



August 2, 2017

**Agriculture Market Highlights:**

Another month in the books and I'm pleased to report we posted another solid gain for the month of July. Gains were primarily fueled by taking alternating long and short positions in corn. A confusing weather pattern and a flip-flopping forecast created good volatility and choppy price action and we were able to take advantage of the environment.

I expect a bit more of the same in the month of August, and as such it remains a situation where we must be mentally flexible and careful not to become "married" to a bias. That said, as summer winds down it is becoming more clear that weather conditions so far this year have been less than ideal for corn production. Corn yields are likely to be a good deal lower than last year and are likely to be below trend. While this is unlikely to significantly tighten the balance sheet in the near term, it does create some interesting potential for corn supplies depending on how South American production shapes up in the winter. The jury is still out on soybean production with the entire month of August left to go, but demand for soybeans is starting to appear stronger than most have been accounting for and we're seeing balance sheets tighten slightly there as well. This does not mean a bullish posture is necessary today, but it is something to be mindful of as we move past harvest and begin tracking demand and South American production prospects more closely.

Next week we will begin our annual crop trip throughout the US Corn Belt examining corn and soybean production potential through key production states. This crop trip has been an invaluable tool in determining corn and soybean supply, which of course sets up all our demand projections going forward. I will have much more to say on corn and soybean production in next month's highlights following the tour.

The bottom line is—right now is not the time to get dialed in on a bullish or bearish posture. Changing weather forecasts will continue to drive price action in the next few weeks. However, following our crop trip and a few more weeks of crop-critical weather, we should start to have some clarity on crop production prospects. Once we have a range of probable production established, we'll be able to take a longer view on the market.

Thank you,

A handwritten signature in black ink, appearing to read "David Zelinski".

David Zelinski  
Opus Futures, LLC

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