were steady at 67% good to excellent with 3% moving to excellent from good and 1% moving from fair to very poor. There is some speculation that the oil market is set up for a bullish move due to reduced oil seed production in both Canada and the EU. So far though, we have seen some unwinding of short meal versus long oil spreads which has limited upside. The trade disagreement between China and Argentina has reportedly grown this week and China is rumored to be considering a ban on Argentine soybeans. This should maintain foreign interest in US beans and oilseeds which should limit downside, but the good weather is expected to continue through pod fill which will foster ideas of growing yields. The weekly export sales were reported at 339,000 tons of old crop and new crop sales were 1.114 million tons which was above expectations. Meal sales came in at 23,800 tons of old crop and new crop sales were 43,000 tons. Oil sales were 3,200 tons of old crop and 4,300 tons of new crop. Both Meal and oil sales were below expectations. On the chart, the trade moved back above the 10-day at \$9.76 which keeps the chart momentum mixed. Support is down at \$9.59 which is the 20-day. There is little fresh news for beans, so outside market activity and spillover direction from the wheat should continue to influence trade. Hedgers call with questions.

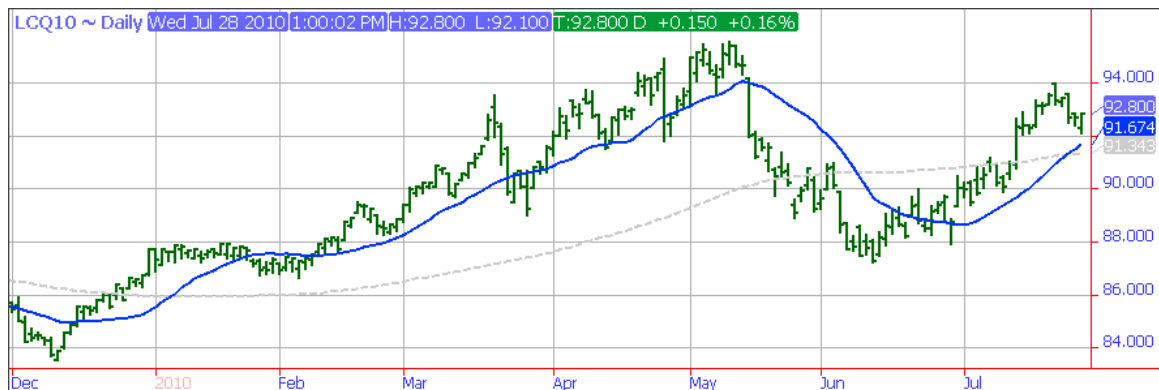
WHEAT



Chicago Sept:	Support: 566	Resistance: 647
Kansas City Sept:	Support: 593	Resistance: 659
Minneapolis Sept:	Support: 602	Resistance: 669

Wheat trade was been higher this week due to continued speculative and fund buying. The weekly net changes on the September contracts are 19 higher in Chicago, 15 higher in KC and Minneapolis. The trade will continue to talk about reduced production numbers globally versus the USDA numbers the past several months, but the question remains, has production suffered enough to turn big export business to the U.S. Even if the current U.S. carryover estimate would drop by 200 million tons down in the 800 million range, that would still be a very comfortable carryover. The widening carry and weakening national average basis also continue to suggest poor overall fundamentals. This is why this market seems unsustainable at current levels. Wheat remains bullish on the chart with trade still above all major moving averages. On the weekly crop progress report, the winter wheat harvest was listed at 79% versus the 82% 5-year average. Spring wheat is 94% headed and crop ratings improved 1% up to 83% good to excellent. The weekly export sales were reported at 919,000 tons for the 10/11 year, which were nearly double expectations. No 11/12 wheat sales were reported. Hedgers call with questions, continue to look forward at the carry in the futures for opportunities in 2011 and 2012.

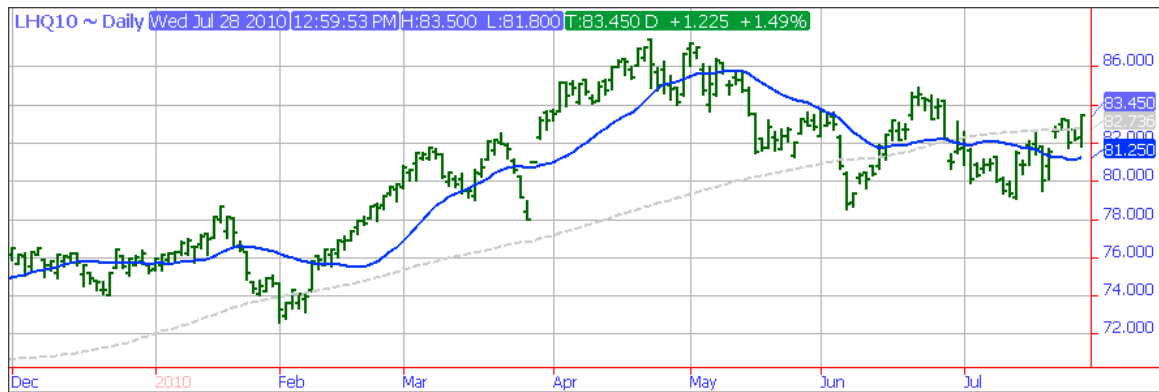
CATTLE



Support on Aug:	9132	Resistance:	9432
Support on Aug Feeders:	11310	Resistance:	11645

Live cattle trade has been lower this week due to profit taking by market longs. The weekly net changes are \$.65 lower on the August contract and October is down \$.52. Asking prices remain firm at \$96/\$152, but significant cash trade will likely be delayed until late week. The cutout finished mixed on Wednesday with choice 53 lower at \$154.70 and select was 61 higher at \$146.34. Cattle slaughter was pulled back on Tuesday which could be an indication of tightening margins, but the choice select spread did climb back above \$9 this week for the first time since December of 2008 which indicates that feedlots are current. Hedgers call with questions and look to use this strength.

LEAN HOGS



Support on Aug: 8115
Support on Oct: 7467

Resistance: 8465
Resistance: 7827

Lean hog trade has been mixed this week due to a combination of light chart buying and profit taking by market longs. The weekly net changes are \$.15 higher on the August contract and October is down \$.07. Short bought packers were aggressive buyers on Wednesday with some dressed sales reported more than \$4 higher. The nearly \$2.50 jump in pork carcass value was noted for the sharply higher cash trade. Hog weights are still averaging 2.1 pounds heavier versus this time a year ago and chain speeds remain slow, so we could still see choppy mixed trade in the cash market. On the chart, the trade is above all major moving averages so the upside is open and some short covering could emerge ahead of the weekend. Resistance on the October contract is up at the April high at \$77.50. Hedgers call with questions, continue to look at margins!

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FUND POSITIONS

	Current FuturesOne Fund Estimate w/Options	CFTC with options 07/20
Corn	172k	208 k
Beans	71k	96 k
Chi wheat	10 k	0 k
Live Cattle	82k	92 k
Lean Hogs	28 k	33 k

Wed Jul 28, 2010 06:28 AM CDT

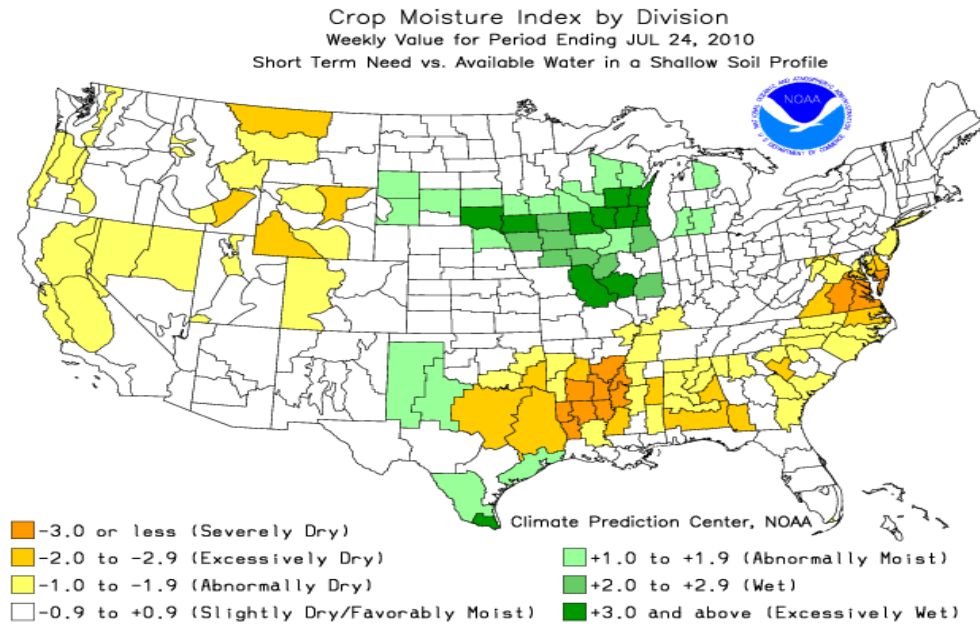
USDA Terminal Prices/Adjustments											07/28 06:00	
MKT	HRW	HRS	SRW	SWW	HAD	CORN	BRLY	OATS	SOY	GRSO	7/27	
AMA	4.95					3.63					Beans(NSI) 9.6755	
CIN			5.70			3.53		0.00	10.14	5.31	Corn (NCI) 3.2047	
EVN			5.70								'09 CCC INT-JUL 0.375	
GLF	5.85		6.20			3.93	2.67	0.00	10.76	6.21	'96 CCC INT-JUL 1.375	
KCM	5.28		5.65			3.35	2.32	0.00	9.85			
LOS					6.40							
MEM			5.55			3.51			10.13	5.46		
MIN	5.16	5.55			4.80	3.06	2.12	2.51	9.95			
NCD										5.98		
PNW	5.82	5.06		5.36	5.63	4.58	3.13	2.58	10.86			
SCD										5.41		
TOL			5.60	5.40		3.51		0.00	10.16			
TKO						3.57			10.31			
WCD	5.82			5.33	6.45	4.70	3.98			8.39		

Adjustments:

Hrw AMA-5, GLF-38, KCM-44, MIN+8, PNW-29, WCD-54;
Hrs MIN-60, PNW+13;
Srw CIN-10, EVN-30, GLF-27, KCM+11, MEM+0, TOL-10;
Sww TOL+0;
Had LOS+0, MIN+15, PNW-30, WCD+0;
PNW CO add extra +0
Crn AMA+0, CIN-18, GLF-30, KCM+0, MEM-11, MIN+0, PNW-73, TKO-16, TOL-18, WCD-62;
GLF MS, LA & AL add extra +0, GLF MN add extra +0;
AMA KS +0, TKO WI add -3, GLF TX add +0, PNW SD add +0
PNW MN add +0; TKO WI add -3
Bar GLF+20, KCM+20, MIN+34, PNW-13, WCD-72;
PNW MT add -4, WCD MT add -5, MIN MT add +5, PNW AK add +0
PNW ID add 0, WCD ID add +2, MIN WY add +3
Oat CIN+0, GLF+0, KCM+0, MIN+0, PNW+0, TOL+0;
Soy CIN-18, GLF-38, KCM+0, MEM-12, MIN-13, PNW-44, TKO-27, TOL-12;
GLF MN add extra +5, GLF KS, OK & MO add extra +0,
MIN SD add extra +0, MIN ND add extra +0, TKO TN add +0
MIN WI add +5, TKO IL add +0, GLF LA, AL & MS add +5
Gsr CIN+0, GLF-15, MEM+0, NCD-75, SCD+15, WCD-1.65;
GLF KS add +0, GLF TX add +0;

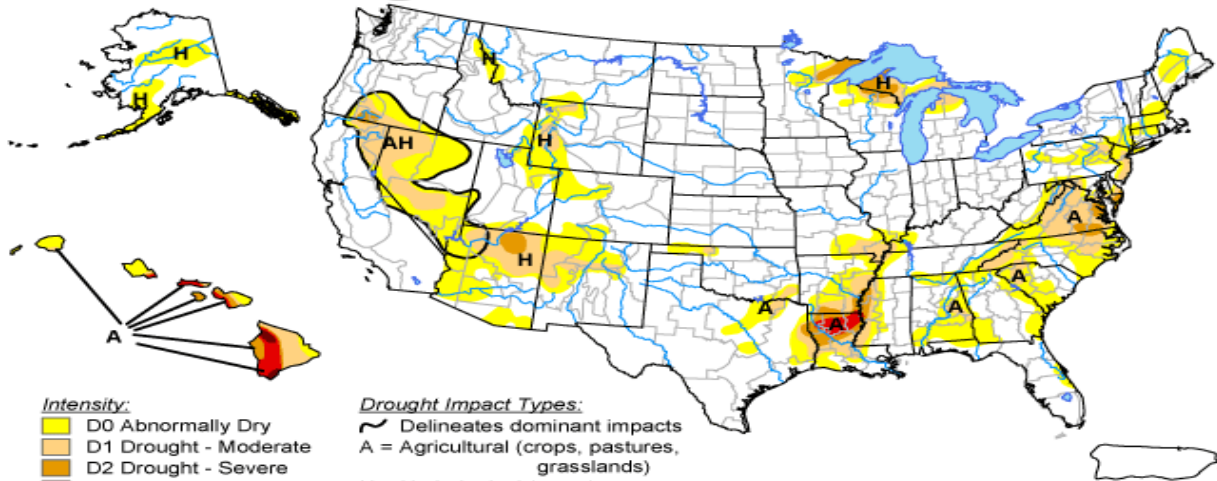
Weather

Limited domestic moisture concerns remain in place. The south has been dry and at this point won't recover the partial yield losses that have occurred.



U.S. Drought Monitor

July 27, 2010
Valid 8 a.m. EDT



- Intensity:**
- D0 Abnormally Dry
 - D1 Drought - Moderate
 - D2 Drought - Severe
 - D3 Drought - Extreme
 - D4 Drought - Exceptional

- Drought Impact Types:**
- Delineates dominant impacts
 - A = Agricultural (crops, pastures, grasslands)
 - H = Hydrological (water)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://drought.unl.edu/dm>



Released Thursday, July 29, 2010
Author: David Miskus, CPC/NCEP/NWS/NOAA

DOLLAR INDEX

The trend remains down. Long-term support is down at the April lows..



Natural Gas

Nat Gas continues to trade the long term range A move above the July high could promote additional buying interest.



Crude Oil

The intermediate trend is still flat to higher, but crude acts like it wants to trade a range between the May lows and June highs.

