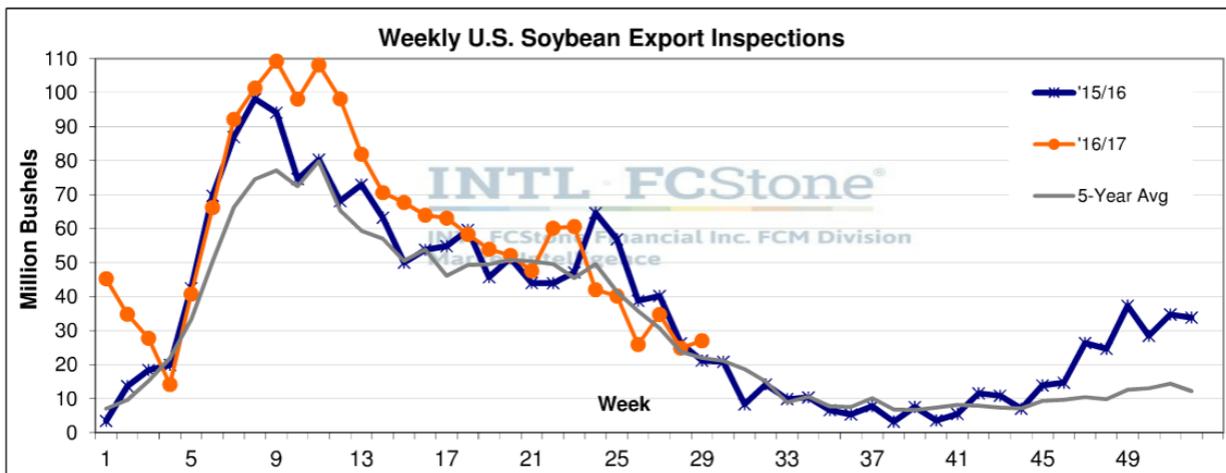


## CORN:

The gains made in the overnight session evaporated midday as the wheat complex turned weak. Another strong physical loading week for corn but it was down significantly from last week. The USDA reported the US loaded 1.33 mmt of corn last week bringing the loadings for the marketing year to 30.26 mmt or 12.7 mmt over the prior year at this time. The USDA is only expecting the annual program to yield an 8.3 mmt yoy increase. The pace the US is on is set to exceed the USDA's annual estimate by 5.3 mmt if there isn't a significant change in course. It's another week and another set of acreage estimates from the selection of analysts in the market. "Pro" Farmer released their estimate of corn and soybean acres on Friday. The company believes the US will plant 90.9 mln acres of corn and 89.3 mln acres of soybeans. If true, the 90.9 number would provide a good buffer against a sub2 bln carryout in most situations leaving the risk of a statistically significant rally diminished. South American corn weather conducive to growing the size of the crop leaving little to feed the bull based on additional demand moving to the US for corn later in the year. The trade also received a bearish shock as estimates of Managed Money positions in corn were wildly incorrect. The CFTC revealed that the sector had built a modest short 27k vs the trade which had them long 62K last Tuesday. I estimate funds added to their modest short by 10k in today's trade action.

## SOYBEANS:

Overnight gains vanished at midday under the cloud of another big Brazil production estimate and a normal export inspection number. The USDA reported the US exported 737 tmt last week bringing loadings for the marketing year to 45.75 mmt which is 4.75 mmt over the prior year at this time. The USDA projects the annual number will be 2.4 mmt over last year. With another seasonally normal number, the US is set to miss the government's figure by 2.1 mmt. It will require an export pace near the exceptional one posted last year to reach the USDA's current number. ABIOVE updated its Brazil soy crop estimate, increasing the annual number from 104.6 to 107.3 mmt (USDA 108 mmt). Exports are also raised 1.1 mmt to 59.8 (USDA 61 mmt). The Brazilian meat scandal has expanded beyond consumer choice in country. China has now suspended meat imports from Brazil as a precautionary measure.

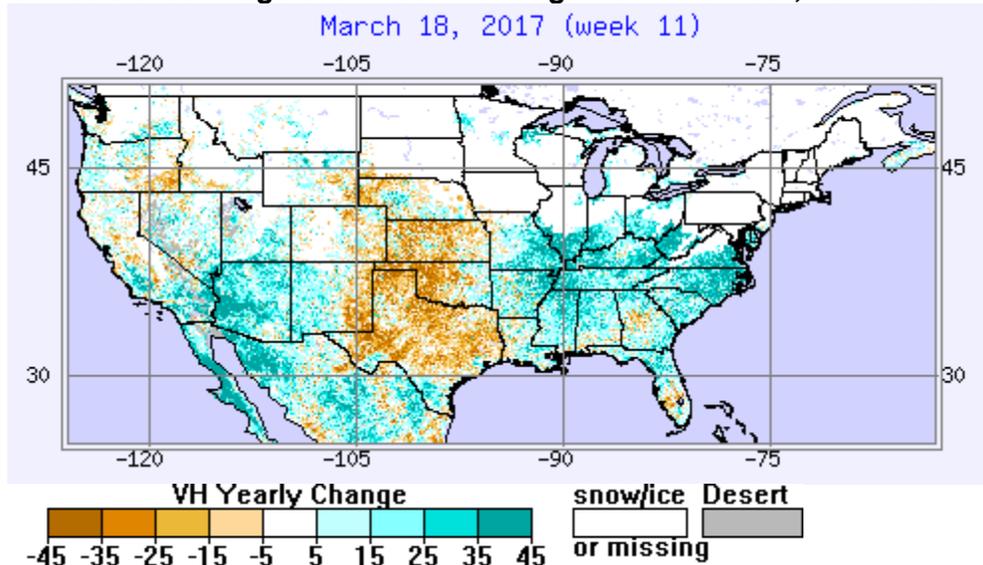


Funds relatively quiet in the soy complex today. I estimate the funds sold 3000 meal and bought 3000 oil trying to get long oil share again.

## WHEAT:

Values under pressure from early on in the session. A strong export inspections pace of 624 tmt for the week wasn't able to support values against a much wetter forecast in the Southern Plains. Loadings to date for the US wheat complex is now 4.55 mmt ahead of last year vs the 6.8 mmt yoy increase forecast by the USDA. That leaves 6.6 mmt left to be reported by the Export Inspections report over the next 11 weeks. The pace needed to make the USDA's number would have to be 33% above the pace logged last year for those 11 weeks. Seasonally the US wheat export program is set to miss the USDA mark by 2 mmt (75 mln bu). A wetter forecast for the Southern Plains provided cover for managed money funds to sell down the market today. The weather forecast starts turning wet for the driest areas Friday and then there are multiple chances for above normal rainfall through the end of the 15 day forecast. Wildfires have grabbed headlines but there is likely more damage in the SRW belt from the cold snap last week than what has burned in Kansas this week. VHI readings show a general vegetative health reading for the three Wheat states of Kansas, Oklahoma, and Texas well below a year ago and well below the average.

## United States - Vegetation Health Change from Last Year, 2017 week 11



I estimate funds sold 5000 contracts of CME wheat during the trade session today.

## FOB NOLA – US SPOT PRICES

CORN	+ 46K
SOYBEANS	+ 35K
SRW	+ 54K

## FOB TEXAS GULF – US SPOT PRICES

HRW	- 24K
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# FCStone Grain Recap

March 20, 2017

**INTL FCStone®**

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FCM Division

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ECBOT	HIGH	LOW	CLOSE	CHANGE
May Corn	3.7075	3.63	3.635	- 4
Dec Corn	3.925	3.8575	3.8625	- 3 1/2
May Beans	10.0875	9.9825	9.995	- 1/2
Nov Beans	10.0075	9.92	9.935	--
May Wheat	4.4275	4.29	4.3025	- 6

Regards

Bevan Everett  
Risk Management Consultant  
INTL FCStone Financial Inc.  
FCM Division