



Thursday, April 14, 2022

Upcoming Reports

FAS Export Sales – Today, 7:30 am
Commitments of Traders – Friday 2 pm

Macro News

Dow futures are up 10 points at 34,492 and Crude Oil is down 1.90 at \$102.35.

U.S. stock futures were little changed amid a batch of reports from major financial firms, as investors looked for clues on how soaring inflation and signs of slowing growth were expected to affect businesses. Futures tied to the S&P 500 edged down 0.1%, a day after the broad index rebounded 1.1% to snap a three-day losing streak. Dow Jones Industrial Average futures rose 0.1%, while Nasdaq-100 futures shed 0.1%, putting technology firms on course for mild losses after the opening bell.

Grain News



Summary: Unseasonable cold affects the central U.S. through Tuesday as polar air passes, followed by a seasonable to mild period through late-April. Some rains accompany and immediately follow cold in the Corn Belt, mid-South, and northern Plains (especially south to limit corn and soybean planting). Attention then shifts to a large system next weekend; the setup will take days to determine, but it remains to move slowly and bring at least some rain to severely-dry HRW wheat, though more will likely be needed and best chances are again in the Corn Belt and mid-South. Pockets of rain then follow for much of the central U.S. 11 to 15 days out as air masses fluctuate. For more information, please visit www.tstorm.net.

USDA Daily Sales Announcements:

*****Private exporters reported sales of 132,000 metric tons of soybeans for delivery to China during the 2021/2022 marketing year.**

Conference Call Notes: Markets are higher across the board this morning. Spreads reversed higher late yesterday and are continuing that trend today. Last trading day of the week could lead to some choppiness into the close. Normal close time today and normal open Sunday night. Weekly export sales released this morning were strong. US weather and war developments will be the focus to start next week. Ethanol production and stocks were lower last week, and margins have firmed this week. Barge freight was sharply lower yesterday which lead to firmer interior bids. Argentine truckers continue to strike impacting harvest progress.

Grains are mostly higher in front of long Holiday weekend. SN is up 10 cents and near 16.75. SX is near 15.12. SMN is near 463.8. BON is near 76.09. CN is up 2 cents and near 7.80. CZ is near 7.38 and new highs. WK is up 7 cents and near 11.21. WN is near 11.28. KWK is up 4 cents and near 11.78. KWN is near 11.90. MWK is up 7 cents and near 11.66. MWN is near 11.61. Question is how much current prices are factoring in all news. US Dollar is lower. Crude is mixed and near \$104. Ukraine war continues. US stocks are mixed. Investors watching, inflation, global economic growth and earnings. US Midwest weather will be a mixture on cool/wet east and cool/dry west. Dry weather continues in US south plains. Some rains forecast for late next week. Central Brazil and Argentina are dry. Ukraine and Russia wet. Soybean futures rallied on talk US SBO is cheapest vegoil, Argentina trucker strike slowing Argentina exports and talk of cancelled delivery receipts. China Jan-Mar meat imports down 37 percent due to higher domestic supplies. May soybean board crush +1.90 cash +2.50. Argentina soybean harvest 19 pct vs 25 average. Slow harvest due to diesel shortage and trucker strike. Crop est at 23 pct G/E and 42 mmt vs USDA 43.5. August Brazil export basis +230 vs US +130. Weekly US soybean export sales est at 300-1,000 mt old crop and 100-500 new US wheat futures are up for 5th straight day. Egypt bought French wheat at record high \$494. Tender suggested less offers from Russia, Ukraine and Baltic due to export risk. Egypt may now turn to India where prices are near \$325-350. US south plains are dry. Temps should begin to warm seasonally. EU weather model has rain late next week. GFS is drier. Key to Mondays trade will be this rain event. Weekly US wheat export sales est at 100-250 mt old crop and 100-400 new US corn futures are higher. CN is near 7.80 and CZ is near 7.38. Both new highs. East US Midwest weather is wet and could delay corn plantings there. Ukraine war continues. US military aid increasing. Ukraine corn exports and 2022 crops in doubt. There will be a seasonal increase in US ethanol blend demand. There is also talk of increase interest for US ethanol exports. Argentina corn price a steep discount to US. Argentina corn crop rated 20 pc G/E with crop est at 49 mmt vs USDA 53. Argentina trucker strike continues. Weekly US corn export sales est at 850-1,700 mt old crop and 300-800 new

Brazil's Advanced Soy Sales Below Average on Fertilizer Shortage

Brazilian farmers have sold in advance 9.8% of the expected 2022-23 soybean crop through April 11. That's below 14% for the same period last year and just over half the five-year average of 17.8%, says Luiz Fernando Roque, an analyst at Safras & Mercado. Uncertainties surrounding fertilizer supplies have hampered barter trading, which usually spurs advanced sales, Roque says in a telephone interview. "Farmers have been showing little advance in operations to lock in costs, which is risky". Forward sales are up just slightly from 7.1% on March 4. Sales of the current crop were 56.6% complete as of April 11, up from 48.5% in the March report - that's below 67.4% in the same period last season and in line with five-year average.

Argentina Trucker Protests to Continue With No Deal Reached

A strike by Argentine truckers of grains and oilseeds is set to continue after a three-hour meeting mediated by authorities failed to yield an agreement over freight rates. "We hope that in the coming days it can be resolved," Transport Secretary Diego Giuliano said in a statement. Crop exporters say stockpiles at ports would run out next week if the strike continues, disrupting shipments.

Trucks Stay Away From Argentina Grain Ports Amid Diesel Strike

Just 13 trucks were lined up to enter ports on Tuesday, when the daily average a year ago was 4,530, trucking agency AgroEntregas says on Twitter. "Entry of trucks at its minimum expression," the agency wrote, adding that "Everyone is awaiting for the transporters-government meeting, which will begin in a few more minutes". Argentine Transporters' Association FeTrA started a strike on Monday to protest diesel shortages. Truckers were blocking access to several ports run by Cargill, Louis Dreyfus and other traders, according to AgroEntregas.

EU Wheat Supplies Improve With Russia Still Shipping: Strategic

"Developments over the past few weeks have indicated that Russia has been managing to export more wheat than the small quantities we previously anticipated," analyst Strategie Grains says in an emailed report. Shipments from Russia "much less severely affected" by the war than those from Ukraine, where sales have been reduced to a minimum. Russian Black Sea ports remain operational, and maritime traffic slowly resuming in Azov Sea. As a result, EU wheat export demand is reduced, aiding reserves. Meanwhile, corn supplies in Europe remain tight. There is a small amount of Ukrainian corn arriving via land routes, and EU is also accelerating purchases from U.S., Canada, Moldova and South Africa. Market also "feverishly awaits" Brazil's second-crop corn harvest.

Fertilizer Prices Mixed

New Orleans and Brazil urea prices stayed under pressure in early week trading, while harder-to-find potash and phosphates trended firm-to-higher at most locations. In the U.S. heartland, prices for other major nitrogen products remained strong. California ammonia prices moved up 32 percent since the last report, following higher levels already attained in the Cornbelt and Tampa.

Commodities in supercycle early innings according to Goldman Sachs

Jeff Currie, Goldman Sachs Group Inc.'s head of commodities research, says commodities are in a "volatility trap." He characterizes a "volatility trap" in which "higher vol discourages more investment, which then reinforces higher vol." On the latest episode of the Odd Lots podcast, Currie argues that this dynamic means we're just in the early innings of the new commodities supercycle he began forecasting last year. He explained investment is the only thing that can end a supercycle. Resolving underinvestment in commodities is one of the key economic challenges of our time and the pace of new investment will be crucial for any longer-term commodity market forecasts. The financing isn't there for the type of scale investments needed.

Eight new HPAI commercial flocks confirmations

USDA's Animal and Plant Health Inspection Service has confirmed new cases of highly pathogenic avian influenza (HPAI) in eight commercial flocks in Nebraska (1,746,853 commercial layer chickens in Dixon County), Minnesota (214,277 commercial layer chickens in Morrison County; 43,286 commercial broiler chickens in Morrison County; 50,000 commercial turkeys in Yellow Medicine County; 38,000 commercial turkeys in Kandiyohi County; and 45,000 commercial turkeys in Morrison County), and Wisconsin (52,000 commercial turkeys in Barron County). This brings the commercial flocks confirmed with HPAI to 121.

Bird flu raises egg prices

Severe bird flu outbreaks in the United States and France are tightening global egg supplies and raising prices. Wholesale prices for large eggs in the U.S. Midwest topped \$3 per dozen in March and reached the second-highest level ever, up nearly 200% from a year earlier on the spot market, data firm Urner Barry said. Prices remained below the record of \$3.09 per dozen set at the beginning of the COVID-19 pandemic. Egg products like liquid whole eggs are at record highs, though, Urner Barry said. In France, wholesale shell egg prices have climbed 69% from last year, French farm office FranceAgriMer said. As a result, consumers could see higher prices for food products made with eggs. The outbreak of war, not just disease, is disrupting supply chains for Middle East buyers.

24-Hour Precipitation Map

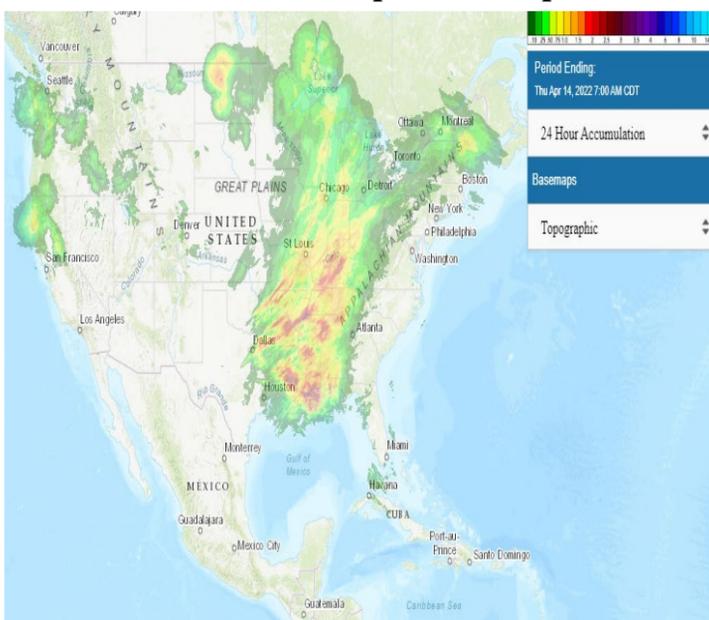


Chart of the Day

U.S. Inflation Surges to a 4-Decade High

Year-over-year change in the Consumer Price Index for All Urban Consumers in the U.S.*



* not seasonally adjusted
** average annual increase of the CPI-U over the previous three years
Source: Bureau of Labor Statistics