

MID-DAY COMMENTS

September 13, 2017

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HIGHLIGHTS: MACRO: stocks are struggling with direction today. Wall Street: Mostly higher-- DOW: +10; NAS, -49; S&P, -1. Europe: Mostly higher: DAX, +0.23%; FTSE, -0.28%; CAC, +0.17%. EXTERNALS: Oct Gold, -\$7.20 @ \$1,322; \$ Index, +544 @ 92.170; Oct crude, +\$0.81 @ \$49.04; Brazil Real (Sep) 3.1466, -0.21%. T-Storm Weather: Dry weather breaks from northwest to southeast across the central U.S. through next week as several systems produce 0.50" to 1.50", turning corn and soybeans wetter, but leaving most wheat drier (especially HRW wheat in western areas of the central and southern Plains). Temperatures remain above normal, including the Delta and eastern Corn Belt once cloudiness from the remnant of Irma dissipates by Friday. Highlights: (1) 84%, 74%, and 95% of U.S. corn, soybeans, and HRW wheat were drier than normal over the last 14 days; (2) scattered showers dot the southeast third of Corn Belt today from the remnant of Irma; (3) 0.75" to 1.50" of rain affects the northern Plains and northwest Corn Belt within Thu.-Sun; (4) 0.50" to 1.50" of rain focuses on the Corn Belt and adjacent areas of the Plains next week; (5) dry weather affects Argentina until a few t-storms return next Wed.-Fri. (Sep. 20-22); (6) dry weather affects central and northern areas of Brazil (and Parana) through 10 to 14 days EUROPE: UK Nov Feed wheat, +5 ¼ @ \$5.08 ¼; French Nov Maize, + ¼ @ \$4.76; French March Milling Wheat, +4 ¼ @ \$5.41 ¼

Corn

- Perhaps some view the bottom may be in (not an opinion)? Slightly higher with CZ: +\$.0125; CH: +\$.0125
- 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	-12.00	-12.50	-20.50	-26.75	-33.00	-8.00	-14.50	-6.50	-6.25	-9.00	-9.75
Change	-0.50	-0.25	0.00	0.25	0.50	0.25	0.25	0.00	0.25	-0.25	0.25

- **CIF (NA: Repeated from Tuesday): SEP:** 17/--, bid 3 lower; **OCT:** 28/34, unch; **NOV:** 37/41, up 1; **Brazil: SEP:** 40/45, bid down 5, asked 13 lower; **OCT:** 40/45, unch. **Ethanol:** Cedar Rapids, -21 CZ, unch; Blair, -24 CZ; up 1; Decatur, -12 CZ, down 1; Fort Dodge, -14 CZ, unch; IN, -5 CZ to +3 CZ. **Hereford: SEP:** 49 CZ; **OND:** 60-63-68 CZ. **TX Gulf FOB Milo:** 110 CZ, unch. **CIF Milo,** 85 CZ, unch
- **Week of 9/17 Barge Freight:** IL River, 350/370, unch; Upper Miss: 380/400, unch; Mid Miss: 340/360, unch; STL, 250/270, unch; OH River, closed; Mem-Cairo: 250/270, unch. Mid-IL Oct: 400/410, unch
- **CONAB** upped the Brazil crop from 97.1 LM to 97.7 (LY: 66.5; USDA at 98.5 for TY and 98.5 NY
- **EIA Weekly Ethanol Report**—production off 13 k bpd to 1.047 million; ethanol stocks rise 16 K to 21.13 million
- **China** will auction off 2.3 million MT of corn from state reserves this week
- **Irrelevant statistics** . . . since 1988, the Sep USDA yield estimate has been **ABOVE** the Aug number 13 of the 29 times. Of those 13, the final yield has been **higher still 9 (69%) times and lower 4 (31%) times**. Average Aug to Sep increase? 1.36 bpa. Average final yield versus Sep? +6.1 bpa. More recently, the tide has turned . . . since 2006, the final yield has **DECLINED** 3 of the 5 times in which the Sep figure has been ABOVE August estimate and by an average of 55%. Or for TY, the final yield comes in around 169.7 bpa?
- **Brazil had corn 130 mbu in its export line-up** Tuesday, 16 fewer than LW but slightly more than double LY's same day total
- **Dalian January corn futures** fell 2 ¼ cents on Wednesday to settle at \$6.55 ¼ (1 Yuan = .15299 US \$)

Soybeans

- Higher: SX: +\$.0725; SF: +\$.0725; SMV: +\$.4.00; SMZ: +\$.4.20; BOV: -\$.0005; BOV: -.0005
- Spreads:

Spread	U/X	X/F	X/H	X/K	X/N	F/H	F/K	F/N	H/K	H/N
Current	-7.00	-10.25	-18.50	-27.25	-34.75	-8.50	-17.00	-24.50	-8.75	-16.00
Change	-0.75	0.00	0.50	0.75	1.00	0.25	0.75	1.00	0.25	0.75

- **CIF: SEP:** 37/45, bid 2 lower/asked 1 higher; **OCT:** 37/43; bid down 2/asked 1 lower; **BRAZIL: SEP:** 75/95, asked up 5; **OCT:** 75/95, asked up 5. **BOARD CRUSH: (V/X),** \$.86 ½, up 2 ½. **CASH CRUSH:** Central: \$1.16, +3; East: \$1.34, +4; West: \$1.18, +3
- **Daily Sales Announcement**—Mexico bought 167.4 K MT (6.1 mbu) of 17/18 soybeans
- The USDA upped its **SB yield estimate a ½ bpa** to 49.9 yesterday. The past 3 years have seen an average Aug to Sep increase of 1.0 with the final yield then coming in 1.1 bpa above the Sep figure. Does this year tack another ½ bushel to yield and 44+ million to the crop size?

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- **Australia's Oilseed Federation** lowered its 2017 canola production estimate down to 2.86 MMT. Compares to 4.2 MMT LY and ABARE's recent estimate of 2.75
- **November Palm Oil** rose 44 ringgit to 2,873 per MT, the highest level since March
- **Brazil SB export line-up:** 63 mbu, down from 97 LW and versus 41 LY
- **Dalian futures:** Jan SB: -4 ¼ @ \$15.87 ¾; Jan SBM: -\$2.45 @ \$376.26; Jan SBO: -12 points @ \$.4411/lb

Wheat

- **Higher with early gains aided by strength in the row crops: WZ, +.0250; KWZ: +\$.02; MWZ: +\$.0225**
- **Spreads:**

Spread	WU/WZ	KWU/KWZ	MWU/MWZ
Current	-16.50	-25.25	-15.50s
Change	6.00	0.50	0.50

- **CIF: SRW: SEP: 30/--; OCT: 45/60, unch; HRW -12% Pro: SEP: 150 Z/--; unch; OCT,170 Z, unch**