CHS WEEKLY GRAIN MARKET RECAP
ROCHESTER, MN

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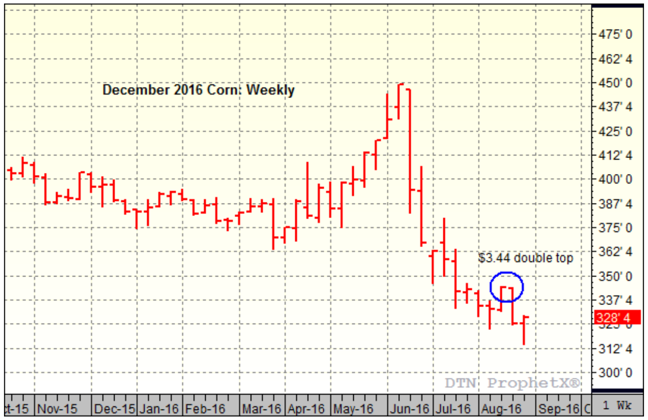
CLOSING FUTURES PRICE SUMMARY 9.2.16							
	CZ16	CH17	CN17		SX16	SF17	SN17
This week	$3.2850	$3.3850	$3.5250		$9.5250	$9.5575	$9.6450
Last Week	$3.2500	$3.3450	$3.4900		$9.6725	$9.6975	$9.7375
Weekly Change	+ $0.0350	+ $0.0400	+ $0.0350		- $0.1525	- $0.1400	- $0.0925

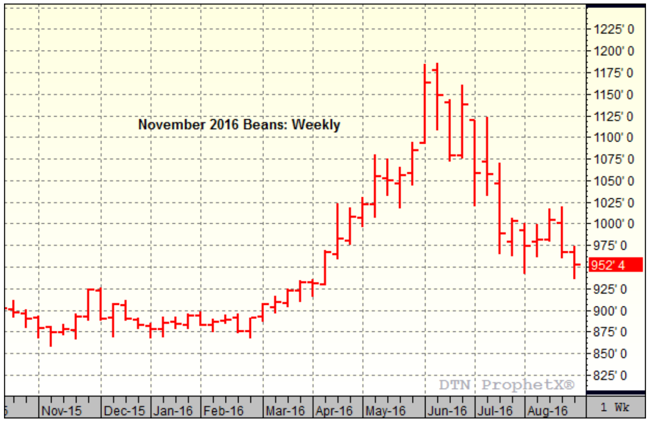
Check current cash bids: http://www.chsrochester.com/grain/cash-bids/

The end of one month and the beginning of another, simply a turn of the calendar page, but market action was starkly different when the calendar flipped. Most noticeable was the rebound in corn. After suffering losses ranging from a quarter cent to seven cents for the previous eight trading days, corn turned higher, with gusto, as we moved into September. The eight days down started with the kick off of the Pro Farmer crop tour and culminated with trading down to lows not seen since September of 2009. Market gurus had been watching the key December contract and the October 2014 low of $3.1825 as a key support level. This price was breached this week with Dec 16 futures trading down to $3.1475 on Wednesday. Thursday and Friday showed a strong recovery, gaining $0.13 in two days to close at $3.2850. The late rally this week, bouncing nearly $0.14 off the contract lows gives hope that we have found the bottom. Watch for follow through next to confirm.

Soybeans didn't fare as well moving into September. Pro Farmer estimates came in higher than the last USDA estimate, pressuring soybeans throughout the week. There was a small recovery Thursday and Friday of this week, however, proportionately not as strong as the corn market. Key points to keep in mind with beans. Demand always seems robust for soybeans throughout the year. Early indications point to another solid year for exports. However, a counter to the demand equation is supply and the old adage, big crops get bigger. Is the Pro Farmer estimate a precursor to what we will see coming from the USDA in coming months? We can only wait until the combines hit the field in the weeks ahead.



New contract lows this followed by a decent bounce off the bottom. We may not know how high we will climb, but the double top at $3.44 could prove to be a reasonable target. It may also prove to be a resistance point. Slowing farmer sales for both old and new crop could also support prices. Basis has been mostly steady through this volatility as flat prices are still attractive to end users.



Soybeans fell again this week as we continue to digest the possibility of another record crop coming in a matter of weeks. Compounding the lower board prices are lower basis levels at the end user and terminals. Imminent harvest has buyers setting back willing to pay only the bare minimum to keep the pipeline fully charged. Board direction will largely depend on the whim of the fund which are still net long.