



John Stewart AND ASSOCIATES

September 8, 2020

Corn

Corn followed soybeans higher today on colder weather up north as it closed .0375 higher at 3.6175 for December futures. We started off this morning with a daily flash sale of 101,600MT of corn for delivery to unknown destinations during the 2020/2021 marketing year. We continue to hear more corn is getting sold to China as that country's crop has supposedly been damaged by a typhoon. Things are starting to get back to normal at the Gulf after the hurricane as the USDA pegged weekly corn inspections at 781,838MT versus expectations of 650,000MT. Farmer selling was very light today as basis was mixed. We do continue to see some processors in the east pushing to get them through until full bore harvest. Analysts were expecting this afternoon's weekly USDA progress report to show US corn conditions at 61% good to excellent down from 62% last week and they came in at that number with 25% fair, 14% poor to very poor versus last 24% fair, 14% poor to very poor. Agritel on pegged their 2020 Ukraine corn production forecast at 33.5MMT to the 33.0MMT estimate the Ukraine government published last week, but off -6.5% from the year ago crop. Last week's COT showed that managed money traders continued their buying spree and broke into the net-long territory, purchasing 79,527 contracts. The last time managed money had a net long position was week ending 8/13/2019.

Beans

Soy complex finished mixed today, as spot beans made a new high for the move, and SX20 settled 5 cents better @ \$9.73: marking the 11th higher consecutive close. Pretty impressed as outside markets were nothing short of horrible; WTI down \$3.01 @ \$36.76, US \$ stronger up 0.75 @ 93.47, and DJIA down over 300 points @ grain close; this afternoon finishing down 632 as of this writing. BOZ20 finished 51 higher @ 33.40 (Palm was down 31 & up 67 last night @ 2871). Bean oil had support from the NWS as snows were reported in CO, and WY, & frost & freeze warnings issued for ND, SD, and N. MN. SMZ20 struggled from the on-set, slipping \$2.60 to finish @ \$314.60. Over the weekend China imported 9.6 MMT of soybeans in August, bringing their cumulative total to 88.7 (USDA 96.0 MMT). 2 USDA flashes this morning; 400.0 TMT soybeans sold to China & 264.0 TMT sold to China. Weekly Export Inspections reported 1.295 MMT (47.6 MBU) bringing the monthly total to ~165 MBU; this should result raise old crop bean exports by 25-30 MBU ~1.678 BBU on Fridays' WASDE. Crop conditions dropped 1% to 65% good/excellent: beans dropping leaves 20%. Average trade guess has old crop stocks @ 600 (down 15), & new crop @ 465 (down 145). Production is estimated 4.295 BBU w/ 51.8 BPA yield vs 4.425 & 53.3 in August.

Wheat

The wheat complex was lower today independent of corn and beans, but in line with lower energies. WZ is 6 cents lower at 5.44 ¼, KWZ 3 cents lower at 4.69 ½ and MWZ 6 ¼ lower at 5.36 ¼. This is the fourth consecutive lower day for WZ, trading down to the 200-day moving average for the first time since 8/27 when it made the big move higher. The KWZ chart is similar with the exception it broke through the 200-day late last week and fell to the 100-day today. Wheat futures in the EU and Black Sea were lower as well, but their cash markets were higher from the support of export tenders. The across the board weakness in energies is attributed to risk off and Covid-19 concern applying ongoing downside pressure to demand. Weekly exports of 696,000 mt were at the upper end of estimates. ABARES is estimating the Australian crop at 28.9 mmt versus the USDA at 26. Ukraine's NASS is advising farmers to delay planting due to the lack of soil moisture. Romanian farmers are reportedly defaulting on sales due to drought reduced crops. The EU and Argentina remain dry as well.

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CASH BASIS BIDS	Nearby	Oct
Corn Cif Nola	48+Z	51+Z
Truck Hennepin	NA	NA
Truck St Louis	17+Z	7+Z
Iowa Interior UP	30-Z	33-Z
Columbus CSX	35+Z	17-Z
Fort Wayne NS	10+Z	14-Z
Dlvd Hereford	98+Z	95+Z
Dlvd PNW	NB	115+Z
KC RAIL	NB	6+Z
Nebraska Grp 3	12-Z	28-Z
Dlvd Decatur	12+Z	10-Z
Wheat Cif Nola	50+U	65+Z
Beans Cif Nola	75+X	71+X
Truck Hennepin	NA	NA
Truck St Louis	40+X	22+X
Dlvd Decatur	25+X	8-X
Dlvd Des Moines	25-X	47-X
IL R Barge Frt.	340	465
BNSF Shuttle Frt.	\$500	\$800