



Wednesday, October 6, 2021

Upcoming Reports

EIA Report – Today 9:30 am
 USDA Export Sales – Thursday 7:30am
 COT's – Friday 2:30pm

Macro News

Dow futures are down 247 points at 33,936 and Crude Oil is down 1.00 dollar at 77.92.
 U.S. futures and stocks trimmed some losses after a report showing American companies added more jobs than forecast in September. Treasury yields were little changed after an earlier advance.

Grain News

T-Storm Weather Summary: In Brazil, t-storms affect varying areas at varying times over the next two weeks as a series of cool fronts pass and mark an incomparably earlier and wetter start to the corn and soybean seasons than last year. Argentina stays fairly dry over the next week as areas of high pressure pass, most likely followed by some showers and t-storms as temperatures fluctuate, but heavy rain is not expected as corn / sunflower planting and wheat growth continue. In the U.S., beyond some rain in the eastern Corn Belt through Friday, scattered t-storms dot varying areas in an unclear manner next week as a powerful system forms in advance of a seasonably-cooler period.

There were no daily USDA export sales notices today.

Conference Call Notes: Overnight markets rebounded off their lows to trade higher this AM. Veg oil story and tight wheat supplies continue to provide support. Renewable diesel's favorable carbon story continues to provide tailwinds to fats/oils. High barge freight has given end users an opportunity to buy bushels at reasonable values against the river. Barge freight has since backed off which has firmed up river bids. Interior basis values for corn and beans continue to be all over the map as harvest progress and yields remain highly variable and not able to fully recharge the pipe yet.

US Congressional Democrats sponsored a bill to restrict agriculture trade in cocoa, palm oil, rubber, soybeans and cattle that are produced on illegally deforested lands abroad. The proposed legislation would likely impact Brazil and Indonesia, and US importers would have to upgrade supply train tracking, otherwise would face fines and legal action if they were to import the commodities outlawed by the bill.

Russia Confirms It Plans Grain-Export Quota From Mid-February

Russia doesn't plan any changes to its grains-export regime by year-end, but is looking to impose an export quota in the second part of the season, Maxim Titov, head of a department for regulation in Agricultural Ministry, said during an agriculture conference in the Moscow Region on Tuesday. Russia also introduced quotas last season. The quota has traditionally been split between exporters, based on shipments in the previous season

USDA attache report puts China 2020/21 corn imports at 30 million Tons

"FAS China's marketing year (MY) 2021/22 corn import forecast is 20 million metric tons (MMT) while its estimate for corn imports in MY 2020/21 is raised to 30 MMT. Corn imported during the current marketing year is expected to enter commercial channels throughout the next year. As the feed sector sources cheaper feed grain alternatives and growth in feed demand increases at a slower rate, demand for imported corn is expected to moderate. Production revisions are based on analysis of harvested area and estimated yield trends as there have been few reported large-scale weather or pest-related production disruptions to cereal and coarse grains."

The Ukraine Ag Ministry on Wednesday lowered their 2021 Wheat crop production forecast slightly to 31.55 mln mt off from their 32.0 mln mt forecast previously. The ministry kept their 2021 barley and corn production forecast unchanged at 9.4 and 37.1 mln mt, respectively

Two industry officials cited by Reuters project India's wheat exports could quadruple from year-ago levels to an eight-year high of around 4.2 MMT this year. The country has already shipped 3.07 MMT of the grain in the first eight months of the year, which is a dramatic 887% from last year, with Indian exports of wheat reportedly cheaper than those from Russia or Ukraine. Strong shipments could held draw down the country's record inventories.

Interfax on Tuesday reporting Russia's agriculture ministry lowered its overall grain harvest forecast to range of 45 to 48MMT, off from the previous forecast of 51.0MMT.

From Freed:

Charts and numbers have turned negative soybean futures. SX lowest level since June 17. Some est China soybean imports 103 mmt vs 98 ly. US 30 vs 35, Brazil 65 vs 57. SMZ lowest levels since October, 2020. BOZ has rallied from 54.18 to 61.49. Higher energy values. Matif and Canada rapeseed futures new highs. Malaysian palmoil extends all time high prices. CONAB est Brazil 2021 soybean crop at 135.9 mmt, 2022 143.3. Argentina farmer not selling

CZ in an uptrend since Sep 10 low. Still in a 5.26 to 5.48 range. Harvest limits new futures buying. Private estimates of US October US corn yield near 176.7. USDA 176.3. US harvest yields improving. Weekly US ethanol prod could be down from last week on plants maintenance despite positive margins . CONAB est Brazil 2021 corn crop at 85.7 mmt, 2022 115 mmt vs USDA 118. Matif corn futures higher on slow EU harvest. EU corn imports down 17 pct. Ukraine harvest slow.

24-Hour Precipitation Map

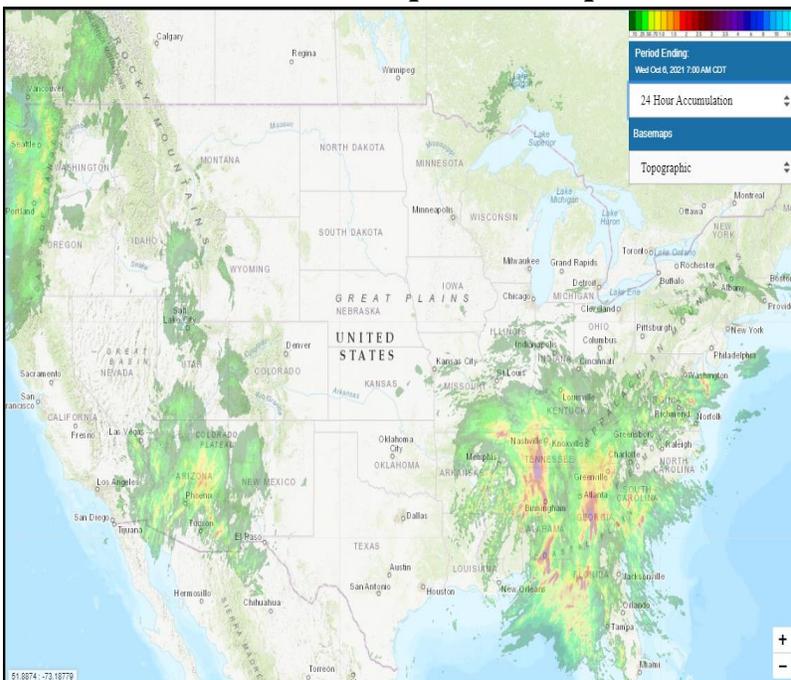


Chart of the Day

