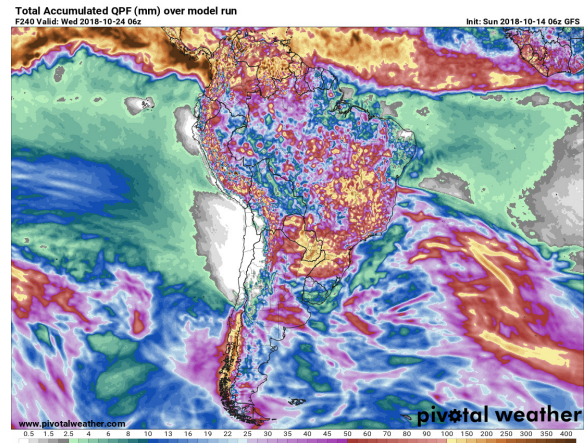


Weather

No significant new info for the US forecast this morning. Mostly dry conditions should be seen across all but southern part of the Corn Belt starting today and right now there is no good indication of when the next significant precipitation event will be seen. Almost every day over the next two weeks looks mostly dry in the area. Temps should be cold through the middle of the week with some areas seeing 10+ below normal. We should see temps moderate closer to normal by later in the week.

In South America, look for two-week precipitation totals across Brazil to average mostly near to above normal. Heaviest rains will be in southern areas including Parana and into Paraguay. Argentina should see two-week rainfall totals run close to normal over the next two weeks, with the best rainfall chances coming in the 6-10 day period.



Crops

I just want to quickly look at the FSA acreage data from last week. Here are the numbers....

Soybeans - FSA Breakdown

	September Data			October Data			Aug-Sep Planted & Failed Chg	NASS Planted Area	% of NASS	Actual vs. Nass
	FSA Planted & Failed	FSA Prevent Plant	Sum	FSA Planted & Failed	FSA Prevent Plant	Sum				
ALABAMA	318,180	1,585	319,765	320,343	1,605	321,948	2,162	340,000	94%	(19,657)
ARKANSAS	3,255,537	12,872	3,268,410	3,255,848	12,895	3,268,743	311	3,280,000	99%	(24,152)
DELAWARE	159,225	348	159,573	159,851	444	160,295	625	170,000	94%	(10,149)
FLORIDA	15,835	85	15,920	16,565	85	16,650	730	17,000	97%	(435)
GEORGIA	133,518	1,869	135,386	135,498	1,869	137,366	1,980	140,000	97%	(4,502)
ILLINOIS	10,591,250	11,253	10,602,503	10,602,957	11,253	10,614,209	11,707	10,800,000	98%	(197,043)
INDIANA	5,879,609	6,493	5,886,102	5,887,839	6,493	5,894,332	8,230	5,950,000	99%	(62,161)
IOWA	9,853,895	4,555	9,858,450	9,860,162	4,555	9,864,717	6,267	10,000,000	99%	(139,838)
KANSAS	4,664,767	430	4,665,198	4,672,443	430	4,672,874	7,676	4,750,000	98%	(77,557)
KENTUCKY	1,901,725	6,072	1,907,798	1,906,970	6,072	1,913,042	5,244	2,000,000	95%	(93,030)
LOUISIANA	1,317,515	16,573	1,334,088	1,317,091	16,573	1,333,665	(423)	1,340,000	98%	(22,909)
MARYLAND	506,212	1,572	507,784	508,535	1,572	510,106	2,322	520,000	98%	(11,465)
MICHIGAN	2,161,130	10,779	2,171,909	2,179,059	10,779	2,189,838	17,929	2,300,000	95%	(120,941)
MINNESOTA	7,666,844	20,532	7,687,376	7,673,119	20,563	7,693,683	6,275	7,800,000	98%	(126,881)
MISSISSIPPI	2,201,142	4,275	2,205,416	2,202,635	4,275	2,206,909	1,493	2,220,000	99%	(17,365)
MISSOURI	5,769,273	3,671	5,772,943	5,776,227	3,671	5,779,897	6,954	5,850,000	99%	(73,773)
NEBRASKA	5,602,669	5,304	5,607,973	5,604,602	5,304	5,609,906	1,933	5,700,000	98%	(95,398)
NEW JERSEY	99,271	762	100,033	100,478	762	101,240	1,207	105,000	96%	(4,522)
NEW YORK	314,040	3,862	317,901	314,565	3,862	318,427	526	330,000	95%	(15,435)
NO CAROLINA	1,611,198	15,725	1,626,923	1,615,837	15,740	1,631,577	4,639	1,650,000	98%	(34,163)
NO DAKOTA	6,800,629	11,552	6,812,181	6,803,521	11,552	6,815,073	2,892	6,900,000	99%	(96,479)
OHIO	4,919,487	20,000	4,939,487	4,929,015	19,996	4,949,011	9,528	5,000,000	99%	(70,985)
OKLAHOMA	612,973	634	613,606	618,815	634	619,448	5,842	640,000	97%	(21,185)
PENNSYLVANIA	507,368	6,106	513,475	511,620	6,115	517,735	4,251	600,000	85%	(88,380)
S CAROLINA	364,030	2,763	366,794	366,807	2,719	369,526	2,777	390,000	94%	(23,193)
S DAKOTA	5,548,620	90,182	5,638,801	5,562,965	90,273	5,653,237	14,345	5,650,000	98%	(87,035)
TENNESSEE	1,623,324	5,365	1,628,688	1,626,817	5,371	1,632,188	3,493	1,700,000	96%	(73,183)
TEXAS	163,663	336	163,998	164,254	336	164,589	591	175,000	94%	(10,746)
VIRGINIA	576,408	1,867	578,275	579,288	1,870	581,158	2,880	600,000	97%	(20,712)
WEST VA	27,647	426	28,073	27,647	426	28,073	0	28,000	99%	(353)
WISCONSIN	2,138,169	7,743	2,145,911	2,143,354	7,716	2,151,069	5,185	2,200,000	97%	(56,646)
Grand Total	87,347,401	275,629	87,623,029	87,487,251	275,849	87,763,099	139,850	89,145,000	98%	(1,657,749)

Corn - FSA Breakdown

	September Data			October Data			Sep-Oct Planted & Failed Chg	NASS Planted Area	% of NASS	Actual vs. Nass
	FSA Planted & Failed	FSA Prevent Plant	Sum	FSA Planted & Failed	FSA Prevent Plant	Sum				
ALABAMA	220,794	884	221,678	221,107	884	221,991	313	250,000	88%	(28,893)
ARIZONA	55,308	0	55,308	56,314	0	56,314	1,006	65,000	87%	(8,686)
ARKANSAS	653,764	119,968	773,732	653,827	119,848	773,675	64	660,000	99%	(6,173)
CALIFORNIA	341,126	0	341,126	354,300	0	354,300	13,174	450,000	79%	(95,700)
COLORADO	1,422,618	63,624	1,486,242	1,429,693	63,648	1,493,342	7,076	1,470,000	97%	(40,307)
DELAWARE	168,899	482	169,382	169,573	482	170,055	674	170,000	100%	(427)
FLORIDA	74,547	0	74,547	75,082	0	75,082	535	100,000	75%	(24,918)
GEORGIA	320,977	19	320,997	323,074	19	323,093	2,097	325,000	99%	(1,926)
IDAHO	322,501	913	323,414	324,098	913	325,011	1,597	360,000	90%	(35,902)
ILLINOIS	10,808,143	6,179	10,814,321	10,817,656	6,136	10,823,792	9,513	11,000,000	98%	(182,344)
INDIANA	5,280,105	9,404	5,289,510	5,282,294	9,404	5,291,698	2,188	5,350,000	99%	(67,706)
IOWA	12,885,266	13,417	12,898,683	12,889,702	13,347	12,903,049	4,436	13,200,000	98%	(310,298)
KANSAS	5,341,884	6,440	5,348,325	5,346,085	6,440	5,352,525	4,200	5,400,000	99%	(53,915)
KENTUCKY	1,292,065	9,127	1,301,192	1,292,596	9,122	1,301,718	531	1,340,000	96%	(47,404)
LOUISIANA	447,776	143,886	591,662	447,824	143,063	590,887	48	460,000	97%	(12,176)
MARYLAND	404,947	728	405,675	405,792	800	406,592	846	450,000	90%	(44,208)
MICHIGAN	2,116,134	38,159	2,154,293	2,123,466	38,481	2,161,947	7,332	2,350,000	90%	(226,534)
MINNESOTA	7,837,597	37,753	7,875,350	7,841,974	37,644	7,879,619	4,378	7,900,000	99%	(58,026)
MISSISSIPPI	462,780	169,418	632,198	462,864	169,935	632,800	85	480,000	96%	(17,136)
MISSOURI	3,404,909	13,234	3,418,143	3,406,340	13,234	3,419,574	1,431	3,500,000	97%	(93,660)
MONTANA	104,632	2,663	107,295	104,827	2,663	107,490	195	115,000	91%	(10,173)
NEBRASKA	9,542,207	18,937	9,561,144	9,547,125	18,935	9,566,061	4,918	9,600,000	99%	(52,875)
NEW JERSEY	65,338	848	66,186	65,719	829	66,548	381	75,000	88%	(9,281)
NEW MEXICO	109,039	110	109,149	126,786	110	126,896	17,746	130,000	88%	(3,214)
NEW YORK	976,143	8,885	985,029	976,840	8,885	985,725	696	1,120,000	87%	(143,160)
NO CAROLINA	870,797	13,906	884,703	871,852	13,906	885,758	1,055	910,000	96%	(38,148)
NO DAKOTA	3,056,043	11,128	3,067,171	3,057,962	11,062	3,069,024	1,919	3,150,000	97%	(92,038)
OHIO	3,361,624	24,562	3,386,186	3,364,665	24,696	3,389,362	3,042	3,500,000	96%	(135,335)
OKLAHOMA	295,656	5,330	300,986	295,898	5,330	301,228	242	320,000	92%	(24,102)
OREGON	88,599	0	88,599	88,650	0	88,650	51	80,000	111%	8,650
PENNSYLVANIA	837,491	15,182	852,673	840,534	15,237	855,771	3,043	1,340,000	63%	(499,466)
S CAROLINA	306,132	4,108	310,241	306,613	4,108	310,722	481	340,000	90%	(33,387)
S DAKOTA	5,182,440	124,406	5,306,846	5,188,265	124,573	5,312,837	5,824	5,300,000	98%	(111,735)
TENNESSEE	683,930	20,826	704,756	684,179	20,843	705,022	249	730,000	94%	(45,821)
TEXAS	2,126,263	12,519	2,138,782	2,126,819	12,519	2,139,338	556	2,200,000	97%	(73,181)
UTAH	52,845	0	52,845	53,161	0	53,161	316	75,000	71%	(21,839)
VIRGINIA	389,521	2,213	391,734	390,399	2,213	392,612	879	490,000	80%	(99,601)
WASHINGTON	152,480	81	152,561	154,446	81	154,527	1,966	160,000	97%	(5,554)
WEST VA	39,614	1,691	41,305	39,543	1,691	41,234	(71)	46,000	86%	(6,457)
WISCONSIN	3,767,041	24,274	3,791,315	3,770,584	24,339	3,794,923	3,543	3,900,000	97%	(129,416)
WYOMING	84,409	1,067	85,476	84,445	1,067	85,512	36	100,000	84%	(15,555)
Grand Total	86,115,400	928,157	87,043,556	86,224,086	928,274	87,152,359	108,686	89,140,000	97%	(2,915,914)

Based on what I see in the above, I don't anticipate seeing additional significant changes in NASS's acreage projections going forward. There might be modest tweaks here and there, but generally I think the FSA and NASS numbers are lining up pretty closely at this point. I have to admit that I was calling for a modest decline in corn area last week and that proved to be wrong...but this latest round of FSA figures shows that they're running 97% of the NASS figure and generally anything over 96% doesn't prompt a serious change from NASS at this point. Soybean area at 98% of NASS is probably not going to prompt any significant changes either. Production changes from this point forward should be all about yield.

Livestock

A quick follow up from my comments late last week where I suggested that index-type activity could be supporting the back end of the board and increasing OI there faster than usual. The chart below shows the

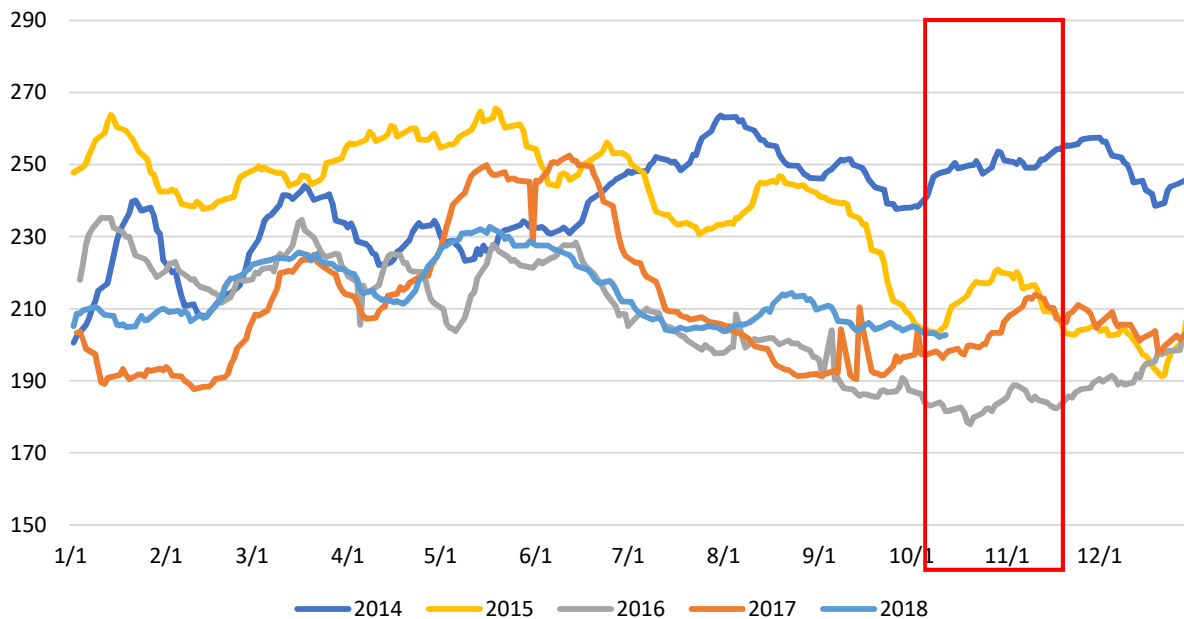
gross long position of index traders. While we're not currently looking at a record position like we saw earlier this year, we still are looking at a gross long in the LC market that is certainly bigger than we've become accustomed to over the past several years. While this simple look falls short of completely confirming my bias, it does provide some modest support.

Index Trader Gross Long Position - Live Cattle



A quick reminder we've entered a short period of typically strong price action for beef...

Choice Beef Seasonal View



Financials

Friday's bounce in the equity market has come undone again overnight and the ES is trading below its 200-day MA again. The weakness once again is being felt around the world. China's Shanghai Composite, for example, closed down 1% to its weakest level since Nov 2014. European equity markets are hanging in ok actually...a mixed bag with some slightly lower and some slightly higher. The BP is weaker at the time of writing this morning as weekend Brexit talks once again ended with no resolution to long-lasting issues. On tap today we have the earnings release from BAC and we have retail sales. Otherwise, I don't see a ton of new information to pass along this morning.

Energy

No new information to pass along this morning. Obviously the storyline surrounding the Khashoggi disappearance and the Saudi government is very interesting. President Trump over the weekend said there would be consequences if the Saudi government is shown to be guilty with his murder, but we'll see where this goes. President Trump is also leaning heavily on the Saudis to keep up oil production to offset the losses in Iran due to his sanctions. Meanwhile crude oil futures have performed halfway decent over the past week despite the liquidation and surprises in US inventories. That would seem to argue that additional upside is looking likely into the late stages of 2018.

Today's Calendar (all times Central)

- Retail Sales – 7:30am
- Export Inspections – 10:00am
- Crop Progress – 3:00pm

Thanks for reading.

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