



CHS GRAIN MARKET RECAP ROCHESTER, MN

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Friday, May 5, 2017

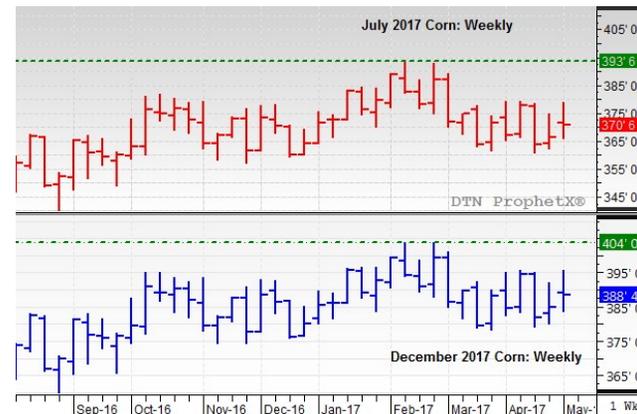
CLOSING FUTURES PRICE SUMMARY 5.5.17							
	CN17	CU17	CZ17		SN17	SQ17	SX17
This week	\$3.7075	\$3.7825	\$3.8850		\$9.7300	\$9.7375	\$9.6650
Last Week	\$3.6650	\$3.7425	\$3.8500		\$9.5625	\$9.5825	\$9.5325
Weekly Change	+ \$0.0425	+ \$0.0400	+ \$0.0350		+ \$0.1675	+ \$0.1550	+ \$0.1325

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

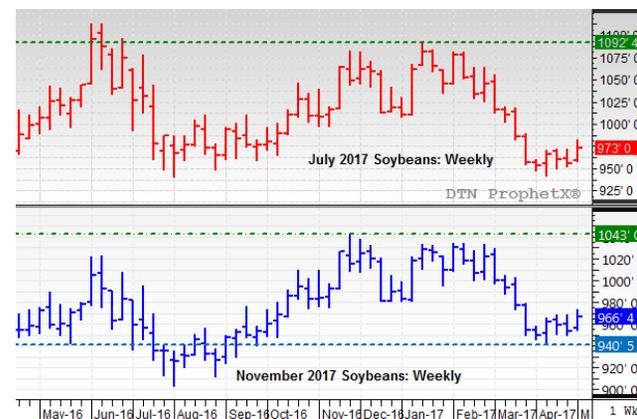
Weather is the name of the game. Last weekend saw extremely heavy rains in part of the Eastern Corn Belt and snow in key wheat growing regions. While wheat was initially the market driver, the corn market quickly responded in kind by moving higher to start the week. Soybeans were surprisingly resilient moving higher with the corn as well. As the week wore on, weather forecasts improved with nearly every new model run, putting pressure on the futures. Late week ran again in the eastern Belt and Delta has once again slowed progress, this time in bean planting. As the market continues to debate the potential replant or yield damage in the critical "I" states, the weather here in Minnesota looks clear for rapid expansion of planting progress.

From a basis point of view, we have seen values soften slightly with this week's uptick in corn. In general, the end users of corn know there is a vast supply of corn sitting on the farm and in the elevators unsold. These users know the corn will need to move to market post-planting to make space for the next crop. With that in mind, there is little reason to expect basis to improve in the short term. Our sense is that corn basis will stay mostly steady until planting is wrapped up and the crop is out of the ground. At that point, it is likely we will see basis deteriorate throughout the summer into next fall.

Bean basis on the other hand is actually seeing some slight improvement in an effort to keep trucks moving to the processors throughout the planting season. Chances are once the planters get parked, bean basis will fall apart quickly.



Corn narrowly held on to gains for the week, closing up just four cents after a much stronger start. Fundamental influences were the primary drivers this week. However from a technical standpoint, we should see some seasonal uptrend from here. Additionally, the funds are net short which could spur some type of rally if they become nervous about their positions.



Despite the wet weather putting a bias toward more bean acres coming, soybeans managed to close higher on the week. Soy oil lead the way Friday with some speculation around an upcoming announcement on the biodiesel tax credit which is thought to be friendly US oil. Weekend weather in the saturated Delta, which is delaying bean seeding, is likely to be a driver for the coming week.

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