



CHS ROCHESTER WEEKLY GRAIN MARKET RECAP

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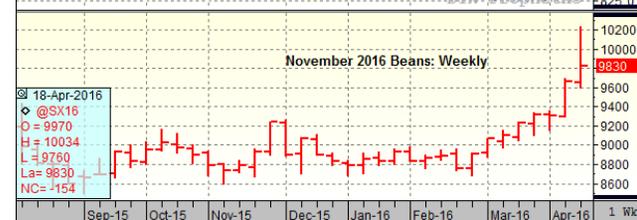
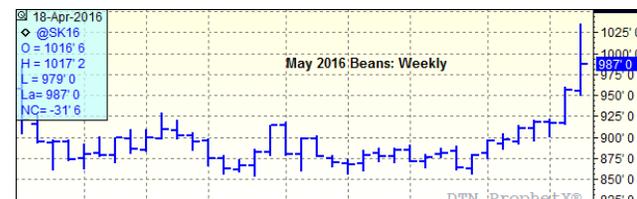
CLOSING FUTURES PRICE SUMMARY 4.22.16						
	CK16	CN16	CZ16	SK16	SN6	SX16
This week	\$3.7175	\$3.7550	\$3.8100	\$9.8700	\$9.9625	\$9.8300
Last Week	\$3.7850	\$3.8200	\$3.8825	\$9.5600	\$9.6425	\$9.6650
Weekly Change	- 0.0675	- \$0.0650	- \$0.0725	+ \$0.3100	+ \$0.3200	+ \$0.1650

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

Even the best amusement park ride couldn't duplicate the roller coaster that commodities experienced this week. Unfortunately, even the most experienced, well-versed traders in the industry are struggling to fully explain this week's market action. Let's start with what we do know, first South America. Argentina is too wet, preventing producers there from harvesting the soybean crop fueling concerns of lost production. This is viewed as an old crop soy meal issue because Argentina is a bigger crusher than exporter of beans. Brazil is having an opposite weather struggle, too hot and dry over key areas, potentially decreasing the corn crop. In light of the corn production concerns Brazil has adjusted the import tax structure, which could benefit the US corn demand. However it is too early to gauge the full impact. Brazil is also host to a political quagmire as they start the process of impeaching the president on allegations of corruption. Keep in mind too, that Brazil is preparing to play host to the world this summer as the Olympics come to Rio.

Here in the US, fundamentally, very little has changed. Planting progress should come in around 25% on Monday compared to 16% on average. The rapid rally in corn should have put a halt to any acreage changes from corn to soybeans.

Money flow buying into commodities, covering short corn positions, and waiting for US weather clarification was seen as a major force behind this week's rally. As the board rallied producers were quick to reward the market on the way up. Rising futures coupled with heavy cash movement throughout the country led to the biggest basis drop seen in long time. Some places down double digits in a matter of days.



Corn saw a very wide trade range this week, both old and new crop. While we did close down on the week, we are still well off the lows from last month. Weekly and monthly charts continue to look supportive from a technical standpoint. Every rally is bound to be littered with mild setbacks and corrections. General consensus is that we still have momentum to march slowly higher, at least until we have a better handle on weather and production prospects in the US.

Soybeans managed to hold on to significant gains again this week, despite the waffling corn market. Beans have now closed higher 7 of the last 8 weeks, gaining just over dollar in that time. May option expiration and the approaching month-end could limit gains for the near term, however long term still looks strong thanks to possible production losses in Argentina. Consider rewarding the rallies on scale up sales for both old and new crop.

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