



Daily Futures Market Commentary Grains Morning Outlook

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Grains are mixed to lower. SK is up 1 cent and near 15.08. SMK is near 485.7. BOK is near 56.66. CK is down 2 cents and near 6.14. WK is down 5 cents and near 6.74. KWK is down 6 cents and near 7.92. MWK is unch and near 8.24. US stocks are higher, US Dollar is lower. Crude is lower. Gold is higher.

On Friday, Managed were net buyers of 3,000 Chicago wheat and 4,000 corn and sold 2,000 soybeans, 2,000 soyoil and 1,000 soymeal. We now estimate Managed funds to be short 103,000 Chicago wheat, long 149,000 corn, 153,000 soybeans, 159,000 soymeal and 11,000 soyoil.

Corn futures dropped to a new post harvest low following lower wheat prices and bearish chart pattern selling. Lower Argentina supply, lack of Brazil export supply and concern about Ukraine export supplies offers support. Wet weather across US Delta and SE could delay corn plantings there.

Lower Argentina soybean supply offers support. Low weekly US export sales offers resistance. SK support is 15.00 with a trade over 15.60 needed to could signal a longer term technical bullish breakout. Word that China may have switched 1.0 mmt of Argentina soybeans to US could offer support.

Wheat futures are lower. WK dropped to lowest level since July 2021. At current prices there is no Ukraine war premium or any 2023 weather problem price premium. Steep drop in EU and Russia wheat export prices is the main driver for lower US futures.

Federal Reserve and the Federal Deposit Insurance Corp. have guaranteed all deposits of SVB. Regulators also said they had taken control of Signature Bank. The moves appeared to shore up wavering confidence in the American banking system. The dollar weakened against all major currencies as the Fed's move to support the banking system raised questions about the pace of future rate increases. The market is now pricing only two hikes this year and a cut in November. Goldman Sachs economists no longer expects the Fed to increase rates at its March meeting.

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