

Corn Commentary

Dec closes 1 ¾ cents lower (\$3.30), March 2 ¼ cents lower (\$3.40 ¼) and July 2 ½ cents lower (\$3.54)

October Chgo ethanol closes 0.8 cents a gallon lower (1.497), November 1.0 cents a gallon lower (1.433)

Weekly Corn Export Sales – 703.5 K T. old crop vs. 800 K – 1.100 M T. expected – 21.1 K T. new crop vs. none expected

Flat price corn sees a two-sided trade with a modestly lower close. Weekly export sales were disappointing vs. expectations. Argentina talks about increasing its corn planting by 17%-18%. The US dollar had minimal impact as it ran the day fluctuating either side of unchanged. Other than the aforementioned I did not see a lot. Harvest weather – rain over the next couple of days then some clearing – scattered rain chances for next week.

Interior cash markets are either steady or a shade easier. Processors continue to show the best bid structure. The Gulf appears steady at recent low levels. Spreads ran mixed on the day as Dec gains on March forward; beyond that spreads were mostly steady. Going forward spread direction will be dictated by harvest progress and whether or not the producer chooses to sell anything off of the combine. Most are with the frame of mind they'll sell their beans and try to sit on their corn.

The two-sided trade on Thursday is what I believe to be part of the developing trading range affair of which we are currently in the middle. Harvest progress or lack thereof should dictate near term direction.

Daily Support & Resistance

Dec Corn: \$3.24 – \$3.36

Soybean Commentary

Nov Soybeans close 7 ¾ cents higher (\$9.50 ½), Jan 7 ¾ cents higher (\$9.55 ¾) and March 7 ¼ cents higher (\$9.58 ¾)

Oct Meal closes \$1.5 higher (\$308.6), Dec \$1.5 higher (\$307.2) and Jan \$1.5 higher (\$307.1)

Oct Bean Oil closes 42 pts higher (\$32.04), Dec 42 pts higher (\$32.28) and Jan 42 pts higher (\$32.51)

Weekly Export Sales – Soybeans – 1.018 M T. old crop vs. 900 K – 1.200 M T. expected; **-6.5 K T.** new crop vs. none expected – Soybean Meal – 43.7 K T. old crop vs. 30-60 K T. expected; 90.2 K T. new crop vs. 50-125 K T. expected – Soybean Oil – 21.6 K T. old crop vs. 0-10 K T. expected; no new crop vs. 0-30 K T. expected

USDA announces 110 K T. soybeans sold to unknown

NOPA Crush – 131.8 Million bu. vs. 136.2 expected – Bean Oil stocks – 1.620 billion lbs. vs. 1.606 expected

Weekly soybean export sales were solid as were bean oil sales. The USDA daily announcement of 110 K T. of soybean sold to unknown also lent support. NOPA crush comes in lighter than expected. The meal market continues to be quiet as it hovers at or just above recent lows. Bean oil had the most influence on the higher soybean market as a rebounding palm oil market buoyed bean oil prices higher. I find it interesting that for the first two days of this week the market was in a liquidation mode and now for the last two days the market goes dead quiet. As in corn I believe the pace of harvest will be the number one influence on the daily price direction for the near term. The Brazilian planting season officially started today. The big state of Mato Grosso has been dry so most feel planting won't start in earnest until forecasts suggest better rainfall.

Late yesterday the Gulf market for soybeans collapsed to the tune of 30-35 cents. It appears that the recent need for quality beans has been solved. This led to lower basis levels today along rivers that feed into the Gulf. Processor bids run unchanged and to date they have the best bid structure out there. Soybeans spreads ran steady to fractionally better despite the sell-off at the Gulf. Offers to sell cash meal are still

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high due to the lack of product. Meal spreads ran flat on the day.

Meal and soybeans continue to honor recent lows. Soybean oil continues to trade in a world of its own. As long as the bean and meal markets continue to honor recent lows bottom pickers will be enticed to play the game. Given recent weather forecasts its hard to imagine we are going to see the infamous “harvest crunch” anytime soon. I’m sure there will always be areas that will be able to harvest while other areas will get rained out. That suggests a steady but slow pace of harvest. If my idea is true demand will be able to offset supply at least for the near term.

Nov Beans: \$9.42 – \$9.58
Dec Meal; \$304.0 (?) - \$311.0
Dec Bn Oil: \$31.80 - \$32.70

Wheat Commentary

Dec Chgo Wheat closes 3 ½ cents lower (\$3.99 ½), March 2 ¼ cents lower (\$4.22 ¼) and July 1 ½ cents lower (\$4.48 ¼)

Dec KC Wheat closes 2 ¼ cents lower (\$4.16), March 2 ½ cents lower (\$4.34 ½) and July 2 cents lower (4.53)

Weekly Wheat Export Sales – 402.2 K T. old crop vs. 350-500 K T. expected – **-7.0 K T.** new crop vs. none expected

Egypt announces an overnight tender for optional origin wheat – with their current stance on fungus free wheat it will be interesting to see who has any to offer

For as smart looking as Wednesday’s rally was no follow through was seen on Thursday. Weekly export sales were deemed no big deal. The US Dollar had no impact as it fluctuated from slightly higher to slightly lower. European prices were firm until they sold off late. Russian prices continue to be soft looking as they look for alternative export recipients since Egypt is out of the picture due to their stance on quality.

Interior cash markets continue to do little. The Export market for SRW is near non-existent while the export market for HRW still has hopes for business. Chgo spreads continue to be soft looking while KC spreads are flat but staying wide.

The price action still resembles an upflag but the rate of ascent has slowed as prices have moved into a minor sideways for the past 2 ½ days. Closes below Wednesday’s lows should feature an accelerating break – just exactly what will prompt that remains to be seen. For the time being I’ll call the wheat market a trading affair with a bias to the downside.

Daily Support & Resistance

Dec Chgo Wheat: \$3.95 (\$3.91) - \$4.09
Dec KC Wheat: \$4.08 - \$4.25 (?)

Here’s the latest from the NWS

	<u>6-10 Day</u> <u>9/20-9/24</u>		<u>8-14 Day</u> <u>9/22-9/28</u>	
	Temps	Rain	Temps	Rain
N. Dakota	N	A	B	N
S. Dakota	N	A	N	B
Nebraska	N	A	N	N
Kansas	N	A	N	A
Oklahoma	A	A	N	A
W. Texas	N	A	N	A
Minnesota	A	A	N	A
Iowa	A	A	N	A
Missouri	A	A	N	A
Arkansas	A	A	A	A
Illinois	A	A	N	A
Indiana	A	A	A	A
Ohio	A	N	A	A

A word to the Wise

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