

# The Hightower Report

## Futures Analysis & Forecasting

141 W. Jackson Boulevard  
Suite 4002  
Chicago, IL 60604  
312.786.4450 / 800.662.9346

[www.futures-research.com](http://www.futures-research.com)

- Trade Recommendations
- Pre-open and Midday Audio Updates
- Fundamental & Technical Chart Library
- Daily Fundamental & Technical Analysis

[www.futures-research.com](http://www.futures-research.com)

## Special Report

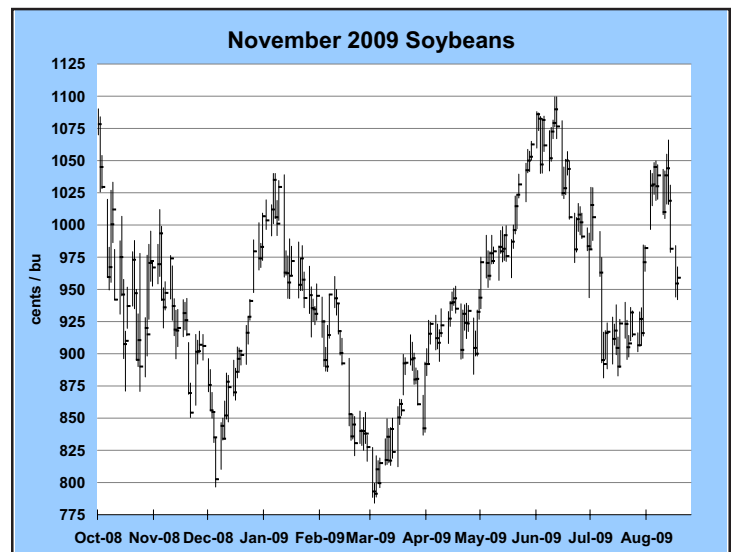
August 24, 2009

### Soybeans: Has the Tide Turned Against the Bull Market?

Has the tide turned against the bull market in soybeans? The long term answer may be yes, and the reasons are weather and the economy. Just like last year, a wet and cool planting season got the soybean and corn crops off to a slow but well-watered start.

Last year, this was followed by regular forecasts of a hot, dry spell that were expected to damage the developing crop. But these forecasts never quite materialized, and the same thing has happened this year. In fact, the extra warmth that did occur in recent weeks this year has been quite beneficial to both corn and soybeans. Corn needed heat to add Growing Degree Days which are needed to produce an optimal yield, and soybeans also needed some extra heat simply to speed up plant (and pod) development in order to diminish the substantial risk posed by an early frost.

In addition, timely rains have fallen on much of the soybean crop this year just when it was most needed: during pod-setting and pod filling stages. Corn also saw favorable rain and temperature conditions during its critical pollination period in late July and early August, and the USDA responded on the August crop report with a big 6.1 bushel per acre (4%) jump in the projected corn yield versus their July projection. Since soybeans develop later than corn, the August report



did not reflect the improved condition of the soybean crop. That is likely to happen in September.

If the soybean yield is increased by 4% in September (from 41.7 bushels per acre in August), it would result in a new record high yield of 43.36 bushels per acre. The USDA already called for a record US soybean crop of 3.199 billion on the August report due to higher acreage, and a 4% yield increase

*The information in this report may be considered dated upon its release and should not be considered interpersonal advice. This report is merely an opinion on the market and is a reflection of conditions as of its publication. Market conditions change! Traders should not consider entering positions without their own independent analysis of the market's current situation, nor without further consideration of any changes to the information contained herein that may have occurred since this report was written. The authors are not responsible for any verbal or written claims and opinions that might be provided in conjunction with this report. The trading suggestions contained herein have been provided merely as a general guide and only for the purpose of quantifying the authors' opinions.*

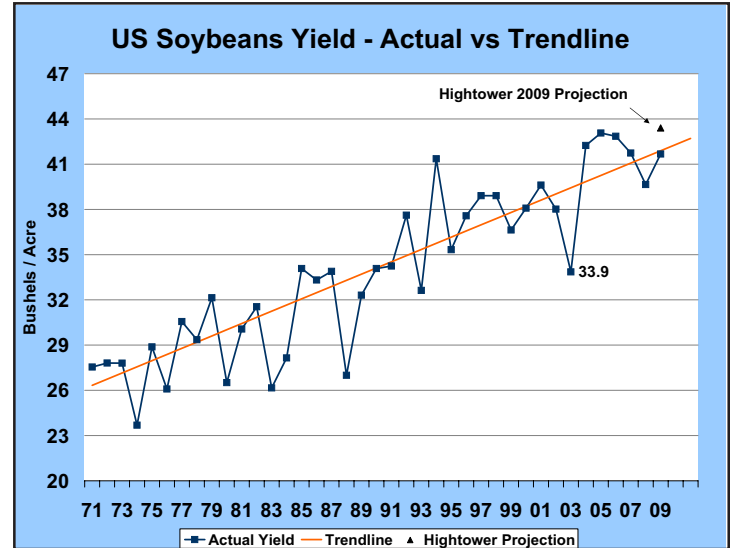
*This report includes information from sources believed to be reliable but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. This report should not be construed as a request to engage in any transaction 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 The Hightower Report is strictly prohibited.*

# Soybeans: Has the Tide Turned Against the Bull Market?

For daily research on this and other markets, go to [www.futures-research.com](http://www.futures-research.com) or call 800-662-9346.

in September would take the 2009/10 crop to a whopping new all-time high of 3.33 billion bushels.

If we keep total soybean usage at the current projection, this would raise the 2009/10 ending soybean stocks to a burdensome...



To view the entire report and for daily updates on the latest market developments, call 800-662-9346

or go to our website at  
[www.futures-research.com](http://www.futures-research.com)  
and request a FREE TRIAL.