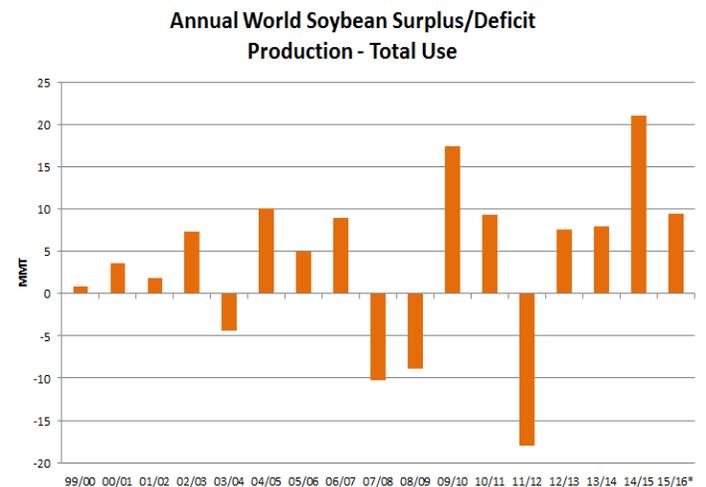
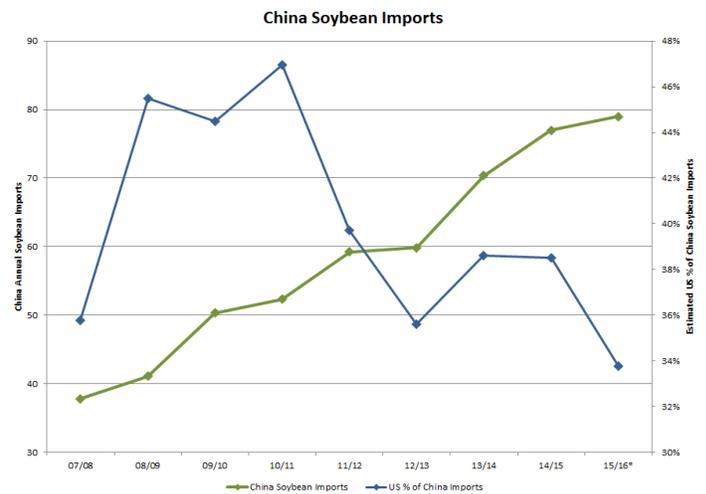
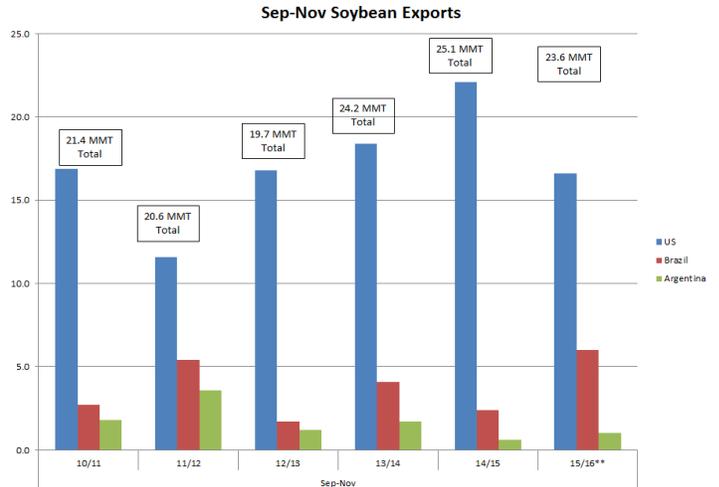


September Monthly Commentary

Soybeans

- Most in the market continue to underestimate US soybean production potential. The latest NASS yield estimate was 47.1 bpa, but it feels as if consensus remains about 1 bpa below that level. I believe there is further upside to soybean yield potential.
- Not only is consensus opinion understating production potential, I believe trade is overestimating demand. Current export commitments are off roughly 35% from this time last year, but WASDE (and trade consensus) is currently projecting a 8% YOY decline in US exports. Sep-Nov export demand typically accounts for roughly 36% of the marketing year total, meaning such a significant deficiency is highly unlikely to be recovered later.
- The significant decline in US exports is not due to a decline in global demand. China remains the world's largest importer and their import growth continues. Instead, US exports are feeling the effects of increasing South American production. The percentage of US supplies of Chinese imports is likely to be near its lowest level in recent history. South American acreage and production are likely to expand further this winter, unless unfavorable weather develops. This might be unlikely, as El Nino years, such as we are currently experiencing, are typically favorable for strong yield potential.
- It all adds up to yet another year where US and global production are very likely to exceed consumption. In this environment, we continue to look for downside in soybean futures prices.

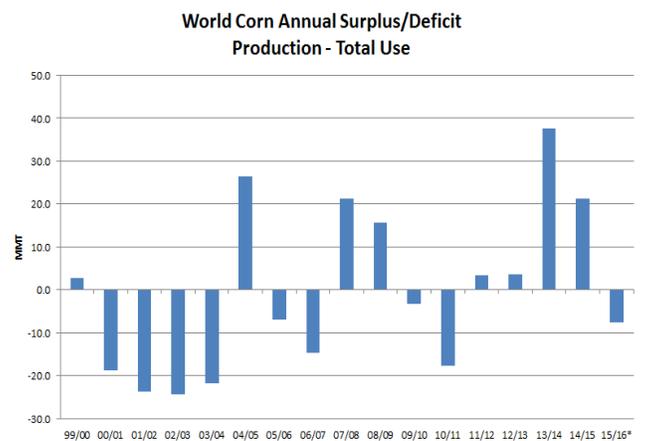
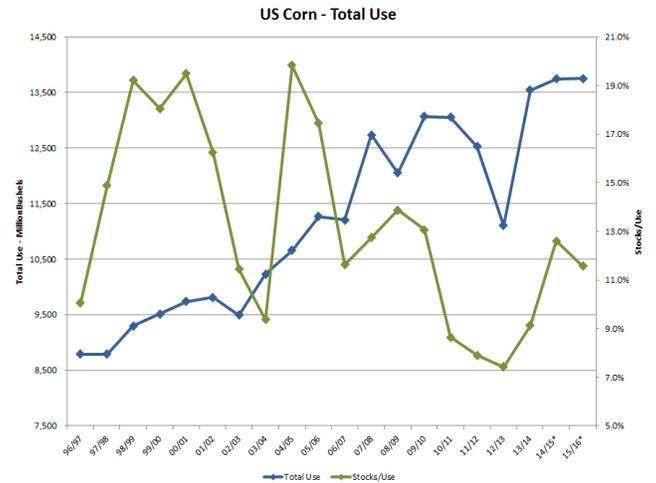


Corn

- Current market consensus is likely too pessimistic on US corn yield potential as well. I conducted a crop trip in August and determined a national average corn yield near 167-168 bpa, which is likely at least 2 bpa higher than consensus trade thoughts.
- There is likely to be a large US corn import program this year executed into the US southeast. While this isn't likely to have a huge influence on the overall balance sheet, it will likely create cash-market situations that many in the trade are over-looking.
- Though I am confident in supply projections, the risk for corn demand estimates is likely skewed to the upside. There is a risk that export demand will be larger than currently projected due to poor crops in several other key production regions.
- Global corn demand remains in a solid uptrend, and it appears highly likely the world will see a net corn deficit this year. This will require the US and other key producers to step up corn production in 2016.
- Currently I am looking for near-term downside pressure in corn futures as the trade comes to grips with above-expected production, my view is that any significant downside in 2016 corn futures contracts is a buying opportunity. The corn board must put in an effort to secure additional acreage for 2016, and current price levels would leave that in doubt.

Wheat

- Look for another significant reduction in US winter wheat planted area. This will create potential for considerable price upside in 2016, but for now wheat futures trade is largely tied to corn, so for now we are not exploring long-term positions in wheat.



The information contained herein has been taken from trade and statistical services and other sources we believe are reliable. Opinions expressed reflect judgments at this date and are subject to change without notice. Opus Futures, LLC does not guarantee that such information is accurate or complete and it should not be relied upon as such.

There is risk of loss in trading futures and options and it is not suitable for all investors. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RETURNS. This document contains only commentary on economic, political, or market conditions and is not intended to be the basis for a decision to enter into any derivatives transaction. The contents of this commentary are for informational purposes only and under no circumstances should they be construed as an offer to sell or a solicitation to buy or sell any futures or options contract. This material cannot be copied, reproduced, modified, or redistributed without the written consent of Opus Futures, LLC. No one has been authorized to distribute this for sale.