

# MORNING BULLS & BEARS



Tuesday, November 23, 2021

## Upcoming Reports

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

## Macro News

Dow futures are up 13 points at 35,584 and Crude Oil is down .16 cents at 76.53.

Stock futures traded mixed Tuesday morning as technology stocks came under further pressure, as investors further mulled the market implications of Federal Reserve Jerome Powell's renomination to lead the central bank.

## Grain News

**Weather Summary:** In South America there is a little more rain suggested for Argentina this weekend after rain falls Wednesday and then drier weather is advertised for next week. The bottom line remains good for the nation, though. Brazil is also experiencing a good mix of weather, despite the fact that rainfall has been less than usual in the south most of this month (classic La Nina).

**There were no daily export sales announcements today.**

**Conference Call Notes:** Weaker tone across the board as we settle into holiday trade for the balance of the week. Cash markets continue to firm. CIF is keeping up with barge freight keeping that system moving. 5% of corn and bean harvest left to complete and lots of fall fieldwork before the ground freezes. Farmer selling will remain quiet until mid January so expect basis and spreads to continue to firm to feed the market the next 45 days.

US President will speak today on the economy. US Central Bank has to decide on slowing inflation or being there to help if economy slows. Short week with CBOT closed Thursday for holiday and Friday closes at noon. Trade estimate of US 2021/22 wheat carryout from 570-640 depending upon final exports USDA rated US winter wheat crop 44 pct G/E vs 46 last week. Corn harvest 95 pct. Soybean 95 pct Corn futures may be in a 5.40-6.00 range until more is known about US export demand and SA weather. Matif corn new highs. Ukraine corn crop 40 mmt. Trade watching shipments vs increase Russia tension. US corn exports 299 mil bu or down 18 pct from ly. Argentina export program reducing US. Trade estimates US 2021/22 corn carryout near 1,290 mil bu vs USDA 1,493 due to higher demand. SF found resistance near 13.00. 12.50 is key support. Soybean supported by positive US crush margins. US soybean exports 667 mil bu or down 27 pct ly. Talk China bought 25 US cargoes, half of normal needs. China soybean coverage now through December. Brazil could have new crop soybean in Jan for export.

## U.S. Oct. Pork Supplies in Cold Storage Dropped to 440M Pounds

Total pork fell 1.7% from Oct. of last year. Pork belly supplies dropped to 11.6m pounds from 19m last year. Beef supplies fell to 477.1m pounds from 500.2m last year

## U.S. Inspected 618k Tons of Corn for Export, 1.684m of Soybean

In week ending Nov. 18, according to the USDA's weekly inspections report.

- Wheat: 178k tons vs 391k the previous wk, 364k a yr ago
- Soybeans: 1,684k tons vs 2,362k the previous wk, 2,291k a yr ago
- Corn: 618k tons vs 867k the previous wk, 833k a yr ago

## Brazil Soybean Planting 84.2% Done as of Nov. 19: Safras

Compares with 77.6% a week earlier and 74.1% a year before, consulting firm Safras & Mercado says in emailed report. 5-year average for the period is 77.2%. In Mato Grosso state, planting is at 99%, vs 5-year average of 96.4%. In Mato Grosso do Sul, planting is at 99%, vs average of 95%. In Parana, planting is at 97%, vs average of 94.2%

## High Level of Vegetable Oil Prices Is Not Sustainable: Mielke

The current high level of global vegetable oil prices will not endure and palm oil, soybean oil and sunflower oil are likely to drop in the first half of next year, according to Thomas Mielke, executive director of Hamburg-based Oil World. World soybean production is set to rise by 17m tons to 379m tons in 2021-22, accounting for more than 60% of all oilseeds, Mielke told an industry conference by video. Output is increasing faster than consumption, and stockpiles are likely to climb, he said. Indonesia's palm oil production is expected to rise by 1.7m-1.9m tons in 2021-22, while output in Malaysia will probably increase by 1m-1.1m tons, he said.

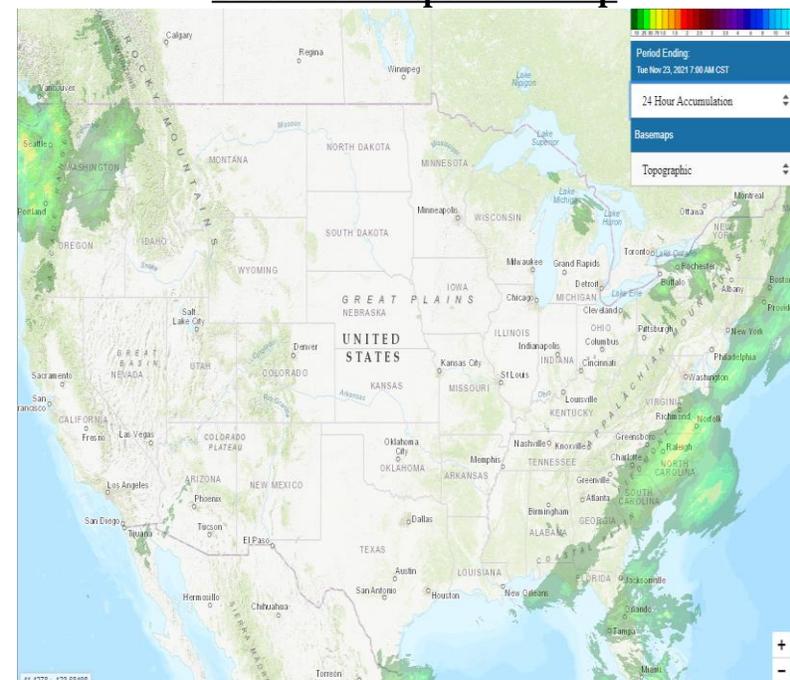
## Australia declares La Nina for second year in a row

Australia's weather bureau said on Tuesday a La Nina weather phenomenon had developed in the Pacific Ocean for the second year in a row that could bring above average rainfall across the country's centre, north and east. La Nina is typically associated with greater rainfall, more tropical cyclones, and cooler than average temperatures in the equatorial Pacific Ocean. The weather event could boost Australia's wheat yields. In September, the country lifted its wheat forecast for this season by 17% to near record levels citing favourable weather.

## Russian Wheat Exports Decline Further, Down 18% Y/y: Agency

Wheat shipments for the 2021-22 season amounted to 17.2m tons as of Nov. 18, down 18% from a year earlier, the Federal Center of Quality and Safety Assurance for Grain and Grain Products said on its website, citing inspections before exports.

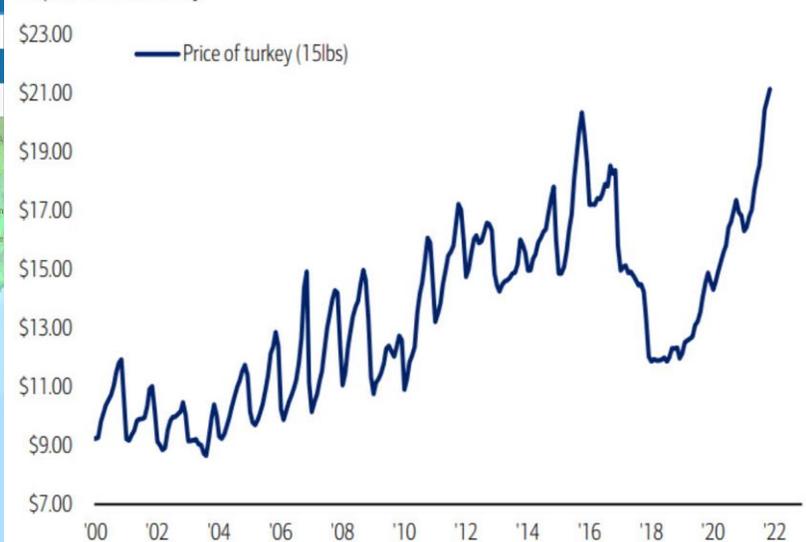
## 24-Hour Precipitation Map



## Chart of the Day

Chart 2: The Price of Thanksgiving

The price of a 15lb turkey



Source: BofA Global Investment Strategy, USDA