This week, and indeed the last couple of weeks, has been all about the October WASDE report, which was released on Wednesday. Despite the potential to excite, it is probably fair to suggest that the report actually failed to generate much more than a short-lived ripple of enthusiasm. The market initially responded higher before returning to close Wednesday's session in the red. After Thursday's session, the grains have closed above the established trading range. Soybeans failed to set a new low and then rallied to close back towards the middle of its narrowing range.

The main changes to US data were pretty much in line with trade expectations, which has left neither the bulls or the bears with much to cling onto and rally their cause. The one number everyone was eager to see was the US soybean yield figure, which saw the expected jump, maybe not as high as some were expecting, but a jump to 51.4 bushels/acre from September's 50.6 level. However, export volumes were also increased to 2,025 million bu, from 1,985, which left carryout 30 million higher at 395 million bu. Globally, production was increased to 333 million mt, a 3 million increase month on month, with end stocks a shade over 5 million mt higher at 77.36 million. The other two pieces of the puzzle were the decrease in Argentine exports and a slight reduction in expected Chinese domestic consumption (no change to Chinese imports). This means that although US exports were stronger, global demand was not significantly changed.

Corn saw US yield one bushels/acre lower at 173.4 bushels/acre with exports also increased by 50 million bu, and with some ac reage adjustments, leaves carryout 64 million bu lower at 2,320 million bu. Global output was decreased a million mt to 1,025.69 with end stocks close to three million mt lower than September's figure.

The US wheat numbers were marginally changed following the recent Small Grain Summary, which left carryout 38 million bu higher at 1.138 million bu. Global output was forecast broadly unchanged with end stocks a shade lower than September at 248.37 million mt.

In a nutshell this covers the report's main data and emphasis going forward will fall upon S American planting intentions and what, if any, switching between corn and soybeans takes place, weather for planting and early crop development as well as any changes in global demand and trade patterns. Of course the ongoing ramifications of global exchange rates, US elections, Brexit and the likes will all have their own impact but these issues are not new and will be dealt with as and when necessary.

The fact that markets initially rose on perceived bullish news then dipped as the detail suggested that in actuality the news was bearish, makes us feel that there remains a touch more strength in the bear camp than the bull camp right now. From a soybean perspective we see the technical chart picture as more bearish than bullish. In corn as harvest continues, the technical picture looks weak to us and in wheat despite being hugely oversold, this too looks bearish. However, before getting carried away we would reiterate our view that downside is limited in our opinion, and we would not wish to join in with the funds and their huge wheat short or their corn short, and neither would we wish to partner the fund soybean position, which is marginally net long right now. We are getting somewhat tired of our perch on the fence, but it has stood us in good stead for a few weeks, and we would rather wait until we see a good reason to get off on one side or the other than toss a coin due to either discomfort or boredom!