

INFINITY DAILY GRAIN & LIVESTOCK MARKETS Friday April 29, 2011

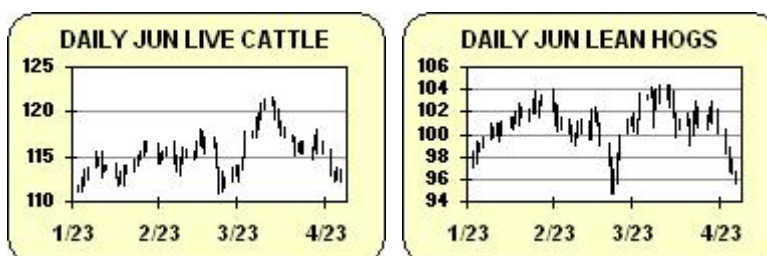


Grain Outlooks

BEANS: More negative news from China and sluggish US exports; weak

CORN: Fund liquidation was key to break and selling May slow into new month

WHEAT: Major selling across grain floor sparks sell-off; crop concerns persist



Livestock Outlooks

CATTLE: Weak demand and higher than expected supply but both could shift soon

HOGS: Probing for near-term low as belly collapse hurts packer demand

Overnight Price Changes

CORN +1.6, **SOY BEANS** +5.6, **BEAN OIL** +0.5, **SOYMEAL** +2.3

Grain Markets Fundamental Overview

SOYBEANS: While we can see fundamental justification for some further weakness in soybeans over the near-term, the corn and wheat markets may not see much more downside and this could be a factor to provide some underlying support. Eventually, the market may be in a position where November soybeans are undervalued; especially if there is no major shift in acres from corn.

CORN: The weather outlook remains very questionable and at this point we should assume that there could be significant support ahead "if" any forecast turns wetter. While there were some demand concerns with weaker numbers this week, the sharp break in corn could attract increased demand. Lower corn and higher gasoline prices only encourage higher ethanol demand. World and US supply is extremely tight for the old crop season so lower prices may not be tolerated for very long. We remain longer-term bullish on the corn market and would

consider bullish option plays on any further weakness.

WHEAT: There seems to be too many weather issues for the US, Canada, Europe and China to expect the market to quickly assume abundant production and stocks for the coming season. Trade psychology has turned very negative and this could change quickly if the southern plains see a drier trend ahead and Canada wet and cold weather persists. July wheat buying support emerges at 757 1/2 with 784 1/2 and 790 1/4 as resistance. July KC wheat support is 864 1/2 with 891 1/2 and 919 resistance. Consider buying minor set-backs today.

LIVESTOCK FUNDAMENTAL OVERVIEW

CATTLE: June still holds a significant discount to the cash market but declining beef prices and a downtrend in cash cattle prices has helped rationalize the weakness. However, expecting a significant decline from here might be expecting too much negative demand news and a very weak economy. The market is probing for a near-term low.

HOGS: On top of the short-term demand issues, traders are also concerned with the higher than normal average weights but with the big premiums of futures to cash nearly gone, there is less incentive to hold to a heavier weight. Cleaning up the backlog of heavier-weight animals, however, could be a painful experience as far as prices are concerned. Long liquidation selling is active and the break may be getting overdone but it will take a better sign of demand or an even narrower basis of futures to cash to help form a base of support. We are surprised with the belly price collapse and see the market as finding support soon. June hog support is at 95.92 and if this gives way, next support is all the way back at 93.30. Resistance is 97.30 and 98.42. The market appears too cheap but the long liquidation selling trend may persist for a bit longer and producer marketings of hefty-weight hogs could continue.

TODAY'S GRAIN MARKET OUTLOOKS

SOYBEANS: November soybean support is at 1324 1/2 and 1304 with 1345 and 1356 as resistance. Old crop soybeans may continue to struggle with weak demand. July soybeans are showing resistance at 1376 with some light support at 1353. If support gives way, don't rule out a test of 1301 support.

CORN: July corn buying support is at 723 with 812 1/2 as next upside target. December corn buying support is at 631 with 737 as upside target. Aggressive short-term traders can buy into these support levels.

WHEAT: None.

****This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. This report should not be construed as a request to engage in any transaction involving the purchase or sale of a futures contract and/or commodity option thereon. The risk of loss in trading futures contracts or commodity options can be substantial, and investors should carefully consider the inherent risks of such an investment in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Infinity Trading is strictly prohibited.*