

MID-CO COMMODITIES, INC.

BLOOMINGTON, IL | 800-322-9371 URBANDALE, IA | 800-422-0896

Morning Market Commentary
Wednesday, August 16, 2017

Iowa 800-422-0896
 Illinois 800-322-9371

OVERNIGHT MARKETS (as of 7:15 AM)

Contract	Last	Change	Support	Resistance	RSI	Contract	Last	Change	Contract	Last	Change
CU17	355 1/2	1/4	348	375	37.10	OZ17	257 3/4	1	Dollar I.	93.986	0.157
CZ17	368 3/4	1/4	358	388	36.53	CTZ17	67.28	0.12	Crude	47.72	0.17
SU17	924 1/4	2 1/2	905	980	37.94	SMU17	296	0.2	Gold	1269.4	-4.3
SX17	926 3/4	2 1/2	907	986	38.59	BOU17	32.93	0.22	RBOB	1.5843	0.0048
WU17	432	2 1/2	432	462	38.09	LCV17	109.05	2.45	Ethanol	1.568	0.017
WZ17	459	3	456	489	39.17	LHV17	109.05	1.35	Dow J.	22019	42.00

SPREADS

CORN	Last	Full Carry	% Full Carry	BEANS	Last	Full Carry	% Full Carry	WHEAT	Last	Full Carry	% Full Carry
CU17:CZ17	-13 1/4	-17.54	75.56%	SU17:SX17	-2 1/2	-14.26	17.53%	WU17:WZ17	-26 3/4	-36.06	74.18%
CZ17:CH17	-12	-17.43	68.85%	SX17:SF18	-8 1/2	-14.50	58.63%	WU17:WH17	-48 1/2	-70.93	68.38%
CH18:CK18	-6 1/4	-11.87	52.67%	SF18:SH18	-8	-13.61	58.78%	WZ17:WH18	-21 3/4	-35.84	60.69%

TODAY'S MARKET FACTORS

- "Green on the Screen" despite moderate to heavy rains moving into the Western Corn Belt. The past 24-hour precipitation maps show 6-8 inches of rain fell across portions of northeast Nebraska, a previously drought stricken area. Today's strength is mostly the result of an oversold market following sharp losses from last Thursday's report. The outside markets are mixed as equities trend higher, the dollar is challenging recent highs and precious metals are lower.
- The first round of the North American Free Trade Agreement renegotiations begins today. The leaders from US, Mexico and Canada are scheduled to meet in Washington, DC from August 16-20th. There is no official timeline for how long these talks are expected to go. Analysts say the odds are good the three sides will successfully update the 23 year old NAFTA agreement by next year.
- Analysts are expecting Argentina's corn seeding to expand 5 to 10 percent from a year ago to more than 5 million hectares in 2017/18.
- The weekly ethanol production report is likely to show ethanol production for the week ending August 11th slightly higher than last week's production of 297.5 million gallons. Ethanol margin are at the highest levels since April. We estimate margins at 10 to 15 cents per gallon for a Central Iowa dry mill plant without corn oil extraction.
- Yesterday NOPA members reported they crushed 144.7 million bushels of soybeans in July, up 1 million bushels from a year ago and above trade expectations. The NOPA crush rate is historically about 94% of the total US crush, which would imply a July crush rate of 154 million bushel. YTD crush through July is estimated at 1.751 billion bushel, which leaves 139 million bushels needed to be crushed in August to meet the USDA 2016/17 crush estimate of 1.890 billion bushels.
- On Tuesday's sell-off, the funds were estimated sellers of 13,000 contracts of corn, 10,000 bean contracts and sold 7,500 contracts of Chicago wheat.

Opening Calls

Heavy rains moving across eastern NE and into western IA.
NAFTA renegotiations begin today.
Fresh news remains limited.

The information contained in this report is believed to be reliable but is not guaranteed to accuracy or completeness by MID-CO COMMODITIES, INC. or GROWMARK, Inc. This report is provided for informational purposes only and is not furnished for the purpose of, nor intended to be relied upon for specific trading in commodities herein named. This is not independent research and is provided as a service. As such, this is considered a solicitation.