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Corn

Corn gained a fraction of a cent with beans up 4 to 8 cents and Chicago wheat up 19 to 24 cents. It was rumored that China bought 2 cargoes of soft wheat, but officially reported they bought 2 cargoes of US corn for 2020-21. Sales reported to China of US corn the last 4-days of trading now total 3.265 mmt, all but 765,000 mt of new crop. What makes this even more interesting is their consistent pace of selling 4 mmt of reserve corn each week for 7 consecutive weeks or 28 mmt to date. We have now heard from two sources that 7 more weeks at this pace may very well clean up the balance of their reserve corn. Admittedly trying to estimate Chinese stocks in the past has been a fool's game. The Dalian (Chinese) corn price remains near contract and multi-year highs. Could it be that China is nearing the point in time they become a consistent corn importer of note? Only time will tell. China's Ministry of Agriculture said their sow herd saw its first y-o-y increase since April of 2018. CU is up ¼ cent at 3.26 ¼ and a wetter forecast gets credit for the lethargic trade. T-storm has the 10 to 14-day forecast calling for near to above normal precip with above normal temps. The wetter forecast puts a cap on prices, but the above temps can limit the upside on yield. The weekly EIA report increased production by 17,000 barrels per day to 931,000, making this the 11th consecutive week of increasing production. Stocks dropped by 12,000 barrels. Weekly export sales are estimated to be 600,000 to 1,300,000 mt for old crop and 900,000 to 1,600,000 for new crop. Time is quickly running out on a weather bet, although France remains dry as does E Ukraine and S Russia.

CASH BASIS BIDS	Spot	Aug
Corn Cif Nola	55+U	55+U
Truck Hennepin	NA	NA
Truck St Louis	31+U	26+U
Iowa Interior UP	NB	15-U
Columbus CSX	27+U	27+U
Fort Wayne NS	16+U	14+U
Dlvd Hereford	91+U	90+U
Dlvd PNW (2YC)	NB	101+U
KC RAIL	NA	NA
Nebraska Grp 3	18-U	13-U
Dlvd Decatur	15+U	12+U
Wheat Cif Nola	60+U	65+U
Beans Cif Nola	63+Q	65+Q
Truck Hennepin	NA	NA
Truck St Louis	35+Q	32+Q
Dlvd Decatur	7+Q	7+Q
Dlvd Des Moines	25-Q	28-Q
IL River Barge Frt.	270	310
BNSF Shuttle Frt.	\$50	Tariff

Beans

Soy complex had a positive close, as SX0 settled @ \$8.82 ¾, up 5 ¼ cents, SMZ0 finished \$1.10 higher @ \$293.40, & BOZ0 rallied 28 ticks, settling @ 29.37. Overnight Malaysian Palm Oil up 62, with September settling @ 2564 Ringgits (3-day rally of 150 Ringgits). USDA Export sales announcement of 389.0 TMT new crop beans sold to China. Today's announcement confirmed rumors of up to (1.0 MMT) 16 cargoes of soybeans trading Monday and talk of additional 300 TMT trading today. NOPA June Crush 167.263 MBU (162.2 average guess) vs 169.584 in May; YTD ~1.806 vs 2.155 BBU USDA est. We need to average 175 MBU of crush for July & August to make USDA #. NOPA oil stocks reported 1.778 BLN LBS, down 102 MLN LBS from May, vs 1.535 year ago. US FOB Gulf appears about ~\$0.40/BU cheaper than FOB Brazil; so, biz should continue to gravitate towards US. Export sales tomorrow, export est.'s in TMT's as follows; Beans 300-900 old, 400-900 new; Meal 85-200 old & 0-100 new; Oil 5-25 old & 0-5 new.

Wheat

Strength in wheat market today on rumored China purchase of 2 cargoes of SRW. We heard the same rumors on Monday and wonder if it is the same two cargoes. This pushed markets up over recent highs with WU up 24c by the close. Traders are a little confused on the rumors as China tends to buy high protein and US soft wheat is not competitive. There was also rumors China has purchased seven cargoes of Australian wheat. The market was also rumormongering washouts in Black Sea feed wheat as supplies were lacking. Export sales are expected to be 250,000 – 650,000 mt

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