



CURRENT TREND: Higher **REASON:** Technical bounce on short term dry forecast.

Export Sales Report at 7:30AM followed by the EIA Gas Storage numbers & WASDE at 11AM

MORNING TRIVIA: How much money did Pablo Escobar's Medellin Cartel spend on rubber bands each month.

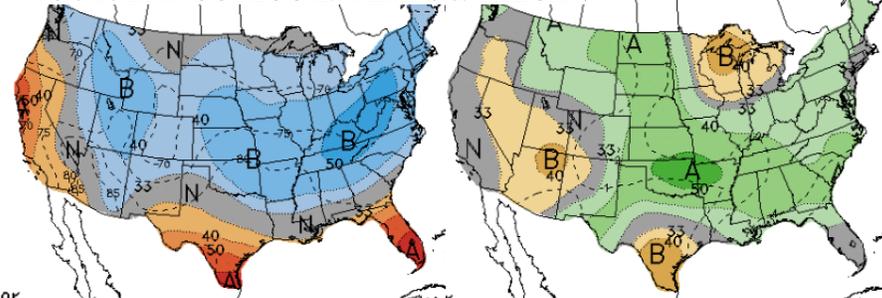
MARKET HEADLINES

- ◆ Corn closed up yesterday, ahead of the upcoming WASDE report. December corn settled at \$3.86 which was up 2.5 cents.
- ◆ Ethanol weekly output is up 10,000 BPD.
- ◆ Ethanol Stocks are up 495,000 barrels to 21.35 million barrels.
- ◆ Ethanol Imports are up 780,000
- ◆ The Chinese Ministry of Environmental Protection is performing yet another tough environmental checks. This is forcing many of China's main soybean crushers to suspend operations this week. China is expected to loose a minimum of 10,000 tonnes of daily capacity over the next week. Lin Boqiang, energy expert for Xiamen University says, "Commodities prices are rallying on the news of more environmental checks... we are expecting these tougher checks to continue until the air quality improves." Soymeal prices are up 3 percent this week to \$424.32 per tonne.
- ◆ USDA's past tendencies paired with the recent decrease in the crop condition, have trade estimates bullish ahead of USDA's WASDE release of yield and production numbers. USDA has a current long run trend of 48 bushels per acre for soybeans, but many analyst in the media are assuming yields closer to 47.5 bushels an acre, the lowest estimate coming in at 46.9 bushels an acre.
- ◆ India, the world third largest emitter of greenhouse gases, prepares to release there new biofuels policy in efforts to cut fossil fuel imports. The country is planning to develop a biofuel industry worth 1 trillion rupees or 15.6 billion dollars. Indian oil companies have pledged a combined \$2 billion toward bio-fuel research and the government has pledged a guarantee return on investment. Other goals of this policy is to increase Nat Gas usage by 8.5 percent, build 12 new ethanol plants, and increase biofuel capacity by 88 tonnes daily.

WEATHER UPDATE

- ◆ Temperatures across the U.S. remain below average, excluding California, Texas and Florida. The coldest of the weather seems to be spread across the majority of the east coast. The corn belts temperature look to be slightly below average with no real temperature concerns for the Crop.
- ◆ On the precipitation side of thing the forecast has changed rather dramatically over this week giving some much needed rain to the Dakotas. However, today is WASDE report day and the forecast still shows the northern parts of Illinois and Iowa to be short rainfall. Will be interested to see NASS's state data this month to see if the rain helped conditions in the Dakotas or if it was a day late and a irrigator short. Will be keeping an eye out for any precipitation in the north-east portion of the corn belt.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

	Corn	Beans	Meal	Oil	Wheat	KC Wht
Daily	+10,000	-4,000	-2,000	+4,000	+3,000	0
Est Net	102,443	21,516	-12,127	76,136	6,739	54,089
Rec +	409,444	260,433	98,846	125,722	73,662	72,845
Rec -	-236,201	-101,752	-54,855	-63,489	-171,269	-30,005

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NIGHT SESSION (to 7:00AM):					
Symbol	High	Low	Last	Chg	Vol
CU7	373	371	372.25	0	6410
CZ7	387	384.75	386	-0.25	15386
CH8	398.5	396.5	397.75	-0.25	6739
WU7	459.5	457.25	458.75	-0.75	6689
KWU7	464.25	461.75	464	+0.25	527
SQ7	963.75	963.75	963.75	+0.75	2
SU7	972.25	964.25	971.25	+5.25	1770
SX7	979.25	971	978	+4.75	13048
SMZ7	315	312	314.5	+7.9	7292
BOZ7	34.72	34.39	34.67	+0.14	9992
CLU7	49.98	49.49	49.94	+0.38	230685
DXY	93.7	93.38	93.615	+0.18	5230

FUNDAMENTAL UPDATE

Today's Table is the official INTL FCStone estimates for today's WASDE report. INTL FCStone tends to be more toward the bullish side of the wide range of trade estimates. FCStones yield estimate is 162.8 bushels per acre which is approximately 8 bushels less than the USDA's July estimate. Would not be surprised if USDA made a small correction to their number today in light of continued dry weather in the north. With lower yields, come lower production and lower carryout, so if the USDA lowers their yield the others will follow.

USDA 2016/17 U.S. Carryout (in billion bushels)

	USDA Aug 2017	Average Trade Est.	INTL FCS Estimate	Range of Trade Est.	USDA July 2017
Corn		2.386	2.363	2.340-2.730	2.370
Soybeans		0.401	0.395	0.370-0.420	0.410

USDA 2017 Yield (in bushels per acre)

	USDA Aug 2017	Average Trade Est.	INTL FCS Estimate	Range of Trade Est.	USDA July 2017
Corn		166.2	162.8	162.8-168.5	170.7
Soybeans		47.5	47.7	46.9-48.0	48.0

USDA 2017 Production (billion bushels)

	USDA Aug 2017	Average Trade Est.	INTL FCS Estimate	Range of Trade Est.	USDA July 2017
Corn		13.855	13.590	13.590-14.070	14.255
Soybeans		4.212	4.235	4.165-4.307	4.260

USDA 2017/18 U.S. Carryout (in billion bushels)

	USDA Aug 2017	Average Trade Est.	INTL FCS Estimate	Range of Trade Est.	USDA July 2017
Corn		2.003	1.821	1.642-2.375	2.325
Soybeans		0.424	0.466	0.369-0.474	0.460
Wheat		0.907	0.868	0.806-0.948	0.938

Answer: \$2,500