



John Stewart AND ASSOCIATES

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Corn

Corn struggled most of the day but was lifted by the strength in soybeans as it closed up .005 at 4.2775 for March futures. Several waves of energy and a cool front trigger scattered storms in southern Brazil and Paraguay through Sunday, likely followed by a drier period as a cool front sweeps far to the north. In Argentina, a potent upper-level system sweeps across key areas Fri.-Sat., triggering a round of t-storms with 0.75" to 1.50" remains most probable with highest totals west. Farmer selling still slow as most are still bulled up and have enough cash to get them through the first of the year. One estimate is that increase in US farmer selling over the last few weeks now have them 70% sold on their 2020 crop. We saw more push in corn basis today especially rail bids, there continues to be a spread between paper and low vomitoxin corn in the east. The CIF market was 4 higher with barge freight a touch weaker. Interior Iowa bids stronger as well with a smaller Central Iowa crop going to make it hard this winter to originate. Big corn program for 2 months once Mississippi opens April/May. Commercials are keying off that value for JFM offers.

CASH BASIS BIDS	Nearby	Jan
Corn Cif Nola	69+H	71+H
Truck Hennepin	7+H	11+H
Truck St Louis	32+H	37+H
Iowa Interior UP	6-H	6-H
Columbus CSX	30+H	32+H
Fort Wayne NS	12 +H	15+H
Dlvd Hereford	100+H	105+H
Dlvd PNW	NB	120+H
KC RAIL	24+H	24+H
Nebraska Grp 3	2-H	6-H
Dlvd Decatur	20+H	20+H
Wheat Cif Nola	95+Z	95+H
Beans Cif Nola	63+F	75+F
Truck Hennepin	2-F	9+F
Truck St Louis	23+F	36+F
Dlvd Decatur	10+F	10+F
Dlvd Des Moines	26-F	27-F
IL R Barge Frt.	400	400
BNSF Shuttle Frt.	\$200	\$450

Beans

Big gains in soy complex today as both products seemed to flip-flop their strength during the session. Soymeal was leader from night-session to noon, whereas soyoil gained quick 40-50 ticks from noon to the close. Board margins showing good gains, as nearby JAN gained 7 cents to settle \$1.01, while JUL @ \$0.85 & AUG @ \$0.87 ½ lost 1 to ¾ cent, respectively. NOV NOPA crush reported @ 181.018 MLN BU; pace is now running ~ 20 MBU ahead of USDA est. of 2.195 BLN BU. Would argue with JAN board crush of \$1.01 more than likely we see a DEC & JAN crush approach/surpass the 195 MBU level; pushing YTD crush 30 MBU greater than USDA #. SF21 settled 14 ¾ cents higher @ \$11.84 ¼, SMF1 settled @ \$388.20 posting \$7.50 gain, while BOF1 finished 46 ticks higher @ 39.19. Suspect some of today's strength attributed to SA weather forecasts, as Argentina is seen drier than normal over next 7-10 days while cold fronts push through Brazil over the same period providing only sporadic rains; MATOPIBA region needs rains, and little forecasted. We have seen 3 months of crush, running 20 MBU ahead; probable will be +30 MBU by end of January. Export sales has slowed in past couple of weeks, but export projection still indicative of ~2.300 vs USDA 2.200 BBU est. Brazil is competitive for March forward, but those offers will disappear if rains don't materialize. China hog prices still higher than normal due to ASF, as supplies appears to be about 90% of normal; looking for eventual supplies to increase 30% for the year. Argentina having wage strikes every other day; Peso 81.5-87.5 vs Black market 145-151. US \$ posting new low close. Overall, not a very conducive market for the bear

Wheat

Wheat managed to bounce back after yesterday's drubbing. WH closed 3 ¼ c higher, KC 3 ¾ c higher with MPLS 2c firmer. GASC purchased 235,000 mt of Romanian and Ukraine wheat at \$270/ton which is \$8/mt higher than their last tender in January. It appears they wanted to acquire additional quantities before export taxes kick become effective but Russian offers screamed higher after the announcement and were not competitive. The trade expects the world to buy Russian wheat before the tax takes place but the world still has plenty of wheat and wheat will not be the leader of the market.

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