



John Stewart AND ASSOCIATES

November 16, 2021

Corn

Corn market was lower on talk things may be headed south with China after last night's virtual meeting between Biden and XI, as it closed down .055 at 5.71 for December futures. On a positive note, we started the day with USDA daily announcement of 270,000MT of corn for delivery to Mexico during the 2021/2022 marketing year. Vietnamese government authorities have issued a decree to cut the import tax for corn from 5% to 2%. Farmer selling was slow again today as we saw Eastern plants looking for corn while CIF was off a couple of cents. Corn summer planting in the center-south of Brazil has jumped 10 points on the week to 85% of the estimated area as of November 11. IHS Markit sees US corn acreage for 2022 is at 90.8 million, 1.6 million acres below their October projection and 2.5 million below 2021. They also adjusted their 2022 corn yield down 1.5 bushels to 179.5 bushels per acre to better reflect the yield trend in recent years. EIA out tomorrow and we expect that production will have bounced back after last week's drop, especially with excellent and still improving margins.

Beans

Beans backed off today as the meal rally seemed to take a break. SF finished 6c lower with Meal backing off \$4. Traders seemed to feel shorts covered meal after seeing COT report. Board crush continues to stay well over \$2. The daily sales announcements showed 161,000 beans to unknown but the truth will not be known until Thursday's weekly export sales report as it seems daily sales are under reported. China has been quiet this week after their reported large purchase last Friday out the US gulf. CIF is not showing strength as interior levels are dictated by crushing plants but beans that were delivered found commercial stoppers. Traders are hoping the reported expected US diplomatic boycott of the Beijing Winter Olympics doesn't lead to increased tensions which could hurt US trade.

Wheat

The dollar index has been on a steady move higher since its most recent low established in May. Today's trade took it to levels going back to July of 2020. The dollar strength is credited to some of today's grain commodity weakness with wheat the downside leader. WZ is 16 cents lower closing at 8.10 ¼, KWZ is 15 ¼ lower at 8.20 ¾, and MWZ is 11 ½ lower at 10.15. CBOT and KC remain well above the moving averages. The list of tenders is impressive with Algeria, S Korea, Japan, and the Philippines all in the market. EU exports are slowing down with the week ending Nov 13 showing only 27,677 mt loaded, the lowest level for this marketing year. Australia continues to see rain on mature wheat and today's trade remained near contract highs. Vietnam is dropping their import tariff of 3% effective Dec 30. A private analyst published their planted wheat acre estimate for next year at 49.4 million acres up from 46.7 this year. Record fertilizer prices and tight supplies may be in the news and influential for a long time to come.

CASH BASIS BIDS	Nearby	Dec
Corn Cif Nola	64+Z	70+Z
Truck Hennepin	1-Z	12+Z
Truck St Louis	23+Z	33+Z
Iowa Interior UP		
Columbus CSX	3+Z	7+H
Fort Wayne NS	4-Z	5+H
Dlvd Hereford	119+Z	119+Z
Dlvd PNW	130+Z	142+Z
KC RAIL		
Nebraska Grp 3	10+Z	12+Z
Dlvd Decatur	30+Z	20+Z
Wheat Cif Nola	105+Z	105+Z
Beans Cif Nola	76+F	73+F
Truck Hennepin	4+F	9+F
Truck St Louis	30+F	31+F
Dlvd Decatur	5+F	15+F
Dlvd Des Moines	15-F	10-F
IL R Barge Frt.	440	390
BNSF Shuttle Frt.	\$400	\$350

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