



## Daily Futures Market Commentary Grains Morning Outlook

**By Steve Freed, Senior Ag Consultant**

**May 26, 2023**

Grains are mostly higher. Some short covering before US long holiday weekend. SN is up 10 cents and near 13.34. SMN is near 399.5. BON is near 49.12. CN is up 4 cents and near 5.94. WN is up 5 cents and near 6.09. KWN is up 11 cents and near 8.29. MWN is up 13 cents and near 8.19. US stocks are lower. US Dollar is lower. Crude is higher and near \$72. Commodity market challenged with uncertain US and Russia weather, slow China economy, Russia geo-political issues, Ukraine war and US debt ceiling talks. Gold, silver, copper, coffee, cocoa and cotton futures are higher. CBOT grains are closed Monday for holiday.

On thirsty Thursday, Managed funds were net even Chicago wheat, sold 3,000 soybeans, 2,000 soymeal and 2,000 corn and bought 2,000 soyoil. We now estimate Managed funds to be short 131,000 Chicago wheat, short 131,000 corn, short 20,000 soyoil, and long 23,000 soybeans and 44,000 soymeal.

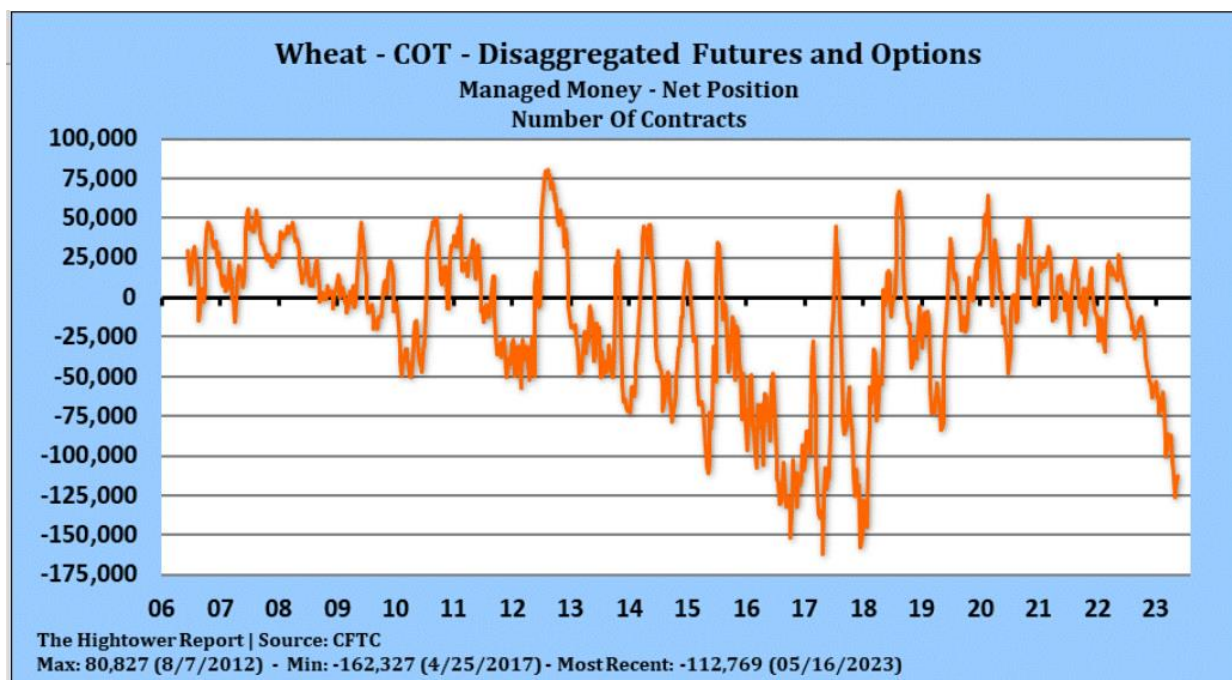
SN remains in a 13.00-13.50 range. US Midwest drier forecast should offer support. Large Brazil soybean supplies, slower China soybean import demand for US soybeans, global poultry and pork diseases, and increase in alternative oilseed meals is weighing on soymeal futures. Some report China domestic soymeal buying down due to more cases on Covid. Malaysian palmoil prices are higher. Dalian soybean and soymeal prices were lower. Palmoil and soyoil prices were higher.

CN is now closer to 6.00. Weekly US ethanol stocks were down 7 pct last year. Margins remain positive. Weekly old crop US corn export sales were near 75 and 55 mt new crop. There appears to be more competition for US corn exports with higher Brazil crop and higher Argentina and Ukraine 2024 crops. Brazil 2024 crop could also be higher. This suggest corn futures up to domestic demand and US summer weather. US farmer not selling esp new crop.

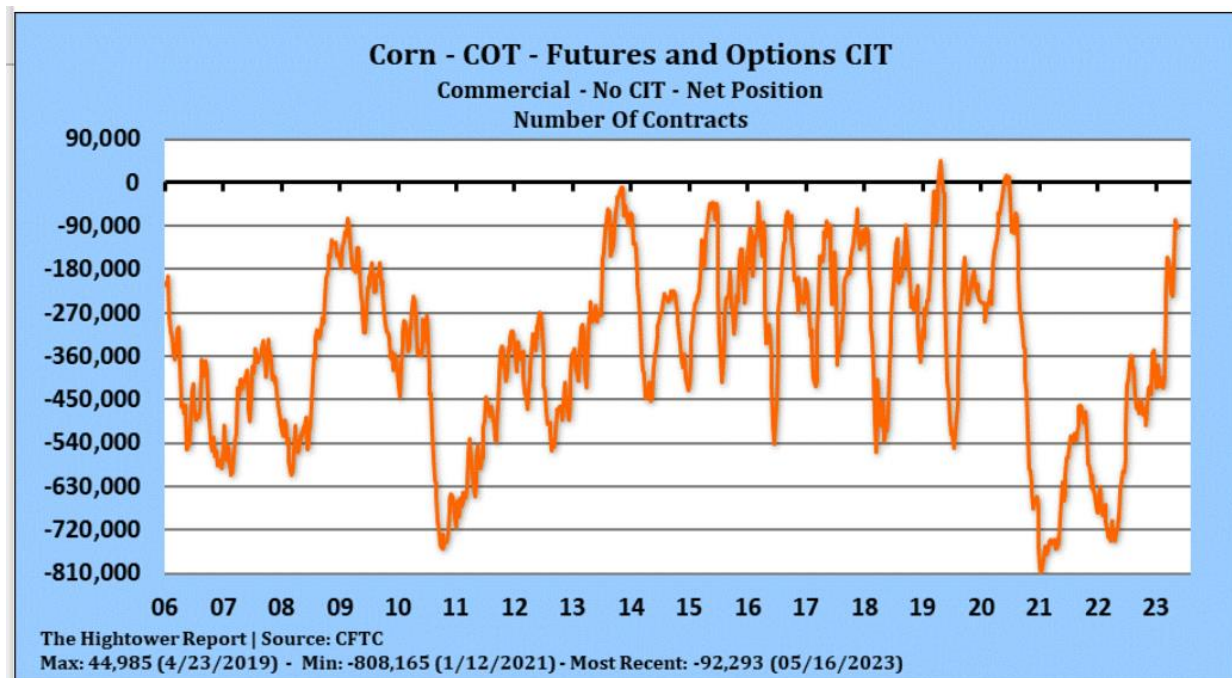
Wheat futures are higher. Choppy wheat trade continues and hard to trade for both bulls and bears. No new word on Ukraine export corridor. Rains are helping Argentina wheat. Australia wheat futures are higher. WN and KWN has bounced off 6.00 and 8.00 support respectfully. KWN between 8.00-8.50. MWN is also now above 8.00. all following higher corn prices. Managed funds record short World wheat futures. Importer demand is down due to lack of cash and hard currency.

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