



# THE CLOSING BELL

By Tom Leffler and Larry Glenn

**TODAY'S THOUGHT**

Friday, May 23, 2008

There's only one corner of the universe you can be certain of improving, and that's your own self

**MARKETS ARE CLOSED ON MONDAY for MEMORIAL DAY HOLIDAY**

**CATTLE**

Contract	Net Change	Closing Price	Today's High	Today's Low	14-Day RSI	10-Day Moving Avg.	50-Day Moving Avg.	Contract High	Contract Low	30-Year High	30-Year Low
Jun 08 LC	1.02	96.175s	96.20	95.25	66.53	94.42	91.64	97.25	86.65	99.82	46.25
Aug 08 LC	1.45	101.300s	101.35	100.00	64.91	99.60	96.98	101.35	90.77	101.35	47.30
Aug 08 FC	0.47	115.225s	115.60	114.55	71.41	113.23	108.99	115.60	103.25	118.70	49.25
Oct 08 FC	0.75	116.900s	116.95	115.85	70.58	115.27	110.63	116.95	104.30	119.75	52.30

- Fund buying and Friday's higher cash trade in the feed yards helped lift the cattle complex today
- Most all of the live cattle and feeder cattle contracts made new contract highs today
- Southern Plains cash traded Thursday at \$94 to \$95, cash last week was at \$93.50 to \$94.50
- Nebraska feed yard cash traded at \$148 to \$150, steady with last week
- Today's average beef plant margin according to *HedgersEdge* is estimated at \$33.10 per head profit, week ago was a \$38.25 per head profit
- Feeder Cattle Cash Index has been higher 28 of the past 31 days for a total gain of \$9.14
- The weekly cattle slaughter is estimated at 722K, last week was 719K and a year ago 701K, the last 5 weeks has averaged well above 700K
- The South Korea/U.S. beef trade situation is still an uncertainty, depending on which reports you listen to
- The weekly COT report showed Large Speculator reduced their net longs by 7K contracts to 43K in the live cattle futures & increased net long in the feeders by 2K to 2K (last week they were even)

**June Live Cattle traded and closed higher today. Today's high was the highest since October 1<sup>st</sup>.**

Support

95.25 Today's low  
 93.80 May 21<sup>st</sup> low  
 92.71 100-DMA

Resistance

96.20 Today's high  
 96.75 Oct. 1<sup>st</sup> high  
 97.25 Contract high

**August Feeder Cattle traded and closed higher today, with the close near the mid-point of today's trading range. Today's high was a new contract high.**

Support

114.55 Wednesday's low  
 113.50 May 21<sup>st</sup> low  
 111.80 May 20<sup>th</sup> low

Resistance

115.60 Today's high & contract high

F.I. Cattle Kill daily/wk totals

Today	125K / 633K
Week Ago	124K / 639K
Year Ago	128K / 633K

Box Beef

Prices	Net Change
Choice 600-900 \$156.15	- 0.49
Select 600-900 \$152.93	- 1.14
<b>Choice/Select Spread</b>	<b>\$4.13</b>

Box Beef Load Count

Choice Cuts	86
Select Cuts	76
Trimming	10
Coarse Grinds	74

**CME Cash Feeder Index \$107.80 - 0.14**

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## CORN

Contract	Net Change	Closing Price	Today's High	Today's Low	14- Day RSI	10-Day Moving Avg.	50-Day Moving Avg.	Contract High	Contract Low	30-Year High	30-Year Low
Jul 08 C	4' 0	599' 6s	602' 0	593' 0	49.43	5.98'6	5.95'2	6.34'0	2.70'0	6.34'0	1.74'4
Dec 08 C	4' 0	627' 2s	629' 4	620' 6	53.32	6.24'1	6.06'2	6.49'0	2.70'0	6.49'0	1.51'2

- Ahead of the long weekend, Corn futures rallied as traders squared their positions. The session saw a light volume of trading.
- The updated forecast for the weekend in the Corn Belt added moisture. This is beneficial for the central and western sections of the Midwest. The eastern area is behind pace and needed open skies.
- We should see a good increase on next Tuesday planting progress report. It is the last 10 to 15% in the east that is concerning. We need all the acres we can get as late planting usually means lower yields.
- Outside of weather, fresh news is absent. Foreign demand is moderate. Domestic demand is steady with a large amount of feeding units. Ethanol usage is on pace and enjoying good profit margins.
- Range bound is the trend.

*July Corn had a narrow trading range today and closed higher. The May 19<sup>th</sup> low was the lowest of the past 20 sessions.*

### Support

5.95 ¼ 50-DMA  
5.82 May 19<sup>th</sup> low  
5.74 ½ April 1<sup>st</sup> low

### Resistance

6.11 ¼ May 22<sup>nd</sup> high  
6.14 ¾ May 13<sup>th</sup> high  
6.39 All-time record high

## SOYBEAN COMPLEX

Contract	Net Change	Closing Price	Today's High	Today's Low	14- Day RSI	10-Day Moving Avg.	50-Day Moving Avg.	Contract High	Contract Low	30-Year High	30-Year Low
Jul 08 S	43' 2	1368' 0s	1372' 0	1322' 6	54.24	13.53'3	13.24'2	15.96'0	5.95'0	15.96'0	4.01'4
Nov 08 S	29' 2	1353' 4s	1365' 4	1323' 2	60.95	13.29'6	12.47'1	14.66'0	5.95'0	14.66'0	4.05'2
Jul 08 SM	8.60	336.6s	337.20	327.20	47.72	340.50	340.70	399.00	201.80	399.00	117.40
Jul 08 BO	1.73	63.56s	64.27	61.43	59.04	61.66	59.27	71.40	29.70	71.40	14.40

- The entire soybean complex traded and closed higher today
- Fund buying and uncertainty surrounding the Argentina farm strike talks were supportive
- The Argentina farmers and government are expected to meet again on Monday
- Talk is that the lateness of the wheat harvest may result in less double-crop soybeans
- The funds were estimated sellers in the soybeans of 3,000 contracts, sellers of 2,000 soy meal and net sellers of 4,000 contracts of soy oil
- The June soybean and soybean product options expired today

*July Soybeans traded and closed higher today, with today's close the highest of the week. The contract has been trapped in a 94-cent trading range the past eleven sessions.*

### Support

13.22 ¾ Today's low  
13.08 May 9<sup>th</sup> low  
12.44 May low

### Resistance

13.77 ¼ May 19<sup>th</sup> high  
14.02 May high  
14.36 March 16<sup>th</sup> high

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**July Soy Meal** traded and closed higher today to end the week. Thursday's close was the lowest of the past 13 sessions.

Support  
**325.00** Thursday's low  
**303.00** 2008 low & April 1<sup>st</sup> low  
**296.20** Dec. 3<sup>rd</sup> low

Resistance  
**340.70** 100-DMA  
**351.40** 50-DMA  
**371.70** March 11<sup>th</sup> high

**July Soy Oil** traded higher and closed higher today. Today's close was the highest since March 13<sup>th</sup>.

Support  
**61.43** Today's low  
**58.87** 100-DMA  
**55.83** May 1<sup>st</sup> low

Resistance  
**64.27** Today's high  
**64.82** March 13<sup>th</sup> high  
**65.11** March 7<sup>th</sup> high

**WHEAT**

Contract	Net Change	Closing Price	Today's High	Today's Low	14-Day RSI	10-Day Moving Avg.	50-Day Moving Avg.	Contract High	Contract Low	30-Year High	30-Year Low
Jul 08 KW	-2' 4	797' 6s	806' 4	793' 2	31.09	8.23'1	9.37'7	13.20'0	4.39'0	13.20'0	2.59'0
Sep 08 KW	-2' 0	812' 0s	818' 0	804' 4	31.50	8.34'2	9.45'5	13.00'0	4.94'4	13.00'0	2.33'6
Jul 08 W	7' 4	752' 4s	759' 4	740' 0	34.07	7.76'2	8.92'5	12.72'6	3.72'0	12.72'6	2.62'4
Sep 08 W	7' 4	767' 6s	773' 4	756' 2	34.39	7.91'0	9.05'5	12.78'0	4.99'0	12.78'0	2.34'0

- Wheat futures traded both side of unchanged before closing lower in the Kansas City market and higher in the Chicago contracts. Kansas City wheat was the sell side of spreads against all the Chicago grain contracts.
- Overnight, rain moved across portions of the Plains States. The benefit outweighed the damage that occurred.
- Harvest moving north but has not reached Oklahoma. Reports of decent yields but the acreage cut is small.
- The export restriction lifted in the Ukraine on wheat takes business away from the United States. A high freight rate does not help the United States. The good news is this is a slow time of the year for movement.
- The July Kansas City wheat contract closed below the psychological \$8.00 support mark. Technical traders could use this to add to short positions.

**July KC Wheat** traded lower and closed lower today, with today's low being very near the 2008 low.

Today's low was a new low for the year of 2008.

Support  
**7.93 ¼** Today's low & 2008 low  
**7.85** Dec 6<sup>th</sup> low  
**7.74** Dec 2007 low

Resistance  
**8.53 ¾** May 20<sup>th</sup> high  
**9.00** Psychological area  
**9.37 ¾** 50-DMA

**July Chicago Wheat** traded and closed lower today, with today's low being the lowest since November 30<sup>th</sup>.

Support  
**7.40** Today's low & 2008 low  
**7.34** Nov. 30<sup>th</sup> low  
**7.05 ¼** Nov 27<sup>th</sup> low

Resistance  
**8.10** May 13<sup>th</sup> high  
**8.44** May 8<sup>th</sup> high  
**8.92 ½** 50-DMA

**NOTES OF INTEREST:**

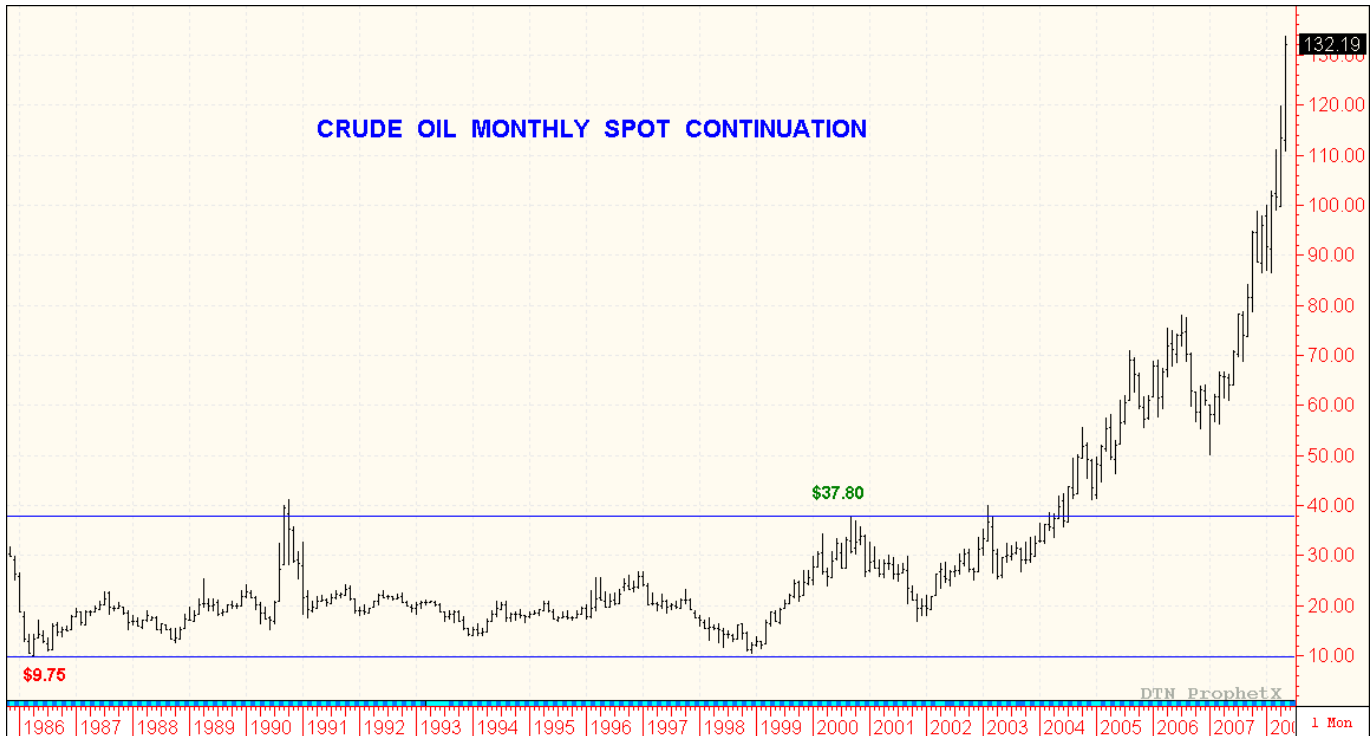
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<b>TODAY'S CLOSING PRICES VERSUS WEEK AGO and VERSUS A YEAR AGO</b>					
	<b>TODAY</b>	<b>WEEK AGO</b>		<b>YEAR AGO</b>	
	<b>23-May-08</b>	<b>16-May-08</b>	<b>NET CHANGE</b>	<b>23-May-07</b>	<b>NET CHANGE</b>
Aug Live Cattle	<b>101.30</b>	99.10	<b>2.20</b>	92.25	<b>9.05</b>
Aug Feeder Cattle	<b>115.22</b>	113.07	<b>2.15</b>	112.72	<b>2.50</b>
Jul Lean Hogs	<b>77.15</b>	76.25	<b>0.90</b>	73.50	<b>3.65</b>
Jul Corn	<b>5.9975</b>	5.9100	<b>0.09</b>	3.6850	<b>2.31</b>
Dec Corn	<b>6.2725</b>	6.1675	<b>0.11</b>	3.7050	<b>2.57</b>
Jul Soybeans	<b>13.6800</b>	13.7800	<b>(0.10)</b>	8.0050	<b>5.68</b>
Nov Soybeans	<b>13.5350</b>	13.4925	<b>0.04</b>	8.3050	<b>5.23</b>
Jul Soy Meal	<b>336.30</b>	350.00	<b>(13.70)</b>	218.90	<b>117.40</b>
Jul Soy Oil	<b>63.56</b>	61.85	<b>1.71</b>	34.89	<b>28.67</b>
Jul KC Wheat	<b>7.9775</b>	8.2425	<b>(0.27)</b>	4.6775	<b>3.30</b>
Jul CH Wheat	<b>7.5250</b>	7.7550	<b>(0.23)</b>	4.7650	<b>2.76</b>
Jul Crude Oil	<b>131.70</b>	126.04	<b>5.66</b>	65.77	<b>65.93</b>
Jul Heating Oil	<b>3.8969</b>	3.7093	<b>0.1876</b>	1.9351	<b>1.9618</b>
DOW	<b>12480</b>	12987	<b>(507)</b>	13526	<b>(1046)</b>

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**Charts Reflect Combined Electronic & Day Sessions**

**Green Line is Trend Line // Blue Line is 50-Day Moving Avg. // Red Line is 100-Day Moving Avg.**

**2008 JUNE LIVE CATTLE**



**2008 AUGUST FEEDER CATTLE**



**2008 JULY CORN**



**2008 JULY SOYBEANS**



**2008 JULY KC WHEAT**



**2008 JULY CHICAGO WHEAT**



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