

Predicting Corn Futures Buy/Sell Points using Seasonal Trends

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What is a Future?

- Contract that locks in the price of a commodity for delivery at a later date
- 3 players:
 - Farmers/Producers -> Lock in sale price
 - Industrial Consumers -> Lock in buy price
 - Traders -> Speculate on price movement

Project Goals:

- When are the best times to buy and sell futures to maximize profit?
 - What are the seasonal trends in the corn futures market?
 - Can we use these seasonal trends to forecast futures prices?

CME Corn Futures Data



*Chicago Mercantile Exchange (CME) average monthly closing price of corn futures



- Spring/Summer (growing season) -> harvest yield uncertainty (droughts, flood, etc.)
- Autumn/Winter (harvest season) -> high supply / low uncertainty

Futures Price Predictions 5 Year Pattern



- Buy in harvest months, sell in summer months

Futures Price Predictions 20 Year Pattern



Recommendations

- Buy in harvest months, sell in summer months

Limitations

- Difficult to predict large fluctuations and volatility on a long timescale

Further Research and Next Steps

- Integrate additional data (e.g. weather, politics, social media, supply/demand, etc.)
- Extend prediction model to other grain futures markets (e.g. wheat, soybean, etc.)
- Invest!

A photograph of a cornfield at sunset. The rows of corn stretch into the distance, creating a sense of perspective. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. The text "Thank You!" is written in a large, white, italicized font across the center of the image.

Thank You!

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