



Morning Grain Comments

October 19th, 2017

Yesterday's Action
Corn
-02
Soybeans
Unchanged
Wheat
-.04
Cash Prices
Old Crop Corn
2.93
New Crop Corn
Old Crop Soybeans
8.89
New Crop Soybeans
9.05
Old Crop W Wheat
4.05
New Crop W Wheat
4.67

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Opening Trend: Steady/Slightly Higher

Reason: Grains still finding little to no fundamental support as harvest in the U.S. should still roll on quite rapidly for at least 2 more days. Export numbers from last week's sales strong in corn, slightly behind in beans.

Trivia: The Gobi desert is contained in which two countries?

The Factors:

Bullish:

- Corn export sales very strong last week which may provide a bit of relief from the constant pressure of impressive production stats dominating the headlines.
- Corn planting in Argentina, where acreage increases were expected to help offset the loss of acres in Brazil, is 35% slower than last year's pace (57% vs. 92%) with too much rain falling in farm country. Acres may be lost if they cannot be planted in the next few weeks.

Bearish:

- Soybeans could look to take a step back today as export sales disappointed last week and harvest should make a jump towards near completion this week.
- In a sign of how much wheat business the U.S. has lost, the U.S. Wheat Associates closed their Egyptian office after nearly 40 years. This is especially notable as Egypt is the world's largest importer of wheat, and is reflective of how much business there has been lost to Russia and other Black Sea region suppliers.
- Weather, which had kept some support under the bean market, is now clearing up both in the U.S., where harvest is fully up and running, and in South America, where planting is finally advancing.

Trivia Answer: China and Mongolia

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