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Commodities: New investing in grains bolsters corn and soybeans

By **Jeff Wilson Bloomberg News**

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CHICAGO Corn and soybean prices are expected to rise for a third consecutive week as investors bet that grains are an attractive alternative for investors seeking to profit from the recent rally in commodities.

A Bloomberg News survey showed that 13 of 21 farm advisers, grain merchants and traders surveyed on Friday recommended buying corn, while 11 said to buy soybeans. The price of corn, the biggest U.S. crop, rose 3 percent last week to a five-month high. Soybeans advanced 0.9 percent.

Jim Rogers, who co-founded the Quantum fund with George Soros in 1970, said last month that agricultural products were the "best investment targets" and had been undervalued after yearlong rallies in oil, gold and copper. Prices may get a lift from new financial products that invest directly in crops.

"No one wants to stand in the way of this new investment money," said Jeff Beal, a grain industry consultant for Strategic Marketing Services in Rockford, Illinois. "These new investors are treating commodities as an asset class, investing for the long term."

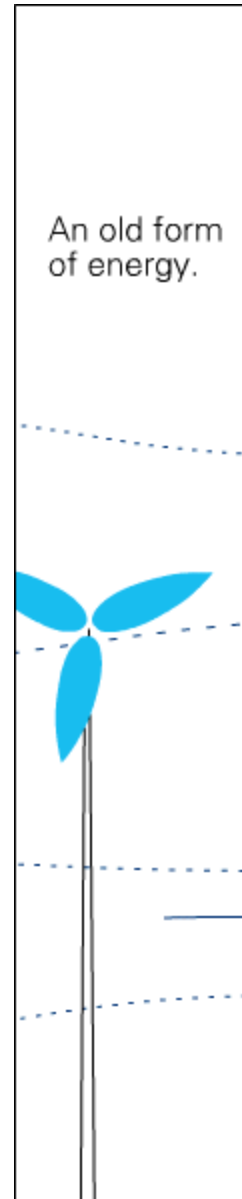
Corn futures for March delivery rose 6.5 cents to close at \$2.2525 a bushel Friday on the Chicago Board of Trade, and soybeans for March delivery climbed 5.5 cents to \$5.9475 a bushel. Those gains were anticipated by the majority of analysts surveyed Jan. 27.

Rising investment by pension and hedge funds helped send the Reuters Jefferies CRB Index of 19 commodities to a record 345.90 points on Feb. 1. The index rose 18 percent last year as copper and oil prices set records, compared with corn's 5.4 percent gain and a 12 percent climb for soybeans.

Analysts, meanwhile, were the least optimistic they have been in five weeks about the chances for oil price gains, a Bloomberg News survey showed.

Thirty-three percent of 43 analysts, traders and brokers said prices would decline this week, a jump from the 17 percent who expected a fall last week.

The survey was carried out on Friday, before the International Atomic Energy Agency voted in favor of referring Iran to the UN Security Council for pursuing nuclear research. Iran has said it will not halt oil exports because of the dispute.



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