



GOOD MORNING,

Beans called higher 5-10 cents and soybean oil up 50-60 points.

Much higher markets Monday as commercial and noncommercial buyers stepped in taking beans up 44 cents and soybean oil closing up 121 points.

In the news:

- 1) The DJIA eked out an up 18 points move Monday and this morning is down 21 points trading 13,486 – neutral input;
- 2) The dollar versus the Euro is stronger 34 points trading 1.3348 – negative input yet the dollar remains close to a recent low which is supportive exports;
- 3) Brent crude is down \$0.38/barrel at \$111.50 – negative input;
- 4) Palm oil ends up 26-ringgit closing at 2397 on short-covering and the higher soybean oil futures in the US. The move wasn't one-for-one as the burdensome stocks continue to weigh on the market. One would have expected a much higher market especially with futures up 50 points in the overnights to go along with the daily session of up 121 points – neutral/supportive input;
- 5) The second higher crush in history out this week was only exceeded by the Dec '09 crush of 164.4 – supportive input as more demand takes bean ending stocks lower;
- 6) Export demand for beans remains supportive and has many wondering when does the USDA finally adjust this number;
- 7) The tight corn and wheat ending stocks definitely the movers of the market which took the soy complex higher. As you have read from me, I have been talking about the supportive to bullish side of the corn and the wheat market coming in 2013 which all eyes on the hemisphere's weather as the world is dependent on a promising South American bean crop and both corn and beans in the US. This story is yet to be written – I believe we have priced in much of the big South American crop and the focus will be on weather issues versus a bigger crop this spring for beans. As written yesterday, corn can have a major reversal of fortune if the US gets half decent corn yields replenishing the short corn US corn supply. Neutral input for now;

I will be brief today. Higher markets to start. Look for profit taking above as March oil bumps into 51 cents and March beans now target \$14.50 after looking to be through \$14.20.

How markets have changed and are well off the recent lows.

Have a good day.