

## Daily Futures Market Commentary Grains Mid-Day Outlook

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Grain calls are higher. SH is near 13.40. Could be 9-16 cents higher. SMH is near 400.5. BOH is near 55.42. CH is near 6.05. Could be near 4-6 higher. WH is near 8.14. KWH is near 8.61. Could be 5-8 cents higher. MWZ is near 10.35.

On Thursday, Managed funds were even Chicago wheat, 2,000 soybeans, 2,000 soymeal, 2,000 soyoil and 4,000 corn. We estimate Managed funds to be net long 10,000 wheat, long 370,000 corn, 87,000 soybeans, 55,000 soymeal and 58,000 soyoil.

GSI commodity index trade higher last week following higher energy, metal and grain prices. Index could test 566. Key will be trade feeling about demand, inflation and money flow. US Dollar traded lower and below 96.20 support. Trade worried about Omicron spread. Lower Dollar and higher demand could help grains, cotton, coffee, cococa, sugar test resistance.

Higher calls are due to 2 week warm and dry S Brazil, NE Argentinian, US plains weather forecast. US rains will be in Delta and Tenn valley. US south plains dry. South US temps above normal.

SH is now up 90 cents from last weeks low. SMH is up \$60 and just \$9 off of contract high. SH could soon test 13.75 resistance and contact high near 408.6 SMH. BOH resistance 56.49

CH is up 100 cents from September low and 50 cents from last weeks low. CH could seen test 6.16 resistance. Higher traded could trigger increase in technical buying. Lower 1<sup>st</sup> crop Brazil yields could tighten South America 2022 supply and add to US demand. US domestic corn use higher than USDA estimate. Corn exports higher esp Canada/Mexico. US farmer increase old crop sales to 60 pct. A lot of basis contracts. Only 10-15 new crop sold.

WH is up 69 cents from last weeks low, KWH is up 80 cents, MWH is up 30 cents . Trade over 8.70 KWH suggest a test of 8.92. Some est US 2022 crop at 1,825 carryout 470. US south plains dryness supports KC futures. Some est 2022 HRW crop at 737, carryout 191/

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Key USDA report Jan 12. Final US 2021 crop numbers, Dec 1 US grain stocks and 2022 WW acres  
Range of guess for US 2021/22 corn carryout 1,279-1,508, soybeans 355-401, wheat 588-680  
US 2022 corn acres 91.0-92.0 vs 93.3 ly, soybeans 87.5-89.0 vs 87.2, wheat 48.0-49.0 vs 46.7  
Range of guess for US 2022/23 corn carryout 1,434-1,815, soybeans 378-585, wheat 682-907.

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