



Daily Futures Market Commentary Grains Morning Outlook

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Grains are mixed to lower. USDA report day. All quiet on the trading front. SK is down 2 cents and near 15.12. SMK is near 485.6. BOK is near 58.93. CK is unch and near 6.33. WK is down 5 cents and near 6.93. KWK is down 2 cents and near 7.97. MWK is down 2 cents and near 8.50. Fed Chairman Powell hawkish comments sent S/P from recent high near 4,119 to 4,021, Crude from 81.04 to 76.98 and US Dollar from 103.73 to 105.22.

On Tuesday, Managed were net buyers of 3,000 Chicago wheat and sold 2,000 corn, 6,000 soybeans, 1,000 soymeal and 6,000 soyoil. We now estimate Managed funds to be short 95,000 Chicago wheat, long 160,000 corn, 154,000 soybeans, 162,000 soymeal and 16,000 soyoil.

SK has had a wild ride from 15.49 to 14.77 to 15.31 to 15.11. Market trying to find value with lower Argentina supply offset by record Brazil soybean crop and uncertainty over total China import demand. China Jan-Feb imports were record 16 mmt but did drop soybean and soymeal. Dalian futures and domestic crush margins. Palmoil and rapeseed oil are lower following selloff in Crude and concern about Asian demand. Some feel SA can still ship 50 mmt of soymeal but Brazil could jump to 23 mmt and overtake Argentina as largest SA exporter and Paraguay could export record 3 mmt. Most look for USDA not to lower Argentina crop as low as some est near 30 mmt. After today trade will prepare for USDA March 31 acreage and stocks report. BOK has gone from 63.75 to 58.31 on higher US supply due to higher crush for soymeal. Forecast of higher demand for US biofuel has yet to drop soyoil supply but increase in demand could send BON higher this summer.

CK has went from 6.82 to a recent low at 6.22. WK-CK is only 50 cents. Most look for USDA not to lower Argentina crop as low as some est near 39 mmt. After today trade will prepare for key USDA March 31 acreage and stocks report. Brazil corn prices and near \$7.00 vs US futures near 6.33. Matif corn is near 1 year low. There is concern about EU feed demand due to widespread bird flu. Given difference in freight US PNW corn is now cheapest price to China. USDA today will have to balance lower Argentina supply versus record Brazil new crop, uncertainty 2023 Ukraine supply and fact US exports to date are down 39 pct from last year.

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MWK made new contract lows. Matif wheat futures are near 13 month lows. Russia reported wheat stocks near 30 mmt vs USDA 16. There is some talking on Ukraine export corridor extension but no progress is reported. WK has gone from a recent high near 8.07 a low near 6.89 on lower demand for US exports and record high Russia export supply and lower Russia export prices. US south plains, Canada and Australia 2023 supply could be lower due to dry weather. US SRW and WW PNW wheat could be record high but trade will be watching talk of colder US Midwest mid April temps. Lower corn prices also offers resistance to wheat prices with some wheat supply now a feedgrain.

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