



CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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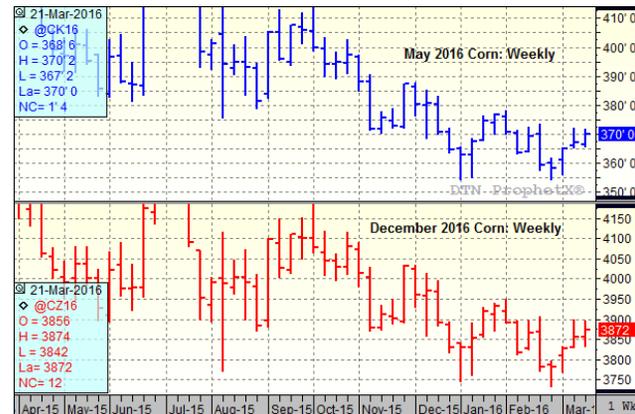
| CLOSING FUTURES PRICE SUMMARY 3.24.16 | | | | | | | |
|---------------------------------------|----------|------------|------------|--|------------|------------|------------|
| | CK16 | CN16 | CZ16 | | SK16 | SN6 | SX16 |
| This week | \$3.7000 | \$3.7450 | \$3.8725 | | \$9.1050 | \$9.1775 | \$9.2275 |
| Last Week | \$3.6700 | \$3.7175 | \$3.8550 | | \$8.9750 | \$9.0425 | \$9.0975 |
| Weekly Change | + 0.0300 | + \$0.0275 | + \$0.0175 | | + \$0.1300 | + \$0.1350 | + \$0.1300 |

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

A tale of two markets this week as corn struggled to trade higher, staying within relatively narrow six cent range all week. Corn has also struggled recently with a lack of consistently strong demand. After three solid weeks of export sales and ethanol grind, both dropped slightly this week.

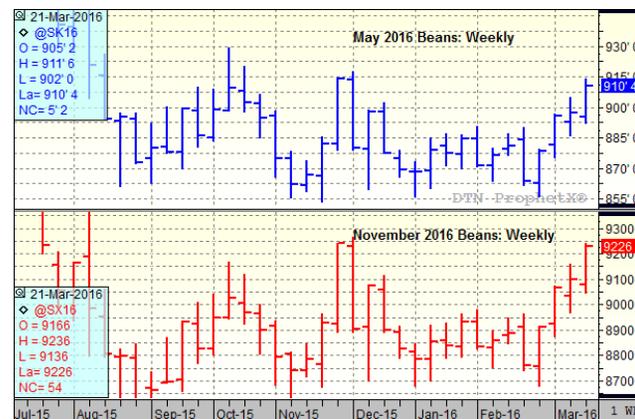
On the other hand, soybeans had a strong showing on the heels of the short covering rally started late last week. Further strengthening the soy complex was a surprising large soy meal export sales figure released yesterday. The big sale could be a sign of steady crush going forward rather than declining numbers as has been assumed for the past several weeks.

The cash market's response to this week's board rally was mixed as well. First, in corn, basis improvements were seen in some areas, but depreciation was seen as well. Our sense is nearby logistics forced commercial movement to select locations which caused lower basis. In general however, producer sales of corn was slow, which should keep a floor under nearby basis. Soybean basis on the other hand, saw a much more pronounced deterioration. Thus far, river terminals have been the strongest market in our region, however there is some indication that strength could be nearing an end. Be prepared to see more basis collapse as both river and processor markets near logistical capacity.



Corn:

Nearby corn challenged strong resistance this week at \$3.72, but failed to break through. Still, closing at \$3.70 is the strongest close we have seen in several weeks. Until and unless the funds decide to cover their corn short, it is likely we will continue to see a sideways trend with small rallies from time to time. Be prepared with pricing orders to take advantage of these rallies in both old and new crop positions.



Soybeans:

Old crop soybeans closed above \$9.00 for the first time since late November. New crop breached \$9.20 for the first time since December as well. Cash prices for both old and new crop are better than have been seen in many months. Funds have covered their short in beans, so it is possible this rally could be short lived, unless fundamentals, primarily crush rates, stay stronger than anticipated through the spring and summer.

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