

Stewart-Peterson Advisory Report Sample

10 segments * 4 Daily Updates * \$180/year or \$99/six months
Delivered via email or DTN. Call to get connected.

This page is a sample of our Stewart-Peterson Advisory Report and pricing information. With the Stewart-Peterson Advisory Report you get a concise, to-the-point market outlook with recommendations, trade comments, weekly basis comments and "Spec's Spot." The day's events are explained and analyzed, and both short- and long-term outlooks provided. The cash, futures and options strategies are clearly a valuable tool in your marketing tool chest. This product is competitively priced at a level that makes sense to today's producer.

Disclaimer – Important Notice

Calls and Updates

Corn

Soybeans

Wheat

Hogs

Cattle

Cotton

Market Focus

Spec's Spot

DISCLAIMER

*** Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program.

One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results.

CALLS AND UPDATES

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.
Phone: 1-800-334-9779

SAMPLE

CORN: Corn futures are called to open steady to slightly higher. Weekly export sales continue to look encouraging near term. Farmers appear unlikely to sell until we rally another 5 cents.

SOYBEANS: Bean futures are called to open mostly steady. Exports remain consistent for the near term, but lack any significant push for rallies at this time.

WHEAT: Wheat futures are called to open steady to slightly better. The recent price dip has allowed for a slight increase in export business, as foreigners look at wheat as a good value at current price levels.

HOGS: Hog futures are called to open slightly lower. Cash markets have shown weakness recently, as supplies are still proving too burdensome for end users.

CATTLE: Cattle futures are called to open mixed to weaker. Retail feed prices are having a tough time competing with all the excess pork in the market currently. Rallies should be limited today.

CORN

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.
Phone: 1-800-334-9779

SAMPLE

CORN UPDATE: Corn prices moved higher early on follow-through buying from Friday's rally. Good rainfall through the Midwest continues to cap bullish enthusiasm. Weather in South America remains supportive for good harvest progress. Weekly export inspections came in at 42.248 mi bu. Expectations were for 35 to 40 million bushels. May corn finished up 1/2 cent at 236-1/2 with sideways price action during close.

OUTLOOK: Corn could see short-term pressure due to good rainfall and a slowing of export demand. Export business may slow due to higher prices but will return if there is any danger to the 06 crop. The bullish planting intentions report will keep a firm floor under this market. Liquidate 2005 short positions.

RECOMMENDATIONS

NEW ADVICE: Buy 50% of 2005 (July) and 2006 (Dec) crop. 2005: Liquidate all hedges.

CASH: 2005: 100% Priced. 2006: 40% Priced. 2007: 10%.

CURRENT HEDGES: 2005: Bought May \$2.10 puts (\$.0325), sold July \$2.50 calls (\$.085), 2006: Sold Dec 06 \$3.00(.13) & \$2.80 (.15) calls.

SOYBEANS

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.
Phone: 1-800-334-9779

SAMPLE

SOYBEAN UPDATE: Soybean prices were unable to hold key support at \$5.68 in early trade today. Farmer selling has been brisk over the past few days and many feel that is the underlying reason for a potential drop in prices. Export inspections came in at 13.157 mi bu. The trade had expected between 13 and 17 mi bu in today's export inspection report. May soybeans closed 6-1/2 cents lower at \$5.65 with a late price push lower.

OUTLOOK: Farmer selling may be the final nail in the soybean market coffin. If panic selling develops because of poor price expectations for soybeans, that could cause the last sharp drop in soybean prices. The prospects for bean fundamentals surely support that price drop. Expect the front-month bean contract to test support at \$5.44. Stay hedged for now.

RECOMMENDATIONS

NEW ADVICE None

CASH: 2005: 100% Priced. 2006: 40% Priced.

CURRENT HEDGES: 2005: On 50%, Sold May futures (\$5.785), bought May \$5.80 calls (.145). 2006: Sold Nov \$6.00 calls (\$.33), bought Nov \$6.00 puts (\$.40) on 50% of 2006 production.

WHEAT

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.

Phone: 1-800-334-9779

SAMPLE

WHEAT UPDATE: Wheat traded lower for most of today. A good weekend of rain and a poor demand picture pressured prices today. A need for more rain in the Southern plains offered support. Export inspections came in at 11.7 mi bu which was below expectations. May Chi down 5-3/4 cents at \$3.42; KC May down 3-1/2 cents at \$4.15; and MPLS May down 1-3/4 cents at \$4.02-1/2.

OUTLOOK: Wheat will now be trading weather, after Friday's planting report confirmed a larger winter wheat crop and a smaller spring wheat crop. The 6 to 10-day weather report is calling for a return to a dryer and warmer weather pattern. Chi May support is at \$3.38-1/2; KC May \$3.96-1/2; and MPLS May at \$3.90. Get current with cash sales and stay with current hedge.

RECOMMENDATIONS

NEW ADVICE: SEE CURRENT HEDGES BELOW

CASH: 2005:90% sold Chi 90% sold MPLS 100% sold KC 2006: 50% sold Chi. 50% sold KC. 50% sold MPLS. 2007 10% sold Chi.

CURRENT HEDGES: 2005: None 2006: Short 20% Chi July \$3.62.(1/5/06)Out of hedge if price hits \$3.67 on a SCO. Short 20% KC July \$3.81.(1/5/06)OUT AT \$4.15-3/4. Short 20% MPLS July \$3.89. (1/5/06)OUT AT \$4.11.

HOGS

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.

Phone: 1-800-334-9779

SAMPLE

HOG UPDATE: Hogs closed the day higher as the market reacted favorably to the neutral Hogs & Pigs Report of last Friday. Cash hogs were generally \$1 lower. April: up .80 to 58.15; May up .50 to \$65.37 and June up .60 to 65.87. Index 55.39 off .28.

OUTLOOK: The hog market had a nice bounce up to the 20-day moving average resistance level today in response to Friday's H&P report. All today's rally did was put the market back at

the top of the recent trading range and against technical resistance. Near-term, look for continuation of trading the two-week range.

RECOMMENDATIONS

NEW ADVICE: Bought back 76 June call for 60 cents or better 3/24/06. Be lifting April puts as you sell hogs.

CASH: Remain Current.

CURRENT HEDGES: Bought 64 April puts. Bought 70 June put on 35% of May and June hogs. Bought May 64 put Sold May 68 call for 50% of May needs. Cover 50% of corn needs through May, preferably by buying cash corn. Meal buy \$200 strike calls Mar or May to cover possible weather rally from South American problems.

CATTLE

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.
Phone: 1-800-334-9779

SAMPLE

CATTLE UPDATE: Live cattle made new lows and reversed themselves to close higher across the board. Feeder cattle, which have been market leaders, closed mixed today with lower nearby contracts. April: up .72 to 80.22; June: gained .40 to 74.75; Aug: 76.47 gained .17.

OUTLOOK: Looking at the continuous weekly chart, there could be a rather messy double-bottom being formed this week if today's low holds for the week. If that comes true, look for a \$3 to \$4 bounce off today's low. It is interesting to note that 10 years ago this week, there was a 10-year cycle low. If April can close higher for the week, some very long-term traders may look at this as the next cycle low to buy from. Watch the June puts.

RECOMMENDATIONS

NEW ADVICE: None

CASH: Stay current.

CURRENT HEDGES: Sold 25% April 92 call \$1.00. Bought April 92 put on 50%. Sold 25% April 90 call \$1.40. Bought June 86 put on 35% of summer cattle.

COTTON

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.
Phone: 1-800-334-9779

SAMPLE

COTTON UPDATE: Cotton closed mixed as spec traders couldn't find a trend to trade. However, they did put on spreads by selling old crop and buying new. May: 52.57 off .08; July: 54.57 off .03; Dec: gained .06 to 58.11.

OUTLOOK: Most of the today's trading action was selling old crop and buying new since traders were unwilling to make any bold statements by establishing an outright position. However, this does leave the market with the expectations of lower nearby as supply outruns demand. Rainfall looks to be making its way into some of the dry Eastern cotton growing areas, but not so heavy as to break the dry weather pattern that is currently prevalent.

RECOMMENDATIONS

NEW ADVICE: None

CASH: 2005: 10% cash May at 54.65. 20% 05 at 54.65. Sold 20% 53.40 on Mar 06. Sold 15% of 06 crop at 58.75 Dec. Sold 10% 06 crop at 56.95 Dec.

CURRENT HEDGES: Sold 40% on May at 53.38.

MARKET FOCUS

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.

Phone: 1-800-334-9779

SAMPLE

Weekly basis comments

Written by: Marianne Motzko

CBOT rally on corn and wheat has weakened the basis on old crop. Still too early to lock in new crop basis, but must monitor closely. March and April barge freight costs 10-15% (of tariff) easier along the Mississippi River, and the Ohio River is trading 30% to 40% of tariff lower - or about 5 cents per bushel. Corn basis at the U.S. Gulf is bid 4 cents lower than last week at +.38 CK for March delivery. Last night, the St. Louis spot corn bid was up 2 cents from last week at +.07 CK and Cincinnati was up 3 at +.02 CK. Tonight, both of these river locations dropped their basis by 8 cents, now at -.06 CK and -.01 CK respectively. Processor basis is weaker as well, but not as sharply, Hammond, IN is down 2 cents at -.17 CK.

Soybean CIF was 3 cents weaker tonight. The St. Louis spot bid of -.09 SK shows the basis weakness spilling over from the corn. Some elevators dropped their basis sharply on an increase in pre-report sales. Brewster, MN is down 18 cents at -.51 SK. However, Volga, SD up 4 cents again this week to -.44 SK. Hard Red Wheat delivered to the Texas Gulf by Rail in April is bid 3 cents higher this week at +.78 KWK. U.S. Gulf Soft winter wheat for April is unchanged at +.30 continued WK. New crop basis in the interior is unchanged. Hold off on locking in new crop wheat basis for now. Minneapolis Spring wheat basis continues to improve up 3 cents this week in Rogers, ND at -.18 MWK for spot and new crop at -.28 MWU is 1 cent better.

SPEC'S SPOT

Stewart-Peterson Advisory Reports, a service of Stewart-Peterson, Inc.

Phone: 1-800-334-9779

SAMPLE

Stewart-Peterson: **SPEC'S SPOT**

TRADE: Hold bought July corn \$2.30 puts.

SPEC'S SPOT focuses on trades that are speculative in nature. We will make recommendations on a wide variety of commodities. The purpose of these trades is to give the speculator trade ideas. This section of the report is NOT intended to be used as hedge advice.

Speculative trades are high risk in nature and should be treated that way.