



**Diversified
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Grain Market Outlook

For Thursday, July 1, 2010

Today's CME Closes:

SN10	\$9.535	+ 5.0	SQ10	\$9.37	+ 6.0
CN10	\$3.655	+ 11.25	SX10	\$9.055	+ 3.0
CU10	\$3.7325	+ 10.5	SF11	\$9.15	+ 2.75
CZ10	\$3.845	+ 11.0	SX11	\$9.2125	+ 6.75
CH11	\$3.9675	+ 10.25	SX12	\$9.325	+ 4.0
CZ11	\$4.13	+ 7.0			
CZ12	\$4.18	+ 7.0			
WN10	\$4.84	+ 19.25	DJU10	9662	- 54
WU10	\$4.9975	+ 19.5	DXU10	84.750	- 1.531
WZ10	\$5.2425	+ 17.75	CLQ10	\$72.64	- 2.99
			GCO10	\$1198.8	- 47.1

Another bullish reaction today from corn and wheat, and even soybeans traded higher at the end of the day! The Dollar (chart bottom right) got pounded lower again, but so did crude oil, which made the rally in corn even more impressive. Here are comments about today's trade from **Diana Klemme**: "Today's action now getting shoved around by mid a.m. selloff in crude (now down \$3), to lowest level since early June. US Dollar under heavy pressure on financial problems, gold off \$15, etc. Pending home sales at a record low on today's report, jobless claims higher, concerns over Europe and China's economies - everybody's nervous today.....In the latter part of today's session it looks like a flurry of buying came in when futures weren't able to stay much lower earlier. Suspect it's primarily spec/managed-fund oriented. Managed funds were still short wheat as of last week and suspect they've been bailing out of that. Producer selling was a little lighter much of today but has picked up as prices hit new highs. Today is a reminder of how volatile and fickle markets can be when they're trying to shift gears, not to mention when it's the end or beginning of a month and spec money may be repositioning. Focus on the longer-range and try not to get distracted by market 'noise'."

The rally in **December corn** (chart top right) took its **RSI to 58** near the end of the session today, the highest the RSI has been at the close since January 8! Our target on the Afterburner is still 60, so we're hopeful we'll see additional push higher tomorrow to get the trades made prior to the long weekend. Resistance was found at the 100-day moving average (purple line) and the long downtrend line (black line), but we'll see what tomorrow brings.

