

# MORNING BULLS & BEARS



Thursday, January 6, 2022

## Upcoming Reports

USDA Export Sales – Today, 7:30 am  
CoT – Friday, 2:00 pm  
WASDE/Stocks – January 12<sup>th</sup>, 11:00 am

## Macro News

Dow futures are up 92 at 36,383 and Crude Oil is up 1.68 at \$79.51.

Stock futures were mixed Thursday morning ahead of the open after equities did an about-face in the previous session, plummeting from record highs as investors mulled the likelihood of tighter Federal Reserve policy and interest rate hikes as soon as March. New unemployment claims ticked up but remained near a 52-year low last week, with the weekly pace of new claims holding below pre-pandemic levels as the labor market sees job openings near a record high.

## Grain News



**Summary:** Most of Argentina stays dry over the next 10 days as areas of high pressure suppress humidities and / or block energy, accompanied renewed heat starting this weekend, and with intense to extreme heat for several days starting Monday. Drying will also extend northward into Rio Grande do Sul, and a heat wave starts Mon.-Tue. for approximately one week. Some t-storms are probable to affect both areas in 10 to 14 days when a system or two pass, but many uncertainties exist that will not be resolved until next week, and we are only forecasting ~1.00” (2.25” to 2.75” normal through then). Occasional t-storms in central and northern Brazil. For more information, please visit [www.tstorm.net](http://www.tstorm.net).

- \*\*USDA Corn 21/22 Export Sales Net (12/30): 256,000 mt; 22/23 Net: NONE mt; expected 500k-1.2 mln mt
- \*\*USDA Soybeans 21/22 Export Sales Net (12/30): 382,700 mt; 22/23 Net: 67,100 mt; expected 400k-1.3 mln mt
- \*\*USDA Soybean Meal 21/22 Export Sales Net (12/30): 31,400 mt; 22/23 Net: 400 mt; expected 25k-250k mt
- \*\*USDA Soybean Oil 21/22 Export Sales Net (12/30): 2,900 mt; 22/23 Net: 100 mt; expected 5k-30k mt
- \*\*USDA Wheat 21/22 Export Sales Net (12/30): 48,600 mt; 22/23 Net: 2,500 mt; expected 150k-500k mt

\*\*USDA reported private sale of 102,000 metric tons of soybeans for delivery to Mexico during the 2021/2022 marketing year.

**Conference Call Notes:** Markets are lower this morning led by beans and meal and wheat. Corn is holding up relatively well. Old and new crop beans reversed lower rejecting \$14 and \$13 respectively. Wheat is likely to see additional technical selling as we are below key support. South American weather forecast is wetter in the 8-14 day forecast but still no signs of a meaningful pattern change to the dry areas. Weekly export sales were below expectations across the board. End users are well supplied and have added more coverage this week. Winter weather has set in across the country. This coupled with lower markets will slow grain movement the balance of the week. Stock market is higher and crude is knocking on the door of \$80.

Grains are lower. SH is down 16 cents and near 13.78. SMH is near 407.1. BOH is near 58.98. CH is down 2 cents and near 6.00. WH is down 5 cents and near 7.55. KWH is down 9 cents and near 7.78. MWZ is down 12 cents and near 9.36. US stocks are lower. US Dollar is mixed. Gold, silver, copper, cocoa, cotton, coffee and sugar are lower. US Fed comments that they could raise rates sooner due to inflation negative to commodities. Dalian corn, soybean, soymeal, soyoil and palmoil futures were lower following CBOT

## U.S. Corn, Soy Yields Seen Slightly Above USDA Forecasts: Survey

U.S. corn and soybean yields for 2021 are expected to end up slightly higher than current government estimates calling for bumper crops, according to a Farm Futures' farmer survey. Corn yield is seen at 177.2 bushels per acre when the USDA issues its January supply-and-demand report next week, topping an earlier estimate of 177.0, an email poll of 613 growers in December shows. If the USDA leaves the 2021 corn harvested area unchanged at 85.1m acres, overall production will remain the second largest on record. Soy yield is seen at 51.4 bpa, above the USDA's estimate of 51.0 bpa. The slight increase would boost overall output to the biggest on record: Farm Futures

## Brazil Soy Exports Seen Reaching 3.375 Million Tns In January - Anec

- BRAZIL SOY EXPORTS SEEN REACHING 3.375 MILLION TNS IN JANUARY - ANEC
- BRAZIL CORN EXPORTS SEEN REACHING 2.59 MILLION TNS IN JANUARY - ANEC
- BRAZIL SOYMEAL EXPORTS SEEN REACHING 1.775 MILLION TNS IN JANUARY - ANEC

## Mato Grosso Sees Disappointing Yields as Soy Harvest Kicks Off

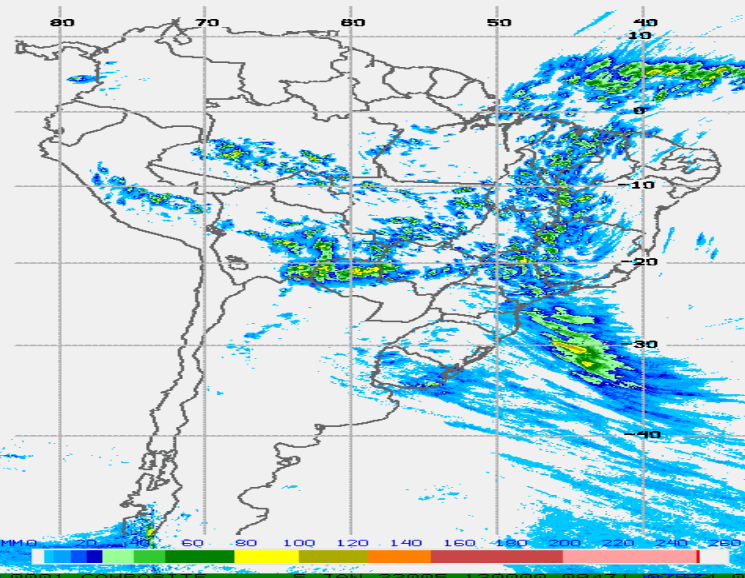
Soybean yields in Brazil's biggest producing state were disappointing but expected to improve next week when the bulk of the harvest commences, according to Coacen and Cooami, two of the biggest cooperatives in the Mato Grosso. First-harvested areas were irrigated plots with a shorter growth season to allow an appropriate planting window for corn planting that occurs just after the soy harvest. Excessive rain and lack of sunshine caused fungus and harvest delays on soybeans, says Marco Antonio dos Santos, a meteorologist at Rural Clima in Valinho

## Ethanol Prices Plunge as Fuel Demand Dips and Stockpiles Swell

Spot ethanol prices in Chicago tumbled to the lowest level since early September as fuel demand declined last week. The biofuel blended into gasoline fell to \$2.27 a gallon Wednesday and has fallen nine out of the last ten sessions. NOTE: U.S. stockpiles of ethanol last week rose to the highest level since August while production slightly fell. Demand for gasoline also declined; winter storms and fresh Covid concerns may be behind the drop, as well as retailers working down inventories after a pre-holiday buildup.

## 24-Hour Precipitation Map

South American 24-Hour Rainfall ENDING 12 Z  
Operational NOAA/NESDIS Hydro-Estimator Product

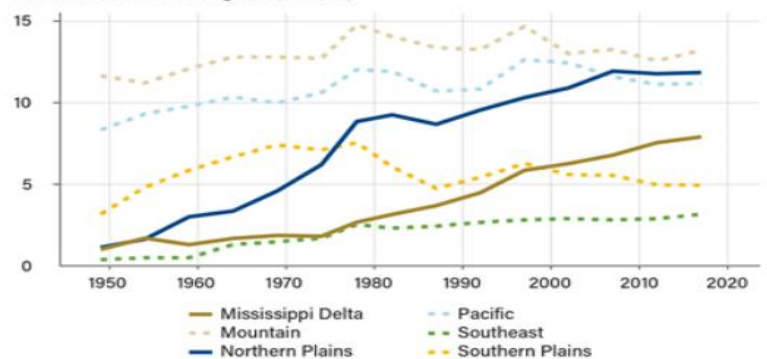


## Chart of the Day

Irrigated U.S. farm acreage by region, 1949-2017

USDA Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE

Total harvested acres irrigated (millions)



Notes: Regions refer to USDA Farm Production Regions: **Mississippi Delta** (Louisiana, Arkansas, and Mississippi); **Mountain** (Colorado, Utah, Arizona, New Mexico, Nevada, Idaho, Wyoming, and Montana); **Northern Plains** (Kansas, Nebraska, South Dakota, and North Dakota); **Pacific** (Oregon, Washington, and California); **Southeast** (Florida, Alabama, Georgia, and South Carolina); and **Southern Plains** (Texas and Oklahoma). This chart does not include the Appalachia, Corn Belt, Lake, and Northeast regions because irrigation is rare in those regions. Nationwide, irrigated acreage totaled more than 58 million acres in 2017. Source: USDA Economic Research Service, using data from the Census of Agriculture (1949-2017) collected by USDA's National Agricultural Statistics Service (1997 - 2017), and the U.S. Bureau of the Census (1949-1992).