As the week closes and we look forward to yet another holiday shortened week next week on account of US Thanksgiving celebrations we are once again looking for fresh, market moving, news input. This remains thin on the ground!

Fund positions, particularly in US corn futures, are estimated to be in excess of 250,000 lots net short, which is a record exceeding the March 2016 figure of 229,000 by some considerable margin. Friday's COT report will confirm or deny the absolute numbers, but the point is the magnitude of position. For markets to decline there is a need for sellers, if fund short positions are maxed out it means we need to look for other sellers, and these are thin on the ground to say the least. Farmer selling in corn is close to non-existent across the globe right now, and this is our key argument; without sellers the market will struggle to decline further.

Global weather updates appear to have some agreement that La Niña has arrived, or is arriving imminently. The weather phenomenon results in warm and dry conditions in Argentina, S Brazil and Southern US states. The next development we have suggested looking out for, for some weeks now, has been weather conditions in S America, and La Niña is exactly where we are focusing at this time. Will we see excess warmth or limited precipitation in S America limiting crop output? A big question and unanswerable today, but a pointer to look out for as 2017 draws to a close and 2018 begins.

Fund positions in wheat are close to, but not yet, at record net short levels and markets appear to have found some level of support at recent lows. Perhaps of interest is this week's Egyptian tender, which saw a further 240,000 mt secured, once again from Russia at around $1.50/mt below their last purchase. The latest "spanner in the works" comes (once again) from the reinstatement, earlier in the week, of a ban on wheat imports that contain ergot. This has previously disrupted trade and led to cargo costly rejection. Clearly, the news left exporters nervous with only six offers made in the latest tender as rejection uncertainty and potential cost implications came to the fore once again.

In the UK an earlier than planned maintenance shutdown of one of the major ethanol plants, for an as yet undisclosed period of time, has left demand somewhat weaker than previously anticipated despite the fast approaching Christmas and New Year supply tightening. Whether this will impact and slow corn imports remains to be seen but the July to September data shows imports at 416,000 mt, some 21,000 mt ahead of the same time last year. Corn has, so far this season, presented some value opportunities to feed and industrial homes, whether this continues remains to be seen.

In summary, fund net short positions in corn and historical Thanksgiving holiday price patterns (upwards) leave us content with our view that price downside remains limited. Argentina's dry conditions warrants a close eye and our preferred stance remains neutral to favourable.

We wish our American cousins a safe and happy Thanksgiving holiday celebration and remind readers we will be taking a one week break.