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**CHICAGO BOARD OF TRADE MARKET NEWS**

Week in Review: CME Corn December Contract					
\$/Bu	Friday 30 October	Monday 2 November	Tuesday 3 November	Wednesday 4 November	Thursday 5 November
<b>Change</b>	0.0225	-0.0575	0.0400	0.0000	-0.0600
<b>Closing Price</b>	3.8225	3.7650	3.8050	3.8050	3.7450
<b>Factors Affecting the Market</b>	December corn worked slightly higher in its recent trading range but was unable to close above the 40-day moving average at \$3.8250 bu.	A lagging rate of corn export inspections and favorable harvest weather was enough to shove the Dec. corn contract below \$3.80 bu.	Dec. corn was able to restore its close back above \$3.80 bu. after spending most of the day within a five-cent range.	The close was unchanged from the prior day and the range between open and close was one cent as the market seeks more news.	Anticipation that projected ending stocks of U.S. corn will increase next week in USDA November data pressed Dec. corn lower.

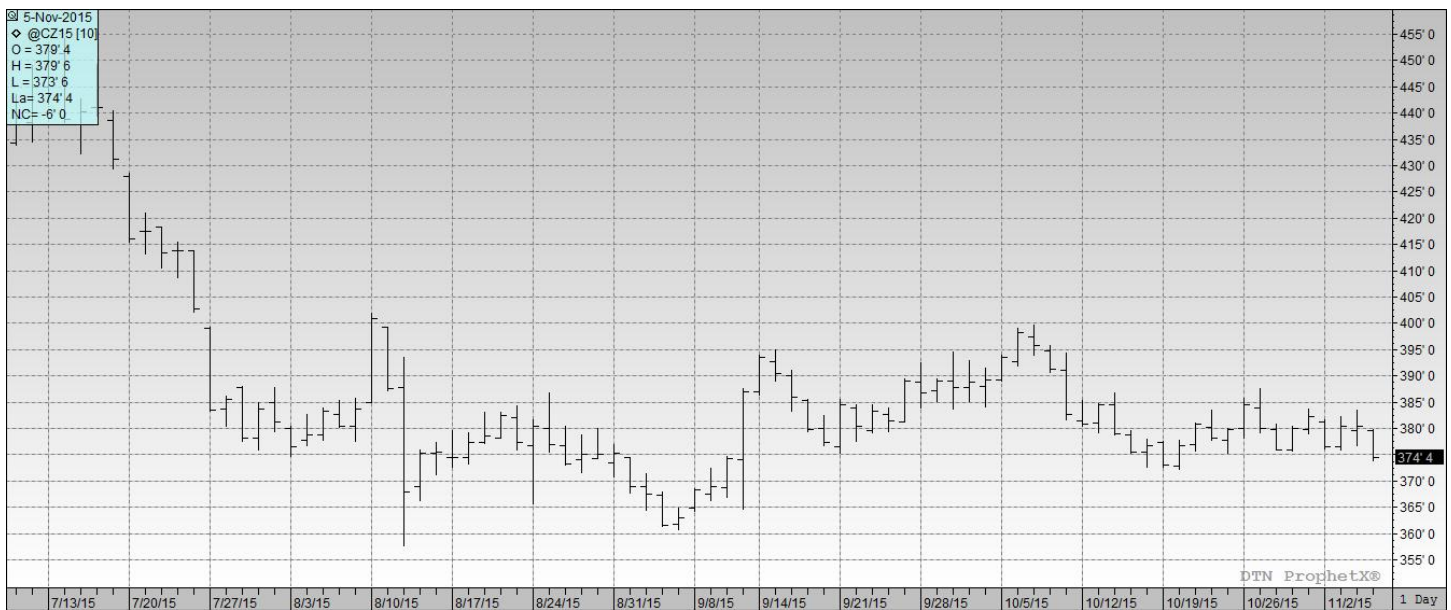
**Outlook:** The next price influencing event is anticipated to be the publication of USDA reports on Tuesday, November 10, 2015. The data is unlikely to contain any major surprises, but there is a common expectation for a modest increase in projected U.S. corn ending stocks for the current 2015/16 season. Such an increase could dampen futures prices in the short term. Cash prices would presumably decline slower than futures and that could strengthen basis into the end of the month. Stronger basis may encourage cash sales in early

**For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.**

*The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.*

December as U.S. farmers contemplate tax issues prior to the end of the calendar year. The importance of such factors is expected to decline after year's end as the attention of market participants shifts toward South American weather and the strength of the U.S. dollar in January – and then on to U.S. planting intentions in February. Consequently, the outlook is that any near-term sell off in feed grain prices will be followed by a rebound in the first quarter of the 2016 calendar year.

## CBOT DECEMBER CORN FUTURES



Source: Prophet X

### Current Market Values:

Futures Price Performance: Week Ending November 5, 2015			
Commodity	5-Nov	30-Oct	Net Change
<b>Corn</b>			
Dec 15	374.50	382.25	-7.75
Mar 16	382.75	391.50	-8.75
May 16	389.00	397.25	-8.25
Jul 16	394.00	401.50	-7.50
<b>Soybeans</b>			
Nov 15	867.75	883.75	-16.00
Jan 16	864.00	885.75	-21.75
Mar 16	866.25	888.75	-22.50
May 16	871.25	894.50	-23.25
<b>Soymeal</b>			
Dec 15	296.40	304.40	-8.00



Jan 16	295.20	303.10	-7.90
Mar 16	293.40	301.50	-8.10
May 16	292.70	300.50	-7.80
<b>Soyoil</b>			
Dec 15	27.83	28.20	-0.37
Jan 16	28.11	28.52	-0.41
Mar 16	28.29	28.75	-0.46
May 16	28.52	28.96	-0.44
<b>SRW</b>			
Dec 15	526.25	522.00	4.25
Mar 16	527.00	525.50	1.50
May 16	528.50	529.00	-0.50
Jul 16	527.50	530.00	-2.50
<b>HRW</b>			
Dec 15	486.00	493.75	-7.75
Mar 16	501.00	510.00	-9.00
May 16	511.25	520.00	-8.75
Jul 16	521.75	530.00	-8.25
<b>MGEX (HRS)</b>			
Dec 15	516.25	525.50	-9.25
Mar 16	525.50	535.50	-10.00
May 16	534.25	544.25	-10.00
Jul 16	543.50	553.50	-10.00

\*Price unit: Cents and quarter-cents/bu (5,000 bu)

## U.S. WEATHER/CROP PROGRESS

**U.S. Drought Monitor Weather Forecast:** For the upcoming 5-day period (November 5-9), moderate to heavy (1-3 inches) precipitation is expected from the southern Great Plains northeastward into the eastern Ohio Valley. Light to moderate precipitation (0.5-1.5 inches) is forecast from Louisiana eastward to the North Carolina Outer Banks, southern Florida, the central Great Lakes region, parts of the Rockies, and the Pacific Northwest. Little or no precipitation should occur in most of California and the Great Basin, the High Plains, and the Northeast. Temperatures should average below-normal in the western third of the Nation, and above normal in the northern half of the Plains and eastern third of the U.S.

For the ensuing 5 days (November 10-14), the odds favor above median precipitation in the Pacific Northwest, central Rockies, north-central and southern Plains, Midwest and Great Lakes region, New England and the mid-Atlantic. Below median odds are likely from central California northeastward into western North Dakota. Below-normal temperatures are favored in the West and above-normal readings in the eastern half of the Nation.

Follow this link to view current U.S. and international weather patterns and the future outlook: [Weather and Crop Bulletin](#).

## U.S. EXPORT STATISTICS

### Export Sales and Exports: Week Ending October 29, 2015

Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
<b>Wheat</b>	147,700	176,900	8,713.2	12,834.9	-17%
<b>Corn</b>	612,500	492,700	5,115.8	13,144.7	-32%
<b>Sorghum</b>	152,100	227,600	1,822.6	3,778.1	21%
<b>Barley</b>	3,200	100	19.0	27.6	-68%

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 556,000 MT for 2015/2016 were down 22 percent from the previous week, but up 7 percent from the prior 4-week average. Increases reported for Japan (186,800 MT, including 40,400 MT switched from unknown destinations), Mexico (102,900 MT, including 23,000 MT switched from unknown destinations and decreases of 17,100 MT), unknown destinations (86,800 MT), Colombia (76,400 MT, including 27,500 MT switched from unknown destinations and decreases of 14,200 MT), and Peru (54,800 MT), were partially offset by reductions for Panama (13,500 MT), Nicaragua (5,400 MT), and Canada (1,700 MT). Net sales of 18,900 MT for 2016/2017 were reported for Panama (13,500 MT) and Nicaragua (5,400 MT). Exports of 492,700 MT were up 14 percent from the previous week and 2 percent from the prior 4-week average. The primary destinations were Mexico (228,300 MT), Colombia (92,100 MT), Japan (45,600 MT), Taiwan (36,300 MT), Costa Rica (21,500 MT), and Guatemala (20,600 MT).

**Barley:** Net sales of 3,100 MT for 2015/2016 were up noticeably from the previous week and the prior 4-week average. Increases were reported for Israel (2,500 MT), South Korea (400 MT), and Taiwan (200 MT). Exports of 100 MT were reported to South Korea.

**Sorghum:** Net sales of 152,100 MT were up 6 percent from the previous week and up noticeably from the prior 4-week average. Increases were reported for China (72,200 MT), unknown destinations (58,000 MT), and Mexico (21,800 MT). Exports of 227,600 MT were up 40 percent from the previous week, but down 12 percent from prior 4-week average. The destinations were China (225,200 MT, including 61,600 MT late reporting) and Mexico (2,400 MT).



**U.S. Export Inspections: Week Ending October 29, 2015**

Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	1,037	612	22,960	67,115	34%
Corn	477,438	413,400	5,242,990	6,866,607	76%
Sorghum	121,661	205,049	1,937,603	1,560,701	124%
Soybeans	2,560,567	2,672,179	12,007,299	11,013,673	109%
Wheat	170,993	317,079	9,050,754	10,975,036	82%

Source: USDA/AMS. \*Marketing Year is June 1-May 31 for wheat and barley and September 1-August 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions and cancellations to previous week's reports.

**USDA Grain Inspections for Export Report: Week Ending October 29, 2015**

Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	392	0%	0	0%	514	0%
Gulf	311,894	69%	21,415	99%	118,978	98%
PNW	28,179	6%	122	1%	220	0%
Interior Export Rail	113,036	25%	0	0%	1,949	2%
<b>Total (Metric Tons)</b>	<b>453,501</b>	<b>100%</b>	<b>21,537</b>	<b>100%</b>	<b>121,661</b>	<b>100%</b>
White Corn Shipments by Country (MT)			21,415	to Mexico		
			122	to Korea		
<b>Total White Corn (MT)</b>			<b>21,537</b>			
Sorghum Shipments by Country (MT)					119,859	to China
					220	to Korea
					1,582	to Mexico
<b>Total Sorghum (MT)</b>					<b>121,661</b>	

Source: USDA, World Perspectives, Inc.

## FOB

**Yellow Corn (USD/MT FOB Vessel)**

YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
FH November	+0.81 Z	\$179.32	-	-
November	+0.80 Z	\$178.93	-	-
December	+0.80 Z	\$178.93	+0.90 Z	\$182.86
January	+0.71 H	\$178.63	+0.84 H	\$183.75



#2 White Corn (U.S. \$/MT FOB Vessel)		
Max. 15.0% Moisture	December	January
Gulf	\$205	\$205

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
November	+1.15 Z	\$192.71	+1.00 Z	\$186.80
December	+1.10 Z	\$190.74	+0.95 Z	\$184.83
January	+1.05 H	\$192.02	+0.90 H	\$186.11

Barley: Feed Barley (FOB USD/MT)		
	November	December
FOB PNW	-	\$225

Prices reflect the month of October, 2015.

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	December	January	February
New Orleans	\$152	\$152	\$152
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	December	January	February
New Orleans	\$590	\$590	\$590
*5-10,000 MT Minimum			

\*All prices are market estimates.

DDGS Price Table: November 5, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Nov	Dec	Jan
Barge CIF New Orleans	177	176	178
FOB Vessel GULF	185	183	185
Rail delivered PNW	193	195	198
Rail delivered California	196	199	203
Mid-Bridge Laredo, TX	193	193	196
FOB Lethbridge, Alberta	167	169	173
40 ft. Containers to South Korea (Busan)	210	227	228
40 ft. Containers to Taiwan ( Kaohsiung )	208	231	231
40 ft. Containers to Philippines (Manila)	220	249	249
40 ft. Containers to Indonesia (Jakarta)	220	237	238
40 ft. Containers to Malaysia (Port Kelang)	222	239	240

40 ft. Containers to Vietnam (HCMC)	225	237	238
40 ft. Containers to Japan (Yokohama)	216	239	239
40 ft. containers to Thailand (LCMB)	217	234	235
40 ft. Containers to Shanghai, China	211	223	225
KC & Elwood, IL Rail Yard (delivered Ramp)	175	177	181

Source: WPI, \*Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.

## DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS)

**DDGS Comments:** Limited demand is helping keep down the nearby spot market price of DDGS in comparison to offers in the more distant months. However, one merchandiser did note that 20,000 MT of DDGS were sold to a single Asian buyer for shipment in January. The first quarter of 2016 seems to be a time that an increasing number of DDGS buyers desire to lock down their prices in order to avoid future volatility.

DDGS prices for December and January indicate the fact that they are typically hedged with the more expensive March 2016 corn contract. In a typical season the December futures contract normally reflects the harvest low in prices. Corn futures contracts for the following months, such as March, May and July, usually stair-step higher than the December contract because of additional costs such as storage and insurance. Futures prices then tend to decline back down going into the next December. However, DDGS buyers should note that such a rise and fall is currently not priced into Chicago corn futures; instead, corn futures presently increase through all of 2016 and straight into the summer of 2017. This pricing structure seems to indicate that many market participants believe that the nearby December 2015 corn contract will be as low as prices get for several years.

**Ethanol Comments:** Ethanol futures contracts attempted to stabilize after a four-day decline. The nearby December contract remained above yesterday's low price of \$1.479/gallon and initially made a firm rebound early this morning, but then closed lower; this action created an undecided looking price chart.

The recent sell off in ethanol futures happened in part because of reports that production has jumped to the highest level in more than three months. The increase in ethanol production can be primarily attributed to improving returns (please see the following differentials between corn and the co-products of ethanol and DDGS). The average daily rate of production for the week ending October 30, 2015 increased to 969,000 barrels per day (bpd) from the prior week's average daily rate of 944,000 bpd; this production rate is also 4.5 percent above the four-week average of 929,000 bpd.

The increased production has resulted in total U.S. ethanol stocks increasing to 18.8 million barrels, up 2.7 percent from the prior week's total of 18.3 million barrels. Adding to the stock level was a return of U.S. ethanol imports at an average daily rate of 10,000 bpd. Total U.S. ethanol stocks levels are 9.3 percent above the year-ago level of 17.2 percent, but indications that this is not a burdensome amount seem to be implied in the fact that the differential between corn and co-products was able to consistently improve across four primary regions of the U.S. Corn Belt for the week ending October 30, 2015:

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- Illinois differential is \$1.86 per bushel, in comparison to \$1.68 the prior week and \$2.55 a year ago.
- Iowa differential is \$1.60 per bushel, in comparison to \$1.57 the prior week and \$2.41 a year ago.
- Nebraska differential is \$1.78 per bushel, in comparison to \$1.71 the prior week and \$2.56 a year ago.
- South Dakota differential is \$1.79 per bushel, in comparison to \$1.74 the prior week and \$2.51 a year ago.

Ethanol Exports: U.S. ethanol exports for the month of August were down seasonally to 1.197 million barrels, according to the Energy Information Administration. Exports for August were down 7 percent from the same month a year ago but were up 1.2 percent compared to August 2013. For the year thus far, U.S. ethanol exports are up 4.7 percent from the same period a year ago. Canada remains the top export market with Tunisia taking the second largest volume during August.

## COUNTRY NEWS

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**Brazil:** Amidst the large production, a devalued real and thus competitive prices Brazil's main port facilities are backed up at the height of the corn export season. During October, ships were taking twice as long to load and sail as a year ago. (Reuters)

**China:** Corn plantings were higher this year but a ground survey by SGS SA indicates that drought will cause the crop to fall by 5.8 percent this year, the largest drop in 15 years. This forecast contrasts with USDA's October prediction that China's corn crop would be 4.3 percent larger than last year. (Bloomberg)

Further on China: According to Marex Spectron, China's sugar demand exceeds supply by 5-6 million tons and while imports are on order, food makers may switch to HFCS if domestic sugar prices continue to rise. (Dow Jones)

**Saudi Arabia:** The largest barley importer in the world and amongst the top 15 sorghum importers, Saudi Arabia is now set to add wheat to its purchase list after the government decided instead to save its aquifers from depletion. (Reuters)

**South Africa:** Yellow corn futures for December delivery fell 1.4 percent to \$216/MT following indications of rain. Corn had hit its highest price since 1996 prior to the new weather forecast. White corn is priced at \$220.89/MT. (Bloomberg)



## OCEAN FREIGHT MARKETS AND SPREAD

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$30.75	Unchanged	Handymax at \$31.50/MT
55,000 U.S. PNW-Japan	\$17.00	Unchanged	Handymax at \$17.50/MT
55,000 U.S. Gulf-China	\$29.50	Down \$0.25	North China
PNW to China	\$15.75	Down \$0.25	
30,000 U.S. Gulf-Veracruz, México	\$14.25	Unchanged	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$12.50	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$16.00 \$28.25	Unchanged Up \$0.50	West Coast Colombia at \$23.00
36-40,000 U.S. Gulf-Guatemala	\$22.75	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$31.00 \$32.00	Unchanged Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$30.00	Down \$0.50	5,000 discharge rate
55,000 U.S. Gulf-Egypt	\$23.00	Down \$0.50	55,000 -60,000 MT St. Lawrence to Egypt \$24.00
PNW to Egypt	\$24.50	Down \$0.50	
65-75,000 U.S. Gulf-Europe-Rotterdam	\$14.00	Down \$0.50	Handymax at +\$1.50 more
Brazil, Santos-China	\$21.50 \$20.25	Unchanged Unchanged	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$32.25	Unchanged	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$29.00	Unchanged	—

Source: O'Neil Commodity Consulting

\*Numbers for this table based on previous night's closing values.

## OCEAN FREIGHT COMMENTS

**Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting:** Global freight markets remain soft with little hope for a meaningful turnaround any time soon. It is simply more of the same old story: too many ships and not enough cargo. Even the North American fall grain harvest did not bring enough additional demand to soak up the surplus of freight. The only important question left is how long will this last?

Unfortunately for vessel owners there does not seem to be reason to expect things to change until 2017, and this is only if the world economy picks up speed. Otherwise it will be a longer and more painful haul for anyone invested in any type of ocean freight. So, the watch goes on to see who can hold their financial breath the longest and who will be next to file for bankruptcy protection. It is not a pretty picture in either dry-bulk or container freight markets. Hold onto your hats, we will see even rougher sailing ahead.

Note: Though the corn and soybean market spreads along with the ocean freight spreads have favored the PNW over the past few months, I don't see the U.S. PNW gaining any market share against the Gulf.

<b>Baltic-Panamax Dry-Bulk Indices</b>				
<b>November 4, 2015</b>	<b>This Week</b>	<b>Last Week</b>	<b>Difference</b>	<b>Percent Change</b>
<b>Route</b>				
P2A: Gulf/Atlantic – Japan	10,341	10,895	-554	-5.1%
P3A: PNW/Pacific– Japan	4,501	5,177	-676	-13.1%

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to China:

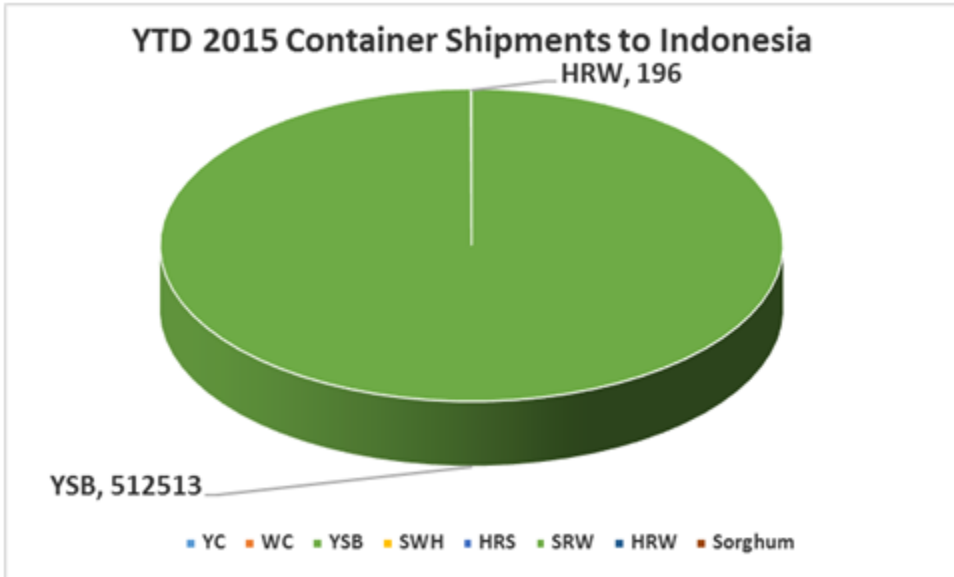
<b>Week of November 4, 2015</b>	
Four weeks ago:	\$5.80-\$6.00
Three weeks ago:	\$5.40-\$5.55
Two weeks ago	\$4.85-\$5.25
One week ago:	\$4.80-\$5.20
This week	\$4.55-\$5.05

Source: O'Neil Commodity Consulting

<b>U.S.-Asia Market Spreads</b>					
<b>November 4, 2015</b>	<b>PNW</b>	<b>Gulf</b>	<b>Bushel Spread</b>	<b>MT Spread</b>	<b>Advantage</b>
# 2 Corn	0.90	0.71	0.19	\$7.48	PNW
Soybeans	1.08	0.80	0.28	\$11.02	PNW
Ocean Freight	\$15.75	\$29.50	0.35-0.37	(\$13.75)	Dec.

Source: O'Neil Commodity Consulting

The charts below represent year-to-date 2015 versus January-December 2014 annual totals for container shipments to Indonesia.



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

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International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week Ending November 5, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$29	\$31	\$30	\$28	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$25	\$19	\$17	-
Corn (White)	Argentina	\$29	\$31	\$30	\$28	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$25	\$19	\$17	-
Barley	Argentina	\$29	\$31	\$30	\$28	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$25	\$19	\$17	-
Sorghum	Argentina	\$29	\$31	\$30	\$28	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$25	\$19	\$17	-

Note: Bid-ask spreads can vary in width and initial offers may be higher on less active routes.

Source: World Perspectives, Inc.

## INTEREST RATES

Interest Rates (%): November 4, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.56	0.53	0.53
LIBOR (1 year)	0.87	0.83	0.85

Source: [www.bankrate.com](http://www.bankrate.com)