



HedgersEdge.com LLC

Futures Brokerage, Risk Management & Market Research for the
Agri-Business Community

Copyright 2007 HedgersEdge.com llc
888-220-3344

Toll Free 888-220-3344 February 15, 2007
Andrew Gottschalk & Bob Wilson

Conditioned Seasonal Study - December Corn

December corn futures have advanced more than declined from mid-February into the March/December period in 9 of 11 years in which new crop U.S corn carryout (USDA's December est) was less than 1.0 billion bushels. The current estimate is 752 million bushels. The baseline projection for next year is 477 million bushels.

Year	Date	High	Chg	Low	Chg	Net	
1973	14-Feb	\$1.37	\$3.33	143.1%	\$1.43	4.4%	143%
1974		\$2.80	\$4.00	42.9%	\$2.26	-19.3%	23.6%
1975		\$2.81	\$3.30	17.4%	\$2.33	-17.1%	0.4%
1976		\$2.75	\$3.00	9.1%	\$2.31	-16.0%	-6.9%
1980		\$3.13	\$3.96	26.5%	\$2.87	-8.3%	18.2%
1983		\$2.93	\$3.77	28.7%	\$2.71	-7.5%	21.2%
1993		\$2.40	\$2.92	21.7%	\$2.25	-6.3%	15.4%
1995		\$2.58	\$3.44	33.3%	\$2.54	-1.6%	31.8%
1997		\$2.68	\$2.98	11.2%	\$2.28	-14.9%	-3.7%
2002		\$2.35	\$2.96	26.0%	\$2.15	-8.5%	17.4%
2006		\$2.56	\$3.78	47.7%	\$2.34	-8.6%	39.1%
2007		\$4.05	??	??	??	??	??
AVG*	\$2.70	\$3.41	26.4%	\$2.40	-11%	20.9%	-5.3%

* excludes 1973

A price change equivalent to the average posted in the above history would provide a December corn futures low of \$3.60 with a potential high at \$5.12. The two years that posted a net decline the average was 5.3%, equivalent to \$3.84 December corn.

Point: There appears to be significantly more upside potential than downside price risk for the December corn futures from yesterday's high of \$4.05.

Source: David Tedrow

Stay informed; always manage your financial risk.

Thanks,
Andy & Bob