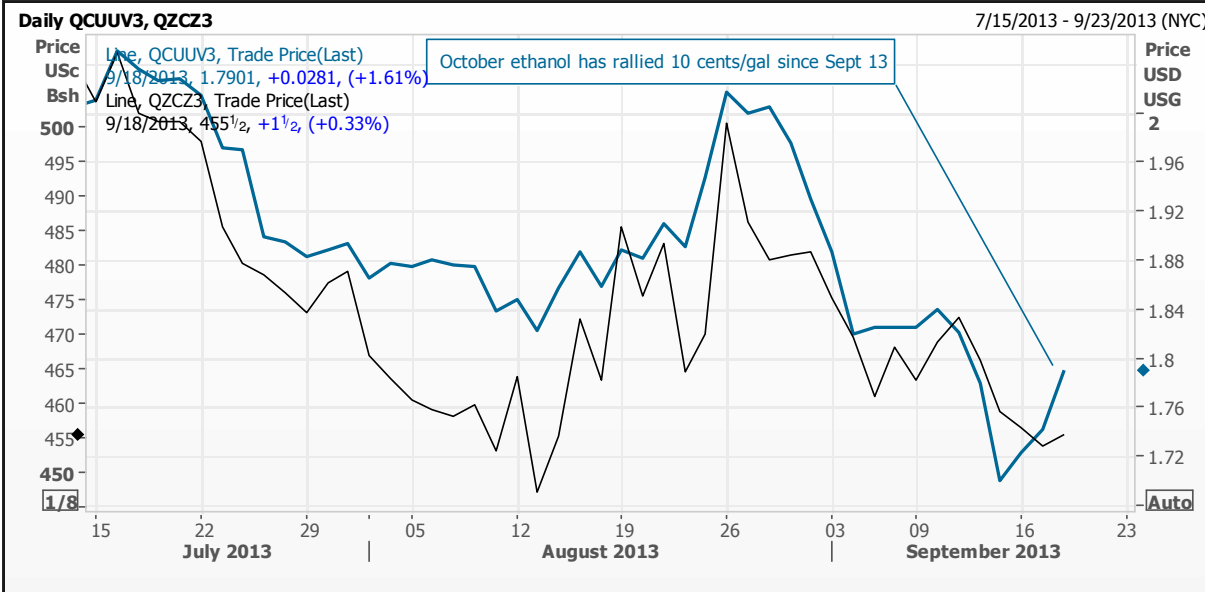


Closing Grain & Soybean Comments

Kevin Riesberg Wednesday September 18, 2013

CORN: Corn along with wheat and soybeans surged late in the day with support from sharply weaker US dollar after the FOMC announced that they would continue with the stimulus of \$85 billion a month instead of tapering it back toward \$50 bln a month like traders expected. Prior to this the corn market languished in light volume with little fresh news to focus on other than scattered early yield reports. Weekly ethanol production was down slightly at 838k bpd though stocks also fell to 16.8 mln bbls. Nearby ethanol values for October slot continue to firm,

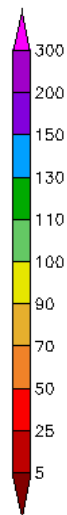
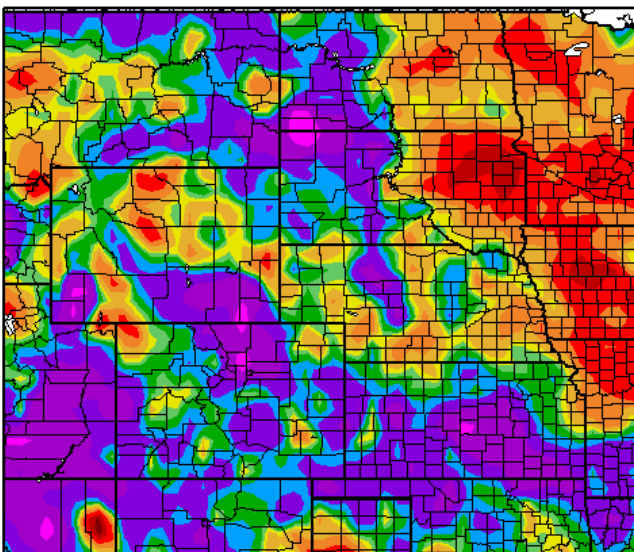


having rallied 10 cents/gal since last week, see chart below. Corn futures remains flat but October corn basis levels are holding strong thanks to a combination of corn harvest running later than normal this year and the US farmer likely to be a very light seller as long as cash corn prices are below \$5.00. Goes back to the old saying of "there is supply & there is available supply". CIF values are

Export Estimates:	old crop		new crop		old crop		new crop	
	Corn	Soybeans	Soymeal	Soymeal	Soyoil	Soyoil	Wheat	Wheat
Thousand tons:	450-650	650-750	20-80	80-150	5-10	0-5	500-650	500-650
Mln Bushels	17.7-25.5	24.0-27.5					18.5-24	18.5-24

holding steady with an eye on low river levels and reduce barge drafts of less than 10 feet. Weekly export sales report tomorrow morning is expected to be a non-event with Black Sea corn still 40-45 cents/ bu cheaper than US corn into South Asia for this fall/winter. Dec corn for now continues to hold \$4.46 support level while there is little fresh news to push the spec funds out of their large short position.

Percent of Normal Precipitation (%)
7/20/2013 – 9/17/2013



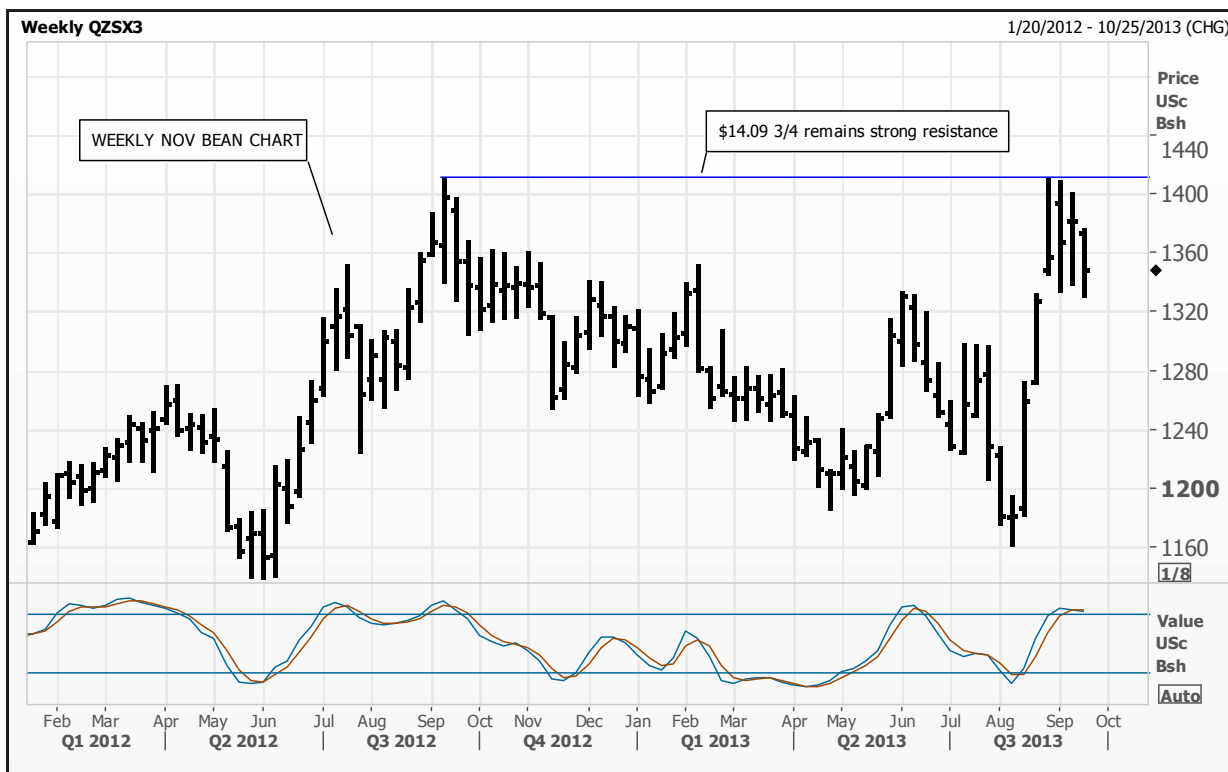
WHEAT: Wheat closed higher with support late from outside markets and light short covering. Wheat market spent most of the session in a choppy trading range with little export news other than 50k ton tender by Bangladesh. Trade keeping eye on reports of possible quality issues with last part of Russian wheat harvest. Southern US wheat plantings seeing good base of moisture to get established, see map of past 60 day rainfall. US spring wheat harvest winding down with basis levels both on HRW and DNS holding steady. SRW values were a touch weaker. Wheat spreads has Chicago Dec/Mar hovering near 11 cents carry and Mpls Dec/Mar is at 12 cents while KC Dec/March is just at 6 cents carry. No major issues in the Southern Hemisphere to focus on yet. Weekly export sales report should be supportive, see above for estimates.

SOY-COMPLEX: The soy-complex rallied late in the session thanks to weaker US dollar after announcement by the FOMC that they were not going to taper back stimulus as much as expected. The bean market struggled early in the session with the rains this week thought to have added some bushels to the late maturing beans. The announcement of new crop soybean sales to China of 1.930 mmt (71 mln bu) was ho-hum since it happens every year and there is no basis or price established with these agreements. Barge freight values surging higher with OH River moving from 600% to 675% due to limits being placed on draft (reportedly down to below 9 ft now).



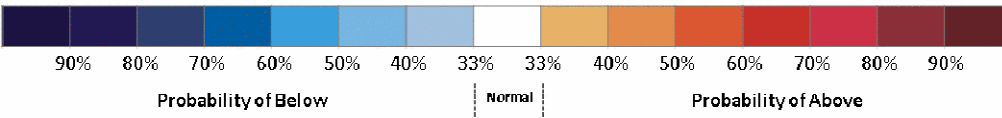
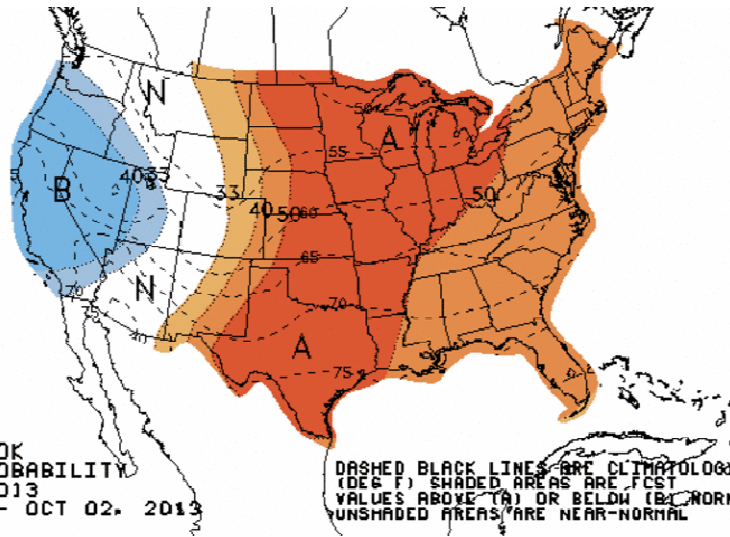
Nearby Nov/Jan bean spread softened out to 2 3/4 cents carry at one point while the Jan/Mar inverse continues to leak lower, see chart at left. Soybean and meal basis continues to decline toward new crop levels though the rains this week as slowed harvest slightly in parts of the WCB. Trade keeping eye on wetter forecast in the 8-14 day maps, see below. Export news is quiet with China on holiday now through Saturday. Weekly export sales tomorrow morning is expected to be a non-event for beans and the products. Planting in Brazil is just starting though conditions are on the

dry side to start but lots of time yet. Plantings in both Brazil and Argentina will up sharply this year due to soybean's return vs corn. Technically the bean market looks tired and needs to hold the \$13.31 area in the Nov. Have a great night.

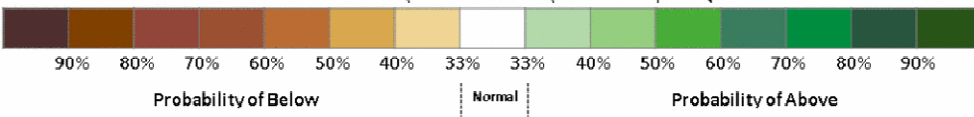
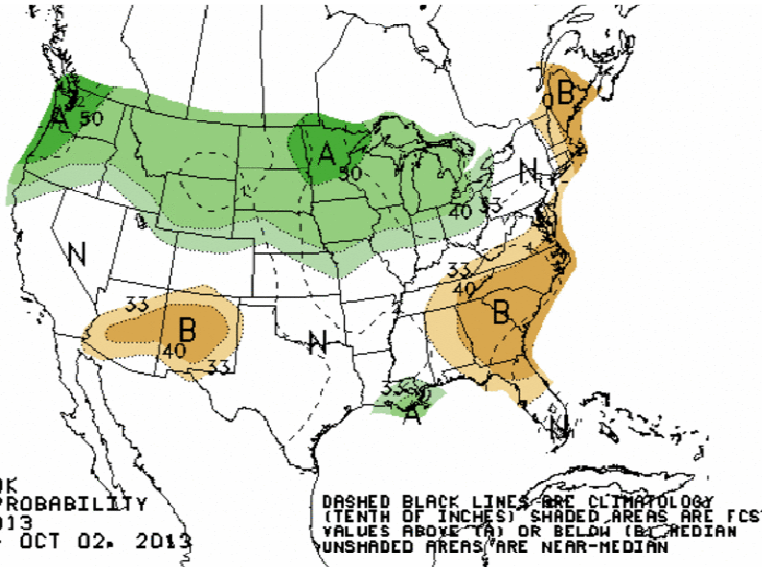




8-14 DAY OUTLOOK
 TEMPERATURE PROBABILITY
 MADE 18 SEP 2013
 VALID SEP 26 - OCT 02, 2013



8-14 DAY OUTLOOK
 PRECIPITATION PROBABILITY
 MADE 18 SEP 2013
 VALID SEP 26 - OCT 02, 2013



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