<u>What's Old is New</u>

George Santayana observed that "Those who cannot remember the past are condemned to **repeat** it." Translation to today's market – We have been here before let's remember what we did wrong and right so we can have a better outcome.

USDA landed a gut punch last week and commodity futures have responded in a gloriously negative way. This has created many negative reactions by analysts and producers alike. I have read numerous articles and internet posts about how wrong the USDA is (or right). How we now "know" crop conditions don't matter, etc. All of this is the human element. I can't help to look at a chart and see that what was old is new again. Values are nearing or exceeding lower levels. I have an important question to ask…<u>What are you going to differently this time?</u> We have been here before. We will no doubt be here again. So how will you manage through this? What is your plan? The market can, and will, move higher and lower. It is all opportunity…

"I wish I would have sold more"…Great news! You made a good cash sale. Add a call and make it a min price contract that has additional potential when we move higher without committing additional bushels.

"I wish I would have sold some"…Price is not a good as it was, but it is STILL better than it has been. Some perspective…On August 15, 2016 in Concordia wheat was $3.12 cash. The low was August 30, 2016 $2.74 wheat, $2.76 corn, $2.31 milo. Cash beans March 1st of 2016 $7.84.

"What if price continues lower?" – Cash sales and put options create a floor preventing further decline.

"What if this is the bottom? – Call options again allow you to benefit from price moving up.

<u>General</u>

USDA report – September 12th

Housekeeping – Rolled to Dec contract in Wheat and Corn. Added Dec 18 corn targets and charts.

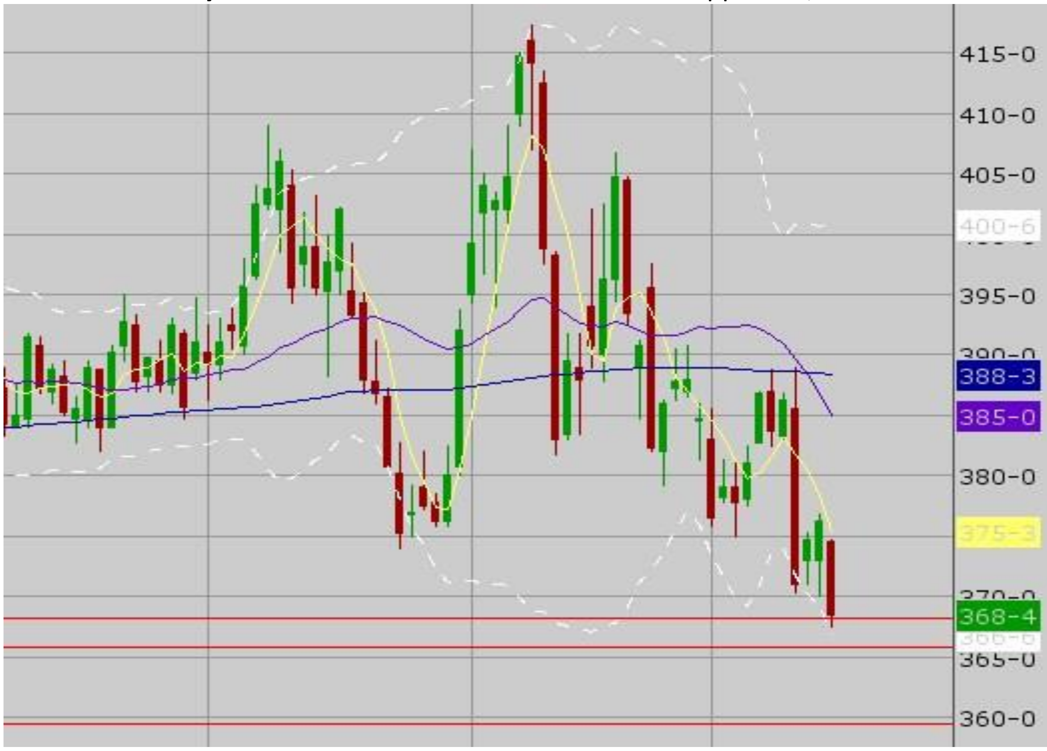
Keyword's this week – Why do we have the USDA reports, Why do we have conditions reports if they are not included in the NASS values, Ear weights, pod counts, it rained in IA, rain in the forecast for the corn belt, South American exports are increasing, Funds turn bearish.

<u>Futures Comments and Targets</u>

Nov 17 Soybean WEEKLY Chart – This is a weekly chart. Daily would not show support well. $9.10 feels more important to hold than $9.03. $8.81 is the next support.

Nov 18 Soybean Daily Chart – Looking for support.

Dec 17 Corn Daily Chart – Closed above $3.68…could be supportive, otherwise $3.66 then $3.60



Dec 18 Corn Daily Chart – First look at this chart. $3.98 looks like it could be solid support.

Dec 17 Wheat Daily Chart – Looking for support. We got room.

July 18 Wheat Daily Chart – Also in search of new support.

Chart Legend

Simple moving averages (SMA)

SMA 5 day – light yellow, SMA 25 day - Purple, SMA 200 day – blue.

Upper and Lower Bollinger Bands – Dashed white

Trend lines – Red

Support and Resistance – Red

	Futures Price Targets			Support		API
Dec 17 Wheat	$ 4.66	$ 4.81	$ 4.93	$ 4.21	$ 3.99	$ 0.28
July 18 Wheat	$ 5.45	$ 5.54	$ 5.62	$ 5.00	$ 4.90	$ 0.23
Dec 17 Corn	$ 3.88	$ 3.95	$ 4.06	$ 3.66	$ 3.49	$ 0.14
Dec 18 Corn	$ 4.10	$ 4.17	$ 4.20	$ 3.97	$ 3.95	$ 0.14
Nov 17 Beans	$ 9.86	$ 10.00	$ 10.13	$ 9.10	$ 9.03	$ 0.30
Nov 18 Beans	$ 9.95	$ 10.01	$ 10.17	$ 9.27	$ 9.00	$ 0.30

Futures Price Targets are technical points of resistance that a particular futures contract has created as it has traded. Typically these are previous highs or lows. They can also be points created by tracking various daily moving averages (30,60,90 day averages), simple trend lines, and numerous other methods for establishing trends.

Support is a technical point of resistance for a declining market. They are determined the same way as the Futures Price Targets, but serve as a potential floor to market movement.

AgMark Pricing Index (API) is a measure of volatility that can be used to establish an upper and lower trading range. The larger the number, the wider the range. API is an average of weekly trading ranges. It can be used to gauge how long it may potentially take to reach a price target. For example, if an API is $0.10, there is a higher chance of that futures contract to trade $0.10 higher or lower in that week. So, if you are waiting on a $0.20 move up (or down) it is more likely it would take 2 weeks in an upward (or downward) trending market than 1 week.