DEMAND

COMMERCIAL DEMAND
- Exports
- Domestic
  - Ethanol
  - Feed
  - Milling
  - Other

INVESTMENT DEMAND
- Commodity funds
- Index funds
- Hedge funds
- Large investment houses
Investment Demand
Investment Demand
Investment Demand
CORN
CORN 5-YEAR WEEKLY SEASONAL INDEX

This chart shows the trend of the front-month futures contract (red line) as it relates to the 5-year seasonal tendency (blue line).
Investment Demand

CORN CONTINUOUS WEEKLY CLOSE
CFTC NONCOMMERCIAL NET FUTURES POSITION

DTH ProphetX®
Investment Demand

CORN CONTINUOUS WEEKLY CLOSE
CFTC NONCOMMERCIAL NET FUTURES POSITION

DTN ProphetX®
LONG-TERM CORN MONTHLY CHART

1-Dec-2011
@C2011Z
O = 586.00
H = 588.75
L = 585.00
LA= 585.00
NC= -0.25
A=50.9, V=943.46
A=-55.2, V=632.08

799.75 (0.0%)
716.76 (67.0%)
674.00 (50.0%)
631.25 (33.0%)
548.25 (50.0%)
462.74 (67.0%)
296.75 (100.0%)

STOCH K[@C@C,5,14]= 48.53
STOCH D[@C@C,5]= 63.14

DTN ProphetX®
LONG-TERM CORN MONTHLY CHART
LONG-TERM CORN MONTHLY CHART

1-Dec-2011
@C2011Z
O = 586.00
H = 588.75
L = 585.00
LA = 585.00
NC = -0.25
A = 50.9, V = 943.46
A = -55.2, V = 632.08

799.75 (0.0%)
716.76 (67.0%)
674.00 (50.0%)
631.25 (33.0%)
548.25 (50.0%)
462.74 (67.0%)
296.75 (100.0%)

DTN ProphetX®

STOCH K[ @C1[C5,14] = 48.53
STOCH D[ @C1[C5] = 63.14
Markets View of Fundamentals

CORN FUTURES SPREADS

5-Dec-2011
@CH12@CK12
LA= -8.00
NC= 0.25
@CK12@CN12
LA= -5.50
NC= 0.50

DTN ProphetX®
NATIONAL AVERAGE CORN BASIS
(DTN National Corn Index - front month futures)

Cents per bushels (NCI - front-month futures)

2011-12
5-year max basis
5-year min basis
5-year avg basis
Corn Outlook

Winter (Dec-Jan-Feb)
- Seasonal index turns more bullish
- Continued noncommercial long-liquidation
  - Repeat of 2008-2009: February to February
- Neutral carry in futures spreads
  - National average basis remains strong
- Volatility Decreasing
  - Could ultimately lead to renewed noncommercial buying interest
- Test long-term price support
  - $5.50 in nearby futures contract
Corn Outlook

Spring-Summer (March-August)
- Seasonal index indicates peak in mid-June
- Noncommercial traders could rebuild a portion of net-long futures position
- As spring progresses, carry could weaken in futures spreads.
  - Steady to firm national average basis

Volatility Increases
- Seasonal. Tied to planting season/pollination weather

Test long-term price resistance
- Target price between $6.75 and $7.15
- Seasonal target = $7.72 (near August 2011 high)
CORN FUNDAMENTALS
Global Corn Fundamentals

- Global demand
- Global supplies
- World corn ending stocks to use
SOYBEANS
This is shows the trend of the front-month futures contract (red line) as it relates to the 5-year seasonal tendency (blue line).
Investment Demand
Investment Demand

CFTC: NONCOMMERCIAL NET-FUTURES POSITION
NEARBY SOYBEANS WEEKLY CLOSE

DTN ProphetX®
LONG-TERM SOYBEAN MONTHLY CHART

SOYBEAN CONTINUOUS MONTHLY

1-Dec-2011
SO2012F
0 = 1130.50
H = 1137.00
L = 1123.75
LA = 1130.50
NC = 1.00
A = 49.4, V = 2827.50
A = 19.0, V = 1078.48
A = 61.2, V = 2032.75
A = -20.4, V = 1365.13

1-Dec-2011
STOCH K[@S@C,5,14] = 35.30
STOCH D[@S@C,5] = 55.50
Markets View of Fundamentals

SOYBEAN FUTURES SPREADS

5-Dec-2011
@SF12@SH12
LA = -9.75
NC = 0.25

@SH12@SK12
LA = -10.50
NC = -0.25

@SK12@SN12
LA = -9.75
NC = 0.25
Markets View of Fundamentals - 2

SOYBEAN FUTURES PERCENT OF CARRY: 2011-2012

Percent of full commercial carry

<table>
<thead>
<tr>
<th>Futures Spreads</th>
<th>Jan-Mar</th>
<th>Mar-May</th>
<th>May-Jul</th>
</tr>
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<tbody>
<tr>
<td>0%</td>
<td>70%</td>
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<td>10%</td>
<td>70%</td>
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<tr>
<td>20%</td>
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<td>80%</td>
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<tr>
<td>90%</td>
<td>70%</td>
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</tr>
<tr>
<td>100%</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
</tr>
</tbody>
</table>
NATIONAL AVERAGE SOYBEAN BASIS:
DTN Index - front month futures

- $1.30
- $1.10
- $0.90
- $0.70
- $0.50
- $0.30
- $0.10

$0.10
$0.30
$0.50

Sep wk - 1
Sep wk - 3
Oct wk - 1
Oct wk - 3
Nov wk - 1
Nov wk - 3
Nov wk - 5
Dec wk - 2
Dec wk - 4
Jan wk - 2
Jan wk - 4
Feb wk - 1
Feb wk - 3
Mar wk - 1
Mar wk - 3
Apr wk - 1
Apr wk - 3
May wk - 1
May wk - 3
May wk - 5
Jun wk - 2
Jun wk - 4
Jul wk - 2
Jul wk - 4
Aug wk - 2
Aug wk - 4

5-year avg basis
5-year max basis
5-year min basis
2011-12
Soybean Outlook

Winter (Dec-Jan-Feb)

- Seasonal index turns more bullish
- Noncommercial long-liquidation could slow due to position near par
- Bearish carry in futures spreads
  - National average basis remains strong
- Volatility relatively high
- Test long-term price and trendline support
  - $10.70 in nearby futures contract
LONG-TERM SOYBEAN MONTHLY CHART

SOYBEAN CONTINUOUS MONTHLY

1-1-Dec-2011
@S2012F
0 = 1130.50
H = 1137.00
L = 1123.75
LA = 1130.50
NC = 1.00
A = 49.4, V = 2827.50
A = 19.0, V = 1078.48
A = 61.2, V = 2032.75
A = -20.4, V = 1365.13

STOCH K[@S@C,5,14] = 35.30
STOCH D[@S@C,5] = 55.50
Soybean Outlook

- Spring-Summer (March-August)
  - Seasonal index indicates peak in early July
  - Noncommercial traders could rebuild net-long futures position
  - Futures spreads could be hard pressed to see weakening of carry as South American crop becomes available
    - National average basis could begin to weaken
  - Volatility Increases
  - Test long-term price resistance
    - Target price = August 2011 high of $14.56
    - Seasonal target = $14.46 (28% rally from early Dec through early July)
SOYBEAN FUNDAMENTALS
WORLD SOYBEAN FUNDAMENTALS

Total Supply  Total Demand

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Supply (mmt)</th>
<th>Total Demand (mmt)</th>
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</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>110</td>
<td>90</td>
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<tr>
<td>1991-92</td>
<td>120</td>
<td>100</td>
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<tr>
<td>1992-93</td>
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<td>2010-11</td>
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</tr>
<tr>
<td>2011-12</td>
<td>320</td>
<td>300</td>
</tr>
</tbody>
</table>
SOY/CORN RATIO DEBATE
WHEAT
This is shows the trend of the front-month futures contract (red line) as it relates to the 5-year seasonal tendency (blue line).
Investment Demand
LONG-TERM WHEAT MONTHLY CHART

CHICAGO WHEAT CONTINUOUS MONTHLY

1-Dec-2011
@W2011Z
0 = 593.00
H = 594.75
L = 582.00
LA= 583.00
MC= -15.75
A=84.9, V=4637.25
A=-66.6, V=-1201.83
A=-69.2, V=346.58

STOCK K[@W@C,3,14]= 12.01
STOCK D[@W@C,3]= 20.16

DTN ProphetX®
LONG-TERM WHEAT MONTHLY CHART

CHICAGO WHEAT CONTINUOUS MONTHLY

A=84.9, V=4637.25
A=-66.6, V=-1201.83
A=-69.2, V=346.58

STOCH K[@W@C,3,14]= 12.01
STOCH D[@W@C,3]= 20.16
Markets View of Fundamentals
SRW Basis

-2.30
-1.80
-1.30
-0.80
-0.30
0.20

Jun wk - 1
Jun wk - 3
Jul wk - 1
Jul wk - 3
Jul wk - 5
Aug wk - 2
Aug wk - 4
Sep wk - 2
Sep wk - 4
Sep wk - 6
Oct wk - 1
Oct wk - 3
Oct wk - 5
Nov wk - 1
Nov wk - 3
Nov wk - 5
Dec wk - 1
Dec wk - 3
Dec wk - 5
Jan wk - 2
Jan wk - 4
Feb wk - 2
Feb wk - 4
Mar wk - 2
Mar wk - 4
Apr wk - 1
Apr wk - 3
May wk - 1
May wk - 3

2011-2012
5-year avg. basis
5 year max basis
5 year min basis
Wheat Outlook

- Winter (Dec-Jan-Feb)
  - Seasonal index is more bullish
  - Noncommercial traders could look to cover a portion of net-short futures position
  - Bearish carry in futures spreads
    - National average basis remains strong
  - Volatility is low
    - Could attract noncommercial buying interest
  - Rally off support
    - Monthly chart support = $5.80
    - Initial technical target price = $6.70
    - Seasonal index target = $6.35
WHEAT FUNDAMENTALS
CASH WHEAT – CASH CORN SPREAD
CONCLUSION

Outside markets should continue to set the tone for investment interest in ag markets.

Recent developments in the commodity industry could lead to long-term changes.

The fundamental situation in corn could grow more bearish by the end of the 2011-2012 marketing year, with the market possibly confirming a long-term top.

The soybean market should remain a follower, with much depending on the South American crop.

The global situation in wheat remains bearish and not expected to change in 2012.
For more information:

Visit:  www.dtnprogressivefarmer.com
Email:  darin.newsom@telventdttn.com
Twitter: www.twitter.com\DarinNewsom

Thank you