



Daily Futures Market Commentary Grains Mid-Day Outlook

By Steve Freed, VP of Grain Research

January 17, 2022

Grain calls are lower. SH is near 13.69. SMH is near 405.6. BOH is near 58.46. CH is near 5.96. WH is near 7.41. KWH is near 7.41. MWH is near 8.78. China announced new policy of lower lending rates to stabilize their economy. China Q4 growth only 4 pct. Omicron in Beijing!! China 2021 newborn rate lowest in modern history. US S/P near support. US Dollar bounced off key support. Crude near key resistance. Copper near support. Treat others like you want treated.

On Friday, Managed funds were net sellers of 4,000 Chicago wheat, 4,000 soybeans and 2,000 soymeal, even soyoil and bought 6,000 corn. We estimate Managed funds to be net short 30,000 wheat, long 345,000 corn, 105,000 soybeans, 70,000 soymeal and 55,000 soyoil.

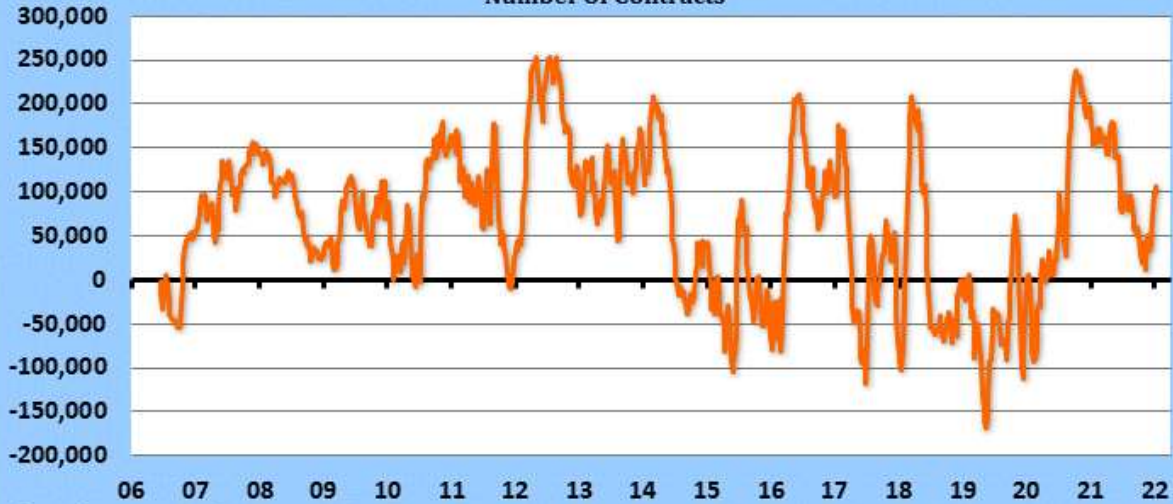
Dalian soybean, palmoil and soyoil futures were higher. Corn and soymeal were lower. C Argentina rains and forecast wetter than expected. Paraguay, S Brazil, NE Argentina dry JP Morgan est US Fed raising rates 7 times. CPI highest in 40 years. Wage inflation? Goldman Sachs estimates 2022 commodity prices up 16 pct led by energies and metals. Most economist look for a lower US Dollar as traders liquidate pandemic longs Corn futures found support on talk of higher non China export demand, ethanol demand USDA dropped World corn crop 3.8 mmt. Most feel drop could be closer to 12-16 mmt Some see US 2021/22 corn carryout near 1,195 vs USDA 1,540. Exports 2,680. USDA 2,425 SH Jan range 13.42-14.15. SA harvest negative. 2021/22 US carryout est 275-345. Demand key USDA dropped World soybean crop 9.5 mmt. Most feel drop could be closer to 15-20 mmt This could shift demand for US 2022 acres from 88.0 vs 87.2 in 2021 to 90.0+. Corn 91.5? World Oct-Dec SB/SBM trade 43.7 mmt vs 40.8 ly. Higher Brazil SB, Arg SBM offset lower US SB USDA est World Oct-Sep trade 181.4 mmt vs 175.4 ly. US SB 55.8 vs 61.7, Brazil 94.0 vs 81.6. US HRW wheat weather drier than normal could extend into spring. EU/Russia weather normal Global wheat prices sharply lower for 3rd straight week. Higher EU/Russia supply negative US export pace below USDA goal. US HRW export prices now competitive vs Black Sea Some feel 5 year KC wheat futures rally could extend next 12-18 months. US weather key Est US 2021/22 wheat carryout 585-700. Chiefs, Bills, Packers, 49ers, Titans, Bengals, Bucs?

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Soybeans - COT - Disaggregated Futures and Options

Managed Money - Net Position
Number Of Contracts

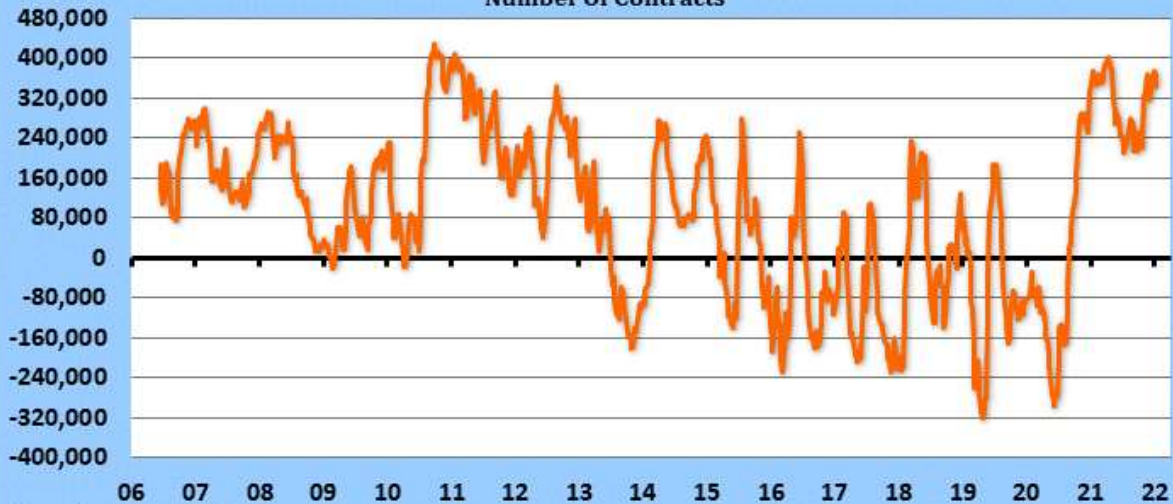


The Hightower Report | Source: CFTC

Max: 253,889 (5/1/2012) - Min: -168,835 (5/14/2019) - Most Recent: 106,879 (01/11/2022)

Corn - COT - Disaggregated Futures and Options

Managed Money - Net Position
Number Of Contracts

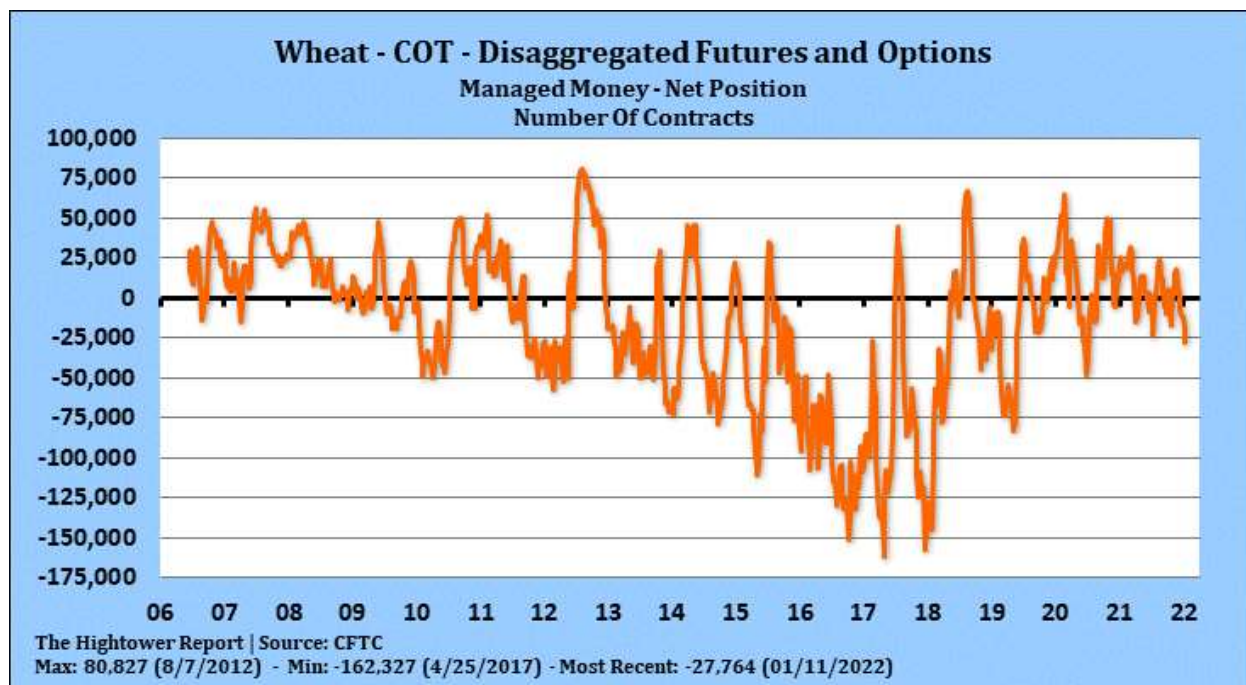


The Hightower Report | Source: CFTC

Max: 429,189 (9/28/2010) - Min: -322,215 (4/23/2019) - Most Recent: 344,379 (01/11/2022)

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