



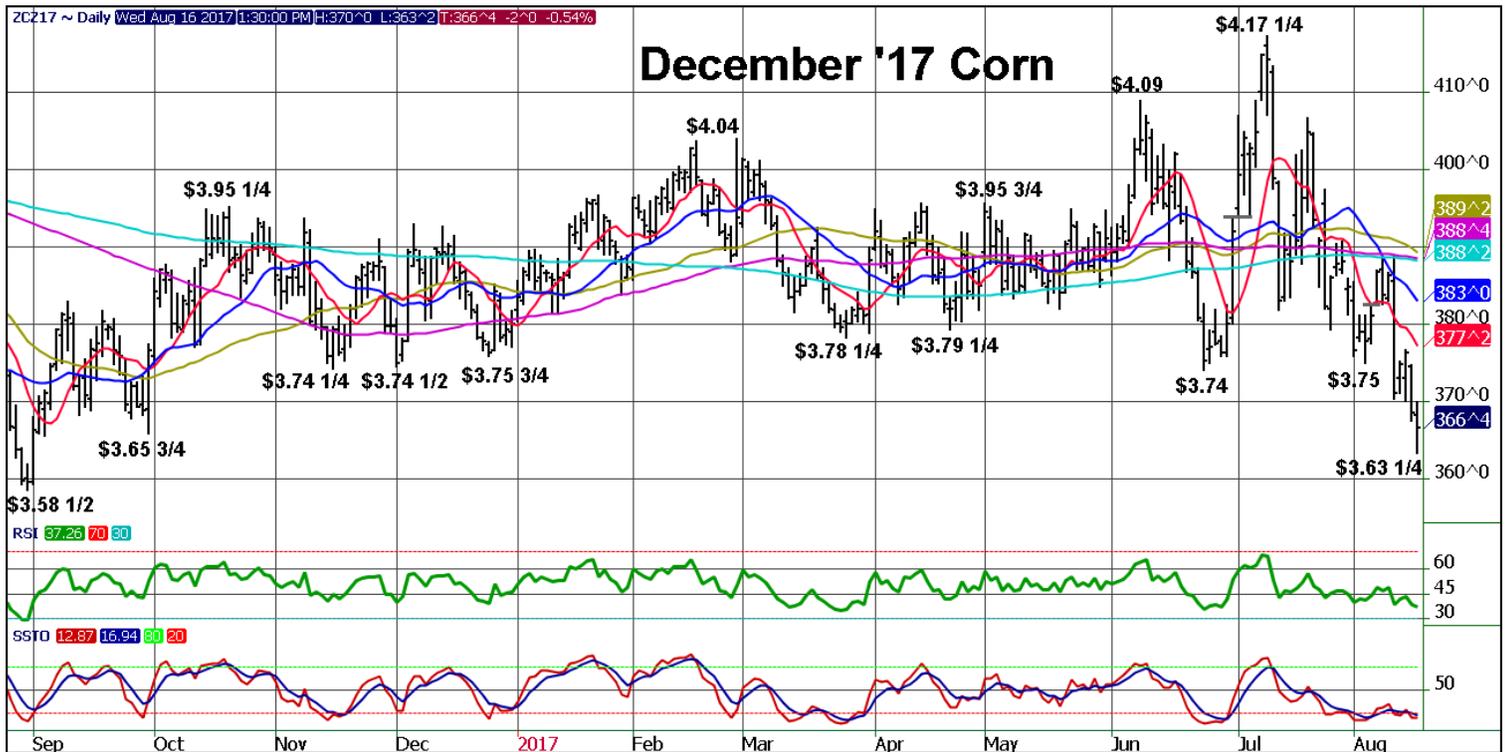
Wednesday, August 16, 2017

Tonight's Futures Closes:

Sep 17 Corn	\$3.525	-2.75	Sep 17 Soybeans	\$9.2175	unch	Sep 17 CH Wheat	\$4.1925	-10.25
Dec 17 Corn	\$3.665	-2.0	Nov 17 Soybeans	\$9.2525	+1.0	Dec 17 CH Wheat	\$4.57	-9.0
Mar 18 Corn	\$3.7825	-2.0	Jan 18 Soybeans	\$9.335	+1.0	Sep 17 KC Wheat	\$4.195	-7.0
May 18 Corn	\$3.845	-2.25	Mar 18 Soybeans	\$9.415	+0.75	Dec 17 KC Wheat	\$4.47	-7.0
Dec 18 Corn	\$4.02	-1.5	Nov 18 Soybeans	\$9.4475	+2.75	Sep 17 MN Wheat	\$6.735	+15.25
Dec 17 Oats	\$2.5725	+0.5	Nov 17 Rapeseed	\$492.7	-1.6	Dec 17 MN Wheat	\$6.8475	+14.25
Dec 17 Meal	\$298.1	-1.3	Oct 17 Cotton	\$67.55	-0.13	Sept Dollar Index	93.450	-0.306
Dec 17 SB Oil	\$33.18	+0.14	Dec 17 Cotton	\$66.82	-0.34	Oct Crude Oil	\$46.99	-0.71
Oct 17 Cattle	108.325	-0.725	Dec 18 Cotton	\$67.14	-0.22	Aug Gold	\$1281.7	+8.0
Oct 17 Feeder	142.775	-3.525	Sep 17 Rice	\$1218.5	-6.0	Sept S&P	2467.60	+3.90
Oct 17 Hogs	68.775	-1.750	Nov 17 Rice	\$1247.0	-5.0	Sept Dow Jones	22007	+30

(Futures contracts highlighted in green were the bull leaders today; futures prices highlighted in red were the bear leaders today.)

Markets struggled again today, without weather or demand as a factor to bring buyers to the market. **December '17 corn** again traded to its lowest level since last September, while nearby Chicago & KC wheat again made new contract lows.



The best thing I can say about both the corn & winter wheat markets is that the **RSI's** (green line) and **stochastics** (blue & red lines, bottom) both indicate that these markets are pushing into oversold territory. This matches up with **Dan Hueber's** recent cycle comments, which looked for an initial cycle change the middle of this week. First turnaround targets for both of these contracts would be their 9-day moving averages (red lines in charts). Closes above these lines might indicate at least a short-term trend change.

Managing Carries (repeat from yesterday)

With large stocks of most crops on hand as we get close to starting a new marketing year, and with fairly large crops about to be harvested, futures market (& cash market too) carries have really widened. Basically, the market is saying that “we don’t want your crops right now, and we’ll pay you handsomely to hold it off the market. Here are some favorable futures carries that I took off of my screen today:

Corn	Sept '17-Sept '18	42 cents (3.5 cents/month)
	Sept '17-Mar '19	56 cents (3.1 cents/month)
Soybeans	Nov '17-May '18	24 cents (4.0 cents/month)
	Nov '17-July '18	30 cents (3.75 cents/month)
Chi Wheat	Sept '17-July '18	72 cents (7.2 cents/month)
	Sept '17-Mar '19	113 cents (6.3 cents/month)
KC Wheat	Sept '17-July '18	78 cents (7.8 cents/month)
	Sept '17-Mar '19	129 cents (7.2 cents/month)

This exercise tells me that: 1) storage space is worth a lot this fall!; 2) wheat can earn the most return to storage; 3) wheat & corn can both pay very large returns to storage all the way into early 2019. For producers wanting to use existing storage, or even add new storage, to take full advantage of these carries, consider selling the back month on rallies, and consider utilizing the FSA inventory loan program for cash needs. Holding the grain & selling the deferred market is the only way to truly earn the figures listed above!

 Diversified Crop Insurance Services		Crops Currently in Price Discovery (8/1-8/31)				
		Harvest Pricing Period				
	Spring Wheat ID,MN,MT,ND,SD,WA	Barley ID,MI,MT,ND,SD,WA,WI	Rice (Long Grain) LA, TX	Corn AL,FL,GA,LA,SC,TX	Grain Sorghum AL,FL,GA,SC,TX	
1-Aug	\$7.1800	\$3.6250	\$0.1237	\$3.6250	\$3.7650	
2-Aug	\$7.2225	\$3.6500	\$0.1249	\$3.6500	\$3.7900	
3-Aug	\$7.1250	\$3.6350	\$0.1239	\$3.6350	\$3.7825	
4-Aug	\$7.1625	\$3.6650	\$0.1233	\$3.6650	\$3.8100	
7-Aug	\$7.2650	\$3.7225	\$0.1205	\$3.7225	\$3.8675	
8-Aug	\$7.3125	\$3.6975	\$0.1215	\$3.6975	\$3.8375	
9-Aug	\$7.3400	\$3.7225	\$0.1231	\$3.7225	\$3.8625	
10-Aug	\$7.0325	\$3.5725	\$0.1225	\$3.5725	\$3.7100	
11-Aug	\$6.7400	\$3.6075	\$0.1250	\$3.6075	\$3.7475	
14-Aug	\$6.7000	\$3.6275	\$0.1234	\$3.6275	\$3.7625	
15-Aug	\$6.5825	\$3.5525	\$0.1225	\$3.5525	\$3.6850	
16-Aug	\$6.7250	\$3.5250	\$0.1219	\$3.5250	\$3.6650	
Harvest Avg Price	\$7.03	\$3.17	\$0.123	\$3.63	\$3.65	
Base Price	\$5.65	\$3.40	\$0.103	\$3.87	\$3.81	
% Gain/Loss	24.47%	-6.70%	19.42%	-6.11%	-4.22%	

 Diversified Crop Insurance Services		Crops Currently in Discovery (Aug 15-Sept 14) Winter				
		Wheat <u>Base</u> Prices plus				
	Southern Soft Wheat (WN18)	Northern Soft Wheat (WU18)	Southern Hard Wheat (KWN18)	Northern Hard Wheat (KWU18)	Corn (AR,MS)	
15-Aug	\$5.0175	\$5.1525	\$5.0450	\$5.2525	\$3.6850	
16-Aug	\$4.9650	\$5.1100	\$4.9775	\$5.1875	\$3.6650	
Base Avg Price	\$4.99	\$5.13	\$5.01	\$5.22	\$3.68	
RP Volatility (est)	18%	18%	18%	19%	\$3.94	
Applicable States	AL, AR, FL, GA, KY LA, MS, NC, SC, TN	IL, IN, IA, MI, MO OH, PA, WI	KS, OK, TX	CO, MT, NE, SD	-6.73%	

* Dates in red used to determine average volatility for revenue policies.

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