



Monday, October 18, 2021

Upcoming Reports

Export Inspections – Today 10:00 am
Crop Progress – Today, 3:00 pm

Macro News

Dow futures are down 130 points at 35,041 and Crude Oil is up 1.21 cents at 83.49.

U.S. stock index futures edged lower on Monday, led by technology shares, ahead of a slate of earnings reports this week, while a relentless surge in oil prices fueled concerns about elevated inflation.

Grain News

Weather Summary: Brazil's weather still looks very good, although Rio Grande do Sul will likely dry out over the next ten days to two weeks along with Uruguay, and eastern most Argentina. Keep an eye on this region because as La Nina intensifies this area may have more dryness in November and December. Argentina's rainfall will be restricted, although some rain is expected late this week and early in the weekend and again about one week later.

There were no daily sales announcements today.

Conference Call Notes: Overnight Corn/Bean/Wheat markets are softer. Crude is sharply higher and the dollar is up slightly. Harvest progress likely slipped this past week. Cool weather is setting in across the country but overall harvest pace should pick up and likely put a little pressure on futures. Corn likely to remain supported by strong cash markets. Beans need to see strong demand quickly to prevent them from grinding lower. Barge freight continues to be dynamic and drive river bids.

Some feel end user buying and completion of US harvest could offer support near 12.00. China return to buying US soybeans also offers support. Favorable start to South America soybean crop and larger than expected US soybean supply could limit rallies over 12.40 SX. US soybean harvest should be near 65 pct. Most look for US 21/22 soybean carryout near 350 vs USDA 320 due to lower exports. US corn harvest is estimated near 55 pct. US farmer selling has slowed and ethanol margins remain positive. This and fact US fob corn prices are the lowest feed price in World is supportive. 5.40 CZ is key resistance. Most estimate US 21/22 corn carryout near 1,300 vs USDA 1,500. WZ is near 7.34. Record low World exporters stocks to use ratio is supportive. MWZ over \$10.00 could help support WZ and KWZ over \$8.00. US 21/22 wheat carryout est range from 550-635 vs USDA 580

Paris wheat hits new highs as China demand in focus

Euronext wheat extended a rally on Friday to set new contract highs as rumours of further sales of France's crop to China underscored strong demand and tightening availability in Europe. December milling wheat BL2Z1, the most active contract on Paris-based Euronext, was up 5 euros, or 1.9%, at 275.50 euros (\$319.41) a tonne by 1551 GMT, close to an earlier life-of-contract peak at 276.00 euros. Traders cited talk that Chinese buyers booked several cargoes of French wheat this week for animal feed, adding to hefty sales already thought to have exceeded a million tonnes for 2021/22.

China September Agricultural Imports

Sept. Corn Imports 3.53M Tons, +226.9% Y/y YTD corn imports rose 274.5% y/y to 24.93m tons

Russia's grain export estimates for October by consultancy Sovecon

Russia's October exports of wheat, barley and maize (corn) are estimated at 3.8 million tonnes, down from 4.9 million tonnes in September, the Sovecon agriculture consultancy said.

Vegetable Oil Prices May Drop in 2022 as Output Rises: Mielke

Global production of vegetable oils is set to increase significantly in the coming year, spurring a recovery of stockpiles and weaker prices, given normal weather, according to Thomas Mielke, executive director of Hamburg-based Oil World.

- World production of palm oil, sunflower oil, soybean oil and rapeseed oil may rise by about 7m tons in 2021-22, the largest increase in four years, Mielke said in slides prepared for a seminar.
- Vegetable oil prices likely to decline in Jan.-June 2022, with sunflower oil leading the way, followed by palm oil and soybean oil
- Indonesia's palm oil production to rise by 1.7m-2.0m tons in 2021-22, and Malaysia to see an increase of ~1.0m-1.2m tons
- Global soybean production set to rise by 17m tons in 2021-22 to 179m tons, expanding faster than consumption
- World production of sunflower seed plummeted by 5.3m tons in 2020-21; output expected to recover by 7m tons to 57.4m in 2021-22, boosting oil-export supplies
- Production of rapeseed and canola seen dropping to 13-year low of 62m tons in 2021-22
- Consumption of vegetable oils for energy is rising even with high premiums over fossil fuels; global biodiesel/HVO output to expand by 1.5m tons to 48m tons in 2021; some 18% of world consumption of 17 oils and fats used for biofuels vs 12% a decade ago

China's pork output rose 38% in the first three quarters of the year to 39.17m tons, the country's statistics agency said on Monday.

- Nation's hog herd reached 437.6m at the end of Sept., up 18.2% y/y, the figure compares with 439m at the end of June
- Breeding sow herd was 44.6m at the end of Sept., vs 45.6m at end-June
- Total meat output including pork, beef, mutton and chicken climbed 22.4% to 64.3m tons in the first nine months

24-Hour Precipitation Map

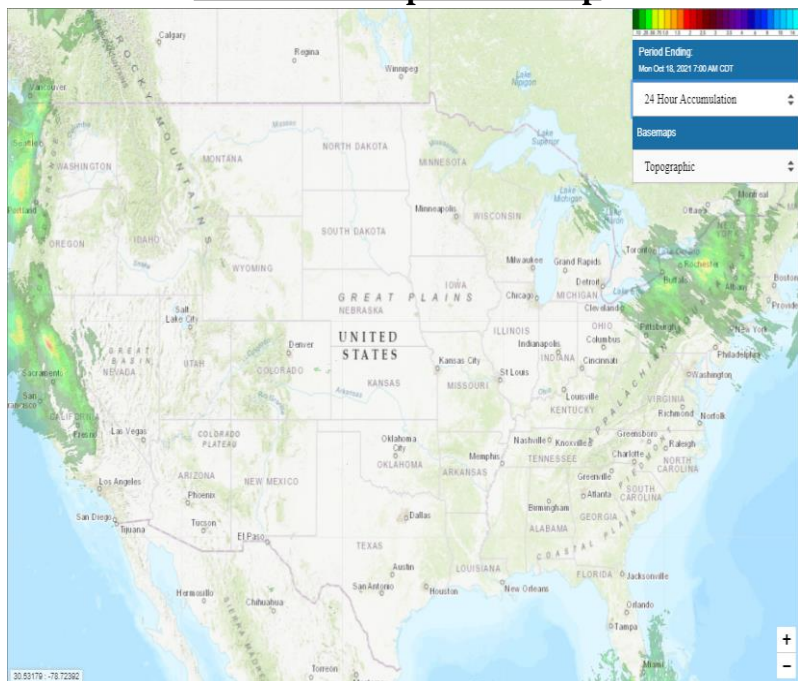


Chart of the Day

