



CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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CLOSING FUTURES PRICE SUMMARY 11.20.15							
	CZ15	CH16	CN16		SF16	SH16	SN16
This week	\$3.6325	\$3.6975	\$3.8075		\$8.5750	\$8.6050	\$8.7250
Last Week	\$3.5825	\$3.6550	\$3.7700		\$8.5525	\$8.5625	\$8.6825
Weekly Change	+ \$0.0500	+ \$0.0425	+ \$0.0375		+ \$0.0225	+ \$0.0375	+ \$0.0425

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

There's nothing friendly about the grain markets lately. Board prices continue to drift sideways to slightly lower, often taking two steps forward and one step back. Traders and producers continue to look and hope for a rally, but there is not fundamental reason to push prices higher right now. Just one carrot in front of the markets right now and that is the lack of producer selling. As the producer becomes more discouraged by lower prices and disengaged by the forthcoming holiday season, end users keep looking for grain. Basis is slowing creeping higher, but basis alone cannot do all the work. Most traders are of the opinion that board prices will have to move higher to help move the grain to market. The big question becomes when.

This marketing year has the makings of a near repeat of the 2014-15 crop year. The world is awash in corn and soybeans, but the producer is reluctant to sell at these prices below the cost of production. This will keep front end basis supported and reduce some of the carry to future months. And just like last year, barring any unforeseen weather event, we are likely to see a second harvest in late summer to make space for new crop. When this happens, prices are likely to fall sharply. Although this isn't likely to happen soon, it would be best to stay proactive in marketing. Don't hesitate to give us a call to discuss market opportunities.



Corn:
After putting in a new contract low last week, December corn was able to stage a small rally this week. The back and forth tug of war on corn is slowly drifting lower. Fundamentally there is a lot of corn in the world with no new demand evident. However, there is very little producer movement which should put a floor under futures prices. Until such a price is found to entice the grain to move to market, look for more sideways-lower trade.



Soybeans:
January soybeans performed much the same as corn this week. After a fresh low of \$8.50 last week, beans tried to rally but managed to hold just \$0.0225 gain on the week. Solid exports this week were enough to hold above the \$8.50 floor, but the huge supply of beans in the world ultimately weighed on values. Producer movement was noted on the rally which also capped any significant gains. Like corn, look for more sideways trade as we near year-end.

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