



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	\$3.4100	\$3.5150	\$3.6525		\$9.8025	\$9.8425	\$9.9425
Last Week	\$3.2850	\$3.3850	\$3.5250		\$9.5250	\$9.5575	\$9.6450
Weekly Change	+\$0.1250	+\$0.1300	+\$0.1275		+\$0.2775	+\$0.2850	+\$0.2975

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

Markets were fairly mild-mannered this week as we wait patiently for the next round of USDA reports on Monday. Technical trading and position squaring were the primary features of the week. On Monday we get a look at the latest USDA Crop Production and Supply & Demand table. All eyes will be keenly focused on the estimated yield figures on both corn and beans. The most recent estimates came in at 175.1 for corn and 48.9 on beans. Pre-report guesses show are estimating the feds will lower corn yield slightly to 173.4 bpa and pump up bean yield marginally to 49.2 bpa.

From the supply perspective, the market is looking for a big drop in soybean carryout due to strong demand to outweigh the potential increase in yield. Corn carry would likely slip with a drop in yield, however even carryout drops to 2.2 billion bushels, there will be plenty of corn in the country.

Local basis has remained fairly steady throughout the recent futures recovery. In the nearby slot though beans seem to be have a better story as we wait for new crop supplies. River markets are softening but processors appear to be fighting for the last of the old crop to keep supply pipelines full. Look for quick-ship premiums and opportunities but be wary of tightening deadlines for delivery. Once the user is convinced of adequate new crop supplies hitting the plant, bids will fall quickly. The wet weather pattern has the potential to delay harvest beyond processor ownership, supporting the nearby bids. Ethanol plants are a different story, paying a carry for new crop as the old crop keeps coming without much effort on their part.



Corn continued their recovery from recent lows this week. The next challenge, the \$3.44 double top, could be tested early next week with the release of USDA data on Monday. Chatter of too wet weather and delayed harvest is also gaining traction this week, which could provide more support in the coming weeks.



November soybeans continued their climb this week as well. As futures creep closer to the \$10.00 mark, resistance will become stronger. However, the recent recovery to \$9.00 + cash price for new crop has allowed for more catch up sales. Monday's USDA report will be key to price direction as we look for new yield estimates and fundamental input.

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