



## CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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CLOSING FUTURES PRICE SUMMARY 10.30.15							
	CZ15	CH16	CN16		SF16	SH16	SN16
<b>This week</b>	\$3.8275	\$3.9150	\$4.0150		\$8.8575	\$8.9600	\$9.0025
<b>Last Week</b>	\$3.7975	\$3.8875	\$3.9900		\$8.9600	\$8.9825	\$9.0700
<b>Weekly Change</b>	+ \$0.0300	+ \$0.0275	+ \$0.0250		- \$0.1025	- \$0.0950	- \$0.0675

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

### Halloween Trick or Treat?

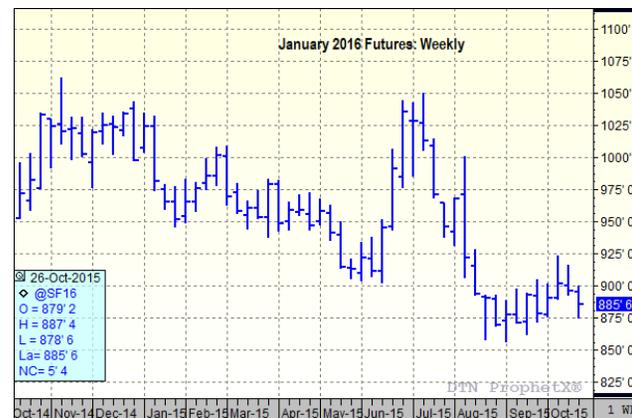
First, the treat. November is just about to begin and, unlike last year, harvest is quickly winding down instead of just ramping up! I would venture to guess most prefer this treat to last years tricky harvest season.

This year's trick? The markets. Marketing 101 comes down to the rule of Supply and Demand. Domestic supply of corn this year will be more than sufficient to meet demand for the year, the trouble is regional supply versus demand. Eastern corn belt producers appear to have a less than average corn crop this year but eastern belt end-users have not seen slower demand as of yet. Here in the western corn belt, corn yields have been average to slightly above average. This regional supply difference is impacting market dynamics from freight costs to basis levels across the country. Compounding the issue is the fact that a large percentage of producers are not willing to sell at these depressed level, opting instead to pay for storage while they wait for higher prices. This lack of commercial and processor ownership in the face of stagnant board prices is pushing basis levels higher from southeast back toward the northwest. Eventually this domino effect will hit our market and levels should improve, however, the timing and duration of basis appreciation is always the question. At some point we will reach the target price that moves enough bushels to market and keeps the pipeline fully charged.



### Corn:

December futures once again tested both ends of the recent range, \$3.85 to \$3.75. Cash tightness in the east has driven basis higher, and forced board spreads to narrow. However, ongoing harvest pressure of what seems to be above average yields in this region is keeping a lid on major board gains. Look for continued sideways trade until we get more information from the USDA on November 10th.



### Soybeans:

Trade has generally shifted focus to January futures with 1st notice day today for November futures. Like the November, January futures have had a hard time closing above \$9.00, and this week's action looks to confirm the downtrend. And with basis mostly steady, it would seem we are in a standoff. What will move first: futures or basis? The next USDA report on November 10th will be the next opportunity for direction.

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