

MID-DAY COMMENTS

September 11, 2017

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HIGHLIGHTS: MACRO: Sharp gains are being seen in U.S. equity markets as investor fears ease about a standoff with North Korea and the severity of the impact of Hurricane Irma on the U.S. economy. **Wall Street: Much firmer--** DOW: +250; NAS, +73; S&P, +26. **Europe: Strong gains:** DAX, +1.39%; FTSE, +0.49%; CAC, +1.2%. **EXTERNALS: Gold, -\$13.57 @ \$1,332; \$ Index, +.519 @ 91.855; Oct crude, +\$0.63 @ \$48.11. T-Storm Weather:** Most corn, soybean and winter wheat areas will be dry over the next week as 0.75" to 1.50" of rain is limited to: 1) parts of the Delta and far-southeast Corn Belt from the remnant circulation of Irma Tuesday-Wednesday, and 2) in and adjacent the northern Plains within Thursday-Sunday when a separate series of systems pass. Better rain chances follow across and adjacent the Corn Belt from next Tuesday-Wednesday (Sep. 19-20) forward as upper-level high pressure that has been blocking weather systems from passing further diminishes, allowing a more-typical weather pattern to develop with generalized amounts of 0.75" to 1.50" expected over Sep. 19-24 (ultimately resulting in 0.75" to 1.50" of rain in most of the central U.S. over the next 10 to 14 days, except far-western wheat areas of the central and southern Plains where totals will likely be much lower. Temperatures will be considerably warmer than normal over much of the next 10 to 14 days as coolness remains bottled in Canada, leaving maximums in the 70s-80s-90s for an extended period and free of a frost threat for the foreseeable future; warmest in the central and southern Plains. Note that it will take some time for mildness to envelop the Delta and eastern Corn Belt, as the remnant circulation of Irma produces extensive cloudiness to keep maximums below normal over Tuesday-Friday.

Corn

- Slightly Higher: CZ: +\$.005; CH: +\$.005. Choppy as the market awaits Tuesday's USDA WASDE report.
- Spreads:

Spread	CU/CZ	CZ/CH	CZ/CK	CZ/CN	CZ/CU	CH/CK	CH/CN	CK/CN	CN/CU	CU/CZ	CZ18/CH19
Current	(11.75)	(12.50)	(20.00)	(26.25)	(32.25)	(7.75)	(13.75)	(6.25)	(6.00)	(8.75)	(10.00)
Change	0.75	(0.25)	0.00	0.25	0.25	0.00	0.50	0.25	0.00	0.00	(0.75)

- **CIF: SEP:** 23/27, bid dn 1; **OCT:** 29/34, unch; **NOV:** 36/41, offered dn 1; **Brazil: SEP:** 45/58, unch; **OCT:** 35/45, unch. **Ethanol:** Cedar Rapids, -21 CZ, unch; Blair, -25 CZ, unch; Decatur, -24, CZ, unch; Fort Dodge, -39 CZ, unch; IN, -20 CZ to +3 CZ. **Hereford: SEP:** 45 CZ, unch; **OND:** 65 CZ, unch. **TX Gulf FOB Milo:** 110 CZ, unch. **CIF Milo,** 85 CZ, unch
- **Week of 9/10 Barge Freight:** IL River, 330/340, unch; Upper Miss: 365/385, 5 lower; Mid Miss: 320/330, unch; STL, 225/235, unch; OH River, 300/310, unch; Mem-Cairo: 220/230, unch. Mid-IL Oct: 395/410, unch
- **Sep. 12 USDA WASDE: September corn yield estimates**—trade pegs yield at 167.8 (range: 165.5-170.0), down 1.7 from USDA's August forecast. Production seen 153 mbu smaller at 14.0 bbu (range: 13.82-14.20)
- **Sep. 12 USDA WASDE: Carry-out**--The trade expects the USDA to lower 16/17 ending stocks 19 mbu to 2.351 (range: 2.30-2.37); 17/18 estimated 140 mbu smaller at 2.133 (1.898-2.323)

Soybeans

- Slightly lower in choppy trade ahead of Tuesday's USDA report: SX: -\$0.0125 SF: -\$0.01; SMV: -\$0.50; SMZ: -0.50; BOV: +\$.06; BOZ: +.08
- Spreads:

Spread	U/X	X/F	X/H	X/K	X/N	F/H	F/K	F/N	H/K	H/N
Current	(5.50)	(10.00)	(18.50)	(27.00)	(34.50)	(8.75)	(17.00)	(24.50)	(8.50)	(15.75)
Change	0.00	0.00	0.00	(0.25)	(0.50)	(0.25)	(0.25)	(0.50)	(0.25)	(0.25)

- **CIF: SEP:** 38/-, bid 3 lower; **OCT:** 38/42; offered dn 1; **BRAZIL: SEP:** 75/90, offered 5 higher; **OCT:** 75/90, unch.
- **Daily Sales Announcement**—352 K MT of soybeans sold to Unknown for 17/18 delivery
- **Sep. 12 USDA WASDE: September soybean yield estimates**—trade pegs yield at 48.7 (range: 47.1-49.8), down 0.7 bpa from USDA's August forecast. Production seen 60 mbu smaller at 4.32 bbu (range: 4.179-4.417)
- **Sep. 12 USDA WASDE: Carry-out**--The trade expects the USDA to lower 16/17 ending stocks 6 to 364 (range: 331-390); 17/18 estimated 38 mbu lower at 437 (325-540)

Wheat

- Lower: WZ, -.035; KWZ: -\$0.075 MWZ: -\$0.0475
- Spreads:

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Spread	WU/WZ	KWU/KWZ	MWU/MWZ
Current	(22.75)	(25.75)	(16.00)
Change	1.25	0.25	0.50

- **CIF: SRW: SEP:** 30/-- unch; **OCT:** 45/60, unch; **HRW -12% Pro: SEP:** 150 Z/--, up 5; **OCT,**170 Z, unch
- **Sep. 12 USDA WASDE: Carry-out--trade** expects the USDA to **lower 17/18** ending stocks 13 mbu to 920 mbu (range: 875-943)

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