



CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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CLOSING FUTURES PRICE SUMMARY 6.12.15						
	CN15	CZ15	CH16	SN15	SX15	SF16
This week	\$3.5300	\$3.6950	\$3.8100	\$9.4000	\$9.0425	\$9.1150
Last Week	\$3.6050	\$3.7800	\$3.8900	\$9.3775	\$9.1425	\$9.2175
Weekly Change	-\$0.0750	-\$0.0850	-\$0.0800	+\$0.0225	-\$0.1000	-\$0.1025

Check current cash bids: <http://www.chsrochester.com/grain/cash-bids/>

Another quiet week for grain markets this week, punctuated by the much anticipated, yet highly mundane, June USDA Supply and Demand report. Very few changes were made the balance sheet. Corn carryout increased in both the old and new crop years thanks to a 25 million bushel decrease in 2014/15 ethanol production. Soybean carryout dropped 20 million for 2014/15 and 25 for new crop. This was done through increases in crush and exports.

In general the market is focusing on weather and ample stocks, driving prices lower. The old adage "rain makes grain" is also feeding the bearish sentiment. Brief rallies in corn were typically the result of short covering and concerns of too much rain in parts of the corn belt. Soybean gains have been short lived as 330 million bushels is more than enough to get through to new crop. However, bean basis is seen as steady to slightly firmer, margins and crush rates remain strong in the near term. Widespread bird flu outbreak has not yet made a significant impact on demand.

Our next opportunity for significant market direction will be the June 30 acreage report from the USDA. Many questions should be answered by then. Did more corn get planted in the early planting window we saw this year? Did late spring rains prevent all the intended bean acres from being seeded? Will the "missing" acres from the total acreage pie be found? Until then, we will likely see sideways trade with any rally a function of non-fundamental forces.



Corn:

After establishing new highs for the month, new crop corn quickly turned lower on Wednesday, and erased nearly all the gains from last week. With the increase in carryout and good weather, the double bottom at \$3.65 and \$3.6525 could be the next downside challenge.



Soybeans:

November 15 soybeans managed to stay above \$9.00 this week, after briefly breaking through the psychological price last week. The slow slide lower is likely to continue however, as the market comes to grip with a projected 475 million bushel carryout for 2015/16.

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