

Ventura Market Report 10/1/13

Beans called down 10-12 cents and soybean oil down 10-15 points.

The USDA surprises the market again with corn stocks well above the highest estimate moving futures lower.

In the news:

- 1) Day one of the government shutdown - negative input;
- 2) The DJIA is up 62 points trading 15,192 on ISM data - supportive input;
- 3) The dollar versus the Euro is weaker 5 points trading 1.3528 - supportive input;
- 4) 113,000 mt soybean sold overnight to China - supportive input;
- 5) Weather remains close to ideal for harvesting - negative input as a slow harvest removes the pressure for space;
- 6) Harvest through Sunday: corn 12% versus the 5-yr avg at 23% and soybeans at 11% versus the 5-yr avg of 20%;
- 7) Traders will digest yesterday's Sept 1st stocks numbers which were as folks:

QUARTERLY STOCKS (billion bushels) -

(Report date 9/30/13)	<u>9/1/13</u>	<u>Avg</u>	<u>High</u>	<u>Low</u>	<u>6/1/13</u>	<u>9/1/12</u>
Corn	0.824	0.681	0.750	0.552	2.764	0.989
Soybeans	0.141	0.124	0.155	0.106	0.435	0.169
Wheat	1.855	1.913	1.999	1.819	0.718	2.104

- Corn the shocker coming in 74 million bushels above the highest Sept 1st stocks estimate - bearish;
 - Beans comes in 17 million bushels above the average estimate on revisions to the 2012 bean production - mixed input to bearish;
 - Hard to believe either number but we need to use the government numbers - we are buyers of products so bearish news is always welcome;
 - The corn bearish number will drive the market even with oversold conditions in both beans and soybean oil;
- 8) Soybean oil futures are printing new lows. How much lower many asking. You have seen my charts and comments about opportunities and the milestones we are using. The recent trade gets us very close to deferred budget buyer objectives - manage risk and margins and don't try to find bottoms;
 - 9) The below is the Dec corn chart showing the effect of yesterday's report in the red circle - futures are oversold:



10) Below is the Nov bean chart which shows the effect of the Sept 1st stocks numbers in the red circle - futures are oversold:



11) Dec soybean oil below after the report with the effect in the red circle - futures here too are oversold:



12) Palm oil up 10-ringgit trading 2330 as it get support from demand as it remains a good discount to soybean oil - supportive input;