

CBOT CLOSE

MARKET REPORT

DATE:

May 18, 2012



| MEAL | | BEANS | | OIL | | | | |
|-------------|---------------|--------------|--------------|------------|-------|-------------|--------|------|
| SM N2 | 428,00 | 3,00 | S N2 | 1438,00 | 16,00 | BO N2 | 50,72 | 0,29 |
| SM Q2 | 410,30 | 0,10 | S Q2 | 1405,25 | 10,00 | BO Q2 | 50,94 | 0,30 |
| SM U2 | 391,40 | -1,00 | S U2 | 1347,50 | 5,25 | BO U2 | 51,14 | 0,30 |
| SM V2 | 372,80 | -1,20 | S X2 | 1306,50 | 4,25 | BO V2 | 51,31 | 0,29 |
| SM Z2 | 369,00 | -1,50 | S F3 | 1304,00 | 4,00 | BO Z2 | 51,68 | 0,29 |
| SM F3 | 363,80 | -1,60 | S H3 | 1275,50 | 2,75 | BO F3 | 51,91 | 0,30 |
| SM H3 | 350,00 | -1,80 | S K3 | 1260,75 | 1,00 | | | |
| SM K3 | 344,20 | -2,10 | S N3 | 1259,25 | 0,50 | CORN | | |
| SM N3 | 343,70 | -2,30 | WHEAT | | | C U2 | 538,50 | 1,50 |
| | | | W U2 | 669,50 | 18,25 | C H3 | 539,25 | 2,00 |
| EURO | 1,2650 | | W H3 | 703,50 | 17,00 | | | |

SOY PRODUCTS

CHICAGO (Dow Jones)--U.S. soybean futures closed higher Thursday, boosted by a Chinese purchase that was the ninth-largest soybean export sale ever for the U.S.

The rise marks the third consecutive day of higher prices for soybean futures, after the oilseeds fell from a nearly four-year high reached at the end of April. With analysts debating whether soybeans can continue to climb, the sign of continued strong Chinese demand renewed concerns that exports and domestic usage could draw U.S. soybean inventories down to uncomfortably low levels.

The U.S. Department of Agriculture Thursday said private exporters reported sales of 480,000 metric tons of soybeans for delivery to China during the current marketing year, which ends Aug. 31. Only eight sales ever announced under the USDA's daily reporting system have been larger. All but one of them was made to China, the world's largest importer of soybeans. The biggest sale was a 2.923 million metric ton purchase by China in February.

Soybean futures for July delivery ended up 16 cents, or 1.1%, at \$14.38 a bushel at the Chicago Board of Trade, after easing off higher levels early in the session. November soybeans rose 4 1/4 cents, or 0.3%, to \$13.06 1/2 a bushel.

July soybean meal rose \$3.00 to \$428 a short ton, and July soybean oil rose 0.29 cent to 50.72 cents a pound.

The China sale "helped offset what may have otherwise been a ho-hum day for oilseeds," said Ken Morrison, St. Louis-based publisher of the Morrison On The Markets online newsletter.

Soybeans have rallied this year as drought in South America has led forecasters repeatedly to cut their estimates for soybean production in Brazil and Argentina, where the harvest is almost complete. The USDA last week cut its forecasts for soybean output this year in Brazil by 1.5% to 65 million metric tons and in Argentina by 5.6% to 42.5 million tons.

Reduced supplies in South America could direct more export demand to the U.S., shrinking inventories in the country, analysts say.

"The fall in South American output has led to higher demand for U.S. exports [especially from China], which we expect to stay in place until the next South American harvest in March 2013," Barclays analysts said in a research note Thursday. "We anticipate a further tightening in fundamentals for the U.S. new crop."

Deferred soybean futures rose less than nearby futures Thursday. Analysts expect high soy prices to lead more U.S. wheat farmers than usual to "double-crop" their fields this year, which means they will plant soybeans immediately after they harvest wheat. That would bring more supplies than previously expected to the market this fall.

Wheat futures rose for the third straight session on worries about dry weather in the southern Great Plains, as well as in Europe and Russia. Those concerns have driven wheat futures sharply up from last week's four-month lows for the front-month CBOT contract.

Dry weather has reduced the potential yield of the crop in Kansas, the top U.S. state for winter-wheat production, analysts say. Traders are concerned about further impact from hotter temperatures forecast for the region in coming days.

At the same time, demand for U.S. wheat has been fairly consistent. The USDA on Thursday said private exporters reported new export sales of 100,000 metric tons of hard red winter wheat, the type traded on KCBT, for delivery to Iraq in the 2012-13 marketing year.

CBOT July wheat rose 19 cents, or 3.0%, to \$6.57 3/4 a bushel. Kansas City Board of Trade July wheat rose 16 cents, or 2.4%, to \$6.72 a bushel, while July wheat at the MGEX in Minneapolis rose 7 1/4 cents, or 1.0%, to \$7.67 1/4 a bushel.

The jumps in soybeans and wheat lifted corn futures as well, but corn still struggled to add to gains made so far this week. With favorable conditions for U.S. corn crops now in their early growing season, analysts expect high yields and an earlier harvest than usual this year.

CBOT July corn futures rose 5 cents, or 0.8%, to \$6.25 a bushel.

CBOT MORNING SESSION

| MEAL | | BEANS | | OIL | | | | |
|-------------|---------------|--------------|-------------|------------|--------|--------------|--------|-------|
| ZM Q2 | 410,20 | 0,30 | ZS N2 | 1428,00 | -9,50 | ZL N2 | 50,23 | -0,49 |
| ZM U2 | 390,00 | -0,60 | ZS Q2 | 1396,75 | -7,75 | ZL Q2 | 50,45 | -0,49 |
| ZM V2 | 372,20 | -0,70 | ZS U2 | 1338,00 | -8,25 | ZL U2 | 50,56 | -0,58 |
| ZM Z2 | 368,70 | 0,50 | ZS X2 | 1298,50 | -7,75 | ZL V2 | 50,75 | -0,56 |
| ZM F3 | 363,40 | | ZS F3 | 1296,00 | -12,00 | ZL Z2 | 51,21 | -0,47 |
| ZM H3 | 348,90 | -2,70 | ZS H3 | 1268,75 | -10,50 | ZL F3 | 51,25 | -0,66 |
| ZM K3 | 342,60 | -3,00 | ZS K3 | 1254,75 | -6,75 | | | |
| ZM N3 | 342,00 | | | | | | | |
| | | | CORN | | | WHEAT | | |
| EURO | 1,2650 | | ZC U2 | 624,75 | -0,25 | ZW U2 | 658,00 | 0,25 |
| GBP | 1,2449 | | ZC Z2 | 624,75 | -0,25 | ZW Z2 | 670,75 | 1,25 |
| | | | ZC H3 | 537,50 | -1,00 | ZW H3 | 689,50 | 0,75 |

*Please note that Soyabrokers v.o.f. can not be held responsible for any errors occurring on this report.