

Highlights:

- As of 6:45 am central, March crude oil futures are down \$1.01, the dollar is up 0.157 and the April gold futures are down \$10.30.
- This morning's 6 to 10 day outlook is calling for normal to below normal precipitation and normal to above normal temperatures across Argentina. Meanwhile Brazil is expected have near normal temps with normal to above normal precipitation.
- The USDA is scheduled to release a new WASDE report Thursday, February 9th.

Corn:

- The March '11/ May '11 finished the day yesterday trading between 6 ¾ and 7. These are the widest levels seen since Jan 19th. The much discussed "Goldman Roll" is expected to take place over the next 5 trading sessions as index traders will work to roll their long positions from the March contract to the May and July (depending on the fund.)
- This recent run up in corn prices combined with stagnant meat and falling dairy prices has pushed cattle, chicken and dairy producers into negative profitability over the last couple weeks.

Early Call: 2 to 5 lower, export demand is firm, but US demand may be softening

Soybeans:

- Similar to the corn market, nearby soybean spreads have relaxed a little bit ahead of the expected flow of roll orders. Yesterday March/May beans lost ¾ of a cent to finish at 9 cents carry.
- Just in case you are wondering about palm oil prices that market remains closed for a weeklong holiday.

Early Call: 3 to 5 lower, technical selling following yesterday's weak close

Wheat:

- Indonesia's 2012 wheat imports are expected to increase to 5.8 MMT this year and they are also expected to import 7.0 MMT of flour. This compares with 5.2 MMT of wheat and 6.8 MMT of flour last year. Indonesia is the world's second biggest importer of flour, behind Egypt. According to an expert, "Though Russian and Australian wheat prices (delivered) are nearly the same, millers are opting for Australian wheat due to traditional preferences."
- Oman purchased 50 TMT of Kazakhstan wheat for April shipment.

Early Call: flat to down 10, spring wheat looks to be the strongest leg

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0715 CT	CH	SH	SMH	BOH	WH	KWH	MWH
CT High	7.89	14.75 ¾	394.20	61.26	9.94 ¾	10.31	10.46 ¾
R2	6.64 ¼	12.90	340.00	53.79	7.00	7.35 ½	8.73 ½
R1	6.50	12.44 ¾	331.00	52.55	6.83 ¾	7.25	8.45
CLOSE	6.44 ¼	12.33	327.50	52.16	6.68 ½	7.19	8.41
ECBOT	6.40 ½	12.29 ½	325.80	51.94	6.61 ¼	7.11 ½	8.42 ¾
S1	6.27 ½	11.84 ¼	312.50	50.86	6.35 ¼	6.96 ¼	8.29 ¼
S2	5.92 ½	11.50	296.40	50.05	6.00	6.90 1/4	8.16
CT Low	3.93 ½	9.21	247.70	38.64	5.86	5.71 ¾	5.95 ½
Est. FF Pos.	125,600	35,400	-6,900	-23,000	-77,100	---	---