

Daily Futures Market Commentary Grains Morning Outlook

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March 15, 2023

March Madness. Grains are lower. SK is down 8 cents and near 14.86. SX is down 8 cents and near 13.29. SMK is near 479.6. BOK is near 55.53. CK is unch and near 6.20. CZ is down 2 cents and near 5.56. WK is down 2 cents and near 6.93. KWK is down 5 cents and near 8.12. MWK is unch and near 8.50. US stocks are lower. US Dollar is sharply higher. Crude is lower. Gold is higher. Silver, copper, coffee, cocoa and cotton are lower.

On Tuesday, Managed were net buyers of 5,000 Chicago wheat, 5,000 corn, even soybeans, 1,000 soyoil and even soymeal. We now estimate Managed funds to be short 86,000 Chicago wheat, long 73,000 corn, 136,000 soybeans, 148,000 soymeal and 13,000 soyoil.

Big overnight surprise was new CFTC Managed fund position as of Feb 28. Funds were short 91,000 short wheat (-5,000), long only 68,000 corn (-147,000), long 129,000 soybeans (-59,000), long 139,000 soymeal (-13,000) and long 28,000 soyoi (+2,000). Some feel CFTC may have reclassified some Index funds to Managed and they were the large sellers.

Soybeans are lower along we steep losses in equities and energies. US Dollar is also higher. Some feel Crude needs to rally and Dollar needs to break before grains can rally. Brazil soybean export prices are down below \$550 for April-June. Brazil soybean export line up is 13 mmt . Argentina may have bought 100-200 mt Brazil soybeans for May-June. Argentina is mostly dry. Central Brazil rain could be slowing harvest. US NOPA soybean crush should be near 166 mil bu vs 179 last month and 165 ly. There is talk that EU crushers may be switching to soybeans. Dalian soybean, soymeal and soyoil prices were lower. Palmoil was higher.

Corn futures have dropped from overnight highs. Corn rallied after USDA announced 612 mt US corn to China. CFTC Feb 28 data of lower Managed funds corn net long offered support. Brazil corn export line up and shipments are only 960 mt with no export offers until LH July. Argentina is out of the export market. There is no word on the extension of the Ukraine export corridor deal. Russia may want only a 60 day extension while Ukraine wants atleast a year. US corn pipeline is low due to slow farmer selling. As of now, large Managed funds do not care about tight supplies and higher basis.

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Wheat futures have turned lower. We have seen a short covering rally due to oversold tech picture and low RSI. Some feel Crude needs to rally and Dollar needs to break before grains can rally. Snow and cold temps continue to US north plains. SRW areas are wet. HRW areas are dry, Canada is dry and cold. There is 1.2 mmt of export waiting in Turkey 25-40 days for inspection and 900 mt waiting 40-80 days.

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