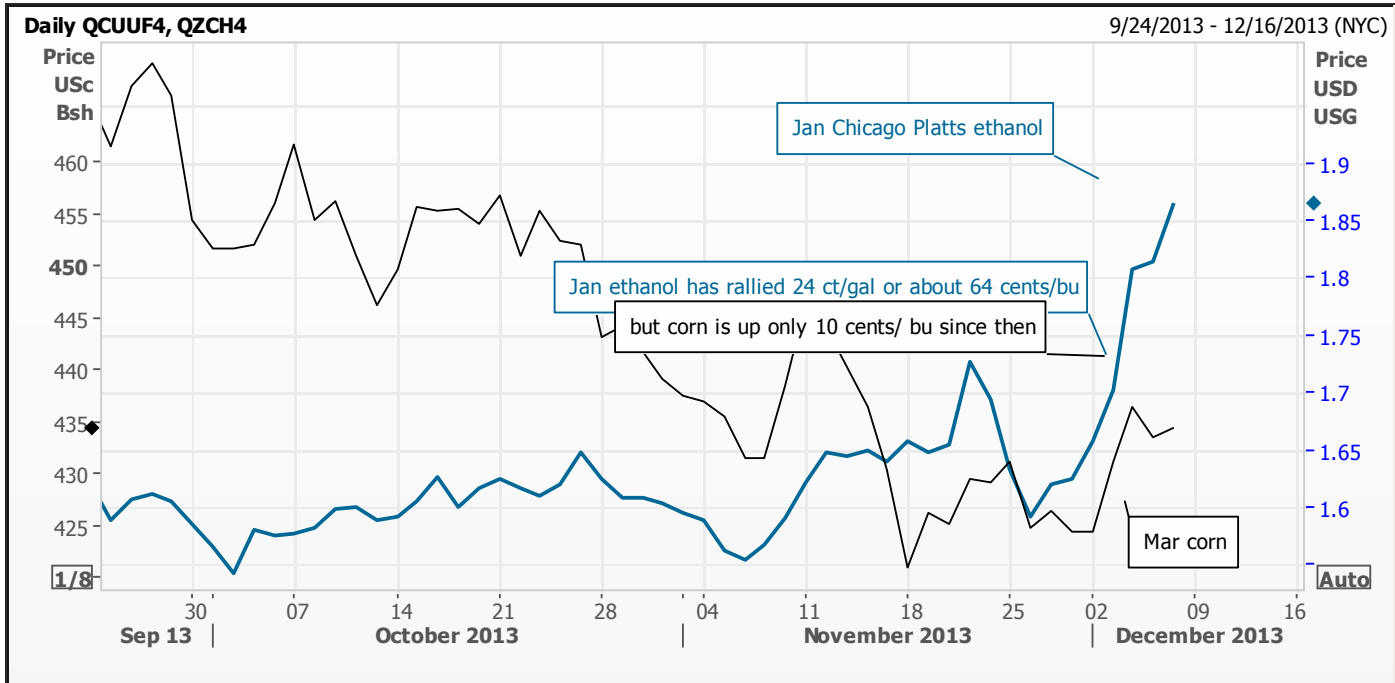


Closing Grain & Soybean Comments

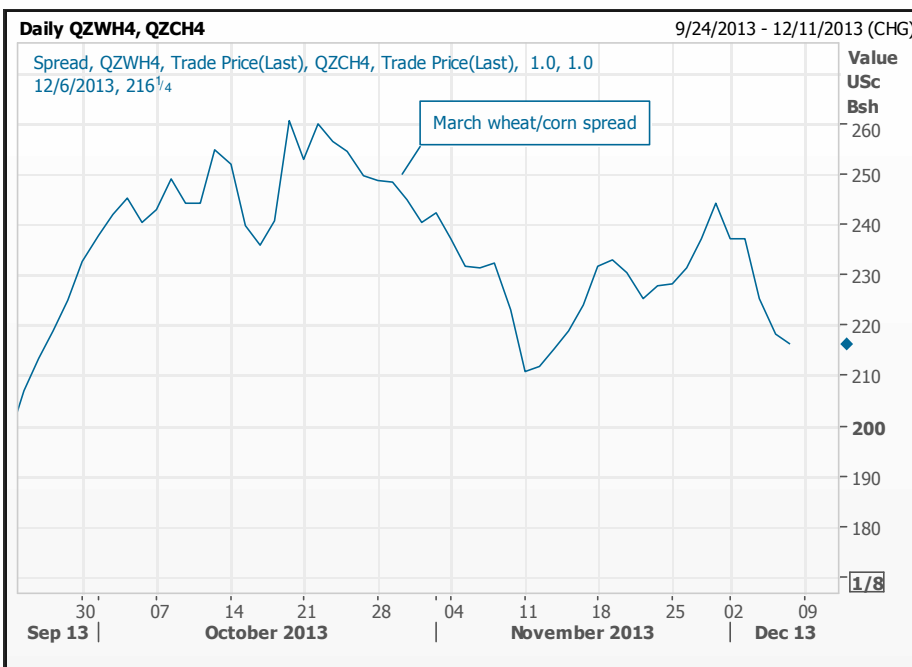
Kevin Riesberg Friday Dec 6, 2013

CORN: It was a choppy trading session for corn but for the week March corn was able to close 10 cents higher. Out of the last 7 weeks this was only the 2nd higher weekly close. Underpinning the corn market is this week is the red hot ethanol market that saw a 40 cent/gal rally in spot (would be like over \$1.00 bu/rally in corn) while even the January Chicago Platts rallied 24 cents/gal from last Friday (vs the meager 10 cent/bu rally in March corn).



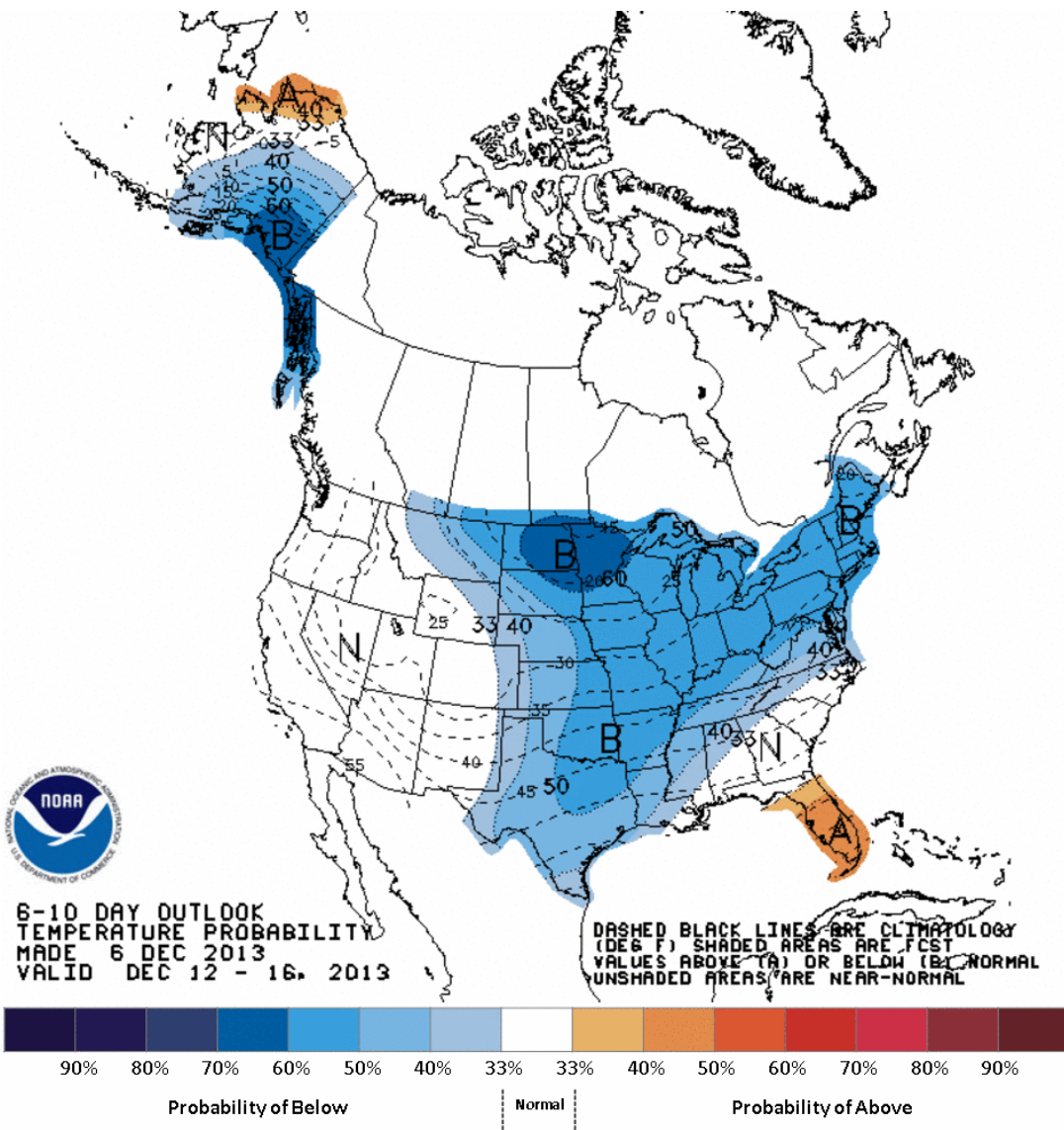
Of course keeping the corn market in check is the concern about China barring/rejecting US corn cargoes and slowing shipments to there. Other export news was light with S. Korea passing on tenders while Taiwan booked 1 US corn cargo. The USDA S/D report next Tuesday is not likely to have much impact with most of changes to be seen on the domestic use and on the world balance sheets. Avg guess for US ending stocks is 1.871 bln bu (Nov was 1.887). US corn basis was a mixed bag with some plants starting to firm Jan slot bids this week driven by the better ethanol margins. This afternoon's Commitment of Traders report showed that the spec funds have started

to cover in some of their large short position. As of Tuesday night they were short 188k contracts, or 16k contracts less than last week. We would expect to see additional short covering heading into the year end. Commercial selling was on the other side of the short covering. Country indicates that farmers are likely to reward the market on any 15-20 cent/bu rallies from here.



WHEAT: The wheat market closed mixed to slightly lower on light technical selling. Chicago March wheat finished down over 18 cents for the week while KC was down over 13 cents and Mpls March was down a whopping 26 1/2 cents from last Friday. The shockingly large Canadian production report this week was to blame for the weakness in wheat, especially against the

continues to struggle. Market action Sunday night is expected to be light and choppy in front of the USDA report with stiff resistance expected toward \$13.50.



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