General

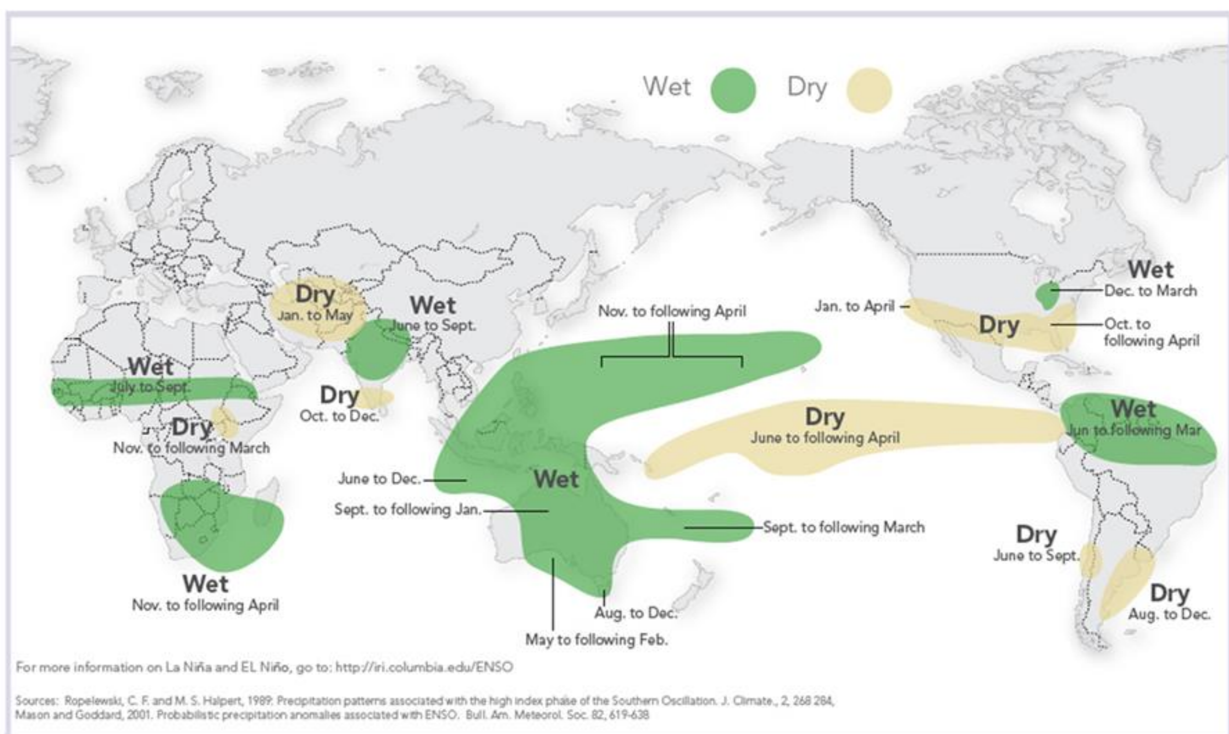
USDA report – Sept. 29th

Keyword's this week – USDA report, Bearish corn , Bearish beans, Bearish wheat, harvest begins, La Nina

Sept 12th USDA report did the opposite of what most market analysist and producers thought should have happened. These painted an even more bearish picture than before. That was disappointing to say the least. The market responded to this report as it should have…negatively, and in a big way with corn down as much as 23 cents at one point. The interesting thing is that it didn't seem to stick. What was assumed to be a report that could/should have required a test of market lows appeared to be shrugging it off two days later? With today trade it appears that soybeans once again are showing strength. Several items are possibly moving this. Hurricane alley (AR, MS, LA, AL) are trying to harvest beans and approximately 50% completed. Storms have created delays with that regions record crop and also created some unexpected quality issues. Early freeze potential is another topic floating around and disappointing fill from drought in other areas. Plus La Nina talk. All in all we don't have a smoking gun just a general "feeling" in the market that there is risk and the market should be higher. This should be watched closely…the trade the past 3 days feels slippery and not to be trusted until verified. Today's trade also forced wheat to show its hand (weakness) and corn was caught in the middle of the push pull. Feels like beans are going to have to do all the heavy lifting to keep everybody green.

La Niña and Rainfall

La Niña conditions in the tropical Pacific are known to shift rainfall patterns in many different parts of the world. Although varying somewhat from one La Niña to the next, the strongest shifts are fairly consistent in the regions and seasons shown on the map below.



US Dollar Weekly Chart – Off a fresh Trump-era low. Still respecting downtrend.

USD VS Real Daily Chart – Also bouncing off of a fresh low.

Futures Comments and Targets

Nov 17 Soybean Daily Chart – Lot of reasons to like this chart, broke downtrend solidly staring 200 day SMA in the face at 9.80 area …but it we have also traded a 40 cent range in 3 sessions. Need to watch!!

Nov 18 Soybean Daily Chart – Also broke downtrend and now staring $9.95 in the face!

Dec 17 Corn Daily Chart – Corn just doesn't want to show its hand…didn't break support or resistance post report.

Dec 18 Corn Daily Chart –Same story…go fish!

Dec 17 Wheat Daily Chart –Slight <u>and I mean slight uptrend</u> support here…I don't want to get my hopes up because wheat loves to be the underachiever. Post report action confirms that wheat may have found its bottom but today's trade reminds you that wheat is wheat!

July 18 Wheat Daily Chart – Similar story here.

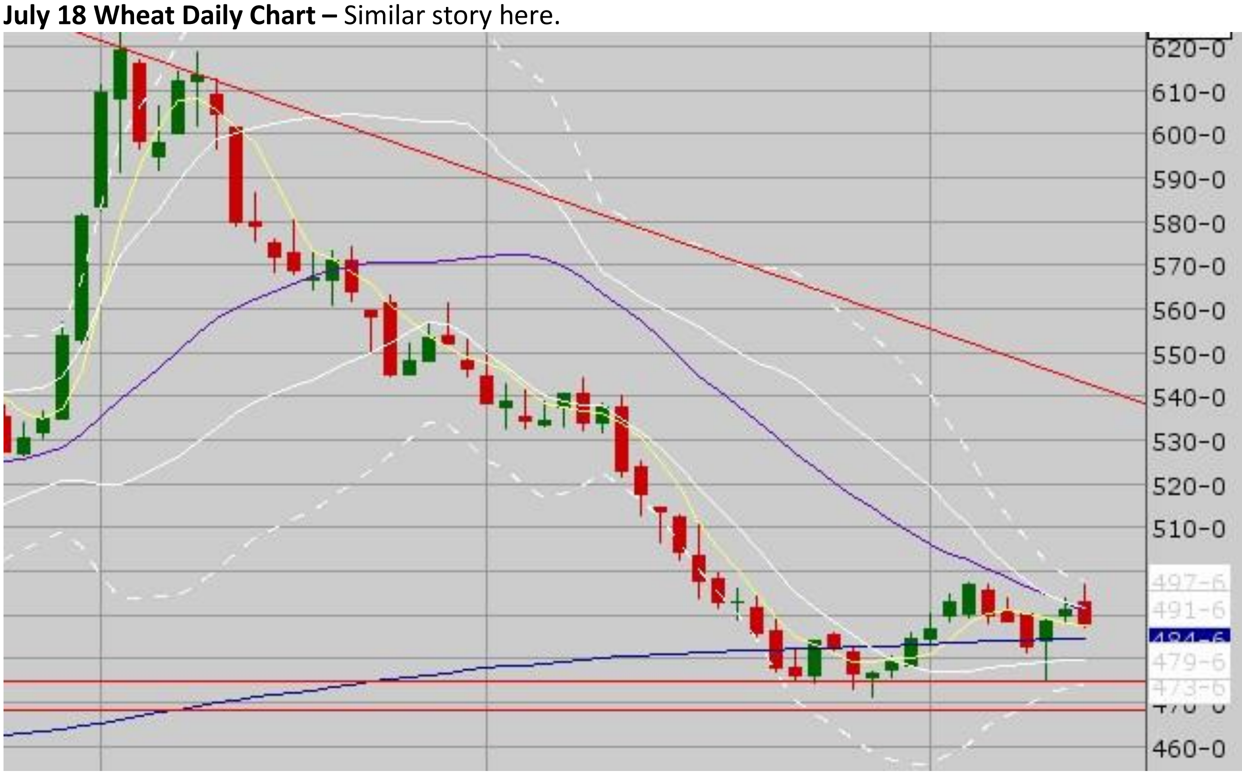


Chart Legend

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	
Dec 17 Wheat	$ 4.55	$ 4.87	$ 5.08	$ 4.21	$ 3.99
July 18 Wheat	$ 4.97	$ 4.19	$ 5.40	$ 4.75	$ 4.68
Dec 17 Corn	$ 3.61	$ 3.76	$ 3.88	$ 3.45	$ 3.31
Dec 18 Corn	$ 4.00	$ 4.04	$ 4.10	$ 3.86	$ 3.76
Nov 17 Beans	$ 9.81	$ 9.93	$ 10.13	$ 9.32	$ 9.21
Nov 18 Beans	$ 9.95	$ 10.09	$ 10.20	$ 9.59	$ 9.39

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.