



CURRENT TREND: Shade Higher **REASON:** Grains positioning ahead of USDA this morning, China finally working down stocks

USDA OCTOBER S&D @ 11 AM; EXPORT SALES TOMORROW @ 7:30 AM

MORNING TRIVIA: Out of every 100 Americans, how many work for Walmart?

MARKET HEADLINES

- *Quick editorial:* the bulls aren't going to make much of 1-2 cent gains this morning, especially pre-USDA, with no surprises expected this month; moreover, a Midwest harvest window looks to be finally opening up next week...
- Japan bought 106k tonnes of milling wheat in their regular weekly tender, including 34k tonnes from the U.S., 36k from Canada, and 36k from AUS.
- Jordan has once again tendered for 100k tonnes of optional-origin milling wheat, after making no purchase in a 100k-tonne tender yesterday.
- China increased their forecasted corn deficit for '17/18, to 4.3 MMT, up from 890k tonnes estimated last month; production was cut from 212.5 to 210.1 MMT due to lower plantings, while consumption was increased from 214.6 to 215.6 MMT due to stronger demand for ethanol. Soybean production for '17/18 was raised from 14.7 to almost 15 MMT this month. Meanwhile, the country sold 738k tonnes of corn from the 2012-2014 crops at this morning's reserve auction, out of a total 1.12 MMT offered. They also sold 37k tonnes of wheat at auction today, or just over 4% of the entire 855k tonnes offered.
- Strategie Grains gave their first estimates for E.U. planted area for 2018, with soft wheat acreage seen up 0.5%, winter barley up 1%, and spring barley up 3%, while corn plantings are seen down 1.5% compared to 2017.
- The Rosario Grains Exchange pegged 2017/18 Argentine wheat production at 16 MMT, down from 17 MMT in 2016/17 due to heavy rainfall this season.
- *USDA 2017 Yield Estimates (bpa):*
Corn: **170.1** / 168.7-171.5 / 169.9 **Avg Est / Est Range / Last Week**
Beans: **50.0** / 49.1-52.1 / 49.9
- *USDA Production Estimates (bln bu):*
Corn: **14.204** / 14.060-14.355 / 14.184 **Avg Est / Est Range / Last Week**
Beans: **4.447** / 4.335-4.490 / 4.431
- *USDA 2017/18 Carryout (bln bu):*
Corn: **2.289** / 2.168-2.450 / 2.335 **Avg Est / Est Range / Last Week**
Wheat: **0.946** / 0.928-0.971 / 0.933
- *World 2017/18 Carryout (MMT):*
Corn: **201.91** / 196.70-204.50 / 202.47 **Avg Est / Est Range / Last Week**
Wheat: **262.80** / 258.00-265.40 / 263.14

NIGHT SESSION (to 7:00 AM): Grain Volume: 65,806

Symbol	High	Low	Last	Chg	Vol
CZ7	347.00	345.75	346.25	+0.25	8,812
CH8	360.25	359.00	359.75	+0.25	1,721
CK8	369.00	367.75	368.50	+0.50	641
WZ7	436.50	432.25	434.75	+1.50	3,360
KWZ7	431.25	426.25	429.50	+1.25	645
SX7	970.00	964.50	968.50	+3.25	9,725
SF8	980.75	975.25	979.00	+3.00	2,571
SH8	990.25	984.75	988.50	+3.00	1,562
SMZ7	316.30	314.90	315.20	+0.30	3,131
BOZ7	33.44	33.12	33.34	+0.19	13,740
CLX7	51.13	50.45	50.64	-0.66	119,983
DXY	92.92	92.64	92.88	+0.05	5,685

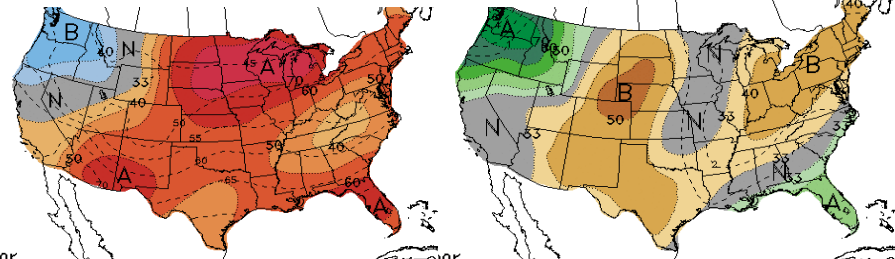
FUNDAMENTAL UPDATE

Today's chart shows historical combined Western Hemisphere soybean production since 1994/95 (left axis), with the U.S. percentage of that harvest on the right axis. Brazil's Conab matched the USDA this week by officially estimating their upcoming bean crop at 107.0 MMT, down 7 MMT from last year's record harvest, and the real reason for the year-over-year combined output decline. That would allow a strong 2017 U.S. crop to make up 40% of the western hemisphere harvest for the first time in six seasons.

WEATHER UPDATE

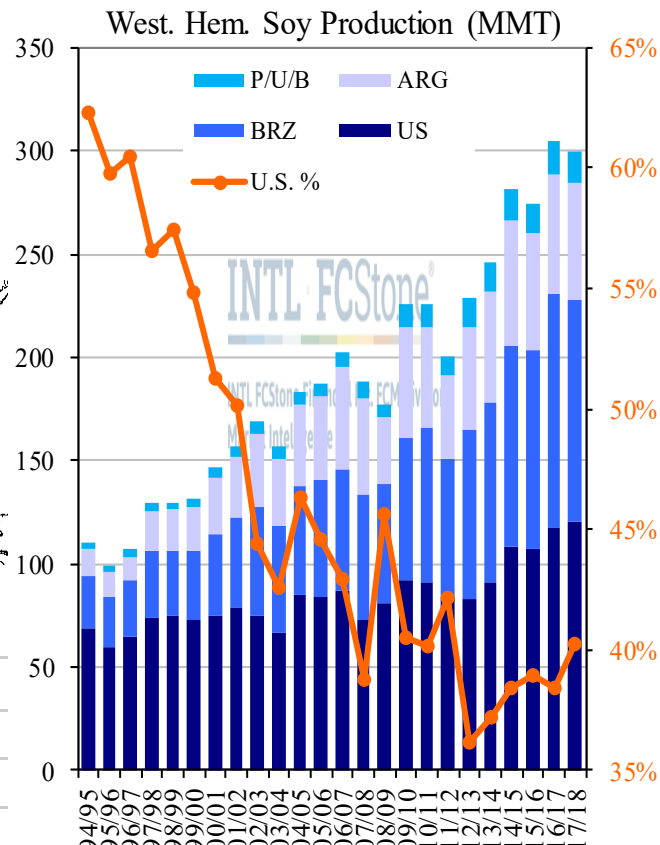
- The Midwest will see a couple of dry days before rains settle in again over the weekend, but a decent harvest window looks to be opening up for next week up through the 6-10 day period. Conditions are wetter again for the 11-15 day. Temperatures should remain safely above normal throughout.
- Brazil's next ten days will bring more rain for the south but moisture deficits rebuilding in the north; center/north chances look better again late in the 6-10 day into the 11-15 day, with longer-term maps bringing rain back in as well.
- Eastern ARG will be beneficially drying up a bit over the rest of the month with the wettest areas lingering in the SW, limiting corn planting there.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	-8,000	0	-1,000	-2,000	-2,000	0
Est Net	-147,959	29,135	1,749	29,589	-62,284	8,944
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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