



John Stewart AND ASSOCIATES

April 22, 2021

Corn

Corn continued to see waves of money flow coming in today, propelling it to close limit up .25 at 6.505 for May futures. Even strong hedging by commercials doesn't seem to dent the incoming money activity. Storms dot corn in Brazil when a cool front passes over Sat.-Mon., but most should be limited to northern and western Mato Grosso where rains were mostly adequate in recent weeks. At least 7 to 10 days of drying follow before a new cool front passes and triggers some showers and storms in southern areas within May 3-6, but substantial rainfall is not expected as areas of high pressure persist; this forecast problem will not be resolved until sometime next week. The Rosario grains exchange on Wednesday raised Argentina's corn crop to 50MMT up from 48.5MMT due to a higher planted area and better yields in spots. Another big day in farmer selling especially new crop, but we are starting get deer in the headlights from producers that have priced below current levels. One analyst is pegging new crop corn sales now at 25%, we feel it is more like 15% at this juncture. Domestic basis remains firm as CIF corn was off a penny today. Biden administration is pushing US farmers to set aside 4 million more acres of crop land for CRP, there are currently 21 million acres enrolled out of 25 million limit. Reminder the limit on corn is 40 cents tomorrow, up and/or possibly down!

CASH BASIS BIDS	Nearby	June
Corn Cif Nola	65+K	85+N
Truck Hennepin	13+K	36+N
Truck St Louis	36+K	57+N
Iowa Interior UP	0+K	20+N
Columbus CSX	12+K	18+K
Fort Wayne NS	5+K	10 +K
Dlvd Hereford		132+N
Dlvd PNW	135+K	152+N
KC RAIL		50+N
Nebraska Grp 3	9+K	34+N
Dlvd Decatur	36+N	40+N
Wheat Cif Nola	105+K	62+N
Beans Cif Nola	70+K	86+N
Truck Hennepin	13+K	32+N
Truck St Louis	37+K	55+N
Dlvd Decatur	60+K	65+N
Dlvd Des Moines	25+K	
IL R Barge Frt.	345	325
BNSF Shuttle Frt.	-\$100	-\$200

Beans

Beans were up for the eighth straight day as up limit corn pulled beans higher. SK finished up 36c and 10c off highs. They traded above the 2014 high with some suggesting they will need to go to the 2013 high of 16.30. SK is up \$1.50 in the eight sessions. Soy Oil futures hit a 12-year high up 233 point on the close but up limit during the session. Strong crush margins in the midst of strong demand for biodiesel suggests this isn't the high. Export sales were 64,300 mt for old crop with sales mainly to Japan (58,200 mt) and Bangladesh 55,000 mt) with a cancellation by China (51,200 mt). China still has about 700,000 mt in their name with the bulk of it probably rolled into new crop or washed out. New crop sales were 315,500 mt with the Philippines and unknown the principal buyers. Exports were a marketing year low of 226,400 mt with Mexico (74,000 mt) and Japan (69,400 mt). China did take 25,000 mt. Cumulative sales are 2,235 mil bu with a USDA goal of 2,280 mil bu.

Wheat

The wheat complex continues higher and for the same set of circumstances. WK gained 37 cents to close at 7.10 ¼, KWK is 36 ¾ cents higher at 6.67 ½, and MWK is 30 ½ higher at 7.09. All three made new contract highs and up 58, 58 and 45 cents respectively for the week. In comparison Matif (EU) wheat is up 80 cents per bu for the week with similar strength in their market through May of 22. China is a rumored buyer of 500,000 to 1 mmt of French wheat. Japan bought 85,000 mt of US/Canada milling wheat. Weather remains a supportive factor with US, Canada, Europe, and parts of Ukraine all face with a need for greater precip. Weekly export sales of 240,000 mt for old crop exceeded estimates and 374,000 new were in the range of guesses. The price of wheat is so closely matched with corn that corn strength is going to pull wheat.

Trading commodity futures, options on futures, cash commodities and over-the-counter derivative products involve substantial risk of loss and may not be suitable for all investors. John Stewart & Associates, Inc. does not accept orders to buy or sell by e-mail. The information contained in this message has been obtained from sources believed to be reliable but is not guaranteed as to its accuracy or completeness. Opinions are solely those of the author, subject to change at any time, and do not constitute a solicitation to buy or sell commodity futures, options, or over-the-counter derivative products. Past performance is not indicative of future results. © John Stewart & Associates, Inc. 2021.